Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2021 (Based on Japanese GAAP)

May 12, 2021

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 Officer, Executive General Manager of Finance/Accounting Division — Kazuo Ofuchi TEL 06-6227-4600
Scheduled date of ordinary general meeting of shareholders: June 24, 2021
Scheduled date to file Securities Report: June 25, 2021
Scheduled date to commence dividend payments: June 25, 2021
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, 2021 (from April 1, 2020 to March 31, 2021)

(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, 2021	292,348	(5.9)	3,997	(58.7)	9,397	(1.7)	4,836	5.3
Year ended March 31, 2020	310,834	5.7	9,686	(11.8)	9,559	(16.0)	4,593	(27.0)

	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, 2021	92.14	91.60	4.9	3.9	1.4
Year ended March 31, 2020	84.90	84.49	4.7	4.4	3.1

(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, 2021	258,798	104,798	39.2	1,934.62
As of March 31, 2020	223,499	99,572	43.0	1,833.07

(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, 2021	14,465	(10,929)	31,148	62,217
Year ended March 31, 2020	18,367	(16,545)	3,577	27,691

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, 2020	–	18.00	–	18.00	36.00	1,920	42.4	2.0
Year ended March 31, 2021	–	9.00	–	11.00	20.00	1,049	21.7	1.1
Year ending March 31, 2022 (Forecast)	–	11.00	–	11.00	22.00		25.1	

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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
Six months ending September 30, 2021	139,000	(4.7)	3,000	89.1	3,400	(21.7)	2,500	(11.1)	47.63
Full year	280,000	(4.2)	6,500	62.6	6,800	(27.6)	4,600	(4.9)	87.63

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2021 (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: No

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, 2021	56,952,442 shares	As of March 31, 2020	56,952,442 shares

Number of treasury shares at the end of the period

As of March 31, 2021	4,459,211 shares	As of March 31, 2020	4,481,701 shares

Average number of shares during the period

Year ended March 31, 2021	52,493,108 shares	Year ended March 31, 2020	54,108,579 shares

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	29,470	63,397
Notes and accounts receivable - trade	55,680	55,032
Costs on construction contracts in progress	107	85
Supplies	1,631	1,552
Other	3,024	3,519
Allowance for doubtful accounts	(78)	(385)
Total current assets	89,835	123,202
Non-current assets		
Property, plant and equipment		
Buildings and structures	111,930	114,967
Accumulated depreciation	(70,915)	(71,327)
Buildings and structures, net	41,015	43,639
Machinery, equipment and vehicles	48,005	48,949
Accumulated depreciation	(39,399)	(40,123)
Machinery, equipment and vehicles, net	8,606	8,825
Land	42,577	41,908
Leased assets	7,002	7,769
Accumulated depreciation	(3,165)	(3,828)
Leased assets, net	3,837	3,941
Construction in progress	3,602	3,118
Other	8,887	8,991
Accumulated depreciation	(7,252)	(7,480)
Other, net	1,634	1,511
Total property, plant and equipment	101,272	102,946
Intangible assets		
Goodwill	2,417	2,080
Other	3,973	4,183
Total intangible assets	6,390	6,264
Investments and other assets		
Investment securities	11,704	13,296
Long-term loans receivable	497	398
Deferred tax assets	6,752	5,382
Retirement benefit asset	171	193
Other	7,184	7,280
Allowance for doubtful accounts	(177)	(165)
Allowance for investment loss	(132)	–
Total investments and other assets	26,000	26,385
Total non-current assets	133,663	135,595
Total assets	223,499	258,798

