

Consolidated Financial Results for the Fiscal Year Ended 31 March 2024 (Japanese GAAP) (Unaudited)

Nagoya Railroad Co., Ltd.

10 May 2024

Stock exchange Listing: Tokyo Nagoya
 Securities code: 9048
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Scheduled date of ordinary shareholders meeting: 26 June 2024
 Scheduled date of dividend payment commencement: 27 June 2024
 Scheduled date of filing of annual securities report: 27 June 2024
 Supplementary explanations of financial results: Yes
 Financial results presentation meeting: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the fiscal year ended 31 March 2024 (1 April 2023 - 31 March 2024)

(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	%
Fiscal year ended 31 March 2024	601,121	9.0	34,750	52.9	37,544	42.4	24,400	29.4
Fiscal year ended 31 March 2023	551,504	12.3	22,731	675.1	26,362	100.7	18,850	101.2

Note: Comprehensive income - for the fiscal year ended 31 March 2024 ¥38,323 million [65.4%]
 for the fiscal year ended 31 March 2023 ¥23,173 million [165.7%]

	Net income per share-basic	Net income per share-diluted	Return on equity	Return on assets	Operating income ratio
	Yen	Yen	%	%	%
Fiscal year ended 31 March 2024	124.13	116.01	5.8	3.0	5.8
Fiscal year ended 31 March 2023	95.91	89.62	4.8	2.2	4.1

Reference: Equity in earnings of affiliates- for the fiscal year ended 31 March 2024 ¥2,996 million
 for the fiscal year ended 31 March 2023 ¥2,637 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share-basic
As of	Millions of yen	Millions of yen	%	yen
31 March 2024	1,303,205	463,532	33.6	2,227.88
31 March 2023	1,231,378	429,089	32.8	2,057.89

Reference: Shareholders' equity - as of 31 March 2024 ¥437,965 million
 as of 31 March 2023 ¥404,433 million

(3) Consolidated cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended 31 March 2024	55,533	(68,430)	18,034	60,025
Fiscal year ended 31 March 2023	61,217	(59,372)	2,608	54,879

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 ended 31 March 2024	—	0.00	—	27.50	27.50
Fiscal year ending 31 March 2025 (forecast)	—	0.00	—	30.00	30.00

	Total cash dividends (Annual)	Payout ratio (Consolidated)	Dividend on net assets (Consolidated)
	Millions of yen	%	%
Fiscal year ended 31 March 2023	3,931	20.9	1.0
Fiscal year ended 31 March 2024	5,406	22.2	1.3
Fiscal year ending 31 March 2025 (forecast)		21.1	

3. Forecast of consolidated financial results for the fiscal year ending 31 March 2025

(%: year-on-year)

	Operating revenues		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six-month period ending 30 September 2024	330,000	16.3	20,000	25.8	20,000	15.7
Fiscal year ending 31 March 2025	675,000	12.3	40,000	15.1	40,500	7.9

	Profit attributable to owners of the parent		Net income per share-basic
	Millions of yen	%	Yen
Six-month period ending 30 September 2024	14,000	40.3	71.22
Fiscal year ending 31 March 2025	28,000	14.8	142.43

Notes

- (1) Changes in significant consolidated subsidiaries during the year (changes in specific consolidated subsidiaries resulting in changes in the scope of consolidation): None
- (2) 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

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

	Number of issued shares (including treasury stock)	Number of treasury stock
As of		
31 March 2024	196,700,692	116,752
31 March 2023	196,700,692	172,683

(Shares)

	Average number of shares outstanding during the periods
Fiscal year ended 31 March 2024	196,567,973
Fiscal year ended 31 March 2023	196,539,836

(Reference) Overview of the non-consolidated financial results**1. Non-consolidated results for the fiscal year ended 31 March 2024****(1 April 2023 - 31 March 2024)**

(1) Non-consolidated operating results

(%: year-on-year)

	Operating revenues		Operating income		Ordinary income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended 31 March 2024	98,025	8.5	12,760	86.5	15,208	79.4	13,219	81.8
Fiscal year ended 31 March 2023	90,332	6.0	6,841	47.9	8,475	41.7	7,270	54.8

