

Translation

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In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

January 30, 2025

Consolidated Financial Results for the Nine Months Ended December 31, 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
Inquiries: Toshiyuki Takeda, Chief Manager, Finance & Accounting Department
Telephone: +81-06-6644-7145
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 nine months ended December 31, 2024 (from April 1, 2024 to December 31, 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	%
Nine months ended December 31, 2024	187,114	1.6	29,206	9.1	30,624	19.5	20,210	(7.7)
December 31, 2023	184,089	12.4	26,760	68.4	25,630	80.3	21,904	87.4

Note: Comprehensive income For the nine months ended December 31, 2024: ¥ 21,623 million [(19.3) %]
For the nine months ended December 31, 2023: ¥ 26,801 million [107.2 %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2024	178.49	—
December 31, 2023	193.45	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	951,483	324,138	32.3
March 31, 2024	950,650	307,102	30.8

Reference: Equity As of December 31, 2024: ¥ 307,553 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	—	17.50	—		
Fiscal year ending March 31, 2025 (Forecast)				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
Full year	262,400	8.6	32,700	6.1	33,000	12.6	21,200	(11.4)	187.23

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 December 31, 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 December 31, 2024	173,874 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)

Nine months ended December 31, 2024	113,229,671 shares	Nine months ended December 31, 2023	113,230,934 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 December 31, 2024
Assets		
Current assets		
Cash and deposits	43,286	25,875
Notes and accounts receivable – trade, and contract assets	23,009	29,014
Merchandise and finished goods	21,163	25,929
Work in process	557	1,447
Raw materials and supplies	3,300	3,453
Other	14,096	15,094
Allowance for doubtful accounts	(59)	(106)
Total current assets	105,354	100,709
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	340,717	334,277
Land	353,198	355,631
Construction in progress	34,337	29,706
Other, net	34,743	35,482
Total property, plant and equipment	762,996	755,097
Intangible assets	10,265	14,447
Investments and other assets		
Investment securities	53,524	62,642
Retirement benefit asset	4,709	4,947
Other	14,428	14,096
Allowance for doubtful accounts	(627)	(458)
Total investments and other assets	72,033	81,228
Total non-current assets	845,296	850,773
Total assets	950,650	951,483

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	17,244	18,147
Short-term borrowings	80,524	75,768
Current portion of bonds payable	10,000	10,000
Income taxes payable	7,615	3,142
Provision for bonuses	3,040	906
Other	63,577	56,770
Total current liabilities	182,002	164,735
Non-current liabilities		
Bonds payable	120,000	120,000
Long-term borrowings	220,455	219,279
Retirement benefit liability	18,962	19,156
Other	102,127	104,172
Total non-current liabilities	461,545	462,608
Total liabilities	643,548	627,344
Net assets		
Shareholders' equity		
Share capital	72,983	72,983
Capital surplus	28,153	28,181
Retained earnings	134,531	148,757
Treasury shares	(463)	(469)
Total shareholders' equity	235,205	249,452
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	21,043	22,141
Revaluation reserve for land	34,733	34,726
Remeasurements of defined benefit plans	1,598	1,232
Total accumulated other comprehensive income	57,375	58,100
Non-controlling interests	14,520	16,585
Total net assets	307,102	324,138
Total liabilities and net assets	950,650	951,483

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, 2023	Nine months ended December 31, 2024
Operating revenue	184,089	187,114
Operating expenses		
Operating expenses and cost of sales of transportation	152,125	152,207
Selling, general and administrative expenses	5,203	5,700
Total operating expenses	157,329	157,907
Operating income	26,760	29,206
Non-operating income		
Interest income	14	14
Dividend income	1,163	3,753
Miscellaneous income	614	473
Total non-operating income	1,792	4,241
Non-operating expenses		
Interest expenses	2,515	2,385
Miscellaneous expenses	405	437
Total non-operating expenses	2,921	2,822
Ordinary income	25,630	30,624
Extraordinary income		
Contribution received for construction	175	8,894
Gain on sale of non-current assets	5,454	68
Other	3	304
Total extraordinary income	5,632	9,268
Extraordinary losses		
Tax purpose reduction entry of contribution for construction	170	8,890
Loss on valuation of investment securities	332	—
Impairment losses	253	—
Other	42	1,724
Total extraordinary losses	798	10,615
Profit before income taxes	30,464	29,277
Income taxes - current	6,253	6,538
Income taxes - deferred	1,902	1,852
Total income taxes	8,155	8,390
Profit	22,309	20,886
Profit attributable to non-controlling interests	405	676
Profit attributable to owners of parent	21,904	20,210

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	22,309	20,886
Other comprehensive income		
Valuation difference on available-for-sale securities	4,917	1,123
Deferred gains or losses on hedges	0	—
Remeasurements of defined benefit plans, net of tax	(425)	(386)
Total other comprehensive income	4,492	736
Comprehensive income	26,801	21,623
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	26,219	20,942
Comprehensive income attributable to non-controlling interests	582	680

Segment information

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
Sales									
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

Nine months ended December 31, 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	83,239	29,729	21,318	23,537	29,213	75	187,114	—	187,114
Transactions with other segments	876	904	463	7,849	7,614	1,997	19,706	(19,706)	—
Total	84,116	30,634	21,781	31,387	36,827	2,073	206,820	(19,706)	187,114
Operating income (loss)	12,440	9,680	3,422	2,481	1,345	(273)	29,097	108	29,206