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

#### Quarterly Consolidated Balance Sheets (Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>31 March 2018</th>
<th>30 June 2018</th>
<th>30 June 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>¥ 30,855</td>
<td>¥ 30,931</td>
<td>$ 278,658</td>
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<tr>
<td>Short-term investments</td>
<td>734</td>
<td>861</td>
<td>7,757</td>
</tr>
<tr>
<td>Trade notes and accounts receivable</td>
<td>57,808</td>
<td>51,223</td>
<td>461,468</td>
</tr>
<tr>
<td>Inventories</td>
<td>70,647</td>
<td>74,240</td>
<td>668,829</td>
</tr>
<tr>
<td>Others</td>
<td>18,282</td>
<td>21,125</td>
<td>190,315</td>
</tr>
<tr>
<td>Less allowance for doubtful accounts</td>
<td>(290)</td>
<td>(257)</td>
<td>(2,315)</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>178,036</td>
<td>178,123</td>
<td>1,604,712</td>
</tr>
<tr>
<td><strong>Property and equipment:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>362,632</td>
<td>363,814</td>
<td>3,277,604</td>
</tr>
<tr>
<td>Buildings and structures</td>
<td>691,180</td>
<td>691,331</td>
<td>6,228,207</td>
</tr>
<tr>
<td>Machinery, equipment and vehicles</td>
<td>323,094</td>
<td>325,772</td>
<td>2,934,883</td>
</tr>
<tr>
<td>Other properties</td>
<td>68,962</td>
<td>68,937</td>
<td>621,054</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>41,167</td>
<td>44,322</td>
<td>399,297</td>
</tr>
<tr>
<td><strong>Property and equipment, net</strong></td>
<td>1,487,035</td>
<td>1,494,176</td>
<td>13,461,045</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(697,732)</td>
<td>(704,164)</td>
<td>(6,343,820)</td>
</tr>
<tr>
<td><strong>Property and equipment, net</strong></td>
<td>789,303</td>
<td>790,012</td>
<td>7,117,225</td>
</tr>
<tr>
<td><strong>Investments and other assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment securities</td>
<td>80,477</td>
<td>80,425</td>
<td>724,550</td>
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<tr>
<td>Investments in unconsolidated subsidiaries and affiliates</td>
<td>35,656</td>
<td>35,677</td>
<td>321,414</td>
</tr>
<tr>
<td>Deferred tax assets (Note 2(b))</td>
<td>13,478</td>
<td>13,362</td>
<td>120,378</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>8,804</td>
<td>8,402</td>
<td>75,694</td>
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<tr>
<td>Other assets</td>
<td>16,696</td>
<td>16,742</td>
<td>150,829</td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>(1,828)</td>
<td>(1,807)</td>
<td>(16,279)</td>
</tr>
<tr>
<td><strong>Total investments and other assets</strong></td>
<td>153,283</td>
<td>152,801</td>
<td>1,376,586</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>¥ 1,120,622</td>
<td>¥ 1,120,936</td>
<td>$ 10,098,523</td>
</tr>
</tbody>
</table>

