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April 28, 2023

Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 [Japanese GAAP]

Company name: Keisei Electric Railway Co., Ltd.
Stock exchange listing: Tokyo Stock Exchange
Code number: 9009
URL: https://www.keisei.co.jp/
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Scheduled date of Ordinary General Meeting of Shareholders: June 29, 2023
Scheduled date of commencing dividend payments: June 30, 2023
Scheduled date of filing securities report: June 29, 2023
Availability of supplementary results presentation materials: Available
Schedule of annual financial results presentation session: Scheduled (for institutional investors and analysts)

(Rounded down to nearest million.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Operating revenue		Operating income		Ordinary income		Income attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2023	252,338	17.8	10,228	–	26,764	–	26,929	–
March 31, 2022	214,157	3.1	(5,201)	–	(3,191)	–	(4,438)	–

(Note) Comprehensive income:
Fiscal year ended March 31, 2023: ¥28,688 million [–%]
Fiscal year ended March 31, 2022: ¥(4,515) million [–%]

	Earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to operating revenue
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2023	161.72	–	7.0	2.9	4.1
March 31, 2022	(26.33)	–	(1.2)	(0.4)	(2.4)

(Reference) Equity in earnings (losses) of affiliated companies:
Fiscal year ended March 31, 2023: ¥17,401million
Fiscal year ended March 31, 2022: ¥508 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2023	965,573	410,945	40.9	2,357.93
As of March 31, 2022	900,346	387,705	41.1	2,194.00

(Reference) Equity:
As of March 31, 2023: ¥394,912 million
As of March 31, 2022: ¥369,764 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	Million yen	Million yen	Million yen	Million yen
March 31, 2023	47,238	(29,505)	(20,916)	34,410
March 31, 2022	28,831	(33,764)	1,236	25,277

2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2022	–	8.50	–	8.50	17.00	2,903	——	0.8
March 31, 2023	–	8.50	–	11.50	20.00	3,378	12.4	0.9
Fiscal year ending March 31, 2024 (forecast)	–	10.00	–	10.00	20.00		10.1	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Operating revenue		Operating income		Ordinary income		Income attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	308,800	22.4	24,800	142.5	42,200	57.7	33,300	23.7	198.83

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): Yes
New: Shin-Keisei Electric Railway Co., Ltd.

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: None
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: None
4) Retrospective restatement: None

(3) Total number of issued and outstanding shares (common stock)
1) Total number of issued shares at the end of the period (including treasury shares):
As of March 31, 2023: 172,411,185 shares
As of March 31, 2022: 172,411,185 shares

2) Total number of treasury shares at the end of the year:
As of March 31, 2023: 4,928,374 shares
As of March 31, 2022: 3,877,009 shares

3) Average number of shares during the period:
Fiscal year ended March 31, 2023: 166,523,301 shares
Fiscal year ended March 31, 2022: 168,533,780 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Operating revenue		Operating income		Ordinary income		Net income	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2023	72,773	16.1	5,075	–	4,293	–	2,575	–
March 31, 2022	62,699	12.4	(2,422)	–	(1,790)	–	(1,485)	–

	Earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2023	15.30	–
March 31, 2022	(8.70)	–

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2023	605,633	176,421	29.1	1,044.36
As of March 31, 2022	581,813	181,467	31.2	1,062.42

(Reference) Equity:
As of March 31, 2023: ¥176,421 million
As of March 31, 2022: ¥181,467 million

* These financial results are outside the scope of audit by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

1. The forward-looking statements contained herein were prepared based on information available as of the date of publication of this document. Actual financial results may differ from what the forecasts suggest. For financial consolidated results forecasts, see “1 (4) Outlook” on page 4 of this Appendix.

2. The Company will hold a presentation session for institutional investors and analysts on Thursday, May 18, 2023. The materials distributed at the presentation session will be posted on the Company’s website promptly thereafter.

3. The supplementary results presentation materials is appended to these financial results.

¡ Appendix Contents

1. Performance Summaries, Outlook, Dividend P2
(1) Summary of Operating Results in Period Under Review P2
(2) Summary of Financial Position in Period Under Review P4
(3) Summary of Cash Flows in Period Under Review P4
(4) Outlook P4
(5) Basic Dividend Policy, Dividend for Period Under Review and for Forthcoming Period P5
2. Criteria for Selecting Accounting Standard P5
3. Consolidated Financial Statements with Main Notes P6
(1) Consolidated Balance Sheet P6
(2) Consolidated Income Statement and Consolidated Statement of Comprehensive Income P8
(3) Consolidated Statement of Changes in Shareholders' Equity P10
(4) Consolidated Cash Flows P12
(5) Notes to Consolidated Financial Statements P12
(Notes on the Going Concern Assumption) P14
(Segment Information) P14
(Per-Share Information) P15
(Material Subsequent Events) P15
4. Supplementary Information to Earnings Report P16

1. Performance Summaries, Outlook, Dividend

(1) Summary of Operating Results in Period Under Review

The global economy

The easing of Covid restrictions led to a general improvement in corporate earnings, although some businesses continued to experience sluggish revenue growth. It also led to a recovery in consumer confidence and employment.

Business actions we took

We unveiled D Plan, a long-term business plan running from the period under review (ended March 31, 2023) to the period ending March 31, 2031. The plan includes a long-term vision to be achieved by the target year. The vision is expressed as follows: “We contribute to sustainability through community partnerships and by enhancing Narita Airport, the entrance to Japan.” The long-term plan consists of three medium-term (three-year) phases: D1, D2, and D3. D1 runs from the period under review to the period ending March 31, 2025. We are currently in D1, and we have taken initiatives to achieve the following objective for this three-year phase: recover from the Covid slump and return to growth, while laying the organizational foundations for achieving our long-term vision.

