

May 14, 2026

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)

Company name: Kobe Electric Railway Co.,Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 9046
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 Scheduled date of annual general meeting of shareholders: June 17, 2026
 Scheduled date to commence dividend payments: June 18, 2026
 Scheduled date to file annual securities report: June 12, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	23,347	5.5	2,421	20.7	1,861	17.1	1,462	27.1
March 31, 2025	22,131	(0.8)	2,006	7.9	1,589	17.0	1,150	12.3

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥1,906 million [96.1%]
 For the fiscal year ended March 31, 2025: ¥972 million [(42.9)%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Operating profit to operating revenues ratio
	Yen	Yen	%	%	%
March 31, 2026	184.83	-	6.0	2.0	10.4
March 31, 2025	143.57	-	4.9	1.8	9.1

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2026: ¥(0) million
 For the fiscal year ended March 31, 2025: ¥1 million

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2026	93,493	25,286	27.0	3,196.05
March 31, 2025	90,680	23,539	26.0	2,975.00

Reference: Equity
 As of March 31, 2026: ¥25,286 million
 As of March 31, 2025: ¥23,539 million

(3) Consolidated cash flows

Fiscal year ended	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
March 31, 2026	3,840	(2,390)	(1,181)	1,322
March 31, 2025	2,964	(2,015)	(1,356)	1,052

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	-	0.00	-	20.00	20.00	158	13.9	0.7
Fiscal year ended March 31, 2026	-	0.00	-	25.00	25.00	197	13.5	0.8
Fiscal year ending March 31, 2027 (Forecast)	-	0.00	-	25.00	25.00		16.6	

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2027	23,320	(0.1)	2,410	(0.5)	1,720	(7.6)	1,190	(18.6)	150.41

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None
- (3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2026	8,061,566 shares
As of March 31, 2025	8,061,566 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2026	149,917 shares
As of March 31, 2025	149,148 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	7,911,988 shares
Fiscal year ended March 31, 2025	8,015,377 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2026	12,801	5.7	1,917	20.7	1,398	18.3	1,170	31.9
March 31, 2025	12,111	(4.8)	1,588	7.7	1,182	15.2	887	6.7

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	148.00	-
March 31, 2025	110.66	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	90,829	23,249	25.6	2,938.69
March 31, 2025	88,482	21,972	24.8	2,777.01

Reference: Equity

As of March 31, 2026: ¥23,249 million

As of March 31, 2025: ¥21,972 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Cautions on forward-looking statements, etc.)

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. In addition, actual results may differ from forecasts due to various factors in the future.

Consolidated balance sheet

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	1,054	1,324
Accounts receivable - trade	1,586	1,748
Short-term loans receivable	21	45
Land and buildings for sale	230	227
Merchandise	120	125
Supplies	479	527
Other	1,671	2,453
Total current assets	5,163	6,452
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	39,114	38,879
Machinery, equipment and vehicles, net	4,845	5,448
Land	35,485	35,601
Construction in progress	404	568
Other, net	489	484
Total property, plant and equipment	80,340	80,983
Intangible assets		
Other	806	821
Total intangible assets	806	821
Investments and other assets		
Investment securities	1,824	2,335
Long-term loans receivable	173	133
Retirement benefit asset	1,937	2,356
Other	452	416
Allowance for doubtful accounts	(17)	(5)
Total investments and other assets	4,370	5,236
Total non-current assets	85,516	87,041
Total assets	90,680	93,493

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	2,963	4,404
Short-term borrowings	21,847	19,994
Income taxes payable	385	412
Advances received	290	396
Provision for bonuses	51	54
Other	2,784	2,679
Total current liabilities	28,323	27,941
Non-current liabilities		
Long-term borrowings	32,588	33,905
Deferred tax liabilities	627	883
Deferred tax liabilities for land revaluation	3,559	3,559
Retirement benefit liability	95	83
Long-term accounts payable - other	549	319
Long-term guarantee deposits	908	926
Other	488	587
Total non-current liabilities	38,817	40,265
Total liabilities	67,141	68,207
Net assets		
Shareholders' equity		
Share capital	11,710	11,710
Retained earnings	9,768	11,072
Treasury shares	(391)	(393)
Total shareholders' equity	21,087	22,390
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	739	1,006
Deferred gains or losses on hedges	(0)	-
Revaluation reserve for land	1,382	1,381
Remeasurements of defined benefit plans	330	507
Total accumulated other comprehensive income	2,451	2,895
Total net assets	23,539	25,286
Total liabilities and net assets	90,680	93,493

Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Operating revenue	22,131	23,347
Operating expenses		
Operating expenses and cost of sales of transportation	17,509	18,073
Selling, general and administrative expenses	2,615	2,852
Total operating expenses	20,124	20,926
Operating profit	2,006	2,421
Non-operating income		
Interest income	1	3
Dividend income	38	46
Gain on sale of securities	38	35
Reversal of clerical costs on work performed on contract	38	54
Gain on sale of goods	52	50
Miscellaneous income	59	40
Total non-operating income	229	231
Non-operating expenses		
Interest expenses	606	701
Miscellaneous expenses	39	90
Total non-operating expenses	645	792
Ordinary profit	1,589	1,861
Extraordinary income		
Gain on exchange of non-current assets	425	-
Gain on sale of non-current assets	-	331
Contribution received for construction	863	1,500
Total extraordinary income	1,288	1,832
Extraordinary losses		
Tax purpose reduction entry of contribution for construction	1,288	1,500
Impairment losses	-	133
Total extraordinary losses	1,288	1,634
Profit before income taxes	1,589	2,059
Income taxes - current	378	545
Income taxes - deferred	60	51
Total income taxes	439	597
Profit	1,150	1,462
Profit attributable to owners of parent	1,150	1,462

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	1,150	1,462
Other comprehensive income		
Valuation difference on available-for-sale securities	96	266
Deferred gains or losses on hedges	(0)	0
Remeasurements of defined benefit plans, net of tax	(176)	177
Revaluation reserve for land	(98)	-
Total other comprehensive income	(177)	444
Comprehensive income	972	1,906
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	972	1,906
Comprehensive income attributable to non-controlling interests	-	-

Consolidated statement of changes in equity

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity			
	Share capital	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	11,710	8,697	(95)	20,313
Changes during period				
Dividends of surplus		(80)		(80)
Profit attributable to owners of parent		1,150		1,150
Purchase of treasury shares			(295)	(295)
Reversal of revaluation reserve for land		(0)		(0)
Net changes in items other than shareholders' equity				
Total changes during period	-	1,070	(295)	774
Balance at end of period	11,710	9,768	(391)	21,087

	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	642	0	1,480	506	2,629	22,942
Changes during period						
Dividends of surplus						(80)
Profit attributable to owners of parent						1,150
Purchase of treasury shares						(295)
Reversal of revaluation reserve for land						(0)
Net changes in items other than shareholders' equity	96	(0)	(98)	(176)	(177)	(177)
Total changes during period	96	(0)	(98)	(176)	(177)	596
Balance at end of period	739	(0)	1,382	330	2,451	23,539

Consolidated statement of changes in equity

Fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity			
	Share capital	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	11,710	9,768	(391)	21,087
Changes during period				
Dividends of surplus		(158)		(158)
Profit attributable to owners of parent		1,462		1,462
Purchase of treasury shares			(1)	(1)
Reversal of revaluation reserve for land		0		0
Net changes in items other than shareholders' equity				
Total changes during period	-	1,304	(1)	1,302
Balance at end of period	11,710	11,072	(393)	22,390

	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	739	(0)	1,382	330	2,451	23,539
Changes during period						
Dividends of surplus						(158)
Profit attributable to owners of parent						1,462
Purchase of treasury shares						(1)
Reversal of revaluation reserve for land						0
Net changes in items other than shareholders' equity	266	0	(0)	177	444	444
Total changes during period	266	0	(0)	177	444	1,746
Balance at end of period	1,006	-	1,381	507	2,895	25,286

Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	1,589	2,059
Depreciation	2,208	2,231
Impairment losses	-	133
Increase (decrease) in net defined benefit asset and liability	(164)	(172)
Interest and dividend income	(40)	(50)
Interest expenses	606	701
Loss (gain) on sale of securities	(38)	(35)
Loss (gain) on sale of non-current assets	-	(331)
Gain on exchange of non-current assets	(425)	-
Contribution received for construction	(863)	(1,500)
Reduction entry of land contribution for construction	1,288	1,500
Decrease (increase) in trade receivables	(252)	(162)
Decrease (increase) in inventories	(40)	(51)
Increase (decrease) in trade payables	(20)	398
Other, net	(148)	296
Subtotal	3,699	5,017
Interest and dividends received	39	49
Interest paid	(606)	(699)
Income taxes paid	(167)	(527)
Net cash provided by (used in) operating activities	2,964	3,840
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,609)	(3,993)
Proceeds from sale of property, plant and equipment	-	666
Purchase of investment securities	(201)	(264)
Proceeds from sale and redemption of investment securities	138	179
Loan advances	(1)	(4)
Proceeds from collection of loans receivable	88	20
Proceeds from contribution received for construction	578	1,109
Other, net	(8)	(103)
Net cash provided by (used in) investing activities	(2,015)	(2,390)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,083	(446)
Proceeds from long-term borrowings	6,550	10,950
Repayments of long-term borrowings	(8,079)	(11,040)
Purchase of treasury shares	(295)	(1)
Dividends paid	(80)	(158)
Repayments of lease liabilities	(533)	(484)
Net cash provided by (used in) financing activities	(1,356)	(1,181)
Net increase (decrease) in cash and cash equivalents	(407)	269
Cash and cash equivalents at beginning of period	1,460	1,052
Cash and cash equivalents at end of period	1,052	1,322

(Segment information, etc.)

