

Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

April 26, 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  
 Inquiries: Division Hajime Mori TEL 045-319-2043  
 Scheduled date of ordinary general meeting of shareholders: June 27, 2024  
 Scheduled date to file Securities Report: June 28, 2024  
 Scheduled date to commence dividend payments: June 28, 2024  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2024	270,039	8.2	28,965	101.9	26,995	112.0	16,080	130.4
Year ended March 31, 2023	249,667	15.2	14,348	258.9	12,735	286.6	6,980	276.2

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	164.13	–	10.4	4.0	10.7
Year ended March 31, 2023	71.25	–	4.9	2.0	5.7

(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, 2024	715,383	164,732	23.0	1,680.59
As of March 31, 2023	646,951	145,789	22.5	1,487.07

(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, 2024	20,555	(58,037)	34,922	17,664
Year ended March 31, 2023	36,346	(33,572)	(4,919)	20,156

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, 2023	–	10.00	–	15.00	25.00	2,449	35.1	1.7
Year ended March 31, 2024	–	20.00	–	30.00	50.00	4,898	30.5	3.2
Year ending March 31, 2025 (Forecast)	–	25.00	–	25.00	50.00		25.6	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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
Six months ending September 30, 2024	148,200	19.2	17,300	32.2	15,900	26.3	11,100	24.1	113.30
Full year	290,700	7.7	31,800	9.8	28,800	6.7	19,100	18.8	194.95

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(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: No

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, 2024	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 March 31, 2024	172,508 shares	As of March 31, 2023	170,058 shares
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Average number of shares during the period

Year ended March 31, 2024	97,974,205 shares	Year ended March 31, 2023	97,976,708 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	20,156	17,664
Notes and accounts receivable - trade	12,483	21,401
Operational investment securities	–	9,885
Inventories	28,600	38,747
Other	12,087	15,742
Allowance for doubtful accounts	(38)	(6)
Total current assets	73,290	103,435
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	182,353	197,499
Machinery, equipment and vehicles, net	36,141	36,215
Land	262,415	278,059
Right-of-use assets, net	15,399	15,375
Construction in progress	14,432	15,082
Other, net	5,968	5,650
Total property, plant and equipment	516,710	547,882
Intangible assets		
Goodwill	1,008	90
Leasehold interests in land	3,546	3,546
Other	5,091	4,903
Total intangible assets	9,646	8,540
Investments and other assets		
Investment securities	12,972	15,644
Long-term loans receivable	1,341	2,127
Retirement benefit asset	12,491	19,967
Deferred tax assets	6,703	3,574
Other	14,313	14,731
Allowance for doubtful accounts	(518)	(522)
Total investments and other assets	47,303	55,524
Total non-current assets	573,661	611,947
Total assets	646,951	715,383

