

# SELECTED FINANCIAL DATA

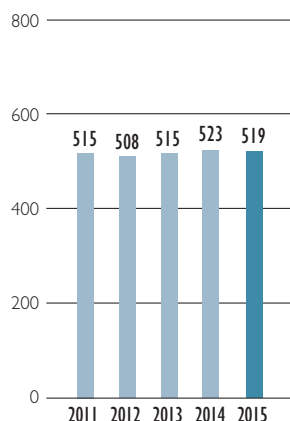
Year ended March 31

Consolidated	Millions of yen				
	2011	2012	2013	2014	2015
<b>Results for the year:</b>					
Revenue from operations	¥ 514,663	¥ 508,332	¥ 515,224	¥ 523,187	¥ 518,715
Operating income	32,729	38,631	44,119	49,377	49,858
Ordinary income	21,672	28,660	36,366	42,062	44,098
Income before income taxes and minority interests	18,774	29,979	30,320	39,003	47,259
Net income	10,423	17,838	19,675	25,049	30,147
Comprehensive income	3,532	19,361	29,692	27,753	50,029
<b>Per share of common stock (in yen):</b>					
Net income—basic	¥ 14.42	¥ 24.71	¥ 27.26	¥ 34.72	¥ 41.80
<b>Year-ended financial position:</b>					
Total assets	¥1,276,437	¥1,311,185	¥1,264,502	¥1,244,345	¥1,253,849
Net assets	207,181	221,604	245,546	267,574	308,210

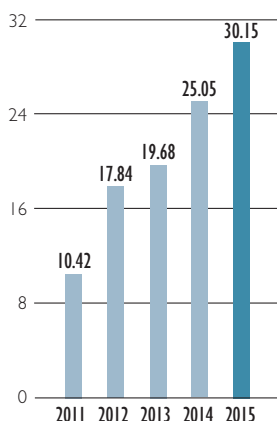
Non-Consolidated	Millions of yen				
	2011	2012	2013	2014	2015
<b>Results for the year:</b>					
Revenue from operations	¥ 154,599	¥ 154,877	¥ 158,467	¥ 163,047	¥ 162,329
Operating income	26,422	31,478	32,860	39,044	38,417
Ordinary income	17,378	22,123	25,391	31,141	32,559
Income before income taxes and minority interests	16,293	25,351	17,828	30,732	36,309
Net income	9,149	14,269	10,763	20,088	22,410
<b>Per share of common stock (in yen):</b>					
Net income—basic	¥ 12.59	¥ 19.66	¥ 14.83	¥ 27.69	¥ 30.91
Cash dividends	6.50	7.00	7.50	8.00	8.50
<b>Year-ended financial position:</b>					
Total assets	¥1,071,321	¥1,117,720	¥1,102,186	¥1,092,399	¥1,092,586
Net assets	192,369	203,282	217,237	233,375	260,496

## CONSOLIDATED DATA

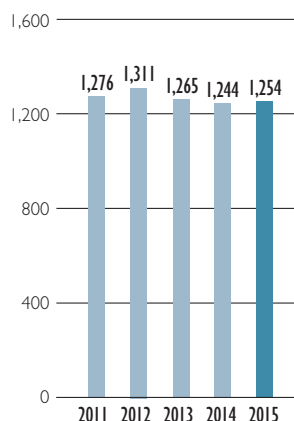
**Revenue from operations**  
(Billions of yen)



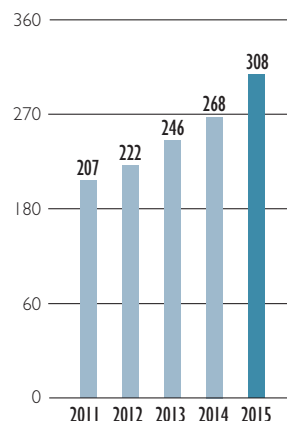
**Net income**  
(Billions of yen)



**Total assets**  
(Billions of yen)



**Net assets**  
(Billions of yen)



# MANAGEMENT'S DISCUSSION AND ANALYSIS

Years ended March 31, 2014 and 2015

## Results of Operations

During the fiscal year ended March 31, 2015, the Japanese economy continued to experience a gradual recovery with signs of improvement in corporate earnings, employment and private income. This occurred despite the lack of a full-fledged recovery in personal consumption reflecting a backlash from the rush demand ahead of the consumption tax hike.

In this operating environment, despite aggressive sales activities carried out in the Group's respective segments, consolidated revenue from operations fell ¥4,472 million (or 0.9%) year-on-year to ¥518,715 million. The result was attributable mainly to a decrease in operating revenue in the Transportation segment, the Merchandising segment, and the Real Estate segment, where the amount of housing sold decreased. However, operating income grew ¥481 million (or 1.0%) to ¥49,858 million reflecting mainly lower expenses in the Transportation segment, and ordinary income rose ¥2,036 million (or 4.8%) to ¥44,098 million due mainly to a decrease in interest expenses. Net income totaled ¥30,147 million, up ¥5,098 million (or 20.4%), due to the absence in this fiscal year of the loss on sale of property and equipment that was recorded in the previous fiscal year.

## Cash Flows

The Odakyu Group undertakes continuous capital expenditures in its railway business and each of its other businesses. These expenditures aim mainly to provide comfortable and speedy railway services and enhance the attractiveness of areas along the Odakyu lines. We also take an active approach to implement appropriate safety measures to prevent accidents. In the fiscal year ended March 31, 2015, capital expenditures including the investment amount in intangible assets amounted to ¥54,612 million, up 16.4% from the previous fiscal year.

Capital expenditures in the Transportation segment totaled ¥31,130 million, which was used primarily for railway operations. To further enhance the safety of train operation, we invested ¥4,533 million, primarily for construction to introduce the new train control system D-ATS-P. We also launched the construction of multiple double tracks between Higashi-Kitazawa and Izumi-Tamagawa stations to maximize the effects of the augmented passenger-carrying capacity. The project was allocated ¥3,991 million, including ¥3,390 million for a Japan Railway Construction, Transport and Technology Agency project.

In the Merchandising segment, the Group invested ¥6,731 million, primarily to renovate existing stores and construct new locations. Major project is the renovation of underground grocery stores (¥4,094 million) at the Machida store of Odakyu Department Store Co., Ltd.

The Real Estate segment spent ¥12,375 million, mainly for the construction of new buildings for lease and refurbishing of existing ones. Major project is the Company's construction of a compound rental complex (¥2,892 million) at Ebina Station.

The Other Businesses segment was allocated ¥4,376 million, primarily for the renovation of the guest rooms and others (¥602 million) at the Odakyu Hotel De Yama operated by Odakyu Resort Co., Ltd.

The Group takes a comprehensive view of the market environment and interest rate changes before selectively determining fundraising methods for capital investment in its railway business.

These include the use of funding schemes from the Development Bank of Japan Inc. as well as the issuance of corporate bonds and borrowing from private-sector financial institutions. For the construction of multiple double tracks currently in progress, the Company utilizes public subsidy programs, such as the Special Reserve for the Expansion of Railway Transport Facilities and the Private Railway Method from the Japan Railway Construction, Transport and Technology Agency.

To boost the efficiency of fundraising across the board, the Group has introduced a cash management system (CMS). When funds are needed over the short term due to cash flow fluctuations, the Group uses its internal CMS funds to the greatest extent possible and also issues commercial paper.

As the Group generates daily revenue, primarily in its railway and merchandising businesses, it is possible to maintain a sufficient level of liquidity. This capital is utilized effectively within the Group thanks to centralized management based on the CMS.

## Financial Position

Total assets at March 31, 2015 stood at ¥1,253,849 million, representing an increase of ¥9,504 million from a year ago. This was attributable mainly to a rise in investment securities reflecting the appreciation in fair value of shares held. Liabilities fell ¥31,132 million, to ¥945,639 million, due mainly to the redemption of corporate bonds.

Net assets including minority interests rose ¥40,636 million from the end of the previous fiscal year, to ¥308,210 million due to growth in retained earnings as a result of posting net income.

## Critical Accounting Policies and Estimates

The Odakyu Group's consolidated financial statements are prepared in conformity with accounting practices generally accepted in Japan. The preparation of these financial statements requires the use of estimates by management, which affects the reported amounts of assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenues and expenses for the period presented. These estimates are based on rational judgments taking the historical results and circumstances into consideration. Because such estimates involve particular uncertainties, the actual results may differ. Critical accounting policies and estimates are included in the following paragraphs. Forward-looking statements contained in this section are based on determinations made by the Group at the date of this report.

### (I) Valuation of Inventories

The Odakyu Group retains a large volume of inventory and has adopted "Accounting Standard for Measurement of Inventories" (Accounting Standards Board of Japan (ASBJ) Statement No. 9 issued on September 26, 2008). Additionally, the Company records land acquired for the construction of multiple double tracks as fixed assets. If it is determined that this land can be used for subdivided housing after completion of the multiple double tracks, the land is reclassified as inventory and the valuation is determined in the same manner as explained above.

## (2) Impairment of Securities

The Odakyu Group holds securities issued by various financial institutions and business partners. The Group records an impairment on marketable securities if their market value declines by 50% or more below their respective carrying value. For securities whose market value has declined by more than 30% but less than 50% below the carrying value, the Group considers the possibility of recovery and records the amount expected to be unrecoverable as an impairment. There is a risk that market prices of these securities could fluctuate and the Group could thus incur a loss on these securities.

## (3) Impairment of Fixed Assets

The Odakyu Group owns numerous fixed assets. The recoverable value of these assets is calculated based on multiple assumptions such as future cash flows, the discount rate, and the residual net sale value. Therefore, changes to any of these assumptions could result in a loss on impairment of fixed assets.

## (4) Deferred Tax Assets

The Odakyu Group recognizes a valuation allowance to reduce deferred tax assets to their highly probable realizable value. Taxable income for future fiscal years is considered in determining the appropriate valuation allowance. However, in the event that the anticipated future taxable income declines or increases due to a change in future business results, it could become necessary to revise the valuation allowance accordingly.

## (5) Retirement Benefit Obligations and Costs

Calculation of obligations and costs arising from retirement benefits is based on actuarial assumptions. These assumptions include the discount rate, retirement ratio, mortality rate, and long-term rate of return on pension plan assets. However, any difference between the actual results and the assumptions or a change in those assumptions could have an impact on the stated obligations and costs arising from retirement benefits.

## Takeover Defense Measures

The Company has adopted a policy regarding mass purchases of the Company's shares (a takeover defense plan), based on the belief that the party which controls the Company's financial and business policy decisions must be one that has a thorough understanding of the Company's financial and business conditions and undertakings as well as the sources of its corporate value as well as an ability to safeguard and enhance the corporate value and common interests of shareholders on a continuing and sustainable basis.

For more details on the plan, please read the press release issued on May 20, 2015 titled "Continuation of Takeover Defense Policy Regarding Mass Purchases of Company Shares (Takeover Defense Plan)," available at <http://www.odakyu.jp/ir/index.html> (in Japanese only).

## Dividend Policy

Internal reserves have been invested in important and growing fields to further improve business performance, and dividends will be provided in a stable and continuous manner, targeting a consolidated dividend payout ratio of 30% based on the principle of distribution of returns in accordance with consolidated operating results.

The Company intends to continue its policy of making two dividend payments each year, at the end of the first half of the fiscal year and at the end of the fiscal year. The dividend from the capital surplus for shareholders during a fiscal year is stipulated in the articles of incorporation, according to which the Company can provide the interim dividend by a resolution of the Board of Directors in addition to the dividend by resolution at the general meeting of shareholders.

Based on this policy, the Company paid a year-end dividend of ¥4.5 per share for the year ended March 31, 2015, and an interim dividend of ¥4.0, resulting in an annual payout of ¥8.5.

## Business and Other Risks

A risk management structure for the entire Odakyu Group has been in place based on the Odakyu Group Risk Management Policy. Risks with potentially material impact on corporate management are referred to the Group, which in turn conducts further reviews and creates and undertakes measures to circumvent such risks. The following risks have been identified by the Group as major risk factors that could significantly impact the investment decisions of investors.

Forward-looking statements contained below are based on the information available to the Odakyu Group at the time of submission of this report. Please note that the following does not cover all the risks with potential impact on the Group.

### (I) Disasters

#### (a) Large-Scale Earthquake and Tsunami

The Odakyu Group's businesses are concentrated in Tokyo and Kanagawa prefectures primarily along the Odakyu lines. In the event of a large-scale earthquake or other natural calamities causing direct damages of its premises and equipment as well as indirect damages such as constraints to business activities due to electric power shortage and lower revenues due to a downturn in consumer confidence, the Group's business results could be adversely affected. It should be noted that a part of the geographical territory where the Group operates is located in the zone designated as an area requiring the implementation of enhanced earthquake preparatory measures with respect to the Tokai region.

