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March 14, 2024

## Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Under Japanese GAAP)

Company name: Konoike Transport Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 9025  
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 Scheduled date to file Quarterly Securities Report: March 14, 2024  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

#### (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	%
Nine months ended								
December 31, 2023	235,875	(0.5)	13,253	22.9	13,450	15.7	8,559	23.6
December 31, 2022	237,119	6.2	10,781	26.5	11,624	20.3	6,926	(2.6)

Note: Comprehensive income For the nine months ended December 31, 2023: ¥12,561 million [7.8%]  
 For the nine months ended December 31, 2022: ¥11,648 million [48.5%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2023	161.46	–
December 31, 2022	130.80	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2023	273,854	133,965	47.9	2,475.39
March 31, 2023	266,022	123,793	45.6	2,289.00

Reference: Equity  
 As of December 31, 2023: ¥131,287 million  
 As of March 31, 2023: ¥121,295 million

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	–	18.00	–	24.00	42.00
Fiscal year ending March 31, 2024	–	24.00	–		
Fiscal year ending March 31, 2024 (Forecast)				38.00	62.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

## 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		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	313,500	0.5	16,400	23.8	16,600	16.2	10,800	30.1	203.72

Note: Revisions to the forecast of financial results most recently announced: Yes

\* **Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

Newly included: – companies (Company name)

Excluded: – companies (Company name)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2023	56,952,442 shares
As of March 31, 2023	56,952,442 shares

(ii) Number of treasury shares at the end of the period

As of December 31, 2023	3,915,506 shares
As of March 31, 2023	3,961,817 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2023	53,015,039 shares
Nine months ended December 31, 2022	52,955,195 shares

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

\* Proper use of earnings forecasts, and other special matters  
(Caution regarding forward-looking statements and others)

- The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors. For the suppositions that form the assumptions for the forecast of financial results and cautions concerning the use thereof, please refer to the section of “(3) Explanation of the forecast of consolidated financial results and other forward-looking statements” of “1. Qualitative information on financial results for the period” on page 4 of the attached materials.
- The supplementary material on quarterly financial results will be posted to the Company’s website promptly after the earnings results announcement.

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## 1. Qualitative information on financial results for the period

Forward-looking statements presented in this report reflect judgments made as of the end of the current quarterly accounting period and accordingly are not guarantees of future performance.

### (1) Explanation of operating results

During the nine months ended December 31, 2023, the Japanese economy as a whole was on a gradual recovery trend. This was due to noticeable factors boosting the economy such as progress in normalization of economic and social activity, as well as a resurgence in demand from inbound travelers, despite higher prices due to factors such as manpower shortages, higher personnel expenses, and persistently high raw material prices against a backdrop of yen depreciation.

In this business environment, in the second year of its medium-term management plan concluding in the fiscal year ending March 31, 2025, the Group has accordingly newly established contracting and logistics strategy committees in April 2023, which are to serve as advisory bodies to the Board of Directors. The Group strives to further expand business and enhance profitability through addressing the so-called 2024 problem in Japan's logistics industry and other prevailing Company-wide challenges, providing high value-added services, clarifying medium- to long-term contracting and logistics business strategies including development of new business models, and optimally devoting management resources. In addition, we have made substantial progress with increasing profitability in the airport-related business due to factors such as a rebound in international passenger flights, revision of unit prices and area expansion. The Group will continue to endeavor to reinforce the structure and expand its domain for further resumption of international passenger flights and sustained development of the ground handling business.

With respect to financial results for the nine months ended December 31, 2023, net sales decreased to ¥235,875 million (0.5% decrease year on year). This result was mainly attributable to the significant negative impact of a downturn in demand for maritime and air cargo along with a decrease in freight rates, despite factors that include gains in transaction volume due to resumption of international passenger flights in the airport-related business, unit price hikes mainly in production contract work, ongoing acquisition of major spot work, recovering production among the Company's customers, a production boost by its customers in part because of extreme heat, and orders for large projects in the engineering-related business.

