

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2017 (Based on Japanese GAAP)

February 13, 2018

Company name: Konoike Transport Co.,Ltd.
 Stock exchange listing: Tokyo
 Stock code: 9025 URL <http://www.konoike.net/>
 Representative: Executive Director and President Tadahiko Konoike
 Managing Executive Officer, General Manager Mitsuhiko Nakatani
 Finance / Accounting Division TEL 06-6227-4600
 Inquiries: Mitsuhiko Nakatani
 Scheduled date to file Quarterly Securities Report: February 13, 2018
 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, 2017 (from April 1, 2017 to December 31, 2017)

(1) Consolidated operating results (cumulative)

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	%
Nine months ended December 31, 2017	208,602	6.7	9,425	7.6	9,750	7.7	6,449	6.6
Nine months ended December 31, 2016	195,478	2.5	8,759	3.3	9,052	4.5	6,050	4.0

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2017	113.29	112.92
Nine months ended December 31, 2016	106.31	106.07

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2017	210,612	101,089	46.4	1,717.83
As of March 31, 2017	204,655	95,348	44.9	1,615.59

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	–	17.50	–	17.50	35.00
Year ending March 31, 2018	–	18.00	–		
Year ending March 31, 2018 (Forecast)				18.00	36.00

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

	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	278,100	7.7	11,000	7.5	11,300	5.4	7,000	(4.3)	123.00

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2017
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (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 December 31, 2017	56,933,332 shares	As of March 31, 2017	56,912,172 shares
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Number of treasury shares at the end of the period

As of December 31, 2017	320 shares	As of March 31, 2017	276 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, 2017	56,932,653 shares	Nine months ended December 31, 2016	56,909,305 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Assets		
Current assets		
Cash and deposits	32,466	28,122
Notes and accounts receivable - trade	46,547	52,315
Costs on uncompleted works	12	160
Supplies	1,291	1,399
Deferred tax assets	2,633	1,436
Other	2,333	2,782
Allowance for doubtful accounts	(64)	(53)
Total current assets	85,220	86,163
Non-current assets		
Property, plant and equipment		
Buildings and structures	105,734	105,984
Accumulated depreciation	(63,589)	(65,423)
Buildings and structures, net	42,145	40,561
Machinery, equipment and vehicles	48,496	49,533
Accumulated depreciation	(40,738)	(41,071)
Machinery, equipment and vehicles, net	7,757	8,462
Land	41,196	41,539
Leased assets	5,689	5,882
Accumulated depreciation	(1,939)	(2,300)
Leased assets, net	3,749	3,582
Construction in progress	1,115	2,076
Other	7,093	7,442
Accumulated depreciation	(5,910)	(6,110)
Other, net	1,182	1,331
Total property, plant and equipment	97,147	97,553
Intangible assets		
Goodwill	847	3,442
Other	2,279	2,274
Total intangible assets	3,127	5,717
Investments and other assets		
Investment securities	9,859	12,230
Long-term loans receivable	387	380
Deferred tax assets	3,097	2,525
Net defined benefit asset	125	155
Other	5,878	6,071
Allowance for doubtful accounts	(187)	(185)
Total investments and other assets	19,160	21,178
Total non-current assets	119,435	124,448
Total assets	204,655	210,612

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,546	15,584
Short-term loans payable	3,455	4,338
Current portion of bonds	3,000	3,000
Current portion of long-term loans payable	4,401	4,137
Accrued expenses	9,954	6,878
Income taxes payable	2,224	1,036
Other	12,400	15,592
Total current liabilities	49,983	50,568
Non-current liabilities		
Bonds payable	23,000	23,000
Long-term loans payable	8,760	8,025
Lease obligations	3,315	3,101
Deferred tax liabilities	550	579
Deferred tax liabilities for land revaluation	1,680	1,677
Net defined benefit liability	17,728	18,415
Provision for directors' retirement benefits	104	146
Allowance for loss dissolution of employees' pension fund	56	—
Long-term accounts payable - other	2,091	1,950
Other	2,036	2,059
Total non-current liabilities	59,323	58,954
Total liabilities	109,307	109,522
Net assets		
Shareholders' equity		
Capital stock	1,697	1,710
Capital surplus	764	778
Retained earnings	92,528	96,948
Treasury shares	(0)	(0)
Total shareholders' equity	94,990	99,436
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,336	4,818
Revaluation reserve for land	(5,085)	(5,090)
Foreign currency translation adjustment	1,073	724
Remeasurements of defined benefit plans	(2,368)	(2,088)
Total accumulated other comprehensive income	(3,044)	(1,635)
Subscription rights to shares	208	283
Non-controlling interests	3,193	3,005
Total net assets	95,348	101,089
Total liabilities and net assets	204,655	210,612

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, 2016	Nine months ended December 31, 2017
Net sales	195,478	208,602
Cost of sales	176,951	189,140
Gross profit	18,527	19,461
Selling, general and administrative expenses	9,767	10,035
Operating profit	8,759	9,425
Non-operating income		
Interest income	76	114
Dividend income	181	226
Other	279	288
Total non-operating income	537	630
Non-operating expenses		
Interest expenses	206	172
Other	38	133
Total non-operating expenses	244	306
Ordinary profit	9,052	9,750
Extraordinary income		
Gain on sales of non-current assets	139	372
Gain on sales of investment securities	18	68
Gain on revision of retirement benefit plan	242	-
Gain on surface rights	221	-
Other	-	27
Total extraordinary income	622	468
Extraordinary losses		
Loss on sales and retirement of non-current assets	195	88
Loss on sales of shares of subsidiaries	-	22
Loss on disaster	53	-
Other	57	0
Total extraordinary losses	306	112
Profit before income taxes	9,367	10,106
Income taxes - current	2,433	2,520
Income taxes - deferred	783	1,028
Total income taxes	3,217	3,549
Profit	6,150	6,557
Profit attributable to non-controlling interests	100	107
Profit attributable to owners of parent	6,050	6,449

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Profit	6,150	6,557
Other comprehensive income		
Valuation difference on available-for-sale securities	864	1,478
Foreign currency translation adjustment	(2,597)	(217)
Remeasurements of defined benefit plans, net of tax	199	280
Share of other comprehensive income of entities accounted for using equity method	(60)	(6)
Total other comprehensive income	(1,593)	1,534
Comprehensive income	4,557	8,092
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,549	7,929
Comprehensive income attributable to non-controlling interests	7	163