

# Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2014 (Based on Japanese GAAP)

November 11, 2014

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  
 Executive Officer, General Manager  
 Inquiries: Finance / Accounting Division Mitsuhiro Nakatani TEL +81-3-6834-1690  
 Scheduled date to file Quarterly Securities Report: November 14, 2014  
 Scheduled date to commence dividend payments: December 5, 2014  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the six months ended September 30, 2014 (from April 1, 2014 to September 30, 2014)

#### (1) Consolidated financial results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2014	121,175	5.6	5,120	21.3	5,182	18.6	2,966	15.5
Six months ended September 30, 2013	114,696	(1.0)	4,220	(7.8)	4,370	(0.4)	2,568	8.5

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended September 30, 2014	104.27	—
Six months ended September 30, 2013	90.28	—

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2014	177,999	79,814	43.9	2,748.37
As of March 31, 2014	174,367	74,997	42.1	2,578.55

### 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, 2014	—	15.00	—	15.00	30.00
Year ending March 31, 2015	—	22.50			
Year ending March 31, 2015 (Forecast)			—	22.50	45.00

### 3. Forecast of consolidated financial results for the year ending March 31, 2015 (from April 1, 2014 to March 31, 2015)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	243,700	5.3	9,600	20.9	9,400	17.4	5,400	23.6	189.81

#### 4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2014  
(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: 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 September 30, 2014	28,449,601 shares	As of March 31, 2014	28,449,601 shares
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Number of treasury shares at the end of the period

As of September 30, 2014	18 shares	As of March 31, 2014	18 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, 2014	28,449,583 shares	Six months ended September 30, 2013	28,449,583 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2014	As of September 30, 2014
Assets		
Current assets		
Cash and deposits	19,054	16,265
Notes and accounts receivable - trade	39,304	42,584
Securities	10	—
Costs on uncompleted works	21	24
Supplies	1,013	911
Deferred tax assets	2,427	2,395
Other	2,945	3,494
Allowance for doubtful accounts	(80)	(59)
Total current assets	64,695	65,617
Non-current assets		
Property, plant and equipment		
Buildings and structures	91,827	93,759
Accumulated depreciation	(54,970)	(57,002)
Buildings and structures, net	36,856	36,756
Machinery, equipment and vehicles	45,359	45,589
Accumulated depreciation	(38,234)	(38,511)
Machinery, equipment and vehicles, net	7,125	7,077
Land	38,831	39,879
Leased assets	2,915	3,109
Accumulated depreciation	(1,014)	(1,099)
Leased assets, net	1,900	2,010
Construction in progress	3,588	4,617
Other	6,705	6,681
Accumulated depreciation	(5,663)	(5,745)
Other, net	1,042	935
Total property, plant and equipment	89,344	91,277
Intangible assets	2,778	4,098
Investments and other assets		
Investment securities	7,931	8,941
Long-term loans receivable	346	349
Deferred tax assets	4,691	2,962
Net defined benefit asset	50	30
Other	4,764	4,918
Allowance for doubtful accounts	(234)	(197)
Total investments and other assets	17,550	17,005
Total non-current assets	109,672	112,382
Total assets	174,367	177,999

(Millions of yen)

	As of March 31, 2014	As of September 30, 2014
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,528	13,729
Short-term loans payable	2,734	2,796
Commercial papers	—	5,000
Current portion of bonds	6,000	1,000
Current portion of long-term loans payable	1,962	5,411
Accrued expenses	8,477	8,632
Income taxes payable	1,900	2,155
Other	10,039	11,082
Total current liabilities	44,642	49,807
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	18,169	14,437
Deferred tax liabilities	406	539
Deferred tax liabilities for land revaluation	2,355	2,355
Net defined benefit liability	18,026	15,270
Retirement allowance for directors	1,911	1,918
Other	3,858	3,854
Total non-current liabilities	54,727	48,376
Total liabilities	99,370	98,184
Net assets		
Shareholders' equity		
Capital stock	1,688	1,688
Capital surplus	755	755
Retained earnings	75,287	79,926
Treasury shares	(0)	(0)
Total shareholders' equity	77,731	82,370
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,834	2,341
Revaluation reserve for land	(4,767)	(4,767)
Foreign currency translation adjustment	459	11
Remeasurements of defined benefit plans	(1,898)	(1,765)
Total accumulated other comprehensive income	(4,372)	(4,180)
Minority interests	1,638	1,624
Total net assets	74,997	79,814
Total liabilities and net assets	174,367	177,999

