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ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT

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May 10, 2018

Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 <under Japanese GAAP>

Company name: **Seibu Holdings Inc.**
Listing: First Section of the Tokyo Stock Exchange
Securities code: 9024
URL: <http://www.seibuholdings.co.jp/en/>
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Scheduled date of annual general meeting of shareholders: June 21, 2018
Scheduled date to commence dividend payments: June 22, 2018
Scheduled date to file annual securities report: June 21, 2018
Preparation of supplementary results briefing material on financial results: Yes
Holding of financial results presentation meeting: Yes (for institutional investors and analysts)

(Note: Millions of yen with fractional amounts truncated, unless otherwise noted)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 (from April 1, 2017 to March 31, 2018)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2018	530,631	3.6	64,259	2.9	55,490	(3.4)	42,908	(9.8)
March 31, 2017	512,009	0.8	62,456	(5.3)	57,472	(1.8)	47,564	(16.9)

Note: Comprehensive income

For the fiscal year ended March 31, 2018: ¥42,852 million [30.6%]
For the fiscal year ended March 31, 2017: ¥32,801 million [16.0%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2018	136.67	136.57	11.5	3.4	12.1
March 31, 2017	149.39	149.31	12.7	3.6	12.2

Reference: Share of profit (loss) of entities accounted for using equity method
For the fiscal year ended March 31, 2018: ¥(62) million
For the fiscal year ended March 31, 2017: ¥3,729 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2018	1,671,977	394,947	23.3	1,240.09
March 31, 2017	1,627,868	360,133	21.8	1,132.40

Reference: Equity (Net assets – Share acquisition rights – Non-controlling interests)
As of March 31, 2018: ¥389,510 million
As of March 31, 2017: ¥355,322 million

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2018	103,772	(88,083)	(13,549)	29,628
March 31, 2017	92,418	(133,931)	48,162	27,551

2. Cash Dividends

	Cash dividends per share					Total cash dividends (Annual)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter- end	Second quarter- end	Third quarter- end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2017	—	7.50	—	15.50	23.00	7,787	15.4	2.0
March 31, 2018	—	11.50	—	11.50	23.00	7,749	16.8	1.9
Fiscal year ending March 31, 2019 (Forecast)	—	11.50	—	11.50	23.00		16.6	

**3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2019
(from April 1, 2018 to March 31, 2019)**

(Percentages indicate year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ending September 30, 2018	282,600	6.1	39,400	4.1	34,800	4.9
Fiscal year ending March 31, 2019	569,900	7.4	67,000	4.3	58,100	4.7

	Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Yen
Six months ending September 30, 2018	26,200	12.6	83.41
Fiscal year ending March 31, 2019	43,600	1.6	138.81

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatements of prior period financial statements
 - a. Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - b. Changes in accounting policies due to other reasons: None
 - c. Changes in accounting estimates: None
 - d. Restatements of prior period financial statements: None

(3) Number of issued shares (common shares)

a. Total number of issued shares at end of period (including treasury shares)

As of March 31, 2018	342,124,820 shares
As of March 31, 2017	342,124,820 shares

b. Number of treasury shares at end of period

As of March 31, 2018	28,026,979 shares
As of March 31, 2017	28,345,208 shares

c. Average number of outstanding shares during the period

Fiscal year ended March 31, 2018	313,947,384 shares
Fiscal year ended March 31, 2017	318,398,310 shares

- Notes: 1. The Company's shares held by the employee stock ownership plan trust account are included in the number of treasury shares at end of period (599,400 shares as of March 31, 2018 and 894,000 shares as of March 31, 2017). Also, the Company's shares held by the employee stock ownership plan trust account are included in treasury shares that are deducted for calculation of the average number of outstanding shares during the period (743,969 shares for the fiscal year ended March 31, 2018 and 1,046,285 shares for the fiscal year ended March 31, 2017).
2. The portion attributable to the Company of the treasury shares (shares of the Company) held by equity-method associates is included in the number of treasury shares at end of period (22,243,031 shares as of March 31, 2018 and 22,243,031 shares as of March 31, 2017). Furthermore, the portion attributable to the Company of the treasury shares (shares of the Company) held by equity-method associates is included in treasury shares that are deducted in the calculation of the average number of outstanding shares during the period (22,243,031 shares for the fiscal year ended March 31, 2018 and 22,243,031 shares for the fiscal year ended March 31, 2017).
3. For further details about the number of shares as a basis of calculation of basic earnings per share (consolidated), please refer to page 20 of the Attached Materials, "Per share information" under "3. Consolidated Financial Statements and Significant Notes Thereto (5) Notes to consolidated financial statements."

(Reference) Overview of Non-Consolidated Financial Results

Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2018
(from April 1, 2017 to March 31, 2018)

(1) Non-Consolidated Operating Results

(Percentages indicate year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2018	14,021	(3.9)	5,700	(14.5)	6,376	(18.5)	5,629	(22.8)
March 31, 2017	14,587	36.7	6,670	107.9	7,823	67.3	7,295	4.4

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2018	16.75	16.73
March 31, 2017	21.42	21.41

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2018	1,160,357	297,979	25.6	884.49
March 31, 2017	1,153,240	300,816	26.1	894.08

Reference: Equity (Net assets)

As of March 31, 2018: ¥297,491 million

As of March 31, 2017: ¥300,430 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special notes

The forward-looking statements, including earnings forecasts, contained in these materials are based on information available to the Company at the announcement of these materials and on certain assumptions pertaining to factors of uncertainty. These statements may differ from the actual business results.

For further details about the matters regarding earnings forecasts (consolidated earnings forecasts for the fiscal year ending March 31, 2019), please refer to page 6 of the Attached Materials, “(4) Future outlook” under “1. Review of Operating Results and Others.”

