

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 13, 2022

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 General Manager of Finance/Accounting Division Yoshihito Nakanishi TEL 06-6227-4600
 Scheduled date of ordinary general meeting of shareholders: June 23, 2022
 Scheduled date to file Securities Report: June 24, 2022
 Scheduled date to commence dividend payments: June 24, 2022
 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, 2022 (from April 1, 2021 to March 31, 2022)

(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, 2022	301,373	3.1	10,288	157.3	11,845	26.1	7,988	65.2
Year ended March 31, 2021	292,348	(5.9)	3,997	(58.7)	9,397	(1.7)	4,836	5.3

	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, 2022	151.33	151.05	7.5	4.6	3.4
Year ended March 31, 2021	92.14	91.60	4.9	3.9	1.4

(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, 2022	257,764	113,291	43.0	2,096.38
As of March 31, 2021	258,798	104,798	39.2	1,934.62

(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, 2022	16,765	(6,440)	(15,441)	57,628
Year ended March 31, 2021	14,465	(10,929)	31,148	62,217

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, 2021	–	9.00	–	11.00	20.00	1,049	21.7	1.1
Year ended March 31, 2022	–	11.00	–	18.00	29.00	1,534	19.2	1.4
Year ending March 31, 2023 (Forecast)	–	18.00	–	18.00	36.00		28.4	

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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, 2022	149,000	2.5	5,400	1.4	5,500	(10.1)	3,500	(20.3)	66.30
Full year	301,000	(0.1)	11,000	6.9	11,100	(6.3)	6,700	(16.1)	126.92

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(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, 2022	∴	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 March 31, 2022	∴	4,036,193 shares	As of March 31, 2021	∴	4,459,211 shares
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Average number of shares during the period

Year ended March 31, 2022	∴	52,790,608 shares	Year ended March 31, 2021	∴	52,493,108 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	63,397	59,092
Notes and accounts receivable - trade	55,032	–
Notes and accounts receivable - trade, and contract assets	–	59,713
Costs on construction contracts in progress	85	71
Supplies	1,552	1,591
Other	3,519	3,739
Allowance for doubtful accounts	(385)	(308)
Total current assets	123,202	123,899
Non-current assets		
Property, plant and equipment		
Buildings and structures	114,967	117,917
Accumulated depreciation	(71,327)	(73,119)
Buildings and structures, net	43,639	44,797
Machinery, equipment and vehicles	48,949	50,714
Accumulated depreciation	(40,123)	(39,915)
Machinery, equipment and vehicles, net	8,825	10,799
Land	41,908	41,661
Leased assets	7,769	5,700
Accumulated depreciation	(3,828)	(2,685)
Leased assets, net	3,941	3,015
Construction in progress	3,118	657
Other	8,991	9,077
Accumulated depreciation	(7,480)	(7,385)
Other, net	1,511	1,692
Total property, plant and equipment	102,946	102,623
Intangible assets		
Goodwill	2,080	1,800
Other	4,183	4,158
Total intangible assets	6,264	5,959
Investments and other assets		
Investment securities	13,296	12,290
Long-term loans receivable	398	345
Deferred tax assets	5,382	5,676
Retirement benefit asset	193	170
Other	7,280	6,975
Allowance for doubtful accounts	(165)	(176)
Total investments and other assets	26,385	25,281
Total non-current assets	135,595	133,864
Total assets	258,798	257,764

