

# Consolidated Financial Results for the Three-month Period Ended 30 June 2024 (Japanese GAAP) (Unaudited)

## Nagoya Railroad Co., Ltd.

9 August 2024

Stock exchange Listing: Tokyo Nagoya  
 Securities code: 9048  
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Scheduled date of dividend payment commencement: -  
 Supplementary explanations of financial results: Yes  
 Financial results presentation meeting: None

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

### 1. Consolidated financial results for the three-month period ended 30 June 2024 (1 April 2024 - 30 June 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	%
Three-month period ended 30 June 2024	166,157	17.9	11,673	50.4	12,762	39.7	10,497	44.9
Three-month period ended 30 June 2023	140,977	12.6	7,760	84.1	9,135	72.2	7,243	127.2

Note: Comprehensive income - for the three-month period ended 30 June 2024 ¥11,225 million [(20.8%)]  
 for the three-month period ended 30 June 2023 ¥14,169 million [370.0%]

	Net income per share-basic	Net income per share-diluted
	Yen	Yen
Three-month period ended 30 June 2024	53.40	49.04
Three-month period ended 30 June 2023	36.86	34.44

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
30 June 2024	1,366,060	469,253	32.5
31 March 2024	1,303,205	464,054	33.6

Reference: Shareholders' equity - as of 30 June 2024 ¥444,501 million  
 as of 31 March 2024 ¥438,487 million

Note: The Company has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, 28 October 2022) and others from the beginning of the first quarter of the current fiscal year; therefore, the figures for the fiscal year ended 31 March 2024 are retroactively applied.

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

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

### 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

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

#### Notes

- (1) Significant changes in the scope of consolidation during the period: None  
 Newly included: - Company name: -  
 Excluded: - Company name: -
- (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
  - ) Changes in accounting policies resulting from the revision of the accounting standards: Yes
  - ) Changes in accounting policies other than the above: None
  - ) Changes in accounting estimates: None
  - ) 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 30 June 2024	196,700,692	119,646
31 March 2024	196,700,692	116,752

(Shares)

	Average number of shares outstanding during the period
Three-month period ended 30 June 2024	196,582,480
Three-month period ended 30 June 2023	196,526,991

- \* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None
- \* 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 realise the above.  
Actual results may differ from such forward-looking statements for a variety of reasons.

#### 4. Quarterly consolidated financial statement and Main Notes

##### (1) Quarterly Consolidated Balance Sheets (Unaudited)

	Millions of yen	
	31 March 2024	30 June 2024
<b>ASSETS</b>		
Current assets		
Cash and deposits	60,388	86,610
Trade notes, accounts receivable and contract assets	63,831	58,761
Short-term loans receivable	1,814	1,814
Land and buildings for sale	76,717	79,343
Merchandise and finished goods	6,329	7,234
Work in process	626	1,109
Raw materials and supplies	5,511	6,050
Others	23,451	28,534
Allowance for doubtful accounts	(185)	(186)
<b>Total current assets</b>	<b>238,484</b>	<b>269,272</b>
Non-current assets		
Property and equipment		
Buildings and structures, net	317,548	320,992
Machinery, equipment and vehicles, net	83,615	85,450
Land	381,227	386,171
Lease assets, net	9,569	9,103
Construction in progress	90,654	92,962
Other properties, net	11,008	11,721
<b>Total property and equipment</b>	<b>893,624</b>	<b>906,402</b>
Intangible assets		
Right-of-use facilities	7,945	7,616
Goodwill	2,294	2,204
Lease assets	217	203
Other intangible assets	3,505	3,549
<b>Total intangible assets</b>	<b>13,963</b>	<b>13,573</b>
Investments and other assets		
Investment securities	128,202	147,398
Long-term loans receivable	292	274
Deferred tax assets	11,606	11,649
Others	17,525	17,976
Allowance for doubtful accounts	(493)	(487)
<b>Total investments and other assets</b>	<b>157,133</b>	<b>176,811</b>
<b>Total non-current assets</b>	<b>1,064,720</b>	<b>1,096,787</b>
<b>Total assets</b>	<b>1,303,205</b>	<b>1,366,060</b>

