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Consolidated Financial Results for the Year Ended March 31, 2023 [Japanese GAAP]

May 10, 2023

Company name: Keikyu Corporation

Stock exchange listing: Tokyo

Code number: 9006

URL: <https://www.keikyu.co.jp>

Representative: Yukihiro Kawamata

President & Representative Director

Contact: President & Representative Director

Shinichi Akiyama

Phone: +81-45-225-9390

Scheduled date of Annual General Meeting of Shareholders: June 29, 2023

Scheduled date of commencing dividend payments: June 30, 2023

Scheduled date of filing annual securities report: June 29, 2023

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

(Amounts of less than one millions of yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2023	253,005	(4.6)	10,819	208.2	12,233	141.5	15,817	26.2
March 31, 2022	265,237	-	3,510	-	5,065	-	12,529	-

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥ 19,318 million [75.9%]
Fiscal year ended March 31, 2022: ¥ 10,981 million [-%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2023	57.46	-	6.0	1.3	4.3
March 31, 2022	45.52	-	5.0	0.6	1.3

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2023: ¥ million
Fiscal year ended March 31, 2022: ¥ million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	935,420	273,452	29.0	984.76
March 31, 2022	912,385	256,884	27.9	924.97

(Reference) Equity: As of March 31, 2023: ¥ 271,085 million
As of March 31, 2022: ¥ 254,624 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	24,786	(24,094)	(4,969)	56,969
March 31, 2022	58,230	(26,045)	(28,422)	61,234

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2022	-	5.00	-	5.00	10.00	2,754	22.0	1.1
March 31, 2023	-	5.00	-	6.00	11.00	3,029	19.1	1.2
Fiscal year ending March 31, 2024 (Forecast)	-	6.00	-	6.00	12.00		19.4	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2023 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	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
Six months ending September 30, 2023	126,100	4.7	8,800	60.6	7,000	51.1	4,600	(63.3)	16.71
Full year	296,300	17.1	23,000	112.6	20,000	63.5	17,000	7.5	61.76

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New	-	(Company name:)
Exclusion:	-	(Company name:)

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

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

March 31, 2023:	275,760,547 shares
March 31, 2022:	275,760,547 shares

2) Number of treasury shares at the end of the period:

March 31, 2023:	479,005 shares
March 31, 2022:	483,052 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2023:	275,279,518 shares
Fiscal Year ended March 31, 2022:	275,274,081 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	104,491	(15.3)	3,443	671.5	5,163	-	7,883	(43.6)
March 31, 2022	123,382	-	446	-	211	-	13,988	-

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2023	28.64	-
March 31, 2022	50.81	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2023	831,360	147,552	17.7	535.96
March 31, 2022	821,892	142,758	17.4	518.56

(Reference) Equity: As of March 31, 2023: ¥ 147,552 million
As of March 31, 2022: ¥ 142,758 million

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

Full year	Net sales		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	131,900	26.2	14,000	306.6	11,300	118.9	11,500	45.9	41.77

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	61,384	57,119
Notes and accounts receivable - trade, and contract assets	12,301	14,181
Merchandise and finished goods	1,968	2,008
Land and buildings for sale in lots	46,396	54,802
Work in process	491	896
Raw materials and supplies	305	312
Other	5,293	5,535
Allowance for doubtful accounts	(120)	(128)
Total current assets	128,019	134,727
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	315,921	313,521
Machinery, equipment and vehicles, net	38,140	35,069
Land	176,991	175,259
Construction in progress	93,516	114,416
Other, net	7,220	6,519
Total property, plant and equipment	631,790	644,786
Intangible assets	7,425	8,300
Investments and other assets		
Investment securities	85,846	84,591
Long-term loans receivable	764	714
Deferred tax assets	6,320	6,525
Retirement benefit asset	31,000	35,086
Other	21,371	20,842
Allowance for doubtful accounts	(154)	(155)
Total investments and other assets	145,149	147,605
Total non-current assets	784,365	800,692
Total assets	912,385	935,420

