

# Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 13, 2022

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 17, 2022  
 Scheduled date to file Securities Report: June 20, 2022  
 Scheduled date to commence dividend payments: June 20, 2022  
 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, 2022 (from April 1, 2021 to March 31, 2022)

#### (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, 2022	691,512	—	3,864	—	30,658	—	42,755	—
Year ended March 31, 2021	697,203	(41.6)	(62,115)	—	(41,959)	—	(60,187)	—

	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, 2022	224.81	—	12.2	1.6	0.6
Year ended March 31, 2021	(316.62)	—	(17.3)	(2.2)	(8.9)

#### (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, 2022	1,895,770	421,760	20.0	1,990.85
As of March 31, 2021	1,955,048	338,494	16.4	1,686.55

#### (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, 2022	57,548	44,264	(102,918)	75,765
Year ended March 31, 2021	(25,470)	(46,013)	107,897	76,321

### 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, 2021	—	0.00	—	0.00	0.00	—	—	—
Year ended March 31, 2022	—	0.00	—	25.00	25.00	4,762	11.1	1.4
Year ending March 31, 2023 (Forecast)	—	0.00	—	25.00	25.00		17.6	

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
Full year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	867,000	25.4	30,000	676.2	38,000	23.9	27,000	(36.9)	141.97

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(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: Yes

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, 2022	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 March 31, 2022	480,661 shares	As of March 31, 2021	572,160 shares
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Average number of shares during the period

Year ended March 31, 2022	190,182,915 shares	Year ended March 31, 2021	190,093,124 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	76,972	78,902
Notes and accounts receivable - trade	44,717	—
Notes and accounts receivable - trade, and contract assets	—	59,730
Lease receivables and investments in leases	935	911
Merchandise and finished goods	9,237	9,575
Work in process	2,397	4,032
Raw materials and supplies	5,221	4,934
Land and buildings for sale	144,224	132,965
Other	47,938	41,054
Allowance for doubtful accounts	(521)	(537)
Total current assets	331,123	331,569
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	592,985	545,943
Machinery, equipment and vehicles, net	34,547	32,619
Land	687,688	671,685
Leased assets, net	28,674	27,353
Construction in progress	4,047	2,262
Other, net	10,766	9,229
Total property, plant and equipment	1,358,710	1,289,093
Intangible assets		
Goodwill	22	13
Leased assets	34	21
Other	14,906	13,922
Total intangible assets	14,963	13,958
Investments and other assets		
Investment securities	125,186	141,291
Long-term loans receivable	3,322	3,179
Retirement benefit asset	60,335	65,597
Deferred tax assets	20,475	11,533
Other	39,419	38,368
Allowance for doubtful accounts	(1,151)	(1,075)
Allowance for investment evaluation	(19)	—
Total investments and other assets	247,568	258,895
Total non-current assets	1,621,243	1,561,947
Deferred assets		
Bond issuance costs	2,681	2,252
Total deferred assets	2,681	2,252
Total assets	1,955,048	1,895,770

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	39,879	49,084
Short-term borrowings	249,407	204,018
Commercial papers	45,000	40,000
Current portion of bonds payable	31,704	12,753
Lease liabilities	5,555	5,371
Accounts payable - other	66,742	34,176
Income taxes payable	959	4,262
Provision for bonuses	5,422	7,912
Provision for loss on exchanging gift certificates	7,648	5,495
Other	133,484	140,971
Total current liabilities	585,804	504,045
Non-current liabilities		
Bonds payable	312,944	300,191
Long-term borrowings	543,163	503,125
Lease liabilities	30,537	29,041
Deferred tax liabilities	6,540	4,187
Deferred tax liabilities for land revaluation	88,856	90,678
Provision for loss on uncollected gift coupon for future use	913	—
Retirement benefit liability	8,795	8,569
Other	38,998	34,171
Total non-current liabilities	1,030,748	969,964
Total liabilities	1,616,553	1,474,009
Net assets		
Shareholders' equity		
Share capital	126,476	126,476
Capital surplus	61,884	61,927
Retained earnings	40,829	80,555
Treasury shares	(1,424)	(1,150)
Total shareholders' equity	227,766	267,809
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,995	5,572
Deferred gains or losses on hedges	0	(0)
Revaluation reserve for land	89,894	87,108
Foreign currency translation adjustment	(9,300)	1,837
Remeasurements of defined benefit plans	5,238	16,293
Total accumulated other comprehensive income	92,829	110,812
Non-controlling interests	17,899	43,139
Total net assets	338,494	421,760
Total liabilities and net assets	1,955,048	1,895,770

