

Quarterly consolidated financial statements
(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2016	As of September 30, 2016
Assets		
Current assets		
Cash and deposits	25,072	14,981
Notes and accounts receivable - trade	23,702	18,455
Securities	2,188	860
Land and buildings for sale	100,742	106,585
Merchandise	1,976	1,922
Deferred tax assets	2,533	2,780
Other	12,565	11,367
Allowance for doubtful accounts	(270)	(267)
Total current assets	168,510	156,685
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	198,994	195,729
Machinery, equipment and vehicles, net	13,466	14,820
Land	213,810	216,749
Construction in progress	6,076	7,004
Other, net	8,898	8,690
Total property, plant and equipment	441,247	442,995
Intangible assets	8,245	7,987
Investments and other assets		
Investment securities	39,959	40,393
Long-term loans receivable	388	401
Deferred tax assets	2,208	7,233
Net defined benefit asset	21	141
Other	9,811	10,475
Allowance for doubtful accounts	(59)	(67)
Total investments and other assets	52,329	58,577
Total non-current assets	501,822	509,561
Total assets	670,333	666,247

(Millions of yen)

	As of March 31, 2016	As of September 30, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,775	9,311
Short-term loans payable	68,780	67,079
Short-term bonds payable	5,000	1,500
Current portion of bonds	10,245	117
Income taxes payable	5,619	5,571
Deferred tax liabilities	1	0
Advances received	8,011	7,244
Provision for bonuses	2,667	3,094
Provision for loss on unused gift certificate	407	423
Other	40,829	33,133
Total current liabilities	152,337	127,476
Non-current liabilities		
Bonds payable	80,257	90,224
Long-term loans payable	161,430	162,120
Long-term accounts payable - other	654	602
Deferred tax liabilities	7,944	11,488
Deferred tax liabilities for land revaluation	31,087	33,175
Provision for directors' retirement benefits	447	435
Net defined benefit liability	18,933	20,902
Other	25,448	25,061
Total non-current liabilities	326,204	344,011
Total liabilities	478,542	471,488
Net assets		
Shareholders' equity		
Capital stock	51,466	51,466
Capital surplus	28,794	28,780
Retained earnings	79,103	89,524
Treasury shares	(17,199)	(21,565)
Total shareholders' equity	142,165	148,206
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,221	11,988
Revaluation reserve for land	37,557	35,469
Remeasurements of defined benefit plans	(2,815)	(3,822)
Total accumulated other comprehensive income	46,962	43,634
Subscription rights to shares	-	27
Non-controlling interests	2,662	2,889
Total net assets	191,790	194,759
Total liabilities and net assets	670,333	666,247

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

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Operating revenue	143,269	141,157
Operating expenses		
Operating expenses and cost of sales of transportation	111,711	105,359
Selling, general and administrative expenses	13,483	18,481
Total operating expenses	125,194	123,841
Operating income	18,075	17,316
Non-operating income		
Interest income	18	28
Dividend income	392	414
Share of profit of entities accounted for using equity method	38	–
Miscellaneous income	456	448
Total non-operating income	905	891
Non-operating expenses		
Interest expenses	1,850	1,441
Share of loss of entities accounted for using equity method	–	14
Miscellaneous expenses	909	449
Total non-operating expenses	2,760	1,904
Ordinary income	16,220	16,303
Extraordinary income		
Compensation income	–	602
Subsidy	319	391
Contribution for construction	68	121
Gain on sales of non-current assets	310	46
Gain on bargain purchase	4,709	–
Other	49	2
Total extraordinary income	5,457	1,162
Extraordinary losses		
Loss on retirement of non-current assets	356	292
Loss on reduction of non-current assets	85	215
Special retirement expenses	–	26
Impairment loss	2	4
Loss on step acquisitions	2,119	–
Other	8	9
Total extraordinary losses	2,571	547
Profit before income taxes	19,106	16,918
Income taxes - current	5,404	5,524
Income taxes - deferred	118	(901)
Total income taxes	5,523	4,622
Profit	13,583	12,296
Profit attributable to non-controlling interests	226	250
Profit attributable to owners of parent	13,356	12,046

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Profit	13,583	12,296
Other comprehensive income		
Valuation difference on available-for-sale securities	390	(228)
Revaluation reserve for land	–	(2,087)
Remeasurements of defined benefit plans, net of tax	242	(1,007)
Total other comprehensive income	633	(3,323)
Comprehensive income	14,216	8,972
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,996	8,717
Comprehensive income attributable to non-controlling interests	220	254