On September 1, 2022, we fully acquired Shin-Keisei Electric Railway. This action formed part of our ongoing effort to strengthen our corporate group structure.

Business results

Operating revenue amounted to ¥252,338 million (up 17.8% from the previous period) and operating income amounted to ¥10,228 million (compared to an operating loss of ¥5,201 million in the previous period). Ordinary income amounted to ¥26,764 million (compared to an ordinary loss of ¥3,191 million in the previous period) and net income attributable to owners of parent amounted to ¥26,929 million (compared to a net loss attributable to owners of parent of ¥4,438 million in the previous period).

Disclosed below are the segment-specific results:

Transportation

We continued taking anti-infection measures in our rail and road transportation services. These included the use of sanitizers, ventilation, and anticaberial and antiviral processing.

Railway business

In October 2022, Keisei Electric Railway Co., Ltd., lowered fares on the Keisei Narita Airport Line, while Hokuso-Railway Co., Ltd., lowered fares on the Hokuso Line. This action was designed to promote economic activity in areas served by these lines.

As part of our efforts to enhance passenger safety, we introduced security guards on the Skyliner and in all other limited express trains with a surcharge. Other safety actions included strengthening earthquake resistance of elevated sections and improving station access for people with disabilities.

We also proceeded with rail engineering works. These included a project to construct grade separations along the Oshiage line in Katsushika ward. For this project, we constructed a temporary station to which Keisei Tateishi Station will be relocated while the engineering work proceeds. We also proceeded with a project for constructing bridges over the Arakawa and Ayase rivers for the Keisei Main Line while engineering work proceeds along Arakawa River.

On the business front, we took the following actions. In November 2022, we changed the timetables and added a station stop for the Skyliner (Shin-Kamagaya Station) in order to enhance rail access to Narita Airport from Matsudo and Kashiwa. We also adjusted rail operations to the new passenger trends that have emerged amid lifestyle changes. As part of this, we introduced one-person operation (driver only, no conductor) on some routes and services. As part of our PR efforts, we ran the Danjuro Train, a chartered Skyliner service, and held an event to celebrate the Skyliner transporting its 40 millionth passenger. We also revamped our TV ad campaign, which stars a celebrity in the role of Prince Keisei, along with the specially liveried Kenty Skyliner.

Bus business

Having scaled back intercity bus routes (we suspended some routes and reduced services) to reflect the Covid-related slump in demand, we revived some of the services to meet travel needs. Following the opening of Bus Terminal Tokyo Yaesu, we rerouted some of the services to/from Tokyo Station so that they stop at this terminal. For transit bus routes, we adjusted the timetables to match the changes in travel demand. We also took a number of initiatives in conjunction with the 50th anniversary of Chiba Kaihin Kōtsu Co., Ltd.

Taxi business

The following actions were taken to improve convenience and service quality. Pre-paid taxi fare schemes were introduced by Keisei Taxi Funabashi Co., Ltd., Keisei Taxi Narashino Co., Ltd., Keisei Taxi Ichikawa Co., Ltd., Keisei Taxi Kazusa Co., Ltd., and Maihama Resort Cab Co., Ltd. Additionally, app-based taxi services were introduced by Kantetsu Mito Taxi Co., Ltd., Kantetsu Hire Co., Ltd., and Kantetsu Taxi Co., Ltd.

The segment results were as follows: Operating revenue amounted to ¥147,859 million (up25.7 % from the previous period) and operating income amounted to ¥784 million (compared to an operating loss of ¥12,735 million in the previous period).

Distribution

Store

Our store companies acted to increase their revenue growth. Keisei Store Co., Ltd., launched ship-from-store online deliveries at Livre Keisei Chibadera. Community Keisei opened two new stores, one of which was Little Mermaid Horikirishobuen Station. It also opened Family Mart Toneri Liner Nippori Station and took over the operation of existing stores.

Other

Businesses in this segment also enhanced their retail assets to increase footfall. For example, Your Elm Yachiyodai revamped its Livre Keisei Yachiyodai Your Elm shop and worked to attract new tenants to its essential retail amenities. Keisei Rose Nurseries, Inc., having opened a pick-your-own strawberry farm in the previous period, upgraded the attraction to increase visitor numbers.

The segment results were as follows: Operating revenue amounted to ¥51,264 million (up8.1 % from the previous period) and operating loss amounted to ¥429 million (compared to an operating loss of ¥305 million in the previous period).

Real Estate

Leasing

We acquired a leasehold property in Minami-Yawata, Ichikawa City, and proceeded with a project to build an elderly care home in Chuo-ku, Chiba City. We also purchased land in Senju-Kawaracho, Adachi-ku, with a view to building rental housing there.

Sales

We sold the last of the units in Park Homes Chiba, a mid-rise apartment building, and completed the bulk of the transfer process. We also sold units in another mid-rise apartment building, Sungrande Chiba Tsuga Terrace, with a view to completing the transfer next year. Alongside this, we purchased land in Higashi-Matsudo, Matsudo City and Chuo-ku, Chiba City, for building another mid-rise apartment building.

Other

A four-company consortium led by our organization was allotted a plot of public land (owned by Chiba Prefecture) in the vicinity of Shin-Kamagaya Station, Kamagaya City. The land will be used for a mixed-use property. We also participated in a project to assist the construction of an industrial estate in Chuo-ku, Chiba City.

The segment results were as follows: Operating revenue amounted to ¥28,952 million (up5.6 % from the previous period) and operating income amounted to ¥9,794 million (up12.1 % from the previous period).

