

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2019 (Based on Japanese GAAP)

August 9, 2019

Company name: Konoike Transport Co.,Ltd.
 Stock exchange listing: Tokyo
 Stock code: 9025 URL <https://www.konoike.net/>
 Representative: Representative Director & President and Tadahiko Konoike
 Chief Executive Officer
 Executive General Manager
 Inquiries: Finance / Accounting Division Kazuo Ofuchi TEL 06-6227-4600
 Scheduled date to file Quarterly Securities Report: August 9, 2019
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)

(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	%
Three months ended June 30, 2019	77,635	8.0	3,378	2.2	3,453	1.2	2,274	9.4
Three months ended June 30, 2018	71,876	7.4	3,304	9.0	3,412	8.7	2,079	6.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2019	41.11		40.95	
Three months ended June 30, 2018	36.55		36.42	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2019	216,608	101,772	45.5	1,790.48
As of March 31, 2019	213,254	101,563	46.1	1,772.01

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, 2019	–	18.00	–	18.00	36.00
Year ending March 31, 2020	–	–	–	–	–
Year ending March 31, 2020 (Forecast)	–	18.00	–	18.00	36.00

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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, 2019	155,900	8.3	6,400	(0.1)	6,600	(1.0)	4,000	(0.1)	72.11
Full year	313,100	6.4	11,000	0.2	11,300	(0.6)	6,900	9.7	124.39

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2019
 (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
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| 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 June 30, 2019	56,952,442 shares	As of March 31, 2019	56,952,442 shares
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Number of treasury shares at the end of the period

As of June 30, 2019	1,946,601 shares	As of March 31, 2019	1,491,481 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2019	55,332,316 shares	Three months ended June 30, 2018	56,913,751 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Assets		
Current assets		
Cash and deposits	22,499	22,932
Notes and accounts receivable - trade	57,164	57,666
Costs on uncompleted works	246	281
Supplies	1,641	1,656
Other	2,464	3,162
Allowance for doubtful accounts	(82)	(75)
Total current assets	83,934	85,622
Non-current assets		
Property, plant and equipment		
Buildings and structures	110,506	111,465
Accumulated depreciation	(68,600)	(68,875)
Buildings and structures, net	41,906	42,589
Machinery, equipment and vehicles	47,365	47,632
Accumulated depreciation	(38,658)	(38,786)
Machinery, equipment and vehicles, net	8,706	8,846
Land	41,568	41,444
Leased assets	6,383	6,349
Accumulated depreciation	(2,887)	(2,986)
Leased assets, net	3,495	3,363
Construction in progress	1,301	808
Other	7,933	8,604
Accumulated depreciation	(6,619)	(6,822)
Other, net	1,314	1,781
Total property, plant and equipment	98,293	98,833
Intangible assets		
Goodwill	3,289	3,162
Other	3,377	3,625
Total intangible assets	6,666	6,788
Investments and other assets		
Investment securities	11,465	10,927
Long-term loans receivable	525	534
Deferred tax assets	6,026	7,143
Retirement benefit asset	179	189
Other	6,472	6,877
Allowance for doubtful accounts	(189)	(187)
Allowance for investment loss	(120)	(120)
Total investments and other assets	24,360	25,363
Total non-current assets	129,320	130,985
Total assets	213,254	216,608

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,361	12,987
Short-term borrowings	9,391	8,636
Current portion of bonds	10,000	10,000
Current portion of long-term borrowings	1,643	2,539
Accrued expenses	11,457	14,875
Income taxes payable	2,219	2,646
Other	11,333	12,738
Total current liabilities	60,406	64,423
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term borrowings	10,294	9,266
Lease obligations	2,707	2,598
Deferred tax liabilities	701	659
Deferred tax liabilities for land revaluation	1,581	1,540
Retirement benefit liability	22,026	22,225
Provision for directors' retirement benefits	129	127
Long-term accounts payable - other	1,735	1,680
Other	2,110	2,313
Total non-current liabilities	51,285	50,411
Total liabilities	111,691	114,835
Net assets		
Shareholders' equity		
Share capital	1,723	1,723
Capital surplus	790	790
Retained earnings	101,348	102,701
Treasury shares	(2,484)	(3,250)
Total shareholders' equity	101,378	101,964
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,537	4,056
Revaluation reserve for land	(4,668)	(4,760)
Foreign currency translation adjustment	314	382
Remeasurements of defined benefit plans	(3,284)	(3,155)
Total accumulated other comprehensive income	(3,100)	(3,477)
Share acquisition rights	321	307
Non-controlling interests	2,964	2,978
Total net assets	101,563	101,772
Total liabilities and net assets	213,254	216,608

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Net sales	71,876	77,635
Cost of sales	65,056	70,316
Gross profit	6,820	7,318
Selling, general and administrative expenses	3,515	3,939
Operating profit	3,304	3,378
Non-operating income		
Interest income	31	14
Dividend income	109	122
Rental income	26	34
Other	36	64
Total non-operating income	204	236
Non-operating expenses		
Interest expenses	45	52
Loss on valuation of investment securities	8	66
Foreign exchange losses	11	15
Other	31	27
Total non-operating expenses	96	161
Ordinary profit	3,412	3,453
Extraordinary income		
Gain on sales of non-current assets	24	250
Other	-	4
Total extraordinary income	24	254
Extraordinary losses		
Loss on sales and retirement of non-current assets	11	21
Loss on valuation of investment securities	11	2
Loss on disaster	40	-
Other	0	-
Total extraordinary losses	64	23
Profit before income taxes	3,372	3,684
Income taxes - current	2,061	2,396
Income taxes - deferred	(811)	(1,038)
Total income taxes	1,250	1,358
Profit	2,122	2,325
Profit attributable to non-controlling interests	42	50
Profit attributable to owners of parent	2,079	2,274

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit	2,122	2,325
Other comprehensive income		
Valuation difference on available-for-sale securities	466	(482)
Foreign currency translation adjustment	(804)	73
Remeasurements of defined benefit plans, net of tax	100	128
Share of other comprehensive income of entities accounted for using equity method	(21)	–
Total other comprehensive income	(260)	(280)
Comprehensive income	1,862	2,044
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,857	1,990
Comprehensive income attributable to non-controlling interests	4	53