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1. Review of Operating Results and Others

(1) Review of operating results for the fiscal year ended March 31, 2018

During the fiscal year ended March 31, 2018, the Japanese economy has recovered gradually with the continuing improvement in the employment and income environment. The outlook, however, is unclear, with concerns over the impacts of uncertainty in overseas economies and fluctuations in the financial and capital markets.

Under these conditions, during the fiscal year ended March 31, 2018, the Seibu Group formulated the Seibu Group's Medium-term Management Plan (FY2017-FY2019), a three-year plan plotting a road map for achieving sustainable and dynamic growth necessary to reach "Challenge Target," the Seibu Group's long-term target. Under this plan, we addressed the two key issues of "create new business areas" and "expand existing business fields" with the basic policies of "tackling innovation with speed from new perspectives" and "establish a growth platform from a long-term perspective."

Of these key issues, the Company's efforts to create new business areas are being led by Seibu Laboratory, which was established within the Company as a specialist department to promote new measures through free ideas.

Moreover, Prince Hotels, Inc. acquired the business of StayWell Hospitality Group Pty Ltd, which operates hotels primarily in Australia. Through this action, the Company will further expand its Hotel and Leisure business globally.

As a result of these efforts, the Group recorded the following results for the fiscal year ended March 31, 2018. Operating revenue was ¥530,631 million, up ¥18,622 million, or 3.6%, year on year. Operating profit was ¥64,259 million, up ¥1,803 million, or 2.9%, year on year, mainly reflecting increased revenue as well as the recording of one-time expenses associated with the opening of Tokyo Garden Terrace Kioicho in the previous fiscal year. EBITDA was ¥115,580 million, up ¥7,465 million, or 6.9%, year on year. However, ordinary profit was ¥55,490 million, down ¥1,982 million, or 3.4%, year on year, mainly due to recording an extraordinary profit related to NW Corporation Inc. becoming an equity method associate in the previous fiscal year. Profit attributable to owners of parent was ¥42,908 million, down ¥4,656 million, or 9.8%, year on year, mainly due to sales of land in the previous fiscal year.

Operating results for the fiscal year ended March 31, 2018, in each segment were as follows.

(Millions of yen)

Segment	Operating revenue			Operating profit			EBITDA		
	For the year ended March 31, 2018	Change from previous year	Change (%)	For the year ended March 31, 2018	Change from previous year	Change (%)	For the year ended March 31, 2018	Change from previous year	Change (%)
Urban Transportation and Regional	162,056	5,562	3.6	27,254	450	1.7	49,062	1,572	3.3
Hotel and Leisure	204,854	16,309	8.7	17,299	3,207	22.8	32,739	5,770	21.4
Real Estate	62,292	8,521	15.8	15,818	7,929	100.5	25,077	8,876	54.8
Construction	100,002	(14,993)	(13.0)	4,752	(5,073)	(51.6)	5,152	(5,054)	(49.5)
Hawaii Business	15,375	(7,792)	(33.6)	(2,002)	(6,252)	—	97	(5,947)	(98.4)
Other	39,427	2,198	5.9	1,048	327	45.4	3,960	593	17.6
Total	584,007	9,806	1.7	64,171	588	0.9	116,089	5,812	5.3
Adjustments	(53,376)	8,816	—	88	1,214	—	(509)	1,652	—
Consolidated	530,631	18,622	3.6	64,259	1,803	2.9	115,580	7,465	6.9

Notes: 1. Adjustments mainly consist of elimination of inter-company transactions.

2. EBITDA is calculated by adding depreciation and amortization of goodwill to operating profit.

Urban Transportation and Regional

The Urban Transportation and Regional business segment consists of railway operations that include key commuter lines for the greater Tokyo metropolitan area, bus operations that support the transportation needs of our railway passengers, leisure facilities along railway lines, and others. Operating revenues for each of these operations were as follows.

(Millions of yen)

	For the year ended March 31, 2017	For the year ended March 31, 2018	Change
Operating revenue	156,494	162,056	5,562
Railway operations	105,123	106,354	1,231
Bus operations	25,531	25,937	406
Leisure facilities along railway lines	20,798	22,095	1,296
Others	5,041	7,668	2,627

In railway operations for the fiscal year ended March 31, 2018, the number of passengers increased by 1.6% year on year (of which commuters increased by 1.8% and non-commuters increased by 1.3%). The result reflects the strong employment situation as well as the holding of events at the MetLife Dome, the opening of Seibu-Chichibu Ekimae Onsen Matsuinoyu (a hot spring complex located in front of the station), and the stronger promotion of the Chichibu area. Passenger transportation sales increased by 1.7% year on year (of which commuters increased by 1.8% and non-commuters increased by 1.6%), due to revision of limited express ticket fee in July 2016, introduction of “S-TRAIN” extra-fare reserved seating trains in March 2017 and other factors.

In addition, in March 2017, the Company made Yokohama Arena Co., Ltd. a consolidated subsidiary. Therefore, operating revenue increased.

As a result of these initiatives, the Urban Transportation and Regional business segment recorded operating revenue of ¥162,056 million, an increase of ¥5,562 million, or 3.6%, year on year. Segment operating profit increased by ¥450 million, or 1.7%, year on year to ¥27,254 million. EBITDA was ¥49,062 million, an increase of ¥1,572 million, or 3.3%, year on year.

Hotel and Leisure

The Hotel and Leisure business segment consists of city hotel operations, resort hotel operations, golf course operations, and others. Operating revenues for each of these operations were as follows.