Leisure, Service

Keisei Hotel Miramare extended the sales period for its Keisei train-themed concept room after the room proved a hit. In an effort to grow revenue, and in view of the Covid situation, Keisei Travel Service Co., Ltd., organized travel event packages, examples of which included rail travel events on special rail routes in the Keisei rail network. Iwore Keisei Co., Ltd., opened a second outlet in its Subway franchise: Subway Narita Airport Terminal 1, South Wing. It also started operating a 100 Hours Curry franchise: 100 Hours Curry Express LaLaport Kashiwanoha.

The segment results were as follows: Operating revenue amounted to ¥12,580 million (up56.0 % from the previous period) but operating loss amounted to ¥824 million (compared to an operating loss of ¥1,966 million in the previous period).

Construction

In this segment, we worked on engineering projects for improving our railways. We also worked on contracts obtained from outside Keisei Group.

The segment results were as follows: Operating revenue amounted to ¥27,944 million (up5.6 % from the previous period) and operating income amounted to ¥1,081 million (up36.9 % from the previous period).

(2) Summary of Financial Position in Period Under Review

Assets amounted to ¥965,573 million, up ¥65,226 million (7.2%) from the end of the previous period. A major factor was the acquisition of Shin-Keisei Electric Railway.

Liabilities amounted to ¥554,627 million, up ¥41,985 million (8.2%) from the end of the previous period. A major factor was an increase in interest-bearing debt with the issuance of bonds.

Net assets amounted to ¥410,945 million, up ¥23,240 million (6.0%) from the end of the previous period. A major factor was an increase in retained earnings with the recording of net income attributable to owners of parent.

(3) Summary of Cash Flows in Period Under Review

(Cash flows from operating activities)

We recorded a positive cash flow of ¥47,238 million, up ¥18,407 million from the end of the previous consolidated period. This increase in net inflow occurred because depreciation was deducted from income before income taxes.

(Cash flows from investing activities)

We recorded a negative cash flow of ¥29,505 million, down ¥4,259 million from the end of the previous consolidated period. This decrease in net outflow reflects the purchasing of non-current assets.

(Cash flows from financing activities)

We recorded a negative cash flow of ¥20,916 million. The main outflow was a stock buyback.

With the above cash flows and the acquisition of Shin-Keisei Electric Railway, cash and cash equivalents at the end of the consolidated period under review amounted to ¥34,410 million, up ¥9,132 million from the end of the previous consolidated period.

(4) Outlook

For the period ending March 2024, we expect operating revenue of ¥308.8 billion (up 22.4% from the previous period under review) with a recovery in transport demand as the Covid-19 effects eased and with Shin-Keisei Electric Railway contributing positively toward full-year earnings.

The profit outlook is as follows: We expect operating income of ¥24.8 billion (up 142.5% from the previous period under review), ordinary income of ¥42.2 billion (up 57.7% from the previous period under review), and net income attributable to owners of parent of ¥33.3 billion. (up 23.7% from the previous period under review)
For consolidated financial results forecasts by segment, see Consolidated Financial Results Forecasts for Fiscal Year Ending March 31, 2024 on page 18 of this Appendix.

* Consolidated financial results forecast is based on information that was available at the time the forecasts were announced. Actual financial results may differ from what the forecasts suggest.

(5) Basic Dividend Policy, Dividend for Period Under Review and for Forthcoming Period

Our basic dividend policy is to distribute profit to shareholders in a stable and continuous manner, taking into account certain variables. These variables include business performance and the level of reserves we require to develop our businesses and to strengthen and stabilize our financial foundation. This policy reflects the fact that our business operations, which primarily involve railways, intersect significantly with public affairs.

For the period under review, we will pay a year-end dividend of ¥11.5 per share (this together with the interim dividend amounts to an annual dividend of ¥20 per share).

For the next period under review (ending March 2024), we will pay an annual dividend of ¥20 per share (consisting of an interim dividend of ¥10 per share and a year-end dividend of ¥10 per share).

We will keep some of the profit earned in both periods. Some of this profit will be reinvested in ongoing efforts to enhance comfort and safety on our railways. Some will be used to reduce our interest-bearing debt.

2. Criteria for Selecting Accounting Standard

We currently apply Japan's Generally Accepted Accounting Principles (J-GAAP). Although we continue to gather information on other accounting standards, we believe that J-GAAP still suits us best. That is, J-GAAP offers a net benefit in terms of preparing financial statements and it enables comparisons with our industry peers. We will continue to apply J-GAAP for the foreseeable future, barring any drastic changes in the business environment.

3. Consolidated Financial Statements with Main Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	Previous consolidated accounting period (as of March 31, 2022)	Consolidated accounting period under review (as of March 31, 2023)
Assets		
Current assets		
Cash and deposits	25,513	34,607
Notes and accounts receivable -trade and contract assets	24,739	28,445
Land and building for sale	5,266	6,224
Merchandise	2,164	2,246
Work in progress	182	168
Raw materials and supplies	3,348	4,085
Other	11,960	14,420
Allowance for doubtful accounts	(21)	(36)
Total current assets	73,152	90,160
Non-current assets		
Property, plant, and equipment		
Buildings and structures, net	297,169	321,354
Machinery, equipment, and vehicles, net	24,387	30,780
Land	191,178	207,127
Right-of-use assets, net	34,151	29,506
Construction in progress	36,937	42,636
Other, net	3,183	4,168
Total property, plant, and equipment	587,008	635,573
Intangible assets		
Right-of-use assets	1,008	1,161
Other	11,471	11,934
Total intangible assets	12,480	13,095
Investments and other assets		
Investment securities	204,162	202,892
Long-term loans receivable	337	160
Deferred tax assets	18,812	18,987
Other	4,086	4,398
Allowance for doubtful accounts	(165)	(183)
Total investments and other assets	227,234	226,256
Total non-current assets	826,722	874,925
Deferred assets	471	486
Assets	900,346	965,573

