Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2015 (Based on Japanese GAAP)

May 11, 2015

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
Inquiries: Executive Officer,General Manager Finance / Accounting Division Mitsuhiro Nakatani TEL 03-6834-1690
Scheduled date of ordinary general meeting of shareholders: June 24, 2015
Scheduled date to file Securities Report: June 25, 2015
Scheduled date to commence dividend payments: June 25, 2015
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, 2015 (from April 1, 2014 to March 31, 2015)

(1) Consolidated financial results

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	%
Year ended March 31, 2015	244,982	5.8	9,361	17.9	9,591	19.7	5,439	24.5
Year ended March 31, 2014	231,504	1.6	7,938	3.3	8,009	6.2	4,369	9.8

	Net income per share	Diluted net income per share	Net income/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2015	95.60	–	6.9	5.2	3.8
Year ended March 31, 2014	76.79	–	6.1	4.6	3.4

(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, 2015	192,841	84,742	43.0	1,457.39
As of March 31, 2014	174,367	74,997	42.1	1,289.28

(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, 2015	15,457	(9,835)	1,840	26,480
Year ended March 31, 2014	14,582	(9,555)	(6,928)	18,652

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, 2014	–	15.00	–	15.00	30.00	853	19.5	1.2
Year ended March 31, 2015	–	22.50	–	22.50	45.00	1,280	23.5	1.6
Year ending March 31, 2016 (Forecast)	–	16.50	–	16.50	33.00		29.8	

3. Forecast of consolidated financial results for the year ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2015	126,700	4.6	5,200	1.6	5,100	(1.6)	3,000	1.1	52.72
Full year	253,000	3.3	10,500	12.2	10,400	8.4	6,300	15.8	110.72

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2015 (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:	Yes
Changes in accounting policies due to other reasons:	No
Changes in accounting estimates:	No
Restatement of prior period financial statements after error corrections:	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, 2015	56,899,202 shares	As of March 31, 2014	56,899,202 shares

Number of treasury shares at the end of the period

As of March 31, 2015	36 shares	As of March 31, 2014	36 shares

Average number of shares during the period

Year ended March 31, 2015	56,899,166 shares	Year ended March 31, 2014	56,899,166 shares

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and deposits	19,054	26,746
Notes and accounts receivable - trade	39,304	41,603
Securities	10	–
Costs on uncompleted construction contracts	21	84
Supplies	1,013	973
Deferred tax assets	2,427	2,386
Other	2,945	3,214
Allowance for doubtful accounts	(80)	(89)
Total current assets	64,695	74,919
Non-current assets		
Property, plant and equipment		
Buildings and structures	91,827	96,821
Accumulated depreciation	(54,970)	(58,918)
Buildings and structures, net	36,856	37,902
Machinery, equipment and vehicles	45,359	45,554
Accumulated depreciation	(38,234)	(38,557)
Machinery, equipment and vehicles, net	7,125	6,996
Land	38,831	41,140
Leased assets	2,915	3,598
Accumulated depreciation	(1,014)	(1,231)
Leased assets, net	1,900	2,366
Construction in progress	3,588	6,378
Other	6,705	6,671
Accumulated depreciation	(5,663)	(5,704)
Other, net	1,042	966
Total property, plant and equipment	89,344	95,752
Intangible assets	2,778	4,021
Investments and other assets		
Investment securities	7,931	10,193
Long-term loans receivable	346	352
Deferred tax assets	4,691	2,626
Net defined benefit asset	50	41
Other	4,764	5,113
Allowance for doubtful accounts	(234)	(177)
Total investments and other assets	17,550	18,148
Total non-current assets	109,672	117,921
Total assets	174,367	192,841

