

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

November 12, 2021

Company name: Konoike Transport Co.,Ltd.
 Stock exchange listing: Tokyo
 Stock code: 9025 URL <https://www.konoike.net/>
 Representative: Representative Director, Chairman, President and Chief Executive Officer Tadahiko Konoike
 Executive Officer, Executive General
 Inquiries: Manager of Finance/Accounting Division Kazuo Ofuchi TEL 06-6227-4600
 Scheduled date to file Quarterly Securities Report: November 12, 2021
 Scheduled date to commence dividend payments: December 1, 2021
 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, 2021 (from April 1, 2021 to September 30, 2021)

(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	%
Six months ended September 30, 2021	145,398	(0.3)	5,325	235.7	6,115	40.8	4,390	56.1
Six months ended September 30, 2020	145,860	(7.0)	1,586	(75.4)	4,343	(33.2)	2,812	(33.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	83.36		83.05	
Six months ended September 30, 2020	53.57		53.29	

(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, 2021	262,048	109,553	40.9	2,025.92
As of March 31, 2021	258,798	104,798	39.2	1,934.62

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2021	–	9.00	–	11.00	20.00
Year ending March 31, 2022	–	11.00	–	–	–
Year ending March 31, 2022 (Forecast)	–	–	–	13.00	24.00

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
Full year	288,000	(1.5)	8,400	110.1	9,000	(4.2)	4,900	1.3	93.04

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2021
(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: 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, 2021	56,952,442 shares	As of March 31, 2021	56,952,442 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	4,036,193 shares	As of March 31, 2021	4,459,211 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2021	52,665,654 shares	Six months ended September 30, 2020	52,492,985 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	63,397	62,903
Notes and accounts receivable - trade	55,032	–
Notes and accounts receivable - trade, and contract assets	–	57,217
Costs on uncompleted works	85	121
Supplies	1,552	1,545
Other	3,519	3,545
Allowance for doubtful accounts	(385)	(417)
Total current assets	123,202	124,916
Non-current assets		
Property, plant and equipment		
Buildings and structures	114,967	119,219
Accumulated depreciation	(71,327)	(72,712)
Buildings and structures, net	43,639	46,506
Machinery, equipment and vehicles	48,949	49,961
Accumulated depreciation	(40,123)	(40,492)
Machinery, equipment and vehicles, net	8,825	9,469
Land	41,908	41,920
Leased assets	7,769	7,695
Accumulated depreciation	(3,828)	(3,904)
Leased assets, net	3,941	3,790
Construction in progress	3,118	1,559
Other	8,991	9,234
Accumulated depreciation	(7,480)	(7,423)
Other, net	1,511	1,810
Total property, plant and equipment	102,946	105,056
Intangible assets		
Goodwill	2,080	1,925
Other	4,183	4,332
Total intangible assets	6,264	6,257
Investments and other assets		
Investment securities	13,296	12,801
Long-term loans receivable	398	389
Deferred tax assets	5,382	5,496
Retirement benefit asset	193	191
Other	7,280	7,099
Allowance for doubtful accounts	(165)	(161)
Total investments and other assets	26,385	25,816
Total non-current assets	135,595	137,131
Total assets	258,798	262,048

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,446	14,012
Short-term borrowings	7,883	6,079
Current portion of bonds payable	10,000	10,000
Current portion of long-term borrowings	1,697	2,286
Provision for bonuses for directors (and other officers)	126	97
Accrued expenses	11,277	12,045
Income taxes payable	2,374	2,526
Other	11,668	10,971
Total current liabilities	59,473	58,020
Non-current liabilities		
Bonds payable	55,000	55,000
Long-term borrowings	10,176	9,743
Lease obligations	2,235	3,040
Deferred tax liabilities	601	584
Deferred tax liabilities for land revaluation	1,293	1,262
Retirement benefit liability	21,092	21,445
Retirement allowance for directors	138	140
Long-term accounts payable - other	1,542	639
Other	2,443	2,618
Total non-current liabilities	94,525	94,474
Total liabilities	153,999	152,495
Net assets		
Shareholders' equity		
Share capital	1,723	1,723
Capital surplus	1,908	1,908
Retained earnings	107,728	111,455
Treasury shares	(7,288)	(6,596)
Total shareholders' equity	104,072	108,490
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,277	4,355
Revaluation reserve for land	(5,030)	(5,100)
Foreign currency translation adjustment	(510)	554
Remeasurements of defined benefit plans	(1,253)	(1,096)
Total accumulated other comprehensive income	(2,517)	(1,286)
Share acquisition rights	459	–
Non-controlling interests	2,784	2,349
Total net assets	104,798	109,553
Total liabilities and net assets	258,798	262,048

