

**Translation**

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

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

May 15, 2018

Company name: Konoike Transport Co.,Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 9025 URL <https://www.konoike.net/>  
 Representative: Representative Director & President and Chief Executive Officer Tadahiko Konoike  
 Managing Executive Officer, General Manager Finance / Accounting Division Mitsuhiro Nakatani TEL 06-6227-4600  
 Inquiries: Mitsuhiro Nakatani  
 Scheduled date of ordinary general meeting of shareholders: June 27, 2018  
 Scheduled date to file Securities Report: June 28, 2018  
 Scheduled date to commence dividend payments: June 28, 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

	Net sales		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	276,761	7.1	11,067	8.2	11,536	7.6	7,042	(3.7)
Year ended March 31, 2017	258,332	2.3	10,232	(0.3)	10,721	0.1	7,310	14.0

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2018	123.70	123.28	7.4	5.5	4.0
Year ended March 31, 2017	128.46	128.15	8.2	5.4	4.0

(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	211,808	101,162	46.2	1,719.14
As of March 31, 2017	204,655	95,348	44.9	1,615.59

(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	14,351	(9,989)	(6,483)	29,114
Year ended March 31, 2017	16,508	(6,281)	1,420	31,398

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	–	17.50	–	17.50	35.00	1,991	27.2	2.2
Year ended March 31, 2018	–	18.00	–	18.00	36.00	2,049	29.1	2.2
Year ending March 31, 2019 (Forecast)	–	18.00	–	18.00	36.00		33.6	

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

	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
Six months ending September 30, 2018	143,100	4.2	5,700	(12.1)	5,800	(13.2)	3,500	(19.3)	61.48
Full year	284,800	2.9	10,000	(9.6)	10,300	(10.7)	6,100	(13.4)	107.14

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):

Yes

(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	∴	56,933,332 shares	As of March 31, 2017	∴	56,912,172 shares
----------------------	---	-------------------	----------------------	---	-------------------

Number of treasury shares at the end of the period

As of March 31, 2018	∴	320 shares	As of March 31, 2017	∴	276 shares
----------------------	---	------------	----------------------	---	------------

Average number of shares during the period

Year ended March 31, 2018	∴	56,932,741 shares	Year ended March 31, 2017	∴	56,909,944 shares
---------------------------	---	-------------------	---------------------------	---	-------------------

**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	32,466	30,039
Notes and accounts receivable - trade	46,547	50,962
Costs on uncompleted construction contracts	12	42
Supplies	1,291	1,400
Deferred tax assets	2,633	2,898
Other	2,333	2,625
Allowance for doubtful accounts	(64)	(54)
Total current assets	85,220	87,915
Non-current assets		
Property, plant and equipment		
Buildings and structures	105,734	107,809
Accumulated depreciation	(63,589)	(66,022)
Buildings and structures, net	42,145	41,786
Machinery, equipment and vehicles	48,496	49,721
Accumulated depreciation	(40,738)	(41,197)
Machinery, equipment and vehicles, net	7,757	8,523
Land	41,196	41,381
Leased assets	5,689	6,027
Accumulated depreciation	(1,939)	(2,402)
Leased assets, net	3,749	3,625
Construction in progress	1,115	327
Other	7,093	7,584
Accumulated depreciation	(5,910)	(6,220)
Other, net	1,182	1,363
Total property, plant and equipment	97,147	97,008
Intangible assets		
Goodwill	847	3,165
Other	2,279	2,768
Total intangible assets	3,127	5,933
Investments and other assets		
Investment securities	9,859	11,601
Long-term loans receivable	387	383
Deferred tax assets	3,097	2,908
Net defined benefit asset	125	141
Other	5,878	6,101
Allowance for doubtful accounts	(187)	(185)
Total investments and other assets	19,160	20,950
Total non-current assets	119,435	123,893
Total assets	204,655	211,808

