

Nagoya Railroad Co., Ltd. and Consolidated Subsidiaries

Consolidated Balance Sheets (Unaudited)

31 March 2018 and 2019

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2018	2019	2019
ASSETS			
Current assets:			
Cash and cash equivalents	¥ 30,855	¥ 25,192	\$ 226,955
Short-term investments	734	678	6,108
Trade notes and accounts receivable	57,808	63,297	570,243
Inventories	70,647	75,650	681,532
Others	18,282	18,061	162,712
Less allowance for doubtful accounts	(290)	(213)	(1,919)
Total current assets	178,036	182,665	1,645,631
Property and equipment:			
Land	362,632	362,296	3,263,928
Buildings and structures	691,180	702,273	6,326,784
Machinery, equipment and vehicles	323,094	336,187	3,028,712
Other properties	68,962	70,310	633,423
Construction in progress	41,167	46,168	415,928
	1,487,035	1,517,234	13,668,775
Less accumulated depreciation	(697,732)	(712,307)	(6,417,180)
Property and equipment, net	789,303	804,927	7,251,595
Investments and other assets:			
Investment securities	80,477	75,710	682,072
Investments in unconsolidated subsidiaries and affiliates	35,656	36,105	325,270
Deferred tax assets (Note 2(b))	13,478	15,004	135,171
Intangible assets	8,804	10,779	97,108
Other assets	16,696	16,380	147,568
Allowance for doubtful accounts	(1,828)	(395)	(3,559)
Total investments and other assets	153,283	153,583	1,383,630
Total assets	¥ 1,120,622	¥ 1,141,175	\$ 10,280,856

See Notes to Consolidated Financial Statements.

Nagoya Railroad Co., Ltd. and Consolidated Subsidiaries

Consolidated Balance Sheets (Unaudited)

31 March 2018 and 2019

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2018	2019	2019
LIABILITIES AND NET ASSETS			
Current liabilities:			
Short-term borrowings	¥ 22,500	¥ 20,746	\$ 186,901
Current portion of long-term debt	55,867	44,488	400,793
Trade notes and accounts payable	69,163	77,695	699,955
Accrued expenses	15,669	16,450	148,198
Income taxes payable	9,138	7,277	65,559
Provisions	2,137	2,366	21,315
Other current liabilities	85,212	90,938	819,261
Total current liabilities	259,686	259,960	2,341,982
Non-current liabilities:			
Long-term debt	348,003	333,297	3,002,676
Accrued retirement benefits for directors and corporate auditors	1,324	1,364	12,288
Deferred tax liabilities (Note 2(b))	3,792	4,068	36,649
Deferred tax liabilities for land revaluation (Note 2(b))	56,752	56,572	509,658
Provisions	12,880	11,643	104,892
Employee retirement benefit liability	30,719	31,406	282,937
Other non-current liabilities	17,910	18,072	162,810
Total non-current liabilities	471,380	456,422	4,111,910
Total liabilities	731,066	716,382	6,453,892
Contingent liabilities (Note 3)			
Net assets:			
Shareholders' equity :			
Common stock: authorised - 360,000 thousand shares issued - 190,467 thousand shares at 31 March 2018 and 196,306 thousand shares at 31 March 2019	95,149	100,779	907,919
Capital surplus	29,270	34,940	314,775
Retained earnings	117,154	142,912	1,287,495
Treasury stock - at cost: 27 thousand shares at 31 March 2018 and 28 thousand shares at 31 March 2019	(30)	(31)	(279)
Total shareholders' equity	241,543	278,600	2,509,910
Accumulated other comprehensive income (loss):			
Net unrealised gains on available-for-sale securities	28,922	25,105	226,171
Deferred gains and losses on hedges	120	81	730
Land revaluation increment	88,698	88,052	793,261
Foreign currency translation adjustments	(17)	(24)	(216)
Retirement benefit adjustments	1,074	1,092	9,838
Total accumulated other comprehensive income (loss)	118,797	114,306	1,029,784
Non-controlling interests	29,216	31,887	287,270
Total net assets	389,556	424,793	3,826,964
Total liabilities and net assets	¥ 1,120,622	¥ 1,141,175	\$ 10,280,856