(Millions of yen)

	Previous consolidated accounting period (as of March 31, 2022)	Consolidated accounting period under review (as of March 31, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	18,320	20,723
Short-term loans payable	55,682	55,986
Commercial papers	4,000	-
Current portion of bonds payable	-	20,000
Lease obligations	6,486	4,985
Income taxes payable	1,811	2,504
Provision for bonuses	3,345	3,954
Other	58,681	74,483
Total current liabilities	148,328	182,638
Non-current liabilities		
Bonds	110,450	110,450
Long-term loans payable	140,189	148,431
Long-term accounts payable to JRTT	40,505	36,710
Lease obligations	22,840	19,964
Deferred tax liabilities	2,035	2,128
Retirement benefit liability	36,322	39,784
Other	11,969	14,519
Total non-current liabilities	364,313	371,989
Liabilities	512,641	554,627
Net assets		
Shareholders' equity		
Capital stock	36,803	36,803
Capital surplus	28,410	34,396
Retained earnings	309,843	335,790
Treasury stock	(6,184)	(13,641)
Total shareholders' equity	368,873	393,350
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,210	2,537
Deferred gains (losses) on hedges	38	-
Remeasurements of defined benefit plans	(1,358)	(975)
Total accumulated other comprehensive income	890	1,562
Non-controlling interests	17,941	16,033
Net assets	387,705	410,945
Liabilities and net assets	900,346	965,573

(2) Consolidated Income Statement and Consolidated Statement of Comprehensive Income

Consolidated Income Statement

(Millions of yen)

	Previous consolidated accounting period (April 1, 2021, to March 31, 2022)	Consolidated accounting period under review (April 1, 2022, to March 31, 2023)
Operating revenue	214,157	252,338
Operating expenses		
Transport related operating expenses and sales costs	181,034	198,178
Selling, general, and administrative expenses	38,323	43,930
Total operating expenses	219,358	242,109
Operating income (loss)	(5,201)	10,228
Non-operating income		
Interest income	226	249
Dividend income	240	219
Share of profit of entities accounted for using equity method	508	17,401
Employment adjustment subsidy	1,643	269
Miscellaneous income	2,407	2,804
Total non-operating income	5,027	20,944
Non-operating expenses		
Interest expenses	2,375	2,420
Subsidy redemption loss	-	1,227
Miscellaneous expenses	641	760
Total non-operating expenses	3,017	4,408
Ordinary income (loss)	(3,191)	26,764
Extraordinary income		
Negative goodwill	-	9,214
Contribution for construction	1,653	1,207
Gain on sale of investment securities	457	231
Gain on change in equity	704	153
Other	321	157
Total extraordinary income	3,137	10,965
Extraordinary losses		
Impairment loss	469	1,834
Loss on step acquisitions	-	1,470
Loss on reduction of non-current assets	1,625	1,025
Loss on retirement of non-current assets	701	520
Other	39	20
Total extraordinary losses	2,836	4,871
Net income (loss) before income taxes	(2,890)	32,858
Income taxes: Current	1,939	3,140
Income taxes: Deferred	(1,165)	1,752
Total income taxes	773	4,892
Net income (loss)	(3,664)	27,966
Net income attributable to non-controlling interests	773	1,036
Net income (loss) attributable to owners of parent	(4,438)	26,929

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Previous consolidated accounting period (April 1, 2021, to March 31, 2022)	Consolidated accounting period under review (April 1, 2022, to March 31, 2023)
Net income (loss)	(3,664)	27,966
Other comprehensive income		
Valuation difference on available-for-sale securities	(731)	465
Remeasurements of defined benefit plans, net of tax	67	632
Share of other comprehensive income of entities accounted for using equity method	(187)	(375)
Total other comprehensive income	(851)	722
Comprehensive income	(4,515)	28,688
Comprehensive income attributable to		
owners of parent	(5,256)	27,601
non- controlling interests	740	1,086

(3) Consolidated Statement of Changes in Shareholders' Equity

Previous consolidated accounting period (April 1, 2021, to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Opening balance	36,803	28,411	317,899	(6,184)	376,930
Cumulative effect of changes in accounting policy			(692)		(692)
Restated opening balance	36,803	28,411	317,207	(6,184)	376,237
Change during period					
Dividends of surplus			(2,903)		(2,903)
Net income (loss) attributable to owners of parent			(4,438)		(4,438)
Change in scope of consolidation					-
Change resulting from acquisition of stock in consolidated subsidiary		(0)			(0)
Change in ownership interest of parent due to transactions with non-controlling interests		0			0
Change related to merger with consolidated or non-consolidated subsidiary			(22)		(22)
Stock buyback				(0)	(0)
Retirement of treasury stock					-
Increase following stock swap					-
Change in equity in affiliates accounted for by equity method-treasury stock				0	0
Net change in items other than shareholders' equity					
Total change during period	-	(0)	(7,363)	0	(7,363)
Closing balance	36,803	28,410	309,843	(6,184)	368,873

