Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2016 (Based on Japanese GAAP)

May 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
Inquiries: Executive Officer,General Manager Finance / Accounting Division Mitsuhiro Nakatani TEL 06-6227-4600
Scheduled date of ordinary general meeting of shareholders: June 23, 2016
Scheduled date to file Securities Report: June 24, 2016
Scheduled date to commence dividend payments: June 24, 2016
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, 2016 (from April 1, 2015 to March 31, 2016)

(1) Consolidated operating results

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	%
Year ended March 31, 2016	252,550	3.1	10,264	9.7	10,714	11.7	6,411	17.9
Year ended March 31, 2015	244,982	5.8	9,361	17.9	9,591	19.7	5,439	24.5

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2016	112.68	112.57	7.6	5.6	4.1
Year ended March 31, 2015	95.60	–	6.9	5.2	3.8

(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, 2016	191,773	88,596	45.2	1,521.92
As of March 31, 2015	192,841	84,742	43.0	1,457.39

(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, 2016	11,279	(12,536)	(5,292)	19,954
Year ended March 31, 2015	15,457	(9,835)	1,840	26,480

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, 2015	–	22.50	–	22.50	45.00	1,280	23.5	1.6
Year ended March 31, 2016	–	16.50	–	16.50	33.00	1,877	29.3	2.2
Year ending March 31, 2017 (Forecast)	–	17.50	–	17.50	35.00		29.3	

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 year ended March 31, 2016 (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:	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, 2016	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 March 31, 2016	276 shares	As of March 31, 2015	36 shares

Average number of shares during the period

Year ended March 31, 2016	56,898,943 shares	Year ended March 31, 2015	56,899,166 shares

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	26,746	20,307
Notes and accounts receivable - trade	41,603	43,510
Costs on uncompleted construction contracts	84	14
Supplies	973	1,255
Deferred tax assets	2,386	2,304
Other	3,214	3,356
Allowance for doubtful accounts	(89)	(62)
Total current assets	74,919	70,685
Non-current assets		
Property, plant and equipment		
Buildings and structures	96,821	103,888
Accumulated depreciation	(58,918)	(61,807)
Buildings and structures, net	37,902	42,080
Machinery, equipment and vehicles	45,554	48,220
Accumulated depreciation	(38,557)	(40,254)
Machinery, equipment and vehicles, net	6,996	7,966
Land	41,140	40,953
Leased assets	3,598	4,130
Accumulated depreciation	(1,231)	(1,558)
Leased assets, net	2,366	2,571
Construction in progress	6,378	4,557
Other	6,671	6,959
Accumulated depreciation	(5,704)	(5,769)
Other, net	966	1,190
Total property, plant and equipment	95,752	99,320
Intangible assets	4,021	3,599
Investments and other assets		
Investment securities	10,193	9,301
Long-term loans receivable	352	344
Deferred tax assets	2,626	2,953
Net defined benefit asset	41	131
Other	5,113	5,621
Allowance for doubtful accounts	(177)	(185)
Total investments and other assets	18,148	18,168
Total non-current assets	117,921	121,087
Total assets	192,841	191,773

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,917	14,592
Short-term loans payable	2,788	2,868
Current portion of bonds	–	4,000
Current portion of long-term loans payable	5,344	4,691
Accrued expenses	9,052	9,468
Income taxes payable	2,279	1,732
Other	15,382	11,376
Total current liabilities	48,764	48,728
Non-current liabilities		
Bonds payable	20,000	16,000
Long-term loans payable	14,236	11,804
Lease obligations	2,009	2,183
Deferred tax liabilities	558	531
Deferred tax liabilities for land revaluation	2,119	1,800
Net defined benefit liability	16,278	17,646
Provision for directors' retirement benefits	1,978	95
Allowance for loss dissolution of employees' pension fund	122	58
Long-term accounts payable - other	364	2,147
Other	1,665	2,181
Total non-current liabilities	59,334	54,448
Total liabilities	108,099	103,177
Net assets		
Shareholders' equity		
Capital stock	1,688	1,688
Capital surplus	755	755
Retained earnings	81,784	86,900
Treasury shares	(0)	(0)
Total shareholders' equity	84,228	89,343
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,258	2,986
Revaluation reserve for land	(4,570)	(4,833)
Foreign currency translation adjustment	2,259	1,762
Remeasurements of defined benefit plans	(2,251)	(2,663)
Total accumulated other comprehensive income	(1,304)	(2,748)
Subscription rights to shares	–	121
Non-controlling interests	1,818	1,878
Total net assets	84,742	88,596
Total liabilities and net assets	192,841	191,773

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

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net sales	244,982	252,550
Cost of sales	223,852	229,669
Gross profit	21,129	22,881
Selling, general and administrative expenses	11,768	12,616
Operating income	9,361	10,264
Non-operating income		
Interest income	105	102
Dividend income	208	221
Reversal of allowance for doubtful accounts	7	5
Gain on reversal of loss on valuation of investment securities	56	1
Foreign exchange gains	96	189
Incentives for establishment of new business facilities	–	103
Other	241	298
Total non-operating income	717	924
Non-operating expenses		
Interest expenses	397	342
Bond issuance cost	56	–
Loss on valuation of investment securities	0	93
Other	33	39
Total non-operating expenses	486	474
Ordinary income	9,591	10,714
Extraordinary income		
Gain on sales of non-current assets	251	127
Insurance income	–	589
Compensation for damage received	–	66
Other	40	27
Total extraordinary income	292	810
Extraordinary losses		
Loss on sales and retirement of non-current assets	268	137
Impairment loss	–	836
Special retirement expenses	25	–
Provision of reserve for loss on dissolution of employees' pension fund	122	–
Loss on fire	–	651
Other	2	1
Total extraordinary losses	418	1,626
Profit before income taxes	9,464	9,898
Income taxes - current	3,815	3,500
Income taxes - deferred	93	(159)
Total income taxes	3,908	3,341
Profit	5,555	6,556
Profit attributable to non-controlling interests	116	145
Profit attributable to owners of parent	5,439	6,411

