SELECTED FINANCIAL DATA

Year ended March 31

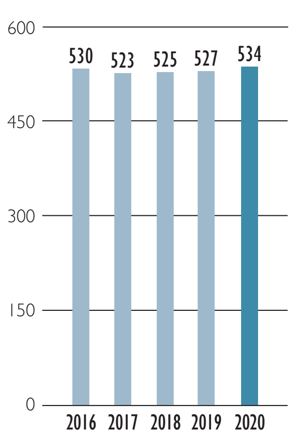
Consolidated	2016	2017	2018	2019	2020
	Millions of yen				
Results for the year:					
Revenue from operations	¥ 529,812	¥ 523,032	¥ 524,661	¥ 526,676	**¥ 534,133**
Operating income	52,935	49,947	51,465	52,090	**41,104**
Ordinary income	45,695	46,639	47,892	49,688	**38,300**
Income before income taxes	42,576	39,712	43,941	45,195	**35,999**
Net income attributable to owners of the parent	27,498	26,068	29,328	32,468	**19,923**
Comprehensive income	15,504	28,472	33,333	30,280	**8,856**
Per share of common stock (in yen):					
Net income—basic	¥ 76.27	¥ 72.31	¥ 81.36	¥ 90.11	**¥ 55.08**
Year-end financial position:					
Total assets	¥1,257,332	¥1,270,102	¥1,294,498	¥1,312,434	**¥1,328,304**
Net assets	317,023	338,703	366,577	389,181	**390,183**

Non-Consolidated	2016	2017	2018	2019	2020
	Millions of yen				
Results for the year:					
Revenue from operations	¥ 164,757	¥ 166,445	¥ 169,556	¥ 173,901	**¥ 172,082**
Operating income	42,294	39,824	40,360	41,398	**35,896**
Ordinary income	34,131	36,163	36,788	38,963	**33,228**
Income before income taxes	33,028	31,843	36,786	36,522	**31,634**
Net income	21,289	22,516	25,834	25,983	**21,314**
Per share of common stock (in yen):					
Net income—basic	¥ 58.74	¥ 62.13	¥ 71.29	¥ 71.72	**¥ 58.59**
Cash dividends	9.00	14.50	20.00	21.00	**21.00**
Year-end financial position:					
Total assets	¥1,101,992	¥1,107,878	¥1,129,254	¥1,130,260	**¥1,153,594**
Net assets	271,951	286,890	307,557	324,046	**336,654**

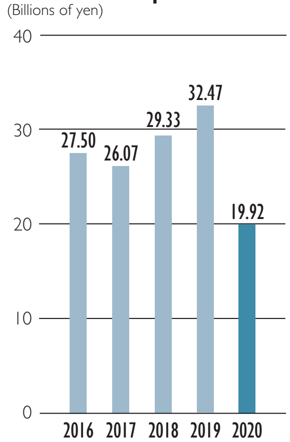
Notes: 1. The Company implemented a share consolidation in which two shares are consolidated into one share on October 1, 2016. Net income per share and cash dividends per share are calculated based on the assumption that the share consolidation was executed at the beginning of the fiscal year ended March 31, 2016 (For per share of common stock, see Note 21 of the Notes to Consolidated Financial Statements).
2. "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) has been applied from the beginning of the fiscal year ended March 31, 2019. The change applies retroactively to the figures of the previous fiscal year.

CONSOLIDATED DATA

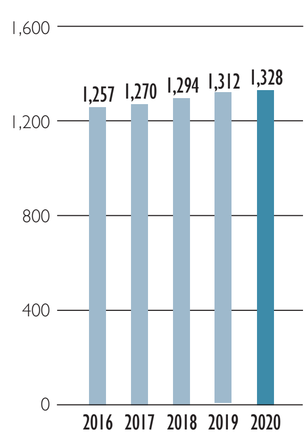
Revenue from operations
(Billions of yen)



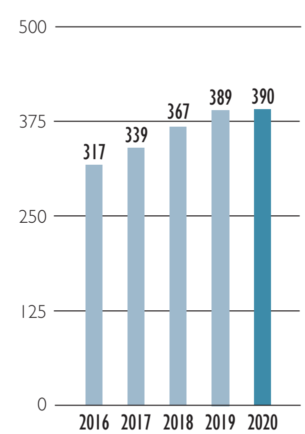
Net income attributable to owners of the parent
(Billions of yen)



Total assets
(Billions of yen)



Net assets
(Billions of yen)



Results of Operations

During the fiscal year under review, the Japanese economy remained on a moderate recovery track, with corporate earnings remaining at a high level and personal consumption spending picking up amid continued improvement in employment and income conditions. However, at the end of the fiscal year, the economy was severely depressed by the impact of the novel coronavirus (COVID-19) pandemic. The outlook is expected to remain grim due to the effects of this infectious disease.

Against this backdrop, the Odakyu Group carried out aggressive marketing in its respective segments, but consolidated revenue from operations rose only 1.4% from the previous fiscal year, to ¥534,133 million. This reflected the impact of COVID-19 despite higher sales in the Real Estate and other segments.

In addition, due to these factors as well as higher expenses in the Transportation and other segments, operating income decreased 21.1% to ¥41,104 million, and ordinary income fell 22.9% to ¥38,300 million. Net income attributable to owners of the parent totaled ¥19,923 million, down 38.6% year on year.

Cash Flows

(1) Outline of capital expenditures

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. In addition, we take an active approach to implement the appropriate safety measures and prevent accidents. In the fiscal year ended March 31, 2020, capital expenditures, including the investment amount in intangible assets, amounted to ¥91,599 million, up 11.4% from the previous fiscal year.

Capital expenditures in the Transportation segment totaled ¥40,941 million, used primarily in railway operations. To make transportation services even more comfortable, in this segment, the Group invested ¥4,009 million to the building of new commuter trains and ¥2,031 million to the installation of platform doors to enhance passenger safety on station platforms.

In the Merchandising segment, the Group invested ¥5,498 million, primarily to open new stores and renovate existing ones. Major items included ¥1,994 million for construction of a distribution center at Shirohato Co., Ltd.

The Real Estate segment spent ¥29,548 million, mainly for the acquisition of leasing commercial facilities, construction of new buildings and refurbishment of existing ones. Major items included ¥1,862 million for the Company's Ebina Station Area Development Plan.

The Other Businesses segment was allocated ¥15,612 million, primarily for new construction and renovation of hotel facilities, such as Hotel Hakone Yutowa and HOTEL CLAD operated by ODAKYU Resorts Co., Ltd.

(2) Analysis of capital resources and liquidity

The Group's primary cash demand is for investments in facilities and equipment that are indispensable for ensuring railway use in a safe, convenient and comfortable manner, as well as for capital expenditures such as investments in development projects that enhance the value of the area along the Odakyu railway lines. As for future trends, we believe that capital expenditures will continue to account for the highest proportion of cash demand.

The Group takes a comprehensive view of the market environment and interest rate changes before selectively determining fundraising methods for capital expenditure 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.

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 (CP).

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 by centralized management based on the CMS.

Although the outbreak of the COVID-19 pandemic has affected its cash flow, the Group has been able to secure sufficient cash liquidity on hand through the issuance of CP and corporate bonds. The Group has also established a system that enables it to quickly raise additional funds in the event of a sudden deterioration in its cash position.

Financial Position

Total assets at March 31, 2020 stood at ¥1,328,304 million, representing an increase of ¥15,870 million from a year ago. This was attributable mainly to an increase in cash and time deposits.

Liabilities rose ¥14,868 million, to ¥938,121 million, due mainly to an increase in interest-bearing debt.

Net assets, including non-controlling interests, rose ¥1,002 million from the end of the previous fiscal year, to ¥390,183 million. This reflected higher retained earnings resulting from net income attributable to owners of the parent.

Critical Accounting Policies and Estimates

The Odakyu Group's consolidated financial statements are prepared in conformity with accounting principles 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 the information available to the Odakyu Group at the time of submission of this report.

In addition, the impact of the COVID-19 infection on accounting estimates is described in "Impact of the Novel Coronavirus Infection on Accounting Estimates in NOTE 4 "ADDITIONAL INFORMATION."

(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 September 26, 2008). The cost method (in which the book value on the balance sheet is written down to reflect the effect of lower profit margins) has been adopted for land and buildings for sale, and there is a possibility that costs will be incurred due to the write-down of the book value in the event of a decline in market prices.

(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, long-term rate of return on pension assets, and expected salary increase rate. 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.

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. A consolidated dividend payout ratio of 30% is targeted based on the principle of distribution of returns in accordance with consolidated operating results.

The Company intends to continue its policy of making dividend payments twice a year, at the close of the fiscal-year first half and at the fiscal year-end. The dividend 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 a resolution at the general meeting of shareholders.

Based on this policy, the Company paid a year-end dividend of ¥10.0 per share for the fiscal year ended March 31, 2020, and an interim dividend of ¥11.0, resulting in an annual payout of ¥21.0.

Basic Policy Regarding How a Person Controlling Decisions on Financial and Business Policies of the Company Should Act

The Company believes that since we, as a public corporation, allow the free purchase and sale of shares of the Company, if a specific person intends to conduct a large-scale purchase aiming at acquiring such number of shares of the Company that may affect the decisions of the Company's financial and business policies, the shareholders of the Company should make the final decision regarding whether or not to accept such a large-scale purchase.

However, this is the case, for example, with acquisitions that would obviously negatively affect corporate value and the common interests of shareholders, such as a sale or disposal of important operating assets, actions that may effectively force shareholders to sell their shares, and actions that do not provide sufficient information for shareholders to make the best choice.

The Company believes that it is necessary to secure the Company's corporate value as well as the common interest of shareholders by taking necessary and substantial countermeasures against this kind of hostile large-scale acquisition.

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.

(1) Disasters

(a) Large-scale earthquake and tsunami

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 shortages 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 a zone designated as an area requiring the implementation of enhanced earthquake preparatory measures with respect to the Tokai region.

As countermeasures against such risks, the Group has formulated a business continuity plan (BCP) and promoted seismic retrofitting of buildings and facilities. It has also posted guides indicating evacuation sites in the event of a disaster and guides in foreign languages at some stations, carried out drills in cooperation with administrative organs, and implemented measures such as preparing disaster stockpiles at all stations and related facilities.

(b) Natural disasters

Due to Typhoon No. 19, which occurred in October 2019, some sections of Hakone Tozan Railway remain out of service, and this has had an impact on the Group's results of operations in the Hakone area (the Group aims for recovery around the end of July 2020). In the event of large-scale natural disasters, such as localized torrential downpours and storms that cause direct damage to the Group's personnel, premises and equipment or lead to an increase in costs due to the restoration of damaged premises and equipment, as well as reduce earnings reflecting mainly business constraints such as train cancellation and a drop in consumer confidence, the Group's results of operations and financial condition could be adversely affected.

In response to these risks, the Group has implemented a variety of measures, including the implementation of a warning system based on its disaster prevention plan, strict operational regulations, reinforcement work for various structures, the installation of rain gauges and anemometers, and the use of fixed-point observation cameras to monitor dangerous areas.

(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 epidemic such as swine influenza should occur in the Group's six business areas, this could cause customers to refrain from utilizing the Group's facilities or make it impossible for the Group to carry out its operations, particularly its railway operations if there is a high incidence of employee infections. Such a situation may have an impact on the Group's results of operations and financial condition.

The Group has formulated a BCP to mitigate these risks, and is implementing measures such as stockpiling of masks and alcohol disinfectants and establishment of an information collection system.

As a result of the spread of the novel coronavirus, the railway, department store and hotel businesses have experienced a fall in the number of foreign visitors to Japan and domestic customers have refrained from going out. Some stores have faced lower sales due to temporary closures and shorter operating hours. In the event of further or prolonged infection, there is a possibility that the impact will increase, particularly in the above businesses.

(2) Accidents

(a) Occurrence of accidents

If there is 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 condition.

As countermeasures against such risks, the Group has taken measures to prevent the occurrence of similar incidents and to strengthen its operational response capabilities against such incidents. Such measures include establishing a BCP, sharing risk cases, systematically updating and inspecting facilities, and enhancing training and education.

(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 the earnings and financial condition of the Group.

In response to these risks, the Group has implemented a variety of measures, including statutory inspections of structures, sanitary inspections, labeling inspections, bacteriological inspections and external audits.