	Accumulated other comprehensive income				Non-controlling interests	Net assets
	Valuation difference on available-for sale securities	Deferred gains (losses) on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Opening balance	3,075	30	(1,397)	1,708	17,406	396,044
Cumulative effect of changes in accounting policy					(55)	(748)
Restated opening balance	3,075	30	(1,397)	1,708	17,350	395,296
Change during period						
Dividends of surplus						(2,903)
Net income (loss) attributable to owners of parent						(4,438)
Change in scope of consolidation						-
Change resulting from acquisition of stock in consolidated subsidiary						(0)
Change in ownership interest of parent due to transactions with non-controlling interests						0
Change related to merger with consolidated or non-consolidated subsidiary						(22)
Stock buyback						(0)
Retirement of treasury stock						-
Increase following stock swap						-
Change in equity in affiliates accounted for by equity method-treasury stock						0
Net change in items other than shareholders' equity	(864)	7	38	(818)	590	(227)
Total change during period	(864)	7	38	(818)	590	(7,591)
Closing balance	2,210	38	(1,358)	890	17,941	387,705

Consolidated accounting period under review (April 1, 2022, to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Capital surplus	Capital surplus	Capital surplus	Treasury stock	Total shareholders' equity
Opening balance	36,803	28,410	309,843	(6,184)	368,873
Cumulative effect of changes in accounting policy					-
Restated opening balance	36,803	28,410	309,843	(6,184)	368,873
Change during period					
Dividends of surplus			(2,887)		(2,887)
Net income (loss) attributable to owners of parent			26,929		26,929
Change in scope of consolidation			1,099		1,099
Change resulting from acquisition of stock in consolidated subsidiary		(0)			(0)
Change in ownership interest of parent due to transactions with non-controlling interests		98			98
Change related to merger with consolidated or non-consolidated subsidiary		61	805		867
Stock buyback				(24,553)	(24,553)
Retirement of treasury stock		0		2	2
Increase following stock swap		5,825		17,094	22,920
Change in equity in affiliates accounted for by equity method-treasury stock					-
Net change in items other than shareholders' equity					
Total change during period	-	5,986	25,947	(7,456)	24,476
Closing balance	36,803	34,396	335,790	(13,641)	393,350

	Accumulated other comprehensive income				Non-controlling interests	Net assets
	Valuation difference on available-for sale securities	Deferred gains (losses) on hedges	Remeasurements of defined benefit plans	Valuation difference on available-for sale securities		
Opening balance	2,210	38	(1,358)	890	17,941	387,705
Cumulative effect of changes in accounting policy						-
Restated opening balance	2,210	38	(1,358)	890	17,941	387,705
Change during period						
Dividends of surplus						(2,887)
Net income (loss) attributable to owners of parent						26,929
Change in scope of consolidation						1,099
Change resulting from acquisition of stock in consolidated subsidiary						(0)
Change in ownership interest of parent due to transactions with non-controlling interests						98
Change related to merger with consolidated or non-consolidated subsidiary						867
Stock buyback						(24,553)
Retirement of treasury stock						2
Increase following stock swap						22,920
Change in equity in affiliates accounted for by equity method-treasury stock						-
Net change in items other than shareholders' equity	326	(38)	383	672	(1,907)	(1,235)
Total change during period	326	(38)	383	672	(1,907)	23,240
Closing balance	2,537	-	(975)	1,562	16,033	410,945

(4) Consolidated Cash Flows

(Millions of yen)

	Previous consolidated accounting period (April 1, 2021, to March 31, 2022)	Consolidated accounting period under review (April 1, 2022, to March 31, 2023)
Cash flows from operating activities		
Net income (loss) before tax	(2,890)	32,858
Depreciation	30,483	31,616
Impairment loss	469	1,834
Loss on reduction of non-current assets	1,625	1,025
Loss on retirement of non-current assets	443	609
Interest and dividend income	(467)	(468)
Interest expenses	2,375	2,420
Gain (loss) on sale of investment securities	(457)	(231)
Share of loss (profit) of entities accounted for using equity method	(508)	(17,401)
Gain (loss) on change in equity	(704)	(153)
Employment adjustment subsidy	(1,643)	(269)
Subsidy redemption loss	-	1,227
Negative goodwill	-	(9,214)
Gain (loss) on step acquisitions	-	1,470
Contribution for construction	(1,653)	(1,207)
Decrease (increase) in inventories	1,460	(406)
Other	(564)	7,310
Subtotal	27,968	51,020
Interest and dividend income received	2,490	2,942
Interest expenses paid	(2,357)	(2,375)
Employment adjustment subsidy received	1,956	439
Subsidy redemption	-	(1,344)
Income taxes paid	(1,226)	(3,443)
Cash flows from operating activities	28,831	47,238
Cash flows from investing activities		
Purchase of non-current assets	(38,235)	(32,832)
Proceeds from sale of non-current assets	98	850
Proceeds from contribution for construction	3,120	2,512
Proceeds from sale of investment securities	1,416	256
Other	(163)	(292)
Cash flows from investing activities	(33,764)	(29,505)

(Millions of yen)

	Previous consolidated accounting period (April 1, 2021, to March 31, 2022)	Consolidated accounting period under review (April 1, 2022, to March 31, 2023)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(1,865)	825
Proceeds from long-term loans payable	6,234	14,608
Repayments of long-term loans payable	(10,082)	(15,690)
Increase (decrease) in commercial papers	-	(4,000)
Proceeds from issuance of bonds	19,904	19,900
Repayments of accounts payable to JRTT	(2,990)	(3,009)
Repayments of lease obligations	(6,959)	(6,635)
Stock buyback	(0)	(23,664)
Cash dividends paid	(2,903)	(2,887)
Other	(101)	(363)
Cash flows from financing activities	1,236	(20,916)
Increase (decrease) in cash and cash equivalents	(3,697)	(3,182)
Cash and cash equivalents at beginning of period	28,900	25,277
Increase in cash and cash equivalents following stock swap	-	11,623
Increase in cash and cash equivalents from newly consolidated subsidiary	-	585
Increase in cash and cash equivalents following merger with non-consolidated subsidiary	74	106
Cash and cash equivalents at end of period	25,277	34,410

(5) Notes to Consolidated Financial Statements

(Notes on the Going Concern Assumption)

No notes.