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	24,363	27,560
Short-term borrowings	123,875	122,733
Current portion of bonds payable	10,000	30,000
Income taxes payable	6,095	3,765
Advances received	5,118	6,832
Provision for bonuses	1,547	1,584
Provision for bonuses for directors (and other officers)	75	68
Other provisions	111	105
Other	30,259	30,126
Total current liabilities	201,446	222,775
Non-current liabilities		
Bonds payable	135,000	105,000
Long-term borrowings	220,793	229,717
Deferred tax liabilities	3,648	5,011
Provision for retirement benefits for directors (and other officers)	401	284
Retirement benefit liability	11,273	11,341
Long-term deferred contribution for construction	65,155	69,294
Reserve for dismantling costs	4,109	4,109
Other	13,672	14,434
Total non-current liabilities	454,054	439,192
Total liabilities	655,500	661,968
Net assets		
Shareholders' equity		
Share capital	43,738	43,738
Capital surplus	44,158	44,158
Retained earnings	152,100	165,164
Treasury shares	(827)	(821)
Total shareholders' equity	239,170	252,240
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,105	7,758
Foreign currency translation adjustment	256	385
Remeasurements of defined benefit plans	7,092	10,701
Total accumulated other comprehensive income	15,454	18,845
Non-controlling interests	2,259	2,366
Total net assets	256,884	273,452
Total liabilities and net assets	912,385	935,420

Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Operating revenue	265,237	253,005
Operating expenses		
Operating expenses and cost of sales of transportation	223,935	203,397
Selling, general and administrative expenses	37,792	38,788
Total operating expenses	261,727	242,186
Operating profit	3,510	10,819
Non-operating income		
Interest income	62	64
Dividend income	396	472
Share of profit of entities accounted for using equity method	490	486
Gain on sale of investment securities	2,395	3,425
Subsidy income	1,139	119
Other	1,392	1,143
Total non-operating income	5,877	5,710
Non-operating expenses		
Interest expenses	3,907	3,645
Other	414	650
Total non-operating expenses	4,322	4,296
Ordinary profit	5,065	12,233
Extraordinary income		
Gain on sale of non-current assets	17,275	13,204
Contribution received for construction	1,408	1,858
Compensation income	647	-
Other	0	1
Total extraordinary income	19,331	15,064
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	1,408	1,858
Loss on retirement of non-current assets	729	1,531
Impairment losses	1,554	1,232
Other	346	323
Total extraordinary losses	4,039	4,945
Profit before income taxes	20,357	22,352
Income taxes - current	6,306	6,775
Income taxes - deferred	1,535	(264)
Total income taxes	7,842	6,510
Profit	12,515	15,841
Profit (loss) attributable to non-controlling interests	(14)	23
Profit attributable to owners of parent	12,529	15,817

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit	12,515	15,841
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,870)	(346)
Foreign currency translation adjustment	380	214
Remeasurements of defined benefit plans, net of tax	1,955	3,608
Total other comprehensive income	(1,533)	3,476
Comprehensive income	10,981	19,318
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,844	19,208
Comprehensive income attributable to non-controlling interests	137	109

Consolidated Statements of Changes in Equity
For the 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	43,738	44,158	142,729	(839)	229,788
Cumulative effects of changes in accounting policies			(405)		(405)
Restated balance	43,738	44,158	142,324	(839)	229,383
Changes during period					
Dividends of surplus			(2,754)		(2,754)
Profit attributable to owners of parent			12,529		12,529
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares				13	13
Net changes in items other than shareholders' equity					
Total changes during period	-	-	9,775	11	9,786
Balance at end of period	43,738	44,158	152,100	(827)	239,170

