

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

October 31, 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 to file Quarterly Securities Report: November 10, 2023
 Scheduled date to commence dividend payments: December 1, 2023
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(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	%
Six months ended September 30, 2023	485,644	4.0	64,320	31.9	66,930	35.2	44,873	44.5
Six months ended September 30, 2022	467,160	50.3	48,754	382.5	49,494	409.9	31,050	430.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	186.47		186.43	
Six months ended September 30, 2022	128.87		128.86	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	2,936,545	1,044,997	32.6
As of March 31, 2023	2,865,410	980,940	31.6

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, 2023	—	25.00	—	25.00	50.00
Year ending March 31, 2024	—	25.00			
Year ending March 31, 2024 (Forecast)			—	30.00	55.00

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	99,700	11.6	100,000	13.1	60,000	27.8	249.39

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2023
(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: No
- 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 September 30, 2023	254,281,385 shares	As of March 31, 2023	254,281,385 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	13,748,989 shares	As of March 31, 2023	13,377,821 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	240,642,485 shares	Six months ended September 30, 2022	240,946,146 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	42,876	50,394
Notes and accounts receivable - trade	120,067	88,770
Land and buildings for sale	193,607	214,980
Merchandise and finished goods	2,897	3,421
Work in process	2,461	5,332
Raw materials and supplies	5,790	6,157
Other	61,237	63,779
Allowance for doubtful accounts	(856)	(968)
Total current assets	428,082	431,868
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	633,990	637,275
Machinery, equipment and vehicles, net	57,804	57,496
Land	1,010,609	1,004,738
Construction in progress	252,908	275,208
Other, net	25,678	25,361
Total property, plant and equipment	1,980,991	2,000,081
Intangible assets		
Goodwill	7,334	6,173
Other	28,155	27,460
Total intangible assets	35,489	33,633
Investments and other assets		
Investment securities	342,659	390,810
Deferred tax assets	7,272	7,050
Retirement benefit asset	18,590	18,648
Other	52,583	54,709
Allowance for doubtful accounts	(258)	(255)
Total investments and other assets	420,846	470,962
Total non-current assets	2,437,328	2,504,677
Total assets	2,865,410	2,936,545

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	42,024	35,953
Accrued expenses	23,182	16,390
Short-term borrowings	187,982	211,003
Commercial papers	10,000	10,000
Current portion of bonds payable	30,000	25,000
Lease liabilities	4,251	3,976
Income taxes payable	10,029	11,774
Provision for bonuses	4,337	5,197
Other	187,877	163,235
Total current liabilities	499,684	482,530
Non-current liabilities		
Long-term borrowings	634,613	631,399
Bonds payable	230,000	235,000
Lease liabilities	9,503	9,602
Deferred tax liabilities	181,831	191,795
Deferred tax liabilities for land revaluation	5,182	5,182
Retirement benefit liability	61,916	61,716
Long-term deferred contribution for construction	132,580	143,505
Other	129,156	130,815
Total non-current liabilities	1,384,785	1,409,017
Total liabilities	1,884,470	1,891,548
Net assets		
Shareholders' equity		
Share capital	99,474	99,474
Capital surplus	147,343	147,301
Retained earnings	680,040	717,997
Treasury shares	(48,748)	(50,466)
Total shareholders' equity	878,110	914,307
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	20,930	26,920
Deferred gains or losses on hedges	(78)	527
Revaluation reserve for land	5,499	5,499
Foreign currency translation adjustment	908	8,791
Remeasurements of defined benefit plans	1,433	1,215
Total accumulated other comprehensive income	28,692	42,954
Non-controlling interests	74,137	87,736
Total net assets	980,940	1,044,997
Total liabilities and net assets	2,865,410	2,936,545

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Operating revenue	467,160	485,644
Operating expenses		
Operating expenses and cost of sales of transportation	403,877	406,052
Selling, general and administrative expenses	14,528	15,271
Total operating expenses	418,406	421,324
Operating profit	48,754	64,320
Non-operating income		
Interest income	121	353
Dividend income	527	610
Share of profit of entities accounted for using equity method	3,809	6,791
Miscellaneous income	1,419	1,378
Total non-operating income	5,877	9,133
Non-operating expenses		
Interest expenses	4,192	5,183
Miscellaneous expenses	944	1,339
Total non-operating expenses	5,137	6,523
Ordinary profit	49,494	66,930
Extraordinary income		
Contribution received for construction	318	1,063
Other	815	102
Total extraordinary income	1,134	1,165
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	320	1,043
Other	1,656	415
Total extraordinary losses	1,976	1,459
Profit before income taxes	48,651	66,636
Income taxes - current	10,018	12,340
Income taxes - deferred	5,579	7,537
Total income taxes	15,597	19,877
Profit	33,054	46,759
Profit attributable to non-controlling interests	2,004	1,885
Profit attributable to owners of parent	31,050	44,873