#### (b) Natural Disasters

The Odakyu Group has implemented a range of measures to anticipate potential natural disasters, such as torrential rains and windstorms. However, in the event of a large-scale natural disaster that causes direct damage to the Group's personnel, premises and equipment or leads to an increase in costs due to the restoration of damaged premises and equipment, as well as reduces the earnings reflecting mainly a drop in consumer confidence due to the probability of the occurrence, the Group's results of operations and financial conditions could be adversely affected.

#### (c) Outbreaks of Infectious Diseases

The Group has managed a large number of facilities for customers of its railway, bus and commercial institutions. If a massive infectious disease epidemic such as swine influenza should occur in the Group's business area, it would be feared that this causes customers to refrain from utilizing its facilities, or even result in its operations being unable to continue, particularly its railway operations. Such a

situation may have an impact on the Group's results of operations and financial conditions.

## **(2) Accidents**

### **(a) Occurrence of Accidents**

The Odakyu Group has put in place a number of measures to ensure the safety of its transport services and food items, and to prevent fire in its buildings and other facilities. However, in the event of a large-scale accident or a fire caused by human error, malfunctioning of equipment or an act of terrorism, these could result in human damage and disruption of the Group's operations, as well as expenses incurred to compensate for damages to victims and to reconstruct damaged buildings and facilities, and these could reduce customers' trust in the Group and impair the Group's image in society. Such a situation may have an impact on the Group's results of operations and financial conditions.

### **(b) Defects/Flaws in the Group's Assets and Merchandise**

If a defect or flaw is discovered in assets held by the Group, or if it is found that these assets have the potential to cause an adverse effect on human health or the surrounding environment, the Group may incur expenses to rectify the situation, restore conditions to their original status or compensate for damage. If a defect or flaw is discovered in a product sold by the Group, expenses incurred to rectify the situation or compensate for damage, as well as reduced trust in the Group, may adversely affect financial conditions.

### **(c) Disruption of Information Systems**

The Group relies heavily on information systems, such as computer systems and communication networks, in its operations. As such, the Group has undertaken necessary measures to ensure the steady operation of the systems and networks that are critical for its operations. However, in the event of a major disruption of its information systems due to a computer virus or other acts of third-party sabotage, a natural disaster or a human error may have an adverse effect on the financial conditions.

## **(3) Corporate Social Responsibility**

### **(a) Compliance**

The Odakyu Group defines compliance as a system of thought and initiatives to comply with rules, including laws and regulations, internal rules and social conventions and to carry out business activities with integrity, and the Group promotes such compliance. However, in the event of an act in violation of compliance that undermines social trust in the Group, the resulting social sanctions may have an adverse effect on the Group's results of operations and financial conditions.

### **(b) Management of Personal Information**

The Group operates credit card business and holds customer-related and other personal information in conjunction with the credit card and other operations. Although stringent control over personal information is in place, any improper disclosure of personal information for whatever reason could result in compensation claims and tarnish its reputation with potential impact on the Group's operating results.

### **(c) Disclosure**

The Odakyu Group has undertaken appropriate disclosure on a timely basis by bolstering and conducting internal control in accordance with the characteristics of its respective operations. However, in the event of an inappropriate disclosure due to human errors or other reasons, the resulting decline in customers' trust and the damage to the Group's image in society could adversely affect the Group's results of operations and financial conditions.

## **(4) Business Environment**

### **(a) Securing of Human Resources**

Many of the Odakyu Group's operations are labor intensive, and it is vital for the Group to secure capable human resources for its workforce. As such, the Group seeks to secure and nurture qualified human resources and ensure that its working environment is a healthy and worker-friendly one. However, in the event of a failure to realize these goals, the Group's results of operations and financial conditions could be adversely affected.

### **(b) Legal Restrictions**

The Group's operations are subject to various laws and ordinances, including the Railway Business Act, the Road Transportation Act, the Act on the Measures by Large-Scale Retail Stores for Preservation of Living Environment and the Construction Standards Act, and regulations including the Emission Standards, among others. A change in these laws, ordinances and regulations in general or changes applicable to Tokyo and Kanagawa prefectures in particular could affect the Group's results of operations and financial conditions.

The Group's railway operations are governed by fare restrictions described below.

A railway business operator is required by law to obtain approval of the Minister of Land, Infrastructure, Transport and Tourism when it wishes to set forth or change the upper limits of its passenger fares (Article 16, Section 1 of the Railway Business Act).

A railway business operator may set forth or change passenger fares within such approved upper limits or add-on charges for express trains and others, provided that advance filing is made to the said Minister (Article 16, Sections 3 and 4 of the Railway Business Act).

### **(c) Interest Rate Fluctuations**

The Group undertakes continuous capital investments centered on its railway business, which are largely funded by debt financing and the issuance of corporate bonds. Interest rate fluctuations and changes in the Company's ratings could affect the financial conditions of the Company.

### **(d) Significant Litigation**

No significant lawsuit is pending against the Company. An administrative lawsuit is pending in connection with the Company's multiple double tracks project. It is an administrative lawsuit with the Kanto Regional Development Bureau Chief as the defendant, in which the annulment of the approval given to the urban planning project for the segment between Yoyogi-Uehara and Umegaoka stations is sought.

# CONSOLIDATED BALANCE SHEETS

March 31, 2014 and 2015

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2015	2015
<b>Assets:</b>			
<b>Current assets:</b>			
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 <a href="#">Note 5 (5)(7)</a>	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
<b>Noncurrent assets:</b>			
<b>Property and equipment:</b>			
Buildings and structures, net <a href="#">Note 5 (1)(3)(5)(6)</a>	474,846	474,468	3,951,925
Machinery, equipment, rolling stock, and other vehicles, net <a href="#">Note 5 (1)(3)(6)</a>	50,341	48,295	402,259
Land <a href="#">Note 5 (3)(5)(6)(7)</a>	430,619	431,906	3,597,417
Lease assets, net <a href="#">Note 5 (1)</a>	1,482	1,261	10,501
Construction in progress <a href="#">Note 5 (5)</a>	39,145	38,576	321,304
Other, net <a href="#">Note 5 (1)(3)(5)(6)</a>	8,534	9,008	75,032
Total property and equipment	1,004,967	1,003,514	8,358,438
<b>Intangible fixed assets:</b>			
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
<b>Investments and other assets:</b>			
Investment securities <a href="#">Note 5 (2)</a>	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
<b>Total assets</b>	¥1,244,345	¥1,253,849	\$10,443,522



	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2015	2015
<b>Liabilities:</b>			
<b>Current liabilities:</b>			
Notes and accounts payable	¥ 28,245	¥ 29,250	\$ 243,624
Short-term loans <a href="#">Note 5 (3)</a>	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 <a href="#">Note 5 (3)</a>	92,379	92,114	767,234
Total current liabilities	365,820	382,394	3,185,025
<b>Long-term liabilities:</b>			
Long-term bonds	165,000	145,000	1,207,728
Long-term loans <a href="#">Note 5 (3)</a>	246,842	228,453	1,902,822
Long-term liabilities incurred for purchase of railway transport facilities <a href="#">Note 5 (3)</a>	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 <a href="#">Note 5 (7)</a>	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 <a href="#">Note 5 (3)</a>	41,019	40,770	339,584
Total long-term liabilities	606,251	563,245	4,691,366
<b>Reserves under the special laws:</b>			
Special reserve for expansion of railway transport facilities	4,700	—	—
Total reserves under the special laws	4,700	—	—
<b>Total liabilities</b>	976,771	945,639	7,876,391
<b>Net assets:</b>			
<b>Shareholders' equity:</b>			
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
<b>Accumulated other comprehensive income:</b>			
Net unrealized gain on securities, net of taxes	24,559	38,895	323,960
Reserve for land revaluation <a href="#">Note 5 (7)</a>	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
<b>Minority interests</b>	3,345	3,678	30,630
<b>Total net assets</b>	267,574	308,210	2,567,131
<b>Total liabilities and net assets</b>	¥1,244,345	¥1,253,849	\$10,443,522

See accompanying Notes to Consolidated Financial Statements.

# CONSOLIDATED STATEMENTS OF INCOME

For the years ended March 31, 2014 and 2015

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2015	2015
<b>Revenue from operations</b>	¥523,187	<b>¥518,715</b>	<b>\$4,320,466</b>
<b>Operating expenses:</b>			
Operating expenses and cost of sales of transportation <a href="#">Note 6 (1)(2)</a>	392,086	<b>386,253</b>	<b>3,217,167</b>
Selling, general and administrative expenses <a href="#">Note 6 (1)(3)</a>	81,724	<b>82,604</b>	<b>688,022</b>
Total operating expenses	473,810	<b>468,857</b>	<b>3,905,189</b>
<b>Operating income</b>	49,377	<b>49,858</b>	<b>415,277</b>
<b>Non-operating income:</b>			
Interest income	22	<b>26</b>	<b>213</b>
Dividends income	1,180	<b>1,277</b>	<b>10,636</b>
Equity in earnings of affiliates	882	<b>1,064</b>	<b>8,865</b>
Miscellaneous income	2,107	<b>2,143</b>	<b>17,847</b>
Total non-operating income	4,191	<b>4,510</b>	<b>37,561</b>
<b>Non-operating expenses:</b>			
Interest expenses	9,343	<b>8,358</b>	<b>69,614</b>
Miscellaneous expenses	2,163	<b>1,912</b>	<b>15,924</b>
Total non-operating expenses	11,506	<b>10,270</b>	<b>85,538</b>
<b>Ordinary income</b>	42,062	<b>44,098</b>	<b>367,300</b>
<b>Extraordinary income:</b>			
Gain on sale of property and equipment <a href="#">Note 6 (4)</a>	382	<b>310</b>	<b>2,582</b>
Construction costs allotted to and received from others	3,785	<b>2,881</b>	<b>23,998</b>
Reversal of special reserve for expansion of railway transport facilities	4,700	<b>4,700</b>	<b>39,147</b>
Gain on sales of subsidiaries and affiliates' stocks	—	<b>1,150</b>	<b>9,579</b>
Other	351	<b>409</b>	<b>3,400</b>
Total extraordinary income	9,218	<b>9,450</b>	<b>78,706</b>
<b>Extraordinary losses:</b>			
Loss on sale of property and equipment <a href="#">Note 6 (5)</a>	5,208	<b>586</b>	<b>4,884</b>
Loss on deduction of property and equipment	3,785	<b>2,600</b>	<b>21,657</b>
Loss on disposal of property and equipment	2,343	<b>1,916</b>	<b>15,959</b>
Loss on impairment of fixed assets <a href="#">Note 6 (6)</a>	846	<b>844</b>	<b>7,034</b>
Other	95	<b>343</b>	<b>2,847</b>
Total extraordinary losses	12,277	<b>6,289</b>	<b>52,381</b>
<b>Income before income taxes and minority interests</b>	39,003	<b>47,259</b>	<b>393,625</b>
<b>Income taxes:</b>			
Current income taxes	15,434	<b>15,276</b>	<b>127,230</b>
Deferred income taxes	(1,796)	<b>1,448</b>	<b>12,062</b>
Total income taxes	13,638	<b>16,724</b>	<b>139,292</b>
<b>Income before minority interests</b>	25,365	<b>30,535</b>	<b>254,333</b>
<b>Minority interests in income of consolidated subsidiaries</b>	316	<b>388</b>	<b>3,231</b>
<b>Net income</b>	¥ 25,049	<b>¥ 30,147</b>	<b>\$ 251,102</b>

See accompanying Notes to Consolidated Financial Statements.

# CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended March 31, 2014 and 2015

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2015	2015
<b>Income before minority interests</b>	¥25,365	<b>¥30,535</b>	<b>\$254,333</b>
<b>Other comprehensive income:</b>			
Unrealized gain (loss) on securities	2,418	<b>14,021</b>	<b>116,785</b>
Reversal of reserve for land revaluation	—	<b>96</b>	<b>799</b>
Remeasurements of defined benefit plans	—	<b>5,022</b>	<b>41,831</b>
Share of other comprehensive income (loss) of associates accounted for using equity method	(30)	<b>355</b>	<b>2,951</b>
Total other comprehensive income <a href="#">Note 7</a>	2,388	<b>19,494</b>	<b>162,366</b>
<b>Comprehensive income</b>	¥27,753	<b>¥50,029</b>	<b>\$416,699</b>
<b>Comprehensive income attributable to:</b>			
<b>Owners of the parent</b>	¥27,435	<b>¥49,609</b>	<b>\$413,204</b>
<b>Minority interests</b>	318	<b>420</b>	<b>3,495</b>

See accompanying Notes to Consolidated Financial Statements.



# CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

For the years ended March 31, 2014 and 2015

	Millions of yen				
	2014				
	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
<b>Balance as of April 1, 2013</b>	¥60,360	¥58,549	¥111,935	¥ (9,904)	¥220,940
Cumulative effect of changes in accounting policies					—
<b>Balance as of April 1, 2013, as restated</b>	60,360	58,549	111,935	(9,904)	220,940
Changes during the year:					
Cash dividends			(5,802)		(5,802)
Net income			25,049		25,049
Reversal of reserve for land revaluation			(1,253)		(1,253)
Repurchases of treasury stock				(250)	(250)
Disposition of treasury stock		(9)		9	0
Net changes in items other than shareholders' equity during the year					
Total changes during the year	—	(9)	17,994	(241)	17,744
<b>Balance as of March 31, 2014</b>	¥60,360	¥58,540	¥129,929	¥(10,145)	¥238,684

	Millions of yen					
	2014					
	Accumulated other comprehensive income					
	Common stock	Net unrealized gain on securities, net of taxes	Reserve for land revaluation	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Minority interests
<b>Balance as of April 1, 2013</b>	¥22,173	¥(619)	¥ —	¥21,554	¥3,052	¥245,546
Cumulative effect of changes in accounting policies						—
<b>Balance as of April 1, 2013, as restated</b>	22,173	(619)	—	21,554	3,052	245,546
Changes during the year:						
Cash dividends						(5,802)
Net income						25,049
Reversal of reserve for land revaluation						(1,253)
Repurchases of treasury stock						(250)
Disposition of treasury stock						0
Net changes in items other than shareholders' equity during the year	2,386	1,253	352	3,991	293	4,284
Total changes during the year	2,386	1,253	352	3,991	293	22,028
<b>Balance as of March 31, 2014</b>	¥24,559	¥ 634	¥352	¥25,545	¥3,345	¥267,574

	Millions of yen				
	2015				
	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
<b>Balance as of April 1, 2014</b>	¥60,360	¥58,540	¥129,929	¥(10,145)	¥238,684
Cumulative effect of changes in accounting policies			(3,300)		(3,300)
<b>Balance as of April 1, 2014, as restated</b>	60,360	58,540	126,629	(10,145)	235,384
Changes during the year:					
Cash dividends			(5,801)		(5,801)
Net income			30,147		30,147
Reversal of reserve for land revaluation			152		152
Repurchases of treasury stock				(202)	(202)
Disposition of treasury stock		(5)		2	(3)
Net changes in items other than shareholders' equity during the year					
Total changes during the year	—	(5)	24,498	(200)	24,293
<b>Balance as of March 31, 2015</b>	¥60,360	¥58,535	¥151,127	¥(10,345)	¥259,677

	Millions of yen					
	2015					
	Accumulated other comprehensive income					
	Common stock	Net unrealized gain on securities, net of taxes	Reserve for land revaluation	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Minority interests
<b>Balance as of April 1, 2014</b>	¥24,559	¥ 634	¥ 352	¥25,545	¥3,345	¥267,574
Cumulative effect of changes in accounting policies					(54)	(3,354)
<b>Balance as of April 1, 2014, as restated</b>	24,559	634	352	25,545	3,291	264,220
Changes during the year:						
Cash dividends						(5,801)
Net income						30,147
Reversal of reserve for land revaluation						152
Repurchases of treasury stock						(202)
Disposition of treasury stock						(3)
Net changes in items other than shareholders' equity during the year	14,336	(56)	5,030	19,310	387	19,697
Total changes during the year	14,336	(56)	5,030	19,310	387	43,990
<b>Balance as of March 31, 2015</b>	¥38,895	¥ 578	¥5,382	¥44,855	¥3,678	¥308,210

Thousands of U.S. dollars (Note 1)

2015

## Shareholders' equity

	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
<b>Balance as of April 1, 2014</b>	<b>\$502,747</b>	<b>\$487,590</b>	<b>\$1,082,202</b>	<b>\$(84,501)</b>	<b>\$1,988,038</b>
Cumulative effect of changes in accounting policies			(27,489)		(27,489)
<b>Balance as of April 1, 2014, as restated</b>	<b>502,747</b>	<b>487,590</b>	<b>1,054,713</b>	<b>(84,501)</b>	<b>1,960,549</b>
Changes during the year:					
Cash dividends			(48,315)		(48,315)
Net income			251,102		251,102
Reversal of reserve for land revaluation			1,262		1,262
Repurchases of treasury stock				(1,684)	(1,684)
Disposition of treasury stock		(37)		18	(19)
Net changes in items other than shareholders' equity during the year					
Total changes during the year	—	(37)	204,049	(1,666)	202,346
<b>Balance as of March 31, 2015</b>	<b>\$502,747</b>	<b>\$487,553</b>	<b>\$1,258,762</b>	<b>\$(86,167)</b>	<b>\$2,162,895</b>

Thousands of U.S. dollars (Note 1)

2015

## Accumulated other comprehensive income

	Net unrealized gain on securities, net of taxes	Reserve for land revaluation	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Minority interests	Total net assets
<b>Balance as of April 1, 2014</b>	<b>\$204,559</b>	<b>\$5,278</b>	<b>\$ 2,930</b>	<b>\$212,767</b>	<b>\$27,863</b>	<b>\$2,228,668</b>
Cumulative effect of changes in accounting policies					(455)	(27,944)
<b>Balance as of April 1, 2014, as restated</b>	<b>204,559</b>	<b>5,278</b>	<b>2,930</b>	<b>212,767</b>	<b>27,408</b>	<b>2,200,724</b>
Changes during the year:						
Cash dividends						(48,315)
Net income						251,102
Reversal of reserve for land revaluation						1,262
Repurchases of treasury stock						(1,684)
Disposition of treasury stock						(19)
Net changes in items other than shareholders' equity during the year	119,401	(463)	41,901	160,839	3,222	164,061
Total changes during the year	119,401	(463)	41,901	160,839	3,222	366,407
<b>Balance as of March 31, 2015</b>	<b>\$323,960</b>	<b>\$4,815</b>	<b>\$44,831</b>	<b>\$373,606</b>	<b>\$30,630</b>	<b>\$2,567,131</b>

See accompanying Notes to Consolidated Financial Statements.

# CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended March 31, 2014 and 2015

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2015	2015
<b>Cash flows from operating activities:</b>			
Income before income taxes and minority interests	¥ 39,003	¥ 47,259	\$ 393,625
Depreciation and amortization	48,652	46,692	388,902
Loss on impairment of fixed assets	845	844	7,034
Amortization of goodwill	48	54	452
Increase (decrease) in provision for bonuses	116	(271)	(2,260)
Increase (decrease) in net defined benefit liabilities	(1,805)	(2,828)	(23,558)
Increase (decrease) in allowance for doubtful accounts	(126)	179	1,493
Increase (decrease) in allowance for unredeemed gift certificates and others	2	(60)	(502)
Interest and dividends income	(1,202)	(1,302)	(10,849)
Interest expenses	9,343	8,358	69,614
Equity in losses (earnings) of affiliates	(882)	(1,064)	(8,866)
Construction costs allotted to and received from others	(3,785)	(2,881)	(23,998)
Increase (decrease) in special reserve for expansion of railway transport facilities	(4,700)	(4,700)	(39,147)
Loss (gain) on sales of stocks of subsidiaries and affiliates	—	(1,150)	(9,579)
Loss (gain) on sale of property and equipment, net	4,826	276	2,302
Loss on deduction of carrying amounts of property and equipment	3,785	2,600	21,657
Loss on disposal of property and equipment	1,941	1,924	16,025
Loss (gain) on valuation of investment securities	17	27	228
Loss on valuation of inventories	267	177	1,478
Decrease (increase) in trade receivables	(1,966)	(112)	(937)
Decrease (increase) in inventories	(1,396)	(1,873)	(15,602)
Increase (decrease) in accounts payables	595	1,071	8,918
Other	3,515	1,136	9,475
Subtotal	97,093	94,356	785,905
Interest and dividends received	1,342	1,442	12,011
Interest paid	(9,500)	(8,430)	(70,217)
Income taxes paid	(15,297)	(16,241)	(135,276)
Net cash provided by (used in) operating activities	73,638	71,127	592,423
<b>Cash flows from investing activities:</b>			
Purchase of investment securities	(33)	(1,919)	(15,981)
Proceeds from sales of investment securities	13	4,385	36,524
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	(1,408)	(11,730)
Acquisition of property and equipment	(49,667)	(55,821)	(464,941)
Proceeds from sales of property and equipment	15,766	987	8,221
Decrease (increase) in short-term loans receivable	(29)	30	250
Payments of long-term loans receivable	(3)	(61)	(507)
Collection of long-term loans receivable	33	18	149
Proceeds from advances received for contract consignment	7,190	6,870	57,223
Proceeds from long-term advances received	1,815	3,757	31,292
Other	1,865	(33)	(277)
Net cash provided by (used in) investing activities	(23,050)	(43,195)	(359,777)
<b>Cash flows from financing activities:</b>			
Net decrease in short-term loans	(1,814)	129	1,075
Proceeds from long-term loans	33,467	13,088	109,012
Repayments of long-term loans	(34,862)	(20,400)	(169,913)
Proceeds from issuance of bonds	40,000	25,000	208,229
Redemption of bonds	(70,000)	(40,000)	(333,167)
Redemption of accounts payable to Japan Railway Construction, Transport and Technology Agency	(10,345)	(10,566)	(88,008)
Cash dividends paid	(5,782)	(5,786)	(48,193)
Acquisition of treasury stock	(244)	(191)	(1,592)
Other	(473)	(272)	(2,263)
Net cash provided by (used in) financing activities	(50,053)	(38,998)	(324,820)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	0	0	0
<b>Net increase (decrease) in cash and cash equivalents</b>	535	(11,066)	(92,174)
<b>Cash and cash equivalents at beginning of the year</b>	29,861	30,438	253,524
<b>Increase in cash and cash equivalents resulting from merger</b>	42	—	—
<b>Cash and cash equivalents at end of the year Note 9</b>	¥ 30,438	¥ 19,372	\$ 161,350

See accompanying Notes to Consolidated Financial Statements.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2014 and 2015

## NOTE 1 | FRAMEWORK FOR PREPARING THE CONSOLIDATED STATEMENTS

### (1) Basis of presentation

The accompanying consolidated financial statements of Odakyu Electric Railway Co., Ltd. (the "Company") and consolidated subsidiaries (together, the "Group") are prepared on the basis of accounting principles generally accepted in Japan, which differ in certain respects as to the application and disclosure requirements of International Financial Reporting Standards, and have been compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Act of Japan.

### (2) U.S. dollar amounts

The Company and its domestic consolidated subsidiaries and affiliates maintain their books of account and other records in yen. The U.S. dollar amounts are included solely for convenience and are stated as a matter of arithmetical computation only at U.S.\$1.00=¥120.06, the approximate exchange rate prevailing on March 31, 2015. This translation should not be construed as a representation that the yen amounts actually represent, or have been, or could be, converted into U.S. dollars at the above or any other rate.

## NOTE 2 | BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

### (1) Scope of consolidation

(a) Number of consolidated subsidiaries: 44

Primary consolidated subsidiaries include Odakyu Department Store Co., Ltd., Odakyu Shoji Co., Ltd. and Odakyu Real Estate Co., Ltd.

UDS Co., Ltd. has been included in the scope of consolidation in the fiscal year ended March 31, 2015 due to acquisition of shares on February 27, 2015.

(b) Name of major non-consolidated subsidiaries

Fuji Oyama Golf Club Co., Ltd.

The non-consolidated subsidiaries are all small in scale and not material when measured by the impact of total amounts of assets, net sales, net income, and retained earnings (based on the Company's ownership percentage) of these companies in the consolidated financial statements. They have therefore been excluded from the scope of consolidation.

### (2) Application of the equity method

(a) Number of non-consolidated subsidiaries accounted for under the equity method: 1

Kanagawa Chuo Kotsu Co., Ltd.

(b) Oyama Kanko Dentetsu Co., Ltd. and other non-consolidated subsidiaries and other affiliated company have not been accounted for under the equity method because the impact of these companies on consolidated net income and retained earnings is not material.

### (3) Fiscal year-end of consolidated subsidiaries

The fiscal year-end of six consolidated subsidiaries differs from that of the Company. The fiscal year-end of UDS Co., Ltd. is the end of December, and that of Odakyu Department Store Co., Ltd., Odakyu Shoji Co., Ltd., Odakyu Shokuhin Co., Ltd., Hokuo Tokyo Co., Ltd. and Odakyu Department Service Co., Ltd. is the end of February. The financial statements of these subsidiaries have been consolidated with appropriate adjustments for the intervening transactions and events between the end of the fiscal years of these subsidiaries and the end of the consolidated fiscal year.

### (4) Summary of significant account policies

(a) Valuation standards and methods for significant assets

(I) Securities

① Held-to-maturity debt securities

Held-to-maturity debt securities are stated at amortized cost (straight-line method).

② Other securities

Marketable available-for-sale securities

Marketable available-for-sale securities are stated at market value based on market prices, etc. (unrealized valuation gains or losses are calculated by directly charged or credited method to net assets, while the cost of securities sold is calculated by the moving average method).

Non-marketable available-for-sale securities

Non-marketable available-for-sale securities are stated at cost using moving average method.

