

**Translation**

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**Summary of Consolidated Financial Results  
for the Year Ended March 31, 2018  
(Based on Japanese GAAP)**

May 9, 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 of ordinary general meeting of shareholders: June 14, 2018  
 Scheduled date to file Securities Report: June 14, 2018  
 Scheduled date to commence dividend payments: June 15, 2018  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)

(1) Consolidated operating results

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	%
Year ended March 31, 2018	103,476	4.3	9,029	13.6	9,516	13.0	5,575	10.3
Year ended March 31, 2017	99,191	4.2	7,948	(2.0)	8,420	1.2	5,053	6.9

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2018	293.35	-	11.3	8.6	8.7
Year ended March 31, 2017	265.88	-	11.3	7.8	8.0

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2018	112,705	58,641	45.8	2,717.22
As of March 31, 2017	109,725	53,078	42.6	2,461.73

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2018	11,673	(4,475)	(7,094)	9,012
Year ended March 31, 2017	11,764	(1,887)	(5,639)	8,909

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2017	-	20.00	-	20.00	40.00	760	15.0	1.7
Year ended March 31, 2018	-	22.50	-	22.50	45.00	855	15.3	1.7
Year ending March 31, 2019 (Forecast)	-	26.00	-	26.00	52.00		16.5	

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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	108,000	4.4	9,600	6.3	10,000	5.1	6,000	7.6	315.70

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2018

(changes in specified subsidiaries resulting in the change in scope of consolidation):

No

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2018	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 March 31, 2018	6,514 shares	As of March 31, 2017	6,382 shares
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Average number of shares during the period

Year ended March 31, 2018	19,005,542 shares	Year ended March 31, 2017	19,005,634 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	9,314	9,530
Notes and accounts receivable - trade	12,815	14,362
Merchandise	19	16
Supplies	97	93
Deferred tax assets	431	496
Other	1,019	1,029
Allowance for doubtful accounts	(30)	(44)
Total current assets	23,667	25,484
Non-current assets		
Property, plant and equipment		
Buildings and structures	60,999	63,432
Accumulated depreciation	(31,506)	(33,603)
Buildings and structures, net	29,492	29,829
Machinery and equipment	4,742	5,025
Accumulated depreciation	(2,062)	(2,530)
Machinery and equipment, net	2,680	2,494
Vehicles	7,595	7,440
Accumulated depreciation	(7,130)	(6,984)
Vehicles, net	465	455
Land	39,614	40,530
Leased assets	11,464	11,375
Accumulated depreciation	(4,410)	(4,772)
Leased assets, net	7,053	6,602
Construction in progress	4	453
Other	2,254	2,312
Accumulated depreciation	(1,871)	(1,886)
Other, net	383	426
Total property, plant and equipment	79,694	80,793
Intangible assets	2,045	2,150
Investments and other assets		
Investment securities	1,420	1,524
Long-term loans receivable	9	23
Long-term prepaid expenses	134	150
Lease and guarantee deposits	1,837	1,623
Deferred tax assets	510	509
Other	476	551
Allowance for doubtful accounts	(70)	(108)
Total investments and other assets	4,318	4,276
Total non-current assets	86,058	87,220
Total assets	109,725	112,705

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	6,038	6,777
Short-term loans payable	19,221	17,294
Lease obligations	1,878	1,883
Income taxes payable	1,221	1,922
Accrued consumption taxes	1,337	804
Provision for bonuses	801	880
Deferred tax liabilities	0	0
Provision for directors' bonuses	34	34
Reserve for loss on dissolution of employee's pension fund	6	2
Other	3,605	4,602
<b>Total current liabilities</b>	<b>34,146</b>	<b>34,201</b>
<b>Non-current liabilities</b>		
Long-term loans payable	9,000	6,792
Lease obligations	5,656	5,172
Deferred tax liabilities	548	541
Net defined benefit liability	5,656	5,815
Reserve for loss on dissolution of employee's pension fund	42	39
Other	1,596	1,500
<b>Total non-current liabilities</b>	<b>22,500</b>	<b>19,861</b>
<b>Total liabilities</b>	<b>56,647</b>	<b>54,063</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	6,547	6,547
Capital surplus	6,466	6,466
Retained earnings	33,794	38,562
Treasury shares	(9)	(9)
<b>Total shareholders' equity</b>	<b>46,799</b>	<b>51,566</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	251	325
Remeasurements of defined benefit plans	(264)	(250)
<b>Total accumulated other comprehensive income</b>	<b>(12)</b>	<b>75</b>
<b>Non-controlling interests</b>	<b>6,291</b>	<b>6,999</b>
<b>Total net assets</b>	<b>53,078</b>	<b>58,641</b>
<b>Total liabilities and net assets</b>	<b>109,725</b>	<b>112,705</b>