In terms of profits, the Company reported operating profit of ¥13,253 million (22.9% increase), ordinary profit of ¥13,450 million (15.7% increase), and profit attributable to owners of parent of ¥8,559 million (23.6% increase), despite having encountered persistently high fuel prices and electricity fees. The increases in profits were partially attributable to effects of increasing profitability centered on the airport-related business, and also attributable to progress achieved with ongoing efforts to improve profitability, which constitutes a basic policy under the New Medium-Term Management Plan FY3/2023 - FY3/2025, launched in April 2022, as well as progress achieved in receiving appropriate unit prices and streamlining operations.

Financial results by segment are as follows. Note that segment profit represents operating profit before deducting general and administrative expenses.

#### (i) Integrated Solutions Business

Net sales increased 6.6% year on year to ¥151,999 million due to contributions from the resumption of international passenger flights in its airport-related business, ongoing acquisition of major spot work and unit price hikes associated with production contract work in its steel-related business, increases in transaction volume resulting from a production boost by the Company's customers due to factors such as extreme heat as well as operations at new business sites in its food products-related business, and orders for large-scale construction projects in its engineering-related business, although earthquake reconstruction work was completed in September 2022 and the Company no longer has business dealings with some customers.

Profit rose 29.1% year on year to ¥13,264 million mainly due to the effects of increasing profitability in the airport-related business as well as due to receiving appropriate unit prices and thorough operational streamlining, despite having encountered persistently high fuel prices and

electricity fees and having incurred expenses for substantial repairs of a distribution center warehouse.

(ii) Domestic Logistics Business

Net sales increased 2.7% year on year to ¥40,863 million due in part to higher transaction volume in the food-related (temperature controlled) business largely associated with operations of new temperature-controlled warehouses, and also due to higher transaction volume in the life-related business particularly with respect to gas appliances and souvenirs.

Profit rose 2.9% year on year to ¥2,586 million due to the effects of the increase in net sales as well as our efforts to increase profitability by receiving appropriate unit prices and thorough operational streamlining, despite having encountered persistently high fuel prices and electricity fees.

(iii) International Logistics Business

Net sales decreased 21.5% year on year to ¥42,992 million, mainly due to the significant negative impact of a downturn in demand for maritime and air cargo along with a decrease in freight rates, despite higher warehousing and transportation volume in the United States, India, Thailand and elsewhere.

Profit decreased 11.9% year on year to ¥2,334 million in part due to lower transaction volume.

**(2) Explanation of financial position**

(i) Total assets

As of December 31, 2023, total assets amounted to ¥273,854 million, an increase of ¥7,832 million in comparison with total assets as of March 31, 2023.

(ii) Current assets

As of December 31, 2023, current assets amounted to ¥137,836 million, an increase of ¥5,582 million compared to current assets as of March 31, 2023. This result is mainly attributable to an increase of ¥4,548 million in notes and accounts receivable - trade, and contract assets and an increase of ¥983 million in other under current assets.

(iii) Non-current assets

As of December 31, 2023, non-current assets amounted to ¥136,017 million, an increase of ¥2,250 million in comparison with non-current assets as of March 31, 2023. This result is mainly attributable to an increase of ¥1,993 million in land, an increase of ¥1,195 million in construction in progress, an increase of ¥1,083 million in investment securities, and a decrease of ¥1,543 million in deferred tax assets.

(iv) Current liabilities

As of December 31, 2023, current liabilities amounted to ¥50,444 million, a decrease of ¥2,082 million compared to current liabilities as of March 31, 2023. This result is mainly attributable to a decrease of ¥2,704 million in income taxes payable, a decrease of ¥2,555 million in accrued expenses, a decrease of ¥1,743 million in current portion of long-term borrowings, and an increase of ¥4,262 million in other under current liabilities.

(v) Non-current liabilities

As of December 31, 2023, non-current liabilities amounted to ¥89,444 million, a decrease of ¥256 million compared to non-current liabilities as of March 31, 2023. This result is mainly attributable to a decrease of ¥637 million in long-term borrowings, an increase of ¥260 million in retirement benefit liability, and an increase of ¥98 million in deferred tax liabilities.

