

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2020 (Based on Japanese GAAP)

May 14, 2020

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 26, 2020
 Scheduled date to file Securities Report: June 29, 2020
 Scheduled date to commence dividend payments: June 29, 2020
 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, 2020 (from April 1, 2019 to March 31, 2020)

(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, 2020	278,815	1.4	24,679	5.8	26,407	4.6	18,378	(0.1)
Year ended March 31, 2019	274,893	5.2	23,332	1.5	25,235	2.5	18,388	2.7

	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, 2020	155.06	—	5.5	6.6	8.9
Year ended March 31, 2019	152.20	—	5.6	6.5	8.5

(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, 2020	400,057	337,744	83.9	2,849.94
As of March 31, 2019	395,708	332,200	83.5	2,766.02

(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, 2020	33,701	(44,490)	(9,342)	32,137
Year ended March 31, 2019	30,456	(20,958)	(9,203)	52,293

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, 2019	—	22.00	—	23.00	45.00	5,409	29.6	1.7
Year ended March 31, 2020	—	23.00	—	23.00	46.00	5,464	29.7	1.6
Year ending March 31, 2021 (Forecast)	—	23.00	—	23.00	46.00		31.2	

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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, 2020	133,000	(5.4)	11,500	(8.5)	12,000	(12.6)	8,300	(13.3)	70.43
Full year	274,000	(1.7)	23,800	(3.6)	24,700	(6.5)	17,400	(5.3)	147.66

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2020

(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, 2020	130,936,837 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 March 31, 2020	13,097,592 shares	As of March 31, 2019	14,952,144 shares
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Average number of shares during the period

Year ended March 31, 2020	118,521,107 shares	Year ended March 31, 2019	120,821,100 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	53,591	32,233
Trade notes and accounts receivable	45,806	44,482
Electronically recorded monetary claims - operating	943	636
Securities	8,500	—
Inventories	947	957
Other	6,974	6,150
Allowance for doubtful accounts	(57)	(54)
Total current assets	116,705	84,405
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	111,888	109,515
Machinery, equipment and vehicles, net	16,716	16,171
Land	97,686	97,678
Construction in progress	884	3,313
Other, net	1,239	1,152
Total property, plant and equipment	228,416	227,830
Intangible assets	7,011	6,881
Investments and other assets		
Investment securities	33,430	68,376
Long-term loans receivable	212	269
Deferred tax assets	3,536	5,247
Other	6,610	7,383
Allowance for doubtful accounts	(216)	(336)
Total investments and other assets	43,573	80,939
Total non-current assets	279,002	315,651
Total assets	395,708	400,057

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Trade notes and accounts payable	26,827	25,528
Income taxes payable	4,232	4,885
Provision for bonuses	181	194
Other	14,108	12,710
Total current liabilities	45,349	43,319
Non-current liabilities		
Deferred tax liabilities	171	146
Provision for retirement benefits for directors (and other officers)	39	49
Provision for special repairs for ships and vessels	–	6
Retirement benefit liability	16,876	17,772
Other	1,070	1,018
Total non-current liabilities	18,158	18,993
Total liabilities	63,507	62,312
Net assets		
Shareholders' equity		
Share capital	31,642	31,642
Capital surplus	26,854	26,854
Retained earnings	295,208	301,483
Treasury shares	(28,020)	(25,217)
Total shareholders' equity	325,684	334,761
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,574	2,104
Foreign currency translation adjustment	69	45
Remeasurements of defined benefit plans	(970)	(1,077)
Total accumulated other comprehensive income	4,673	1,073
Non-controlling interests	1,841	1,909
Total net assets	332,200	337,744
Total liabilities and net assets	395,708	400,057

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

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Operating revenue	274,893	278,815
Operating costs	233,065	235,056
Operating gross profit	41,828	43,758
Selling, general and administrative expenses	18,495	19,079
Operating profit	23,332	24,679
Non-operating income		
Interest income	34	34
Dividend income	729	751
Share of profit of entities accounted for using equity method	727	709
Other	448	324
Total non-operating income	1,940	1,820
Non-operating expenses		
Foreign exchange losses	1	15
Provision of allowance for doubtful accounts	—	15
Other	35	61
Total non-operating expenses	37	92
Ordinary profit	25,235	26,407
Extraordinary income		
Gain on sales of non-current assets	81	68
Gain on sales of investment securities	57	239
Gain on sales of shares of subsidiaries and associates	15	—
Compensation for forced relocation	611	—
Gain on bargain purchase	418	—
Gain on step acquisitions	21	—
Total extraordinary income	1,205	307
Extraordinary losses		
Loss on sales and retirement of non-current assets	201	100
Loss on valuation of investment securities	—	4
Loss on sales of investment securities	1	—
Loss on valuation of shares of subsidiaries and associates	—	39
Loss on disaster	204	—
Total extraordinary losses	407	144
Profit before income taxes	26,033	26,570
Income taxes - current	7,903	8,473
Income taxes - deferred	(310)	(381)
Total income taxes	7,593	8,092
Profit	18,439	18,477
Profit attributable to non-controlling interests	51	99
Profit attributable to owners of parent	18,388	18,378