The Company records investments in limited liability investment partnerships, which are deemed "investments securities" under the provisions set forth in Article 2-2 of the Financial Instruments and Exchange Act of Japan, at the amount equivalent to its own percentage in the assets of such partnerships, based on the most recent financial statements available depending on the report date stipulated in the partnership agreement.

(II) Inventories

Inventories are stated at cost using (the balance-sheet value is calculated reflecting the write-down due to a decline in profitability).

Real estate development for sale,

work in progress.....The identified cost method

Other inventories.....Principally, the retail cost method

(b) Depreciation and amortization methods for significant depreciable assets

(I) Property and equipment (excluding lease assets)

Property and equipment is stated generally at cost. Depreciation

is calculated primarily by the declining-balance method except for buildings (excluding ancillary facilities) for which depreciation is calculated principally based on the straight-line method.

Principle useful lives of depreciable assets are as follows:

Buildings and structures.....	3 to 60 years
Machinery, equipment, rolling stock, and other vehicles.....	3 to 17 years

## (II) Intangible fixed assets (excluding lease assets)

Intangible assets are amortized by the straight-line method.

Software for internal use is amortized by the straight-line method over their estimated internal useful lives (five years for the cost of software).

## (III) Lease assets

Lease assets pertaining to finance lease transactions other than those where leases are deemed to transfer ownership of leased property to the lessee are valued by the straight-line method with the zero residual value over the term of the lease, which is deemed the useful life.

## (c) Accounting standards for significant allowances and provisions

### (I) Allowance for doubtful accounts

An allowance for doubtful accounts is provided based on the Company's and its consolidated subsidiaries' historical experience with respect to write-offs and based on an estimate of the amount of specific uncollectible accounts.

### (II) Provision for bonuses

The Company provides for allowance for bonus based on the estimated amount of the payment for employees.

### (III) Allowance for unredeemed gift certificates and others

The Company books expected use of unredeemed gift certificates and travel coupons, etc., to an allowance for unredeemed gift certificates and coupons, etc.

## (d) Reserves under the special laws (special reserve for expansion of railway transport facilities)

Under Article 8 of the Special Measures Law for the Expansion of Railway Transport Facilities, the Company is required to provide a special reserve for certain railway construction projects authorized by the Ministry of Land, Infrastructure and Transport.

## (e) Method of railway business construction fund

The Group receives a portion of the construction costs applicable to work undertaken to elevate railway lines and crossings and for the improvement of grade crossings in the form of a construction fund provided by local and other public authorities.

Upon completion of construction, an amount equivalent to the construction fund is recorded as a deduction from the acquisition costs of the property and equipment purchased.

In addition, the construction fund portion received is recorded in extraordinary income as "gain on railway business construction fund" in the consolidated statements of income. The corresponding amount recorded as a deduction from the acquisition costs of property and equipment purchased is posted to extraordinary losses in the accompanying consolidated statements of income.

## (f) Method of accounting for retirement benefits

### (I) Attribution of estimated retirement benefits

To calculate benefit liabilities, the estimated amount of retirement benefits is attributed to the consolidated fiscal year based on the straight-line attribution method.

### (II) Treatment of unrecognized actuarial differences and past service costs

Past service costs are posted in expenses based on the straight-line method for a fixed period of years (10 years) within the average remaining service years of employees when costs accrue from their service.

Actuarial differences are posted in expenses after the consolidated fiscal year following their accruals based on the declining-balance method for a fixed period of years (10 years) within the average remaining service years of employees.

## (g) Accounting standards for revenue and expenses

### (I) Finance lease revenue

Finance lease revenue and related expenses of revenue are recorded when the lease payment is received.

### (II) Completed construction

With regard to the accounting standard for construction revenue and construction costs, the percentage-of-completion method (the rate of completion of a construction project is estimated using the cost-comparison method) is applied to a construction work if the outcome of the construction activity is deemed certain for the progress made by the end of the year otherwise the completed-contract method is applied.

## (h) Principal methods of hedge accounting

### (I) Method of hedge accounting

Hedging activities are principally accounted for under the deferral hedge accounting. Exceptional accounting is applied for interest-rate swaps that meet their respective requirements.

### (II) Hedging instruments and hedged items

- ① Hedging instruments: Interest-rate swap agreements
- ② Hedged items: Interest expense on borrowings

### (III) Hedge policy

The derivative transactions are executed in accordance with the resolution of the Fund Handling Department upon receiving approval from the individual responsible for settlements.

(IV) Method for evaluation of hedge effectiveness

The Company evaluates hedge effectiveness by comparing the cumulative changes in cash flows or changes in the fair value of the hedged items, and the cumulative changes in cash flows or the changes in fair value of hedging instruments during the period from commencement of hedging to the point of evaluating effectiveness, based on changes in both amount and others. As for interest-rate swap agreements meeting the requirement for certain hedging criteria, the evaluation of hedge effectiveness is omitted as changes in the cash flow from fluctuation in interest rates are expected to be completely offset.

(i) Method and term of amortization of goodwill

Goodwill is amortized over period of five years on a straight-line basis.

(j) Scope of cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents consist of cash on hand, demand deposits, and short-term, highly liquid investments with maturities of three months and minimal risk of change in value.

(k) Other basic significant matters for preparation of consolidated financial statements

(I) Accounting for consumption taxes

Accounting for consumption tax is based on the tax exclusion method.

(II) Method of including interest expenses in acquisition cost  
Interest expenses related to certain long-term and large-scale real estate development for sale are included in acquisition cost. There are no transactions to be applied in the fiscal year ended March 31, 2015.

## NOTE 3 | CHANGES IN ACCOUNTING POLICIES

### Application of Accounting Standard for Retirement Benefits

The Company and its consolidated domestic subsidiaries adopted Section 35 of "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26 of May 17, 2012) and the main clause of Section 67 of "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25 of March 26, 2015) effective from April 1, 2014. As a result, the methods for calculating the retirement benefit obligation and service cost have been revised in the following respects, the method for attributing projected benefits to each period has been changed from the straight-line method to the benefit formula method, and the method for determining the discount rate has been changed to use a single weighted-average discount rate reflecting the expected timing and amount of benefit payments.

The cumulative effect of changing the method for calculating the retirement benefit obligation and service cost was recognized by adjusting retained earnings at April 1, 2014, in accordance with the transitional treatment provided in Paragraph 37 of Accounting Standard for Retirement Benefits

As a result, the liabilities for retirement benefits increased by ¥5,058 million and retained earnings decreased by ¥3,300 million at April 1, 2014. The effect of this change on operating income, ordinary income and income before minority interests is immaterial, and net assets per share at March 31, 2015 decreased by ¥4.36.

## NOTE 4 | CHANGES IN PRESENTATION METHODS

### Consolidated Statements of Income

"Loss on impairment of fixed assets," which was included in "Other" under "Extraordinary losses" in the previous consolidated fiscal year, became more than 10% of the total amount of "Extraordinary losses" and thus is presented as a separate line item under "Extraordinary losses" from the year ended March 31, 2015.

Figures for the year ended March 31, 2014 are reclassified to reflect this change in presentation method.

As a result, ¥941 million presented in "Other" under "Extraordinary losses" has been restated as entries of ¥846 million in "Loss on impairment of fixed assets" and ¥95 million in "Other."



## NOTE 5 | CONSOLIDATED BALANCE SHEETS

### (1) Accumulated depreciation and amortization of property and equipment is as follows:

Millions of yen		Thousands of U.S. dollars
2014	2015	2015
¥785,908	¥813,472	\$6,775,549

### (2) Investment securities relating to non-consolidated subsidiaries and affiliates are as follows:

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Investment securities (shares of stock)	¥8,180	¥9,806	\$81,678

### (3) Pledged Assets as collateral are as follows:

	Millions of yen				Thousands of U.S. dollars	
	2014		2015		2015	
Buildings and structures	¥290,039	[¥281,149]	¥289,202	[¥280,553]	\$2,408,815	[\$2,336,774]
Machinery, equipment, rolling stock, and other vehicles	43,122	[43,108]	40,637	[40,626]	338,471	[338,383]
Land	220,754	[187,904]	220,613	[187,763]	1,837,523	[1,563,906]
Other in property and equipment	2,479	[2,422]	2,718	[2,628]	22,637	[21,894]
Total	¥556,394	[¥514,583]	¥553,170	[¥511,570]	\$4,607,446	[\$4,260,957]

Secured liabilities relating to the pledged assets as collateral above are as follows:

	Millions of yen				Thousands of U.S. dollars	
	2014		2015		2015	
Long-term loans (including current portion of long-term debts)	¥127,182	[¥123,325]	¥120,629	[¥117,792]	\$1,004,738	[\$ 981,109]
Long-term liabilities incurred for purchase of rail way transport facilities (including its repayments due within one year)	131,260	[131,260]	120,694	[120,694]	1,005,283	[1,005,283]
Other in long-term liabilities	240		216		1,800	
Total	¥258,682	[¥254,585]	¥241,539	[¥238,486]	\$2,011,821	[\$1,986,392]

Note: The amounts in brackets are the amounts for the Railway Foundation within the total of each category.

### (4) Contingent liabilities are as follows:

(a) The Group provides debt guaranty to the borrowings from financial institutions

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Employees' housing loan	¥ 841	¥ 649	\$5,405
Alliance mortgage	588	546	4,552
Total	¥1,429	¥1,195	\$9,957

(b) Contingent liabilities related to debt assumption of bonds

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
22nd unsecured bonds	¥20,000	¥20,000	\$166,583

### (5) Reclassification due to a change in the purpose of the assets is as follows:

(a) Amount to be reclassified from noncurrent assets to real estate developments for sale

Millions of yen		Thousands of U.S. dollars
2014	2015	2015
¥—	¥586	\$4,884

(b) Amount to be reclassified from real estate developments for sale to noncurrent assets

Millions of yen		Thousands of U.S. dollars
2014	2015	2015
¥178	¥—	\$—

### (6)(a) Accumulated construction fund directly deducted from the acquisition cost of noncurrent assets

Millions of yen		Thousands of U.S. dollars
2014	2015	2015
¥211,378	¥213,443	\$1,777,801

**(6)(b) Amount of advanced depreciation of substituted assets transferred due to expropriation**

Millions of yen		Thousands of U.S. dollars
2014	2015	2015
¥39	¥625	\$5,203

**(7) Reserve for land revaluation**

Two consolidated subsidiaries, Odakyu Real Estate Co., Ltd. and Odakyu Shoji Co., Ltd., revaluated land for business use based on the Law Concerning Revaluations of Land (Law No. 34, promulgated on March 31, 1998 and Law No. 24, promulgated on March 31, 1999). Of the valuation differences identified as a result of this, the consolidated subsidiaries recorded the amount corresponding to the taxes on the valuation difference in the liability section as "Deferred tax liabilities related to land revaluation." The amount remaining after subtracting these was recorded in the net assets section as "Reserve for land revaluation."

(a) Odakyu Real Estate Co., Ltd.

(i) Revaluation method

The Revaluation was performed by adjusting the road rating pursuant to Article 2, Paragraph 4 of the Enforcement

Ordinance for the Law Concerning Revaluation Reserve for Land proclaimed on March 31, 1998. Where the road rating is not provided, adjusted valuation of real estate tax prescribed in Article 2, Paragraph 5 of the Law was used.

(ii) Date of revaluation: March 31, 2000.

(b) Odakyu Shoji Co., Ltd.

(i) Revaluation method

The Revaluation was performed by adjusting the road rating pursuant to Article 2, Paragraph 4 of the Enforcement Ordinance for the Law Concerning Revaluation Reserve for Land proclaimed on March 31, 1998.

(ii) Date of revaluation: February 28, 2002.

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Difference between market value of relevant land and its book value after revaluation	¥(157)	¥(159)	\$(1,328)
Difference related to leasing real estate of the above amount	(5)	(100)	(830)

## NOTE 6 | CONSOLIDATED STATEMENTS OF INCOME

**(1) Provision for bonuses and employees' retirement benefit expenses are as follows:**

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Provision for bonuses	¥7,405	¥7,134	\$59,417
Net periodic benefit cost	4,298	3,101	25,827

**(2) Write-downs in inventories due to decline in profitability included in operating expenses and cost of sales of transportation are as follows:**

Millions of yen		Thousands of U.S. dollars
2014	2015	2015
¥267	¥177	\$1,478

**(3) Major components of selling, general and administrative expenses are as follows:**

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Personnel expenses	¥40,884	¥41,289	¥343,899
Expenses	33,717	34,528	287,593
Taxes	2,065	1,903	15,848
Depreciation and amortization	5,010	4,830	40,230
Amortization of goodwill	48	54	452

**(4) Details of gain on sales of noncurrent assets are as follows:**

Millions of yen		Thousands of U.S. dollars
2014	2015	2015
Vehicles	Land and buildings	Land and buildings
¥243	¥212	\$1,763

**(5) Details of loss on sales of noncurrent assets are as follows:**

Millions of yen		Thousands of U.S. dollars
2014	2015	2015
Land and buildings	Land and buildings	Land and buildings
¥5,207	¥576	\$4,798

**(6) Loss on impairment of fixed assets are as follows:**

(a) The Group recorded a loss on impairment of fixed assets for the following asset groups.