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	33,054	46,759
Other comprehensive income		
Valuation difference on available-for-sale securities	2,471	4,106
Deferred gains or losses on hedges	22	558
Foreign currency translation adjustment	4,209	9,485
Remeasurements of defined benefit plans, net of tax	(291)	(314)
Share of other comprehensive income of entities accounted for using equity method	2,135	4,836
Total other comprehensive income	8,548	18,671
Comprehensive income	41,603	65,430
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	37,377	57,554
Comprehensive income attributable to non-controlling interests	4,225	7,876

Supplementary information

1. Consolidated financial results for the first half of the year ending March 31, 2024

Consolidated Statements of Income (Summary)

(Millions of yen)

	H1 FY2024 Results ①	H1 FY2023 Results ②	Change =①-②
Operating revenue	485,644	467,160	18,484
Operating profit [Business profit※]	64,320 [65,069]	48,754 [48,754]	15,565 [16,315]
Ordinary profit	66,930	49,494	17,435
Profit attributable to owners of parent	44,873	31,050	13,823

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

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

Business profit shows 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)

(Millions of yen)

	Operating revenue			Operating profit [Business profit※]		
	H1 FY2024 Results ①	H1 FY2023 Results ②	Change =①-②	H1 FY2024 Results ①	H1 FY2023 Results ②	Change =①-②
Urban Transportation	99,819	90,591	9,227	18,651	11,859	6,791
Real Estate	142,381	128,902	13,478	22,436 [23,186]	11,595 [11,595]	10,841 [11,590]
Entertainment	49,440	43,211	6,228	16,642	13,871	2,771
Information and Communication Technology	28,373	26,475	1,897	1,922	1,606	316
Travel	111,038	86,007	25,031	5,956	8,153	(2,196)
International Transportation	50,050	87,204	(37,153)	708	3,626	(2,917)
Other	22,483	21,903	579	534	420	113
Adjustment	(17,941)	(17,136)	(805)	(2,532)	(2,377)	(155)

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

Note: For H1 FY2024, in segments other than Real Estate, business profit = operating profit.

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

Consolidated Statements of Income (Summary)

(Billions of yen)

	FY2024 Forecasts ①	FY2024 Forecasts (As of May) ②	Change =①-②	FY2023 Results ③	Change =①-③
Operating revenue	1,000.0	1,000.0	—	968.3	31.7
Operating profit [Business profit※]	99.7 [102.0]	87.7 [90.0]	12.0 [12.0]	89.4 [89.4]	10.3 [12.6]
Ordinary profit	100.0	87.0	13.0	88.4	11.6
Profit attributable to owners of parent	60.0	52.0	8.0	47.0	13.0

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

Consolidated Statements of Income (Breakdown for each business segment)

(Billions of yen)

Upper row : Operating revenue Lower row : Operating profit [Business profit※]	FY2024 Forecasts ①	FY2024 Forecasts (As of May) ②	Change =①-②	FY2023 Results ③	Change =①-③
Urban Transportation	203.2	205.1	(1.9)	185.6	17.6
	33.5	31.3	2.2	22.4	11.1
Real Estate	323.0	329.4	(6.4)	282.0	41.0
	44.6	39.9	4.7	27.9	16.7
	[46.9]	[42.2]	[4.7]	[27.9]	[19.0]
Entertainment	79.8	75.0	4.8	72.3	7.5
	12.7	11.7	1.0	12.6	0.1
Information and Communication Technology	65.9	65.8	0.1	60.4	5.5
	6.2	6.1	0.1	5.9	0.3
Travel	210.0	205.0	5.0	191.4	18.6
	3.9	0.4	3.5	15.3	(11.4)
International Transportation	100.0	107.8	(7.8)	163.3	(63.3)
	1.0	2.5	(1.5)	8.4	(7.4)

※ 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.