Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2020 (Based on Japanese GAAP)

June 19, 2020

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: Executive General Manager Finance / Accounting Division — Kazuo Ofuchi TEL 06-6227-4600
Scheduled date of ordinary general meeting of shareholders: July 31, 2020
Scheduled date to file Securities Report: July 31, 2020
Scheduled date to commence dividend payments: June 25, 2020
Preparation of supplementary material on financial results: Yes
Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(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, 2020	310,834	5.7	9,686	(11.8)	9,559	(16.0)	4,593	(27.0)
Year ended March 31, 2019	294,158	6.3	10,976	(0.8)	11,373	(1.4)	6,289	(10.7)

	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, 2020	84.90	84.49	4.7	4.4	3.1
Year ended March 31, 2019	111.62	111.19	6.4	5.4	3.7

(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, 2020	223,499	99,572	43.0	1,833.07
As of March 31, 2019	213,254	101,563	46.1	1,772.01

(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, 2020	18,367	(16,545)	3,577	27,691
Year ended March 31, 2019	5,808	(8,697)	(3,833)	22,279

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, 2019	–	18.00	–	18.00	36.00	2,014	32.3	2.1
Year ended March 31, 2020	–	18.00	–	18.00	36.00	1,920	42.4	2.0
Year ending March 31, 2021 (Forecast)	–	–	–	–	–		–	

3. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2020 (changes in specified subsidiaries resulting in the change in scope of consolidation): No

(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, 2020	56,952,442 shares	As of March 31, 2019	56,952,442 shares

Number of treasury shares at the end of the period

As of March 31, 2020	4,481,701 shares	As of March 31, 2019	1,491,481 shares

Average number of shares during the period

Year ended March 31, 2020	54,108,579 shares	Year ended March 31, 2019	56,341,380 shares

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	22,499	29,470
Notes and accounts receivable - trade	57,164	55,680
Costs on construction contracts in progress	246	107
Supplies	1,641	1,631
Other	2,464	3,024
Allowance for doubtful accounts	(82)	(78)
Total current assets	83,934	89,835
Non-current assets		
Property, plant and equipment		
Buildings and structures	110,506	111,930
Accumulated depreciation	(68,600)	(70,915)
Buildings and structures, net	41,906	41,015
Machinery, equipment and vehicles	47,365	48,005
Accumulated depreciation	(38,658)	(39,399)
Machinery, equipment and vehicles, net	8,706	8,606
Land	41,568	42,577
Leased assets	6,383	7,002
Accumulated depreciation	(2,887)	(3,165)
Leased assets, net	3,495	3,837
Construction in progress	1,301	3,602
Other	7,933	8,887
Accumulated depreciation	(6,619)	(7,252)
Other, net	1,314	1,634
Total property, plant and equipment	98,293	101,272
Intangible assets		
Goodwill	3,289	2,417
Other	3,377	3,973
Total intangible assets	6,666	6,390
Investments and other assets		
Investment securities	11,465	11,704
Long-term loans receivable	525	497
Deferred tax assets	6,026	6,752
Retirement benefit asset	179	171
Other	6,472	7,184
Allowance for doubtful accounts	(189)	(177)
Allowance for investment loss	(120)	(132)
Total investments and other assets	24,360	26,000
Total non-current assets	129,320	133,663
Total assets	213,254	223,499

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,361	13,491
Short-term borrowings	9,391	9,116
Current portion of bonds payable	10,000	–
Current portion of long-term borrowings	1,643	2,528
Accrued expenses	11,457	11,838
Income taxes payable	2,219	2,639
Other	11,333	13,229
Total current liabilities	60,406	52,845
Non-current liabilities		
Bonds payable	10,000	30,000
Long-term borrowings	10,294	9,172
Lease obligations	2,707	3,025
Deferred tax liabilities	701	564
Deferred tax liabilities for land revaluation	1,581	1,444
Retirement benefit liability	22,026	22,666
Provision for directors' retirement benefits	129	144
Long-term accounts payable - other	1,735	1,626
Other	2,110	2,435
Total non-current liabilities	51,285	71,081
Total liabilities	111,691	123,926
Net assets		
Shareholders' equity		
Share capital	1,723	1,723
Capital surplus	790	1,908
Retained earnings	101,348	103,972
Treasury shares	(2,484)	(7,324)
Total shareholders' equity	101,378	100,278
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,537	3,294
Revaluation reserve for land	(4,668)	(4,688)
Foreign currency translation adjustment	314	237
Remeasurements of defined benefit plans	(3,284)	(2,939)
Total accumulated other comprehensive income	(3,100)	(4,096)
Share acquisition rights	321	397
Non-controlling interests	2,964	2,992
Total net assets	101,563	99,572
Total liabilities and net assets	213,254	223,499

