

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2017 (Based on Japanese GAAP)

January 29, 2018

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 8, 2018  
 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, 2017 (from April 1, 2017 to December 31, 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	%
Nine months ended December 31, 2017	77,983	3.6	6,935	10.5	7,251	9.3	4,153	7.0
Nine months ended December 31, 2016	75,247	4.9	6,276	(3.1)	6,631	0.1	3,882	4.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2017	218.54		–	
Nine months ended December 31, 2016	204.26		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2017	111,233	57,106	45.2
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	–	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 nine months ended December 31, 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 December 31, 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 December 31, 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)

Nine months ended December 31, 2017	19,005,558 shares	Nine months ended December 31, 2016	19,005,639 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
<b>Assets</b>		
Current assets		
Cash and deposits	9,314	7,150
Notes and accounts receivable - trade	12,815	14,775
Merchandise	19	13
Supplies	97	102
Other	1,451	1,625
Allowance for doubtful accounts	(30)	(36)
Total current assets	23,667	23,631
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	29,492	30,206
Land	39,614	40,530
Other, net	10,586	10,436
Total property, plant and equipment	79,694	81,173
Intangible assets	2,045	2,086
Investments and other assets	4,318	4,341
Total non-current assets	86,058	87,601
Total assets	109,725	111,233
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	6,038	6,897
Short-term loans payable	19,221	17,816
Income taxes payable	1,221	1,048
Provision for bonuses	801	477
Provision for directors' bonuses	34	37
Reserve for loss on dissolution of employee's pension fund	6	-
Other	6,821	7,333
Total current liabilities	34,146	33,610
Non-current liabilities		
Long-term loans payable	9,000	7,375
Net defined benefit liability	5,656	5,776
Reserve for loss on dissolution of employee's pension fund	42	42
Other	7,801	7,322
Total non-current liabilities	22,500	20,516
Total liabilities	56,647	54,127
<b>Net assets</b>		
Shareholders' equity		
Capital stock	6,547	6,547
Capital surplus	6,466	6,466
Retained earnings	33,794	37,140
Treasury shares	(9)	(9)
Total shareholders' equity	46,799	50,144
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	251	364
Remeasurements of defined benefit plans	(264)	(228)
Total accumulated other comprehensive income	(12)	136
Non-controlling interests	6,291	6,825
Total net assets	53,078	57,106
Total liabilities and net assets	109,725	111,233

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

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Operating revenue	75,247	77,983
Operating cost	67,192	69,136
Operating gross profit	8,054	8,846
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	3	43
Directors' compensations	420	441
Salaries and allowances	363	371
Provision for bonuses	42	48
Provision for directors' bonuses	20	34
Retirement benefit expenses	19	17
Other	908	954
Total selling, general and administrative expenses	1,778	1,911
Operating profit	6,276	6,935
Non-operating income		
Interest income	0	0
Dividend income	28	31
Gain on sales of non-current assets	80	104
Subsidy income	154	60
Electrical Sales Income	303	316
Miscellaneous income	216	218
Total non-operating income	785	731
Non-operating expenses		
Interest expenses	168	149
Cost of electricity sales	197	191
Miscellaneous loss	63	75
Total non-operating expenses	429	416
Ordinary profit	6,631	7,251
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	-	32
Impairment loss	26	43
Loss on transfer and closing of logistics center	45	110
Compensation for damage	51	-
Subsidiary transfer cost	61	-
Total extraordinary losses	184	186
Profit before income taxes	6,551	7,064
Income taxes - current	1,857	2,174
Income taxes - deferred	221	107
Total income taxes	2,078	2,282
Profit	4,473	4,781
Profit attributable to		
Profit attributable to owners of parent	3,882	4,153
Profit attributable to non-controlling interests	591	627

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Other comprehensive income		
Valuation difference on available-for-sale securities	101	128
Remeasurements of defined benefit plans, net of tax	44	46
Total other comprehensive income	145	175
Comprehensive income	4,619	4,956
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,980	4,302
Comprehensive income attributable to non-controlling interests	639	654