

CONSOLIDATED BALANCE SHEETS

March 31, 2014 and 2015

| | Millions of yen | | Thousands of U.S. dollars (Note 1) |
|---|-----------------|------------|------------------------------------|
| | 2014 | 2015 | 2015 |
| Assets: | | | |
| Current assets: | | | |
| Cash and time deposits | ¥ 30,533 | ¥ 19,466 | \$ 162,138 |
| Notes and accounts receivable | 22,189 | 22,488 | 187,308 |
| Lease receivables and lease investment assets | 1,214 | 1,131 | 9,421 |
| Marketable securities | 10 | — | — |
| Merchandise and finished goods | 10,132 | 9,665 | 80,501 |
| Real estate developments for sale Note 5 (5)(7) | 35,258 | 37,311 | 310,772 |
| Work in process | 625 | 1,311 | 10,914 |
| Raw materials and supplies | 1,848 | 1,913 | 15,930 |
| Deferred tax assets | 5,404 | 5,290 | 44,064 |
| Other | 30,598 | 29,360 | 244,542 |
| Allowance for doubtful accounts | (118) | (91) | (759) |
| Total current assets | 137,693 | 127,844 | 1,064,831 |
| Noncurrent assets: | | | |
| Property and equipment: | | | |
| Buildings and structures, net Note 5 (1)(3)(5)(6) | 474,846 | 474,468 | 3,951,925 |
| Machinery, equipment, rolling stock, and other vehicles, net Note 5 (1)(3)(6) | 50,341 | 48,295 | 402,259 |
| Land Note 5 (3)(5)(6)(7) | 430,619 | 431,906 | 3,597,417 |
| Lease assets, net Note 5 (1) | 1,482 | 1,261 | 10,501 |
| Construction in progress Note 5 (5) | 39,145 | 38,576 | 321,304 |
| Other, net Note 5 (1)(3)(5)(6) | 8,534 | 9,008 | 75,032 |
| Total property and equipment | 1,004,967 | 1,003,514 | 8,358,438 |
| Intangible fixed assets: | | | |
| Goodwill | 53 | 1,205 | 10,038 |
| Lease assets | 159 | 204 | 1,700 |
| Other | 11,780 | 12,683 | 105,639 |
| Total intangible assets | 11,992 | 14,092 | 117,377 |
| Investments and other assets: | | | |
| Investment securities Note 5 (2) | 67,191 | 86,067 | 716,864 |
| Long-term loans receivable | 318 | 359 | 2,991 |
| Deferred tax assets | 5,945 | 6,301 | 52,479 |
| Other | 16,927 | 16,566 | 137,989 |
| Allowance for doubtful accounts | (688) | (894) | (7,447) |
| Total investments and other assets | 89,693 | 108,399 | 902,876 |
| Total noncurrent assets | 1,106,652 | 1,126,005 | 9,378,691 |
| Total assets | ¥1,244,345 | ¥1,253,849 | \$10,443,522 |

| | Millions of yen | | Thousands of U.S. dollars (Note 1) |
|--|-----------------|------------|--|
| | 2014 | 2015 | 2015 |
| Liabilities: | | | |
| Current liabilities: | | | |
| Notes and accounts payable | ¥ 28,245 | ¥ 29,250 | \$ 243,624 |
| Short-term loans Note 5 (3) | 179,752 | 191,228 | 1,592,773 |
| Current portion of long-term corporate bonds | 40,000 | 45,000 | 374,814 |
| Current portion of lease obligations | 1,441 | 1,422 | 11,846 |
| Income taxes payable | 9,932 | 8,431 | 70,224 |
| Advances received | 5,865 | 7,037 | 58,613 |
| Deferred tax liabilities | 0 | 0 | 4 |
| Provision for bonuses | 7,405 | 7,134 | 59,417 |
| Allowance for unredeemed gift certificates and others | 801 | 741 | 6,170 |
| Asset retirement obligation | — | 37 | 306 |
| Other current liabilities Note 5 (3) | 92,379 | 92,114 | 767,234 |
| Total current liabilities | 365,820 | 382,394 | 3,185,025 |
| Long-term liabilities: | | | |
| Long-term bonds | 165,000 | 145,000 | 1,207,728 |
| Long-term loans Note 5 (3) | 246,842 | 228,453 | 1,902,822 |
| Long-term liabilities incurred for purchase of railway transport facilities Note 5 (3) | 120,812 | 110,964 | 924,235 |
| Lease obligations | 1,229 | 956 | 7,964 |
| Deferred tax liabilities | 6,989 | 13,965 | 116,314 |
| Deferred tax liabilities related to land revaluation Note 5 (7) | 1,246 | 1,064 | 8,866 |
| Net defined benefit liabilities | 19,955 | 15,177 | 126,415 |
| Asset retirement obligation | 1,344 | 1,324 | 11,027 |
| Long-term construction contract advances received | 1,815 | 5,572 | 46,411 |
| Other Note 5 (3) | 41,019 | 40,770 | 339,584 |
| Total long-term liabilities | 606,251 | 563,245 | 4,691,366 |
| Reserves under the special laws: | | | |
| Special reserve for expansion of railway transport facilities | 4,700 | — | — |
| Total reserves under the special laws | 4,700 | — | — |
| Total liabilities | 976,771 | 945,639 | 7,876,391 |
| Net assets: | | | |
| Shareholders' equity: | | | |
| Common stock | 60,360 | 60,360 | 502,747 |
| Capital surplus | 58,540 | 58,535 | 487,553 |
| Retained earnings | 129,929 | 151,127 | 1,258,762 |
| Treasury stock, at cost | (10,145) | (10,345) | (86,167) |
| Total shareholders' equity | 238,684 | 259,677 | 2,162,895 |
| Accumulated other comprehensive income: | | | |
| Net unrealized gain on securities, net of taxes | 24,559 | 38,895 | 323,960 |
| Reserve for land revaluation Note 5 (7) | 634 | 578 | 4,815 |
| Remeasurements of defined benefit plans | 352 | 5,382 | 44,831 |
| Total accumulated other comprehensive income | 25,545 | 44,855 | 373,606 |
| Minority interests | 3,345 | 3,678 | 30,630 |
| Total net assets | 267,574 | 308,210 | 2,567,131 |
| Total liabilities and net assets | ¥1,244,345 | ¥1,253,849 | \$10,443,522 |

See accompanying Notes to Consolidated Financial Statements.