



\* Notes

- (1) Changes in important subsidiaries during the period under review (Changes in specified subsidiaries resulting in changes in scope of consolidation) : None
- (2) Adoption of special accounting treatment used in preparation of the quarterly 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 : None
- 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)
- 2) Number of treasury stocks at the end of the period
- 3) Average number of shares outstanding during the period (year to date)

As of June 30, 2023	79,360,186 shares	As of March 31, 2023	79,360,186 shares
As of June 30, 2023	515,667 shares	As of March 31, 2023	530,573 shares
Three months ended June 30, 2023	78,833,350 shares	Three months ended June 30, 2022	78,773,863 shares

(Note) The number of treasury stocks includes shares of the Company remaining in the board benefit trust (as of June 30, 2023: 232,569 shares; as of March 31, 2023: 243,225 shares).

- \* Quarterly financial results are not subject to quarterly 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 guarantee they will be achieved. 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. Qualitative Information on Quarterly Financial Results under Review” on page 6 of the attachments.

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## 1. Qualitative Information on Quarterly Financial Results under Review

### (1) Explanation of operating results

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023	Change	Percentage change
Operating revenue	119,950	96,816	(23,134)	(19.3%)
Operating income	5,471	5,411	(59)	(1.1%)
Ordinary income	6,087	6,950	862	14.2%
Profit attributable to owners of parent	3,919	9,390	5,471	139.6%

Operating revenue for the three-month period under review was 96,816 million yen, down 19.3% year-on-year. The reasons include a decrease in the import and export transaction volume owing to sluggish transportation demand in the Global Logistics business under the Logistics business. However, there was an increase in revenues due to a recovery in demand in the Transportation business and Leisure and Service business as social and economic activities have normalized mainly due to the reclassification of COVID-19 as a Class 5 disease. Accordingly, operating income was 5,411 million yen, down 1.1% year-on-year.

Ordinary income was 6,950 million yen, up 14.2% year-on-year, mainly due to an improvement in share of profit and loss of entities accounted for using equity method resulting from the partial sale of beneficial interests in trust at Daimyo Project Special Purpose Company, an entity accounted for using the equity method.

Profit attributable to owners of parent was 9,390 million yen, up 139.6% year-on-year, mainly due to the recording of gain on sale of fixed assets from the sale of Nishijin Palace, etc.

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

At the beginning of the first quarter of the current fiscal year, the reorganization of consolidated subsidiaries accompanying an absorption-type merger took place; accordingly, changes were made to the segmentation of the relevant consolidated subsidiaries.

The segment information for the three-month period in the previous fiscal year was prepared and shown in accordance with the classification after the change.

(Millions of yen)

	Operating revenue				Operating income (loss)			
	Three months ended June 30, 2022	Three months ended June 30, 2023	Change	Percentage change	Three months ended June 30, 2022	Three months ended June 30, 2023	Change	Percentage change
Transportation	17,380	18,765	1,385	8.0%	(78)	916	994	-
Real Estate	14,277	14,431	153	1.1%	1,127	1,647	519	46.1%
Retail	16,672	17,065	392	2.4%	(95)	77	172	-
Logistics	62,528	36,233	(26,295)	(42.1%)	5,358	2,075	(3,282)	(61.3%)
Leisure and Services	6,634	9,796	3,162	47.7%	(885)	786	1,671	-
Subtotal	117,494	96,292	(21,202)	(18.0%)	5,427	5,503	76	1.4%
Others	6,379	6,500	120	1.9%	163	141	(21)	(13.2%)
Adjustments	(3,922)	(5,976)	(2,053)	-	(118)	(233)	(114)	-
Consolidated	119,950	96,816	(23,134)	(19.3%)	5,471	5,411	(59)	(1.1%)

#### 1) Transportation

In the Railway and Bus businesses, revenue grew mainly due to an increase in the number of passengers along with a recovery in demand, and the adoption of the railway station barrier-free fare system in the Railway business. As a result, operating revenue for the Transportation business was 18,765 million yen (8.0% increase year-on-year), and operating income came to 916 million yen (operating loss of 78 million yen for the same period of the previous fiscal year).

The number of passengers in the Railway and Bus (public buses) businesses increased 7.1% and 4.3% year-on-year, respectively.