## Consolidated statements of income and consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Operating revenue	99,191	103,476
Operating cost	88,839	91,915
Operating gross profit	10,351	11,561
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	2	59
Directors' compensations	546	567
Salaries and allowances	495	527
Provision for bonuses	67	68
Provision for directors' bonuses	23	33
Retirement benefit expenses	25	23
Taxes and dues	396	412
Other	844	839
Total selling, general and administrative expenses	2,403	2,531
Operating profit	7,948	9,029
Non-operating income		
Interest income	0	0
Dividend income	29	33
Rent income	85	91
Commission fee	48	49
Gain on sales of non-current assets	122	122
Subsidy income	220	177
Electrical Sales Income	386	395
Miscellaneous income	150	159
Total non-operating income	1,044	1,031
Non-operating expenses		
Interest expenses	220	193
Loss on sales and retirement of non-current assets	20	25
Cost of electricity sales	263	254
Miscellaneous loss	67	70
Total non-operating expenses	572	544
Ordinary profit	8,420	9,516
Extraordinary income		
Gain on sales of non-current assets	39	–
Gain on sales of investment securities	65	–
Total extraordinary income	105	–

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Extraordinary losses		
Loss on retirement of non-current assets	47	60
Impairment loss	26	43
Compensation for damage	51	–
Loss on transfer and closing of logistics center	45	134
Subsidiary transfer cost	61	–
Total extraordinary losses	232	238
Profit before income taxes	8,293	9,278
Income taxes - current	2,429	2,981
Income taxes - deferred	51	(85)
Total income taxes	2,480	2,896
Profit	5,812	6,382
Profit attributable to		
Profit attributable to owners of parent	5,053	5,575
Profit attributable to non-controlling interests	759	807
Other comprehensive income		
Valuation difference on available-for-sale securities	90	88
Remeasurements of defined benefit plans, net of tax	40	21
Total other comprehensive income	131	110
Comprehensive income	5,943	6,492
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,161	5,663
Comprehensive income attributable to non-controlling interests	782	829

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2017

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	6,547	6,466	29,406	(9)	42,411
Changes of items during period					
Dividends of surplus			(665)		(665)
Profit attributable to owners of parent			5,053		5,053
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	4,388	(0)	4,387
Balance at end of current period	6,547	6,466	33,794	(9)	46,799

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	178	(298)	(120)	5,594	47,885
Changes of items during period					
Dividends of surplus					(665)
Profit attributable to owners of parent					5,053
Purchase of treasury shares					(0)
Net changes of items other than shareholders' equity	73	34	107	697	805
Total changes of items during period	73	34	107	697	5,193
Balance at end of current period	251	(264)	(12)	6,291	53,078

Fiscal year ended March 31, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	6,547	6,466	33,794	(9)	46,799
Changes of items during period					
Dividends of surplus			(807)		(807)
Profit attributable to owners of parent			5,575		5,575
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	4,767	(0)	4,767
Balance at end of current period	6,547	6,466	38,562	(9)	51,566

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	251	(264)	(12)	6,291	53,078
Changes of items during period					
Dividends of surplus					(807)
Profit attributable to owners of parent					5,575
Purchase of treasury shares					(0)
Net changes of items other than shareholders' equity	74	14	88	707	796
Total changes of items during period	74	14	88	707	5,563
Balance at end of current period	325	(250)	75	6,999	58,641



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Cash flows from operating activities		
Profit before income taxes	8,293	9,278
Depreciation	4,716	4,944
Increase (decrease) in allowance for doubtful accounts	(12)	51
Increase (decrease) in provision for bonuses	(36)	67
Increase (decrease) in provision for directors' bonuses	(5)	(0)
Increase (decrease) in net defined benefit liability	19	121
Interest and dividend income	(30)	(33)
Interest expenses	220	193
Loss on sales and retirement of noncurrent assets	76	85
Decrease (increase) in notes and accounts receivable - trade	388	(1,396)
Increase (decrease) in notes and accounts payable - trade	(0)	642
Increase (decrease) in accrued consumption taxes	1,133	(457)
Decrease (increase) in consumption taxes refund receivable	415	–
Loss on compensation for damage	51	–
Increase/decrease in other assets/liabilities	(27)	665
Other, net	(193)	(74)
Subtotal	15,005	14,087
Interest and dividend income received	30	33
Interest expenses paid	(218)	(190)
Compensation for damage paid	(51)	–
Income taxes paid	(3,003)	(2,258)
Income taxes refund	1	0
Net cash provided by (used in) operating activities	11,764	11,673
Cash flows from investing activities		
Payments into time deposits	(593)	(746)
Proceeds from withdrawal of time deposits	596	601
Purchase of property, plant and equipment	(2,136)	(3,845)
Proceeds from sales of property, plant and equipment	280	128
Purchase of intangible assets	(312)	(311)
Purchase of investment securities	(1)	(2)
Proceeds from sales of investment securities	88	–
Payments for lease deposits	(48)	(110)
Collection of lease deposits	413	343
Payments of loans receivable	(25)	(34)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(100)	(468)
Other, net	(46)	(29)
Net cash provided by (used in) investing activities	(1,887)	(4,475)

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(500)	(1,380)
Proceeds from long-term loans payable	1,771	510
Repayments of long-term loans payable	(4,280)	(3,264)
Net decrease (increase) in treasury shares	(0)	(0)
Cash dividends paid	(665)	(807)
Dividends paid to non-controlling interests	(112)	(121)
Repayments of lease obligations	(1,846)	(2,024)
Other, net	(5)	(5)
Net cash provided by (used in) financing activities	(5,639)	(7,094)
Effect of exchange rate change on cash and cash equivalents	–	–
Net increase (decrease) in cash and cash equivalents	4,238	103
Cash and cash equivalents at beginning of period	4,671	8,909
Cash and cash equivalents at end of period	8,909	9,012