

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

November 11, 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
 Inquiries: Yoshihito Nakanishi
 Scheduled date to file Quarterly Securities Report: November 11, 2022
 Scheduled date to commence dividend payments: December 1, 2022
 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, 2022 (from April 1, 2022 to September 30, 2022)

(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, 2022	155,560	7.0	7,378	38.5	8,326	36.1	5,144	17.2
Six months ended September 30, 2021	145,398	(0.3)	5,325	235.7	6,115	40.8	4,390	56.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	97.19		-	
Six months ended September 30, 2021	83.36		83.05	

(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, 2022	264,620	121,384	44.9	2,243.50
As of March 31, 2022	257,764	113,291	43.0	2,096.38

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, 2022	-	11.00	-	18.00	29.00
Year ending March 31, 2023	-	18.00	-	-	-
Year ending March 31, 2023 (Forecast)	-	-	-	18.00	36.00

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
Full year	312,000	3.5	12,700	23.4	14,000	18.2	8,600	7.7	162.46

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (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 September 30, 2022	56,952,442 shares	As of March 31, 2022	56,952,442 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	3,961,817 shares	As of March 31, 2022	4,036,193 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, 2022	52,937,383 shares	Six months ended September 30, 2021	52,665,654 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	59,092	61,641
Notes and accounts receivable - trade, and contract assets	59,713	61,167
Costs on uncompleted works	71	297
Supplies	1,591	1,735
Other	3,739	4,625
Allowance for doubtful accounts	(308)	(308)
Total current assets	123,899	129,158
Non-current assets		
Property, plant and equipment		
Buildings and structures	117,917	121,086
Accumulated depreciation	(73,119)	(75,689)
Buildings and structures, net	44,797	45,396
Machinery, equipment and vehicles	50,714	52,292
Accumulated depreciation	(39,915)	(40,940)
Machinery, equipment and vehicles, net	10,799	11,352
Land	41,661	42,062
Leased assets	5,700	5,703
Accumulated depreciation	(2,685)	(2,885)
Leased assets, net	3,015	2,817
Construction in progress	657	513
Other	9,077	9,124
Accumulated depreciation	(7,385)	(7,574)
Other, net	1,692	1,549
Total property, plant and equipment	102,623	103,691
Intangible assets		
Goodwill	1,800	1,684
Other	4,158	4,658
Total intangible assets	5,959	6,342
Investments and other assets		
Investment securities	12,290	11,984
Long-term loans receivable	345	324
Deferred tax assets	5,676	5,996
Retirement benefit asset	170	159
Other	6,975	7,118
Allowance for doubtful accounts	(176)	(158)
Total investments and other assets	25,281	25,426
Total non-current assets	133,864	135,461
Total assets	257,764	264,620

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	17,618	15,922
Short-term borrowings	4,949	6,050
Current portion of long-term borrowings	2,620	1,515
Provision for bonuses for directors (and other officers)	320	120
Accrued expenses	11,652	12,314
Income taxes payable	2,716	3,383
Other	11,131	10,573
Total current liabilities	51,010	49,881
Non-current liabilities		
Bonds payable	55,000	55,000
Long-term borrowings	9,107	8,951
Lease liabilities	2,693	2,546
Deferred tax liabilities	492	560
Deferred tax liabilities for land revaluation	1,219	1,103
Retirement benefit liability	21,502	21,848
Retirement allowance for directors	142	104
Long-term accounts payable - other	682	645
Other	2,622	2,595
Total non-current liabilities	93,462	93,354
Total liabilities	144,472	143,235
Net assets		
Shareholders' equity		
Share capital	1,723	1,723
Capital surplus	1,908	1,908
Retained earnings	114,564	118,995
Treasury shares	(6,596)	(6,475)
Total shareholders' equity	111,599	116,152
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,054	3,759
Revaluation reserve for land	(5,182)	(5,445)
Foreign currency translation adjustment	1,328	5,133
Remeasurements of defined benefit plans	(869)	(715)
Total accumulated other comprehensive income	(667)	2,731
Non-controlling interests	2,358	2,499
Total net assets	113,291	121,384
Total liabilities and net assets	257,764	264,620