	Net income per share-basic	Net income per share-diluted
	Yen	Yen
Fiscal year ended 31 March 2024	67.25	62.85
Fiscal year ended 31 March 2023	36.99	34.56

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share-basic
As of	Millions of yen	Millions of yen	%	Yen
31 March 2024	948,098	306,953	32.4	1,561.25
31 March 2023	891,295	288,616	32.4	1,468.40

Reference: Shareholders' equity- as of 31 March 2024 ¥306,953 million
as of 31 March 2023 ¥288,616 million

* 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 statement's summary is 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.

4. Consolidated financial statements

(1) Consolidated Balance Sheets (Unaudited)

	Millions of yen	
	31 March 2023	31 March 2024
ASSETS		
Current assets		
Cash and deposits	55,291	60,388
Trade notes, accounts receivable and contract assets	61,109	63,831
Short-term loans receivable	1,834	1,814
Land and buildings for sale	77,275	76,717
Merchandise and finished goods	6,273	6,329
Work in process	670	626
Raw materials and supplies	5,311	5,511
Others	19,411	23,451
Allowance for doubtful accounts	(276)	(185)
Total current assets	226,902	238,484
Non-current assets		
Property and equipment		
Buildings and structures, net	301,878	317,548
Machinery, equipment and vehicles, net	78,931	83,615
Land	371,293	381,227
Lease assets, net	10,355	9,569
Construction in progress	82,424	90,654
Other properties, net	9,142	11,008
Total property and equipment	854,026	893,624
Intangible assets		
Right-of-use facilities	7,063	7,945
Goodwill	1,397	2,294
Lease assets	275	217
Other intangible assets	3,116	3,505
Total intangible assets	11,853	13,963
Investments and other assets		
Investment securities	104,030	128,202
Long-term loans receivable	358	292
Deferred tax assets	17,769	11,606
Others	16,930	17,525
Allowance for doubtful accounts	(493)	(493)
Total investments and other assets	138,596	157,133
Total non-current assets	1,004,476	1,064,720
Total assets	1,231,378	1,303,205

(1) Consolidated Balance Sheets (Unaudited)

	Millions of yen	
	31 March 2023	31 March 2024
LIABILITIES AND NET ASSETS		
Liabilities		
Current liabilities		
Trade notes and accounts payable	73,388	74,816
Short-term loans payable	52,876	43,574
Commercial papers	10,000	-
Current portion of bonds payable	30,080	40,000
Lease obligations	1,490	1,373
Income taxes payable	5,868	4,619
Deposits received from employees	20,383	19,964
Advances received	55,701	68,511
Provision for bonuses	5,698	5,841
Provision for loss on liquidation	301	29
Allowance for loss on collection of gift certificates outstanding	360	369
Others	47,917	49,848
Total current liabilities	304,067	308,949
Non-current liabilities		
Bonds payable	215,000	225,000
Long-term loans payable	155,949	179,631
Lease obligations	10,678	9,958
Deferred tax liabilities	3,882	3,750
Deferred tax liabilities for land revaluation	55,506	55,271
Provision for loss on liquidation	5,560	3,906
Employee retirement benefit liability	32,539	32,535
Others	19,103	20,669
Total non-current liabilities	498,221	530,723
Total liabilities	802,289	839,672
Net assets		
Shareholders' equity		
Common stock	101,158	101,158
Capital surplus	40,144	40,426
Retained earnings	158,112	178,946
Treasury stock	(365)	(233)
Total shareholders' equity	299,050	320,297
Accumulated other comprehensive income		
Net unrealized gains on available-for-sale securities	16,490	28,631
Deferred gains and losses on hedges	143	379
Land revaluation increment	87,683	87,298
Foreign currency translation adjustments	11	24
Retirement benefit adjustments	1,053	1,332
Total accumulated other comprehensive income	105,382	117,667
Non-controlling interests	24,655	25,567
Total net assets	429,089	463,532
Total liabilities and net assets	1,231,378	1,303,205

