

(Translation)

**Consolidated Financial Results
for the Year Ended March 31, 2024
(Japanese GAAP)**

May 9, 2024

Company name: Kyushu Railway Company
Stock exchange listings: Tokyo and Fukuoka
Securities code: 9142
URL: <https://www.jrkyushu.co.jp/>
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Scheduled date of Ordinary General Meeting of Shareholders: June 21, 2024
Scheduled date of dividend payment commencement: June 24, 2024
Scheduled date of release of annual securities report: June 21, 2024
Preparation of supplementary explanations for financial results: Yes
Holding of a briefing on financial results: Yes

(Amounts less than one million yen, except for per share amounts, are omitted.)

**1. Consolidated Financial Results for the Year Ended March 31, 2024
(From April 1, 2023 to March 31, 2024)**

(1) Consolidated operating results

(Percentages show year-on-year changes.)

	Operating revenues		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2024	420,402	9.7	47,094	37.2	48,936	37.1	38,445	23.4
Year ended March 31, 2023	383,242	16.3	34,323	770.2	35,700	286.5	31,166	135.2

(Note) Comprehensive income:

As of March 31, 2024: ¥ 50,032 million (54.0%)

As of March 31, 2023: ¥ 32,480 million (188.9%)

	Net income per share — basic	Net income per share — diluted	Return on equity	Ordinary income to total assets	Operating income to operating revenues
	Yen	Yen	%	%	%
Year ended March 31, 2024	244.68	—	9.1	4.7	11.2
Year ended March 31, 2023	198.36	—	7.8	3.7	9.0

(Reference) Equity in net income (losses) of affiliated companies:

As of March 31, 2024: ¥ 546 million

As of March 31, 2023: ¥ (29) million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	1,089,170	442,287	40.5	2,809.41
As of March 31, 2023	996,699	406,850	40.7	2,584.35

(Reference) Shareholders' equity:

As of March 31, 2024: ¥441,427 million

As of March 31, 2023: ¥406,052 million

(3) Consolidated cash flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash provided by financing activities	Cash and cash equivalents, end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	89,031	(111,893)	32,252	61,907
Year ended March 31, 2023	62,084	(97,581)	8,963	52,283

2. Dividends

	Annual dividends					Total dividends (Fiscal)	Payout ratio (Consolidated)	Dividends to net assets ratio (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	—	0.00	—	93.00	93.00	14,629	46.9	3.6
Year ended March 31, 2024	—	0.00	—	93.00	93.00	14,629	38.0	3.4
Year ended March 31, 2025 (Forecast)	—	46.50	—	46.50	93.00		34.6	

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

(Percentages show year-on-year changes.)

	Operating revenues		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share — basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	441,100	4.9	57,300	21.7	56,700	15.9	42,200	9.8	268.58

Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024 (changes in specified subsidiaries affecting the scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates and restatement of revisions

- i Changes in accounting policies with revision of accounting standards: No
- ii Changes in accounting policies other than the above: No
- iii Changes in accounting estimates: No
- iv Restatement of revisions: No

(3) Number of shares issued (common stock)

i Number of shares issued at end of period (including treasury stock)	As of March 31, 2024	157,301,600 shares	As of March 31, 2023	157,301,600 shares
ii Number of shares of treasury stock at end of period	As of March 31, 2024	176,687 shares	As of March 31, 2023	181,487 shares
iii Average number of shares during the period	As of March 31, 2024	157,122,988 shares	As of March 31, 2023	157,119,559 shares

Note: The number of shares of treasury stock at the end of the period includes the number of shares of the Company's stock held by the Board Benefit Trust (BBT) (FY2024/3, 176,600 shares; FY2023/3, 181,400 shares). In addition, the number of shares of the Company's stock held by the Board Benefit Trust (BBT) is included in the treasury stock that is subtracted in the calculation of the average number of shares during the period (FY2024/3, 178,525 shares; FY2023/3, 181,975 shares).

(Reference)

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2024

(April 1, 2023–March 31, 2024)

(1) Non-consolidated operating results

(Percentages show year-on-year changes.)

	Operating revenues		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2024	234,340	10.7	29,896	31.0	37,159	36.9	32,920	29.6
Year ended March 31, 2023	211,610	17.6	22,813	—	27,151	—	25,408	183.9

	Net income per share — basic	Net income per share — diluted
	Yen	Yen
Year ended March 31, 2024	209.52	—
Year ended March 31, 2023	161.71	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	918,002	363,206	39.6	2,311.58
As of March 31, 2023	844,051	339,948	40.3	2,163.62

(Reference) Shareholders' equity:

As of March 31, 2024: ¥363,206 million

As of March 31, 2023: ¥339,948 million

2. Non-Consolidated Forecasts for the Fiscal Year Ending March 31, 2025 (April 1, 2024–March 31, 2025)

(Percentages show year-on-year changes.)

	Operating revenues		Operating income		Ordinary income		Net income		Net income per share — basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	234,100	(0.1)	35,000	17.1	36,400	(2.0)	29,300	(11.0)	186.48

* This summary of financial results is not subject to audits by certified public accountants or accounting auditors.

Explanation of Appropriate Uses of Performance Forecasts and Other Important Items

Performance forecasts and other forward-looking statements appearing in this document are based on currently available information and specific assumptions deemed rational, and are not assurances that the Company will achieve these forecasts. Actual performance can vary greatly depending on various factors such as fluctuations in interest rates, fluctuations in share prices, changes in exchange rates, fluctuations in the value of assets, changes in the economic and financial environment, changes in the conditions of competition, occurrences of large-scale and other disasters, and changes in regulations.

Supplementary materials have been attached to this summary of financial results.

A financial results briefing for securities analysts is scheduled to be held on May 10, 2024 (Friday). The presentation materials used for this briefing will be posted on TDnet and the Company's website.

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(Explanatory Materials) Financial results for the fiscal year ended March 31, 2024

1. Qualitative Information on Consolidated Financial Performance

Forward-looking statements in this document are based on assessments as of the end of the fiscal year ended March 31, 2024.

