

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2021 (Based on Japanese GAAP)

May 14, 2021

Company name: Kintetsu Group Holdings Co.,Ltd.
 Stock exchange listing: Tokyo
 Stock code: 9041 URL <https://www.kintetsu-g-hd.co.jp/>
 Representative: President Toshihide Ogura
 General Manager of Accounting and Finance
 Inquiries: Naoyuki Isokawa TEL 06-6775-3465
 Division
 Scheduled date of ordinary general meeting of shareholders: June 18, 2021
 Scheduled date to file Securities Report: June 21, 2021
 Scheduled date to commence dividend payments: –
 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, 2021 (from April 1, 2020 to March 31, 2021)

(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, 2021	697,203	(41.6)	(62,115)	–	(41,959)	–	(60,187)	–
Year ended March 31, 2020	1,194,244	(3.4)	49,380	(27.1)	47,224	(29.7)	20,561	(42.8)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/operating revenue
	Yen	Yen	%	%	%
Year ended March 31, 2021	(316.62)	–	(17.3)	(2.2)	(8.9)
Year ended March 31, 2020	108.16	–	5.4	2.5	4.1

(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, 2021	1,955,048	338,494	16.4	1,686.55
As of March 31, 2020	1,891,300	405,295	19.9	1,983.12

(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, 2021	(25,470)	(46,013)	107,897	76,321
Year ended March 31, 2020	58,266	(57,440)	(12,952)	39,787

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, 2020	–	0.00	–	50.00	50.00	9,524	46.2	2.5
Year ended March 31, 2021	–	0.00	–	0.00	0.00	–	–	–
Year ending March 31, 2022 (Forecast)	–	0.00	–	–	–	–	–	–

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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	775,000	—	10,000	—	12,500	—	28,000	—	147.25

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2021

(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, 2021	190,662,061 shares	As of March 31, 2020	190,662,061 shares
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Number of treasury shares at the end of the period

As of March 31, 2021	572,160 shares	As of March 31, 2020	568,702 shares
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Average number of shares during the period

Year ended March 31, 2021	190,093,124 shares	Year ended March 31, 2020	190,096,988 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	40,895	76,972
Notes and accounts receivable - trade	38,484	44,717
Lease receivables and investments in leases	1,023	935
Merchandise and finished goods	10,403	9,237
Work in process	3,765	2,397
Raw materials and supplies	4,801	5,221
Land and buildings for sale	107,341	144,224
Other	51,064	47,938
Allowance for doubtful accounts	(478)	(521)
Total current assets	257,302	331,123
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	623,275	592,985
Machinery, equipment and vehicles, net	36,151	34,547
Land	701,924	687,688
Leased assets, net	23,765	28,674
Construction in progress	5,998	4,047
Other, net	13,751	10,766
Total property, plant and equipment	1,404,868	1,358,710
Intangible assets		
Goodwill	31	22
Leased assets	49	34
Other	17,146	14,906
Total intangible assets	17,227	14,963
Investments and other assets		
Investment securities	113,020	125,186
Long-term loans receivable	3,493	3,322
Retirement benefit asset	44,396	60,335
Deferred tax assets	8,936	20,475
Other	40,063	39,419
Allowance for doubtful accounts	(980)	(1,151)
Allowance for investment evaluation	(10)	(19)
Total investments and other assets	208,918	247,568
Total non-current assets	1,631,014	1,621,243
Deferred assets		
Bond issuance costs	2,983	2,681
Total deferred assets	2,983	2,681
Total assets	1,891,300	1,955,048

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	43,741	39,879
Short-term borrowings	223,927	249,407
Commercial papers	4,000	45,000
Current portion of bonds payable	25,852	31,704
Lease obligations	4,622	5,555
Accounts payable - other	58,139	66,742
Income taxes payable	3,455	959
Provision for bonuses	9,557	5,422
Provision for loss on exchanging gift certificates	7,085	7,648
Other	136,326	133,484
Total current liabilities	516,707	585,804
Non-current liabilities		
Bonds payable	314,648	312,944
Long-term borrowings	489,847	543,163
Lease obligations	20,768	30,537
Deferred tax liabilities	4,040	6,540
Deferred tax liabilities for land revaluation	89,224	88,856
Provision for loss on uncollected gift coupon for future use	938	913
Retirement benefit liability	9,495	8,795
Other	40,334	38,998
Total non-current liabilities	969,296	1,030,748
Total liabilities	1,486,004	1,616,553
Net assets		
Shareholders' equity		
Share capital	126,476	126,476
Capital surplus	61,877	61,884
Retained earnings	110,288	40,829
Treasury shares	(1,401)	(1,424)
Total shareholders' equity	297,241	227,766
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,540	6,995
Deferred gains or losses on hedges	46	0
Revaluation reserve for land	89,949	89,894
Foreign currency translation adjustment	(9,300)	(9,300)
Remeasurements of defined benefit plans	(5,498)	5,238
Total accumulated other comprehensive income	79,737	92,829
Non-controlling interests	28,317	17,899
Total net assets	405,295	338,494
Total liabilities and net assets	1,891,300	1,955,048

