

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 12, 2023

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 Yoshihito Nakanishi TEL 06-6227-4600
 Scheduled date of ordinary general meeting of shareholders: June 22, 2023
 Scheduled date to file Securities Report: June 23, 2023
 Scheduled date to commence dividend payments: June 23, 2023
 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, 2023 (from April 1, 2022 to March 31, 2023)

(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, 2023	311,840	3.5	13,243	28.7	14,281	20.6	8,301	3.9
Year ended March 31, 2022	301,373	3.1	10,288	157.3	11,845	26.1	7,988	65.2

	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, 2023	156.74	–	7.1	5.5	4.2
Year ended March 31, 2022	151.33	151.05	7.5	4.6	3.4

(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, 2023	266,022	123,793	45.6	2,289.00
As of March 31, 2022	257,764	113,291	43.0	2,096.38

(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, 2023	18,793	(5,846)	(3,547)	67,580
Year ended March 31, 2022	16,749	(6,424)	(15,441)	57,628

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, 2022	–	11.00	–	18.00	29.00	1,534	19.2	1.4
Year ended March 31, 2023	–	18.00	–	24.00	42.00	2,225	26.8	1.9
Year ending March 31, 2024 (Forecast)	–	24.00	–	24.00	48.00		29.9	

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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, 2023	159,000	2.2	6,800	(7.8)	6,800	(18.3)	4,100	(20.3)	77.41
Full year	321,000	2.9	14,000	5.7	14,000	(2.0)	8,500	2.4	160.49

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(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, 2023	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 March 31, 2023	3,961,817 shares	As of March 31, 2022	4,036,193 shares
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Average number of shares during the period

Year ended March 31, 2023	52,963,931 shares	Year ended March 31, 2022	52,790,608 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	59,092	69,381
Notes and accounts receivable - trade, and contract assets	59,713	57,586
Costs on construction contracts in progress	71	91
Supplies	1,591	1,843
Other	3,739	3,576
Allowance for doubtful accounts	(308)	(224)
Total current assets	123,899	132,254
Non-current assets		
Property, plant and equipment		
Buildings and structures	117,917	119,509
Accumulated depreciation	(73,119)	(76,114)
Buildings and structures, net	44,797	43,394
Machinery, equipment and vehicles	50,714	52,757
Accumulated depreciation	(39,915)	(41,547)
Machinery, equipment and vehicles, net	10,799	11,209
Land	41,661	41,798
Leased assets	5,700	5,471
Accumulated depreciation	(2,685)	(2,741)
Leased assets, net	3,015	2,729
Construction in progress	657	869
Other	9,077	9,686
Accumulated depreciation	(7,385)	(7,798)
Other, net	1,692	1,887
Total property, plant and equipment	102,623	101,889
Intangible assets		
Goodwill	1,800	1,568
Other	4,158	4,528
Total intangible assets	5,959	6,097
Investments and other assets		
Investment securities	12,290	12,610
Long-term loans receivable	345	304
Deferred tax assets	5,676	5,593
Retirement benefit asset	170	147
Other	6,975	7,280
Allowance for doubtful accounts	(176)	(155)
Total investments and other assets	25,281	25,781
Total non-current assets	133,864	133,767
Total assets	257,764	266,022

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	17,618	15,110
Short-term borrowings	4,949	6,636
Current portion of long-term borrowings	2,620	3,869
Provision for bonuses for directors (and other officers)	320	387
Accrued expenses	11,652	11,875
Income taxes payable	2,716	3,501
Other	11,131	11,145
Total current liabilities	51,010	52,526
Non-current liabilities		
Bonds payable	55,000	55,000
Long-term borrowings	9,107	5,737
Lease liabilities	2,693	2,488
Deferred tax liabilities	492	581
Deferred tax liabilities for land revaluation	1,219	1,087
Retirement benefit liability	21,502	21,244
Provision for directors' retirement benefits	142	118
Long-term accounts payable - other	682	640
Other	2,622	2,802
Total non-current liabilities	93,462	89,701
Total liabilities	144,472	142,228
Net assets		
Shareholders' equity		
Share capital	1,723	1,723
Capital surplus	1,908	1,908
Retained earnings	114,564	121,235
Treasury shares	(6,596)	(6,475)
Total shareholders' equity	111,599	118,391
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,054	4,284
Revaluation reserve for land	(5,182)	(5,482)
Foreign currency translation adjustment	1,328	4,086
Remeasurements of defined benefit plans	(869)	14
Total accumulated other comprehensive income	(667)	2,903
Non-controlling interests	2,358	2,498
Total net assets	113,291	123,793
Total liabilities and net assets	257,764	266,022

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

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	301,373	311,840
Cost of sales	275,527	283,769
Gross profit	25,846	28,070
Selling, general and administrative expenses	15,557	14,827
Operating profit	10,288	13,243
Non-operating income		
Interest income	65	97
Dividend income	314	458
Foreign exchange gains	215	163
Reversal of allowance for doubtful accounts	7	3
Gain on reversal of loss on valuation of investment securities	0	18
Rental income	144	71
Subsidies for employment adjustment	1,111	324
Other	484	484
Total non-operating income	2,343	1,621
Non-operating expenses		
Interest expenses	299	269
Loss on valuation of investment securities	3	0
Share of loss of entities accounted for using equity method	273	217
Provision of allowance for doubtful accounts	91	7
Other	118	88
Total non-operating expenses	785	583
Ordinary profit	11,845	14,281
Extraordinary income		
Gain on sale of non-current assets	511	179
Gain on sale of investment securities	1,056	12
Other	47	–
Total extraordinary income	1,616	192
Extraordinary losses		
Loss on sale and retirement of non-current assets	308	242
Loss on valuation of investment securities	9	59
Impairment losses	880	407
Other	247	0
Total extraordinary losses	1,446	709
Profit before income taxes	12,014	13,764
Income taxes - current	4,720	5,737
Income taxes - deferred	(515)	(368)
Total income taxes	4,205	5,368
Profit	7,809	8,395
Profit (loss) attributable to non-controlling interests	(179)	94
Profit attributable to owners of parent	7,988	8,301