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, 2021	Six months ended September 30, 2022
Net sales	145,398	155,560
Cost of sales	132,642	140,991
Gross profit	12,756	14,569
Selling, general and administrative expenses	7,430	7,190
Operating profit	5,325	7,378
Non-operating income		
Interest income	27	35
Dividend income	152	279
Rental income	72	36
Foreign exchange gains	9	491
Subsidies for employment adjustment	763	244
Other	162	218
Total non-operating income	1,188	1,305
Non-operating expenses		
Interest expenses	154	135
Share of loss of entities accounted for using equity method	169	131
Other	74	90
Total non-operating expenses	398	357
Ordinary profit	6,115	8,326
Extraordinary income		
Gain on sale of non-current assets	40	96
Gain on sale of investment securities	443	3
Total extraordinary income	483	99
Extraordinary losses		
Loss on sale and retirement of non-current assets	50	45
Loss on valuation of investment securities	9	1
Impairment losses	79	340
Other	31	0
Total extraordinary losses	171	388
Profit before income taxes	6,427	8,037
Income taxes - current	2,370	3,206
Income taxes - deferred	(257)	(323)
Total income taxes	2,112	2,883
Profit	4,315	5,154
Profit (loss) attributable to non-controlling interests	(74)	9
Profit attributable to owners of parent	4,390	5,144

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	4,315	5,154
Other comprehensive income		
Valuation difference on available-for-sale securities	80	(298)
Foreign currency translation adjustment	975	3,760
Remeasurements of defined benefit plans, net of tax	156	150
Share of other comprehensive income of entities accounted for using equity method	110	194
Total other comprehensive income	1,323	3,807
Comprehensive income	5,638	8,961
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,691	8,808
Comprehensive income attributable to non-controlling interests	(52)	153

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	6,427	8,037
Depreciation	4,074	3,886
Impairment losses	79	340
Amortization of goodwill	154	115
Increase (decrease) in allowance for doubtful accounts	4	(47)
Increase (decrease) in retirement benefit liability	313	341
Increase(decrease) in provision for directors' retirement benefits	1	(37)
Interest and dividend income	(179)	(315)
Rental income	(72)	(36)
Interest expenses	154	135
Foreign exchange losses (gains)	19	(302)
Share of loss (profit) of entities accounted for using equity method	169	131
Subsidies for employment adjustment	(763)	(244)
Gain on sale of non-current assets	(40)	(96)
Fixed assets of retirement and loss from sale of fixed assets	50	45
Loss on valuation of investment securities	9	1
Loss (gain) on sale of investment securities	(434)	(3)
Decrease (increase) in trade receivables	(1,794)	(285)
Decrease (increase) in inventories	(30)	(360)
Decrease (increase) in other assets	(139)	(771)
Increase (decrease) in trade payables	(1,166)	(2,807)
Increase (decrease) in other liabilities	(758)	(483)
Other, net	259	280
Subtotal	6,337	7,525
Interest and dividends received	214	300
Interest paid	(157)	(134)
Rent revenue	61	26
Proceeds from subsidies for employment adjustment	866	274
Income taxes paid	(1,728)	(2,209)
Other, net	(12)	–
Net cash provided by (used in) operating activities	5,582	5,784
Cash flows from investing activities		
Decrease (increase) in time deposits	(123)	(571)
Net decrease (increase) in short-term loans receivable	13	(44)
Purchase of property, plant and equipment	(4,208)	(2,177)
Proceeds from sale of property, plant and equipment	195	296
Purchase of intangible assets	(439)	(798)
Purchase of investment securities	(84)	(17)
Proceeds from sale of investment securities	1,063	7
Long-term loan advances	(2)	(4)
Proceeds from collection of long-term loans receivable	3	4
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(65)	–
Other, net	47	(26)
Net cash provided by (used in) investing activities	(3,600)	(3,332)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,827)	(9)
Proceeds from long-term borrowings	600	–
Repayments of long-term borrowings	(460)	(161)
Proceeds from disposal of treasury shares	–	96
Dividends paid	(577)	(952)
Dividends paid to non-controlling interests	(29)	(12)
Repayments of finance lease liabilities	(456)	(344)
Other, net	(194)	(208)
Net cash provided by (used in) financing activities	(2,946)	(1,593)
Effect of exchange rate change on cash and cash equivalents	159	944
Net increase (decrease) in cash and cash equivalents	(804)	1,802
Cash and cash equivalents at beginning of period	62,217	57,628
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	162	–
Cash and cash equivalents at end of period	61,575	59,430