

[Translation for reference only]

ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT

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May 14, 2019

Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 <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, 2019
Scheduled date to commence dividend payments: June 24, 2019
Scheduled date to file annual securities report: June 21, 2019
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, 2019 (from April 1, 2018 to March 31, 2019)

(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, 2019	565,939	6.7	73,332	14.1	65,415	17.9	45,457	5.9
March 31, 2018	530,631	3.6	64,259	2.9	55,490	(3.4)	42,908	(9.8)

Note: Comprehensive income

For the fiscal year ended March 31, 2019: ¥44,110 million [2.9%]
For the fiscal year ended March 31, 2018: ¥42,852 million [30.6%]

	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, 2019	145.21	145.09	11.3	3.9	13.0
March 31, 2018	136.67	136.57	11.5	3.4	12.1

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2019: ¥(67) million
For the fiscal year ended March 31, 2018: ¥(62) 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, 2019	1,728,929	422,715	24.1	1,346.05
March 31, 2018	1,669,223	394,947	23.3	1,240.09

Reference: Equity (Net assets – Share acquisition rights – Non-controlling interests)

As of March 31, 2019: ¥416,815 million
As of March 31, 2018: ¥389,510 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, 2019	88,104	(73,069)	(17,898)	26,269
March 31, 2018	103,772	(88,083)	(13,549)	29,628

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, 2018	—	11.50	—	11.50	23.00	7,749	16.8	1.9
March 31, 2019	—	11.50	—	18.50	30.00	10,018	20.7	2.3
Fiscal year ending March 31, 2020 (Forecast)	—	15.00	—	15.00	30.00		20.1	

**3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2020
(from April 1, 2019 to March 31, 2020)**

(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, 2019	294,500	4.0	40,100	(4.7)	36,000	(5.8)
Fiscal year ending March 31, 2020	584,400	3.3	71,000	(3.2)	62,700	(4.2)

	Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Yen
Six months ending September 30, 2019	25,800	(0.6)	83.32
Fiscal year ending March 31, 2020	46,200	1.6	149.20

*** 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, 2019	332,462,920 shares
As of March 31, 2018	342,124,820 shares

b. Number of treasury shares at end of period

As of March 31, 2019	22,803,961 shares
As of March 31, 2018	28,026,979 shares

c. Average number of outstanding shares during the period

Fiscal year ended March 31, 2019	313,037,802 shares
Fiscal year ended March 31, 2018	313,947,384 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 (283,100 shares as of March 31, 2019 and 599,400 shares as of March 31, 2018). 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 (435,343 shares for the fiscal year ended March 31, 2019 and 743,969 shares for the fiscal year ended March 31, 2018).
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 (22,120,813 shares as of March 31, 2019 and 22,243,031 shares as of March 31, 2018). 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 (22,212,560 shares for the fiscal year ended March 31, 2019 and 22,243,031 shares for the fiscal year ended March 31, 2018).
3. For further details about the number of shares as a basis of calculation of basic earnings per share (consolidated), please refer to pages 20-21 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, 2019
(from April 1, 2018 to March 31, 2019)

(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, 2019	18,908	34.9	9,808	72.0	11,003	72.6	9,755	65.5
March 31, 2018	14,021	(3.9)	5,700	(14.5)	6,376	(18.5)	5,894	(19.2)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2019	29.10	29.08
March 31, 2018	17.53	17.52

(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, 2019	1,158,574	358,315	30.9	1,078.46
March 31, 2018	1,160,815	365,667	31.5	1,085.74

Reference: Equity (Net assets)

As of March 31, 2019:

¥357,811 million

As of March 31, 2018:

¥365,180 million

*** Note**

The Company has applied “Implementation Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, February 16, 2018), effective from the beginning of the fiscal year ended March 31, 2019. The figures presented for the non-consolidated operating results for the fiscal year ended March 31, 2018 and non-consolidated financial position as of March 31, 2018 have been adjusted retrospectively to reflect the aforementioned standard.