See Notes to Quarterly Consolidated Financial Statements.
<table>
<thead>
<tr>
<th>Liabilities and Net Assets</th>
<th>31 March 2018 (¥)</th>
<th>30 June 2018 (¥)</th>
<th>30 June 2018 (U.S.$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term borrowings</td>
<td>¥ 22,500</td>
<td>¥ 24,898</td>
<td>$224,306</td>
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<tr>
<td>Current portion of long-term debt</td>
<td>55,867</td>
<td>55,199</td>
<td>497,288</td>
</tr>
<tr>
<td>Trade notes and accounts payable</td>
<td>69,163</td>
<td>56,375</td>
<td>507,883</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>15,669</td>
<td>16,228</td>
<td>146,198</td>
</tr>
<tr>
<td>Income taxes payable</td>
<td>9,138</td>
<td>2,643</td>
<td>23,811</td>
</tr>
<tr>
<td>Provisions</td>
<td>2,137</td>
<td>2,136</td>
<td>19,243</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>85,212</td>
<td>92,086</td>
<td>829,604</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>259,686</strong></td>
<td><strong>249,565</strong></td>
<td><strong>2,248,333</strong></td>
</tr>
<tr>
<td>Non-current liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term debt</td>
<td>348,003</td>
<td>353,213</td>
<td>3,182,099</td>
</tr>
<tr>
<td>Accrued retirement benefits for directors and corporate auditors</td>
<td>1,324</td>
<td>1,332</td>
<td>12,000</td>
</tr>
<tr>
<td>Deferred tax liabilities (Note 2(b))</td>
<td>3,792</td>
<td>3,854</td>
<td>34,721</td>
</tr>
<tr>
<td>Deferred tax liabilities for land revaluation (Note 2(b))</td>
<td>56,752</td>
<td>56,712</td>
<td>510,919</td>
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<tr>
<td>Provisions</td>
<td>12,880</td>
<td>13,067</td>
<td>117,721</td>
</tr>
<tr>
<td>Employee retirement benefit liability</td>
<td>30,719</td>
<td>30,853</td>
<td>277,955</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>17,910</td>
<td>17,721</td>
<td>159,649</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td><strong>471,380</strong></td>
<td><strong>476,752</strong></td>
<td><strong>4,295,064</strong></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>731,066</strong></td>
<td><strong>726,317</strong></td>
<td><strong>6,543,397</strong></td>
</tr>
<tr>
<td>Contingent liabilities (Note 3)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shareholders’ equity (Note 4):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stock: authorised - 360,000 thousand shares</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>issued - 190,467 thousand shares at 31 March 2018 and 191,613 thousand shares at 30 June 2018</td>
<td>95,149</td>
<td>96,254</td>
<td>867,153</td>
</tr>
<tr>
<td>Capital surplus</td>
<td>29,270</td>
<td>30,404</td>
<td>273,910</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>117,154</td>
<td>119,656</td>
<td>1,077,982</td>
</tr>
<tr>
<td>Treasury stock - at cost: 27 thousand shares at 31 March 2018 and 24 thousand shares at 30 June 2018</td>
<td>(30)</td>
<td>(19)</td>
<td>(171)</td>
</tr>
<tr>
<td><strong>Total shareholders’ equity</strong></td>
<td><strong>241,543</strong></td>
<td><strong>246,295</strong></td>
<td><strong>2,218,874</strong></td>
</tr>
<tr>
<td>Accumulated other comprehensive income (loss):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net unrealised gains on available-for-sale securities</td>
<td>28,922</td>
<td>28,778</td>
<td>259,261</td>
</tr>
<tr>
<td>Deferred gains and losses on hedges</td>
<td>120</td>
<td>245</td>
<td>2,207</td>
</tr>
<tr>
<td>Land revaluation increment</td>
<td>88,698</td>
<td>88,616</td>
<td>798,342</td>
</tr>
<tr>
<td>Foreign currency translation adjustments</td>
<td>(17)</td>
<td>(25)</td>
<td>(225)</td>
</tr>
<tr>
<td>Retirement benefit adjustments</td>
<td>1,074</td>
<td>1,107</td>
<td>9,973</td>
</tr>
<tr>
<td><strong>Total accumulated other comprehensive income (loss)</strong></td>
<td><strong>118,797</strong></td>
<td><strong>118,721</strong></td>
<td><strong>1,069,558</strong></td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>29,216</td>
<td>29,603</td>
<td>266,694</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td><strong>389,556</strong></td>
<td><strong>394,619</strong></td>
<td><strong>3,555,126</strong></td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td><strong>1,120,622</strong></td>
<td><strong>1,120,936</strong></td>
<td><strong>10,098,523</strong></td>
</tr>
</tbody>
</table>
Nagoya Railroad Co., Ltd. and Consolidated Subsidiaries

