

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

## Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 14, 2024

Company name: Sanyo Electric Railway  
 Stock exchange listing: Tokyo  
 Stock code: 9052 URL <https://www.sanyo-railway.co.jp/>  
 Representative: President and Representative Director Kazuhiro Uekado  
 Executive Officer, Manager of Accounting  
 Inquiries: Division Daisuke Mizutani TEL 078-612-2032  
 Scheduled date of ordinary general meeting of shareholders: June 21, 2024  
 Scheduled date to file Securities Report: June 24, 2024  
 Scheduled date to commence dividend payments: June 24, 2024  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

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	%
Year ended March 31, 2024	39,220	0.8	4,326	23.9	4,469	17.5	3,110	16.7
Year ended March 31, 2023	38,913	13.9	3,491	132.8	3,804	112.9	2,664	(55.3)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	140.02	–	6.0	4.0	11.0
Year ended March 31, 2023	119.94	–	5.5	3.5	9.0

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	114,533	54,377	47.5	2,447.51
As of March 31, 2023	111,167	49,644	44.7	2,234.38

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	8,507	(10,110)	(1,280)	5,418
Year ended March 31, 2023	5,158	(6,716)	1,142	8,301

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	–	15.00	–	15.00	30.00	667	25.0	1.4
Year ended March 31, 2024	–	15.00	–	15.00	30.00	667	21.4	1.3
Year ending March 31, 2025 (Forecast)	–	15.00	–	15.00	30.00		31.1	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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	37,749	(3.7)	3,107	(28.2)	3,057	(31.6)	2,146	(31.0)	96.60

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation):

No

(2) 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:

Yes

Restatement of prior period financial statements:

No

(3) Number of issued shares (common shares)

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

As of March 31, 2024	22,330,598 shares	As of March 31, 2023	22,330,598 shares
----------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of March 31, 2024	113,162 shares	As of March 31, 2023	112,072 shares
----------------------	----------------	----------------------	----------------

Average number of shares during the period

Year ended March 31, 2024	22,218,013 shares	Year ended March 31, 2023	22,218,952 shares
---------------------------	-------------------	---------------------------	-------------------

**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	8,369	5,776
Notes and accounts receivable - trade, and contract assets	3,367	3,358
Merchandise and finished goods	985	1,009
Land and buildings for sale in lots	6,111	4,030
Other	1,784	1,427
Allowance for doubtful accounts	(14)	(2)
Total current assets	20,604	15,599
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	38,664	41,481
Machinery, equipment and vehicles, net	10,162	10,481
Land	29,291	30,695
Construction in progress	636	961
Other, net	605	671
Total property, plant and equipment	79,361	84,291
Intangible assets	646	694
Investments and other assets		
Investment securities	6,543	9,583
Long-term loans receivable	53	46
Retirement benefit asset	2,760	3,183
Deferred tax assets	159	175
Other	1,053	974
Allowance for doubtful accounts	(15)	(15)
Total investments and other assets	10,554	13,948
Total non-current assets	90,562	98,934
Total assets	111,167	114,533

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	4,752	4,486
Short-term borrowings	7,702	5,652
Income taxes payable	563	945
Provision for bonuses	548	565
Provision for bonuses for directors (and other officers)	25	34
Other	9,108	7,725
Total current liabilities	22,701	19,409
Non-current liabilities		
Bonds payable	6,000	6,000
Long-term borrowings	26,069	27,536
Deferred tax liabilities	2,053	3,014
Retirement benefit liability	1,536	1,331
Long-term deferred contribution for construction	42	34
Leasehold and guarantee deposits received	2,855	2,581
Other	263	248
Total non-current liabilities	38,820	40,746
Total liabilities	61,522	60,156
<b>Net assets</b>		
Shareholders' equity		
Share capital	10,090	10,090
Capital surplus	7,057	7,057
Retained earnings	29,812	32,255
Treasury shares	(198)	(201)
Total shareholders' equity	46,761	49,202
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,169	4,147
Remeasurements of defined benefit plans	713	1,027
Total accumulated other comprehensive income	2,883	5,175
Total net assets	49,644	54,377
Total liabilities and net assets	111,167	114,533