(vi) Net assets

As of December 31, 2023, net assets amounted to ¥133,965 million, an increase of ¥10,171 million in comparison with net assets as of March 31, 2023. This result is mainly attributable to an increase of ¥6,130 million in retained earnings and an increase of ¥3,029 million in foreign currency translation adjustment.

**(3) Explanation of the forecast of consolidated financial results and other forward-looking statements**

With respect to the forecast of consolidated financial results for the fiscal year ending March 31, 2024, net sales are expected to be higher than the figure in the previously announced forecast mainly due to a higher-than-expected percentage resumption of international passenger flights in the airport-related business and the acquisition of spot work in the steel-related and engineering-related businesses. Although non-operating income has decreased mainly due to lower-than-expected foreign exchange gains as a result of fluctuations in currency exchange rates, the Company expects operating profit, ordinary profit and profit attributable to owners of parent to exceed the figures in the previously announced forecast due to the effects of the increase in net sales. Accordingly, the Company has revised figures in the forecast of consolidated financial results for the fiscal year.

For details, please refer to the “Notice Concerning Revisions to Forecast of Financial Results and Dividend Forecast” (in Japanese) announced today (March 14, 2024).

**(4) Basic policy for profit allocation, and dividends for the current fiscal year**

The Company’s basic policy is to aim to realize dividends in a continuous and stable manner and in response to financial results and earnings conditions while enhancing internal reserves, comprehensively taking into account financial results in each fiscal year, strengthening of financial structure, medium- to long-term business strategies, and other matters. Based on this policy, the Company plans to pay dividends of ¥62 (consisting of ¥24 in interim dividend and ¥38 in year-end dividend) per share for the fiscal year ending March 31, 2024.

## 2. Quarterly consolidated financial statements and significant notes thereto

### (1) Quarterly consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	69,381	69,522
Notes and accounts receivable - trade, and contract assets	57,586	62,134
Costs on construction contracts in progress	91	155
Supplies	1,843	2,000
Other	3,576	4,559
Allowance for doubtful accounts	(224)	(536)
<b>Total current assets</b>	<b>132,254</b>	<b>137,836</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	119,509	122,284
Accumulated depreciation	(76,114)	(79,358)
Buildings and structures, net	43,394	42,925
Machinery, equipment and vehicles	52,757	53,888
Accumulated depreciation	(41,547)	(42,767)
Machinery, equipment and vehicles, net	11,209	11,121
Land	41,798	43,792
Leased assets	5,471	5,890
Accumulated depreciation	(2,741)	(3,043)
Leased assets, net	2,729	2,847
Construction in progress	869	2,064
Other	9,686	10,003
Accumulated depreciation	(7,798)	(8,086)
Other, net	1,887	1,916
<b>Total property, plant and equipment</b>	<b>101,889</b>	<b>104,668</b>
Intangible assets		
Goodwill	1,568	1,394
Other	4,528	4,164
<b>Total intangible assets</b>	<b>6,097</b>	<b>5,558</b>
Investments and other assets		
Investment securities	12,610	13,694
Long-term loans receivable	304	282
Deferred tax assets	5,593	4,049
Retirement benefit asset	147	165
Other	7,280	7,754
Allowance for doubtful accounts	(155)	(156)
<b>Total investments and other assets</b>	<b>25,781</b>	<b>25,790</b>
<b>Total non-current assets</b>	<b>133,767</b>	<b>136,017</b>
<b>Total assets</b>	<b>266,022</b>	<b>273,854</b>



(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	15,110	14,000
Short-term borrowings	6,636	8,630
Current portion of long-term borrowings	3,869	2,125
Provision for bonuses for directors (and other officers)	387	164
Accrued expenses	11,875	9,320
Income taxes payable	3,501	796
Other	11,145	15,407
Total current liabilities	52,526	50,444
Non-current liabilities		
Bonds payable	55,000	55,000
Long-term borrowings	5,737	5,100
Lease liabilities	2,488	2,509
Deferred tax liabilities	581	679
Deferred tax liabilities for land revaluation	1,087	1,087
Retirement benefit liability	21,244	21,504
Retirement allowance for directors	118	78
Long-term accounts payable - other	640	630
Other	2,802	2,855
Total non-current liabilities	89,701	89,444
Total liabilities	142,228	139,889
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,723	1,723
Capital surplus	1,908	1,914
Retained earnings	121,235	127,365
Treasury shares	(6,475)	(6,400)
Total shareholders' equity	118,391	124,603
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,284	4,895
Revaluation reserve for land	(5,482)	(5,482)
Foreign currency translation adjustment	4,086	7,115
Remeasurements of defined benefit plans	14	154
Total accumulated other comprehensive income	2,903	6,683
Non-controlling interests	2,498	2,677
Total net assets	123,793	133,965
Total liabilities and net assets	266,022	273,854