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	14,546	15,598
Short-term loans payable	3,455	4,244
Current portion of bonds	3,000	3,000
Current portion of long-term loans payable	4,401	3,137
Accrued expenses	9,954	10,841
Income taxes payable	2,224	3,193
Other	12,400	13,452
Total current liabilities	49,983	53,467
Non-current liabilities		
Bonds payable	23,000	20,000
Long-term loans payable	8,760	8,502
Lease obligations	3,315	2,860
Deferred tax liabilities	550	744
Deferred tax liabilities for land revaluation	1,680	1,668
Net defined benefit liability	17,728	19,348
Provision for directors' retirement benefits	104	156
Allowance for loss dissolution of employees' pension fund	56	—
Long-term accounts payable - other	2,091	1,837
Other	2,036	2,059
Total non-current liabilities	59,323	57,177
Total liabilities	109,307	110,645
<b>Net assets</b>		
Shareholders' equity		
Capital stock	1,697	1,710
Capital surplus	764	778
Retained earnings	92,528	97,561
Treasury shares	(0)	(0)
Total shareholders' equity	94,990	100,050
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,336	4,366
Revaluation reserve for land	(5,085)	(5,111)
Foreign currency translation adjustment	1,073	772
Remeasurements of defined benefit plans	(2,368)	(2,202)
Total accumulated other comprehensive income	(3,044)	(2,174)
Share acquisition rights	208	283
Non-controlling interests	3,193	3,003
Total net assets	95,348	101,162
Total liabilities and net assets	204,655	211,808

**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
Net sales	258,332	276,761
Cost of sales	235,062	252,118
Gross profit	23,270	24,642
Selling, general and administrative expenses	13,037	13,575
Operating profit	10,232	11,067
Non-operating income		
Interest income	117	149
Dividend income	219	268
Reversal of allowance for doubtful accounts	8	6
Gain on reversal of loss on valuation of investment securities	76	13
Foreign exchange gains	23	–
Incentives for establishment of new business facilities	32	–
Compensation for transfar	160	–
Other	241	399
Total non-operating income	879	837
Non-operating expenses		
Interest expenses	263	221
Bond issuance cost	55	–
Foreign exchange losses	–	52
Other	70	92
Total non-operating expenses	390	367
Ordinary profit	10,721	11,536
Extraordinary income		
Gain on sales of non-current assets	199	413
Gain on sales of investment securities	89	68
Gain on revision of retirement benefit plan	242	–
Gain on surface rights	221	–
Other	–	27
Total extraordinary income	752	509
Extraordinary losses		
Loss on sales and retirement of non-current assets	240	120
Loss on sales of shares of subsidiaries	–	22
Loss on valuation of investment securities	–	84
Impairment loss	279	474
Loss on disaster	53	–
Other	0	10
Total extraordinary losses	573	712
Profit before income taxes	10,900	11,333
Income taxes - current	4,270	4,630
Income taxes - deferred	(853)	(480)
Total income taxes	3,417	4,149
Profit	7,483	7,183
Profit attributable to non-controlling interests	172	140
Profit attributable to owners of parent	7,310	7,042

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Profit	7,483	7,183
Other comprehensive income		
Valuation difference on available-for-sale securities	361	1,009
Foreign currency translation adjustment	(706)	(262)
Remeasurements of defined benefit plans, net of tax	290	163
Share of other comprehensive income of entities accounted for using equity method	(11)	5
Total other comprehensive income	(66)	916
Comprehensive income	7,416	8,099
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,266	7,938
Comprehensive income attributable to non-controlling interests	149	161

## 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	1,688	755	86,900	(0)	89,343
Changes of items during period					
Issuance of new shares - exercise of share acquisition rights	9	9			18
Dividends of surplus			(1,934)		(1,934)
Profit attributable to owners of parent			7,310		7,310
Reversal of revaluation reserve for land			252		252
The retained earnings decrease amount by a consolidated subsidiary decrease					-
Purchase of treasury shares					-
Net changes of items other than shareholders' equity					
Total changes of items during period	9	9	5,628	-	5,646
Balance at end of current period	1,697	764	92,528	(0)	94,990

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	2,986	(4,833)	1,762	(2,663)	(2,748)	121	1,878	88,596
Changes of items during period								
Issuance of new shares - exercise of share acquisition rights								18
Dividends of surplus								(1,934)
Profit attributable to owners of parent								7,310
Reversal of revaluation reserve for land								252
The retained earnings decrease amount by a consolidated subsidiary decrease								-
Purchase of treasury shares								-
Net changes of items other than shareholders' equity	350	(252)	(688)	294	(296)	86	1,314	1,104
Total changes of items during period	350	(252)	(688)	294	(296)	86	1,314	6,751
Balance at end of current period	3,336	(5,085)	1,073	(2,368)	(3,044)	208	3,193	95,348