(Millions of yen)

	For the year ended March 31, 2017	For the year ended March 31, 2018	Change
Operating revenue	188,544	204,854	16,309
City hotel operations	105,319	119,776	14,456
Resort hotel operations	38,826	40,677	1,850
Golf course operations	12,266	12,575	309
Others	32,132	31,825	(306)

Note: City hotel operations include mainly hotels located in the central commercial areas of major cities or in the vicinity of transportation terminals. Resort hotel operations mainly include hotels located in sightseeing areas or summer resorts across Japan.

In hotel operations, the Company newly opened The Prince Gallery Tokyo Kioicho in July 2016 and reopened the Tokyo Prince Hotel and others that had been out of operation in the previous year due to renovations. Moreover, in the accommodation division, the Company changed the target market to a customer sector with a higher unit price, while continuing to practice revenue management^{*1}. As a result, RevPAR^{*2} increased year on year at both city and resort hotels. In the banquet division, MICE^{*3} performed briskly.

^{*1} Revenue management is a method for maximizing profit by providing services to customers at prices that are seasonally appropriate based on demand forecasts.

*2 RevPAR: Revenue Per Available Room. RevPAR is calculated by dividing total room sales for a given period by the aggregate number of days per room for which each room was available during such period.

*3 MICE: Meetings, Incentive travel, Convention, Exhibition/Events. MICE is a general term for business events that draw in visitors, such as corporate business meetings, incentive and research travel held by companies, conventions of international organizations, groups, and academic societies, and exhibitions, trade fairs, and other events.

As a result of these initiatives, the Hotel and Leisure business segment recorded operating revenue of ¥204,854 million, an increase of ¥16,309 million, or 8.7%, year on year. Segment operating profit increased by ¥3,207 million, or 22.8%, year on year to ¥17,299 million. EBITDA was ¥32,739 million, an increase of ¥5,770 million, or 21.4%, year on year.

Real Estate

The Real Estate business segment consists of leasing operations and others. Operating revenues for each of these operations were as follows.

	(Millions of yen)		
	For the year ended March 31, 2017	For the year ended March 31, 2018	Change
Operating revenue	53,771	62,292	8,521
Leasing operations	35,447	42,506	7,059
Others	18,323	19,785	1,462

In leasing operations, rental revenues of offices, residences, and commercial facilities increased in Tokyo Garden Terrace Kioicho, which conducted its grand opening in July 2016.

The Company sold residential houses around the Seibu-Tachikawa Station.

As a result of these initiatives, the Real Estate business segment recorded operating revenue of ¥62,292 million, an increase of ¥8,521 million, or 15.8%, year on year. Mainly due to higher profits on the increase in revenue and the recording of one-time expenses associated with the opening of Tokyo Garden Terrace Kioicho in the previous fiscal year, the segment recorded an operating profit of ¥15,818 million, an increase of ¥7,929 million, or 100.5%, year on year. EBITDA was ¥25,077 million, an increase of ¥8,876 million, or 54.8%, year on year.

Construction

The Construction business segment consists of construction operations and others. Operating revenues for each of these operations were as follows.

	(Millions of yen)		
	For the year ended March 31, 2017	For the year ended March 31, 2018	Change
Operating revenue	114,996	100,002	(14,993)
Construction operations	88,578	74,054	(14,524)
Others	26,417	25,947	(469)

In construction operations, the Company undertook construction work for railway construction, residential houses for sale, and public sector investment. The Company also took a rigorous approach to managing orders received, as well as ongoing credit management, and also worked to strengthen its cost management.

However, the Construction business segment recorded operating revenue of ¥100,002 million, a decrease of ¥14,993 million, or 13.0%, year on year, mainly due to large-scale construction work in the previous fiscal year in construction operations. Segment operating profit was ¥4,752 million, down ¥5,073 million, or 51.6%, year on year, and EBITDA was ¥5,152 million, down ¥5,054 million, or 49.5%, year on year.

Hawaii Business

In the Hawaii business segment, the two hotels on Hawaii Island performed briskly under a favorable market environment, particularly in the accommodation division. In addition, the Hawaii Prince Hotel Waikiki was reopened after renovation as the Prince Waikiki.

The Hawaii business segment recorded operating revenue of ¥15,375 million, a decrease of ¥7,792 million, or 33.6%, year on year, mainly due to the sales of part of the real estate of the Hapuna Beach Prince Hotel in the previous fiscal year. Segment operating loss was ¥2,002 million, compared with operating profit of ¥4,250 million in the previous fiscal year, and EBITDA was ¥97 million, down ¥5,947 million, or 98.4%, year on year due to the sales of real estate last year as noted above and increase in expenses associated with the renewal.

Other

In the Izu-hakone Business, Izu-Mito Sea Paradise and the nursing home contributed to revenue growth. In the Ohmi Business, the opening of the Ohmi Railway Building in front of Moriyama Station and brisk performance at the Shin Meishin Expressway's Tsuchiyama Service Area contributed to revenue growth. In the Seibu Lions Business, the number of spectators increased year on year, mainly due to the execution of various sales initiatives and participation in the Climax Series (play-off games).

As a result of these initiatives, the Other businesses segment recorded operating revenue of ¥39,427 million, an increase of ¥2,198 million, or 5.9%, year on year. Segment operating profit was ¥1,048 million, up ¥327 million, or 45.4%, year on year, and EBITDA was ¥3,960 million, up ¥593 million, or 17.6%, year on year.

(2) Review of financial position for the fiscal year ended March 31, 2018*Assets*

Total current assets as of March 31, 2018 stood at ¥119,709 million, a decrease of ¥6,992 million from the previous fiscal year-end. The decrease was due mainly to a decrease in notes and accounts receivable - trade of ¥4,659 million.

Total non-current assets amounted to ¥1,552,267 million, up ¥51,101 million from the previous fiscal year-end. The increase was due mainly to an increase of property, plant and equipment and intangible assets of ¥41,577 million.

