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

April 28, 2023

Company name: TOBU RAILWAY CO.,LTD.

Stock exchange listing: Tokyo

Code number: 9001

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

Representative: Yoshizumi Nezu President Director

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Scheduled date of Annual General Meeting of Shareholders: June 23, 2023

Scheduled date of commencing dividend payments: June 26, 2023

Scheduled date of filing annual securities report: June 23, 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.)

	Operating revenues		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	614,751	21.5	56,688	129.2	54,815	100.0	29,179	116.9
March 31, 2022	506,023	2.0	24,732	-	27,406	-	13,453	-

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥ 32,636 million [171.0%]

Fiscal year ended March 31, 2022: ¥ 12,043 million [-%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended March 31, 2023	Yen 140.06	Yen -	% 6.3	% 3.2	% 9.2
March 31, 2022	64.49	-	3.0	1.6	4.9

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2023: ¥ 96 million

Fiscal year ended March 31, 2022: ¥ (69) million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of March 31, 2023	Millions of yen 1,738,195	Millions of yen 480,575	% 27.3	Yen 2,296.65
March 31, 2022	1,689,855	459,219	26.8	2,169.34

(Reference) Equity: As of March 31, 2023: ¥ 474,754 million

As of March 31, 2022: ¥ 452,567 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 March 31, 2023	Millions of yen 101,115	Millions of yen (52,711)	Millions of yen (25,285)	Millions of yen 69,074
March 31, 2022	66,851	(30,964)	(35,005)	45,885

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	-	10.00	-	10.00	20.00	4,174	31.0	0.9
March 31, 2023	-	15.00	-	15.00	30.00	6,233	21.4	1.3
Fiscal year ending								
March 31, 2024 (Forecast)	-	15.00	-	15.00	30.00		21.9	

(Note) Breakdown of the 2nd quarter-end dividend for the fiscal year ended March 31, 2023 :

Ordinary dividend 10 yen Commemorative dividend 5 yen

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

Ordinary dividend 15 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.)

	Operating revenues		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	%	
Six months ending September 30, 2023	297,000	4.1	25,000	3.7	23,000	(0.7)	15,500	19.0	Yen 74.40
Full year	605,500	(1.5)	46,500	(18.0)	42,500	(22.5)	28,500	(2.3)	136.80

* Notes:

(1) Changes in significant subsidiaries during the period under review

(changes in specified subsidiaries resulting in changes inscope of consolidation):No

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

1) Changes in accounting policies due to the revision of accounting standards: No

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: 209,815,421 shares

March 31, 2022: 209,815,421 shares

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

March 31, 2023: 3,099,118 shares

March 31, 2022: 1,195,625 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2023: 208,334,168 shares

Fiscal Year ended March 31, 2022: 208,621,062 shares

(Reference) Summary of Non-consolidated Financial Results**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	Operating revenues		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	204,585	8.3	28,653	22.7	24,562	24.7	16,407	2.3
March 31, 2022	188,851	12.6	23,355	218.8	19,701	567.7	16,044	-

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2023	78.76	-
March 31, 2022	76.91	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2023	1,601,122	383,645	24.0	1,855.90
March 31, 2022	1,577,048	373,696	23.7	1,791.28

(Reference) Equity: As of March 31, 2023: ¥ 383,645 million
As of March 31, 2022: ¥ 373,696 million

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	46,066	69,255
Notes and accounts receivable - trade	63,415	70,561
Contract assets	9,641	14,584
Short-term loans receivable	1,591	1,691
Land and buildings for sale in lots	19,517	19,235
Prepaid expenses	2,623	2,713
Other	24,820	28,507
Allowance for doubtful accounts	(201)	(459)
Total current assets	167,475	206,090
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	544,604	530,107
Machinery, equipment and vehicles, net	77,884	79,055
Land	637,237	636,409
Construction in progress	120,944	135,294
Other, net	14,814	12,981
Total property, plant and equipment	1,395,485	1,393,848
Intangible assets		
Contribution for utilities	1,570	1,446
Other	16,659	18,008
Total intangible assets	18,230	19,455
Investments and other assets		
Investment securities	62,310	73,614
Long-term loans receivable	89	83
Distressed receivables	872	975
Retirement benefit asset	7,563	5,969
Deferred tax assets	13,030	12,707
Other	26,318	26,583
Allowance for doubtful accounts	(1,522)	(1,132)
Total investments and other assets	108,664	118,801
Total non-current assets	1,522,380	1,532,105
Total assets	1,689,855	1,738,195

