

# **First Half of the Fiscal Year Ending March 31, 2024 Notes to Financial Results**

## **Sotetsu Holdings, Inc.**

November 2, 2023

<https://www.sotetsu.co.jp/ir/>  
TSE securities code: 9003

# Financial Highlights (Consolidated Statement of Income)

(Million yen)

	First half of FY3/2024	First half of FY3/2023	Change		FY3/2024 First half plan	Change	
			Amount	(%)		Amount	(%)
Operating revenue	124,350	115,098	+9,252	+8.0	123,400	+950	+0.8
Operating profit	13,081	4,529	+8,552	+188.8	7,700	+5,381	+69.9
Non-operating income	1,165	1,064	+100	+9.4	400	+765	+191.4
Non-operating expenses	1,661	1,525	+135	+8.9	1,500	+161	+10.7
Ordinary profit	12,586	4,069	+8,516	+209.3	6,600	+5,986	+90.7
Extraordinary income	520	565	-45	-8.0	–	+520	–
Extraordinary losses	577	945	-368	-38.9	100	+477	+477.4
Profit before income taxes	12,528	3,688	+8,839	+239.6	6,500	+6,028	+92.8
Income taxes	3,713	1,292	+2,421	+187.4	2,100	+1,613	+76.8
Profit	8,815	2,396	+6,418	+267.8	4,400	+4,415	+100.4
Profit attributable to non-controlling interests	-131	-0	-131	–	–	-131	–
Profit attributable to owners of parent	8,947	2,396	+6,550	+273.3	4,400	+4,547	+103.3
	First half of FY3/2024	First half of FY3/2023	Change		FY3/2024 First half plan	Change	
			Amount	(%)		Amount	(%)
Net income per share (Yen)	91.32	24.46	+66.86	–	44.91	+46.41	–

# Segment Information

(Million yen)

		First half of FY3/2024	First half of FY3/2023	Change		FY3/2024 First half plan	Change	
				Amount	(%)		Amount	(%)
Transportation	Operating revenue	20,879	17,523	+3,356	+19.2	22,200	-1,320	-5.9
	Operating profit	2,202	217	+1,985	+914.4	2,200	+2	+0.1
Merchandising	Operating revenue	47,774	46,862	+911	+1.9	47,800	-25	-0.1
	Operating profit	116	105	+11	+10.4	-200	+316	—
Real Estate	Operating revenue	23,625	30,269	-6,643	-21.9	23,300	+325	+1.4
	Operating profit	6,442	7,427	-985	-13.3	5,300	+1,142	+21.6
Sales	Operating revenue	6,574	11,732	-5,157	-44.0	6,900	-325	-4.7
	Operating profit	280	1,129	-849	-75.2	-100	+380	—
Leasing	Operating revenue	17,190	18,722	-1,531	-8.2	16,800	+390	+2.3
	Operating profit	6,162	6,298	-136	-2.2	5,400	+762	+14.1
Hotel	Operating revenue	25,449	14,068	+11,380	+80.9	22,600	+2,849	+12.6
	Operating profit	3,564	-3,677	+7,242	—	100	+3,464	—
Other	Operating revenue	11,935	11,207	+727	+6.5	11,700	+235	+2.0
	Operating profit	752	444	+307	+69.2	300	+452	+150.9
Adjustments	Operating revenue	-5,313	-4,833	-479	—	-4,200	-1,113	—
	Operating profit	2	11	-8	-75.0	—	+2	—
Consolidated totals	Operating revenue	124,350	115,098	+9,252	+8.0	123,400	+950	+0.8
	Operating profit	13,081	4,529	+8,552	+188.8	7,700	+5,381	+69.9