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

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net sales	294,158	310,834
Cost of sales	268,148	284,954
Gross profit	26,010	25,880
Selling, general and administrative expenses	15,034	16,194
Operating profit	10,976	9,686
Non-operating income		
Interest income	102	135
Dividend income	349	441
Reversal of allowance for doubtful accounts	12	8
Gain on reversal of loss on valuation of investment securities	0	0
Rental income	104	144
Other	194	256
Total non-operating income	764	987
Non-operating expenses		
Interest expenses	176	195
Loss on valuation of investment securities	49	455
Foreign exchange losses	27	262
Other	113	200
Total non-operating expenses	367	1,114
Ordinary profit	11,373	9,559
Extraordinary income		
Gain on sales of non-current assets	213	344
Gain on sales of investment securities	0	28
Insurance claim income	46	285
Gain on step acquisitions	221	–
Other	–	0
Total extraordinary income	481	658
Extraordinary losses		
Loss on sales and retirement of non-current assets	92	120
Loss on valuation of investment securities	11	254
Provision of allowance for investment loss	120	12
Impairment loss	638	1,711
Loss on disaster	463	61
Settlement package	82	6
Other	10	–
Total extraordinary losses	1,419	2,166
Profit before income taxes	10,436	8,051
Income taxes - current	4,502	4,065
Income taxes - deferred	(329)	(571)
Total income taxes	4,173	3,494
Profit	6,263	4,557
Loss attributable to non-controlling interests	(25)	(36)
Profit attributable to owners of parent	6,289	4,593

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Profit	6,263	4,557
Other comprehensive income		
Valuation difference on available-for-sale securities	178	(1,246)
Foreign currency translation adjustment	(516)	(77)
Remeasurements of defined benefit plans, net of tax	(1,082)	320
Share of other comprehensive income of entities accounted for using equity method	10	–
Total other comprehensive income	(1,408)	(1,004)
Comprehensive income	4,854	3,552
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,919	3,618
Comprehensive income attributable to non-controlling interests	(65)	(65)

Consolidated statements of changes in equity

Fiscal year ended March 31, 2019

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,710	778	97,561	(0)	100,050
Cumulative effects of changes in accounting policies			–		–
Restated balance	1,710	778	97,561	(0)	100,050
Changes 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
The retained earnings decrease amount by a consolidated subsidiary increase			(7)		(7)
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)		–
Reversal of revaluation reserve for land			(442)		(442)
Change in ownership interest of parent due to transactions with non-controlling interests					–
Net changes in items other than shareholders' equity					
Total changes during period	12	12	3,787	(2,483)	1,328
Balance at end of 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 period	4,366	(5,111)	772	(2,202)	(2,174)	283	3,003	101,162
Cumulative effects of changes in accounting policies								–
Restated balance	4,366	(5,111)	772	(2,202)	(2,174)	283	3,003	101,162
Changes 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
The retained earnings decrease amount by a consolidated subsidiary increase								(7)
Purchase of treasury shares								(2,526)
Disposal of treasury shares								32
Transfer of loss on disposal of treasury shares								–
Reversal of revaluation reserve for land								(442)
Change in ownership interest of parent due to transactions with non-controlling interests								–
Net changes in items other than shareholders' equity	170	442	(458)	(1,081)	(926)	37	(39)	(927)
Total changes during period	170	442	(458)	(1,081)	(926)	37	(39)	400
Balance at end of period	4,537	(4,668)	314	(3,284)	(3,100)	321	2,964	101,563

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,723	790	101,348	(2,484)	101,378
Cumulative effects of changes in accounting policies			(13)		(13)
Restated balance	1,723	790	101,335	(2,484)	101,364
Changes during period					
Issuance of new shares - exercise of share acquisition rights					–
Dividends of surplus			(1,974)		(1,974)
Profit attributable to owners of parent			4,593		4,593
The retained earnings decrease amount by a consolidated subsidiary increase					–
Purchase of treasury shares				(4,857)	(4,857)
Disposal of treasury shares		(2)		16	13
Transfer of loss on disposal of treasury shares		2	(2)		–
Reversal of revaluation reserve for land			19		19
Change in ownership interest of parent due to transactions with non-controlling interests		1,118			1,118
Net changes in items other than shareholders' equity					–
Total changes during period		1,118	2,636	(4,840)	(1,085)
Balance at end of period	1,723	1,908	103,972	(7,324)	100,278

