

SELECTED FINANCIAL DATA

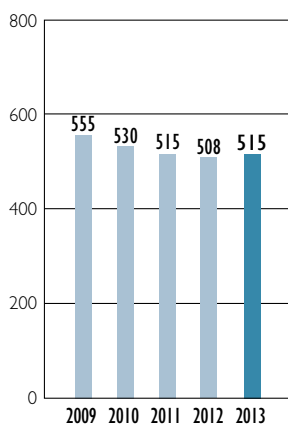
Year ended March 31

Consolidated	Millions of yen				
	2013	2012	2011	2010	2009
Results for the year:					
Revenue from operations	¥ 515,224	¥ 508,332	¥ 514,663	¥ 530,405	¥ 554,760
Operating income	44,119	38,631	32,729	32,188	33,737
Income before income taxes and minority interests	30,320	29,979	18,774	25,958	19,921
Comprehensive income	29,692	19,361	3,532	14,836	—
Net income	19,675	17,838	10,423	12,231	10,341
Per share of common stock (in yen):					
Net income—basic	¥ 27.26	¥ 24.71	¥ 14.42	¥ 16.79	¥ 14.19
Year-ended financial position:					
Total assets	¥1,264,502	¥1,311,185	¥1,276,437	¥1,299,290	¥1,309,739
Net assets	245,546	221,604	207,181	213,218	203,274

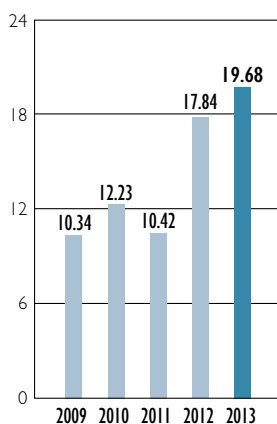
Non-Consolidated	Millions of yen				
	2013	2012	2011	2010	2009
Results for the year:					
Revenue from operations	¥ 158,467	¥ 154,877	¥ 154,599	¥ 158,214	¥ 159,465
Operating income	32,860	31,478	26,422	29,473	31,366
Income before income taxes and minority interests	17,828	25,351	16,293	22,967	13,253
Net income	10,763	14,269	9,149	13,474	7,930
Per share of common stock (in yen):					
Net income—basic	¥ 14.83	¥ 19.66	¥ 12.59	¥ 18.40	¥ 10.81
Cash dividends	7.50	7.00	6.50	6.50	6.00
Year-ended financial position:					
Total assets	¥1,102,186	¥1,117,720	¥1,071,321	¥1,058,132	¥1,056,631
Net assets	217,237	203,282	192,369	199,528	188,604

CONSOLIDATED DATA

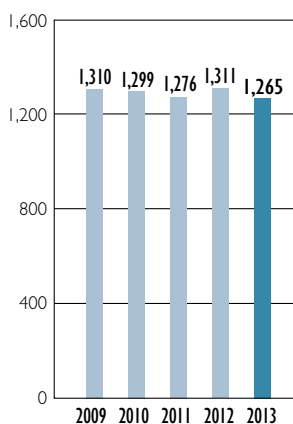
Revenue from operations
(Billions of yen)



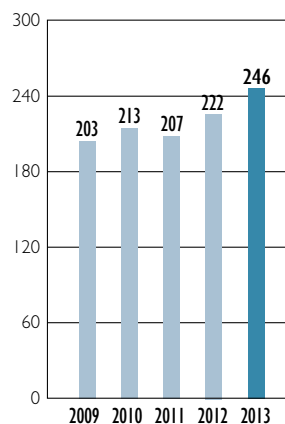
Net income
(Billions of yen)



Total assets
(Billions of yen)



Net assets
(Billions of yen)



MANAGEMENT'S DISCUSSION AND ANALYSIS

Years ended March 31, 2013 and 2012

Results of Operations

During the fiscal year under review, the outlook for the Japanese economy remained uncertain, as sluggish private consumption and capital expenditure overshadowed a gradual recovery in corporate earnings to some degree. However, signs of an economic recovery emerged in expectations of positive effects from a variety of bold economic measures announced by the new administration after Prime Minister Shinzo Abe took office in December 2012.

Against this backdrop, each of the Group companies pushed ahead with aggressive marketing activities and benefited from an upturn from the low levels of business reported in the aftermath of the Great East Japan Earthquake, especially in the first half of the previous fiscal year. Revenue from operations rose ¥6,892 million (or 1.4%) year on year to ¥515,224 million. As a result, operating income grew ¥5,488 million (or 14.2%) year on year to ¥44,119 million. Net income totaled ¥19,675 million, a year-on-year increase of ¥1,837 million (or 10.3%), despite a loss on impairment of fixed assets.

Cash Flows

The Odakyu Group makes continuous capital expenditures in its railway business and each of its other businesses. These expenditures are mainly aimed at providing comfortable and speedy railway services and realizing respective area strategies to raise the value of areas along the Odakyu lines.

We also take a proactive approach to implement appropriate safety measures to prevent accidents. In the fiscal year under review, capital expenditures for the year totaled ¥53,358 million, representing a 33.9% drop from the previous fiscal year, including the investment amount in intangible assets.

Capital expenditures in the Transportation segment totaled ¥34,905 million, which was used primarily for railway operations. To maximize the effects of the augmented passenger carrying capacity, the construction of multiple double tracks between Higashi-Kitazawa and Izumi-Tamagawa stations was launched. The project received ¥7,005 million (including ¥5,423 million for a Japan Railway Construction, Transport and Technology Agency project).

In the Merchandising segment, the Group invested ¥4,642 million, primarily to renovate existing stores and construct new locations of the Odakyu OX supermarket operated by Odakyu Shoji Co., Ltd.

The Real Estate segment spent ¥10,855 million, mainly for the construction of new buildings for lease and refurbishing of existing ones. Major projects included the acquisition of the Nittochi Shinyurigaoka Building (¥2,784 million) by Odakyu Real Estate Co., Ltd. and the construction of new hot spring facilities (¥833 million) by Hakone Facilities Development Co., Ltd.

The Other Businesses segment was allocated ¥2,956 million, primarily for the renovation of existing restaurants and the launch of new locations in the restaurant business.

Currently, one of the Group's immediate priorities is to realize competitive advantages through the early completion of multiple double-track construction, and as such, capital expenditures have exceeded depreciation in recent years.

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 there is a need for funds 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, 2013 stood at ¥1,264,502 million, representing a decrease of ¥46,683 million from a year ago. The decrease was attributable mainly to progress of depreciation in property and equipment and reduction in property and equipment with the settlement of the contract works. Liabilities also fell ¥70,625 million, to ¥1,018,956 million, due mainly to a decrease in borrowing.

Net assets including minority interests rose ¥23,942 million from the end of the previous fiscal year, to ¥245,546 million due to growth in retained earnings.

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.

(1) 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 July 5, 2006). 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 numerous 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 records 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 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 Measure

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 that 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 22, 2012 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 raise the value of areas along the Odakyu lines. At the same time, to return continuously the gains to shareholders obtained by investments, the Company has made it a dividend policy to return a maximum of 2.5% of consolidated shareholders' equity to shareholders. The policy also includes if net income decreases from the previous year, dividends per share would remain unchanged. Moreover, if the Company records a large loss caused by natural disasters or other factors, dividends would be determined after considering the financial statements.

From the year ending March 31, 2014, while continuing to invest in important and growing fields and to return continuously the gains to shareholders obtained by investments, the Company will change its dividend policy. The new policy states that internal reserves will be 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 the previous policy, the Company paid a year-end of ¥4.0 per share for the fiscal year ended March 31, 2013, resulting in an annual payout of ¥7.5, of which ¥3.5 was paid as the interim dividend.

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 are identified and evaluated first by each Group company using uniform techniques, and 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.

(1) Earthquakes and Other Natural Disasters

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.

(2) Accidents and System Failures

A large-scale accident and a system failure triggered by a human error, malfunctioning equipment, and illegal acts such as terrorism, among others, in any of the Group's business segments could hinder the Group's business operations, tarnish its reputation and give rise to additional expenses to be shouldered in conjunction with the restoration of facilities and equipment and damage compensations. The Group's operating results could suffer as a result.