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

Consolidated Statements of Operations (Unaudited)

	Millions of yen	
	1 April 2022	1 April 2023
	-31 March 2023	-31 March 2024
Operating revenues	551,504	601,121
Operating expenses		
Transportation, other services and cost of sales	478,257	512,245
Selling, general and administrative expenses	50,515	54,125
Total operating expenses	528,773	566,371
Operating income	22,731	34,750
Non-operating income		
Interest income	26	47
Dividend income	1,295	1,379
Equity in net earnings of affiliates	2,637	2,996
Subsidies for employment adjustment	775	38
Miscellaneous income	2,458	2,275
Total non-operating income	7,194	6,737
Non-operating expenses		
Interest expenses	2,819	3,061
Provision for loss on liquidation	218	198
Miscellaneous expenses	524	684
Total non-operating expenses	3,562	3,943
Ordinary income	26,362	37,544
Extraordinary income		
Gain on sales of fixed assets	2,403	1,535
Gain on contributions for construction	2,983	1,480
Gain on sales of investment securities	1,845	1,798
Compensation for expropriation	1,319	-
Others	588	574
Total extraordinary income	9,140	5,390
Extraordinary losses		
Loss on sales of fixed assets	108	222
Impairment loss on fixed assets	2,842	1,761
Loss on disposition of fixed assets	472	630
Loss on sales of investment securities	160	2
Loss on valuation of investment securities	32	49
Provision for loss on liquidation	301	18
Loss on reduction of property and equipment	2,732	1,691
Loss on subsidy return *1	-	2,552
Others	217	1,460
Total extraordinary losses	6,868	8,388
Profit before income taxes	28,634	34,546
Income taxes – current	8,460	8,489
Income taxes – deferred	333	647
Total income taxes	8,793	9,137
Profit	19,840	25,409
Profit attributable to:		
Non-controlling interests	990	1,009
Owners of the parent	18,850	24,400

Consolidated Statements of Comprehensive Income (Unaudited)

	Millions of yen	
	1 April 2022 -31 March 2023	1 April 2023 -31 March 2024
Profit	19,840	25,409
Other comprehensive income		
Net unrealised gains and losses on available-for-sale securities	2,929	11,094
Deferred gains and losses on hedges	(615)	242
Land revaluation increment	299	-
Foreign currency translation adjustments	27	13
Retirement benefit adjustments	735	70
Share of other comprehensive income of affiliates accounted for using the equity method	(44)	1,494
Total other comprehensive income	3,332	12,914
Comprehensive income	23,173	38,323
Comprehensive income attributable to:		
Owners of the parent	22,095	37,069
Non-controlling interests	1,077	1,254

(3) Consolidated Statements of Changes in Net Assets (Unaudited)

Fiscal year ended 31 March 2023

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the fiscal year start	101,158	38,405	142,815	(113)	282,266
Cumulative effects of changes in accounting policies					—
Restated balance	101,158	38,405	142,815	(113)	282,266
Changes of items during the year					
Cash dividends			(2,458)		(2,458)
Profit attributable to owners of the parent			18,850		18,850
Purchase of treasury stock				(349)	(349)
Disposal of treasury stock		(12)		97	84
Reversal for land revaluation increment			(1,080)		(1,080)
Transfer from retained earnings to capital surplus		14	(14)		—
Change in treasury shares arising from change in equity in entities accounted for using equity method					—
Change in ownership interest of parent related to transactions with non-controlling interests		1,737			1,737
Net changes in items other than shareholders' equity for the year					
Total changes of items during the year	—	1,739	15,297	(252)	16,784
Balance at the fiscal year end	101,158	40,144	158,112	(365)	299,050

