

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2018 (Based on Japanese GAAP)

May 11, 2018

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 28, 2018
 Scheduled date to file Securities Report: June 29, 2018
 Scheduled date to commence dividend payments: June 29, 2018
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)

(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, 2018	261,420	6.2	22,980	1.9	24,630	2.5	17,902	9.3
Year ended March 31, 2017	246,212	1.6	22,550	2.5	24,035	0.8	16,383	2.3

	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, 2018	146.63	—	5.6	6.5	8.8
Year ended March 31, 2017	131.06	—	5.3	6.6	9.2

(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, 2018	383,620	321,907	83.9	2,659.83
As of March 31, 2017	370,872	312,116	84.1	2,540.08

(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, 2018	29,143	(16,306)	(8,601)	51,578
Year ended March 31, 2017	31,578	17,736	(8,257)	47,348

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, 2017	—	6.00	—	9.00	15.00	3,713	22.9	1.2
Year ended March 31, 2018	—	7.00	—	21.00	—	4,261	23.9	1.3
Year ending March 31, 2019 (Forecast)	—	22.00	—	23.00	45.00		30.3	

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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, 2018	132,000	1.8	11,800	0.5	13,000	2.9	9,000	(6.9)	74.38
Full year	270,000	3.3	23,300	1.4	25,600	3.9	18,000	0.5	148.76

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2018

(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, 2018	134,386,837 shares	As of March 31, 2017	137,172,837 shares
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Number of treasury shares at the end of the period

As of March 31, 2018	13,384,461 shares	As of March 31, 2017	14,318,156 shares
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Average number of shares during the period

Year ended March 31, 2018	122,096,333 shares	Year ended March 31, 2017	125,010,674 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	47,381	51,611
Notes and operating accounts receivable	41,191	44,638
Electronically recorded monetary claims - operating	573	600
Securities	700	—
Inventories	1,100	1,016
Deferred tax assets	1,126	1,244
Other	7,077	6,667
Allowance for doubtful accounts	(53)	(56)
Total current assets	99,097	105,721
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	110,043	112,910
Machinery, equipment and vehicles, net	13,680	13,526
Land	93,317	94,092
Construction in progress	7,180	4,715
Other, net	937	1,370
Total property, plant and equipment	225,160	226,615
Intangible assets	7,807	7,471
Investments and other assets		
Investment securities	30,825	35,311
Long-term loans receivable	135	517
Deferred tax assets	1,552	1,714
Other	6,515	6,486
Allowance for doubtful accounts	(220)	(217)
Total investments and other assets	38,807	43,812
Total non-current assets	271,775	277,899
Total assets	370,872	383,620

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Liabilities		
Current liabilities		
Notes and operating accounts payable - trade	25,674	26,363
Income taxes payable	4,282	4,890
Deferred tax liabilities	1	1
Provision for bonuses	140	134
Other	11,906	13,097
Total current liabilities	42,005	44,487
Non-current liabilities		
Deferred tax liabilities	165	337
Provision for directors' retirement benefits	25	26
Provision for special repairs for ships and vessels	11	14
Net defined benefit liability	15,547	15,955
Other	1,001	890
Total non-current liabilities	16,750	17,225
Total liabilities	58,755	61,712
Net assets		
Shareholders' equity		
Capital stock	31,642	31,642
Capital surplus	26,854	26,854
Retained earnings	272,709	281,680
Treasury shares	(24,349)	(24,020)
Total shareholders' equity	306,855	316,156
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,097	6,530
Foreign currency translation adjustment	(82)	(45)
Remeasurements of defined benefit plans	(810)	(796)
Total accumulated other comprehensive income	5,204	5,688
Non-controlling interests	56	62
Total net assets	312,116	321,907
Total liabilities and net assets	370,872	383,620

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

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Operating revenue	246,212	261,420
Operating cost	207,051	221,429
Operating gross profit	39,160	39,990
Selling, general and administrative expenses	16,609	17,010
Operating profit	22,550	22,980
Non-operating income		
Interest income	51	37
Dividend income	621	633
Share of profit of entities accounted for using equity method	389	441
Other	531	605
Total non-operating income	1,593	1,717
Non-operating expenses		
Foreign exchange losses	88	32
Other	20	35
Total non-operating expenses	108	67
Ordinary profit	24,035	24,630
Extraordinary income		
Gain on sales of non-current assets	64	64
Gain on sales of investment securities	302	689
Subsidy income	225	355
Total extraordinary income	592	1,109
Extraordinary losses		
Loss on sales and retirement of non-current assets	155	162
Loss on valuation of investment securities	2	–
Loss on valuation of golf club membership	–	1
Loss on sales of investments in capital	401	–
Loss on disaster	96	50
Total extraordinary losses	656	214
Profit before income taxes	23,970	25,525
Income taxes - current	7,694	7,790
Income taxes - deferred	(111)	(173)
Total income taxes	7,583	7,616
Profit	16,387	17,909
Profit attributable to non-controlling interests	3	6
Profit attributable to owners of parent	16,383	17,902