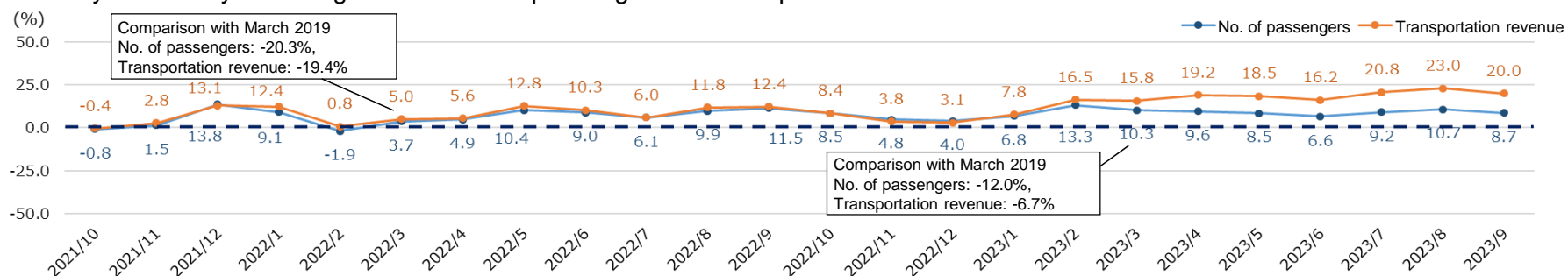
# Segment Information (Transportation)

	First half of FY3/2024	First half of FY3/2023	Change		(Million yen)		
			Amount	(%)	FY3/2024 First half plan	Change Amount	(%)
Operating revenue	20,879	17,523	+3,356	+19.2	22,200	-1,320	-5.9
Railway	17,632	14,589	+3,043	+20.9	19,000	-1,367	-7.2
Bus	3,269	2,959	+310	+10.5	3,200	+69	+2.2
Adjustments	-23	-25	+2	-	-	-23	-
Operating profit	2,202	217	+1,985	+914.4	2,200	+2	+0.1

## <Railway: No. of passengers/Transportation revenue>

	First half of FY3/2024	First half of FY3/2023	Change		FY3/2024 First half plan		
			Amount	(%)	Change Amount	(%)	
No. of passengers (1,000)							
Non-commuter	41,247	36,375	+4,872	+13.4	40,924	+323	+0.8
Commuter	66,434	62,551	+3,883	+6.2	67,570	-1,135	-1.7
Regular	52,171	49,158	+3,013	+6.1	52,759	-588	-1.1
Student	14,263	13,393	+870	+6.5	14,810	-547	-3.7
Total	107,682	98,926	+8,755	+8.9	108,494	-812	-0.7
Passenger transportation revenue (Million yen)							
Non-commuter	8,781	7,064	+1,716	+24.3	8,720	+61	+0.7
Commuter	7,249	6,341	+907	+14.3	8,025	-776	-9.7
Regular	6,580	5,738	+841	+14.7	7,297	-717	-9.8
Student	669	603	+65	+10.9	728	-59	-8.1
Total	16,030	13,406	+2,623	+19.6	16,745	-715	-4.3

## ➤ Railway: Year-on-year changes in number of passengers and transportation revenue



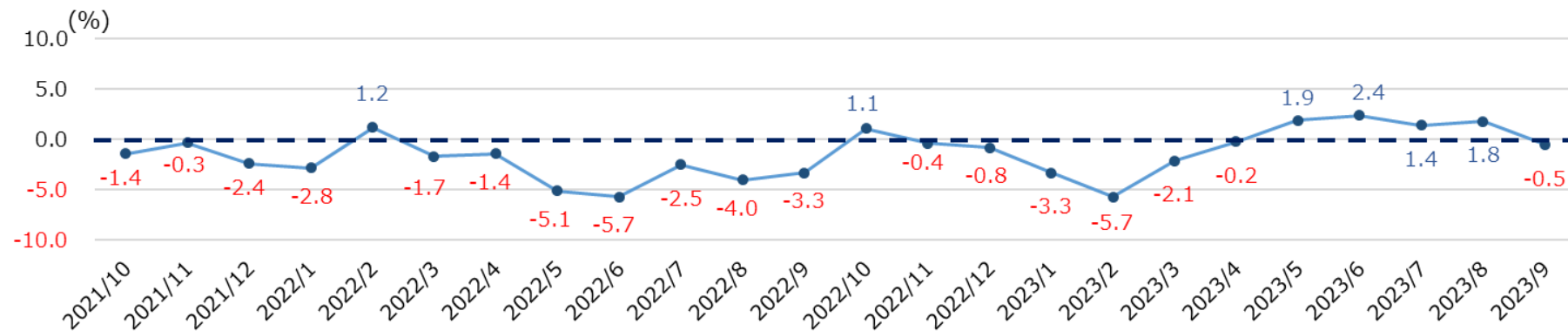
# Segment Information (Merchandising)

(Million yen)

