

Tokyu Corporation

Consolidated Financial Statements First Quarter of the Fiscal Year Ending March 31, 2022

(April 1, 2021 – June 30, 2021)

This document has been translated from the original Japanese as a guide for non-Japanese investors. It contains forward-looking statements based on a number of assumptions and beliefs made by management in light of information currently available. Actual financial results may differ materially depending on a number of factors, including changing economic conditions, legislative and regulatory developments, delay in new product and service launches, and pricing and product initiatives of competitors.



SUMMARY OF FINANCIAL STATEMENTS [Japanese Accounting Standards] (Consolidated) For the First Quarter of the Fiscal Year Ending March 31, 2022

Tokyu Corporation

August 11, 2021

Stock Code: 9005	Listed exchanges: Tokyo Stock Exchange First Section	
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Planned date for submission of quarterly financial reports: August 11, 2021		
Scheduled date of commencement of dividend payment: —		
Supplementary documents for quarterly results: YES		
Quarterly results briefing (for institutional investor and analysts): NO		

* Amounts of less than ¥1 million have been rounded down.

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2022 (April 1, 2021 to June 30, 2021)

(Figures in percentages denote the year-on-year change)

1) Consolidated Operating Results

Million yen

	Three months ended June 30, 2021		Three months ended June 30, 2020	
	199,175	Change (%)	209,755	Change (%)
Operating revenue.....	199,175	-5.0	209,755	-25.1
Operating profit.....	1,129	—	-15,716	—
Recurring profit.....	1,714	—	-18,161	—
Profit attributable to owners of parent	9,309	—	-20,141	—
Net income per share (¥).....	15.45		-33.34	
Net income per share (diluted) (¥).....	—		—	

Notes: (1) Comprehensive Income: Three months ended June 30, 2021: ¥14,253 million [–%]

Three months ended June 30, 2020: ¥-21,757 million [–%]

(2) As the Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the first quarter of the fiscal year ending March 31, 2022, the figures for the first quarter of the fiscal year ending March 2022 are the figures after the relevant accounting standards have been adopted.

2) Consolidated Financial Position

Million yen

	As of June 30, 2021	As of March 31, 2021
Total assets	2,479,855	2,476,061
Net assets	754,094	752,538
Equity ratio (%).....	28.4	28.4

Reference: Shareholders' equity: First quarter ended June 30, 2021: ¥703,701 million

FY ended March 31, 2021: ¥702,355 million

Note: As the Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the first quarter of the fiscal year ending March 31, 2022, the figures for the first quarter of the fiscal year ending March 2022 are the figures after the relevant accounting standards have been adopted.

2. Dividends

	FY ending March 31, 2022 (forecast)	FY ending March 31, 2022	FY ended March 31, 2021
Dividend per share – end of first quarter (¥)		—	—
Dividend per share – end of first half (¥)	7.50		10.00
Dividend per share – end of third quarter (¥)	—		—
Dividend per share – end of term (¥)	7.50		5.00
Dividend per share – annual (¥)	15.00		15.00

Note: Revisions to dividend forecasts published most recently: No

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(Figures in percentages denote the year-on-year change)

Million yen

	Full year	
	898,200	Change (%)
Operating revenue.....	898,200	-4.0
Operating profit.....	20,000	—
Recurring profit.....	15,600	—
Profit attributable to owners of parent.....	10,000	—
Net income per share (¥).....	16.55	

Notes: (1) Revision to consolidated business performance forecasts published most recently: No
(2) As the Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the first quarter of the fiscal year ending March 31, 2022, the above consolidated earnings forecasts are figures after adopting the relevant accounting standards.

*** Notes**

(1) Changes in important subsidiaries during the consolidated quarter (cumulative) under review (changes in specified subsidiaries resulting in changes in the scope of consolidation): No

(2) Application of specific accounting treatment to the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of revisions

1) Changes in accounting policies with revision of accounting standards, etc.: Yes

2) Changes in accounting policies other than 1): No

3) Changes in accounting estimates: No

4) Restatement of revisions: No

(Note) For details, please see the statement under the heading of "2. Matters Relating to Summary Information (Notes), (1) Changes in accounting policies, Changes in accounting estimates, and restatement of revisions" on page 3 of the accompanying materials.