(3) Population Decline and Accelerated Aging of the Population with Fewer Children

The Odakyu Group operates railway service and a variety of other businesses that are closely tied to daily lives of people who live along the Odakyu lines in particular. A decline in population or a change in demographics caused by an aging population with fewer children in the target market where Odakyu operates could be translated into fewer passengers to be carried by the Company's railway business and impact other businesses, with adverse consequences on the Group's operating results.

(4) 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 financial conditions of the Company.

(5) 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.

(6) Defects and Faults of Assets Owned and Merchandise Sold

If defects or faults with regard to the assets held by the Group are discovered and the Group is consequently held liable for adverse effects of such assets on the health of residents and on the surrounding environment, the Group could incur expenses for improvement and restorative works, damage compensations and others. Similarly, if the merchandise sold by the Group is found to be defective or otherwise faulty, the Group could incur expenses for improvements and damage compensations and suffer reputation damage. As a result, the Group's operating results could be impacted.

(7) Significant Litigation

A civil lawsuit has been filed against the Company in relation to noise and vibration caused by its railway operations. Outcome of the lawsuit could affect business performance and operations of the railway business.

In addition, administrative lawsuit is pending in connection with the Company's multiple double tracks project. It is the administrative lawsuit against the Kanto Regional Development Bureau Chief as defendant, in which the annulment of the approval given to the urban planning project for the segment between Yoyogi-Uehara and Umeoka stations is sought.

(8) 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 operating results.

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).

(9) Outbreaks of Infectious Diseases

The Group has managed a large number of facilities for customers of its railway, bus and commercial institutions centering on the area around the Odakyu lines. If a massive infectious disease epidemic such as swine influenza should occur in the Group's business area, it is feared that this would cause 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.

CONSOLIDATED BALANCE SHEETS

March 31, 2013 and 2012

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2013	2012	2013
ASSETS			
Current assets:			
Cash and time deposits (Notes 13 and 20)	¥ 29,956	¥ 30,994	\$ 317,796
Marketable securities (Notes 14 and 20)	10	10	106
Trade receivables (Note 13)	20,188	19,603	214,176
Inventories (Note 4)	46,910	50,340	497,667
Deferred tax assets (Note 10)	5,482	5,149	58,158
Other current assets	28,503	25,735	302,387
Allowance for doubtful accounts	(199)	(227)	(2,109)
Total current assets	130,850	131,604	1,388,181
Investments and long-term loans:			
Investments in:			
Unconsolidated subsidiaries and affiliates	7,498	6,133	79,548
Other securities (Note 14)	55,359	41,425	587,300
Long-term loans	350	123	3,711
Other investments	18,086	19,032	191,873
Allowance for doubtful accounts	(732)	(748)	(7,764)
Total investments and long-term loans	80,561	65,965	854,668
Property and equipment (Notes 6 and 8):			
Land	446,509	422,584	4,736,997
Buildings and structures	990,877	943,155	10,512,169
Machinery, equipment, rolling stock, and other vehicles	268,275	266,090	2,846,121
Lease (Note 11)	3,381	3,066	35,865
Construction in progress	31,032	136,413	329,215
Others	49,909	49,034	529,478
	1,789,983	1,820,342	18,989,845
Less accumulated depreciation	(756,657)	(727,487)	(8,027,335)
Property and equipment, net	1,033,326	1,092,855	10,962,510
Goodwill	98	857	1,039
Deferred tax assets (Note 10)	6,101	5,545	64,721
Other assets	13,566	14,359	143,924
Total assets	¥1,264,502	¥1,311,185	\$13,415,043

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2013	2012	2013
LIABILITIES AND NET ASSETS			
Current liabilities:			
Short-term loans (Notes 6 and 13)	¥ 161,135	¥ 165,811	\$ 1,709,473
Current portion of long-term debt (Notes 6 and 13)	114,909	111,177	1,219,061
Accounts payable (Note 13)	27,433	26,203	291,040
Accrued expenses	40,197	39,182	426,449
Allowance for unredeemed gift certificates and others	799	728	8,473
Income taxes payable (Note 10)	9,106	10,766	96,607
Advances received	3,535	46,585	37,505
Deferred tax liabilities (Note 10)	1	0	6
Other current liabilities	42,360	42,624	449,401
Total current liabilities	399,475	443,076	4,238,015
Long-term liabilities:			
Long-term debt (Notes 6 and 13)	526,733	517,252	5,588,083
Employees' retirement benefits (Note 12)	23,021	24,495	244,231
Long-term advances received	—	33,383	—
Deferred tax liabilities (Note 10)	8,367	6,937	88,764
Other long-term liabilities (Note 7)	51,960	50,338	551,241
Total long-term liabilities	610,081	632,405	6,472,319
Special reserve for expansion of railway transport facilities (Note 5)	9,400	14,100	99,725
Contingent liabilities (Note 19)			
Net assets (Note 9)			
Shareholders' equity:			
Common stock, with no par value:			
Authorized – 2,200,000,000 shares			
Issued – 736,995,435 shares	60,360	60,360	640,355
Capital surplus	58,549	58,555	621,142
Retained earnings	111,935	97,672	1,187,515
Treasury stock, at cost	(9,904)	(9,752)	(105,068)
Total shareholders' equity	220,940	206,835	2,343,944
Accumulated other comprehensive income:			
Net unrealized gain on securities	22,173	12,569	235,233
Reserve for land revaluation	(619)	(590)	(6,566)
Total accumulated other comprehensive income	21,554	11,979	228,667
Minority interests	3,052	2,790	32,373
Total net assets	245,546	221,604	2,604,984
Total liabilities and net assets	¥1,264,502	¥1,311,185	\$13,415,043

See accompanying Notes to Consolidated Financial Statements.

Years ended March 31, 2013 and 2012

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Years ended March 31, 2013 and 2012

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2013	2012	2013
Income before minority interests	¥20,057	¥17,739	\$212,783
Other comprehensive income (Note 17):			
Unrealized gain (loss) on securities	9,312	1,437	98,789
Reserve for land revaluation	—	176	—
Share of other comprehensive income of associates accounted for using equity method	323	9	3,423
Total other comprehensive income	9,635	1,622	102,212
Comprehensive income	¥29,692	¥19,361	\$314,995
Comprehensive income attributable to:			
Owners of the parent	¥29,280	¥19,455	\$310,625
Minority interests	412	(94)	4,370

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended March 31, 2013 and 2012

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2013	2012	2013
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 30,320	¥ 29,979	\$ 321,662
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:			
Depreciation and amortization	50,424	55,411	534,951
Loss on impairment of fixed assets	11,403	1,190	120,969
Amortization of goodwill	809	1,569	8,578
Interest and dividend income	(1,078)	(1,068)	(11,434)
Interest expense	10,003	11,113	106,125
(Decrease) increase in employees' retirement benefits	(1,474)	(4,611)	(15,636)
Loss (gain) on sale of property and equipment, net	(3,002)	(533)	(31,849)
Construction costs allotted to and received from others	(52,372)	(269)	(555,617)
Draw-downs from special reserve for expansion of railway transport facilities	(4,700)	(4,700)	(49,862)
Loss on deduction of carrying amounts of property and equipment	52,347	1,079	555,347
Loss on valuation of inventories	1,519	230	16,116
Decrease (increase) in trade receivables	(591)	(923)	(6,271)
(Increase) decrease in inventories	1,840	337	19,523
(Decrease) increase in accounts payables	1,331	319	14,120
Other	15	4,379	158
Subtotal	96,794	93,502	1,026,880
Interest and dividends received	1,217	1,210	12,913
Interest paid	(10,122)	(11,132)	(107,384)
Income taxes paid	(16,406)	(5,681)	(174,049)
Net cash provided by operating activities	71,483	77,899	758,360
Cash flows from investing activities:			
Acquisition of property and equipment	(57,592)	(88,119)	(610,994)
Proceeds from sales of property and equipment	4,357	1,995	46,226
Proceeds from long-term advances received	8,348	5,834	88,561
Advances received	9,863	8,641	104,634
Other	275	1,422	2,923
Net cash used in investing activities	(34,749)	(70,227)	(368,650)
Cash flows from financing activities:			
Net increase (decrease) in short-term loans	(4,677)	(8,620)	(49,613)
Proceeds from long-term debt	84,135	89,487	892,582
Repayments of long-term debt	(111,282)	(74,886)	(1,180,584)
Cash dividends paid	(5,418)	(4,696)	(57,484)
Acquisition of treasury stock	(154)	(84)	(1,635)
Other	(375)	(841)	(3,977)
Net cash provided by (used in) financing activities	(37,771)	360	(400,711)
Effect of exchange rate changes on cash and cash equivalents	0	0	0
Net (decrease) increase in cash and cash equivalents	(1,037)	8,032	(11,001)
Cash and cash equivalents at beginning of the year	30,898	22,866	327,793
Cash and cash equivalents at end of the year (Note 20)	¥ 29,861	¥ 30,898	\$ 316,792

