

# Consolidated Financial Results for the Nine-month Period Ended 31 December 2022 (Japanese GAAP) (Unaudited)

## Nagoya Railroad Co., Ltd.

10 February 2023

Stock exchange Listing: Tokyo Nagoya  
 Securities code: 9048  
 URL: <https://top.meitetsu.co.jp/>  
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Scheduled date of filing of quarterly report: 13 February 2023

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 results for the nine-month period ended 31 December 2022

(1 April 2022 - 31 December 2022)

(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 2022	406,668	12.9	20,806	212.1	23,358	65.5	15,900	93.9
Nine-month period ended 31 December 2021	360,147	0.8	6,667	-	14,115	-	8,201	-

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

for the nine-month period ended 31 December 2021 ¥6,254 million [ - %]

	Net income per share-basic	Net income per share-diluted
	Yen	Yen
Nine-month period ended 31 December 2022	80.90	75.59
Nine-month period ended 31 December 2021	41.71	38.97

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
31 December 2022	1,199,570	425,476	33.4
31 March 2022	1,186,897	411,132	32.3

Reference: Shareholders' equity- as of 31 December 2022 ¥400,774 million

as of 31 March 2022 ¥383,323 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 2022	—	0.00	—	12.50	12.50
Fiscal year ending 31 March 2023	—	0.00	—		
Fiscal year ending 31 March 2023 (forecast)				20.00	20.00

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

### 3. Consolidated operating results forecast for the fiscal year ending 31 March 2023

(%: year-on-year)

	Operating revenues		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ending 31 March 2023	547,000	11.4	21,000	616.2	22,000	67.5

	Profit attributable to owners of the parent		Net income per share-basic
	Millions of yen	%	yen
Fiscal year ending 31 March 2023	16,000	70.8	81.37

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

#### 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
  - 1) Changes in accounting policies resulting from the revision of the accounting standards: Yes
  - 2) Changes in accounting policies other than the above: None
  - 3) Changes in accounting estimates: None
  - 4) 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 2022	196,700,692	166,838
31 March 2022	196,700,692	56,849

(Shares)

	Average number of shares outstanding during the periods
Nine-month period ended 31 December 2022	196,542,888
Nine-month period ended 31 December 2021	196,647,823

\* 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 which are regarded as legitimate. 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 2022	31 December 2022
<b>ASSETS</b>		
Current assets		
Cash and deposits	50,927	41,346
Trade notes, accounts receivable and contract assets	58,877	59,002
Short-term loans receivable	1,871	1,870
Land and buildings for sale	73,181	76,199
Merchandise and finished goods	5,427	7,399
Work in process	675	1,798
Raw materials and supplies	4,620	5,264
Others	16,196	20,707
Allowance for doubtful accounts	(182)	(259)
Total current assets	211,596	213,329
Non-current assets		
Property and equipment		
Buildings and structures, net	307,840	300,369
Machinery, equipment and vehicles, net	79,359	79,423
Land	356,040	361,680
Lease assets, net	12,000	10,521
Construction in progress	61,990	76,245
Other properties, net	7,933	7,370
Total property and equipment	825,163	835,610
Intangible assets		
Right-of-use facilities	7,040	6,593
Goodwill	660	1,506
Lease assets	335	290
Other intangible assets	3,063	3,054
Total intangible assets	11,099	11,444
Investments and other assets		
Investment securities	101,661	106,790
Long-term loans receivable	431	359
Deferred tax assets	19,732	15,999
Others	17,714	16,509
Allowance for doubtful accounts	(501)	(473)
Total investments and other assets	139,037	139,186
Total non-current assets	975,301	986,241
Total assets	1,186,897	1,199,570

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

	Millions of yen	
	31 March 2022	31 December 2022
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Current liabilities		
Trade notes and accounts payable	67,091	57,353
Short-term loans payable	38,257	48,018
Commercial papers	36,000	10,000
Current portion of bonds payable	-	30,080
Lease obligations	2,132	1,328
Income taxes payable	5,388	3,508
Deposits received from employees	20,459	20,750
Provision for bonuses	5,193	1,339
Provision for loss on liquidation	20	-
Allowance for loss on collection of gift certificates outstanding	349	295
Others	89,620	105,791
Total current liabilities	<u>264,512</u>	<u>278,466</u>
Non-current liabilities		
Bonds payable	225,100	215,000
Long-term loans payable	155,296	152,050
Lease obligations	11,781	11,008
Deferred tax liabilities	4,646	4,245
Deferred tax liabilities for land revaluation	55,329	55,014
Accrued retirement benefits for directors	1,141	27
Provision for loss on liquidation	5,895	5,510
Employee retirement benefit liability	33,620	33,806
Others	18,442	18,963
Total non-current liabilities	<u>511,253</u>	<u>495,628</u>
Total liabilities	<u>775,765</u>	<u>774,094</u>
Net assets		
Shareholders' equity		
Common stock	101,158	101,158
Capital surplus	38,405	40,074
Retained earnings	142,815	156,278
Treasury stock	(113)	(352)
Total shareholders' equity	<u>282,266</u>	<u>297,158</u>
Accumulated other comprehensive income		
Net unrealized gains on available-for-sale securities	13,616	16,429
Deferred gains and losses on hedges	741	241
Land revaluation increment	86,257	86,567
Foreign currency translation adjustments	(16)	32
Retirement benefit adjustments	457	344
Total accumulated other comprehensive income	<u>101,057</u>	<u>103,615</u>
Non-controlling interests	<u>27,808</u>	<u>24,701</u>
Total net assets	<u>411,132</u>	<u>425,476</u>
Total liabilities and net assets	<u>1,186,897</u>	<u>1,199,570</u>

