

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 11, 2022

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 14, 2022
 Scheduled date to file Securities Report: June 14, 2022
 Scheduled date to commence dividend payments: June 15, 2022
 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, 2022 (from April 1, 2021 to March 31, 2022)

(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, 2022	125,094	5.2	11,114	5.2	11,957	9.6	7,117	10.7
Year ended March 31, 2021	118,876	(2.9)	10,563	3.7	10,913	2.8	6,427	3.1

	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, 2022	378.84	–	10.3	9.0	8.9
Year ended March 31, 2021	341.69	–	10.1	8.7	8.9

(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, 2022	135,672	81,592	52.7	3,808.86
As of March 31, 2021	129,295	75,318	51.1	3,514.68

(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, 2022	13,600	(6,033)	(4,189)	18,182
Year ended March 31, 2021	11,466	(7,451)	(4,063)	14,804

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, 2021	–	35.00	–	40.00	75.00	1,409	21.9	2.2
Year ended March 31, 2022	–	40.00	–	45.00	85.00	1,596	22.4	2.3
Year ending March 31, 2023 (Forecast)	–	45.00	–	45.00	90.00		23.2	

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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	132,000	5.5	11,900	7.1	12,400	3.7	7,300	2.6	388.56

4. Notes

- (1) Changes in significant subsidiaries during the year ended March 31, 2022
(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: Yes
- 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, 2022	19,012,000 shares	As of March 31, 2021	19,012,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	224,751 shares	As of March 31, 2021	224,680 shares
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Average number of shares during the period

Year ended March 31, 2022	18,787,267 shares	Year ended March 31, 2021	18,810,770 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	15,732	19,604
Notes and accounts receivable - trade	15,076	–
Notes and accounts receivable - trade, and contract assets	–	15,118
Merchandise	2	2
Supplies	191	182
Investments in leases	1,531	2,393
Other	1,219	1,176
Allowance for doubtful accounts	(37)	(33)
Total current assets	33,715	38,445
Non-current assets		
Property, plant and equipment		
Buildings and structures	69,382	73,444
Accumulated depreciation	(39,330)	(41,358)
Buildings and structures, net	30,052	32,086
Machinery and equipment	5,851	6,043
Accumulated depreciation	(3,589)	(3,868)
Machinery and equipment, net	2,262	2,175
Vehicles	7,096	7,325
Accumulated depreciation	(6,428)	(6,614)
Vehicles, net	668	711
Land	44,564	45,040
Leased assets	12,199	11,510
Accumulated depreciation	(5,922)	(5,676)
Leased assets, net	6,276	5,833
Construction in progress	1,856	1,619
Other	2,656	2,625
Accumulated depreciation	(2,231)	(2,258)
Other, net	424	366
Total property, plant and equipment	86,105	87,832
Intangible assets	2,888	2,938
Investments and other assets		
Investment securities	2,628	2,642
Long-term loans receivable	20	16
Long-term prepaid expenses	160	140
Leasehold and guarantee deposits	2,026	1,943
Deferred tax assets	1,160	1,156
Other	1,049	1,012
Allowance for doubtful accounts	(459)	(457)
Total investments and other assets	6,586	6,456
Total non-current assets	95,579	97,227
Total assets	129,295	135,672

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,965	7,316
Short-term borrowings	17,214	16,831
Lease liabilities	2,029	1,966
Income taxes payable	2,211	1,803
Accrued consumption taxes	1,250	1,045
Provision for bonuses	1,219	1,288
Reserve for loss on dissolution of employee's pension fund	49	49
Other	4,543	5,342
Total current liabilities	35,482	35,644
Non-current liabilities		
Long-term borrowings	5,586	5,866
Lease liabilities	4,722	4,327
Deferred tax liabilities	579	695
Retirement benefit liability	5,928	5,862
Reserve for loss on dissolution of employee's pension fund	125	76
Other	1,551	1,605
Total non-current liabilities	18,493	18,435
Total liabilities	53,976	54,079
Net assets		
Shareholders' equity		
Share capital	6,547	6,547
Capital surplus	6,445	6,445
Retained earnings	53,478	59,046
Treasury shares	(643)	(643)
Total shareholders' equity	65,827	71,395
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	270	216
Remeasurements of defined benefit plans	(66)	(54)
Total accumulated other comprehensive income	204	162
Non-controlling interests	9,287	10,034
Total net assets	75,318	81,592
Total liabilities and net assets	129,295	135,672

Consolidated statements of income and consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Operating revenue	118,876	125,094
Operating costs	104,960	110,286
Operating gross profit	13,916	14,808
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	19	(0)
Remuneration for directors (and other officers)	714	767
Salaries and allowances	732	855
Provision for bonuses	101	98
Retirement benefit expenses	36	43
Taxes and dues	465	474
Other	1,282	1,456
Total selling, general and administrative expenses	3,353	3,694
Operating profit	10,563	11,114
Non-operating income		
Interest income	1	0
Dividend income	57	75
Rental income	109	112
Commission income	55	59
Gain on sale of non-current assets	67	99
Subsidy income	33	448
Electricity sale income	373	378
Miscellaneous income	144	143
Total non-operating income	842	1,318
Non-operating expenses		
Interest expenses	146	142
Rental Expense	51	55
Loss on sale and retirement of non-current assets	33	25
Cost of electricity sales	230	225
Miscellaneous losses	30	26
Total non-operating expenses	492	475
Ordinary profit	10,913	11,957
Extraordinary income		
Subsidy income related to COVID-19	213	–
Gain on sale of investment securities	158	18
Total extraordinary income	372	18

