

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2019 (Based on Japanese GAAP)

February 14, 2020

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: February 14, 2020
 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 nine months ended December 31, 2019 (from April 1, 2019 to December 31, 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	%
Nine months ended December 31, 2019	236,809	8.1	9,286	(8.4)	9,582	(8.3)	6,276	(7.1)
Nine months ended December 31, 2018	218,985	5.0	10,134	7.3	10,446	7.0	6,754	4.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2019	115.08		114.54	
Nine months ended December 31, 2018	119.38		118.89	

(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, 2019	232,284	103,053	42.9	1,870.21
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				
Year ended March 31, 2019	-	18.00	-	18.00	36.00
Year ending March 31, 2020	-	18.00	-	-	-
Year ending March 31, 2020 (Forecast)	-	-	-	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
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 nine months ended December 31, 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
- 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 December 31, 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 December 31, 2019	3,726,801 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)

Nine months ended December 31, 2019	54,537,560 shares	Nine months ended December 31, 2018	56,576,382 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Assets		
Current assets		
Cash and deposits	22,499	34,036
Notes and accounts receivable - trade	57,164	59,876
Costs on uncompleted works	246	144
Supplies	1,641	1,671
Other	2,464	3,059
Allowance for doubtful accounts	(82)	(81)
Total current assets	83,934	98,707
Non-current assets		
Property, plant and equipment		
Buildings and structures	110,506	111,829
Accumulated depreciation	(68,600)	(70,207)
Buildings and structures, net	41,906	41,621
Machinery, equipment and vehicles	47,365	48,621
Accumulated depreciation	(38,658)	(39,348)
Machinery, equipment and vehicles, net	8,706	9,272
Land	41,568	41,782
Leased assets	6,383	6,541
Accumulated depreciation	(2,887)	(3,130)
Leased assets, net	3,495	3,410
Construction in progress	1,301	3,042
Other	7,933	8,842
Accumulated depreciation	(6,619)	(7,096)
Other, net	1,314	1,746
Total property, plant and equipment	98,293	100,877
Intangible assets		
Goodwill	3,289	2,905
Other	3,377	4,014
Total intangible assets	6,666	6,919
Investments and other assets		
Investment securities	11,465	13,511
Long-term loans receivable	525	554
Deferred tax assets	6,026	5,017
Retirement benefit asset	179	195
Other	6,472	6,798
Allowance for doubtful accounts	(189)	(177)
Allowance for investment loss	(120)	(120)
Total investments and other assets	24,360	25,780
Total non-current assets	129,320	133,577
Total assets	213,254	232,284

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,361	13,811
Short-term borrowings	9,391	27,237
Current portion of bonds	10,000	10,000
Current portion of long-term borrowings	1,643	3,529
Accrued expenses	11,457	7,721
Income taxes payable	2,219	1,011
Other	11,333	16,269
Total current liabilities	60,406	79,580
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term borrowings	10,294	8,191
Lease obligations	2,707	2,647
Deferred tax liabilities	701	722
Deferred tax liabilities for land revaluation	1,581	1,540
Retirement benefit liability	22,026	22,377
Provision for directors' retirement benefits	129	139
Long-term accounts payable - other	1,735	1,665
Other	2,110	2,366
Total non-current liabilities	51,285	49,651
Total liabilities	111,691	129,231
Net assets		
Shareholders' equity		
Share capital	1,723	1,723
Capital surplus	790	1,908
Retained earnings	101,348	105,592
Treasury shares	(2,484)	(6,197)
Total shareholders' equity	101,378	103,026
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,537	4,210
Revaluation reserve for land	(4,668)	(4,627)
Foreign currency translation adjustment	314	(180)
Remeasurements of defined benefit plans	(3,284)	(2,886)
Total accumulated other comprehensive income	(3,100)	(3,483)
Share acquisition rights	321	397
Non-controlling interests	2,964	3,112
Total net assets	101,563	103,053
Total liabilities and net assets	213,254	232,284

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, 2018	Nine months ended December 31, 2019
Net sales	218,985	236,809
Cost of sales	198,308	215,641
Gross profit	20,676	21,168
Selling, general and administrative expenses	10,542	11,881
Operating profit	10,134	9,286
Non-operating income		
Interest income	85	84
Dividend income	265	413
Rental income	78	107
Foreign exchange gains	23	–
Other	116	207
Total non-operating income	569	812
Non-operating expenses		
Interest expenses	130	147
Loss on valuation of investment securities	71	162
Foreign exchange losses	–	123
Other	55	83
Total non-operating expenses	258	516
Ordinary profit	10,446	9,582
Extraordinary income		
Gain on sales of non-current assets	193	279
Gain on sales of investment securities	–	28
Insurance claim income	31	114
Gain on step acquisitions	221	–
Other	–	0
Total extraordinary income	446	422
Extraordinary losses		
Loss on sales and retirement of non-current assets	60	108
Loss on valuation of investment securities	11	2
Impairment loss	23	74
Loss on disaster	301	53
Settlement package	82	6
Other	0	–
Total extraordinary losses	478	245
Profit before income taxes	10,414	9,759
Income taxes - current	2,474	2,417
Income taxes - deferred	1,075	987
Total income taxes	3,549	3,404
Profit	6,864	6,355
Profit attributable to non-controlling interests	109	79
Profit attributable to owners of parent	6,754	6,276

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit	6,864	6,355
Other comprehensive income		
Valuation difference on available-for-sale securities	156	(330)
Foreign currency translation adjustment	(115)	(496)
Remeasurements of defined benefit plans, net of tax	301	377
Share of other comprehensive income of entities accounted for using equity method	10	–
Total other comprehensive income	353	(448)
Comprehensive income	7,217	5,906
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,121	5,852
Comprehensive income attributable to non-controlling interests	95	54