

Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2021 (Based on Japanese GAAP)

May 11, 2021

Company name: HAMAKYOREX CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 9037 URL <https://www.hamakyorex.co.jp>  
 Representative: President Hidenori Osuka  
 Inquiries: Executive officer Yoshiyuki Takeuchi TEL 053(444)0054  
 Scheduled date of ordinary general meeting of shareholders: June 15, 2021  
 Scheduled date to file Securities Report: June 15, 2021  
 Scheduled date to commence dividend payments: June 16, 2021  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

#### (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, 2021	118,876	(2.9)	10,563	3.7	10,913	2.8	6,427	3.1
Year ended March 31, 2020	122,471	5.7	10,190	2.8	10,618	2.5	6,233	5.6

	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, 2021	341.69	—	10.1	8.7	8.9
Year ended March 31, 2020	328.01	—	10.6	8.8	8.3

#### (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, 2021	129,295	75,318	51.1	3,514.68
As of March 31, 2020	122,773	69,824	49.9	3,228.26

#### (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, 2021	11,466	(7,451)	(4,063)	14,804
Year ended March 31, 2020	12,276	(6,344)	(5,401)	14,852

### 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, 2020	—	35.00	—	35.00	70.00	1,329	21.3	2.3
Year ended March 31, 2021	—	35.00	—	40.00	75.00	1,409	21.9	2.2
Year ending March 31, 2022 (Forecast)	—	40.00	—	40.00	80.00		22.3	

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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	125,000	5.2	11,000	4.1	11,500	5.4	6,750	5.0	358.83

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2021

(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, 2021	19,012,000 shares	As of March 31, 2020	19,012,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2021	224,680 shares	As of March 31, 2020	18,515 shares
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Average number of shares during the period

Year ended March 31, 2021	18,810,770 shares	Year ended March 31, 2020	19,004,812 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	16,143	15,732
Notes and accounts receivable - trade	14,552	15,076
Merchandise	5	2
Supplies	172	191
Investments in leases	–	1,531
Other	1,039	1,219
Allowance for doubtful accounts	(41)	(37)
Total current assets	31,872	33,715
Non-current assets		
Property, plant and equipment		
Buildings and structures	66,433	69,382
Accumulated depreciation	(37,317)	(39,330)
Buildings and structures, net	29,116	30,052
Machinery and equipment	5,768	5,851
Accumulated depreciation	(3,315)	(3,589)
Machinery and equipment, net	2,453	2,262
Vehicles	6,687	7,096
Accumulated depreciation	(6,200)	(6,428)
Vehicles, net	487	668
Land	42,178	44,564
Leased assets	12,283	12,199
Accumulated depreciation	(5,633)	(5,922)
Leased assets, net	6,650	6,276
Construction in progress	1,106	1,856
Other	2,637	2,656
Accumulated depreciation	(2,198)	(2,231)
Other, net	439	424
Total property, plant and equipment	82,431	86,105
Intangible assets	2,632	2,888
Investments and other assets		
Investment securities	2,227	2,628
Long-term loans receivable	10	20
Long-term prepaid expenses	118	160
Leasehold and guarantee deposits	1,892	2,026
Deferred tax assets	944	1,160
Other	902	1,049
Allowance for doubtful accounts	(258)	(459)
Total investments and other assets	5,836	6,586
Total non-current assets	90,900	95,579
Total assets	122,773	129,295

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	7,039	6,965
Short-term borrowings	16,563	17,214
Lease obligations	2,045	2,029
Income taxes payable	1,818	2,211
Accrued consumption taxes	1,221	1,250
Provision for bonuses	1,153	1,219
Reserve for loss on dissolution of employee's pension fund	49	49
Other	4,292	4,543
<b>Total current liabilities</b>	<b>34,184</b>	<b>35,482</b>
<b>Non-current liabilities</b>		
Long-term borrowings	5,462	5,586
Lease obligations	5,074	4,722
Deferred tax liabilities	385	579
Retirement benefit liability	5,997	5,928
Reserve for loss on dissolution of employee's pension fund	175	125
Other	1,669	1,551
<b>Total non-current liabilities</b>	<b>18,764</b>	<b>18,493</b>
<b>Total liabilities</b>	<b>52,948</b>	<b>53,976</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	6,547	6,547
Capital surplus	6,445	6,445
Retained earnings	48,373	53,478
Treasury shares	(40)	(643)
<b>Total shareholders' equity</b>	<b>61,325</b>	<b>65,827</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	120	270
Remeasurements of defined benefit plans	(129)	(66)
<b>Total accumulated other comprehensive income</b>	<b>(9)</b>	<b>204</b>
<b>Non-controlling interests</b>	<b>8,508</b>	<b>9,287</b>
<b>Total net assets</b>	<b>69,824</b>	<b>75,318</b>
<b>Total liabilities and net assets</b>	<b>122,773</b>	<b>129,295</b>

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

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Operating revenue	122,471	118,876
Operating costs	108,812	104,960
Operating gross profit	13,658	13,916
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	(0)	19
Remuneration for directors (and other officers)	669	714
Salaries and allowances	922	732
Provision for bonuses	93	101
Retirement benefit expenses	39	36
Taxes and dues	462	465
Other	1,282	1,282
Total selling, general and administrative expenses	3,468	3,353
Operating profit	10,190	10,563
Non-operating income		
Interest income	1	1
Dividend income	59	57
Rental income	108	109
Commission income	52	55
Gain on sale of non-current assets	98	67
Subsidy income	72	33
Electricity sale income	369	373
Miscellaneous income	171	144
Total non-operating income	933	842
Non-operating expenses		
Interest expenses	158	146
Rental Expense	49	51
Loss on sale and retirement of non-current assets	18	33
Cost of electricity sales	237	230
Miscellaneous losses	42	30
Total non-operating expenses	505	492
Ordinary profit	10,618	10,913
Extraordinary income		
Gain on sale of non-current assets	385	–
Subsidy income related to COVID-19	–	213
Gain on sale of investment securities	–	158
Total extraordinary income	385	372

