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Consolidated Financial Results for the Six Months (Interim) Ended September 30, 2024 (Under Japanese GAAP)

(November 14, 2024)

Company Name: Nishi-Nippon Railroad Co., Ltd. Stock exchange listings: Tokyo and Fukuoka
Code Number: 9031 URL https://www.nishitetsu.co.jp/
Representative: Koichi Hayashida, President and CEO
Contact: Takahide Kurata, Manager, Public Relations Department (TEL) ＋81-92-734-1217

Scheduled filing date of semiannual securities report: (November 14, 2024)
Scheduled commencement date of dividend payments: (November 29, 2024)
Preparation of supplementary materials for financial results : Yes
Holding of financial results meeting : Yes (For institutional investors and analysts)

(Amounts rounded down to the nearest million yen.)

1. Consolidated Financial Results for the Six Months (Interim) Ended September 30, 2024 (from April 1, 2024, to September 30, 2024)

(1) Consolidated operating results (year to date) (Percentages represent changes in the interim period year on year.)

	Operating revenue		Operating income		Ordinary income		Interim profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2024	208,118	5.6	12,671	17.6	13,211	25.1	9,254	(15.6)
Six months ended September 30, 2023	197,156	(22.2)	10,777	(6.5)	10,564	(19.8)	10,968	24.9

(Notes) Comprehensive income Six months ended September 30, 2024 13,180 million yen [(37.7%)]
Six months ended September 30, 2023 21,148 million yen [32.2%]

	Net income per share-basic in interim period	Net income per share-diluted in interim period
	Yen	Yen
Six months ended September 30, 2024	118.20	117.98
Six months ended September 30, 2023	139.19	138.86

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	740,338	244,012	32.0
As of March 31, 2024	727,002	235,839	31.5

(Reference) Shareholders' equity As of September 30, 2024 237,067 million yen
As of March 31, 2024 229,032 million yen

2. Dividends

	Annual dividend				
	End of Q1	End of Q2	End of Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31,2024	-	17.50	-	22.50	40.00
Fiscal year ending March 31, 2025	-	17.50			
Fiscal year ending March 31, 2025 (forecast)			-	17.50	35.00

(Notes) Revision of the dividend forecast most recently announced: None

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

(Percentages represent year-on-year changes.)

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share-basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	445,100	8.1	26,000	0.5	25,800	5.1	18,100	(26.8)	231.18

(Notes) Revision of the consolidated financial forecast most recently released: Yes

* Notes
(1) Changes in scope of consolidation in the interim period : None
(2) Adoption of special accounting treatment used in preparation of the interim consolidated financial statements : None
(3) Change in accounting policies or estimates and restatements
   1) Change in accounting policies due to revisions of accounting standards and other regulations : Yes
   2) Change in accounting policies other than item 1) above : None
   3) Change in accounting estimates : None
   4) Restatements : None
(4) Number of shares issued (common stock)

1) Number of shares issued at the end of the period (including treasury stock)	As of September 30, 2024	79,360,186 shares	As of March 31, 2024	79,360,186 shares
2) Number of treasury stocks at the end of the period	As of September 30, 2024	1,850,701 shares	As of March 31, 2024	674,852 shares
3) Average number of shares outstanding during the period (interim fiscal period)	Six months ended September 30, 2024	78,294,131 shares	Six months ended September 30, 2023	78,805,621 shares

(Note) The number of treasury stocks includes shares of the Company remaining in the board benefit trust (as of September 30, 2024: 386,985 shares; as of March 31, 2024: 410,569 shares).

* Financial results of the second quarter (interim period) are not subject to reviews by a certified public accountant or an audit firm.
* Explanation of appropriate use of financial forecasts and other special notes
  Any statements on the future such as financial outlooks included in this material are based on information the Company presently has and certain assumptions the Company considers reasonable, and the Company does not intend to be committed to their realization.
  In addition, actual financial results may differ significantly due to various factors. For assumptions for financial forecasts and points to consider in utilizing them, please see “(3) Explanation of future forecast information such as consolidated financial forecasts” in “1. Overview of Results of Operations, Etc.” on page 7 of the attachments.