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Net unrealised gains on available-for-sale securities	Deferred gains and losses on hedges	Land revaluation increment	Foreign currency translation adjustments	Retirement benefit adjustments	Total accumulated other comprehensive income		
Balance at the fiscal year start	13,616	741	86,257	(16)	457	101,057	27,808	411,132
Cumulative effects of changes in accounting policies								—
Restated balance	13,616	741	86,257	(16)	457	101,057	27,808	411,132
Changes of items during the year								
Cash dividends								(2,458)
Profit attributable to owners of the parent								18,850
Purchase of treasury stock								(349)
Disposal of treasury stock								84
Reversal for land revaluation increment								(1,080)
Transfer from retained earnings to capital surplus								—
Change in treasury shares arising from change in equity in entities accounted for using equity method								—
Change in ownership interest of parent related to transactions with non-controlling interests								1,737
Net changes in items other than shareholders' equity for the year	2,874	(597)	1,425	27	595	4,325	(3,153)	1,172
Total changes of items during the year	2,874	(597)	1,425	27	595	4,325	(3,153)	17,956
Balance at the fiscal year end	16,490	143	87,683	11	1,053	105,382	24,655	429,089

Fiscal year ended 31 March 2024

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the fiscal year start	101,158	40,144	158,112	(365)	299,050
Cumulative effects of changes in accounting policies					—
Restated balance	101,158	40,144	158,112	(365)	299,050
Changes of items during the year					
Cash dividends			(3,931)		(3,931)
Profit attributable to owners of the parent			24,400		24,400
Purchase of treasury stock				(42)	(42)
Disposal of treasury stock		(20)		173	153
Reversal for land revaluation increment			384		384
Transfer from retained earnings to capital surplus		20	(20)		—
Change in treasury shares arising from change in equity in entities accounted for using equity method				0	0
Change in ownership interest of parent related to transactions with non-controlling interests		281			281
Net changes in items other than shareholders' equity for the year					
Total changes of items during the year	—	281	20,833	131	21,246
Balance at the fiscal year end	101,158	40,426	178,946	(233)	320,297

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Net unrealised gains on available-for-sale securities	Deferred gains and losses on hedges	Land revaluation increment	Foreign currency translation adjustments	Retirement benefit adjustments	Total accumulated other comprehensive income		
Balance at the fiscal year start	16,490	143	87,683	11	1,053	105,382	24,655	429,089
Cumulative effects of changes in accounting policies								—
Restated balance	16,490	143	87,683	11	1,053	105,382	24,655	429,089
Changes of items during the year								
Cash dividends								(3,931)
Profit attributable to owners of the parent								24,400
Purchase of treasury stock								(42)
Disposal of treasury stock								153
Reversal for land revaluation increment								384
Transfer from retained earnings to capital surplus								—
Change in treasury shares arising from change in equity in entities accounted for using equity method								0
Change in ownership interest of parent related to transactions with non-controlling interests								281
Net changes in items other than shareholders' equity for the year	12,140	236	(384)	13	279	12,285	911	13,196
Total changes of items during the year	12,140	236	(384)	13	279	12,285	911	34,443
Balance at the fiscal year end	28,631	379	87,298	24	1,332	117,667	25,567	463,532

(4) Consolidated Statements of Cash Flows (Unaudited)

	Millions of yen	
	1 April 2022 -31 March 2023	1 April 2023 -31 March 2024
Cash flows from operating activities:		
Profit before income taxes	28,634	34,546
Depreciation	38,247	38,879
Impairment loss on fixed assets	2,842	1,761
Amortization of goodwill	415	330
Increase (decrease) in allowance for doubtful accounts	85	(90)
Increase (decrease) in provision for bonuses	515	140
Increase (decrease) in provision for loss on liquidation	(53)	(1,926)
Increase (decrease) in other provision	(1,007)	204
Increase (decrease) in employee retirement benefit liability	44	91
Interest and dividend income	(1,322)	(1,427)
Interest expense	2,819	3,061
Subsidies for employment adjustment	(775)	(38)
Share of (gain) loss of entities accounted for using equity method	(2,637)	(2,996)
Loss (gain) on sale of fixed assets	(2,295)	(1,313)
Loss on disposition of fixed assets	259	399
Loss (gain) on valuation of investment securities	32	49
Loss (gain) on sales of investment securities	(1,685)	(1,796)
Gain on contributions for construction	(2,983)	(1,480)
Compensation for expropriation	(1,319)	-
Decrease (increase) in trade notes and accounts receivable	(2,202)	(2,863)
Decrease (increase) in inventories	(3,484)	4,360
Extra retirement payments	83	-
Increase (decrease) in trade notes and accounts payable	10,233	153
Others, net	4,214	(4,857)
Subtotal	68,662	65,184
Interest and dividends received	2,282	2,572
Interest paid	(2,781)	(2,991)
Amount of extra retirement payments	(83)	-
Amount of subsidies for employment adjustment received	908	45
Amount of compensation for expropriation received	1,195	-
Income taxes paid	(8,967)	(9,278)
Net cash provided by (used in) operating activities	61,217	55,533