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, 2020	Six months ended September 30, 2021
Net sales	145,860	145,398
Cost of sales	136,922	132,642
Gross profit	8,937	12,756
Selling, general and administrative expenses	7,350	7,430
Operating profit	1,586	5,325
Non-operating income		
Interest income	57	27
Dividend income	143	152
Rental income	73	72
Foreign exchange gains	–	9
Subsidies for employment adjustment	2,773	763
Other	187	162
Total non-operating income	3,235	1,188
Non-operating expenses		
Interest expenses	113	154
Share of loss of entities accounted for using equity method	139	169
Loss on valuation of investment securities	1	–
Foreign exchange losses	49	–
Other	175	74
Total non-operating expenses	478	398
Ordinary profit	4,343	6,115
Extraordinary income		
Gain on sale of non-current assets	37	40
Gain on sale of investment securities	–	443
Total extraordinary income	37	483
Extraordinary losses		
Loss on sale and retirement of non-current assets	31	50
Loss on valuation of investment securities	1	9
Impairment losses	–	79
Other	2	31
Total extraordinary losses	35	171
Profit before income taxes	4,345	6,427
Income taxes - current	2,083	2,370
Income taxes - deferred	(455)	(257)
Total income taxes	1,627	2,112
Profit	2,717	4,315
Loss attributable to non-controlling interests	(94)	(74)
Profit attributable to owners of parent	2,812	4,390

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	2,717	4,315
Other comprehensive income		
Valuation difference on available-for-sale securities	1,022	80
Foreign currency translation adjustment	(376)	975
Remeasurements of defined benefit plans, net of tax	1,153	156
Share of other comprehensive income of entities accounted for using equity method	9	110
Total other comprehensive income	1,809	1,323
Comprehensive income	4,527	5,638
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,656	5,691
Comprehensive income attributable to non-controlling interests	(129)	(52)

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	4,345	6,427
Depreciation	3,959	4,074
Impairment losses	–	79
Amortization of goodwill	182	154
Increase (decrease) in allowance for doubtful accounts	(9)	4
Increase (decrease) in retirement benefit liability	201	313
Increase(decrease) in provision for directors' retirement benefits	(7)	1
Interest and dividend income	(201)	(179)
Rental income	(73)	(72)
Loss (gain) on valuation of investment securities	1	–
Interest expenses	113	154
Foreign exchange losses (gains)	28	19
Share of loss (profit) of entities accounted for using equity method	139	169
Subsidies for employment adjustment	(2,773)	(763)
Gain on sale of non-current assets	(37)	(40)
Fixed assets of retirement and loss from sale of fixed assets	31	50
Loss on valuation of investment securities	1	9
Loss (gain) on sale of investment securities	–	(434)
Decrease (increase) in trade receivables	560	(1,794)
Decrease (increase) in inventories	(71)	(30)
Decrease (increase) in other assets	(121)	(139)
Increase (decrease) in trade payables	(1,522)	(1,166)
Increase (decrease) in other liabilities	(1,063)	(758)
Other, net	660	259
Subtotal	4,342	6,337
Interest and dividends received	208	214
Interest paid	(89)	(157)
Rent revenue	62	61
Proceeds from subsidies for employment adjustment	1,652	866
Income taxes paid	(2,261)	(1,728)
Other, net	(0)	(12)
Net cash provided by (used in) operating activities	3,915	5,582

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from investing activities		
Decrease (increase) in time deposits	165	(123)
Net decrease (increase) in short-term loans receivable	(49)	13
Purchase of property, plant and equipment	(5,002)	(4,208)
Proceeds from sale of property, plant and equipment	88	195
Purchase of intangible assets	(549)	(439)
Purchase of investment securities	(21)	(84)
Proceeds from sale of investment securities	–	1,063
Long-term loan advances	(4)	(2)
Proceeds from collection of long-term loans receivable	4	3
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(36)	–
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	–	(65)
Other, net	(59)	47
Net cash provided by (used in) investing activities	(5,464)	(3,600)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(799)	(1,827)
Proceeds from long-term borrowings	–	600
Proceeds from issuance of bonds	14,911	–
Repayments of long-term borrowings	(150)	(460)
Dividends paid	(944)	(577)
Dividends paid to non-controlling interests	(27)	(29)
Repayments of finance lease obligations	(404)	(456)
Other, net	(163)	(194)
Net cash provided by (used in) financing activities	12,420	(2,946)
Effect of exchange rate change on cash and cash equivalents	(109)	159
Net increase (decrease) in cash and cash equivalents	10,762	(804)
Cash and cash equivalents at beginning of period	27,691	62,217
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	–	162
Cash and cash equivalents at end of period	38,453	61,575