(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 human error may have an adverse effect on the Group's results of operations and financial condition.

As countermeasures against such risks, the Group has implemented measures to improve network resilience, measures against unauthorized access such as firewalls, building an information security system, and sharing information on the increasing threat of cyber attacks and the latest security topics.

(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 sanctions based on social norms and laws and regulations may have an adverse effect on the Group's results of operations and financial condition.

To address this risk, the Group has implemented a variety of measures, including the implementation of regular compliance questionnaires, the formulation and implementation of action plans based on the results of these surveys, the development of a compliance hotline for the early detection and response of problems, and the enhancement of training programs and seminars.

(b) Management of personal information

The Group operates a 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 the Group's reputation with potential impact on its operating results.

To strengthen the personal information management system, the Group has implemented a range of measures, including the preparation of regulations and personal information management ledgers, security measures, and periodic training and support for the acquisition of qualifications.

(c) Disclosure

In the event of an inappropriate disclosure due to human error 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 condition.

The Group strives to disclose information in a timely and appropriate manner by developing and operating internal controls suited to the characteristics of each business.

(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 healthy and worker friendly. However, in the event of a failure to realize these goals, the Group's business development could be restricted, and its results of operations and financial condition could be adversely affected.

As countermeasures against such risks, the Group has implemented a variety of measures, including the creation of a recruitment website, the hiring of mid-career personnel and non-Japanese employees, the observance of the 36 Agreement, the enhancement of employee benefits, and the streamlining of operations through the systemization, mechanization and outsourcing of operations.

(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 condition.

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).

To respond appropriately and promptly to legal revisions, the Group has implemented a range of measures, such as sharing information on regular legal revisions and enhancing training and seminars concerning legal revisions.

(c) Interest rate fluctuations

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

By maintaining a high ratio of long-term and fixed debt to interest-bearing debt, the Group seeks to ensure that interest expenses will not increase sharply even if interest rates fluctuate significantly.

(d) Significant litigation

No significant lawsuit is pending against the Company. However, the Company may be subject to litigation and other legal measures from third parties as well as administrative investigation in the ordinary course of business. In addition to the burden of responding to these issues, if judgments and decisions that are unfavorable to the Company are made, the business results and financial condition of the Group may be adversely affected.

To avoid such risks, the Group has taken measures to reduce the risk of lawsuits and to strengthen its legal response capabilities, including the formulation and use of contract forms, the strengthening of partnerships with corporate lawyers, and the enhancement of legal education.

CONSOLIDATED BALANCE SHEET

March 31, 2019 and 2020

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2019	**2020**	**2020**
Assets:			
Current assets:			
Cash and time deposits	¥ 21,762	**¥ 28,594**	**$ 265,968**
Notes and accounts receivable	25,789	**22,622**	**210,419**
Lease receivables and lease investment assets	1,293	**1,145**	**10,650**
Merchandise and finished goods	6,502	**6,279**	**58,403**
Real estate developments for sale **Note 5 (5)**	32,856	**31,003**	**288,376**
Work in process	849	**1,140**	**10,600**
Raw materials and supplies	2,246	**2,182**	**20,299**
Other	38,406	**39,036**	**363,096**
Allowance for doubtful accounts	(101)	**(210)**	**(1,958)**
Total current assets	129,602	**131,791**	**1,225,853**
Noncurrent assets:			
Property and equipment:			
Buildings and structures, net **Notes 5 (1)(3)(5)(6)**	489,213	**500,474**	**4,655,143**
Machinery, equipment, rolling stock, and other vehicles, net **Notes 5 (1)(3)(6)**	51,313	**55,353**	**514,865**
Land **Notes 5 (3)(5)(6)(7)**	462,178	**468,022**	**4,353,289**
Lease assets, net **Note 5 (1)**	1,042	**1,283**	**11,931**
Construction in progress	26,517	**31,859**	**296,330**
Other, net **Notes 5 (1)(3)(6)**	11,423	**13,378**	**124,433**
Total property and equipment	1,041,686	**1,070,369**	**9,955,991**
Intangible fixed assets:			
Goodwill	3,856	**2,157**	**20,064**
Lease assets	198	**241**	**2,245**
Other	20,101	**21,811**	**202,868**
Total intangible assets	24,155	**24,209**	**225,177**
Investments and other assets:			
Investment securities **Note 5 (2)**	91,614	**78,093**	**726,385**
Long-term loans receivable	1,022	**1,578**	**14,680**
Deferred tax assets	9,292	**6,829**	**63,517**
Other	16,045	**16,558**	**154,011**
Allowance for doubtful accounts	(982)	**(1,123)**	**(10,447)**
Total investments and other assets	116,991	**101,935**	**948,146**
Total noncurrent assets	1,182,832	**1,196,513**	**11,129,314**
Total assets	¥1,312,434	**¥1,328,304**	**$12,355,167**

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2019	**2020**	**2020**
Liabilities:			
Current liabilities:			
Notes and accounts payable	¥ 25,866	**¥ 23,707**	**$ 220,507**
Short-term loans **Note 5 (3)**	201,440	**203,932**	**1,896,865**
Current portion of long-term corporate bonds	30,040	**30,025**	**279,276**
Current portion of lease obligations	1,294	**1,200**	**11,167**
Income taxes payable	7,038	**5,732**	**53,319**
Advances received	3,051	**2,682**	**24,947**
Provision for bonuses	8,124	**8,213**	**76,391**
Allowance for unredeemed gift certificates and others	1,370	**1,437**	**13,362**
Provision for loss on disaster	—	**1,447**	**13,461**
Asset retirement obligation	3	**17**	**157**
Other current liabilities **Note 5 (3)**	105,161	**99,102**	**921,794**
Total current liabilities	383,387	**377,494**	**3,511,246**
Long-term liabilities:			
Long-term bonds	150,050	**185,025**	**1,721,003**
Long-term loans **Note 5 (3)**	229,039	**223,431**	**2,078,232**
Long-term liabilities incurred for purchase of railway transport facilities **Note 5 (3)**	88,660	**79,671**	**741,060**
Lease obligations	923	**1,158**	**10,769**
Deferred tax liabilities	11,171	**8,856**	**82,375**
Deferred tax liabilities related to land revaluation **Note 5 (7)**	954	**954**	**8,875**
Net defined benefit liabilities	18,185	**19,953**	**185,590**
Asset retirement obligation	1,362	**1,721**	**16,009**
Other **Note 5 (3)**	39,522	**39,858**	**370,732**
Total long-term liabilities	539,866	**560,627**	**5,214,645**
Total liabilities	923,253	**938,121**	**8,725,891**
Net assets:			
Shareholders' equity:			
Common stock	60,360	**60,360**	**561,435**
Capital surplus	58,472	**57,901**	**538,564**
Retained earnings	239,148	**251,313**	**2,337,578**
Treasury stock, at cost	(10,982)	**(6,520)**	**(60,646)**
Total shareholders' equity	346,998	**363,054**	**3,376,931**
Accumulated other comprehensive income:			
Net unrealized gain on securities, net of taxes	33,876	**24,409**	**227,051**
Reserve for land revaluation **Note 5 (7)**	549	**549**	**5,104**
Remeasurements of defined benefit plans	961	**(878)**	**(8,171)**
Total accumulated other comprehensive income	35,386	**24,080**	**223,984**
Non-controlling interests	6,797	**3,049**	**28,361**
Total net assets	389,181	**390,183**	**3,629,276**
Total liabilities and net assets	¥1,312,434	**¥1,328,304**	**$12,355,167**

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF INCOME

For the years ended March 31, 2019 and 2020

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2019	2020	2020
Revenue from operations	¥526,676	**¥534,133**	**$4,968,214**
Operating expenses:			
Operating expenses and cost of sales of transportation **Notes 6 (1)(2)**	384,982	**396,762**	**3,690,465**
Selling, general and administrative expenses **Notes 6 (1)(3)(4)**	89,604	**96,267**	**895,426**
Total operating expenses	474,586	**493,029**	**4,585,891**
Operating income	52,090	**41,104**	**382,323**
Non-operating income:			
Interest income	12	**13**	**119**
Dividends income	1,759	**1,767**	**16,435**
Equity in earnings of affiliates	1,275	**830**	**7,722**
Miscellaneous income	2,016	**1,913**	**17,798**
Total non-operating income	5,062	**4,523**	**42,074**
Non-operating expenses:			
Interest expenses	5,829	**5,373**	**49,976**
Miscellaneous expenses	1,635	**1,954**	**18,180**
Total non-operating expenses	7,464	**7,327**	**68,156**
Ordinary income	49,688	**38,300**	**356,241**
Extraordinary income:			
Gain on sale of property and equipment **Note 6 (5)**	1,765	**4,708**	**43,797**
Construction costs allotted to and received from others	2,029	**1,179**	**10,964**
Other	223	**429**	**3,986**
Total extraordinary income	4,017	**6,316**	**58,747**
Extraordinary losses:			
Loss on sale of property and equipment **Note 6 (6)**	57	**97**	**902**
Loss on deduction of property and equipment	2,021	**1,156**	**10,753**
Loss on disposal of property and equipment	4,757	**1,934**	**17,990**
Loss on impairment of fixed assets **Note 6 (7)**	1,134	**2,351**	**21,869**
Provision for loss on disaster	—	**1,447**	**13,461**
Loss on the transfer of receivables	—	**1,231**	**11,446**
Other	541	**401**	**3,724**
Total extraordinary losses	8,510	**8,617**	**80,145**
Income before income taxes	45,195	**35,999**	**334,843**
Income taxes:			
Current income taxes	12,517	**10,899**	**101,379**
Deferred income taxes	(168)	**4,872**	**45,312**
Total income taxes	12,349	**15,771**	**146,691**
Net income	32,846	**20,228**	**188,152**
Net income attributable to non-controlling interests	378	**305**	**2,836**
Net income attributable to owners of the parent	¥ 32,468	**¥ 19,923**	**$ 185,316**

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the years ended March 31, 2019 and 2020

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2019	2020	2020
Net income	¥32,846	**¥ 20,228**	**$188,152**
Other comprehensive income:			
Unrealized gain (loss) on securities	(2,062)	**(9,253)**	**(86,066)**
Remeasurements of defined benefit plans	(217)	**(1,846)**	**(17,174)**
Share of other comprehensive income of associates accounted for using equity method	(287)	**(273)**	**(2,541)**
Total other comprehensive income **Note 7**	(2,566)	**(11,372)**	**(105,781)**
Comprehensive income	¥30,280	**¥ 8,856**	**$82,371**
Comprehensive income attributable to:			
Owners of the parent	¥29,922	**¥ 8,618**	**$80,160**
Non-controlling interests	358	**238**	**2,211**

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

For the years ended March 31, 2019 and 2020

	Millions of yen				
	2019				
	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance as of April 1, 2018	¥60,360	¥58,422	¥213,927	¥(10,552)	¥322,157
Changes during the year:					
Cash dividends			(7,247)		(7,247)
Net income attributable to owners of the parent			32,468		32,468
Increase by share exchanges					
Increase by merger					
Repurchases of treasury stock				(431)	(431)
Disposition of treasury stock		0		1	1
Change in ownership interest of parent due to transactions with non-controlling interests		50			50
Net changes in items other than shareholders' equity during the year					
Total changes during the year	—	50	25,221	(430)	24,841
Balance as of March 31, 2019	¥60,360	¥58,472	¥239,148	¥(10,982)	¥346,998

	Millions of yen					
	2019					
	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	Non-controlling interests	Total net assets
Balance as of April 1, 2018	¥36,198	¥ 549	¥1,186	¥ 37,933	¥ 6,487	¥366,577
Changes during the year:						
Cash dividends						(7,247)
Net income attributable to owners of the parent						32,468
Increase by share exchanges						
Increase by merger						
Repurchases of treasury stock						(431)
Disposition of treasury stock						1
Change in ownership interest of parent due to transactions with non-controlling interests						50
Net changes in items other than shareholders' equity during the year	(2,322)	—	(225)	(2,547)	310	(2,237)
Total changes during the year	(2,322)	—	(225)	(2,547)	310	22,604
Balance as of March 31, 2019	¥33,876	¥ 549	¥ 961	¥ 35,386	¥ 6,797	¥389,181