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Extraordinary losses		
Impairment losses	151	–
Loss on valuation of investment securities	14	–
Loss on disaster	16	–
Loss related to COVID-19	–	190
Provision of allowance for doubtful accounts	–	185
Total extraordinary losses	182	375
Profit before income taxes	10,821	10,910
Income taxes - current	3,425	3,648
Income taxes - deferred	139	(112)
Total income taxes	3,565	3,536
Profit	7,256	7,373
Profit attributable to		
Profit attributable to owners of parent	6,233	6,427
Profit attributable to non-controlling interests	1,022	946
Other comprehensive income		
Valuation difference on available-for-sale securities	(152)	167
Remeasurements of defined benefit plans, net of tax	119	72
Total other comprehensive income	(32)	239
Comprehensive income	7,223	7,613
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,176	6,640
Comprehensive income attributable to non-controlling interests	1,047	972

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,547	6,466	43,469	(10)	56,472
Changes during period					
Dividends of surplus			(1,330)		(1,330)
Profit attributable to owners of parent			6,233		6,233
Purchase of treasury shares				(29)	(29)
Purchase of shares of consolidated subsidiaries		(21)			(21)
Net changes in items other than shareholders' equity					
Total changes during period	–	(21)	4,903	(29)	4,852
Balance at end of period	6,547	6,445	48,373	(40)	61,325

	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 period	266	(217)	48	8,093	64,614
Changes during period					
Dividends of surplus					(1,330)
Profit attributable to owners of parent					6,233
Purchase of treasury shares					(29)
Purchase of shares of consolidated subsidiaries					(21)
Net changes in items other than shareholders' equity	(146)	88	(57)	415	357
Total changes during period	(146)	88	(57)	415	5,209
Balance at end of period	120	(129)	(9)	8,508	69,824

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,547	6,445	48,373	(40)	61,325
Changes during period					
Dividends of surplus			(1,322)		(1,322)
Profit attributable to owners of parent			6,427		6,427
Purchase of treasury shares				(602)	(602)
Purchase of shares of consolidated subsidiaries					
Net changes in items other than shareholders' equity					
Total changes during period	–	–	5,105	(602)	4,502
Balance at end of period	6,547	6,445	53,478	(643)	65,827

	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 period	120	(129)	(9)	8,508	69,824
Changes during period					
Dividends of surplus					(1,322)
Profit attributable to owners of parent					6,427
Purchase of treasury shares					(602)
Purchase of shares of consolidated subsidiaries					
Net changes in items other than shareholders' equity	149	63	213	778	992
Total changes during period	149	63	213	778	5,494
Balance at end of period	270	(66)	204	9,287	75,318



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	10,821	10,910
Depreciation	5,190	5,265
Increase (decrease) in allowance for doubtful accounts	(39)	194
Increase (decrease) in provision for bonuses	69	63
Increase (decrease) in provision for bonuses for directors (and other officers)	(28)	–
Increase (decrease) in retirement benefit liability	41	(5)
Interest and dividend income	(61)	(59)
Interest expenses	158	146
Loss on sales and retirement of noncurrent assets	18	36
Loss (gain) on valuation of investment securities	14	–
Decrease (increase) in trade receivables	1,278	(225)
Increase (decrease) in trade payables	(895)	(293)
Increase (decrease) in accrued consumption taxes	336	121
Gain on sale of non-current assets	(483)	(67)
Subsidy income related to COVID-19	–	(213)
Loss related to COVID-19	–	190
Decrease (increase) in investments in leases	–	(1,503)
Increase/decrease in other assets/liabilities	(401)	366
Other, net	68	(91)
Subtotal	16,088	14,835
Interest and dividends received	60	59
Interest paid	(160)	(142)
Subsidy income received related to COVID-19	–	213
Loss paid related to COVID-19	–	(190)
Income taxes paid	(3,716)	(3,309)
Income taxes refund	5	–
Net cash provided by (used in) operating activities	12,276	11,466
Cash flows from investing activities		
Payments into time deposits	(1,362)	(850)
Proceeds from withdrawal of time deposits	614	1,410
Purchase of property, plant and equipment	(4,676)	(6,884)
Proceeds from sale of property, plant and equipment	603	67
Purchase of intangible assets	(391)	(223)
Purchase of investment securities	(89)	(209)
Proceeds from sale of investment securities	10	213
Payments of leasehold deposits	(193)	(372)
Proceeds from refund of leasehold deposits	83	260
Loan advances	(16)	(16)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(146)	(826)
Purchase of shares of subsidiaries and associates	(705)	–
Other, net	(72)	(19)
Net cash provided by (used in) investing activities	(6,344)	(7,451)

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(97)	625
Proceeds from long-term borrowings	2,097	1,850
Repayments of long-term borrowings	(3,191)	(2,197)
Net decrease (increase) in treasury shares	(29)	(602)
Dividends paid	(1,330)	(1,322)
Dividends paid to non-controlling interests	(191)	(193)
Repayments of lease obligations	(2,189)	(2,216)
Purchase of treasury shares of subsidiaries	(462)	–
Other, net	(5)	(5)
Net cash provided by (used in) financing activities	(5,401)	(4,063)
Effect of exchange rate change on cash and cash equivalents	–	–
Net increase (decrease) in cash and cash equivalents	531	(47)
Cash and cash equivalents at beginning of period	14,320	14,852
Cash and cash equivalents at end of period	14,852	14,804