(Segment Information)

1. Description of Reportable Segments

Our reportable segments are components of our organization for which discrete financial information is available. They are also subject to regular review by the Board of Directors. In these reviews, the board considers the allocation of resources among the reportable segments and the performance of each segment.

The reportable segments are as follows. Transport includes railway operations, which accounts for the bulk of our operations.

Reportable segment	Main operations
Transportation	— Railway, road (bus, taxi)
Distribution	— Retail (store, department store)
Real Estate	— Real estate for lease and sale
Leisure, Service	— Accommodation (hotels), tourism services
Construction	— Contracting for civil engineering and construction
Other	— Maintenance of rolling stock and road vehicles

2. Method for Calculating Segment-Specific Operating revenue, Income (Loss), Assets, and Other Items

Segment profit is reported as operating income. Inter-segment transactions and transfers are priced at the going rate.

3. Monetary Amounts for Segment-Specific Operating revenue, Income (Loss), Assets, and Other Items

Previous consolidated accounting period (April 1, 2021, to March 31, 2022)

Millions of yen

	Transportation	Distribution	Real Estate	Leisure, Service	Construction	Other	Total	Reconciliation *1	Book value *2
Operating revenue									
(1) Operating revenue from outside sales	117,084	47,023	21,872	6,742	16,434	5,001	214,157	-	214,157
(2) Operating revenue or transfer balance from inside (inter-segment) sales	561	418	5,547	1,321	10,018	2,860	20,728	(20,728)	-
Total	117,645	47,441	27,420	8,063	26,452	7,861	234,885	(20,728)	214,157
Segment profit (loss)	(12,735)	(305)	8,737	(1,966)	789	340	(5,140)	(60)	(5,201)
Segment assets	468,939	24,922	188,236	6,091	16,355	8,600	713,146	187,200	900,346
Other									
Depreciation	24,998	916	4,310	178	72	93	30,570	(86)	30,483
Impairment loss	-	209	256	17	-	-	483	(14)	469
Increase in property, plant, and equipment or in intangible non-current assets	21,220	1,502	16,323	674	67	144	39,933	-	39,933

(Notes) 1 (1) "Reconciliation" covers inter-segment gains and losses, inter-segment eliminations, and inter-segment goodwill amortization.

(2) The reconciliation for segment assets covered the ¥228,576 million in inter-segment eliminations and pan-organizational assets. "Pan-organizational assets" are assets that are not attributable to any reportable segment. These can include surplus funds (cash and cash equivalents, short-term loans receivable), long-term investments (investment securities, long-term loans receivable), or shares held in equity-method affiliates.

(3) The reconciliations for segment depreciation and impairment loss covered inter-segment eliminations.

2. Segment profit (loss) is reconciled to the operating loss reported in the consolidated income statement.

Consolidated Accounting Period Under Review (April 1, 2022, to March 31, 2023)

Millions of yen

	Transportation	Distribution	Real Estate	Leisure, Service	Construction	Other	Total	Reconciliation *1	Book value *2
Operating revenue									
(1) Operating revenue from outside sales	147,233	50,740	21,879	10,003	17,355	5,126	252,338	-	252,338
(2) Operating revenue or transfer balance from inside (inter-segment) sales	625	523	7,072	2,577	10,588	4,023	25,411	(25,411)	-
Total	147,859	51,264	28,952	12,580	27,944	9,149	277,750	(25,411)	252,338
Segment profit (loss)	784	(429)	9,794	(824)	1,081	57	10,463	(235)	10,228
Segment assets	510,056	23,811	213,937	8,613	20,513	10,402	787,335	178,237	965,573
Other									
Depreciation	25,047	970	5,217	282	52	116	31,686	(70)	31,616
Impairment loss	47	1,747	-	39	-	-	1,834	-	1,834
Increase in property, plant, and equipment or in intangible non-current assets	25,138	1,608	10,899	450	35	121	38,254	-	38,254

(Notes) 1 (1) The reconciliation for segment profit (loss) covered expenses incurred in purchasing shares in subsidiary, inter-segment eliminations, and inter-segment goodwill amortization.

(2) The reconciliation for segment assets covered the ¥226,285 million in inter-segment eliminations and pan-organizational assets. “Pan-organizational assets” are assets that are not attributable to any reportable segment. These can include surplus funds (cash and cash equivalents, short-term loans receivable), long-term investments (investment securities, long-term loans receivable), or shares held in equity-method affiliate.

(3) The reconciliations for segment depreciation covered inter-segment eliminations.

2 Segment profit (loss) is reconciled to the operating income reported in the consolidated income statement.

3 Increase in property, plant, and equipment or in intangible non-current assets: This increase does not account for the increase attributable to an increase in the scope of consolidation.

(Per-Share Information)

	Previous consolidated accounting period (April 1, 2021, to March 31, 2022)	Consolidated accounting period under review (April 1, 2022, to March 31, 2023)
Net assets per share	¥2,194.00	¥2,357.93
Basic earnings (losses) per share	¥(26.33)	¥161.72

(Notes) 1 Diluted earnings per share is omitted here because there were no potential shares.

