

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

May 12, 2023

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (Under Japanese GAAP)

Company name: Keio Corporation
 Listing: Tokyo Stock Exchange
 Securities code: 9008
 URL: <https://www.keio.co.jp/>
 Representative: President, Representative Director and Executive Officer Satoshi Tsumura
 Inquiries: Manager of Finance and Accounting Department Kei Miyabe
 Telephone: +81-42-337-3135
 Scheduled date of annual general meeting of shareholders: June 29, 2023
 Scheduled date to commence dividend payments: June 30, 2023
 Scheduled date to file annual securities report: June 29, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down.)

1. Consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Operating revenues		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2023	347,133	15.8	21,479	—	21,772	305.7	13,114	134.8
March 31, 2022	299,872	(4.9)	740	—	5,366	—	5,585	—

Note: Comprehensive income For the fiscal year ended March 31, 2023: ¥ 14,099 million [224.2%]
 For the fiscal year ended March 31, 2022: ¥ 4,349 million [— %]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2023	107.40	—	3.8	2.3	6.2
March 31, 2022	45.75	—	1.6	0.6	0.2

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2023: ¥ 426 million
 For the fiscal year ended March 31, 2022: ¥ 257 million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	955,233	351,566	36.8	2,879.29
March 31, 2022	906,212	342,286	37.8	2,803.64

Reference: Shareholders' equity
 As of March 31, 2023: ¥ 351,591 million
 As of March 31, 2022: ¥ 342,321 million

(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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	25,039	(42,045)	20,633	71,021
March 31, 2022	28,222	(14,318)	(23,264)	67,394

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2022	—	20.00	—	20.00	40.00	4,886	87.4	1.4
Fiscal year ended March 31, 2023	—	20.00	—	20.00	40.00	4,886	37.2	1.4
Fiscal year ending March 31, 2024 (Forecast)	—	22.50	—	22.50	45.00		34.8	

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Operating revenues		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	368,000	6.0	21,000	(2.2)	19,700	(9.5)	15,800	20.5	129.39

* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: No
- (ii) Changes in accounting policies due to other reasons: No
- (iii) Changes in accounting estimates: No
- (iv) Restatement: No

(3) Number of issued shares (common shares)

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

As of March 31, 2023	128,550,830 shares
As of March 31, 2022	128,550,830 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2023	6,440,445 shares
As of March 31, 2022	6,451,615 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2023	122,106,129 shares
Fiscal year ended March 31, 2022	122,099,924 shares

Note: The number of the Company's shares held by the Officer Compensation Trust Account included within the number of treasury shares is as follows:

FYE March 2023: 43,400 shares FYE March 2022: 56,300 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Operating revenues		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	115,954	9.7	15,595	32.8	16,000	33.0	11,403	—
March 31, 2022	105,713	4.1	11,741	136.1	12,034	104.3	(4,393)	—

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2023	93.39	—
March 31, 2022	(35.99)	—

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2023	819,116	229,301	28.0	1,877.82
March 31, 2022	775,596	220,930	28.5	1,809.43

Reference: Shareholders' equity

As of March 31, 2023: ¥ 229,301 million

As of March 31, 2022: ¥ 220,930 million

2. Forecast of non-consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

	Operating revenues		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	117,200	1.1	11,600	(25.6)	11,900	(25.6)	9,300	(18.4)	76.16

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The earnings forecasts and outlines on future performance noted in these materials include projections based on certain forecasts/assumptions made at the time of publication.

Actual performance may differ from forecast figures due to various factors.

Consolidated financial statements**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	67,403	71,030
Notes and accounts receivable-trade and contract assets	40,892	45,298
Merchandise and finished goods	16,526	17,096
Work in process	22,687	40,777
Raw materials and supplies	2,293	2,345
Other	7,272	6,359
Allowance for doubtful accounts	(9)	(13)
Total current assets	157,066	182,894
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	323,188	320,606
Machinery, equipment and vehicle, net	22,388	22,571
Land	235,725	239,423
Construction in progress	61,334	72,003
Other, net	14,176	14,984
Total property, plant and equipment	656,813	669,590
Intangible assets	14,593	19,500
Investments and other assets		
Investment securities	49,056	55,917
Retirement benefit asset	12,799	12,186
Deferred tax assets	8,707	5,160
Other	7,303	10,136
Allowance for doubtful accounts	(128)	(151)
Total investments and other assets	77,738	83,248
Total non-current assets	749,145	772,338
Total assets	906,212	955,233