* 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, 2020, please refer to page 7 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, 2019

During the fiscal year ended March 31, 2019, the Japanese economy has recovered gradually with the continuing improvement in the employment and income environment despite apparent weakness in some parts of exports and production. The outlook is unclear, however, particularly given concerns with respect to global economic effects of developments involving trade issues, as well as impacts of uncertainties regarding overseas economies and government policies and volatile financial and capital markets.

Under these conditions, during the fiscal year ended March 31, 2019, the Seibu Group formulated the Seibu Group's Medium-term Management Plan (FY2018-FY2020), a three-year plan for achieving sustainable and dynamic growth necessary to reach the Seibu Group's long-term target. Under this plan, following on from the previous plan (FY2017-FY2019), 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."

Within these activities, for creating new business areas, we initiated the "SWING" business creation program that connects ideas and society and goes beyond the boundaries of accelerator programs and conducted proactive initiatives such as investment in venture capital (VC) funds.

In the Hotel and Leisure business segment, we established the overseas luxury brand "The Prince Akatoki," and decided on hotel openings in London, U.K., and Guangzhou, China. In the Urban Transportation and Regional business segment, the new Limited Express train Laview commenced services, and in the Real Estate business segment, construction of the office building DaiyaGate Ikebukuro has been completed, with the final stage ending in February 2019.

The Group recorded the following results for the fiscal year ended March 31, 2019. Operating revenue was ¥565,939 million, up ¥35,307 million, or 6.7%, year on year. Operating profit was ¥73,332 million, up ¥9,072 million, or 14.1%, year on year. EBITDA was ¥127,329 million, up ¥11,749 million, or 10.2%, year on year.

Ordinary profit was ¥65,415 million, up ¥9,924 million, or 17.9%, year on year, due to increased operating profit. Profit attributable to owners of parent was ¥45,457 million, up ¥2,548 million, or 5.9%, year on year.

Operating results for the fiscal year ended March 31, 2019, in each segment were as follows.

(Millions of yen)

Segment	Operating revenue			Operating profit			EBITDA		
	For the year ended March 31, 2019	Change from previous year	Change (%)	For the year ended March 31, 2019	Change from previous year	Change (%)	For the year ended March 31, 2019	Change from previous year	Change (%)
Urban Transportation and Regional	163,088	1,032	0.6	27,087	(167)	(0.6)	48,765	(296)	(0.6)
Hotel and Leisure	219,801	14,946	7.3	19,741	2,441	14.1	36,077	3,337	10.2
Real Estate	69,651	7,358	11.8	20,095	4,277	27.0	30,420	5,343	21.3
Construction	109,690	9,687	9.7	5,890	1,138	24.0	6,315	1,163	22.6
Hawaii Business	19,089	3,714	24.2	(1,377)	625	—	1,206	1,109	—
Other	41,931	2,504	6.4	1,252	204	19.5	4,312	352	8.9
Total	623,252	39,244	6.7	72,691	8,519	13.3	127,098	11,008	9.5
Adjustments	(57,313)	(3,936)	—	641	552	626.1	231	741	—
Consolidated	565,939	35,307	6.7	73,332	9,072	14.1	127,329	11,749	10.2

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, 2018	For the year ended March 31, 2019	Change
Operating revenue	162,056	163,088	1,032
Railway operations	106,354	106,549	195
Bus operations	25,937	26,351	413
Leisure facilities along railway lines	22,095	22,551	455
Others	7,668	7,636	(32)

In railway operations for the fiscal year ended March 31, 2019, the number of passengers increased by 1.0% year on year (of which commuters increased by 1.1% and non-commuters increased by 0.9%), mainly reflecting the strong employment situation, the holding of baseball games and events at the MetLife Dome, the opening of Grand Emio Tokorozawa phase I (March 2018) and sales measures conducted in coordination with newly opened facilities alongside railway lines, such as metsã village. Meanwhile, passenger transportation sales increased by 1.2% year on year (of which commuters increased by 1.1% and non-commuters increased by 1.3%), mainly reflecting the introduction of HAIJIMA LINER extra-fare reserved seating trains.

In addition, in bus operations, the Seibu Bus IC Commuter Pass performed well.

