

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2019 (Based on Japanese GAAP)

November 8, 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 to file Quarterly Securities Report: November 13, 2019
 Scheduled date to commence dividend payments: December 2, 2019
 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, 2019 (from April 1, 2019 to September 30, 2019)

(1) Consolidated operating results (cumulative)

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	%
Six months ended September 30, 2019	140,549	2.8	12,571	8.4	13,733	9.6	9,569	9.8
Six months ended September 30, 2018	136,750	5.4	11,596	(1.2)	12,528	(0.8)	8,715	(9.9)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2019	80.41	—
Six months ended September 30, 2018	72.03	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2019	398,446	337,000	84.1
As of March 31, 2019	395,708	332,200	83.5

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, 2019	—	22.00	—	23.00	45.00
Year ending March 31, 2020	—	23.00			
Year ending March 31, 2020 (Forecast)			—	23.00	46.00

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
Full year	281,000	2.2	24,600	5.4	26,500	5.0	18,500	0.6	155.46

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2019
(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: No
- 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, 2019	134,386,837 shares	As of March 31, 2019	134,386,837 shares
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Number of treasury shares at the end of the period

As of September 30, 2019	16,247,408 shares	As of March 31, 2019	14,952,144 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, 2019	119,002,923 shares	Six months ended September 30, 2018	121,002,376 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
Assets		
Current assets		
Cash and deposits	53,591	28,987
Trade notes and accounts receivable	45,806	44,770
Electronically recorded monetary claims - operating	943	645
Securities	8,500	—
Inventories	947	922
Other	6,974	6,556
Allowance for doubtful accounts	(57)	(56)
Total current assets	116,705	81,825
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	111,888	110,339
Land	97,686	97,685
Other, net	18,841	20,214
Total property, plant and equipment	228,416	228,239
Intangible assets	7,011	6,991
Investments and other assets		
Investment securities	33,430	71,558
Other	10,359	10,058
Allowance for doubtful accounts	(216)	(228)
Total investments and other assets	43,573	81,388
Total non-current assets	279,002	316,620
Total assets	395,708	398,446
Liabilities		
Current liabilities		
Trade notes and accounts payable	26,827	25,682
Income taxes payable	4,232	4,742
Provision for bonuses	181	191
Other	14,108	12,319
Total current liabilities	45,349	42,935
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	39	43
Provision for special repairs for ships and vessels	—	3
Retirement benefit liability	16,876	17,221
Other	1,242	1,242
Total non-current liabilities	18,158	18,510
Total liabilities	63,507	61,445

	(Millions of yen)	
	As of March 31, 2019	As of September 30, 2019
Net assets		
Shareholders' equity		
Share capital	31,642	31,642
Capital surplus	26,854	26,857
Retained earnings	295,208	302,030
Treasury shares	(28,020)	(31,153)
Total shareholders' equity	325,684	329,376
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,574	6,638
Foreign currency translation adjustment	69	0
Remeasurements of defined benefit plans	(970)	(891)
Total accumulated other comprehensive income	4,673	5,747
Non-controlling interests	1,841	1,876
Total net assets	332,200	337,000
Total liabilities and net assets	395,708	398,446

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, 2018	Six months ended September 30, 2019
Operating revenue	136,750	140,549
Operating cost	115,908	118,343
Operating gross profit	20,841	22,205
Selling, general and administrative expenses	9,245	9,633
Operating profit	11,596	12,571
Non-operating income		
Interest income	18	17
Dividend income	423	463
Share of profit of entities accounted for using equity method	264	562
Other	243	159
Total non-operating income	951	1,202
Non-operating expenses		
Foreign exchange losses	—	22
Other	19	19
Total non-operating expenses	19	41
Ordinary profit	12,528	13,733
Extraordinary income		
Gain on sales of non-current assets	37	26
Gain on sales of investment securities	—	124
Total extraordinary income	37	151
Extraordinary losses		
Loss on sales and retirement of non-current assets	9	30
Loss on sales of investment securities	1	—
Total extraordinary losses	10	30
Profit before income taxes	12,556	13,854
Income taxes - current	3,850	4,358
Income taxes - deferred	(30)	(108)
Total income taxes	3,819	4,249
Profit	8,736	9,604
Profit attributable to non-controlling interests	20	35
Profit attributable to owners of parent	8,715	9,569

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Profit	8,736	9,604
Other comprehensive income		
Valuation difference on available-for-sale securities	1,055	1,220
Foreign currency translation adjustment	(33)	(57)
Remeasurements of defined benefit plans, net of tax	66	79
Share of other comprehensive income of entities accounted for using equity method	(47)	(168)
Total other comprehensive income	1,040	1,073
Comprehensive income	9,776	10,678
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,754	10,642
Comprehensive income attributable to non-controlling interests	22	35

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Cash flows from operating activities		
Profit before income taxes	12,556	13,854
Depreciation	6,493	6,490
Amortization of goodwill	40	—
Increase (decrease) in allowance for doubtful accounts	(0)	11
Increase (decrease) in retirement benefit liability	358	424
Interest and dividend income	(442)	(481)
Share of loss (profit) of entities accounted for using equity method	(264)	(562)
Loss (gain) on sales of investment securities	1	(124)
Loss (gain) on sales and retirement of non-current assets	(28)	3
Decrease (increase) in trade receivables	(686)	1,331
Decrease (increase) in inventories	174	24
Increase (decrease) in trade payables	299	(1,157)
Other, net	883	830
Subtotal	19,383	20,644
Interest and dividends received	708	1,073
Payments associated with disaster loss	—	(130)
Income taxes paid	(4,531)	(3,864)
Net cash provided by (used in) operating activities	15,561	17,723
Cash flows from investing activities		
Net decrease (increase) in time deposits	0	9,700
Purchase of non-current assets	(5,665)	(8,522)
Proceeds from sales of non-current assets	47	28
Purchase of investment securities	(8)	(3,283)
Proceeds from sales and redemption of investment securities	0	688
Purchase of shares of subsidiaries and associates	(1,166)	(33,511)
Loan advances	—	(239)
Collection of loans receivable	71	6
Other, net	256	(65)
Net cash provided by (used in) investing activities	(6,464)	(35,198)
Cash flows from financing activities		
Dividends paid	(2,541)	(2,746)
Purchase of treasury shares	—	(3,142)
Net cash provided by (used in) financing activities	(2,541)	(5,889)
Effect of exchange rate change on cash and cash equivalents	(23)	(37)
Net increase (decrease) in cash and cash equivalents	6,533	(23,402)
Cash and cash equivalents at beginning of period	51,578	52,293
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	482	—
Cash and cash equivalents at end of period	58,594	28,891