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Years ended March 31, 2013 and 2012

	Millions of yen				
	2013				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance as of April 1, 2012	¥60,360	¥58,555	¥ 97,672	¥(9,752)	¥206,835
Changes during the year:					
Cash dividends			(5,441)		(5,441)
Net income			19,675		19,675
Reversal of reserve for land revaluation			29		29
Repurchases of treasury stock				(160)	(160)
Disposition of treasury stock		(6)		8	2
Net changes in items other than shareholders' equity during the year					
Total changes during the year		(6)	14,263	(152)	14,105
Balance as of March 31, 2013	¥60,360	¥58,549	¥111,935	¥(9,904)	¥220,940

	Millions of yen				
	2013				
	Net unrealized gain on securities, net of taxes	Reserve for land revaluation	Total accumulated other comprehensive income	Minority interests	Total net assets
Balance as of April 1, 2012	¥12,569	¥(590)	¥11,979	¥2,790	¥221,604
Changes during the year:					
Cash dividends					(5,441)
Net income					19,675
Reversal of reserve for land revaluation					29
Repurchases of treasury stock					(160)
Disposition of treasury stock					2
Net changes in items other than shareholders' equity during the year	9,604	(29)	9,575	262	9,837
Total changes during the year	9,604	(29)	9,575	262	23,942
Balance as of March 31, 2013	¥22,173	¥(619)	¥21,554	¥3,052	¥245,546

	Thousands of U.S. dollars (Note 3)				
	2013				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance as of April 1, 2012	\$640,355	\$621,209	\$1,036,201	\$(103,462)	\$2,194,303
Changes during the year:					
Cash dividends			(57,727)		(57,727)
Net income			208,731		208,731
Reversal of reserve for land revaluation			310		310
Repurchases of treasury stock				(1,700)	(1,700)
Disposition of treasury stock		(67)		94	27
Net changes in items other than shareholders' equity during the year					
Total changes during the year		(67)	151,314	(1,606)	149,641
Balance as of March 31, 2013	\$640,355	\$621,142	\$1,187,515	\$(105,068)	\$2,343,944

	Thousands of U.S. dollars (Note 3)				
	2013				
	Net unrealized gain on securities, net of taxes	Reserve for land revaluation	Total accumulated other comprehensive income	Minority interests	Total net assets
Balance as of April 1, 2012	\$133,339	\$(6,256)	\$127,083	\$29,598	\$2,350,984
Changes during the year:					
Cash dividends					(57,727)
Net income					208,731
Reversal of reserve for land revaluation					310
Repurchases of treasury stock					(1,700)
Disposition of treasury stock					27
Net changes in items other than shareholders' equity during the year	101,894	(310)	101,584	2,775	104,359
Total changes during the year	101,894	(310)	101,584	2,775	254,000
Balance as of March 31, 2013	\$235,233	\$(6,566)	\$228,667	\$32,373	\$2,604,984

	Millions of yen				
	2012				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance as of April 1, 2011	¥60,360	¥58,566	¥84,496	¥(9,701)	¥193,721
Changes during the year:					
Cash dividends			(4,716)		(4,716)
Net income			17,838		17,838
Reversal of reserve for land revaluation			54		54
Repurchases of treasury stock				(96)	(96)
Disposition of treasury stock		(11)		45	34
Net changes in items other than shareholders' equity during the year					
Total changes during the year		(11)	13,176	(51)	13,114
Balance as of March 31, 2012	¥60,360	¥58,555	¥97,672	¥(9,752)	¥206,835

	Millions of yen				
	2012				
	Net unrealized gain on securities, net of taxes	Reserve for land revaluation	Total accumulated other comprehensive income	Minority interests	Total net assets
Balance as of April 1, 2011	¥11,127	¥(710)	¥10,417	¥3,043	¥207,181
Changes during the year:					
Cash dividends					(4,716)
Net income					17,838
Reversal of reserve for land revaluation					54
Repurchases of treasury stock					(96)
Disposition of treasury stock					34
Net changes in items other than shareholders' equity during the year	1,442	120	1,562	(253)	1,309
Total changes during the year	1,442	120	1,562	(253)	14,423
Balance as of March 31, 2012	¥12,569	¥(590)	¥11,979	¥2,790	¥221,604

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2013 and 2012

1. Basis of presentation

The accompanying consolidated financial statements of Odakyu Electric Railway Co., Ltd. (the "Company") and consolidated subsidiaries (together, the "Companies") are prepared on the basis of accounting principles generally accepted in Japan, which are different 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 Law of Japan.

In addition, the notes to the consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information. Certain reclassifications have been made to present the accompanying consolidated financial statements in a format which is familiar to readers outside Japan.

2. Summary of significant accounting policies

(a) Principles of consolidation

The accompanying consolidated financial statements include the accounts of the Company and 45 consolidated subsidiaries over which substantial control is exerted either through majority ownership of voting stock and/or by other means. All significant intercompany balances and transactions have been eliminated in consolidation.

The Company applies the equity method to companies which it is able to influence to a material degree on financial and operating decision making through investment, personnel, finance, technology, trading, or other relationships.

Investments in unconsolidated subsidiaries and affiliates which are not accounted for by the equity method are carried at cost.

The fiscal year end of five consolidated subsidiaries is the end of February, which differs from that of the Company. The financial statements of these subsidiaries have been consolidated with appropriate adjustments for the intervening transactions and events between March 1 and March 31.

(b) Cash and cash equivalents

All highly liquid investments, generally with a maturity of three months or less when purchased which are readily convertible into known amounts of cash and are so near maturity that they represent only an insignificant risk of any change in value attributable to changes in interest rates, are considered cash equivalents.

(c) Marketable and investment securities

Marketable securities and investment securities are classified according to their holding objectives into held-to-maturity debt and other securities. Held-to-maturity debt securities are stated at amortized cost. Other securities are valued at market price and the resulting gains or losses are included, net of taxes, in accumulated other comprehensive income in the consolidated balance sheets.

Non-marketable available-for-sale securities are stated at cost determined by the 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.

(d) Inventories

Inventories are stated at cost as follows:

Real estate developments
for salethe identified cost method
Merchandise.....principally, the retail cost method

(e) Allowance for doubtful accounts

An allowance for doubtful accounts has been 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.

(f) Property and equipment (excluding leases)

Property and equipment is stated generally at cost. Depreciation is computed principally by the methods shown below at rates based upon the estimated useful lives of the assets. The range of the useful lives is from 3 to 60 years for buildings and structures and 3 to 17 years for machinery, equipment, rolling stock, and other vehicles.

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.

(g) Intangible fixed assets (excluding leases)

Intangible assets, including capitalized cost of software, are amortized by the straight-line method over their estimated useful lives (5 years for cost of software).

(h) 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.

(i) Railway business construction fund

The Companies receive 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 has been recorded as other income in the accompanying consolidated statements of income. The corresponding amount recorded as a deduction from the acquisition costs of property and equipment purchased has been posted to other expenses in the accompanying consolidated statements of income.

