

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2016 (Based on Japanese GAAP)

August 10, 2016

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 06-6227-4600
 Scheduled date to file Quarterly Securities Report: August 12, 2016
 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 three months ended June 30, 2016 (from April 1, 2016 to June 30, 2016)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2016	64,675	4.3	3,123	10.3	3,141	8.8	2,238	37.1
Three months ended June 30, 2015	62,004	4.6	2,831	14.7	2,886	13.6	1,631	12.7

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2016	39.33	39.27
Three months ended June 30, 2015	28.68	–

(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, 2016	199,047	88,593	43.5	1,522.64
As of March 31, 2016	191,773	88,596	45.2	1,521.92

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, 2016	–	16.50	–	16.50	33.00
Year ending March 31, 2017	–				
Year ending March 31, 2017 (Forecast)		17.50	–	17.50	35.00

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		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, 2016	132,900	5.4	5,700	(0.6)	5,700	(1.4)	3,300	(2.1)	58.00
Full year	266,000	5.3	11,000	7.2	11,100	3.6	6,800	6.1	119.51

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2016
(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: Yes
- 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, 2016	56,904,642 shares	As of March 31, 2016	56,899,202 shares
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Number of treasury shares at the end of the period

As of June 30, 2016	276 shares	As of March 31, 2016	276 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, 2016	56,904,067 shares	Three months ended June 30, 2015	56,898,983 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
Assets		
Current assets		
Cash and deposits	20,307	25,658
Notes and accounts receivable - trade	43,510	44,979
Costs on uncompleted works	14	94
Supplies	1,255	1,245
Deferred tax assets	2,304	2,931
Other	3,356	3,931
Allowance for doubtful accounts	(62)	(54)
Total current assets	70,685	78,785
Non-current assets		
Property, plant and equipment		
Buildings and structures	103,888	104,582
Accumulated depreciation	(61,807)	(62,091)
Buildings and structures, net	42,080	42,491
Machinery, equipment and vehicles	48,220	48,179
Accumulated depreciation	(40,254)	(39,973)
Machinery, equipment and vehicles, net	7,966	8,206
Land	40,953	40,642
Leased assets	4,130	4,237
Accumulated depreciation	(1,558)	(1,680)
Leased assets, net	2,571	2,557
Construction in progress	4,557	3,543
Other	6,959	7,038
Accumulated depreciation	(5,769)	(5,802)
Other, net	1,190	1,235
Total property, plant and equipment	99,320	98,676
Intangible assets	3,599	3,535
Investments and other assets		
Investment securities	9,301	8,876
Long-term loans receivable	344	390
Deferred tax assets	2,953	3,092
Net defined benefit asset	131	97
Other	5,621	5,778
Allowance for doubtful accounts	(185)	(184)
Total investments and other assets	18,168	18,049
Total non-current assets	121,087	120,262
Total assets	191,773	199,047

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,592	14,235
Short-term loans payable	2,868	3,409
Commercial papers	—	3,000
Current portion of bonds	4,000	4,000
Current portion of long-term loans payable	4,691	3,391
Accrued expenses	9,468	12,187
Income taxes payable	1,732	1,905
Other	11,376	13,073
Total current liabilities	48,728	55,202
Non-current liabilities		
Bonds payable	16,000	16,000
Long-term loans payable	11,804	12,884
Lease obligations	2,183	2,153
Deferred tax liabilities	531	506
Deferred tax liabilities for land revaluation	1,800	1,800
Net defined benefit liability	17,646	17,411
Provision for directors' retirement benefits	95	91
Allowance for loss dissolution of employees' pension fund	58	58
Long-term accounts payable - other	2,147	2,135
Other	2,181	2,210
Total non-current liabilities	54,448	55,251
Total liabilities	103,177	110,454
Net assets		
Shareholders' equity		
Capital stock	1,688	1,692
Capital surplus	755	759
Retained earnings	86,900	88,199
Treasury shares	(0)	(0)
Total shareholders' equity	89,343	90,650
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,986	2,743
Revaluation reserve for land	(4,833)	(4,833)
Foreign currency translation adjustment	1,762	721
Remeasurements of defined benefit plans	(2,663)	(2,637)
Total accumulated other comprehensive income	(2,748)	(4,006)
Subscription rights to shares	121	114
Non-controlling interests	1,878	1,834
Total net assets	88,596	88,593
Total liabilities and net assets	191,773	199,047

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, 2015	Three months ended June 30, 2016
Net sales	62,004	64,675
Cost of sales	56,008	58,338
Gross profit	5,995	6,337
Selling, general and administrative expenses	3,164	3,213
Operating income	2,831	3,123
Non-operating income		
Interest income	27	22
Dividend income	82	76
Other	49	86
Total non-operating income	158	184
Non-operating expenses		
Interest expenses	84	70
Loss on valuation of investment securities	1	41
Foreign exchange losses	–	41
Other	16	13
Total non-operating expenses	103	167
Ordinary income	2,886	3,141
Extraordinary income		
Gain on sales of non-current assets	27	53
Gain on revision of retirement benefit plan	–	242
Other	3	18
Total extraordinary income	30	314
Extraordinary losses		
Loss on sales and retirement of non-current assets	14	46
Loss on disaster	–	49
Total extraordinary losses	14	96
Profit before income taxes	2,902	3,360
Income taxes - current	1,679	1,810
Income taxes - deferred	(438)	(711)
Total income taxes	1,240	1,099
Profit	1,661	2,261
Profit attributable to non-controlling interests	29	23
Profit attributable to owners of parent	1,631	2,238

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Profit	1,661	2,261
Other comprehensive income		
Valuation difference on available-for-sale securities	232	(243)
Foreign currency translation adjustment	(40)	(1,073)
Remeasurements of defined benefit plans, net of tax	64	26
Share of other comprehensive income of entities accounted for using equity method	—	(22)
Total other comprehensive income	256	(1,313)
Comprehensive income	1,917	947
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,886	980
Comprehensive income attributable to non-controlling interests	31	(32)