

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2020 (Based on Japanese GAAP)

November 13, 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 to file Quarterly Securities Report: November 13, 2020
 Scheduled date to commence dividend payments: December 8, 2020
 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, 2020 (from April 1, 2020 to September 30, 2020)

(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, 2020	129,757	(7.7)	11,162	(11.2)	11,972	(12.8)	8,197	(14.3)
Six months ended September 30, 2019	140,549	2.8	12,571	8.4	13,733	9.6	9,569	9.8

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2020	69.56	—
Six months ended September 30, 2019	80.41	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2020	404,740	344,725	84.7
As of March 31, 2020	400,057	337,744	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, 2020	—	23.00	—	23.00	46.00
Year ending March 31, 2021	—	23.00			
Year ending March 31, 2021 (Forecast)			—	23.00	46.00

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
Full year	265,000	(5.0)	22,800	(7.6)	24,400	(7.6)	17,000	(7.5)	144.26

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2020
(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, 2020	130,936,837 shares	As of March 31, 2020	130,936,837 shares
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Number of treasury shares at the end of the period

As of September 30, 2020	13,090,675 shares	As of March 31, 2020	13,097,592 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, 2020	117,842,701 shares	Six months ended September 30, 2019	119,002,923 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
Assets		
Current assets		
Cash and deposits	32,233	38,652
Trade notes and accounts receivable	44,482	42,372
Electronically recorded monetary claims - operating	636	616
Securities	—	1,000
Inventories	957	833
Other	6,150	6,724
Allowance for doubtful accounts	(54)	(52)
Total current assets	84,405	90,146
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	109,515	105,320
Land	97,678	97,678
Other, net	20,636	23,782
Total property, plant and equipment	227,830	226,781
Intangible assets	6,881	6,845
Investments and other assets		
Investment securities	68,376	69,166
Other	12,900	12,134
Allowance for doubtful accounts	(336)	(334)
Total investments and other assets	80,939	80,966
Total non-current assets	315,651	314,593
Total assets	400,057	404,740
Liabilities		
Current liabilities		
Trade notes and accounts payable	25,528	24,456
Income taxes payable	4,885	4,159
Provision for bonuses	194	183
Other	12,710	12,000
Total current liabilities	43,319	40,799
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	49	47
Provision for special repairs for ships and vessels	6	10
Retirement benefit liability	17,772	17,935
Other	1,165	1,221
Total non-current liabilities	18,993	19,214
Total liabilities	62,312	60,014

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
Net assets		
Shareholders' equity		
Share capital	31,642	31,642
Capital surplus	26,854	26,855
Retained earnings	301,483	306,970
Treasury shares	(25,217)	(25,204)
Total shareholders' equity	334,761	340,263
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,104	3,641
Foreign currency translation adjustment	45	(91)
Remeasurements of defined benefit plans	(1,077)	(1,046)
Total accumulated other comprehensive income	1,073	2,503
Non-controlling interests	1,909	1,958
Total net assets	337,744	344,725
Total liabilities and net assets	400,057	404,740

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, 2019	Six months ended September 30, 2020
Operating revenue	140,549	129,757
Operating costs	118,343	109,126
Operating gross profit	22,205	20,630
Selling, general and administrative expenses	9,633	9,468
Operating profit	12,571	11,162
Non-operating income		
Interest income	17	15
Dividend income	463	482
Share of profit of entities accounted for using equity method	562	124
Other	159	221
Total non-operating income	1,202	843
Non-operating expenses		
Foreign exchange losses	22	13
Other	19	19
Total non-operating expenses	41	33
Ordinary profit	13,733	11,972
Extraordinary income		
Gain on sales of non-current assets	26	16
Gain on sales of investment securities	124	32
Total extraordinary income	151	49
Extraordinary losses		
Loss on sales and retirement of non-current assets	30	83
Total extraordinary losses	30	83
Profit before income taxes	13,854	11,937
Income taxes - current	4,358	3,821
Income taxes - deferred	(108)	(127)
Total income taxes	4,249	3,693
Profit	9,604	8,243
Profit attributable to non-controlling interests	35	46
Profit attributable to owners of parent	9,569	8,197

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Profit	9,604	8,243
Other comprehensive income		
Valuation difference on available-for-sale securities	1,220	1,504
Foreign currency translation adjustment	(57)	(80)
Remeasurements of defined benefit plans, net of tax	79	77
Share of other comprehensive income of entities accounted for using equity method	(168)	(67)
Total other comprehensive income	1,073	1,433
Comprehensive income	10,678	9,677
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,642	9,627
Comprehensive income attributable to non-controlling interests	35	50

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Cash flows from operating activities		
Profit before income taxes	13,854	11,937
Depreciation	6,490	6,312
Increase (decrease) in allowance for doubtful accounts	11	(4)
Increase (decrease) in retirement benefit liability	424	240
Interest and dividend income	(481)	(498)
Share of loss (profit) of entities accounted for using equity method	(562)	(124)
Loss (gain) on sales of investment securities	(124)	(32)
Loss (gain) on sales and retirement of non-current assets	3	67
Decrease (increase) in trade receivables	1,331	2,125
Decrease (increase) in inventories	24	123
Increase (decrease) in trade payables	(1,157)	(1,097)
Other, net	830	(331)
Subtotal	20,644	18,717
Interest and dividends received	1,073	869
Payments associated with disaster loss	(130)	—
Income taxes paid	(3,864)	(4,519)
Net cash provided by (used in) operating activities	17,723	15,067
Cash flows from investing activities		
Net decrease (increase) in time deposits	9,700	—
Purchase of non-current assets	(8,522)	(5,668)
Proceeds from sales of non-current assets	28	18
Purchase of investment securities	(3,283)	(557)
Proceeds from sales and redemption of investment securities	688	151
Purchase of shares of subsidiaries and associates	(33,511)	(22)
Loan advances	(239)	—
Collection of loans receivable	6	78
Other, net	(65)	100
Net cash provided by (used in) investing activities	(35,198)	(5,899)
Cash flows from financing activities		
Dividends paid	(2,746)	(2,710)
Dividends paid to non-controlling interests	—	(1)
Purchase of treasury shares	(3,142)	(0)
Net cash provided by (used in) financing activities	(5,889)	(2,711)
Effect of exchange rate change on cash and cash equivalents	(37)	(36)
Net increase (decrease) in cash and cash equivalents	(23,402)	6,420
Cash and cash equivalents at beginning of period	52,293	32,137
Cash and cash equivalents at end of period	28,891	38,558