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

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Operating revenue	697,203	691,512
Operating expenses		
Operating expenses and cost of sales of transportation	632,332	572,943
Selling, general and administrative expenses	126,986	114,704
Total operating expenses	759,318	687,647
Operating profit (loss)	(62,115)	3,864
Non-operating income		
Interest income	184	145
Dividend income	649	1,029
Gain on adjustment of non-exchanging gift certificates	1,623	1,030
Share of profit of entities accounted for using equity method	11,722	21,851
Subsidies for employment adjustment	14,933	8,423
Other	2,261	4,465
Total non-operating income	31,374	36,945
Non-operating expenses		
Interest expenses	7,864	7,386
Provision of allowance for loss on exchanging gift certificates	1,475	1,010
Other	1,877	1,755
Total non-operating expenses	11,218	10,152
Ordinary profit (loss)	(41,959)	30,658
Extraordinary income		
Contribution for construction	4,642	5,177
Gain on sale of non-current assets	1,242	20,668
Gain on sale of securities	151	2,893
Gain on bargain purchase	—	10,863
Other	1,018	1,348
Total extraordinary income	7,055	40,952
Extraordinary losses		
Tax purpose reduction entry of contribution for construction	4,640	5,136
Loss on sale of non-current assets	29	50
Loss on retirement of non-current assets	2,783	885
Impairment losses	28,788	11,121
Loss on valuation of securities	882	84
Provision of allowance for doubtful accounts	76	12
Other	11,401	2,183
Total extraordinary losses	48,601	19,472
Profit (loss) before income taxes	(83,505)	52,138
Income taxes - current	1,510	6,528
Income taxes - deferred	(14,459)	2,605
Total income taxes	(12,949)	9,134
Profit (loss)	(70,556)	43,003
Profit (loss) attributable to non-controlling interests	(10,368)	247
Profit (loss) attributable to owners of parent	(60,187)	42,755

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit (loss)	(70,556)	43,003
Other comprehensive income		
Valuation difference on available-for-sale securities	1,494	171
Deferred gains or losses on hedges	(83)	–
Revaluation reserve for land	163	(1,460)
Foreign currency translation adjustment	(212)	897
Remeasurements of defined benefit plans, net of tax	10,489	10,905
Share of other comprehensive income of entities accounted for using equity method	1,820	5,846
Total other comprehensive income	13,671	16,360
Comprehensive income	(56,884)	59,363
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(46,844)	59,149
Comprehensive income attributable to non-controlling interests	(10,040)	214

## Consolidated statements of changes in equity

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
Change in scope of consolidation					—
Change in scope of equity method					—
Decrease (increase) of capital surplus by change of share to consolidated subsidiary					—
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
Change in scope of consolidation								–
Change in scope of equity method								–
Decrease (increase) of capital surplus by change of share to consolidated subsidiary								–
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

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	126,476	61,884	40,829	(1,424)	227,766
Cumulative effects of changes in accounting policies			(1,448)		(1,448)
Restated balance	126,476	61,884	39,380	(1,424)	226,318
Changes during period					
Dividends of surplus					—
Profit (loss) attributable to owners of parent			42,755		42,755
Purchase of treasury shares				(32)	(32)
Disposal of treasury shares		0		40	40
Change in scope of consolidation			8		8
Change in scope of equity method				265	265
Decrease (increase) of capital surplus by change of share to consolidated subsidiary		42			42
Reversal of revaluation reserve for land			(1,589)		(1,589)
Change in treasury shares arising from change in equity in entities accounted for using equity method				(0)	(0)
Purchase of shares of consolidated subsidiaries		0			0
Net changes in items other than shareholders' equity					
Total changes during period	—	43	41,175	273	41,491
Balance at end of period	126,476	61,927	80,555	(1,150)	267,809

