

Translation

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

August 3, 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
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 Division
 Scheduled date to file Quarterly Securities Report: August 10, 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 three months ended June 30, 2022 (from April 1, 2022 to June 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	%
Three months ended June 30, 2022	228,993	50.7	24,425	412.9	25,763	455.3	16,826	425.1
Three months ended June 30, 2021	151,977	–	4,761	–	4,639	–	3,204	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2022	69.84	69.83
Three months ended June 30, 2021	13.30	13.27

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	2,708,403	929,986	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	Yen	Yen	Yen	Yen
Year ended March 31, 2022	–	25.00	–	25.00	50.00
Year ending March 31, 2023	–				
Year ending March 31, 2023 (Forecast)		25.00	–	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	915,000	22.6	63,000	60.7	62,000	61.2	35,000	63.4	145.26

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 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 June 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 June 30, 2022	13,337,861 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)

Three months ended June 30, 2022	240,945,286 shares	Three months ended June 30, 2021	240,953,425 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	31,331	33,969
Notes and accounts receivable - trade	112,568	89,598
Land and buildings for sale	166,331	174,530
Merchandise and finished goods	2,372	2,414
Work in process	2,131	3,879
Raw materials and supplies	5,464	5,581
Other	46,018	41,897
Allowance for doubtful accounts	(408)	(366)
Total current assets	365,811	351,504
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	646,407	640,014
Machinery, equipment and vehicles, net	60,314	60,138
Land	973,012	975,300
Construction in progress	218,215	218,699
Other, net	25,023	24,577
Total property, plant and equipment	1,922,974	1,918,729
Intangible assets		
Goodwill	9,655	9,075
Other	27,856	27,357
Total intangible assets	37,512	36,432
Investments and other assets		
Investment securities	316,231	322,249
Deferred tax assets	7,218	7,315
Retirement benefit asset	18,505	18,561
Other	54,917	53,938
Allowance for doubtful accounts	(329)	(328)
Total investments and other assets	396,544	401,737
Total non-current assets	2,357,030	2,356,898
Total assets	2,722,841	2,708,403

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	40,699	40,429
Accrued expenses	16,853	18,370
Short-term borrowings	145,737	156,428
Commercial papers	50,000	30,000
Current portion of bonds payable	7,000	7,000
Lease liabilities	3,834	3,887
Income taxes payable	6,380	4,546
Provision for bonuses	3,682	2,730
Other	152,471	128,040
Total current liabilities	426,659	391,434
Non-current liabilities		
Long-term borrowings	649,476	646,551
Bonds payable	230,000	230,000
Lease liabilities	9,916	10,005
Deferred tax liabilities	176,516	179,970
Deferred tax liabilities for land revaluation	5,182	5,182
Retirement benefit liability	62,795	62,701
Long-term deferred contribution for construction	117,561	124,279
Other	129,369	128,290
Total non-current liabilities	1,380,818	1,386,982
Total liabilities	1,807,477	1,778,416
Net assets		
Shareholders' equity		
Share capital	99,474	99,474
Capital surplus	147,358	147,370
Retained earnings	645,212	655,969
Treasury shares	(48,713)	(48,725)
Total shareholders' equity	843,332	854,088
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18,756	20,226
Deferred gains or losses on hedges	7	43
Revaluation reserve for land	5,499	5,499
Foreign currency translation adjustment	435	1,882
Remeasurements of defined benefit plans	2,317	2,189
Total accumulated other comprehensive income	27,016	29,842
Non-controlling interests	45,014	46,055
Total net assets	915,363	929,986
Total liabilities and net assets	2,722,841	2,708,403

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Operating revenue	151,977	228,993
Operating expenses		
Operating expenses and cost of sales of transportation	140,472	197,116
Selling, general and administrative expenses	6,743	7,452
Total operating expenses	147,216	204,568
Operating profit	4,761	24,425
Non-operating income		
Interest income	27	55
Dividend income	505	498
Share of profit of entities accounted for using equity method	1,521	2,771
Miscellaneous income	370	605
Total non-operating income	2,424	3,931
Non-operating expenses		
Interest expenses	2,140	2,081
Miscellaneous expenses	405	510
Total non-operating expenses	2,546	2,592
Ordinary profit	4,639	25,763
Extraordinary income		
Contribution for construction	26,858	284
Subsidies for employment adjustment	3,332	474
Other	3,252	82
Total extraordinary income	33,442	840
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	26,880	280
Loss on COVID-19	5,037	368
Other	126	195
Total extraordinary losses	32,043	845
Profit before income taxes	6,038	25,759
Income taxes - current	1,740	4,814
Income taxes - deferred	241	3,270
Total income taxes	1,981	8,085
Profit	4,056	17,674
Profit attributable to non-controlling interests	852	847
Profit attributable to owners of parent	3,204	16,826

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	4,056	17,674
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,009)	1,401
Deferred gains or losses on hedges	(11)	36
Foreign currency translation adjustment	1,244	1,802
Remeasurements of defined benefit plans, net of tax	(155)	(140)
Share of other comprehensive income of entities accounted for using equity method	(639)	774
Total other comprehensive income	(1,571)	3,873
Comprehensive income	2,484	21,548
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,044	19,652
Comprehensive income attributable to non-controlling interests	1,439	1,895

Supplementary information

1. Consolidated financial results for the first quarter of year ended March 31, 2023

Consolidated Statements of Income (Summary)

(Millions of yen)

	Q1 FY2023 Results	Q1 FY2022 Results	Change
Revenue from operations	228,993	151,977	77,016
Operating income	24,425	4,761	19,663
Ordinary income	25,763	4,639	21,123
Net income attributable to owners of the parent	16,826	3,204	13,621

Consolidated Statements of Income (Breakdown for each business segment)

(Millions of yen)

	Revenue from operations			Operating income		
	Q1 FY2023 Results	Q1 FY2022 Results	Change	Q1 FY2023 Results	Q1 FY2022 Results	Change
Urban Transportation	45,655	37,245	8,410	6,832	(534)	7,367
Real Estate	60,841	48,658	12,182	5,300	3,768	1,531
Entertainment	22,898	16,607	6,290	7,832	3,967	3,864
Information and Communication Technology	12,530	14,285	(1,755)	258	939	(681)
Travel	41,338	3,092	38,245	3,554	(3,765)	7,320
International Transportation	43,698	29,461	14,237	1,911	1,651	260
Other	9,955	10,262	(306)	(2)	34	(37)
Adjustment	(7,924)	(7,635)	(289)	(1,262)	(1,299)	37

Note: From FY2023 Q1, we have consolidated the Hotels segment into the Real Estate segment due to the organizational changes. The FY2022 Q1 data used for year-on-year comparisons has been adjusted according to the new business segment structure.