As a result, total assets stood at ¥1,671,977 million, an increase of ¥44,108 million from the previous fiscal year-end.

Liabilities

Total current liabilities as of March 31, 2018 stood at ¥328,782 million, a decrease of ¥37,807 million from the previous fiscal year-end. The decrease was due mainly to a decrease in short-term loans payable of ¥47,107 million.

Non-current liabilities amounted to ¥948,246 million, up ¥47,101 million from the previous fiscal year-end. The increase was due mainly to an increase in long-term loans payable of ¥40,409 million.

As a result of the above, total liabilities stood at ¥1,277,029 million, an increase of ¥9,293 million from the previous fiscal year-end.

Net assets

Total net assets as of March 31, 2018 stood at ¥394,947 million, an increase of ¥34,814 million from the previous fiscal year-end. The increase was due mainly to the recording of profit attributable to owners of parent of ¥42,908 million.

(3) Review of cash flows for the fiscal year ended March 31, 2018

Cash and cash equivalents (hereinafter "cash") as of March 31, 2018 increased ¥2,076 million compared to the end of the previous fiscal year to ¥29,628 million.

Cash flows from operating activities

Net cash provided by operating activities was ¥103,772 million after recording profit before income taxes of ¥50,951 million and making adjustments for depreciation and income taxes paid. Cash inflows increased by ¥11,354 million from the previous fiscal year, due mainly to a decrease in accounts receivable - other of ¥4,010 million (an increase of ¥4,204 million in the previous fiscal year).

Cash flows from investing activities

Net cash used in investing activities was ¥88,083 million, ¥45,848 million less than in the previous fiscal year. The decrease in cash outflows was due mainly to a decrease of ¥43,793 million in purchase of property, plant and equipment and intangible assets.

Cash flows from financing activities

Net cash used in financing activities was ¥13,549 million, compared with net cash provided by financing activities of ¥48,162 million in the previous fiscal year. This was due to the reduction of interest-bearing debt for the improvement of the Group's financial position.

The Group's cash flow indices were as follows.

	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2017	For the year ended March 31, 2018
Equity-to-asset ratio (%)	24.1	25.2	21.8	23.3
Equity-to-asset ratio based on market value (%)	69.6	52.3	35.4	34.8
Interest-bearing debt to cash flow ratio (Years)	10.5	11.1	9.8	8.7
Interest coverage ratio (Times)	7.9	8.0	8.6	9.8

- Notes: 1. Equity-to-asset ratio: Equity / Total assets
 2. Equity-to-asset ratio based on market value: Market capitalization / Total assets
 3. Interest-bearing debt to cash flow ratio: Interest-bearing debt / Operating cash flow
 4. Interest coverage ratio: Operating cash flow / Interest payments
 5. The above indices are calculated based on consolidated financial figures.
 6. Market capitalization is calculated as follows: Final stock price at end of period x Total number of issued shares at end of period (excluding treasury shares).
 7. The figure for operating cash flow is "net cash provided by operating activities" on the consolidated statement of cash flows. Interest-bearing debt refers to all debt posted on the consolidated balance sheet for which interest is paid. Furthermore, regarding the interest payments, we use "interest expenses paid" on the consolidated statement of cash flows.

(4) Future outlook

For the consolidated earnings forecasts for the fiscal year ending March 31, 2019, operating revenue is forecast at ¥569,900 million, up 7.4% year on year, with an increase in railway transportation sales in the Urban Transportation and Regional business segment; the manifestation of the effects of investments to increase value and an increase in RevPAR by strengthening revenue management in the Hotel and Leisure business segment; an increase in rental revenues of Tokyo Garden Terrace Kioicho and sales of condominiums in the Real Estate business segment; an increase in carry-over projects in the Construction business segment; and the manifestation of the effects of investment to increase value in the Hawaii Business segment. Operating profit is forecast at ¥67,000 million, an increase of 4.3% year on year, with the increase in revenue expected to absorb an increase in expenses such as new businesses, large-scale redevelopment, and operational reforms. EBITDA is forecast to be ¥120,900 million, up 4.6%.

Forecasts for operating revenues, operating profit, and EBITDA by segment are as follows.

	Operating revenue																	
	Urban Transportation and Regional		Hotel and Leisure		Real Estate		Construction		Hawaii Business		Other		Total		Adjustments		Consolidated	
Six months ending September 30, 2018	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%
	82.6	1.1	110.8	9.1	31.4	6.2	47.5	0.3	9.5	20.2	24.8	3.7	306.6	5.0	(24.0)	—	282.6	6.1
Fiscal year ending March 31, 2019	163.3	0.8	221.8	8.3	67.3	8.0	109.5	9.5	21.1	37.2	39.6	0.4	622.6	6.6	(52.7)	—	569.9	7.4

Note: Adjustments mainly consist of elimination of inter-company transactions.

	Operating profit																	
	Urban Transportation and Regional		Hotel and Leisure		Real Estate		Construction		Hawaii Business		Other		Total		Adjustments		Consolidated	
Six months ending September 30, 2018	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%
	16.4	(5.5)	10.1	13.9	9.4	23.2	1.4	(40.2)	(0.3)	—	2.1	(15.9)	39.1	3.1	0.3	—	39.4	4.1
Fiscal year ending March 31, 2019	26.0	(4.6)	19.9	15.0	17.0	7.5	4.6	(3.2)	0.0	—	0.0	(100.0)	67.5	5.2	(0.5)	—	67.0	4.3

Note: Adjustments mainly consist of elimination of inter-company transactions.