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	11,975	28	5,136	17,140	2,122	249,051
Cumulative effects of changes in accounting policies						(405)
Restated balance	11,975	28	5,136	17,140	2,122	248,646
Changes during period						
Dividends of surplus						(2,754)
Profit attributable to owners of parent						12,529
Purchase of treasury shares						(2)
Disposal of treasury shares						13
Net changes in items other than shareholders' equity	(3,870)	228	1,955	(1,685)	137	(1,548)
Total changes during period	(3,870)	228	1,955	(1,685)	137	8,238
Balance at end of period	8,105	256	7,092	15,454	2,259	256,884

For the 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	43,738	44,158	152,100	(827)	239,170
Changes during period					
Dividends of surplus			(2,754)		(2,754)
Profit attributable to owners of parent			15,817		15,817
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		(0)		9	9
Net changes in items other than shareholders' equity					
Total changes during period	-	(0)	13,063	6	13,070
Balance at end of period	43,738	44,158	165,164	(821)	252,240

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	8,105	256	7,092	15,454	2,259	256,884
Changes during period						
Dividends of surplus						(2,754)
Profit attributable to owners of parent						15,817
Purchase of treasury shares						(2)
Disposal of treasury shares						9
Net changes in items other than shareholders' equity	(346)	128	3,608	3,390	106	3,497
Total changes during period	(346)	128	3,608	3,390	106	16,567
Balance at end of period	7,758	385	10,701	18,845	2,366	273,452

Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	20,357	22,352
Depreciation	29,567	28,309
Impairment losses	1,554	1,232
Loss on retirement of property, plant and equipment	631	1,259
Decrease (increase) in retirement benefit asset	1,724	833
Interest and dividend income	(459)	(536)
Interest expenses	3,907	3,645
Share of loss (profit) of entities accounted for using equity method	(490)	(486)
Loss (gain) on sale of non-current assets	(17,274)	(13,204)
Loss (gain) on sale of investment securities	(2,369)	(3,391)
Contribution received for construction	(1,408)	(1,858)
Loss on tax purpose reduction entry of non-current assets	1,408	1,858
Decrease (increase) in trade receivables	(2,503)	(1,837)
Decrease (increase) in inventories	33,992	(3,388)
Increase (decrease) in unearned fares	477	114
Increase (decrease) in trade payables	(4,276)	(428)
Increase (decrease) in accrued consumption taxes	3,571	(2,215)
Increase (decrease) in advances received	(2,616)	1,619
Increase (decrease) in guarantee deposits received	(1,699)	45
Other, net	(218)	2,778
Subtotal	63,874	36,700
Interest and dividends received	687	663
Interest paid	(3,996)	(3,693)
Income taxes paid	(2,335)	(8,883)
Net cash provided by (used in) operating activities	58,230	24,786
Cash flows from investing activities		
Purchase of investment securities	(17,858)	(8,086)
Proceeds from sale and redemption of investment securities	4,476	12,351
Purchase of property, plant and equipment	(39,091)	(53,245)
Proceeds from sale of property, plant and equipment	23,069	20,972
Purchase of intangible assets	(1,813)	(2,709)
Long-term loan advances	(45)	(18)
Proceeds from collection of long-term loans receivable	62	47
Proceeds from contribution received for construction	3,313	6,135
Other, net	1,841	458
Net cash provided by (used in) investing activities	(26,045)	(24,094)

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,500)	-
Proceeds from long-term borrowings	16,500	38,000
Repayments of long-term borrowings	(30,679)	(30,218)
Redemption of bonds	(10,000)	(10,000)
Dividends paid	(2,754)	(2,754)
Dividends paid to non-controlling interests	(0)	(3)
Other, net	11	6
Net cash provided by (used in) financing activities	(28,422)	(4,969)
Effect of exchange rate change on cash and cash equivalents	21	12
Net increase (decrease) in cash and cash equivalents	3,783	(4,264)
Cash and cash equivalents at beginning of period	57,450	61,234
Cash and cash equivalents at end of period	61,234	56,969