

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 11, 2023

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, 2023
 Scheduled date to file Securities Report: June 14, 2023
 Scheduled date to commence dividend payments: June 15, 2023
 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, 2023 (from April 1, 2022 to March 31, 2023)

(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, 2023	131,912	5.4	11,548	3.9	12,306	2.9	7,400	4.0
Year ended March 31, 2022	125,094	5.2	11,114	5.2	11,957	9.6	7,117	10.7

	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, 2023	393.92	–	9.9	8.8	8.8
Year ended March 31, 2022	378.84	–	10.3	9.0	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, 2023	143,038	88,149	54.1	4,118.72
As of March 31, 2022	135,672	81,592	52.7	3,808.86

(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, 2023	13,655	(3,003)	(5,772)	23,062
Year ended March 31, 2022	13,600	(6,033)	(4,189)	18,182

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, 2022	–	40.00	–	45.00	85.00	1,596	22.4	2.3
Year ended March 31, 2023	–	45.00	–	50.00	95.00	1,784	24.1	2.4
Year ending March 31, 2024 (Forecast)	–	50.00	–	50.00	100.00		24.4	

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	139,000	5.4	12,100	4.8	12,800	4.0	7,700	4.0	409.85

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(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, 2023	19,012,000 shares	As of March 31, 2022	19,012,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	224,789 shares	As of March 31, 2022	224,751 shares
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Average number of shares during the period

Year ended March 31, 2023	18,787,222 shares	Year ended March 31, 2022	18,787,267 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	19,604	25,238
Notes and accounts receivable - trade, and contract assets	15,118	15,652
Merchandise	2	3
Supplies	182	137
Investments in leases	2,393	3,261
Other	1,176	1,252
Allowance for doubtful accounts	(33)	(35)
Total current assets	38,445	45,509
Non-current assets		
Property, plant and equipment		
Buildings and structures	73,444	77,394
Accumulated depreciation	(41,358)	(44,756)
Buildings and structures, net	32,086	32,638
Machinery and equipment	6,043	6,074
Accumulated depreciation	(3,868)	(4,162)
Machinery and equipment, net	2,175	1,911
Vehicles	7,325	7,130
Accumulated depreciation	(6,614)	(6,456)
Vehicles, net	711	673
Land	45,040	45,984
Leased assets	11,510	12,308
Accumulated depreciation	(5,676)	(6,517)
Leased assets, net	5,833	5,790
Construction in progress	1,619	352
Other	2,625	2,800
Accumulated depreciation	(2,258)	(2,407)
Other, net	366	392
Total property, plant and equipment	87,832	87,744
Intangible assets	2,938	2,654
Investments and other assets		
Investment securities	2,642	2,731
Long-term loans receivable	16	8
Long-term prepaid expenses	140	170
Leasehold and guarantee deposits	1,943	2,382
Deferred tax assets	1,156	1,218
Other	1,012	1,073
Allowance for doubtful accounts	(457)	(455)
Total investments and other assets	6,456	7,129
Total non-current assets	97,227	97,528
Total assets	135,672	143,038

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,316	7,371
Short-term borrowings	16,831	17,031
Lease liabilities	1,966	2,004
Income taxes payable	1,803	2,339
Accrued consumption taxes	1,045	1,209
Provision for bonuses	1,288	1,351
Reserve for loss on dissolution of employee's pension fund	49	49
Other	5,342	5,237
Total current liabilities	35,644	36,595
Non-current liabilities		
Long-term borrowings	5,866	4,669
Lease liabilities	4,327	4,264
Deferred tax liabilities	695	887
Retirement benefit liability	5,862	5,868
Reserve for loss on dissolution of employee's pension fund	76	27
Other	1,605	2,574
Total non-current liabilities	18,435	18,292
Total liabilities	54,079	54,888
Net assets		
Shareholders' equity		
Share capital	6,547	6,547
Capital surplus	6,445	6,445
Retained earnings	59,046	64,756
Treasury shares	(643)	(643)
Total shareholders' equity	71,395	77,105
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	216	266
Remeasurements of defined benefit plans	(54)	7
Total accumulated other comprehensive income	162	273
Non-controlling interests	10,034	10,770
Total net assets	81,592	88,149
Total liabilities and net assets	135,672	143,038

