Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2015 (Based on Japanese GAAP)

November 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 06-6227-4600
Scheduled date to file Quarterly Securities Report: November 12, 2015
Scheduled date to commence dividend payments: December 7, 2015
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, 2015 (from April 1, 2015 to September 30, 2015)

(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	%
Six months ended September 30, 2015	126,120	4.1	5,734	12.0	5,779	11.5	3,371	13.7
Six months ended September 30, 2014	121,175	5.6	5,120	21.3	5,182	18.6	2,966	15.5

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2015	59.26	59.23
Six months ended September 30, 2014	52.13	–

(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, 2015	193,624	87,527	44.2	1,503.36
As of March 31, 2015	192,841	84,742	43.0	1,457.39

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, 2015	–	22.50	–	22.50	45.00
Year ending March 31, 2016	–	16.50			
Year ending March 31, 2016 (Forecast)			–	16.50	33.00

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		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
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 six months ended September 30, 2015 (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:	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, 2015	56,899,202 shares	As of March 31, 2015	56,899,202 shares

Number of treasury shares at the end of the period

As of September 30, 2015	276 shares	As of March 31, 2015	36 shares

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2015	56,898,961 shares	Six months ended September 30, 2014	56,899,166 shares

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
Assets		
Current assets		
Cash and deposits	26,746	21,716
Notes and accounts receivable - trade	41,603	43,325
Costs on uncompleted works	84	45
Supplies	973	969
Deferred tax assets	2,386	2,310
Other	3,214	3,362
Allowance for doubtful accounts	(89)	(70)
Total current assets	74,919	71,660
Non-current assets		
Property, plant and equipment		
Buildings and structures	96,821	103,179
Accumulated depreciation	(58,918)	(60,534)
Buildings and structures, net	37,902	42,644
Machinery, equipment and vehicles	45,554	46,777
Accumulated depreciation	(38,557)	(38,814)
Machinery, equipment and vehicles, net	6,996	7,963
Land	41,140	41,374
Leased assets	3,598	3,770
Accumulated depreciation	(1,231)	(1,382)
Leased assets, net	2,366	2,387
Construction in progress	6,378	3,833
Other	6,671	6,859
Accumulated depreciation	(5,704)	(5,668)
Other, net	966	1,191
Total property, plant and equipment	95,752	99,395
Intangible assets	4,021	3,901
Investments and other assets		
Investment securities	10,193	9,714
Long-term loans receivable	352	364
Deferred tax assets	2,626	2,863
Net defined benefit asset	41	92
Other	5,113	5,811
Allowance for doubtful accounts	(177)	(178)
Total investments and other assets	18,148	18,667
Total non-current assets	117,921	121,964
Total assets	192,841	193,624

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,917	13,538
Short-term loans payable	2,788	2,866
Current portion of bonds	–	3,000
Current portion of long-term loans payable	5,344	2,945
Accrued expenses	9,052	9,088
Income taxes payable	2,279	2,312
Other	15,382	14,488
Total current liabilities	48,764	48,239
Non-current liabilities		
Bonds payable	20,000	17,000
Long-term loans payable	14,236	15,145
Lease obligations	2,009	2,019
Deferred tax liabilities	558	566
Deferred tax liabilities for land revaluation	2,119	2,119
Net defined benefit liability	16,278	16,406
Retirement allowance for directors	1,978	86
Allowance for loss dissolution of employees' pension fund	122	58
Long-term accounts payable - other	364	2,181
Other	1,665	2,274
Total non-current liabilities	59,334	57,857
Total liabilities	108,099	106,097
Net assets		
Shareholders' equity		
Capital stock	1,688	1,688
Capital surplus	755	755
Retained earnings	81,784	84,516
Treasury shares	(0)	(0)
Total shareholders' equity	84,228	86,960
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,258	2,808
Revaluation reserve for land	(4,570)	(4,570)
Foreign currency translation adjustment	2,259	2,451
Remeasurements of defined benefit plans	(2,251)	(2,110)
Total accumulated other comprehensive income	(1,304)	(1,420)
Subscription rights to shares	–	121
Non-controlling interests	1,818	1,865
Total net assets	84,742	87,527
Total liabilities and net assets	192,841	193,624

