

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 1, 2023

Company name: Hankyu Hanshin Holdings, Inc.
 Stock exchange listing: Tokyo
 Stock code: 9042 URL <https://www.hankyu-hanshin.co.jp/>
 Representative: President and Representative Director Takehiro Sugiyama
 Inquiries: Accounting Manager of the Group Planning Kenji Joto TEL 06-6373-5013
 Division
 Scheduled date to file Quarterly Securities Report: February 10, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Operating revenue		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, 2022	716,444	38.5	74,510	173.1	76,621	172.9	51,051	171.2
Nine months ended December 31, 2021	517,162	–	27,278	–	28,074	–	18,827	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	211.89		211.83	
Nine months ended December 31, 2021	78.14		78.06	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	2,830,413	991,346	32.3
As of March 31, 2022	2,722,841	915,363	32.0

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	–	25.00	–	25.00	50.00
Year ending March 31, 2023	–	25.00	–		
Year ending March 31, 2023 (Forecast)				25.00	50.00

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

	Operating revenue		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	975,000	30.7	85,000	116.8	84,000	118.5	45,000	110.1	186.78

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2022
(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 December 31, 2022	254,281,385 shares	As of March 31, 2022	254,281,385 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	13,374,250 shares	As of March 31, 2022	13,332,196 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2022	240,934,793 shares	Nine months ended December 31, 2021	240,952,374 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	31,331	46,429
Notes and accounts receivable - trade	112,568	113,150
Land and buildings for sale	166,331	183,843
Merchandise and finished goods	2,372	2,536
Work in process	2,131	5,669
Raw materials and supplies	5,464	6,230
Other	46,018	47,529
Allowance for doubtful accounts	(408)	(458)
Total current assets	365,811	404,929
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	646,407	646,321
Machinery, equipment and vehicles, net	60,314	57,485
Land	973,012	1,016,616
Construction in progress	218,215	227,389
Other, net	25,023	23,890
Total property, plant and equipment	1,922,974	1,971,703
Intangible assets		
Goodwill	9,655	7,914
Other	27,856	26,555
Total intangible assets	37,512	34,469
Investments and other assets		
Investment securities	316,231	339,935
Deferred tax assets	7,218	7,022
Retirement benefit asset	18,505	18,627
Other	54,917	54,063
Allowance for doubtful accounts	(329)	(338)
Total investments and other assets	396,544	419,310
Total non-current assets	2,357,030	2,425,483
Total assets	2,722,841	2,830,413

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	40,699	42,235
Accrued expenses	16,853	15,709
Short-term borrowings	145,737	186,878
Commercial papers	50,000	–
Current portion of bonds payable	7,000	30,000
Lease liabilities	3,834	3,845
Income taxes payable	6,380	6,629
Provision for bonuses	3,682	1,859
Other	152,471	131,980
Total current liabilities	426,659	419,138
Non-current liabilities		
Long-term borrowings	649,476	670,989
Bonds payable	230,000	230,000
Lease liabilities	9,916	9,585
Deferred tax liabilities	176,516	185,487
Deferred tax liabilities for land revaluation	5,182	5,182
Retirement benefit liability	62,795	62,454
Long-term deferred contribution for construction	117,561	127,131
Other	129,369	129,096
Total non-current liabilities	1,380,818	1,419,927
Total liabilities	1,807,477	1,839,066
Net assets		
Shareholders' equity		
Share capital	99,474	99,474
Capital surplus	147,358	147,342
Retained earnings	645,212	684,132
Treasury shares	(48,713)	(48,734)
Total shareholders' equity	843,332	882,215
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18,756	20,726
Deferred gains or losses on hedges	7	(252)
Revaluation reserve for land	5,499	5,499
Foreign currency translation adjustment	435	4,081
Remeasurements of defined benefit plans	2,317	1,897
Total accumulated other comprehensive income	27,016	31,952
Non-controlling interests	45,014	77,178
Total net assets	915,363	991,346
Total liabilities and net assets	2,722,841	2,830,413