	Millions of yen				
	2020				
	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance as of April 1, 2019	**¥60,360**	**¥58,472**	**¥239,148**	**¥(10,982)**	**¥346,998**
Changes during the year:					
Cash dividends			**(7,972)**		**(7,972)**
Net income attributable to owners of the parent			**19,923**		**19,923**
Increase by share exchanges		**(569)**		**4,514**	**3,945**
Increase by merger			**214**		**214**
Repurchases of treasury stock				**(52)**	**(52)**
Disposition of treasury stock		**0**		**0**	**0**
Change in ownership interest of parent due to transactions with non-controlling interests		**(2)**			**(2)**
Net changes in items other than shareholders' equity during the year					
Total changes during the year	**—**	**(571)**	**12,165**	**4,462**	**16,056**
Balance as of March 31, 2020	**¥60,360**	**¥57,901**	**¥251,313**	**¥ (6,520)**	**¥363,054**

	Millions of yen					
	2020					
	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	Non-controlling interests	Total net assets
Balance as of April 1, 2019	**¥33,876**	**¥ 549**	**¥ 961**	**¥ 35,386**	**¥ 6,797**	**¥389,181**
Changes during the year:						
Cash dividends						**(7,972)**
Net income attributable to owners of the parent						**19,923**
Increase by share exchanges						**3,945**
Increase by merger						**214**
Repurchases of treasury stock						**(52)**
Disposition of treasury stock						**0**
Change in ownership interest of parent due to transactions with non-controlling interests						**(2)**
Net changes in items other than shareholders' equity during the year	**(9,467)**	**—**	**(1,839)**	**(11,306)**	**(3,748)**	**(15,054)**
Total changes during the year	**(9,467)**	**—**	**(1,839)**	**(11,306)**	**(3,748)**	**1,002**
Balance as of March 31, 2020	**¥24,409**	**¥ 549**	**¥ (878)**	**¥ 24,080**	**¥ 3,049**	**¥390,183**

	Thousands of U.S. dollars (Note 1)				
	2020				
	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance as of April 1, 2019	**$561,435**	**$543,876**	**$2,224,428**	**$(102,155)**	**$3,227,584**
Changes during the year:					
Cash dividends			**(74,155)**		**(74,155)**
Net income attributable to owners of the parent			**185,316**		**185,316**
Increase by share exchanges		**(5,298)**		**41,988**	**36,690**
Increase by merger			**1,989**		**1,989**
Repurchases of treasury stock				**(485)**	**(485)**
Disposition of treasury stock		**3**		**6**	**9**
Change in ownership interest of parent due to transactions with non-controlling interests		**(17)**			**(17)**
Net changes in items other than shareholders' equity during the year					
Total changes during the year	**—**	**(5,312)**	**113,150**	**41,509**	**149,347**
Balance as of March 31, 2020	**$561,435**	**$538,564**	**$2,337,578**	**$ (60,646)**	**$3,376,931**

	Thousands of U.S. dollars (Note 1)					
	2020					
	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	Non-controlling interests	Total net assets
Balance as of April 1, 2019	**$315,094**	**$ 5,104**	**$ 8,943**	**$ 329,141**	**$ 63,222**	**$3,619,947**
Changes during the year:						
Cash dividends						**(74,155)**
Net income attributable to owners of the parent						**185,316**
Increase by share exchanges						**36,690**
Increase by merger						**1,989**
Repurchases of treasury stock						**(485)**
Disposition of treasury stock						**9**
Change in ownership interest of parent due to transactions with non-controlling interests						**(17)**
Net changes in items other than shareholders' equity during the year	**(88,043)**	**—**	**(17,114)**	**(105,157)**	**(34,861)**	**(140,018)**
Total changes during the year	**(88,043)**	**—**	**(17,114)**	**(105,157)**	**(34,861)**	**9,329**
Balance as of March 31, 2020	**$227,051**	**$ 5,104**	**$ (8,171)**	**$ 223,984**	**$ 28,361**	**$3,629,276**

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the years ended March 31, 2019 and 2020

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2019	**2020**	**2020**
Cash flows from operating activities:			
Income before income taxes	¥ 45,195	**¥ 35,999**	**$ 334,843**
Depreciation and amortization	46,728	**49,628**	**461,614**
Loss on impairment of fixed assets	1,134	**2,351**	**21,869**
Amortization of goodwill	282	**535**	**4,973**
Increase (decrease) in provision for bonuses	387	**115**	**1,071**
Increase (decrease) in net defined benefit liabilities	(1,016)	**(738)**	**(6,862)**
Increase (decrease) in allowance for doubtful accounts	109	**251**	**2,335**
Increase (decrease) in allowance for unredeemed gift certificates and others	(10)	**67**	**618**
Increase (decrease) in provision for loss on disaster	—	**1,447**	**13,461**
Interest and dividends income	(1,771)	**(1,780)**	**(16,554)**
Interest expenses	5,829	**5,373**	**49,976**
Equity in losses (earnings) of affiliates	(1,274)	**(830)**	**(7,722)**
Construction costs allotted to and received from others	(2,029)	**(1,179)**	**(10,964)**
Loss (gain) on sales of stocks of subsidiaries and affiliates	208	**(350)**	**(3,255)**
Loss (gain) on sale of property and equipment, net	(1,707)	**(4,612)**	**(42,895)**
Loss on deduction of property and equipment	2,021	**1,156**	**10,753**
Loss on disposal of property and equipment	2,856	**448**	**4,164**
Loss (gain) on valuation of investment securities	19	**183**	**1,704**
Loss on valuation of inventories	269	**121**	**1,124**
Loss on the transfer of receivables	—	**1,231**	**11,446**
Decrease (increase) in trade receivables	(1,146)	**3,121**	**29,028**
Decrease (increase) in inventories	(1,666)	**2,166**	**20,150**
Increase (decrease) in accounts payables	(4,070)	**(2,395)**	**(22,280)**
Other	(53)	**(1,753)**	**(16,304)**
Subtotal	90,294	**90,555**	**842,293**
Interest and dividends received	1,962	**2,011**	**18,706**
Interest paid	(5,912)	**(5,349)**	**(49,749)**
Income taxes paid	(13,611)	**(12,320)**	**(114,598)**
Net cash provided by (used in) operating activities	72,733	**74,897**	**696,652**
Cash flows from investing activities:			
Purchase of investment securities	(7,747)	**(4,437)**	**(41,267)**
Proceeds from sales of investment securities	843	**3,842**	**35,739**
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(5,275)	**—**	**—**
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	92	**—**	**—**
Repayments for sales of shares of subsidiaries resulting in change in scope of consolidation	—	**(962)**	**(8,952)**
Acquisition of property and equipment	(72,946)	**(89,416)**	**(831,698)**
Proceeds from sales of property and equipment	2,307	**3,279**	**30,496**
Decrease (increase) in short-term loans receivable	(5)	**(21)**	**(198)**
Payments of long-term loans receivable	(323)	**(579)**	**(5,391)**
Collection of long-term loans receivable	15	**22**	**208**
Proceeds from advances received for contract consignment	1,880	**2,142**	**19,925**
Proceeds from long-term advances received	1,639	**1,101**	**10,237**
Other	(574)	**(425)**	**(3,951)**
Net cash provided by (used in) investing activities	(80,094)	**(85,454)**	**(794,852)**
Cash flows from financing activities:			
Increase (decrease) in short-term loans	16,900	**(113)**	**(1,051)**
Increase (decrease) in commercial papers	5,000	**5,000**	**46,507**
Proceeds from long-term loans	18,083	**18,604**	**173,044**
Repayments of long-term loans	(36,010)	**(21,607)**	**(200,978)**
Proceeds from issuance of bonds	40,000	**65,000**	**604,595**
Redemption of bonds	(40,000)	**(30,040)**	**(279,416)**
Redemption of accounts payable to Japan Railway Construction, Transport and Technology Agency	(10,892)	**(11,110)**	**(103,337)**
Cash dividends paid	(7,223)	**(7,948)**	**(73,932)**
Acquisition of treasury stock	(420)	**(19)**	**(175)**
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(1)	**(1)**	**(9)**
Other	(520)	**(595)**	**(5,530)**
Net cash provided by (used in) financing activities	(15,083)	**17,171**	**159,718**
Effect of exchange rate changes on cash and cash equivalents	0	**0**	**0**
Net increase (decrease) in cash and cash equivalents	(22,444)	**6,614**	**61,518**
Cash and cash equivalents at beginning of the year	43,907	**21,636**	**201,247**
Increase in cash and cash equivalents resulting from merger	173	**214**	**1,993**
Cash and cash equivalents at the end of the year Note 9	¥ 21,636	**¥ 28,464**	**$ 264,758**

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 | FRAMEWORK FOR PREPARING THE CONSOLIDATED FINANCIAL 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=¥107.51, the approximate exchange rate prevailing on March 31, 2020. 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: 43
Primary consolidated subsidiaries include Odakyu Department Store Co., Ltd., Odakyu Shoji Co., Ltd. and Odakyu Real Estate Co., Ltd.

Enoden Bus Yokohama Co., Ltd. was merged with Enoden Bus Fujisawa Co., Ltd. in the fiscal year ended March 31, 2020. With this merger, Enoden Bus Fujisawa Co., Ltd. has changed its trade name to Enoden Bus Co., Ltd.

Hotels Odakyu Shizuoka Co., Ltd. has been excluded from the scope of consolidation, as it is no longer a subsidiary after the sale of shares. This company's statement of income has been consolidated until the date of sale of its shares.

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(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 attributable to owners of the parent, 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 affiliates 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 net income and retained earnings (based on the Company's ownership percentage) of these companies are all small amounts and not material as compared to the net income attributable to owners of the parent and consolidated retained earnings.

(3) Fiscal year-end of consolidated subsidiaries

The fiscal year-end of eight consolidated subsidiaries differs from that of the Company; the fiscal year-end of UDS Co., Ltd. and Okinawa UDS Co., Ltd. is the end of December; that of Odakyu Department Store Co., Ltd., Odakyu Shoji Co., Ltd., Odakyu Shokuhin Co., Ltd., Hokuo Tokyo Co., Ltd., Odakyu Department Service Co., Ltd. and Shirohato 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 fiscal-year ends of these subsidiaries and the consolidated fiscal-year end.

(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 process.................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.

Principal useful lives of depreciable assets are as follows:

Buildings and structures .... 5 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.

(IV) Provision for loss on disaster

The estimated amount is recorded to prepare for expenses such as restoration costs associated with a disaster.

(d) Method of railway business construction fund

The Group receives a portion of the construction costs applicable to construction works for the railway business 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 "construction costs allotted to and received from others" in the consolidated statement 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 statement of income.

(e) 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.

(f) 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
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 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.

(g) Method and term of amortization of goodwill

Goodwill is amortized on a straight-line basis over its estimated useful life during which its effect will be realized.

(h) Scope of cash and cash equivalents in the consolidated statement 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 or less and minimal risk of change in value.

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

Accounting for consumption taxes

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

NOTE 3 | ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Accounting Standard for Revenue Recognition, etc.

- "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020)
- "Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30, March 31, 2020)
- "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, March 31, 2020)

(1) Overview

The International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) of the United States have jointly developed a comprehensive accounting standard on revenue recognition, and the IASB issued IFRS 15 and the FASB issued Topic 606, "Revenue from Contracts with Customers." Considering that IFRS 15 is applied from the fiscal year beginning on or after January 1, 2018 and Topic 606 is applied from the fiscal year beginning after December 15, 2017, the ASBJ has developed a comprehensive accounting standard for revenue recognition, which was issued together with its implementation guidance.

The basic policy of the Accounting Standards Board of Japan (ASBJ) in developing the new revenue recognition standard is to first incorporate the core principle of IFRS 15 to improve the international comparability of financial statements, and then add additional alternative treatments to the extent that international comparability would not be significantly impaired where any business practices in Japan needed to be considered.

(2) Scheduled date of adoption

The Company will adopt the above accounting standard and implementation guidance from the beginning of the fiscal year ending March 31, 2022.

(3) Impact of adoption of accounting standard and implementation guidance

The Company is currently evaluating the effect of the adoption of this accounting standard and implementation guidance on its consolidated financial statements.