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable-trade	16,067	18,633
Short-term borrowings	68,627	81,616
Current portion of bonds	20,000	—
Commercial papers	20,006	—
Income taxes payable	4,127	3,288
Advances received	25,537	29,739
Contract liabilities	12,186	12,408
Provision for bonuses	3,570	3,541
Other provisions	1,166	687
Other	61,940	69,498
Total current liabilities	233,231	219,414
Non-current liabilities		
Bonds payable	130,000	170,000
Long-term borrowings	137,081	151,036
Deffered tax liabilities	1,226	286
Retirement benefit liability	22,827	21,983
Other	39,560	40,944
Total non-current liabilities	330,694	384,251
Total liabilities	563,925	603,666
Net assets		
Shareholders' equity		
Share capital	59,023	59,023
Capital surplus	42,187	42,187
Retained earnings	252,087	260,315
Treasury shares	(19,743)	(19,673)
Total shareholders' equity	333,555	341,853
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,181	9,031
Foreign currency translation adjustment	7	11
Remeasurements of defined benefit plans	1,576	694
Total accumulated other comprehensive income	8,766	9,738
Non-controlling interests	(35)	(24)
Total net assets	342,286	351,566
Total liabilities and net assets	906,212	955,233

Consolidated statements of income and Consolidated statements of comprehensive income

Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Operating revenues	299,872	347,133
Operating expenses		
Operating expenses and cost of sales of transportation	252,085	276,942
Selling, general and administrative expenses	47,047	48,711
Total operating expenses	299,132	325,653
Operating profit	740	21,479
Non-operating income		
Interest income	20	18
Dividend income	1,242	1,260
Share of profit of entities accounted for using equity method	257	426
Subsidy income etc	5,234	1,089
Other	1,009	1,147
Total non-operating income	7,764	3,942
Non-operating expenses		
Interest expenses	2,844	2,912
Other	294	736
Total non-operating expenses	3,138	3,649
Ordinary profit	5,366	21,772
Extraordinary income		
Gain on sales of non-current assets	12,141	2,726
Contribution for construction	941	2,541
Other	1,716	334
Total extraordinary income	14,799	5,602
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	858	2,464
Impairment loss	1,902	1,924
Loss on retirement of non-current assets	1,812	741
Other	1,267	1,237
Total extraordinary losses	5,841	6,367
Profit before income taxes	14,324	21,008
Income taxes-current	5,654	5,643
Income taxes-deferred	3,163	2,237
Total income taxes	8,818	7,880
Profit	5,506	13,127
Profit (loss) attributable to non-controlling interests	(78)	13
Profit attributable to owners of parent	5,585	13,114

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	5,506	13,127
Other comprehensive income		
Valuation difference on available-for-sale securities	(499)	1,850
Remeasurements of defined benefit plans, net of tax	(660)	(881)
Share of other comprehensive income of entities accounted for using equity method	3	3
Total other comprehensive income	(1,157)	972
Comprehensive income	4,349	14,099
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,428	14,086
Comprehensive income attributable to non-controlling interests	(78)	13

Consolidated statements of changes in net assets

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	59,023	42,187	252,952	(19,740)	334,422
Cumulative effects of changes in accounting policies			(1,496)		(1,496)
Restated balance	59,023	42,187	251,456	(19,740)	332,926
Changes during period					
Dividends of surplus			(4,886)		(4,886)
Profit attributable to owners of parent			5,585		5,585
Change due to merger			(68)		(68)
Purchase of treasury shares				(12)	(12)
Disposal of treasury shares		0		9	10
Net changes in items other than shareholders' equity					
Total changes during period	—	0	631	(2)	629
Balance at end of period	59,023	42,187	252,087	(19,743)	333,555