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	9,307	8,194
Short-term borrowings	37,893	57,942
Current portion of bonds payable	—	20,000
Lease liabilities	1,173	1,498
Income taxes payable	1,346	7,061
Contract liabilities	5,927	5,288
Provision for bonuses	2,336	2,420
Other provisions	119	146
Asset retirement obligations	26	43
Other	35,456	36,930
<b>Total current liabilities</b>	<b>93,586</b>	<b>139,526</b>
<b>Non-current liabilities</b>		
Bonds payable	185,000	165,000
Long-term borrowings	132,337	154,932
Lease liabilities	16,919	17,498
Deferred tax liabilities for land revaluation	23,223	23,210
Retirement benefit liability	18,540	17,851
Long-term leasehold and guarantee deposits received	27,802	27,615
Asset retirement obligations	3,097	4,203
Other	652	812
<b>Total non-current liabilities</b>	<b>407,574</b>	<b>411,123</b>
<b>Total liabilities</b>	<b>501,161</b>	<b>550,650</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	88,509
Treasury shares	(353)	(359)
<b>Total shareholders' equity</b>	<b>141,273</b>	<b>153,933</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	4,166	6,060
Revaluation reserve for land	(394)	(410)
Foreign currency translation adjustment	(411)	(648)
Remeasurements of defined benefit plans	1,062	5,716
<b>Total accumulated other comprehensive income</b>	<b>4,423</b>	<b>10,718</b>
<b>Non-controlling interests</b>	<b>93</b>	<b>80</b>
<b>Total net assets</b>	<b>145,789</b>	<b>164,732</b>
<b>Total liabilities and net assets</b>	<b>646,951</b>	<b>715,383</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Operating revenue	249,667	270,039
Operating expenses		
Operating expenses and cost of sales of transportation	175,835	175,455
Selling, general and administrative expenses	59,483	65,618
Total operating expenses	235,319	241,074
Operating profit	14,348	28,965
Non-operating income		
Interest income	199	245
Dividend income	173	202
Foreign exchange gains	345	884
Compensation income	87	84
Reversal of clerical costs on work performed on contract	82	21
Miscellaneous income	468	212
Total non-operating income	1,355	1,650
Non-operating expenses		
Interest expenses	2,842	2,909
Miscellaneous expenses	126	710
Total non-operating expenses	2,968	3,620
Ordinary profit	12,735	26,995
Extraordinary income		
Gain on sale of non-current assets	22	108
Gain on receipt of donated non-current assets	0	1
Gain on sale of investment securities	–	3
Contribution received for construction	2,135	175
Subsidies	819	527
Compensation income	114	–
Compensation for forced relocation	–	10
Other	14	–
Total extraordinary income	3,107	825
Extraordinary losses		
Loss on sale of non-current assets	–	532
Loss on retirement of non-current assets	389	482
Loss on tax purpose reduction entry of non-current assets	2,812	683
Impairment losses	438	1,248
Loss on withdrawal from business	461	1
Other	11	54
Total extraordinary losses	4,113	3,003
Profit before income taxes	11,729	24,818
Income taxes - current	3,430	8,591
Income taxes - deferred	1,349	283
Total income taxes	4,779	8,875
Profit	6,950	15,942
Loss attributable to non-controlling interests	(29)	(137)
Profit attributable to owners of parent	6,980	16,080

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	6,950	15,942
Other comprehensive income		
Valuation difference on available-for-sale securities	1,514	1,893
Revaluation reserve for land	–	0
Foreign currency translation adjustment	240	(297)
Remeasurements of defined benefit plans, net of tax	320	4,654
Share of other comprehensive income of entities accounted for using equity method	–	180
Total other comprehensive income	2,076	6,431
Comprehensive income	9,027	22,373
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,014	22,391
Comprehensive income attributable to non-controlling interests	13	(17)

## Consolidated statements of changes in equity

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	38,803	26,980	71,801	(348)	137,237
Changes during period					
Dividends of surplus			(2,939)		(2,939)
Reversal of revaluation reserve for land					–
Profit attributable to owners of parent			6,980		6,980
Purchase of treasury shares				(5)	(5)
Disposal of treasury shares		0		0	0
Net changes in items other than shareholders' equity					
Total changes during period	–	0	4,041	(5)	4,036
Balance at end of period	38,803	26,980	75,842	(353)	141,273

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,651	(394)	(608)	741	2,389	80	139,707
Changes during period							
Dividends of surplus							(2,939)
Reversal of revaluation reserve for land							–
Profit attributable to owners of parent							6,980
Purchase of treasury shares							(5)
Disposal of treasury shares							0
Net changes in items other than shareholders' equity	1,514	–	197	320	2,033	13	2,046
Total changes during period	1,514	–	197	320	2,033	13	6,082
Balance at end of period	4,166	(394)	(411)	1,062	4,423	93	145,789

