

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 20, 2024

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 18, 2024
 Scheduled date to file Securities Report: June 18, 2024
 Scheduled date to commence dividend payments: June 19, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2024	140,572	6.6	12,569	8.8	13,136	6.7	8,305	12.2
Year ended March 31, 2023	131,912	5.4	11,548	3.9	12,306	2.9	7,400	4.0

	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, 2024	442.57	–	10.3	8.8	8.9
Year ended March 31, 2023	393.92	–	9.9	8.8	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, 2024	154,892	95,631	54.2	4,474.91
As of March 31, 2023	143,038	88,149	54.1	4,118.72

(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, 2024	15,883	(8,305)	(6,497)	24,143
Year ended March 31, 2023	13,655	(3,003)	(5,772)	23,062

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, 2023	–	45.00	–	50.00	95.00	1,784	24.1	2.4
Year ended March 31, 2024	–	55.00	–	65.00	120.00	2,250	27.1	2.8
Year ending March 31, 2025 (Forecast)	–	65.00	–	18.75	–	–	–	–

(Note) Year-end dividend per share for the fiscal year ending March 31, 2025 (forecast)

We plan to conduct a 4-for-1 stock split of shares of common stock, effective October 1, 2024, and the year-end dividend per share for the fiscal year ending March 31, 2025 (forecast) reflects the effect of this stock split, and the total annual dividend per share is "-".

If the stock split is not taken into account, the year-end dividend per share forecast for the fiscal year ending March 31, 2025 is 75 yen, the annual dividend per share is 140 yen, and the dividend payout ratio is 30.6%.

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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	146,000	3.9	12,900	2.6	13,800	5.1	8,600	3.6	458.25

(Note) Net income per share in the full-year earnings forecast for the fiscal year ending March 31, 2025 does not take into account the effect of the stock split.

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

No

(changes in specified subsidiaries resulting in the change in scope of consolidation):

(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, 2024	19,012,000 shares	As of March 31, 2023	19,012,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	254,902 shares	As of March 31, 2023	224,789 shares
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Average number of shares during the period

Year ended March 31, 2024	18,767,196 shares	Year ended March 31, 2023	18,787,222 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	25,238	26,405
Notes and accounts receivable - trade, and contract assets	15,652	17,154
Merchandise	3	3
Supplies	137	136
Investments in leases	3,261	3,047
Other	1,252	1,566
Allowance for doubtful accounts	(35)	(41)
Total current assets	45,509	48,271
Non-current assets		
Property, plant and equipment		
Buildings and structures	77,394	79,988
Accumulated depreciation	(44,756)	(47,440)
Buildings and structures, net	32,638	32,548
Machinery and equipment	6,074	6,305
Accumulated depreciation	(4,162)	(4,575)
Machinery and equipment, net	1,911	1,729
Vehicles	7,130	9,409
Accumulated depreciation	(6,456)	(8,065)
Vehicles, net	673	1,343
Land	45,984	49,043
Leased assets	12,308	12,256
Accumulated depreciation	(6,517)	(6,523)
Leased assets, net	5,790	5,733
Construction in progress	352	4,562
Other	2,800	3,030
Accumulated depreciation	(2,407)	(2,570)
Other, net	392	459
Total property, plant and equipment	87,744	95,420
Intangible assets	2,654	2,858
Investments and other assets		
Investment securities	2,731	3,374
Long-term loans receivable	8	16
Long-term prepaid expenses	170	205
Leasehold and guarantee deposits	2,382	2,705
Deferred tax assets	1,218	1,158
Other	1,073	1,562
Allowance for doubtful accounts	(455)	(680)
Total investments and other assets	7,129	8,342
Total non-current assets	97,528	106,621
Total assets	143,038	154,892

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,371	7,930
Short-term borrowings	17,031	17,283
Lease liabilities	2,004	2,022
Income taxes payable	2,339	2,501
Accrued consumption taxes	1,209	1,713
Provision for bonuses	1,351	1,480
Reserve for loss on dissolution of employee's pension fund	49	27
Other	5,237	6,890
Total current liabilities	36,595	39,849
Non-current liabilities		
Long-term borrowings	4,669	6,228
Lease liabilities	4,264	4,217
Deferred tax liabilities	887	894
Retirement benefit liability	5,868	5,833
Reserve for loss on dissolution of employee's pension fund	27	–
Other	2,574	2,238
Total non-current liabilities	18,292	19,411
Total liabilities	54,888	59,261
Net assets		
Shareholders' equity		
Share capital	6,547	6,547
Capital surplus	6,445	6,449
Retained earnings	64,756	71,091
Treasury shares	(643)	(771)
Total shareholders' equity	77,105	83,317
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	266	550
Remeasurements of defined benefit plans	7	69
Total accumulated other comprehensive income	273	619
Non-controlling interests	10,770	11,694
Total net assets	88,149	95,631
Total liabilities and net assets	143,038	154,892

