

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2019 (Based on Japanese GAAP)

May 10, 2019

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 of ordinary general meeting of shareholders: June 27, 2019
 Scheduled date to file Securities Report: June 28, 2019
 Scheduled date to commence dividend payments: June 28, 2019
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Operating revenue		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, 2019	274,893	5.2	23,332	1.5	25,235	2.5	18,388	2.7
Year ended March 31, 2018	261,420	6.2	22,980	1.9	24,630	2.5	17,902	9.3

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/operating revenue
	Yen	Yen	%	%	%
Year ended March 31, 2019	152.20	—	5.6	6.5	8.5
Year ended March 31, 2018	146.63	—	5.6	6.5	8.8

(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, 2019	395,708	332,200	83.5	2,766.02
As of March 31, 2018	383,481	321,907	83.9	2,659.83

(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, 2019	30,456	(20,958)	(9,203)	52,293
Year ended March 31, 2018	29,143	(16,306)	(8,601)	51,578

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, 2018	—	7.00	—	21.00	—	4,261	23.9	1.3
Year ended March 31, 2019	—	22.00	—	23.00	45.00	5,409	29.6	1.7
Year ending March 31, 2020 (Forecast)	—	23.00	—	23.00	46.00		29.9	

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

	Operating revenue		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
Six months ending September 30, 2019	138,000	0.9	12,000	3.5	13,100	4.6	9,000	3.3	75.35
Full year	280,000	1.9	24,000	2.9	26,100	3.4	18,400	0.1	154.06

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2019

(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, 2019	134,386,837 shares	As of March 31, 2018	134,386,837 shares
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Number of treasury shares at the end of the period

As of March 31, 2019	14,952,144 shares	As of March 31, 2018	13,384,461 shares
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Average number of shares during the period

Year ended March 31, 2019	120,821,100 shares	Year ended March 31, 2018	122,096,333 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	51,611	53,591
Notes and operating accounts receivable	44,638	45,806
Electronically recorded monetary claims - operating	600	943
Securities	—	8,500
Inventories	1,016	947
Other	6,667	6,974
Allowance for doubtful accounts	(56)	(57)
Total current assets	104,477	116,705
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	112,910	111,888
Machinery, equipment and vehicles, net	13,526	16,716
Land	94,092	97,686
Construction in progress	4,715	884
Other, net	1,370	1,239
Total property, plant and equipment	226,615	228,416
Intangible assets	7,471	7,011
Investments and other assets		
Investment securities	35,311	33,430
Long-term loans receivable	517	212
Deferred tax assets	2,818	3,536
Other	6,486	6,610
Allowance for doubtful accounts	(217)	(216)
Total investments and other assets	44,916	43,573
Total non-current assets	279,003	279,002
Total assets	383,481	395,708

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Liabilities		
Current liabilities		
Notes and operating accounts payable - trade	26,363	26,827
Income taxes payable	4,890	4,232
Provision for bonuses	134	181
Other	13,097	14,108
Total current liabilities	44,486	45,349
Non-current liabilities		
Deferred tax liabilities	199	171
Provision for retirement benefits for directors (and other officers)	26	39
Provision for special repairs for ships and vessels	14	—
Retirement benefit liability	15,955	16,876
Other	890	1,070
Total non-current liabilities	17,086	18,158
Total liabilities	61,573	63,507
Net assets		
Shareholders' equity		
Capital stock	31,642	31,642
Capital surplus	26,854	26,854
Retained earnings	281,680	295,208
Treasury shares	(24,020)	(28,020)
Total shareholders' equity	316,156	325,684
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,530	5,574
Foreign currency translation adjustment	(45)	69
Remeasurements of defined benefit plans	(796)	(970)
Total accumulated other comprehensive income	5,688	4,673
Non-controlling interests	62	1,841
Total net assets	321,907	332,200
Total liabilities and net assets	383,481	395,708

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

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Operating revenue	261,420	274,893
Operating cost	221,429	233,065
Operating gross profit	39,990	41,828
Selling, general and administrative expenses	17,010	18,495
Operating profit	22,980	23,332
Non-operating income		
Interest income	37	34
Dividend income	633	729
Share of profit of entities accounted for using equity method	441	727
Other	605	448
Total non-operating income	1,717	1,940
Non-operating expenses		
Foreign exchange losses	32	1
Other	35	35
Total non-operating expenses	67	37
Ordinary profit	24,630	25,235
Extraordinary income		
Gain on sales of non-current assets	64	81
Gain on sales of investment securities	689	57
Gain on sales of shares of subsidiaries and associates	—	15
Subsidy income	355	—
Compensation for transfer	—	611
Gain on bargain purchase	—	418
Gain on step acquisitions	—	21
Total extraordinary income	1,109	1,205
Extraordinary losses		
Loss on sales and retirement of non-current assets	162	201
Loss on sales of investment securities	—	1
Loss on valuation of golf club membership	1	—
Loss on disaster	50	204
Total extraordinary losses	214	407
Profit before income taxes	25,525	26,033
Income taxes - current	7,790	7,903
Income taxes - deferred	(173)	(310)
Total income taxes	7,616	7,593
Profit	17,909	18,439
Profit attributable to non-controlling interests	6	51
Profit attributable to owners of parent	17,902	18,388