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	1,697	764	92,528	(0)	94,990
Changes of items during period					
Issuance of new shares - exercise of share acquisition rights	13	13			26
Dividends of surplus			(2,020)		(2,020)
Profit attributable to owners of parent			7,042		7,042
Reversal of revaluation reserve for land			25		25
The retained earnings decrease amount by a consolidated subsidiary decrease			(14)		(14)
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	13	13	5,033	(0)	5,059
Balance at end of current period	1,710	778	97,561	(0)	100,050

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	3,336	(5,085)	1,073	(2,368)	(3,044)	208	3,193	95,348
Changes of items during period								
Issuance of new shares - exercise of share acquisition rights								26
Dividends of surplus								(2,020)
Profit attributable to owners of parent								7,042
Reversal of revaluation reserve for land								25
The retained earnings decrease amount by a consolidated subsidiary decrease								(14)
Purchase of treasury shares								(0)
Net changes of items other than shareholders' equity	1,030	(25)	(300)	165	870	74	(189)	755
Total changes of items during period	1,030	(25)	(300)	165	870	74	(189)	5,814
Balance at end of current period	4,366	(5,111)	772	(2,202)	(2,174)	283	3,003	101,162



## 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	10,900	11,333
Depreciation	7,320	7,420
Impairment loss	279	474
Amortization of goodwill	323	389
Increase (decrease) in allowance for doubtful accounts	5	(11)
Increase (decrease) in net defined benefit liability	403	705
Increase (decrease) in provision for directors' retirement benefits	9	24
Increase (decrease) in provision of reserve for loss on dissolution of employees' pension fund	(1)	(56)
Interest and dividend income	(336)	(417)
Gain on reversal of loss on valuation of investment securities	(76)	(13)
Interest expenses	263	221
Bond issuance cost	55	–
Foreign exchange losses (gains)	27	23
Gain on sales of noncurrent assets	(199)	(413)
Loss (gain) on sales of investment securities	(89)	(68)
Loss on sales and retirement of noncurrent assets	240	120
Loss on disaster	53	–
Gain on revision of retirement benefit plan	(242)	–
Gain on surface right	(221)	–
Decrease (increase) in notes and accounts receivable - trade	(2,773)	(4,250)
Decrease (increase) in inventories	(34)	(113)
Decrease (increase) in other assets	625	(261)
Increase (decrease) in notes and accounts payable - trade	361	1,946
Increase (decrease) in other liabilities	2,347	17
Other, net	974	845
Subtotal	20,217	17,916
Interest and dividend income received	306	391
Interest expenses paid	(255)	(228)
Gain on surface rights income received	221	–
Income taxes paid	(4,040)	(3,752)
Other, net	58	24
Net cash provided by (used in) operating activities	16,508	14,351

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Cash flows from investing activities		
Decrease (increase) in time deposits	(696)	136
Net decrease (increase) in short-term loans receivable	(17)	(31)
Purchase of property, plant and equipment	(6,740)	(5,727)
Proceeds from sales of property, plant and equipment	1,679	619
Purchase of intangible assets	(373)	(544)
Purchase of investment securities	(44)	(264)
Proceeds from sales of investment securities	239	149
Payments of long-term loans receivable	(15)	(13)
Collection of long-term loans receivable	21	17
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(3,297)
Payments for transfer of business	(21)	(981)
Other, net	(312)	(50)
Net cash provided by (used in) investing activities	(6,281)	(9,989)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	544	1,520
Proceeds from issuance of bonds	9,944	–
Redemption of bonds	(4,000)	(3,000)
Proceeds from long-term loans payable	1,400	1,200
Repayments of long-term loans payable	(4,692)	(3,430)
Cash dividends paid	(1,934)	(2,020)
Dividends paid to non-controlling interests	(25)	(27)
Proceeds from share issuance to non-controlling shareholders	850	–
Repayments of finance lease obligations	(611)	(661)
Other, net	(54)	(63)
Net cash provided by (used in) financing activities	1,420	(6,483)
Effect of exchange rate change on cash and cash equivalents	(204)	(16)
Net increase (decrease) in cash and cash equivalents	11,443	(2,138)
Cash and cash equivalents at beginning of period	19,954	31,398
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	–	(145)
Cash and cash equivalents at end of period	31,398	29,114