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Operating revenue	517,162	716,444
Operating expenses		
Operating expenses and cost of sales of transportation	470,334	620,069
Selling, general and administrative expenses	19,549	21,864
Total operating expenses	489,884	641,934
Operating profit	27,278	74,510
Non-operating income		
Interest income	120	204
Dividend income	856	878
Share of profit of entities accounted for using equity method	6,345	7,555
Miscellaneous income	1,390	1,741
Total non-operating income	8,712	10,379
Non-operating expenses		
Interest expenses	6,435	6,324
Miscellaneous expenses	1,481	1,944
Total non-operating expenses	7,917	8,268
Ordinary profit	28,074	76,621
Extraordinary income		
Contribution for construction	27,155	1,262
Gain on sale of investment securities	3,699	1,937
Subsidies for employment adjustment	8,632	567
Other	1,380	1,169
Total extraordinary income	40,866	4,937
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	27,176	1,155
Loss on COVID-19	8,526	1,025
Other	830	1,004
Total extraordinary losses	36,533	3,184
Profit before income taxes	32,407	78,373
Income taxes - current	6,556	14,610
Income taxes - deferred	4,199	9,318
Total income taxes	10,755	23,929
Profit	21,651	54,443
Profit attributable to non-controlling interests	2,823	3,391
Profit attributable to owners of parent	18,827	51,051

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	21,651	54,443
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,361)	2,404
Deferred gains or losses on hedges	(32)	(259)
Foreign currency translation adjustment	1,246	4,982
Remeasurements of defined benefit plans, net of tax	(464)	(439)
Share of other comprehensive income of entities accounted for using equity method	(159)	1,150
Total other comprehensive income	(771)	7,838
Comprehensive income	20,880	62,282
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	17,355	56,313
Comprehensive income attributable to non-controlling interests	3,524	5,968

Supplementary information

1. Consolidated financial results for the third quarter of the year ending March 31, 2023

Consolidated Statements of Income (Summary)

(Millions of yen)

	Q3 FY2023 Results ①	Q3 FY2022 Results ②	Change =①-②
Operating revenue	716,444	517,162	199,282
Operating profit	74,510	27,278	47,231
Ordinary profit	76,621	28,074	48,546
Profit attributable to owners of parent	51,051	18,827	32,224

Consolidated Statements of Income (Breakdown for each business segment)

(Millions of yen)

	Operating revenue			Operating profit		
	Q3 FY2023 Results ①	Q3 FY2022 Results ②	Change =①-②	Q3 FY2023 Results ①	Q3 FY2022 Results ②	Change =①-②
Urban Transportation	137,855	120,740	17,114	18,453	4,949	13,504
Real Estate	197,476	162,238	35,238	19,490	13,229	6,261
Entertainment	56,618	49,883	6,735	13,279	10,285	2,994
Information and Communication Technology	41,109	41,202	(93)	2,958	3,025	(67)
Travel	143,685	34,448	109,237	16,191	(7,743)	23,934
International Transportation	129,414	98,568	30,845	6,391	5,615	776
Other	36,335	34,024	2,310	1,270	1,097	173
Adjustment	(26,050)	(23,945)	(2,105)	(3,525)	(3,180)	(345)

Note: In Q1 FY2023, we consolidated the Hotels segment into the Real Estate segment, making Hotel a sub-segment of Real Estate. To enable year-on-year comparisons, we have applied this change retroactively to the comparative period (Q3 FY2022).

2. Forecast of consolidated financial results for the year ending March 31, 2023

Consolidated Statements of Income (Summary)

(Billions of yen)

	FY2023 Forecasts ①	FY2023 Forecasts (As of Oct.) ②	Change =①-②	FY2022 Results ③	Change =①-③
Operating revenue	975.0	925.0	50.0	746.2	228.8
Operating profit	85.0	70.0	15.0	39.2	45.8
Ordinary profit	84.0	68.0	16.0	38.5	45.5
Profit attributable to owners of parent	45.0	40.0	5.0	21.4	23.6

Consolidated Statements of Income (Breakdown for each business segment)

(Billions of yen)

[Upper table] Operating revenue [Lower table] Operating profit	FY2023 Forecasts ①	FY2023 Forecasts (As of Oct.) ②	Change =①-②	FY2022 Results ③	Change =①-③
Urban Transportation	185.6	185.0	0.6	161.6	24.0
	22.0	20.6	1.4	5.6	16.4
Real Estate	288.9	291.9	(3.0)	246.6	42.3
	27.8	25.5	2.3	19.4	8.4
Entertainment	70.5	70.7	(0.2)	62.9	7.6
	11.4	11.0	0.4	9.3	2.1
Information and Communication Technology	63.9	63.9	—	59.2	4.7
	5.9	5.9	—	5.9	0.0
Travel	190.0	138.0	52.0	60.4	129.6
	14.0	4.5	9.5	(5.7)	19.7
International Transportation	168.9	166.0	2.9	143.3	25.6
	7.5	6.0	1.5	8.0	(0.5)

Note: Due to the organizational changes implemented from the FY2023, the segment information for the FY2022 is based on the new classification.