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, 2014	Six months ended September 30, 2015
Net sales	121,175	126,120
Cost of sales	110,415	113,980
Gross profit	10,759	12,140
Selling, general and administrative expenses	5,639	6,406
Operating income	5,120	5,734
Non-operating income		
Interest income	47	54
Dividend income	115	117
Other	144	184
Total non-operating income	308	355
Non-operating expenses		
Interest expenses	211	180
Loss on valuation of investment securities	0	107
Other	34	23
Total non-operating expenses	245	310
Ordinary income	5,182	5,779
Extraordinary income		
Gain on sales of non-current assets	50	47
Compensation income	18	–
Other	–	8
Total extraordinary income	69	56
Extraordinary losses		
Loss on sales and retirement of non-current assets	130	88
Other	24	–
Total extraordinary losses	155	88
Income before income taxes and minority interests	5,096	5,747
Income taxes - current	2,159	2,280
Income taxes - deferred	(74)	11
Total income taxes	2,084	2,291
Profit	3,011	3,455
Profit attributable to non-controlling interests	45	83
Profit attributable to owners of parent	2,966	3,371

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Profit	3,011	3,455
Other comprehensive income		
Valuation difference on available-for-sale securities	507	(485)
Foreign currency translation adjustment	(480)	192
Remeasurements of defined benefit plans, net of tax	132	141
Share of other comprehensive income of entities accounted for using equity method	–	30
Total other comprehensive income	159	(121)
Comprehensive income	3,171	3,333
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,158	3,255
Comprehensive income attributable to non-controlling interests	12	78

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	5,096	5,747
Depreciation	3,036	3,424
Amortization of goodwill	109	153
Increase (decrease) in allowance for doubtful accounts	(12)	(18)
Increase (decrease) in net defined benefit liability	134	115
Increase(decrease) in provision for directors' retirement benefits	(14)	(1,892)
Increase (decrease) in provision of reserve for loss on dissolution of employees' pension fund	–	(63)
Interest and dividend income	(163)	(171)
Interest expenses	211	180
Foreign exchange losses (gains)	24	(5)
Gain from sale of fixed assets	(50)	(47)
Fixed assets of retirement and loss from sale of fixed assets	130	88
Decrease (increase) in notes and accounts receivable - trade	(2,444)	(1,702)
Decrease (increase) in inventories	106	48
Decrease (increase) in other assets	(514)	(122)
Increase (decrease) in notes and accounts payable - trade	(279)	(60)
Increase (decrease) in other liabilities	1,035	(1,000)
Other, net	238	430
Subtotal	6,644	5,102
Interest and dividend income received	161	154
Interest expenses paid	(212)	(179)
Income taxes paid	(1,786)	(2,278)
Net cash provided by (used in) operating activities	4,807	2,798
Cash flows from investing activities		
Decrease (increase) in time deposits	133	(20)
Net decrease (increase) in short-term loans receivable	16	(86)
Purchase of property, plant and equipment	(2,927)	(4,662)
Proceeds from sales of property, plant and equipment	99	41
Purchase of intangible assets	(217)	(135)
Purchase of investment securities	(25)	(34)
Payments of long-term loans receivable	(18)	(23)
Collection of long-term loans receivable	9	11
purchase of investments accounted for using the equity method	–	(287)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(3,366)	–
Other, net	(264)	(346)
Net cash provided by (used in) investing activities	(6,561)	(5,543)

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	50	78
Net increase (decrease) in commercial papers	5,000	–
Redemption of bonds	(5,000)	–
Proceeds from long-term loans payable	–	600
Repayments of long-term loans payable	(288)	(2,095)
Cash dividends paid	(426)	(640)
Dividends paid to non-controlling interests	(26)	(30)
Other, net	(183)	(263)
Net cash provided by (used in) financing activities	(875)	(2,352)
Effect of exchange rate change on cash and cash equivalents	(134)	41
Net increase (decrease) in cash and cash equivalents	(2,764)	(5,055)
Cash and cash equivalents at beginning of period	18,652	26,480
Cash and cash equivalents at end of period	15,887	21,425