2 Basic earnings (losses) per share is calculated as follows.

		Previous consolidated accounting period (April 1, 2021, to March 31, 2022)	Consolidated accounting period under review (April 1, 2022, to March 31, 2023)
Net income (loss) attributable to owners of parent	(mm JPY)	(4,438)	26,929
that is not attributable to common stock	(mm JPY)	-	-
that is attributable to common stock	(mm JPY)	(4,438)	26,929
Average number of shares of common stock during period	(thousands of shares)	168,533	166,523

(Material Subsequent Events)

No notes.

4. Supplementary Information to Earnings Report

▌Consolidated income statement

・Operating revenue and income grew thanks to a recovery in transport demand as the Covid-19 effects eased.

・Impact of Shin-Keisei Electric Railway becoming consolidated subsidiary:
Operating revenue +¥9.5 billion, extraordinary income (negative goodwill) +¥9.2 billion

Million yen, %		FY2021 result	FY2022 result	Change	% change
Transportation	Operating revenue	117,645	**147,859**	30,213	25.7
	Operating income	(12,735)	**784**	13,520	-
Distribution	Operating revenue	47,441	**51,264**	3,822	8.1
	Operating income	(305)	**(429)**	(123)	-
Real Estate	Operating revenue	27,420	**28,952**	1,532	5.6
	Operating income	8,737	**9,794**	1,056	12.1
Leisure, Service	Operating revenue	8,063	**12,580**	4,516	56.0
	Operating income	(1,966)	**(824)**	1,141	-
Construction	Operating revenue	26,452	**27,944**	1,491	5.6
	Operating income	789	**1,081**	291	36.9
Other	Operating revenue	7,861	**9,149**	1,288	16.4
	Operating income	340	**57**	(282)	(83.2)
Subtotal	Operating revenue	234,885	**277,750**	42,864	18.2
	Operating income	(5,140)	**10,463**	15,604	-
Reconciliation	Operating revenue	(20,728)	**(25,411)**	(4,683)	-
	Operating income	(60)	**(235)**	(174)	-
Total	Operating revenue	214,157	**252,338**	38,181	17.8
	Operating income	(5,201)	**10,228**	15,429	-
Non-operating income		5,027	**20,944**	15,917	316.6
Non-operating expenses		3,017	**4,408**	1,391	46.1
Ordinary income		(3,191)	**26,764**	29,956	-
Extraordinary income		3,137	**10,965**	7,828	249.5
Extraordinary losses		2,836	**4,871**	2,035	71.8
Net income before income taxes		(2,890)	**32,858**	35,749	-
Income taxes	Current	1,939	**3,140**	1,200	61.9
	Deferred	(1,165)	**1,752**	2,918	-
	Total	773	**4,892**	4,118	532.1
Net income		(3,664)	**27,966**	31,630	-
Net income attributable to non-controlling interests		773	**1,036**	263	34.0
Net income attributable to owners of parent		(4,438)	**26,929**	31,367	-

Non-operating income		
Share of profit of entities accounted for using equity method	508	**17,401**
Extraordinary income		
Negative goodwill	—	**9,214**

▌FY2022 Results by Segment

・Transportation

Million yen, %		FY2021 result	FY2022 result	Change	% change
Railway	Operating revenue	55,256	**72,017**	16,761	30.3
	Operating income	(7,189)	**(337)**	6,852	—
Bus	Operating revenue	39,005	**47,548**	8,542	21.9
	Operating income	(4,038)	**721**	4,759	—
Taxi	Operating revenue	23,384	**28,293**	4,909	21.0
	Operating income	(1,508)	**400**	1,908	—
Transportation	Operating revenue	117,645	**147,859**	30,213	25.7
	Operating income	(12,735)	**784**	13,520	—

・Distribution

Million yen, %		FY2021 result	FY2022 result	Change	% change
Store	Operating revenue	32,315	**35,497**	3,181	9.8
	Operating income	62	**(65)**	(127)	—
Department store	Operating revenue	10,209	**10,404**	194	1.9
	Operating income	(375)	**(344)**	30	—
Other	Operating revenue	4,916	**5,363**	446	9.1
	Operating income	7	**(18)**	(25)	—
Distribution	Operating revenue	47,441	**51,264**	3,822	8.1
	Operating income	(305)	**(429)**	(123)	—

・Real Estate

Million yen, %		FY2021 result	FY2022 result	Change	% change
Leasing	Operating revenue	19,464	**22,938**	3,474	17.9
	Operating income	8,213	**9,436**	1,222	14.9
Sales	Operating revenue	4,114	**1,856**	(2,258)	(54.9)
	Operating income	283	**57**	(225)	(79.5)
Management	Operating revenue	3,840	**4,157**	316	8.2
	Operating income	241	**300**	59	24.7
Real Estate	Operating revenue	27,420	**28,952**	1,532	5.6
	Operating income	8,737	**9,794**	1,056	12.1

Note: From the start of FY2022, Keisei Real Estate's revenue and income are reported as "leasing" instead of "sales" as before. The results for FY2021 have retroactively adjusted to enable comparison.