	EBITDA																	
	Urban Transportation and Regional		Hotel and Leisure		Real Estate		Construction		Hawaii Business		Other		Total		Adjustments		Consolidated	
Six months ending September 30, 2018	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%	billions of yen	%
	26.9	(3.5)	18.1	11.1	14.3	17.4	1.6	(36.6)	0.9	246.2	3.6	(7.4)	65.4	3.7	0.1	–	65.5	4.6
Fiscal year ending March 31, 2019	47.7	(2.8)	36.2	10.6	27.0	7.7	5.1	(1.0)	2.7	–	3.1	(21.7)	121.8	4.9	(0.9)	–	120.9	4.6

Note: Adjustments mainly consist of elimination of inter-company transactions.

Due to the increase in operating profit, the Company is projecting ordinary profit of ¥58,100 million, up 4.7% year on year and profit attributable to owners of parent of ¥43,600 million, up 1.6% year on year.

(5) Basic policy on profit distribution and dividends for the current period and the following period

The Group's businesses are focused primarily on the Urban Transportation and Regional business segment, the Hotel and Leisure business segment, and the Real Estate business segment, with a management objective of achieving sustainable and strong growth. Our basic policy is to strengthen the business base of our Group companies and enhance our corporate value and to strengthen our financial strength by accumulating retained earnings while continuing to make stable dividend payments.

In addition, in accordance with our long-term strategy, we aim to provide returns to our stakeholders and conduct investments that will contribute to our future growth in a balanced manner.

In light of these aims, we will strive to distribute profits targeting a consolidated dividend payout ratio of 15% as a specific guideline for dividends, while actively making investments for growth for the moment.

Regarding the year-end dividend for the fiscal year ended March 31, 2018, in accordance with our basic policy and financial strategies, and in consideration of the results for the fiscal year ended March 31, 2018, we plan to pay a dividend of ¥11.50 per share (annual dividend of ¥23.00 per share including interim dividend of ¥11.50).

Moreover, with regard to the dividend for the fiscal year ending March 31, 2019, the Company plans to pay an annual dividend of ¥23.00 per share (interim dividend of ¥11.50 and year-end dividend of ¥11.50).

Regarding the use of retained earnings, while considering further improvement in our financial strength, we will invest in strengthening the future business base of our group, establishing a stable management base.

2. Basic Rationale for Selecting the Accounting Standard

Although the Company is preparing its consolidated financial statements in accordance with the accounting principles generally accepted in Japan, it is deliberating over future application of international financial reporting standards (IFRSs) while keeping track of trends inside and outside Japan.

3. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	29,071	29,943
Notes and accounts receivable - trade	54,484	49,825
Land and buildings for sale in lots	8,788	9,036
Merchandise and finished goods	1,459	1,486
Costs on uncompleted construction contracts	5,870	4,855
Raw materials and supplies	2,468	2,733
Deferred tax assets	6,223	7,295
Other	18,369	14,576
Allowance for doubtful accounts	(33)	(42)
Total current assets	126,702	119,709
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,117,677	1,160,043
Accumulated depreciation and impairment loss	(604,130)	(626,029)
Buildings and structures, net	513,547	534,013
Machinery, equipment and vehicles	303,769	308,372
Accumulated depreciation and impairment loss	(248,087)	(249,433)
Machinery, equipment and vehicles, net	55,682	58,939
Land	733,652	730,720
Leased assets	3,645	3,921
Accumulated depreciation and impairment loss	(1,827)	(1,754)
Leased assets, net	1,818	2,167
Construction in progress	44,333	58,078
Other	74,878	80,421
Accumulated depreciation and impairment loss	(53,624)	(56,875)
Other, net	21,253	23,545
Total property, plant and equipment	1,370,288	1,407,466
Intangible assets		
Leased assets	23	16
Other	17,016	21,423
Total intangible assets	17,040	21,439
Investments and other assets		
Investment securities	65,117	71,772
Long-term loans receivable	352	327
Net defined benefit asset	32,282	31,949
Deferred tax assets	7,732	10,450
Other	9,077	9,582
Allowance for doubtful accounts	(725)	(719)
Total investments and other assets	113,838	123,362
Total non-current assets	1,501,166	1,552,267
Total assets	1,627,868	1,671,977

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	31,126	28,009
Short-term loans payable	204,956	157,849
Lease obligations	592	665
Income taxes payable	8,483	7,735
Advances received	28,490	36,406
Provision for bonuses	5,625	5,905
Other provision	2,576	2,639
Asset retirement obligations	21	—
Other	84,718	89,571
Total current liabilities	366,590	328,782
Non-current liabilities		
Bonds payable	10,000	20,000
Long-term loans payable	656,464	696,874
Long-term accounts payable to Japan railway construction, transport and technology agency	28,146	23,055
Lease obligations	1,361	1,690
Deferred tax liabilities	111,345	111,071
Deferred tax liabilities for land revaluation	12,331	12,225
Provision for directors' retirement benefits	971	864
Other provision	216	464
Net defined benefit liability	31,059	31,197
Asset retirement obligations	1,621	2,216
Liabilities from application of equity method	17,277	16,831
Other	30,348	31,753
Total non-current liabilities	901,144	948,246
Total liabilities	1,267,735	1,277,029
Net assets		
Shareholders' equity		
Capital stock	50,000	50,000
Capital surplus	129,373	129,375
Retained earnings	180,620	214,979
Treasury shares	(64,467)	(63,940)
Total shareholders' equity	295,526	330,414
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,641	16,077
Revaluation reserve for land	18,672	18,555
Foreign currency translation adjustment	8,897	7,415
Remeasurements of defined benefit plans	19,584	17,047
Total accumulated other comprehensive income	59,796	59,096
Share acquisition rights	385	487
Non-controlling interests	4,425	4,949
Total net assets	360,133	394,947
Total liabilities and net assets	1,627,868	1,671,977