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Profit	18,439	18,477
Other comprehensive income		
Valuation difference on available-for-sale securities	(949)	(3,448)
Foreign currency translation adjustment	(77)	(28)
Remeasurements of defined benefit plans, net of tax	(174)	(106)
Share of other comprehensive income of entities accounted for using equity method	(42)	(20)
Total other comprehensive income	(1,243)	(3,603)
Comprehensive income	17,195	14,873
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	17,144	14,777
Comprehensive income attributable to non-controlling interests	51	96

Consolidated statements of changes in equity

Fiscal year ended March 31, 2019

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	31,642	26,854	281,680	(24,020)	316,156
Changes during period					
Change in scope of consolidation			171		171
Change in 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)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	13,527	(3,999)	9,527
Balance at end of 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 period	6,530	(45)	(796)	5,688	62	321,907
Changes during period						
Change in scope of consolidation						171
Change in scope of equity method						171
Dividends of surplus						(5,203)
Profit attributable to owners of parent						18,388
Purchase of treasury shares						(3,999)
Net changes in items other than shareholders' equity	(955)	115	(174)	(1,014)	1,779	764
Total changes during period	(955)	115	(174)	(1,014)	1,779	10,292
Balance at end of period	5,574	69	(970)	4,673	1,841	332,200

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	31,642	26,854	295,208	(28,020)	325,684
Changes during period					
Dividends of surplus			(5,464)		(5,464)
Profit attributable to owners of parent			18,378		18,378
Purchase of treasury shares				(3,849)	(3,849)
Disposal of treasury shares		3		9	12
Cancellation of treasury shares		(3)	(6,639)	6,642	–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	6,274	2,802	9,077
Balance at end of period	31,642	26,854	301,483	(25,217)	334,761

	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 period	5,574	69	(970)	4,673	1,841	332,200
Changes during period						
Dividends of surplus						(5,464)
Profit attributable to owners of parent						18,378
Purchase of treasury shares						(3,849)
Disposal of treasury shares						12
Cancellation of treasury shares						–
Net changes in items other than shareholders' equity	(3,470)	(24)	(106)	(3,600)	67	(3,533)
Total changes during period	(3,470)	(24)	(106)	(3,600)	67	5,544
Balance at end of period	2,104	45	(1,077)	1,073	1,909	337,744

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	26,033	26,570
Depreciation	13,135	13,046
Amortization of goodwill	40	—
Gain on bargain purchase	(418)	—
Increase (decrease) in allowance for doubtful accounts	(0)	118
Increase (decrease) in retirement benefit liability	717	789
Interest and dividend income	(763)	(786)
Share of loss (profit) of entities accounted for using equity method	(727)	(709)
Loss (gain) on sales of investment securities	(55)	(239)
Loss (gain) on valuation of investment securities	—	4
Loss (gain) on sales of shares of subsidiaries and associates	(15)	—
Loss on valuation of shares of subsidiaries and associates	—	39
Loss (gain) on step acquisitions	(21)	—
Loss on disaster	204	—
Loss (gain) on sales and retirement of non-current assets	119	32
Decrease (increase) in trade receivables	(726)	1,681
Decrease (increase) in inventories	69	(10)
Increase (decrease) in trade payables	37	(1,307)
Other, net	16	854
Subtotal	37,645	40,084
Interest and dividends received	1,409	1,591
Payments associated with disaster loss	(9)	(130)
Income taxes paid	(8,588)	(7,844)
Net cash provided by (used in) operating activities	30,456	33,701
Cash flows from investing activities		
Net decrease (increase) in time deposits	(8,999)	9,700
Purchase of non-current assets	(9,968)	(14,847)
Proceeds from sales of non-current assets	115	85
Purchase of investment securities	(416)	(4,193)
Proceeds from sales and redemption of investment securities	120	892
Purchase of shares of subsidiaries and associates	(1,744)	(35,857)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(77)	—
Proceeds from sales of shares of subsidiaries and associates	25	—
Loan advances	(20)	(239)
Collection of loans receivable	83	52
Payments of guarantee deposits	(110)	(13)
Other, net	34	(68)
Net cash provided by (used in) investing activities	(20,958)	(44,490)

	(Millions of yen)	
	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from financing activities		
Dividends paid	(5,203)	(5,464)
Dividends paid to non-controlling interests	—	(28)
Purchase of treasury shares	(3,999)	(3,849)
Net cash provided by (used in) financing activities	(9,203)	(9,342)
Effect of exchange rate change on cash and cash equivalents	(61)	(23)
Net increase (decrease) in cash and cash equivalents	232	(20,155)
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	52,293	32,137