

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

January 31, 2023

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 to file Quarterly Securities Report: February 14, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

(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	%
Nine months ended December 31, 2022	15,907	3.7	1,558	23.0	1,241	29.3	982	32.2
Nine months ended December 31, 2021	15,346	–	1,267	–	960	–	743	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	122.30		–	
Nine months ended December 31, 2021	92.47		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	90,137	21,689	24.1
As of March 31, 2022	92,351	20,626	22.3

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2022	–	0.00	–	0.00	0.00
Year ending March 31, 2023	–	0.00	–		
Year ending March 31, 2023 (Forecast)				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 nine months ended December 31, 2022
(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: No
- (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: No
 - 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 December 31, 2022	8,061,566 shares	As of March 31, 2022	8,061,566 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	25,228 shares	As of March 31, 2022	24,592 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2022	8,036,681 shares	Nine months ended December 31, 2021	8,037,497 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	1,262	1,397
Notes and accounts receivable - trade	1,284	1,123
Short-term loans receivable	69	59
Land and buildings for sale	279	279
Merchandise	121	127
Supplies	396	502
Other	2,576	1,242
Allowance for doubtful accounts	(0)	(0)
Total current assets	5,988	4,731
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	41,519	40,523
Machinery, equipment and vehicles, net	5,434	5,038
Land	34,691	34,923
Construction in progress	240	545
Other, net	551	520
Total property, plant and equipment	82,436	81,551
Intangible assets		
Other	577	520
Total intangible assets	577	520
Investments and other assets		
Investment securities	1,126	1,038
Long-term loans receivable	352	313
Retirement benefit asset	1,419	1,557
Other	468	442
Allowance for doubtful accounts	(17)	(17)
Total investments and other assets	3,348	3,334
Total non-current assets	86,362	85,406
Total assets	92,351	90,137
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,692	1,080
Short-term borrowings	29,298	22,155
Income taxes payable	91	129
Advances received	975	1,053
Provision for bonuses	49	19
Other	2,634	3,141
Total current liabilities	35,741	27,580
Non-current liabilities		
Long-term borrowings	29,539	34,580
Deferred tax liabilities	255	362
Deferred tax liabilities for land revaluation	3,471	3,471
Retirement benefit liability	108	113
Long-term accounts payable - other	812	644
Long-term guarantee deposits	928	937
Other	866	757
Total non-current liabilities	35,982	40,867
Total liabilities	71,724	68,448

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Net assets		
Shareholders' equity		
Share capital	11,710	11,710
Retained earnings	6,974	7,957
Treasury shares	(88)	(90)
Total shareholders' equity	18,596	19,577
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	250	348
Deferred gains or losses on hedges	0	0
Revaluation reserve for land	1,503	1,503
Remeasurements of defined benefit plans	275	259
Total accumulated other comprehensive income	2,029	2,111
Total net assets	20,626	21,689
Total liabilities and net assets	92,351	90,137

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Operating revenue	15,346	15,907
Operating expenses		
Operating expenses and cost of sales of transportation	12,165	12,445
Selling, general and administrative expenses	1,912	1,903
Total operating expenses	14,078	14,349
Operating profit	1,267	1,558
Non-operating income		
Interest income	0	0
Dividend income	27	31
Reversal of clerical costs on work performed on contract	10	80
Miscellaneous income	194	46
Total non-operating income	233	158
Non-operating expenses		
Interest expenses	437	421
Miscellaneous expenses	102	53
Total non-operating expenses	540	475
Ordinary profit	960	1,241
Extraordinary income		
Contribution for construction	–	12
Total extraordinary income	–	12
Extraordinary losses		
Tax purpose reduction entry of contribution for construction	–	12
Total extraordinary losses	–	12
Profit before income taxes	960	1,241
Income taxes - current	109	166
Income taxes - deferred	108	92
Total income taxes	217	258
Profit	743	982
Profit attributable to owners of parent	743	982

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	743	982
Other comprehensive income		
Valuation difference on available-for-sale securities	(20)	98
Deferred gains or losses on hedges	(0)	(0)
Remeasurements of defined benefit plans, net of tax	(27)	(15)
Total other comprehensive income	(48)	81
Comprehensive income	694	1,064
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	694	1,064
Comprehensive income attributable to non-controlling interests	–	–