Nagoya Railroad Co., Ltd. and Consolidated Subsidiaries

Consolidated Statements of Income (Unaudited)

For the Years Ended 31 March 2018 and 2019

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2018	2019	2019
Operating revenues (Note 4)	¥ 604,804	¥ 622,568	\$ 5,608,721
Operating expenses			
Transportation, other services and cost of sales	505,776	519,201	4,677,486
Selling, general and administrative expenses	52,051	53,911	485,685
Total operating expenses	<u>557,827</u>	<u>573,112</u>	<u>5,163,171</u>
Operating income	<u>46,977</u>	<u>49,456</u>	<u>445,550</u>
Other income (expenses):			
Interest and dividend income	1,614	1,674	15,081
Interest expense	(3,728)	(3,443)	(31,018)
Equity in net earnings of affiliates	2,926	2,708	24,396
Impairment loss on fixed assets	(3,907)	(1,487)	(13,396)
Gain on sale or disposition of property and equipment, net	197	(4,850)	(43,694)
Gain on contributions for construction	976	1,387	12,495
Loss on reduction of property and equipment	(890)	(1,228)	(11,063)
Provision for loss on liquidation	(915)	(573)	(5,162)
Others, net	2,167	2,476	22,306
Other income (expenses), net	<u>(1,560)</u>	<u>(3,336)</u>	<u>(30,055)</u>
Profit before income taxes	<u>45,417</u>	<u>46,120</u>	<u>415,495</u>
Income taxes:			
Current	15,407	14,498	130,612
Deferred	(1,377)	(366)	(3,297)
Total income taxes	<u>14,030</u>	<u>14,132</u>	<u>127,315</u>
Profit	<u>31,387</u>	<u>31,988</u>	<u>288,180</u>
Profit attributable to:			
Owners of the parent	28,692	30,457	274,387
Non-controlling interests	2,695	1,531	13,793
Total profit	<u>¥ 31,387</u>	<u>¥ 31,988</u>	<u>\$ 288,180</u>
Per share:			
Net income:			
- Basic	¥ 155.04	¥ 158.90	\$ 1.43
- Diluted	136.31	144.71	1.30
Cash dividends	27.50	27.50	0.25

* 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 Consolidated Financial Statements.

Nagoya Railroad Co., Ltd. and Consolidated Subsidiaries

Consolidated Statements of Comprehensive Income (Unaudited)

For the Years Ended 31 March 2018 and 2019

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2018	2019	2019
Profit	¥ 31,387	¥ 31,988	\$ 288,180
Other comprehensive income:			
Net unrealised gains and losses on available-for-sale securities	5,094	(3,785)	(34,099)
Deferred gains and losses on hedges	338	(43)	(387)
Land revaluation increment	(175)	(164)	(1,477)
Foreign currency translation adjustments	(4)	(7)	(63)
Retirement benefit adjustments	2,322	49	441
Share of other comprehensive income of affiliates accounted for using the equity method	36	(235)	(2,118)
Total other comprehensive income	7,611	(4,185)	(37,703)
Comprehensive income	¥ 38,998	¥ 27,803	\$ 250,477
Comprehensive income attributable to:			
Owners of the parent	¥ 36,048	¥ 26,448	\$ 238,270
Non-controlling interests	2,950	1,355	12,207
Total comprehensive income	¥ 38,998	¥ 27,803	\$ 250,477

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 2018 and 2019

	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	
Balance as of 1 April 2017	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
Balance as of 31 March 2018	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
Profit attributable to owners of the parent	—	—	—	30,457	—	30,457	—	—	—	—	—	—	—	30,457
Issuance of new shares	5,839	5,630	5,630	—	—	11,260	—	—	—	—	—	—	—	11,260
Cash dividends	—	—	—	(5,238)	—	(5,238)	—	—	—	—	—	—	—	(5,238)
Reversal for land revaluation increment	—	—	—	481	—	481	—	—	—	—	—	—	—	481
Transfer from retained earnings to capital surplus	—	—	18	(18)	—	—	—	—	—	—	—	—	—	—
Issuance of treasury stock upon conversion of convertible bonds and other, net of fractional shares acquired	—	—	(18)	—	(1)	(19)	—	—	—	—	—	—	—	(19)
Change in ownership interest of parent related to transactions with non-controlling interests	—	—	40	—	—	40	—	—	—	—	—	—	—	40
Change in the fiscal year of consolidated subsidiaries	—	—	—	76	—	76	—	—	—	—	—	—	—	76
Net changes in items other than shareholders' equity for the year	—	—	—	—	—	—	(3,817)	(39)	(646)	(7)	18	(4,491)	2,671	(1,820)
Balance as of 31 March 2019	196,306	¥ 100,779	¥ 34,940	¥ 142,912	¥ (31)	¥ 278,600	¥ 25,105	¥ 81	¥ 88,052	¥ (24)	¥ 1,092	¥ 114,306	¥ 31,887	¥ 424,793