Quarterly Consolidated Statements of Income (Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>Millions of yen</th>
<th>Thousands of U.S. dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Three-month periods ended 30 June</td>
<td>Three-month period ended 30 June</td>
</tr>
<tr>
<td></td>
<td>2017</td>
<td>2018</td>
</tr>
<tr>
<td>Operating revenues (Note 5)</td>
<td>¥ 142,836</td>
<td>¥ 143,091</td>
</tr>
<tr>
<td>Operating expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation, other services and cost of sales</td>
<td>118,433</td>
<td>118,779</td>
</tr>
<tr>
<td>Selling, general and administrative expenses</td>
<td>12,867</td>
<td>13,155</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>131,300</td>
<td>131,934</td>
</tr>
<tr>
<td>Operating income</td>
<td>11,536</td>
<td>11,157</td>
</tr>
<tr>
<td>Other income (expenses):</td>
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<td></td>
</tr>
<tr>
<td>Interest and dividend income</td>
<td>1,079</td>
<td>1,119</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(948)</td>
<td>(869)</td>
</tr>
<tr>
<td>Equity in net earnings of affiliates</td>
<td>646</td>
<td>501</td>
</tr>
<tr>
<td>Impairment loss on fixed assets</td>
<td>9</td>
<td>(8)</td>
</tr>
<tr>
<td>Gain on sale or disposition of property and equipment, net</td>
<td>92</td>
<td>62</td>
</tr>
<tr>
<td>Gain on contributions for construction</td>
<td>47</td>
<td>62</td>
</tr>
<tr>
<td>Loss on reduction of property and equipment</td>
<td>(44)</td>
<td>(59)</td>
</tr>
<tr>
<td>Provision for loss on liquidation</td>
<td>(13)</td>
<td>(581)</td>
</tr>
<tr>
<td>Others, net</td>
<td>122</td>
<td>222</td>
</tr>
<tr>
<td>Other income (expenses), net</td>
<td>972</td>
<td>449</td>
</tr>
<tr>
<td>Profit before income taxes</td>
<td>12,508</td>
<td>11,606</td>
</tr>
<tr>
<td>Income taxes:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td>2,842</td>
<td>3,252</td>
</tr>
<tr>
<td>Deferred</td>
<td>714</td>
<td>134</td>
</tr>
<tr>
<td>Total income taxes</td>
<td>3,556</td>
<td>3,386</td>
</tr>
<tr>
<td>Profit</td>
<td>8,952</td>
<td>8,220</td>
</tr>
<tr>
<td>Profit attributable to:</td>
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<td></td>
</tr>
<tr>
<td>Owners of the parent</td>
<td>8,262</td>
<td>7,588</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>690</td>
<td>632</td>
</tr>
<tr>
<td>Total profit</td>
<td>¥ 8,952</td>
<td>¥ 8,220</td>
</tr>
<tr>
<td>Per share:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Basic</td>
<td>¥ 44.95</td>
<td>¥ 39.80</td>
</tr>
<tr>
<td>- Diluted</td>
<td>39.25</td>
<td>36.05</td>
</tr>
<tr>
<td>Cash dividends</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* The company's common stock was consolidated at the ratio of 5 shares to 1 share with an effective date of 1 October 2017. Accordingly, the net income per share-basic and the net income per share-diluted were calculated based on the assumption that the share consolidation was conducted at the beginning of the fiscal year ended 31 March 2018.

See Notes to Quarterly Consolidated Financial Statements.
Nagoya Railroad Co., Ltd. and Consolidated Subsidiaries

Quarterly Consolidated Statements of Comprehensive Income (Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>Millions of yen</th>
<th>Thousands of U.S. dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Three-month periods ended 30 June</td>
<td>Three-month period ended 30 June 2018</td>
</tr>
<tr>
<td></td>
<td>2017</td>
<td>2018</td>
</tr>
<tr>
<td>Profit</td>
<td>¥ 8,952</td>
<td>¥ 8,220</td>
</tr>
<tr>
<td>Other comprehensive income:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net unrealised gains and losses on available-for-sale securities</td>
<td>4,028</td>
<td>(98)</td>
</tr>
<tr>
<td>Deferred gains and losses on hedges</td>
<td>(23)</td>
<td>126</td>
</tr>
<tr>
<td>Foreign currency translation adjustments</td>
<td>(5)</td>
<td>(8)</td>
</tr>
<tr>
<td>Retirement benefit adjustments</td>
<td>217</td>
<td>43</td>
</tr>
<tr>
<td>Share of other comprehensive income of affiliates accounted for using the equity method</td>
<td>(14)</td>
<td>(34)</td>
</tr>
<tr>
<td>Total other comprehensive income</td>
<td>4,203</td>
<td>29</td>
</tr>
<tr>
<td>Comprehensive income</td>
<td>¥ 13,155</td>
<td>¥ 8,249</td>
</tr>
<tr>
<td>Comprehensive income attributable to:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owners of the parent</td>
<td>¥ 12,357</td>
<td>¥ 7,593</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>798</td>
<td>656</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>¥ 13,155</td>
<td>¥ 8,249</td>
</tr>
</tbody>
</table>

