

**Translation**

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

May 15, 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 Yasuo Shimada  
 Accounting Manager of the Group Planning Division Kazutoshi Funao TEL 06-6373-5013  
 Scheduled date of ordinary general meeting of shareholders: June 16, 2023  
 Scheduled date to file Securities Report: June 19, 2023  
 Scheduled date to commence dividend payments: June 19, 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

	Operating revenue		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	968,300	29.8	89,350	127.9	88,432	130.0	46,952	119.2
Year ended March 31, 2022	746,217	—	39,212	—	38,450	—	21,418	—

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/Operating revenue
	Yen	Yen	%	%	%
Year ended March 31, 2023	194.88	194.78	5.3	3.2	9.2
Year ended March 31, 2022	88.89	88.83	2.5	1.4	5.3

(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	2,865,410	980,940	31.6	3,764.17
As of March 31, 2022	2,722,841	915,363	32.0	3,612.17

(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	132,091	(113,216)	(8,981)	41,375
Year ended March 31, 2022	81,844	(96,442)	15,141	29,422

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	—	25.00	—	25.00	50.00	12,125	56.2	1.4
Year ended March 31, 2023	—	25.00	—	25.00	50.00	12,125	25.7	1.4
Year ending March 31, 2024 (Forecast)	—	25.00	—	25.00	50.00		23.1	

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

	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	1,000,000	3.3	87,700	(1.8)	87,000	(1.6)	52,000	10.7	216.22

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): Yes

(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: Yes

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	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 March 31, 2023	13,377,821 shares	As of March 31, 2022	13,332,196 shares
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Average number of shares during the period

Year ended March 31, 2023	240,927,946 shares	Year ended March 31, 2022	240,951,871 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	31,331	42,876
Notes and accounts receivable - trade	112,568	120,067
Land and buildings for sale	166,331	193,607
Merchandise and finished goods	2,372	2,897
Work in process	2,131	2,461
Raw materials and supplies	5,464	5,790
Other	46,018	61,237
Allowance for doubtful accounts	(408)	(856)
Total current assets	365,811	428,082
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	646,407	633,990
Machinery, equipment and vehicles, net	60,314	57,804
Land	973,012	1,010,609
Construction in progress	218,215	252,908
Other, net	25,023	25,678
Total property, plant and equipment	1,922,974	1,980,991
Intangible assets		
Goodwill	9,655	7,334
Other	27,856	28,155
Total intangible assets	37,512	35,489
Investments and other assets		
Investment securities	316,231	342,659
Deferred tax assets	7,218	7,272
Retirement benefit asset	18,505	18,590
Other	54,917	52,583
Allowance for doubtful accounts	(329)	(258)
Total investments and other assets	396,544	420,846
Total non-current assets	2,357,030	2,437,328
Total assets	2,722,841	2,865,410

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	40,699	42,024
Accrued expenses	16,853	23,182
Short-term borrowings	145,737	187,982
Commercial papers	50,000	10,000
Current portion of bonds payable	7,000	30,000
Lease liabilities	3,834	4,251
Income taxes payable	6,380	10,029
Provision for bonuses	3,682	4,337
Other	152,471	187,877
<b>Total current liabilities</b>	<b>426,659</b>	<b>499,684</b>
<b>Non-current liabilities</b>		
Long-term borrowings	649,476	634,613
Bonds payable	230,000	230,000
Lease liabilities	9,916	9,503
Deferred tax liabilities	176,516	181,831
Deferred tax liabilities for land revaluation	5,182	5,182
Retirement benefit liability	62,795	61,916
Long-term deferred contribution for construction	117,561	132,580
Other	129,369	129,156
<b>Total non-current liabilities</b>	<b>1,380,818</b>	<b>1,384,785</b>
<b>Total liabilities</b>	<b>1,807,477</b>	<b>1,884,470</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	99,474	99,474
Capital surplus	147,358	147,343
Retained earnings	645,212	680,040
Treasury shares	(48,713)	(48,748)
<b>Total shareholders' equity</b>	<b>843,332</b>	<b>878,110</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	18,756	20,930
Deferred gains or losses on hedges	7	(78)
Revaluation reserve for land	5,499	5,499
Foreign currency translation adjustment	435	908
Remeasurements of defined benefit plans	2,317	1,433
<b>Total accumulated other comprehensive income</b>	<b>27,016</b>	<b>28,692</b>
<b>Non-controlling interests</b>	<b>45,014</b>	<b>74,137</b>
<b>Total net assets</b>	<b>915,363</b>	<b>980,940</b>
<b>Total liabilities and net assets</b>	<b>2,722,841</b>	<b>2,865,410</b>