Year ended March 31, 2014

Usage for	Location	Type	Millions of yen
Sports facilities	Sakura-shi, Chiba Prefecture	Buildings and structures	¥121
		Land	375
		Other	7
Properties of store business, etc.	Asao-ku, Kawasaki-shi, Kanagawa Prefecture, etc.	Buildings and structures	81
		"Other" in property and equipment	68
		Other	3
Other	—	Buildings and structures	118
		Machinery, equipment, rolling stock, and other vehicles	22
		"Other" in property and equipment	27
		Other	24
Total	—	—	¥846

Year ended March 31, 2015

Usage for	Location	Type	Millions of yen	Thousands of U.S. dollars
Properties of store business, etc.	Odawara-shi, Kanagawa Prefecture, etc.	Buildings and structures	<b>¥206</b>	<b>\$1,713</b>
		"Other" in property and equipment	<b>129</b>	<b>1,074</b>
		Other	<b>2</b>	<b>16</b>
Sports facilities	Sakura-shi, Chiba Prefecture	Land	<b>161</b>	<b>1,341</b>
		Other	<b>29</b>	<b>238</b>
Facilities for after-school care for children	Setagaya-ku, Tokyo, etc.	Buildings and structures	<b>153</b>	<b>1,278</b>
		Other	<b>10</b>	<b>86</b>
Other	—	Buildings and structures	<b>134</b>	<b>1,117</b>
		Other	<b>20</b>	<b>171</b>
Total	—	—	<b>¥844</b>	<b>\$7,034</b>

(b) Background to the recognition of a loss on impairment of fixed assets  
The fixed assets groups that are no longer expected earnings as initial projected or for which a decision for dismantlement has been taken, are recognized as a loss on impairment of fixed assets.

(c) Method of grouping assets

The Group bases its grouping for assessing impairment losses on its business segments or on an individual property and store basis.

(d) Method of determining the recoverable value

The recoverable values of assets are measured at their estimated selling value, which is principally equivalent to the valuation submitted by real estate appraisers. When the recoverable values are measured at their value in use, a discount rate of 4.0% is used for the computation of present value of future cash flows for the assets.

## NOTE 7 | CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

The amount of reclassification adjustment and tax effect relating to other comprehensive income are as follows:

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Unrealized gain on securities:			
Gain arising during the year	¥ 3,680	¥18,815	\$156,714
Reclassification adjustments	17	(11)	(89)
Amount before income tax effect	3,697	18,804	156,625
Income tax effect	(1,279)	(4,783)	(39,840)
Subtotal	2,418	14,021	116,785
Reserve for land revaluation:			
Income tax effect	—	96	799
Remeasurements of defined benefit plans:			
Gain arising during the year	—	7,416	61,765
Reclassification adjustments	—	(409)	(3,402)
Amount before income tax effect	—	7,007	58,363
Income tax effect	—	(1,985)	(16,532)
Subtotal	—	5,022	41,831
Share of other comprehensive income of associates accounted for using equity method:			
Gain arising during the year	(30)	358	2,979
Reclassification adjustments	—	(3)	(28)
Share of other comprehensive income of associates accounted for using equity method	(30)	355	2,951
Total other comprehensive income	¥ 2,388	¥19,494	\$162,366

## NOTE 8 | CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Year ended March 31, 2014

### (1) Class and total number of issued shares and class and number of treasury shares

Class	Number of shares at beginning of the fiscal year (shares)	Number of shares increased during the fiscal year (shares)	Number of shares decreased during the fiscal year (shares)	Number of shares at the end of the fiscal year (shares)
Common stock	736,995,435	—	—	736,995,435
Treasury stock (Note)	15,402,536	298,773	12,188	15,689,121

Note: The increase of treasury stock includes an increase of 254,308 shares in purchase of shares which were less than a share-trading unit, an increase of 44,165 shares in purchase of the Company's treasury stock from the subsidiaries, and an increase of 300 shares due to the change of interest for equity-method affiliates. The decrease of 12,188 shares of treasury stock is due to the sale of odd-lot shares.

### (2) Matters regarding subscription rights to shares

Not applicable

### (3) Dividends

#### (a) Dividend payments

Resolution	Class of shares	Total amount of dividends (millions of yen)	Dividend amount per share (yen)	Record date	Effective date
General meeting of shareholders on June 27, 2013	Common stock	¥2,902	¥4.00	March 31, 2013	June 28, 2013
Board of Directors' meeting on October 30, 2013	Common stock	2,901	4.00	September 30, 2013	December 6, 2013

(b) Of dividends with a record date falling in the fiscal year, those with an effective date falling in the following fiscal year

Resolution	Class of shares	Dividend resource	Total amount of dividends (millions of yen)	Dividend amount per share (yen)	Record date	Effective date
General meeting of shareholders on June 27, 2014	Common stock	Retained earnings	¥2,901	¥4.00	March 31, 2014	June 30, 2014

Year ended March 31, 2015

#### (1) Class and total number of issued shares and class and number of treasury shares

Class	Number of shares at beginning of the fiscal year (shares)	Number of shares increased during the fiscal year (shares)	Number of shares decreased during the fiscal year (shares)	Number of shares at the end of the fiscal year (shares)
Common stock	<b>736,995,435</b>	—	—	<b>736,995,435</b>
Treasury stock (Note)	<b>15,689,121</b>	<b>224,849</b>	<b>2,745</b>	<b>15,911,225</b>

Note: The increase of treasury stock includes an increase of 182,412 shares in purchase of shares which were less than a share-trading unit, an increase of 29,509 shares in purchase of the Company's treasury stock from the subsidiaries, and an increase of 12,928 shares due to the change of interest for equity-method affiliates. The decrease of 2,745 shares of treasury stock is due to the sale of odd-lot shares.

#### (2) Matters regarding subscription rights to shares

Not applicable

### (3) Dividends

#### (a) Dividend payments

Resolution	Class of shares	Total amount of dividends		Dividend amount per share		Record date	Effective date
		Millions of yen	Thousands of U.S. dollars	Yen	U.S. dollars		
General meeting of shareholders on June 27, 2014	Common stock	<b>¥2,901</b>	<b>\$24,161</b>	<b>¥4.00</b>	<b>\$0.03</b>	March 31, 2014	June 30, 2014
Board of Directors' meeting on October 30, 2014	Common stock	<b>2,900</b>	<b>\$24,155</b>	<b>4.00</b>	<b>\$0.03</b>	September 30, 2014	December 5, 2014

(b) Of dividends with a record date falling in the fiscal year, those with an effective date falling in the following fiscal year

Resolution	Class of shares	Dividend resource	Total amount of dividends		Dividend amount per share		Record date	Effective date
			Millions of yen	Thousands of U.S. dollars	Yen	U.S. dollars		
General meeting of shareholders on June 26, 2015	Common stock	Retained earnings	<b>¥3,262</b>	<b>\$27,172</b>	<b>¥4.50</b>	<b>\$0.04</b>	March 31, 2015	June 29, 2015

## NOTE 9 | CONSOLIDATED STATEMENTS OF CASH FLOWS

(1) The following table represents a reconciliation of cash and cash equivalents and cash and time deposits in the consolidated balance sheets:

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Cash and time deposits	¥30,533	¥19,466	\$162,138
Marketable securities	10	—	—
Time deposits with a maturity of more than three months	(95)	(94)	(788)
Equity and debt securities with a maturity of more than three months	(10)	—	—
Cash and cash equivalents	¥30,438	¥19,372	\$161,350

## NOTE 10 | LEASE TRANSACTIONS

(As lessee)

### (1) Finance lease transactions

The description on the financial lease transactions is omitted because it is immaterial.

### (2) Operating lease transactions

Future minimum lease payments for only non-cancelable contracts of operating lease transactions:

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Due within one year	¥1,609	¥1,614	\$13,444
Due after one year	4,062	3,786	31,534
Total	¥5,671	¥5,400	\$44,978

Note: Estimated amounts are used for transactions in which the lease amount is not finalized.

(As lessor)

### (1) Finance lease transactions

The description on the financial lease transactions is omitted because it is immaterial.

### (2) Operating lease transactions

Future minimum lease payments for only non-cancelable contracts of operating lease transactions:

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Due within one year	¥ 845	¥1,100	\$ 9,160
Due after one year	790	3,536	29,455
Total	¥1,635	¥4,636	\$38,615

### (3) Sub-lease transaction

With regard to sub-lease transaction, due to little material significance, information concerning finance lease transactions is omitted.



## NOTE 11 | FINANCIAL INSTRUMENTS

### (1) Matters regarding the conditions of financial instruments

#### (a) Policies on financial instruments

It is the policy of the Group to limit its fund management to safe and highly liquid deposits while raising funds primarily through loans from financial institutions and the issuance of corporate bonds in view of the market climate and interest-rate trends. Derivatives are utilized for hedging against the risks described below, not for speculative purposes.

#### (b) Qualitative information (risks and risk management system) on financial instruments

Trade receivables, which are operating receivables, are exposed to credit risk of customers. In regard to the credit risk, the business management departments of each business unit periodically monitor the status of collection of trade receivables by each customer, manage due dates and balances of trade receivables, and identify and mitigate the default risk of customers at an early stage.

Investment securities are mainly equities acquired in connection with business and are exposed to volatility risks of their market prices. The monitored fair values are reported periodically to the Board of Directors.

Accounts payable, which are operating liabilities, are mostly due within one year.

Borrowings and corporate bonds are intended to procure funds necessary mainly for capital investments and working capital.

Borrowings with floating interest rates are exposed to interest-rate fluctuation risk. The long-term portions of borrowings are utilized as derivative transactions (interest-rate swaps) to hedge the risks. These derivative transactions are utilized for every individual agreement to convert variable interest rates on borrowings to fixed interest rates. As for interest-rate swap agreements meeting certain hedging criteria, the evaluation of hedge effectiveness is omitted.

In addition, the borrowings and account payable are exposed to liquidity risks. The Group manages liquidity risks in such a manner that each group company makes and updates its cash flow management plan on a monthly basis.

#### (c) Supplemental information on fair values

The fair values of financial instruments are calculated based on market prices, or by using reasonable estimates when market prices are not available. These estimates include variable factors, and are subject to fluctuation due to changes in the underlying assumptions. The contract amounts of the derivatives discussed in Note 13, "Derivative Financial Instruments" below are not an indicator of the market risk associated with derivative transactions.

### (2) Matters regarding fair values of financial instruments

Book value, fair value and the differences between them as of the end of the previous fiscal year and fiscal year under review are as shown below. (It excludes those whose fair values were hard to determine. Please see Note 2.)

	Millions of yen						Thousands of U.S. dollars		
	2014			2015			2015		
	Book value	Fair value	Difference	Book value	Fair value	Difference	Book value	Fair value	Difference
(1) Cash and time deposits	¥ 30,533	¥ 30,533	¥ —	¥ 19,466	¥ 19,466	¥ —	\$ 162,138	\$ 162,138	\$ —
(2) Notes and accounts receivable	22,189	22,189	—	22,488	22,488	—	187,308	187,308	—
(3) Investment securities									
(a) Held-to-maturity debt securities	46	47	1	31	32	1	259	264	5
(b) Available-for-sale securities	54,647	54,647	—	73,925	73,925	—	615,736	615,736	—
(4) Notes and accounts payable	(28,245)	(28,245)	—	(29,250)	(29,250)	—	(243,624)	(243,624)	—
(5) Short-term loans	(159,371)	(159,371)	—	(159,500)	(159,500)	—	(1,328,502)	(1,328,502)	—
(6) Corporate bonds* <sup>1</sup>	(205,000)	(210,304)	5,304	(190,000)	(194,696)	4,696	(1,582,542)	(1,621,656)	39,114
(7) Long-term loans* <sup>2</sup>	(267,223)	(280,302)	13,079	(260,181)	(274,496)	14,315	(2,167,093)	(2,286,327)	119,234
(8) Long-term liabilities incurred for purchase of railway transport facilities* <sup>3</sup>	(131,261)	(131,261)	—	(120,694)	(120,694)	—	(1,005,283)	(1,005,283)	—
(9) Derivative transactions	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	\$ —	\$ —	\$ —

\*1. Corporate bonds include its redemptions due within one year.

\*2. Long-term loans include a current portion of long-term debts.

\*3. Long-term liabilities incurred for purchase of railway transport facilities includes its repayments due within one year.

