

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

October 28, 2022

Company name: Kobe Electric Railway Co.,Ltd.
 Stock exchange listing: Tokyo
 Stock code: 9046 URL <https://www.shintetsu.co.jp/>
 Representative: President and Representative Director Nobuhiko Terada
 Inquiries: Manager of Corporate Planning Department Yoshiyuki Sakamoto TEL 078-576-8671
 Scheduled date to file Quarterly Securities Report: November 11, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2022	10,337	4.0	949	51.4	742	96.8	588	109.3
Six months ended September 30, 2021	9,940	–	627	–	377	–	281	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	73.22	–
Six months ended September 30, 2021	34.97	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	89,661	21,206	23.7
As of March 31, 2022	92,351	20,626	22.3

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2022	–	0.00	–	0.00	0.00
Year ending March 31, 2023	–	0.00	–	–	–
Year ending March 31, 2023 (Forecast)	–	–	–	0.00	0.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	21,640	5.5	1,500	40.8	930	42.6	590	13.7	73.41

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of September 30, 2022	8,061,566 shares	As of March 31, 2022	8,061,566 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	25,023 shares	As of March 31, 2022	24,592 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	8,036,810 shares	Six months ended September 30, 2021	8,037,591 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	1,262	1,229
Notes and accounts receivable - trade	1,284	966
Short-term loans receivable	69	74
Land and buildings for sale	279	279
Merchandise	121	120
Supplies	396	475
Other	2,576	1,055
Allowance for doubtful accounts	(0)	(0)
Total current assets	5,988	4,200
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	41,519	40,832
Machinery, equipment and vehicles, net	5,434	5,131
Land	34,691	34,923
Construction in progress	240	402
Other, net	551	544
Total property, plant and equipment	82,436	81,833
Intangible assets		
Other	577	539
Total intangible assets	577	539
Investments and other assets		
Investment securities	1,126	825
Long-term loans receivable	352	311
Retirement benefit asset	1,419	1,518
Other	468	448
Allowance for doubtful accounts	(17)	(17)
Total investments and other assets	3,348	3,087
Total non-current assets	86,362	85,461
Total assets	92,351	89,661
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,692	725
Short-term borrowings	29,298	26,144
Income taxes payable	91	143
Advances received	975	782
Provision for bonuses	49	58
Other	2,634	2,924
Total current liabilities	35,741	30,779
Non-current liabilities		
Long-term borrowings	29,539	31,382
Deferred tax liabilities	255	286
Deferred tax liabilities for land revaluation	3,471	3,471
Retirement benefit liability	108	112
Long-term accounts payable - other	812	715
Long-term guarantee deposits	928	928
Other	866	778
Total non-current liabilities	35,982	37,676
Total liabilities	71,724	68,455

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Net assets		
Shareholders' equity		
Share capital	11,710	11,710
Retained earnings	6,974	7,562
Treasury shares	(88)	(89)
Total shareholders' equity	18,596	19,183
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	250	253
Deferred gains or losses on hedges	0	0
Revaluation reserve for land	1,503	1,503
Remeasurements of defined benefit plans	275	264
Total accumulated other comprehensive income	2,029	2,022
Total net assets	20,626	21,206
Total liabilities and net assets	92,351	89,661

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Operating revenue	9,940	10,337
Operating expenses		
Operating expenses and cost of sales of transportation	8,043	8,125
Selling, general and administrative expenses	1,268	1,263
Total operating expenses	9,312	9,388
Operating profit	627	949
Non-operating income		
Interest income	0	0
Dividend income	15	18
Reversal of clerical costs on work performed on contract	3	76
Miscellaneous income	99	27
Total non-operating income	119	122
Non-operating expenses		
Interest expenses	293	280
Miscellaneous expenses	76	48
Total non-operating expenses	369	329
Ordinary profit	377	742
Extraordinary income		
Contribution for construction	–	12
Total extraordinary income	–	12
Extraordinary losses		
Tax purpose reduction entry of contribution for construction	–	12
Total extraordinary losses	–	12
Profit before income taxes	377	742
Income taxes - current	47	122
Income taxes - deferred	49	31
Total income taxes	96	153
Profit	281	588
Profit attributable to owners of parent	281	588

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	281	588
Other comprehensive income		
Valuation difference on available-for-sale securities	(8)	3
Deferred gains or losses on hedges	(0)	(0)
Remeasurements of defined benefit plans, net of tax	(18)	(10)
Total other comprehensive income	(27)	(7)
Comprehensive income	253	580
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	253	580
Comprehensive income attributable to non-controlling interests	–	–