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	42,769	51,922
Short-term borrowings	63,942	36,362
Current portion of long-term borrowings	52,911	83,143
Current portion of bonds payable	13,120	19,920
Accrued expenses	6,256	7,633
Accrued consumption taxes	8,011	5,294
Income taxes payable	8,333	12,101
Advances received	79,660	87,130
Contract liabilities	48,791	48,674
Provision for bonuses	2,299	2,608
Provision for allowance for loss on collection of gift certificates outstanding	4,363	4,332
Asset retirement obligations	526	563
Other	78,749	99,753
Total current liabilities	409,735	459,439
Non-current liabilities		
Bonds payable	155,080	158,160
Long-term borrowings	518,118	494,592
Long-term accounts payable to Japan railway construction, transport and technology agency	4,568	2,584
Deferred tax liabilities	7,839	9,961
Deferred tax liabilities for land revaluation	49,819	49,640
Provision for retirement benefits for directors (and other officers)	959	975
Retirement benefit liability	45,387	43,997
Asset retirement obligations	3,738	3,664
Other	35,389	34,604
Total non-current liabilities	820,901	798,181
Total liabilities	1,230,636	1,257,620
Net assets		
Shareholders' equity		
Share capital	102,135	102,135
Capital surplus	51,364	51,958
Retained earnings	234,853	258,028
Treasury shares	(4,451)	(10,302)
Total shareholders' equity	383,902	401,820
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,768	25,624
Revaluation reserve for land	46,808	47,593
Foreign currency translation adjustment	77	144
Remeasurements of defined benefit plans	2,010	(428)
Total accumulated other comprehensive income	68,664	72,933
Non-controlling interests	6,652	5,820
Total net assets	459,219	480,575
Total liabilities and net assets	1,689,855	1,738,195

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	506,023	614,751
Operating expenses		
Operating expenses and cost of sales of transportation	368,588	440,959
Selling, general and administrative expenses	112,701	117,103
Total operating expenses	481,290	558,062
Operating profit	24,732	56,688
Non-operating income		
Interest income	21	35
Dividend income	1,618	1,845
Dividend income of insurance	438	443
Share of profit of entities accounted for using equity method	-	96
Subsidy income	4,729	914
Compensation income	2,514	-
Other	2,582	1,987
Total non-operating income	11,905	5,323
Non-operating expenses		
Interest expenses	5,822	5,655
Share of loss of entities accounted for using equity method	69	-
Compensation expenses	1,816	-
Other	1,522	1,541
Total non-operating expenses	9,231	7,196
Ordinary profit	27,406	54,815
Extraordinary income		
Gain on sale of non-current assets	1,136	224
Contribution received for construction	891	7,317
Gain on sale of shares of subsidiaries and associates	534	-
Other	454	1,192
Total extraordinary income	3,017	8,735
Extraordinary losses		
Loss on retirement of non-current assets	924	1,411
Loss on tax purpose reduction entry of non-current assets	883	7,302
Impairment losses	1,993	8,101
Loss on termination of retirement benefit plan	118	467
Extra retirement payments	1,580	409
Loss on temporary closure	406	-
Other	616	698
Total extraordinary losses	6,523	18,391
Profit before income taxes	23,900	45,159
Income taxes - current	8,638	15,175
Income taxes - deferred	1,774	835
Total income taxes	10,413	16,011
Profit	13,487	29,148
Profit (loss) attributable to non-controlling interests	34	(30)
Profit attributable to owners of parent	13,453	29,179

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	13,487	29,148
Other comprehensive income		
Valuation difference on available-for-sale securities	(324)	5,860
Foreign currency translation adjustment	56	66
Remeasurements of defined benefit plans, net of tax	(1,176)	(2,438)
Share of other comprehensive income of entities accounted for using equity method	0	0
Total other comprehensive income	(1,444)	3,488
Comprehensive income	12,043	32,636
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,021	32,663
Comprehensive income attributable to non-controlling interests	22	(26)

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	102,135	50,864	225,891	(4,447)	374,444
Cumulative effects of changes in accounting policies			(730)		(730)
Restated balance	102,135	50,864	225,161	(4,447)	373,714
Changes during period					
Dividends of surplus			(4,174)		(4,174)
Profit attributable to owners of parent			13,453		13,453
Purchase of treasury shares				(10)	(10)
Disposal of treasury shares			(0)	6	5
Reversal of revaluation reserve for land			413		413
Change in ownership interest of parent due to transactions with non-controlling interests		500			500
Net changes in items other than shareholders' equity					
Total changes during period	-	500	9,691	(3)	10,187
Balance at end of period	102,135	51,364	234,853	(4,451)	383,902

	Accumulated other comprehensive income					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	20,080	47,222	21	3,186	70,510	8,149	453,103
Cumulative effects of changes in accounting policies							(730)
Restated balance	20,080	47,222	21	3,186	70,510	8,149	452,373
Changes during period							
Dividends of surplus							(4,174)
Profit attributable to owners of parent							13,453
Purchase of treasury shares							(10)
Disposal of treasury shares							5
Reversal of revaluation reserve for land							413
Change in ownership interest of parent due to transactions with non-controlling interests							500
Net changes in items other than shareholders' equity	(311)	(413)	56	(1,176)	(1,845)	(1,496)	(3,342)
Total changes during period	(311)	(413)	56	(1,176)	(1,845)	(1,496)	6,845
Balance at end of period	19,768	46,808	77	2,010	68,664	6,652	459,219