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1. Overview of Results of Operations, Etc.

(1) Results of interim operations under review

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024	Change	Percentage change
Operating revenue	197,156	208,118	10,962	5.6%
Operating income	10,777	12,671	1,894	17.6%
Ordinary income	10,564	13,211	2,647	25.1%
Interim profit attributable to owners of parent	10,968	9,254	(1,714)	(15.6%)

Operating revenue for the interim fiscal period under review was 208,118 million yen, up 5.6% year-on-year. This was due to an increase in the number of condominiums sold in the Housing business of Real Estate and higher unit prices of guest rooms in the Hotel business of Leisure and Services, as well as the effect of fare revision in the Bus business in Transportation. Accordingly, operating income came to 12,671 million yen, up 17.6% year-on-year.

Ordinary income was 13,211 million yen, up 25.1% year-on-year, due partly to a decrease in share of loss of entities accounted for using the equity method.

Profit attributable to owners of parent in the interim fiscal period was 9,254 million yen, down 15.6% year-on-year, partly due to a decrease in gain on sale of non-current assets.

The Company’s business performance by segment is as follows.

(Millions of yen)

	Operating revenue				Operating income			
	Six months ended September 30, 2023	Six months ended September 30, 2024	Change	Percentage change	Six months ended September 30, 2023	Six months ended September 30, 2024	Change	Percentage change
Transportation	38,029	40,271	2,241	5.9%	1,400	2,895	1,495	106.8%
Real Estate	31,338	36,293	4,955	15.8%	3,624	4,426	802	22.1%
Retail	35,121	35,454	332	0.9%	378	107	(271)	(71.7%)
Logistics	70,560	70,179	(381)	(0.5%)	3,238	1,547	(1,691)	(52.2%)
Leisure and Services	20,885	25,128	4,242	20.3%	2,239	3,192	952	42.5%
Subtotal	195,935	207,326	11,390	5.8%	10,881	12,169	1,287	11.8%
Others	13,488	13,608	119	0.9%	342	760	418	122.3%
Adjustments	(12,267)	(12,815)	(547)	-	(446)	(257)	188	-
Consolidated	197,156	208,118	10,962	5.6%	10,777	12,671	1,894	17.6%

1) Transportation

In the Bus business, revenue increased mainly due to the fare revision (implemented in January 2024). In the Railway business, revenues increased mainly due to a recovery in passenger volume. As a result, operating revenue for the Transportation business was 40,271 million yen (5.9% increase year-on-year), and operating income posted 2,895 million yen (106.8% increase year-on-year).

The number of passengers increased 4.2% year-on-year in the Railway business, but fell 2.4% year-on-year in the Bus (public buses) business.

2) Real Estate

In the Housing business, revenue grew due to an increase in the number of condominiums sold, including TERIHA THE TOWER, Tsukuba Grand Villa, and rental condominium units sold as one building. In the Leasing business, revenue was up mainly due to an increase in lease revenue from hotel facilities (inter-segment transactions). As a result, operating revenue for the Real Estate business was 36,293 million yen (15.8% increase year-on-year), and operating income posted 4,426 million yen (22.1% increase year-on-year).

The number of units sold was 306 (up 117 units year-on-year).

3) Retail

In the Sales of miscellaneous everyday items business, sales increased mainly due to the opening of “AEON MALL Nogata” in April 2024. In the Supermarkets/liquor stores business, sales rose due to the contribution of stores remodeled in the previous fiscal year. As a result, operating revenues for the Retail business were 35,454 million yen (0.9% increase year-on-year). Operating income was 107 million yen (71.7% decrease year-on-year), mainly due to an increase in personnel and other expenses in the Supermarkets/liquor stores business.

4) Logistics

In the Global logistics business, revenue fell due to a decrease in selling prices, which had remained high, despite an increase in yen equivalent due to foreign exchange fluctuations and an increase in transaction volume due to a recovery in cargo movement. As a result, operating revenue for the Logistics business was 70,179 million yen (0.5% decrease year-on-year). Operating income came to 1,547 million yen (52.2% decrease year-on-year) due partly to an increase in wholesale prices.