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

Millions of yen

	1 April 2021 -31 December 2021	1 April 2022 -31 December 2022
Operating revenues	360,147	406,668
Operating expenses		
Transportation, other services and cost of sales	319,802	349,741
Selling, general and administrative expenses	33,676	36,119
Total operating expenses	353,479	385,861
Operating income	6,667	20,806
Non-operating income		
Interest income	15	19
Dividend income	1,164	1,231
Equity in net earnings of affiliates	2,469	1,783
Subsidies for employment adjustment	3,743	722
Miscellaneous income	2,407	1,292
Total non-operating income	9,801	5,049
Non-operating expenses		
Interest expenses	2,209	2,104
Provision for loss on liquidation	-	95
Miscellaneous expenses	144	297
Total non-operating expenses	2,354	2,498
Ordinary income	14,115	23,358
Extraordinary income		
Gain on sales of fixed assets	504	636
Gain on contributions for construction	278	707
Gain on sales of investment securities	1,817	1,007
Compensation for forced relocation	790	-
Others	317	248
Total extraordinary income	3,707	2,600
Extraordinary losses		
Loss on sales of fixed assets	72	48
Impairment loss on fixed assets	454	141
Loss on disposition of fixed assets	802	243
Loss on sales of investment securities	-	160
Loss on valuation of investment securities	83	32
Provision for loss on liquidation	303	-
Loss on reduction of property and equipment	245	608
Others	264	82
Total extraordinary losses	2,227	1,318
Profit before income taxes	15,595	24,640
Income taxes – current	4,177	5,557
Income taxes – deferred	1,956	2,228
Total income taxes	6,134	7,785
Profit	9,460	16,854
Profit attributable to:		
Non-controlling interests	1,259	954
Owners of the parent	8,201	15,900

Quarterly Consolidated Statements of Comprehensive Income (Unaudited)

	Millions of yen	
	1 April 2021 -31 December 2021	1 April 2022 -31 December 2022
Profit	9,460	16,854
Other comprehensive income		
Net unrealised gains and losses on available-for-sale securities	(2,797)	3,007
Deferred gains and losses on hedges	265	(512)
Land revaluation increment	(308)	299
Foreign currency translation adjustments	13	49
Retirement benefit adjustments	(155)	(94)
Share of other comprehensive income of affiliates accounted for using the equity method	(223)	(154)
Total other comprehensive income	(3,206)	2,594
Comprehensive income	6,254	19,449
Comprehensive income attributable to:		
Owners of the parent	5,077	18,494
Non-controlling interests	1,176	954

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

Notes on going concern assumption: None

Notes on significant changes in shareholders' equity: None

#### Changes in Accounting Policies

(Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Company has adopted the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 31, 17 June 2021, Accounting Standard Board of Japan), from the beginning of the first quarter accounting period for the fiscal year ending 31 March 2023. In accordance with the transitional treatment provided in Paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement, the Company has decided to adopt the new accounting policies set forth by the “Implementation Guidance on Accounting Standard for Fair Value Measurement” into the future. These changes had no impact on the Company’s quarterly consolidated financial statements.

#### Additional Information

(Accounting estimate for the impact of COVID-19)

Assumptions including of COVID-19 when it will be contained and others described in significant accounting estimates of Consolidated Financial Statements for the years ended 31 March 2022 there are no significant changes.



## Segment information

Information about reportable segments operating revenues and profit or loss for the nine-month period ended 31 December 2021

(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	85,787	102,231	50,139	36,658	47,609	17,170	20,550	360,147	—	360,147
Intersegment sales/transfers	1,893	286	7,315	211	1,842	—	10,467	22,017	(22,017)	—
Total	87,681	102,518	57,454	36,870	49,452	17,170	31,018	382,164	(22,017)	360,147
Segment income (loss)	(1,101)	3,322	7,737	(4,777)	(1,517)	1,673	1,104	6,440	226	6,667

\*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 ¥226 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 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.