## (1) Quarterly Consolidated Balance Sheets (Unaudited)

Millions of yen

	31 March 2024	30 June 2024
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Current liabilities		
Trade notes and accounts payable	74,816	62,458
Short-term loans payable	43,574	46,863
Current portion of bonds payable	40,000	40,000
Lease obligations	1,373	1,101
Income taxes payable	4,619	2,521
Deposits received from employees	19,964	19,823
Advances received	68,511	75,460
Provision for bonuses	5,841	3,195
Provision for loss on liquidation	29	26
Allowance for loss on collection of gift certificates outstanding	369	369
Others	49,848	56,542
Total current liabilities	308,949	308,363
Non-current liabilities		
Bonds payable	225,000	275,000
Long-term loans payable	179,631	183,239
Lease obligations	9,958	9,731
Deferred tax liabilities	3,229	4,798
Deferred tax liabilities for land revaluation	55,271	55,270
Provision for loss on liquidation	3,906	3,786
Employee retirement benefit liability	32,535	35,711
Others	20,669	20,905
Total non-current liabilities	530,201	588,443
Total liabilities	839,151	896,806
Net assets		
Shareholders' equity		
Common stock	101,158	101,158
Capital surplus	40,426	40,882
Retained earnings	179,468	184,561
Treasury stock	(233)	(238)
Total shareholders' equity	320,819	326,364
Accumulated other comprehensive income		
Net unrealised gains on available-for-sale securities	28,631	29,121
Deferred gains and losses on hedges	379	392
Land revaluation increment	87,298	87,296
Foreign currency translation adjustments	24	37
Retirement benefit adjustments	1,332	1,289
Total accumulated other comprehensive income	117,667	118,137
Non-controlling interests	25,567	24,751
Total net assets	464,054	469,253
Total liabilities and net assets	1,303,205	1,366,060

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

## Quarterly Consolidated Statements of Income (Unaudited)

	Millions of yen	
	1 April 2023	1 April 2024
	-30 June 2023	-30 June 2024
Operating revenues	140,977	166,157
Operating expenses		
Transportation, other services and cost of sales	120,176	139,351
Selling, general and administrative expenses	13,040	15,132
Total operating expenses	133,216	154,484
Operating income	7,760	11,673
Non-operating income		
Interest income	9	23
Dividend income	716	1,188
Equity in net earnings of affiliates	875	453
Miscellaneous income	531	453
Total non-operating income	2,133	2,118
Non-operating expenses		
Interest expenses	717	829
Miscellaneous expenses	41	199
Total non-operating expenses	758	1,028
Ordinary income	9,135	12,762
Extraordinary income		
Gain on sales of fixed assets	362	229
Gain on contributions for construction	418	715
Gain on sales of investment securities	73	-
Gain on bargain purchase	-	1,982
Others	59	46
Total extraordinary income	913	2,974
Extraordinary losses		
Loss on sales of fixed assets	13	24
Impairment loss on fixed assets	16	26
Loss on disposition of fixed assets	83	49
Loss on valuation of investment securities	56	-
Loss on reduction of property and equipment	337	692
Others	2	10
Total extraordinary losses	509	804
Profit before income taxes	9,538	14,932
Income taxes – current	1,971	2,273
Income taxes – deferred	269	1,925
Total income taxes	2,240	4,199
Profit	7,297	10,733
Profit attributable to:		
Non-controlling interests	54	235
Owners of the parent	7,243	10,497

Quarterly Consolidated Statements of Comprehensive Income (Unaudited)

	Millions of yen	
	1 April 2023 -30 June 2023	1 April 2024 -30 June 2024
Profit	7,297	10,733
Other comprehensive income		
Net unrealised gains and losses on available-for-sale securities	6,536	517
Deferred gains and losses on hedges	98	19
Foreign currency translation adjustments	2	13
Retirement benefit adjustments	(44)	(42)
Share of other comprehensive income of affiliates accounted for using the equity method	279	(15)
Total other comprehensive income	6,871	492
Comprehensive income	14,169	11,225
Comprehensive income attributable to:		
Owners of the parent	14,016	10,969
Non-controlling interests	152	256



### (3) Notes to Quarterly Consolidated Financial Statements (Unaudited)

#### Notes on Change in Accounting Policy

(Application of the Accounting Standard for Current Income Taxes and others)

The Company has applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, 28 October 2022. Hereinafter referred to as the “2022 Revised Accounting Standard”.) and others from the beginning of the first quarter of the current fiscal year.

