

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2016 (Based on Japanese GAAP)

February 7, 2017

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: February 13, 2017
 Scheduled date to commence dividend payments: –
 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 nine months ended December 31, 2016 (from April 1, 2016 to December 31, 2016)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2016	184,073	(0.0)	17,036	(0.2)	18,140	(1.8)	12,479	0.7
Nine months ended December 31, 2015	184,138	0.6	17,068	(1.0)	18,475	1.5	12,392	6.4

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2016	49.84	–
Nine months ended December 31, 2015	48.73	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2016	368,475	312,932	84.9
As of March 31, 2016	359,942	301,944	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, 2016	–	6.00	–	7.00	13.00
Year ending March 31, 2017	–	6.00	–	–	–
Year ending March 31, 2017 (Forecast)	–	–	–	7.00	13.00

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

Percentages indicate year-on-year changes

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	245,000	1.1	23,000	4.5	24,300	1.9	16,300	1.8	65.09

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2016
(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: Yes
- 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 December 31, 2016	274,345,675 shares	As of March 31, 2016	274,345,675 shares
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Number of treasury shares at the end of the period

As of December 31, 2016	23,933,313 shares	As of March 31, 2016	23,930,828 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2016	250,413,567 shares	Nine months ended December 31, 2015	254,306,146 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Assets		
Current assets		
Cash and deposits	17,330	42,646
Notes and operating accounts receivable	41,225	43,766
Securities	23,299	–
Inventories	1,142	1,168
Other	8,831	7,657
Allowance for doubtful accounts	(53)	(57)
Total current assets	91,775	95,181
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	108,895	108,244
Land	92,477	93,317
Other, net	20,509	23,526
Total property, plant and equipment	221,882	225,088
Intangible assets	8,295	7,951
Investments and other assets		
Investment securities	28,205	31,879
Other	10,010	8,597
Allowance for doubtful accounts	(226)	(222)
Total investments and other assets	37,988	40,254
Total non-current assets	268,166	273,293
Total assets	359,942	368,475
Liabilities		
Current liabilities		
Notes and operating accounts payable - trade	24,951	26,026
Income taxes payable	3,918	1,585
Provision for bonuses	142	80
Other	11,875	9,822
Total current liabilities	40,888	37,515
Non-current liabilities		
Provision for directors' retirement benefits	25	26
Provision for special repairs for ships and vessels	7	10
Net defined benefit liability	15,845	16,136
Other	1,231	1,854
Total non-current liabilities	17,109	18,026
Total liabilities	57,997	55,542

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Net assets		
Shareholders' equity		
Capital stock	31,642	31,642
Capital surplus	26,854	26,854
Retained earnings	259,580	268,804
Treasury shares	(19,347)	(19,350)
Total shareholders' equity	298,729	307,950
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,538	6,394
Foreign currency translation adjustment	(7)	(215)
Remeasurements of defined benefit plans	(1,368)	(1,253)
Total accumulated other comprehensive income	3,162	4,926
Non-controlling interests	52	55
Total net assets	301,944	312,932
Total liabilities and net assets	359,942	368,475

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Operating revenue	184,138	184,073
Operating cost	154,519	154,529
Operating gross profit	29,619	29,544
Selling, general and administrative expenses	12,551	12,508
Operating income	17,068	17,036
Non-operating income		
Interest income	77	41
Dividend income	693	542
Share of profit of entities accounted for using equity method	376	311
Other	308	333
Total non-operating income	1,455	1,228
Non-operating expenses		
Foreign exchange losses	9	106
Other	37	17
Total non-operating expenses	47	124
Ordinary income	18,475	18,140
Extraordinary income		
Gain on sales of non-current assets	71	39
Subsidy income	182	-
Total extraordinary income	253	39
Extraordinary losses		
Loss on sales and retirement of non-current assets	65	83
Loss on valuation of investment securities	2	2
Loss on sales of golf club memberships	2	-
Total extraordinary losses	70	86
Profit before income taxes	18,659	18,092
Income taxes - current	5,756	5,178
Income taxes - deferred	506	431
Total income taxes	6,263	5,610
Profit	12,395	12,482
Profit attributable to non-controlling interests	3	2
Profit attributable to owners of parent	12,392	12,479

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Profit	12,395	12,482
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,065)	1,849
Foreign currency translation adjustment	(3)	(116)
Remeasurements of defined benefit plans, net of tax	40	114
Share of other comprehensive income of entities accounted for using equity method	(74)	(82)
Total other comprehensive income	(1,102)	1,765
Comprehensive income	11,293	14,247
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,290	14,243
Comprehensive income attributable to non-controlling interests	2	4