

**Nagoya Railroad Co., Ltd. and Consolidated Subsidiaries**

**Consolidated Balance Sheets (Unaudited)**

31 March 2017 and 2018

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2017	2018	2018
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	¥ 21,944	¥ 30,855	\$ 291,085
Short-term investments	759	734	6,925
Trade notes and accounts receivable	57,828	57,808	545,358
Inventories	70,284	70,647	666,481
Deferred tax assets	4,241	4,010	37,830
Others	18,325	18,282	172,472
Less allowance for doubtful accounts	(323)	(290)	(2,736)
Total current assets	<u>173,058</u>	<u>182,046</u>	<u>1,717,415</u>
<b>Property and equipment:</b>			
Land	361,851	362,632	3,421,056
Buildings and structures	683,926	691,180	6,520,566
Machinery, equipment and vehicles	314,249	323,094	3,048,057
Other properties	62,283	68,962	650,585
Construction in progress	33,583	41,167	388,368
	<u>1,455,892</u>	<u>1,487,035</u>	<u>14,028,632</u>
Less accumulated depreciation	<u>(676,977)</u>	<u>(697,732)</u>	<u>(6,582,377)</u>
Property and equipment, net	<u>778,915</u>	<u>789,303</u>	<u>7,446,255</u>
<b>Investments and other assets:</b>			
Investment securities	73,181	80,477	759,217
Investments in unconsolidated subsidiaries and affiliates	33,157	35,656	336,377
Deferred tax assets	11,913	9,907	93,462
Intangible assets	9,157	8,804	83,057
Other assets	16,386	16,696	157,509
Allowance for doubtful accounts	<u>(1,884)</u>	<u>(1,828)</u>	<u>(17,245)</u>
Total investments and other assets	<u>141,910</u>	<u>149,712</u>	<u>1,412,377</u>
<b>Total assets</b>	<u>¥ 1,093,883</u>	<u>¥ 1,121,061</u>	<u>\$ 10,576,047</u>

See Notes to Consolidated Financial Statements.

**Nagoya Railroad Co., Ltd. and Consolidated Subsidiaries**

**Consolidated Balance Sheets (Unaudited)**

31 March 2017 and 2018

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2017	2018	2018
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current liabilities:</b>			
Short-term borrowings	¥ 20,790	¥ 22,500	\$ 212,264
Current portion of long-term debt	79,673	55,867	527,047
Trade notes and accounts payable	71,411	69,163	652,481
Accrued expenses	15,424	15,669	147,821
Income taxes payable	9,158	9,138	86,208
Provisions	2,257	2,137	20,160
Other current liabilities	80,247	85,213	803,896
Total current liabilities	278,960	259,687	2,449,877
<b>Non-current liabilities:</b>			
Long-term debt	344,138	348,003	3,283,047
Accrued retirement benefits for directors and corporate auditors	1,699	1,324	12,491
Deferred tax liabilities	4,196	4,230	39,906
Deferred tax liabilities for land revaluation	56,672	56,752	535,396
Provisions	13,135	12,880	121,509
Employee retirement benefit liability	34,315	30,719	289,802
Other non-current liabilities	17,955	17,910	168,962
Total non-current liabilities	472,110	471,818	4,451,113
Total liabilities	751,070	731,505	6,900,990
<b>Contingent liabilities (Note 3)</b>			
<b>Net assets:</b>			
<b>Shareholders' equity :</b>			
Common stock: authorised - 360,000 thousand shares issued - 183,955 thousand shares at 31 March 2017 and 190,467 thousand shares at 31 March 2018	88,864	95,149	897,632
Capital surplus	23,156	29,270	276,132
Retained earnings	93,165	117,154	1,105,226
Treasury stock - at cost: 125 thousand shares at 31 March 2017 and 27 thousand shares at 31 March 2018	(271)	(30)	(283)
Total shareholders' equity	204,914	241,543	2,278,707
<b>Accumulated other comprehensive income (loss):</b>			
Net unrealised gains on available-for-sale securities	23,908	28,922	272,849
Deferred gains and losses on hedges	(197)	120	1,132
Land revaluation increment	88,835	88,698	836,774
Foreign currency translation adjustments	(13)	(17)	(160)
Retirement benefit adjustments	(1,127)	1,074	10,132
Total accumulated other comprehensive income (loss)	111,406	118,797	1,120,727
<b>Non-controlling interests</b>	26,493	29,216	275,623
Total net assets	342,813	389,556	3,675,057
<b>Total liabilities and net assets</b>	¥ 1,093,883	¥ 1,121,061	\$ 10,576,047

\* The Company has conducted a share consolidation at the ratio of 5 shares to 1 share effective October 1, 2017. Accordingly, Common stock and Treasury stock have been calculated on the assumption that the share consolidation was conducted at the beginning of FY 2017.

