

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Based on Japanese GAAP)

February 6, 2025

Company name: Sotetsu Holdings, Inc.
 Stock exchange listing: Tokyo
 Stock code: 9003 URL <https://www.sotetsu.co.jp>
 Representative: Representative Director, President Hideyuki Takizawa
 General Manager, Corporate Strategy
 Inquiries: Hajime Mori TEL 045-319-2043
 Division
 Scheduled date to commence dividend payments: –
 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 nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(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	%
Nine months ended December 31, 2024	222,588	16.4	33,051	54.6	32,139	59.1	23,057	65.3
Nine months ended December 31, 2023	191,158	7.5	21,379	114.8	20,194	126.8	13,952	154.5

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2024	235.34	–
Nine months ended December 31, 2023	142.41	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	727,601	181,232	24.9
As of March 31, 2024	715,383	164,732	23.0

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, 2024	–	20.00	–	30.00	50.00
Year ending March 31, 2025	–	30.00	–		
Year ending March 31, 2025 (Forecast)				30.00	60.00

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	292,200	8.2	35,000	20.8	32,800	21.5	20,800	29.4	212.31

4. Notes

- (1) Significant changes in the scope of consolidation during the nine months ended December 31, 2024: 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
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|--|-----|
| 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 December 31, 2024	98,145,499 shares	As of March 31, 2024	98,145,499 shares
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Number of treasury shares at the end of the period

As of December 31, 2024	174,347 shares	As of March 31, 2024	172,508 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2024	97,972,106 shares	Nine months ended December 31, 2023	97,974,511 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	17,664	22,700
Notes and accounts receivable - trade	21,401	14,793
Operational investment securities	9,885	15,668
Inventories	38,747	63,585
Other	15,742	9,541
Allowance for doubtful accounts	(6)	(6)
Total current assets	103,435	126,283
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	197,499	212,045
Machinery, equipment and vehicles, net	36,215	33,816
Land	278,059	262,894
Right-of-use assets, net	15,375	14,304
Construction in progress	15,082	6,144
Other, net	5,650	7,179
Total property, plant and equipment	547,882	536,385
Intangible assets		
Goodwill	90	39
Leasehold interests in land	3,546	3,547
Other	4,903	4,060
Total intangible assets	8,540	7,647
Investments and other assets		
Investment securities	15,644	16,861
Long-term loans receivable	2,127	1,370
Retirement benefit asset	19,967	20,351
Deferred tax assets	3,574	3,352
Other	14,731	15,871
Allowance for doubtful accounts	(522)	(522)
Total investments and other assets	55,524	57,284
Total non-current assets	611,947	601,317
Total assets	715,383	727,601

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,194	8,587
Short-term borrowings	57,942	61,786
Current portion of bonds payable	20,000	10,000
Lease liabilities	1,498	1,497
Income taxes payable	7,061	5,179
Contract liabilities	5,288	5,004
Provision for bonuses	2,420	938
Other provisions	146	143
Asset retirement obligations	43	—
Other	36,930	29,773
Total current liabilities	139,526	122,911
Non-current liabilities		
Bonds payable	165,000	175,000
Long-term borrowings	154,932	157,348
Lease liabilities	17,498	16,226
Deferred tax liabilities for land revaluation	23,210	23,210
Retirement benefit liability	17,851	17,262
Long-term leasehold and guarantee deposits received	27,615	28,413
Asset retirement obligations	4,203	5,295
Other	812	699
Total non-current liabilities	411,123	423,457
Total liabilities	550,650	546,368
Net assets		
Shareholders' equity		
Share capital	38,803	38,803
Capital surplus	26,981	26,981
Retained earnings	88,509	105,701
Treasury shares	(359)	(364)
Total shareholders' equity	153,933	171,121
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,060	6,383
Revaluation reserve for land	(410)	(375)
Foreign currency translation adjustment	(648)	(943)
Remeasurements of defined benefit plans	5,716	4,974
Total accumulated other comprehensive income	10,718	10,038
Non-controlling interests	80	71
Total net assets	164,732	181,232
Total liabilities and net assets	715,383	727,601

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Operating revenue	191,158	222,588
Operating expenses		
Operating expenses and cost of sales of transportation	123,173	137,719
Selling, general and administrative expenses	46,605	51,817
Total operating expenses	169,778	189,536
Operating profit	21,379	33,051
Non-operating income		
Interest income	175	193
Dividend income	197	281
Share of profit of entities accounted for using equity method	—	238
Foreign exchange gains	665	959
Reversal of clerical costs on work performed on contract	23	45
Miscellaneous income	239	196
Total non-operating income	1,301	1,915
Non-operating expenses		
Interest expenses	2,189	2,439
Miscellaneous expenses	296	388
Total non-operating expenses	2,485	2,827
Ordinary profit	20,194	32,139
Extraordinary income		
Gain on sale of non-current assets	27	1,218
Gain on receipt of donated non-current assets	1	1
Gain on sale of investment securities	3	156
Contribution received for construction	170	—
Subsidies	520	150
Compensation income	—	450
Compensation for forced relocation	10	—
Total extraordinary income	732	1,976
Extraordinary losses		
Loss on sale of non-current assets	4	21
Loss on retirement of non-current assets	210	204
Loss on tax purpose reduction entry of non-current assets	672	916
Impairment losses	52	—
Loss on withdrawal from business	1	—
Other	0	—
Total extraordinary losses	941	1,142
Profit before income taxes	19,986	32,973
Income taxes - current	5,461	9,373
Income taxes - deferred	673	544
Total income taxes	6,135	9,918
Profit	13,851	23,055
Loss attributable to non-controlling interests	(101)	(1)
Profit attributable to owners of parent	13,952	23,057

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	13,851	23,055
Other comprehensive income		
Valuation difference on available-for-sale securities	484	323
Foreign currency translation adjustment	82	(464)
Remeasurements of defined benefit plans, net of tax	(141)	(742)
Share of other comprehensive income of entities accounted for using equity method	150	162
Total other comprehensive income	575	(720)
Comprehensive income	14,426	22,334
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,423	22,342
Comprehensive income attributable to non-controlling interests	3	(8)