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

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Operating revenue	1,194,244	697,203
Operating expenses		
Operating expenses and cost of sales of transportation	987,254	632,332
Selling, general and administrative expenses	157,609	126,986
Total operating expenses	1,144,864	759,318
Operating profit (loss)	49,380	(62,115)
Non-operating income		
Interest income	224	184
Dividend income	901	649
Gain on adjustment of non-exchanging gift certificates	1,541	1,623
Share of profit of entities accounted for using equity method	4,848	11,722
Subsidies for employment adjustment	—	14,933
Other	1,549	2,261
Total non-operating income	9,065	31,374
Non-operating expenses		
Interest expenses	7,992	7,864
Provision of allowance for loss on exchanging gift certificates	1,505	1,475
Other	1,722	1,877
Total non-operating expenses	11,220	11,218
Ordinary profit (loss)	47,224	(41,959)
Extraordinary income		
Contribution for construction	5,949	4,642
Gain on sale of non-current assets	229	1,242
Gain on sale of securities	15	151
Other	768	1,018
Total extraordinary income	6,962	7,055
Extraordinary losses		
Tax purpose reduction entry of contribution for construction	5,917	4,640
Loss on sale of non-current assets	65	29
Loss on retirement of non-current assets	2,799	2,783
Impairment losses	8,142	28,788
Loss on valuation of securities	71	882
Loss on temporary closure	—	2,299
Provision of allowance for doubtful accounts	—	76
Business structure reform expenses	—	8,394
Other	1,115	707
Total extraordinary losses	18,112	48,601
Profit (loss) before income taxes	36,075	(83,505)
Income taxes - current	11,438	1,510
Income taxes - deferred	5,664	(14,459)
Total income taxes	17,103	(12,949)
Profit (loss)	18,971	(70,556)
Loss attributable to non-controlling interests	(1,589)	(10,368)
Profit (loss) attributable to owners of parent	20,561	(60,187)

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit (loss)	18,971	(70,556)
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,193)	1,494
Deferred gains or losses on hedges	149	(83)
Revaluation reserve for land	(1,665)	163
Foreign currency translation adjustment	(249)	(212)
Remeasurements of defined benefit plans, net of tax	(8,413)	10,489
Share of other comprehensive income of entities accounted for using equity method	(3,782)	1,820
Total other comprehensive income	(16,154)	13,671
Comprehensive income	2,816	(56,884)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,906	(46,844)
Comprehensive income attributable to non-controlling interests	(2,089)	(10,040)

Consolidated statements of changes in equity

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	126,476	61,865	102,039	(1,353)	289,027
Cumulative effects of changes in accounting policies			(633)		(633)
Restated balance	126,476	61,865	101,405	(1,353)	288,394
Changes during period					
Dividends of surplus			(9,524)		(9,524)
Profit (loss) attributable to owners of parent			20,561		20,561
Purchase of treasury shares				(77)	(77)
Disposal of treasury shares		11		33	44
Reversal of revaluation reserve for land			(2,153)		(2,153)
Change in treasury shares arising from change in equity in entities accounted for using equity method				(3)	(3)
Purchase of shares of consolidated subsidiaries		0			0
Net changes in items other than shareholders' equity					
Total changes during period	–	11	8,883	(48)	8,846
Balance at end of period	126,476	61,877	110,288	(1,401)	297,241

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	7,147	(37)	89,417	(6,379)	3,090	93,238	30,784	413,050
Cumulative effects of changes in accounting policies								(633)
Restated balance	7,147	(37)	89,417	(6,379)	3,090	93,238	30,784	412,417
Changes during period								
Dividends of surplus								(9,524)
Profit (loss) attributable to owners of parent								20,561
Purchase of treasury shares								(77)
Disposal of treasury shares								44
Reversal of revaluation reserve for land								(2,153)
Change in treasury shares arising from change in equity in entities accounted for using equity method								(3)
Purchase of shares of consolidated subsidiaries								0
Net changes in items other than shareholders' equity	(2,606)	83	531	(2,921)	(8,588)	(13,501)	(2,466)	(15,967)
Total changes during period	(2,606)	83	531	(2,921)	(8,588)	(13,501)	(2,466)	(7,121)
Balance at end of period	4,540	46	89,949	(9,300)	(5,498)	79,737	28,317	405,295

