

**Translation**

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

May 12, 2022

Company name: Kobe Electric Railway Co.,Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 9046 URL <https://www.shintetsu.co.jp/>  
 Representative: President and Representative Director Nobuhiko Terada  
 Inquiries: Manager of Corporate Planning Department Yoshiyuki Sakamoto TEL 078-576-8671  
 Scheduled date of ordinary general meeting of shareholders: June 14, 2022  
 Scheduled date to file Securities Report: June 15, 2022  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: No

(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	20,517	–	1,065	–	652	–	519	–
Year ended March 31, 2021	20,231	(11.1)	698	(66.5)	370	(75.3)	187	(81.4)

	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	64.68	–	2.5	0.7	5.2
Year ended March 31, 2021	23.28	–	0.9	0.4	3.5

#### (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	92,351	20,626	22.3	2,566.48
As of March 31, 2021	92,894	20,174	21.7	2,509.98

#### (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	2,809	(1,073)	(1,840)	1,256
Year ended March 31, 2021	1,884	(1,364)	(328)	1,360

## 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	–	0.00	0.00	–	–	–
Year ending March 31, 2023 (Forecast)	–	0.00	–	0.00	0.00		–	

## 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
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	21,640	5.5	1,500	40.8	930	42.6	590	13.7	73.41

## 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	8,061,566 shares	As of March 31, 2021	8,061,566 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	24,592 shares	As of March 31, 2021	23,718 shares
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Average number of shares during the period

Year ended March 31, 2022	8,037,397 shares	Year ended March 31, 2021	8,037,834 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	1,371	1,262
Notes and accounts receivable - trade	916	1,284
Short-term loans receivable	39	69
Land and buildings for sale	343	279
Merchandise	111	121
Supplies	419	396
Other	2,503	2,576
Allowance for doubtful accounts	(0)	(0)
Total current assets	5,704	5,988
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	42,404	41,519
Machinery, equipment and vehicles, net	5,790	5,434
Land	34,692	34,691
Construction in progress	257	240
Other, net	424	551
Total property, plant and equipment	83,569	82,436
Intangible assets		
Other	594	577
Total intangible assets	594	577
Investments and other assets		
Investment securities	1,017	1,126
Long-term loans receivable	427	352
Retirement benefit asset	1,203	1,419
Other	394	468
Allowance for doubtful accounts	(17)	(17)
Total investments and other assets	3,026	3,348
Total non-current assets	87,190	86,362
Total assets	92,894	92,351

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	2,030	2,692
Short-term borrowings	22,893	29,298
Income taxes payable	37	91
Advances received	1,038	975
Provision for bonuses	48	49
Other	2,625	2,634
Total current liabilities	28,675	35,741
Non-current liabilities		
Long-term borrowings	37,583	29,539
Deferred tax liabilities	256	255
Deferred tax liabilities for land revaluation	3,471	3,471
Retirement benefit liability	112	108
Long-term accounts payable - other	775	812
Long-term guarantee deposits	934	928
Other	911	866
Total non-current liabilities	44,044	35,982
Total liabilities	72,719	71,724
<b>Net assets</b>		
Shareholders' equity		
Share capital	11,710	11,710
Retained earnings	6,502	6,974
Treasury shares	(85)	(88)
Total shareholders' equity	18,127	18,596
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	246	250
Deferred gains or losses on hedges	1	0
Revaluation reserve for land	1,500	1,503
Remeasurements of defined benefit plans	298	275
Total accumulated other comprehensive income	2,047	2,029
Total net assets	20,174	20,626
Total liabilities and net assets	92,894	92,351

**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	20,231	20,517
Operating expenses		
Operating expenses and cost of sales of transportation	16,951	16,884
Selling, general and administrative expenses	2,581	2,567
Total operating expenses	19,532	19,452
Operating profit	698	1,065
Non-operating income		
Interest income	1	1
Dividend income	23	27
Reversal of clerical costs on work performed on contract	75	15
Subsidy income	84	83
Subsidies for employment adjustment	180	90
Miscellaneous income	117	106
Total non-operating income	483	325
Non-operating expenses		
Interest expenses	612	577
compensation for absence for work	142	85
Miscellaneous expenses	56	75
Total non-operating expenses	811	738
Ordinary profit	370	652
Extraordinary income		
Contribution for construction	1,074	466
Total extraordinary income	1,074	466
Extraordinary losses		
Tax purpose reduction entry of contribution for construction	1,074	466
Other	9	7
Total extraordinary losses	1,083	474
Profit before income taxes	361	644
Income taxes - current	68	93
Income taxes - deferred	105	30
Total income taxes	174	124
Profit	187	519
Profit attributable to owners of parent	187	519