**Nagoya Railroad Co., Ltd. and Consolidated Subsidiaries**

**Consolidated Statements of Income (Unaudited)**

For the Years Ended 31 March 2017 and 2018

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2017	2018	2018
<b>Operating revenues (Note 4)</b>	¥ 599,570	¥ 604,804	\$ 5,705,698
<b>Operating expenses</b>			
Transportation, other services and cost of sales	503,422	505,776	4,771,472
Selling, general and administrative expenses	51,967	52,051	491,047
Total operating expenses	555,389	557,827	5,262,519
<b>Operating income</b>	44,181	46,977	443,179
<b>Other income (expenses):</b>			
Interest and dividend income	1,448	1,614	15,226
Interest expense	(4,151)	(3,728)	(35,170)
Equity in net earnings of affiliates	2,822	2,926	27,604
Impairment loss on fixed assets	(4,174)	(3,907)	(36,858)
Gain on sale or disposition of property and equipment, net	(1,187)	197	1,858
Gain on contributions for construction	945	976	9,208
Loss on reduction of property and equipment	(703)	(890)	(8,396)
Provision for loss on liquidation	(4,986)	(915)	(8,632)
Others, net	2,747	2,167	20,443
Other income (expenses), net	(7,239)	(1,560)	(14,717)
<b>Profit before income taxes</b>	36,942	45,417	428,462
<b>Income taxes:</b>			
Current	13,128	15,407	145,349
Deferred	(1,978)	(1,377)	(12,991)
Total income taxes	11,150	14,030	132,358
<b>Profit</b>	25,792	31,387	296,104
<b>Profit attributable to:</b>			
Owners of the parent	23,433	28,692	270,679
Non-controlling interests	2,359	2,695	25,425
Total profit	¥ 25,792	¥ 31,387	\$ 296,104
<b>Per share:</b>			
Net income:			
- Basic	¥ 127.46	¥ 155.04	\$ 1.46
- Diluted	111.31	136.31	1.28
Cash dividends	5.00	27.50	0.26

\* The Company has conducted a share consolidation at the ratio of 5 shares to 1 share effective October 1, 2017.

Accordingly, "Per share: Net income: - Basic" and "Per share: Net income: - Diluted" have been calculated on the assumption that the share consolidation was conducted at the beginning of FY 2017.

The amount of the year-end dividends per share for FY 2018 reflects the impact of the share consolidation.

See Notes to Consolidated Financial Statements.

**Nagoya Railroad Co., Ltd. and Consolidated Subsidiaries**

**Consolidated Statements of Comprehensive Income (Unaudited)**

For the Years Ended 31 March 2017 and 2018

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2017	2018	2018
<b>Profit</b>	¥ 25,792	¥ 31,387	\$ 296,104
Other comprehensive income:			
Net unrealised gains and losses on available-for-sale securities	3,515	5,094	48,057
Deferred gains and losses on hedges	430	338	3,189
Land revaluation increment	14	(175)	(1,651)
Foreign currency translation adjustments	(4)	(4)	(38)
Retirement benefit adjustments	2,583	2,322	21,905
Share of other comprehensive income of affiliates accounted for using the equity method	153	36	340
Total other comprehensive income	6,691	7,611	71,802
<b>Comprehensive income</b>	¥ 32,483	¥ 38,998	\$ 367,906
<b>Comprehensive income attributable to:</b>			
Owners of the parent	¥ 29,913	¥ 36,048	\$ 340,076
Non-controlling interests	2,570	2,950	27,830
Total comprehensive income	¥ 32,483	¥ 38,998	\$ 367,906

See Notes to Consolidated Financial Statements.

