

# Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

November 12, 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 to file Quarterly Securities Report: November 12, 2021  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

#### (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	%
Six months ended September 30, 2021	291,679	–	(19,045)	–	(7,391)	–	12,002	–
Six months ended September 30, 2020	281,964	(54.0)	(54,018)	–	(43,754)	–	(31,400)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2021	63.11	–
Six months ended September 30, 2020	(165.18)	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	1,942,415	371,109	16.9
As of March 31, 2021	1,955,048	338,494	16.4

### 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, 2021	–	0.00	–	0.00	0.00
Year ending March 31, 2022	–	0.00			
Year ending March 31, 2022 (Forecast)			–	–	–

### 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	716,000	–	3,000	–	18,000	–	34,000	–	178.77

#### 4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2021  
(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: Yes
- (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: Yes
- 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 September 30, 2021	190,662,061 shares	As of March 31, 2021	190,662,061 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	476,609 shares	As of March 31, 2021	572,160 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2021	190,182,389 shares	Six months ended September 30, 2020	190,094,855 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	76,972	73,339
Notes and accounts receivable - trade	44,717	—
Notes and accounts receivable - trade, and contract assets	—	53,234
Merchandise and finished goods	9,237	9,621
Work in process	2,397	4,264
Raw materials and supplies	5,221	5,011
Land and buildings for sale	144,224	151,946
Other	48,874	51,994
Allowance for doubtful accounts	(521)	(566)
Total current assets	331,123	348,846
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	592,985	578,904
Land	687,688	693,745
Construction in progress	4,047	3,965
Other, net	73,987	73,851
Total property, plant and equipment	1,358,710	1,350,467
Intangible assets		
Goodwill	22	13
Other	14,941	14,449
Total intangible assets	14,963	14,463
Investments and other assets		
Investment securities	125,186	116,688
Other	123,553	110,608
Allowance for doubtful accounts	(1,151)	(1,122)
Allowance for investment evaluation	(19)	(4)
Total investments and other assets	247,568	226,169
Total non-current assets	1,621,243	1,591,101
Deferred assets	2,681	2,467
Total assets	1,955,048	1,942,415

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	39,879	46,830
Short-term borrowings	249,407	250,296
Commercial papers	45,000	50,000
Current portion of bonds payable	31,704	12,036
Income taxes payable	959	1,484
Provision for bonuses	5,422	5,342
Provision for loss on exchanging gift certificates	7,648	5,371
Other	205,782	194,443
Total current liabilities	585,804	565,805
Non-current liabilities		
Bonds payable	312,944	311,759
Long-term borrowings	543,163	528,891
Provision for loss on uncollected gift coupon for future use	913	—
Retirement benefit liability	8,795	8,941
Other	164,933	155,908
Total non-current liabilities	1,030,748	1,005,500
Total liabilities	1,616,553	1,571,305
Net assets		
Shareholders' equity		
Share capital	126,476	126,476
Capital surplus	61,884	61,927
Retained earnings	40,829	52,387
Treasury shares	(1,424)	(1,136)
Total shareholders' equity	227,766	239,655
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,995	5,768
Deferred gains or losses on hedges	0	(0)
Revaluation reserve for land	89,894	85,951
Foreign currency translation adjustment	(9,300)	(5,468)
Remeasurements of defined benefit plans	5,238	2,344
Total accumulated other comprehensive income	92,829	88,595
Non-controlling interests	17,899	42,858
Total net assets	338,494	371,109
Total liabilities and net assets	1,955,048	1,942,415