Accounting Standard for Fair Value Measurement, etc.

- "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019)
- "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9, July 4, 2019)
- "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019)
- "Implementation Guidance on Accounting Standard for Fair Value Management" (ASBJ Guidance No. 31, July 4, 2019)
- "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, March 31, 2020)

(1) Overview

The IASB and FASB each established nearly identical and detailed guidance for fair value measurement (IFRS 13, "Fair Value Measurement," in IFRS, and Accounting Standards Codification Topic 820, "Fair Value Measurement," in Generally Accepted Accounting Principles in the United States [US-GAAP]). Given this fact, the ASBJ issued the "Accounting Standard for Fair Value Measurement" to establish consistency between Japanese standards and international standards regarding the guidance and disclosure mainly for fair value of financial instruments.

The ASBJ's basic policy in developing the accounting standard for fair value measurement was to adopt all of IFRS 13 with the unified measurement methodology for better comparability of the financial statements of domestic and foreign enterprises. The ASBJ, on the other hand, specified alternative treatments in individual items considering the current practices under Japanese GAAP as far as such treatments would not significantly impair international comparability.

(2) Scheduled date of adoption

The Company will adopt the above accounting standard and implementation guidance from the beginning of the fiscal year ending March 31, 2022.

(3) Impact of adoption of accounting standards, etc.

The effect on the consolidated financial statements of the application of the "Accounting Standard for Fair Value Measurement, etc." has not yet been determined.

Accounting Standard for Disclosure of Accounting Estimates

- "Accounting Standard for Disclosure of Accounting Estimates" (ASBJ Statement No. 31, March 31, 2020)

(1) Overview

Paragraph 125 of International Accounting Standards ("IAS") 1 "Presentation of Financial Statements" issued by IASB in 2003 requires disclosure of "Sources of estimation uncertainty." As this information was considered highly useful to users of financial statements, there were requests for discussion on implementation of such disclosure requirement in Japanese GAAP.

Accordingly, ASBJ developed and issued the "Accounting Standard for Disclosure of Accounting Estimates." ASBJ's basic policy in developing this accounting standard was to refer to requirements of Paragraph 125 of IAS 1. The standard was intended not to enhance existing note disclosure requirements, but to require enterprises to specify the purposes of disclosure and to determine what to disclose according to such purposes.

(2) Scheduled date of adoption

The Company will adopt the above accounting standard from the end of the fiscal year ending March 31, 2021.

Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections

- "Revised Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections" (ASBJ Statement No. 24, March 31, 2020)

(1) Overview

In response to suggestions to discuss improving the note disclosure of "principles and procedures applied to accounting treatments when related accounting standards are undefined," the ASBJ accordingly revised the "Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections."

To avoid conflict with the current practices of disclosure when related accounting standards are defined, in adopting this standard, it should be noted that Paragraph 1-2 of annotations of Accounting Principles for Business Enterprises is still effective.

(2) Schedule date of adoption

The Company will adopt the above accounting standard from the end of the fiscal year ending March 31, 2021.

NOTE 4 | ADDITIONAL INFORMATION

Introduction of a New Stock-based Compensation Plan for Directors of the Company

Since August 2018, the Company has introduced a stock-based compensation plan (the "New Plan") for directors of the Company, excluding directors who do not concurrently serve as executive officers (the "Eligible Directors").

(1) Overview of transactions

The New Plan is a stock-based compensation plan whereby shares in the Company are acquired through a trust using funds contributed by the Company (such trust established pursuant to the New Plan, the "Trust"), and the acquired shares are distributed to each Eligible Director according to the award points granted in accordance with the share delivery rules laid down by the Board of Directors of the Company.

The payments of the shares shall in principle be made at the time of retirement of each Eligible Director.

(2) The Company's shares remaining in the Trust

The Company's shares remaining in the trust are recorded as treasury stock in the "Net Assets" section based on the book value in the Trust (excluding incidental expenses). The book value and the number of shares of such treasury stock were ¥399 million and 166 thousand shares for the fiscal years ended March 31, 2019 and 2020, respectively.

Damage Caused by Typhoon 19

Some railway facilities were damaged by Typhoon 19, which struck on October 12, 2019. With regard to expected expenditures in the future for restoration, the estimated amount is recorded as "Provision for loss on disaster" in current liabilities in the consolidated balance sheet, and as "Provision for loss on disaster" in extraordinary losses in the consolidated statement of income.

Impact of the Novel Coronavirus Infection on Accounting Estimates

The spread of the novel coronavirus infection is affecting the Group's business activities. Since it is difficult to predict how far the infection will spread in the future and when it will converge, it is extremely difficult to predict future cash flows in particular when making accounting estimates.

Based on information available at the time of preparation of the consolidated financial statements, the Company makes the best estimates to determine the collectibility of deferred tax assets and impairment losses, assuming that the impact will continue through September 2020 and gradually recover from October.

NOTE 5 | CONSOLIDATED BALANCE SHEET

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

Millions of yen		Thousands of U.S. dollars
2019	2020	2020
¥920,298	**¥952,024**	**$8,855,217**

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

	Millions of yen		Thousands of U.S. dollars
	2019	2020	2020
Investment securities (shares of stock)	¥17,138	**¥18,538**	**$172,434**

(3) Pledged Assets as collateral are as follows:

	Millions of yen				Thousands of U.S. dollars	
	2019		2020		2020	
Buildings and structures	¥277,415	[¥277,263]	**¥274,477**	**[¥274,334]**	**$2,553,040**	**[$2,551,713]**
Machinery, equipment, rolling stock, and other vehicles	42,126	[42,126]	**43,451**	**[43,451]**	**404,155**	**[404,155]**
Land	182,184	[180,656]	**180,987**	**[179,459]**	**1,683,446**	**[1,669,233]**
Other in property and equipment	3,497	[3,497]	**4,500**	**[4,500]**	**41,854**	**[41,854]**
Total	¥505,222	[¥503,542]	**¥503,415**	**[¥501,744]**	**$4,682,495**	**[$4,666,955]**

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

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

	Millions of yen				Thousands of U.S. dollars	
	2019		2020		2020	
Long-term loans (including current portion of long-term debts)	¥107,812	[¥107,352]	**¥108,131**	**[¥107,743]**	**$1,005,774**	**[$1,002,165]**
Long-term liabilities incurred for purchase of rail way transport facilities (including its repayments due within one year)	99,725	[99,725]	**88,615**	**[88,615]**	**824,248**	**[824,248]**
Other in long-term liabilities	127		**111**		**1,039**	
Total	¥207,664	[¥207,077]	**¥196,857**	**[¥196,358]**	**$1,831,061**	**[$1,826,413]**

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

(4) Contingent liabilities are as follows:

The Group provides debt guaranty to the borrowings from financial institutions

	Millions of yen		Thousands of U.S. dollars
	2019	2020	2020
DH Box Hill Pty Ltd.	¥ 2,949	¥ 2,483	$23,094
	[A$38]	[A$38]	
Employees' housing loan	195	127	1,183
Alliance mortgage	449	639	5,945
Total	¥ 3,593	¥ 3,249	$30,222

(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
2019	2020	2020
¥2	¥533	$4,958

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

Millions of yen		Thousands of U.S. dollars
2019	2020	2020
¥117	¥59	$551

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

Millions of yen		Thousands of U.S. dollars
2019	2020	2020
¥232,608	¥233,551	$2,172,367

(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 (Law No. 119, 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 (Law No. 119, proclaimed on March 31, 1998).

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

NOTE 6 | CONSOLIDATED STATEMENT OF INCOME

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

	Millions of yen		Thousands of U.S. dollars
	2019	2020	2020
Provision for bonuses	¥8,124	¥8,213	$76,391
Net periodic benefit cost	2,719	2,717	25,273

(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
2019	2020	2020
¥269	¥121	$1,124

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

	Millions of yen		Thousands of U.S. dollars
	2019	2020	2020
Personnel expenses	¥44,154	¥45,169	$420,139
Expenses	38,092	42,369	394,096
Taxes	2,113	2,405	22,374
Depreciation and amortization	4,963	5,789	53,844
Amortization of goodwill	282	535	4,973

(4) Total amount of research and development expenses included in operating expenses is as follows:

	Millions of yen		Thousands of U.S. dollars
	2019	2020	2020
Research and development expenses	¥336	¥552	$5,131

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

Millions of yen		Thousands of U.S. dollars
2019	**2020**	**2020**
Land and buildings	Land and buildings	Land and buildings
¥1,711	**¥4,661**	**$43,350**

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

Millions of yen		Thousands of U.S. dollars
2019	**2020**	**2020**
Land and buildings	Land and buildings	Land and buildings
¥55	**¥46**	**$427**

(7) 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, 2019

Usage for	Location	Type	Millions of yen
Properties of store business, etc	Setagaya-ku, Tokyo, etc.	Buildings and structures	¥ 202
		"Other" in property and equipment	134
		Other	35
Emission credit	Shinjuku-ku, Tokyo	"Other" in investments and other assets	371
Properties of restaurant business	Chiyoda-ku, Tokyo, etc.	Buildings and structures	140
		"Other" in property and equipment	35
Other	—	Land	169
		Buildings and structures	45
		Other	3
Total	—	—	¥1,134

Year ended March 31, 2020

Usage for	Location	Type	Millions of yen	Thousands of U.S. dollars
Goodwill	—	Goodwill	**¥1,190**	**$11,069**
		"Other" in intangible fixed assets	**371**	**3,447**
Properties of store business, etc	Ota-ku, Tokyo, etc.	Buildings and structures	**333**	**3,101**
		"Other" in property and equipment	**117**	**1,091**
Other	—	Land	**152**	**1,416**
		Buildings and structures	**149**	**1,382**
		Other	**39**	**363**
Total	—	—	**¥2,351**	**$21,869**

(b) Background to the recognition of a loss on impairment of fixed assets
The fixed assets groups that are no longer profitable as initially expected 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. The recoverable values of goodwill are measured based on future business plans and other factors.

NOTE 7 | CONSOLIDATED STATEMENT 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
	2019	**2020**	**2020**
Unrealized gain (loss) on securities:			
Gain (loss) arising during the year	¥(2,938)	**¥(13,381)**	**$(124,460)**
Reclassification adjustments	(0)	**180**	**1,672**
Amount before income tax effect	(2,938)	**(13,201)**	**(122,788)**
Income tax effect	876	**3,948**	**36,722**
Subtotal	(2,062)	**(9,253)**	**(86,066)**
Remeasurements of defined benefit plans:			
Gain (loss) arising during the year	(57)	**(2,278)**	**(21,180)**
Reclassification adjustments	(380)	**(340)**	**(3,167)**
Amount before income tax effect	(437)	**(2,618)**	**(24,347)**
Income tax effect	220	**772**	**7,173**
Subtotal	(217)	**(1,846)**	**(17,174)**
Share of other comprehensive income of associates accounted for using equity method:			
Gain (loss) arising during the year	(285)	**(271)**	**(2,521)**
Reclassification adjustments	(2)	**(2)**	**(20)**
Share of other comprehensive income of associates accounted for using equity method	(287)	**(273)**	**(2,541)**
Total other comprehensive income	¥(2,566)	**¥(11,372)**	**$(105,781)**

NOTE 8 | CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31, 2019

(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	368,497,717	—	—	368,497,717
Treasury stock (Notes)	8,041,486	184,072	239	8,225,319

Notes: 1. The number of treasury stock at the end of the fiscal year ended March 31, 2019 included 165,800 shares of the Company's shares held by the Director's Compensation Trust.

2. The increase in treasury stock included an increase of 8,773 shares due to the purchase of shares that were less than a share-trading unit, an increase of 165,800 shares due to acquisition of the Company's shares through the Director's Compensation Trust, and an increase of 9,499 shares due to a change of ownership interest for equity-method affiliates.

3. The decrease in treasury stock included a decrease of 239 shares due to the sale of odd-lot shares.

(2) Matters regarding subscription rights to shares

Not applicable

(3) Dividends

(a) Dividends paid

Resolution	Class of shares	Total amount of dividends	Dividends amount per share	Cut-off date	Effective date
		Millions of yen	Yen		
General meeting of shareholders on June 28, 2018	Common stock	¥3,624	¥10.00	March 31, 2018	June 29, 2018
Board of Directors' meeting on October 31, 2018	Common stock	3,624*	10.00	September 30, 2018	December 7, 2018

* Total amount of dividends includes dividends of ¥2 million of the Company's shares held by the Director's Compensation Trust.

