

Quarterly consolidated financial statements
(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
Assets		
Current assets		
Cash and deposits	18,372	16,166
Notes and accounts receivable - trade	25,760	19,643
Securities	70	121
Land and buildings for sale	99,541	105,545
Merchandise	1,878	1,855
Deferred tax assets	2,670	2,743
Other	9,970	11,367
Allowance for doubtful accounts	(609)	(614)
Total current assets	157,655	156,828
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	198,409	196,537
Machinery, equipment and vehicles, net	16,575	16,632
Land	222,847	225,438
Construction in progress	10,623	9,008
Other, net	8,464	8,168
Total property, plant and equipment	456,920	455,785
Intangible assets	8,044	8,611
Investments and other assets		
Investment securities	38,229	38,318
Long-term loans receivable	682	775
Deferred tax assets	7,209	7,043
Net defined benefit asset	266	328
Other	10,843	11,009
Allowance for doubtful accounts	(219)	(207)
Total investments and other assets	57,011	57,267
Total non-current assets	521,976	521,664
Total assets	679,631	678,493

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,248	10,472
Short-term loans payable	65,363	66,005
Current portion of bonds	45	45
Income taxes payable	5,990	1,367
Advances received	6,979	7,958
Provision for bonuses	2,630	1,224
Provision for loss on unused gift certificate	508	533
Other	43,450	37,153
Total current liabilities	136,217	124,761
Non-current liabilities		
Bonds payable	90,191	90,186
Long-term loans payable	158,938	165,255
Long-term accounts payable - other	685	649
Deferred tax liabilities	11,236	11,367
Deferred tax liabilities for land revaluation	33,168	33,168
Provision for directors' retirement benefits	437	381
Net defined benefit liability	20,011	19,726
Other	25,289	23,193
Total non-current liabilities	339,959	343,929
Total liabilities	476,176	468,690
Net assets		
Shareholders' equity		
Capital stock	51,466	51,466
Capital surplus	28,782	28,783
Retained earnings	98,392	103,767
Treasury shares	(21,580)	(21,576)
Total shareholders' equity	157,060	162,440
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,266	11,407
Revaluation reserve for land	35,584	36,157
Foreign currency translation adjustment	(2)	0
Remeasurements of defined benefit plans	(3,338)	(3,193)
Total accumulated other comprehensive income	43,509	44,372
Subscription rights to shares	27	17
Non-controlling interests	2,857	2,972
Total net assets	203,455	209,802
Total liabilities and net assets	679,631	678,493

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

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Operating revenue	75,208	65,948
Operating expenses		
Operating expenses and cost of sales of transportation	56,071	48,313
Selling, general and administrative expenses	9,072	9,302
Total operating expenses	65,143	57,615
Operating profit	10,065	8,333
Non-operating income		
Interest income	14	18
Dividend income	405	466
Miscellaneous income	208	183
Total non-operating income	628	668
Non-operating expenses		
Interest expenses	750	626
Share of loss of entities accounted for using equity method	6	10
Miscellaneous expenses	260	337
Total non-operating expenses	1,017	975
Ordinary profit	9,675	8,026
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	–	3,164
Subsidy	242	175
Gain on sales of non-current assets	0	22
Total extraordinary income	242	3,361
Extraordinary losses		
Loss on retirement of non-current assets	74	164
Loss on reduction of non-current assets	94	29
Special retirement expenses	26	–
Impairment loss	4	–
Other	8	8
Total extraordinary losses	208	201
Profit before income taxes	9,709	11,186
Income taxes - current	3,256	3,417
Income taxes - deferred	(648)	85
Total income taxes	2,608	3,503
Profit	7,101	7,682
Profit attributable to non-controlling interests	136	125
Profit attributable to owners of parent	6,965	7,557

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Profit	7,101	7,682
Other comprehensive income		
Valuation difference on available-for-sale securities	(493)	158
Revaluation reserve for land	(2,087)	–
Remeasurements of defined benefit plans, net of tax	(1,084)	145
Share of other comprehensive income of entities accounted for using equity method	–	2
Total other comprehensive income	(3,665)	306
Comprehensive income	3,435	7,989
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,302	7,845
Comprehensive income attributable to non- controlling interests	132	143

(3) 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. Three months ended June 30, 2016 (from April 1, 2016 to June 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	23,422	19,879	24,002	7,608	294	75,208	0	75,208
Inter-segment operating revenue or transfer	553	3,248	99	10	180	4,091	(4,091)	—
Total	23,975	23,128	24,101	7,619	474	79,299	(4,091)	75,208
Segment profit	4,107	3,937	579	1,228	55	9,909	156	10,065

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 profit in the quarterly consolidated statement of income.

II. Three months ended June 30, 2017 (from April 1, 2017 to June 30, 2017)

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	23,084	10,744	24,366	7,456	295	65,947	1	65,948
Inter-segment operating revenue or transfer	565	3,265	112	85	193	4,221	(4,221)	—
Total	23,650	14,010	24,479	7,541	488	70,169	(4,220)	65,948
Segment profit	3,884	2,779	535	1,260	25	8,485	(152)	8,333

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 profit in the quarterly consolidated statement of income.