(2) Consolidated statements of income and comprehensive income
Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Operating revenue	512,009	530,631
Operating expenses		
Operating expenses and cost of sales of transportation	414,409	429,824
Selling, general and administrative expenses	35,142	36,547
Total operating expenses	449,552	466,371
Operating profit	62,456	64,259
Non-operating income		
Interest income	11	50
Dividend income	745	838
Subsidy to keep a bus on a regular route	842	901
Share of profit of entities accounted for using equity method	3,729	—
Other	1,541	1,500
Total non-operating income	6,871	3,290
Non-operating expenses		
Interest expenses	10,693	10,595
Share of loss of entities accounted for using equity method	—	62
Other	1,162	1,402
Total non-operating expenses	11,856	12,060
Ordinary profit	57,472	55,490
Extraordinary income		
Gain on sales of non-current assets	3,543	123
Contribution for construction	2,891	750
Subsidy income	343	160
Gain on sales of investment securities	21	144
Compensation income	—	895
Gain on step acquisitions	1,501	—
Other	765	81
Total extraordinary income	9,066	2,156
Extraordinary losses		
Impairment loss	760	2,076
Loss on sales of non-current assets	17	165
Loss on retirement of non-current assets	3,166	2,804
Reduction entry of land contribution for construction	2,739	678
Loss on reduction of non-current assets	323	145
Loss on sales of investment securities	0	16
Loss on valuation of investment securities	0	—
Other	997	809
Total extraordinary losses	8,005	6,695
Profit before income taxes	58,533	50,951
Income taxes - current	12,791	13,786
Income taxes - deferred	(1,892)	(6,275)
Total income taxes	10,898	7,511
Profit	47,634	43,439
Profit attributable to non-controlling interests	70	531
Profit attributable to owners of parent	47,564	42,908

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Profit	47,634	43,439
Other comprehensive income		
Valuation difference on available-for-sale securities	104	3,435
Foreign currency translation adjustment	(1,617)	(1,482)
Remeasurements of defined benefit plans, net of tax	(13,320)	(2,540)
Total other comprehensive income	(14,833)	(587)
Comprehensive income	32,801	42,852
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	32,734	42,325
Comprehensive income attributable to non-controlling interests	67	527

(3) Consolidated statements of changes in equity

Previous fiscal year (From April 1, 2016 to March 31, 2017)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	50,000	129,357	139,443	(2,020)	316,780
Changes of items during period					
Dividends of surplus			(6,396)		(6,396)
Profit attributable to owners of parent			47,564		47,564
Reversal of revaluation reserve for land			8		8
Purchase of treasury shares				(10,000)	(10,000)
Disposal of treasury shares		16		513	529
Change in treasury shares arising from change in equity in entities accounted for using equity method				(52,960)	(52,960)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	16	41,176	(62,447)	(21,254)
Balance at end of current period	50,000	129,373	180,620	(64,467)	295,526

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	12,536	18,680	10,515	32,901	74,634	278	954	392,649
Changes of items during period								
Dividends of surplus								(6,396)
Profit attributable to owners of parent								47,564
Reversal of revaluation reserve for land								8
Purchase of treasury shares								(10,000)
Disposal of treasury shares								529
Change in treasury shares arising from change in equity in entities accounted for using equity method								(52,960)
Net changes of items other than shareholders' equity	104	(8)	(1,617)	(13,317)	(14,838)	106	3,470	(11,261)
Total changes of items during period	104	(8)	(1,617)	(13,317)	(14,838)	106	3,470	(32,515)
Balance at end of current period	12,641	18,672	8,897	19,584	59,796	385	4,425	360,133

Current fiscal year (From April 1, 2017 to March 31, 2018)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	50,000	129,373	180,620	(64,467)	295,526
Changes of items during period					
Dividends of surplus			(8,496)		(8,496)
Profit attributable to owners of parent			42,908		42,908
Reversal of revaluation reserve for land			116		116
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		1		526	528
Changes due to new consolidation of subsidiaries			(169)		(169)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	1	34,358	526	34,887
Balance at end of current period	50,000	129,375	214,979	(63,940)	330,414

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	12,641	18,672	8,897	19,584	59,796	385	4,425	360,133
Changes of items during period								
Dividends of surplus								(8,496)
Profit attributable to owners of parent								42,908
Reversal of revaluation reserve for land								116
Purchase of treasury shares								(0)
Disposal of treasury shares								528
Changes due to new consolidation of subsidiaries								(169)
Net changes of items other than shareholders' equity	3,435	(116)	(1,482)	(2,536)	(700)	102	524	(73)
Total changes of items during period	3,435	(116)	(1,482)	(2,536)	(700)	102	524	34,814
Balance at end of current period	16,077	18,555	7,415	17,047	59,096	487	4,949	394,947

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Cash flows from operating activities		
Profit before income taxes	58,533	50,951
Depreciation	45,658	51,000
Impairment loss	760	2,076
Retirement benefit expenses	(4,038)	(3,585)
Increase (decrease) in provision for bonuses	229	280
Increase (decrease) in net defined benefit liability	(17)	664
Decrease (increase) in net defined benefit asset	1,314	1,346
Increase (decrease) in allowance for doubtful accounts	(321)	2
Interest and dividend income	(757)	(888)
Interest expenses	10,693	10,595
Share of loss (profit) of entities accounted for using equity method	(3,729)	62
Proceeds from contribution for construction	(2,891)	(750)
Subsidy income	(343)	(160)
Loss (gain) on sales of investment securities	(21)	(128)
Loss (gain) on valuation of investment securities	0	—
Loss (gain) on sales of non-current assets	(3,525)	41
Loss on retirement of non-current assets	3,166	2,804
Reduction entry of land contribution for construction	2,739	678
Loss on reduction of non-current assets	323	145
Other extraordinary loss (income)	(956)	752
Decrease (increase) in notes and accounts receivable - trade	1,713	6,061
Decrease (increase) in inventories	(1,064)	683
Decrease (increase) in accounts receivable - other	(4,204)	4,010
Increase (decrease) in notes and accounts payable - trade	(547)	(3,137)
Increase (decrease) in advances received	2,304	1,429
Increase (decrease) in accrued consumption taxes	910	346
Other, net	8,642	1,850
Subtotal	114,570	127,134
Interest and dividend income received	770	886
Interest expenses paid	(10,724)	(10,546)
Income taxes paid	(12,198)	(13,701)
Net cash provided by (used in) operating activities	92,418	103,772