(1) Qualitative Information on Consolidated Operating Results

[1] Overview of the fiscal year ended March 31, 2024

During the fiscal year ended March 31, 2024, the Japanese economy continued to rebound gradually, centered on personal consumption, as restrictions on behavior stemming from COVID-19 were lifted and socioeconomic activity normalized. However, such factors as rising prices and volatility in the financial capital markets prompted the need for vigilance toward the economic outlook.

Against this backdrop, the JR Kyushu Group advanced under the three key strategies of JR Kyushu Group Medium-Term Business Plan 2022–2024. The strategies are “completing business structural reforms,” “creating a model for building cities that promote well-being,” and “developing businesses in new areas in which we can contribute.” In addition, we focused on developing human resources for the implementation and realization of strategies, and on building foundations for advancing strategies on a Groupwide basis.

Founded on the concept of “safety and service,” we moved steadily forward with city-building along our tracks through such moves as the opening of the Nishi-Kyushu Shinkansen and the extension of the Fukuoka City Subway Nanakuma Line to Hakata Station. At the same time, we worked to return to a sustainable and robust growth trajectory by aggressively and boldly investing in “people, products, and new technologies,” which will create the future of the Group.

As a result, operating revenue was up 9.7% year on year, to ¥420,402 million; operating income was up 37.2%, to ¥47,094 million; EBITDA increased 25.4%, to ¥80,094 million; ordinary income was up 37.1%, to ¥48,936 million; and net income attributable to owners of the parent was up 23.4%, to ¥38,445 million.

(Note) EBITDA for the consolidated period under review is the numerical value of operating income plus the cost of depreciation (excluding the cost of depreciation related to lease assets held for the purpose of subleasing).

The Group's business performance by segment is as follows.

(Millions of Yen)

	Operating revenue			Operating income			EBITDA (Note 2)		
	FY2024/3 (April 1, 2023–March 31, 2024)	YoY		FY2024/3 (April 1, 2023–March 31, 2024)	YoY		FY2024/3 (April 1, 2023–March 31, 2024)	YoY	
Transportation	163,785	25,466	18.4%	10,396	7,873	312.1%	22,351	9,212	70.1%
Real Estate and Hotels	133,159	10,048	8.2%	24,803	2,696	12.2%	40,833	4,548	12.5%
Real estate lease	70,764	8,154	13.0%	15,882	989	6.6%	29,082	2,361	8.8%
Real estate sale	37,137	(6,452)	(14.8%)	5,241	(1,011)	(16.2%)	5,263	(1,009)	(16.1%)
Hotel	25,258	8,346	49.4%	3,680	2,718	282.7%	6,488	3,197	97.1%
Retail and Restaurant	61,755	6,974	12.7%	3,206	1,795	127.3%	4,518	1,793	65.8%
Construction	90,092	1,721	1.9%	5,970	527	9.7%	7,033	527	8.1%
Business Services	77,999	4,511	6.1%	3,875	389	11.2%	6,895	648	10.4%
Total	526,792	48,723	10.2%	48,253	13,282	38.0%	81,632	16,731	25.8%
Adjustment (Note 1)	(106,390)	(11,563)	-	(1,158)	(511)	-	(1,537)	(528)	-
Amount on the consolidated financial statements	420,402	37,159	9.7%	47,094	12,771	37.2%	80,094	16,203	25.4%

(Notes) 1. Adjustments reflect the elimination of intersegment transactions.

2. Consolidated EBITDA = operating income + depreciation (after elimination of intersegment transactions, excluding the cost of depreciation related to lease assets held for the purpose of subleasing), segment EBITDA = segment operating income + segment depreciation (before elimination of intersegment transactions, excluding the cost of depreciation related to lease assets held for the purpose of subleasing)

i) Transportation Group

In the railway business, the Company conducted its operations in line with the concepts of safety and service. We also promoted “the Future Railway Project” with a view to future technological innovation and new value creation.

On the sales front, to commemorate the first anniversary of Nishi-Kyushu Shinkansen's opening together with the local community, we rolled out a project last September, called “GO WEST—the Day Nishi-Kyushu turned Bright Red.” Furthermore, we reevaluated limited express surcharges on conventional lines and revised prices on the JR-KYUSHU RAILPASS.

We also worked to improve safety and efficiency through the use of digital technology, set train schedules according to demand, and build a model for sustainable mobility services. To improve operations and maintenance in the railway business, this March we commenced operation of GOA 2.5 self-driving trains on all sections of the Kashii Line (operated by onboard crew members who do not hold a train driver's license upon receiving the necessary education and training). The same month, we commenced verification testing of an “automatic train operation support system,” which assists the driver in controlling the train, on the

Kagoshima Main Line (between Orio and Futsukaichi).

In the field of new mobility services (MaaS), in collaboration with regional transportation operators, local governments, tourism organizations, and other entities, we promoted efforts to realize seamless transportation services using the “my route” MaaS application, and we have begun providing services throughout all Prefectures in Kyushu.

As a result, the Transportation Group posted operating revenue of ¥163,785 million, up 18.4% year on year; operating income of ¥10,396 million, up 312.1%; and EBITDA of ¥22,351 million, up 70.1%.

ii) Real Estate and Hotels Group

In the real estate leasing business, station building tenant sales modestly recovered, centered on JR Hakata City. Also, “JR Nagasaki Station Building,” the core of our city-building in the Western Kyushu area, opened last November, contributing to the creation of a bustling Western Kyushu area. In the Fukuoka area, this January marked the opening of “Risunoko Square,” which we developed in collaboration with Sakurajyuji Co., Ltd. In addition to the opening in March this year of “CONNECT SQUARE HAKATA,” in which we are the representative company, we aggressively invested in growth through the acquisition of office buildings and logistics facilities.

In the real estate sale business, we sold rental condominiums and continued to hand over and record sales on condominium units, including “MJR Fukagawa Sumiyoshi” and “MJR The Garden Kashi.” We also continue sales efforts on such condominium units as “MJR Chihaya Mid-Square,” “MJR Hakata The Residence,” and “MJR Kumamoto Gate Tower.”