(4) Number of shares issued (common stock)

1) Number of shares issued at the end of the term (including treasury stock) (shares)

As of June 30, 2021:	624,869,876	As of March 31, 2021:	624,869,876
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2) Number of treasury stock at the end of the term (shares)

As of June 30, 2021:	23,296,615	As of March 31, 2021:	20,776,928
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3) Average numbers of shares issued during the terms (quarterly consolidated accumulation periods)

Three months ended June 30, 2021:	602,724,744
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Three months ended June 30, 2020:	604,070,477
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(Note) The number of treasury stock includes shares of the Company held by a group of shareholding employees in trust and compensation for Directors in trust, as follows:

As of June 30, 2021: 3,296,000 shares	As of March 31, 2021: 310,500 shares
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* The summary of financial statements is not subject to audit.

* Explanations about the proper use of financial forecasts and other important notes

(Notes on forecast results)

The forecast results presented above are based on information available on the date of this announcement and assumptions considered reasonable.

Actual results may differ materially from the forecasts depending on a number of factors.

For details on the forecast results, please see the statement under the heading of "1. Qualitative Information on Consolidated Financial Results, etc. for the First Quarter of FY2021, (3) Explanation about the future outlook, including forecast for consolidated earnings" in the accompanying materials.

(Method of acquiring supplementary documents for quarterly results)

The "Summary of Results for the First Quarter of FY2021" will be disclosed on Timely Disclosure network (TDnet) and our IR website today (August 11, 2021).

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1. Qualitative Information on Consolidated Financial Results, etc. for the First Quarter of FY2021

(1) Explanation about Consolidated Financial Results

During the first quarter of the consolidated fiscal year under review, the situation surrounding the Japanese economy continued to be uncertain due to the COVID-19 pandemic. Businesses operated by the Company and its consolidated subsidiaries were affected by the reduced business hours and the temporary closure of some sales floors due to the third state of emergency that was declared in April this year.

Operating revenue for the first quarter under review decreased 5.0% year on year, to ¥199,175 million, due to the application of the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020, hereinafter the “Revenue Recognition Accounting Standard”), etc. Operating profit came to ¥1,129 million (compared to the operating loss of ¥15,716 million in the same period of the previous fiscal year) because the number of customers began to recover mainly in the Transportation Business and the Hotel and Resort Business following the people refraining from leaving home and the temporary closure of sales floors which impacted the Company's businesses during the state of emergency declared in April last year. Recurring profit stood at ¥1,714 million (compared to the recurring loss of ¥18,161 million in the same period of the previous fiscal year). Profit attributable to owners of parent was ¥9,309 million (compared to loss attributable to owners of parent of ¥20,141 million in the same period of the previous fiscal year) due to the posting of gain on sale of fixed assets.

Operating results on a segmental basis are as follows. The results for individual segments include inter-segment internal revenues or transfers where applicable. The Company presents operating profit for each reported segment as segment profit in this document.

The Group began applying the Revenue Recognition Accounting Standard and related measures at the beginning of the first quarter of the consolidated fiscal year under review. For details, please see “2. Matters Relating to Summary Information (Notes), (1) Changes in accounting policies, Changes in accounting estimates, and restatement of revisions”.

(i) Transportation

In the Transportation Business segment, the number of passengers carried in the railway operations business of Tokyu Railways climbed 33.1% year on year, reflecting a 14.3% increase in the number of commuters carried and a 73.5% rise in the number of non-commuters carried.

As a result, operating revenue for the segment increased 31.6% year on year, to ¥39,530 million, resulting in an operating profit of ¥271 million for the segment (as opposed to operating loss of ¥9,826 million in the same period of the previous fiscal year).

(Operation results of Tokyu Railway's railway operations)

Categories		Units	First quarter of the previous fiscal year	First quarter of the fiscal year under review
			April 1, 2020 to June 30, 2020	April 1, 2021 to June 30, 2021
Number of operating days		Days	91	91
Operating distance		Kilometers	104.9	104.9
Operating distance of passenger trains		Thousand kilometers	38,175	36,953
Number of passengers carried	Non-commuter	Thousand passengers	53,354	92,553
	Commuter	Thousand passengers	114,216	130,544
	Total	Thousand passengers	167,570	223,097
Passenger revenue	Non-commuter	Million yen	8,558	15,017
	Commuter	Million yen	11,043	11,332
	Total	Million yen	19,601	26,349
Miscellaneous income from railway operations		Million yen	3,516	3,556
Total revenues		Million yen	23,117	29,905
Average passenger revenue per day		Million yen	215	290
Operating efficiency		%	28.0	38.0

(Note) Calculation method of the operating efficiency

$$\text{Operating efficiency} = \frac{\text{Number of passengers carried}}{\text{Operating distance of passenger trains}} \times \frac{\text{Average service distance}}{\text{Average transportation capacity}} \times 100$$

(ii) Real Estate

In the Real Estate Business segment, operating revenue increased 3.2% year on year, to ¥46,114 million chiefly because of a reactionary increase in the Company's real estate leasing business following the suspension of some facility operations due to the state of emergency declared in April last year. Operating profit decreased 21.2% year on year, to ¥5,923 million mainly because the operations of some hotels in complex facilities were affected by the COVID-19 pandemic.