As a result of these initiatives, the Urban Transportation and Regional business segment recorded operating revenue of ¥163,088 million, an increase of ¥1,032 million, or 0.6%, year on year. However, segment operating profit decreased by ¥167 million, or 0.6%, year on year to ¥27,087 million due to increases in electric power costs, fuel costs, as well as general and administrative expenses. EBITDA was ¥48,765 million, a decrease of ¥296 million, or 0.6%, 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, 2018	For the year ended March 31, 2019	Change
Operating revenue	204,854	219,801	14,946
City hotel operations	119,776	128,079	8,303
Resort hotel operations	40,677	42,185	1,508
Golf course operations	12,575	12,783	208
Others	31,825	36,751	4,925

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, Nagoya Prince Hotel Sky Tower, which opened in October 2017, and hotels reopened in the previous fiscal year contributed to revenue growth. Moreover, in the accommodation division, the Company captured demand from the increasing numbers of foreign visitors to Japan, while steadily implementing revenue management^{*1}. As a result, RevPAR^{*2} increased year on year at both city and resort hotels. In the banquet division, MICE^{*3} generated brisk sales, while the restaurants division performed strongly, mainly due to restaurant renovations and aggressive sales strategies at urban hotels.

*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.

In addition, StayWell Holdings Pty Ltd, a business acquired in October 2017, contributed to revenue growth. Moreover, Yokohama Hakkeijima Inc. began operations of the Joetsu Aquarium Umigatari, which opened in June 2018, as the designated administrator and performed briskly.

As a result of these initiatives, the Hotel and Leisure business segment recorded operating revenue of ¥219,801 million, an increase of ¥14,946 million, or 7.3%, year on year. Segment operating profit increased by ¥2,441 million, or 14.1%, year on year to ¥19,741 million due to the increase in revenue, and despite an increase in expenses for future growth. EBITDA was ¥36,077 million, an increase of ¥3,337 million, or 10.2%, 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, 2018	For the year ended March 31, 2019	Change
Operating revenue	62,292	69,651	7,358
Leasing operations	42,506	46,652	4,145
Others	19,785	22,998	3,213

In leasing operations, office rental revenue increased in Tokyo Garden Terrace Kioicho, which conducted its grand opening in July 2016. In addition, Grand Emio Tokorozawa phase I and emilive Saginomiya, which opened in March 2018, contributed to revenue growth. Moreover, Karuizawa Prince Shopping Plaza performed briskly due to aggressive promotion and sales measures.

In other initiatives, the Company sold condominium units nearby Hōya Station on the Seibu Ikebukuro Line.

As a result of these initiatives, the Real Estate business segment recorded operating revenue of ¥69,651 million, an increase of ¥7,358 million, or 11.8%, year on year. Segment operating profit increased by ¥4,277 million, or 27.0%, year on year to ¥20,095 million. EBITDA was ¥30,420 million, an increase of ¥5,343 million, or 21.3%, 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, 2018	For the year ended March 31, 2019	Change
Operating revenue	100,002	109,690	9,687
Construction operations	74,054	81,484	7,429
Others	25,947	28,206	2,258

Note: Construction operations include net sales of sideline business of Seibu Construction Co., Ltd. Seibu Construction Co., Ltd. leases some of its real estate holdings, and the associated net sales are included in operating revenues of construction operations.

In construction operations, the Company undertook construction work for railway construction, residential houses for sale, public sector projects, and renovation projects. 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.

As a result of these initiatives, the Construction business segment recorded operating revenue of ¥109,690 million, an increase of ¥9,687 million, or 9.7%, year on year. Segment operating profit was ¥5,890 million, up ¥1,138 million, or 24.0%, year on year, and EBITDA was ¥6,315 million, up ¥1,163 million, or 22.6%, year on year.

Hawaii Business

In the Hawaii business segment, both occupancy rates and average daily rates in the Prince Waikiki, which reopened in April 2017, rose year on year as a result of aggressive promotion activities and efforts to improve customer satisfaction. The food and beverage division also performed well. Moreover, on Hawaii Island, despite there being some cancellations due to the eruption of the Kilauea volcano, the Mauna Kea Beach Hotel performed briskly in the accommodation division and the food and beverage division. In addition, the Company reopened the Hapuna Beach Prince Hotel in June 2018 after renovation as the Westin Hapuna Beach Resort.