International cargo volume was up 6.0% year-on-year in Air exports, up 0.1% year-on-year in Air imports, up 12.5% year-on-year in Ocean exports, and up 3.1% year-on-year in Ocean imports.

5) Leisure and Services

In the Hotel business, sales increased mainly due to the rise in the average daily rate (ADR) and the contribution of Solaria Nishitetsu Hotel Taipei Ximen, which opened in the previous fiscal year (August 2023). As a result, operating revenue for the Leisure and Services business was 25,128 million yen (20.3% increase year-on-year), and operating income amounted to 3,192 million yen (42.5 increase year-on-year).

6) Others

Operating revenue for Others was 13,608 million yen (0.9% increase year-on-year) mainly due to an increase in orders received for vehicle maintenance-related businesses. Operating income was 760 million yen (122.3% increase year-on-year) mainly due to higher gross income for the Construction related business.

(Statement of Income by Segment)

(Millions of yen)

	Operating revenue				Operating income			
	Six months ended September 30, 2023	Six months ended September 30, 2024	Change	Percentage change (%)	Six months ended September 30, 2023	Six months ended September 30, 2024	Change	Percentage change (%)
Transportation	38,029	40,271	2,241	5.9	1,400	2,895	1,495	106.8
Railway	10,669	11,103	434	4.1	1,178	1,251	73	6.2
Bus	25,917	27,685	1,767	6.8	316	1,683	1,367	432.6
(Bus, net)*	[24,243]	[25,979]	[1,735]	[7.2]	-	-	-	-
Other	5,711	6,143	432	7.6	(52)	(2)	49	-
Adjustments	(4,268)	(4,661)	(393)	-	(41)	(36)	4	-
Real Estate	31,338	36,293	4,955	15.8	3,624	4,426	802	22.1
Leasing	15,373	15,736	363	2.4	3,419	3,577	157	4.6
Housing	11,610	14,902	3,291	28.3	133	743	609	455.0
Other	6,405	7,767	1,362	21.3	180	210	29	16.6
Adjustments	(2,051)	(2,113)	(62)	-	(109)	(103)	5	-
Retail	35,121	35,454	332	0.9	378	107	(271)	(71.7)
Supermarkets/liquor stores	32,486	32,571	84	0.3	330	71	(259)	(78.4)
Sales of miscellaneous everyday items	2,634	2,883	248	9.4	91	110	18	20.1
Adjustments	(0)	(0)	(0)	-	(43)	(74)	(30)	-
Logistics	70,560	70,179	(381)	(0.5)	3,238	1,547	(1,691)	(52.2)
Global logistics	73,984	73,451	(533)	(0.7)	3,333	1,582	(1,750)	(52.5)
Domestic logistics	5,212	5,439	227	4.4	69	73	4	6.6
Adjustments	(8,636)	(8,711)	(75)	-	(164)	(108)	55	-
Leisure and Services	20,885	25,128	4,242	20.3	2,239	3,192	952	42.5
Hotel	11,830	15,043	3,212	27.2	908	1,724	816	89.8
Travel	1,369	1,503	134	9.8	223	274	51	23.1
Facility outline	2,629	2,895	265	10.1	791	847	55	7.0
Other	5,639	6,339	699	12.4	359	396	37	10.3
Adjustments	(583)	(652)	(69)	-	(42)	(50)	(7)	-
Subtotal	195,935	207,326	11,390	5.8	10,881	12,169	1,287	11.8
Others	13,488	13,608	119	0.9	342	760	418	122.3
Adjustments	(12,267)	(12,815)	(547)	-	(446)	(257)	188	-
Consolidated	197,156	208,118	10,962	5.6	10,777	12,671	1,894	17.6

* Operating revenues for the Bus business, excluding intercompany transactions, increased 7.2%.

