Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2018 (Based on Japanese GAAP)

February 13, 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
Inquiries: Managing Executive Officer,General Manager Finance / Accounting Division — Mitsuhiro Nakatani TEL 06-6227-4600

Scheduled date to file Quarterly Securities Report: February 13, 2019
Scheduled date to commence dividend payments: –
Preparation of supplementary material on quarterly financial results: Yes
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, 2018 (from April 1, 2018 to December 31, 2018)

(1) Consolidated operating results (cumulative)

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	%
Nine months ended December 31, 2018	218,985	5.0	10,134	7.3	10,446	7.0	6,754	4.6
Nine months ended December 31, 2017	208,602	6.7	9,441	7.8	9,765	7.9	6,455	6.7

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2018	119.38	118.89
Nine months ended December 31, 2017	113.39	113.02

(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, 2018	208,297	104,847	48.7	1,809.93
As of March 31, 2018	211,691	101,162	46.2	1,719.14

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, 2018	–	18.00	–	18.00	36.00
Year ending March 31, 2019	–	18.00	–		
Year ending March 31, 2019 (Forecast)				18.00	36.00

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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
Full year	284,800	2.9	10,000	(9.6)	10,300	(10.7)	6,100	(13.4)	107.14

4. Notes

(1) Changes in significant subsidiaries during the nine months ended December 31, 2018 (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:	No
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 December 31, 2018	56,952,442 shares	As of March 31, 2018	56,933,332 shares

Number of treasury shares at the end of the period

As of December 31, 2018	927,353 shares	As of March 31, 2018	320 shares

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

Nine months ended December 31, 2018	56,576,382 shares	Nine months ended December 31, 2017	56,932,653 shares

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	30,039	21,833
Notes and accounts receivable - trade	50,962	55,535
Costs on uncompleted works	42	227
Supplies	1,400	1,636
Other	2,625	2,920
Allowance for doubtful accounts	(54)	(56)
Total current assets	85,016	82,095
Non-current assets		
Property, plant and equipment		
Buildings and structures	107,809	108,888
Accumulated depreciation	(66,022)	(68,016)
Buildings and structures, net	41,786	40,872
Machinery, equipment and vehicles	49,721	46,435
Accumulated depreciation	(41,197)	(38,203)
Machinery, equipment and vehicles, net	8,523	8,232
Land	41,381	41,040
Leased assets	6,027	6,507
Accumulated depreciation	(2,402)	(2,842)
Leased assets, net	3,625	3,665
Construction in progress	327	1,207
Other	7,584	7,894
Accumulated depreciation	(6,220)	(6,546)
Other, net	1,363	1,348
Total property, plant and equipment	97,008	96,367
Intangible assets		
Goodwill	3,165	3,828
Other	2,768	3,096
Total intangible assets	5,933	6,924
Investments and other assets		
Investment securities	11,601	11,400
Long-term loans receivable	383	518
Deferred tax assets	5,689	4,373
Net defined benefit asset	141	161
Other	6,101	6,647
Allowance for doubtful accounts	(185)	(191)
Total investments and other assets	23,732	22,910
Total non-current assets	126,674	126,201
Total assets	211,691	208,297

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	15,598	14,279
Short-term loans payable	4,244	7,366
Current portion of bonds	3,000	1,000
Current portion of long-term loans payable	3,137	635
Accrued expenses	10,841	7,221
Income taxes payable	3,193	407
Other	13,452	13,466
Total current liabilities	53,467	44,377
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	8,502	10,304
Lease obligations	2,860	2,869
Deferred tax liabilities	627	689
Deferred tax liabilities for land revaluation	1,668	1,585
Net defined benefit liability	19,348	19,629
Provision for directors' retirement benefits	156	124
Long-term accounts payable - other	1,837	1,753
Other	2,059	2,118
Total non-current liabilities	57,060	59,073
Total liabilities	110,528	103,450
Net assets		
Shareholders' equity		
Capital stock	1,710	1,723
Capital surplus	778	790
Retained earnings	97,561	102,445
Treasury shares	(0)	(1,561)
Total shareholders' equity	100,050	103,397
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,366	4,516
Revaluation reserve for land	(5,111)	(5,300)
Foreign currency translation adjustment	772	690
Remeasurements of defined benefit plans	(2,202)	(1,902)
Total accumulated other comprehensive income	(2,174)	(1,995)
Share acquisition rights	283	321
Non-controlling interests	3,003	3,124
Total net assets	101,162	104,847
Total liabilities and net assets	211,691	208,297

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, 2017	Nine months ended December 31, 2018
Net sales	208,602	218,985
Cost of sales	189,140	198,308
Gross profit	19,461	20,676
Selling, general and administrative expenses	10,020	10,542
Operating profit	9,441	10,134
Non-operating income		
Interest income	114	85
Dividend income	226	265
Rent income	57	78
Foreign exchange gains	–	23
Other	231	116
Total non-operating income	630	569
Non-operating expenses		
Interest expenses	172	130
Loss on valuation of investment securities	0	71
Foreign exchange losses	24	–
Other	109	55
Total non-operating expenses	306	258
Ordinary profit	9,765	10,446
Extraordinary income		
Gain on sales of non-current assets	372	193
Gain on sales of investment securities	68	–
Insurance income	–	31
Gain on step acquisitions	–	221
Other	27	–
Total extraordinary income	468	446
Extraordinary losses		
Loss on sales and retirement of non-current assets	88	60
Loss on sales of shares of subsidiaries	22	–
Loss on valuation of investment securities	–	11
Impairment loss	–	23
Loss on disaster	–	301
Settlement package	0	82
Other	–	0
Total extraordinary losses	112	478
Profit before income taxes	10,121	10,414
Income taxes - current	2,520	2,474
Income taxes - deferred	1,028	1,075
Total income taxes	3,549	3,549
Profit	6,572	6,864
Profit attributable to non-controlling interests	116	109
Profit attributable to owners of parent	6,455	6,754

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	6,572	6,864
Other comprehensive income		
Valuation difference on available-for-sale securities	1,478	156
Foreign currency translation adjustment	(216)	(115)
Remeasurements of defined benefit plans, net of tax	280	301
Share of other comprehensive income of entities accounted for using equity method	(6)	10
Total other comprehensive income	1,535	353
Comprehensive income	8,108	7,217
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,935	7,121
Comprehensive income attributable to non-controlling interests	172	95