	Millions of yen	
	1 April 2022 -31 March 2023	1 April 2023 -31 March 2024
Cash flows from investing activities:		
Purchases of fixed assets	(78,691)	(85,996)
Proceeds from sales of fixed assets	2,767	5,859
Purchases of investment securities	(431)	(5,008)
Proceeds from sales and redemptions of investment securities	5,653	1,980
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,312)	(791)
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(546)	-
Payments of short-term loans receivable	(10)	(13)
Proceeds from collection of short-term loans receivable	128	108
Payments of long-term loans receivable	(27)	(21)
Proceeds from collection of long-term loans receivable	19	12
Proceeds from contribution received for construction	14,166	15,421
Others, net	(86)	18
Net cash provided by (used in) investing activities	(59,372)	(68,430)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	5,702	10,794
Increase (decrease) in commercial papers	(26,001)	(10,000)
Proceeds from long-term debt	27,979	30,755
Repayment of long-term debt	(18,166)	(27,880)
Issuance of bonds	19,893	49,782
Redemption of bonds	-	(30,000)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(2,339)	(17)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	3	92
Repayments of lease obligations	(1,490)	(1,385)
Proceeds from sales of treasury stock	0	0
Purchase of treasury stock	(349)	(42)
Dividends paid to non-controlling shareholders	(157)	(136)
Dividends paid to shareholders	(2,466)	(3,927)
Net cash provided by (used in) financing activities	2,608	18,034
Effect of exchange rate changes on cash and cash equivalents	(4)	7
Net increase (decrease) in cash and cash equivalents	4,448	5,145
Cash and cash equivalents at beginning of period	50,430	54,879
Cash and cash equivalents at end of period	54,879	60,025

(5) Notes to Consolidated Statements (Unaudited)

Notes on going concern assumption: None

Change in Presentation method

(Notes to Consolidated Balance Sheets)

"Advances received," which was included in "Others" of "Current liabilities" has become financially significant and will be presented independently from this consolidated fiscal year. To reflect this change, the consolidated financial statements for the previous fiscal year are reclassified. As a result, ¥103,619 million, which were presented in "Others" of "Current liabilities" in the consolidated balance sheets for the previous fiscal year, are reclassified as "Advances received" of ¥55,701 million and "Others" of ¥47,917 million.

Consolidated Statements of Operations related: Yes

*1 Loss on subsidy return

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

Segment information

(1) General information about reportable segments

The reportable segments of the Company are those units for which separate financial statements can be obtained among the constituent units of the Company and which are regularly examined by the Board of Directors to determine the allocation of management resources and to assess business performance.

The Group is engaged in diversified business activities involving traffic, transport, real estate, leisure, distribution, aviation services, equipment maintenance and others. On the basis of the above activities, the Company's reportable segments are "Traffic," "Transport," "Real Estate," "Leisure and Services," "Distribution" and "Aviation Services."

The business descriptions of the reportable segments are as follows:

- Traffic: business related to railroads, buses and taxis
- Transport: business related to trucking and maritime transportation
- Real Estate: real estate development, real estate leasing and building maintenance
- Leisure and Services: business related to hotels, restaurants, tourist facilities and travel
- Distribution: department store operations and distributions of other merchandise sales
- Aviation Services: business related to general aviation and flight catering

(2) Basis of measurement for reportable segment operating revenues, profit or loss, assets and other material items

Reportable segment income (loss) figures are on an operating income(loss) basis. Intersegment sales and transfers are based on prevailing market prices.