*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, "Number of shares of common stock issued" was calculated based on the assumption that the share consolidation was conducted at the beginning of the fiscal year ended 31 March 2018.

	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		
													Thousands of U.S. dollars (Note 1)	
Balance as of 1 April 2018	\$ 857,198	\$ 263,694	\$ 1,055,441	\$ (270)	\$ 2,176,063	\$ 260,559	\$ 1,081	\$ 799,081	\$ (153)	\$ 9,676	\$ 1,070,244	\$ 263,207	\$ 3,509,514	
Profit attributable to owners of the parent	—	—	274,387	—	274,387	—	—	—	—	—	—	—	274,387	
Issuance of new shares	50,721	50,721	—	—	101,442	—	—	—	—	—	—	—	101,442	
Cash dividends	—	—	(47,189)	—	(47,189)	—	—	—	—	—	—	—	(47,189)	
Reversal for land revaluation increment	—	—	4,333	—	4,333	—	—	—	—	—	—	—	4,333	
Transfer from retained earnings to capital surplus	—	162	(162)	—	—	—	—	—	—	—	—	—	—	
Issuance of treasury stock upon conversion of convertible bonds and other, net of fractional shares acquired	—	(162)	—	(9)	(171)	—	—	—	—	—	—	—	(171)	
Change in ownership interest of parent related to transactions with non-controlling interests	—	360	—	—	360	—	—	—	—	—	—	—	360	
Change in the fiscal year of consolidated subsidiaries	—	—	685	—	685	—	—	—	—	—	—	—	685	
Net changes in items other than shareholders' equity for the year	—	—	—	—	—	(34,388)	(351)	(5,820)	(63)	162	(40,460)	24,063	(16,397)	
Balance as of 31 March 2019	\$ 907,919	\$ 314,775	\$ 1,287,495	\$ (279)	\$ 2,509,910	\$ 226,171	\$ 730	\$ 793,261	\$ (216)	\$ 9,838	\$ 1,029,784	\$ 287,270	\$ 3,826,964	