	First half of FY3/2024	First half of FY3/2023	Change		FY3/2024 First half plan	Change	
			Amount	(%)		Amount	(%)
Operating revenue	47,774	46,862	+911	+1.9	47,800	-25	-0.1
Supermarket business	43,326	43,009	+316	+0.7	43,500	-173	-0.4
Other merchandising businesses	4,447	3,852	+595	+15.4	4,300	+147	+3.4
Adjustments	—	—	—	—	—	—	—
Operating profit	116	105	+11	+10.4	-200	+316	—

Revenue at existing stores in supermarket (Sotetsu Rosen)	Year-on-year change	+1.1%	Compared with the plan	+0.2%
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## ➤ Supermarket (Sotetsu Rosen): Existing stores(\*) Year-on-year changes in monthly revenue



\* Existing stores in the above monthly changes refer to stores operating in both the relevant month and the same month of the previous year. Stores that opened or closed before the end of a month are excluded.

New store: (FY3/2024) Shinagawa Minami-Oi store (opened on September 27, 2023)

(FY3/2023) Hoshikawa-Ekimae store (opened on February 9, 2023)

Closed store: (FY3/2023) Hiratsuka Umeya store (closed on September 25, 2022), Minamigaoka store (closed on March 9, 2023), Hikarigaoka store (closed on March 28, 2023)

# Segment Information (Real Estate)

(Million yen)

	First half of FY3/2024	First half of FY3/2023	Change		FY3/2024 First half plan	Change	
			Amount	(%)		Amount	(%)
Operating revenue	23,625	30,269	-6,643	-21.9	23,300	+325	+1.4
Sales	6,574	11,732	-5,157	-44.0	6,900	-325	-4.7
Leasing	17,190	18,722	-1,531	-8.2	16,800	+390	+2.3
Adjustments	-138	-184	+46	-	-400	+261	-
Operating profit	6,442	7,427	-985	-13.3	5,300	+1,142	+21.6
Sales	280	1,129	-849	-75.2	-100	+380	-
Leasing	6,162	6,298	-136	-2.2	5,400	+762	+14.1

<Number of condominiums and houses sold>

	First half of FY3/2024	First half of FY3/2023	Change	FY3/2024 First half plan	Change
Houses	12	-	12	18	-6
Total	59	145	-85	64	-4

# Segment Information (Hotel)

(Million yen)

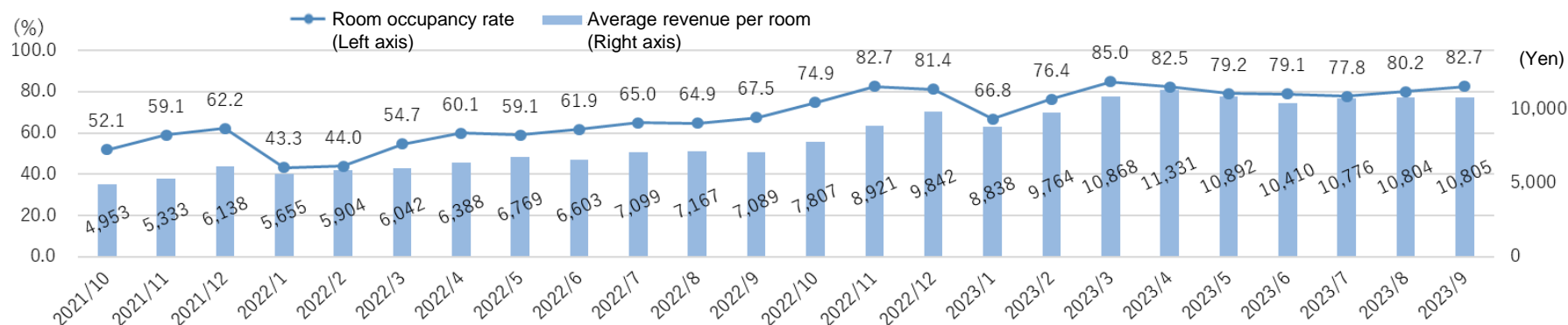
	First half of FY3/2024	First half of FY3/2023	Change		FY3/2024 First half plan	Change	
			Amount	(%)		Amount	(%)
Operating revenue	25,449	14,068	+11,380	+80.9	22,600	+2,849	+12.6
Operating profit	3,564	-3,677	+7,242	-	100	+3,464	-