(j) Provision for bonuses

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

(k) Employees' retirement benefits

The allowance for employees' retirement benefits is recognized at the net total of the present value of the defined benefit obligation at the balance sheet date, plus any actuarial gain/loss not yet recognized, minus the fair value at the balance sheet date of the plan assets (if any) from which the obligations are to be settled directly. If the amount determined above is negative (an asset), the asset is recorded as a prepaid pension expense.

Net retirement benefit expense or income is recognized at the net amount of current service cost, interest cost, expected return on plan assets, actuarial gain/loss and past service cost recognized during the year. To determine the present value of the defined benefit obligation and the related current service cost and, where applicable, the past service cost, the project unit credit method is used. Past service cost is amortized by the straight-line method over a period of 10 years, which is shorter than the average estimated remaining years of service of the eligible employees.

Actuarial gain or loss and past service cost are recognized for each defined benefit plan and amortized over a period not exceeding the expected average remaining years of service of the employees participating in the plan. The Company and its subsidiaries recognize actuarial gain or loss by the declining-balance method over the 10 years following the fiscal year when such gain or loss is identified.

(l) 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.

(m) Income taxes

Current income taxes are computed based on taxable income and comprise corporation, inhabitants' and enterprise taxes.

Provision is made for deferred income taxes arising from temporary differences between assets or liabilities as recorded or reported for financial or tax reporting purposes.

(n) Revenue and expenses

The Company adopts the method in which revenue and cost of revenue are posted when lease fees are received.

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.

(o) Reserve for land revaluation

Pursuant to the "Law Concerning the Revaluation of Land" (the "Law"), land used for the business operations of two consolidated subsidiaries was revalued on March 31, 2000 and February 28, 2002.

The excess of the book value over the revalued carrying amount before revaluation has been included in accumulated other comprehensive income in the amount of negative ¥619 million (negative \$6,566 thousand). This represents the reserve for land revaluation calculated net of the related tax effect at March 31, 2013. The corresponding income taxes of negative ¥1,249 million (negative \$13,251 thousand) have been included in deferred tax liabilities at March 31, 2013. These revaluations of land were determined based on the official standard notice prices in accordance with the relevant regulations of the Law with certain necessary adjustments.

(p) Derivative financial instruments

The Company states derivative financial instruments at fair value and recognize changes in the fair value as gains or losses unless derivative financial instruments are used for hedging purposes.

If derivative financial instruments are used as hedges and meet certain hedging criteria, the Company defers recognition of gain or loss resulting from the changes in the fair value of derivative financial instruments until the related loss or gain on the hedged items is recognized.

Also, if interest-rate swaps are used as hedges and meet certain hedging criteria, the net amount to be paid or received under the interest-rate swap agreements is added to or deducted from the interest on the assets or liabilities for which the swap agreement was executed.

The following summarizes hedging derivative financial instruments used by the Company and items hedged:

Hedging instruments:

Interest-rate swap agreements

Hedged items:

Interest expense on borrowings

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

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.

(q) Amortization of goodwill

Goodwill is amortized over period of five year on a Straight-line basis.

(Standards Issued but Not Yet Effective)

On May 17, 2012, the ASBJ issued ASBJ Statement No. 26, "Accounting Standard for Retirement Benefits" and ASBJ Guidance No. 25, "Guidance on Accounting Standard for Retirement Benefits."

1. Outline

The accounting standard and guidance for retirement benefits were revised in view of improvements to financial reporting and international trends, with the focus mainly on how to account for actuarial gains and losses and past service costs yet to be recognized as profit and loss, how to determine retirement benefit obligations and service costs and how to enhance disclosure.

2. Effective date

The accounting standard and guidance are scheduled to go into effect on March 31, 2014. However, revisions to the determination of retirement benefit obligations and service costs are scheduled to go into effect on April 1, 2014.

3. Impact of the accounting standard and guidance's application

The impact will be evaluated in the course of formulating the Company's consolidated financial statements going forward.

(Changes in accounting policies)

Change in Depreciation

Following the revision of the Corporate Tax Law of Japan, the Company and its domestic consolidated subsidiaries began applying the depreciation method based on the revised Corporate Tax Law to property and equipment acquired since April 1, 2012. The impact on consolidated financial statements as a result of this change was minimal.

3. 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 arithmetic computation only at U.S.\$1.00=¥94.26, the approximate exchange rate prevailing on March 31, 2013. 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.

4. Inventories

Inventories consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Real estate developments for sale	¥34,502	¥37,676	\$366,026
Merchandise	10,710	11,015	113,624
Supplies and other	1,698	1,649	18,017
	¥46,910	¥50,340	\$497,667

5. 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 was required to provide a special reserve for certain railway construction projects authorized by the Ministry of Land, Infrastructure and Transport. This special reserve was provided at the rate of 6% of the annual railway passenger fares received on and after May 18, 1988. The annual provision for this reserve was deductible for income tax purposes until the completion of the relevant construction projects or for 10 years after December 28, 1987, whichever date came earlier. After completion of the projects, the reserve was to be reversed to income over a 10-year period.

The period for the provision of this special reserve ended on December 27, 1997, and the Company ceased providing the special reserve as of that date.

Of the Special Reserve for the Expansion of Railway Transport Facilities, ¥4,700 million in the aggregate has been recognized as other income during the fiscal year.

6. Short-term loans and long-term debt

The weighted average interest rates on short-term loans at March 31, 2013 and 2012 were 0.60% and 0.62%, respectively.

Long-term debt at March 31, 2013 and 2012 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
3.0% bonds due 2018	¥ 20,000	¥ 20,000	\$ 212,179
1.53% bonds due 2012	—	15,000	—
1.95% bonds due 2013	10,000	10,000	106,090
2.24% bonds due 2016	20,000	20,000	212,179
1.377% bonds due 2013	30,000	30,000	318,269
0.63% bonds due 2012	—	15,000	—
0.932% bonds due 2014	10,000	10,000	106,090
1.718% bonds due 2019	10,000	10,000	106,090
0.43% bonds due 2013	—	15,000	—
0.31% bonds due 2013	15,000	15,000	159,134
0.496% bonds due 2015	15,000	15,000	159,134
0.956% bonds due 2017	10,000	10,000	106,090
1.367% bonds due 2020	10,000	10,000	106,090
0.39% bonds due 2014	15,000	15,000	159,134
0.38% bonds due 2014	15,000	15,000	159,134
0.34% bonds due 2015	15,000	15,000	159,134
0.24% bonds due 2015	15,000	—	159,134
0.846% bonds due 2022	10,000	—	106,090
0.22% bonds due 2016	15,000	—	159,134
Loans from banks, insurance companies and others, maturing from 2014 to 2033 at a weight average interest rate of 1.63%			
Secured	134,119	140,491	1,422,865
Unsecured	134,499	141,576	1,426,887
Long-term liabilities incurred for purchase of railway transport facilities maturing from 2013 to 2038 at a weight average interest rate of 1.45%			
	138,024	104,603	1,464,287
	641,642	626,670	6,807,144
Less current portion	114,909	111,040	1,219,061
	¥526,733	¥515,630	\$5,588,083

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.

Assets pledged as collateral for long-term debt amounted to ¥571,210 million (\$6,059,939 thousand) and ¥521,893 million at March 31, 2013 and 2012, respectively, and are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Pledged assets at net book value:			
Buildings and structures	¥298,148	¥266,323	\$3,163,040
Machinery, equipment, rolling stock, and other vehicles	48,986	53,656	519,687
Land	221,189	199,038	2,346,579
Others in property and equipment	2,887	2,876	30,633
	¥571,210	¥521,893	\$6,059,939

7. Other long-term liabilities

Other long-term liabilities principally consisted of security and lease deposits received. The Companies have received security and lease deposits from tenants for property leased under certain agreements. These security and lease deposits are refundable to the tenants when the respective lease periods expire.

8. Accumulated construction fund deducted from the acquisition cost of property and equipment purchased

The amounts of the accumulated construction fund deducted from the acquisition cost of property and equipment purchased as of March 31, 2013 and 2012 were ¥207,958 million (\$2,206,214 thousand) and ¥155,758 million, respectively.