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Profit	17,909	18,439
Other comprehensive income		
Valuation difference on available-for-sale securities	439	(949)
Foreign currency translation adjustment	(9)	(77)
Remeasurements of defined benefit plans, net of tax	14	(174)
Share of other comprehensive income of entities accounted for using equity method	40	(42)
Total other comprehensive income	484	(1,243)
Comprehensive income	18,393	17,195
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	18,386	17,144
Comprehensive income attributable to non-controlling interests	7	51

Consolidated statements of changes in equity

Fiscal year ended March 31, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	31,642	26,854	272,709	(24,349)	306,855
Changes of items during period					
Change of scope of consolidation					
Change of scope of equity method					
Dividends of surplus			(3,931)		(3,931)
Profit attributable to owners of parent			17,902		17,902
Purchase of treasury shares				(4,670)	(4,670)
Retirement of treasury shares			(4,999)	4,999	—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	8,971	329	9,301
Balance at end of current period	31,642	26,854	281,680	(24,020)	316,156

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	6,097	(82)	(810)	5,204	56	312,116
Changes of items during period						
Change of scope of consolidation						
Change of scope of equity method						
Dividends of surplus						(3,931)
Profit attributable to owners of parent						17,902
Purchase of treasury shares						(4,670)
Retirement of treasury shares						—
Net changes of items other than shareholders' equity	432	36	14	483	6	489
Total changes of items during period	432	36	14	483	6	9,790
Balance at end of current period	6,530	(45)	(796)	5,688	62	321,907

Fiscal year ended March 31, 2019

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	31,642	26,854	281,680	(24,020)	316,156
Changes of items during period					
Change of scope of consolidation			171		171
Change of scope of equity method			171		171
Dividends of surplus			(5,203)		(5,203)
Profit attributable to owners of parent			18,388		18,388
Purchase of treasury shares				(3,999)	(3,999)
Retirement of treasury shares					
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	13,527	(3,999)	9,527
Balance at end of current period	31,642	26,854	295,208	(28,020)	325,684

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	6,530	(45)	(796)	5,688	62	321,907
Changes of items during period						
Change of scope of consolidation						171
Change of scope of equity method						171
Dividends of surplus						(5,203)
Profit attributable to owners of parent						18,388
Purchase of treasury shares						(3,999)
Retirement of treasury shares						
Net changes of items other than shareholders' equity	(955)	115	(174)	(1,014)	1,779	764
Total changes of items during period	(955)	115	(174)	(1,014)	1,779	10,292
Balance at end of current period	5,574	69	(970)	4,673	1,841	332,200

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from operating activities		
Profit before income taxes	25,525	26,033
Depreciation	12,478	13,135
Amortization of goodwill	—	40
Gain on bargain purchase	—	(418)
Increase (decrease) in allowance for doubtful accounts	(1)	(0)
Increase (decrease) in retirement benefit liability	422	717
Interest and dividend income	(670)	(763)
Share of loss (profit) of entities accounted for using equity method	(441)	(727)
Loss (gain) on sales of investment securities	(689)	(55)
Loss (gain) on sales of shares of subsidiaries and associates	—	(15)
Loss on valuation of golf club memberships	1	—
Loss (gain) on step acquisitions	—	(21)
Loss on disaster	50	204
Loss (gain) on sales and retirement of non-current assets	98	119
Decrease (increase) in notes and accounts receivable - trade	(3,409)	(726)
Decrease (increase) in inventories	83	69
Increase (decrease) in notes and accounts payable - trade	636	37
Other, net	1,025	16
Subtotal	35,110	37,645
Interest and dividend income received	1,157	1,409
Payments for loss on disaster	(84)	(9)
Income taxes paid	(7,039)	(8,588)
Net cash provided by (used in) operating activities	29,143	30,456
Cash flows from investing activities		
Net decrease (increase) in time deposits	—	(8,999)
Proceeds from redemption of securities	700	—
Purchase of non-current assets	(13,484)	(9,968)
Proceeds from sales of non-current assets	68	115
Purchase of investment securities	(1,406)	(416)
Proceeds from sales and redemption of investment securities	1,867	120
Purchase of shares of subsidiaries and associates	(3,779)	(1,744)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(77)
Proceeds from sales of shares of subsidiaries and associates	—	25
Payments of loans receivable	(360)	(20)
Collection of loans receivable	63	83
Payments for guarantee deposits	—	(110)
Other, net	24	34
Net cash provided by (used in) investing activities	(16,306)	(20,958)

	(Millions of yen)	
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from financing activities		
Cash dividends paid	(3,931)	(5,203)
Purchase of treasury shares	(4,670)	(3,999)
Net cash provided by (used in) financing activities	(8,601)	(9,203)
Effect of exchange rate change on cash and cash equivalents	(5)	(61)
Net increase (decrease) in cash and cash equivalents	4,229	232
Cash and cash equivalents at beginning of period	47,348	51,578
Increase in cash and cash equivalents from newly consolidated subsidiary	—	482
Cash and cash equivalents at end of period	51,578	52,293