(Transaction volume)

1) Number of railway passengers / passenger revenue (Transportation)

	Unit	Six months ended September 30, 2023	Six months ended September 30, 2024	Change	Percentage change (%)
Number of passengers	Thousand passengers	51,260	53,434	2,174	4.2
Non-commuter	Thousand passengers	21,519	22,590	1,071	5.0
Commuter	Thousand passengers	29,741	30,844	1,103	3.7
Passenger revenue	Millions of yen	10,179	10,612	432	4.2
Non-commuter	Millions of yen	6,130	6,409	279	4.6
Commuter	Millions of yen	4,049	4,202	152	3.8

2) Number of public bus passengers / passenger revenue (Transportation)

	Unit	Six months ended September 30, 2023	Six months ended September 30, 2024	Change	Percentage change (%)
Number of passengers	Thousand passengers	108,564	106,010	(2,554)	(2.4)
Non-commuter	Thousand passengers	63,299	60,513	(2,786)	(4.4)
Commuter	Thousand passengers	45,265	45,497	232	0.5
Passenger revenue	Millions of yen	21,438	22,969	1,530	7.1
Non-commuter	Millions of yen	16,070	17,123	1,052	6.6
Commuter	Millions of yen	5,368	5,846	477	8.9

3) Number of units sold (Real Estate)

	Unit	Six months ended September 30, 2023	Six months ended September 30, 2024	Change	Percentage change (%)
Number of units sold	Unit	189	306	117	61.9
Condominium	Dwelling unit	131	232	101	77.1
(Of which, rental condominium units sold as one building)	Dwelling unit	[23]	[100]	[77]	[334.8]
Detached house	Unit	56	67	11	19.6
Renovation	Dwelling unit	2	7	5	250.0

4) Transaction volume of international cargo (Logistics)

	Unit	Six months ended September 30, 2023	Six months ended September 30, 2024	Change	Percentage change (%)
Air Export	Thousand tons	47	49	2	6.0
Air Import	Thousand cases	159	159	0	0.1
Ocean Export	Thousand TEU	47	53	5	12.5
Ocean Import	Thousand TEU	66	68	2	3.1

5) Average daily rate (ADR) of hotels targeting mainly domestic customers, occupancy rate (OCC) and revenue per available room (Rev PAR) (Leisure and Services)

	Unit	Six months ended September 30, 2023	Six months ended September 30, 2024	Change	Percentage change (%)
ADR	Yen	11,131 [11,131]	12,853 [12,853]	1,722 [1,722]	15.5 [15.5]
OCC	%	76.3 [76.3]	77.2 [77.2]	0.9P [0.9P]	-
Rev PAR	Yen	8,497 [8,497]	9,923 [9,923]	1,426 [1,426]	16.8 [16.8]

Note: Figures in brackets are for existing hotels. Hotels operating in both previous and current fiscal years are in the scope.

(2) Overview of interim financial position under review

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024	Change
Total Assets	727,002	740,338	13,335
Total Liabilities	491,163	496,326	5,163
Total net assets	235,839	244,012	8,172
Interest-bearing debt	316,838	333,906	17,067

(Note) Interest-bearing debt is the sum of borrowings and bonds payable.

Assets rose 13,335 million yen from the end of the previous fiscal year to 740,338 million yen mainly due to an increase in property, plant and equipment while cash and deposits decreased.

Liabilities rose 5,163 million yen from the end of the previous fiscal year to 496,326 million yen mainly due to an increase in interest-bearing debt, while notes and accounts payable - trade decreased.

Net assets grew 8,172 million yen from the end of the previous fiscal year to 244,012 million yen mainly due to an increase in retained earnings, chiefly owing to the posting of profit attributable to owners of parent, despite a decrease due to purchase of treasury shares.

(3) Explanation of future forecast information such as consolidated financial forecasts

The consolidated financial forecasts for the full fiscal year ending March 31, 2025, have been changed from those announced on May 10, 2024, based on the business results of the interim fiscal period under review and the future outlook for each business segment.

Operating revenue is expected to be lower than the previous forecast due to a decrease in the import and export transaction volume in the Global Logistics business.

Operating income is expected to exceed the previous forecast due to an increase in lease income in the leasing business and an increase in ADR in the Hotel business, as well as expenses being lower than initially expected in the interim period under review.

