

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2017 (Based on Japanese GAAP)

July 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: August 10, 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 three months ended June 30, 2017 (from April 1, 2017 to June 30, 2017)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2017	24,948	1.1	2,073	5.0	2,205	6.3	1,299	9.6
Three months ended June 30, 2016	24,673	7.0	1,974	(2.2)	2,075	(1.0)	1,186	1.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2017	68.38		–	
Three months ended June 30, 2016	62.42		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2017	110,115	54,152	43.4
As of March 31, 2017	109,725	53,078	42.6

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, 2017	–	20.00	–	20.00	40.00
Year ending March 31, 2018	–				
Year ending March 31, 2018 (Forecast)		22.50	–	22.50	45.00

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	105,000	5.9	9,800	23.3	10,000	18.8	5,700	12.8	299.91

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2017
 (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: No
- 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 June 30, 2017	19,012,000 shares	As of March 31, 2017	19,012,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2017	6,423 shares	As of March 31, 2017	6,382 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2017	19,005,610 shares	Three months ended June 30, 2016	19,005,658 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
Assets		
Current assets		
Cash and deposits	9,314	8,352
Notes and accounts receivable - trade	12,815	12,981
Merchandise	19	18
Supplies	97	89
Other	1,451	1,761
Allowance for doubtful accounts	(30)	(31)
Total current assets	23,667	23,171
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	29,492	29,563
Land	39,614	40,002
Other, net	10,586	10,901
Total property, plant and equipment	79,694	80,467
Intangible assets	2,045	2,094
Investments and other assets	4,318	4,382
Total non-current assets	86,058	86,943
Total assets	109,725	110,115
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,038	5,908
Short-term loans payable	19,221	19,643
Income taxes payable	1,221	860
Provision for bonuses	801	514
Provision for directors' bonuses	34	14
Reserve for loss on dissolution of employee's pension fund	6	–
Other	6,821	7,111
Total current liabilities	34,146	34,053
Non-current liabilities		
Long-term loans payable	9,000	8,469
Net defined benefit liability	5,656	5,725
Reserve for loss on dissolution of employee's pension fund	42	42
Other	7,801	7,671
Total non-current liabilities	22,500	21,909
Total liabilities	56,647	55,962

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
Net assets		
Shareholders' equity		
Capital stock	6,547	6,547
Capital surplus	6,466	6,466
Retained earnings	33,794	34,714
Treasury shares	(9)	(9)
Total shareholders' equity	46,799	47,718
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	251	280
Remeasurements of defined benefit plans	(264)	(252)
Total accumulated other comprehensive income	(12)	28
Non-controlling interests	6,291	6,405
Total net assets	53,078	54,152
Total liabilities and net assets	109,725	110,115

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

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Operating revenue	24,673	24,948
Operating cost	22,079	22,243
Operating gross profit	2,593	2,705
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	(0)	0
Directors' compensations	134	145
Salaries and allowances	123	121
Provision for bonuses	22	29
Provision for directors' bonuses	(1)	9
Retirement benefit expenses	6	5
Other	334	319
Total selling, general and administrative expenses	619	631
Operating profit	1,974	2,073
Non-operating income		
Interest income	0	0
Dividend income	21	21
Subsidy income	3	4
Electrical Sales Income	120	126
Miscellaneous income	101	109
Total non-operating income	246	262
Non-operating expenses		
Interest expenses	58	50
Cost of electricity sales	66	64
Miscellaneous loss	20	14
Total non-operating expenses	145	129
Ordinary profit	2,075	2,205
Extraordinary losses		
Impairment loss	26	-
Loss on transfer and closing of logistics center	-	24
Compensation for damage	51	-
Total extraordinary losses	77	24
Profit before income taxes	1,998	2,181
Income taxes - current	730	825
Income taxes - deferred	(93)	(124)
Total income taxes	637	700
Profit	1,360	1,480
Profit attributable to		
Profit attributable to owners of parent	1,186	1,299
Profit attributable to non-controlling interests	174	180
Other comprehensive income		
Valuation difference on available-for-sale securities	(79)	30
Remeasurements of defined benefit plans, net of tax	14	15
Total other comprehensive income	(64)	45
Comprehensive income	1,296	1,526
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,125	1,340
Comprehensive income attributable to non-controlling interests	171	186