(iii) Life Service

In the Live Service Business segment, operating revenue decreased 18.5% year on year, to ¥117,633 million due to the application of the Revenue Recognition Accounting Standard and related measures, although there was a recovery in the number of customers compared to the previous year despite the reduced business hours. Operating profit came to ¥138 million (as opposed to the operating loss of ¥2,795 million in the same period of the previous fiscal year).

(iv) Hotel and Resort

In the Hotel and Resort Business segment, the occupancy rate rose to 31.2% (up 17.9 points from the same period of the previous fiscal year), mainly reflecting the continuing impact of the COVID-19 pandemic on Tokyu Hotels Co., Ltd.'s hotel operations, despite a reactionary increase following their temporary closure during the state of emergency declared in April last year. As a result, operating revenue for the segment increased 67.7% year on year, to ¥8,780 million, with an operating loss of ¥5,323 million for the segment (compared with operating loss of ¥10,765 million in the same period of the previous fiscal year).

(2) Explanation about Consolidated Financial Position**Assets**

Total assets rose ¥2,479,855 million from the end of the previous fiscal year, to ¥3,793 million at the end of the first quarter under review, primarily due to an increase in the Company's land and buildings for sales in lots.

Liabilities

Liabilities increased ¥2,237 million from the end of the previous fiscal year, to ¥1,725,760 million, attributable to interest-bearing debt* of ¥1,222,417 million (rising ¥40,222 million year on year).

Net assets

Net assets rose ¥1,555 million from the end of the previous fiscal year, to ¥754,094 million. This was primarily attributable to the posting of profit attributable to owners of parent.

* Interest-bearing debt: the sum of debt, corporate bonds, and commercial papers

(3) Explanation about the future outlook, including forecast for consolidated earnings

Full-year consolidated financial forecasts remain unchanged for the previously announced forecasts (announced on May 13, 2021), although changes have been made, mainly to the breakdown by segment. For details, please see the Summary of Results for the First Quarter of FY2021 disclosed separately.

* The forecast results presented above are based on information available as of the date of this announcement and assumptions considered reasonable. Actual results may differ materially from forecasts depending on a number of factors.

2. Matters Relating to Summary Information (Notes)

(1) Changes in accounting policies, Changes in accounting estimates, and restatement of revisions

(Changes in accounting policies)

(Adoption of the Accounting Standard for Revenue Recognition, etc.)

The Group began applying the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020, hereinafter the “Revenue Recognition Accounting Standard”), etc. at the beginning of the first quarter of the fiscal year under review. Accordingly, it recognized revenue in the amount expected to be received in exchange for promised goods or services at points where control over such goods or services is transferred to customers.

Major changes attributable to the application of the Revenue Recognition Accounting Standard and related measures are as follows.

(1) Revenue recognition for agent transactions

Previously, the total consideration received from customers in transactions in which the goods were considered delivered at the time they are sold, advertising media transactions and transactions involving drop-shipping had been recognized as revenue. Currently, transactions in which the Company and its consolidated subsidiaries provide merchandise or services to customers as an agent, the Group recognizes the net amount calculated by subtracting the amount paid to the suppliers of the merchandise or providers of the services from amount received from customers as revenue.

(2) Revenue recognition for point programs

The Company offers a customer loyalty program in which customers are provided with points that can be used to receive discounts on purchases. It had been recognizing the face value of points as revenue when points are redeemed. Currently, the Group is separating the transaction value into the products portion and the points portion according to percentages of the item’s standalone selling price, and recognizes the points portion of the transaction value at the time of point redemption as revenue.

(3) Revenue recognition for commuter passes

The Group had previously prorated the amount of revenue that it recognized from commuter passes according to the type of commuter pass on a monthly basis, starting from the date of the pass’s sale. Now, with a commuter pass being usable unlimitedly within a specific section during the period of its validity, the Group recognizes revenue over the validity period.