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,528	13,917
Short-term loans payable	2,734	2,788
Current portion of bonds	6,000	–
Current portion of long-term loans payable	1,962	5,344
Accrued expenses	8,477	9,052
Income taxes payable	1,900	2,279
Other	10,039	15,382
Total current liabilities	44,642	48,764
Non-current liabilities		
Bonds payable	10,000	20,000
Long-term loans payable	18,169	14,236
Deferred tax liabilities	406	558
Deferred tax liabilities for land revaluation	2,355	2,119
Net defined benefit liability	18,026	16,278
Provision for directors' retirement benefits	1,911	1,978
Allowance for loss dissolution of employees' pension fund	–	122
Other	3,858	4,039
Total non-current liabilities	54,727	59,334
Total liabilities	99,370	108,099
Net assets		
Shareholders' equity		
Capital stock	1,688	1,688
Capital surplus	755	755
Retained earnings	75,287	81,784
Treasury shares	(0)	(0)
Total shareholders' equity	77,731	84,228
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,834	3,258
Revaluation reserve for land	(4,767)	(4,570)
Foreign currency translation adjustment	459	2,259
Remeasurements of defined benefit plans	(1,898)	(2,251)
Total accumulated other comprehensive income	(4,372)	(1,304)
Minority interests	1,638	1,818
Total net assets	74,997	84,742
Total liabilities and net assets	174,367	192,841

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

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net sales	231,504	244,982
Cost of sales	212,320	223,852
Gross profit	19,183	21,129
Selling, general and administrative expenses	11,244	11,768
Operating income	7,938	9,361
Non-operating income		
Interest income	91	105
Dividend income	231	208
Reversal of allowance for doubtful accounts	4	7
Gain on reversal of loss on valuation of investment securities	82	56
Foreign exchange gains	–	96
Other	292	241
Total non-operating income	703	717
Non-operating expenses		
Interest expenses	503	397
Bond issuance cost	–	56
Other	128	33
Total non-operating expenses	632	486
Ordinary income	8,009	9,591
Extraordinary income		
Gain on sales of non-current assets	47	251
Other	1	40
Total extraordinary income	48	292
Extraordinary losses		
Loss on sales and retirement of non-current assets	176	268
Impairment loss	15	–
Special retirement expenses	195	25
Provision of reserve for loss on dissolution of employees' pension fund	–	122
Other	61	2
Total extraordinary losses	449	418
Income before income taxes and minority interests	7,609	9,464
Income taxes - current	3,298	3,815
Income taxes - deferred	(94)	93
Total income taxes	3,203	3,908
Income before minority interests	4,405	5,555
Minority interests in income	36	116
Net income	4,369	5,439

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Income before minority interests	4,405	5,555
Other comprehensive income		
Valuation difference on available-for-sale securities	423	1,426
Revaluation reserve for land	–	197
Foreign currency translation adjustment	2,009	1,889
Remeasurements of defined benefit plans, net of tax	–	(353)
Total other comprehensive income	2,433	3,160
Comprehensive income	6,839	8,716
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,673	8,507
Comprehensive income attributable to minority interests	165	209

Consolidated statements of changes in net assets

Fiscal year ended March 31, 2014

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	1,688	755	71,613	(0)	74,057
Cumulative effects of changes in accounting policies			–		–
Restated balance	1,688	755	71,613	(0)	74,057
Changes of items during period					
Dividends of surplus			(711)		(711)
Net income			4,369		4,369
The retained earnings increase amount by a consolidated subsidiary increase			11		11
Reversal of revaluation reserve for land			4		4
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	3,673	–	3,673
Balance at end of current period	1,688	755	75,287	(0)	77,731

	Accumulated other comprehensive income					Minority 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	1,416	(4,763)	(1,429)	–	(4,776)	1,471	70,752
Cumulative effects of changes in accounting policies							–
Restated balance	1,416	(4,763)	(1,429)	–	(4,776)	1,471	70,752
Changes of items during period							
Dividends of surplus							(711)
Net income							4,369
The retained earnings increase amount by a consolidated subsidiary increase							11
Reversal of revaluation reserve for land		(4)			(4)		–
Net changes of items other than shareholders' equity	417		1,888	(1,898)	407	167	575
Total changes of items during period	417	(4)	1,888	(1,898)	403	167	4,244
Balance at end of current period	1,834	(4,767)	459	(1,898)	(4,372)	1,638	74,997