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

## Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Operating revenue	281,964	291,679
Operating expenses		
Operating expenses and cost of sales of transportation	273,313	253,824
Selling, general and administrative expenses	62,669	56,899
Total operating expenses	335,982	310,724
Operating loss	(54,018)	(19,045)
Non-operating income		
Interest income	99	80
Dividend income	454	621
Share of profit of entities accounted for using equity method	4,219	7,922
Subsidies for employment adjustment	9,517	5,601
Other	1,591	2,709
Total non-operating income	15,882	16,935
Non-operating expenses		
Interest expenses	3,953	3,819
Other	1,665	1,462
Total non-operating expenses	5,619	5,282
Ordinary loss	(43,754)	(7,391)
Extraordinary income		
Contribution for construction	3,178	4,572
Gain on sale of non-current assets	5	275
Gain on sale of investment securities	17	2,547
Gain on bargain purchase	—	10,863
Other	610	953
Total extraordinary income	3,812	19,211
Extraordinary losses		
Tax purpose reduction entry of contribution for construction	3,176	4,531
Loss on sale of non-current assets	18	26
Loss on retirement of non-current assets	1,093	478
Impairment losses	708	426
Loss on temporary closure	2,187	948
Other	523	569
Total extraordinary losses	7,708	6,981
Profit (loss) before income taxes	(47,650)	4,839
Income taxes	(6,085)	(7,065)
Profit (loss)	(41,564)	11,905
Loss attributable to non-controlling interests	(10,164)	(97)
Profit (loss) attributable to owners of parent	(31,400)	12,002

# Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit (loss)	(41,564)	11,905
Other comprehensive income		
Valuation difference on available-for-sale securities	(75)	361
Deferred gains or losses on hedges	(83)	—
Foreign currency translation adjustment	(168)	464
Remeasurements of defined benefit plans, net of tax	(89)	(2,958)
Share of other comprehensive income of entities accounted for using equity method	(603)	(1,040)
Total other comprehensive income	(1,020)	(3,173)
Comprehensive income	(42,585)	8,731
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(32,203)	8,798
Comprehensive income attributable to non-controlling interests	(10,381)	(66)

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit (loss) before income taxes	(47,650)	4,839
Depreciation	27,306	25,846
Amortization of goodwill	4	8
Gain on bargain purchase	—	(10,863)
Reduction entry of land contribution for construction	3,176	4,531
Impairment losses	708	426
Proceeds from contribution for construction	(3,178)	(4,572)
Loss (gain) on sale of non-current assets	12	(248)
Loss (gain) on sale of securities	(17)	(2,549)
Increase (decrease) in retirement benefit liability	(606)	13,876
Interest and dividend income	(554)	(701)
Interest expenses	3,953	3,819
Subsidies for employment adjustment	(9,517)	(5,601)
Share of loss (profit) of entities accounted for using equity method	(4,219)	(7,922)
Decrease (increase) in trade receivables	2,820	(2,736)
Decrease (increase) in inventories	(13,869)	(8,367)
Increase (decrease) in trade payables	(7,072)	2,629
Other, net	18,547	(15,444)
Subtotal	(30,155)	(3,030)
Interest and dividends received	1,424	2,079
Interest paid	(3,965)	(3,874)
Subsidies for employment adjustment received	5,652	5,638
Income taxes refund (paid)	(2,060)	1,012
Net cash provided by (used in) operating activities	(29,104)	1,826
Cash flows from investing activities		
Purchase of short-term and long-term investment securities	(4)	(5)
Proceeds from sale and redemption of short-term and long-term investment securities	25	17,733
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(574)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	36
Purchase of property, plant and equipment and intangible assets	(34,034)	(22,171)
Proceeds from sale of property, plant and equipment and intangible assets	156	713
Proceeds from contribution received for construction	3,178	4,572
Other, net	367	(979)
Net cash provided by (used in) investing activities	(30,311)	(675)

	(Millions of yen)	
	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(19,245)	12,473
Proceeds from long-term borrowings	122,130	35,700
Repayments of long-term borrowings	(51,930)	(61,233)
Net increase (decrease) in commercial papers	19,000	5,000
Proceeds from issuance of bonds	29,839	—
Redemption of bonds	—	(20,852)
Proceeds from share issuance to non-controlling shareholders	—	24,835
Dividends paid	(9,524)	—
Dividends paid to non-controlling interests	(379)	(28)
Other, net	(2,624)	(3,297)
Net cash provided by (used in) financing activities	87,264	(7,402)
Effect of exchange rate change on cash and cash equivalents	(126)	131
Net increase (decrease) in cash and cash equivalents	27,722	(6,120)
Cash and cash equivalents at beginning of period	39,787	76,321
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	—	(0)
Cash and cash equivalents at end of period	67,509	70,200