See Notes to Quarterly Consolidated Financial Statements.
1. Basis of quarterly consolidated financial statements

The accompanying quarterly 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 quarterly consolidated financial statements have been restructured and translated into English from the quarterly consolidated financial statements of the Company prepared in accordance with the accounting standard for quarterly 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 quarterly consolidated financial statements, certain reclassifications have been made to the quarterly 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 quarterly consolidated financial statements, but not required for fair presentation, is not presented in the accompanying quarterly consolidated financial statements. In addition, certain comparative figures have been reclassified to conform to the current year’s presentation.

The quarterly 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 30 June 2018, which was ¥111 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. Significant accounting policies

The accompanying quarterly consolidated financial statements are prepared based on the same accounting policies as the annual consolidated financial statements. There were no changes in accounting policies that were applied in the accompanying quarterly consolidated financial statements for the three-month periods ended 30 June 2017 and 2018 from those for the years ended 31 March 2017 and 2018.

(a) Basis of consolidation

The accompanying quarterly 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. There were no material changes in the scope of consolidated subsidiaries, unconsolidated subsidiaries and affiliated companies accounted for using the equity method for the three-month periods ended 30 June 2017 and 2018 from those for the years ended 31 March 2017 and 2018, respectively.
(b) Additional Information

(Application of Implementation Guidance on Tax Effect Accounting)

The Company and its domestic subsidiaries adopted “Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28, 16 February 2018, Accounting Standards Board of Japan)” from the beginning of the three-month period ended 30 June 2018. As a result, all deferred tax assets and liabilities have been classified as “Investments and other assets” and “Non-current liabilities” on the balance sheet, respectively.

3. Contingent liabilities

At 31 March 2018 and 30 June 2018, contingent liabilities were as follows:

<table>
<thead>
<tr>
<th>Contingently liable for:</th>
<th>Millions of yen</th>
<th>Thousands of U.S. dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guarantees of loans of others</td>
<td>¥593</td>
<td>$5,532</td>
</tr>
<tr>
<td>Total</td>
<td>¥593</td>
<td>$5,532</td>
</tr>
</tbody>
</table>

4. Net assets

At the ordinary shareholders’ meeting held on 28 June 2017 and 27 June 2018, the shareholders approved cash dividends of ¥5.00 per share and ¥27.50 per share, amounting to ¥4,596 million and ¥5,238 million ($47,189 thousand), respectively.

The Company consolidated its common stock in the ratio of 5 shares to 1 share with an effective date of 1 October 2017. The cash dividend per share, which included special dividends of ¥2.5, for the fiscal year ended 31 March 2018 was calculated based on the number of shares after the share consolidation.
5. Segment information

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

Information about reportable segments for the three-month period ended 30 June 2017 was as follows.

<table>
<thead>
<tr>
<th>Reportable segments</th>
<th>Operating revenues</th>
<th>Segment income</th>
<th>Adjustments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Millions of yen</td>
<td></td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td>External customers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Traffic</td>
<td>¥41,480</td>
<td>¥7,177</td>
<td></td>
</tr>
<tr>
<td>Transport</td>
<td>¥32,198</td>
<td>¥1,397</td>
<td></td>
</tr>
<tr>
<td>Real Estate</td>
<td>¥18,249</td>
<td>¥2,550</td>
<td></td>
</tr>
<tr>
<td>Leisure and Services</td>
<td>¥12,601</td>
<td>(9)</td>
<td></td>
</tr>
<tr>
<td>Distribution</td>
<td>¥28,877</td>
<td>352</td>
<td></td>
</tr>
<tr>
<td>Aviation Services</td>
<td>¥4,887</td>
<td>(1)</td>
<td></td>
</tr>
<tr>
<td>Others (*1)</td>
<td>¥4,544</td>
<td>(104)</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>¥142,836</td>
<td>11,362</td>
<td>¥142,836</td>
</tr>
<tr>
<td></td>
<td>Intersegment sales/transfer</td>
<td>564</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>¥142,836</td>
<td>11,362</td>
<td>¥142,836</td>
</tr>
</tbody>
</table>

*1) “Others” is a business segment that is not considered a reportable segment. It includes the business of equipment maintenance, information processing, insurance agency and the like.

