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Consolidated Financial Results for the Nine Months Ended December 31, 2024 [Japanese GAAP]

February 10, 2025

Company name: Keio Corporation
Listing: Tokyo
Securities code: 9008
URL: https://www.keio.co.jp/
Representative: Satoshi Tsumura President, Representative Director and Executive Officer
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Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2024 (April 1, 2024 to December 31, 2024)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes.)

	Operating revenues		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	334,874	13.9	49,578	25.5	49,127	24.7	39,177	54.5
December 31, 2023	294,056	16.7	39,500	109.7	39,409	106.5	25,362	99.3

(Note) Comprehensive income: Nine months ended December 31, 2024: ¥ 41,346 million [16.7%]
Nine months ended December 31, 2023: ¥ 35,436 million [142.1%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	321.41	-
December 31, 2023	207.70	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
December 31, 2024	1,102,542	419,008	38.0
March 31, 2024	1,079,388	393,930	36.4

(Reference) Equity: As of December 31, 2024: ¥ 418,897 million
As of March 31, 2024: ¥ 393,183 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	22.50	-	30.00	52.50
Fiscal year ending March 31, 2025	-	50.00	-		
Fiscal year ending March 31, 2025 (Forecast)				50.00	100.00

(Note) Revision to the forecast for dividends announced most recently: None

(Note) Breakdown of the 3rd quarter dividend for the fiscal year ending March 31, 2025 :

Commemorative dividend - yen

Special dividend - yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Operating revenues		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	470,000	15.0	55,000	25.5	53,600	23.3	41,000	40.2	335.77

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 1 (Company name: Keio SC Creation Co., Ltd.)

Excluded: 1 (Company name: Keio Chika Chushajou Co., Ltd.)

Note: See "(3) Notes to Quarterly Consolidated Financial Statements (Segment Information, etc.) in the "[Supplementary Materials]" on Page 9.

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

Note : See "(3) Notes to Quarterly Consolidated Financial Statements (Application of special accounting treatment in preparing the quarterly consolidated financial statements) in the "[Supplementary Materials]" on Page 7.

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

Note : See "(3) Notes to Quarterly Consolidated Financial Statements (Changes in Accounting Policies) in the "[Supplementary Materials]" on Page 7.

(4) Number of issued shares (common shares)

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

December 31, 2024:	128,550,830 shares
March 31, 2024:	128,550,830 shares

2) Number of treasury shares at the end of the period:

December 31, 2024:	7,921,607 shares
March 31, 2024:	6,442,436 shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2024:	121,890,249 shares
Nine months ended December 31, 2023:	122,109,617 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:

3Q FYE March 2025: 103,400 shares FYE March 2024: 109,300 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* 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.

See "FY2024 3rd Quarter Financial Results Supplementary Materials" disclosed on TDnet today for information concerning earnings forecasts.

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1. Overview of operating results, etc.

See “FY2024 3rd Quarter Financial Results Supplementary Materials” disclosed on TDnet today for the overview.

2. Quarterly Consolidated Financial Statements

(1)Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	73,064	82,475
Notes and accounts receivable - trade, and contract assets	59,650	49,787
Merchandise and finished goods	23,144	32,439
Work in process	81,984	96,101
Raw materials and supplies	2,502	2,756
Other	7,956	10,875
Allowance for doubtful accounts	(18)	(22)
Total current assets	248,285	274,413
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	331,028	320,749
Machinery, equipment and vehicles, net	24,378	22,737
Land	243,286	241,084
Construction in progress	86,746	94,802
Other, net	16,059	16,487
Total property, plant and equipment	701,499	695,861
Intangible assets	21,886	21,219
Investments and other assets		
Investment securities	78,133	82,242
Retirement benefit asset	14,464	14,411
Deferred tax assets	2,794	2,337
Other	12,463	12,196
Allowance for doubtful accounts	(139)	(139)
Total investments and other assets	107,717	111,048
Total non-current assets	831,103	828,129
Total assets	1,079,388	1,102,542

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	24,413	21,270
Short-term borrowings	99,741	107,528
Income taxes payable	8,850	5,705
Advances received	38,390	38,060
Contract liabilities	13,787	15,557
Provision for bonuses	4,155	2,746
Other provisions	3,089	3,381
Other	82,405	59,301
Total current liabilities	274,834	253,550
Non-current liabilities		
Bonds payable	170,100	170,000
Long-term borrowings	165,511	183,925
Deferred tax liabilities	5,582	6,217
Retirement benefit liability	18,212	18,118
Asset retirement obligations	15,414	15,469
Other provisions	491	450
Other	35,311	35,801
Total non-current liabilities	410,624	429,983
Total liabilities	685,458	683,534
Net assets		
Shareholders' equity		
Share capital	59,023	59,023
Capital surplus	42,288	42,324
Retained earnings	284,367	313,913
Treasury shares	(19,783)	(25,707)
Total shareholders' equity	365,896	389,553
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	22,636	25,246
Deferred gains or losses on hedges	75	147
Foreign currency translation adjustment	16	19
Remeasurements of defined benefit plans	4,558	3,930
Total accumulated other comprehensive income	27,287	29,344
Non-controlling interests	746	111
Total net assets	393,930	419,008
Total liabilities and net assets	1,079,388	1,102,542

