

Translation

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

May 13, 2024

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 13, 2024
 Scheduled date to file Securities Report: June 14, 2024
 Scheduled date to commence dividend payments: June 14, 2024
 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, 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	22,313	4.7	1,859	33.6	1,358	36.1	1,024	51.5
Year ended March 31, 2023	21,321	3.9	1,391	30.6	998	53.1	676	30.3

	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	127.46	–	4.7	1.5	8.3
Year ended March 31, 2023	84.16	–	3.2	1.1	6.5

(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, 2024	89,893	22,555	25.1	2,807.31
As of March 31, 2023	90,804	21,243	23.4	2,643.57

(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	3,780	(1,319)	(2,437)	1,460
Year ended March 31, 2023	3,422	(1,355)	(1,886)	1,436

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	–	0.00	0.00	–	–	–
Year ended March 31, 2024	–	0.00	–	10.00	10.00	80	7.8	0.4
Year ending March 31, 2025 (Forecast)	–	0.00	–	10.00	10.00		8.9	

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
Full year	21,640	(3.0)	1,750	(5.9)	1,240	(8.7)	900	(12.1)	112.01

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	8,061,566 shares	As of March 31, 2023	8,061,566 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	26,871 shares	As of March 31, 2023	25,598 shares
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Average number of shares during the period

Year ended March 31, 2024	8,035,281 shares	Year ended March 31, 2023	8,036,565 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	1,443	1,468
Accounts receivable - trade	1,097	1,333
Short-term loans receivable	66	87
Land and buildings for sale	274	230
Merchandise	123	110
Supplies	418	447
Other	2,246	1,621
Total current assets	5,670	5,299
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	40,523	39,807
Machinery, equipment and vehicles, net	5,121	4,832
Land	34,912	35,019
Construction in progress	126	106
Other, net	546	498
Total property, plant and equipment	81,230	80,264
Intangible assets		
Other	576	688
Total intangible assets	576	688
Investments and other assets		
Investment securities	1,217	1,579
Long-term loans receivable	285	195
Retirement benefit asset	1,405	1,472
Other	435	409
Allowance for doubtful accounts	(17)	(17)
Total investments and other assets	3,326	3,640
Total non-current assets	85,133	84,593
Total assets	90,804	89,893

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	2,206	2,446
Short-term borrowings	18,463	17,803
Income taxes payable	130	174
Advances received	819	794
Provision for bonuses	51	53
Other	3,012	2,953
Total current liabilities	24,683	24,226
Non-current liabilities		
Long-term borrowings	38,686	37,079
Deferred tax liabilities	224	423
Deferred tax liabilities for land revaluation	3,471	3,461
Retirement benefit liability	112	105
Long-term accounts payable - other	773	539
Long-term guarantee deposits	933	927
Other	676	575
Total non-current liabilities	44,877	43,111
Total liabilities	69,560	67,337
Net assets		
Shareholders' equity		
Share capital	11,710	11,710
Retained earnings	7,650	8,697
Treasury shares	(91)	(95)
Total shareholders' equity	19,270	20,313
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	333	642
Deferred gains or losses on hedges	0	0
Revaluation reserve for land	1,503	1,480
Remeasurements of defined benefit plans	136	119
Total accumulated other comprehensive income	1,973	2,242
Total net assets	21,243	22,555
Total liabilities and net assets	90,804	89,893

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	21,321	22,313
Operating expenses		
Operating expenses and cost of sales of transportation	17,341	17,833
Selling, general and administrative expenses	2,587	2,621
Total operating expenses	19,929	20,454
Operating profit	1,391	1,859
Non-operating income		
Interest income	1	1
Dividend income	31	34
Gain on sale of securities	4	15
Reversal of clerical costs on work performed on contract	101	16
Subsidy income	33	20
Compensation for damage income	–	17
Miscellaneous income	65	39
Total non-operating income	237	145
Non-operating expenses		
Interest expenses	560	568
Miscellaneous expenses	70	78
Total non-operating expenses	630	646
Ordinary profit	998	1,358
Extraordinary income		
Contribution received for construction	768	556
Other	60	–
Total extraordinary income	828	556
Extraordinary losses		
Tax purpose reduction entry of contribution for construction	768	556
Other	198	23
Total extraordinary losses	967	580
Profit before income taxes	859	1,334
Income taxes - current	169	182
Income taxes - deferred	13	127
Total income taxes	183	310
Profit	676	1,024
Profit attributable to owners of parent	676	1,024

