

Quarterly consolidated financial statements
(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017
Assets		
Current assets		
Cash and deposits	18,372	16,009
Notes and accounts receivable - trade	25,760	22,096
Securities	70	51
Land and buildings for sale	99,541	110,640
Merchandise	1,878	1,889
Deferred tax assets	2,670	3,245
Other	9,970	18,135
Allowance for doubtful accounts	(609)	(248)
Total current assets	157,655	171,819
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	198,409	195,721
Machinery, equipment and vehicles, net	16,575	16,767
Land	222,847	221,908
Construction in progress	10,623	9,714
Other, net	8,464	8,393
Total property, plant and equipment	456,920	452,505
Intangible assets	8,044	9,478
Investments and other assets		
Investment securities	38,229	39,125
Long-term loans receivable	682	691
Deferred tax assets	7,209	6,919
Net defined benefit asset	266	389
Other	10,843	10,992
Allowance for doubtful accounts	(219)	(170)
Total investments and other assets	57,011	57,948
Total non-current assets	521,976	519,932
Total assets	679,631	691,752

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,248	10,322
Short-term loans payable	65,363	71,967
Short-term bonds payable	–	1,000
Current portion of bonds	45	10,045
Income taxes payable	5,990	4,416
Advances received	6,979	9,418
Provision for bonuses	2,630	3,143
Provision for loss on unused gift certificate	508	526
Provision for compensation for damage	–	152
Other	43,450	33,415
Total current liabilities	136,217	144,410
Non-current liabilities		
Bonds payable	90,191	80,158
Long-term loans payable	158,938	163,454
Long-term accounts payable - other	685	630
Deferred tax liabilities	11,236	11,449
Deferred tax liabilities for land revaluation	33,168	33,137
Provision for directors' retirement benefits	437	351
Net defined benefit liability	20,011	19,438
Other	25,289	23,633
Total non-current liabilities	339,959	332,254
Total liabilities	476,176	476,664
Net assets		
Shareholders' equity		
Capital stock	51,466	51,466
Capital surplus	28,782	28,783
Retained earnings	98,392	108,812
Treasury shares	(21,580)	(21,584)
Total shareholders' equity	157,060	167,478
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,266	11,431
Revaluation reserve for land	35,584	36,088
Foreign currency translation adjustment	(2)	0
Remeasurements of defined benefit plans	(3,338)	(3,048)
Total accumulated other comprehensive income	43,509	44,471
Subscription rights to shares	27	44
Non-controlling interests	2,857	3,092
Total net assets	203,455	215,087
Total liabilities and net assets	679,631	691,752

(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, 2016	Six months ended September 30, 2017
Operating revenue	141,157	143,752
Operating expenses		
Operating expenses and cost of sales of transportation	105,359	107,921
Selling, general and administrative expenses	18,481	20,090
Total operating expenses	123,841	128,011
Operating profit	17,316	15,740
Non-operating income		
Interest income	28	34
Dividend income	414	478
Miscellaneous income	448	450
Total non-operating income	891	962
Non-operating expenses		
Interest expenses	1,441	1,278
Share of loss of entities accounted for using equity method	14	26
Miscellaneous expenses	449	544
Total non-operating expenses	1,904	1,848
Ordinary profit	16,303	14,854
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	–	3,164
Subsidy	391	316
Gain on sales of non-current assets	46	254
Compensation income	602	–
Contribution for construction	121	–
Other	2	123
Total extraordinary income	1,162	3,858
Extraordinary losses		
Loss on retirement of non-current assets	292	232
Provision of allowance for damage compensation	–	152
Loss on reduction of non-current assets	215	24
Special retirement expenses	26	–
Impairment loss	4	–
Other	9	8
Total extraordinary losses	547	418
Profit before income taxes	16,918	18,295
Income taxes - current	5,524	5,686
Income taxes - deferred	(901)	(169)
Total income taxes	4,622	5,516
Profit	12,296	12,778
Profit attributable to non-controlling interests	250	245
Profit attributable to owners of parent	12,046	12,532

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Profit	12,296	12,778
Other comprehensive income		
Valuation difference on available-for-sale securities	(228)	184
Revaluation reserve for land	(2,087)	–
Remeasurements of defined benefit plans, net of tax	(1,007)	290
Share of other comprehensive income of entities accounted for using equity method	–	2
Total other comprehensive income	(3,323)	477
Comprehensive income	8,972	13,255
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,717	12,990
Comprehensive income attributable to non- controlling interests	254	264

(3) Quarterly consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Cash flows from operating activities		
Profit before income taxes	16,918	18,295
Depreciation	8,861	9,298
Amortization of intangible assets	192	199
Impairment loss	4	–
Loss on reduction of non-current assets	215	24
Proceeds from contribution for construction	(121)	–
Loss (gain) on sales of shares of subsidiaries and associates	–	(3,164)
Interest and dividend income	(443)	(512)
Interest expenses	1,441	1,278
Increase (decrease) in net defined benefit liability	264	(262)
Decrease (increase) in net defined benefit asset	(139)	(46)
Decrease (increase) in notes and accounts receivable - trade	4,806	3,345
Decrease (increase) in inventories	(6,707)	(9,554)
Increase (decrease) in notes and accounts payable - trade	(1,601)	(786)
Increase (decrease) in accrued consumption taxes	1,873	359
Increase (decrease) in other current liabilities	(6,360)	(1,769)
Other, net	(1,739)	(2,040)
Subtotal	17,465	14,664
Interest and dividend income received	444	512
Interest expenses paid	(1,520)	(1,338)
Income taxes paid	(5,672)	(7,231)
Net cash provided by (used in) operating activities	10,717	6,607
Cash flows from investing activities		
Purchase of non-current assets	(14,183)	(25,464)
Proceeds from sales of non-current assets	50	8,593
Proceeds from contribution received for construction	441	87
Purchase of investment securities	(1,000)	(250)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	–	793
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	–	2,826
Payments of loans receivable	(13)	(145)
Collection of loans receivable	2	2,184
Other, net	872	(184)
Net cash provided by (used in) investing activities	(13,831)	(11,559)

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(7,123)	(1,940)
Net increase (decrease) in short-term bonds payable	(3,500)	1,000
Proceeds from long-term loans payable	10,874	18,660
Repayments of long-term loans payable	(4,761)	(12,996)
Proceeds from issuance of bonds	9,936	–
Redemption of bonds	(10,150)	(22)
Cash dividends paid	(1,623)	(1,608)
Dividends paid to non-controlling interests	(25)	(25)
Purchase of treasury shares	(4,365)	(15)
Other, net	(584)	(530)
Net cash provided by (used in) financing activities	(11,325)	2,520
Net increase (decrease) in cash and cash equivalents	(14,439)	(2,432)
Cash and cash equivalents at beginning of period	29,372	18,324
Cash and cash equivalents at end of period	14,933	15,892

(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, 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 profit in the quarterly consolidated statement of income.

II. Six months ended September 30, 2017 (from April 1, 2017 to September 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	45,523	33,495	48,392	15,767	571	143,750	1	143,752
Inter-segment operating revenue or transfer	1,071	6,530	217	183	358	8,362	(8,362)	–
Total	46,595	40,026	48,609	15,951	929	152,112	(8,360)	143,752
Segment profit	5,993	6,230	975	2,914	12	16,126	(385)	15,740

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.