

Translation

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

October 31, 2022

Company name: Hankyu Hanshin Holdings, Inc.
 Stock exchange listing: Tokyo
 Stock code: 9042 URL <https://www.hankyu-hanshin.co.jp/>
 Representative: President and Representative Director Takehiro Sugiyama
 Inquiries: Accounting Manager of the Group Planning Kenji Joto TEL 06-6373-5013
 Division
 Scheduled date to file Quarterly Securities Report: November 11, 2022
 Scheduled date to commence dividend payments: December 1, 2022
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(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	467,160	50.3	48,754	382.5	49,494	409.9	31,050	430.1
Six months ended September 30, 2021	310,835	—	10,104	—	9,707	—	5,857	—

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	128.87		128.86	
Six months ended September 30, 2021	24.31		24.27	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	2,762,931	950,121	32.6
As of March 31, 2022	2,722,841	915,363	32.0

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2022	—	25.00	—	25.00	50.00
Year ending March 31, 2023	—	25.00			
Year ending March 31, 2023 (Forecast)			—	25.00	50.00

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	925,000	24.0	70,000	78.5	68,000	76.9	40,000	86.8	166.01

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: Yes
- 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	254,281,385 shares	As of March 31, 2022	254,281,385 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	13,318,754 shares	As of March 31, 2022	13,332,196 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	240,946,146 shares	Six months ended September 30, 2021	240,952,657 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	31,331	35,275
Notes and accounts receivable - trade	112,568	103,265
Land and buildings for sale	166,331	176,502
Merchandise and finished goods	2,372	2,486
Work in process	2,131	4,873
Raw materials and supplies	5,464	5,634
Other	46,018	40,116
Allowance for doubtful accounts	(408)	(446)
Total current assets	365,811	367,707
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	646,407	633,892
Machinery, equipment and vehicles, net	60,314	59,954
Land	973,012	975,329
Construction in progress	218,215	223,365
Other, net	25,023	24,182
Total property, plant and equipment	1,922,974	1,916,725
Intangible assets		
Goodwill	9,655	8,494
Other	27,856	27,175
Total intangible assets	37,512	35,669
Investments and other assets		
Investment securities	316,231	363,125
Deferred tax assets	7,218	7,259
Retirement benefit asset	18,505	18,564
Other	54,917	54,211
Allowance for doubtful accounts	(329)	(333)
Total investments and other assets	396,544	442,828
Total non-current assets	2,357,030	2,395,223
Total assets	2,722,841	2,762,931

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	40,699	40,175
Accrued expenses	16,853	14,721
Short-term borrowings	145,737	195,471
Commercial papers	50,000	55,000
Current portion of bonds payable	7,000	20,000
Lease liabilities	3,834	3,885
Income taxes payable	6,380	9,314
Provision for bonuses	3,682	4,660
Other	152,471	121,334
Total current liabilities	426,659	464,563
Non-current liabilities		
Long-term borrowings	649,476	626,672
Bonds payable	230,000	210,000
Lease liabilities	9,916	9,651
Deferred tax liabilities	176,516	182,176
Deferred tax liabilities for land revaluation	5,182	5,182
Retirement benefit liability	62,795	62,431
Long-term deferred contribution for construction	117,561	124,280
Other	129,369	127,851
Total non-current liabilities	1,380,818	1,348,246
Total liabilities	1,807,477	1,812,809
Net assets		
Shareholders' equity		
Share capital	99,474	99,474
Capital surplus	147,358	147,370
Retained earnings	645,212	670,193
Treasury shares	(48,713)	(48,646)
Total shareholders' equity	843,332	868,392
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18,756	21,967
Deferred gains or losses on hedges	7	29
Revaluation reserve for land	5,499	5,499
Foreign currency translation adjustment	435	3,805
Remeasurements of defined benefit plans	2,317	2,041
Total accumulated other comprehensive income	27,016	33,343
Non-controlling interests	45,014	48,385
Total net assets	915,363	950,121
Total liabilities and net assets	2,722,841	2,762,931