**(2) Quarterly consolidated statements of income and comprehensive income**  
**Quarterly consolidated statements of income (cumulative)**

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	237,119	235,875
Cost of sales	215,445	210,268
Gross profit	21,673	25,607
Selling, general and administrative expenses	10,892	12,354
Operating profit	10,781	13,253
Non-operating income		
Interest income	60	110
Dividend income	427	408
Foreign exchange gains	185	270
Subsidies for employment adjustment	302	5
Other	347	160
Total non-operating income	1,323	955
Non-operating expenses		
Interest expenses	201	213
Share of loss of entities accounted for using equity method	188	167
Provision of allowance for doubtful accounts	7	307
Other	81	68
Total non-operating expenses	479	758
Ordinary profit	11,624	13,450
Extraordinary income		
Gain on sale of non-current assets	163	17
Gain on sale of investment securities	4	-
Total extraordinary income	167	17
Extraordinary losses		
Loss on sale and retirement of non-current assets	233	27
Loss on valuation of investment securities	1	2
Impairment losses	340	-
Loss on revision of retirement benefit plan	-	48
Other	0	-
Total extraordinary losses	576	78
Profit before income taxes	11,215	13,389
Income taxes - current	3,135	3,442
Income taxes - deferred	1,104	1,266
Total income taxes	4,240	4,709
Profit	6,975	8,679
Profit attributable to non-controlling interests	48	120
Profit attributable to owners of parent	6,926	8,559

**Quarterly consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	6,975	8,679
Other comprehensive income		
Valuation difference on available-for-sale securities	(326)	612
Foreign currency translation adjustment	4,601	2,952
Remeasurements of defined benefit plans, net of tax	225	138
Share of other comprehensive income of entities accounted for using equity method	171	177
Total other comprehensive income	4,673	3,881
Comprehensive income	11,648	12,561
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,504	12,339
Comprehensive income attributable to non-controlling interests	144	222

### **(3) Notes to quarterly consolidated financial statements**

#### **(Notes on premise of going concern)**

Not applicable.

#### **(Notes on significant changes in the amount of shareholders' equity)**

Not applicable.

#### **(Additional information)**

##### *(Accounting estimates associated with the COVID-19)*

In the airport-related domain of the Integrated Solutions Business, although the downturn in aviation demand in Japan and overseas associated with the COVID-19 pandemic is showing signs of recovery, the demand outlook remains uncertain when it comes to certain routes mainly with respect to flights to and from China.

The Company's accounting estimates particularly with respect to impairment of non-current assets are based on the assumption that demand will continue to mount a gradual recovery despite uncertainties concerning future demand trends.

Furthermore, given that this assumption is subject to numerous uncertainties, the Group's financial position, operating results, and cash flows could be materially affected under a scenario where the aforementioned assumption is no longer deemed likely.

##### *(Misconduct by employees of the Company)*

During a tax examination by the Osaka Regional Taxation Bureau, the Company recognized the possibility that employees of the Company colluded with subcontractors of the Company to record fictitious outsourcing expenses and other costs. The Company immediately launched an internal investigation team, conducted an investigation with cooperation from external experts, and confirmed that the fictitious billing and embezzlement by the employees had, in fact, occurred. In order to conduct a Company-wide investigation while ensuring objectivity in confirming whether there have been other cases of misconduct similar to this one and to evaluate recurrence prevention measures, etc., the Company formed the Internal Control and Investigation Committee, appointing external attorneys at law as the chair and vice chair of the Committee, and has conducted an investigation related to the facts in this matter. The Company received an interim report from the Internal Control and Investigation Committee today (March 14, 2024).