As a result of these initiatives, the Hawaii business segment recorded operating revenue of ¥19,089 million, an increase of ¥3,714 million, or 24.2%, year on year. Segment operating loss was ¥1,377 million, an improvement of ¥625 million, compared with operating loss of ¥2,002 million in the previous fiscal year, and EBITDA was ¥1,206 million, up ¥1,109 million, year on year.

Other

In the Izuhakone business, charter bus operations performed strongly by capturing demand from foreign visitors to Japan, while the “NINJABUS WATER SPIDER” amphibious bus started operations at Hakone Lake Ashinoko in April 2018. In the Ohmi business, having opened in August 2017, “cocotto MORIYAMA” the Ohmi Railway Building in front of Moriyama Station contributed to revenue growth. Furthermore, the Saitama Seibu Lions increased its number of spectators year on year, mainly due to the team’s outstanding performance in winning the Pacific League title for the first time in 10 years, which led to the hosting of home games for the Climax Series (playoff games), and the execution of various sales initiatives. In addition, official merchandise sales performed well.

As a result of these initiatives, the Other businesses segment recorded operating revenue of ¥41,931 million, an increase of ¥2,504 million, or 6.4%, year on year. Segment operating profit was ¥1,252 million, up ¥204 million, or 19.5%, year on year, and EBITDA was ¥4,312 million, up ¥352 million, or 8.9%, year on year.

(2) Review of financial position for the fiscal year ended March 31, 2019

Assets

Total current assets as of March 31, 2019 stood at ¥134,512 million, an increase of ¥22,097 million from the previous fiscal year-end. The increase was due mainly to an increase in notes and accounts receivable - trade of ¥19,568 million.

Total non-current assets amounted to ¥1,594,417 million, up ¥37,608 million from the previous fiscal year-end. The increase was due mainly to an increase of property, plant and equipment and intangible assets of ¥36,925 million.

As a result, total assets stood at ¥1,728,929 million, an increase of ¥59,706 million from the previous fiscal year-end.

Liabilities

Total current liabilities as of March 31, 2019 stood at ¥367,238 million, an increase of ¥38,456 million from the previous fiscal year-end. The increase was mainly due to an increase of in “other” under current liabilities of ¥13,702 million due to an increase in accounts payable for construction contracts at Seibu Railway Co., Ltd. and other companies, and an increase in advances received of ¥13,626 million.

Non-current liabilities amounted to ¥938,976 million, down ¥6,517 million from the previous fiscal year-end. The decrease was due mainly to a decrease in long-term loans payable of ¥12,257 million.

As a result of the above, total liabilities stood at ¥1,306,214 million, an increase of ¥31,939 million from the previous fiscal year-end.

Net assets

Total net assets as of March 31, 2019 stood at ¥422,715 million, an increase of ¥27,767 million from the previous fiscal year-end. The increase was due mainly to the recording of profit attributable to owners of parent of ¥45,457 million.

(3) Review of cash flows for the fiscal year ended March 31, 2019

Cash and cash equivalents (hereinafter “cash”) as of March 31, 2019 decreased ¥3,359 million compared to the end of the previous fiscal year to ¥26,269 million.

Cash flows from operating activities

Net cash provided by operating activities was ¥88,104 million after recording profit before income taxes of ¥60,376 million and making adjustments for depreciation and income taxes paid. Cash inflows decreased by ¥15,668 million from the previous fiscal year, due mainly to an inflow decrease of ¥25,738 million arising from the year-on-year changes in decrease/increase in notes and accounts receivable - trade.

Cash flows from investing activities

Net cash used in investing activities was ¥73,069 million, ¥15,014 million less than in the previous fiscal year. The decrease in cash outflows was due mainly to a decrease of ¥12,964 million in purchase of property, plant and equipment and intangible assets.

Cash flows from financing activities

Net cash used in financing activities was ¥17,898 million, ¥4,348 million more than in the previous fiscal year. The increase in cash outflows was due mainly to the purchase of treasury shares and cash dividends paid.

The Group’s cash flow indices were as follows.