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,491	14,446
Short-term borrowings	9,116	7,883
Current portion of bonds payable	–	10,000
Current portion of long-term borrowings	2,528	1,697
Provision for bonuses for directors (and other officers)	4	126
Accrued expenses	11,838	11,277
Income taxes payable	2,639	2,374
Other	13,225	11,668
Total current liabilities	52,845	59,473
Non-current liabilities		
Bonds payable	30,000	55,000
Long-term borrowings	9,172	10,176
Lease obligations	3,025	2,235
Deferred tax liabilities	564	601
Deferred tax liabilities for land revaluation	1,444	1,293
Retirement benefit liability	22,666	21,092
Provision for directors' retirement benefits	144	138
Long-term accounts payable - other	1,626	1,542
Other	2,435	2,443
Total non-current liabilities	71,081	94,525
Total liabilities	123,926	153,999
Net assets		
Shareholders' equity		
Share capital	1,723	1,723
Capital surplus	1,908	1,908
Retained earnings	103,972	107,728
Treasury shares	(7,324)	(7,288)
Total shareholders' equity	100,278	104,072
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,294	4,277
Revaluation reserve for land	(4,688)	(5,030)
Foreign currency translation adjustment	237	(510)
Remeasurements of defined benefit plans	(2,939)	(1,253)
Total accumulated other comprehensive income	(4,096)	(2,517)
Share acquisition rights	397	459
Non-controlling interests	2,992	2,784
Total net assets	99,572	104,798
Total liabilities and net assets	223,499	258,798

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

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	310,834	292,348
Cost of sales	284,954	272,787
Gross profit	25,880	19,561
Selling, general and administrative expenses	16,194	15,563
Operating profit	9,686	3,997
Non-operating income		
Interest income	135	101
Dividend income	441	279
Foreign exchange gains	–	58
Reversal of allowance for doubtful accounts	8	24
Gain on reversal of loss on valuation of investment securities	0	489
Rental income	144	149
Subsidies for employment adjustment	–	4,734
Other	256	553
Total non-operating income	987	6,390
Non-operating expenses		
Interest expenses	195	255
Loss on valuation of investment securities	455	0
Bond issuance costs	110	196
Foreign exchange losses	262	–
Share of loss of entities accounted for using equity method	–	362
Other	90	175
Total non-operating expenses	1,114	991
Ordinary profit	9,559	9,397
Extraordinary income		
Gain on sale of non-current assets	344	236
Gain on sale of investment securities	28	752
Insurance claim income	285	–
Other	0	32
Total extraordinary income	658	1,022
Extraordinary losses		
Loss on sale and retirement of non-current assets	120	111
Loss on valuation of investment securities	254	3
Loss on valuation of investments in capital of subsidiaries and associates	–	73
Provision of allowance for investment loss	12	–
Impairment losses	1,711	1,315
Other	67	8
Total extraordinary losses	2,166	1,512
Profit before income taxes	8,051	8,906
Income taxes - current	4,065	4,174
Income taxes - deferred	(571)	100
Total income taxes	3,494	4,275
Profit	4,557	4,630
Loss attributable to non-controlling interests	(36)	(205)
Profit attributable to owners of parent	4,593	4,836

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit	4,557	4,630
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,246)	985
Foreign currency translation adjustment	(77)	(794)
Remeasurements of defined benefit plans, net of tax	320	1,751
Share of other comprehensive income of entities accounted for using equity method	–	4
Total other comprehensive income	(1,004)	1,947
Comprehensive income	3,552	6,578
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,618	6,757
Comprehensive income attributable to non-controlling interests	(65)	(178)

Consolidated statements of changes in equity

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					
Dividends of surplus			(1,974)		(1,974)
Profit attributable to owners of parent			4,593		4,593
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								
Dividends of surplus								(1,974)
Profit attributable to owners of parent								4,593
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

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,723	1,908	103,972	(7,324)	100,278
Cumulative effects of changes in accounting policies					
Restated balance	1,723	1,908	103,972	(7,324)	100,278
Changes during period					
Dividends of surplus			(1,416)		(1,416)
Profit attributable to owners of parent			4,836		4,836
Purchase of treasury shares					–
Disposal of treasury shares		(5)		36	31
Transfer of loss on disposal of treasury shares		5	(5)		–
Reversal of revaluation reserve for land			342		342
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	–	–	3,756	36	3,793
Balance at end of period	1,723	1,908	107,728	(7,288)	104,072