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	676	1,024
Other comprehensive income		
Valuation difference on available-for-sale securities	82	309
Deferred gains or losses on hedges	(0)	(0)
Remeasurements of defined benefit plans, net of tax	(138)	(17)
Total other comprehensive income	(56)	291
Comprehensive income	620	1,316
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	620	1,316
Comprehensive income attributable to non-controlling interests	–	–

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity			
	Share capital	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	11,710	6,974	(88)	18,596
Changes during period				
Profit attributable to owners of parent		676		676
Purchase of treasury shares			(3)	(3)
Reversal of revaluation reserve for land		0		0
Net changes in items other than shareholders' equity				
Total changes during period	–	676	(3)	673
Balance at end of period	11,710	7,650	(91)	19,270

	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	250	0	1,503	275	2,029	20,626
Changes during period						
Profit attributable to owners of parent						676
Purchase of treasury shares						(3)
Reversal of revaluation reserve for land						0
Net changes in items other than shareholders' equity	82	(0)	(0)	(138)	(56)	(56)
Total changes during period	82	(0)	(0)	(138)	(56)	616
Balance at end of period	333	0	1,503	136	1,973	21,243

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity			
	Share capital	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	11,710	7,650	(91)	19,270
Changes during period				
Profit attributable to owners of parent		1,024		1,024
Purchase of treasury shares			(3)	(3)
Reversal of revaluation reserve for land		22		22
Net changes in items other than shareholders' equity				
Total changes during period	–	1,047	(3)	1,043
Balance at end of period	11,710	8,697	(95)	20,313

	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	333	0	1,503	136	1,973	21,243
Changes during period						
Profit attributable to owners of parent						1,024
Purchase of treasury shares						(3)
Reversal of revaluation reserve for land						22
Net changes in items other than shareholders' equity	309	(0)	(22)	(17)	268	268
Total changes during period	309	(0)	(22)	(17)	268	1,312
Balance at end of period	642	0	1,480	119	2,242	22,555

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	859	1,334
Depreciation	2,326	2,282
Increase (decrease) in net defined benefit asset and liability	(182)	(99)
Interest and dividend income	(32)	(35)
Interest expenses	560	568
Loss (gain) on sale of securities	(4)	(15)
Contribution received for construction	(768)	(556)
Reduction entry of land contribution for construction	768	556
Decrease (increase) in trade receivables	187	(236)
Decrease (increase) in inventories	(19)	37
Increase (decrease) in trade payables	(822)	155
Other, net	1,203	456
Subtotal	4,076	4,447
Interest and dividends received	33	35
Interest paid	(557)	(563)
Income taxes paid	(130)	(139)
Net cash provided by (used in) operating activities	3,422	3,780
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,771)	(1,854)
Purchase of investment securities	(300)	(300)
Proceeds from sale and redemption of investment securities	306	327
Loan advances	(18)	(16)
Proceeds from collection of loans receivable	87	85
Proceeds from contribution received for construction	511	772
Other, net	(171)	(333)
Net cash provided by (used in) investing activities	(1,355)	(1,319)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(615)	(326)
Proceeds from long-term borrowings	17,560	6,450
Repayments of long-term borrowings	(18,633)	(8,390)
Purchase of treasury shares	(3)	(3)
Repayments of lease liabilities	(194)	(167)
Net cash provided by (used in) financing activities	(1,886)	(2,437)
Net increase (decrease) in cash and cash equivalents	180	23
Cash and cash equivalents at beginning of period	1,256	1,436
Cash and cash equivalents at end of period	1,436	1,460