As a result of the investigation by the Internal Control and Investigation Committee, it was found that the total amount of the fraud was ¥549 million during the period from fiscal 2020 to fiscal 2023. Since the impact of this matter on the operating results in each period of the previous fiscal years was negligible, there are no revisions to the Securities Reports or Quarterly Securities Reports for the previous fiscal years, or the Quarterly Securities Reports for the fiscal year ending March 31, 2024.

Regarding the impact on the quarterly consolidated financial statements for the nine months ended December 31, 2023, the Company recorded accounts receivable - other that eliminated the excessive amount of ¥441 million (tax excluded) from cost of sales. At the same time, since the recoverability of these receivables is uncertain, the Company established an allowance for doubtful accounts, taking into account the recoverability of the remaining amount of ¥342 million (tax included) that excludes the amount already recovered, and recorded ¥304 million in provision of allowance for doubtful accounts as non-operating expenses. As a result, operating profit increased by ¥441 million and ordinary profit increased by ¥136 million from the initial estimates.

**(Segment information)**

## I. Nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

## 1. The amounts of net sales and profits or losses by reportable segment

(Millions of yen)

	Reportable segments				Other (Note 1)	Total	Adjust- ments (Note 2)	Amount recorded in quarterly consoli- dated statement of income (Note 3)
	Integrated Solutions Business	Domestic Logistics Business	Inter- national Logistics Business	Total				
Net sales								
Net sales to outside customers	142,564	39,801	54,744	237,110	8	237,119	–	237,119
Intersegment sales or transfers	808	1,221	90	2,119	752	2,872	(2,872)	–
Total	143,372	41,022	54,834	239,230	761	239,991	(2,872)	237,119
Segment profit (loss)	10,271	2,513	2,650	15,434	(98)	15,336	(4,555)	10,781

(Notes) 1. The “Other” category refers to business segments not associated with the reportable segments, with such business including software development and maintenance services as well as information processing outsourcing services.

2. The ¥(4,555) million presented as adjustments to segment profit (loss) includes ¥(3) million in intersegment eliminations and ¥(4,552) million in corporate expenses not allocated to a reportable segment. Corporate expenses constitute costs associated with general affairs and other administrative departments of the Company.

3. “Segment profit (loss)” has been adjusted to the operating profit reported in the quarterly consolidated statement of income.

2. Information relating to impairment losses on non-current assets or goodwill for each reportable segment

(Significant impairment loss on non-current assets)

There are no significant impairment losses.

(Significant changes in amount of goodwill)

Not applicable.

(Significant gain on bargain purchase)

Not applicable.

II. Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

1. The amounts of net sales and profits or losses by reportable segment

(Millions of yen)

	Reportable segments				Other (Note 1)	Total	Adjust- ments (Note 2)	Amount recorded in quarterly consoli- dated statement of income (Note 3)
	Integrated Solutions Business	Domestic Logistics Business	Inter- national Logistics Business	Total				
Net sales								
Net sales to outside customers	151,999	40,863	42,992	235,854	21	235,875	–	235,875
Intersegment sales or transfers	723	1,338	98	2,159	470	2,630	(2,630)	–
Total	152,722	42,201	43,090	238,014	491	238,506	(2,630)	235,875
Segment profit (loss)	13,264	2,586	2,334	18,185	(160)	18,025	(4,772)	13,253

(Notes) 1. The “Other” category refers to business segments not associated with the reportable segments, with such business including software development and maintenance services as well as information processing outsourcing services.

2. The ¥(4,772) million presented as adjustments to segment profit (loss) includes ¥17 million in intersegment eliminations and ¥(4,790) million in corporate expenses not allocated to a reportable segment. Corporate expenses constitute costs associated with general affairs and other administrative departments of the Company.
3. “Segment profit (loss)” has been adjusted to the operating profit reported in the quarterly consolidated statement of income.

2. Information relating to impairment losses on non-current assets or goodwill for each reportable segment

(Significant impairment loss on non-current assets)

Not applicable.

(Significant changes in amount of goodwill)

Not applicable.

(Significant gain on bargain purchase)

Not applicable.