In the hotel business, URESHINO YADOYA opened last October, and the Nagasaki Marriott Hotel opened this January. We continued working steadily to meet demand, which is growing due to higher demand from domestic and inbound travelers.

As a result, the Real Estate and Hotels Group posted operating revenue of ¥133,159 million, up 8.2% year on year; operating income of ¥24,803 million, up 12.2%; and EBITDA of ¥40,833 million, up 12.5%.

iii) Retail and Restaurant Group

In the retail business, we made progress on opening new and renovating existing convenience stores. In the restaurant business, we sought to increase revenues by opening new franchise restaurants, while at the same time streamlining operations by closing unprofitable restaurants. Last June, FUJIBAMBI Co., Ltd. became a subsidiary. This company’s main business is the manufacture and sale of confectioneries such as the “brown sugar donut sticks” series, and its operations are rooted in the local community.

As a result, the Retail and Restaurant Group recorded operating revenue of ¥61,755 million, up 12.7% year on year; operating income of ¥3,206 million, up 127.3%; and EBITDA of ¥4,518 million, up 65.8%.

iv) Construction Group

In the construction business, we strove to ensure safe and stable railway operations through

railway-related civil engineering, railroad track, and construction work as well as through maintenance operations and rolling stock equipment work. Last July, five companies in the construction group established JR Kyushu Construction Group Holdings Inc. as an intermediate holding company. In addition to construction group companies working together to consider potential orders for construction projects, we worked to support recruitment activities and enhance cost management.

As a result, the Construction Group posted operating revenue of ¥90,092 million, up 1.9% year on year; operating income of ¥5,970 million, up 9.7%; and EBITDA of ¥7,033 million, up 8.1%.

v) Business Services Group

For the construction machinery sales and rental business, we worked to secure earnings through aggressive sales activities. In addition, we worked to win new orders and reduce costs, particularly in the advertising business. Furthermore, with the aims of establishing a solid management foundation as an insurance agency, becoming a highly specialized business to increase earnings, and building a more flexible organization, the Company spun off its non-life insurance agency business and transferred it to a subsidiary, JR Kyushu Insurance Consulting Co., Ltd.

As a result, the Business Services Group posted operating revenue of ¥77,999 million, up 6.1% year on year; operating income of ¥3,875 million, up 11.2%; and EBITDA of ¥6,895 million, up 10.4%.

(Note) Segment EBITDA is the numerical value of operating income for each segment plus the cost of depreciation (before elimination of intersegment transactions, excluding the cost of depreciation related to lease assets held for the purpose of subleasing).

[2] Forecasts for the Next Fiscal Year Ending March 31, 2025

In the fiscal year ending March 31, 2025, solid consumer spending and inbound demand associated with improved employment and income conditions are expected to continue. Nevertheless, the outlook remains uncertain, as rising prices and slowdowns in overseas economies remain to a concern as downside risks to the domestic economy.

Under these circumstances, the JR Kyushu Group will complete the structural reform of its business operations to realize its ideal state during the final year of “JR Kyushu Group Medium-Term Business Plan 2022–2024”. Furthermore, with a view to realizing our 2030 Long-Term Vision, we will continue to invest in "people, products, and new technologies" to ensure sustainable growth in the future.

In the fiscal year ending March 31, 2025, we anticipate increased operating revenue and increased income in each category, owing to higher revenues from railway transportation, stemming from the impact of such factors as the steady normalization of socioeconomic activity, as well as higher revenue at individual station buildings and in the hotel business.

Full-year performance forecasts for the fiscal year ending March 31, 2025

Operating revenue	¥441,100 million (up 4.9% YoY)
Operating income	¥57,300 million (up 21.7% YoY)
Ordinary income	¥56,700 million (up 15.9% YoY)
Net income attributable to owners of the parent	¥42,200 million (up 9.8% YoY)
EBITDA	¥94,000 million (up 17.4% YoY)

Also, forecasts by segment for operating revenues, operating income, and EBITDA are as follows.

(Millions of Yen)

	Operating revenues			Operating income			EBITDA		
	FY 2025/3 (April 1, 2024 – March 31, 2025)	YoY		FY 2025/3 (April 1, 2024 – March 31, 2025)	YoY		FY 2025/3 (April 1, 2024 – March 31, 2025)	YoY	
Transportation	166,600	2,814	1.7%	14,900	4,503	43.3%	28,100	5,748	25.7%
Real Estate and Hotels	138,200	5,040	3.8%	28,400	3,596	14.5%	46,300	5,466	13.4%
Real estate lease	76,300	5,535	7.8%	17,300	1,417	8.9%	31,800	2,717	9.3%
Real estate sale	33,500	(3,637)	(9.8%)	5,700	458	8.8%	5,800	536	10.2%
Hotel	28,400	3,141	12.4%	5,400	1,719	46.7%	8,700	2,211	34.1%
Retail and Restaurant	65,200	3,444	5.6%	3,600	393	12.3%	5,000	481	10.7%
Construction	95,000	4,907	5.4%	6,600	629	10.5%	7,900	866	12.3%
Business Services	81,800	3,800	4.9%	4,700	824	21.3%	7,700	804	11.7%
Total	546,800	20,007	3.8%	58,200	9,946	20.6%	95,000	13,367	16.4%
Adjustment	(105,700)	690	-	(900)	258	-	(1,000)	537	-
Amount on the consolidated financial statements	441,100	20,697	4.9%	57,300	10,205	21.7%	94,000	13,905	17.4%

Moreover, the performance outlook was prepared based on information available as of the release date of these materials, and there are cases where actual performance differs from outlook figures due to various factors that arise going forward.

(2) Qualitative Information on Consolidated Financial Position

[1] Assets, Liabilities, and Net Assets

Total assets as of the end of the current consolidated fiscal year were ¥1,089,170 million. This was mainly due to an increase in property, plant and equipment.

Meanwhile, total liabilities amounted to ¥646,882 million. This was primarily due to an increase in commercial paper.

Furthermore, total net assets stood at ¥442,287 million. This was mainly attributable to an increase in retained earnings.

[2] Cash Flows

(Cash flows from operating activities)

Net cash provided by operating activities totaled ¥89,031 million, up ¥26,947 million year on year, due to improvement in income before income taxes.