**Note 1. Calculation method of fair values of financial instruments**

- (1) Cash and time deposits and (2) Notes and accounts receivable  
The book values of cash and time deposits and trade receivables approximate fair value because of their short maturities.
- (3) Investment securities  
The fair values of stocks are determined using the quoted price at the stock exchange, while the fair values of receivables are determined using the quoted price at the stock exchange or the quoted price obtained from the financial institutions. Regarding notes to securities according to holding purposes, refer to Note 12, "Securities."
- (4) Notes and accounts payable and (5) short-term loans  
The book values of accounts payable and short-term loans approximate fair value because of their short maturities.
- (6) Corporate bonds  
The fair value of corporate bonds is based on the quoted market price.
- (7) Long-term loans  
For long-term loans, fair value is determined by discounting

the total amount of principal and interest at the assumed interest rate on new loans of the same type. Long-term loans with floating interest rates are subject to interest-rate swap exceptional procedures, and, therefore, the fair value is determined by discounting the total amount of interest and principal together with the interest-rate swap at the interest rate assumed in a reasonable manner for new loans of the same type.

- (8) Long-term liabilities incurred for purchase of railway transport facilities  
The book value of long-term liabilities incurred for purchase of railway transport facilities approximates fair value because the fair values of floating-rate long-term debts reflect market interest rates within a short period of time.
- (9) Derivatives  
Please see Note 13, "Derivative Financial Instruments," for information on derivative transactions.

**Note 2. The book value of financial instruments whose fair value is extremely difficult to ascertain**

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Unlisted stocks	¥3,636	¥ 652	¥ 5,434
Investment in limited partnerships and the like	692	1,652	13,757

These items are not included in "(b) Available-for-sale securities in (3) Investment securities," because it is very difficult to identify fair values.

**Note 3. Redemption schedule for financial assets with maturities**

Year ended March 31, 2014

	Millions of yen			
	Within one year	One to five years	Five to 10 years	After 10 years
Cash and time deposits	¥30,533	¥—	¥—	¥—
Trade receivables	22,189	—	—	—
Held-to-maturity debt securities:				
Government bonds	36	—	10	—
Total	¥52,758	¥—	¥10	¥—

Year ended March 31, 2015

	Millions of yen				Thousands of U.S. dollars			
	Within one year	One to five years	Five to 10 years	After 10 years	Within one year	One to five years	Five to 10 years	After 10 years
Cash and time deposits	¥19,466	¥—	¥—	¥—	\$162,138	\$—	\$—	\$—
Trade receivables	22,488	—	—	—	187,308	—	—	—
Held-to-maturity debt securities:								
Government bonds	—	31	—	—	—	259	—	—
Total	¥41,954	¥31	¥—	¥—	\$349,446	\$259	\$—	\$—

**Note 4. Redemption schedule for corporate bonds, long-term loans and long-term liabilities incurred for purchase of railway transport facilities after the consolidated closing date**

Year ended March 31, 2014

	Millions of yen					
	Within one year	One to two years	Two to three years	Three to four years	Four to five years	Over five years
Corporate bonds* <sup>1</sup>	¥40,000	¥45,000	¥50,000	¥10,000	¥20,000	¥ 40,000
Long-term loans* <sup>2</sup>	20,381	31,594	27,758	18,207	35,069	134,214
Long-term liabilities incurred for purchase of railway transport facilities* <sup>3</sup>	10,238	9,510	9,639	9,769	9,901	78,830

**Year ended March 31, 2015**

	Millions of yen					
	Within one year	One to two years	Two to three years	Three to four years	Four to five years	Over five years
Corporate bonds* <sup>1</sup>	<b>¥45,000</b>	<b>¥50,000</b>	<b>¥35,000</b>	<b>¥20,000</b>	<b>¥10,000</b>	<b>¥ 30,000</b>
Long-term loans* <sup>2</sup>	<b>31,728</b>	<b>28,004</b>	<b>18,586</b>	<b>35,432</b>	<b>17,214</b>	<b>129,217</b>
Long-term liabilities incurred for purchase of railway transport facilities* <sup>3</sup>	<b>9,538</b>	<b>9,645</b>	<b>9,770</b>	<b>9,897</b>	<b>10,024</b>	<b>68,661</b>

	Thousands of U.S. dollars					
	Within one year	One to two years	Two to three years	Three to four years	Four to five years	Over five years
Corporate bonds* <sup>1</sup>	<b>\$ 374,814</b>	<b>\$416,458</b>	<b>\$291,520</b>	<b>\$166,584</b>	<b>\$ 83,291</b>	<b>\$ 249,875</b>
Long-term loans* <sup>2</sup>	<b>264,271</b>	<b>233,250</b>	<b>154,803</b>	<b>295,121</b>	<b>143,382</b>	<b>1,076,266</b>
Long-term liabilities incurred for purchase of railway transport facilities* <sup>3</sup>	<b>79,444</b>	<b>80,332</b>	<b>81,375</b>	<b>82,432</b>	<b>83,492</b>	<b>571,885</b>

\*1. Corporate bonds include its redemptions due within one year.

\*2. Long-term loans include a current portion of long-term debts.

\*3. Long-term liabilities incurred for purchase of railway transport facilities includes its repayments due within one year. The above amounts are equivalent sum of figures of the consolidated balance sheets that removed consumption taxes.

## NOTE 12 | SECURITIES

### (1) Marketable held-to-maturity debt securities

Year ended March 31, 2014

	Millions of yen		
	Book value	Fair value	Difference
Securities, whose fair value exceeds their book value:			
Government bonds	¥10	¥11	¥ 1
Securities, whose fair value does not exceed their book value:			
Government bonds	36	36	(0)
Total	¥46	¥47	¥ 1

Year ended March 31, 2015

	Millions of yen			Thousands of U.S. dollars		
	Book value	Fair value	Difference	Book value	Fair value	Difference
Securities, whose fair value exceeds their book value:						
Government bonds	¥31	¥32	¥ 1	\$259	\$264	\$ 5
Securities, whose fair value does not exceed their book value:						
Government bonds	—	—	—	—	—	—
Total	¥31	¥32	¥ 1	\$259	\$264	\$ 5

### (2) Marketable other securities

Year ended March 31, 2014

	Millions of yen		
	Book value	Acquisition value	Difference
Securities, whose fair value exceeds their book value:			
Stocks	¥54,337	¥16,683	¥37,654
Securities, whose fair value does not exceed their book value:			
Stocks	310	323	(13)
Total	¥54,647	¥17,006	¥37,641

Note: Unlisted stocks of ¥3,636 million on the consolidated balance sheet and investment in limited partnerships and the like of ¥692 million on the consolidated balance sheet are not included in the above "Marketable other securities" because it is very difficult to identify fair values.

Year ended March 31, 2015

	Millions of yen			Thousands of U.S. dollars		
	Book value	Acquisition value	Difference	Book value	Acquisition value	Difference
Securities, whose fair value exceeds their book value:						
Stocks	¥73,911	¥17,465	¥56,446	\$615,615	\$145,468	\$470,147
Securities, whose fair value does not exceed their book value:						
Stocks	14	15	(1)	121	128	(7)
Total	¥73,925	¥17,480	¥56,445	\$615,736	\$145,596	\$470,140

Note: Unlisted stocks of ¥652 million on the consolidated balance sheet and investment in limited partnerships and the like of ¥1,652 million on the consolidated balance sheet are not included in the above "Marketable other securities" because it is very difficult to identify fair values.

### (3) The net gain (loss) on sale of other marketable securities

The description on the net gain (loss) on sale of other marketable securities is omitted because it is immaterial.

### (4) Impairment losses on marketable securities

Impairment losses on marketable securities are omitted because they are immaterial.

The Group records an impairment loss on marketable securities if their market value declines by 50% or more below their respective book value. For securities whose market value has declined by more than 30% but less than 50% below the book value, the Group considers the possibility of recovery and records the amount expected to be unrecoverable as an impairment.

## NOTE 13 | DERIVATIVE FINANCIAL INSTRUMENTS

### (1) Derivatives to which hedge accounting is not applied

Not applied.

### (2) Derivatives to which hedge accounting is applied

(Interest rate)

Year ended March 31, 2014

Hedge accounting Fair value method	Type of derivatives	Major hedged item	Millions of yen		
			Contract amount	Due after one year	Fair value
Special treatment for interest-rate swap	Interest-rate swaps Receive floating rate Pay fixed rate	Long-term loans	¥16,828	¥16,800	(Note)

Note: As interest rate swap transactions meeting certain hedging criteria are accounted to be combined with long-term loans as hedged items, their fair values are included in those of long-term loans.

Year ended March 31, 2015

Hedge accounting Fair value method	Type of derivatives	Major hedged item	Millions of yen			Thousands of U.S. dollars		
			Contract amount	Due after one year	Fair value	Contract amount	Due after one year	Fair value
Special treatment for interest-rate swap	Interest-rate swaps Receive floating rate Pay fixed rate	Long-term loans	<b>¥16,800</b>	<b>¥16,800</b>	(Note)	<b>\$139,930</b>	<b>\$139,930</b>	(Note)

Note: As interest rate swap transactions meeting certain hedging criteria are accounted to be combined with long-term loans as hedged items, their fair values are included in those of long-term loans.

## NOTE 14 | EMPLOYEES' RETIREMENT BENEFITS

### (1) Overview of retirement benefit system adopted

The Company and its consolidated subsidiaries offer a corporate pension fund plan based on a defined benefit plan and a lump-sum retirement payment plan, as well as the Smaller Enterprise Retirement Allowance Mutual Aid Scheme, while the Company and certain consolidated subsidiaries have adopted a defined contribution scheme, in addition to a defined benefit plan. These Companies may also pay extra retirement allowances to employees at retirement.

Certain consolidated subsidiaries calculated the retirement benefit obligations using the simplified method.

### (2) Defined benefit plans (including plans applying the simplified method)

(a) Movements in defined benefit obligations during the years ended March 31, 2014 and 2015 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Balance at beginning of the year	¥93,785	¥92,388	\$769,518
Cumulative effect of changes in accounting policies	—	5,058	42,132
Restated balance at beginning of the year	93,785	97,446	811,650
Service cost	3,054	3,412	28,420
Interest cost	1,524	944	7,860
Actuarial differences	414	(1,436)	(11,958)
Benefits paid	(6,440)	(6,317)	(52,618)
Other	51	51	423
Balance at end of the year	¥92,388	¥94,100	\$783,777

(b) Movements in plan assets during the years ended March 31, 2014 and 2015 are as follows

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Balance at beginning of the year	¥67,422	¥72,434	\$603,314
Expected return on plan assets	789	847	7,051
Actuarial differences	4,439	5,980	49,808
Contributions paid by the employer	4,387	4,172	34,749
Benefits paid	(4,603)	(4,510)	(37,560)
Balance at end of the year	¥72,434	¥78,923	\$657,362

(c) Reconciliation between the ending balance of the funded defined benefit obligation and plan assets and net defined benefit liabilities recorded in the consolidated balance sheet

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Funded defined benefit obligations	¥ 67,856	¥ 69,042	\$ 575,067
Plan assets	(72,434)	(78,923)	(657,362)
	(4,578)	(9,881)	(82,295)
Unfunded defined benefit obligations	24,533	25,058	208,710
Net liability recorded in the consolidated balance sheet	19,955	15,177	126,415
Net defined benefit liabilities	19,955	15,177	126,415
Net liability recorded in the consolidated balance sheet	¥ 19,955	¥ 15,177	\$ 126,415

(d) The components of retirement benefit expenses

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2014
Service cost	¥3,054	¥3,412	\$28,420
Interest cost	1,524	944	7,860
Expected return on pension assets	(789)	(847)	(7,051)
Amortization of actuarial differences	735	(186)	(1,551)
Amortization of prior service cost	(226)	(222)	(1,851)
Retirement benefit expenses on defined benefit plans	¥4,298	¥3,101	\$25,827

(e) The components of remeasurements of defined benefit plans (before tax effects) included in other comprehensive income for the years ended March 31, 2014 and 2015 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Prior service cost	¥—	¥(222)	\$(1,851)
Actuarial differences	—	7,229	60,214
Total	¥—	¥7,007	\$58,363



- (f) The components of remeasurements of defined benefit plans (before tax effects) included in accumulated other comprehensive income for the years ended March 31, 2014 and 2015 are as follows:

	Millions of yen	Thousands of U.S. dollars
	2014	2015
Unrecognized prior service cost	¥(479)	¥ (257)
Unrecognized actuarial differences	(500)	(7,729)
Total	¥(979)	¥(7,986)

- (g) Plan assets

- (i) Components of plan assets

The plan assets consist of the following:

	2014	2015
Bonds	36%	39%
Equity securities	30	30
General account assets	24	23
Cash and time deposits	5	3
Other	5	5
Total	100%	100%

- (ii) Method of determining the long-term expected rate of return on plan assets

The long-term expected rate of return on plan assets is determined considering the current and future expected allocation of plan assets and the current and future expected long-term rates of return from the various components of the plan assets.