Consolidated statements of income and consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Operating revenue	125,094	131,912
Operating costs	110,286	116,448
Operating gross profit	14,808	15,464
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	(0)	1
Remuneration for directors (and other officers)	767	809
Salaries and allowances	855	905
Provision for bonuses	98	100
Retirement benefit expenses	43	73
Taxes and dues	474	485
Other	1,456	1,539
Total selling, general and administrative expenses	3,694	3,915
Operating profit	11,114	11,548
Non-operating income		
Interest income	0	0
Dividend income	75	99
Rental income	112	113
Commission income	59	58
Gain on sale of non-current assets	99	149
Subsidy income	448	191
Electricity sale income	378	370
Miscellaneous income	143	247
Total non-operating income	1,318	1,231
Non-operating expenses		
Interest expenses	142	138
Rental Expense	55	50
Loss on sale and retirement of non-current assets	25	40
Cost of electricity sales	225	220
Miscellaneous losses	26	24
Total non-operating expenses	475	473
Ordinary profit	11,957	12,306
Extraordinary income		
Gain on sale of investment securities	18	–
Gain on bargain purchase	–	105
Total extraordinary income	18	105

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Extraordinary losses		
Loss on valuation of investment securities	6	–
Settlement payments	146	–
Loss on transfer and closing of logistics center	16	10
Loss on liquidation of subsidiaries and associates	–	129
Other	–	34
Total extraordinary losses	169	174
Profit before income taxes	11,806	12,238
Income taxes - current	3,496	3,978
Income taxes - deferred	218	(49)
Total income taxes	3,714	3,928
Profit	8,091	8,309
Profit attributable to		
Profit attributable to owners of parent	7,117	7,400
Profit attributable to non-controlling interests	974	908
Other comprehensive income		
Valuation difference on available-for-sale securities	(75)	53
Remeasurements of defined benefit plans, net of tax	22	104
Total other comprehensive income	(53)	158
Comprehensive income	8,038	8,467
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,075	7,512
Comprehensive income attributable to non-controlling interests	962	955

Consolidated statements of changes in equity

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

Fiscal year ended March 31, 2023

(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	59,046	(643)	71,395
Changes during period					
Dividends of surplus			(1,690)		(1,690)
Profit attributable to owners of parent			7,400		7,400
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	5,709	(0)	5,709
Balance at end of period	6,547	6,445	64,756	(643)	77,105

	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	216	(54)	162	10,034	81,592
Changes during period					
Dividends of surplus					(1,690)
Profit attributable to owners of parent					7,400
Purchase of treasury shares					(0)
Net changes in items other than shareholders' equity	49	61	111	735	847
Total changes during period	49	61	111	735	6,556
Balance at end of period	266	7	273	10,770	88,149

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	11,806	12,238
Depreciation	5,449	5,614
Increase (decrease) in allowance for doubtful accounts	(6)	(1)
Increase (decrease) in provision for bonuses	60	39
Increase (decrease) in retirement benefit liability	(146)	83
Interest and dividend income	(76)	(100)
Interest expenses	142	138
Loss on sales and retirement of noncurrent assets	25	40
Loss (gain) on valuation of investment securities	6	–
Decrease (increase) in trade receivables	87	(209)
Increase (decrease) in trade payables	305	(6)
Increase (decrease) in accrued consumption taxes	(120)	380
Gain on sale of non-current assets	(99)	(149)
Settlement payments	146	–
Decrease (increase) in investments in leases	(359)	(1,289)
Increase/decrease in other assets/liabilities	475	190
Other, net	36	181
Subtotal	17,735	17,150
Interest and dividends received	76	100
Interest paid	(142)	(137)
Settlement paid	(77)	–
Income taxes paid	(3,991)	(3,457)
Net cash provided by (used in) operating activities	13,600	13,655
Cash flows from investing activities		
Payments into time deposits	(1,275)	(2,045)
Proceeds from withdrawal of time deposits	991	1,747
Purchase of property, plant and equipment	(5,491)	(2,354)
Proceeds from sale of property, plant and equipment	416	471
Purchase of intangible assets	(121)	(174)
Purchase of investment securities	(93)	(12)
Proceeds from sale of investment securities	35	0
Payments of leasehold deposits	(68)	(63)
Proceeds from refund of leasehold deposits	163	90
Loan advances	(16)	(17)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(511)	(728)
Purchase of shares of subsidiaries	(20)	–
Other, net	(44)	82
Net cash provided by (used in) investing activities	(6,033)	(3,003)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(890)	297
Proceeds from long-term borrowings	2,790	442
Repayments of long-term borrowings	(2,188)	(2,441)
Net decrease (increase) in treasury shares	(0)	(0)
Dividends paid	(1,502)	(1,690)
Dividends paid to non-controlling interests	(198)	(220)
Repayments of lease liabilities	(2,194)	(2,157)
Other, net	(4)	(1)
Net cash provided by (used in) financing activities	(4,189)	(5,772)
Effect of exchange rate change on cash and cash equivalents	–	–
Net increase (decrease) in cash and cash equivalents	3,377	4,880
Cash and cash equivalents at beginning of period	14,804	18,182
Cash and cash equivalents at end of period	18,182	23,062