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Extraordinary losses		
Provision of allowance for doubtful accounts	185	–
Loss related to COVID-19	190	–
Loss on valuation of investment securities	–	6
Loss on transfer and closing of logistics center	–	16
Settlement payments	–	146
Total extraordinary losses	375	169
Profit before income taxes	10,910	11,806
Income taxes - current	3,648	3,496
Income taxes - deferred	(112)	218
Total income taxes	3,536	3,714
Profit	7,373	8,091
Profit attributable to		
Profit attributable to owners of parent	6,427	7,117
Profit attributable to non-controlling interests	946	974
Other comprehensive income		
Valuation difference on available-for-sale securities	167	(75)
Remeasurements of defined benefit plans, net of tax	72	22
Total other comprehensive income	239	(53)
Comprehensive income	7,613	8,038
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,640	7,075
Comprehensive income attributable to non-controlling interests	972	962

Consolidated statements of changes in equity

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)
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)
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

Fiscal year ended March 31, 2022

(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	53,478	(643)	65,827
Cumulative effects of changes in accounting policies			(45)		(45)
Restated balance	6,547	6,445	53,432	(643)	65,781
Changes during period					
Dividends of surplus			(1,502)		(1,502)
Profit attributable to owners of parent			7,117		7,117
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	5,614	(0)	5,614
Balance at end of period	6,547	6,445	59,046	(643)	71,395

	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	270	(66)	204	9,287	75,318
Cumulative effects of changes in accounting policies				(16)	(62)
Restated balance	270	(66)	204	9,270	75,256
Changes during period					
Dividends of surplus					(1,502)
Profit attributable to owners of parent					7,117
Purchase of treasury shares					(0)
Net changes in items other than shareholders' equity	(53)	11	(41)	764	722
Total changes during period	(53)	11	(41)	764	6,336
Balance at end of period	216	(54)	162	10,034	81,592

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	10,910	11,806
Depreciation	5,265	5,449
Increase (decrease) in allowance for doubtful accounts	194	(6)
Increase (decrease) in provision for bonuses	63	60
Increase (decrease) in retirement benefit liability	(5)	(146)
Interest and dividend income	(59)	(76)
Interest expenses	146	142
Loss on sales and retirement of noncurrent assets	36	25
Loss (gain) on valuation of investment securities	–	6
Decrease (increase) in trade receivables	(225)	87
Increase (decrease) in trade payables	(293)	305
Increase (decrease) in accrued consumption taxes	121	(120)
Gain on sale of non-current assets	(67)	(99)
Subsidy income related to COVID-19	(213)	–
Loss related to COVID-19	190	–
Settlement payments	–	146
Decrease (increase) in investments in leases	(1,503)	(359)
Increase/decrease in other assets/liabilities	366	475
Other, net	(91)	36
Subtotal	14,835	17,735
Interest and dividends received	59	76
Interest paid	(142)	(142)
Subsidy income received related to COVID-19	213	–
Loss paid related to COVID-19	(190)	–
Settlement paid	–	(77)
Income taxes paid	(3,309)	(3,991)
Net cash provided by (used in) operating activities	11,466	13,600
Cash flows from investing activities		
Payments into time deposits	(850)	(1,275)
Proceeds from withdrawal of time deposits	1,410	991
Purchase of property, plant and equipment	(6,884)	(5,491)
Proceeds from sale of property, plant and equipment	67	416
Purchase of intangible assets	(223)	(121)
Purchase of investment securities	(209)	(93)
Proceeds from sale of investment securities	213	35
Payments of leasehold deposits	(372)	(68)
Proceeds from refund of leasehold deposits	260	163
Loan advances	(16)	(16)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(826)	(511)
Purchase of shares of subsidiaries	–	(20)
Other, net	(19)	(44)
Net cash provided by (used in) investing activities	(7,451)	(6,033)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	625	(890)
Proceeds from long-term borrowings	1,850	2,790
Repayments of long-term borrowings	(2,197)	(2,188)
Net decrease (increase) in treasury shares	(602)	(0)
Dividends paid	(1,322)	(1,502)
Dividends paid to non-controlling interests	(193)	(198)
Repayments of lease liabilities	(2,216)	(2,194)
Other, net	(5)	(4)
Net cash provided by (used in) financing activities	(4,063)	(4,189)
Effect of exchange rate change on cash and cash equivalents	–	–
Net increase (decrease) in cash and cash equivalents	(47)	3,377
Cash and cash equivalents at beginning of period	14,852	14,804
Cash and cash equivalents at end of period	14,804	18,182