(3) Quarterly consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Cash flows from operating activities		
Profit before income taxes	19,106	16,918
Depreciation	8,498	8,861
Amortization of intangible assets	187	192
Impairment loss	2	4
Gain on bargain purchase	(4,709)	–
Loss (gain) on step acquisitions	2,119	–
Loss on reduction of non-current assets	85	215
Proceeds from contribution for construction	(68)	(121)
Interest and dividend income	(410)	(443)
Interest expenses	1,850	1,441
Increase (decrease) in net defined benefit liability	45	264
Increase (decrease) in net defined benefit asset	(573)	(139)
Decrease (increase) in notes and accounts receivable - trade	11,706	4,806
Decrease (increase) in inventories	(3,459)	(6,707)
Increase (decrease) in notes and accounts payable - trade	(1,817)	(1,601)
Increase (decrease) in accrued consumption taxes	(3,278)	1,873
Increase (decrease) in other current liabilities	(12,292)	(6,360)
Other, net	(395)	(1,739)
Subtotal	16,597	17,465
Interest and dividend income received	457	444
Interest expenses paid	(1,868)	(1,520)
Income taxes paid	(4,195)	(5,672)
Net cash provided by (used in) operating activities	10,990	10,717
Cash flows from investing activities		
Purchase of non-current assets	(10,860)	(14,183)
Proceeds from sales of non-current assets	446	50
Proceeds from contribution received for construction	921	441
Purchase of investment securities	(511)	(1,000)
Payments of loans receivable	(25)	(13)
Collection of loans receivable	4	2
Other, net	442	872
Net cash provided by (used in) investing activities	(9,583)	(13,831)

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(69)	(7,123)
Net increase (decrease) in short-term bonds payable	–	(3,500)
Proceeds from long-term loans payable	13,410	10,874
Repayments of long-term loans payable	(22,813)	(4,761)
Proceeds from issuance of bonds	9,935	9,936
Redemption of bonds	(10,125)	(10,150)
Payments for long-term accounts payable - other	(15)	–
Cash dividends paid	(1,685)	(1,623)
Dividends paid to non-controlling interests	(26)	(25)
Purchase of treasury shares	(30)	(4,365)
Other, net	(608)	(584)
Net cash provided by (used in) financing activities	(12,028)	(11,325)
Net increase (decrease) in cash and cash equivalents	(10,621)	(14,439)
Cash and cash equivalents at beginning of period	26,552	29,372
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	4	–
Cash and cash equivalents at end of period	15,935	14,933

(4) Notes on quarterly consolidated financial statements

Notes on premise of going concern

No items to report.

Notes on significant changes in the amount of shareholders' equity

No items to report.

Segment information, etc.

Segment information

I. Six months ended September 30, 2015 (from April 1, 2015 to September 30, 2015)

1. Information on operating revenue and profit (loss) by reportable segment

(Millions of yen)

	Transportation	Real estate	Retail distribution	Leisure and service	Others	Total	Adjustments (Note 1)	Amount on the quarterly consolidated statement of income (Note 2)
Operating revenue								
Operating revenue from external customers	46,252	32,787	47,529	16,168	531	143,269	–	143,269
Inter-segment operating revenue or transfer	685	6,018	206	18	336	7,265	(7,265)	–
Total	46,937	38,805	47,736	16,186	868	150,534	(7,265)	143,269
Segment profit	6,518	7,333	1,057	3,146	4	18,060	14	18,075

- Notes: 1. "Adjustments" to "Segment profit" represents elimination between inter-segment transactions.
2. Segment profit is adjusted to operating income in the quarterly consolidated statement of income.

II. Six months ended September 30, 2016 (from April 1, 2016 to September 30, 2016)

1. Information on operating revenue and profit (loss) by reportable segment

(Millions of yen)

	Transportation	Real estate	Retail distribution	Leisure and service	Others	Total	Adjustments (Note 1)	Amount on the quarterly consolidated statement of income (Note 2)
Operating revenue								
Operating revenue from external customers	46,306	30,850	47,502	15,927	570	141,156	0	141,157
Inter-segment operating revenue or transfer	1,049	6,541	209	22	335	8,158	(8,158)	–
Total	47,356	37,391	47,711	15,949	906	149,315	(8,157)	141,157
Segment profit	6,541	6,422	1,058	2,935	67	17,025	291	17,316

- Notes: 1. "Adjustments" to "Segment profit" represents elimination between inter-segment transactions and profit (loss) of the Company not allocated to any reportable segment.
2. Segment profit is adjusted to operating income in the quarterly consolidated statement of income.