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Cash flows from investing activities		
Payments into time deposits	(1,492)	(298)
Proceeds from withdrawal of time deposits	1,304	1,502
Purchase of investment securities	(6,755)	(2,898)
Proceeds from sales of investment securities	30	712
Purchase of property, plant and equipment and intangible assets	(135,318)	(91,524)
Proceeds from sales of property, plant and equipment and intangible assets	4,537	601
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,261)	(4,418)
Proceeds from contribution received for construction	6,560	8,865
Other, net	(536)	(625)
Net cash provided by (used in) investing activities	(133,931)	(88,083)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(8,392)	(11,099)
Proceeds from long-term loans payable	148,442	119,444
Repayments of long-term loans payable	(82,783)	(115,239)
Proceeds from issuance of bonds	9,920	9,920
Redemption of accounts payable to Japan railway construction, transport and technology agency	(4,979)	(5,039)
Repayments of lease obligations	(592)	(661)
Cash dividends paid	(6,388)	(8,481)
Proceeds from fluidity of receivables	2,690	—
Repayments of payables under fluidity receivables	—	(2,690)
Purchase of treasury shares	(10,000)	(0)
Proceeds from sales of treasury shares	581	591
Other, net	(335)	(292)
Net cash provided by (used in) financing activities	48,162	(13,549)
Effect of exchange rate change on cash and cash equivalents	(183)	(63)
Net increase (decrease) in cash and cash equivalents	6,466	2,076
Cash and cash equivalents at beginning of period	21,085	27,551
Cash and cash equivalents at end of period	27,551	29,628

(5) Notes to consolidated financial statements

Notes on premise of going concern

Not applicable.

Segment information

(a) Segment information

The business segment information for the Company and its consolidated subsidiaries for the years ended March 31, 2017 and 2018 was as follows:

1. Overview of the reportable segments

The reportable segments of the Group are components for which discrete financial information is available and whose operating results are regularly reviewed by the Board of Directors to make decisions about resource allocation and to assess performance.

The Group operates its businesses in Japan and in Hawaii, U.S.A. Considering the characteristics of each business and area, significance and size, the Group has developed its reportable segments as follows:

- (i) Urban Transportation and Regional: Railway operations, bus operations, leisure facilities along railway lines, etc.
- (ii) Hotel and Leisure: City hotel operations, resort hotel operations, golf course operations, etc.
- (iii) Real Estate: Real estate leasing operations, etc.
- (iv) Construction: Construction operations, etc.
- (v) Hawaii Business: Leisure business in Hawaii, etc.

2. Method for calculating the amounts of operating revenue, profit (loss), assets and other items by reportable segment

With regard to the currency translation of revenues and expenses of overseas subsidiaries, etc. into Japanese yen, the Group uses the assumed exchange rate that was used in budget-making.

Inter-segment operating revenue and transfer are based on the prevailing market prices.

Segment profit (loss) is substantially the same as operating profit.

3. Information about operating revenue, profit (loss), assets and other items by reportable segment

For the fiscal year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)

(Millions of yen)

	Urban Transporta- tion and Regional	Hotel and Leisure	Real Estate	Construction	Hawaii Business	Other (Note 1)	Total	Adjustments (Note 2)	Amount in the quarterly consolidated financial statement (Note 3)
Operating revenue									
Operating revenue from external customers	147,887	180,436	46,706	81,234	22,417	33,327	512,009	—	512,009
Inter-segment operating revenue and transfer	8,607	8,107	7,064	33,761	749	3,901	62,192	(62,192)	—
Total	156,494	188,544	53,771	114,996	23,167	37,228	574,201	(62,192)	512,009
Segment profit	26,804	14,092	7,889	9,825	4,250	720	63,582	(1,126)	62,456
Segment assets	518,540	567,971	382,037	80,562	65,663	55,437	1,670,212	(42,343)	1,627,868
Other items									
Depreciation	20,684	12,876	8,312	381	1,794	2,645	46,694	(1,036)	45,658
Increase in property, plant and equipment and intangible assets	27,342	32,567	73,107	441	7,453	3,090	144,003	(5,087)	138,915

(Notes) 1. “Other” consists of the Izuhakone Business, Ohmi Business and Seibu Lions Business.

2. Details of adjustments are as follows:

- (1) Adjustments for operating revenue of ¥(62,192) million mainly consist of elimination of inter-company transactions.
- (2) Adjustments for segment profit of ¥(1,126) million mainly consist of elimination of inter-company transactions.
- (3) Adjustments for segment assets of ¥(42,343) million mainly consist of elimination of inter-company transactions and adjustments of net defined benefit asset. The amount of corporate assets which are not allocable to the reportable segments, such as surplus funds (cash and deposits), is ¥6,505 million.
- (4) Adjustments for increase in property, plant and equipment and intangible assets of ¥(5,087) million are mainly due to elimination of inter-company transactions.