**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
Operating revenue	746,217	968,300
Operating expenses		
Operating expenses and cost of sales of transportation	679,865	849,136
Selling, general and administrative expenses	27,139	29,813
Total operating expenses	707,005	878,949
Operating profit	39,212	89,350
Non-operating income		
Interest income	179	314
Dividend income	928	957
Share of profit of entities accounted for using equity method	7,167	8,325
Miscellaneous income	2,609	2,547
Total non-operating income	10,885	12,145
Non-operating expenses		
Interest expenses	8,516	8,768
Loss on retirement of non-current assets	1,034	1,784
Miscellaneous expenses	2,097	2,510
Total non-operating expenses	11,648	13,063
Ordinary profit	38,450	88,432
Extraordinary income		
Contribution received for construction	28,239	2,530
Gain on sale of non-current assets	366	1,394
Gain on sale of investment securities	3,702	1,942
Other	10,661	2,060
Total extraordinary income	42,969	7,927
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	28,302	4,986
Impairment losses	631	12,672
Other	13,892	3,689
Total extraordinary losses	42,827	21,348
Profit before income taxes	38,592	75,012
Income taxes - current	9,963	18,249
Income taxes - deferred	3,292	5,173
Total income taxes	13,256	23,422
Profit	25,335	51,589
Profit attributable to non-controlling interests	3,916	4,636
Profit attributable to owners of parent	21,418	46,952

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	25,335	51,589
Other comprehensive income		
Valuation difference on available-for-sale securities	(8,633)	1,860
Deferred gains or losses on hedges	4	(86)
Foreign currency translation adjustment	2,191	(1,340)
Remeasurements of defined benefit plans, net of tax	(1,754)	(759)
Share of other comprehensive income of entities accounted for using equity method	108	727
Total other comprehensive income	(8,084)	402
Comprehensive income	17,251	51,991
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	15,837	48,955
Comprehensive income attributable to non-controlling interests	1,413	3,036

## 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	99,474	146,772	636,095	(48,701)	833,640
Cumulative effects of changes in accounting policies			(277)		(277)
Restated balance	99,474	146,772	635,818	(48,701)	833,363
Changes during period					
Dividends of surplus			(12,126)		(12,126)
Profit attributable to owners of parent			21,418		21,418
Reversal of revaluation reserve for land			8		8
Purchase of treasury shares				(47)	(47)
Disposal of treasury shares			(0)	36	36
Change in ownership interest of parent due to transactions with non-controlling interests		465			465
Purchase of share of consolidated subsidiaries treasury stock					-
Capital increase of consolidated subsidiaries		122			122
Change in scope of consolidation		(0)	93		92
Change in treasury shares arising from change in equity in entities accounted for using equity method				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	-	586	9,394	(12)	9,969
Balance at end of period	99,474	147,358	645,212	(48,713)	843,332

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	24,600	3	5,483	(615)	4,038	33,511	42,834	909,985
Cumulative effects of changes in accounting policies						–	(7)	(284)
Restated balance	24,600	3	5,483	(615)	4,038	33,511	42,826	909,701
Changes during period								
Dividends of surplus								(12,126)
Profit attributable to owners of parent								21,418
Reversal of revaluation reserve for land								8
Purchase of treasury shares								(47)
Disposal of treasury shares								36
Change in ownership interest of parent due to transactions with non-controlling interests								465
Purchase of share of consolidated subsidiaries treasury stock								–
Capital increase of consolidated subsidiaries								122
Change in scope of consolidation								92
Change in treasury shares arising from change in equity in entities accounted for using equity method								(0)
Net changes in items other than shareholders' equity	(5,843)	3	15	1,050	(1,721)	(6,494)	2,188	(4,306)
Total changes during period	(5,843)	3	15	1,050	(1,721)	(6,494)	2,188	5,662
Balance at end of period	18,756	7	5,499	435	2,317	27,016	45,014	915,363