Ordinary income and profit attributable to owners of the parent are expected to exceed the previous forecast, mainly due to an increase in dividend income from the overseas real estate business.

(Millions of yen)

	Forecast for fiscal year ending March 31, 2025 (Previous forecast)	Forecast for fiscal year ending March 31, 2025	Change	Percentage change
Operating revenue	451,100	445,100	(6,000)	(1.3%)
Operating income	24,100	26,000	1,900	7.9%
Ordinary income	22,500	25,800	3,300	14.7%
Profit attributable to owners of parent	15,700	18,100	2,400	15.3%

(Millions of yen)

	Operating revenue				Operating income			
	Forecast for fiscal year ending March 31, 2025 (Previous forecast)	Forecast for fiscal year ending March 31, 2025	Change	Percentage change	Forecast for fiscal year ending March 31, 2025 (Previous forecast)	Forecast for fiscal year ending March 31, 2025	Change	Percentage change
Transportation	81,300	80,800	(500)	(0.6%)	4,800	4,700	(100)	(2.1%)
Real Estate	90,500	90,600	100	0.1%	8,800	10,600	1,800	20.5%
Retail	72,600	71,700	(900)	(1.2%)	600	500	(100)	(16.7%)
Logistics	150,900	146,200	(4,700)	(3.1%)	5,100	3,900	(1,200)	(23.5%)
Leisure and Services	48,400	50,900	2,500	5.2%	4,300	5,200	900	20.9%
Subtotal	443,700	440,200	(3,500)	(0.8%)	23,600	24,900	1,300	5.5%
Others	32,400	30,600	(1,800)	(5.6%)	1,400	1,900	500	35.7%
Adjustments	(25,000)	(25,700)	(700)	-	(900)	(800)	100	-
Consolidated	451,100	445,100	(6,000)	(1.3%)	24,100	26,000	1,900	7.9%

2. Interim Consolidated Financial Statements and Key Notes

(1) Interim consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	69,624	48,632
Notes and accounts receivable - trade, and contract assets	49,123	47,629
Land and buildings for sale	67,085	74,698
Merchandise and finished goods	3,970	4,233
Work in process	258	658
Raw materials and supplies	2,225	2,521
Others	16,726	17,111
Allowance for doubtful accounts	(237)	(236)
Total current assets	208,778	195,249
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	192,162	193,581
Machinery, equipment and vehicles, net	14,565	13,698
Land	141,769	143,294
Construction in progress	56,087	76,353
Other, net	11,503	11,950
Total property, plant and equipment	416,088	438,878
Intangible assets		
Goodwill	305	325
Others	3,663	3,718
Total intangible assets	3,968	4,043
Investments and other assets		
Investment securities	68,547	66,817
Retirement benefit assets	4,137	4,192
Deferred tax assets	2,162	2,148
Others	23,623	29,307
Allowance for doubtful accounts	(304)	(298)
Total investments and other assets	98,167	102,167
Total fixed assets	518,224	545,089
Total Assets	727,002	740,338

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	65,018	55,347
Short-term borrowings	47,161	53,510
Current portion of bonds payable	10,000	-
Consumption taxes payable	4,872	2,186
Income taxes payable	5,955	4,195
Advances received	2,424	2,629
Provision for bonuses	7,088	6,792
Other provisions	387	182
Others	27,925	29,865
Total current liabilities	170,833	154,709
Long-term liabilities		
Bonds payable	145,000	175,000
Long-term borrowings	114,677	105,395
Deferred tax liabilities	3,993	3,861
Other provisions	656	629
Retirement benefit liability	16,843	16,905
Long-term guarantee deposits	31,050	32,092
Others	8,108	7,732
Total long-term liabilities	320,329	341,616
Total Liabilities	491,163	496,326
Net assets		
Shareholders' equity		
Share capital	26,157	26,157
Capital surplus	12,137	12,137
Retained earnings	164,941	172,415
Treasury stock	(1,576)	(4,390)
Total shareholders' equity	201,659	206,318
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,598	13,536
Deferred gains or losses on hedges	96	136
Foreign currency translation adjustment	9,029	13,655
Remeasurements of defined benefit plans	3,648	3,421
Total accumulated other comprehensive income	27,373	30,749
Share acquisition rights	263	260
Non-controlling interests	6,542	6,683
Total net assets	235,839	244,012
Total liabilities and net assets	727,002	740,338

