

Quarterly consolidated financial statements  
(1) Quarterly consolidated balance sheet

(Millions of yen)

|  | As of March 31, 2020 | As of December 31, 2020 |
|--|----------------------|-------------------------|
| <b>Assets</b>                          |                      |                         |
| Current assets                         |                      |                         |
| Cash and deposits                      | 14,918               | 30,013                  |
| Notes and accounts receivable - trade  | 21,947               | 20,912                  |
| Securities                             | 2,178                | 1,085                   |
| Land and buildings for sale            | 123,881              | 130,652                 |
| Merchandise                            | 1,836                | 1,930                   |
| Other                                  | 12,617               | 13,557                  |
| Allowance for doubtful accounts        | (364)                | (625)                   |
| Total current assets                   | 177,016              | 197,526                 |
| Non-current assets                     |                      |                         |
| Property, plant and equipment          |                      |                         |
| Buildings and structures, net          | 222,247              | 219,310                 |
| Machinery, equipment and vehicles, net | 17,412               | 16,529                  |
| Land                                   | 223,746              | 223,680                 |
| Construction in progress               | 5,477                | 10,157                  |
| Other, net                             | 10,166               | 10,265                  |
| Total property, plant and equipment    | 479,049              | 479,944                 |
| Intangible assets                      | 8,576                | 8,242                   |
| Investments and other assets           |                      |                         |
| Investment securities                  | 44,680               | 41,879                  |
| Long-term loans receivable             | 411                  | 316                     |
| Deferred tax assets                    | 10,163               | 11,927                  |
| Retirement benefit asset               | 598                  | 667                     |
| Other                                  | 12,614               | 13,431                  |
| Allowance for doubtful accounts        | (286)                | (205)                   |
| Total investments and other assets     | 68,182               | 68,016                  |
| Total non-current assets               | 555,808              | 556,202                 |
| Total assets                           | 732,824              | 753,728                 |

(Millions of yen)

|   | As of March 31, 2020 | As of December 31, 2020 |
|---|----------------------|-------------------------|
| <b>Liabilities</b>  |                      |                         |
| Current liabilities   |                      |                         |
| Notes and accounts payable - trade                                      | 9,450                | 11,589                  |
| Short-term borrowings   | 75,224               | 63,626                  |
| Short-term bonds payable  | 7,999                | –                       |
| Current portion of bonds payable  | 20,039               | 30,004                  |
| Income taxes payable  | 4,187                | 4,339                   |
| Advances received   | 6,293                | 12,040                  |
| Provision for bonuses   | 2,971                | 1,046                   |
| Provision for loss on unused gift certificate                           | 702                  | 754                     |
| Other   | 40,827               | 38,686                  |
| Total current liabilities   | 167,695              | 162,087                 |
| Non-current liabilities   |                      |                         |
| Bonds payable   | 80,000               | 100,000                 |
| Long-term borrowings  | 143,869              | 156,369                 |
| Long-term accounts payable - other                                      | 369                  | 310                     |
| Deferred tax liabilities  | 8,825                | 8,502                   |
| Deferred tax liabilities for land revaluation                           | 33,046               | 33,046                  |
| Provision for retirement benefits for directors<br>(and other officers) | 228                  | 182                     |
| Retirement benefit liability  | 19,093               | 18,943                  |
| Other   | 25,636               | 25,458                  |
| Total non-current liabilities   | 311,069              | 342,814                 |
| Total liabilities   | 478,765              | 504,902                 |
| Net assets  |                      |                         |
| Shareholders' equity  |                      |                         |
| Share capital   | 51,466               | 51,466                  |
| Capital surplus   | 28,792               | 28,792                  |
| Retained earnings   | 150,926              | 147,457                 |
| Treasury shares   | (21,640)             | (21,652)                |
| Total shareholders' equity  | 209,545              | 206,064                 |
| Accumulated other comprehensive income                                  |                      |                         |
| Valuation difference on available-for-sale securities                   | 6,648                | 4,363                   |
| Revaluation reserve for land  | 36,375               | 36,374                  |
| Foreign currency translation adjustment                                 | 71                   | (53)                    |
| Remeasurements of defined benefit plans                                 | (2,904)              | (2,433)                 |
| Total accumulated other comprehensive income                            | 40,191               | 38,251                  |
| Share acquisition rights  | 110                  | 144                     |
| Non-controlling interests   | 4,212                | 4,366                   |
| Total net assets  | 254,058              | 248,826                 |
| Total liabilities and net assets  | 732,824              | 753,728                 |