Nagoya Railroad Co., Ltd. and Consolidated Subsidiaries

Consolidated Statements of Changes in Net Assets (Unaudited)

For the Years Ended 31 March 2017 and 2018

	Shareholders' equity					Accumulated other comprehensive income							Total net assets	
	Number of shares of common stock issued Thousands	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealised gains on available-for-sale securities	Deferred gains and losses on hedges	Land revaluation increment	Foreign currency translation adjustments	Retirement benefit adjustments	Total accumulated other comprehensive income		Non-controlling interests
<b>Balance as of 1 April 2016</b>	183,955	¥ 88,864	¥ 23,042	¥ 80,615	¥ (170)	¥ 192,351	¥ 20,355	¥ (615)	¥ 82,538	¥ (9)	¥ (3,628)	¥ 98,641	¥ 22,556	¥ 313,548
Profit attributable to owners of the parent	—	—	—	23,433	—	23,433	—	—	—	—	—	—	—	23,433
Issuance of new shares	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Cash dividends	—	—	—	(4,597)	—	(4,597)	—	—	—	—	—	—	—	(4,597)
Reversal for land revaluation increment	—	—	—	(6,285)	—	(6,285)	—	—	—	—	—	—	—	(6,285)
Transfer from retained earnings to capital surplus	—	—	1	(1)	—	—	—	—	—	—	—	—	—	—
Issuance of treasury stock upon conversion of convertible bonds and other, net of fractional shares acquired	—	—	(2)	—	(101)	(103)	—	—	—	—	—	—	—	(103)
Change in ownership interest of parent related to transactions with non-controlling interests	—	—	115	—	—	115	—	—	—	—	—	—	—	115
Net changes in items other than shareholders' equity for the year	—	—	—	—	—	—	3,553	418	6,297	(4)	2,501	12,765	3,937	16,702
<b>Balance as of 31 March 2017</b>	183,955	88,864	23,156	93,165	(271)	204,914	23,908	(197)	88,835	(13)	(1,127)	111,406	26,493	342,813
Profit attributable to owners of the parent	—	—	—	28,692	—	28,692	—	—	—	—	—	—	—	28,692
Issuance of new shares	6,512	6,285	6,285	—	—	12,570	—	—	—	—	—	—	—	12,570
Cash dividends	—	—	—	(4,596)	—	(4,596)	—	—	—	—	—	—	—	(4,596)
Reversal for land revaluation increment	—	—	—	(36)	—	(36)	—	—	—	—	—	—	—	(36)
Transfer from retained earnings to capital surplus	—	—	71	(71)	—	—	—	—	—	—	—	—	—	—
Issuance of treasury stock upon conversion of convertible bonds and other, net of fractional shares acquired	—	—	(71)	—	241	170	—	—	—	—	—	—	—	170
Change in ownership interest of parent related to transactions with non-controlling interests	—	—	(171)	—	—	(171)	—	—	—	—	—	—	—	(171)
Net changes in items other than shareholders' equity for the year	—	—	—	—	—	—	5,014	317	(137)	(4)	2,201	7,391	2,723	10,114
<b>Balance as of 31 March 2018</b>	190,467	¥ 95,149	¥ 29,270	¥ 117,154	¥ (30)	¥ 241,543	¥ 28,922	¥ 120	¥ 88,698	¥ (17)	¥ 1,074	¥ 118,797	¥ 29,216	¥ 389,556

\*The Company has conducted a share consolidation at the ratio of 5 shares to 1 share effective October 1, 2017.

Accordingly, "Number of shares of common stock issued" has been calculated on the assumption that the share consolidation was conducted at the beginning of FY 2017.

	Shareholders' equity					Accumulated other comprehensive income							Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealised gains on available-for-sale securities	Deferred gains and losses on hedges	Land revaluation increment	Foreign currency translation adjustments	Retirement benefit adjustments	Total accumulated other comprehensive income	Non-controlling interests	
<b>Balance as of 1 April 2017</b>	\$ 838,340	\$ 218,453	\$ 878,915	\$ (2,557)	\$ 1,933,151	\$ 225,547	\$ (1,858)	\$ 838,066	\$ (123)	\$ (10,632)	\$ 1,051,000	\$ 249,934	\$ 3,234,085
Profit attributable to owners of the parent	—	—	270,679	—	270,679	—	—	—	—	—	—	—	270,679
Issuance of new shares	59,292	59,292	—	—	118,584	—	—	—	—	—	—	—	118,584
Cash dividends	—	—	(43,358)	—	(43,358)	—	—	—	—	—	—	—	(43,358)
Reversal for land revaluation increment	—	—	(340)	—	(340)	—	—	—	—	—	—	—	(340)
Transfer from retained earnings to capital surplus	—	670	(670)	—	—	—	—	—	—	—	—	—	—
Issuance of treasury stock upon conversion of convertible bonds and other, net of fractional shares acquired	—	(670)	—	2,274	1,604	—	—	—	—	—	—	—	1,604
Change in ownership interest of parent related to transactions with non-controlling interests	—	(1,613)	—	—	(1,613)	—	—	—	—	—	—	—	(1,613)
Net changes in items other than shareholders' equity for the year	—	—	—	—	—	47,302	2,990	(1,292)	(37)	20,764	69,727	25,689	95,416
<b>Balance as of 31 March 2018</b>	\$ 897,632	\$ 276,132	\$ 1,105,226	\$ (283)	\$ 2,278,707	\$ 272,849	\$ 1,132	\$ 836,774	\$ (160)	\$ 10,132	\$ 1,120,727	\$ 275,623	\$ 3,675,057