3. Segment profit has been reconciled with operating profit in the consolidated statement of income.

For the fiscal year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)

(Millions of yen)

	Urban Transporta- tion and Regional	Hotel and Leisure	Real Estate	Construction	Hawaii Business	Other (Note 1)	Total	Adjustments (Note 2)	Amount in the quarterly consolidated financial statement (Note 3)
Operating revenue									
Operating revenue from external customers	153,566	196,337	54,768	74,123	16,192	35,642	530,631	–	530,631
Inter-segment operating revenue and transfer	8,489	8,516	7,524	25,879	(817)	3,784	53,376	(53,376)	–
Total	162,056	204,854	62,292	100,002	15,375	39,427	584,007	(53,376)	530,631
Segment profit (loss)	27,254	17,299	15,818	4,752	(2,002)	1,048	64,171	88	64,259
Segment assets	531,580	585,555	399,238	72,789	66,174	56,318	1,711,657	(39,680)	1,671,977
Other items									
Depreciation	21,807	15,439	9,259	399	2,099	2,912	51,918	(917)	51,000
Increase in property, plant and equipment and intangible assets	32,002	23,542	27,018	473	5,296	4,160	92,494	(2,590)	89,903

(Notes) 1. “Other” consists of the Izuhakone Business, Ohmi Business and Seibu Lions Business.

2. Details of adjustments are as follows:

- (1) Adjustments for operating revenue of ¥(53,376) million mainly consist of elimination of inter-company transactions.
- (2) Adjustments for segment profit (loss) of ¥88 million mainly consist of elimination of inter-company transactions.
- (3) Adjustments for segment assets of ¥(39,680) million mainly consist of elimination of inter-company transactions and adjustments of net defined benefit asset. The amount of corporate assets which are not allocable to the reportable segments, such as surplus funds (cash and deposits), is ¥8,169 million.
- (4) Adjustments for increase in property, plant and equipment and intangible assets of ¥(2,590) million are mainly due to elimination of inter-company transactions.

3. Segment profit (loss) has been reconciled with operating profit in the consolidated statement of income.

(b) Impairment loss on non-current assets by reportable segment

For the fiscal year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)

(Millions of yen)

	Urban Transportation and Regional	Hotel and Leisure	Real Estate	Construction	Hawaii Business	Other	Unallocated amount and elimination	Total
Impairment loss	27	27	–	9	–	696	–	760

(Note) The amount in “Other” consists of an amount relating to Izuhakone Business and Ohmi Business.

For the fiscal year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)

(Millions of yen)

	Urban Transportation and Regional	Hotel and Leisure	Real Estate	Construction	Hawaii Business	Other	Unallocated amount and elimination	Total
Impairment loss	10	38	–	2	1,154	872	–	2,076

(Note) The amount in “Other” consists of an amount relating to Izuhakone Business and Ohmi Business.

Per share information

(Yen)

	Previous fiscal year (From April 1, 2016 to March 31, 2017)	Current fiscal year (From April 1, 2017 to March 31, 2018)
Net assets per share	1,132.40	1,240.09
Basic earnings per share	149.39	136.67
Diluted earnings per share	149.31	136.57

(Note) 1. The basis for calculation of net assets per share is as follows:

	Previous fiscal year (As of March 31, 2017)	Current fiscal year (As of March 31, 2018)
Total net assets (Millions of yen)	360,133	394,947
Amounts deducted from total net assets (Millions of yen)	4,810	5,437
[Of the above, share acquisition rights (Millions of yen)]	[385]	[487]
[Of the above, non-controlling interests (Millions of yen)]	[4,425]	[4,949]
Net assets related to common shares (Millions of yen)	355,322	389,510
Number of common shares used to calculate net assets per share (share)	313,779,612	314,097,841

2. The basis for calculation of basic earnings per share and diluted earnings per share is as follows:

	Previous fiscal year (From April 1, 2016 to March 31, 2017)	Current fiscal year (From April 1, 2017 to March 31, 2018)
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	47,564	42,908
Amounts not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent related to common shares (Millions of yen)	47,564	42,908
Average number of outstanding common shares during period (share)	318,398,310	313,947,384
Diluted earnings per share		
Adjustments to profit attributable to owners of parent (Millions of yen)	—	—
Increase in the number of common shares (share)	170,365	237,856
[Of the above, share acquisition rights (share)]	[170,365]	[237,856]
Overview of potential shares not included in the calculation of diluted earnings per share because of having no dilutive effect	—	—

3. Shares of the Company retained in trust and recorded as treasury shares under shareholders' equity are included in treasury shares deducted from total number of issued shares at end of period when calculating net assets per share. Moreover, in calculating basic earnings per share, they are included in the number of treasury shares deducted from the average number of outstanding shares during period.

The number of treasury shares at end of period deducted in calculating net assets per share for the fiscal year ended March 31, 2017 was 894,000, and for the fiscal year ended March 31, 2018 was 599,400. The average number of treasury shares during period deducted in calculating the basic earnings per share for the fiscal year ended March 31, 2017 was 1,046,285 and for the fiscal year ended March 31, 2018 was 743,969.

4. The portion attributable to the Company of the treasury shares (shares of the Company) held by equity-method associates and recorded as treasury shares under shareholders' equity is included in the number of treasury shares that are deducted from total number of issued shares at end of period when calculating net assets per share. Moreover, in calculating basic earnings per share, it is included in treasury shares that are deducted in the calculation of the average number of outstanding shares during the period.

The numbers of treasury shares at end of period deducted in calculating net assets per share for the fiscal years ended March 31, 2017 and 2018, were 22,243,031. The average numbers of treasury shares during period deducted in calculating the basic earnings per share for the fiscal years ended March 31, 2017 and 2018, were 22,243,031.

Significant events after the reporting period

Not applicable.