

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2016 (Based on Japanese GAAP)

February 14, 2017

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: February 14, 2017
 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 nine months ended December 31, 2016 (from April 1, 2016 to December 31, 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	%
Nine months ended December 31, 2016	195,478	2.5	8,759	3.3	9,052	4.5	6,050	4.0
Nine months ended December 31, 2015	190,784	3.5	8,481	8.7	8,658	9.0	5,814	26.2

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2016	106.31	106.07
Nine months ended December 31, 2015	102.20	102.11

(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, 2016	199,800	91,819	44.7	1,567.85
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	–	17.50	–		
Year ending March 31, 2017 (Forecast)				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
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 nine months ended December 31, 2016
(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: 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 December 31, 2016	56,912,172 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 December 31, 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)

Nine months ended December 31, 2016	56,909,305 shares	Nine months ended December 31, 2015	56,898,950 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Assets		
Current assets		
Cash and deposits	20,307	26,866
Notes and accounts receivable - trade	43,510	47,806
Costs on uncompleted works	14	40
Supplies	1,255	1,281
Deferred tax assets	2,304	1,352
Other	3,356	2,784
Allowance for doubtful accounts	(62)	(54)
Total current assets	70,685	80,077
Non-current assets		
Property, plant and equipment		
Buildings and structures	103,888	103,819
Accumulated depreciation	(61,807)	(62,848)
Buildings and structures, net	42,080	40,971
Machinery, equipment and vehicles	48,220	48,088
Accumulated depreciation	(40,254)	(40,306)
Machinery, equipment and vehicles, net	7,966	7,782
Land	40,953	40,199
Leased assets	4,130	5,610
Accumulated depreciation	(1,558)	(1,889)
Leased assets, net	2,571	3,720
Construction in progress	4,557	3,658
Other	6,959	7,016
Accumulated depreciation	(5,769)	(5,875)
Other, net	1,190	1,140
Total property, plant and equipment	99,320	97,473
Intangible assets	3,599	3,127
Investments and other assets		
Investment securities	9,301	10,583
Long-term loans receivable	344	375
Deferred tax assets	2,953	2,642
Net defined benefit asset	131	120
Other	5,621	5,586
Allowance for doubtful accounts	(185)	(186)
Total investments and other assets	18,168	19,122
Total non-current assets	121,087	119,723
Total assets	191,773	199,800

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,592	14,075
Short-term loans payable	2,868	3,247
Commercial papers	—	8,000
Current portion of bonds	4,000	1,000
Current portion of long-term loans payable	4,691	6,686
Accrued expenses	9,468	6,368
Income taxes payable	1,732	1,052
Other	11,376	14,419
Total current liabilities	48,728	54,850
Non-current liabilities		
Bonds payable	16,000	16,000
Long-term loans payable	11,804	9,549
Lease obligations	2,183	3,309
Deferred tax liabilities	531	539
Deferred tax liabilities for land revaluation	1,800	1,788
Net defined benefit liability	17,646	17,508
Provision for directors' retirement benefits	95	100
Allowance for loss dissolution of employees' pension fund	58	58
Long-term accounts payable - other	2,147	2,109
Other	2,181	2,165
Total non-current liabilities	54,448	53,130
Total liabilities	103,177	107,980
Net assets		
Shareholders' equity		
Capital stock	1,688	1,697
Capital surplus	755	764
Retained earnings	86,900	91,021
Treasury shares	(0)	(0)
Total shareholders' equity	89,343	93,484
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,986	3,847
Revaluation reserve for land	(4,833)	(4,839)
Foreign currency translation adjustment	1,762	(799)
Remeasurements of defined benefit plans	(2,663)	(2,463)
Total accumulated other comprehensive income	(2,748)	(4,255)
Subscription rights to shares	121	208
Non-controlling interests	1,878	2,381
Total net assets	88,596	91,819
Total liabilities and net assets	191,773	199,800

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, 2015	Nine months ended December 31, 2016
Net sales	190,784	195,478
Cost of sales	172,917	176,951
Gross profit	17,866	18,527
Selling, general and administrative expenses	9,385	9,767
Operating income	8,481	8,759
Non-operating income		
Interest income	77	76
Dividend income	186	181
Other	227	279
Total non-operating income	490	537
Non-operating expenses		
Interest expenses	263	206
Other	50	38
Total non-operating expenses	314	244
Ordinary income	8,658	9,052
Extraordinary income		
Gain on sales of non-current assets	78	139
Gain on revision of retirement benefit plan	–	242
Gain on surface rights	–	221
Other	9	18
Total extraordinary income	87	622
Extraordinary losses		
Loss on sales and retirement of non-current assets	95	195
Loss on disaster	–	53
Other	1	57
Total extraordinary losses	96	306
Profit before income taxes	8,649	9,367
Income taxes - current	2,186	2,433
Income taxes - deferred	530	783
Total income taxes	2,717	3,217
Profit	5,932	6,150
Profit attributable to non-controlling interests	117	100
Profit attributable to owners of parent	5,814	6,050

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Profit	5,932	6,150
Other comprehensive income		
Valuation difference on available-for-sale securities	(91)	864
Foreign currency translation adjustment	(395)	(2,597)
Remeasurements of defined benefit plans, net of tax	218	199
Share of other comprehensive income of entities accounted for using equity method	(9)	(60)
Total other comprehensive income	(278)	(1,593)
Comprehensive income	5,653	4,557
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,587	4,549
Comprehensive income attributable to non-controlling interests	66	7