▌Consolidated Results Forecast for Fiscal Year Ending March 31, 2024

▌Consolidated income statement

・There will be no Covid-related travel restrictions.
・Impact of Shin-Keisei Electric Railway becoming consolidated subsidiary:
Operating revenue +¥11.2 billion, operating income +¥1.3 billion

Million yen, %		FY2022 result	FY2023 forecast	Change	% change
Transportation	Operating revenue	147,859	**186,100**	38,240	25.9
	Operating income	784	**12,000**	11,215	-
Distribution	Operating revenue	51,264	**56,600**	5,335	10.4
	Operating income	(429)	**400**	829	-
Real Estate	Operating revenue	28,952	**33,100**	4,147	14.3
	Operating income	9,794	**10,300**	505	5.2
Leisure, Service	Operating revenue	12,580	**19,200**	6,619	52.6
	Operating income	(824)	**600**	1,424	-
Construction	Operating revenue	27,944	**33,300**	5,355	19.2
	Operating income	1,081	**1,100**	18	1.7
Other	Operating revenue	9,149	**10,200**	1,050	11.5
	Operating income	57	**400**	342	600.4
Subtotal	Operating revenue	277,750	**338,500**	60,749	21.9
	Operating income	10,463	**24,800**	14,336	137.0
Reconciliation	Operating revenue	(25,411)	**(29,700)**	(4,288)	-
	Operating income	(235)	**0**	235	-
Total	Operating revenue	252,338	**308,800**	56,461	22.4
	Operating income	10,228	**24,800**	14,571	142.5
Ordinary income		26,764	**42,200**	15,435	57.7
Net income attributable to owners of parent		26,929	**33,300**	6,370	23.7

Non-operating income		
Share of profit of entities accounted for using equity method	17,401	**18,600**
Extraordinary income		
Negative goodwill	9,214	**—**

▌Consolidated Results Forecast for Fiscal Year Ending March 31, 2024

▌FY 2023 Results Forecast by Segment

・Transportation

Million yen, %		FY2022 result	FY2023 forecast	Change	% change
Railway	Operating revenue	72,017	**93,400**	21,382	29.7
	Operating income	(337)	**8,200**	8,537	-
Bus	Operating revenue	47,548	**59,800**	12,251	25.8
	Operating income	721	**2,900**	2,178	302.0
Taxi	Operating revenue	28,293	**32,900**	4,606	16.3
	Operating income	400	**900**	499	124.9
Transportation	Operating revenue	147,859	**186,100**	38,240	25.9
	Operating income	784	**12,000**	11,215	-

・Distribution

Million yen, %		FY2022 result	FY2023 forecast	Change	% change
Store	Operating revenue	35,497	**39,200**	3,702	10.4
	Operating income	(65)	**200**	265	-
Department store	Operating revenue	10,404	**11,300**	895	8.6
	Operating income	(344)	**100**	444	-
Other	Operating revenue	5,363	**6,100**	736	13.7
	Operating income	(18)	**100**	118	-
Distribution	Operating revenue	51,264	**56,600**	5,335	10.4
	Operating income	(429)	**400**	829	-

・Real Estate

Million yen, %		FY2022 result	FY2023 forecast	Change	% change
Leasing	Operating revenue	22,938	**25,500**	2,561	11.2
	Operating income	9,436	**10,000**	563	6.0
Sales	Operating revenue	1,856	**3,200**	1,343	72.4
	Operating income	57	**100**	42	72.5
Management	Operating revenue	4,157	**4,400**	242	5.8
	Operating income	300	**200**	(100)	(33.5)
Real Estate	Operating revenue	28,952	**33,100**	4,147	14.3
	Operating income	9,794	**10,300**	505	5.2

▌Transportation Performance [non-consolidated]

Thousand people, Million yen, %		FY2021 result	FY2022 result	Change	% change
Number of passengers	Commuters	135,961	**144,445**	8,484	6.2
	Non-commuters	89,353	**106,763**	17,410	19.5
	Total	225,314	**251,208**	25,894	11.5
	To/from Narita Airport	8,335	**13,952**	5,617	67.4
	Charged limited Express	1,506	**3,719**	2,213	146.9
Revenue from passengers	Commuters	16,688	**17,477**	789	4.7
	Non-commuters	24,021	**34,207**	10,185	42.4
	Total	40,710	**51,684**	10,974	27.0
	To/from Narita Airport	5,902	**13,153**	7,251	122.8
	Charged limited Express	1,235	**3,629**	2,394	193.8

[Reference] Comparison with FY2019

Thousand people, Million yen, %		FY2019 result	FY2022 result	Change	% change
Number of passengers	Commuters	173,808	**144,445**	(29,363)	(16.9)
	Non-commuters	119,014	**106,763**	(12,251)	(10.3)
	Total	292,822	**251,208**	(41,614)	(14.2)
	To/from Narita Airport	21,717	**13,952**	(7,765)	(35.8)
	Charged limited Express	6,079	**3,719**	(2,360)	(38.8)
Revenue from passengers	Commuters	21,702	**17,477**	(4,224)	(19.5)
	Non-commuters	43,510	**34,207**	(9,303)	(21.4)
	Total	65,213	**51,684**	(13,528)	(20.7)
	To/from Narita Airport	21,177	**13,153**	(8,024)	(37.9)
	Charged limited Express	5,843	**3,629**	(2,214)	(37.9)

FY 2023 Results Forecast (Comparison with FY2022)

Thousand people, Million yen, %		FY2022 result	FY2023 forecast	Change	% change
Number of passengers	Commuters	144,445	**161,070**	16,625	11.5
	Non-commuters	106,763	**123,610**	16,847	15.8
	Total	251,208	**284,680**	33,472	13.3
	To/from Narita Airport	13,952	**21,771**	7,819	56.0
	Charged limited Express	3,719	**7,076**	3,357	90.3
Revenue from passengers	Commuters	17,477	**19,693**	2,215	12.7
	Non-commuters	34,207	**46,624**	12,417	36.3
	Total	51,684	**66,318**	14,633	28.3
	To/from Narita Airport	13,153	**23,229**	10,075	76.6
	Charged limited Express	3,629	**7,202**	3,573	98.4