

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2019 (Based on Japanese GAAP)

October 28, 2019

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 Yoshiyuki Takeuchi TEL 053 - 444 - 0054
 Scheduled date to file Quarterly Securities Report: November 11, 2019
 Scheduled date to commence dividend payments: December 2, 2019
 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, 2019 (from April 1, 2019 to September 30, 2019)

(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, 2019	60,314	12.4	5,075	12.6	5,329	12.8	3,072	8.4
Six months ended September 30, 2018	53,662	6.9	4,506	9.8	4,725	8.1	2,834	12.4

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2019	161.66	—
Six months ended September 30, 2018	149.16	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2019	119,128	66,914	49.4
As of March 31, 2019	119,184	64,614	47.4

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, 2019	—	30.00	—	35.00	65.00
Year ending March 31, 2020	—	35.00			
Year ending March 31, 2020 (Forecast)			—	35.00	70.00

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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	121,000	4.4	10,500	5.9	10,800	4.2	6,200	5.0	326.22

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2019
(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, 2019	19,012,000 shares	As of March 31, 2019	19,012,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2019	6,715 shares	As of March 31, 2019	6,682 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, 2019	19,005,307 shares	Six months ended September 30, 2018	19,005,384 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
Assets		
Current assets		
Cash and deposits	14,800	14,731
Notes and accounts receivable - trade	15,549	14,882
Merchandise	5	6
Supplies	166	168
Other	1,519	1,647
Allowance for doubtful accounts	(230)	(229)
Total current assets	31,810	31,206
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	28,339	28,301
Land	40,514	40,499
Other, net	10,747	11,149
Total property, plant and equipment	79,602	79,950
Intangible assets	2,567	2,636
Investments and other assets	5,204	5,333
Total non-current assets	87,373	87,921
Total assets	119,184	119,128
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,765	6,878
Short-term borrowings	17,687	16,624
Income taxes payable	2,108	1,817
Provision for bonuses	1,083	1,143
Provision for bonuses for directors (and other officers)	28	—
Reserve for loss on dissolution of employee's pension fund	49	49
Other	7,817	7,248
Total current liabilities	36,539	33,762
Non-current liabilities		
Long-term borrowings	4,598	5,139
Retirement benefit liability	6,126	6,069
Reserve for loss on dissolution of employee's pension fund	224	199
Other	7,080	7,042
Total non-current liabilities	18,030	18,450
Total liabilities	54,570	52,213
Net assets		
Shareholders' equity		
Share capital	6,547	6,547
Capital surplus	6,466	6,445
Retained earnings	43,469	45,877
Treasury shares	(10)	(10)
Total shareholders' equity	56,472	58,858
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	266	183
Remeasurements of defined benefit plans	(217)	(179)
Total accumulated other comprehensive income	48	4
Non-controlling interests	8,093	8,051
Total net assets	64,614	66,914
Total liabilities and net assets	119,184	119,128

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

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Operating revenue	53,662	60,314
Operating cost	47,828	53,718
Operating gross profit	5,834	6,596
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	(0)	0
Remuneration for directors (and other officers)	319	344
Salaries and allowances	277	354
Provision for bonuses	54	67
Provision for bonuses for directors (and other officers)	13	—
Retirement benefit expenses	12	16
Other	650	737
Total selling, general and administrative expenses	1,327	1,520
Operating profit	4,506	5,075
Non-operating income		
Interest income	0	0
Dividend income	32	35
Gain on sales of non-current assets	48	51
Subsidy income	5	7
Electricity sale income	243	226
Miscellaneous income	145	172
Total non-operating income	475	494
Non-operating expenses		
Interest expenses	84	78
Cost of electricity sales	122	119
Miscellaneous loss	49	43
Total non-operating expenses	256	240
Ordinary profit	4,725	5,329
Extraordinary income		
Gain on sales of investment securities	83	—
Total extraordinary income	83	—
Profit before income taxes	4,808	5,329
Income taxes - current	1,599	1,683
Income taxes - deferred	(67)	41
Total income taxes	1,532	1,725
Profit	3,276	3,603
Profit attributable to		
Profit attributable to owners of parent	2,834	3,072
Profit attributable to non-controlling interests	441	531
Other comprehensive income		
Valuation difference on available-for-sale securities	59	(87)
Remeasurements of defined benefit plans, net of tax	35	50
Total other comprehensive income	94	(37)
Comprehensive income	3,371	3,566
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,919	3,028
Comprehensive income attributable to non-controlling interests	451	538