## <Room occupancy rate/Average revenue per room>

	First half of FY3/2024	First half of FY3/2023	Change		FY3/2024 First half plan	Change	
			Amount	(%)		Amount	(%)
Room occupancy rate (%)							
Accommodation-specific hotels in Japan	80.2	63.1	+17.1 pts	-	84.1	-3.9 pts	-
Yokohama Bay Sheraton	84.0	71.6	+12.4 pts	-	82.1	+1.9 pts	-
Average revenue per room (Yen)							
Accommodation-specific hotels in Japan	10,835	6,869	+3,966	+57.7	9,107	+1,728	+19.0
Yokohama Bay Sheraton	23,203	19,115	+4,088	+21.4	20,895	+2,308	+11.0

\* The room occupancy rate and average revenue per room of accommodation-specific hotels in Japan are indicators for directly operated hotels and hotels managed for other companies in Japan, and do not include franchised or overseas hotels.

## ➤ Accommodation-specific hotels in Japan: Room occupancy rate and average revenue per room



# Segment Information (Other)

	First half of FY3/2024	First half of FY3/2023	Change		FY3/2024 First half plan	Change	
			Amount	( $\%$ )		Amount	( $\%$ )
Operating revenue	11,935	11,207	+727	+6.5	11,700	+235	+2.0
Building maintenance business	8,610	7,974	+635	+8.0	8,600	+10	+0.1
Other	3,729	3,606	+122	+3.4	3,500	+229	+6.6
Adjustments	-404	-373	-31	—	-400	-4	—
Operating profit	752	444	+307	+69.2	300	+452	+150.9



# Non-Operating Income/Expenses

(Million yen)

	First half of FY3/2024	First half of FY3/2023	Change		FY3/2024 First half plan	Change	
			Amount	(%)		Amount	(%)
Operating profit	13,081	4,529	+8,552	+188.8	7,700	+5,381	+69.9
Non-operating income	1,165	1,064	+100	+9.4	400	+765	+191.4
Interest income	109	110	-1	-1.0	100	+9	+9.2
Dividend income	104	93	+10	+10.8	100	+4	+4.0
Foreign exchange gains	806	525	+281	+53.6	–	+806	–
Compensation income	43	43	–	–	100	-56	-56.5
Reversal of clerical costs on work performed on contract	23	70	-47	-67.0	–	+23	–
Other	79	221	-142	-64.4	100	-20	-21.0
Non-operating expenses	1,661	1,525	+135	+8.9	1,500	+161	+10.7
Interest expenses	1,451	1,417	+33	+2.4	1,500	-48	-3.2
Other	209	107	+102	+95.4	–	+209	–
Ordinary profit	12,586	4,069	+8,516	+209.3	6,600	+5,986	+90.7

# Extraordinary Income/Losses

(Million yen)

	First half of FY3/2024	First half of FY3/2023	Change		FY3/2024 First half plan	Change	
			Amount	(%)		Amount	(%)
Ordinary profit	12,586	4,069	+8,516	+209.3	6,600	+5,986	+90.7
Extraordinary income	520	565	-45	-8.0	–	+520	–
Gain on sale of non-current assets	26	3	+22	+571.8	–	+26	–
Gain on sale of investment securities	3	–	+3	–	–	+3	–
Subsidies	480	447	+33	+7.5	–	+480	–
Compensation income	–	114	-114	–	–	–	–
Compensation for forced relocation	10	–	+10	–	–	+10	–
Extraordinary losses	577	945	-368	-38.9	100	+477	+477.4
Loss on sale of non-current assets	4	–	+4	–	–	+4	–
Loss on retirement of non-current assets	47	86	-39	-45.7	100	-52	-52.9
Loss on tax purpose reduction entry of non-current assets	471	428	+42	+9.9	–	+471	–
Impairment losses	52	–	+52	–	–	+52	–
Loss on withdrawal from business	1	428	-427	-99.6	–	+1	–
Other	0	1	-0	-64.1	–	+0	–
Profit before income taxes	12,528	3,688	+8,839	+239.6	6,500	+6,028	+92.8

# Financial Highlights (Consolidated Balance Sheet)

(Million yen)