(Cash flows from investing activities)

Net cash used in investing activities was ¥111,893 million, up ¥14,312 year on year, due to an increase in purchases of fixed assets and other factors.

(Cash flows from financing activities)

Net cash provided by financing activities was ¥32,252 million, up ¥23,288 million year on year, due to an increase in proceed from the issuance of commercial paper and other factors.

As a result of the above, cash and cash equivalents at end of year increased ¥9,623 million year on year, to ¥61,907 million.

(3) Dividend Policies, Dividends in the Fiscal Year Ended March 31, 2024, and Forecast for Dividends in the Fiscal Year Ending March 31, 2025

The Company views shareholder returns as one of its important management tasks, and therefore places importance on providing stable returns over the long term. Over the period to the fiscal year ending March 31, 2025, the Company will aim for a consolidated payout ratio of 35%, with a minimum dividend per share of ¥93. In addition, the Company will implement share repurchases flexibly, depending on the situation.

In accordance with the above policy, the Company is planning a year-end dividend of ¥93 per share for the fiscal year ended March 31, 2024.

The Company also forecasts an annual dividend of ¥93 per share (an interim dividend of ¥46.50 and a year-end dividend of ¥46.50) for the year ending March 31, 2025, as steady progress is being made on JR Kyushu Group Medium-term Business Plan 2022-2024, and our business results and financial situation are expected to recover.

The Company's Articles of Incorporation stipulate that an interim dividend may be paid every year with September 30 as the record date, based on a resolution of the Board of Directors. The decision-making authority for dividends from surplus earnings is the Board of Directors for interim dividends and the General Meeting of Shareholders for year-end dividends.

The Company allocates retained earnings to maintain and upgrade railway and other facilities and make growth investments to contribute to the sustainable development of Kyushu through city-building initiatives that leverage the distinctive characteristics of local communities, centered on safe and secure mobility services.

2. Basic Policies Regarding the Selection of Accounting Standards

The Company employs Japanese generally accepted accounting principles (JGAAP). The Company will examine the possibility of adopting International Financial Reporting Standards (IFRS) in the future based on trends in accounting standards in Japan.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

(Millions of Yen)

	FY2023/3 (As of March 31, 2023)	FY2024/3 (As of March 31, 2024)
ASSETS		
Current assets		
Cash and time deposits	37,283	33,939
Notes and accounts receivable—trade, and contract assets	49,960	59,221
Fares receivable	2,761	4,150
Securities	15,022	28,324
Merchandise and finished goods	17,723	19,980
Work in process	38,136	39,164
Raw materials and supplies	9,274	9,335
Other	27,047	27,498
Allowance for doubtful accounts	(63)	(91)
Total current assets	197,145	221,523
Non-current assets		
Property, plant and equipment		
Buildings and fixtures (net)	324,158	387,728
Machinery, rolling stock and vehicles (net)	66,416	71,924
Land	165,060	183,025
Leased assets (net)	20,787	20,028
Construction in progress	48,111	30,797
Other (net)	7,671	11,346
Total property, plant and equipment	632,205	704,851
Intangible assets	6,203	6,143
Investments and other assets		
Investment securities	50,381	55,518
Deferred tax assets	55,512	43,520
Net defined benefit assets	967	1,259
Other	55,476	58,436
Allowance for doubtful accounts	(1,192)	(2,083)
Total investments and other assets	161,145	156,651
Total non-current assets	799,554	867,646
Total assets	996,699	1,089,170

(Millions of Yen)

	FY2023/3 (As of March 31, 2023)	FY2024/3 (As of March 31, 2024)
LIABILITIES		
Current liabilities		
Notes and accounts payable–trade	27,292	28,940
Short-term loans	1,996	4,403
Commercial papers	20,000	40,000
Current portion of bonds	20,000	10,225
Current portion of long-term debt	18,392	28,198
Payables	50,234	53,615
Accrued income taxes	1,224	1,919
Fare deposits received with regard to railway connecting services	2,275	2,785
Railway fares received in advance	5,410	6,103
Accrued bonuses	8,107	9,428
Other	40,484	38,645
Total current liabilities	195,418	224,266
Non-current liabilities		
Bonds	125,000	145,000
Long-term debt	166,225	172,473
Allowance for safety and environmental measures	230	646
Provision for loss on disaster	809	3,302
Net defined benefit liabilities	46,729	40,945
Asset retirement obligations	1,828	2,622
Other	53,607	57,626
Total noncurrent liabilities	394,431	422,616
Total liabilities	589,849	646,882
NET ASSETS		
Shareholders' equity		
Common stock	16,000	16,000
Capital surplus	225,814	225,797
Retained earnings (Deficit)	164,479	188,295
Treasury stock	(584)	(568)
Total common stock	405,709	429,524
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,562	11,651
Foreign currency translation adjustments	(201)	(97)
Defined retirement benefit plans	(4,017)	348
Total accumulated other comprehensive income	343	11,903
Non-controlling interests	797	859
Total net assets	406,850	442,287
TOTAL LIABILITIES AND NET ASSETS	996,699	1,089,170

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

(Millions of Yen)

	FY2023/3 (April 1, 2022 – March 31, 2023)	FY2024/3 (April 1, 2023 – March 31, 2024)
OPERATING REVENUES	383,242	420,402
OPERATING EXPENSES		
Transportation, other services and cost of sales	245,253	255,103
Selling, general and administrative expenses	103,665	118,204
Total operating expenses	348,918	373,307
OPERATING INCOME	34,323	47,094
NON-OPERATING INCOME		
Interest income	96	105
Dividend income	633	779
Gain on assets held in trust	1,632	1,620
Gain on foreign exchange	515	665
Gain on investment securities	603	548
Share of profit of entities accounted for using equity method	—	546
Other	744	577
Total non-operating income	4,226	4,843
NON-OPERATING EXPENSES		
Interest expense	1,685	2,197
Loss on valuation of derivatives	385	526
Other	778	278
Total non-operating expenses	2,849	3,002
ORDINARY INCOME	35,700	48,936
EXTRAORDINARY GAINS		
Construction grants received	13,579	4,324
Gain on exchange of fixed assets	91	4,389
Gain on sale of shares of subsidiaries and affiliates	—	7,425
Other	4,408	2,226
Total extraordinary gains	18,079	18,365
EXTRAORDINARY LOSSES		
Loss on reduction of noncurrent assets	8,314	8,046
Loss on sale of fixed assets	30	2,102
Provision for loss on disaster	—	3,068
Disaster-damage losses	—	1,635
Impairment loss	3,322	1,073
Other	1,814	2,998
Total extraordinary losses	13,481	18,924
INCOME BEFORE INCOME TAXES	40,298	48,377
INCOME TAXES -Current	1,655	1,868
INCOME TAXES -Deferred	7,367	8,032
TOTAL INCOME TAXES	9,022	9,901
NET INCOME	31,275	38,476
NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	108	30
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	31,166	38,445

