

Consolidated Financial Results for the Nine-month Period Ended 31 December 2023 (Japanese GAAP) (Unaudited)

Nagoya Railroad Co., Ltd.

13 February 2024

Stock exchange Listing: Tokyo Nagoya
 Securities code: 9048
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Scheduled date of filing of quarterly report: 14 February 2024

Scheduled date of dividend payment commencement: -

Supplementary explanations of quarterly financial results: Yes

Quarterly financial results presentation meeting: None

* Amounts of less than ¥1 million have been rounded down.

1. Consolidated financial results for the nine-month period ended 31 December 2023 (1 April 2023 - 31 December 2023)

(1) Consolidated operating results

(%: year-on-year)

	Operating revenues		Operating income		Ordinary income		Profit attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine-month period ended 31 December 2023	443,483	9.1	30,120	44.8	32,904	40.9	21,531	35.4
Nine-month period ended 31 December 2022	406,668	12.9	20,806	212.1	23,358	65.5	15,900	93.9

Note: Comprehensive income - for the nine-month period ended 31 December 2023 ¥29,039 million [49.3%]
 for the nine-month period ended 31 December 2022 ¥19,449 million [211.0%]

	Net income per share-basic	Net income per share-diluted
	Yen	Yen
Nine-month period ended 31 December 2023	109.54	102.37
Nine-month period ended 31 December 2022	80.90	75.59

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
31 December 2023	1,281,218	454,264	33.5
31 March 2023	1,231,378	429,089	32.8

Reference: Shareholders' equity - as of 31 December 2023 ¥429,000 million
 as of 31 March 2023 ¥404,433 million

2. Cash dividends

	Annual dividends				
	1st quarter end	2nd quarter end	3rd quarter end	Fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended 31 March 2023	—	0.00	—	20.00	20.00
Fiscal year ending 31 March 2024	—	0.00	—		
Fiscal year ending 31 March 2024 (forecast)				25.00	25.00

Note: Revisions to the most recently disclosed dividend forecasts: None

3. Forecast of consolidated financial results for the fiscal year ending 31 March 2024

(%: year-on-year)

	Operating revenues		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ending 31 March 2024	596,000	8.1	33,000	45.2	35,000	32.8

	Profit attributable to owners of the parent		Net income per share-basic
	Millions of yen	%	Yen
Fiscal year ending 31 March 2024	22,000	16.7	111.92

Note: Revisions to the most recently disclosed results forecasts: Yes

Notes

- (1) Changes in significant consolidated subsidiaries during the period (changes in specific consolidated subsidiaries resulting in changes in the scope of consolidation): None
- (2) Application of accounting methods which are exceptional for quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of revisions
 - i) Changes in accounting policies resulting from the revision of the accounting standards: None
 - ii) Changes in accounting policies other than the above: None
 - iii) Changes in accounting estimates: None
 - iv) Restatement of revisions: None

(4) Number of issued shares (Common stock) (Shares)

	Number of issued shares (including treasury stock)	Number of treasury stock
As of 31 December 2023	196,700,692	111,745
31 March 2023	196,700,692	172,683

(Shares)

	Average number of shares outstanding during the periods
Nine-month period ended 31 December 2023	196,561,863
Nine-month period ended 31 December 2022	196,542,888

* This report is not subject to audit procedures.

* Explanation for appropriate use of forecasts and other notes

The forward-looking statements such as operational forecasts contained in this statements summary are based on information currently available to the Company and certain assumptions that the Company believes to be reasonable, It is not intended to be a promise by the Company to realize the above.

Actual results may differ from such forward-looking statements for a variety of reasons.