	As of September 30, 2023	As of March 31, 2023	Change		Note
			Amount	(%)	
Current assets	71,318	73,290	-1,971	-2.7	Cash and deposits: -9,577, Inventories: +6,278, Other current assets: +1,533
Non-current assets	587,093	573,661	+13,432	+2.3	Property, plant and equipment: +12,594, Investment securities: +701
Total assets	658,411	646,951	+11,460	+1.8	
Current liabilities	123,736	93,586	+30,149	+32.2	
Non-current liabilities	380,520	407,574	-27,054	-6.6	
Total liabilities	504,257	501,161	+3,095	+0.6	Interest-bearing debt: +8,886, Lease liabilities: +1,399, Income taxes payable: +2,370, Other current liabilities: -10,124
Total net assets	154,154	145,789	+8,364	+5.7	Profit attributable to owners of parent: +8,947, Dividends: -1,469
Total liabilities and net assets	658,411	646,951	+11,460	+1.8	
Equity	154,055	145,696	+8,359	+5.7	
Equity ratio (%)	23.4	22.5	+0.9 pts	—	
Interest-bearing debt	364,116	355,230	+8,886	+2.5	

# Forecast for FY3/2024 (Consolidated Statement of Income)

(Million yen)

	Forecast as of first half of FY3/2024	FY3/2023 Actual	Forecast vs. Actual		FY3/2024 Plan	Forecast vs. Plan	
			Amount	(%)		Amount	(%)
Operating revenue	269,500	249,667	+19,832	+7.9	269,400	+100	+0.0
Operating profit	23,400	14,348	+9,051	+63.1	19,300	+4,100	+21.2
Non-operating income	1,600	1,355	+244	+18.0	700	+900	+128.6
Non-operating expenses	3,100	2,968	+131	+4.4	3,100	—	—
Ordinary profit	21,900	12,735	+9,164	+72.0	16,900	+5,000	+29.6
Extraordinary income	500	3,107	-2,607	-83.9	—	+500	—
Extraordinary losses	1,200	4,113	-2,913	-70.8	700	+500	+71.4
Profit before income taxes	21,200	11,729	+9,470	+80.7	16,200	+5,000	+30.9
Income taxes	6,900	4,779	+2,120	+44.4	5,700	+1,200	+21.1
Profit	14,300	6,950	+7,349	+105.7	10,500	+3,800	+36.2
Profit attributable to non-controlling interests	—	-29	+29	—	—	—	—
Profit attributable to owners of parent	14,300	6,980	+7,319	+104.9	10,500	+3,800	+36.2
	Forecast as of first half of FY3/2024	FY3/2023 Actual	Forecast vs. Actual		FY3/2024 Plan	Forecast vs. Plan	
			Amount	(%)		Amount	(%)
Net income per share (Yen)	145.96	71.25	+74.71	—	107.17	+38.79	—

# Forecast for FY3/2024 (All Segments)

(Million yen)

		Forecast as of first half of FY3/2024	FY3/2023 Actual	Forecast vs. Actual		FY3/2024 Plan	Forecast vs. Plan	
				Amount	(%)		Amount	(%)
Transportation	Operating revenue	42,300	35,679	+6,620	+18.6	44,300	-2,000	-4.5
	Operating profit	3,400	-892	+4,292	—	3,300	+100	+3.0
Merchandising	Operating revenue	95,900	93,951	+1,948	+2.1	97,800	-1,900	-1.9
	Operating profit	300	586	-286	-48.8	400	-100	-25.0
Real Estate	Operating revenue	64,200	70,383	-6,183	-8.8	64,100	+100	+0.2
	Operating profit	13,600	16,275	-2,675	-16.4	13,800	-200	-1.4
Sales	Operating revenue	29,800	34,751	-4,951	-14.2	30,000	-200	-0.7
	Operating profit	2,800	4,078	-1,278	-31.3	2,800	—	—
Leasing	Operating revenue	35,100	35,895	-795	-2.2	34,900	+200	+0.6
	Operating profit	10,800	12,197	-1,397	-11.5	11,000	-200	-1.8
Hotel	Operating revenue	51,400	35,965	+15,434	+42.9	47,200	+4,200	+8.9
	Operating profit	4,900	-2,697	+7,597	—	1,000	+3,900	+390.0
Other	Operating revenue	24,900	24,268	+631	+2.6	24,700	+200	+0.8
	Operating profit	1,200	1,066	+133	+12.6	900	+300	+33.3
Adjustments	Operating revenue	-9,200	-10,580	+1,380	—	-8,700	-500	—
	Operating profit	—	10	-10	—	-100	+100	—
Consolidated totals	Operating revenue	269,500	249,667	+19,832	+7.9	269,400	+100	+0.0
	Operating profit	23,400	14,348	+9,051	+63.1	19,300	+4,100	+21.2