- (h) The assumptions used for the year ended March 31, 2014 and 2015 are as follows:

	2014	2015
Discount rate	Primarily 1.6%	Primarily 1.1%
Long-term expected rate of returns	Primarily 1.0%	Primarily 1.0%
Expected salary increase rate	Primarily 1.4%	Primarily 1.4%

### (3) Defined contribution plans

The amounts of required contribution to the defined contribution plan of the Company and its consolidated subsidiaries and to the Smaller Enterprise Retirement Allowance Mutual Aid Scheme of its consolidated subsidiaries for the years ended March 31, 2014 and 2015 are as follows:

	Millions of yen	Thousands of U.S. dollars
	2014	2015
Defined contribution plan	¥465	¥459
Smaller Enterprise Retirement Allowance Mutual Aid Scheme	270	270

## NOTE 15 | DEFERRED TAX

### (1) Significant components of deferred tax assets and liabilities

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Deferred tax assets:			
Net defined benefit liabilities	¥ 8,799	¥ 6,881	\$ 57,310
Unrealized profits	6,720	6,591	54,901
Loss on impairment of fixed assets	7,318	6,361	52,982
Net operating loss carryforwards	5,386	5,239	43,640
Reserve for employees' bonuses	2,748	2,469	20,564
Excess depreciation	1,866	1,504	12,524
Loss on revaluation of land for sale	971	759	6,326
Accrued taxes	731	745	6,206
Asset retirement obligation	625	584	4,867
Allowance for doubtful accounts	297	323	2,690
Allowance for unredeemed gift certificates and others	295	228	1,898
Accrued fare	224	219	1,823
Other	4,319	4,365	36,352
Gross deferred tax assets	40,299	36,268	302,083
Less: Valuation allowance	(17,687)	(15,839)	(131,925)
Total deferred tax assets	¥ 22,612	¥ 20,429	\$ 170,158
Deferred tax liabilities:			
Unrealized gains on securities	¥(13,228)	¥(18,011)	\$(150,018)
Reserve for deduction of property and equipment	(2,765)	(2,520)	(20,990)
Gain on securities contribution to employees' retirement benefits trust	(1,588)	(1,441)	(12,002)
Other	(671)	(831)	(6,923)
Total deferred tax liabilities	(18,252)	(22,803)	(189,933)
Net deferred tax assets and liabilities	¥ 4,360	¥ (2,374)	\$ (19,775)

Note: The net amounts of deferred tax assets and liabilities are included in the following categories of the consolidated balance sheet

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Current assets—Deferred tax assets	¥ 5,404	¥ 5,290	\$ 44,064
Noncurrent assets—Deferred tax assets	5,945	6,301	52,479
Current liabilities—Deferred tax liabilities	(0)	(0)	(4)
Long-term liabilities—Deferred tax liabilities	¥(6,989)	¥(13,965)	\$(116,314)

Aside from the above, deferred tax assets and liabilities related to land revaluation are as follows:

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Deferred tax asset related to land revaluation	¥ 575	¥ 540	\$ 4,494
Less: Valuation allowance	(575)	(540)	(4,494)
Total	—	—	—
Deferred tax liabilities related to land revaluation	(1,246)	(1,064)	(8,866)
Net deferred tax assets and liabilities related to land revaluation	¥(1,246)	¥(1,064)	\$ (8,866)

### (2) A reconciliation of the significant differences between the normal effective statutory tax rate and the effective tax rate reflected in the accompanying consolidated statements of income

	2014	2015
The normal effective statutory tax rate	38.0%	—
Adjustment:		
Permanently non-deductible expenses such as entertainment expenses	0.8	—
Permanently non-taxable income such as dividend income	(0.9)	—
Inhabitant taxes per capita	0.4	—
Change in valuation allowance	(2.6)	—
Downward adjustment of deferred tax assets (liabilities) at the end of the year due to change in tax rate	0.9	—
Other	(1.6)	—
Effective income tax rate	35.0%	—

Note: A reconciliation of the statutory tax rate to the effective income tax rates for the year ended March 31, 2015 has been omitted since the difference was less than 5%.

### (3) Adjustment of deferred tax assets and liabilities for enacted changes in tax laws and rates

The Act for Partial Revision of the Income Tax Act, etc. [Act No. 9 of 2015] and the Act for Partial Revision of Local Tax, etc. [Act No. 2 of 2015] were promulgated on March 31, 2015. As a result, the effective statutory tax rate used to measure the Company's deferred assets and liabilities will be changed from 35.6% to 33.1% and 32.3% for the temporary differences expected to be settled or realized in the fiscal year beginning April 1, 2015 and for the temporary differences expected to be settled or realized from April 1, 2016, respectively.

As a result of this change, deferred tax assets (after offsetting deferred tax liabilities) increased by ¥772 million (\$6,433 thousand), deferred income taxes increased by ¥1,306 million (\$10,878 thousand), unrealized gains on securities increased by ¥1,820 million (\$15,159 thousand), remeasurements of defined benefit plans increased by ¥258 million (\$2,152 thousand), and deferred tax liabilities related to land revaluation decreased by ¥96 million (\$799 thousand), while the reserve for land revaluation increased by the same amount.

## NOTE 16 | LEASING REAL ESTATE

The Company and certain consolidated subsidiaries own leasing commercial facilities and leasing office buildings centering on the area around Tokyo and Kanagawa prefectures. As real estate of which some portions are used as leasing property includes portions used by the Company and certain consolidated subsidiaries, it is shown as "Other properties used as leasing properties."

The book values in the consolidated balance sheets, changes during the fiscal under review and fair values of real estate, of which some portions are used as leasing property, are determined as follows.

### (I) Fair value of leasing and other properties

Year ended March 31, 2014

	Millions of yen			
	Book value			Fair value
	March 31, 2013	Changes during the year	March 31, 2014	March 31, 2014
Leasing properties	¥127,887	¥ (3,843)	¥124,044	¥160,137
Other properties used as leasing properties	162,027	(19,411)	142,616	172,908

Year ended March 31, 2015

	Millions of yen			
	Book value			Fair value
	March 31, 2014	Changes during the year	March 31, 2015	March 31, 2015
Leasing properties	<b>¥124,044</b>	<b>¥ 8,014</b>	<b>¥132,058</b>	<b>¥177,905</b>
Other properties used as leasing properties	<b>142,616</b>	<b>(1,449)</b>	<b>141,167</b>	<b>176,466</b>

	Thousands of U.S. dollars			
	Book value			Fair value
	March 31, 2014	Changes during the year	March 31, 2015	March 31, 2015
Leasing properties	<b>\$1,201,748</b>	<b>\$(101,815)</b>	<b>\$1,099,933</b>	<b>\$1,481,802</b>
Other properties used as leasing properties	<b>1,381,666</b>	<b>(205,864)</b>	<b>1,175,802</b>	<b>1,469,812</b>

Notes: 1. The amount posted in the consolidated balance sheet is gained by deducting the accumulated depreciation and amortization from the acquisition cost.

2. The main component of decrease for the year ended March 31, 2014 is ¥16,917 million in sale of equity in the Shinjuku Sanei Building. The main factor attributable to the increase for the year ended March 31, 2015 is ¥4,901 million (\$40,823 thousand) in construction work for compound rental complex at Ebina Station.

3. The market value as of end of the fiscal year is based, for main transactions, on a real estate survey report prepared by a certified real estate appraiser, and for other transactions, on appraised value or price index considered to reflect the fair value.

## (2) Profit and loss on leasing properties

Year ended March 31, 2014

	Millions of yen			
	Leasing income	Leasing expenses	Difference	Other gains or losses
Leasing properties	¥11,709	¥ 6,529	¥5,180	¥ (391)
Other properties used as leasing properties	20,019	13,373	6,646	(5,339)

Year ended March 31, 2015

	Millions of yen			
	Leasing income	Leasing expenses	Difference	Other gains or losses
Leasing properties	<b>¥12,315</b>	<b>¥ 7,013</b>	<b>¥5,302</b>	<b>¥(134)</b>
Other properties used as leasing properties	<b>19,252</b>	<b>12,951</b>	<b>6,301</b>	<b>(806)</b>

	Thousands of U.S. dollars			
	Leasing income	Leasing expenses	Difference	Other gains or losses
Leasing properties	<b>\$102,577</b>	<b>\$ 58,414</b>	<b>\$44,163</b>	<b>\$ (1,119)</b>
Other properties used as leasing properties	<b>160,354</b>	<b>107,873</b>	<b>52,481</b>	<b>(6,709)</b>

Note: Others gains or loss, primarily composed of loss on sale or loss on disposal, are recorded in extraordinary income (losses).

## NOTE 17 | SEGMENT INFORMATION

### (I) Segment information

#### (a) Overview of the reportable segments

The Group's reportable segments are determined on the basis that separate financial information for such segments is available and examined periodically by the Board of Directors, which makes decisions regarding the allocation of management resources and assesses the business performances of such segments.

The Group's businesses provide goods and services that support our customers' daily lives primarily along the Odakyu lines, centered on transportation but including merchandising, real estate, hotel, restaurant and other services.

For this reason, the Group consists of business segments with the business department as the basis. The three reportable segments are "transportation," "merchandising," and "real estate."

The main goods and services that fall under these reportable segments are listed below.

Transportation...Railway, bus, taxi, sightseeing boat, ropeway, etc.

Merchandising...Department store, supermarket, etc.

Real estate.....Sale of land and buildings, leasing of buildings, etc.

#### (b) Valuation method for reportable operating income (loss) and asset amounts

The accounting method for reportable business segments is presented in accordance with "Summary of Significant Accounting Policies" in Note 2. The reportable operating income figures are based on operating income. Intersegment transactions are presented based on the current market prices at the time of this report.

#### (c) Information about sales, operating income, assets and others by reportable segment, for the years ended March 31, 2014 and 2015 was as follows:

Year ended March 31, 2014

	Millions of yen						
	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Transportation	Merchandising	Real estate				
Revenue from operations:							
Customers	¥169,547	¥222,348	¥ 58,866	¥72,426	¥ 523,187	¥ —	¥ 523,187
Intragroup sales and transfers	3,151	2,824	5,601	23,450	35,026	(35,026)	—
Total	¥172,698	¥225,172	¥ 64,467	¥95,876	¥ 558,213	¥(35,026)	¥ 523,187
Segment income	¥ 28,308	¥ 3,671	¥ 12,521	¥ 4,706	¥ 49,206	¥ 171	¥ 49,377
Segment assets	¥670,417	¥ 76,869	¥356,617	¥85,736	¥1,189,639	¥ 54,706	¥1,244,345
Other:							
Depreciation and amortization (Note 4)	¥ 31,504	¥ 5,043	¥ 9,286	¥ 3,060	¥ 48,893	¥ (241)	¥ 48,652
Amortization of goodwill	3	—	—	—	3	45	48
Loss on impairment of fixed assets	53	151	521	120	845	—	845
Investment for affiliates applied for equity methods	7,166	—	—	—	7,166	—	7,166
Increase in property and equipment and intangible assets (Note 4)	30,623	4,653	6,993	4,651	46,920	—	46,920

Notes: 1. "Other" represents the following businesses, which are not included in the above reportable segment: hotel, restaurant, travel agent, golf course, railway maintenance service, motor service station and car dealer, building management and maintenance, advertising agency, horticulture and gardening, bookkeeping service, insurance agency, nursing and child care.

2. Adjustments are as follows:

(a) Adjustments of ¥171 million for segment income include ¥216 million of intersegment elimination and negative ¥45 million of amortization of goodwill.

(b) Adjustments for segment assets amounting to ¥54,706 million include negative ¥91,669 million of intersegment elimination and ¥146,375 million of the Group's assets that have not been distributed to reportable segments.

(c) Adjustments for depreciation and amortization amounting to negative ¥241 million represents intersegment elimination.

3. "Segment income" is adjusted to operating income of consolidated statements of income.

4. "Depreciation and amortization," and "Increase in property and equipment and intangible assets" include amortization and additions to long-term prepaid expenses.