In its application of the Revenue Recognition Accounting Standard and related measures, the Group followed the provisional measures stated in paragraph 84 of the Revenue Recognition Accounting Standard. Accordingly, it adjusted retained earnings as of the beginning of the first quarter of the consolidated fiscal year under review to reflect the cumulative effect of the retrospective application of the new accounting policies to the time prior to the beginning of the first quarter of the consolidated fiscal year under review. However, the Group applied the method prescribed in paragraph 86, subparagraph (1) of the Revenue Recognition Accounting Standard in its accounting based on the terms of its contracts and all revisions regarding contracts made before the beginning of the first quarter of the consolidated fiscal year under review. The Group then adjusted its retained earnings as of the beginning of the first quarter of the consolidated fiscal year under review to reflect the cumulative effect of this adjustment.

As a result, operating revenue and operating expenses for the first quarter of the consolidated fiscal year under review decreased ¥38,702 million and ¥38,549 million, respectively, resulting in a ¥153 million decline in operating profit as well as decreases in both recurring profit and profit attributable to owners of parent of ¥167 million. In addition, the balance of retained earnings at beginning of period decreased ¥5,409 million.

In its application of the Revenue Recognition Standard and related measures, the Group decided to include trade notes and accounts receivable, which had been presented as current assets in the consolidated balance sheet for the previous consolidated fiscal year, in trade notes and accounts

receivable and contract assets starting from the first quarter of the consolidated fiscal year under review. For the same reason, it decided to include advances received, which had been presented in current liabilities, in advances received and contract liabilities, starting from the first quarter of the consolidated fiscal year under review. According to the transitional measures prescribed in paragraph 89-2 of the Revenue Recognition Accounting Standard, the Group did not implement a reclassification that reflects the new method for presenting the results of the previous consolidated fiscal year. In addition, according to the transitional measures prescribed in the paragraph 28-15 of the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12, March 31, 2020), the Group did not include information on the breakdown of revenue arising from contracts with customers in the first quarter of the previous consolidated fiscal year.

(Application of Accounting Standard for Fair Value Measurement, etc.)

The Group decided to apply the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019, hereinafter the “Fair Value Measurement Accounting Standard”) at the beginning of the first quarter of the fiscal year under review. Accordingly it decided to continue to adopt the new accounting policies specified in the Fair Value Accounting Standard and other standards according to the transitional measures prescribed in the paragraph 19 of the Fair Value Measurement Accounting Standard and the paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019). As a result, bonds payable, other securities and derivative transactions, which were reflected in quarterly consolidated balance sheets at their acquisition prices because they were traditionally considered financial products whose market values are extremely difficult to grasp, are and will be reflected in quarterly consolidated balances at their market prices calculated using unobservable input based on the best information available, even when it is not possible to obtain observable input.

3. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

Million yen

Item	As of March 31, 2021	As of June 30, 2021
Assets		
Current Assets		
Cash and deposits	45,964	46,854
Trade notes & accounts receivable	121,756	127,405
Contract assets	–	7,461
Merchandise and products	11,864	11,950
Land and buildings for sale	70,108	77,747
Work in progress	7,092	5,174
Raw materials and supplies	8,460	8,424
Others	62,224	45,502
Allowance for doubtful accounts	(1,247)	(1,294)
Total current assets	326,225	329,226
Fixed Assets		
Tangible fixed assets		
Buildings & structures (net)	843,871	842,835
Rolling stock & machinery (net)	74,735	80,056
Land	727,884	712,542
Construction in progress	135,638	146,605
Others (net)	27,360	26,848
Total tangible fixed assets	1,809,491	1,808,888
Intangible fixed assets	36,941	36,355
Investments & others		
Investment securities	203,685	206,367
Net defined benefit asset	6,806	6,799
Deferred tax assets	24,454	23,642
Others	68,991	69,192
Allowance for doubtful accounts	(533)	(617)
Total investments & others	303,403	305,384
Total fixed assets	2,149,836	2,150,628
Total Assets	2,476,061	2,479,855

