

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

July 31, 2024

Consolidated Financial Results for the Three Months Ended June 30, 2024 (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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Scheduled date to commence dividend payments: —
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

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

1. Consolidated financial results for the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(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	%
Three months ended June 30, 2024	59,722	8.9	9,876	44.7	9,754	47.7	6,718	58.6
June 30, 2023	54,845	5.8	6,827	42.3	6,603	47.1	4,235	34.5

Note: Comprehensive income For the three months ended June 30, 2024: ¥ 9,194 million [12.5 %]
For the three months ended June 30, 2023: ¥ 8,173 million [232.3 %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	59.33	—
June 30, 2023	37.40	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	931,787	312,282	31.9
March 31, 2024	950,650	307,102	30.8

Reference: Equity As of June 30, 2024: ¥ 297,473 million
As of March 31, 2024: ¥ 292,581 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, 2024	—	0.00	—	35.00	35.00
Fiscal year ending March 31, 2025	—				
Fiscal year ending March 31, 2025 (Forecast)		17.50	—	17.50	35.00

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

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

(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
Six months ending September 30, 2024	126,800	7.8	16,200	13.8	15,100	13.8	8,900	0.4	78.60
Full year	259,100	7.2	31,000	0.6	28,700	(2.1)	17,900	(25.2)	158.08

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

* Notes

- (1) Significant changes in the scope of consolidation during the period: 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: Yes
 - (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 June 30, 2024	113,402,446 shares	As of March 31, 2024	113,402,446 shares
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(ii) Number of treasury shares at the end of the period

As of June 30, 2024	172,349 shares	As of March 31, 2024	171,350 shares
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(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2024	113,230,570 shares	Three months ended June 30, 2023	113,228,032 shares
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* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm:

None

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	43,286	28,353
Notes and accounts receivable - trade, and contract assets	23,009	22,370
Merchandise and finished goods	21,163	22,666
Work in process	557	846
Raw materials and supplies	3,300	3,366
Other	14,096	11,508
Allowance for doubtful accounts	(59)	(68)
Total current assets	105,354	89,043
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	340,717	339,351
Land	353,198	354,240
Construction in progress	34,337	26,994
Other, net	34,743	33,861
Total property, plant and equipment	762,996	754,447
Intangible assets	10,265	9,904
Investments and other assets		
Investment securities	53,524	59,913
Retirement benefit asset	4,709	4,788
Other	14,428	14,331
Allowance for doubtful accounts	(627)	(641)
Total investments and other assets	72,033	78,391
Total non-current assets	845,296	842,743
Total assets	950,650	931,787

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	17,244	13,873
Short-term borrowings	80,524	64,167
Current portion of bonds payable	10,000	20,000
Income taxes payable	7,615	2,012
Provision for bonuses	3,040	1,102
Other	63,577	59,844
Total current liabilities	182,002	161,000
Non-current liabilities		
Bonds payable	120,000	120,000
Long-term borrowings	220,455	215,607
Retirement benefit liability	18,962	19,059
Other	102,127	103,837
Total non-current liabilities	461,545	458,504
Total liabilities	643,548	619,504
Net assets		
Shareholders' equity		
Share capital	72,983	72,983
Capital surplus	28,153	28,153
Retained earnings	134,531	137,286
Treasury shares	(463)	(465)
Total shareholders' equity	235,205	237,957
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	21,043	23,305
Revaluation reserve for land	34,733	34,731
Remeasurements of defined benefit plans	1,598	1,478
Total accumulated other comprehensive income	57,375	59,515
Non-controlling interests	14,520	14,809
Total net assets	307,102	312,282
Total liabilities and net assets	950,650	931,787

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Operating revenue	54,845	59,722
Operating expenses		
Operating expenses and cost of sales of transportation	46,287	48,022
Selling, general and administrative expenses	1,730	1,823
Total operating expenses	48,018	49,846
Operating income	6,827	9,876
Non-operating income		
Interest income	1	0
Dividend income	610	639
Miscellaneous income	122	167
Total non-operating income	734	807
Non-operating expenses		
Interest expenses	859	796
Miscellaneous expenses	98	132
Total non-operating expenses	957	928
Ordinary income	6,603	9,754
Extraordinary income		
Contribution received for construction	—	8,400
Other	—	80
Total extraordinary income	—	8,480
Extraordinary losses		
Tax purpose reduction entry of contribution for construction	—	8,396
Loss on valuation of investment securities	332	—
Other	42	18
Total extraordinary losses	374	8,414
Profit before income taxes	6,229	9,821
Income taxes - current	876	1,766
Income taxes - deferred	1,071	1,093
Total income taxes	1,947	2,859
Profit	4,281	6,961
Profit attributable to non-controlling interests	46	243
Profit attributable to owners of parent	4,235	6,718

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	4,281	6,961
Other comprehensive income		
Valuation difference on available-for-sale securities	4,072	2,359
Deferred gains or losses on hedges	0	—
Remeasurements of defined benefit plans, net of tax	(180)	(126)
Total other comprehensive income	3,892	2,232
Comprehensive income	8,173	9,194
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,973	8,860
Comprehensive income attributable to non-controlling interests	199	334

Segment information

Three months ended June 30, 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
Sales									
Revenues from external customers	23,778	9,279	6,169	6,907	8,675	34	54,845	—	54,845
Transactions with other segments	274	291	165	2,328	1,833	463	5,357	(5,357)	—
Total	24,052	9,571	6,335	9,235	10,508	497	60,202	(5,357)	54,845
Operating income (loss)	2,082	3,160	714	723	57	(73)	6,664	162	6,827

Three months ended June 30, 2024

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
Sales									
Revenues from external customers	27,133	8,904	6,871	7,717	9,079	15	59,722	—	59,722
Transactions with other segments	275	255	164	2,128	1,450	527	4,802	(4,802)	—
Total	27,409	9,159	7,036	9,846	10,530	543	64,524	(4,802)	59,722
Operating income (loss)	4,547	3,051	1,113	792	307	(98)	9,714	161	9,876