**Year ended March 31, 2015**

	Millions of yen						
	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Transportation	Merchandising	Real estate				
Revenue from operations:							
Customers	¥168,258	¥219,966	¥ 55,118	¥ 75,373	¥ 518,715	¥ —	¥ 518,715
Intragroup sales and transfers	3,019	2,718	5,726	24,843	36,306	(36,306)	—
Total	¥171,277	¥222,684	¥ 60,844	¥100,216	¥ 555,021	¥(36,306)	¥ 518,715
Segment income	¥ 29,151	¥ 3,160	¥ 11,577	¥ 5,809	¥ 49,697	¥ 161	¥ 49,858
Segment assets	¥668,485	¥ 75,684	¥362,297	¥ 90,218	¥1,196,684	¥ 57,165	¥1,253,849
Other:							
Depreciation and amortization (Note 4)	¥ 30,058	¥ 4,784	¥ 9,032	¥ 3,061	¥ 46,935	¥ (243)	¥ 46,692
Amortization of goodwill	—	—	—	0	0	54	54
Loss on impairment of fixed assets	—	337	189	318	844	—	844
Investment for affiliates applied for equity methods	8,369	—	—	—	8,369	—	8,369
Increase in property and equipment and intangible assets (Note 4)	31,130	6,731	14,129	4,376	56,366	—	56,366

	Thousands of U.S. dollars						
	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Transportation	Merchandising	Real estate				
Revenue from operations:							
Customers	\$1,401,450	\$1,832,132	\$ 459,087	\$627,797	\$ 4,320,466	\$ —	\$ 4,320,466
Intragroup sales and transfers	25,146	22,642	47,689	206,919	302,396	(302,396)	—
Total	\$1,426,596	\$1,854,774	\$ 506,776	\$834,716	\$ 4,622,862	\$(302,396)	\$ 4,320,466
Segment income	\$ 242,798	\$ 26,321	\$ 96,430	\$ 48,385	\$ 413,934	\$ 1,343	\$ 415,277
Segment assets	\$5,567,919	\$ 630,386	\$3,017,634	\$751,443	\$ 9,967,382	\$ 476,140	\$10,443,522
Other:							
Depreciation and amortization (Note 4)	\$ 250,359	\$ 39,845	\$ 75,232	\$ 25,494	\$ 390,930	\$ (2,028)	\$ 388,902
Amortization of goodwill	—	—	—	0	0	452	452
Loss on impairment of fixed assets	—	2,803	1,578	2,653	7,034	—	7,034
Investment for affiliates applied for equity methods	69,708	—	—	—	69,708	—	69,708
Increase in property and equipment and intangible assets (Note 4)	259,284	56,062	117,684	36,452	469,482	—	469,482

Notes: 1. "Other" represents the following businesses, which are not included in the above reportable segment: hotel, restaurant, travel agent, golf course, railway maintenance service, building management and maintenance, advertising agency, horticulture and gardening, bookkeeping service, insurance agency, nursing and child care.

2. Adjustments are as follows:

- Adjustments of ¥161 million (\$1,343 thousand) for segment income include ¥215 million (\$1,795 thousand) of intersegment elimination and negative ¥54 million (negative \$452 thousand) of amortization of goodwill.
- Adjustments for segment assets amounting to ¥57,165 million (\$476,140 thousand) include negative ¥87,818 million (negative \$731,446 thousand) of intersegment elimination and ¥144,983 million (\$1,207,586 thousand) of the Group's assets that have not been distributed to reportable segments.
- Adjustments for depreciation and amortization amounting to negative ¥243 million (negative \$2,028 thousand) represents intersegment elimination.

3. "Segment income" is adjusted to operating income of consolidated statements of income.

4. "Depreciation and amortization," and "Increase in property and equipment and intangible assets" include amortization and additions to long-term prepaid expenses.

## (2) Related information

### (a) Information by product and service

Since the segments of products and services are the same as the reportable segments, information by product or service is omitted.

### (b) Information by geographical area

#### (i) Revenue from operations

Since the revenues to external customers in Japan exceed 90% of the revenues from operations on the consolidated statements of income, the information is omitted.

#### (ii) Property and equipment

Since the amount of property and equipment located in Japan exceeds 90% of the amount of property and equipment recorded on the consolidated balance sheets, the information is omitted.

### (c) Information by major customer

Since sales to no customer account for 10% or more of the revenues from operations on the consolidated statements of income, information by major customer is omitted.

## (3) Impairment loss of long-lived assets in reportable segments

The description on the impairment loss of long-lived assets by segment for the year ended March 31, 2014 and 2015 is omitted because it is disclosed in "Segment information."

## (4) Information on amortization of goodwill and unamortized balance by reportable segment

Year ended March 31, 2014

	Millions of yen					Consolidated
	Transportation	Merchandising	Real estate	Other	Adjustment	
Balance at the end of the fiscal year under review	¥—	¥—	¥—	¥—	¥53	¥53

Year ended March 31, 2015

	Millions of yen					Consolidated
	Transportation	Merchandising	Real estate	Other	Adjustment	
Balance at the end of the fiscal year under review	¥—	¥—	¥1,048	¥0	¥157	¥1,205

	Thousands of U.S. dollars					Consolidated
	Transportation	Merchandising	Real estate	Other	Adjustment	
Balance at the end of the fiscal year under review	\$—	\$—	\$8,725	\$2	\$1,311	\$10,038

## (5) Information on gain on negative goodwill by reportable segment

The description on gain on negative goodwill by segment for the year ended March 31, 2014 and 2015 is omitted because it is immaterial.

## NOTE 18 | PER SHARE INFORMATION

The following tables show net assets per share and net income per share.

	Yen		U.S. dollars
	2014	2015	2015
Net assets	¥366.32	¥422.33	\$3.52
Net income—basic	34.72	41.80	0.35

Notes: 1. Diluted net income per share is not presented, as the Group did not hold any potentially dilutive securities for the years ended March 31, 2014 and 2015.

2. The basis for the respective calculation of net income per share is as follows:

	Yen		U.S. dollars
	2014	2015	2015
Net income	¥25,049	¥30,147	\$251,102
Amount not belonging to common stockholders	—	—	—
Net income related to common shares	25,049	30,147	251,102
Weighted average number of shares issued and outstanding during the period (shares)	721,438,538	721,188,431	721,188,431

## NOTE 19 | SUBSEQUENT EVENT

The directors of the Company approved a resolution for the issuance of the 67th and 68th series of unsecured bonds at a meeting of the Board of Directors convened on May 20, 2015. Details of the issuance are summarized as follows:

	Series 67 unsecured corporate bonds	Series 68 unsecured corporate bonds
(1) Amount	¥10 billion	¥10 billion
(2) Interest rate	0.608% per annum	1.098% per annum
(3) Date of issuance	June 12, 2015	June 12, 2015
(4) Date of redemption	June 12, 2025	June 12, 2030
(5) Purpose	Bond redemption funds and debt repayment	Bond redemption funds and debt repayment

The directors of the Company approved a resolution for the issuance of the 69th series of unsecured bonds at a meeting of the Board of Directors convened on June 26, 2015. Details of the issuance are summarized as follows:

	Series 69 unsecured corporate bonds
(1) Amount	¥10 billion
(2) Interest rate	Less than 0.7% per annum
(3) Date of issuance	Between June 26, and July 31, 2015
(4) Term	Three years
(5) Purpose	Capital expenditures



# ANNEXED CONSOLIDATED DETAILED SCHEDULES

Years ended March 31, 2014 and 2015

## NO. 1 | DETAILED SCHEDULE OF CORPORATE BONDS

Company	Name	Issue date	Millions of yen		Thousands of U.S. dollars	Interest rate	Security	Redemption date
			Balance as of April 1, 2014	Balance as of March 31, 2015	Balance as of March 31, 2015			
Odakyu Electric Railway Co., Ltd.	Series 25 unsecured corporate bonds	Aug. 25, 1998	¥20,000	¥ 20,000	\$ 166,584	3.00%	None	Aug. 24, 2018
	Series 41 unsecured corporate bonds	Aug. 8, 2006	20,000	20,000	166,584	2.24	None	Aug. 8, 2016
	Series 49 unsecured corporate bonds	Aug. 12, 2009	10,000 [10,000]	—	—	0.932	None	Aug. 12, 2014
	Series 50 unsecured corporate bonds	Aug. 12, 2009	10,000	10,000	83,291	1.718	None	Aug. 12, 2019
	Series 53 unsecured corporate bonds	Aug. 12, 2010	15,000	15,000 [15,000]	124,938 [124,938]	0.496	None	Aug. 12, 2015
	Series 54 unsecured corporate bonds	Dec. 17, 2010	10,000	10,000	83,291	0.956	None	Dec. 15, 2017
	Series 55 unsecured corporate bonds	Dec. 17, 2010	10,000	10,000	83,291	1.367	None	Dec. 17, 2020
	Series 57 unsecured corporate bonds	July 29, 2011	15,000 [15,000]	—	—	0.38	None	July 25, 2014
	Series 58 unsecured corporate bonds	Jan. 31, 2012	15,000 [15,000]	—	—	0.34	None	Jan. 23, 2015
	Series 59 unsecured corporate bonds	July 31, 2012	15,000	15,000 [15,000]	124,938 [124,938]	0.24	None	July 24, 2015
	Series 60 unsecured corporate bonds	Oct. 18, 2012	10,000	10,000	83,291	0.846	None	Oct. 18, 2022
	Series 61 unsecured corporate bonds	Jan. 31, 2013	15,000	15,000 [15,000]	124,938 [124,938]	0.22	None	Jan. 25, 2016
	Series 62 unsecured corporate bonds	July 31, 2013	15,000	15,000	124,938	0.28	None	July 25, 2016
	Series 63 unsecured corporate bonds	Dec. 13, 2013	10,000	10,000	83,291	0.905	None	Dec. 12, 2025
	Series 64 unsecured corporate bonds	Jan. 31, 2014	15,000	15,000	124,938	0.21	None	Jan. 25, 2017
	Series 65 unsecured corporate bonds	July 31, 2014	—	15,000	124,938	0.17	None	July 25, 2017
	Series 66 unsecured corporate bonds	Jan. 30, 2015	—	10,000	83,291	0.12	None	Jan. 25, 2018
Total	—	—	¥205,000 [40,000]	¥190,000 [45,000]	\$1,582,542 [374,814]	—	—	—

Notes: 1. The amounts in brackets in the columns of “Balance as of April 1, 2014” and “Balance as of March 31, 2015” are the current portion of the total amount and are recorded in current liabilities on the consolidated balance sheets.

2. Redemption schedule of bonds for five years subsequent to March 31, 2015.

Millions of yen					Thousands of U.S. dollars				
Within one year	One to two years	Two to three years	Three to four years	Four to five years	Within one year	One to two years	Two to three years	Three to four years	Four to five years
¥45,000	¥50,000	¥35,000	¥20,000	¥10,000	\$374,814	\$416,458	\$291,520	\$166,584	\$83,291

## NO. 2 | DETAILED SCHEDULE OF LOANS PAYABLE

	Millions of yen		Thousands of U.S. dollars	Average interest rate	Repayment deadline
	Balance as of April 1, 2014	Balance as of March 31, 2015	Balance as of March 31, 2015		
Short-term loans	¥159,371	¥159,500	\$1,328,502	0.57%	—
Current portion of long-term debt	20,381	31,728	264,271	1.29	—
Current portion of lease obligations	436	527	4,392	—	—
Long-term loans (excluding current portion)	246,842	228,453	1,902,822	1.51	April 25, 2016 to Feb. 26, 2035
Lease obligations (excluding current portion)	1,229	956	7,964	—	Apr. 1, 2016 to Dec. 31, 2020
Other interest-bearing debt:					
Long-term liabilities incurred for purchase of railway transport facilities	127,887 [10,238]	117,534 [9,538]	978,960 [79,444]	1.30	Sep. 14, 2016 to Mar. 14, 2038
In-house deposits	12,180	12,249	102,020	1.20	—
Total	¥568,326	¥550,947	\$4,588,931	—	—

Notes: 1. The "Average interest rate" of loans payable is the weighted average interest rate for outstanding loans payable as of end of the fiscal year under review.

2. The "Average interest rate" is not shown for lease obligations because the Company reported lease obligations before deducting interest in the consolidated balance sheets. The lease obligations exclude the amounts in sublease obligations.

3. The amounts in brackets in "Long-term liabilities incurred for purchase of railway transport facilities" in the "Other interest-bearing debt" column are the current portion of the total amount and are included in "Other" of current liabilities on the consolidated balance sheets. The long-term liabilities incurred for purchase of railway transport facilities are loan of its buying railway facilities from the Japan Railway Construction, Transport and Technology Agency. The above amounts are equivalent sum of figures of the consolidated balance sheets that removed consumption taxes.

4. The "In-house deposits" are included in "Other" of current liabilities on the consolidated balance sheets.

5. The repayment schedule of "Long-term loans (excluding current portion)," "Lease obligations (excluding current portion)" and "Long-term liabilities incurred for purchase of railway transport facilities" for five years subsequent to March 31, 2015. The following table excludes the payment schedule of in-house deposits because the repayment period is not defined.

	Millions of yen			
	One to two years	Two to three years	Three to four years	Four to five years
Long-term debt	¥28,004	¥18,586	¥35,432	¥17,214
Lease obligations	551	250	104	46
Long-term liabilities incurred for purchase of railway transport facilities	9,645	9,770	9,897	10,024

	Thousands of U.S. dollars			
	One to two years	Two to three years	Three to four years	Four to five years
Long-term debt	\$233,250	\$154,803	\$295,121	\$143,382
Lease obligations	4,586	2,086	864	387
Long-term liabilities incurred for purchase of railway transport facilities	80,332	81,375	82,432	83,492

### (3) Schedule of asset retirement obligations

A description is omitted pursuant to regulations on consolidated financial statements in Japan, since the amounts of asset retirement obligations at the beginning and the end of the year ended March 31, 2015 are both less than 1% of the total of liabilities and net assets of the respective fiscal years.