Million yen

Item	As of March 31, 2021	As of June 30, 2021
Liabilities		
Current Liabilities		
Trade notes & accounts payable	96,900	78,091
Short-term debt	405,932	412,466
Commercial papers	10,000	20,000
Current portion of corporate bonds	–	10,000
Accrued income taxes	6,949	4,389
Contract liabilities	–	42,715
Provision	11,797	7,372
Advances received	28,356	18,237
Others	128,529	93,619
Total current liabilities	688,466	686,892
Long-Term Liabilities		
Corporate bonds	270,000	280,000
Long-term debt	496,262	499,950
Provision	3,063	2,242
Net defined benefit liability	44,492	44,962
Long-term deposits from tenants and club members	136,226	134,653
Deferred tax liabilities	13,761	13,530
Deferred tax liabilities from revaluation	9,168	9,168
Others	52,040	44,947
Total long-term liabilities	1,025,016	1,029,454
Special Legal Reserves		
Urban railways improvement reserve	10,040	9,412
Total Liabilities	1,723,522	1,725,760
Net Assets		
Shareholders' Equity		
Common stock	121,724	121,724
Capital surplus	134,095	134,230
Retained income	455,201	456,078
Treasury stock	(37,153)	(40,745)
Total shareholders' equity	673,868	671,288
Accumulated Other Comprehensive Income		
Net unrealized gains (losses) on investment securities, net of taxes	20,509	20,070
Net unrealized gains (losses) on hedging instruments, net of taxes	(75)	(24)
Land revaluation reserve	8,700	8,700
Foreign currency translation adjustment account	895	4,621
Remeasurements of defined benefit plans	(1,542)	(954)
Total accumulated other comprehensive income	28,486	32,412
Non-Controlling Interests	50,183	50,393
Total Net Assets	752,538	754,094
Total Liabilities and Net Assets	2,476,061	2,479,855

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statements of Comprehensive Income**(Quarterly Consolidated Statements of Income)**

Million yen

Item	April 1, 2020 to June 30, 2020	April 1, 2021 to June 30, 2021
Operating Revenue	209,755	199,175
Cost of operating revenue		
Operating expenses & cost of sales (Transportation, etc.)	175,457	147,237
SG&A expenses	50,013	50,808
Total cost of operating revenue	225,471	198,046
Operating Profit (Loss)	(15,716)	1,129
Non-operating profit		
Interest income	70	57
Dividend income	450	378
Investment gains from equity method	–	4
Dividend income of insurance	729	801
Compensation income	1,379	–
Subsidies for employment adjustment	*1 41	*1 1,498
Others	678	1,145
Total non-operating profit	3,350	3,886
Non-operating expenses		
Interest expenses	2,165	2,153
Share of loss of entities accounted for using equity method	2,101	–
Others	1,528	1,147
Total non-operating expenses	5,795	3,301
Recurring Profit (Loss)	(18,161)	1,714
Extraordinary gains		
Gains on sale of fixed assets	18	14,348
Subsidies received for construction	169	151
Gain on reversal of Urban Railways Improvement Reserve	627	627
Others	268	220
Total extraordinary gains	1,084	15,348
Extraordinary losses		
Reduction entry of land contribution for construction	123	132
Loss on retirement of fixed assets	54	16
Losses related to the spread of COVID-19	*2 2,736	*2 257
Others	249	367
Total extraordinary losses	3,164	773
Income (Loss) before Income Taxes	(20,241)	16,289
Corporate income taxes	62	7,252
Net Income (Loss)	(20,303)	9,036
Loss attributable to non-controlling interests	(161)	(273)
Profit (loss) attributable to owners of parent	(20,141)	9,309

(Quarterly Consolidated Statements of Comprehensive Income)*Million yen*

Item	April 1, 2020 to June 30, 2020	April 1, 2021 to June 30, 2021
Net Income (Loss)	(20,303)	9,036
Other comprehensive income		
Net unrealized gains (losses) on investment securities	495	(652)
Net unrealized gains (losses) on hedging instruments	(0)	-
Foreign currency translation adjustment account	(2,209)	3,485
Remeasurements of defined benefit plans, net of tax	373	550
Share of other comprehensive income of associates accounted for using equity method	(113)	1,833
Total other comprehensive income	(1,453)	5,217
Comprehensive Income (Loss)	(21,757)	14,253
Comprehensive income attributable to		
Comprehensive income (loss) attributable to owners of parent	(21,006)	13,235
Comprehensive income (loss) attributable to non-controlling interests	(751)	1,017

(3) Notes to Quarterly Consolidated Financial Statements

(Notes Regarding the Premise of a Going Concern)

There is no applicable item.

(Notes If There Is a Considerable Change to Shareholders' Equity)

The Group started to apply the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. at the beginning of the first quarter of the fiscal year under review. For details, please see "2. Matters Relating to Summary Information (Notes), (1) Changes in accounting policies, Changes in accounting estimates, and restatement of revisions".

Following a resolution of the Board of Directors at their meeting on May 13, 2021, the Company introduced an Employee Stock Ownership Plan (ESOP) Trust and acquired 3,050,000 treasury shares at the cost of ¥4,413 million.