#### 2) Real Estate

In the Housing business, revenue fell mainly due to a decrease in the number of condominium units sold. However, in the Leasing business, revenue grew mainly due to an increase in inter-group lease revenue (intersegment transactions) due to changes in the management structure of the Hotel business and a recovery in lease revenue from commercial facilities. As a result, operating revenue for the Real Estate business was 14,431 million yen (1.1% increase year-on-year), and operating income posted 1,647 million yen (46.1% increase year-on-year).

The number of units sold was 76 (down 26 units year-on-year).

#### 3) Retail

In the Supermarkets/liquor Stores business, sales increased mainly due to the contribution of new stores opened in the previous fiscal year and a reflection of an increase in wholesale prices in sales prices. As a result, operating revenue for the Retail business was 17,065 million yen (2.4% increase year-on-year), and operating income was 77 million yen (operating loss of 95 million yen for the same period of the previous fiscal year).

#### 4) Logistics

In the Global Logistics business, the import and export transaction volume decreased due to weak transportation demand, resulting in a decrease in revenues. As a result, operating revenue for the Logistics business was 36,233 million yen (42.1% decrease year-on-year), and operating income came to 2,075 million yen (61.3% decrease year-on-year).

International cargo volume decreased 33.3% year-on-year in Air exports, 18.4% year-on-year in Air imports, 11.5% year-on-year in Ocean exports, and 10.6% year-on-year in Ocean imports.

#### 5) Leisure and Services

In the Hotel business, revenue grew due to an increase in the occupancy rate and average daily rate, reflecting a recovery in demand, as well as the opening of Nishitetsu Hotel Croom Hakata Gion Kushida Jinja-mae in April 2023. As a result, operating revenue for the Leisure and Services business was 9,796 million yen (47.7% increase year-on-year), and operating income amounted to 786 million yen (operating loss of 885 million yen for the same period of the previous fiscal year).

#### 6) Others

Other operating revenue was 6,500 million yen (1.9% increase year-on-year) mainly due to higher revenue from an increase in orders received in the Vehicle Maintenance related business. Operating income amounted to 141 million yen (13.2% decrease year-on-year) due to an increase in expenses including depreciation in the IC Card business.

## (Statement of Income by Segment)

(Millions of yen)

	Operating revenue				Operating income (loss)			
	Three months ended June 30, 2022	Three months ended June 30, 2023	Change	Percentage change (%)	Three months ended June 30, 2022	Three months ended June 30, 2023	Change	Percentage change (%)
Transportation	17,380	18,765	1,385	8.0	(78)	916	994	-
Railway	4,745	5,344	598	12.6	546	901	354	64.9
Bus	11,909	12,781	872	7.3	(559)	140	699	-
(Bus, net) *1	[11,032]	[11,947]	[915]	[8.3]	-	-	-	-
Other	2,605	2,532	(72)	(2.8)	(114)	(101)	12	-
Adjustments	(1,879)	(1,893)	(13)	-	48	(23)	(72)	-
Real Estate	14,277	14,431	153	1.1	1,127	1,647	519	46.1
Leasing	5,999	7,516	1,516	25.3	1,233	1,676	442	35.9
Housing	6,288	4,804	(1,484)	(23.6)	(207)	(55)	152	-
Other	3,040	3,050	9	0.3	111	98	(12)	(11.2)
Adjustments	(1,051)	(939)	111	-	(9)	(72)	(62)	-
Retail	16,672	17,065	392	2.4	(95)	77	172	-
Supermarkets/liquor stores	15,477	15,779	301	1.9	(90)	64	154	-
Sales of miscellaneous everyday items	1,195	1,285	89	7.5	6	35	28	406.3
Adjustments	(0)	(0)	0	-	(11)	(21)	(10)	-
Logistics	62,528	36,233	(26,295)	(42.1)	5,358	2,075	(3,282)	(61.3)
Global logistics	71,638	38,024	(33,613)	(46.9)	5,357	2,082	(3,275)	(61.1)
Domestic logistics	2,639	2,587	(51)	(2.0)	66	42	(23)	(35.3)
Adjustments	(11,749)	(4,379)	7,370	-	(65)	(50)	15	-
Leisure and Services	6,634	9,796	3,162	47.7	(885)	786	1,671	-
Hotel	5,495	5,570	74	1.4	(989)	320	1,309	-
(Hotel, net) *2	[3,069]	[5,570]	[2,500]	[81.5]	-	-	-	-
Travel	606	640	34	5.7	(35)	68	103	-
Facility outline	976	1,186	210	21.6	173	318	144	83.1
Other	2,291	2,682	390	17.0	(46)	104	151	-
Adjustments	(2,735)	(283)	2,452	-	11	(25)	(37)	-
Subtotal	117,494	96,292	(21,202)	(18.0)	5,427	5,503	76	1.4
Others	6,379	6,500	120	1.9	163	141	(21)	(13.2)
Adjustments	(3,922)	(5,976)	(2,053)	-	(118)	(233)	(114)	-
Consolidated	119,950	96,816	(23,134)	(19.3)	5,471	5,411	(59)	(1.1)

