

Quarterly consolidated financial statements
(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
Assets		
Current assets		
Cash and deposits	21,385	17,016
Notes and accounts receivable - trade	31,189	22,771
Securities	809	1,102
Land and buildings for sale	112,710	111,994
Merchandise	1,813	1,798
Other	12,440	11,889
Allowance for doubtful accounts	(267)	(316)
Total current assets	180,080	166,257
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	207,375	203,307
Machinery, equipment and vehicles, net	17,686	17,088
Land	218,789	220,210
Construction in progress	19,272	23,487
Other, net	10,397	9,792
Total property, plant and equipment	473,522	473,887
Intangible assets	9,210	8,667
Investments and other assets		
Investment securities	45,362	46,044
Long-term loans receivable	539	480
Deferred tax assets	9,904	9,772
Retirement benefit asset	1,072	1,110
Other	12,331	12,506
Allowance for doubtful accounts	(272)	(207)
Total investments and other assets	68,937	69,706
Total non-current assets	551,669	552,261
Total assets	731,750	718,518

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,544	9,958
Short-term borrowings	96,076	85,719
Short-term bonds payable	–	1,000
Current portion of bonds	10,045	42
Income taxes payable	5,505	5,456
Advances received	8,439	8,166
Provision for bonuses	2,867	3,330
Provision for loss on unused gift certificate	634	656
Other	43,196	36,320
Total current liabilities	178,310	150,652
Non-current liabilities		
Bonds payable	90,059	90,029
Long-term borrowings	138,164	139,778
Long-term accounts payable - other	442	394
Deferred tax liabilities	9,110	8,924
Deferred tax liabilities for land revaluation	33,047	33,047
Provision for retirement benefits for directors (and other officers)	297	229
Retirement benefit liability	18,360	18,536
Other	25,262	25,133
Total non-current liabilities	314,744	316,074
Total liabilities	493,055	466,726
Net assets		
Shareholders' equity		
Share capital	51,466	51,466
Capital surplus	28,789	28,789
Retained earnings	134,559	147,835
Treasury shares	(21,626)	(21,625)
Total shareholders' equity	193,189	206,465
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,191	7,432
Revaluation reserve for land	36,373	36,376
Foreign currency translation adjustment	(20)	18
Remeasurements of defined benefit plans	(2,597)	(2,446)
Total accumulated other comprehensive income	41,946	41,381
Share acquisition rights	75	110
Non-controlling interests	3,484	3,833
Total net assets	238,695	251,791
Total liabilities and net assets	731,750	718,518

(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, 2018	Six months ended September 30, 2019
Operating revenue	152,846	165,209
Operating expenses		
Operating expenses and cost of sales of transportation	115,666	122,198
Selling, general and administrative expenses	20,165	21,041
Total operating expenses	135,831	143,239
Operating profit	17,014	21,969
Non-operating income		
Interest income	28	27
Dividend income	573	552
Miscellaneous income	462	510
Total non-operating income	1,064	1,091
Non-operating expenses		
Interest expenses	1,219	1,143
Share of loss of entities accounted for using equity method	39	89
Miscellaneous expenses	524	392
Total non-operating expenses	1,782	1,625
Ordinary profit	16,297	21,435
Extraordinary income		
Compensation income	–	1,093
Gain on sales of investment securities	479	816
Subsidies	298	277
Contribution for construction	16	257
Gain on sales of non-current assets	92	10
Other	7	–
Total extraordinary income	894	2,455
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	34	841
Loss on retirement of non-current assets	311	286
Impairment loss	–	38
Loss on disaster	107	–
Total extraordinary losses	453	1,166
Profit before income taxes	16,738	22,724
Income taxes - current	5,392	7,036
Income taxes - deferred	94	153
Total income taxes	5,486	7,189
Profit	11,251	15,534
Profit attributable to non-controlling interests	302	380
Profit attributable to owners of parent	10,949	15,154

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Profit	11,251	15,534
Other comprehensive income		
Valuation difference on available-for-sale securities	34	(762)
Remeasurements of defined benefit plans, net of tax	(15)	150
Share of other comprehensive income of entities accounted for using equity method	(39)	39
Total other comprehensive income	(20)	(571)
Comprehensive income	11,231	14,963
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,931	14,586
Comprehensive income attributable to non- controlling interests	299	376

(3) Quarterly consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Cash flows from operating activities		
Profit before income taxes	16,738	22,724
Depreciation	9,605	10,035
Amortization of intangible assets	200	220
Impairment loss	–	38
Loss on tax purpose reduction entry of non-current assets	34	841
Proceeds from contribution for construction	(16)	(257)
Loss (gain) on sales of investment securities	(479)	(816)
Interest and dividend income	(602)	(580)
Interest expenses	1,219	1,143
Increase (decrease) in retirement benefit liability	3	479
Decrease (increase) in retirement benefit asset	(633)	(112)
Decrease (increase) in trade receivables	11,181	8,252
Decrease (increase) in inventories	(7,666)	(953)
Increase (decrease) in trade payables	(1,552)	(1,613)
Increase (decrease) in accrued consumption taxes	230	2,399
Decrease (increase) in other current assets	(408)	2,000
Increase (decrease) in other current liabilities	(5,518)	(8,704)
Other, net	1,320	797
Subtotal	23,654	35,893
Interest and dividends received	604	580
Interest paid	(1,217)	(1,150)
Income taxes paid	(5,816)	(7,125)
Net cash provided by (used in) operating activities	17,225	28,197
Cash flows from investing activities		
Purchase of non-current assets	(14,894)	(11,076)
Proceeds from sales of non-current assets	92	12
Proceeds from contribution received for construction	253	170
Purchase of investment securities	(2,081)	(2,078)
Proceeds from sales of investment securities	890	1,777
Purchase of shares of subsidiaries and associates	(1,386)	(1,099)
Loan advances	(510)	(655)
Collection of loans receivable	478	603
Other, net	157	(33)
Net cash provided by (used in) investing activities	(17,000)	(12,379)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	966	(7,102)
Net increase (decrease) in short-term bonds payable	7,000	1,000
Proceeds from long-term borrowings	5,203	5,710
Repayments of long-term borrowings	(14,205)	(7,350)
Proceeds from issuance of bonds	9,922	–
Redemption of bonds	(10,022)	(10,022)
Dividends paid	(2,134)	(1,872)
Dividends paid to non-controlling interests	(26)	(25)
Purchase of treasury shares	(11)	(8)
Other, net	(546)	(514)
Net cash provided by (used in) financing activities	(3,854)	(20,187)
Net increase (decrease) in cash and cash equivalents	(3,629)	(4,368)
Cash and cash equivalents at beginning of period	20,300	21,377
Cash and cash equivalents at end of period	16,671	17,009

- (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.