	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	3,294	(4,688)	237	(2,939)	(4,096)	397	2,992	99,572
Cumulative effects of changes in accounting policies								
Restated balance	3,294	(4,688)	237	(2,939)	(4,096)	397	2,992	99,572
Changes during period								
Dividends of surplus								(1,416)
Profit attributable to owners of parent								4,836
Purchase of treasury shares								–
Disposal of treasury shares								31
Transfer of loss on disposal of treasury shares								–
Reversal of revaluation reserve for land								342
Change in ownership interest of parent due to transactions with non-controlling interests								–
Net changes in items other than shareholders' equity	982	(342)	(747)	1,685	1,578	62	(207)	1,433
Total changes during period	982	(342)	(747)	1,685	1,578	62	(207)	5,226
Balance at end of period	4,277	(5,030)	(510)	(1,253)	(2,517)	459	2,784	104,798

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	8,051	8,906
Depreciation	8,173	8,138
Impairment losses	1,711	1,315
Amortization of goodwill	500	365
Increase (decrease) in allowance for doubtful accounts	(15)	305
Increase (decrease) in retirement benefit liability	364	330
Increase (decrease) in provision for directors' retirement benefits	15	(6)
Increase (decrease) in allowance for investment loss	12	–
Interest and dividend income	(577)	(381)
Rental income	(144)	(149)
Loss on valuation of investment securities	254	3
Loss on valuation of investments in capital of subsidiaries and associates	–	73
Loss (gain) on valuation of investment securities	455	0
Gain on reversal of loss on valuation of investment securities	(0)	(489)
Interest expenses	195	255
Bond issuance costs	110	196
Foreign exchange losses (gains)	222	(81)
Share of loss (profit) of entities accounted for using equity method	–	362
Subsidies for employment adjustment	–	(4,734)
Gain on sale of non-current assets	(344)	(236)
Loss (gain) on sale of investment securities	(28)	(752)
Loss on sales and retirement of noncurrent assets	120	111
Insurance claim income	(285)	–
Decrease (increase) in trade receivables	1,434	599
Decrease (increase) in inventories	144	96
Decrease (increase) in other assets	(472)	(238)
Increase (decrease) in trade payables	(1,283)	516
Increase (decrease) in other liabilities	1,576	(1,049)
Other, net	952	637
Subtotal	21,144	14,095
Interest and dividends received	555	395
Interest paid	(189)	(232)
Rent revenue	123	128
Proceeds from subsidies for employment adjustment	–	4,549
Proceeds from insurance income	1,034	–
Income taxes paid	(4,238)	(4,470)
Other, net	(63)	–
Net cash provided by (used in) operating activities	18,367	14,465

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from investing activities		
Decrease (increase) in time deposits	(1,634)	608
Net decrease (increase) in short-term loans receivable	(41)	(77)
Purchase of property, plant and equipment	(10,744)	(12,665)
Proceeds from sale of property, plant and equipment	722	1,533
Purchase of intangible assets	(1,418)	(917)
Purchase of investment securities	(278)	(75)
Proceeds from sale of investment securities	35	806
Long-term loan advances	(35)	(11)
Proceeds from collection of long-term loans receivable	65	40
purchase of investments accounted for using the equity method	(2,434)	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(36)
Other, net	(782)	(134)
Net cash provided by (used in) investing activities	(16,545)	(10,929)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(254)	(1,181)
Proceeds from issuance of bonds	19,889	34,803
Redemption of bonds	(10,000)	–
Proceeds from long-term borrowings	3,707	922
Repayments of long-term borrowings	(3,940)	(758)
Dividends paid	(1,974)	(1,416)
Dividends paid to non-controlling interests	(54)	(27)
Repayments of finance lease obligations	(788)	(863)
Purchase of treasury shares	(4,857)	–
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	1,825	–
Other, net	25	(329)
Net cash provided by (used in) financing activities	3,577	31,148
Effect of exchange rate change on cash and cash equivalents	12	(158)
Net increase (decrease) in cash and cash equivalents	5,412	34,526
Cash and cash equivalents at beginning of period	22,279	27,691
Cash and cash equivalents at end of period	27,691	62,217