See Notes to Consolidated Financial Statements.

**Nagoya Railroad Co., Ltd. and Consolidated Subsidiaries**

**Consolidated Statements of Cash Flows (Unaudited)**

For the Years Ended 31 March 2017 and 2018

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2017	2018	2018
<b>Cash flows from operating activities:</b>			
Profit before income taxes	¥ 36,942	¥ 45,417	\$ 428,462
Adjustments for:			
Depreciation and amortisation	38,748	38,906	367,038
Impairment loss on fixed assets	4,174	3,907	36,858
Loss on sale or disposition of property and equipment, net	1,371	(210)	(1,981)
Gain on contributions for construction	(945)	(976)	(9,208)
(Decrease) increase in employee retirement benefit liability	664	(139)	(1,311)
Decrease (increase) in trade notes and accounts receivable	(2,494)	358	3,377
Decrease (increase) in inventories	(8,018)	1,925	18,160
Decrease in trade notes and accounts payable	(345)	(2,838)	(26,774)
Others, net	3,724	(3,703)	(34,933)
Subtotal	73,821	82,647	779,688
Interest and dividends received	2,010	2,186	20,623
Interest paid	(4,225)	(3,777)	(35,632)
Income taxes paid	(10,886)	(15,124)	(142,679)
Net cash provided by operating activities	60,720	65,932	622,000
<b>Cash flows from investing activities:</b>			
Purchases of property and equipment	(46,820)	(50,315)	(474,670)
Proceeds from sales of property and equipment	2,389	2,609	24,613
Proceeds for contributions for construction	6,124	7,059	66,594
Purchases of investments securities	(1,922)	(232)	(2,189)
Proceeds from sales or redemptions of investment securities	1,016	841	7,934
Collections of loans receivable	723	366	3,453
Others, net	(179)	(614)	(5,792)
Net cash used in investing activities	(38,669)	(40,286)	(380,057)
<b>Cash flows from financing activities:</b>			
Increase in long-term debt	53,365	65,386	616,849
Repayment of long-term debt	(61,796)	(79,366)	(748,736)
Net (decrease) increase in short-term borrowings	(5,345)	2,120	20,000
Dividends paid to shareholders	(4,592)	(4,593)	(43,330)
Dividends paid to minority shareholders	(189)	(218)	(2,057)
Others, net	1,531	(61)	(575)
Net cash used in financing activities	(17,026)	(16,732)	(157,849)
Effect of exchange rate changes on cash and cash equivalents	(3)	(3)	(28)
Net increase in cash and cash equivalents	5,022	8,911	84,066
Cash and cash equivalents at beginning of year	16,922	21,944	207,019
Cash and cash equivalents at end of year	¥ 21,944	¥ 30,855	\$ 291,085

See Notes to Consolidated Financial Statements.

**Nagoya Railroad Co., Ltd. and Consolidated Subsidiaries**  
**Notes to Consolidated Financial Statements (Unaudited)**  
**For the Years Ended 31 March 2017 and 2018**

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**1. Basis of consolidated financial statements**

The accompanying consolidated financial statements of Nagoya Railroad Co., Ltd. (the “Company”) and its consolidated subsidiaries (together with the Company, the “Group”) have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations and in accordance with accounting principles generally accepted in Japan (“Japanese GAAP”), which are different in certain respects as to the application and disclosure requirements from International Financial Reporting Standards.