Consolidated Comprehensive Income Statements

(Millions of Yen)

	FY2023/3 (April 1, 2022 – March 31, 2023)	FY2024/3 (April 1, 2023 – March 31, 2024)
NET INCOME	31,275	38,476
OTHER COMPREHENSIVE INCOME		
Unrealized gain on available-for-sale securities	(222)	7,084
Foreign currency translation adjustments	239	104
Defined retirement benefit plans	1,189	4,366
Share of other comprehensive income of affiliates accounted for by the equity method	—	0
Total other comprehensive income	1,205	11,556
COMPREHENSIVE INCOME	32,480	50,032
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Owners of the parent	32,376	50,004
Non-controlling interests	104	27

(3) Consolidated Statements of Changes in Net Assets
For the fiscal year ended March 31, 2023

(Millions of Yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' equity
Balance at beginning of current year	16,000	225,847	147,941	(591)	389,198
Changes of items during the year					
Dividends of surplus			(14,629)		(14,629)
Net income attributable to owners of the parent			31,166		31,166
Purchase of treasury stocks				(0)	(0)
Cancellation of treasury stocks				7	7
Changes in the ownership interest by purchases of shares of consolidates subsidiaries		(33)			(33)
Net changes of items other than shareholders' equity					
Total changes of items during the year	—	(33)	16,537	7	16,511
Balance at end of current year	16,000	225,814	164,479	(584)	405,709

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current year	4,781	(441)	(5,206)	(866)	692	389,024
Changes of items during the year						
Dividends of surplus						(14,629)
Net income attributable to owners of the parent						31,166
Purchase of treasury stocks						(0)
Cancellation of treasury stocks						7
Changes in the ownership interest by purchases of shares of consolidates subsidiaries						(33)
Net changes of items other than shareholders' equity	(218)	239	1,189	1,209	104	1,314
Total changes of items during the year	(218)	239	1,189	1,209	104	17,825
Balance at end of current year	4,562	(201)	(4,017)	343	797	406,850

For the fiscal year ended March 31, 2024

(Millions of Yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' equity
Balance at beginning of current year	16,000	225,814	164,479	(584)	405,709
Changes of items during the year					
Dividends of surplus			(14,629)		(14,629)
Net income attributable to owners of the parent			38,445		38,445
Cancellation of treasury stocks				15	15
Changes in the ownership interest by purchases of shares of consolidates subsidiaries		(16)			(16)
Net changes of items other than shareholders' equity					
Total changes of items during the year	—	(16)	23,816	15	23,815
Balance at end of current year	16,000	225,797	188,295	(568)	429,524

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current year	4,562	(201)	(4,017)	343	797	406,850
Changes of items during the year						
Dividends of surplus						(14,629)
Net income attributable to owners of the parent						38,445
Cancellation of treasury stocks						15
Changes in the ownership interest by purchases of shares of consolidates subsidiaries						(16)
Net changes of items other than shareholders' equity	7,089	104	4,366	11,559	62	11,622
Total changes of items during the year	7,089	104	4,366	11,559	62	35,437
Balance at end of current year	11,651	(97)	348	11,903	859	442,287

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	FY2023/3 (April 1, 2022 – March 31, 2023)	FY2024/3 (April 1, 2023 – March 31, 2024)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income taxes	40,298	48,377
Depreciation costs	31,836	34,974
Loss on reduction of noncurrent assets	8,314	8,046
Impairment loss	3,322	1,073
Increase in provision for loss on disaster	—	3,068
Loss on disaster	—	1,635
Increase (Decrease) in allowance for doubtful accounts	146	916
Increase (Decrease) in liability for retirement benefits	(392)	268
Increase (Decrease) in allowance for safety and environmental measures	(623)	415
Interest and dividends income	(730)	(885)
Interest expense	1,685	2,197
Foreign exchange losses (gains)	(515)	(665)
Losses (Gains) on valuation of derivatives	385	526
Construction grants received	(13,579)	(4,324)
Gain on exchange of fixed assets	(91)	(4,389)
Gain on assets held in trust	(1,632)	(1,620)
Gain on investment securities	(603)	(548)
(Increase) Decrease in trade receivables	(4,957)	(10,317)
(Increase) Decrease in inventories	(8,235)	5,163
Increase (Decrease) in trade payables	(455)	2,655
Share of profit of entities accounted for using equity method	—	(546)
Gain on sale of shares of subsidiaries and affiliates	—	(7,425)
Loss on sale of fixed assets	30	2,102
Other	7,900	8,772
Subtotal	62,101	89,472
Interest and dividends income received	681	821
Interest expense paid	(1,570)	(1,938)
Gain on assets held in trust received	1,646	1,620
Loss on disaster paid	(1,165)	(1,211)
Income taxes refunded	391	266
Net cash provided by operating activities	62,084	89,031

(Millions of Yen)