(Reference) Forecast of non-consolidated financial results for the fiscal year ending 31 March 2024

(%: year-on-year)

	Operating revenues		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ending 31 March 2024	97,500	7.9	12,500	82.7	13,800	62.8

	Profit		Net income per share-basic
	Millions of yen	%	Yen
Fiscal year ending 31 March 2024	11,800	62.3	60.02

Note: Revisions to the most recently disclosed results forecasts: Yes

4. Quarterly consolidated financial statement and Main Notes

(1) Quarterly Consolidated Balance Sheets (Unaudited)

	Millions of yen	
	31 March 2023	31 December 2023
ASSETS		
Current assets		
Cash and deposits	55,291	53,697
Trade notes, accounts receivable and contract assets	61,109	60,739
Short-term loans receivable	1,834	1,830
Land and buildings for sale	77,275	79,639
Merchandise and finished goods	6,273	8,432
Work in process	670	1,672
Raw materials and supplies	5,311	5,753
Others	19,411	25,367
Allowance for doubtful accounts	(276)	(236)
Total current assets	226,902	236,895
Non-current assets		
Property and equipment		
Buildings and structures, net	301,878	312,662
Machinery, equipment and vehicles, net	78,931	78,995
Land	371,293	382,441
Lease assets, net	10,355	9,733
Construction in progress	82,424	92,168
Other properties, net	9,142	8,607
Total property and equipment	854,026	884,609
Intangible assets		
Right-of-use facilities	7,063	6,531
Goodwill	1,397	1,157
Lease assets	275	231
Other intangible assets	3,116	3,307
Total intangible assets	11,853	11,227
Investments and other assets		
Investment securities	104,030	118,969
Long-term loans receivable	358	298
Deferred tax assets	17,769	12,936
Others	16,930	16,794
Allowance for doubtful accounts	(493)	(514)
Total investments and other assets	138,596	148,485
Total non-current assets	1,004,476	1,044,323
Total assets	1,231,378	1,281,218

(1) Quarterly Consolidated Balance Sheets (Unaudited)

	Millions of yen	
	31 March 2023	31 December 2023
LIABILITIES AND NET ASSETS		
Liabilities		
Current liabilities		
Trade notes and accounts payable	73,388	61,872
Short-term loans payable	52,876	54,564
Commercial papers	10,000	25,000
Current portion of bonds payable	30,080	40,000
Lease obligations	1,490	1,558
Income taxes payable	5,868	2,886
Deposits received from employees	20,383	20,423
Provision for bonuses	5,698	1,320
Provision for loss on liquidation	301	277
Allowance for loss on collection of gift certificates outstanding	360	367
Others	103,619	119,937
Total current liabilities	304,067	328,208
Non-current liabilities		
Bonds payable	215,000	200,000
Long-term loans payable	155,949	173,057
Lease obligations	10,678	9,920
Deferred tax liabilities	3,882	3,649
Deferred tax liabilities for land revaluation	55,506	55,481
Provision for loss on liquidation	5,560	3,713
Employee retirement benefit liability	32,539	33,056
Others	19,103	19,866
Total non-current liabilities	498,221	498,744
Total liabilities	802,289	826,953
Net assets		
Shareholders' equity		
Common stock	101,158	101,158
Capital surplus	40,144	40,323
Retained earnings	158,112	175,658
Treasury stock	(365)	(222)
Total shareholders' equity	299,050	316,918
Accumulated other comprehensive income		
Net unrealized gains on available-for-sale securities	16,490	23,213
Deferred gains and losses on hedges	143	188
Land revaluation increment	87,683	87,718
Foreign currency translation adjustments	11	35
Retirement benefit adjustments	1,053	927
Total accumulated other comprehensive income	105,382	112,081
Non-controlling interests	24,655	25,264
Total net assets	429,089	454,264
Total liabilities and net assets	1,231,378	1,281,218

(2) Quarterly Consolidated Statements of Income and Consolidated Statements of Comprehensive Income (Unaudited)

Quarterly Consolidated Statements of Income (Unaudited)