*2) Segment income adjustment amounting to ¥174 million was treated as intersegment elimination.

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

Information about reportable segments for the three-month period ended 30 June 2018 was as follows.

<table>
<thead>
<tr>
<th>Reportable segments</th>
<th>Operating revenues</th>
<th>Segment income</th>
<th>Adjustments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Millions of yen</td>
<td></td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td>External customers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Traffic</td>
<td>¥41,624</td>
<td>¥7,516</td>
<td></td>
</tr>
<tr>
<td>Transport</td>
<td>¥33,701</td>
<td>¥1,722</td>
<td></td>
</tr>
<tr>
<td>Real Estate</td>
<td>¥16,092</td>
<td>2,061</td>
<td></td>
</tr>
<tr>
<td>Leisure and Services</td>
<td>¥12,051</td>
<td>26</td>
<td></td>
</tr>
<tr>
<td>Distribution</td>
<td>¥29,555</td>
<td>143</td>
<td></td>
</tr>
<tr>
<td>Aviation Services</td>
<td>¥5,197</td>
<td>(57)</td>
<td></td>
</tr>
<tr>
<td>Others (*1)</td>
<td>¥4,871</td>
<td>(404)</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>¥143,091</td>
<td>11,007</td>
<td>¥143,091</td>
</tr>
<tr>
<td></td>
<td>Intersegment sales/transfer</td>
<td>553</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>¥143,091</td>
<td>11,007</td>
<td>¥143,091</td>
</tr>
</tbody>
</table>

*1) “Others” is a business segment that is not considered a reportable segment. It includes the business of equipment maintenance, information processing, insurance agency and the like.

*2) Segment income adjustment amounting to ¥150 million ($1,351 thousand) was treated as intersegment elimination.

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

Thousands of U.S. dollars

<table>
<thead>
<tr>
<th>Reportable segments</th>
<th>Operating revenues</th>
<th>Segment income</th>
<th>Adjustments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Millions of yen</td>
<td></td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td>External customers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Traffic</td>
<td>$374,991</td>
<td>$67,712</td>
<td></td>
</tr>
<tr>
<td>Transport</td>
<td>$303,613</td>
<td>15,514</td>
<td></td>
</tr>
<tr>
<td>Real Estate</td>
<td>$144,973</td>
<td>18,568</td>
<td></td>
</tr>
<tr>
<td>Leisure and Services</td>
<td>$108,568</td>
<td>234</td>
<td></td>
</tr>
<tr>
<td>Distribution</td>
<td>$266,261</td>
<td>1,288</td>
<td></td>
</tr>
<tr>
<td>Aviation Services</td>
<td>$46,820</td>
<td>(514)</td>
<td></td>
</tr>
<tr>
<td>Others (*1)</td>
<td>$43,882</td>
<td>(3,640)</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$1,289,108</td>
<td>99,162</td>
<td>$1,289,108</td>
</tr>
<tr>
<td></td>
<td>Intersegment sales/transfer</td>
<td>4,982</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$1,289,108</td>
<td>99,162</td>
<td>$1,289,108</td>
</tr>
</tbody>
</table>

*1) “Others” is a business segment that is not considered a reportable segment. It includes the business of equipment maintenance, information processing, insurance agency and the like.

*2) Segment income adjustment amounting to $150 million ($1,351 thousand) was treated as intersegment elimination.

3) Segment income was reconciled to operating income in the accompanying quarterly consolidated statements of income.
Based on “The new medium-term management plan, BUILD UP 2020,” the company revised its reportable segments from the three-month period ended 30 June 2018. Accordingly, the previous reportable segments “Traffic,” “Transport,” “Real Estate,” “Leisure and Services” and “Distribution” have been changed to “Traffic,” “Transport,” “Real Estate,” “Leisure and Services,” “Distribution” and “Aviation Services.” “Building Maintenance” included in “Others” has been reclassified to “Real Estate.”

Further, the three-month period ended 30 June 2017 information has been prepared and presented based on the new reportable segments.