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	187	519
Other comprehensive income		
Valuation difference on available-for-sale securities	147	3
Deferred gains or losses on hedges	(0)	(0)
Remeasurements of defined benefit plans, net of tax	404	(23)
Total other comprehensive income	551	(20)
Comprehensive income	738	499
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	738	499
Comprehensive income attributable to non-controlling interests	–	–

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity			
	Share capital	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	11,710	6,314	(79)	17,945
Changes during period				
Profit attributable to owners of parent		187		187
Purchase of treasury shares			(5)	(5)
Net changes in items other than shareholders' equity				
Total changes during period	–	187	(5)	181
Balance at end of period	11,710	6,502	(85)	18,127

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	99	2	1,500	(105)	1,496	19,441
Changes during period						
Profit attributable to owners of parent						187
Purchase of treasury shares						(5)
Net changes in items other than shareholders' equity	147	(0)	–	404	551	551
Total changes during period	147	(0)	–	404	551	732
Balance at end of period	246	1	1,500	298	2,047	20,174

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity			
	Share capital	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	11,710	6,502	(85)	18,127
Cumulative effects of changes in accounting policies		(44)		(44)
Restated balance	11,710	6,457	(85)	18,083
Changes during period				
Profit attributable to owners of parent		519		519
Purchase of treasury shares			(2)	(2)
Reversal of revaluation reserve for land		(2)		(2)
Net changes in items other than shareholders' equity				
Total changes during period	–	516	(2)	513
Balance at end of period	11,710	6,974	(88)	18,596

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	246	1	1,500	298	2,047	20,174
Cumulative effects of changes in accounting policies						(44)
Restated balance	246	1	1,500	298	2,047	20,130
Changes during period						
Profit attributable to owners of parent						519
Purchase of treasury shares						(2)
Reversal of revaluation reserve for land						(2)
Net changes in items other than shareholders' equity	3	(0)	2	(23)	(17)	(17)
Total changes during period	3	(0)	2	(23)	(17)	496
Balance at end of period	250	0	1,503	275	2,029	20,626



## 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 before income taxes	361	644
Depreciation	2,434	2,434
Increase (decrease) in net defined benefit asset and liability	(161)	(253)
Interest and dividend income	(25)	(29)
Interest expenses	612	577
Proceeds from contribution for construction	(1,074)	(466)
Reduction entry of land contribution for construction	1,074	466
Decrease (increase) in trade receivables	(42)	(368)
Decrease (increase) in inventories	36	77
Increase (decrease) in trade payables	(594)	696
Other, net	(36)	(314)
Subtotal	2,584	3,464
Interest and dividends received	26	30
Interest paid	(613)	(579)
Income taxes paid	(112)	(106)
Net cash provided by (used in) operating activities	1,884	2,809
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,536)	(1,727)
Proceeds from sale of property, plant and equipment	3	–
Purchase of investment securities	–	(300)
Proceeds from sale and redemption of investment securities	128	195
Loan advances	(18)	(10)
Proceeds from collection of loans receivable	102	56
Proceeds from contribution received for construction	1,157	839
Other, net	(202)	(127)
Net cash provided by (used in) investing activities	(1,364)	(1,073)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	213	(755)
Proceeds from long-term borrowings	14,315	10,992
Repayments of long-term borrowings	(14,677)	(11,875)
Purchase of treasury shares	(5)	(2)
Repayments of lease liabilities	(174)	(198)
Net cash provided by (used in) financing activities	(328)	(1,840)
Net increase (decrease) in cash and cash equivalents	191	(104)
Cash and cash equivalents at beginning of period	1,168	1,360
Cash and cash equivalents at end of period	1,360	1,256