# Forecast for FY3/2024 (Transportation)

(Million yen)

	Forecast as of first half of FY3/2024	FY3/2023 Actual	Forecast vs. Actual		FY3/2024 Plan	Forecast vs. Plan	
			Amount	(%)		Amount	(%)
Operating revenue	42,300	35,679	+6,620	+18.6	44,300	-2,000	-4.5
Railway	36,000	29,828	+6,171	+20.7	38,100	-2,100	-5.5
Bus	6,400	5,901	+498	+8.5	6,300	+100	+1.6
Adjustments	-100	-49	-50	—	-100	—	—
Operating profit	3,400	-892	+4,292	—	3,300	+100	+3.0

<Railway: No. of passengers/Transportation revenue>

	Forecast as of first half of FY3/2024	FY3/2023 Actual	Forecast vs. Actual		FY3/2024 Plan	Forecast vs. Plan	
			Amount	(%)		Amount	(%)
No. of passengers (1,000)							
Non-commuter	81,695	75,129	+6,566	+8.7	81,586	+108	+0.1
Commuter	130,886	123,961	+6,924	+5.6	132,763	-1,876	-1.4
Regular	103,588	98,189	+5,398	+5.5	105,195	-1,607	-1.5
Student	27,298	25,772	+1,526	+5.9	27,567	-269	-1.0
Total	212,582	199,091	+13,490	+6.8	214,350	-1,768	-0.8
Passenger transportation revenue (Million yen)							
Non-commuter	17,536	14,686	+2,850	+19.4	17,417	+119	+0.7
Commuter	15,168	12,669	+2,498	+19.7	15,977	-808	-5.1
Regular	13,824	11,506	+2,317	+20.1	14,612	-788	-5.4
Student	1,343	1,163	+180	+15.5	1,364	-20	-1.5
Total	32,704	27,356	+5,348	+19.6	33,394	-689	-2.1

# Forecast for FY3/2024 (Merchandising)

(Million yen)

	Forecast as of first half of FY3/2024	FY3/2023 Actual	Forecast vs. Actual		FY3/2024 Plan	Forecast vs. Plan	
			Amount	(%)		Amount	(%)
Operating revenue	95,900	93,951	+1,948	+2.1	97,800	-1,900	-1.9
Supermarket business	87,300	86,259	+1,040	+1.2	88,800	-1,500	-1.7
Other merchandising businesses	8,600	7,691	+908	+11.8	9,000	-400	-4.4
Adjustments	—	—	—	—	—	—	—
Operating profit	300	586	-286	-48.8	400	-100	-25.0

Revenue at existing stores in supermarket (Sotetsu Rosen)	Year-on-year change	+1.4%	Compared with the plan	-0.8%
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# Forecast for FY3/2024 (Real Estate)

(Million yen)

	Forecast as of first half of FY3/2024	FY3/2023 Actual	Forecast vs. Actual		FY3/2024 Plan	Forecast vs. Plan	
			Amount	(%)		Amount	(%)
Operating revenue	64,200	70,383	-6,183	-8.8	64,100	+100	+0.2
Sales	29,800	34,751	-4,951	-14.2	30,000	-200	-0.7
Leasing	35,100	35,895	-795	-2.2	34,900	+200	+0.6
Adjustments	-700	-264	-435	-	-800	+100	-
Operating profit	13,600	16,275	-2,675	-16.4	13,800	-200	-1.4
Sales	2,800	4,078	-1,278	-31.3	2,800	-	-
Leasing	10,800	12,197	-1,397	-11.5	11,000	-200	-1.8

## <Number of condominiums and houses sold>

	Forecast as of first half of FY3/2024	FY3/2023 Actual	Forecast vs. Actual	FY3/2024 Plan	Forecast vs. Plan
Houses	37	14	+22	37	-
Total	273	506	-233	293	-20



# Forecast for FY3/2024 (Hotel)

(Million yen)

