

# Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2019 (Based on Japanese GAAP)

May 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 Chief Executive Officer Tadahiko Konoike  
 Executive General Manager  
 Inquiries: Finance / Accounting Division Kazuo Ofuchi TEL 06-6227-4600  
 Scheduled date of ordinary general meeting of shareholders: June 26, 2019  
 Scheduled date to file Securities Report: June 27, 2019  
 Scheduled date to commence dividend payments: June 27, 2019  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

#### (1) Consolidated operating results

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	%
Year ended March 31, 2019	294,158	6.3	10,976	(0.8)	11,373	(1.4)	6,289	(10.7)
Year ended March 31, 2018	276,761	7.1	11,067	8.2	11,536	7.6	7,042	(3.7)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2019	111.62	111.19	6.4	5.4	3.7
Year ended March 31, 2018	123.70	123.28	7.4	5.5	4.0

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2019	213,254	101,563	46.1	1,772.01
As of March 31, 2018	211,691	101,162	46.2	1,719.14

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2019	5,808	(8,697)	(3,833)	22,279
Year ended March 31, 2018	14,351	(9,989)	(6,483)	29,114

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2018	—	18.00	—	18.00	36.00	2,049	29.1	2.2
Year ended March 31, 2019	—	18.00	—	18.00	36.00	2,014	32.3	2.1
Year ending March 31, 2020 (Forecast)	—	18.00	—	18.00	36.00		28.9	

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 year ended March 31, 2019

(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

(2) 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: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2019	56,952,442 shares	As of March 31, 2018	56,933,332 shares
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Number of treasury shares at the end of the period

As of March 31, 2019	1,491,481 shares	As of March 31, 2018	320 shares
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Average number of shares during the period

Year ended March 31, 2019	56,341,380 shares	Year ended March 31, 2018	56,932,741 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	30,039	22,499
Notes and accounts receivable - trade	50,962	57,164
Costs on uncompleted construction contracts	42	246
Supplies	1,400	1,641
Other	2,625	2,464
Allowance for doubtful accounts	(54)	(82)
Total current assets	85,016	83,934
Non-current assets		
Property, plant and equipment		
Buildings and structures	107,809	110,506
Accumulated depreciation	(66,022)	(68,600)
Buildings and structures, net	41,786	41,906
Machinery, equipment and vehicles	49,721	47,365
Accumulated depreciation	(41,197)	(38,658)
Machinery, equipment and vehicles, net	8,523	8,706
Land	41,381	41,568
Leased assets	6,027	6,383
Accumulated depreciation	(2,402)	(2,887)
Leased assets, net	3,625	3,495
Construction in progress	327	1,301
Other	7,584	7,933
Accumulated depreciation	(6,220)	(6,619)
Other, net	1,363	1,314
Total property, plant and equipment	97,008	98,293
Intangible assets		
Goodwill	3,165	3,289
Other	2,768	3,377
Total intangible assets	5,933	6,666
Investments and other assets		
Investment securities	11,601	11,465
Long-term loans receivable	383	525
Deferred tax assets	5,689	6,026
Retirement benefit asset	141	179
Other	6,101	6,472
Allowance for doubtful accounts	(185)	(189)
Allowance for investment loss	—	(120)
Total investments and other assets	23,732	24,360
Total non-current assets	126,674	129,320
Total assets	211,691	213,254

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	15,598	14,361
Short-term loans payable	4,244	9,391
Current portion of bonds	3,000	10,000
Current portion of long-term loans payable	3,137	1,643
Accrued expenses	10,841	11,457
Income taxes payable	3,193	2,219
Other	13,452	11,333
Total current liabilities	53,467	60,406
Non-current liabilities		
Bonds payable	20,000	10,000
Long-term loans payable	8,502	10,294
Lease obligations	2,860	2,707
Deferred tax liabilities	627	701
Deferred tax liabilities for land revaluation	1,668	1,581
Retirement benefit liability	19,348	22,026
Provision for directors' retirement benefits	156	129
Long-term accounts payable - other	1,837	1,735
Other	2,059	2,110
Total non-current liabilities	57,060	51,285
Total liabilities	110,528	111,691
Net assets		
Shareholders' equity		
Capital stock	1,710	1,723
Capital surplus	778	790
Retained earnings	97,561	101,348
Treasury shares	(0)	(2,484)
Total shareholders' equity	100,050	101,378
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,366	4,537
Revaluation reserve for land	(5,111)	(4,668)
Foreign currency translation adjustment	772	314
Remeasurements of defined benefit plans	(2,202)	(3,284)
Total accumulated other comprehensive income	(2,174)	(3,100)
Share acquisition rights	283	321
Non-controlling interests	3,003	2,964
Total net assets	101,162	101,563
Total liabilities and net assets	211,691	213,254