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	7,809	8,395
Other comprehensive income		
Valuation difference on available-for-sale securities	(217)	249
Foreign currency translation adjustment	1,831	2,707
Remeasurements of defined benefit plans, net of tax	381	883
Share of other comprehensive income of entities accounted for using equity method	94	118
Total other comprehensive income	2,090	3,958
Comprehensive income	9,899	12,353
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,990	12,173
Comprehensive income attributable to non-controlling interests	(90)	180

Consolidated statements of changes in equity

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

Fiscal year ended March 31, 2023

(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	114,564	(6,596)	111,599
Cumulative effects of changes in accounting policies					–
Restated balance	1,723	1,908	114,564	(6,596)	111,599
Changes during period					
Dividends of surplus			(1,906)		(1,906)
Profit attributable to owners of parent			8,301		8,301
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		(25)		121	96
Transfer of loss on disposal of treasury shares		25	(25)		–
Reversal of revaluation reserve for land			300		300
Net changes in items other than shareholders' equity					
Total changes during period	–	–	6,670	121	6,791
Balance at end of period	1,723	1,908	121,235	(6,475)	118,391

	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	4,054	(5,182)	1,328	(869)	(667)	–	2,358	113,291
Cumulative effects of changes in accounting policies								–
Restated balance	4,054	(5,182)	1,328	(869)	(667)	–	2,358	113,291
Changes during period								
Dividends of surplus								(1,906)
Profit attributable to owners of parent								8,301
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								96
Transfer of loss on disposal of treasury shares								–
Reversal of revaluation reserve for land								300
Net changes in items other than shareholders' equity	230	(300)	2,757	883	3,571		139	3,710
Total changes during period	230	(300)	2,757	883	3,571	–	139	10,502
Balance at end of period	4,284	(5,482)	4,086	14	2,903	–	2,498	123,793

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	12,014	13,764
Depreciation	8,201	8,036
Impairment losses	880	407
Amortization of goodwill	279	231
Increase (decrease) in allowance for doubtful accounts	(93)	(133)
Increase (decrease) in retirement benefit liability	500	910
Increase (decrease) in provision for directors' retirement benefits	12	(23)
Interest and dividend income	(380)	(555)
Rental income	(144)	(71)
Loss on valuation of investment securities	9	59
Loss (gain) on valuation of investment securities	3	0
Gain on reversal of loss on valuation of investment securities	(0)	(18)
Interest expenses	299	269
Foreign exchange losses (gains)	(184)	20
Share of loss (profit) of entities accounted for using equity method	273	217
Subsidies for employment adjustment	(1,111)	(324)
Gain on sale of non-current assets	(511)	(179)
Loss (gain) on sale of investment securities	(1,046)	(12)
Loss on sales and retirement of noncurrent assets	308	242
Decrease (increase) in trade receivables	(4,095)	2,965
Decrease (increase) in inventories	(28)	(269)
Decrease (increase) in other assets	(220)	275
Increase (decrease) in trade payables	2,959	(2,810)
Increase (decrease) in other liabilities	383	(204)
Other, net	1,434	331
Subtotal	19,741	23,129
Interest and dividends received	357	507
Interest paid	(306)	(267)
Rent revenue	123	52
Proceeds from subsidies for employment adjustment	1,251	361
Income taxes paid	(4,417)	(4,989)
Net cash provided by (used in) operating activities	16,749	18,793

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from investing activities		
Decrease (increase) in time deposits	(170)	(252)
Net decrease (increase) in short-term loans receivable	8	(49)
Purchase of property, plant and equipment	(7,942)	(4,549)
Proceeds from sale of property, plant and equipment	1,042	566
Purchase of intangible assets	(982)	(1,254)
Purchase of investment securities	(101)	(43)
Proceeds from sale of investment securities	1,651	62
Long-term loan advances	(9)	(9)
Proceeds from collection of long-term loans receivable	20	6
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(37)	–
Other, net	95	(323)
Net cash provided by (used in) investing activities	(6,424)	(5,846)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,976)	(112)
Redemption of bonds	(10,000)	–
Proceeds from long-term borrowings	1,570	–
Repayments of long-term borrowings	(1,562)	(320)
Dividends paid	(1,159)	(1,906)
Dividends paid to non-controlling interests	(29)	(41)
Repayments of finance lease liabilities	(906)	(752)
Proceeds from share issuance to non-controlling shareholders	48	–
Other, net	(423)	(413)
Net cash provided by (used in) financing activities	(15,441)	(3,547)
Effect of exchange rate change on cash and cash equivalents	364	552
Net increase (decrease) in cash and cash equivalents	(4,751)	9,952
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	57,628	67,580