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 2018 and 2019

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2018	2019	2019
Cash flows from operating activities:			
Profit before income taxes	¥ 45,417	¥ 46,120	\$ 415,495
Adjustments for:			
Depreciation and amortisation	38,906	40,258	362,685
Impairment loss on fixed assets	3,907	1,487	13,396
Loss (gain) on sale or disposition of property and equipment, net	(210)	4,908	44,216
Gain on contributions for construction	(976)	(1,387)	(12,495)
Increase (decrease) in employee retirement benefit liability	(139)	759	6,838
Decrease (increase) in trade notes and accounts receivable	358	(5,896)	(53,117)
Decrease (increase) in inventories	1,925	(508)	(4,577)
Increase (decrease) in trade notes and accounts payable	(2,838)	5,200	46,847
Gain on negative goodwill	—	(1,079)	(9,721)
Others, net	(3,703)	(4,759)	(42,873)
Subtotal	82,647	85,103	766,694
Interest and dividends received	2,186	2,266	20,414
Interest paid	(3,777)	(3,461)	(31,180)
Income taxes paid	(15,124)	(16,504)	(148,685)
Net cash provided by (used in) operating activities	65,932	67,404	607,243
Cash flows from investing activities:			
Purchases of fixed assets	(50,315)	(56,632)	(510,198)
Proceeds from sales of fixed assets	2,609	2,551	22,982
Proceeds for contributions for construction	7,059	6,163	55,523
Purchases of investments securities	(232)	(810)	(7,297)
Proceeds from sales or redemptions of investment securities	841	588	5,297
Purchases of shares of subsidiaries resulting in change in scope of consolidation	(784)	(614)	(5,532)
Collections of loans receivable	366	638	5,748
Others, net	170	(172)	(1,550)
Net cash provided by (used in) investing activities	(40,286)	(48,288)	(435,027)
Cash flows from financing activities:			
Proceeds from long-term debt	65,386	37,614	338,865
Repayment of long-term debt	(79,366)	(55,448)	(499,532)
Net increase (decrease) in short-term borrowings	2,120	(1,263)	(11,378)
Dividends paid to shareholders	(4,593)	(5,235)	(47,162)
Dividends paid to minority shareholders	(218)	(243)	(2,189)
Purchases of shares of subsidiaries resulting in no change in scope of consolidation	(1)	(168)	(1,514)
Others, net	(60)	(60)	(540)
Net cash provided by (used in) financing activities	(16,732)	(24,803)	(223,450)
Effect of exchange rate changes on cash and cash equivalents	(3)	(4)	(36)
Net increase in cash and cash equivalents	8,911	(5,691)	(51,270)
Cash and cash equivalents at beginning of year	21,944	30,855	277,973
Increase (decrease) in cash and cash equivalents resulting from change in the fiscal year of consolidated subsidiaries	—	28	252
Cash and cash equivalents at end of year	¥ 30,855	¥ 25,192	\$ 226,955

See Notes to Consolidated Financial Statements.

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 Japanese GAAP. 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 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 2019, 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. Summary of significant accounting policies

(a) Basis of consolidation

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.

(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 year ended 31 March 2019.

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 2019, contingent liabilities were as follows:

	Millions of yen		Thousands of U.S. dollars
	31 March 2018	31 March 2019	31 March 2019
Contingently liable for:			
Guarantees of loans of others	¥593	¥645	\$5,811
Total	¥593	¥645	\$5,811

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, aviation services, 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."

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, Real Estate leasing and Building maintenance
- Leisure and Services: business related to hotels, restaurants, tourist facilities and travel
- Distribution: department store operations and distributions of other merchandise sales
- Aviation Services: business related general aviation and flight catering

(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 2018 was as follows:

	Reportable segments							Total	Adjustments	Consolidated financial statements
	Traffic	Transport	Real Estate	Leisure and Services	Distribution	Aviation Services	Others (*1)			
Millions of yen										
For the year 2018:										
Operating revenues:										
External customers	¥ 164,771	¥ 131,767	¥ 79,057	¥ 52,751	¥ 123,386	¥ 25,245	¥ 27,827	¥ 604,804	¥ —	¥ 604,804
Intersegment sales/transfer	2,275	424	10,102	1,484	11,068	—	16,908	42,261	(42,261)	—
Total	¥ 167,046	¥ 132,191	¥ 89,159	¥ 54,235	¥ 134,454	¥ 25,245	¥ 44,735	¥ 647,065	¥ (42,261)	¥ 604,804
Segment income (*2)	23,942	5,690	10,603	1,509	1,267	1,953	1,586	46,550	427	46,977
Segment assets (*3)	482,237	113,299	282,607	32,680	46,735	23,253	57,596	1,038,407	82,215	1,120,622
Other material items:										
Depreciation and amortisation (*4)	18,500	5,920	6,071	1,250	1,447	2,676	3,514	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	12,875	1,056	1,169	5,312	4,227	52,237	—	52,237

*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 others.

*2) Segment income adjustment amounting to ¥427 million was treated as intersegment elimination.

*3) Segment assets adjustment amounting to ¥82,215 million consisted of unallocated general corporate assets amounting to ¥111,753 million, net of intersegment elimination of ¥29,538 million. Such general corporate assets consisted mainly of cash, deposits and investment securities.