(b) Dividends with the cut-off date in the year ended March 31, 2019 and the effective date in the year ended March 31, 2020

Resolution	Class of shares	Source of dividends	Total amount of dividends	Dividends amount per share	Cut-off date	Effective date
			Millions of yen	Yen		
General meeting of shareholders on June 27, 2019	Common stock	Retained earnings	¥3,986*	¥11.00	March 31, 2019	June 28, 2019

* Total amount of dividends includes dividends of ¥2 million of the Company's shares held by the Director's Compensation Trust.

Year ended March 31, 2020

(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	**368,497,717**	**—**	**—**	**368,497,717**
Treasury stock (Notes)	**8,225,319**	**286,482**	**3,176,449**	**5,335,352**

Notes: 1. The number of treasury stock at the beginning and the end of the fiscal year ended March 31, 2020 included 165,800 shares of the Company's shares held by the Director's Compensation Trust.

2. The increase in treasury stock included an increase of 7,339 shares due to the purchase of shares that were less than a share-trading unit, an increase of 8 shares due to purchase of treasury stock accompanying the treatment of fractions of less than one share through a share exchange, an increase of 933 shares due to a change of ownership interest for equity-method affiliates, and an increase of 278,202 shares due to the portion of treasury stock attributable to the Company resulting from the acquisition by an equity-method affiliates through a share exchange.

3. The decrease in treasury stock included a decrease of 396 shares due to the sale of odd-lot shares and a decrease of 3,176,053 shares due to the delivery of treasury stock through a share exchange.

(2) Matters regarding subscription rights to shares

Not applicable

(3) Dividends

(a) Dividends paid

Resolution	Class of shares	Total amount of dividends		Dividends amount per share		Cut-off date	Effective date
		Millions of yen	Thousands of U.S. dollars	Yen	U.S. dollars		
General meeting of shareholders on June 27, 2019	Common stock	**¥3,986***1	**$37,078**	**¥11.00**	**$0.10**	March 31, 2019	June 28, 2019
Board of Directors' meeting on October 31, 2019	Common stock	**3,986***2	**37,077**	**11.00**	**0.10**	September 30, 2019	December 2, 2019

*1 Total amount of dividends includes dividends of ¥2 million of the Company's shares held by the Director's Compensation Trust.

*2 Total amount of dividends includes dividends of ¥2 million of the Company's shares held by the Director's Compensation Trust.

(b) Dividends with the cut-off date in the year ended March 31, 2020 and the effective date in the year ending March 31, 2021

Resolution	Class of shares	Source of dividends	Total amount of dividends		Dividends amount per share		Cut-off date	Effective date
			Millions of yen	Thousands of U.S. dollars	Yen	U.S. dollars		
General meeting of shareholders on June 26, 2020	Common stock	Retained earnings	**¥3,656***	**$34,002**	**¥10.00**	**$0.09**	March 31, 2020	June 29, 2020

* Total amount of dividends includes dividends of ¥2 million of the Company's shares held by the Director's Compensation Trust.

NOTE 9 | CONSOLIDATED STATEMENT OF CASH FLOWS

The following table represents a reconciliation of cash and cash equivalents and cash and time deposits in the consolidated balance sheet:

	Millions of yen		Thousands of U.S. dollars
	2019	**2020**	**2020**
Cash and time deposits	¥21,762	**¥28,594**	**$265,968**
Time deposits with a maturity of more than three months	(126)	**(130)**	**(1,210)**
Cash and cash equivalents	¥21,636	**¥28,464**	**$264,758**

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
	2019	**2020**	**2020**
Due within one year	¥1,701	**¥ 2,565**	**$ 23,857**
Due after one year	4,942	**16,104**	**149,792**
Total	¥6,643	**¥18,669**	**$173,649**

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
	2019	**2020**	**2020**
Due within one year	**¥1,176**	**¥1,394**	**$12,962**
Due after one year	**7,935**	**7,666**	**71,308**
Total	**¥9,111**	**¥9,060**	**$84,270**

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

(3) Sub-lease transaction

The description or the sub-lease transaction is omitted because it is immaterial.

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. Derivative transactions (interest-rate swaps) are utilized to hedge the interest-rate fluctuation risk for certain long-term borrowings. 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 no available. These estimates include variable factors, and are subject to fluctuation due to changes in the underlying assumptions. The contract amounts of the derivatives disclosed 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 difficult to determine. Please see Note 2.)

	Millions of yen						Thousands of U.S. dollars		
	2019			**2020**			**2020**		
	Book value	Fair value	Difference	Book value	Fair value	Difference	Book value	Fair value	Difference
(1) Cash and time deposits	¥ 21,762	¥ 21,762	¥ —	**¥ 28,594**	**¥ 28,594**	**¥ —**	**$ 265,968**	**$ 265,968**	**$ —**
(2) Notes and accounts receivable	25,789	25,789	—	**22,622**	**22,622**	**—**	**210,419**	**210,419**	**—**
(3) Investment securities									
(a) Held-to-maturity debt securities	31	31	0	**10**	**10**	**—**	**93**	**93**	**—**
(b) Available-for-sale securities	67,392	67,392	—	**53,833**	**53,833**	**—**	**500,726**	**500,726**	**—**
(4) Notes and accounts payable	(25,866)	(25,866)	—	**(23,707)**	**(23,707)**	**—**	**(220,507)**	**(220,507)**	**—**
(5) Short-term loans	(179,833)	(179,833)	—	**(179,720)**	**(179,720)**	**—**	**(1,671,658)**	**(1,671,658)**	**—**
(6) Corporate bonds*1	(180,090)	(183,537)	3,447	**(215,050)**	**(216,129)**	**1,079**	**(2,000,279)**	**(2,010,311)**	**10,032**
(7) Long-term loans*2	(250,646)	(263,027)	12,381	**(247,643)**	**(257,856)**	**10,213**	**(2,303,439)**	**(2,398,441)**	**95,002**
(8) Long-term liabilities incurred for purchase of railway transport facilities*3	(99,725)	(99,725)	—	**(88,615)**	**(88,615)**	**—**	**(824,248)**	**(824,248)**	**—**
(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-term maturities.

(3) Investment securities
The fair values of stocks are determined using the quoted price at the stock exchange, while the fair values of bonds 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-term maturities.

(6) Corporate bonds
The fair value of corporate bonds is based on the quoted market price.

(7) Long-term loans
The book value of long-term loans with floating interest rates approximates fair value because the fair value of long-term loans with floating interest rates reflects market interest rate within a short period of time. The fair value of long-term loans with fixed interest rates is determined by the present value of the total of principal and interest discounted by the interest rate to be applied if similar new loans are entered into.

(8) Long-term liabilities incurred for purpose of railway transport facilities
The book value of long-term liabilities incurred for purpose of railway transport facilities approximates fair value because the interest is updated 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 determine

	Millions of yen		Thousands of U.S. dollars
	2019	**2020**	**2020**
Unlisted stocks	¥ 646	**¥ 644**	**$ 5,994**
Investment in limited partnerships and the like	6,407	**5,068**	**47,137**

These items are not included in "(b) Available-for-sale securities in (3) Investment securities," because it is extremely difficult to determine fair values as market price or future cash flow is not available.

Note 3. Redemption schedule for financial assets with maturities

Year ended March 31, 2019

	Millions of yen			
	Within one year	One to five years	Five to 10 years	After 10 years
Cash and time deposits	¥21,762	¥—	¥—	¥—
Trade receivables	25,789	—	—	—
Held-to-maturity debt securities:				
Government bonds	31	—	—	—
Total	¥47,582	¥—	¥—	¥—

Year ended March 31, 2020

	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	**¥28,594**	**¥—**	**¥—**	**¥—**	**$265,968**	**$—**	**$—**	**$—**
Trade receivables	**22,622**	**—**	**—**	**—**	**210,419**	**—**	**—**	**—**
Held-to-maturity debt securities:								
Government bonds	**10**	**—**	**—**	**—**	**93**	**—**	**—**	**—**
Total	**¥51,226**	**¥—**	**¥—**	**¥—**	**$476,480**	**$—**	**$—**	**$—**

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, 2019

	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*1	¥30,040	¥30,025	¥20,010	¥10,010	¥ 5	¥ 90,000
Long-term loans*2	21,607	24,175	28,973	16,585	32,345	126,961
Long-term liabilities incurred for purchase of railway transport facilities*3	10,803	8,381	8,448	7,949	6,759	53,598

Year ended March 31, 2020

	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*1	**¥30,025**	**¥20,010**	**¥30,010**	**¥ 5**	**¥ —**	**¥135,000**
Long-term loans*2	**24,212**	**29,206**	**18,692**	**34,052**	**25,541**	**115,940**
Long-term liabilities incurred for purchase of railway transport facilities*3	**8,712**	**8,353**	**7,777**	**6,712**	**6,508**	**47,029**

	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	**$279,276**	**$186,122**	**$279,137**	**$ 47**	**$ —**	**$1,255,697**
Long-term loans*2	**225,207**	**271,660**	**173,860**	**316,737**	**237,568**	**1,078,407**
Long-term liabilities incurred for purchase of railway transport facilities*3	**81,039**	**77,696**	**72,339**	**62,435**	**60,531**	**437,434**

*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 sheet that removed consumption taxes.

NOTE 12 | SECURITIES

(1) Marketable held-to-maturity debt securities

Year ended March 31, 2019

	Millions of yen		
	Book value	Fair value	Difference
Securities, whose fair value exceeds their book value:			
Government bonds	¥31	¥31	¥ 0
Securities, whose fair value does not exceed their book value:			
Government bonds	—	—	—
Total	¥31	¥31	¥ 0

Year ended March 31, 2020

	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	**¥ —**	**¥ —**	**¥—**	**$ —**	**$ —**	**$—**
Securities, whose fair value does not exceed their book value:						
Government bonds	**10**	**10**	**—**	**93**	**93**	**—**
Total	**¥10**	**¥10**	**¥—**	**$93**	**$93**	**$—**

(2) Marketable other securities

Year ended March 31, 2019

	Millions of yen		
	Book value	Acquisition value	Difference
Securities, whose fair value exceeds their book value:			
Stocks	¥66,683	¥17,980	¥48,703
Securities, whose fair value does not exceed their book value:			
Stocks	709	933	(224)
Total	¥67,392	¥18,913	¥48,479

Note: Unlisted stocks of ¥646 million on the consolidated balance sheet and investment in limited partnerships and the like of ¥6,407 million on the consolidated balance sheet are not included in the above "Marketable other securities" because it is extremely difficult to estimate fair values.