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	38,803	26,980	75,842	(353)	141,273
Changes during period					
Dividends of surplus			(3,429)		(3,429)
Reversal of revaluation reserve for land			15		15
Profit attributable to owners of parent			16,080		16,080
Purchase of treasury shares				(6)	(6)
Disposal of treasury shares		0		0	0
Net changes in items other than shareholders' equity					
Total changes during period	-	0	12,667	(6)	12,660
Balance at end of period	38,803	26,981	88,509	(359)	153,933

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	4,166	(394)	(411)	1,062	4,423	93	145,789
Changes during period							
Dividends of surplus							(3,429)
Reversal of revaluation reserve for land							15
Profit attributable to owners of parent							16,080
Purchase of treasury shares							(6)
Disposal of treasury shares							0
Net changes in items other than shareholders' equity	1,893	(15)	(237)	4,654	6,295	(13)	6,282
Total changes during period	1,893	(15)	(237)	4,654	6,295	(13)	18,942
Balance at end of period	6,060	(410)	(648)	5,716	10,718	80	164,732



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	11,729	24,818
Depreciation	22,248	23,856
Impairment losses	438	1,248
Amortization of goodwill	209	209
Decrease (increase) in retirement benefit asset	(991)	(7,475)
Increase (decrease) in retirement benefit liability	(419)	(689)
Increase (decrease) in allowance for doubtful accounts	(3)	(27)
Increase (decrease) in provision for bonuses	(78)	84
Increase (decrease) in other provisions	(29)	26
Interest and dividend income	(372)	(447)
Interest expenses	2,842	2,909
Contribution received for construction	(2,135)	(175)
Subsidy income	(819)	(527)
Loss (gain) on sale and retirement of property, plant and equipment	732	996
Gain on receipt of donated non-current assets	(0)	(1)
Loss on tax purpose reduction entry of non-current assets	2,812	683
Loss on withdrawal from business	461	1
Loss (gain) on sale of investment securities	–	(3)
Decrease (increase) in trade receivables	42	(8,926)
Decrease (increase) in operational investment securities	–	(8,785)
Decrease (increase) in inventories	(6,157)	(10,133)
Decrease (increase) in other current assets	2,604	(2,656)
Increase (decrease) in trade payables	2,880	(1,113)
Increase (decrease) in contract liabilities	1,505	(638)
Increase (decrease) in leasehold and guarantee deposits received	202	(219)
Increase (decrease) in other current liabilities	709	4,364
Other, net	1,628	6,050
Subtotal	40,042	23,428
Income taxes refund (paid)	(3,696)	(2,873)
Net cash provided by (used in) operating activities	36,346	20,555
Cash flows from investing activities		
Interest and dividends received	251	227
Purchase of property, plant and equipment	(29,353)	(56,773)
Proceeds from sale of property, plant and equipment	20	733
Purchase of intangible assets	(2,601)	(1,488)
Purchase of investment securities	(4,164)	(1,079)
Proceeds from sale of investment securities	–	13
Payments of leasehold and guarantee deposits	(367)	(104)
Proceeds from refund of leasehold and guarantee deposits	362	451
Proceeds from contribution received for construction	2,135	175
Subsidies received	819	527
Other, net	(673)	(721)
Net cash provided by (used in) investing activities	(33,572)	(58,037)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Interest paid	(2,796)	(2,946)
Net increase (decrease) in short-term borrowings	1,830	11,200
Proceeds from long-term borrowings	16,684	51,380
Repayments of long-term borrowings	(21,442)	(19,978)
Proceeds from issuance of bonds	14,927	–
Redemption of bonds	(10,000)	–
Dividends paid	(2,926)	(3,415)
Net decrease (increase) in treasury shares	(5)	(6)
Other, net	(1,191)	(1,309)
Net cash provided by (used in) financing activities	(4,919)	34,922
Effect of exchange rate change on cash and cash equivalents	261	66
Net increase (decrease) in cash and cash equivalents	(1,883)	(2,491)
Cash and cash equivalents at beginning of period	22,040	20,156
Cash and cash equivalents at end of period	20,156	17,664