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	99,474	147,358	645,212	(48,713)	843,332
Cumulative effects of changes in accounting policies					–
Restated balance	99,474	147,358	645,212	(48,713)	843,332
Changes during period					
Dividends of surplus			(12,125)		(12,125)
Profit attributable to owners of parent			46,952		46,952
Reversal of revaluation reserve for land			0		0
Purchase of treasury shares				(53)	(53)
Disposal of treasury shares		0		101	101
Change in ownership interest of parent due to transactions with non-controlling interests		11			11
Purchase of share of consolidated subsidiaries treasury stock		(26)			(26)
Capital increase of consolidated subsidiaries					–
Change in scope of consolidation					–
Change in treasury shares arising from change in equity in entities accounted for using equity method				(82)	(82)
Net changes in items other than shareholders' equity					
Total changes during period	–	(15)	34,827	(34)	34,777
Balance at end of period	99,474	147,343	680,040	(48,748)	878,110

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	18,756	7	5,499	435	2,317	27,016	45,014	915,363
Cumulative effects of changes in accounting policies						–		–
Restated balance	18,756	7	5,499	435	2,317	27,016	45,014	915,363
Changes during period								
Dividends of surplus								(12,125)
Profit attributable to owners of parent								46,952
Reversal of revaluation reserve for land								0
Purchase of treasury shares								(53)
Disposal of treasury shares								101
Change in ownership interest of parent due to transactions with non-controlling interests								11
Purchase of share of consolidated subsidiaries treasury stock								(26)
Capital increase of consolidated subsidiaries								–
Change in scope of consolidation								–
Change in treasury shares arising from change in equity in entities accounted for using equity method								(82)
Net changes in items other than shareholders' equity	2,173	(86)	(0)	473	(884)	1,676	29,122	30,798
Total changes during period	2,173	(86)	(0)	473	(884)	1,676	29,122	65,576
Balance at end of period	20,930	(78)	5,499	908	1,433	28,692	74,137	980,940

## 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	38,592	75,012
Depreciation	59,945	62,223
Impairment losses	631	12,672
Amortization of goodwill	2,366	2,326
Share of loss (profit) of entities accounted for using equity method	(7,167)	(8,325)
Increase (decrease) in retirement benefit liability	(1,242)	(2,105)
Increase (decrease) in allowance for doubtful accounts	128	377
Interest and dividend income	(1,108)	(1,272)
Interest expenses	8,516	8,768
Loss on tax purpose reduction entry of non-current assets	28,302	4,986
Loss (gain) on sale of non-current assets	(290)	(1,394)
Contribution received for construction	(28,239)	(2,530)
Loss (gain) on sale of investment securities	(3,680)	(1,937)
Decrease (increase) in trade receivables	(38,870)	(7,652)
Decrease (increase) in inventories	(2,560)	(29,286)
Increase (decrease) in trade payables	11,561	1,308
Other, net	13,433	41,781
Subtotal	80,318	154,951
Interest and dividends received	3,148	3,795
Interest paid	(8,557)	(8,626)
Income taxes refund (paid)	6,934	(18,029)
Net cash provided by (used in) operating activities	81,844	132,091
Cash flows from investing activities		
Purchase of non-current assets	(131,491)	(92,775)
Proceeds from sale of non-current assets	681	320
Purchase of investment securities	(5,142)	(21,672)
Proceeds from sale of investment securities	9,187	4,733
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(28,636)
Proceeds from contribution received for construction	31,242	22,680
Other, net	(920)	2,132
Net cash provided by (used in) investing activities	(96,442)	(113,216)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(14,797)	5,180
Net increase (decrease) in commercial papers	20,000	(40,000)
Proceeds from long-term borrowings	30,360	60,210
Repayments of long-term borrowings	(44,971)	(54,337)
Proceeds from issuance of bonds	49,712	29,841
Redemption of bonds	(10,000)	(7,000)
Purchase of treasury shares	(47)	(53)
Dividends paid	(12,126)	(12,125)
Dividends paid to non-controlling interests	(564)	(853)
Proceeds from share issuance to non-controlling shareholders on establishment of consolidated subsidiaries	—	14,756
Other, net	(2,424)	(4,600)
Net cash provided by (used in) financing activities	15,141	(8,981)
Effect of exchange rate change on cash and cash equivalents	1,441	1,904
Net increase (decrease) in cash and cash equivalents	1,983	11,797
Cash and cash equivalents at beginning of period	25,222	29,422
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	2,215	—
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	—	155
Cash and cash equivalents at end of period	29,422	41,375

