

Translation

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

October 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: November 9, 2017
 Scheduled date to commence dividend payments: December 1, 2017
 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, 2017 (from April 1, 2017 to September 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	%
Six months ended September 30, 2017	50,218	1.9	4,106	6.8	4,372	8.5	2,521	7.7
Six months ended September 30, 2016	49,292	6.3	3,844	(4.5)	4,031	(2.7)	2,342	0.5

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2017	132.69	–
Six months ended September 30, 2016	123.25	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2017	111,692	55,591	43.9
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	Yen	Yen	Yen	Yen
Year ended March 31, 2017	–	20.00	–	20.00	40.00
Year ending March 31, 2018	–	22.50	–	–	–
Year ending March 31, 2018 (Forecast)	–	–	–	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 six months ended September 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 September 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 September 30, 2017	6,490 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)

Six months ended September 30, 2017	19,005,581 shares	Six months ended September 30, 2016	19,005,650 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017
Assets		
Current assets		
Cash and deposits	9,314	8,006
Notes and accounts receivable - trade	12,815	13,741
Merchandise	19	18
Supplies	97	108
Other	1,451	1,719
Allowance for doubtful accounts	(30)	(66)
Total current assets	23,667	23,528
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	29,492	30,470
Land	39,614	40,531
Other, net	10,586	10,780
Total property, plant and equipment	79,694	81,781
Intangible assets	2,045	2,104
Investments and other assets	4,318	4,278
Total non-current assets	86,058	88,164
Total assets	109,725	111,692
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,038	6,420
Short-term loans payable	19,221	19,236
Income taxes payable	1,221	1,588
Provision for bonuses	801	879
Provision for directors' bonuses	34	24
Reserve for loss on dissolution of employee's pension fund	6	-
Other	6,821	6,603
Total current liabilities	34,146	34,751
Non-current liabilities		
Long-term loans payable	9,000	7,859
Net defined benefit liability	5,656	5,743
Reserve for loss on dissolution of employee's pension fund	42	42
Other	7,801	7,703
Total non-current liabilities	22,500	21,349
Total liabilities	56,647	56,101
Net assets		
Shareholders' equity		
Capital stock	6,547	6,547
Capital surplus	6,466	6,466
Retained earnings	33,794	35,936
Treasury shares	(9)	(9)
Total shareholders' equity	46,799	48,940
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	251	291
Remeasurements of defined benefit plans	(264)	(240)
Total accumulated other comprehensive income	(12)	51
Non-controlling interests	6,291	6,599
Total net assets	53,078	55,591
Total liabilities and net assets	109,725	111,692

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

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Operating revenue	49,292	50,218
Operating cost	44,239	44,837
Operating gross profit	5,052	5,380
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	0	36
Directors' compensations	277	294
Salaries and allowances	245	244
Provision for bonuses	38	40
Provision for directors' bonuses	8	21
Retirement benefit expenses	13	11
Other	624	625
Total selling, general and administrative expenses	1,208	1,274
Operating profit	3,844	4,106
Non-operating income		
Interest income	0	0
Dividend income	22	23
Gain on sales of non-current assets	56	72
Subsidy income	10	47
Electrical Sales Income	235	244
Miscellaneous income	146	149
Total non-operating income	471	537
Non-operating expenses		
Interest expenses	114	101
Cost of electricity sales	131	127
Miscellaneous loss	38	42
Total non-operating expenses	284	271
Ordinary profit	4,031	4,372
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	–	10
Impairment loss	26	–
Loss on transfer and closing of logistics center	37	95
Compensation for damage	51	–
Subsidiary transfer cost	61	–
Total extraordinary losses	176	106
Profit before income taxes	3,960	4,265
Income taxes - current	1,270	1,438
Income taxes - deferred	(11)	(61)
Total income taxes	1,258	1,376
Profit	2,701	2,888
Profit attributable to		
Profit attributable to owners of parent	2,342	2,521

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Profit attributable to non-controlling interests	359	367
Other comprehensive income		
Valuation difference on available-for-sale securities	(28)	45
Remeasurements of defined benefit plans, net of tax	29	31
Total other comprehensive income	0	77
Comprehensive income	2,702	2,965
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,337	2,586
Comprehensive income attributable to non-controlling interests	365	379