	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	6,995	0	89,894	(9,300)	5,238	92,829	17,899	338,494
Cumulative effects of changes in accounting policies								(1,448)
Restated balance	6,995	0	89,894	(9,300)	5,238	92,829	17,899	337,046
Changes during period								
Dividends of surplus								–
Profit (loss) attributable to owners of parent								42,755
Purchase of treasury shares								(32)
Disposal of treasury shares								40
Change in scope of consolidation								8
Change in scope of equity method								265
Decrease (increase) of capital surplus by change of share to consolidated subsidiary								42
Reversal of revaluation reserve for land								(1,589)
Change in treasury shares arising from change in equity in entities accounted for using equity method								(0)
Purchase of shares of consolidated subsidiaries								0
Net changes in items other than shareholders' equity	(1,423)	(0)	(2,785)	11,137	11,055	17,982	25,239	43,222
Total changes during period	(1,423)	(0)	(2,785)	11,137	11,055	17,982	25,239	84,714
Balance at end of period	5,572	(0)	87,108	1,837	16,293	110,812	43,139	421,760

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit (loss) before income taxes	(83,505)	52,138
Depreciation	54,779	51,269
Amortization of goodwill	9	8
Gain on bargain purchase	—	(10,863)
Reduction entry of land contribution for construction	4,640	5,136
Loss on retirement of non-current assets	1,512	1,051
Impairment losses	28,788	11,121
Proceeds from contribution for construction	(4,642)	(5,177)
Loss (gain) on sale of non-current assets	(1,213)	(20,618)
Loss (gain) on sale of securities	(151)	(2,896)
Increase (decrease) in retirement benefit liability	(1,761)	10,539
Increase (decrease) in other provisions	(3,344)	2,687
Interest and dividend income	(833)	(1,174)
Interest expenses	7,864	7,386
Subsidies for employment adjustment	(14,933)	(8,423)
Share of loss (profit) of entities accounted for using equity method	(11,722)	(21,851)
Decrease (increase) in trade receivables	(6,217)	—
Decrease (increase) in trade receivables and contract assets	—	(9,206)
Decrease (increase) in inventories	(16,780)	15,662
Increase (decrease) in trade payables	(3,901)	4,860
Other, net	23,990	(28,436)
Subtotal	(27,422)	53,213
Interest and dividends received	2,179	4,016
Interest paid	(7,890)	(7,521)
Subsidies for employment adjustment received	13,344	9,276
Income taxes refund (paid)	(5,682)	(1,435)
Net cash provided by (used in) operating activities	(25,470)	57,548
Cash flows from investing activities		
Purchase of short-term and long-term investment securities	(7)	(5,662)
Proceeds from sale and redemption of short-term and long-term investment securities	167	18,254
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(573)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	36
Purchase of property, plant and equipment and intangible assets	(54,649)	(33,180)
Proceeds from sale of property, plant and equipment and intangible assets	2,068	58,709
Proceeds from contribution received for construction	4,642	5,177
Loan advances	(585)	(1,304)
Proceeds from collection of loans receivable	570	806
Other, net	1,779	2,000
Net cash provided by (used in) investing activities	(46,013)	44,264

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	18,607	(30,087)
Proceeds from long-term borrowings	146,330	39,210
Repayments of long-term borrowings	(86,613)	(94,106)
Net increase (decrease) in commercial papers	41,000	(5,000)
Proceeds from issuance of bonds	29,836	—
Redemption of bonds	(25,852)	(31,704)
Proceeds from share issuance to non-controlling shareholders	—	24,835
Repayments of lease liabilities	(5,453)	(6,004)
Dividends paid	(9,524)	—
Dividends paid to non-controlling interests	(379)	(28)
Proceeds from sale of treasury shares	3	2
Purchase of treasury shares	(57)	(32)
Other, net	—	(2)
Net cash provided by (used in) financing activities	107,897	(102,918)
Effect of exchange rate change on cash and cash equivalents	120	538
Net increase (decrease) in cash and cash equivalents	36,534	(567)
Cash and cash equivalents at beginning of period	39,787	76,321
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	—	11
Cash and cash equivalents at end of period	76,321	75,765