

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

February 2, 2024

Company name: Sotetsu Holdings, Inc.  
 Stock exchange listing: Tokyo  
 Stock code: 9003 URL <https://www.sotetsu.co.jp>  
 Representative: Representative Director, President Hideyuki Takizawa  
 General Manager, Corporate Strategy Hajime Mori  
 Inquiries: Division TEL 045-319-2043  
 Scheduled date to file Quarterly Securities Report: February 13, 2024  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

### 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 profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2023	191,158	7.5	21,379	114.8	20,194	126.8	13,952	154.5
Nine months ended December 31, 2022	177,888	11.2	9,952	203.7	8,906	247.8	5,482	294.1

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2023	142.41	–
Nine months ended December 31, 2022	55.96	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	669,131	156,782	23.4
As of March 31, 2023	646,951	145,789	22.5

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2023	–	10.00	–	15.00	25.00
Year ending March 31, 2024	–	20.00	–		
Year ending March 31, 2024 (Forecast)				30.00	50.00

### 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	271,700	8.8	26,900	87.5	25,600	101.0	17,000	143.5	173.52

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2023  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (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 December 31, 2023	98,145,499 shares	As of March 31, 2023	98,145,499 shares
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Number of treasury shares at the end of the period

As of December 31, 2023	171,972 shares	As of March 31, 2023	170,058 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2023	97,974,511 shares	Nine months ended December 31, 2022	97,977,023 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
<b>Assets</b>		
Current assets		
Cash and deposits	20,156	16,171
Notes and accounts receivable - trade	12,483	12,789
Inventories	28,600	35,413
Other	12,087	16,456
Allowance for doubtful accounts	(38)	(6)
Total current assets	73,290	80,823
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	182,353	182,474
Machinery, equipment and vehicles, net	36,141	36,679
Land	262,415	271,462
Right-of-use assets, net	15,399	15,877
Construction in progress	14,432	19,726
Other, net	5,968	5,366
Total property, plant and equipment	516,710	531,586
Intangible assets		
Goodwill	1,008	851
Leasehold interests in land	3,546	3,546
Other	5,091	4,553
Total intangible assets	9,646	8,950
Investments and other assets		
Investment securities	12,972	12,933
Long-term loans receivable	1,341	2,102
Retirement benefit asset	12,491	12,830
Deferred tax assets	6,703	6,007
Other	14,313	14,418
Allowance for doubtful accounts	(518)	(522)
Total investments and other assets	47,303	47,770
Total non-current assets	573,661	588,308
Total assets	646,951	669,131

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	9,307	7,818
Short-term borrowings	37,893	66,636
Current portion of bonds payable	–	10,000
Lease liabilities	1,173	1,443
Income taxes payable	1,346	4,248
Contract liabilities	5,927	7,068
Provision for bonuses	2,336	895
Other provisions	119	204
Asset retirement obligations	26	76
Other	35,456	28,513
<b>Total current liabilities</b>	<b>93,586</b>	<b>126,904</b>
<b>Non-current liabilities</b>		
Bonds payable	185,000	175,000
Long-term borrowings	132,337	120,298
Lease liabilities	16,919	17,849
Deferred tax liabilities for land revaluation	23,223	23,223
Retirement benefit liability	18,540	17,969
Long-term leasehold and guarantee deposits received	27,802	27,162
Asset retirement obligations	3,097	3,375
Other	652	565
<b>Total non-current liabilities</b>	<b>407,574</b>	<b>385,444</b>
<b>Total liabilities</b>	<b>501,161</b>	<b>512,349</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	38,803	38,803
Capital surplus	26,980	26,981
Retained earnings	75,842	86,366
Treasury shares	(353)	(358)
<b>Total shareholders' equity</b>	<b>141,273</b>	<b>151,791</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	4,166	4,650
Revaluation reserve for land	(394)	(394)
Foreign currency translation adjustment	(411)	(283)
Remeasurements of defined benefit plans	1,062	920
<b>Total accumulated other comprehensive income</b>	<b>4,423</b>	<b>4,893</b>
<b>Non-controlling interests</b>	<b>93</b>	<b>97</b>
<b>Total net assets</b>	<b>145,789</b>	<b>156,782</b>
<b>Total liabilities and net assets</b>	<b>646,951</b>	<b>669,131</b>

## 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	177,888	191,158
Operating expenses		
Operating expenses and cost of sales of transportation	125,045	123,173
Selling, general and administrative expenses	42,889	46,605
Total operating expenses	167,935	169,778
Operating profit	9,952	21,379
Non-operating income		
Interest income	152	175
Dividend income	169	197
Foreign exchange gains	399	665
Compensation income	65	65
Reversal of clerical costs on work performed on contract	98	23
Miscellaneous income	321	174
Total non-operating income	1,206	1,301
Non-operating expenses		
Interest expenses	2,138	2,189
Miscellaneous expenses	115	296
Total non-operating expenses	2,253	2,485
Ordinary profit	8,906	20,194
Extraordinary income		
Gain on sale of non-current assets	3	27
Gain on sale of investment securities	–	3
Contribution received for construction	–	170
Subsidies	631	520
Compensation income	114	–
Compensation for forced relocation	–	10
Gain on receipt of donated non-current assets	0	1
Total extraordinary income	749	732
Extraordinary losses		
Loss on sale of non-current assets	–	4
Loss on retirement of non-current assets	161	210
Loss on tax purpose reduction entry of non-current assets	600	672
Impairment losses	30	52
Loss on withdrawal from business	428	1
Other	9	0
Total extraordinary losses	1,230	941
Profit before income taxes	8,425	19,986
Income taxes - current	1,730	5,461
Income taxes - deferred	1,227	673
Total income taxes	2,958	6,135
Profit	5,466	13,851
Loss attributable to non-controlling interests	(16)	(101)
Profit attributable to owners of parent	5,482	13,952

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	5,466	13,851
Other comprehensive income		
Valuation difference on available-for-sale securities	1,485	484
Foreign currency translation adjustment	818	82
Remeasurements of defined benefit plans, net of tax	(82)	(141)
Share of other comprehensive income of entities accounted for using equity method	–	150
Total other comprehensive income	2,220	575
Comprehensive income	7,687	14,426
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,623	14,423
Comprehensive income attributable to non-controlling interests	64	3