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Profit	5,555	6,556
Other comprehensive income		
Valuation difference on available-for-sale securities	1,426	(286)
Revaluation reserve for land	221	96
Foreign currency translation adjustment	1,889	(532)
Remeasurements of defined benefit plans, net of tax	(353)	(411)
Share of other comprehensive income of entities accounted for using equity method	–	(4)
Total other comprehensive income	3,185	(1,138)
Comprehensive income	8,741	5,417
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,532	5,326
Comprehensive income attributable to non-controlling interests	209	91

Consolidated statements of changes in equity

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)
Profit attributable to owners of parent			5,439		5,439
Reversal of revaluation reserve for land			24		24
The retained earnings decrease amount by a consolidated subsidiary increase			–		–
Purchase of treasury shares			–		–
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					Subscription rights to shares	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	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)
Profit attributable to owners of parent								5,439
Reversal of revaluation reserve for land								24
The retained earnings decrease amount by a consolidated subsidiary increase								–
Purchase of treasury shares								–
Net changes of items other than shareholders' equity	1,423	197	1,800	(353)	3,068	–	179	3,248
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

Fiscal year ended March 31, 2016

(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	81,784	(0)	84,228
Cumulative effects of changes in accounting policies					
Restated balance	1,688	755	81,784	(0)	84,228
Changes of items during period					
Dividends of surplus			(1,578)		(1,578)
Profit attributable to owners of parent			6,411		6,411
Reversal of revaluation reserve for land			359		359
The retained earnings decrease amount by a consolidated subsidiary increase			(76)		(76)
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	5,115	(0)	5,115
Balance at end of current period	1,688	755	86,900	(0)	89,343

	Accumulated other comprehensive income					Subscription rights to shares	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	3,258	(4,570)	2,259	(2,251)	(1,304)	–	1,818	84,742
Cumulative effects of changes in accounting policies								
Restated balance	3,258	(4,570)	2,259	(2,251)	(1,304)	–	1,818	84,742
Changes of items during period								
Dividends of surplus								(1,578)
Profit attributable to owners of parent								6,411
Reversal of revaluation reserve for land								359
The retained earnings decrease amount by a consolidated subsidiary increase								(76)
Purchase of treasury shares								(0)
Net changes of items other than shareholders' equity	(271)	(262)	(497)	(411)	(1,444)	121	60	(1,261)
Total changes of items during period	(271)	(262)	(497)	(411)	(1,444)	121	60	3,853
Balance at end of current period	2,986	(4,833)	1,762	(2,663)	(2,748)	121	1,878	88,596

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from operating activities		
Profit before income taxes	9,464	9,898
Depreciation	6,491	7,331
Impairment loss	–	836
Amortization of goodwill	260	306
Increase (decrease) in allowance for doubtful accounts	(0)	(22)
Increase (decrease) in net defined benefit liability	401	418
Increase (decrease) in provision for directors' retirement benefits	44	(1,882)
Increase (decrease) in provision of reserve for loss on dissolution of employees' pension fund	122	(63)
Interest and dividend income	(314)	(324)
Interest expenses	397	342
Bond issuance cost	56	–
Foreign exchange losses (gains)	32	(204)
Gain on sales of noncurrent assets	(251)	(127)
Insurance income	–	(589)
Compensation for damage received	–	(66)
Loss on sales and retirement of noncurrent assets	268	137
Loss on fire	–	651
Decrease (increase) in notes and accounts receivable - trade	(1,225)	(1,673)
Decrease (increase) in inventories	(10)	79
Decrease (increase) in other assets	(165)	(24)
Increase (decrease) in notes and accounts payable - trade	(66)	771
Increase (decrease) in other liabilities	3,072	(643)
Other, net	458	529
Subtotal	19,034	15,681
Interest and dividend income received	299	287
Interest expenses paid	(393)	(338)
Compensation for damage income received	–	150
Payments for loss on fire	–	(432)
Income taxes paid	(3,484)	(4,145)
Other, net	–	78
Net cash provided by (used in) operating activities	15,457	11,279
Cash flows from investing activities		
Decrease (increase) in time deposits	307	(94)
Net decrease (increase) in short-term loans receivable	26	197
Purchase of property, plant and equipment	(6,386)	(11,896)
Proceeds from sales of property, plant and equipment	548	159
Purchase of intangible assets	(373)	(269)
Purchase of investment securities	(54)	(110)
Payments of long-term loans receivable	(27)	(23)
Collection of long-term loans receivable	12	23
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(3,366)	(429)
purchase of investments accounted for using the equity method	–	(287)
Other, net	(520)	194
Net cash provided by (used in) investing activities	(9,835)	(12,536)

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	42	(55)
Proceeds from issuance of bonds	9,943	–
Redemption of bonds	(6,000)	–
Proceeds from long-term loans payable	1,400	2,300
Repayments of long-term loans payable	(1,962)	(5,395)
Cash dividends paid	(1,066)	(1,578)
Dividends paid to non-controlling interests	(29)	(30)
Other, net	(487)	(532)
Net cash provided by (used in) financing activities	1,840	(5,292)
Effect of exchange rate change on cash and cash equivalents	366	(63)
Net increase (decrease) in cash and cash equivalents	7,828	(6,613)
Cash and cash equivalents at beginning of period	18,652	26,480
Increase in cash and cash equivalents from newly consolidated subsidiary	–	87
Cash and cash equivalents at end of period	26,480	19,954