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Operating revenue	38,913	39,220
Operating expenses		
Operating expenses and cost of sales of transportation	30,198	29,618
Selling, general and administrative expenses	5,222	5,275
Total operating expenses	35,421	34,893
Operating profit	3,491	4,326
Non-operating income		
Interest income	1	1
Dividend income	179	204
Gain on adjustment of accounts payable	276	42
Share of profit of entities accounted for using equity method	0	1
Miscellaneous income	189	218
Total non-operating income	647	467
Non-operating expenses		
Interest expenses	246	265
Loss on adjustment of account payable	36	44
Miscellaneous expenses	51	14
Total non-operating expenses	334	324
Ordinary profit	3,804	4,469
Extraordinary income		
Subsidy income	–	59
Gain on sale of non-current assets	–	0
Contribution received for construction	210	–
Gain on compensation income for expropriation	10	–
Total extraordinary income	221	60
Extraordinary losses		
Loss on reduction of non current assets with subsidy income	–	59
Loss on sale of non-current assets	–	33
Loss on retirement of non-current assets	26	7
Tax purpose reduction entry of contribution for construction	210	–
Reduction entry of land compensation income for expropriation	10	–
Total extraordinary losses	247	99
Profit before income taxes	3,777	4,430
Income taxes - current	956	1,365
Income taxes - deferred	156	(46)
Total income taxes	1,112	1,319
Profit	2,664	3,110
Profit attributable to owners of parent	2,664	3,110

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	2,664	3,110
Other comprehensive income		
Valuation difference on available-for-sale securities	587	1,978
Remeasurements of defined benefit plans, net of tax	88	313
Total other comprehensive income	676	2,291
Comprehensive income	3,341	5,402
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,341	5,402
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,090	7,037	27,814	(177)	44,765
Changes during period					
Dividends of surplus			(667)		(667)
Profit attributable to owners of parent			2,664		2,664
Purchase of treasury shares				(71)	(71)
Disposal of treasury shares		19		50	70
Net changes in items other than shareholders' equity					
Total changes during period	-	19	1,997	(21)	1,996
Balance at end of period	10,090	7,057	29,812	(198)	46,761

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	1,582	624	2,206	46,971
Changes during period				
Dividends of surplus				(667)
Profit attributable to owners of parent				2,664
Purchase of treasury shares				(71)
Disposal of treasury shares				70
Net changes in items other than shareholders' equity	587	88	676	676
Total changes during period	587	88	676	2,672
Balance at end of period	2,169	713	2,883	49,644

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,090	7,057	29,812	(198)	46,761
Changes during period					
Dividends of surplus			(667)		(667)
Profit attributable to owners of parent			3,110		3,110
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		0		0	0
Net changes in items other than shareholders' equity					
Total changes during period	-	0	2,443	(2)	2,441
Balance at end of period	10,090	7,057	32,255	(201)	49,202

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	2,169	713	2,883	49,644
Changes during period				
Dividends of surplus				(667)
Profit attributable to owners of parent				3,110
Purchase of treasury shares				(2)
Disposal of treasury shares				0
Net changes in items other than shareholders' equity	1,978	313	2,291	2,291
Total changes during period	1,978	313	2,291	4,732
Balance at end of period	4,147	1,027	5,175	54,377



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	3,777	4,430
Depreciation	4,211	3,688
Decrease (increase) in retirement benefit asset	(106)	(141)
Increase (decrease) in retirement benefit liability	(8)	(38)
Increase (decrease) in provision for bonuses	(78)	17
Increase (decrease) in provision for bonuses for directors (and other officers)	9	8
Share of loss (profit) of entities accounted for using equity method	(0)	(1)
Interest and dividend income	(180)	(205)
Interest expenses	246	265
Loss on retirement of property, plant and equipment	96	99
Loss (gain) on sale of property, plant and equipment	–	32
Decrease (increase) in trade receivables	(180)	(30)
Decrease (increase) in inventories	(1,190)	2,050
Increase (decrease) in trade payables	(104)	325
Decrease (increase) in other current assets	(445)	362
Increase (decrease) in other current liabilities	197	(1,183)
Increase (decrease) in other non-current liabilities	(322)	(302)
Transfer construction in progress to operating expenses	(8)	79
Other, net	800	266
Subtotal	6,712	9,724
Interest and dividends received	180	205
Interest paid	(247)	(260)
Income taxes refund (paid)	(1,486)	(1,161)
Net cash provided by (used in) operating activities	5,158	8,507
Cash flows from investing activities		
Payments into time deposits	(13)	(300)
Proceeds from withdrawal of time deposits	13	10
Purchase of property, plant and equipment	(7,363)	(9,609)
Proceeds from sale of property, plant and equipment	–	1
Purchase of investment securities	(2)	(303)
Decrease(Increase) in long-term prepaid expenses	(229)	(45)
Purchase of investments and other assets	(157)	(138)
Proceeds from decrease in investments and other assets	380	8
Proceeds from long-term deferred contribution received for construction	1,029	318
Other, net	(374)	(52)
Net cash provided by (used in) investing activities	(6,716)	(10,110)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,000	(2,100)
Proceeds from long-term borrowings	4,900	6,820
Repayments of long-term borrowings	(5,064)	(5,302)
Dividends paid	(667)	(667)
Other, net	(25)	(30)
Net cash provided by (used in) financing activities	1,142	(1,280)
Net increase (decrease) in cash and cash equivalents	(415)	(2,883)
Cash and cash equivalents at beginning of period	8,716	8,301
Cash and cash equivalents at end of period	8,301	5,418