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,446	17,618
Short-term borrowings	7,883	4,949
Current portion of bonds payable	10,000	–
Current portion of long-term borrowings	1,697	2,620
Provision for bonuses for directors (and other officers)	126	320
Accrued expenses	11,277	11,652
Income taxes payable	2,374	2,716
Other	11,668	11,131
Total current liabilities	59,473	51,010
Non-current liabilities		
Bonds payable	55,000	55,000
Long-term borrowings	10,176	9,107
Lease liabilities	2,235	2,693
Deferred tax liabilities	601	492
Deferred tax liabilities for land revaluation	1,293	1,219
Retirement benefit liability	21,092	21,502
Provision for directors' retirement benefits	138	142
Long-term accounts payable - other	1,542	682
Other	2,443	2,622
Total non-current liabilities	94,525	93,462
Total liabilities	153,999	144,472
Net assets		
Shareholders' equity		
Share capital	1,723	1,723
Capital surplus	1,908	1,908
Retained earnings	107,728	114,564
Treasury shares	(7,288)	(6,596)
Total shareholders' equity	104,072	111,599
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,277	4,054
Revaluation reserve for land	(5,030)	(5,182)
Foreign currency translation adjustment	(510)	1,328
Remeasurements of defined benefit plans	(1,253)	(869)
Total accumulated other comprehensive income	(2,517)	(667)
Share acquisition rights	459	–
Non-controlling interests	2,784	2,358
Total net assets	104,798	113,291
Total liabilities and net assets	258,798	257,764

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

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	292,348	301,373
Cost of sales	272,787	275,527
Gross profit	19,561	25,846
Selling, general and administrative expenses	15,563	15,557
Operating profit	3,997	10,288
Non-operating income		
Interest income	101	65
Dividend income	279	314
Foreign exchange gains	58	215
Reversal of allowance for doubtful accounts	24	7
Gain on reversal of loss on valuation of investment securities	489	0
Rental income	149	144
Subsidies for employment adjustment	4,734	1,111
Other	553	484
Total non-operating income	6,390	2,343
Non-operating expenses		
Interest expenses	255	299
Loss on valuation of investment securities	0	3
Bond issuance costs	196	–
Share of loss of entities accounted for using equity method	362	273
Provision of allowance for doubtful accounts	1	91
Other	174	118
Total non-operating expenses	991	785
Ordinary profit	9,397	11,845
Extraordinary income		
Gain on sale of non-current assets	236	511
Gain on sale of investment securities	752	1,056
Other	32	47
Total extraordinary income	1,022	1,616
Extraordinary losses		
Loss on sale and retirement of non-current assets	111	308
Loss on valuation of investment securities	3	9
Loss on valuation of investments in capital of subsidiaries and associates	73	–
Impairment losses	1,315	880
Other	8	247
Total extraordinary losses	1,512	1,446
Profit before income taxes	8,906	12,014
Income taxes - current	4,174	4,720
Income taxes - deferred	100	(515)
Total income taxes	4,275	4,205
Profit	4,630	7,809
Loss attributable to non-controlling interests	(205)	(179)
Profit attributable to owners of parent	4,836	7,988

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	4,630	7,809
Other comprehensive income		
Valuation difference on available-for-sale securities	985	(217)
Foreign currency translation adjustment	(794)	1,831
Remeasurements of defined benefit plans, net of tax	1,751	381
Share of other comprehensive income of entities accounted for using equity method	4	94
Total other comprehensive income	1,947	2,090
Comprehensive income	6,578	9,899
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,757	9,990
Comprehensive income attributable to non-controlling interests	(178)	(90)

Consolidated statements of changes in equity

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
The retained earnings increase amount by a consolidated subsidiary increase					–
The retained earnings increase amount by a consolidated subsidiary decrease					–
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
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
The retained earnings increase amount by a consolidated subsidiary increase								–
The retained earnings increase amount by a consolidated subsidiary decrease								–
Purchase of treasury shares								–
Disposal of treasury shares								31
Transfer of loss on disposal of treasury shares								–
Reversal of revaluation reserve for land								342
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

Fiscal year ended March 31, 2022

(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	107,728	(7,288)	104,072
Cumulative effects of changes in accounting policies			(73)		(73)
Restated balance	1,723	1,908	107,654	(7,288)	103,998
Changes during period					
Dividends of surplus			(1,159)		(1,159)
Profit attributable to owners of parent			7,988		7,988
The retained earnings increase amount by a consolidated subsidiary increase			93		93
The retained earnings increase amount by a consolidated subsidiary decrease			2		2
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(166)		691	525
Transfer of loss on disposal of treasury shares		166	(166)		–
Reversal of revaluation reserve for land			151		151
Net changes in items other than shareholders' equity					
Total changes during period	–	–	6,910	691	7,601
Balance at end of period	1,723	1,908	114,564	(6,596)	111,599