	FY2023/3 (April 1, 2022 – March 31, 2023)	FY2024/3 (April 1, 2023 – March 31, 2024)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment, and Intangible assets	(104,795)	(133,655)
Proceeds from sale of property, plant and equipment, and intangible assets	3,460	9,029
Purchases of investment securities	(5,212)	(3,608)
Proceeds from sales of investment securities	2,933	624
Proceeds from construction grants	5,498	3,614
Payments for purchases of investments in subsidiaries resulting in change in scope of consolidation	—	(941)
Payments for acquisition of shares of subsidiaries and affiliates	—	(794)
Proceeds from sale of shares of subsidiaries and affiliates	—	11,768
Other	534	2,069
Net cash used in investing activities	(97,581)	(111,893)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase (decrease) in short-term loans payable	(4,613)	2,159
Net increase (decrease) in commercial papers	(15,000)	20,000
Proceeds from long-term loans payable	30,401	33,643
Repayment of long-term loans payable	(8,698)	(18,826)
Payments for long-term accounts payable	(264)	(270)
Proceeds from issuance of bonds	25,000	30,225
Payments for redemption of bonds	—	(20,000)
Proceeds from lease and guarantee deposits received	3,188	3,676
Repayments of lease and guarantee deposits received	(3,587)	(1,230)
Cash dividends paid	(14,629)	(14,629)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(33)	(16)
Other	(2,798)	(2,479)
Net cash provided by financing activities	8,963	32,252
Effect of exchange rate change on cash and cash equivalents	106	107
Net increase (decrease) in cash and cash equivalents	(26,426)	9,498
Cash and cash equivalents, beginning of year	78,709	52,283
Increase in cash and cash equivalents resulting from mergers with non-consolidated subsidiaries	—	125
Cash and cash equivalents, end of year	52,283	61,907

(5) Notes to Consolidated Financial Statements
(Notes on Going Concern Assumption)
No relevant events

(Additional Information)

Signing of a Basic Agreement on Restoration of the Hisatsu Line

Due to the impact of heavy rains in July 2020, operations are suspended on the Hisatsu Line between Yatsushiro and Yoshimatsu. At the 7th JR Hisatsu Line Review Conference held on April 3, 2024, Kumamoto Prefecture and the Company agreed to adopt the separation of infrastructure and operation approach to restoring the section of the line between Yatsushiro and Hitoyoshi.

As a result, in the consolidated fiscal year under review, a provision for loss on disaster of ¥2,530 million and loss on disaster of ¥1,055 million were recorded as extraordinary losses in the consolidated statements of income, based on reasonable estimates of expenses for restoring the railroad to its original condition and other related work. Restoration and other related work may be affected by factors such as additions or changes made during the course of the project or changes in market conditions. In addition, any significant changes in restoration plans or construction estimates may have a material impact on consolidated financial statements for the following fiscal year and thereafter.

Damage Caused by Torrential Downpours in 2023

The torrential rains that hit the Kyushu region from the end of June 2023 caused damage such as roadbed outflows and collapse of cut slopes along several lines, including the Kyudai Main Line. Of the restoration costs resulting from this disaster, the costs for the consolidated fiscal year under review are included under “loss on disaster.” Restoration costs expected to be incurred in the following fiscal year or later are based on reasonable estimates and recorded as “provision for loss on disaster” under “extraordinary losses” in the consolidated statements of income for the consolidated fiscal year under review.

(Segment Information)

1. Outline of Reportable Segments

The reportable segments the Company reports are the business units for which the Company is able to obtain respective financial information separately in order for the Board of Directors, etc., to regularly evaluate how to allocate resources and assess their business performance.

The Company primarily engages in the railway business and has five reportable segments: Transportation, Real Estate and Hotels, Retail and Restaurant, Construction, and Business Services.

The Transportation segment conducts the railway, bus, and passenger ship businesses. The Real Estate and Hotels segment leases station buildings and other real estate, sells condominiums and other properties, and conducts hotel operations, etc. The Retail and Restaurant segment engages in retail, restaurant, and agriculture businesses. The Construction segment performs construction, vehicle equipment- and machinery-related operations, electrical work, and construction consulting. The Business Services segment engages in construction machinery sales and rental, wholesaling, station service operations, cleaning, advertising, system-related, and other businesses.

2. Methods for Calculating Sales, Income, Assets, and Other Items by Reportable Segment

The accounting methods used for reportable segments are generally the same as those contained in “Significant matters that serve as the basis for preparing consolidated financial statements.”

Inter-segment internal revenue and transfers are based on market prices, etc.

Figures for reportable segment profit are on an operating income basis.

3. Information on Sales, Income, Assets, and Other Items by Reportable Segment

For the fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)

(Millions of yen)

	Reportable Segments					Total	Adjustment (Note 1)	Amount on the consolidated financial statements (Note 2)
	Transportation	Real Estate and Hotels	Retail and Restaurant	Construction	Business Services			
Operating Revenues								
Outside Customers	133,559	118,769	54,480	36,056	40,376	383,242	—	383,242
Inside Group	4,759	4,340	300	52,313	33,111	94,826	(94,826)	—
Total	138,318	123,110	54,781	88,370	73,488	478,069	(94,826)	383,242
Segment income	2,522	22,107	1,410	5,442	3,486	34,970	(646)	34,323
Segment assets	261,151	539,347	34,684	73,265	110,243	1,018,693	(21,993)	996,699
Other items								
Depreciation costs	10,615	14,178	1,313	1,062	5,028	32,198	(362)	31,836
Increase in property, plant and equipment and intangible assets	27,847	63,232	2,275	2,728	8,103	104,186	(673)	103,513

(Notes) 1. The following adjustments have been made.

- (1) The ¥(646) million adjustment to segment income reflects the elimination of intersegment transactions.
 - (2) The ¥(21,993) million adjustment to addition to segment assets includes a downward adjustment of ¥(136,336) million in reflection of the elimination of intersegment liabilities and ¥114,342 million in corporate assets not allocated to segments.
 - (3) The ¥(362) million adjustment to depreciation costs reflects the elimination of intersegment transactions.
 - (4) The ¥(673) million adjustment to increase in fixed assets reflects the elimination of intersegment transactions.
2. Segment income has been adjusted for the operating income figure on the consolidated income statements.