(3) Information about reportable segment operating revenues, profit or loss, assets and other material items

Information about reportable segments as of and for the fiscal year ended 31 March 2023 was as follows.

(Millions of yen)

	Traffic	Transport	Real Estate	Leisure and Services	Distribution	Aviation Services	Others (*1)	Total	Adjustment (*2)	Consolidated financial statements (*3)
Operating revenues:										
External customers	129,569	136,632	86,264	80,554	63,192	25,578	29,711	551,504	—	551,504
Intersegment sales/transfers	2,913	365	10,432	494	3,070	—	20,359	37,636	(37,636)	—
Total	132,483	136,998	96,696	81,049	66,263	25,578	50,070	589,140	(37,636)	551,504
Segment income (loss)	4,614	3,398	13,830	(375)	(2,475)	1,346	2,619	22,958	(227)	22,731
Segment assets	513,761	123,212	332,747	31,368	37,751	31,554	72,894	1,143,290	88,088	1,231,378
Other items										
Depreciation	17,702	6,889	5,475	1,108	1,130	2,765	3,614	38,685	(437)	38,247
Amortisation of goodwill	—	—	305	37	67	—	4	415	—	415
Impairment loss on fixed assets	344	0	175	1,562	681	21	57	2,842	—	2,842
Increase in property and equipment and intangible assets	21,909	9,755	18,588	1,935	1,069	4,879	4,214	62,351	—	62,351

*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) Adjustment is as follows

- (1) Segment income (loss) adjustment amounting to ¥(227) million was treated as intersegment elimination.
- (2) Segment assets adjustment amounting to ¥88,088 million consisted of unallocated general corporate assets amounting to ¥123,780 million, net of intersegment elimination of ¥(35,691) million. Such general corporate assets consisted mainly of cash, deposits and investment securities.
- (3) Depreciation adjustment amounting to ¥(437) million was treated as intersegment elimination.

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

Information about reportable segments as of and for the fiscal year ended 31 March 2024 was as follows.

(Millions of yen)

	Traffic	Transport	Real Estate	Leisure and Services	Distribution	Aviation Services	Others (*1)	Total	Adjustment (*2)	Consolidated financial statements (*3)
Operating revenues:										
External customers	143,862	137,884	96,650	98,186	63,888	26,222	34,426	601,121	—	601,121
Intersegment sales/transfers	2,720	424	11,255	585	2,788	55	21,957	39,786	(39,786)	—
Total	146,582	138,308	107,906	98,772	66,676	26,278	56,383	640,908	(39,786)	601,121
Segment income (loss)	12,980	1,792	15,967	2,671	(2,697)	1,087	3,299	35,101	(351)	34,750
Segment assets	527,196	123,265	362,492	32,882	34,776	32,879	83,784	1,197,275	105,929	1,303,205
Other items										
Depreciation	17,847	7,120	5,594	1,134	1,217	2,790	3,630	39,334	(454)	38,879
Amortisation of goodwill	—	—	155	37	115	—	21	330	—	330
Impairment loss on fixed assets	99	0	1,207	173	406	—	13	1,900	(139)	1,761
Increase in property and equipment and intangible assets	25,578	7,053	30,515	1,839	1,635	4,211	5,985	76,818	—	76,818

*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) Adjustment is as follows

(1) Segment income (loss) adjustment amounting to ¥(351) million was treated as intersegment elimination.

(2) Segment assets adjustment amounting to ¥105,929 million consisted of unallocated general corporate assets amounting to ¥141,686 million, net of intersegment elimination of ¥(35,756) million. Such general corporate assets consisted mainly of cash, deposits and investment securities.

(3) Depreciation adjustment amounting to ¥(454) million was treated as intersegment elimination.