Year ended March 31, 2020

	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	**¥48,823**	**¥12,138**	**¥36,685**	**$454,125**	**$112,899**	**$341,226**
Securities, whose fair value does not exceed their book value:						
Stocks	**5,010**	**6,417**	**(1,407)**	**46,601**	**59,686**	**(13,085)**
Total	**¥53,833**	**¥18,555**	**¥35,278**	**$500,726**	**$172,585**	**$328,141**

Note: Unlisted stocks of ¥644 million on the consolidated balance sheet and investment in limited partnerships and the like of ¥5,068 million on the consolidated balance sheet are not included in the above "Marketable other securities" because it is extremely difficult to estimate 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 applicable

(2) Derivatives to which hedge accounting is applied
Not applicable

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, 2019 and 2020 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2019	**2020**	**2020**
Balance at beginning of the year	¥95,568	**¥93,064**	**$865,630**
Service cost	3,718	**3,692**	**34,343**
Interest cost	271	**226**	**2,102**
Actuarial differences	(291)	**(204)**	**(1,894)**
Benefits paid	(6,316)	**(5,062)**	**(47,082)**
Increase due to newly consolidated subsidiaries	106	**—**	**—**
Other	8	**(33)**	**(312)**
Balance at end of the year	¥93,064	**¥91,683**	**$852,787**

(b) Movements in plan assets during the years ended March 31, 2019 and 2020 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2019	**2020**	**2020**
Balance at beginning of the year	¥76,911	**¥74,879**	**$696,483**
Expected return on plan assets	890	**861**	**8,006**
Actuarial differences	(348)	**(2,482)**	**(23,075)**
Contributions paid by the employer	1,918	**1,879**	**17,476**
Benefits paid	(4,492)	**(3,407)**	**(31,693)**
Balance at end of the year	¥74,879	**¥71,730**	**$667,197**

(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
	2019	**2020**	**2020**
Funded defined benefit obligations	¥ 66,262	**¥ 65,353**	**$ 607,876**
Plan assets	(74,879)	**(71,730)**	**(667,197)**
	(8,617)	**(6,377)**	**(59,321)**
Unfunded defined benefit obligations	26,802	**26,330**	**244,911**
Net liability recorded in the consolidated balance sheet	18,185	**19,953**	**185,590**
Net defined benefit liabilities	18,185	**19,953**	**185,590**
Net liability recorded in the consolidated balance sheet	18,185	**19,953**	**185,590**

(d) The components of retirement benefit expenses

	Millions of yen		Thousands of U.S. dollars
	2019	**2020**	**2020**
Service cost	¥3,718	**¥3,692**	**$34,343**
Interest cost	271	**226**	**2,102**
Expected return on plan assets	(890)	**(861)**	**(8,006)**
Amortization of actuarial differences	(372)	**(332)**	**(3,089)**
Amortization of prior service cost	(8)	**(8)**	**(77)**
Retirement benefit expenses on defined benefit plans	¥2,719	**¥2,717**	**$25,273**

(e) The components of remeasurements of defined benefit plans (before tax effects) included in other comprehensive income for the years ended March 31, 2019 and 2020 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2019	**2020**	**2020**
Prior service cost	¥ (8)	**¥ (8)**	**$ (77)**
Actuarial differences	(429)	**(2,610)**	**(24,270)**
Total	¥(437)	**¥(2,618)**	**$(24,347)**

(f) The components of remeasurements of defined benefit plans (before tax effects) included in accumulated other comprehensive income for the years ended March 31, 2019 and 2020 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2019	2020	2020
Unrecognized prior service cost	¥ (15)	**¥ (7)**	**$ (65)**
Unrecognized actuarial differences	(1,359)	**1,251**	**11,634**
Total	¥(1,374)	**¥1,244**	**$11,569**

(g) Plan assets

(i) Components of plan assets

The plan assets consist of the following:

	2019	2020
Bonds	40%	**40%**
Equity securities	16	**15**
General account assets	22	**24**
Cash and time deposits	11	**10**
Other	11	**11**
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 years ended March 31, 2019 and 2020 are as follows:

	2019	2020
Discount rate	Primarily 0.2%	**Primarily 0.2%**
Long-term expected rate of returns	Primarily 1.0%	**Primarily 1.0%**
Expected salary increase rate	Primarily 1.3%	**Primarily 1.3%**

(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, 2019 and 2020 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2019	2020	2020
Defined contribution plan	¥465	**¥462**	**$4,299**
Smaller Enterprise Retirement Allowance Mutual Aid Scheme	290	**282**	**2,626**

NOTE 15 | STOCK OPTIONS

(1) Submitting company

Not applicable

(2) Consolidated subsidiary (Shirohato Co., Ltd.)

(a) Item and amount of expenses for stock options

Not applicable

(b) Details including size and changes of stock options

(i) Stock options plans

	2nd stock option	3rd stock option
Date of resolution	August 13, 2013	August 13, 2013
Number of eligible persons by position	Directors of the company: 5	Employees of the company: 88
Total number and type of stock granted	909 shares of common stock	520 shares of common stock
Grant date	August 30, 2013	August 30, 2013
Prerequisite to be vested	Vesting requires continuous service from the grant date (August 30, 2013) to the vesting date (the date of public offering).	Vesting requires continuous service from the grant date (August 30, 2013) to the vesting date (the date of public offering).
Required service period	There is no provision for a required service period.	There is no provision for a required service period.
Exercise period	From April 23, 2014 to April 22, 2019	From April 23, 2014 to April 22, 2019

(ii) Size and changes of stock options

The following table summarizes movements of stock options during the year and price information on stock options as of March 31, 2020. The number of stock options are translated into the number of shares.

① Number of stock options

	2nd stock option	3rd stock option
Unvested stock options (shares)		
Outstanding at March 31, 2019	—	—
Granted	—	—
Forfeited	—	—
Vested	—	—
Outstanding at March 31, 2020	—	—
Vested stock options (shares)	—	—
Outstanding at March 31, 2019	22,400	10,700
Vested	—	—
Exercised	22,400	5,800
Forfeited	—	4,900
Outstanding at March 31, 2020	—	—

Notes: 1. Number of shares in the above table reflects a 100-for-1 stock split executed on November 29, 2013.

② Price information

	2nd stock option	3rd stock option	2nd stock option	3rd stock option
Exercise prices (yen)	**¥260**	**¥260**	**$ 2**	**$ 2**
Average stock price at exercise (yen)	**353**	**357**	**3**	**3**
Fair value at the grant date (yen)	**—**	**—**	**—**	**—**

Notes: Price information in the above table reflects a 100-for-1 stock split executed on November 29, 2013.

(3) Method for estimating fair value of stock options

As Shirohato Co., Ltd. was not a public company at the time of the grant of stock options, the method for estimating fair value of stock options is based on the estimate of the intrinsic value per unit.

In addition, the method for estimating the intrinsic value per unit is calculated by deducting the exercise price from the valuation of the company's shares, and the method for evaluating the shares of the company is determined by considering the value calculated by the discounted cash flow (DCF) method.

(4) Method for estimating number of vested stock options

Because it is difficult to reasonably estimate the number of options that will expire in the future, only the number of options that have actually forfeited is applied.

(5) The aggregate intrinsic value of stock options outstanding at March 31, 2020 and the aggregated intrinsic value of stock options exercised on the exercise date during the fiscal year ended March 31, 2020, based on intrinsic value.

	Millions of yen	Thousands of U.S. dollars
The aggregate intrinsic value of stock options outstanding	**¥—**	**$—**
The aggregate intrinsic value of stock options exercised during the fiscal year ended March 31, 2020	**¥ 3**	**$25**

NOTE 16 | DEFERRED TAX

(1) Significant components of deferred tax assets and liabilities

	Millions of yen		Thousands of U.S. dollars
	2019	**2020**	**2020**
Deferred tax assets:			
Net defined benefit liabilities	¥ 7,573	**¥ 8,073**	**$ 75,087**
Unrealized profits	6,486	**6,276**	**58,374**
Net operating loss carryforwards (Note 2)	3,833	**5,125**	**47,670**
Loss on impairment of fixed assets	5,512	**4,744**	**44,130**
Reserve for employees' bonuses	2,642	**2,666**	**24,795**
Excess depreciation	1,174	**1,072**	**9,976**
Asset retirement obligation	581	**679**	**6,312**
Accrued enterprise taxes	544	**493**	**4,587**
Loss on revaluation of land for sale	501	**490**	**4,562**
Allowance for doubtful accounts	352	**434**	**4,034**
Allowance for unredeemed gift certificates and others	402	**425**	**3,957**
Accrued fare	208	**186**	**1,731**
Other	4,119	**3,955**	**36,783**
Gross deferred tax assets	33,927	**34,618**	**321,998**
Valuation allowance pertaining to net operating loss carryforwards (Note 2)	(3,129)	**(5,067)**	**(47,135)**
Valuation allowance pertaining to future deductible temporary differences	(10,717)	**(12,462)**	**(115,911)**
Less: Valuation allowance (Note 1)	(13,846)	**(17,529)**	**(163,046)**
Total deferred tax assets	¥ 20,081	**¥ 17,089**	**$ 158,952**
Deferred tax liabilities:			
Unrealized gains on securities	¥(14,693)	**¥(10,713)**	**$ (99,649)**
Reserve for deduction of property and equipment	(3,496)	**(4,601)**	**(42,796)**
Valuation difference due to business combinations	(1,961)	**(1,750)**	**(16,277)**
Gain on securities contribution to employees' retirement benefits trust	(1,365)	**(1,365)**	**(12,697)**
Other	(445)	**(687)**	**(6,391)**
Total deferred tax liabilities	(21,960)	**(19,116)**	**(177,810)**
Net deferred tax assets and liabilities	¥ (1,879)	**¥ (2,027)**	**$ (18,858)**

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

	Millions of yen		Thousands of U.S. dollars
	2019	**2020**	**2020**
Deferred tax asset related to land revaluation	¥ 494	**¥ 494**	**$ 4,595**
Less: Valuation allowance	(494)	**(494)**	**(4,595)**
Total	—	**—**	**—**
Deferred tax liabilities related to land revaluation	(954)	**(954)**	**(8,875)**
Net deferred tax assets and liabilities related to land revaluation	(954)	**(954)**	**(8,875)**

Notes: 1. The changes in the valuation allowance principally reflected an increase in the valuation allowance for operating loss carryforwards.
2. A breakdown of net operating loss carryforwards and valuation allowance by expiry date is as follows:

Year ended March 31, 2019

	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	Total
Operating loss carryforwards*	¥154	¥438	¥ 292	¥ 133	¥ 359	¥ 2,457	¥ 3,833
Valuation allowance	(53)	(147)	(283)	(133)	(359)	(2,154)	(3,129)
Deferred tax assets	101	291	9	—	—	303	704

* Operating loss carryforwards are derived after multiplying the statutory tax rate.

Year ended March 31, 2020

	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	Total
Operating loss carryforwards*	**¥255**	**¥176**	**¥ 131**	**¥ 274**	**¥ 415**	**¥ 3,874**	**¥ 5,125**
Valuation allowance	**(255)**	**(173)**	**(131)**	**(274)**	**(380)**	**(3,854)**	**(5,067)**
Deferred tax assets	**—**	**3**	**—**	**—**	**35**	**20**	**58**

	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	Total
Operating loss carryforwards*	**$2,370**	**$1,638**	**$ 1,222**	**$ 2,545**	**$ 3,859**	**$ 36,036**	**$ 47,670**
Valuation allowance	**(2,370)**	**(1,610)**	**(1,222)**	**(2,545)**	**(3,534)**	**(35,854)**	**(47,135)**
Deferred tax assets	**—**	**28**	**—**	**—**	**325**	**182**	**535**

* Operating loss carryforwards are derived after multiplying the statutory tax rate.

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

	2019	**2020**
The normal effective statutory tax rate	30.6%	**30.6%**
Adjustment for:		
Entertainment expenses not deductible for income tax purposes	0.3	**0.7**
Dividends received not taxable	(0.4)	**(0.4)**
Per capita inhabitants taxes	0.3	**0.4**
Valuation allowance on deferred tax assets	(5.1)	**14.4**
Other	1.6	**(1.9)**
The effective tax rate	27.3%	**43.8%**

NOTE 17 | BUSINESS COMBINATION

(Transactions under common control, etc.)

Enoshima Electric Railway Co., Ltd. to Become a Wholly Owned Subsidiary through a Share Exchange

(1) Overview of the transactions

At the Board of Directors meeting held on April 26, 2019, Odakyu Electric Railway Co., Ltd. (Odakyu Electric Railway) passed a resolution to effect a share exchange (the "Share Exchange") with its consolidated subsidiary Enoshima Electric Railway Co., Ltd., (Enoshima Electric Railway), under which Odakyu Electric Railway will become the wholly owning parent company and Enoshima Electric Railway will become the wholly owned subsidiary. The two companies entered into a share exchange agreement (the Share Exchange Agreement). The Share Exchange was implemented on October 1, 2019, and Enoshima Electric Railway became a wholly owned subsidiary of the Company.

(a) Name and business description of the parties implemented the business combination

	Wholly owning parent company in the share exchange	Wholly owned company in the share exchange
Company name	Odakyu Electric Railway	Enoshima Electric Railway
Business	Railway, real estate businesses, etc.	Railway, automobile, leisure/service, real estate businesses, etc.

(b) Date of business combination

October 1, 2019

(c) Legal form of the business combination

In the Share Exchange, Odakyu Electric Railway became the wholly owning parent company and Enoshima Electric Railway became the wholly owned subsidiary.

The Share Exchange was conducted as follows with an effective date of October 1, 2019: Odakyu Electric Railway conducted simplified share exchange procedures based on the provisions of Article 796, Paragraph 2 of the Companies Act without the approval of the ordinary general meeting of shareholders, and Enoshima Electric Railway received approval at the ordinary general meeting of shareholders held on June 27, 2019.