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net sales	276,761	294,158
Cost of sales	252,118	268,148
Gross profit	24,642	26,010
Selling, general and administrative expenses	13,575	15,034
Operating profit	11,067	10,976
Non-operating income		
Interest income	149	102
Dividend income	268	349
Reversal of allowance for doubtful accounts	6	12
Gain on reversal of loss on valuation of investment securities	13	0
Rent income	85	104
Other	313	194
Total non-operating income	837	764
Non-operating expenses		
Interest expenses	221	176
Loss on valuation of investment securities	0	49
Foreign exchange losses	52	27
Other	92	113
Total non-operating expenses	367	367
Ordinary profit	11,536	11,373
Extraordinary income		
Gain on sales of non-current assets	413	213
Gain on sales of investment securities	68	0
Insurance income	—	46
Gain on step acquisitions	—	221
Other	27	—
Total extraordinary income	509	481
Extraordinary losses		
Loss on sales and retirement of non-current assets	120	92
Loss on sales of shares of subsidiaries	22	—
Provision of allowance for investment loss	—	120
Impairment loss	474	638
Loss on disaster	—	463
Settlement package	6	82
Other	88	22
Total extraordinary losses	712	1,419
Profit before income taxes	11,333	10,436
Income taxes - current	4,630	4,502
Income taxes - deferred	(480)	(329)
Total income taxes	4,149	4,173
Profit	7,183	6,263
Profit (loss) attributable to non-controlling interests	140	(25)
Profit attributable to owners of parent	7,042	6,289

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Profit	7,183	6,263
Other comprehensive income		
Valuation difference on available-for-sale securities	1,009	178
Foreign currency translation adjustment	(262)	(516)
Remeasurements of defined benefit plans, net of tax	163	(1,082)
Share of other comprehensive income of entities accounted for using equity method	5	10
Total other comprehensive income	916	(1,408)
Comprehensive income	8,099	4,854
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,938	4,919
Comprehensive income attributable to non-controlling interests	161	(65)

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	1,697	764	92,528	(0)	94,990
Changes of items during period					
Issuance of new shares - exercise of share acquisition rights	13	13			26
Dividends of surplus			(2,020)		(2,020)
Profit attributable to owners of parent			7,042		7,042
Reversal of revaluation reserve for land			25		25
The retained earnings decrease amount by a consolidated subsidiary increase					—
The retained earnings decrease amount by a consolidated subsidiary decrease			(14)		(14)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares					—
Transfer of loss on disposal of treasury shares					—
Net changes of items other than shareholders' equity					
Total changes of items during period	13	13	5,033	(0)	5,059
Balance at end of current period	1,710	778	97,561	(0)	100,050

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	3,336	(5,085)	1,073	(2,368)	(3,044)	208	3,193	95,348
Changes of items during period								
Issuance of new shares - exercise of share acquisition rights								26
Dividends of surplus								(2,020)
Profit attributable to owners of parent								7,042
Reversal of revaluation reserve for land								25
The retained earnings decrease amount by a consolidated subsidiary increase								—
The retained earnings decrease amount by a consolidated subsidiary decrease								(14)
Purchase of treasury shares								(0)
Disposal of treasury shares								—
Transfer of loss on disposal of treasury shares								—
Net changes of items other than shareholders' equity	1,030	(25)	(300)	165	870	74	(189)	755
Total changes of items during period	1,030	(25)	(300)	165	870	74	(189)	5,814
Balance at end of current period	4,366	(5,111)	772	(2,202)	(2,174)	283	3,003	101,162



Fiscal year ended March 31, 2019

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	1,710	778	97,561	(0)	100,050
Changes of items during period					
Issuance of new shares - exercise of share acquisition rights	12	12			24
Dividends of surplus			(2,041)		(2,041)
Profit attributable to owners of parent			6,289		6,289
Reversal of revaluation reserve for land			(442)		(442)
The retained earnings decrease amount by a consolidated subsidiary increase			(7)		(7)
The retained earnings decrease amount by a consolidated subsidiary decrease					—
Purchase of treasury shares				(2,526)	(2,526)
Disposal of treasury shares		(10)		42	32
Transfer of loss on disposal of treasury shares		10	(10)		—
Net changes of items other than shareholders' equity					
Total changes of items during period	12	12	3,787	(2,483)	1,328
Balance at end of current period	1,723	790	101,348	(2,484)	101,378