	Millions of yen	
	1 April 2022	1 April 2023
	-31 December 2022	-31 December 2023
Operating revenues	406,668	443,483
Operating expenses		
Transportation, other services and cost of sales	349,741	373,605
Selling, general and administrative expenses	36,119	39,757
Total operating expenses	385,861	413,362
Operating income	20,806	30,120
Non-operating income		
Interest income	19	31
Dividend income	1,231	1,349
Equity in net earnings of affiliates	1,783	2,706
Subsidies for employment adjustment	722	38
Miscellaneous income	1,292	1,330
Total non-operating income	5,049	5,456
Non-operating expenses		
Interest expenses	2,104	2,249
Provision for loss on liquidation	95	-
Miscellaneous expenses	297	423
Total non-operating expenses	2,498	2,672
Ordinary income	23,358	32,904
Extraordinary income		
Gain on sales of fixed assets	636	1,113
Gain on contributions for construction	707	471
Gain on sales of investment securities	1,007	232
Others	248	120
Total extraordinary income	2,600	1,937
Extraordinary losses		
Loss on sales of fixed assets	48	53
Impairment loss on fixed assets	141	238
Loss on disposition of fixed assets	243	292
Loss on sales of investment securities	160	-
Loss on valuation of investment securities	32	49
Loss on reduction of property and equipment	608	762
Provision for return of subsidies *1	-	2,288
Others	82	961
Total extraordinary losses	1,318	4,644
Profit before income taxes	24,640	30,197
Income taxes – current	5,557	6,191
Income taxes – deferred	2,228	1,738
Total income taxes	7,785	7,929
Profit	16,854	22,267
Profit attributable to:		
Non-controlling interests	954	736
Owners of the parent	15,900	21,531

Quarterly Consolidated Statements of Comprehensive Income (Unaudited)

	Millions of yen	
	1 April 2022 -31 December 2022	1 April 2023 -31 December 2023
Profit	16,854	22,267
Other comprehensive income		
Net unrealised gains and losses on available-for-sale securities	3,007	6,372
Deferred gains and losses on hedges	(512)	48
Land revaluation increment	299	-
Foreign currency translation adjustments	49	23
Retirement benefit adjustments	(94)	(134)
Share of other comprehensive income of affiliates accounted for using the equity method	(154)	462
Total other comprehensive income	2,594	6,771
Comprehensive income	19,449	29,039
Comprehensive income attributable to:		
Owners of the parent	18,494	28,195
Non-controlling interests	954	843

(3) Notes to Quarterly Consolidated Statements (Unaudited)

Notes on going concern assumption: None

Notes on significant changes in shareholders' equity: None

Quarterly Consolidated Statements of Income related: Yes

*1 Provision for return of subsidies

It's the amount of the subsidies for employment adjustment that our consolidated subsidiary Meitetsu World Travel Inc. has already received and is scheduled to return.

Segment information

Information about reportable segments operating revenues and profit or loss for the nine-month period ended 31 December 2022

(Millions of yen)

	Traffic	Transport	Real Estate	Leisure and Services	Distribution	Aviation Services	Others (*1)	Total	Adjustment (*2)	Quarterly Consolidated financial statements (*3)
Operating revenues:										
External customers	97,004	104,555	59,654	61,591	46,188	18,390	19,282	406,668	—	406,668
Intersegment sales/transfers	2,152	262	7,825	383	2,388	—	12,697	25,710	(25,710)	—
Total	99,157	104,818	67,480	61,975	48,576	18,390	31,979	432,378	(25,710)	406,668
Segment income (loss)	6,007	3,674	9,298	722	(1,762)	1,709	1,068	20,717	89	20,806

*1) “Others” is a business segment that is not considered a reportable segment. It includes the business of equipment maintenance, information processing, insurance agency and others.

*2) Segment income (loss) adjustment amounting to ¥89 million was treated as intersegment elimination.

*3) Segment income (loss) was reconciled to operating income in the accompanying quarterly consolidated statements of income.

Information about reportable segments operating revenues and profit or loss for the nine-month period ended 31 December 2023

(Millions of yen)

	Traffic	Transport	Real Estate	Leisure and Services	Distribution	Aviation Services	Others (*1)	Total	Adjustment (*2)	Quarterly Consolidated financial statements (*3)
Operating revenues:										
External customers	108,249	105,859	64,090	77,117	48,271	18,876	21,017	443,483	—	443,483
Intersegment sales/transfers	2,044	310	8,420	471	2,193	17	14,108	27,566	(27,566)	—
Total	110,293	106,170	72,511	77,589	50,465	18,894	35,126	471,050	(27,566)	443,483
Segment income (loss)	13,381	2,531	10,882	3,330	(2,019)	622	1,262	29,991	129	30,120

*1) “Others” is a business segment that is not considered a reportable segment. It includes the business of equipment maintenance, information processing, insurance agency and others.

*2) Segment income (loss) adjustment amounting to ¥129 million was treated as intersegment elimination.

*3) Segment income (loss) was reconciled to operating income in the accompanying quarterly consolidated statements of income.