(d) Name of the company after the business combination

No change

(e) Purpose of the business combination

Through the Share Exchange, the Odakyu Group aims to achieve sustainable growth of Enoshima Electric Railway and the Enoshima and Kamakura areas, and to increase the Group's corporate value through strategic planning, rapid decision-making, and promotion of measures from a long-term perspective by integrating management.

(2) Outline of Accounting Treatment

The Share Exchange is accounted for as a transaction under common control in accordance with "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, January 16, 2019) and "Implementaion Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, January 16, 2019).

(3) Additional acquisition of subsidiary's shares

(a) Acquisition cost of the acquired company and breakdown by type of consideration

	Millions of yen	Thousands of U.S. dollars
Consideration for the acquisition (common shares of the Company)	**¥8,220**	**$76,455**
Acquisition cost	**¥8,220**	**$76,455**

(b) Details of allotment in the Share Exchange

	Odakyu Electric Railway (wholly owning parent company in the share exchange)	Enoshima Electric Railway (wholly owned company in the share exchange)
Allotment ratio for the Share Exchange	1	1.2
Number of shares delivered through the Share Exchange	Number of common shares of the Company: 3,176,053 shares	

Notes: 1. Odakyu Electric Railway allotted and delivered 1.2 of its common shares per common share of Enoshima Electric Railway; provided, however, that no shares have been allotted for the 3,353,289 common shares of Enoshima Electric Railway held by Odakyu Electric Railway in the course of the Share Exchange.

2. All of the shares delivered by the Company were allocated from the Company's treasury stock.

(c) Method of calculating the share exchange ratio

In order to ensure the fairness and appropriateness of the calculation of the allotment ratio used in the Share Exchange (the Share Exchange Ratio), Odakyu Electric Railway and Enoshima Electric Railway decided to each separately request a third-party valuation institution, independent of both companies, to calculate the share exchange ratio for the Share Exchange. Odakyu Electric Railway and Enoshima Electric Railway appointed Mizuho Securities Co., Ltd. and AGS Consulting Co., Ltd., respectively, as third-party valuation institutions.

Odakyu Electric Railway and Enoshima Electric Railway have carefully considered the results of the due diligence review of the other party and other aspects with reference to the calculation results of the share exchange ratio received from their respective third-party valuation institution. They have also repeatedly conducted mutual negotiations and consultations with comprehensive consideration given to, among other factors, their respective financial conditions, asset status and future prospects. As a result, Odakyu Electric Railway and Enoshima Electric Railway have come to the conclusion that the Share Exchange Ratio is appropriate, and thus implemented the Share Exchange at the Share Exchange Ratio.

(4) Changes in the ownership interest of the parent due to transactions with non-controlling interests

(a) Major reason for changes in capital surplus
Additional acquisition of subsidiary's shares

(b) The amounts decreased in capital surplus through the transaction with non-controlling interests

Millions of yen	Thousands of U.S. dollars
¥569	**$5,298**

NOTE 18 | 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 sheet, changes during the fiscal year under and fair values of real estate, of which some portions are used as leasing property, are determined as follows.

(1) Fair value of leasing and other properties

Year ended March 31, 2019

	Millions of yen			
	Book value			Fair value
	2018	Changes during the year	2019	2019
Leasing properties	¥216,748	¥6,644	¥223,392	¥305,462
Other properties used as leasing properties	75,384	871	76,255	119,092

Year ended March 31, 2020

	Millions of yen			
	Book value			Fair value
	2019	Changes during the year	**2020**	**2020**
Leasing properties	**¥223,392**	**¥11,314**	**¥234,706**	**¥318,842**
Other properties used as leasing properties	**76,255**	**3,814**	**80,069**	**130,070**

	Thousands of U.S. dollars			
	Book value			Fair value
	2019	Changes during the year	**2020**	**2020**
Leasing properties	**$2,077,876**	**$105,232**	**$2,183,108**	**$2,965,697**
Other properties used as leasing properties	**709,280**	**35,481**	**744,761**	**1,209,841**

Notes: 1. The amount posted in the consolidated balance sheet is calculated by deducting the accumulated depreciation and amortization, and the accumulated loss on impairment of fixed assets from the acquisition cost.

2. For the fiscal year ended March 31, 2019, the main factor attributable to the increase were ¥2,896 million due to acquisition of the Odakyu Kanda Iwamotocho Building. For the fiscal year ended March 31, 2020, the main factors attributable to the increase were ¥3,599 million ($33,477 thousand) due to construction work for Nishi-Shinjuku 7-chome leasing facilities (Odakyu Nishi-Shinjuku O-PLACE, Resia Nishi-Shinjuku O-PLACE).

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

(2) Profit and loss on leasing properties

Year ended March 31, 2019

	Millions of yen			
	Leasing income	Leasing expenses	Difference	Other gains or losses
Leasing properties	¥17,972	¥ 8,926	¥9,046	¥(1,259)
Other properties used as leasing properties	17,964	12,440	5,524	(808)

Year ended March 31, 2020

	Millions of yen			
	Leasing income	Leasing expenses	Difference	Other gains or losses
Leasing properties	**¥18,555**	**¥ 9,394**	**¥9,161**	**¥ 86**
Other properties used as leasing properties	**19,393**	**14,401**	**4,992**	**(304)**

	Thousands of U.S. dollars			
	Leasing income	Leasing expenses	Difference	Other gains or losses
Leasing properties	**$172,595**	**$ 87,382**	**$85,213**	**$ 802**
Other properties used as leasing properties	**180,385**	**133,952**	**46,433**	**(2,830)**

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

NOTE 19 | SEGMENT INFORMATION

(1) 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

(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.

(c) Information about revenue, operating income (loss), assets and others by reportable segment, for the years ended March 31, 2019 and 2020 was as follows:

Year ended March 31, 2019

	Millions of yen						
	Reportable segment						
	Transportation	Merchandising	Real estate	Other (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
Revenue from operations:							
Customers	¥176,373	¥207,429	¥ 62,624	¥ 80,250	¥ 526,676	¥ —	¥ 526,676
Intragroup sales and transfers	2,920	3,253	6,383	26,687	39,243	(39,243)	—
Total	¥179,293	¥210,682	¥ 69,007	¥106,937	¥ 565,919	¥(39,243)	¥ 526,676
Segment income	¥ 29,266	¥ 2,960	¥ 13,759	¥ 5,939	¥ 51,924	¥ 166	¥ 52,090
Segment assets	¥682,269	¥ 74,073	¥391,603	¥119,170	¥1,267,115	¥ 45,319	¥1,312,434
Other:							
Depreciation and amortization (Note 4)	¥ 30,889	¥ 3,664	¥ 9,038	¥ 3,378	¥ 46,969	¥ (241)	¥ 46,728
Amortization of goodwill	—	83	—	167	250	32	282
Loss on impairment of fixed assets	63	371	153	175	762	371	1,134
Investment for affiliates applied for equity methods	12,113	—	—	—	12,113	—	12,113
Increase in property and equipment and intangible assets (Note 4)	43,136	11,058	20,931	14,429	89,554	—	89,554

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 and planning design and operation, and temporary staffing service.

2. Adjustments are as follows:
   (a) Adjustments of ¥166 million for segment income include ¥198 million of intersegment elimination and negative ¥32 million of amortization of goodwill.
   (b) Adjustments for segment assets amounting to ¥45,319 million include negative ¥99,369 million of intersegment elimination and ¥144,688 million of the Group's assets that have not been distributed to reportable segments.
   (c) Adjustment for depreciation and amortization amounting to negative ¥241 million represents intersegment elimination.
   (d) Adjustments for loss on impairment of fixed assets amounting to ¥371 million relates to corporate assets that are not allocated to each reportable segment.
3. "Segment income" is reconciled to operating income of consolidated statement of income.
4. "Depreciation and amortization," and "Increase in property and equipment and intangible assets" include additions to long-term prepaid expenses and its amortization.

Year ended March 31, 2020

	Millions of yen						
	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Transportation	Merchandising	Real estate				
Revenue from operations:							
Customers	¥170,423	¥203,564	¥ 73,926	¥ 86,220	¥ 534,133	¥ —	¥ 534,133
Intragroup sales and transfers	2,752	3,000	6,552	26,036	38,340	(38,340)	—
Total	¥173,175	¥206,564	¥ 80,478	¥112,256	¥ 572,473	¥(38,340)	¥ 534,133
Segment income	¥ 21,641	¥ 4,374	¥ 12,940	¥ 2,090	¥ 41,045	¥ 59	¥ 41,104
Segment assets	¥682,224	¥ 72,653	¥396,030	¥137,514	¥1,288,421	¥ 39,883	¥1,328,304
Other:							
Depreciation and amortization (Note 4)	¥ 32,392	¥ 3,792	¥ 9,375	¥ 4,151	¥ 49,710	¥ (82)	¥ 49,628
Amortization of goodwill	—	87	—	448	535	—	535
Loss on impairment of fixed assets	1	1,199	205	946	2,351	—	2,351
Investment for affiliates applied for equity methods	12,399	—	—	—	12,399	—	12,399
Increase in property and equipment and intangible assets (Note 4)	40,941	5,498	29,548	15,612	91,599	—	91,599

	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	$1,585,178	$1,893,438	$ 687,623	$ 801,975	$ 4,968,214	$ —	$ 4,968,214
Intragroup sales and transfers	25,600	27,906	60,946	242,170	356,622	(356,622)	—
Total	$1,610,778	$1,921,344	$ 748,569	$1,044,145	$ 5,324,836	$(356,622)	$ 4,968,214
Segment income	$ 201,293	$ 40,680	$ 120,361	$ 19,443	$ 381,777	$ 546	$ 382,323
Segment assets	$6,345,677	$ 675,783	$3,683,660	$1,279,081	$11,984,201	$ 370,966	$12,355,167
Other:							
Depreciation and amortization (Note 4)	$ 301,296	$ 35,267	$ 87,201	$ 38,613	$ 462,377	$ (763)	$ 461,614
Amortization of goodwill	—	806	—	4,167	4,973	—	4,973
Loss on impairment of fixed assets	7	11,152	1,909	8,801	21,869	—	21,869
Investment for affiliates applied for equity methods	115,329	—	—	—	115,329	—	115,329
Increase in property and equipment and intangible assets (Note 4)	380,807	51,142	274,838	145,219	852,006	—	852,006

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, bookkeeping service, insurance agency and planning design and operation, and temporary staffing service.

2. Adjustments are as follows:

(a) Adjustment for segment income amounting to ¥59 million ($546 thousand) represents intersegment elimination.

(b) Adjustments for segment assets amounting to ¥39,883 million ($370,966 thousand) include negative ¥104,436 million (negative $971,413 thousand) of intersegment elimination and ¥144,319 million ($1,342,379 thousand) of the Group's assets that have not been distributed to reportable segments.

(c) Adjustment for depreciation and amortization amounting to negative ¥82 million (negative $763 thousand) represents intersegment elimination.

3. "Segment income" is reconciled to operating income of consolidated statement of income.

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

(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 statement 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 sheet, the information is omitted.

(c) Information by major customer

Since no customer accounts for 10% or more of the revenues from operations on the consolidated statement of income, information by major customer is omitted.

(3) Loss on impairment of fixed assets by reportable segments

The description on the loss on impairment of fixed assets by segment for the years ended March 31, 2019 and 2020 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, 2019

	Millions of yen					
	Transportation	Merchandising	Real estate	Other	Adjustment	Consolidated
Balance at the end of the fiscal year under review	¥—	¥749	¥—	¥3,107	¥—	¥3,856

Year ended March 31, 2020

	Millions of yen					
	Transportation	Merchandising	Real estate	Other	Adjustment	Consolidated
Balance at the end of the fiscal year under review	**¥—**	**¥10**	**¥—**	**¥2,147**	**¥—**	**¥2,157**

	Thousands of U.S. dollars					
	Transportation	Merchandising	Real estate	Other	Adjustment	Consolidated
Balance at the end of the fiscal year under review	**$—**	**$95**	**$—**	**$19,969**	**$—**	**$20,064**

Note: The description on amortization by reportable segment for the years ended March 31, 2019 and 2020 is omitted because it is disclosed in "Segment information."