(2) Interim consolidated statement of income and interim consolidated statement of comprehensive income

Interim consolidated statement of income

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Operating revenue	197,156	208,118
Operating expenses		
Operating expenses and cost of sales of transportation	171,931	180,298
Selling, general and administrative expenses	14,447	15,148
Total operating expenses	186,379	195,447
Operating income	10,777	12,671
Non-operating income		
Interest income	208	335
Dividend income	668	971
Miscellaneous income	757	1,040
Total non-operating income	1,634	2,347
Non-operating expenses		
Interest expenses	1,123	1,254
Share of loss of entities accounted for using equity method	639	233
Miscellaneous expenses	84	318
Total non-operating expenses	1,847	1,807
Ordinary income	10,564	13,211
Extraordinary gains		
Gain on sales of fixed assets	6,627	37
Gain on sale of investment securities	5	1,020
Contribution for construction	92	324
Others	3	-
Total extraordinary income	6,729	1,382
Extraordinary losses		
Loss on reduction of non-current assets for tax purposes	96	313
Impairment losses	-	19
Others	2	0
Total extraordinary losses	99	333
Income before income taxes	17,194	14,260
Income taxes - current	2,936	4,153
Income taxes - deferred	2,698	465
Total income taxes	5,634	4,619
Interim profit	11,559	9,641
Profit attributable to non-controlling interests	590	387
Interim profit attributable to owners of parent	10,968	9,254

Interim consolidated statement of comprehensive income

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Interim profit	11,559	9,641
Other comprehensive income		
Valuation difference on available-for-sale securities	3,999	(1,063)
Deferred gains or losses on hedges	10	(7)
Foreign currency translation adjustment	2,852	2,944
Remeasurements of defined benefit plans, net of tax	15	(227)
Share of other comprehensive income of entities accounted for using equity method	2,711	1,893
Total other comprehensive income	9,588	3,539
Interim comprehensive income	21,148	13,180
(Components)		
Interim comprehensive income attributable to owners of parent	20,379	12,630
Interim comprehensive income attributable to non-controlling interests	768	550

(3) Interim consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Income before income taxes	17,194	14,260
Depreciation	8,723	9,271
Amortization of goodwill	19	21
Impairment losses	-	19
Loss on retirement of non-current assets	6	68
Loss on reduction of non-current assets for tax purposes	96	313
Contribution for construction	(96)	(324)
Share of loss (profit) of entities accounted for using equity method	639	233
Loss (gain) on sale of non-current assets	(6,627)	(37)
Increase (decrease) in provision for bonuses	163	(297)
Increase (decrease) in retirement benefit liability	(179)	(224)
Decrease (increase) in retirement benefit asset	49	(101)
Increase (decrease) in other provisions	(54)	(232)
Interest and dividend income	(877)	(1,306)
Interest expenses	1,123	1,254
Loss (gain) on sale of investment securities	(5)	(1,020)
Decrease (increase) in trade receivables	18,370	1,171
Decrease (increase) in inventories	(6,982)	(8,807)
Decrease (increase) in other assets	(2,303)	(3,616)
Increase (decrease) in trade payables	(1,603)	(8,903)
Increase (decrease) in accrued consumption taxes	6,092	(2,664)
Increase (decrease) in other liabilities	880	1,732
Others	135	(284)
Subtotal	34,764	526
Interest and dividends received	1,063	1,351
Interest paid	(1,064)	(1,091)
Income taxes paid	(3,008)	(5,861)
Cash flows from operating activities	31,756	(5,075)
Cash flows from investing activities		
Purchase of non-current assets	(28,372)	(31,955)
Proceeds from sale of non-current assets	6,234	132
Purchase of investment securities	(3,136)	(398)
Proceeds from sale of investment securities	725	1,096
Payments for investments in capital	(246)	(1,264)
Loan advances	(1,841)	-
Net decrease (increase) in time deposits	(398)	(1,962)
Proceeds from contribution received for construction	6,010	3,475
Others	7	248
Cash flows from investing activities	(21,017)	(30,629)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,820	6,652
Repayments of long-term borrowings	(11,910)	(10,361)
Proceeds from issuance of bonds	-	30,000
Redemption of bonds	(7,000)	(10,000)
Proceeds from sale of treasury shares	53	61
Purchase of treasury shares	(508)	(2,879)
Repayments of lease liabilities	(834)	(922)
Dividends paid	(1,576)	(1,783)
Dividends paid to non-controlling interests	(644)	(409)
Cash flows from financing activities	(20,600)	10,355
Effect of exchange rate change on cash and cash equivalents	2,177	2,277
Net increase (decrease) in cash and cash equivalents	(7,684)	(23,071)
Cash and cash equivalents at the beginning of period	72,559	68,745
Cash and cash equivalents at the end of interim period	64,874	45,674