(2)Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Operating revenue	294,056	334,874
Operating expenses		
Operating expenses and cost of sales of transportation	216,527	242,548
Selling, general and administrative expenses	38,029	42,747
Total operating expenses	254,556	285,295
Operating profit	39,500	49,578
Non-operating income		
Interest income	14	21
Dividend income	1,280	1,588
Share of profit of entities accounted for using equity method	365	328
Miscellaneous income	716	779
Total non-operating income	2,376	2,717
Non-operating expenses		
Interest expenses	2,379	2,831
Miscellaneous expenses	88	336
Total non-operating expenses	2,467	3,168
Ordinary profit	39,409	49,127
Extraordinary income		
Gain on sale of non-current assets	161	1,530
Contribution received for construction	89	138
Other	152	206
Total extraordinary income	403	1,875
Extraordinary losses		
Provision for loss on removal of non-current assets	798	436
Loss on retirement of non-current assets	316	241
Loss on tax purpose reduction entry of non-current assets	50	9
Other	1,667	232
Total extraordinary losses	2,832	919
Profit before income taxes	36,980	50,083
Income taxes	11,550	10,793
Profit	25,430	39,289
Profit attributable to non-controlling interests	67	112
Profit attributable to owners of parent	25,362	39,177

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Profit	25,430	39,289
Other comprehensive income		
Valuation difference on available-for-sale securities	7,571	2,608
Deferred gains or losses on hedges	15	71
Remeasurements of defined benefit plans, net of tax	2,416	(627)
Share of other comprehensive income of entities accounted for using equity method	3	3
Total other comprehensive income	10,006	2,056
Comprehensive income	35,436	41,346
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	35,369	41,233
Comprehensive income attributable to non-controlling interests	67	112

(3) Notes to Quarterly Consolidated Financial Statements

(Changes in Accounting Policies)

Adoption of Accounting Standard for Current Income Taxes and related guidance

The Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, revised October 28, 2022; hereafter, "the 2022 revised accounting standard") was adopted from the 1st quarter of the consolidated fiscal year ending March 31, 2025.

The changes relating to account classification of income taxes (tax on other comprehensive income) were made in accordance with the transitional treatment specified in the proviso to Paragraph 20-3 in the 2022 revised accounting standard and the transitional treatment specified in the proviso to Paragraph 65-2 (2) in the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, revised October 28, 2022; hereafter, "the 2022 revised guidance"). These changes had no effect on the quarterly consolidated financial statements.

The 2022 revised guidance was also applied to changes relating to revision of the treatment in the consolidated financial statements when carrying forward gains on the sale of shares of subsidiaries between consolidated companies, from the beginning of the 1st quarter of the consolidated fiscal year ending March 31, 2025. These changes in accounting policies were applied retroactively and the 3rd quarter and full-year financial statements for the previous consolidated fiscal year were restated to reflect these changes. These changes had no effect on the 3rd quarter and full-year consolidated financial statements for the previous fiscal year.

(Application of special accounting treatment in preparing the quarterly consolidated financial statements)

Calculation of tax expenses

Tax expenses are calculated by producing a reasonable estimate of the effective tax rate after application of tax effect accounting to profit before income taxes for the consolidated fiscal year, including the 3rd quarter, and multiplying profit before income taxes for the quarter by the effective tax rate.

(Supplemental Information)

Transactions, etc. under common control

1. Succession of business to consolidated subsidiary via company split

At the Board of Directors meeting held on December 26, 2023, the Company decided to establish Keio SC Creation Co., Ltd. as a wholly owned subsidiary. The decision was made to cede the commercial facility management business (the shopping center business and part of the land and building leasing business) we operate to Keio SC Creation Co., Ltd., and this was effected via a simple absorption-type split on July 1, 2024.

(1) Transaction overview

(i) Name and description of business ceded

Name	Commercial facility management business
Business description	・ Management of large shopping centers at main stations ・ Development of commercial facilities near stations etc.

(ii) Date of business combination

July 1, 2024

(iii) Legal form of business combination

Simple absorption-type company split of the Company, with Keio SC Creation Co., Ltd. as the succeeding company.

(iv) Name after business combination

The name of Keio SC Creation Co., Ltd. did not change after the business combination.

(v) Overview of other transactions

We decided this split was necessary to consolidate the commercial facility management businesses dispersed among the Company and some consolidated subsidiaries, improve operating efficiency, secure and develop professional talent, and accumulate operating expertise, while also centralizing management of commercial facilities to achieve further growth in profit for the Group as a whole and develop attractive urban areas.