	For the year ended March 31, 2016	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2019
Equity-to-asset ratio (%)	25.2	21.8	23.3	24.1
Equity-to-asset ratio based on market value (%)	52.3	35.4	34.8	34.7
Interest-bearing debt to cash flow ratio (Years)	11.1	9.8	8.7	10.3
Interest coverage ratio (Times)	8.0	8.6	9.8	8.7

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, 2020, operating revenue is forecast to be ¥584,400 million, up 3.3% year on year, mainly reflecting an increase in railway transportation sales in the Urban Transportation and Regional business segment; an increase in RevPAR by strengthening revenue management in the Hotel and Leisure business segment and the Hawaii business segment; and the opening of new hotels in and outside Japan as well as the start of operations at DaiyaGate Ikebukuro. These factors are expected to outweigh the impact of a decrease in the number of condominium sales in the Real Estate business segment.

EBITDA is forecast to be ¥128,500 million, up 0.9% year on year, due to the increase in revenue, despite an increase in expenses related to the MetLife Dome area renewal project, operational reforms, and so forth. Operating profit is forecast at ¥71,000 million, a decrease of 3.2% year on year, due to an increase in depreciation.

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, 2019	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	%
	84.4	2.6	117.2	6.8	34.2	4.7	48.5	0.6	11.1	17.8	26.3	1.5	321.7	4.4	(27.2)	—	294.5	4.0
Fiscal year ending March 31, 2020	166.1	1.8	234.0	6.5	66.1	(5.1)	108.6	(1.0)	25.4	33.1	40.8	(2.7)	641.0	2.8	(56.6)	—	584.4	3.3

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, 2019	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	%
	15.8	(1.6)	10.0	(3.8)	9.5	(9.7)	1.7	(19.8)	0.2	—	3.0	(0.3)	40.2	(3.4)	(0.1)	—	40.1	(4.7)
Fiscal year ending March 31, 2020	25.6	(5.5)	20.9	5.9	17.0	(15.4)	5.4	(8.3)	2.1	—	(0.2)	—	70.8	(2.6)	0.2	(68.8)	71.0	(3.2)

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, 2019	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	%
	26.5	(0.4)	18.3	(0.7)	15.3	(2.0)	1.9	(18.0)	1.6	112.8	4.6	2.7	68.2	0.0	(0.3)	—	67.9	(0.7)
Fiscal year ending March 31, 2020	48.3	(1.0)	37.8	4.8	28.7	(5.7)	5.9	(6.6)	5.0	314.6	3.1	(28.1)	128.8	1.3	(0.3)	—	128.5	0.9

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

Due to the decrease in operating profit, the Company is projecting ordinary profit of ¥62,700 million, down 4.2% year on year. Profit attributable to owners of parent is expected to be ¥46,200 million, up 1.6% year on year, mainly due to a spring-back after posting extraordinary losses such as a loss on valuation of investment securities in the fiscal year ended March 31, 2019.

(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 aiming to further enhance shareholder returns by raising the target consolidated dividend payout ratio for the medium to long term to 30%, while continuing to actively make investments for growth.

Regarding the year-end dividend for the fiscal year ended March 31, 2019, in accordance with our basic policy and financial strategies, and in consideration of the results for the fiscal year ended March 31, 2019, we plan to increase the ordinary dividend per share by ¥7 from the previous fiscal year to ¥18.50 per share (annual dividend of ¥30.00 per share including interim dividend of ¥11.50), aiming for a consolidated dividend payout ratio of 20% or higher.

Moreover, with regard to the dividend for the fiscal year ending March 31, 2020, the Company plans to pay an annual dividend of ¥30.00 per share (interim dividend of ¥15.00 and year-end dividend of ¥15.00).

