

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2019 (Based on Japanese GAAP)

January 30, 2020

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: February 13, 2020
 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, 2019 (from April 1, 2019 to December 31, 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	%
Nine months ended December 31, 2019	92,791	6.6	8,084	3.6	8,399	3.6	4,832	2.0
Nine months ended December 31, 2018	87,011	11.6	7,803	12.5	8,108	11.8	4,739	14.1

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2019	254.26	–
Nine months ended December 31, 2018	249.36	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2019	123,993	68,380	48.4
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 nine months ended December 31, 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 December 31, 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 December 31, 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)

Nine months ended December 31, 2019	19,005,300 shares	Nine months ended December 31, 2018	19,005,370 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Assets		
Current assets		
Cash and deposits	14,800	15,399
Notes and accounts receivable - trade	15,549	17,103
Merchandise	5	3
Supplies	166	176
Other	1,519	1,919
Allowance for doubtful accounts	(230)	(237)
Total current assets	31,810	34,364
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	28,339	29,419
Land	40,514	41,716
Other, net	10,747	10,514
Total property, plant and equipment	79,602	81,650
Intangible assets	2,567	2,664
Investments and other assets	5,204	5,314
Total non-current assets	87,373	89,629
Total assets	119,184	123,993
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,765	8,817
Short-term borrowings	17,687	16,873
Income taxes payable	2,108	844
Provision for bonuses	1,083	558
Provision for bonuses for directors (and other officers)	28	—
Reserve for loss on dissolution of employee's pension fund	49	49
Other	7,817	9,173
Total current liabilities	36,539	36,316
Non-current liabilities		
Long-term borrowings	4,598	5,668
Retirement benefit liability	6,126	6,031
Reserve for loss on dissolution of employee's pension fund	224	187
Other	7,080	7,408
Total non-current liabilities	18,030	19,296
Total liabilities	54,570	55,612
Net assets		
Shareholders' equity		
Share capital	6,547	6,547
Capital surplus	6,466	6,445
Retained earnings	43,469	46,971
Treasury shares	(10)	(10)
Total shareholders' equity	56,472	59,953
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	266	258
Remeasurements of defined benefit plans	(217)	(160)
Total accumulated other comprehensive income	48	98
Non-controlling interests	8,093	8,328
Total net assets	64,614	68,380
Total liabilities and net assets	119,184	123,993

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

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Operating revenue	87,011	92,791
Operating cost	77,016	82,282
Operating gross profit	9,994	10,509
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	10	6
Remuneration for directors (and other officers)	488	518
Salaries and allowances	431	530
Provision for bonuses	52	55
Provision for bonuses for directors (and other officers)	21	—
Retirement benefit expenses	23	24
Other	1,163	1,289
Total selling, general and administrative expenses	2,191	2,425
Operating profit	7,803	8,084
Non-operating income		
Interest income	0	0
Dividend income	39	51
Gain on sales of non-current assets	76	68
Subsidy income	25	17
Electricity sale income	314	296
Miscellaneous income	225	240
Total non-operating income	680	674
Non-operating expenses		
Interest expenses	125	117
Cost of electricity sales	183	178
Miscellaneous loss	66	63
Total non-operating expenses	375	359
Ordinary profit	8,108	8,399
Extraordinary income		
Gain on sales of investment securities	83	—
Total extraordinary income	83	—
Profit before income taxes	8,191	8,399
Income taxes - current	2,511	2,413
Income taxes - deferred	118	307
Total income taxes	2,630	2,721
Profit	5,561	5,678
Profit attributable to		
Profit attributable to owners of parent	4,739	4,832
Profit attributable to non-controlling interests	822	846
Other comprehensive income		
Valuation difference on available-for-sale securities	(135)	(3)
Remeasurements of defined benefit plans, net of tax	52	75
Total other comprehensive income	(83)	72
Comprehensive income	5,478	5,750
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,666	4,882
Comprehensive income attributable to non-controlling interests	811	868