It also conducted a share exchange with an effective date of June 1, 2021, in which the Company became the wholly owning parent company and Nagano Tokyu Department Store Co., Ltd. was converted into a wholly owned subsidiary after the share exchange. As a result, treasury shares decreased ¥827 million in the first quarter of the consolidated fiscal year under review.

(Matters Related to Consolidated Quarterly Statements of Income)

*1 Employment Adjustment Subsidy

April 1, 2020 to June 30, 2020

The Company posted the Employment Adjustment Subsidy received in connection with the spread of COVID-19 under non-operating profit.

April 1, 2021 to June 30, 2021

The Company posted the Employment Adjustment Subsidy received in connection with the spread of COVID-19 under non-operating profit.

*2 Losses related to the spread of COVID-19

April 1, 2020 to June 30, 2020

Some hotels and commercial facilities of the Group were closed temporarily following the declaration of a state of emergency issued by the government and stay-at-home requests made by local authorities amid the spread of COVID-19. The Company decided that fixed expenses (personnel expenses, rents, and depreciation) incurred due to such temporary closings were contingent and therefore posted them as extraordinary losses.

April 1, 2021 to June 30, 2021

Commercial facilities of the Group were closed temporarily following the declaration of a state of emergency issued by the government and stay-at-home requests made by local authorities amid the spread of COVID-19. The Company decided that fixed expenses (personnel expenses, rents, and depreciation) incurred due to such temporary closings were contingent and therefore posted them as extraordinary losses.

(Additional Information)

(Approach to Incorporating the Effects of the COVID-19 Pandemic when Making Accounting Estimates)

There are no significant changes in assumptions, such as when the COVID-19 pandemic will come to an end as discussed in the significant accounting estimates in the annual securities report for the previous consolidated fiscal year.

(Segment Information)

I. April 1, 2020 to June 30, 2020

1. Information on operating revenue and operating profits or losses by reported segment

Million yen

	Reported segment				Total	Adjustments (Note) 1	Amount posted in the consolidated statement of income (Note) 2
	Transportation	Real Estate	Life Service	Hotel and Resort			
Operating revenue							
Outside customers	29,222	34,758	140,601	5,173	209,755	–	209,755
Inter-segment internal revenues or transfers	821	9,909	3,667	62	14,461	(14,461)	–
Total	30,043	44,668	144,268	5,236	224,216	(14,461)	209,755
Segment profit (loss)	(9,826)	7,513	(2,795)	(10,765)	(15,874)	158	(15,716)

Notes

1. An adjustment of ¥158 million in segment profit (loss) represents the deduction of intersegment transactions.
2. Segment profit (loss) has been adjusted with operating profit (loss) recorded in the consolidated quarterly statements of income.

II. April 1, 2021 to June 30, 2021

1. Information on operating revenue and operating profits or losses by reported segment

Million yen

	Reported segment				Total	Adjustments (Note) 1	Amount posted in the consolidated statement of income (Note) 2
	Transportation	Real Estate	Life Service	Hotel and Resort			
Operating revenue							
Outside customers	38,648	37,351	114,471	8,705	199,175	–	199,175
Inter-segment internal revenues or transfers	881	8,763	3,162	74	12,883	(12,883)	–
Total	39,530	46,114	117,633	8,780	212,058	(12,883)	199,175
Segment profit (loss)	271	5,923	138	(5,323)	1,010	118	1,129

Notes

1. An adjustment of ¥118 million in segment profit (loss) represents the deduction of intersegment transactions.
2. Segment profit (loss) has been adjusted with operating profit (loss) recorded in the consolidated quarterly statements of income.

2. Matters related to change, etc. in reported segment

As described in “2. Matters Relating to Summary information (Notes), (1) Changes in accounting policies, Changes in accounting estimates, and restatement of revisions”, the Group began applying the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. and related measures at the beginning of the first quarter of the fiscal year under review, changing its method of accounting. To reflect the change, it changed the method it uses to calculate profit and loss on a business segment basis. As a result, for the first quarter of the consolidated fiscal year under review, operation revenue and segment profit decreased ¥23 million and ¥174 million, respectively in the Transportation Business, operation revenue declined ¥3,452 million and segment profit increased ¥27 million in the Real Estate Business, operating revenue and segment profit fell ¥35,188 million and ¥88 million in the Life Service Business, and operating revenue and segment loss decreased ¥38 million and ¥82 million, respectively, in the Hotel and Resort Business.