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

Not applicable

NOTE 20 | RELATED PARTY TRANSACTIONS

Year ended March 31, 2019
Not applicable

Year ended March 31, 2020
Not applicable

NOTE 21 | PER SHARE INFORMATION

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

	Yen		U.S. dollars
	2019	**2020**	**2020**
Net assets	¥1,061.37	**¥1,066.01**	**$9.92**
Net income—basic	90.11	**55.08**	**0.51**

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, 2019 and 2020.
2. For the purpose of calculating net assets per share, the Company's shares held by the Director's Compensation Trust (the Trust) are included in treasury shares excluded from the total number of outstanding shares as of the fiscal year-end (166 thousand shares for the fiscal year ended March 31, 2019 and 166 thousand shares for the fiscal year ended March 31, 2020).
For the purpose of calculating net income per share, these shares held by the Trust were included in treasury shares excluded from the calculation of the average number of outstanding shares during the fiscal year (104 thousand shares for the fiscal year ended March 31, 2019 and 166 thousand shares for the fiscal year ended March 31, 2020).
3. The basis for the respective calculation of net income per share is as follows:

	Millions of yen		Thousands of U.S. dollars
	2019	**2020**	**2020**
Net income attributable to owners of the parent	¥32,468	**¥19,923**	**$185,316**
Amount not attributable to common stockholders	—	**—**	**—**
Net income attributable to owners of the parent related to common shares	32,468	**19,923**	**185,316**
Weighted average number of shares issued and outstanding during the period (shares)	360,338,635	**361,717,333**	**361,717,333**

NOTE 22 | SUBSEQUENT EVENTS

Establishment of Subsidiary through Simplified Incorporation-Type Company Split

Based on a resolution of the Board of Directors held on December 20, 2019, the Company established the wholly owned subsidiary Odakyu SC Development Co., Ltd. (the "New Company") through a simple incorporation-type company split with an effective date of April 1, 2020, and implemented the demerging of the Company's commercial facility management business into the New Company (the "Company Split").

(1) Purpose of the Company Split

Through the Company Split, the Company aims to strength the business promotion system for the real estate leasing business.

(2) Outline of the Company Split

(a)Schedule of the Company Split

Approval date of the Company Split	December 20, 2019
Date of the Company Split (effective date)	April 1, 2020

Note: The Company Split satisfies the requirements for a simplified demerger pursuant to the provisions of Article 805 of the Companies Act, and therefore, approval by the shareholders meeting has been omitted.

(b) Method of the Company Split

This is a simple incorporation-type company split in which the Company is the splitting company and the New Company is the succeeding company.

(c) Allocation of the Company Split

The New Company will issue 1,000 shares upon the Company Split, all of which have been allotted to the Company.

(d) Treatment of stock acquisition right and bonds with stock acquisition right in the Company Split

Not applicable

(e) Increase/decrease in capital stock due to the Company Split

There will be no change in the Company's capital stock as a result of the Company Split.

(f) Rights and obligations to be succeeded by the New Company

The New Company shall, except as otherwise provided for in the incorporation-type company split plan approved on December 20, 2019, inherit all of the assets, liabilities, contractual positions and accompanying rights and obligations related to the commercial facility management business from the Company.

(g) Prospects of fulfilling financial obligations

The Company has determined that the obligations of the New Company falling due on or after the effective date of the Company Split are likely to be fulfilled.

(3) Outline of parties involved in the Company Split

	Splitting company	New Company
Company name	Odakyu Electric Railway Co., Ltd.	Odakyu SC Development Co., Ltd.
Head office	2-28-12 Yoyogi, Shibuya-ku, Tokyo	1-8-3 Nishi-Shinjuku, Shinjuku-ku, Tokyo
Representative	Koji Hoshino, Executive President and Representative Director	Yoshihiko Shimooka, Representative Director
Business	Railway business, real estate business, etc.	Commercial facility management business, commercial facility development business
Capital stock	¥60,360 million [$561,435 thousand]	¥100 million [$930 thousand]
Established	June 1, 1948	April 1, 2020
Issued shares	368,497,717 shares	1,000 shares
Fiscal year-end	March 31	March 31

Note: There are no changes to the above items of the Company, the splitting company.

(4) Outline of the business divisions to be split

(a) Business of the division to be split

Operation of commercial facilities

(b) Operating results of the business divisions to be split (fiscal year ended March 31, 2020)

Operating revenue	**¥32,169 million [$299,220 thousand]**

(c) Amounts of assets and liabilities to be split

(As of March 31, 2020)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	**¥137 million [$1,280 thousand]**	Current liabilities	**¥2,577 million [$23,968 thousand]**
Noncurrent assets	**¥35,142 million [$326,870 thousand]**	Long-term liabilities	**¥23,911 million [$222,414 thousand]**
Total	**¥35,279 million [$328,150 thousand]**	Total	**¥26,488 million [$246,382 thousand]**

(5) Outlook for the future

Since the New Company will become a wholly owned subsidiary of the Company, the Company Split will have only a minor impact on the consolidated results of the Company, but it will contribute to improving the business results of the Odakyu Group over the medium to long term.

(6) Outline of the accounting treatment implemented

The Company Split is accounted for as a transaction under common control based on "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, January 16, 2019) and "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, January 16, 2019).

Issuance of Unsecured Bonds

The Company issued the unsecured bonds based on the resolution of the Board of Directors' meeting convened on March 27, 2020. Details of the issuance are summarized as follows:

	Series 88 unsecured corporate bonds
(1) Amount	¥22 billion [$204.632 thousand]
(2) Interest rate	0.73% per annum
(3) Date of payment	April 23, 2020
(4) Date of redemption	April 23, 2040
(5) Purpose	Capital expenditures and bond redemption funds

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, 2019	**Balance as of March 31, 2020**	**Balance as of March 31, 2020**			
Odakyu Electric Railway Co., Ltd.	Series 50 unsecured corporate bonds	Aug. 12, 2009	¥ 10,000 [10,000]	**¥ —**	**$ —**	1.718%	None	Aug. 12, 2019
	Series 55 unsecured corporate bonds	Dec. 17, 2010	10,000	**10,000 [10,000]**	**93,015 [93,015]**	1.367	None	Dec. 17, 2020
	Series 60 unsecured corporate bonds	Oct. 18, 2012	10,000	**10,000**	**93,015**	0.846	None	Oct. 18, 2022
	Series 63 unsecured corporate bonds	Dec. 13, 2013	10,000	**10,000**	**93,015**	0.905	None	Dec. 12, 2025
	Series 67 unsecured corporate bonds	Jun. 12, 2015	10,000	**10,000**	**93,015**	0.608	None	Jun. 12, 2025
	Series 68 unsecured corporate bonds	Jun. 12, 2015	10,000	**10,000**	**93,015**	1.098	None	Jun. 12, 2030
	Series 71 unsecured corporate bonds	Jul. 29, 2016	10,000 [10,000]	**—**	**—**	0.08	None	Jul. 25, 2019
	Series 72 unsecured corporate bonds	Aug. 31, 2016	10,000	**10,000**	**93,015**	0.64	None	Aug. 29, 2036
	Series 73 unsecured corporate bonds	Jan. 31, 2017	10,000 [10,000]	**—**	**—**	0.10	None	Jan. 24, 2020
	Series 74 unsecured corporate bonds	May 29, 2017	10,000	**10,000**	**93,015**	0.756	None	May 29, 2037
	Series 75 unsecured corporate bonds	Jul. 31, 2017	10,000	**10,000 [10,000]**	**93,015 [93,015]**	0.11	None	Jul. 24, 2020
	Series 76 unsecured corporate bonds	Nov. 30, 2017	10,000	**10,000**	**93,015**	0.305	None	Nov. 30, 2027
	Series 77 unsecured corporate bonds	Nov. 30, 2017	10,000	**10,000**	**93,015**	0.746	None	Nov. 30, 2037
	Series 78 unsecured corporate bonds	Jan. 31, 2018	10,000	**10,000 [10,000]**	**93,015 [93,015]**	0.11	None	Jan. 25, 2021
	Series 79 unsecured corporate bonds	Jul. 31, 2018	10,000	**10,000**	**93,015**	0.10	None	Jul. 23, 2021
	Series 80 unsecured corporate bonds	Aug. 30, 2018	10,000	**10,000**	**93,015**	0.794	None	Aug. 30, 2038
	Series 81 unsecured corporate bonds	Dec. 20, 2018	10,000	**10,000**	**93,015**	0.33	None	Dec. 20, 2028
	Series 82 unsecured corporate bonds	Jan. 31, 2019	10,000	**10,000**	**93,015**	0.10	None	Jan. 25, 2022
	Series 83 unsecured corporate bonds	Jun. 20, 2019	—	**10,000**	**93,015**	0.209	None	Jun. 20, 2029
	Series 84 unsecured corporate bonds	Jun. 20, 2019	—	**20,000**	**186,029**	0.608	None	Jun. 20, 2039
	Series 85 unsecured corporate bonds	Jul. 31, 2019	—	**10,000**	**93,015**	0.10	None	Jul. 25, 2022
	Series 86 unsecured corporate bonds	Dec. 5, 2019	—	**15,000**	**139,522**	0.858	None	Dec. 3, 2049
	Series 87 unsecured corporate bonds	Jan. 31, 2020	—	**10,000**	**93,015**	0.10	None	Jan. 25, 2023
HUMANIC Co., Ltd.	Other corporate bonds	—	90 [40]	**50 [25]**	**458 [231]**	—	—	—
Total	—	—	¥180,090 [30,040]	**¥215,050 [30,025]**	**$2,000,279 [279,276]**	—	—	—

Notes: 1. The amounts in brackets in the columns of "Balance as of April 1, 2019" and "Balance as of March 31, 2020" are the current portion of the total amount and are recorded in current liabilities on the consolidated balance sheet.

2. Redemption schedule of bonds for five years subsequent to March 31, 2020 is as follows:

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
¥30,025	**¥20,010**	**¥30,010**	**¥5**	**¥—**	**$279,276**	**$186,122**	**$279,137**	**$47**	**$—**

NO. 2 | DETAILED SCHEDULE OF LOANS PAYABLE

	Millions of yen		Thousands of U.S. dollars		
	Balance as of April 1, 2019	**Balance as of March 31, 2020**	**Balance as of March 31, 2020**	Average interest rate	Repayment deadline
Short-term loans	¥179,833	**¥179,720**	**$1,671,658**	0.50%	—
Current portion of long-term debt	21,607	**24,212**	**225,207**	1.37	—
Current portion of lease obligations	383	**451**	**4,191**	—	—
Long-term loans (excluding current portion)	229,039	**223,431**	**2,078,232**	0.99	Apr. 26, 2021 to Dec. 24, 2038
Lease obligations (excluding current portion)	923	**1,158**	**10,769**	—	Apr. 1, 2021 to Mar. 31, 2029
Other interest-bearing debt:					
Long-term liabilities incurred for purchase of railway transport facilities	95,938 [10,803]	**85,091 [8,712]**	**791,474 [81,039]**	0.75	Sep. 14, 2021 to Mar. 14, 2044
In-house deposits	13,619	**13,980**	**130,038**	1.19	—
Total	¥541,342	**¥528,043**	**$4,911,569**	—	—

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 (mainly included in total lease payments) in the consolidated balance sheet. 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 sheet. 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 sheet that removed consumption taxes.

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

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, 2020 is as follows: 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	**¥29,206**	**¥18,692**	**¥34,052**	**¥25,541**
Lease obligations	**386**	**402**	**227**	**105**
Long-term liabilities incurred for purchase of railway transport facilities	**8,353**	**7,777**	**6,712**	**6,508**

	Thousands of U.S. dollars			
	One to two years	Two to three years	Three to four years	Four to five years
Long-term debt	**$271,660**	**$173,860**	**$316,737**	**$237,568**
Lease obligations	**3,586**	**3,742**	**2,109**	**978**
Long-term liabilities incurred for purchase of railway transport facilities	**77,696**	**72,339**	**62,435**	**60,531**

NO. 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 fiscal year ended March 31, 2020 are both less than 1% of the total of liabilities and net assets of the respective fiscal years pursuant to Article 2, Paragraph 92 of the Regulations for Consolidated Financial Statement.