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	7,681	4	2,237	9,923	48	344,395
Cumulative effects of changes in accounting policies						(1,496)
Restated balance	7,681	4	2,237	9,923	48	342,898
Changes during period						
Dividends of surplus						(4,886)
Profit attributable to owners of parent						5,585
Change due to merger						(68)
Purchase of treasury shares						(12)
Disposal of treasury shares						10
Net changes in items other than shareholders' equity	(499)	3	(660)	(1,157)	(84)	(1,241)
Total changes during period	(499)	3	(660)	(1,157)	(84)	(612)
Balance at end of period	7,181	7	1,576	8,766	(35)	342,286

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	59,023	42,187	252,087	(19,743)	333,555
Cumulative effects of changes in accounting policies					—
Restated balance	59,023	42,187	252,087	(19,743)	333,555
Changes during period					
Dividends of surplus			(4,886)		(4,886)
Profit attributable to owners of parent			13,114		13,114
Change due to merger					—
Purchase of treasury shares				(8)	(8)
Disposal of treasury shares				78	78
Net changes in items other than shareholders' equity					
Total changes during period	—	—	8,227	69	8,297
Balance at end of period	59,023	42,187	260,315	(19,673)	341,853

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	7,181	7	1,576	8,766	(35)	342,286
Cumulative effects of changes in accounting policies						—
Restated balance	7,181	7	1,576	8,766	(35)	342,286
Changes during period						
Dividends of surplus						(4,886)
Profit attributable to owners of parent						13,114
Change due to merger						—
Purchase of treasury shares						(8)
Disposal of treasury shares						78
Net changes in items other than shareholders' equity	1,850	3	(881)	972	10	982
Total changes during period	1,850	3	(881)	972	10	9,280
Balance at end of period	9,031	11	694	9,738	(24)	351,566

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	14,324	21,008
Depreciation and amortization	31,164	29,127
Impairment loss	1,902	1,924
Amortization of goodwill	303	—
Increase (decrease) in retirement benefit liability	(353)	(715)
Increase (decrease) in retirement benefit asset	(986)	(845)
Loss on valuation of land for sale	10	58
Loss on retirement of non-current assets	363	506
Loss on tax purpose reduction entry of non-current assets	858	2,464
Interest and dividend income	(1,262)	(1,278)
Subsidy income etc	(5,234)	(1,089)
Interest expenses	2,844	2,912
Loss (gain) on sale of investment securities	(1,528)	(13)
Contribution for construction	(941)	(2,541)
Gain on sales of non-current assets	(12,141)	(2,726)
Compensation for tenants closing	688	315
Decrease (increase) in trade receivables	(2,979)	(4,684)
Decrease (increase) in inventories	(3,760)	(17,461)
Increase (decrease) in trade payables	(2,184)	5,313
Other, net	7,482	121
Subtotal	28,569	32,393
Interest and dividends received	1,371	1,309
Proceeds from subsidy income etc	5,238	1,089
Interest expenses paid	(2,918)	(2,851)
Compensation paid for tenants closing	(388)	(308)
Income taxes paid	(3,649)	(6,593)
Net cash provided by (used in) operating activities	28,222	25,039

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(36,986)	(56,089)
Proceeds from sales of property, plant and equipment and intangible assets	17,108	8,382
Proceeds from contribution received for construction	3,760	9,052
Purchase of investment securities	(3,074)	(3,828)
Proceeds from sales and redemption of securities	—	65
Proceeds from sales and redemption of investment securities	5,616	18
Other, net	(744)	353
Net cash provided by (used in) investing activities	(14,318)	(42,045)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	869	9,821
Proceeds from long-term borrowings	14,600	27,920
Repayment of long-term borrowings	(9,366)	(10,876)
Proceeds from issuance of bonds	—	39,788
Redemption of bonds	(20,000)	(20,000)
Purchase of treasury shares	(12)	(8)
Net increase (decrease) in commercial papers	(9,971)	(20,006)
Dividends paid	(4,886)	(4,885)
Proceeds from sale and leaseback transactions	6,626	—
Other, net	(1,123)	(1,120)
Net cash provided by (used in) financing activities	(23,264)	20,633
Effect of exchange rate change on cash and cash equivalents	(0)	—
Net increase (decrease) in cash and cash equivalents	(9,361)	3,627
Cash and cash equivalents at beginning of period	76,753	67,394
Increase in cash and cash equivalents resulting from merger of unconsolidated subsidiaries of subsidiaries	1	—
Cash and cash equivalents at end of period	67,394	71,021