## Supplementary information

### 1. Consolidated financial results for the ended March 31, 2023

#### Consolidated Statements of Income (Summary)

(Millions of yen)

	FY2023 Results ①	FY2022 Results ②	Change =①-②
Operating revenue	968,300	746,217	222,083
Operating profit	89,350	39,212	50,138
Ordinary profit	88,432	38,450	49,982
Profit attributable to owners of parent	46,952	21,418	25,534

#### Consolidated Statements of Income (Breakdown for each business segment)

(Millions of yen)

	Operating revenue			Operating profit		
	FY2023 Results ①	FY2022 Results ②	Change =①-②	FY2023 Results ①	FY2022 Results ②	Change =①-②
Urban Transportation	185,581	161,623	23,958	22,435	5,629	16,805
Real Estate	282,049	246,584	35,465	27,851	19,425	8,426
Entertainment	72,289	62,864	9,425	12,622	9,263	3,358
Information and Communication Technology	60,355	59,181	1,174	5,917	5,867	50
Travel	191,400	60,419	130,980	15,257	(5,748)	21,006
International Transportation	163,269	143,296	19,973	8,381	8,019	361
Other	55,649	51,666	3,983	2,752	2,385	366
Adjustment	(42,295)	(39,417)	(2,877)	(5,866)	(5,628)	(237)

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 (FY2022).

## 2. Forecast of consolidated financial results for the year ending March 31, 2024

### Consolidated Statements of Income (Summary)

(Billions of yen)

	FY2024 Forecasts ①	FY2023 Results ②	Change =①-②
Operating revenue	1,000.0	968.3	31.7
Operating profit [Business profit※]	87.7 [90.0]	89.4 [89.4]	(1.7) [0.6]
Ordinary profit	87.0	88.4	(1.4)
Profit attributable to owners of parent	52.0	47.0	5.0

※ Business profit = Operating profit + Equity-method gains/losses associated with overseas investments

Note: Starting in the year ending March 2024, we are including a new performance indicator: business profit.

Business profit will show more precisely the progress of our efforts to grow overseas businesses, such as those in the Real Estate segment.

### Consolidated Statements of Income (Breakdown for each business segment)

(Billions of yen)

<b>Upper row:</b> Operating revenue <b>Lower row:</b> Operating profit [Business profit※]	FY2024 Forecasts ①	FY2023 Results ②	Change =①-②
Urban Transportation	205.1	185.6	19.5
	31.3	22.4	8.9
Real Estate	329.4	282.0	47.4
	39.9	27.9	12.0
	[42.2]	[27.9]	[14.3]
Entertainment	75.0	72.3	2.7
	11.7	12.6	(0.9)
Information and Communication Technology	65.8	60.4	5.4
	6.1	5.9	0.2
Travel	205.0	191.4	13.6
	0.4	15.3	(14.9)
International Transportation	107.8	163.3	(55.5)
	2.5	8.4	(5.9)

※ Business profit = Operating profit + Equity-method gains/losses associated with overseas investments

Note: For FY2024, in segments other than Real Estate, business profit = operating profit.