Consolidated statements of income and consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Operating revenue	131,912	140,572
Operating costs	116,448	123,138
Operating gross profit	15,464	17,433
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	1	1
Remuneration for directors (and other officers)	809	916
Salaries and allowances	905	1,034
Provision for bonuses	100	106
Retirement benefit expenses	73	15
Taxes and dues	485	534
Commission expenses	274	522
Other	1,264	1,731
Total selling, general and administrative expenses	3,915	4,864
Operating profit	11,548	12,569
Non-operating income		
Interest income	0	0
Dividend income	99	129
Rental income	113	137
Commission income	58	53
Gain on sale of non-current assets	149	144
Subsidy income	191	125
Electricity sale income	370	385
Miscellaneous income	247	300
Total non-operating income	1,231	1,275
Non-operating expenses		
Interest expenses	138	149
Rental Expense	50	52
Loss on sale and retirement of non-current assets	40	22
Cost of electricity sales	220	218
Provision of allowance for doubtful accounts	–	225
Miscellaneous losses	24	39
Total non-operating expenses	473	709
Ordinary profit	12,306	13,136
Extraordinary income		
Gain on bargain purchase	105	131
Compensation income	–	177
Other	–	27
Total extraordinary income	105	336

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Extraordinary losses		
Loss on transfer and closing of logistics center	10	–
Loss on liquidation of subsidiaries and associates	129	–
Settlement payments	–	24
Other	34	–
Total extraordinary losses	174	24
Profit before income taxes	12,238	13,447
Income taxes - current	3,978	4,270
Income taxes - deferred	(49)	(59)
Total income taxes	3,928	4,211
Profit	8,309	9,235
Profit attributable to		
Profit attributable to owners of parent	7,400	8,305
Profit attributable to non-controlling interests	908	930
Other comprehensive income		
Valuation difference on available-for-sale securities	53	303
Remeasurements of defined benefit plans, net of tax	104	69
Total other comprehensive income	158	373
Comprehensive income	8,467	9,609
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,512	8,651
Comprehensive income attributable to non-controlling interests	955	957

Consolidated statements of changes in equity

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)
Disposal of treasury shares					
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)
Disposal of treasury shares					
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

Fiscal year ended March 31, 2024

(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	64,756	(643)	77,105
Changes during period					
Dividends of surplus			(1,970)		(1,970)
Profit attributable to owners of parent			8,305		8,305
Purchase of treasury shares				(141)	(141)
Disposal of treasury shares		4		13	18
Net changes in items other than shareholders' equity					
Total changes during period	-	4	6,335	(127)	6,211
Balance at end of period	6,547	6,449	71,091	(771)	83,317

	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	266	7	273	10,770	88,149
Changes during period					
Dividends of surplus					(1,970)
Profit attributable to owners of parent					8,305
Purchase of treasury shares					(141)
Disposal of treasury shares					18
Net changes in items other than shareholders' equity	283	61	345	924	1,269
Total changes during period	283	61	345	924	7,481
Balance at end of period	550	69	619	11,694	95,631

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	12,238	13,447
Depreciation	5,614	5,981
Increase (decrease) in allowance for doubtful accounts	(1)	225
Increase (decrease) in provision for bonuses	39	85
Increase (decrease) in retirement benefit liability	83	(208)
Interest and dividend income	(100)	(129)
Interest expenses	138	149
Loss on sales and retirement of noncurrent assets	40	22
Decrease (increase) in trade receivables	(209)	(646)
Increase (decrease) in trade payables	(6)	429
Increase (decrease) in accrued consumption taxes	380	555
Gain on sale of non-current assets	(149)	(144)
Decrease (increase) in investments in leases	(1,289)	137
Increase/decrease in other assets/liabilities	190	24
Other, net	181	205
Subtotal	17,150	20,137
Interest and dividends received	100	129
Interest paid	(137)	(150)
Income taxes paid	(3,457)	(4,233)
Net cash provided by (used in) operating activities	13,655	15,883
Cash flows from investing activities		
Payments into time deposits	(2,045)	(2,104)
Proceeds from withdrawal of time deposits	1,747	2,423
Purchase of property, plant and equipment	(2,354)	(8,216)
Proceeds from sale of property, plant and equipment	471	1,403
Purchase of intangible assets	(174)	(169)
Purchase of investment securities	(12)	(13)
Proceeds from sale of investment securities	0	64
Payments of leasehold deposits	(63)	(337)
Proceeds from refund of leasehold deposits	90	101
Loan advances	(17)	(28)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(728)	(1,494)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	–	206
Purchase of shares of subsidiaries	–	(194)
Other, net	82	53
Net cash provided by (used in) investing activities	(3,003)	(8,305)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	297	193
Proceeds from long-term borrowings	442	324
Repayments of long-term borrowings	(2,441)	(2,155)
Net decrease (increase) in treasury shares	(0)	(127)
Dividends paid	(1,690)	(1,970)
Dividends paid to non-controlling interests	(220)	(208)
Repayments of lease liabilities	(2,157)	(2,354)
Other, net	(1)	(197)
Net cash provided by (used in) financing activities	(5,772)	(6,497)
Effect of exchange rate change on cash and cash equivalents	–	–
Net increase (decrease) in cash and cash equivalents	4,880	1,080
Cash and cash equivalents at beginning of period	18,182	23,062
Cash and cash equivalents at end of period	23,062	24,143