

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2017 (Based on Japanese GAAP)

November 10, 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: November 13, 2017
 Scheduled date to commence dividend payments: December 4, 2017
 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, 2017 (from April 1, 2017 to September 30, 2017)

(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, 2017	129,704	7.0	11,735	4.3	12,628	4.7	9,670	16.1
Six months ended September 30, 2016	121,198	(0.2)	11,257	0.5	12,063	(1.1)	8,328	0.6

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2017	78.71	–
Six months ended September 30, 2016	66.52	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2017	379,450	320,035	84.3
As of March 31, 2017	370,872	312,116	84.1

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, 2017	–	6.00	–	9.00	15.00
Year ending March 31, 2018	–	7.00	–	–	–
Year ending March 31, 2018 (Forecast)	–	–	–	14.00	–

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

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	253,000	2.8	23,200	2.9	24,800	3.2	17,400	6.2	141.63

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2017
(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, 2017	137,172,837 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 September 30, 2017	14,318,274 shares	As of March 31, 2017	14,318,156 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, 2017	122,854,624 shares	Six months ended September 30, 2016	125,206,888 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017
Assets		
Current assets		
Cash and deposits	47,381	52,788
Notes and operating accounts receivable	41,765	44,067
Securities	700	700
Inventories	1,100	1,047
Other	8,204	8,019
Allowance for doubtful accounts	(53)	(56)
Total current assets	99,097	106,566
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	110,043	108,990
Land	93,317	93,378
Other, net	21,799	23,329
Total property, plant and equipment	225,160	225,699
Intangible assets	7,807	7,545
Investments and other assets		
Investment securities	30,825	31,725
Other	8,203	8,130
Allowance for doubtful accounts	(220)	(216)
Total investments and other assets	38,807	39,638
Total non-current assets	271,775	272,883
Total assets	370,872	379,450
Liabilities		
Current liabilities		
Notes and operating accounts payable - trade	25,674	26,511
Income taxes payable	4,282	4,627
Provision for bonuses	140	139
Other	11,907	11,099
Total current liabilities	42,005	42,377
Non-current liabilities		
Provision for directors' retirement benefits	25	28
Provision for special repairs for ships and vessels	11	12
Net defined benefit liability	15,547	15,773
Other	1,166	1,222
Total non-current liabilities	16,750	17,036
Total liabilities	58,755	59,414

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017
Net assets		
Shareholders' equity		
Capital stock	31,642	31,642
Capital surplus	26,854	26,854
Retained earnings	272,709	280,168
Treasury shares	(24,349)	(24,350)
Total shareholders' equity	306,855	314,314
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,097	6,500
Foreign currency translation adjustment	(82)	(85)
Remeasurements of defined benefit plans	(810)	(753)
Total accumulated other comprehensive income	5,204	5,662
Non-controlling interests	56	58
Total net assets	312,116	320,035
Total liabilities and net assets	370,872	379,450

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, 2016	Six months ended September 30, 2017
Operating revenue	121,198	129,704
Operating cost	101,541	109,410
Operating gross profit	19,656	20,294
Selling, general and administrative expenses	8,399	8,558
Operating profit	11,257	11,735
Non-operating income		
Interest income	31	19
Dividend income	349	396
Share of profit of entities accounted for using equity method	262	161
Other	289	325
Total non-operating income	933	904
Non-operating expenses		
Foreign exchange losses	120	–
Other	6	11
Total non-operating expenses	126	11
Ordinary profit	12,063	12,628
Extraordinary income		
Gain on sales of non-current assets	34	42
Gain on sales of investment securities	–	689
Subsidy income	–	170
Total extraordinary income	34	902
Extraordinary losses		
Loss on sales and retirement of non-current assets	11	125
Loss on valuation of investment securities	2	–
Total extraordinary losses	14	125
Profit before income taxes	12,084	13,405
Income taxes - current	3,776	3,916
Income taxes - deferred	(22)	(183)
Total income taxes	3,754	3,732
Profit	8,329	9,673
Profit attributable to non-controlling interests	1	2
Profit attributable to owners of parent	8,328	9,670

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Profit	8,329	9,673
Other comprehensive income		
Valuation difference on available-for-sale securities	(208)	407
Foreign currency translation adjustment	(105)	(12)
Remeasurements of defined benefit plans, net of tax	76	57
Share of other comprehensive income of entities accounted for using equity method	(81)	5
Total other comprehensive income	(318)	458
Comprehensive income	8,011	10,131
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,010	10,128
Comprehensive income attributable to non-controlling interests	1	3

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Cash flows from operating activities		
Profit before income taxes	12,084	13,405
Depreciation	5,800	6,072
Increase (decrease) in allowance for doubtful accounts	(3)	(1)
Increase (decrease) in net defined benefit liability	244	283
Interest and dividend income	(380)	(416)
Share of (profit) loss of entities accounted for using equity method	(262)	(161)
Loss (gain) on sales of investment securities	–	(689)
Loss (gain) on valuation of investment securities	2	–
Loss (gain) on sales and retirement of non-current assets	(23)	83
Decrease (increase) in notes and accounts receivable - trade	84	(2,273)
Decrease (increase) in inventories	77	52
Increase (decrease) in notes and accounts payable - trade	(217)	823
Other, net	2,127	832
Subtotal	19,533	18,010
Interest and dividend income received	750	657
Payments for loss on disaster	–	(34)
Income taxes paid	(3,700)	(3,426)
Net cash provided by (used in) operating activities	16,584	15,207
Cash flows from investing activities		
Net decrease (increase) in time deposits	(1,000)	–
Purchase of securities	(5,000)	–
Proceeds from sales of securities	25,999	–
Purchase of non-current assets	(9,555)	(8,167)
Proceeds from sales of non-current assets	34	45
Purchase of investment securities	(364)	(1,398)
Proceeds from sales and redemption of investment securities	300	1,867
Purchase of shares of subsidiaries and associates	(133)	–
Collection of loans receivable	37	28
Other, net	187	42
Net cash provided by (used in) investing activities	10,506	(7,581)
Cash flows from financing activities		
Cash dividends paid	(1,752)	(2,211)
Purchase of treasury shares	(1)	(0)
Net cash provided by (used in) financing activities	(1,754)	(2,211)
Effect of exchange rate change on cash and cash equivalents	(25)	(7)
Net increase (decrease) in cash and cash equivalents	25,311	5,406
Cash and cash equivalents at beginning of period	6,296	47,348
Cash and cash equivalents at end of period	31,608	52,755