**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, 2013	Six months ended September 30, 2014
Net sales	114,696	121,175
Cost of sales	104,893	110,415
Gross profit	9,803	10,759
Selling, general and administrative expenses	5,582	5,639
Operating income	4,220	5,120
Non-operating income		
Interest income	42	47
Dividend income	161	115
Gain on reversal of loss on valuation of investment securities	94	24
Other	168	119
Total non-operating income	466	308
Non-operating expenses		
Interest expenses	265	211
Other	51	34
Total non-operating expenses	316	245
Ordinary income	4,370	5,182
Extraordinary income		
Gain on sales of non-current assets	18	50
Compensation income	—	18
Other	0	—
Total extraordinary income	19	69
Extraordinary losses		
Loss on sales and retirement of non-current assets	74	130
Other	46	24
Total extraordinary losses	121	155
Income before income taxes and minority interests	4,268	5,096
Income taxes - current	1,714	2,159
Income taxes - deferred	(52)	(74)
Total income taxes	1,661	2,084
Income before minority interests	2,606	3,011
Minority interests in income	38	45
Net income	2,568	2,966

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2013	Six months ended September 30, 2014
Income before minority interests	2,606	3,011
Other comprehensive income		
Valuation difference on available-for-sale securities	724	507
Foreign currency translation adjustment	1,313	(480)
Remeasurements of defined benefit plans, net of tax	—	132
Total other comprehensive income	2,037	159
Comprehensive income	4,644	3,171
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,512	3,158
Comprehensive income attributable to minority interests	131	12

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2013	Six months ended September 30, 2014
Cash flows from operating activities		
Income before income taxes and minority interests	4,268	5,096
Depreciation	3,275	3,036
Amortization of goodwill	80	109
Increase (decrease) in allowance for doubtful accounts	(14)	(12)
Increase (decrease) in provision for retirement benefits	274	—
Increase (decrease) in net defined benefit liability	—	134
Increase(decrease) in provision for directors' retirement benefits	(130)	(14)
Interest and dividend income	(203)	(163)
Interest expenses	265	211
Foreign exchange losses (gains)	12	24
Gain from sale of fixed assets	(18)	(50)
Fixed assets of retirement and loss from sale of fixed assets	74	130
Decrease (increase) in notes and accounts receivable - trade	1,140	(2,444)
Decrease (increase) in inventories	106	106
Decrease (increase) in other assets	(60)	(514)
Increase (decrease) in notes and accounts payable - trade	(561)	(279)
Increase (decrease) in other liabilities	661	1,035
Other, net	4	238
Subtotal	9,175	6,644
Interest and dividend income received	196	161
Interest expenses paid	(271)	(212)
Income taxes paid	(1,080)	(1,786)
Net cash provided by (used in) operating activities	8,020	4,807
Cash flows from investing activities		
Decrease (increase) in time deposits	(417)	133
Net decrease (increase) in short-term loans receivable	9	16
Purchase of property, plant and equipment	(3,900)	(2,927)
Proceeds from sales of property, plant and equipment	59	99
Purchase of intangible assets	(267)	(217)
Purchase of investment securities	(526)	(25)
Proceeds from redemption of investment securities	100	—
Payments of long-term loans receivable	(46)	(18)
Collection of long-term loans receivable	8	9
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(3,366)
Other, net	30	(264)
Net cash provided by (used in) investing activities	(4,951)	(6,561)

	(Millions of yen)	
	Six months ended September 30, 2013	Six months ended September 30, 2014
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(1,059)	50
Net increase (decrease) in commercial papers	–	5,000
Redemption of bonds	–	(5,000)
Repayments of long-term loans payable	(476)	(288)
Cash dividends paid	(284)	(426)
Cash dividends paid to minority shareholders	(12)	(26)
Other, net	(158)	(183)
Net cash provided by (used in) financing activities	(1,991)	(875)
Effect of exchange rate change on cash and cash equivalents	401	(134)
Net increase (decrease) in cash and cash equivalents	1,479	(2,764)
Cash and cash equivalents at beginning of period	19,893	18,652
Increase in cash and cash equivalents from newly consolidated subsidiary	36	–
Cash and cash equivalents at end of period	21,409	15,887