Segment Information

1. Overview of Reportable Segments

The Group's reportable segments are those of the constituent units of the Group for which segregated financial information is available and are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate business performance.

The Group is developing businesses rooted in local communities, with a focus on its core businesses of transportation, real estate, and distribution.

The Group is comprised of the above three business group segments, with three reportable segments: Transportation, Real Estate, and Distribution.

The "Transportation Business" consists of three businesses: the Railway Business, the Bus Business, and the Taxi Business. The "Real Estate Business" consists of two businesses: land and building sales and land and building leasing. The "Distribution Business" consists mainly of the food supermarket business and the convenience store business.

2. Method of calculating the amount of operating revenue, profit or loss, assets and other items for each reportable segment

The accounting methods for the reportable business segments are the same as those described in the "Fundamental Important Matters for the Preparation of Consolidated Financial Statements" in the recent Annual Securities Report (filed on June 12, 2025).

Profit in the reportable segment is a figure based on operating profit.

Internal revenues and transfers between segments are based on prevailing market prices.

3. Information on the amount of operating revenue, profit or loss, assets and other items for each reportable segment

The previous fiscal year (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segments				Other (Note)	Total	Reconciling items	Per consolidated financial statements
	Transportation	Real Estate	Distribution	Total				
Operating revenue								
(1) Sales revenue to external customers	13,022	1,782	5,336	20,141	1,989	22,131	-	22,131
(2) Internal operating revenue or transfers between segments	17	184	11	214	1,222	1,436	(1,436)	-
Total	13,040	1,967	5,347	20,355	3,212	23,568	(1,436)	22,131
Segment Profit	918	910	103	1,932	59	1,992	14	2,006
Segment Assets	68,205	15,904	708	84,818	2,075	86,894	3,785	90,680
Depreciation	1,934	170	45	2,150	85	2,236	(27)	2,208
Increase in property, plant and equipment and intangible assets	2,632	2,804	40	5,477	207	5,684	(11)	5,673

Note: The "Other" category is a business segment that is not included in the reporting segments, and includes the childcare business, the health business, and the construction business.

The current fiscal year (April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reportable segments				Other (Note)	Total	Reconciling items	Per consolidated financial statements
	Transportation	Real Estate	Distribution	Total				
Operating revenue								
(1) Sales revenue to external customers	14,037	1,856	5,279	21,173	2,174	23,347	-	23,347
(2) Internal operating revenue or transfers between segments	14	191	16	222	1,308	1,530	(1,530)	-
Total	14,052	2,047	5,296	21,395	3,482	24,878	(1,530)	23,347
Segment Profit	1,578	793	24	2,396	31	2,428	(6)	2,421
Segment Assets	69,271	16,999	763	87,034	1,675	88,710	4,783	93,493
Depreciation	1,947	177	43	2,168	89	2,258	(27)	2,231
Increase in property, plant and equipment and intangible assets	3,746	1,068	40	4,855	119	4,975	(28)	4,946

Note: The "Other" category is a business segment that is not included in the reporting segments, and includes the childcare business, the health business, and the construction business.

4. Difference between the Total Amount of Reportable Segments and the Amount Recorded in Consolidated Financial Statements, and Main Details of the Difference (Matters Related to Adjustment of Differences)

(Millions of yen)

Operating revenue	The previous fiscal year	The current fiscal year
Total Reportable Segments	20,355	21,395
Operating revenue in the "Other" category	3,212	3,482
Inter-segment transaction elimination	(1,436)	(1,530)
Operating Revenue in Consolidated Financial Statements	22,131	23,347

(Millions of yen)

benefit	The previous fiscal year	The current fiscal year
Total Reportable Segments	1,932	2,396
Benefits of the "Other" category	59	31
Inter-segment transaction elimination	14	(6)
Operating profit in Consolidated Financial Statements	2,006	2,421

(Millions of yen)

Assets	The previous fiscal year	The current fiscal year
Total Reportable Segments	84,818	87,034
Assets in the "Other" category	2,075	1,675
Company-wide assets (Note)	3,785	4,783
Total assets in Consolidated Financial Statements	90,680	93,493

Note: Company-wide assets are mainly residual funds under management (cash and deposits) and long-term investment funds (investment securities) at the submitting company.

(Millions of yen)

Other Topics	Total Reportable Segments		Other		Reconciling items		Per consolidated financial statements	
	Previous Consolidated Fiscal Year	Consolidated Fiscal year	Previous Consolidated Fiscal Year	Consolidated Fiscal year	Previous Consolidated Fiscal Year	Consolidated Fiscal year	Previous Consolidated Fiscal Year	Consolidated Fiscal year
Depreciation	2,150	2,168	85	89	(27)	(27)	2,208	2,231
Increase in property, plant and equipment and intangible assets	5,477	4,855	207	119	(11)	(28)	5,673	4,946