

CONSOLIDATED BALANCE SHEETS

March 31, 2016 and 2017

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2016	2017	2017
Assets:			
Current assets:			
Cash and time deposits	¥ 27,394	¥ 19,362	\$ 173,899
Notes and accounts receivable	23,895	22,957	206,191
Lease receivables and lease investment assets	1,482	1,509	13,556
Merchandise and finished goods	9,597	9,257	83,140
Real estate developments for sale Notes 6 (5)	32,673	33,332	299,376
Work in process	967	789	7,083
Raw materials and supplies	1,918	1,923	17,272
Deferred tax assets	6,164	5,327	47,844
Other	29,550	31,300	281,118
Allowance for doubtful accounts	(80)	(65)	(585)
Total current assets	133,560	125,691	1,128,894
Noncurrent assets:			
Property and equipment:			
Buildings and structures, net Notes 6 (1)(3)(6)	467,360	458,948	4,122,038
Machinery, equipment, rolling stock, and other vehicles, net Notes 6 (1)(3)(6)	49,686	49,061	440,643
Land Notes 6 (3)(5)(6)(7)	432,650	450,089	4,042,478
Lease assets, net Note 6 (1)	1,027	1,469	13,194
Construction in progress	45,403	57,084	512,697
Other, net Notes 6 (1)(3)(6)	8,736	8,129	73,007
Total property and equipment	1,004,862	1,024,780	9,204,057
Intangible fixed assets:			
Goodwill	1,127	1,041	9,354
Lease assets	162	164	1,475
Other	13,455	13,350	119,902
Total intangible assets	14,744	14,555	130,731
Investments and other assets:			
Investment securities Note 6 (2)	80,977	82,475	740,752
Long-term loans receivable	468	496	4,455
Deferred tax assets	6,024	5,882	52,829
Other	17,621	17,381	156,104
Allowance for doubtful accounts	(924)	(1,158)	(10,399)
Total investments and other assets	104,166	105,076	943,741
Total noncurrent assets	1,123,772	1,144,411	10,278,529
Total assets	¥1,257,332	¥1,270,102	\$11,407,423

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2016	2017	2017
Liabilities:			
Current liabilities:			
Notes and accounts payable	¥ 28,769	¥ 28,543	\$ 256,354
Short-term loans Note 6 (3)	185,583	181,681	1,631,769
Current portion of long-term corporate bonds	50,000	35,000	314,352
Current portion of lease obligations	1,811	1,694	15,215
Income taxes payable	6,914	6,999	62,861
Advances received	11,140	15,360	137,956
Deferred tax liabilities	0	0	0
Provision for bonuses	7,522	7,386	66,335
Allowance for unredeemed gift certificates and others	1,250	1,315	11,810
Asset retirement obligation	5	7	66
Other current liabilities Note 6 (3)	90,983	90,323	811,239
Total current liabilities	383,977	368,308	3,307,957
Long-term liabilities:			
Long-term bonds	135,000	130,000	1,167,595
Long-term loans Note 6 (3)	234,450	255,054	2,290,770
Long-term liabilities incurred for purchase of railway transport facilities Note 6 (3)	100,965	90,747	815,045
Lease obligations	647	1,282	11,518
Deferred tax liabilities	9,373	10,328	92,759
Deferred tax liabilities related to land revaluation Note 6 (7)	960	954	8,569
Net defined benefit liabilities	24,110	20,705	185,959
Asset retirement obligation	1,375	1,367	12,275
Long-term construction contract advances received	9,508	12,911	115,956
Other Note 6 (3)	39,944	39,743	356,955
Total long-term liabilities	556,332	563,091	5,057,401
Total liabilities	940,309	931,399	8,365,358
Net assets:			
Shareholders' equity:			
Common stock	60,360	60,360	542,122
Capital surplus	58,537	58,418	524,685
Retained earnings	172,192	191,737	1,722,083
Treasury stock, at cost	(10,480)	(10,527)	(94,549)
Total shareholders' equity	280,609	299,988	2,694,341
Accumulated other comprehensive income:			
Net unrealized gain on securities, net of taxes	34,656	33,978	305,175
Reserve for land revaluation Note 6 (7)	543	549	4,929
Remeasurements of defined benefit plans	(2,960)	(252)	(2,264)
Total accumulated other comprehensive income	32,239	34,275	307,840
Non-controlling interests	4,175	4,440	39,884
Total net assets	317,023	338,703	3,042,065
Total liabilities and net assets	¥1,257,332	¥1,270,102	\$11,407,423

See accompanying Notes to Consolidated Financial Statements.