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	126,476	61,877	110,288	(1,401)	297,241
Cumulative effects of changes in accounting policies					—
Restated balance	126,476	61,877	110,288	(1,401)	297,241
Changes during period					
Dividends of surplus			(9,524)		(9,524)
Profit (loss) attributable to owners of parent			(60,187)		(60,187)
Purchase of treasury shares				(57)	(57)
Disposal of treasury shares		8		37	46
Reversal of revaluation reserve for land			252		252
Change in treasury shares arising from change in equity in entities accounted for using equity method				(2)	(2)
Purchase of shares of consolidated subsidiaries		(0)			(0)
Net changes in items other than shareholders' equity					
Total changes during period	—	7	(69,459)	(22)	(69,474)
Balance at end of period	126,476	61,884	40,829	(1,424)	227,766

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	4,540	46	89,949	(9,300)	(5,498)	79,737	28,317	405,295
Cumulative effects of changes in accounting policies								—
Restated balance	4,540	46	89,949	(9,300)	(5,498)	79,737	28,317	405,295
Changes during period								
Dividends of surplus								(9,524)
Profit (loss) attributable to owners of parent								(60,187)
Purchase of treasury shares								(57)
Disposal of treasury shares								46
Reversal of revaluation reserve for land								252
Change in treasury shares arising from change in equity in entities accounted for using equity method								(2)
Purchase of shares of consolidated subsidiaries								(0)
Net changes in items other than shareholders' equity	2,454	(45)	(55)	0	10,737	13,091	(10,418)	2,673
Total changes during period	2,454	(45)	(55)	0	10,737	13,091	(10,418)	(66,801)
Balance at end of period	6,995	0	89,894	(9,300)	5,238	92,829	17,899	338,494

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit (loss) before income taxes	36,075	(83,505)
Depreciation	53,924	54,779
Amortization of goodwill	23	9
Reduction entry of land contribution for construction	5,917	4,640
Loss on retirement of non-current assets	1,528	1,512
Impairment losses	8,142	28,788
Proceeds from contribution for construction	(5,949)	(4,642)
Loss (gain) on sale of non-current assets	(163)	(1,213)
Loss (gain) on sale of securities	(15)	(151)
Increase (decrease) in retirement benefit liability	(3,503)	(1,761)
Increase (decrease) in other provisions	(1,828)	(3,344)
Interest and dividend income	(1,125)	(833)
Interest expenses	7,992	7,864
Subsidies for employment adjustment	–	(14,933)
Share of loss (profit) of entities accounted for using equity method	(4,848)	(11,722)
Decrease (increase) in trade receivables	19,650	(6,217)
Decrease (increase) in inventories	(4,329)	(16,780)
Increase (decrease) in trade payables	(14,111)	(3,901)
Other, net	(16,351)	23,990
Subtotal	81,026	(27,422)
Interest and dividends received	2,583	2,179
Interest paid	(8,054)	(7,890)
Subsidies for employment adjustment received	–	13,344
Income taxes paid	(17,289)	(5,682)
Net cash provided by (used in) operating activities	58,266	(25,470)
Cash flows from investing activities		
Purchase of short-term and long-term investment securities	(25)	(7)
Proceeds from sale and redemption of short-term and long-term investment securities	28	167
Purchase of property, plant and equipment and intangible assets	(64,591)	(54,649)
Proceeds from sale of property, plant and equipment and intangible assets	1,170	2,068
Proceeds from contribution received for construction	5,949	4,642
Loan advances	(2,816)	(585)
Proceeds from collection of loans receivable	3,181	570
Other, net	(335)	1,779
Net cash provided by (used in) investing activities	(57,440)	(46,013)

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	34,456	18,607
Proceeds from long-term borrowings	48,620	146,330
Repayments of long-term borrowings	(105,598)	(86,613)
Net increase (decrease) in commercial papers	4,000	41,000
Proceeds from issuance of bonds	80,894	29,836
Redemption of bonds	(60,640)	(25,852)
Repayments of lease obligations	(4,694)	(5,453)
Dividends paid	(9,524)	(9,524)
Dividends paid to non-controlling interests	(385)	(379)
Proceeds from sale of treasury shares	2	3
Purchase of treasury shares	(77)	(57)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(5)	—
Net cash provided by (used in) financing activities	(12,952)	107,897
Effect of exchange rate change on cash and cash equivalents	(175)	120
Net increase (decrease) in cash and cash equivalents	(12,302)	36,534
Cash and cash equivalents at beginning of period	52,089	39,787
Cash and cash equivalents at end of period	39,787	76,321