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	310,835	467,160
Operating expenses		
Operating expenses and cost of sales of transportation	287,608	403,877
Selling, general and administrative expenses	13,122	14,528
Total operating expenses	300,730	418,406
Operating profit	10,104	48,754
Non-operating income		
Interest income	77	121
Dividend income	523	527
Share of profit of entities accounted for using equity method	3,451	3,809
Miscellaneous income	858	1,419
Total non-operating income	4,910	5,877
Non-operating expenses		
Interest expenses	4,289	4,192
Miscellaneous expenses	1,018	944
Total non-operating expenses	5,308	5,137
Ordinary profit	9,707	49,494
Extraordinary income		
Contribution for construction	27,100	318
Subsidies for employment adjustment	6,574	532
Other	4,409	282
Total extraordinary income	38,085	1,134
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	27,122	320
Loss on COVID-19	7,448	943
Other	630	713
Total extraordinary losses	35,201	1,976
Profit before income taxes	12,590	48,651
Income taxes - current	3,844	10,018
Income taxes - deferred	1,052	5,579
Total income taxes	4,897	15,597
Profit	7,693	33,054
Profit attributable to non-controlling interests	1,835	2,004
Profit attributable to owners of parent	5,857	31,050

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	7,693	33,054
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,226)	2,471
Deferred gains or losses on hedges	(20)	22
Foreign currency translation adjustment	1,271	4,209
Remeasurements of defined benefit plans, net of tax	(309)	(291)
Share of other comprehensive income of entities accounted for using equity method	705	2,135
Total other comprehensive income	420	8,548
Comprehensive income	8,114	41,603
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,735	37,377
Comprehensive income attributable to non-controlling interests	2,378	4,225

Supplementary information

1. Consolidated financial results for the first half of the year ending March 31, 2023

Consolidated Statements of Income (Summary)

(Millions of yen)

	H1 FY2023 Results ①	H1 FY2022 Results ②	Change =①-②
Revenue from operations	467,160	310,835	156,325
Operating income	48,754	10,104	38,650
Ordinary income	49,494	9,707	39,787
Net income attributable to owners of the parent	31,050	5,857	25,192

Consolidated Statements of Income (Breakdown for each business segment)

(Millions of yen)

	Revenue from operations			Operating income		
	H1 FY2023 Results ①	H1 FY2022 Results ②	Change =①-②	H1 FY2023 Results ①	H1 FY2022 Results ②	Change =①-②
Urban Transportation	90,591	76,480	14,111	11,859	(328)	12,187
Real Estate	128,902	98,096	30,806	11,595	7,000	4,594
Entertainment	43,211	34,407	8,803	13,871	8,084	5,786
Information and Communication Technology	26,475	27,291	(815)	1,606	2,009	(403)
Travel	86,007	8,215	77,792	8,153	(8,362)	16,516
International Transportation	87,204	60,357	26,846	3,626	3,320	305
Other	21,903	21,638	265	420	542	(122)
Adjustment	(17,136)	(15,652)	(1,484)	(2,377)	(2,161)	(215)

Note: In Q1 FY2023, we consolidated the Hotels segment into the Real Estate segment, making Hotels a sub-segment of Real Estate.

To enable year-on-year comparisons, we have applied this change retroactively to the comparative period (H1 FY2022).

2. Forecast of consolidated financial results for the year ending March 31, 2023

Consolidated Statements of Income (Summary)

(Billions of yen)

	FY2023 Forecasts ①	FY2023 Forecasts (As of May) ②	Change =①-②	FY2022 Results ③	Change =①-③
Revenue from operations	925.0	915.0	10.0	746.2	178.8
Operating income	70.0	63.0	7.0	39.2	30.8
Ordinary income	68.0	62.0	6.0	38.5	29.5
Net income attributable to owners of the parent	40.0	35.0	5.0	21.4	18.6

Consolidated Statements of Income (Breakdown for each business segment)

(Billions of yen)

[Upper table] Revenue from operations [Lower table] Operating income	FY2023 Forecasts ①	FY2023 Forecasts (As of May) ②	Change =①-②	FY2022 Results ③	Change =①-③
Urban Transportation	185.0	188.4	(3.4)	161.6	23.4
	20.6	21.3	(0.7)	5.6	15.0
Real Estate	291.9	296.0	(4.1)	246.6	45.3
	25.5	25.1	0.4	19.4	6.1
Entertainment	70.7	72.1	(1.4)	62.9	7.8
	11.0	11.2	(0.2)	9.3	1.7
Information and Communication Technology	63.9	63.9	—	59.2	4.7
	5.9	5.9	—	5.9	0.0
Travel	138.0	160.0	(22.0)	60.4	77.6
	4.5	(1.9)	6.4	(5.7)	10.2
International Transportation	166.0	120.0	46.0	143.3	22.7
	6.0	4.5	1.5	8.0	(2.0)

Note: Due to the organizational changes implemented from the FY2023, the segment information for the FY2022 is based on the new classification.