	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 period	4,537	(4,668)	314	(3,284)	(3,100)	321	2,964	101,563
Cumulative effects of changes in accounting policies							(0)	(14)
Restated balance	4,537	(4,668)	314	(3,284)	(3,100)	321	2,964	101,549
Changes during period								
Issuance of new shares - exercise of share acquisition rights								–
Dividends of surplus								(1,974)
Profit attributable to owners of parent								4,593
The retained earnings decrease amount by a consolidated subsidiary increase								–
Purchase of treasury shares								(4,857)
Disposal of treasury shares								13
Transfer of loss on disposal of treasury shares								–
Reversal of revaluation reserve for land								19
Change in ownership interest of parent due to transactions with non-controlling interests								1,118
Net changes in items other than shareholders' equity	(1,242)	(19)	(77)	344	(995)	76	28	(891)
Total changes during period	(1,242)	(19)	(77)	344	(995)	76	28	(1,976)
Balance at end of period	3,294	(4,688)	237	(2,939)	(4,096)	397	2,992	99,572

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	10,436	8,051
Depreciation	7,452	8,173
Impairment loss	638	1,711
Loss (gain) on step acquisitions	(221)	–
Amortization of goodwill	416	500
Increase (decrease) in allowance for doubtful accounts	29	(15)
Increase (decrease) in retirement benefit liability	536	364
Increase (decrease) in provision for directors' retirement benefits	(27)	15
Increase (decrease) in allowance for investment loss	120	12
Interest and dividend income	(452)	(577)
Rental income	(104)	(144)
Loss on valuation of investment securities	11	254
Loss (gain) on valuation of investment securities	49	455
Gain on reversal of loss on valuation of investment securities	(0)	(0)
Interest expenses	176	195
Foreign exchange losses (gains)	7	222
Gain on sales of non-current assets	(213)	(344)
Loss (gain) on sales of investment securities	(0)	(28)
Loss on sales and retirement of noncurrent assets	92	120
Insurance claim income	(46)	(285)
Loss on disaster	463	61
Settlement package	82	6
Decrease (increase) in trade receivables	(3,754)	1,434
Decrease (increase) in inventories	(427)	144
Decrease (increase) in other assets	194	(472)
Increase (decrease) in trade payables	(5,384)	(1,283)
Increase (decrease) in other liabilities	170	1,576
Other, net	1,062	995
Subtotal	11,306	21,144
Interest and dividends received	406	555
Interest paid	(183)	(189)
Rent revenue	84	123
Payments associated with disaster loss	(273)	(57)
Settlement package paid	(82)	(6)
Proceeds from insurance income	46	1,034
Income taxes paid	(5,495)	(4,238)
Net cash provided by (used in) operating activities	5,808	18,367

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from investing activities		
Decrease (increase) in time deposits	807	(1,634)
Net decrease (increase) in short-term loans receivable	(30)	(41)
Purchase of property, plant and equipment	(8,163)	(10,744)
Proceeds from sales of property, plant and equipment	948	722
Purchase of intangible assets	(923)	(1,418)
Purchase of investment securities	(49)	(278)
Proceeds from sales of investment securities	0	35
Long-term loan advances	(146)	(35)
Collection of long-term loans receivable	10	65
purchase of investments accounted for using the equity method	–	(2,434)
Purchase of shares of subsidiaries and associates	(52)	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(913)	–
Other, net	(185)	(782)
Net cash provided by (used in) investing activities	(8,697)	(16,545)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	4,272	(254)
Proceeds from issuance of bonds	–	19,889
Redemption of bonds	(3,000)	(10,000)
Proceeds from long-term borrowings	3,402	3,707
Repayments of long-term borrowings	(3,097)	(3,940)
Dividends paid	(2,041)	(1,974)
Dividends paid to non-controlling interests	(42)	(54)
Proceeds from share issuance to non-controlling shareholders	30	–
Repayments of finance lease obligations	(767)	(788)
Purchase of treasury shares	(2,526)	(4,857)
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	–	1,825
Other, net	(63)	25
Net cash provided by (used in) financing activities	(3,833)	3,577
Effect of exchange rate change on cash and cash equivalents	(138)	12
Net increase (decrease) in cash and cash equivalents	(6,860)	5,412
Cash and cash equivalents at beginning of period	29,114	22,279
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	25	–
Cash and cash equivalents at end of period	22,279	27,691