9. Net assets

Net assets comprise three subsections, which are shareholders' equity, accumulated other comprehensive income and minority interests.

Under the Japanese laws and regulations, the entire amount paid for new shares is required to be designated as common stock. However, a company may, by a resolution of the Board of Directors, designate an amount not exceeding one-half of the price of the new shares as additional paid-in capital, which is included in capital surplus.

Under the Corporation Law, in cases where dividend distribution of surplus is made, the smaller of an amount equal to 10% of the dividend and the excess, if any, of 25% of common stock over the total of additional paid-in capital and legal earnings reserve is required to be set aside as additional paid-in capital or legal earnings reserve. Legal earnings reserve is included in retained earnings in the accompanying consolidated balance sheets.

The maximum amount that the Company can distribute as dividends is calculated based on the non-consolidated financial statements of the Company in accordance with the Law.

At the annual shareholders' meeting held on June 27, 2013, the shareholders approved a resolution for the distribution of cash dividends amounting to ¥2,902 million (\$30,789 thousand). Such distribution has not been accrued in the consolidated financial statements as of March 31, 2013, but is recognized in the period in which it was approved.

10. Income taxes

The Companies are subject to a number of taxes based on income which, in the aggregate, resulted in a statutory tax rate of approximately 38.0%. The effective tax rates in the accompanying consolidated financial statements differ from the statutory tax rate principally because of certain expenses which were not deductible for income tax purposes for the years ended March 31, 2013 and 2012.

The significant components of deferred income tax assets and liabilities at March 31, 2013 and 2012 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Deferred tax assets:			
Employees' retirement benefits	¥ 10,206	¥ 10,848	\$ 108,280
Loss on impairment of fixed assets	8,161	4,598	86,577
Unrealized profits	6,857	7,042	72,742
Net operating loss carryforwards	6,129	6,324	65,019
Other	12,228	12,490	129,728
Gross deferred tax assets	43,581	41,302	462,346
Less valuation allowance	(18,899)	(20,949)	(200,501)
Total deferred tax assets	¥ 24,682	¥ 20,353	\$ 261,845
Deferred tax liabilities:			
Unrealized gains on securities	¥ (11,950)	¥ (6,998)	\$ (126,778)
Liabilities for pension and severance payments	(1,589)	(1,589)	(16,858)
Reserve for deduction of property and equipment	(6,254)	(6,294)	(66,342)
Other	(425)	(446)	(4,508)
Total deferred tax liabilities	(20,218)	(15,327)	(214,486)
Net deferred tax assets	¥ 4,464	¥ 5,026	\$ 47,359

The net amounts of deferred tax assets and liabilities are included in the following categories of the consolidated balance sheet at March 31, 2013: (in millions of yen)

Current assets—Deferred tax assets	¥ 5,482
Noncurrent assets—Deferred tax assets	¥ 6,101
Current liabilities—Deferred tax liabilities.....	¥ (1)
Long-term liabilities—Deferred tax liabilities	¥(7,118)

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

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Deferred tax asset related to land revaluation	¥ 1,023	¥ 1,023	\$ 10,858
Less: Valuation allowance	(1,023)	(1,023)	(10,858)
Total	—	—	—
Deferred tax liabilities related to land revaluation	(1,249)	(1,269)	(13,251)
Net deferred tax assets and liabilities related to land revaluation	¥(1,249)	¥(1,269)	\$(13,251)

A reconciliation of the statutory tax rate to the effective income tax rates is as follows:

	Years ended March 31	
	2013	2012
Statutory tax rate in Japan	38.0%	—
Change in valuation allowance	(5.9)	—
Permanently non-deductible expenses	0.7	—
Permanently non-taxable income	(1.0)	—
Other	2.0	—
Effective income tax rate	33.8%	—

Note: A reconciliation of the statutory tax rate to the effective income tax rates for the year ended March 31, 2012 has been omitted since the difference was less than 5%.

11. Leases

(a) Finance leases

The description on the financial lease transactions for the years ended March 31, 2013 and 2012 is omitted because it is immaterial.

(b) Operating leases as a lessee

Future minimum lease payments for only non-cancelable contracts as of March 31, 2013 of operating lease transactions amounted to ¥5,859 million (\$62,156 thousand); payments due within one year were ¥2,460 million (\$26,098 thousand) and those due after one year were ¥3,399 million (\$36,058 thousand). Future minimum lease payments for only non-cancelable contracts as of March 31, 2012 of operating lease transactions amounted to ¥7,428 million; payments due within one year were ¥2,458 million and those due after one year were ¥4,970 million.

(c) Operating leases as a lessor

Future minimum lease receipts for only non-cancelable contracts as of March 31, 2013 of operating lease transactions amounted to ¥1,617 million (\$17,154 thousand); receipts due within one year were ¥864 million (\$9,170 thousand) and those due after one year were ¥753 million (\$7,984 thousand). Future minimum lease receipts for only non-cancelable contracts as of March 31, 2012 of operating lease transactions amounted to ¥2,399 million; receipts due within one year were ¥1,097 million and those due after one year were ¥1,302 million.

(d) Sub-lease transaction

With regard to sub-lease transaction for the year ended March 31, 2013 and 2012, due to little material significance, information concerning finance lease transactions is omitted.

12. Employees' retirement benefits

The following tables summarize obligation and expenses of employees' retirement benefits as March 31, 2013 and 2012.

(a) Details of employees' retirement benefits obligation

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Projected benefit obligations	¥(93,785)	¥(93,334)	\$(994,956)
Fair value of plan assets	67,422	62,570	715,274
Funded status	(26,363)	(30,764)	(279,682)
Unrecognized actuarial loss	4,259	7,509	45,185
Unrecognized prior service cost	(705)	(908)	(7,480)
Net amount recognized	(22,809)	(24,163)	(241,977)
Prepaid pension cost	212	332	2,254
Employees' retirement benefits	¥(23,021)	¥(24,495)	\$(244,231)

(b) Details of employees' retirement benefits expenses

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Service cost	¥2,806	¥ 2,938	\$29,770
Interest cost	1,796	1,873	19,055
Expected return on plan assets	(732)	(735)	(7,767)
Recognized actuarial loss	1,476	1,927	15,664
Amortization of prior service cost	(227)	(1,032)	(2,410)
Net periodic benefit cost	¥5,119	¥ 4,971	\$54,312

Assumptions used in accounting for the employees' retirement benefit plans are summarized as follows:

	2013	2012
Discount rate	Primarily 1.6%	Primarily 2.0%
Expected rate of return on plan assets	Primarily 1.0%	Primarily 1.0%

13. Financial instruments

At March 31, 2013 and 2012, information on financial instruments was as follows.

(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, 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 the requirement for 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 based on their market prices. The fair values of financial instruments with no available market prices are determined by using prices calculated in a reasonable manner. However, as various factors are incorporated into these calculations, the resulting values may differ if different assumptions are provided.

(d) Fair values of financial instruments

Book values and fair values of the financial instruments (excluding those whose fair values were hard to determine) on the consolidated balance sheets at March 31, 2013 and 2012 were as follows:

	Millions of yen			Thousands of U.S. dollars		
	Book value	Fair value	Difference	Book value	Fair value	Difference
March 31, 2013						
(1) Cash and time deposits	¥ 29,956	¥ 29,956	¥ —	\$ 317,796	\$ 317,796	\$ —
(2) Trade receivables	20,188	20,188	—	214,176	214,176	—
(3) Investment securities						
(a) Held-to-maturity debt securities	46	47	1	491	499	8
(b) Available-for-sale securities	50,962	50,962	—	540,656	540,656	—
Total assets	¥ 101,152	¥ 101,153	¥ 1	\$ 1,073,119	\$ 1,073,127	\$ 8
(4) Accounts payable	¥ (27,433)	¥ (27,433)	¥ —	\$ (291,040)	\$ (291,040)	\$ —
(5) Short-term loans	(161,135)	(161,135)	—	(1,709,473)	(1,709,473)	—
(6) Corporate bonds* ¹	(235,000)	(242,062)	7,062	(2,493,105)	(2,568,030)	74,925
(7) Long-term loans* ²	(268,618)	(283,264)	14,646	(2,849,752)	(3,005,132)	155,380
(8) Long-term liabilities incurred for purchase of railway transport facilities* ³	(141,606)	(141,606)	—	(1,502,286)	(1,502,286)	—
Total liabilities	¥(833,792)	¥(855,500)	¥21,708	\$(8,845,656)	\$(9,075,961)	\$230,305
Derivatives	¥ —	¥ —	¥ —	\$ —	\$ —	\$ —

*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.