	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	4,277	(5,030)	(510)	(1,253)	(2,517)	459	2,784	104,798
Cumulative effects of changes in accounting policies								(73)
Restated balance	4,277	(5,030)	(510)	(1,253)	(2,517)	459	2,784	104,725
Changes during period								
Dividends of surplus								(1,159)
Profit attributable to owners of parent								7,988
The retained earnings increase amount by a consolidated subsidiary increase								93
The retained earnings increase amount by a consolidated subsidiary decrease								2
Purchase of treasury shares								(0)
Disposal of treasury shares								525
Transfer of loss on disposal of treasury shares								–
Reversal of revaluation reserve for land								151
Net changes in items other than shareholders' equity	(223)	(151)	1,839	384	1,850	(459)	(425)	964
Total changes during period	(223)	(151)	1,839	384	1,850	(459)	(425)	8,566
Balance at end of period	4,054	(5,182)	1,328	(869)	(667)	–	2,358	113,291

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	8,906	12,014
Depreciation	8,138	8,201
Impairment losses	1,315	880
Amortization of goodwill	365	279
Increase (decrease) in allowance for doubtful accounts	305	(93)
Increase (decrease) in retirement benefit liability	330	500
Increase (decrease) in provision for directors' retirement benefits	(6)	12
Interest and dividend income	(381)	(380)
Rental income	(149)	(144)
Loss on valuation of investment securities	3	9
Loss on valuation of investments in capital of subsidiaries and associates	73	–
Loss (gain) on valuation of investment securities	0	3
Gain on reversal of loss on valuation of investment securities	(489)	(0)
Interest expenses	255	299
Bond issuance costs	196	–
Foreign exchange losses (gains)	(81)	(184)
Share of loss (profit) of entities accounted for using equity method	362	273
Subsidies for employment adjustment	(4,734)	(1,111)
Gain on sale of non-current assets	(236)	(511)
Loss (gain) on sale of investment securities	(752)	(1,031)
Loss on sales and retirement of noncurrent assets	111	308
Decrease (increase) in trade receivables	599	(4,095)
Decrease (increase) in inventories	96	(28)
Decrease (increase) in other assets	(238)	(290)
Increase (decrease) in trade payables	516	2,959
Increase (decrease) in other liabilities	(1,049)	383
Other, net	637	1,504
Subtotal	14,095	19,756
Interest and dividends received	395	357
Interest paid	(232)	(306)
Rent revenue	128	123
Proceeds from subsidies for employment adjustment	4,549	1,251
Income taxes paid	(4,470)	(4,417)
Net cash provided by (used in) operating activities	14,465	16,765

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from investing activities		
Decrease (increase) in time deposits	608	(170)
Net decrease (increase) in short-term loans receivable	(77)	8
Purchase of property, plant and equipment	(12,665)	(7,942)
Proceeds from sale of property, plant and equipment	1,533	1,042
Purchase of intangible assets	(917)	(982)
Purchase of investment securities	(75)	(101)
Proceeds from sale of investment securities	806	1,636
Long-term loan advances	(11)	(9)
Proceeds from collection of long-term loans receivable	40	20
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	–	(37)
Other, net	(134)	95
Net cash provided by (used in) investing activities	(10,929)	(6,440)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,181)	(2,976)
Proceeds from issuance of bonds	34,803	–
Redemption of bonds	–	(10,000)
Proceeds from long-term borrowings	922	1,570
Repayments of long-term borrowings	(758)	(1,562)
Dividends paid	(1,416)	(1,159)
Dividends paid to non-controlling interests	(27)	(29)
Repayments of finance lease liabilities	(863)	(906)
Proceeds from share issuance to non-controlling shareholders	–	48
Other, net	(329)	(423)
Net cash provided by (used in) financing activities	31,148	(15,441)
Effect of exchange rate change on cash and cash equivalents	(158)	364
Net increase (decrease) in cash and cash equivalents	34,526	(4,751)
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	62,217	57,628