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income  
Quarterly consolidated statement of income (cumulative)

(Millions of yen)

|   | Nine months ended<br>December 31, 2019 | Nine months ended<br>December 31, 2020 |
|---|--|--|
| Operating revenue   | 246,932                                | 182,908                                |
| Operating expenses  |  |  |
| Operating expenses and cost of sales of transportation      | 182,891                                | 151,861                                |
| Selling, general and administrative expenses                | 32,604                                 | 30,775                                 |
| Total operating expenses                                    | 215,495                                | 182,637                                |
| Operating profit  | 31,437                                 | 270                                    |
| Non-operating income  |  |  |
| Interest income   | 41                                     | 33                                     |
| Dividend income   | 944                                    | 565                                    |
| Subsidies for employment adjustment                         | –                                      | 1,369                                  |
| Miscellaneous income  | 700                                    | 1,161                                  |
| Total non-operating income                                  | 1,686                                  | 3,129                                  |
| Non-operating expenses                                      |  |  |
| Interest expenses   | 1,668                                  | 1,567                                  |
| Share of loss of entities accounted for using equity method | 108                                    | 24                                     |
| Miscellaneous expenses                                      | 656                                    | 1,059                                  |
| Total non-operating expenses                                | 2,433                                  | 2,651                                  |
| Ordinary profit   | 30,690                                 | 749                                    |
| Extraordinary income  |  |  |
| Gain on sales of investment securities                      | 827                                    | 3,406                                  |
| Subsidies   | 385                                    | 460                                    |
| Gain on sales of non-current assets                         | 11                                     | 47                                     |
| Contribution for construction                               | 507                                    | 24                                     |
| Compensation income   | 1,093                                  | –                                      |
| Other   | 6                                      | –                                      |
| Total extraordinary income                                  | 2,831                                  | 3,939                                  |
| Extraordinary losses  |  |  |
| Loss on COVID-19  | –                                      | 947                                    |
| Impairment loss   | 38                                     | 192                                    |
| Loss on retirement of non-current assets                    | 344                                    | 113                                    |
| Loss on tax purpose reduction entry of non-current assets   | 930                                    | 20                                     |
| Other   | –                                      | 131                                    |
| Total extraordinary losses                                  | 1,313                                  | 1,404                                  |
| Profit before income taxes                                  | 32,208                                 | 3,283                                  |
| Income taxes - current                                      | 9,582                                  | 6,106                                  |
| Income taxes - deferred                                     | 846                                    | (1,405)                                |
| Total income taxes  | 10,428                                 | 4,701                                  |
| Profit (loss)   | 21,779                                 | (1,417)                                |
| Profit attributable to non-controlling interests            | 537                                    | 176                                    |
| Profit (loss) attributable to owners of parent              | 21,242                                 | (1,593)                                |

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

|  | Nine months ended<br>December 31, 2019 | Nine months ended<br>December 31, 2020 |
|--|--|--|
| Profit (loss)  | 21,779                                 | (1,417)                                |
| Other comprehensive income   |  |  |
| Valuation difference on available-for-sale securities                                | 599                                    | (2,281)                                |
| Remeasurements of defined benefit plans, net of tax                                  | 226                                    | 471                                    |
| Share of other comprehensive income of entities<br>accounted for using equity method | 45                                     | (125)                                  |
| Total other comprehensive income   | 871                                    | (1,935)                                |
| Comprehensive income   | 22,651                                 | (3,352)                                |
| Comprehensive income attributable to   |  |  |
| Comprehensive income attributable to owners of<br>parent                             | 22,091                                 | (3,533)                                |
| Comprehensive income attributable to non-<br>controlling interests                   | 559                                    | 180                                    |

(3) Notes on quarterly consolidated financial statements

*Notes on premise of going concern*

No items to report.

*Notes on significant changes in the amount of shareholders' equity*

No items to report.

*Additional information*

(Accounting estimates associated with the impact of the spread of novel coronavirus disease (COVID-19))

Regarding the impact of the spread of COVID-19 on the Group, while a state of emergency was declared in Osaka and Kyoto prefectures on January 14, 2021, there are no significant changes to the assumptions regarding when the impact of COVID-19 will come to a halt, as stated in the securities report for the second quarter of the current fiscal year.

However, there are many uncertainties regarding the impact of COVID-19, and it may have a significant impact on the Group's operating results.