\*1 Operating revenues for the Bus business, excluding intercompany transactions, increased 8.3%.

\*2 Operating revenues for the Hotel business, excluding intercompany transactions, increased 81.5%.

(Transaction volume)

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

	Unit	Three months ended June 30, 2022	Three months ended June 30, 2023	Change	Percentage change (%)
Number of passengers	Thousand passengers	24,194	25,910	1,716	7.1
Non-commuter	Thousand passengers	9,749	10,831	1,082	11.1
Commuter	Thousand passengers	14,445	15,079	634	4.4
Passenger revenue	Millions of yen	4,521	5,107	585	12.9
Non-commuter	Millions of yen	2,615	3,073	458	17.5
Commuter	Millions of yen	1,906	2,033	127	6.7

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

	Unit	Three months ended June 30, 2022	Three months ended June 30, 2023	Change	Percentage change (%)
Number of passengers	Thousand passengers	52,697	54,987	2,290	4.3
Non-commuter	Thousand passengers	29,287	32,032	2,745	9.4
Commuter	Thousand passengers	23,409	22,955	(454)	(1.9)
Passenger revenue	Millions of yen	9,751	10,517	765	7.8
Non-commuter	Millions of yen	6,993	7,790	797	11.4
Commuter	Millions of yen	2,758	2,726	(32)	(1.2)

3) Number of units sold (Real Estate)

	Unit	Three months ended June 30, 2022	Three months ended June 30, 2023	Change	Percentage change (%)
Number of units sold	Unit	102	76	(26)	(25.8)
Condominium	Dwelling unit	76	52	(24)	(32.0)
Detached house	Unit	24	23	(1)	(4.2)
Renovation	Dwelling unit	2	1	(1)	(50.0)

4) Transaction volume of international cargo (Logistics)

	Unit	Three months ended June 30, 2022	Three months ended June 30, 2023	Change	Percentage change (%)
Air export	Thousand tons	36	24	(12)	(33.3)
Air import	Thousand cases	100	81	(18)	(18.4)
Ocean export	Thousand TEU	25	22	(2)	(11.5)
Ocean import	Thousand TEU	35	32	(3)	(10.6)

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	Three months ended June 30, 2022	Three months ended June 30, 2023	Change	Percentage change (%)
ADR	Yen	7,377 [7,377]	10,677 [10,694]	3,300 [3,317]	44.7 [45.0]
OCC	%	62.6 [62.6]	76.2 [75.6]	13.6P [13.0P]	-
Rev PAR	Yen	4,621 [4,621]	8,137 [8,084]	3,516 [3,463]	76.1 [74.9]

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

## (2) Explanation of financial position

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023	Change
Total Assets	685,795	683,632	(2,162)
Total Liabilities	483,913	471,261	(12,652)
Total Net Assets	201,881	212,371	10,489
Interest-bearing debt	334,875	323,512	(11,363)

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

Assets fell 2,162 million yen from the end of the previous fiscal year to 683,632 million yen mainly due to a decrease in notes and accounts receivable - trade, and contract assets, while cash and deposits increased.

Liabilities dropped 12,652 million yen from the end of the previous fiscal year to 471,261 million yen mainly due to a decrease in interest-bearing debt.

Net assets grew 10,489 million yen from the end of the previous fiscal year to 212,371 million yen mainly due to an increase in retained earnings mainly owing to the posting of profit attributable to owners of parent and an increase in valuation difference on available-for-sale securities.

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

The consolidated financial forecast for the first half and full year of the fiscal year ending March 31, 2024, have been changed from those announced on May 11, 2023, based on the business results of the three-month period under review and the future outlook for each business segment.

