

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2018 (Based on Japanese GAAP)

October 25, 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: November 9, 2018
 Scheduled date to commence dividend payments: December 1, 2018
 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, 2018 (from April 1, 2018 to September 30, 2018)

(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, 2018	53,662	6.9	4,506	9.8	4,725	8.1	2,834	12.4
Six months ended September 30, 2017	50,218	1.9	4,106	6.8	4,372	8.5	2,521	7.7

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2018	149.16	—
Six months ended September 30, 2017	132.69	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2018	114,207	61,483	47.4
As of March 31, 2018	112,520	58,641	45.9

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, 2018	—	22.50	—	22.50	45.00
Year ending March 31, 2019	—	30.00			
Year ending March 31, 2019 (Forecast)			—	30.00	60.00

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 six months ended September 30, 2018
(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, 2018	19,012,000 shares	As of March 31, 2018	19,012,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2018	6,657 shares	As of March 31, 2018	6,514 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, 2018	19,005,384 shares	Six months ended September 30, 2017	19,005,581 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
Assets		
Current assets		
Cash and deposits	9,530	11,613
Notes and accounts receivable - trade	14,362	14,249
Merchandise	16	14
Supplies	93	117
Other	1,029	1,332
Allowance for doubtful accounts	(44)	(43)
Total current assets	24,988	27,284
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	29,829	28,990
Land	40,530	40,514
Other, net	10,433	10,662
Total property, plant and equipment	80,793	80,167
Intangible assets	2,150	2,241
Investments and other assets	4,587	4,514
Total non-current assets	87,531	86,923
Total assets	112,520	114,207
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,777	6,709
Short-term loans payable	17,294	17,978
Income taxes payable	1,922	1,743
Provision for bonuses	880	962
Provision for directors' bonuses	34	17
Reserve for loss on dissolution of employee's pension fund	2	2
Other	7,290	7,232
Total current liabilities	34,201	34,646
Non-current liabilities		
Long-term loans payable	6,792	4,980
Net defined benefit liability	5,815	5,877
Reserve for loss on dissolution of employee's pension fund	39	38
Other	7,029	7,180
Total non-current liabilities	19,676	18,077
Total liabilities	53,878	52,723
Net assets		
Shareholders' equity		
Capital stock	6,547	6,547
Capital surplus	6,466	6,466
Retained earnings	38,562	40,969
Treasury shares	(9)	(10)
Total shareholders' equity	51,566	53,972

	(Millions of yen)	
	As of March 31, 2018	As of September 30, 2018
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	325	384
Remeasurements of defined benefit plans	(250)	(223)
Total accumulated other comprehensive income	75	160
Non-controlling interests	6,999	7,350
Total net assets	58,641	61,483
Total liabilities and net assets	112,520	114,207

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

(Millions of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
Operating revenue	50,218	53,662
Operating cost	44,837	47,828
Operating gross profit	5,380	5,834
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	36	(0)
Directors' compensations	294	319
Salaries and allowances	244	277
Provision for bonuses	40	54
Provision for directors' bonuses	21	13
Retirement benefit expenses	11	12
Other	625	650
Total selling, general and administrative expenses	1,274	1,327
Operating profit	4,106	4,506
Non-operating income		
Interest income	0	0
Dividend income	23	32
Gain on sales of non-current assets	72	48
Subsidy income	47	5
Electrical Sales Income	244	243
Miscellaneous income	149	145
Total non-operating income	537	475
Non-operating expenses		
Interest expenses	101	84
Cost of electricity sales	127	122
Miscellaneous loss	42	49
Total non-operating expenses	271	256
Ordinary profit	4,372	4,725
Extraordinary income		
Gain on sales of investment securities	–	83
Total extraordinary income	–	83
Extraordinary losses		
Loss on retirement of non-current assets	10	–
Loss on transfer and closing of logistics center	95	–
Total extraordinary losses	106	–
Profit before income taxes	4,265	4,808
Income taxes - current	1,438	1,599
Income taxes - deferred	(61)	(67)
Total income taxes	1,376	1,532
Profit	2,888	3,276
Profit attributable to		
Profit attributable to owners of parent	2,521	2,834
Profit attributable to non-controlling interests	367	441

	(Millions of yen)	
	Six months ended September 30, 2017	Six months ended September 30, 2018
Other comprehensive income		
Valuation difference on available-for-sale securities	45	59
Remeasurements of defined benefit plans, net of tax	31	35
Total other comprehensive income	77	94
Comprehensive income	2,965	3,371
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,586	2,919
Comprehensive income attributable to non-controlling interests	379	451