	Millions of yen		
	Book value	Fair value	Difference
March 31, 2012			
(1) Cash and time deposits	¥ 30,994	¥ 30,994	¥ —
(2) Trade receivables	19,603	19,603	—
(3) Investment securities			
(a) Held-to-maturity debt securities	36	36	0
(b) Available-for-sale securities	36,801	36,801	—
Total assets	¥ 87,434	¥ 87,434	¥ 0
(4) Accounts payable	¥ (26,203)	¥ (26,203)	¥ —
(5) Short-term loans	(165,811)	(165,811)	—
(6) Corporate bonds* ¹	(240,000)	(246,921)	6,921
(7) Long-term loans* ²	(282,067)	(292,394)	10,327
(8) Long-term liabilities incurred for purchase of railway transport facilities* ³	(106,362)	(106,362)	—
Total liabilities	¥(820,443)	¥(837,691)	¥17,248
Derivatives	¥ —	¥ —	¥ —

*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.

Notes:

1. Calculation method of fair values of financial instruments

(1) Cash and time deposits and (2) trade receivables

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 14, "Securities."

(4) 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 these are floating rate loans.

Derivatives:

Please see Note 15, "Derivatives financial instruments," for information on derivative transactions.

2. Financial instruments whose fair values are not readily determinable

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Unlisted stocks	¥3,647	¥3,649	\$38,689
Investment in limited partnerships and the like	714	949	7,570

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

3. Redemption schedule for financial assets with maturities

	Millions of yen				Thousands of U.S. dollars			
	2013	From 2014 to 2018	From 2019 to 2023	Thereafter	2013	From 2014 to 2018	From 2019 to 2023	Thereafter
Cash and time deposits	¥29,956	¥—	¥—	¥—	\$317,796	\$ —	\$ —	\$—
Trade receivables	20,188	—	—	—	214,176	—	—	—
Held-to-maturity debt securities								
Government bonds	10	26	10	—	106	276	106	—
Total	¥50,154	¥26	¥10	¥—	\$532,078	\$276	\$106	\$—

	Millions of yen			
	2012	From 2013 to 2017	From 2018 to 2022	Thereafter
Cash and time deposits	¥30,994	¥—	¥—	¥—
Trade receivables	19,603	—	—	—
Held-to-maturity debt securities				
Government bonds	10	26	—	—
Total	¥50,607	¥26	¥—	¥—

4. Redemption schedule for corporate bonds, long-term loans and long-term liabilities incurred for purchase of railway transport facilities after the balance-sheet date

	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
March 31, 2013						
Corporate bonds* ¹	¥70,000	¥40,000	¥45,000	¥20,000	¥10,000	¥ 50,000
Long-term loans* ²	34,862	20,380	31,496	27,389	17,839	136,652
Long-term liabilities incurred for purchase of railway transport facilities* ³	10,047	10,212	9,494	9,629	9,767	88,875

	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* ¹	\$742,627	\$424,358	\$477,403	\$212,179	\$106,090	\$ 530,448
Long-term loans* ²	369,849	216,203	334,142	290,566	189,256	1,449,736
Long-term liabilities incurred for purchase of railway transport facilities* ³	106,586	108,339	100,722	102,158	103,613	942,869

	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
March 31, 2012						
Corporate bonds* ¹	¥45,000	¥70,000	¥40,000	¥15,000	¥20,000	¥ 50,000
Long-term loans* ²	57,584	34,860	20,268	31,076	26,969	111,310
Long-term liabilities incurred for purchase of railway transport facilities* ³	8,455	8,590	8,728	8,000	8,126	62,704

*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.

14. Securities

The following tables summarize the acquisition cost, book value and fair value of securities as of March 31, 2013 and 2012.

(a) Marketable held-to-maturity debt securities

	Millions of yen			Thousands of U.S. dollars		
	Book value	Fair value	Difference	Book value	Fair value	Difference
March 31, 2013						
Securities, whose fair value exceeds their book value:						
Government bonds	¥36	¥37	¥1	\$385	\$393	\$8
Subtotal	36	37	1	385	393	8
Securities, whose fair value does not exceed their book value:						
Government bonds	10	10	(0)	106	106	(0)
Subtotal	10	10	(0)	106	106	(0)
Total	¥46	¥47	¥1	\$491	\$499	\$8

	Millions of yen		
	Book value	Fair value	Difference
March 31, 2012			
Securities, whose fair value exceeds their book value:			
Government bonds	¥26	¥26	¥0
Subtotal	26	26	0
Securities, whose fair value does not exceed their book value:			
Government bonds	10	10	(0)
Subtotal	10	10	(0)
Total	¥36	¥36	¥0

(b) Marketable other securities

	Millions of yen			Thousands of U.S. dollars		
	Acquisition cost	Fair value	Difference	Acquisition cost	Fair value	Difference
March 31, 2013						
Securities, whose fair value exceeds their acquisition cost:						
Stocks	¥14,092	¥48,409	¥34,317	\$149,502	\$513,574	\$364,072
Subtotal	14,092	48,409	34,317	149,502	513,574	364,072
Securities, whose fair value does not exceed their acquisition cost:						
Stocks	2,926	2,553	(373)	31,044	27,082	(3,962)
Subtotal	2,926	2,553	(373)	31,044	27,082	(3,962)
Total	¥17,018	¥50,962	¥33,944	\$180,546	\$540,656	\$360,110

	Millions of yen		
	Acquisition cost	Fair value	Difference
March 31, 2012			
Securities, whose fair value exceeds their acquisition cost:			
Stocks	¥10,189	¥31,101	¥20,912
Subtotal	10,189	31,101	20,912
Securities, whose fair value does not exceed their acquisition cost:			
Stocks	6,934	5,700	(1,234)
Subtotal	6,934	5,700	(1,234)
Total	¥17,123	¥36,801	¥19,678

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

The description on the net gain (loss) on sale of other marketable securities for the year ended March 31, 2013 and 2012 is omitted because it is immaterial.

(d) Impairment losses on marketable securities

The impairment losses on marketable securities for the year ended March 31, 2013 and 2012 is omitted because it is immaterial.

The Group records an impairment 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.

15. Derivatives financial instruments

At March 31, 2013 and 2012, information on derivative transactions was as follows.

(a) Derivatives to which hedge accounting is not applied.

There are no derivative transactions for the year ended March 31, 2013 and 2012 to which hedge accounting is not applied.

(b) Derivatives to which hedge accounting is applied.

March 31, 2013			Millions of yen			Thousands of U.S. dollars		
Hedge accounting method	Type of derivatives	Major hedged item	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	¥19,998	¥16,828	(Note)	\$212,153	\$178,522	(Note)

Note: The interest-rate swaps which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value, but the paid or received under the swap agreements is recognized and included in interest expenses of income of the long-term loans as hedged items. Accordingly, the fair value of the interest-rate swaps is considered to be included in the fair value of the long-term loans.

March 31, 2012			Millions of yen		
Hedge accounting method	Type of derivatives	Major hedged item	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	¥20,287	¥19,998	(Note)

Note: The interest-rate swaps which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value, but the paid or received under the swap agreements is recognized and included in interest expenses of income of the long-term loans as hedged items. Accordingly, the fair value of the interest-rate swaps is considered to be included in the fair value of the long-term loans.

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.