For details, please refer to "Notice Concerning Revision of Financial Forecast" announced on August 10, 2023.

## 2. Quarterly Consolidated Financial Statements and Key Notes

### (1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	72,796	81,973
Notes and accounts receivable - trade, and contract assets	59,546	37,736
Land and buildings for sale	63,898	66,992
Merchandise and finished goods	3,971	4,277
Work in process	237	479
Raw materials and supplies	2,176	2,150
Others	17,383	14,649
Allowance for doubtful accounts	(268)	(273)
<b>Total current assets</b>	<b>219,742</b>	<b>207,986</b>
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	190,327	192,037
Machinery, equipment and vehicles, net	12,616	12,114
Land	130,871	131,654
Construction in progress	29,080	30,865
Other, net	10,312	10,315
<b>Total property, plant and equipment</b>	<b>373,207</b>	<b>376,986</b>
Intangible assets		
Goodwill	321	314
Others	3,523	3,575
<b>Total intangible assets</b>	<b>3,844</b>	<b>3,889</b>
Investments and other assets		
Investment securities	56,163	63,437
Retirement benefit assets	3,787	3,805
Deferred tax assets	8,159	6,152
Others	21,207	21,692
Allowance for doubtful accounts	(317)	(317)
<b>Total investments and other assets</b>	<b>89,000</b>	<b>94,770</b>
<b>Total fixed assets</b>	<b>466,053</b>	<b>475,646</b>
<b>Total Assets</b>	<b>685,795</b>	<b>683,632</b>

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	43,561	35,620
Short-term borrowings	49,163	49,820
Current portion of bonds payable	7,000	10,000
Consumption taxes payable	1,132	2,602
Income taxes payable	2,850	2,613
Advances received	5,739	5,853
Provision for bonuses	6,355	9,637
Other provisions	340	272
Others	28,282	29,511
Total current liabilities	144,426	145,934
Long-term liabilities		
Bonds payable	145,000	135,000
Long-term borrowings	133,711	128,691
Deferred tax liabilities	109	600
Other provisions	569	600
Retirement benefit liability	21,967	21,930
Long-term guarantee deposits	30,218	30,261
Others	7,910	8,243
Total long-term liabilities	339,486	325,327
Total Liabilities	483,913	471,261
<b>Net assets</b>		
Shareholders' equity		
Common stock	26,157	26,157
Capital surplus	12,608	12,608
Retained earnings	143,194	151,002
Treasury stock	(1,166)	(1,132)
Total shareholders' equity	180,794	188,636
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,182	10,084
Deferred gains or losses on hedges	(195)	(227)
Foreign currency translation adjustment	5,293	6,313
Remeasurements of defined benefit plans	718	727
Total accumulated other comprehensive income	13,999	16,899
Subscription rights to shares	324	317
Non-controlling interests	6,763	6,517
Total Net Assets	201,881	212,371
Total liabilities and net assets	685,795	683,632

## (2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income

## Quarterly consolidated statement of income

(Three-month period)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Operating revenue	119,950	96,816
Operating expenses		
Operating expenses and cost of sales of transportation	107,193	84,222
Selling, general and administrative expenses	7,285	7,182
Total operating expenses	114,479	91,404
Operating income	5,471	5,411
Non-operating income		
Interest income	4	88
Dividend income	512	444
Share of profit of entities accounted for using equity method	-	1,302
Foreign exchange gains	474	-
Miscellaneous income	510	436
Total non-operating income	1,501	2,272
Non-operating expenses		
Interest expenses	552	559
Share of loss of entities accounted for using equity method	311	-
Miscellaneous expenses	22	174
Total non-operating expenses	885	733
Ordinary income	6,087	6,950
Extraordinary gains		
Gain on sales of fixed assets	-	6,627
Advances received on construction contracts	-	3
Contribution for construction	1	23
Total extraordinary income	1	6,654
Extraordinary losses		
Loss on reduction of non-current assets for tax purposes	1	27
Others	-	2
Total extraordinary losses	1	30
Income before income taxes	6,088	13,575
Income taxes - current	2,449	2,223
Income taxes - deferred	(637)	1,660
Total income taxes	1,811	3,883
Profit	4,276	9,691
Profit attributable to non-controlling interests	357	300
Profit attributable to owners of parent	3,919	9,390