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Profit	16,387	17,909
Other comprehensive income		
Valuation difference on available-for-sale securities	1,548	439
Foreign currency translation adjustment	(50)	(9)
Remeasurements of defined benefit plans, net of tax	557	14
Share of other comprehensive income of entities accounted for using equity method	(12)	40
Total other comprehensive income	2,043	484
Comprehensive income	18,430	18,393
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	18,426	18,386
Comprehensive income attributable to non-controlling interests	4	7

Consolidated statements of changes in equity

Fiscal year ended March 31, 2017

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	31,642	26,854	259,580	(19,347)	298,729
Changes of items during period					
Dividends of surplus			(3,255)		(3,255)
Profit attributable to owners of parent			16,383		16,383
Purchase of treasury shares				(5,001)	(5,001)
Retirement of treasury shares					
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	13,128	(5,001)	8,126
Balance at end of current period	31,642	26,854	272,709	(24,349)	306,855

	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 current period	4,538	(7)	(1,368)	3,162	52	301,944
Changes of items during period						
Dividends of surplus						(3,255)
Profit attributable to owners of parent						16,383
Purchase of treasury shares						(5,001)
Retirement of treasury shares						
Net changes of items other than shareholders' equity	1,559	(74)	557	2,042	3	2,046
Total changes of items during period	1,559	(74)	557	2,042	3	10,172
Balance at end of current period	6,097	(82)	(810)	5,204	56	312,116

Fiscal year ended March 31, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	31,642	26,854	272,709	(24,349)	306,855
Changes of items during period					
Dividends of surplus			(3,931)		(3,931)
Profit attributable to owners of parent			17,902		17,902
Purchase of treasury shares				(4,670)	(4,670)
Retirement of treasury shares			(4,999)	4,999	—
Net changes of items other than shareholders' equity					
Total changes of items during period			8,971	329	9,301
Balance at end of current period	31,642	26,854	281,680	(24,020)	316,156

	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 current period	6,097	(82)	(810)	5,204	56	312,116
Changes of items during period						
Dividends of surplus						(3,931)
Profit attributable to owners of parent						17,902
Purchase of treasury shares						(4,670)
Retirement of treasury shares						—
Net changes of items other than shareholders' equity	432	36	14	483	6	489
Total changes of items during period	432	36	14	483	6	9,790
Balance at end of current period	6,530	(45)	(796)	5,688	62	321,907

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Cash flows from operating activities		
Profit before income taxes	23,970	25,525
Depreciation	11,866	12,478
Increase (decrease) in allowance for doubtful accounts	(4)	(1)
Increase (decrease) in net defined benefit liability	259	422
Interest and dividend income	(673)	(670)
Share of loss (profit) of entities accounted for using equity method	(389)	(441)
Loss (gain) on sales of investment securities	(302)	(689)
Loss (gain) on valuation of investment securities	2	—
Loss on valuation of golf club memberships	—	1
Loss (gain) on sales of investments in capital	401	—
Loss on disaster	96	50
Loss (gain) on sales and retirement of non-current assets	91	98
Decrease (increase) in notes and accounts receivable - trade	(918)	(3,409)
Decrease (increase) in inventories	41	83
Increase (decrease) in notes and accounts payable - trade	1,086	636
Other, net	2,663	1,025
Subtotal	38,192	35,110
Interest and dividend income received	1,043	1,157
Payments for loss on disaster	(62)	(84)
Income taxes paid	(7,595)	(7,039)
Net cash provided by (used in) operating activities	31,578	29,143
Cash flows from investing activities		
Net decrease (increase) in time deposits	13,000	—
Purchase of securities	(5,000)	—
Proceeds from sales of securities	25,999	—
Proceeds from redemption of securities	—	700
Purchase of non-current assets	(16,116)	(13,484)
Proceeds from sales of non-current assets	66	68
Purchase of investment securities	(1,373)	(1,406)
Proceeds from sales and redemption of investment securities	1,340	1,867
Purchase of shares of subsidiaries and associates	(269)	(3,779)
Payments of loans receivable	—	(360)
Collection of loans receivable	61	63
Other, net	26	24
Net cash provided by (used in) investing activities	17,736	(16,306)
Cash flows from financing activities		
Cash dividends paid	(3,255)	(3,931)
Purchase of treasury shares	(5,001)	(4,670)
Net cash provided by (used in) financing activities	(8,257)	(8,601)
Effect of exchange rate change on cash and cash equivalents	(5)	(5)
Net increase (decrease) in cash and cash equivalents	41,051	4,229
Cash and cash equivalents at beginning of period	6,296	47,348
Cash and cash equivalents at end of period	47,348	51,578