The accompanying consolidated financial statements have been restructured and translated into English from the consolidated financial statements of the Company prepared in accordance with the accounting standard for financial reporting under Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Japanese Financial Instruments and Exchange Act. In preparing these consolidated financial statements, certain reclassifications have been made to the consolidated financial statements issued domestically in order to present them in a form that is more familiar to readers outside Japan. Certain supplementary information included in the statutory Japanese language consolidated financial statements, but not required for fair presentation, is not presented in the accompanying consolidated financial statements. In addition, certain comparative figures have been reclassified to conform to the current year’s presentation.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan, using the approximate exchange rate prevailing at 31 March 2018, which was ¥106 to U.S. \$1.00. Such translations should not be construed as a representation that the Japanese yen amounts have been, could have been or could in the future be converted into U.S. dollars at this or any other rate of exchange.

**2. Summary of significant accounting policies**

The accompanying consolidated financial statements include the accounts of the Company and its significant subsidiaries. Investments in significant unconsolidated subsidiaries and affiliated companies are accounted for using the equity method. Investments in unconsolidated subsidiaries and affiliated companies not accounted for using the equity method are stated at cost. If the equity method of accounting had been applied to investments in these companies, the effect on the accompanying consolidated financial statements would have been immaterial.

**3. Contingent liabilities**

At 31 March 2017 and 2018, contingent liabilities were as follows:

	Millions of yen		Thousands of
	31 March 2017	31 March 2018	U.S. dollars
			31 March 2018
Contingently liable for:			
Guarantees of loans of others	¥605	¥593	\$5,594
Guarantees under debt assumption agreements	10,000	—	—
Total	¥10,605	¥593	\$5,594

## **4. Segment information**

### **(1) General information about reportable segments**

The reportable segments of the Company are those units for which separate financial statements can be obtained among the constituent units of the Company and which are regularly examined by the Board of Directors to determine the allocation of management resources and to assess business performance.

The Group is engaged in diversified business activities involving traffic, transport, real estate, leisure, distribution, equipment maintenance and others. On the basis of the above activities, the Company's reportable segments are "Traffic", "Transport", "Real Estate", "Leisure and Services", and "Distribution".

The business descriptions of the reportable segments are as follows:

- Traffic: business related to railroads, buses and taxis
- Transport: business related to trucking and maritime transportation
- Real Estate: Real Estate development and Real Estate leasing
- Leisure and Services: business related to hotels, restaurants, tourist facilities and travel
- Distribution: department store operations and distributions of other merchandise sales

### **(2) Basis of measurement for reportable segment operating revenues, profit or loss, assets and other material items**

The accounting procedures applied to the reportable segments are basically the same as those described in Note 2, "Summary of significant accounting policies." Reportable segment income figures are on an operating income basis. Intersegment sales and transfers are based on prevailing market prices.



### (3) Information about reportable segment operating revenues, profit or loss, assets and other material items

Information about reportable segments as of and for the year ended 31 March 2017 was as follows:

	Reportable segments						Total	Adjustments	Consolidated financial statements
	Traffic	Transport	Real Estate	Leisure and Services	Distribution	Others (*1)			
	Millions of yen								
<b>For the year 2017:</b>									
Operating revenues:									
External customers	¥ 162,873	¥ 129,416	¥ 74,251	¥ 53,465	¥ 124,826	¥ 54,739	¥ 599,570	¥ —	¥ 599,570
Intersegment sales/transfer	2,310	449	7,032	1,647	9,572	18,792	39,802	(39,802)	—
Total	¥ 165,183	¥ 129,865	¥ 81,283	¥ 55,112	¥ 134,398	¥ 73,531	¥ 639,372	¥ (39,802)	¥ 599,770
Segment income (*2)	22,723	5,690	8,997	1,766	928	4,031	44,135	46	44,181
Segment assets (*3)	479,513	108,906	281,611	36,466	45,222	77,966	1,029,684	64,199	1,093,883
Other material items:									
Depreciation and amortisation (*4)	18,117	5,985	5,906	1,366	1,632	6,244	39,250	(502)	38,748
Amortisation of goodwill	—	32	127	—	13	—	172	—	172
Impairment loss on fixed assets	182	990	1,035	235	1,711	21	4,174	—	4,174
Increase in property and equipment and intangible assets	18,825	7,458	12,744	1,763	780	6,551	48,121	—	48,121

\*1) "Others" is a business segment that is not considered a reportable segment. It includes the business of equipment maintenance, air transportation, building maintenance, insurance agency and others.