The revision regarding the classification of income taxes (taxation on other comprehensive income) is based on the transitional treatment stipulated in the proviso of paragraph 20-3 of the 2022 Revised Accounting Standard and the proviso paragraph 65-2(2) of “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, 28 October 2022. Hereinafter referred to as the “2022 Revised Implementation Guidance”). The change in accounting policy has no impact on the quarterly consolidated financial statements.

In addition, the Company has adopted the 2022 Revised Implementation Guidance for the revision related to the revised treatment in consolidated financial statements of the deferral for tax purposes of gains or losses arising from the sale of shares of subsidiaries and other securities among consolidated companies, effective as of the beginning of the first quarter of the current fiscal year. The change in accounting policy has been applied retrospectively, and the quarterly consolidated financial statements and consolidated financial statements for the previous quarter and the previous fiscal year have been prepared on a retrospective basis. With respect to the treatment of the tax effect of deferring for tax purposes the gain or losses arising from the sale of shares of subsidiaries and other securities among consolidated companies, if deferred tax assets or deferred tax liabilities are recognised for the temporary difference related to the gain or loss on the sale in the financial statements of the entity that sold such shares of subsidiaries and other securities, in the process of consolidated accounting, the Company had not adjusted the amount of deferred tax assets or deferred tax liabilities relating to such temporary differences, but it has decided to reverse the deferred tax assets or deferred tax liabilities related to such temporary differences.

As a result, compared to the consolidated balance sheet for the previous fiscal year before the retrospective application, deferred tax liabilities decreased by 521 million yen. In addition, the balance of retained earnings at the beginning of the previous period increased by 521 million yen due to the cumulative effect reflected in net assets at the beginning of the previous period.

Notes on Segment information, etc.

Information about reportable segments operating revenues and profit or loss for the three-month period ended 30 June 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	35,491	34,160	22,506	23,971	14,028	5,430	5,388	140,977	—	140,977
Intersegment sales/transfers	697	84	2,837	128	873	8	4,519	9,148	(9,148)	—
Total	36,188	34,245	25,343	24,099	14,902	5,438	9,908	150,126	(9,148)	140,977
Segment income (loss)	4,258	294	3,666	685	(977)	(158)	(63)	7,704	55	7,760

\*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 ¥55 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 three-month period ended 30 June 2024

(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	39,001	45,302	28,663	25,111	14,812	6,022	7,243	166,157	—	166,157
Intersegment sales/transfers	759	104	3,090	156	852	30	5,362	10,355	(10,355)	—
Total	39,761	45,406	31,753	25,267	15,664	6,052	12,606	176,512	(10,355)	166,157
Segment income (loss)	6,521	329	4,765	663	(606)	(193)	158	11,638	34	11,673

\*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 ¥34 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 impairment loss on fixed assets and goodwill

(Significant gain on bargain purchase)

In the “Transport” business, negative goodwill was recognised due to the acquisition of shares of NX Transport Co., Ltd. and its inclusion in the scope of consolidation. The amount of gain on bargain purchase resulting from this event was 1,982 million yen in the first quarter of the current consolidated cumulative period. The amount of gain on bargain purchase is tentatively calculated because the purchase price allocation has not been finalised. The gain on bargain purchase is included in extraordinary income and is not included in the segment income (loss) above.

Notes on Significant Changes in Shareholders' Equity: None

Notes on Going Concern Assumption: None

Notes to Quarterly Consolidated Statements of Cash Flows

Quarterly consolidated statements of cash flows for the first quarter of the current fiscal year has not been prepared.

Depreciation (including amortisation related to intangible assets excluding goodwill) and amortisation of goodwill for the first quarter of the current fiscal year are as follows.

	Millions of yen	
	1 April 2023	1 April 2024
	-30 June 2023	-30 June 2024
Depreciation	9,402	10,148
Amortisation of goodwill	92	90