(a) Fair value of leasing and other properties

	Millions of yen			
	Book value		Fair value	
	March 31, 2012	Changes during the year	March 31, 2013	March 31, 2013
Leasing properties	¥128,779	¥ (892)	¥127,887	¥160,837
Other properties used as leasing properties	164,204	(2,177)	162,027	194,324

	Thousands of U.S. dollars			
	Book value		Fair value	
	March 31, 2012	Changes during the year	March 31, 2013	March 31, 2013
Leasing properties	\$1,551,180	\$(194,430)	\$1,356,750	\$1,706,308
Other properties used as leasing properties	1,977,882	(258,943)	1,718,939	2,061,573

- Notes: 1. The amount posted in the consolidated balance sheet is gained by deducting the cumulative depreciation and amortization from the acquisition cost.
2. The main component of the increase during the year is ¥2,784 million (\$29,538 thousand) in acquisition of Nittochi Shinyurigaoka Building. The main factors attributable to the decrease are depreciation and amortization.
3. The market value as of March 31, 2013 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.

	Millions of yen			
	Book value		Fair value	
	March 31, 2011	Changes during the year	March 31, 2012	March 31, 2012
Leasing properties	¥146,016	¥(17,237)	¥128,779	¥158,748
Other properties used as leasing properties	115,832	48,372	164,204	198,561

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

2. The main component of the changes during the year are increase of ¥34,582 million in acquisition of Shinjuku Subaru Building.

3. The market value as of March 31, 2012 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.

(b) Profit and loss on leasing properties

	Millions of yen			
	Leasing income	Leasing expenses	Difference	Others gains or losses
Year ended March 31, 2013				
Leasing properties	¥11,847	¥ 7,110	¥4,737	¥ (240)
Other properties used as leasing properties	21,422	14,332	7,090	1,822

	Thousands of U.S. dollars			
	Leasing income	Leasing expenses	Difference	Others gains or losses
Year ended March 31, 2013				
Leasing properties	\$125,690	\$ 75,434	\$50,256	\$(2,549)
Other properties used as leasing properties	227,268	152,053	75,215	19,333

Note: Other gains and losses represent mainly gains on sales of properties or losses on disposal of properties as other income (expense).

	Millions of yen			
	Leasing income	Leasing expenses	Difference	Others gains or losses
Year ended March 31, 2012				
Leasing properties	¥11,982	¥ 7,048	¥4,934	¥ (309)
Other properties used as leasing properties	20,638	15,969	4,669	(1,478)

17. Other comprehensive income

The components of other comprehensive income for the year ended March 31, 2013 and 2012 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Unrealized gain on securities:			
Gain arising during the year	¥14,174	¥ 511	\$150,369
Reclassification adjustments	92	210	981
Amount before income tax effect	14,266	721	151,350
Income tax effect	(4,954)	716	(52,561)
Subtotal	9,312	1,437	98,789
Reserve for land revaluation:			
Income tax effect	—	176	—
Subtotal	—	176	—
Share of other comprehensive income of associates accounted for using equity method:			
Gain arising during the year	323	9	3,423
Reclassification adjustments	—	(0)	—
Total other comprehensive income	¥ 9,635	¥1,622	\$102,212

18. Amounts per share

In accordance with the accounting standard for earnings per share, basic net income per share is computed based on the net income available for distribution to shareholders of common stock and the weighted-average number of shares of common stock outstanding during the year. Diluted net income per share is computed based on the net income available for distribution to the shareholders and

the weighted-average number of shares of common stock outstanding during each year assuming full conversion or exercise of the common stock equivalents.

Net assets per share are based on the number of shares of common stock outstanding at each year end.

	Years ended March 31		U.S. dollars
	Yen	2012	
Net income—basic	2013		2013
	¥27.26	¥24.71	\$0.29

	March 31		U.S. dollars
	Yen	2012	
Net assets	2013		2013
	¥336.05	¥303.15	\$3.57

Diluted net income per share is not presented as the Companies did not hold any potentially dilutive securities for the years ended March 31, 2013 and 2012.

19. Contingent liabilities

The Companies were contingently liable as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	
Guarantees of loans on behalf of:			
Unconsolidated subsidiaries and affiliates	¥ 129	¥ —	\$ 1,365
Employees and others	1,015	1,287	10,776
	¥1,144	¥1,287	\$12,141

The outstanding amount of which the Company was contingently liable under debt assumption agreement was ¥20,000 million of the 22nd series of unsecured bonds.

20. Supplementary cash flow information

The following table represents a reconciliation of cash and cash equivalents and cash and time deposits in the consolidated balance sheets as of March 31, 2013 and 2012:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	
Cash and time deposits	¥29,956	¥30,994	\$317,796
Marketable securities	10	10	106
Time deposits with a maturity of more than 3 months	(95)	(96)	(1,004)
Equity and debt securities with a maturity of more than 3 months	(10)	(10)	(106)
Cash and cash equivalents	¥29,861	¥30,898	\$316,792

21. Loss on impairment of fixed assets

The Group recognized an impairment loss of ¥11,403 million (\$120,969 thousand) for certain intangible assets and business properties of a hotel in Shinjuku, Tokyo and a store in Setagaya, Tokyo, as there was no expectation of initially forecasted profits.

The carrying amounts of these assets were written down to a recoverable amount.

Impairment losses that the Group recognized for the years ended March 31, 2013 and 2012 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Buildings and structures	¥10,754	¥ 967	\$114,086
Machinery, equipment, rolling stock, and other vehicles	125	22	1,325
Land	—	98	—
Lease	20	4	216
Intangible assets	27	5	284
Others	477	94	5,058
Total	¥11,403	¥1,190	\$120,969

The Group bases its grouping for assessing impairment losses on its business segments or on an individual property and store basis. The recoverable amounts of assets are measured at their estimated selling value, which is principally equivalent to the valuation

submitted by real estate appraisers. When the recoverable amounts 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.

22. 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

Retaildepartment store, supermarket

Real estate.....sale of land and buildings, leasing of buildings

(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.

Information about sales, operating income, assets and others by reportable segment, for the years ended March 31, 2013 and 2012 was as follows:

	(Millions of yen)						
	Reportable segment				Total	Adjustment	Consolidated
	Transportation	Merchandising	Real Estate	Other			
Year ended March 31, 2013							
Operating revenues	¥166,382	¥221,062	¥ 55,333	¥ 72,447	¥ 515,224	¥ —	¥ 515,224
Intragroup sales and transfers	3,228	2,587	5,439	23,843	35,097	(35,097)	—
Total	¥169,610	¥223,649	¥ 60,772	¥ 96,290	¥ 550,321	¥(35,097)	¥ 515,224
Operating income	¥ 26,444	¥ 3,813	¥ 10,372	¥ 3,307	¥ 43,936	¥ 183	¥ 44,119
Total assets	¥672,542	¥ 77,397	¥381,329	¥ 86,432	¥1,217,700	¥ 46,802	¥1,264,502
Other							
Depreciation and amortization	¥ 31,504	¥ 5,141	¥ 9,681	¥ 4,342	¥ 50,668	¥ (244)	¥ 50,424
Amortization of goodwill	—	—	744	26	770	39	809
Loss on impairment of fixed assets	46	231	4	11,122	11,403	—	11,403
Investment for affiliates applied for equity methods	6,440	—	—	—	6,440	—	6,440
Capital expenditures	34,905	4,642	10,855	2,956	53,358	—	53,358

	(Thousand of U.S. dollars)						
	Reportable segment				Total	Adjustment	Consolidated
	Transportation	Merchandising	Real Estate	Other			
Year ended March 31, 2013							
Operating revenues	\$1,765,133	\$2,345,237	\$ 587,021	\$ 768,594	\$ 5,465,985	\$ —	\$ 5,465,985
Intragroup sales and transfers	34,248	27,446	57,705	252,947	372,346	(372,346)	—
Total	\$1,799,381	\$2,372,683	\$ 644,726	\$1,021,541	\$ 5,838,331	\$(372,346)	\$ 5,465,985
Operating income	\$ 280,544	\$ 40,453	\$ 110,033	\$ 35,089	\$ 466,119	\$ 1,941	\$ 468,060
Total assets	\$7,134,966	\$ 821,104	\$4,045,501	\$ 916,949	\$12,918,520	\$ 496,523	\$13,415,043
Other							
Depreciation and amortization	\$ 334,230	\$ 54,538	\$ 102,711	\$ 46,061	\$ 537,540	\$ (2,589)	\$ 534,951
Amortization of goodwill	—	—	7,890	277	8,167	411	8,578
Loss on impairment of fixed assets	483	2,451	44	117,991	120,969	—	120,969
Investment for affiliates applied for equity methods	68,325	—	—	—	68,325	—	68,325
Capital expenditures	370,300	49,248	115,161	31,363	566,072	—	566,072

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, insurance agency, bookkeeping service, nursing and child care
2. Adjustments are as follows:
 - (1) Adjustments of ¥183 million (\$1,941 thousand) for operating income include ¥222 million (\$2,352 thousand) of intersegment elimination and negative ¥39 million (negative \$411 thousand) of amortization of goodwill.
 - (2) Adjustments for segment assets amounting to ¥46,802 million (\$496,523 thousand) include negative ¥120,966 million (negative

\$1,283,321 thousand) of intersegment elimination and ¥167,768 (\$1,779,844 thousand) of the Group assets that have not been distributed to reportable segments.

