

Translation

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January 31, 2024

Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Under Japanese GAAP)

Company name: Nankai Electric Railway Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 9044
 URL: <https://www.nankai.co.jp/>
 Representative: Nobuyuki Okajima, Representative Director and President
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 Telephone: +81-06-6644-7145
 Scheduled date to file quarterly securities report: February 9, 2024
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2023	184,089	12.4	26,760	68.4	25,630	80.3	21,904	87.4
December 31, 2022	163,788	10.4	15,888	61.1	14,214	77.7	11,685	125.8

Note: Comprehensive income For the nine months ended December 31, 2023: ¥ 26,801 million [107.2 %]
 For the nine months ended December 31, 2022: ¥ 12,934 million [146.1 %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2023	193.45	—
December 31, 2022	103.18	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	925,899	298,531	30.7
March 31, 2023	935,113	274,586	27.9

Reference: Equity As of December 31, 2023: ¥ 284,525 million
 As of March 31, 2023: ¥ 261,121 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	—	0.00	—	25.00	25.00
Fiscal year ending March 31, 2024	—	0.00	—	—	—
Fiscal year ending March 31, 2024 (Forecast)	—	—	—	25.00	25.00

Note: Revisions to the forecast of cash dividends most recently announced: None

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 income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	248,000	12.1	27,200	29.4	25,400	33.9	21,800	49.1	192.52

Note: Revisions to the forecast of consolidated financial results most recently announced: None

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of December 31, 2023	113,402,446 shares	As of March 31, 2023	113,402,446 shares
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(ii) Number of treasury shares at the end of the period

As of December 31, 2023	169,867 shares	As of March 31, 2023	174,018 shares
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(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2023	113,230,934 shares	Nine months ended December 31, 2022	113,254,291 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	38,409	24,424
Notes and accounts receivable - trade, and contract assets	23,904	23,219
Securities	6	13,002
Merchandise and finished goods	23,089	16,763
Work in process	586	1,849
Raw materials and supplies	3,017	3,144
Other	14,704	11,766
Allowance for doubtful accounts	△102	△96
Total current assets	103,616	94,075
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	351,213	341,234
Land	359,470	355,680
Construction in progress	28,219	33,578
Other, net	29,817	30,550
Total property, plant and equipment	768,721	761,043
Intangible assets	9,544	9,892
Investments and other assets		
Investment securities	37,581	46,842
Retirement benefit asset	2,072	2,149
Other	14,116	12,424
Allowance for doubtful accounts	△538	△529
Total investments and other assets	53,231	60,887
Total non-current assets	831,497	831,823
Total assets	935,113	925,899

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	19,453	14,372
Short-term borrowings	94,776	89,018
Current portion of bonds payable	10,000	10,000
Income taxes payable	1,658	5,110
Provision for bonuses	2,836	752
Other	47,803	55,859
Total current liabilities	176,529	175,112
Non-current liabilities		
Bonds payable	130,000	120,000
Long-term borrowings	239,738	214,973
Retirement benefit liability	18,719	18,874
Other	95,539	98,408
Total non-current liabilities	483,997	452,255
Total liabilities	660,526	627,368
Net assets		
Shareholders' equity		
Share capital	72,983	72,983
Capital surplus	28,145	28,153
Retained earnings	113,688	132,509
Treasury shares	△468	△458
Total shareholders' equity	214,348	233,187
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,773	16,499
Deferred gains or losses on hedges	△0	—
Revaluation reserve for land	34,484	34,733
Remeasurements of defined benefit plans	515	104
Total accumulated other comprehensive income	46,772	51,337
Non-controlling interests	13,465	14,005
Total net assets	274,586	298,531
Total liabilities and net assets	935,113	925,899

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Operating revenue	163,788	184,089
Operating expenses		
Operating expenses and cost of sales of transportation	142,913	152,125
Selling, general and administrative expenses	4,986	5,203
Total operating expenses	147,899	157,329
Operating income	15,888	26,760
Non-operating income		
Interest income	15	14
Dividend income	977	1,163
Miscellaneous income	500	614
Total non-operating income	1,492	1,792
Non-operating expenses		
Interest expenses	2,660	2,515
Miscellaneous expenses	506	405
Total non-operating expenses	3,167	2,921
Ordinary income	14,214	25,630
Extraordinary income		
Gain on sale of non-current assets	314	5,454
Contribution received for construction	251	175
Cooperation money income	545	—
Other	223	3
Total extraordinary income	1,334	5,632
Extraordinary losses		
Loss on valuation of investment securities	—	332
Impairment losses	—	253
Tax purpose reduction entry of contribution for construction	230	170
Loss on retirement of non-current assets	385	42
Loss on liquidation of subsidiaries and associates	197	—
Other	169	—
Total extraordinary losses	983	798
Profit before income taxes	14,565	30,464
Income taxes - current	1,408	6,253
Income taxes - deferred	1,162	1,902
Total income taxes	2,571	8,155
Profit	11,994	22,309
Profit attributable to non-controlling interests	308	405
Profit attributable to owners of parent	11,685	21,904

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	11,994	22,309
Other comprehensive income		
Valuation difference on available-for-sale securities	1,192	4,917
Deferred gains or losses on hedges	△0	0
Remeasurements of defined benefit plans, net of tax	△252	△425
Total other comprehensive income	939	4,492
Comprehensive income	12,934	26,801
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,593	26,219
Comprehensive income attributable to non-controlling interests	340	582

Segment information

Nine months ended December 31, 2022

Information on operating revenue and operating income or loss by reported segment

(Millions of yen)

	Transportation	Real Estate	Distribution	Leisure and Services	Construction	Other	Total	Adjustment	Consolidated
Operating revenue									
Revenues from external customers	69,827	31,813	17,570	20,575	23,908	93	163,788	—	163,788
Transactions with other segments	793	755	427	7,695	6,858	1,544	18,075	△18,075	—
Total	70,621	32,568	17,998	28,270	30,766	1,638	181,864	△18,075	163,788
Operating income (loss)	295	9,837	1,550	2,880	1,225	△117	15,671	216	15,888

Nine months ended December 31, 2023

Information on operating revenue and operating income or loss by reported segment

(Millions of yen)

	Transportation	Real Estate	Distribution	Leisure and Services	Construction	Other	Total	Adjustment	Consolidated
Operating revenue									
Revenues from external customers	74,735	42,072	19,505	21,871	25,803	100	184,089	—	184,089
Transactions with other segments	878	841	452	8,409	6,849	2,580	20,012	△20,012	—
Total	75,614	42,914	19,958	30,280	32,653	2,680	204,101	△20,012	184,089
Operating income	7,741	12,691	2,516	2,688	800	18	26,458	301	26,760