Fiscal year ended March 31, 2015

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	1,688	755	75,287	(0)	77,731
Cumulative effects of changes in accounting policies			2,099		2,099
Restated balance	1,688	755	77,387	(0)	79,831
Changes of items during period					
Dividends of surplus			(1,066)		(1,066)
Net income			5,439		5,439
Reversal of revaluation reserve for land			24		24
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	4,397	–	4,397
Balance at end of current period	1,688	755	81,784	(0)	84,228

	Accumulated other comprehensive income					Minority 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	1,834	(4,767)	459	(1,898)	(4,372)	1,638	74,997
Cumulative effects of changes in accounting policies							2,099
Restated balance	1,834	(4,767)	459	(1,898)	(4,372)	1,638	77,096
Changes of items during period							
Dividends of surplus							(1,066)
Net income							5,439
Reversal of revaluation reserve for land		(24)			(24)		–
Net changes of items other than shareholders' equity	1,423	222	1,800	(353)	3,093	179	3,272
Total changes of items during period	1,423	197	1,800	(353)	3,068	179	7,645
Balance at end of current period	3,258	(4,570)	2,259	(2,251)	(1,304)	1,818	84,742

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	7,609	9,464
Depreciation	6,763	6,491
Impairment loss	15	–
Amortization of goodwill	160	260
Increase (decrease) in allowance for doubtful accounts	(1)	(0)
Increase (decrease) in provision for retirement benefits	(14,529)	–
Increase (decrease) in net defined benefit liability	15,078	401
Increase (decrease) in provision for directors' retirement benefits	(77)	44
Increase (decrease) in provision of reserve for loss on dissolution of employees' pension fund	–	122
Interest and dividend income	(323)	(314)
Interest expenses	503	397
Bond issuance cost	–	56
Foreign exchange losses (gains)	24	32
Gain on sales of noncurrent assets	(47)	(251)
Loss on sales and retirement of noncurrent assets	176	268
Decrease (increase) in notes and accounts receivable - trade	405	(1,225)
Decrease (increase) in inventories	(71)	(10)
Decrease (increase) in other assets	102	(165)
Increase (decrease) in notes and accounts payable - trade	721	(66)
Increase (decrease) in other liabilities	904	3,072
Other, net	116	458
Subtotal	17,530	19,034
Interest and dividend income received	305	299
Interest expenses paid	(519)	(393)
Income taxes paid	(2,733)	(3,484)
Net cash provided by (used in) operating activities	14,582	15,457
Cash flows from investing activities		
Decrease (increase) in time deposits	(321)	307
Net decrease (increase) in short-term loans receivable	36	26
Purchase of property, plant and equipment	(7,785)	(6,386)
Proceeds from sales of property, plant and equipment	117	548
Purchase of intangible assets	(723)	(373)
Purchase of investment securities	(548)	(54)
Proceeds from redemption of investment securities	100	–
Payments of long-term loans receivable	(104)	(27)
Collection of long-term loans receivable	13	12
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(3,366)
Other, net	(338)	(520)
Net cash provided by (used in) investing activities	(9,555)	(9,835)

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(1,443)	42
Proceeds from issuance of bonds	3,000	9,943
Redemption of bonds	(5,000)	(6,000)
Proceeds from long-term loans payable	3,100	1,400
Repayments of long-term loans payable	(5,432)	(1,962)
Cash dividends paid	(711)	(1,066)
Cash dividends paid to minority shareholders	(39)	(29)
Other, net	(401)	(487)
Net cash provided by (used in) financing activities	(6,928)	1,840
Effect of exchange rate change on cash and cash equivalents	623	366
Net increase (decrease) in cash and cash equivalents	(1,278)	7,828
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	18,652	26,480