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	102,135	51,364	234,853	(4,451)	383,902
Cumulative effects of changes in accounting policies					-
Restated balance	102,135	51,364	234,853	(4,451)	383,902
Changes during period					
Dividends of surplus			(5,218)		(5,218)
Profit attributable to owners of parent			29,179		29,179
Purchase of treasury shares				(5,906)	(5,906)
Disposal of treasury shares			(0)	55	55
Reversal of revaluation reserve for land			(784)		(784)
Change in ownership interest of parent due to transactions with non-controlling interests		593			593
Net changes in items other than shareholders' equity					
Total changes during period	-	593	23,175	(5,851)	17,918
Balance at end of period	102,135	51,958	258,028	(10,302)	401,820

	Accumulated other comprehensive income					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	19,768	46,808	77	2,010	68,664	6,652	459,219
Cumulative effects of changes in accounting policies							-
Restated balance	19,768	46,808	77	2,010	68,664	6,652	459,219
Changes during period							
Dividends of surplus							(5,218)
Profit attributable to owners of parent							29,179
Purchase of treasury shares							(5,906)
Disposal of treasury shares							55
Reversal of revaluation reserve for land							(784)
Change in ownership interest of parent due to transactions with non-controlling interests							593
Net changes in items other than shareholders' equity	5,856	784	66	(2,438)	4,268	(831)	3,437
Total changes during period	5,856	784	66	(2,438)	4,268	(831)	21,355
Balance at end of period	25,624	47,593	144	(428)	72,933	5,820	480,575

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	23,900	45,159
Depreciation	55,570	53,354
Impairment losses	1,993	8,101
Loss on termination of retirement benefit system	118	467
Loss on temporary closure	406	-
Special extra retirement payments	1,580	409
Amortization of goodwill	385	385
Share of loss (profit) of entities accounted for using equity method	69	(96)
Increase (decrease) in allowance for doubtful accounts	(68)	(131)
Increase (decrease) in provision for bonuses	225	308
Increase (decrease) in retirement benefit liability	(4,593)	(2,110)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	42	16
Increase (decrease) in provision for allowance for loss on collection of gift certificates outstanding	129	(30)
Interest and dividend income	(1,635)	(1,880)
Interest expenses	5,822	5,655
Contribution received for construction	(1,321)	(7,644)
Loss on retirement of non-current assets	1,020	1,854
Loss on tax purpose reduction entry of non-current assets	883	7,302
Decrease (increase) in notes and accounts receivable - trade and contract assets	(21,971)	(12,088)
Decrease (increase) in inventories	6,875	(3,427)
Increase (decrease) in trade payables	6,522	9,153
Other, net	(1,386)	11,857
Subtotal	74,570	116,614
Interest and dividends received	1,624	1,892
Interest paid	(5,802)	(5,557)
Payments associated with temporary closure loss	(224)	-
Payments for special extra retirement payments	(1,580)	(409)
Income taxes paid	(1,735)	(11,423)
Net cash provided by (used in) operating activities	66,851	101,115
Cash flows from investing activities		
Net decrease (increase) in short-term loans receivable	(245)	277
Long-term loan advances	(29)	(20)
Proceeds from collection of long-term loans receivable	2	5
Purchase of short-term and long-term investment securities	(46)	(3,054)
Proceeds from sale and redemption of short-term and long-term investment securities	719	263
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	853	-
Purchase of property, plant and equipment and intangible assets	(53,984)	(57,262)
Proceeds from sale of property, plant and equipment and intangible assets	2,417	335
Proceeds from contribution received for construction	18,347	8,163
Payments of guarantee deposits	(187)	(862)
Proceeds from refund of guarantee deposits	757	1,233
Other, net	429	(1,788)
Net cash provided by (used in) investing activities	(30,964)	(52,711)

(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	(9,370)	(27,580)
Proceeds from issuance of commercial papers	100,000	88,000
Redemption of commercial papers	(100,000)	(88,000)
Proceeds from long-term borrowings	39,370	61,424
Repayments of long-term borrowings	(56,379)	(54,717)
Proceeds from issuance of bonds	21,000	23,000
Redemption of bonds	(21,120)	(13,120)
Net decrease (increase) in treasury shares	(3)	(5,851)
Dividends paid	(4,184)	(5,223)
Repayments of accounts payable to Japan railway construction, transport and technology agency	(2,448)	(2,098)
Dividends paid to non-controlling interests	(5)	(3)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(1,010)	(207)
Other, net	(854)	(907)
Net cash provided by (used in) financing activities	(35,005)	(25,285)
Effect of exchange rate change on cash and cash equivalents	57	69
Net increase (decrease) in cash and cash equivalents	938	23,188
Cash and cash equivalents at beginning of period	44,947	45,885
Cash and cash equivalents at end of period	45,885	69,074