

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2016 (Based on Japanese GAAP)

November 11, 2016

Company name: Kamigumi Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 9364 URL <https://www.kamigumi.co.jp/>
 Representative: President & Representative Director Yoshihiro Fukai
 Executive Officer and Director of Financial
 Inquiries: Yasuhiro Kishino TEL 078-271-5119
 Div.
 Scheduled date to file Quarterly Securities Report: November 14, 2016
 Scheduled date to commence dividend payments: December 5, 2016
 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 six months ended September 30, 2016 (from April 1, 2016 to September 30, 2016)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2016	121,198	(0.2)	11,257	0.5	12,063	(1.1)	8,328	0.6
Six months ended September 30, 2015	121,441	0.2	11,204	(5.3)	12,199	(0.9)	8,280	4.7

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2016	33.26	—
Six months ended September 30, 2015	32.42	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2016	366,825	308,200	84.0
As of March 31, 2016	359,942	301,944	83.9

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, 2016	—	6.00	—	7.00	13.00
Year ending March 31, 2017	—	6.00			
Year ending March 31, 2017 (Forecast)			—	7.00	13.00

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

Percentages indicate year-on-year changes

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	245,000	1.1	23,000	4.5	24,300	1.9	16,300	1.8	65.09

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2016
(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: Yes
- 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, 2016	274,345,675 shares	As of March 31, 2016	274,345,675 shares
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Number of treasury shares at the end of the period

As of September 30, 2016	23,932,133 shares	As of March 31, 2016	23,930,828 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, 2016	250,413,776 shares	Six months ended September 30, 2015	255,417,565 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of September 30, 2016
Assets		
Current assets		
Cash and deposits	17,330	45,641
Notes and operating accounts receivable	41,225	40,507
Securities	23,299	—
Inventories	1,142	1,065
Other	8,831	8,226
Allowance for doubtful accounts	(53)	(52)
Total current assets	91,775	95,387
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	108,895	110,004
Land	92,477	93,317
Other, net	20,509	22,103
Total property, plant and equipment	221,882	225,426
Intangible assets	8,295	8,056
Investments and other assets		
Investment securities	28,205	28,629
Other	10,010	9,549
Allowance for doubtful accounts	(226)	(223)
Total investments and other assets	37,988	37,955
Total non-current assets	268,166	271,437
Total assets	359,942	366,825
Liabilities		
Current liabilities		
Notes and operating accounts payable - trade	24,951	24,659
Income taxes payable	3,918	4,092
Provision for bonuses	142	146
Other	11,875	11,970
Total current liabilities	40,888	40,869
Non-current liabilities		
Provision for directors' retirement benefits	25	25
Provision for special repairs for ships and vessels	7	9
Net defined benefit liability	15,845	16,013
Other	1,231	1,707
Total non-current liabilities	17,109	17,755
Total liabilities	57,997	58,625

	(Millions of yen)	
	As of March 31, 2016	As of September 30, 2016
Net assets		
Shareholders' equity		
Capital stock	31,642	31,642
Capital surplus	26,854	26,854
Retained earnings	259,580	266,156
Treasury shares	(19,347)	(19,349)
Total shareholders' equity	298,729	305,303
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,538	4,337
Foreign currency translation adjustment	(7)	(201)
Remeasurements of defined benefit plans	(1,368)	(1,291)
Total accumulated other comprehensive income	3,162	2,844
Non-controlling interests	52	53
Total net assets	301,944	308,200
Total liabilities and net assets	359,942	366,825

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Operating revenue	121,441	121,198
Operating cost	101,758	101,541
Operating gross profit	19,682	19,656
Selling, general and administrative expenses	8,477	8,399
Operating income	11,204	11,257
Non-operating income		
Interest income	51	31
Dividend income	489	349
Share of profit of entities accounted for using equity method	297	262
Other	190	289
Total non-operating income	1,029	933
Non-operating expenses		
Foreign exchange losses	—	120
Other	34	6
Total non-operating expenses	34	126
Ordinary income	12,199	12,063
Extraordinary income		
Gain on sales of non-current assets	34	34
Subsidy income	182	—
Total extraordinary income	217	34
Extraordinary losses		
Loss on sales and retirement of non-current assets	65	11
Loss on valuation of investment securities	2	2
Loss on sales of golf club memberships	2	—
Total extraordinary losses	69	14
Profit before income taxes	12,346	12,084
Income taxes - current	4,097	3,776
Income taxes - deferred	(33)	(22)
Total income taxes	4,064	3,754
Profit	8,282	8,329
Profit attributable to non-controlling interests	2	1
Profit attributable to owners of parent	8,280	8,328

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Profit	8,282	8,329
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,973)	(208)
Foreign currency translation adjustment	13	(105)
Remeasurements of defined benefit plans, net of tax	27	76
Share of other comprehensive income of entities accounted for using equity method	(9)	(81)
Total other comprehensive income	(1,942)	(318)
Comprehensive income	6,340	8,011
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,339	8,010
Comprehensive income attributable to non-controlling interests	0	1

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Cash flows from operating activities		
Profit before income taxes	12,346	12,084
Depreciation	5,435	5,800
Amortization of goodwill	79	–
Increase (decrease) in allowance for doubtful accounts	(8)	(3)
Increase (decrease) in net defined benefit liability	261	244
Interest and dividend income	(541)	(380)
Share of (profit) loss of entities accounted for using equity method	(297)	(262)
Loss (gain) on valuation of investment securities	2	2
Loss (gain) on sales of golf club memberships	2	–
Loss (gain) on sales and retirement of non-current assets	31	(23)
Decrease (increase) in notes and accounts receivable - trade	(1)	84
Decrease (increase) in inventories	264	77
Increase (decrease) in notes and accounts payable - trade	(855)	(217)
Other, net	1,287	2,127
Subtotal	18,008	19,533
Interest and dividend income received	538	750
Income taxes paid	(5,178)	(3,700)
Net cash provided by (used in) operating activities	13,368	16,584
Cash flows from investing activities		
Net decrease (increase) in time deposits	(2,500)	(1,000)
Purchase of securities	(43,500)	(5,000)
Proceeds from sales of securities	31,999	25,999
Purchase of non-current assets	(8,229)	(9,555)
Proceeds from sales of non-current assets	46	34
Purchase of investment securities	(809)	(364)
Proceeds from sales and redemption of investment securities	–	300
Purchase of shares of subsidiaries and associates	–	(133)
Collection of loans receivable	45	37
Other, net	160	187
Net cash provided by (used in) investing activities	(22,786)	10,506
Cash flows from financing activities		
Cash dividends paid	(1,787)	(1,752)
Purchase of treasury shares	(2)	(1)
Net cash provided by (used in) financing activities	(1,790)	(1,754)
Effect of exchange rate change on cash and cash equivalents	4	(25)
Net increase (decrease) in cash and cash equivalents	(11,204)	25,311
Cash and cash equivalents at beginning of period	18,173	6,296
Cash and cash equivalents at end of period	6,968	31,608