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	4,366	(5,111)	772	(2,202)	(2,174)	283	3,003	101,162
Changes of items during period								
Issuance of new shares - exercise of share acquisition rights								24
Dividends of surplus								(2,041)
Profit attributable to owners of parent								6,289
Reversal of revaluation reserve for land								(442)
The retained earnings decrease amount by a consolidated subsidiary increase								(7)
The retained earnings decrease amount by a consolidated subsidiary decrease								—
Purchase of treasury shares								(2,526)
Disposal of treasury shares								32
Transfer of loss on disposal of treasury shares								—
Net changes of items other than shareholders' equity	170	442	(458)	(1,081)	(926)	37	(39)	(927)
Total changes of items during period	170	442	(458)	(1,081)	(926)	37	(39)	400
Balance at end of current period	4,537	(4,668)	314	(3,284)	(3,100)	321	2,964	101,563

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from operating activities		
Profit before income taxes	11,333	10,436
Depreciation	7,420	7,452
Impairment loss	474	638
Loss (gain) on step acquisitions	—	(221)
Amortization of goodwill	389	416
Increase (decrease) in allowance for doubtful accounts	(11)	29
Increase (decrease) in retirement benefit liability	705	536
Increase (decrease) in provision for directors' retirement benefits	24	(27)
Increase (decrease) in provision of reserve for loss on dissolution of employees' pension fund	(56)	—
Increase (decrease) in allowance for investment loss	—	120
Interest and dividend income	(417)	(452)
Rent income	(85)	(104)
Loss (gain) on valuation of investment securities	0	49
Gain on reversal of loss on valuation of investment securities	(13)	(0)
Interest expenses	221	176
Foreign exchange losses (gains)	23	7
Gain on sales of noncurrent assets	(413)	(213)
Loss (gain) on sales of investment securities	(68)	(0)
Loss on sales and retirement of noncurrent assets	120	92
Insurance income	—	(46)
Loss on disaster	—	463
Settlement package	6	82
Decrease (increase) in notes and accounts receivable - trade	(4,250)	(3,754)
Decrease (increase) in inventories	(113)	(427)
Decrease (increase) in other assets	(261)	194
Increase (decrease) in notes and accounts payable - trade	1,946	(5,384)
Increase (decrease) in other liabilities	17	170
Other, net	925	1,073
Subtotal	17,916	11,306
Interest and dividend income received	391	406
Interest expenses paid	(228)	(183)
Rent revenue	61	84
Payments for loss on disaster	—	(273)
Settlement package paid	(6)	(82)
Proceeds from insurance income	—	46
Income taxes paid	(3,752)	(5,495)
Other, net	(30)	—
Net cash provided by (used in) operating activities	14,351	5,808

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from investing activities		
Decrease (increase) in time deposits	136	807
Net decrease (increase) in short-term loans receivable	(31)	(30)
Purchase of property, plant and equipment	(5,727)	(8,163)
Proceeds from sales of property, plant and equipment	619	948
Purchase of intangible assets	(544)	(923)
Purchase of investment securities	(264)	(49)
Proceeds from sales of investment securities	149	0
Payments of long-term loans receivable	(13)	(146)
Collection of long-term loans receivable	17	10
Purchase of shares of subsidiaries and associates	–	(52)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(3,297)	(913)
Payments for acquisition of businesses	(981)	–
Other, net	(50)	(185)
Net cash provided by (used in) investing activities	(9,989)	(8,697)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,520	4,272
Redemption of bonds	(3,000)	(3,000)
Proceeds from long-term loans payable	1,200	3,402
Repayments of long-term loans payable	(3,430)	(3,097)
Cash dividends paid	(2,020)	(2,041)
Dividends paid to non-controlling interests	(27)	(42)
Proceeds from share issuance to non-controlling shareholders	–	30
Repayments of finance lease obligations	(661)	(767)
Purchase of treasury shares	(0)	(2,526)
Other, net	(63)	(63)
Net cash provided by (used in) financing activities	(6,483)	(3,833)
Effect of exchange rate change on cash and cash equivalents	(16)	(138)
Net increase (decrease) in cash and cash equivalents	(2,138)	(6,860)
Cash and cash equivalents at beginning of period	31,398	29,114
Increase in cash and cash equivalents from newly consolidated subsidiary	–	25
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(145)	–
Cash and cash equivalents at end of period	29,114	22,279