Quarterly consolidated statement of comprehensive income  
(Three-month period)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	4,276	9,691
Other comprehensive income		
Valuation difference on available-for-sale securities	(109)	1,891
Deferred gains or losses on hedges	(0)	12
Foreign currency translation adjustment	1,589	519
Remeasurements of defined benefit plans, net of tax	(18)	9
Share of other comprehensive income of entities accounted for using equity method	1,010	518
Total other comprehensive income	2,471	2,951
Comprehensive income	6,748	12,643
(Components)		
Comprehensive income attributable to owners of parent	6,263	12,290
Comprehensive income attributable to non-controlling interests	484	352

(3) Notes to quarterly 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.

(Segment information)

Three-month period in the previous fiscal year (from April 1, 2022 to June 30, 2022)

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

(Millions of yen)

	Reporting segment						Others (Note) <sup>1</sup>	Adjustments (Note) <sup>2</sup>	Amount posted to the quarterly consolidated statement of income
	Transportation	Real Estate	Retail	Logistics	Leisure and Services	Total			
Operating revenue	17,380	14,277	16,672	62,528	6,634	117,494	6,379	(3,922)	119,950
Segment income (loss)	(78)	1,127	(95)	5,358	(885)	5,427	163	(118)	5,471

(Notes) 1. “Others” consist of business segments that are not included in any of the reporting segments and include the IC Card business, the Vehicle Maintenance related business, the Construction related business, and the Metal Recycling business.

2. An adjustment of (118) million yen in segment income (loss) is the net of (196) million yen administrative expenses of parent company that are not attributable to the reporting segments and 77 million yen of elimination of intersegment transactions.

3. The segment information above was prepared and shown in accordance with the classification after the change following the reorganization of consolidated subsidiaries.

Three-month period under review (from April 1, 2023 to June 30, 2023)

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

(Millions of yen)

	Reporting segment						Others (Note) <sup>1</sup>	Adjustments (Note) <sup>2</sup>	Amount posted to the quarterly consolidated statement of income
	Transportation	Real Estate	Retail	Logistics	Leisure and Services	Total			
Operating revenue	18,765	14,431	17,065	36,233	9,796	96,292	6,500	(5,976)	96,816
Segment income	916	1,647	77	2,075	786	5,503	141	(233)	5,411

(Notes) 1. “Others” consist of business segments that are not included in any of the reporting segments and include the IC Card business, the Vehicle Maintenance related business, the Construction related business, and the Metal Recycling business.

2. An adjustment of (233) million yen in segment income is the net of (299) million yen administrative expenses of parent company that are not attributable to the reporting segments and 66 million yen of elimination of intersegment transactions.

2. Matters related to changes to reporting segments, etc.

At the beginning of the first quarter of the current fiscal year, Nishitetsu Building Management Co., Ltd. in “Real Estate” merged with Nishitetsu Densetsu Kogyo co., Ltd. in “Others” with the aim of further improving the efficiency of group management. As a result of this reorganization, the business of Nishitetsu Densetsu Kogyo co., Ltd. was changed from “Others” to “Real Estate”.

The segment information for the three-month period in the previous fiscal year was prepared and shown in accordance with the classification after the change.

(Material subsequent events)

The Company received an application for 1,467 million yen loan disbursement based on a loan commitment agreement from NNRMC Airport Operation Co., Ltd. (hereafter, “JV company”), an affiliate of the Company, as of August 7, 2023.

The Company indirectly holds shares of and applies the equity method to Fukuoka International Airport Co., Ltd. (hereafter, “FIAC”) through JV company. The Company recognizes the portion of net loss recorded by FIAC attributable to the Company as “share of loss of entities accounted for using equity method” by reducing the amount of investment to the point where the equity method investment value of JV company becomes zero.

Because the said loan receivable under the loan commitment agreement has substantially the same characteristics as investments, when the Company disburses the loan, the Company will recognize an additional amount of the net loss recorded by FIAC to the extent of the loan amount, and the Company plans to record share of loss of entities accounted for using equity method of 1,467 million yen as non-operating expenses in the second quarter of the current fiscal year.

The amount may change depending on the results of operations of JV company and FIAC.

The impact of this transaction has been included in the forecasts for the first half and full year of the fiscal year ending March 31, 2024.