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

Per share information

	1 April 2022 -31 March 2023	1 April 2023 -31 March 2024
Net assets per share-basic	2,057.89 yen	2,227.88 yen
Net income per share-basic	95.91 yen	124.13 yen
Net income per share-diluted	89.62 yen	116.01 yen

(1) The basis for calculating of net income per share-basic and net income per share-diluted was as follows.

	1 April 2022 -31 March 2023	1 April 2023 -31 March 2024
Net income per share-basic		
Profit attributable to owners of the parent (Millions of yen)	18,850	24,400
Profit not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of the parent related to common stock (Millions of yen)	18,850	24,400
Average number of shares outstanding during the periods (share)	196,539,836	196,567,973
Net income per share-diluted		
Adjustments to profit attributable to owners of the parent (Millions of yen)	—	—
Increase in the number of common stock (share)	13,792,646	13,759,676
[Of the above, convertible bond (share)]	[13,792,646]	[13,759,676]
Descriptions of potentially dilutive common stock with an anti-dilutive effect that was not included in the computation of net income per share-diluted	—	—

(2) The basis for calculating of net assets per share-basic was as follows.

	As of 31 March 2023	As of 31 March 2024
Total net assets (Millions of yen)	429,089	463,532
Amounts deducted from total net assets (Millions of yen)	24,655	25,567
[Of the above, non-controlling interests (Millions of yen)]	[24,655]	[25,567]
Net assets related to common stock (Millions of yen)	404,433	437,965
Number of common stock used for the calculation of net assets per share (share)	196,528,009	196,583,940

Subsequent events : Yes

Business combination through acquisition

Based on the resolution of the Board of Directors of the Company on February 14, 2024, Meitetsu Transportation Co., Ltd. acquired shares of NX Transport Co., Ltd. and Meitetsu Transportation Co., Ltd. and Nippon Express Co., Ltd. concluded a share transfer agreement. As a result, NX Transport Co., Ltd. has been a consolidated subsidiary since April 1, 2024.

1. Outline of the business combination

(1) Name of the acquired company and its business

Name of the acquired company: NX Transport Co., Ltd.

Business lines: Road freight transportation business, cargo transportation business, warehousing business, etc.

(2) Main reasons for the business combination

Meitetsu Transportation Co., Ltd. and Nippon Express Co., Ltd. signed a capital and business alliance agreement on December 25, 2015. Since that time, the companies have collaborated in the Combined Delivery Services Business.

At the same time, rising energy prices, chronic labor shortages for truck drivers, changes in laws concerning work-style reform, etc. have combined in recent years to cause rising labor and outsourcing costs. Further, total domestic freight volume is likely to decline due to a decreasing population in Japan and changes to the industrial structure. Accordingly, the industry does not expect meaningful increases in total freight volume for the combined delivery services market in the future. Given this environment, the companies in question determined that the further mutual use of business resources, expertise, and other management resources of the two groups will be essential in solving issues and improving service levels in response to changes in the business environment. It aims to promote and develop the Combined Delivery Services Business.

The transaction consists of two stages. The first transaction is stock transfer. And as the second transaction, the succession of the rights and obligations held by Nippon Express Co., Ltd. concerning the Combined Delivery Services Business in Japan to Meitetsu Transportation Co., Ltd. will be executed through the absorption-type split in exchange for shares of Meitetsu Transportation Co., Ltd. on January 1, 2025(planned)

(3) Date of business combination

April 1, 2024

(4) Legal form of the business combinations

Purchase of stock for cash

(5) Name of the controlling entity after the business combination

No change

(6) Percentage share of voting rights after acquisition

100.00%

(7) Main reason for deciding to acquire the company

Meitetsu Transportation Co., Ltd. acquire shares for cash

2. Acquisition cost of the acquired company

Unsettled

3. Contents and amounts of major acquisition-related costs

Unsettled

4. Goodwill, reason for recognizing goodwill, amortization method and amortization period

Unsettled

5. Amounts of assets and liabilities acquired on the day of the business combination

Unsettled

6. Allocation of acquisition cost

Unsettled