

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 15, 2024

Company name: Kintetsu Group Holdings Co.,Ltd.
 Stock exchange listing: Tokyo
 Stock code: 9041 URL <https://www.kintetsu-g-hd.co.jp/>
 Representative: President Takashi Tsuji
 General Manager of Accounting and Finance
 Inquiries: Division Naoyuki Isokawa TEL 06-6775-3465
 Scheduled date of ordinary general meeting of shareholders: June 21, 2024
 Scheduled date to file Securities Report: June 24, 2024
 Scheduled date to commence dividend payments: June 24, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2024	1,629,529	4.4	87,430	30.2	84,638	13.4	48,073	(45.9)
Year ended March 31, 2023	1,561,002	125.7	67,144	–	74,612	143.4	88,779	107.6

	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, 2024	252.78	–	10.0	3.5	5.4
Year ended March 31, 2023	466.81	–	21.6	3.5	4.3

(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, 2024	2,454,316	583,097	21.2	2,730.41
As of March 31, 2023	2,424,755	500,262	18.2	2,323.34

(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, 2024	150,512	(56,296)	(71,995)	241,657
Year ended March 31, 2023	133,992	(41,855)	44,817	208,188

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, 2023	–	0.00	–	50.00	50.00	9,524	10.7	2.3
Year ended March 31, 2024	–	0.00	–	50.00	50.00	9,523	19.8	2.0
Year ending March 31, 2025 (Forecast)	–	0.00	–	50.00	50.00		21.6	

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 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
Six months ending September 30, 2024	850,000	5.8	35,000	(18.7)	32,000	(21.0)	16,000	(32.9)	84.13
Full year	1,780,000	9.2	88,000	0.7	79,000	(6.7)	44,000	(8.5)	231.37

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(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, 2024	190,662,061 shares	As of March 31, 2023	190,662,061 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	487,679 shares	As of March 31, 2023	482,673 shares
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Average number of shares during the period

Year ended March 31, 2024	190,179,026 shares	Year ended March 31, 2023	190,182,524 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	217,087	266,970
Notes and accounts receivable - trade, and contract assets	224,337	184,926
Lease receivables and investments in leases	990	916
Securities	5,008	5,589
Merchandise and finished goods	9,638	9,674
Work in process	4,750	2,693
Raw materials and supplies	5,176	5,401
Land and buildings for sale	155,664	172,954
Other	81,649	73,560
Allowance for doubtful accounts	(2,254)	(1,875)
Total current assets	702,048	720,811
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	557,549	547,905
Machinery, equipment and vehicles, net	37,768	40,661
Land	679,139	678,114
Leased assets, net	26,080	24,784
Construction in progress	5,379	10,537
Other, net	58,486	67,056
Total property, plant and equipment	1,364,404	1,369,058
Intangible assets		
Goodwill	62,517	59,264
Leased assets	9	3
Other	107,389	108,225
Total intangible assets	169,917	167,493
Investments and other assets		
Investment securities	58,827	66,003
Long-term loans receivable	3,780	464
Retirement benefit asset	66,568	74,379
Deferred tax assets	12,795	9,560
Other	45,966	45,323
Allowance for doubtful accounts	(1,750)	(668)
Total investments and other assets	186,186	195,063
Total non-current assets	1,720,508	1,731,615
Deferred assets		
Bond issuance costs	2,199	1,889
Total deferred assets	2,199	1,889
Total assets	2,424,755	2,454,316

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	133,461	122,435
Short-term borrowings	273,229	230,442
Commercial papers	45,000	–
Current portion of bonds payable	43,137	73,137
Lease liabilities	16,240	19,167
Accounts payable - other	47,256	59,041
Income taxes payable	10,220	12,643
Provision for bonuses	17,281	15,653
Provision for loss on exchanging gift certificates	5,755	5,984
Provision for contract losses	3,470	–
Other	184,710	174,780
Total current liabilities	779,761	713,284
Non-current liabilities		
Bonds payable	342,054	298,917
Long-term borrowings	575,903	634,396
Lease liabilities	60,404	60,893
Deferred tax liabilities	31,081	37,395
Deferred tax liabilities for land revaluation	90,467	80,370
Retirement benefit liability	12,056	12,899
Other	32,765	33,061
Total non-current liabilities	1,144,732	1,157,934
Total liabilities	1,924,493	1,871,219
Net assets		
Shareholders' equity		
Share capital	126,476	126,476
Capital surplus	54,898	54,803
Retained earnings	161,795	200,437
Treasury shares	(1,164)	(1,192)
Total shareholders' equity	342,006	380,525
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,920	10,069
Deferred gains or losses on hedges	(0)	32
Revaluation reserve for land	89,899	99,724
Foreign currency translation adjustment	(8,346)	12,993
Remeasurements of defined benefit plans	13,371	15,909
Total accumulated other comprehensive income	99,845	138,729
Non-controlling interests	58,410	63,842
Total net assets	500,262	583,097
Total liabilities and net assets	2,424,755	2,454,316