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, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	29,943	26,549
Notes and accounts receivable - trade	49,825	69,394
Land and buildings for sale in lots	9,036	8,431
Merchandise and finished goods	1,486	1,462
Costs on uncompleted construction contracts	4,855	10,274
Raw materials and supplies	2,733	3,042
Other	14,576	15,410
Allowance for doubtful accounts	(42)	(52)
Total current assets	112,414	134,512
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,160,043	1,214,446
Accumulated depreciation and impairment loss	(626,029)	(653,279)
Buildings and structures, net	534,013	561,167
Machinery, equipment and vehicles	308,372	316,750
Accumulated depreciation and impairment loss	(249,433)	(253,314)
Machinery, equipment and vehicles, net	58,939	63,435
Land	730,720	729,368
Leased assets	3,921	6,584
Accumulated depreciation and impairment loss	(1,754)	(1,932)
Leased assets, net	2,167	4,652
Construction in progress	58,078	58,955
Other	80,421	85,467
Accumulated depreciation and impairment loss	(56,875)	(60,732)
Other, net	23,545	24,735
Total property, plant and equipment	1,407,466	1,442,314
Intangible assets		
Leased assets	16	8
Other	21,423	23,507
Total intangible assets	21,439	23,516
Investments and other assets		
Investment securities	71,772	74,689
Long-term loans receivable	327	317
Retirement benefit asset	31,949	31,388
Deferred tax assets	14,991	12,832
Other	9,582	9,931
Allowance for doubtful accounts	(719)	(572)
Total investments and other assets	127,903	128,587
Total non-current assets	1,556,808	1,594,417
Total assets	1,669,223	1,728,929

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	28,009	30,907
Short-term loans payable	157,849	165,274
Lease obligations	665	653
Income taxes payable	7,735	8,517
Advances received	36,406	50,033
Provision for bonuses	5,905	5,862
Other provision	2,639	2,701
Asset retirement obligations	—	15
Other	89,570	103,273
Total current liabilities	328,782	367,238
Non-current liabilities		
Bonds payable	20,000	30,000
Long-term loans payable	696,874	684,616
Long-term accounts payable to Japan railway construction, transport and technology agency	23,055	18,668
Lease obligations	1,690	1,538
Deferred tax liabilities	108,318	106,931
Deferred tax liabilities for land revaluation	12,225	12,208
Provision for retirement benefits for directors (and other officers)	864	738
Other provision	464	522
Retirement benefit liability	31,197	31,716
Asset retirement obligations	2,216	2,129
Liabilities from application of equity method	16,831	16,368
Other	31,753	33,536
Total non-current liabilities	945,493	938,976
Total liabilities	1,274,275	1,306,214
Net assets		
Shareholders' equity		
Capital stock	50,000	50,000
Capital surplus	129,375	110,274
Retained earnings	214,979	253,199
Treasury shares	(63,940)	(53,922)
Total shareholders' equity	330,414	359,551
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16,077	19,365
Revaluation reserve for land	18,555	18,562
Foreign currency translation adjustment	7,415	5,415
Remeasurements of defined benefit plans	17,047	13,921
Total accumulated other comprehensive income	59,096	57,264
Share acquisition rights	487	504
Non-controlling interests	4,949	5,394
Total net assets	394,947	422,715
Total liabilities and net assets	1,669,223	1,728,929

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

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Operating revenue	530,631	565,939
Operating expenses		
Operating expenses and cost of sales of transportation	429,824	453,036
Selling, general and administrative expenses	36,547	39,570
Total operating expenses	466,371	492,607
Operating profit	64,259	73,332
Non-operating income		
Interest income	50	59
Dividend income	838	900
Subsidy to keep a bus on a regular route	901	952
Other	1,500	1,562
Total non-operating income	3,290	3,475
Non-operating expenses		
Interest expenses	10,595	10,136
Share of loss of entities accounted for using equity method	62	67
Other	1,402	1,188
Total non-operating expenses	12,060	11,392
Ordinary profit	55,490	65,415
Extraordinary income		
Gain on sales of non-current assets	123	397
Contribution for construction	750	714
Subsidy income	160	125
Gain on sales of investment securities	144	145
Compensation income	895	39
Posting fee from baseball player transfer	54	1,112
Other	27	259
Total extraordinary income	2,156	2,795
Extraordinary losses		
Impairment loss	2,076	2,413
Loss on sales of non-current assets	165	327
Loss on retirement of non-current assets	2,804	2,603
Reduction entry of land contribution for construction	678	664
Loss on reduction of non-current assets	145	120
Loss on sales of investment securities	16	—
Loss on valuation of investment securities	—	1,120
Other	809	583
Total extraordinary losses	6,695	7,834
Profit before income taxes	50,951	60,376
Income taxes - current	13,786	15,293
Income taxes - deferred	(6,275)	(856)
Total income taxes	7,511	14,436
Profit	43,439	45,939
Profit attributable to non-controlling interests	531	482
Profit attributable to owners of parent	42,908	45,457