For the fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)

(Millions of yen)

	Reportable Segments					Total	Adjustment (Note 1)	Amount on the consolidated financial statements (Note 2)
	Transportation	Real Estate and Hotels	Retail and Restaurant	Construction	Business Services			
Operating Revenues								
Outside Customers	158,935	128,275	61,418	33,062	38,710	420,402	—	420,402
Inside Group	4,850	4,883	336	57,029	39,289	106,390	(106,390)	—
Total	163,785	133,159	61,755	90,092	77,999	526,792	(106,390)	420,402
Segment income	10,396	24,803	3,206	5,970	3,875	48,253	(1,158)	47,094
Segment assets	266,541	611,536	35,176	77,146	125,154	1,115,555	(26,385)	1,089,170
Other items								
Depreciation costs	11,954	16,029	1,311	1,062	4,994	35,354	(379)	34,974
Increase in property, plant and equipment and intangible assets	26,009	88,829	2,942	3,163	6,403	127,349	(3,196)	124,152

(Notes) 1. The following adjustments have been made.

- (1) The ¥(1,158) million adjustment to segment income reflects the elimination of intersegment transactions.

- (2) The ¥(26,385) million adjustment to segment assets includes an adjustment of ¥(153,118) million in reflection of the elimination of intersegment liabilities and ¥126,733 million in corporate assets not allocated to segments.
 - (3) The ¥(379) million adjustment to depreciation costs reflects the elimination of intersegment transactions.
 - (4) The ¥(3,196) adjustment to increase in fixed assets reflect the elimination of intersegment transactions.
2. Segment income has been adjusted for the operating income figure on the consolidated income statements.

(Per Share Information)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net assets per share	¥2,584.35	¥2,809.41
Net income per share	¥198.36	¥244.68

(Notes) 1. Earnings per share–diluted is not shown because no dilutive shares existed.

2. In calculating net assets per share, the Company's shares in the Board Benefit Trust (BBT), which are recorded as treasury stock in the equity section, are included in the treasury stock that is subtracted from the total number of shares issued at the end of the period (FY2023/3: 181,400 shares; FY2023/3: 176,600 shares).

In addition, in calculating net income per share, these shares are included in the treasury stock that is subtracted in the calculation of the average number of shares during the period (FY2023/3: 181,975 shares; FY2024/3: 178,525 shares).

3. The following is the basis for calculating net assets per share.

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Total net assets (millions of yen)	406,850	442,287
Amount deducted from total net assets (millions of yen)	797	859
[Included non-controlling interests (millions of yen)]	[797]	[859]
Net assets at end of year relating to common stock (millions of yen)	406,052	441,427
Amount of common stock at end of year used for calculating net assets per share (shares)	157,120,113	157,124,913

4. The following is the basis for calculating net income per share.

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net income attributable to owners of the parent (millions of yen)	31,166	38,445
Amount not belonging to ordinary shareholders (millions of yen)	—	—
Net income attributable to common stock owners of the parent (millions of yen)	31,166	38,445
Weighted-average numbers of ordinary shares (shares)	157,119,559	157,122,988

(Significant Subsequent Events)

None

4. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Millions of Yen)

	FY2023/3 (As of March 31, 2023)	FY2024/3 (As of March 31, 2024)
ASSETS		
Current assets		
Cash and time deposits	26,334	19,587
Fares receivable	2,630	4,040
Accounts receivable-trade	34,078	37,895
Securities	15,022	28,022
Real estate for sale	8,435	8,773
Real estate for sale in process	36,012	36,989
Supplies	8,660	8,687
Other	20,831	21,488
Allowance for doubtful accounts	(1)	(2)
Total current assets	152,005	165,482
Non-current assets		
Fixed assets for railway business		
Property, plant and equipment	729,431	743,002
Accumulated depreciation	(593,247)	(595,221)
Property, plant and equipment (net)	136,184	147,781
Intangible assets	2,511	2,071
Net fixed assets for railway operations	138,695	149,852
Fixed assets for other business		
Property, plant and equipment	393,919	469,487
Accumulated depreciation	(67,610)	(75,795)
Property, plant and equipment (net)	326,309	393,691
Intangible assets	279	508
Net fixed assets for other business	326,589	394,200
Fixed assets relating to both businesses		
Property, plant and equipment	31,992	31,695
Accumulated depreciation	(14,360)	(14,686)
Property, plant and equipment (net)	17,631	17,009
Intangible assets	72	45
Net fixed assets relating to both businesses	17,703	17,054
Construction in progress		
Railway business	10,008	12,673
Other business	32,851	15,201
Relating to both businesses	47	0
Total construction in progress	42,907	27,875
Investments and other assets		
Investment securities	33,291	37,618
Stocks of subsidiaries and affiliated companies	38,739	39,280
Long-term prepaid expenses	8,936	10,439
Deferred tax assets	45,699	35,786
Other	40,049	41,856
Allowance for doubtful accounts	(567)	(1,445)
Total investments and other assets	166,149	163,535
Total noncurrent assets	692,045	752,519
Total assets	844,051	918,002

(Millions of Yen)

	FY2023/3 (As of March 31, 2023)	FY2024/3 (As of March 31, 2024)
LIABILITIES		
Current liabilities		
Commercial papers	20,000	40,000
Current portion of bonds	20,000	10,000
Current portion of long-term debt	14,242	22,742
Payables	64,748	72,362
Fare deposits received with regard to railway connecting services	2,275	2,785
Deposits received	3,940	4,286
Railway fares received in advance	5,320	5,925
Advances received	11,061	11,604
Accrued bonuses	4,268	5,452
Other	10,932	7,314
Total current liabilities	156,789	182,474
Non-current liabilities		
bonds	125,000	145,000
Long-term debt	159,149	161,407
Employees' severance and retirement benefits	35,526	35,770
Allowance for safety and environmental measures	230	646
Provision for loss on disaster	809	3,302
Provision for guarantee obligations	16,875	14,566
Asset retirement obligations	919	1,674
Other	8,803	9,952
Total noncurrent liabilities	347,313	372,320
Total liabilities	504,102	554,795
NET ASSETS		
Shareholders' equity		
Common stock	16,000	16,000
Capital surplus		
Capital surplus	171,908	171,908
Other	52,113	52,113
Total capital surplus	224,022	224,022
Retained earnings		
Other		
Reserve for deferred gain of fixed assets	11,190	11,171
Retained earnings carried forward	85,828	104,137
Total retained earnings	97,018	115,309
Treasury stock	(584)	(568)
Total common stock	336,456	354,762
Valuation and translation adjustment		
Valuation difference on available-for-sale securities	3,492	8,443
Net valuation and translation adjustment	3,492	8,443
Total net assets	339,948	363,206
TOTAL LIABILITIES AND NET ASSETS	844,051	918,002