\*2) Segment income adjustment amounting to ¥46 million was treated as intersegment elimination.

\*3) Segment assets adjustment amounting to ¥64,199 million consisted of unallocated general corporate assets amounting to ¥93,126 million, net of intersegment elimination of ¥28,927 million. Such general corporate assets consisted mainly of cash, deposits and investment securities.

\*4) Depreciation and amortisation adjustment amounting to ¥502 million was treated as intersegment elimination.

5) Segment income was reconciled to operating income in the accompanying consolidated statements of income.

Information about reportable segments as of and for the year ended 31 March 2018 was as follows:

	Reportable segments						Total	Adjustments	Consolidated financial statements
	Traffic	Transport	Real Estate	Leisure and Services	Distribution	Others (*1)			
Millions of yen									
<b>For the year 2018:</b>									
Operating revenues:									
External customers	¥ 164,771	¥ 131,767	¥ 78,360	¥ 52,751	¥ 123,385	¥ 53,770	¥ 604,804	¥ —	¥ 604,804
Intersegment sales/transfer	2,275	424	7,745	1,484	11,068	19,749	42,745	(42,745)	—
Total	¥ 167,046	¥ 132,191	¥ 86,105	¥ 54,235	¥ 134,453	¥ 73,519	¥ 647,549	¥ (42,745)	¥ 604,804
Segment income (*2)	23,942	5,690	10,493	1,509	1,267	3,668	46,569	408	46,977
Segment assets (*3)	482,436	113,343	282,571	32,681	46,791	81,058	1,038,880	82,181	1,121,061
Other material items:									
Depreciation and amortisation (*4)	18,500	5,920	6,071	1,250	1,447	6,190	39,378	(472)	38,906
Amortisation of goodwill	—	—	173	—	—	—	173	—	173
Impairment loss on fixed assets	12	73	3,584	208	6	24	3,907	—	3,907
Increase in property and equipment and intangible assets	18,830	8,768	12,874	1,056	1,169	9,540	52,237	—	52,237

	Reportable segments						Total	Adjustments	Consolidated financial statements
	Traffic	Transport	Real Estate	Leisure and Services	Distribution	Others (*1)			
Thousands of U.S. dollars									
<b>For the year 2018:</b>									
Operating revenues:									
External customers	\$ 1,554,444	\$ 1,243,085	\$ 739,245	\$ 497,651	\$ 1,164,009	\$ 507,264	\$ 5,705,698	\$ —	\$ 5,705,698
Intersegment sales/transfer	21,462	4,000	73,066	14,000	104,416	186,311	403,255	(403,255)	—
Total	\$ 1,575,906	\$ 1,247,085	\$ 812,311	\$ 511,651	\$ 1,268,425	\$ 693,575	\$ 6,108,953	\$ (403,255)	\$ 5,705,698
Segment income (*2)	225,868	53,679	98,991	14,236	11,953	34,604	439,331	3,848	443,179
Segment assets (*3)	4,551,283	1,069,274	2,665,764	308,311	441,425	764,698	9,800,755	775,292	10,576,047
Other material items:									
Depreciation and amortisation (*4)	174,528	55,849	57,274	11,792	13,651	58,396	371,490	(4,452)	367,038
Amortisation of goodwill	—	—	1,632	—	—	—	1,632	—	1,632
Impairment loss on fixed assets	113	689	33,811	1,962	57	226	36,858	—	36,858
Increase in property and equipment and intangible assets	177,642	82,717	121,453	9,962	11,028	89,999	492,801	—	492,801

\*1) "Others" is a business segment that is not considered a reportable segment. It includes the business of equipment maintenance, air transportation, building maintenance, insurance agency and others.

\*2) Segment income adjustment amounting to ¥408 million (\$3,848 thousand) was treated as intersegment elimination.

\*3) Segment assets adjustment amounting to ¥82,181 million (\$775,292 thousand) consisted of unallocated general corporate assets amounting to ¥111,753 million (\$1,054,274 thousand), net of intersegment elimination of ¥29,572 million (\$278,981 thousand). Such general corporate assets consisted mainly of cash, deposits and investment securities.

\*4) Depreciation and amortisation adjustment amounting to ¥472million (\$4,452 thousand) was treated as intersegment elimination.

\*5) Segment income was reconciled to operating income in the accompanying consolidated statements of income.