

Quarterly consolidated financial statements  
(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	20,317	16,687
Notes and accounts receivable - trade	31,199	19,859
Securities	51	6
Land and buildings for sale	105,070	111,658
Merchandise	1,772	1,821
Other	10,099	11,626
Allowance for doubtful accounts	(243)	(246)
Total current assets	168,266	161,414
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	193,388	190,723
Machinery, equipment and vehicles, net	16,672	18,346
Land	217,866	217,930
Construction in progress	19,065	21,878
Other, net	8,632	8,412
Total property, plant and equipment	455,624	457,291
Intangible assets	9,267	8,763
Investments and other assets		
Investment securities	43,676	46,392
Long-term loans receivable	689	626
Deferred tax assets	9,500	9,543
Net defined benefit asset	704	1,087
Other	11,340	11,465
Allowance for doubtful accounts	(283)	(288)
Total investments and other assets	65,627	68,826
Total non-current assets	530,519	534,882
Total assets	698,786	696,296

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	11,588	10,098
Short-term loans payable	80,202	76,745
Short-term bonds payable	–	7,000
Current portion of bonds	10,045	10,045
Income taxes payable	4,524	4,057
Advances received	7,521	9,850
Provision for bonuses	2,555	3,199
Provision for loss on unused gift certificate	565	589
Other	44,596	32,809
Total current liabilities	161,600	154,396
Non-current liabilities		
Bonds payable	80,125	80,092
Long-term loans payable	146,026	141,447
Long-term accounts payable - other	536	497
Deferred tax liabilities	10,915	11,055
Deferred tax liabilities for land revaluation	33,137	33,137
Provision for directors' retirement benefits	345	326
Net defined benefit liability	18,790	18,559
Other	23,749	24,143
Total non-current liabilities	313,626	309,259
Total liabilities	475,226	463,656
Net assets		
Shareholders' equity		
Capital stock	51,466	51,466
Capital surplus	28,787	28,787
Retained earnings	117,384	126,189
Treasury shares	(21,603)	(21,614)
Total shareholders' equity	176,033	184,828
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,787	10,824
Revaluation reserve for land	36,088	36,088
Foreign currency translation adjustment	6	(32)
Remeasurements of defined benefit plans	(2,540)	(2,556)
Total accumulated other comprehensive income	44,341	44,323
Share acquisition rights	44	75
Non-controlling interests	3,139	3,412
Total net assets	223,559	232,639
Total liabilities and net assets	698,786	696,296

(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, 2017	Six months ended September 30, 2018
Operating revenue	143,752	152,846
Operating expenses		
Operating expenses and cost of sales of transportation	107,921	115,666
Selling, general and administrative expenses	20,090	20,165
Total operating expenses	128,011	135,831
Operating profit	15,740	17,014
Non-operating income		
Interest income	34	28
Dividend income	478	573
Miscellaneous income	450	462
Total non-operating income	962	1,064
Non-operating expenses		
Interest expenses	1,278	1,219
Share of loss of entities accounted for using equity method	26	39
Miscellaneous expenses	544	524
Total non-operating expenses	1,848	1,782
Ordinary profit	14,854	16,297
Extraordinary income		
Gain on sales of investment securities	–	479
Subsidy	316	298
Gain on sales of non-current assets	254	92
Contribution for construction	–	16
Gain on sales of shares of subsidiaries and associates	3,164	–
Other	123	7
Total extraordinary income	3,858	894
Extraordinary losses		
Loss on retirement of non-current assets	232	311
Loss on disaster	–	107
Loss on reduction of non-current assets	24	34
Provision of allowance for damage compensation	152	–
Other	8	–
Total extraordinary losses	418	453
Profit before income taxes	18,295	16,738
Income taxes - current	5,686	5,392
Income taxes - deferred	(169)	94
Total income taxes	5,516	5,486
Profit	12,778	11,251
Profit attributable to non-controlling interests	245	302
Profit attributable to owners of parent	12,532	10,949

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
Profit	12,778	11,251
Other comprehensive income		
Valuation difference on available-for-sale securities	184	34
Remeasurements of defined benefit plans, net of tax	290	(15)
Share of other comprehensive income of entities accounted for using equity method	2	(39)
Total other comprehensive income	477	(20)
Comprehensive income	13,255	11,231
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,990	10,931
Comprehensive income attributable to non- controlling interests	264	299

## (3) Quarterly consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
<b>Cash flows from operating activities</b>		
Profit before income taxes	18,295	16,738
Depreciation	9,298	9,605
Amortization of intangible assets	199	200
Loss on reduction of non-current assets	24	34
Proceeds from contribution for construction	–	(16)
Loss (gain) on sales of shares of subsidiaries and associates	(3,164)	–
Loss (gain) on sales of investment securities	–	(479)
Interest and dividend income	(512)	(602)
Interest expenses	1,278	1,219
Increase (decrease) in net defined benefit liability	(262)	3
Decrease (increase) in net defined benefit asset	(46)	(633)
Decrease (increase) in notes and accounts receivable - trade	3,345	11,181
Decrease (increase) in inventories	(9,554)	(7,666)
Increase (decrease) in notes and accounts payable - trade	(786)	(1,552)
Increase (decrease) in accrued consumption taxes	359	230
Increase (decrease) in other current liabilities	(1,769)	(5,518)
Other, net	(2,040)	911
Subtotal	14,664	23,654
Interest and dividend income received	512	604
Interest expenses paid	(1,338)	(1,217)
Income taxes paid	(7,231)	(5,816)
Net cash provided by (used in) operating activities	6,607	17,225
<b>Cash flows from investing activities</b>		
Purchase of non-current assets	(25,464)	(14,894)
Proceeds from sales of non-current assets	8,593	92
Proceeds from contribution received for construction	87	253
Purchase of investment securities	(250)	(2,081)
Proceeds from sales of investment securities	–	890
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	(145)	(510)
Collection of loans receivable	2,184	478
Other, net	(184)	(1,229)
Net cash provided by (used in) investing activities	(11,559)	(17,000)

(Millions of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(1,940)	966
Net increase (decrease) in short-term bonds payable	1,000	7,000
Proceeds from long-term loans payable	18,660	5,203
Repayments of long-term loans payable	(12,996)	(14,205)
Proceeds from issuance of bonds	–	9,922
Redemption of bonds	(22)	(10,022)
Cash dividends paid	(1,608)	(2,134)
Dividends paid to non-controlling interests	(25)	(26)
Purchase of treasury shares	(15)	(11)
Other, net	(530)	(546)
Net cash provided by (used in) financing activities	2,520	(3,854)
Net increase (decrease) in cash and cash equivalents	(2,432)	(3,629)
Cash and cash equivalents at beginning of period	18,324	20,300
Cash and cash equivalents at end of period	15,892	16,671

(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.

*Additional information*

(Application of "Partial Amendments to Accounting Standard for Tax Effect Accounting" and relevant Guidances)

The Company has applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) and relevant Guidances effective from the beginning of the first quarter of the fiscal year ending March 31, 2019. Accordingly, deferred tax assets were presented under "Investments and other assets" and deferred tax liabilities were presented under "Non-current liabilities."