(2) Non-Consolidated Statements of Income

(Millions of Yen)

	FY2023/3 (April 1, 2022 – March 31, 2023)	FY2024/3 (April 1, 2023 – March 31, 2024)
RAILWAY BUSINESS		
Operating revenues		
Income from railway passenger traffic	121,451	145,094
Trackage revenue	427	444
Miscellaneous income of transportation	14,632	14,957
Total operating revenues	136,511	160,497
Operating expenses		
Transportation expenses	105,175	118,029
General and administrative expenses	11,477	13,351
Taxes	7,058	7,801
Depreciation costs	9,654	10,758
Total operating expenses	133,364	149,941
Operating Income	3,146	10,555
OTHER BUSINESSES		
Operating revenues		
Revenue from real estate sale	41,856	35,948
Revenue from real estate lease	29,729	33,883
Other	3,512	4,010
Total operating revenues	75,098	73,843
Operating expenses		
Cost of sales	41,748	38,960
Selling, general and administrative expenses	859	1,140
Taxes	4,478	4,665
Depreciation costs	8,345	9,735
Total operating expenses	55,432	54,502
Operating income	19,666	19,341
TOTAL OPERATING INCOME	22,813	29,896
NON-OPERATING INCOME		
Interest income	147	126
Dividend income	4,254	4,884
Gain on assets held in trust	1,632	1,620
Reversal of provision for loss on guarantees, etc.	—	1,336
Other	1,551	1,541
Total non-operating income	7,586	9,481
NON-OPERATING EXPENSES		
Interest expense	1,104	1,448
Provision for loss on guarantees, etc.	1,079	—
Loss on valuation of derivatives	385	526
Other	678	244
Total non-operating expenses	3,248	2,219
ORDINARY INCOME	27,151	37,159

(Millions of Yen)

	FY2023/3 (April 1, 2022 – March 31, 2023)	FY2024/3 (April 1, 2023 – March 31, 2024)
EXTRAORDINARY GAINS		
Construction grants received	13,543	4,304
Gain on exchange of fixed assets	91	4,389
Gain on sale of shares of subsidiaries and affiliates	—	7,098
Other	3,953	1,888
Total extraordinary gains	17,589	17,681
EXTRAORDINARY LOSSES		
Loss on reduction of noncurrent assets	8,278	8,027
Impairment loss	1	2,019
Provision for loss on disaster	—	3,068
Loss on disaster	—	1,731
Provision for loss on guarantees	2,013	532
Other	2,219	—
Total extraordinary losses	1,273	1,300
INCOME BEFORE INCOME TAXES	13,786	16,678
INCOME TAXES -Current	30,953	38,161
INCOME TAXES -Current	(2,261)	(3,786)
INCOME TAXES -Deferred	7,806	9,027
TOTAL INCOME TAXES	5,544	5,241
NET INCOME	25,408	32,920

(3) Non-Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2023

(Millions of Yen)

	Shareholders' equity						
	Common stock	Capital surplus			Retained earnings		
		Additional paid-in capital	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
					Provision of reserve for deferred gain of fixed assets	Retained earnings carried forward	
Balance at beginning of current year	16,000	171,908	52,113	224,022	7,686	78,552	86,238
Changes of items during the year							
Dividends of surplus						(14,629)	(14,629)
Net income						25,408	25,408
Provision of reserve for deferred gain of fixed assets					3,503	(3,503)	-
Purchase of treasury stocks							
Disposal of treasury stocks							
Net changes of items other than shareholders' equity							
Total changes of items during the year	-	-	-	-	3,503	7,276	10,779
Balance at end of current year	16,000	171,908	52,113	224,022	11,190	85,828	97,018

	Shareholders' equity		Valuation and translation adjustments	Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized holding gains (losses) on securities	
Balance at beginning of current year	(591)	325,669	4,323	329,993
Changes of items during the year				
Dividends of surplus		(14,629)		(14,629)
Net income		25,408		25,408
Provision of reserve for deferred gain of fixed assets		-		-
Purchase of treasury stocks	(0)	(0)		(0)
Disposal of treasury stocks	7	7		7
Net changes of items other than shareholders' equity			(831)	(831)
Total changes of items during the year	7	10,786	(831)	9,955
Balance at end of current year	(584)	336,456	3,492	339,948

For the fiscal year ended March 31, 2024

(Millions of Yen)

	Shareholders' equity						
	Common stock	Capital surplus			Retained earnings		
		Additional paid-in capital	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
				Provision of reserve for deferred gain of fixed assets	Retained earnings carried forward		
Balance at beginning of current year	16,000	171,908	52,113	224,022	11,190	85,828	97,018
Changes of items during the year							
Dividends of surplus						(14,629)	(14,629)
Net income						32,920	32,920
Provision of reserve for deferred gain of fixed assets					421	(421)	-
Reversal of reserve for deferred gain of fixed assets					(440)	440	-
Disposal of treasury stocks							
Net changes of items other than shareholders' equity							
Total changes of items during the year	-	-	-	-	(18)	18,309	18,291
Balance at end of current year	16,000	171,908	52,113	224,022	11,171	104,137	115,309

	Shareholders' equity		Valuation and translation adjustments	Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized holding gains (losses) on securities	
Balance at beginning of current year	(584)	336,456	3,492	339,948
Changes of items during the year				
Dividends of surplus		(14,629)		(14,629)
Net income		32,920		32,920
Provision of reserve for deferred gain of fixed assets		-		-
Reversal of reserve for deferred gain of fixed assets		-		-
Disposal of treasury stocks	15	15		15
Net changes of items other than shareholders' equity			4,951	4,951
Total changes of items during the year	15	18,306	4,951	23,258
Balance at end of current year	(568)	354,762	8,443	363,206