(2) Overview of accounting treatment employed

We are treating this as a transaction under common control, based on the Accounting Standard for Business Combinations (ASBJ Statement No. 21, revised January 16, 2019) and the Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, revised January 16, 2019).

2. Absorption-type merger of consolidated subsidiary

At the Board of Directors meeting held on December 26, 2023, the Company decided to transfer control over all of the businesses of Keio Chika Chushajou Co., Ltd., a wholly owned subsidiary of the Company, to Keio SC Creation Co., Ltd. via an absorption-type split, and then merge it into the Company through absorption. This was effected on July 1, 2024.

(1) Transaction overview

(i) Name and business description of combined company

Name	Keio Chika Chushajou Co., Ltd.
Business description	・ Parking facility operation and management business ・ Real estate leasing and management etc.

(ii) Date of business combination

July 1, 2024

(iii) Legal form of business combination

Simple absorption-type merger with the Company as the surviving company and Keio Chika Chushajou Co., Ltd. as the defunct company.

(iv) Name after business combination

The name of the Company did not change after combination.

(v) Overview of other transactions

We decided this merger was necessary to consolidate the commercial facility management businesses dispersed among the Company and some consolidated subsidiaries, improve operating efficiency, secure and develop professional talent, and accumulate operating expertise, while also centralizing management of commercial facilities to achieve further growth in profit for the Group as a whole and develop attractive urban areas.

(2) Overview of accounting treatment employed

We are treating this as a transaction under common control, based on the Accounting Standard for Business Combinations (ASBJ Statement No. 21, revised January 16, 2019) and the Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, revised January 16, 2019).

(Segment Information, etc.)

3rd quarter of consolidated fiscal year ended March 31, 2024 (April 1 to December 31, 2023)

1. Operating revenues and profit (loss) by segment

(Millions of yen)

	Transportation	Merchandise Sales	Real Estate	Leisure	Other Businesses	Total	Adjustments (Note 1)	Amount recorded on the consolidated statements of income (Note 2)
Operating revenues	92,699	75,480	50,853	53,304	45,848	318,186	(24,130)	294,056
Segment profit (loss)	14,486	3,759	11,475	7,445	2,395	39,562	(61)	39,500

Note 1: The adjustment to segment profit is the intersegment elimination.

Note 2: Segment profit (loss) is adjusted to match the operating profit on the consolidated statements of income.

3rd quarter of consolidated fiscal year ending March 31, 2025 (April 1 to December 31, 2024)

1. Operating revenues and profit (loss) by segment

(Millions of yen)

	Transportation	Merchandise Sales	Real Estate	Leisure	Other Businesses	Total	Adjustments (Note 1)	Amount recorded on the consolidated statements of income (Note 2)
Operating revenues	100,477	79,731	69,753	59,847	50,902	360,712	(25,838)	334,874
Segment profit (loss)	19,342	3,841	15,114	9,835	1,831	49,965	(387)	49,578

Note 1: The adjustment to segment profit is the intersegment elimination.

Note 2: Segment profit (loss) is adjusted to match the operating profit on the consolidated statements of income.

2. Changes in reportable segments, etc.

Keio SC Creation Co., Ltd. was established as a consolidated subsidiary of the Keio Group on April 1, 2024, as part of the restructuring of our commercial facility management businesses. Along with this, “Shopping Centers,” which was previously included in Merchandise Sales, was reclassified into “Department Stores” in Merchandise Sales and “Land and Building Leasing” in Real Estate from the 1st quarter of the consolidated fiscal year ending March 31, 2025. The segment information for the 3rd quarter of the previous consolidated fiscal year has been restated to reflect these changes.

(Marked Changes in Shareholders' Equity)

We acquired 1,484,100 shares in treasury stock in this 3rd quarter consolidated cumulative period based on a resolution at a Board of Directors’ meeting held on November 6, 2024. As a result of acquiring these shares, our treasury stock in this 3rd consolidated cumulative period increased by 5,924 million yen to 25,707 million yen at the end of this 3rd consolidated accounting period.

(Premise of an Ongoing Concern)

Not applicable

(Statement of Cash Flows)

We have not prepared a statement of cash flows for the 3rd quarter of the fiscal year ending March 31, 2025. Depreciation and amortization (including amortization of intangible assets, excluding goodwill) and amortization of goodwill for the 3rd quarter of the consolidated fiscal year were as follows.

(Millions of yen)

	3rd quarter of consolidated fiscal year ended March 31, 2024 (April 1 to December 31, 2023)	3rd quarter of consolidated fiscal year ending March 31, 2025 (April 1 to December 31, 2024)
Depreciation and amortization	22,216	23,870
Amortization of goodwill	168	125