	Forecast as of first half of FY3/2024	FY3/2023 Actual	Forecast vs. Actual		FY3/2024 Plan	Forecast vs. Plan	
			Amount	(%)		Amount	(%)
Operating revenue	51,400	35,965	+15,434	+42.9	47,200	+4,200	+8.9
Operating profit	4,900	-2,697	+7,597	—	1,000	+3,900	+390.0

## <Room occupancy rate/Average revenue per room>

	Forecast as of first half of FY3/2024	FY3/2023 Actual	Forecast vs. Actual		FY3/2024 Plan	Forecast vs. Plan	
			Amount	(%)		Amount	(%)
Room occupancy rate (%)							
Accommodation-specific hotels in Japan	81.6	70.6	+11.0 pts	—	85.0	-3.4 pts	—
Yokohama Bay Sheraton	83.5	77.7	+5.8 pts	—	82.4	+1.1 pts	—
Average revenue per room (Yen)							
Accommodation-specific hotels in Japan	10,701	8,287	+2,414	+29.1	9,360	+1,341	+14.3
Yokohama Bay Sheraton	23,087	21,149	+1,938	+9.2	21,500	+1,587	+7.4

\* The room occupancy rate and average revenue per room of accommodation-specific hotels in Japan are indicators for directly operated hotels and hotels managed for other companies in Japan, and do not include franchised or overseas hotels.

# Forecast for FY3/2024 (Other)

(Million yen)

	Forecast as of first half of FY3/2024	FY3/2023 Actual	Forecast vs. Actual		FY3/2024 Plan	Forecast vs. Plan	
			Amount	(%)		Amount	(%)
Operating revenue	24,900	24,268	+631	+2.6	24,700	+200	+0.8
Building maintenance business	18,000	17,498	+501	+2.9	18,000	—	—
Other	7,700	7,513	+186	+2.5	7,500	+200	+2.7
Adjustments	-800	-744	-55	—	-800	—	—
Operating profit	1,200	1,066	+133	+12.6	900	+300	+33.3

# Forecast for FY3/2024 (Capital Expenditure/Depreciation)

## ➤ Capital expenditure

	Forecast as of first half of FY3/2024	FY3/2023 Actual	Forecast vs. Actual		Details of expenditure for FY3/2024	FY3/2024 Plan	Forecast vs. Plan	
			Amount	(%)			Amount	(%)
Transportation	12,642	12,918	-275	-2.1	Establishment of platform doors, construction of new railway vehicles for Sotetsu-Tokyu through tracks (additional vehicles for the Meguro Line), modification of station equipment systems, elevated tracks project near Tsurugamine Station, purchase of bus vehicles	12,642	-	-
Merchandising	2,690	1,500	+1,190	+79.3	Establishment of new Sotetsu Rosen stores	2,690	-	-
Real Estate	45,700	13,623	+32,076	+235.5	Acquisition of new income-generating properties, the Yumegaoka Center area commercial district development project, Yokohama station Kita nishiguchi Tsuruya district redevelopment project, and the development project underneath the elevated railway tracks between Hoshikawa and Tenno-cho stations	45,700	-	-
Hotel	8,132	10,226	-2,093	-20.5	Hotel development plan in Thailand and hotel interior work in Taiwan	8,132	-	-
Other	1,438	818	+619	+75.6	Renewal of heat source equipment in the heat supply business	1,438	-	-
Consolidated totals	70,603	39,083	+31,520	+80.6		70,603	-	-

## ➤ Depreciation

	Forecast as of first half of FY3/2024	FY3/2023 Actual	Forecast vs. Actual		Note	FY3/2024 Plan	Forecast vs. Plan	
			Amount	(%)			Amount	(%)
Transportation	11,002	10,175	+826	+8.1		11,054	-51	-0.5
Merchandising	1,245	1,160	+85	+7.4		1,217	+28	+2.4
Real Estate	7,294	7,195	+98	+1.4		7,224	+69	+1.0
Hotel	3,685	3,389	+296	+8.7		3,761	-76	-2.0
Other	444	415	+28	+7.0		451	-7	-1.6
Consolidated totals	23,586	22,248	+1,337	+6.0		23,626	-40	-0.2



**SOTETSU**

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Forecasts for results of operations are based on information that was available when this presentation was released. Actual performance may differ from these forecasts for a number of reasons.