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

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Operating revenue	1,561,002	1,629,529
Operating expenses		
Operating expenses and cost of sales of transportation	1,305,987	1,316,813
Selling, general and administrative expenses	187,869	225,286
Total operating expenses	1,493,857	1,542,099
Operating profit	67,144	87,430
Non-operating income		
Interest income	1,273	4,059
Dividend income	689	814
Gain on adjustment of non-exchanging gift certificates	1,049	1,088
Share of profit of entities accounted for using equity method	8,710	2,285
Subsidies for employment adjustment	1,225	–
Foreign exchange gains	4,121	430
Other	2,897	3,589
Total non-operating income	19,966	12,268
Non-operating expenses		
Interest expenses	8,837	10,224
Provision of allowance for loss on exchanging gift certificates	1,047	1,083
Other	2,613	3,752
Total non-operating expenses	12,498	15,060
Ordinary profit	74,612	84,638
Extraordinary income		
Contribution received for construction	4,130	4,007
Gain on sale of non-current assets	637	71
Gain on sale of securities	569	1,003
Gain on step acquisitions	47,536	–
Other	498	1,288
Total extraordinary income	53,374	6,371
Extraordinary losses		
Tax purpose reduction entry of contribution for construction	3,518	3,298
Loss on sale of non-current assets	448	401
Loss on retirement of non-current assets	1,259	1,198
Impairment losses	13,340	4,677
Other	2,535	4,357
Total extraordinary losses	21,102	13,933
Profit before income taxes	106,884	77,076
Income taxes - current	13,057	17,968
Income taxes - deferred	2,307	5,846
Total income taxes	15,364	23,814
Profit	91,519	53,261
Profit attributable to non-controlling interests	2,740	5,187
Profit attributable to owners of parent	88,779	48,073

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	91,519	53,261
Other comprehensive income		
Valuation difference on available-for-sale securities	392	5,176
Deferred gains or losses on hedges	–	57
Revaluation reserve for land	–	9,918
Foreign currency translation adjustment	(6,564)	22,419
Remeasurements of defined benefit plans, net of tax	(4,022)	2,494
Share of other comprehensive income of entities accounted for using equity method	(4,206)	660
Total other comprehensive income	(14,401)	40,726
Comprehensive income	77,118	93,988
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	75,021	87,051
Comprehensive income attributable to non-controlling interests	2,097	6,936

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	126,476	61,927	80,555	(1,150)	267,809
Changes during period					
Dividends of surplus			(4,762)		(4,762)
Profit (loss) attributable to owners of parent			88,779		88,779
Purchase of treasury shares				(51)	(51)
Disposal of treasury shares		(0)		37	37
Increase from accounting period changes of consolidated subsidiaries			14		14
Change in scope of consolidation					–
Reversal of revaluation reserve for land			(2,791)		(2,791)
Change in treasury shares arising from change in equity in entities accounted for using equity method				0	0
Purchase of shares of consolidated subsidiaries		(7,542)			(7,542)
Sale of shares of consolidated subsidiaries		514			514
Net changes in items other than shareholders' equity					
Total changes during period	–	(7,029)	81,239	(13)	74,196
Balance at end of period	126,476	54,898	161,795	(1,164)	342,006

	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	5,572	(0)	87,108	1,837	16,293	110,812	43,139	421,760
Changes during period								
Dividends of surplus								(4,762)
Profit (loss) attributable to owners of parent								88,779
Purchase of treasury shares								(51)
Disposal of treasury shares								37
Increase from accounting period changes of consolidated subsidiaries								14
Change in scope of consolidation								–
Reversal of revaluation reserve for land								(2,791)
Change in treasury shares arising from change in equity in entities accounted for using equity method								0
Purchase of shares of consolidated subsidiaries								(7,542)
Sale of shares of consolidated subsidiaries								514
Net changes in items other than shareholders' equity	(651)	–	2,790	(10,184)	(2,922)	(10,967)	15,271	4,304
Total changes during period	(651)	–	2,790	(10,184)	(2,922)	(10,967)	15,271	78,501
Balance at end of period	4,920	(0)	89,899	(8,346)	13,371	99,845	58,410	500,262