(4) Notes to interim consolidated financial statements

(Notes to assumptions on going concern)

Not applicable.

(Notes if there is a significant change in the amount of shareholders' equity)

Not applicable.

(Notes on changes to accounting policies)

(Application of the "Accounting Standard for Current Income Taxes," etc.)

The "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27 on October 28, 2022; hereinafter referred to as the "Revised 2022 Accounting Standard") has been applied since the beginning of the interim period of the current fiscal year.

With respect to the revision regarding the classification of income taxes (taxation on other comprehensive income), the transitional treatment stipulated in the proviso of paragraph 20-3 of the Revised 2022 Accounting Standard and the transitional treatment stipulated in the proviso of paragraph 65-2(2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28 on October 28, 2022; hereinafter referred to as the "Revised 2022 Guidance") are followed. This change in accounting policy has no impact on the interim consolidated financial statements.

In addition, for the revision related to the change in the treatment of loss (gain) on sale of equity securities of subsidiaries between consolidated companies that is deferred for tax purposes in the consolidated financial statements the Revised 2022 Guidance has been applied since the beginning of the interim period of the current fiscal year. This change in accounting policy has no impact on the consolidated financial statements for the previous fiscal year.

(Notes to segment information, etc.)

Six months ended September 30, 2023

1. Information on operating revenue, income or loss by reporting segment

(Millions of yen)

	Reporting segment						Others (Note) 1	Adjustments (Note) 2	Amount posted to the interim consolidated statement of income
	Transportation	Real Estate	Retail	Logistics	Leisure and Services	Total			
Operating revenue	38,029	31,338	35,121	70,560	20,885	195,935	13,488	(12,267)	197,156
Segment income	1,400	3,624	378	3,238	2,239	10,881	342	(446)	10,777

(Note) 1. “Other” consists of business segments that are not included in any of the reportable segments and includes the IC card business, the Vehicle Maintenance-related business, the Construction-related business, and the Metal Recycling business.

2. An adjustment of (446) million yen in segment income is the net of (576) million yen administrative expenses of parent company that are not attributable to the reporting segments and 130 million yen of elimination of intersegment transactions.

Six months ended September 30, 2024

1. Information on operating revenue, income or loss by reporting segment

(Millions of yen)

	Reporting segment						Others (Note) 1	Adjustments (Note) 2	Amount posted to the interim consolidated statement of income
	Transportation	Real Estate	Retail	Logistics	Leisure and Services	Total			
Operating revenue	40,271	36,293	35,454	70,179	25,128	207,326	13,608	(12,815)	208,118
Segment income	2,895	4,426	107	1,547	3,192	12,169	760	(257)	12,671

(Note) 1. “Other” consists of business segments that are not included in any of the reportable segments and includes the IC card business, the Vehicle Maintenance-related business, the Construction-related business, and the Metal Recycling business.

2. An adjustment of (257) million yen in segment income is the net of (461) million yen administrative expenses of parent company that are not attributable to the reporting segments and 203 million yen of elimination of intersegment transactions.