- (3) Adjustments for depreciation and amortization amounting to negative ¥244 million (negative \$2,589 thousand) represents intersegment elimination.
3. Operating income is adjusted to operating income of consolidated statements of income.
4. Increases in depreciation and amortization, capital expenditures include amortization and additions to long-term prepaid expenses.

Year ended March 31, 2012	(Millions of yen)						
	Reportable segment				Total	Adjustment	Consolidated
	Transportation	Merchandising	Real Estate	Other			
Operating revenues	¥ 162,838	¥ 221,235	¥ 54,661	¥ 69,598	¥ 508,332	¥ —	¥ 508,332
Intragroup sales and transfers	2,893	2,455	6,225	22,024	33,597	(33,597)	—
Total	¥ 165,731	¥ 223,690	¥ 60,886	¥ 91,622	¥ 541,929	¥ (33,597)	¥ 508,332
Operating income	¥ 25,904	¥ 3,459	¥ 8,192	¥ 895	¥ 38,450	¥ 181	¥ 38,631
Total assets	¥ 716,117	¥ 76,447	¥ 392,593	¥ 92,591	¥ 1,277,748	¥ 33,437	¥ 1,311,185
Other							
Depreciation and amortization	¥ 34,104	¥ 5,669	¥ 11,041	¥ 4,859	¥ 55,673	¥ (262)	¥ 55,411
Amortization of goodwill	—	21	1,487	26	1,534	35	1,569
Loss on impairment of fixed assets	231	432	250	277	1,190	—	1,190
Investment for affiliates applied for equity methods	5,088	—	—	—	5,088	—	5,088
Capital expenditures	31,427	3,372	43,976	1,993	80,768	—	80,768

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, insurance agency, bookkeeping service, nursing and child care.
2. Adjustments are as follows:
 - (1) Adjustments of ¥181 million for operating income include ¥216 million of intersegment elimination and negative ¥35 million of amortization of goodwill.
 - (2) Adjustments for segment assets amounting to ¥33,438 million include negative ¥85,188 million of intersegment elimination and ¥118,626 of the Group assets that have not been distributed to reportable segments.
 - (3) Adjustments for depreciation and amortization amounting to negative ¥262 million represents intersegment elimination.
3. Operating income is adjusted to operating income of consolidated statements of income.
4. Increases in depreciation and amortization, capital expenditures include amortization and additions to long-term prepaid expenses.

(c) Related information as of and for the year ended March 31, 2013

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.

Information by geographical area information

(1) Revenue from operations

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

(2) 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, information is omitted.

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.

(d) 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, 2013 and 2012 is omitted because it is disclosed on "Segment information."

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

(Millions of yen)						
Year ended March 31, 2013	Transportation	Merchandising	Real Estate	Other	Intercompany Eliminations and Corporate	Consolidated
Balance at the end of the fiscal year under review	¥—	¥—	¥—	¥—	¥98	¥98

(Thousands of U.S. dollars)						
Year ended March 31, 2013	Transportation	Merchandising	Real Estate	Other	Intercompany Eliminations and Corporate	Consolidated
Balance at the end of the fiscal year under review	\$—	\$—	\$—	\$—	\$1,039	\$1,039

(Millions of yen)						
Year ended March 31, 2012	Transportation	Merchandising	Real Estate	Other	Intercompany Eliminations and Corporate	Consolidated
Balance at the end of the fiscal year under review	¥—	¥—	¥744	¥26	¥88	¥858

Note: The amount of the amortization of goodwill for the year ended March 31, 2013 and 2012 is omitted because it is disclosed on "Segment information."

(f) Information on gain on negative goodwill by reportable segment

The description on gain on negative goodwill by segment for the year ended March 31, 2013 is omitted because it is immaterial.

23. Related party transactions

For the year ended March 31, 2013

There are no related party transactions to be applied.

For the year ended March 31, 2012

Transactions between consolidated subsidiary and related party.

Transactions between consolidated subsidiaries of the company that submitted consolidated financial statements (Odakyu Electric Railway Co., Ltd.) and Directors of Odakyu Electric Railway Co., Ltd. and major shareholders (individual shareholders only), etc.

Odakyu Nishi-Shinjuku Building Co., Ltd.

Attribute	Name of related party	Business	Voting interest	Description of the business relationship	Description of transaction	Transaction amounts (millions of yen)	Account title	Year-end balance (millions of yen)
Director	Tomijiro Morita	Director of Odakyu Electric Railway Co., Ltd.	Directly 6.7%	Borrowed capital	Borrowed capital	¥ —	Long-term debt	¥36,100
		Chairman of the Board and Representative Director of The Dai-ichi Mutual Life Insurance Company			Payment of interest	200	—	—

Notes: 1. The transaction with the Dai-ichi Mutual Life Insurance Company is a transaction for third parties.

2. The voting interest of "6.7% directly owned" is the ratio at which the Dai-ichi Mutual Life Insurance Company owns the voting right, etc. of the Company.

3. The transaction amount and year-end balance do not include consumption taxes.

4. The rate of the fund borrowed from the Dai-ichi Mutual Life Insurance Company has been rationally determined in accordance with market interest rates.

5. Since the Company's director Tomijiro Morita retired the chairman of the board and director of the Dai-ichi Mutual Life Insurance Company on June 27, 2011, the above stated the transaction amount in office and the balance at the time of the retirement.

24. Subsequent events

(a) Merger with a subsidiary

At the Board of Directors' meeting held on December 19, 2012, Odakyu Electric Railway Co., Ltd. decided to effect a merger with its subsidiary, Odakyu Nishi-Shinjuku Building Co., Ltd. The Company, as the surviving company, completed the merger on April 1, 2013.

(1) Outline of the Merger

(a) Name and business of the merged entity

Odakyu Nishi-Shinjuku Building Co., Ltd.
Real estate leasing business

(b) Date of the merger

April 1, 2013

(c) Legal form of the merger

The merger was an absorption-type merger, with the Company as the surviving company and Odakyu Nishi-Shinjuku Building Co., Ltd. as the company to be dissolved.

(d) Name of the entity after the merger

Odakyu Electric Railway Co., Ltd.

(e) Purpose of the merger

The Company undertook the merger to achieve more effective management and operational system for the adjacent assets held by the Company and Odakyu Nishi-Shinjuku Building Co., Ltd.

(2) Accounting method

The Company applied the following accounting treatments stipulated by "Accounting Standard for Business Combinations" (ASBJ Statement No. 21; December 26, 2008) and "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10; December 26, 2008) for the transaction under common control.

(b) Issuance of unsecured bond

The directors of the Company approved a resolution for the issuance of the 62th series of unsecured bonds at a meeting of the Board of Directors convened on June 27, 2013. Details of the issuance are summarized as follows:

- | | |
|-----------------------|------------------------------------|
| (1) Amount: | ¥15.0 billion |
| (2) Interest rate: | Less than 0.8 % per annum |
| (3) Date of issuance: | Between June 27, and July 31, 2013 |
| (4) Term: | 3 years |
| (5) Purpose: | Capital expenditures |