*4) Depreciation and amortisation adjustment amounting to ¥472 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 2019 was as follows:

	Reportable segments							Total	Adjustments	Consolidated financial statements
	Traffic	Transport	Real Estate	Leisure and Services	Distribution	Aviation Services	Others (*1)			
Millions of yen										
For the year 2019:										
Operating revenues:										
External customers	¥ 165,433	¥ 136,425	¥ 81,491	¥ 52,001	¥ 129,303	¥ 27,570	¥ 30,345	¥ 622,568	¥ —	¥ 622,568
Intersegment sales/transfer	2,228	438	10,523	1,419	12,929	—	17,668	45,205	(45,205)	—
Total	¥ 167,661	¥ 136,863	¥ 92,014	¥ 53,420	¥ 142,232	¥ 27,570	¥ 48,013	¥ 667,773	¥ (45,205)	¥ 622,568
Segment income (*2)	24,380	5,969	11,405	1,796	1,185	2,804	1,627	49,166	290	49,456
Segment assets (*3)	489,776	115,331	301,598	34,290	48,740	24,483	54,523	1,068,741	72,434	1,141,175
Other material items:										
Depreciation and amortisation (*4)	18,520	6,174	6,276	1,133	2,081	2,926	3,571	40,681	(423)	40,258
Amortisation of goodwill	—	—	322	—	—	—	4	326	—	326
Impairment loss on fixed assets	29	—	1,307	110	22	—	19	1,487	—	1,487
Increase in property and equipment and intangible assets	19,110	12,728	13,141	1,275	572	3,034	4,974	54,834	—	54,834

	Reportable segments							Total	Adjustments	Consolidated financial statements
	Traffic	Transport	Real Estate	Leisure and Services	Distribution	Aviation Services	Others (*1)			
Thousands of U.S. dollars										
For the year 2019:										
Operating revenues:										
External customers	\$ 1,490,387	\$ 1,229,054	\$ 734,153	\$ 468,477	\$ 1,164,892	\$ 248,379	\$ 273,379	\$ 5,608,721	\$ —	\$ 5,608,721
Intersegment sales/transfer	20,072	3,946	94,802	12,784	116,477	—	159,171	407,252	(407,252)	—
Total	\$ 1,510,459	\$ 1,233,000	\$ 828,955	\$ 481,261	\$ 1,281,369	\$ 248,379	\$ 432,550	\$ 6,015,973	\$ (407,252)	\$ 5,608,721
Segment income (*2)	219,640	53,775	102,748	16,180	10,676	25,261	14,657	442,937	2,613	445,550
Segment assets (*3)	4,412,396	1,039,018	2,717,099	308,919	439,099	220,568	491,198	9,628,297	652,559	10,280,856
Other material items:										
Depreciation and amortisation (*4)	166,847	55,622	56,541	10,207	18,748	26,360	32,171	366,496	(3,811)	362,685
Amortisation of goodwill	—	—	2,901	—	—	—	36	2,937	—	2,937
Impairment loss on fixed assets	261	—	11,775	991	198	—	171	13,396	—	13,396
Increase in property and equipment and intangible assets	172,162	114,667	118,387	11,486	5,153	27,334	44,811	494,000	—	494,000

*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 others.

*2) Segment income adjustment amounting to ¥290 million (\$2,613 thousand) was treated as intersegment elimination.

*3) Segment assets adjustment amounting to ¥72,434 million (\$652,559 thousand) consisted of unallocated general corporate assets amounting to ¥105,414 million (\$949,676 thousand), net of intersegment elimination of ¥32,980 million (\$297,117 thousand). Such general corporate assets consisted mainly of cash, deposits and investment securities.

*4) Depreciation and amortisation adjustment amounting to ¥423million (\$3,811 thousand) was treated as intersegment elimination.

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

(Information Related to Changes in Reportable Segments)

Based on “The new medium-term management plan, BUILD UP 2020,” the company revised its reportable segments from the year ended 31 March 2019. 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 year ended 31 March 2018 information has been prepared and presented based on the new reportable segments.

5. Subsequent events

Based on the resolution of the Board of Directors of the Company on 25 March 2019, the Company issued the 58th Series Unsecured Straight Bonds as shown below.

The details are as follows:

58th Series Unsecured Straight Bonds

1. Total amount of issue: 10 billion yen
2. Issue value: 100 yen per face value of 100 yen
3. Coupon: 0.725% per annum
4. Issue date: 25 April 2019
5. Maturity date: 25 April 2039
6. Use of proceeds: Redemption of bonds