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	126,476	54,898	161,795	(1,164)	342,006
Changes during period					
Dividends of surplus			(9,524)		(9,524)
Profit (loss) attributable to owners of parent			48,073		48,073
Purchase of treasury shares				(68)	(68)
Disposal of treasury shares		(2)		39	36
Increase from accounting period changes of consolidated subsidiaries					–
Change in scope of consolidation			(0)		(0)
Reversal of revaluation reserve for land			92		92
Change in treasury shares arising from change in equity in entities accounted for using equity method				0	0
Purchase of shares of consolidated subsidiaries		(818)			(818)
Sale of shares of consolidated subsidiaries		725			725
Net changes in items other than shareholders' equity					
Total changes during period	–	(94)	38,641	(28)	38,518
Balance at end of period	126,476	54,803	200,437	(1,192)	380,525

	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	4,920	(0)	89,899	(8,346)	13,371	99,845	58,410	500,262
Changes during period								
Dividends of surplus								(9,524)
Profit (loss) attributable to owners of parent								48,073
Purchase of treasury shares								(68)
Disposal of treasury shares								36
Increase from accounting period changes of consolidated subsidiaries								–
Change in scope of consolidation								(0)
Reversal of revaluation reserve for land								92
Change in treasury shares arising from change in equity in entities accounted for using equity method								0
Purchase of shares of consolidated subsidiaries								(818)
Sale of shares of consolidated subsidiaries								725
Net changes in items other than shareholders' equity	5,148	32	9,824	21,340	2,537	38,884	5,432	44,316
Total changes during period	5,148	32	9,824	21,340	2,537	38,884	5,432	82,835
Balance at end of period	10,069	32	99,724	12,993	15,909	138,729	63,842	583,097

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	106,884	77,076
Depreciation	63,618	73,572
Amortization of goodwill	2,443	3,252
Reduction entry of land contribution for construction	3,518	3,298
Loss on retirement of non-current assets	1,483	1,316
Impairment losses	13,340	4,677
Contribution received for construction	(4,130)	(4,007)
Loss (gain) on sale of non-current assets	(189)	329
Loss (gain) on sale of securities	(559)	(1,016)
Increase (decrease) in retirement benefit liability	(5,832)	(3,698)
Increase (decrease) in other provisions	7,078	(6,131)
Interest and dividend income	(1,962)	(4,873)
Interest expenses	8,837	10,224
Subsidies for employment adjustment	(1,225)	–
Share of loss (profit) of entities accounted for using equity method	(8,710)	(2,285)
Loss (gain) on step acquisitions	(47,536)	–
Decrease (increase) in accounts receivable - trade, and contract assets	62,725	50,729
Decrease (increase) in inventories	(23,592)	(16,296)
Increase (decrease) in trade payables	(32,939)	(17,961)
Other, net	21,643	(4,312)
Subtotal	164,895	163,895
Interest and dividends received	4,984	4,870
Interest paid	(8,900)	(10,036)
Proceeds from subsidies for employment adjustment	1,218	–
Income taxes refund (paid)	(28,206)	(8,217)
Net cash provided by (used in) operating activities	133,992	150,512
Cash flows from investing activities		
Purchase of short-term and long-term investment securities	(2,730)	(7,777)
Proceeds from sale and redemption of short-term and long-term investment securities	7,899	16,298
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(19,183)	–
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	–	49
Purchase of property, plant and equipment and intangible assets	(32,508)	(56,754)
Proceeds from sale of property, plant and equipment and intangible assets	905	386
Proceeds from contribution received for construction	4,130	4,007
Net decrease (increase) in time deposits	(1,144)	(15,169)
Loan advances	(886)	(810)
Proceeds from collection of loans receivable	856	938
Other, net	805	2,535
Net cash provided by (used in) investing activities	(41,855)	(56,296)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	31,024	(53,783)
Proceeds from long-term borrowings	109,860	172,290
Repayments of long-term borrowings	(94,786)	(102,680)
Net increase (decrease) in commercial papers	5,000	(45,000)
Proceeds from issuance of bonds	49,755	29,814
Redemption of bonds	(12,753)	(43,137)
Repayments of lease liabilities	(13,504)	(18,314)
Dividends paid	(4,762)	(9,524)
Dividends paid to non-controlling interests	(593)	(1,365)
Proceeds from sale of treasury shares	1	36
Purchase of treasury shares	(51)	(68)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	1,227	1,675
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(25,597)	(1,938)
Net cash provided by (used in) financing activities	44,817	(71,995)
Effect of exchange rate change on cash and cash equivalents	(4,509)	11,243
Net increase (decrease) in cash and cash equivalents	132,444	33,464
Cash and cash equivalents at beginning of period	75,765	208,188
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	–	5
Increase (decrease) in cash and cash equivalents	(21)	–
Cash and cash equivalents at end of period	208,188	241,657