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Profit	43,439	45,939
Other comprehensive income		
Valuation difference on available-for-sale securities	3,435	3,287
Revaluation reserve for land	—	10
Foreign currency translation adjustment	(1,482)	(2,000)
Remeasurements of defined benefit plans, net of tax	(2,540)	(3,127)
Total other comprehensive income	(587)	(1,829)
Comprehensive income	42,852	44,110
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	42,325	43,626
Comprehensive income attributable to non-controlling interests	527	483

(3) Consolidated statements of changes in equity

Previous 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

Current fiscal year (From April 1, 2018 to March 31, 2019)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	50,000	129,375	214,979	(63,940)	330,414
Changes of items during period					
Dividends of surplus			(7,238)		(7,238)
Profit attributable to owners of parent			45,457		45,457
Reversal of revaluation reserve for land			0		0
Purchase of treasury shares				(9,999)	(9,999)
Disposal of treasury shares		(6)		632	626
Retirement of treasury shares		(19,094)		19,094	—
Change in treasury shares arising from change in equity in entities accounted for using equity method				291	291
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(19,100)	38,219	10,018	29,137
Balance at end of current period	50,000	110,274	253,199	(53,922)	359,551

	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	16,077	18,555	7,415	17,047	59,096	487	4,949	394,947
Changes of items during period								
Dividends of surplus								(7,238)
Profit attributable to owners of parent								45,457
Reversal of revaluation reserve for land								0
Purchase of treasury shares								(9,999)
Disposal of treasury shares								626
Retirement of treasury shares								—
Change in treasury shares arising from change in equity in entities accounted for using equity method								291
Net changes of items other than shareholders' equity	3,287	7	(2,000)	(3,126)	(1,831)	16	444	(1,369)
Total changes of items during period	3,287	7	(2,000)	(3,126)	(1,831)	16	444	27,767
Balance at end of current period	19,365	18,562	5,415	13,921	57,264	504	5,394	422,715

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from operating activities		
Profit before income taxes	50,951	60,376
Depreciation	51,000	53,126
Impairment loss	2,076	2,413
Amortization of goodwill	319	871
Retirement benefit expenses	(3,585)	(3,912)
Increase (decrease) in provision for bonuses	280	(43)
Increase (decrease) in retirement benefit liability	664	487
Decrease (increase) in retirement benefit asset	1,346	1,402
Increase (decrease) in allowance for doubtful accounts	2	(129)
Interest and dividend income	(888)	(960)
Interest expenses	10,595	10,136
Share of loss (profit) of entities accounted for using equity method	62	67
Proceeds from contribution for construction	(750)	(714)
Subsidy income	(160)	(125)
Loss (gain) on sales of investment securities	(128)	(145)
Loss (gain) on valuation of investment securities	—	1,120
Loss (gain) on sales of non-current assets	41	(70)
Loss on retirement of non-current assets	2,804	2,603
Reduction entry of land contribution for construction	678	664
Loss on reduction of non-current assets	145	120
Posting fee from baseball player transfer	(26)	(556)
Other extraordinary loss (income)	779	538
Decrease (increase) in notes and accounts receivable - trade	6,061	(19,676)
Decrease (increase) in inventories	683	(4,987)
Decrease (increase) in accounts receivable - other	4,010	(1,617)
Increase (decrease) in notes and accounts payable - trade	(3,137)	2,931
Increase (decrease) in advances received	1,429	4,154
Increase (decrease) in accrued consumption taxes	346	(1,403)
Other, net	1,530	5,848
Subtotal	127,134	112,520
Interest and dividend income received	886	1,000
Interest expenses paid	(10,546)	(10,123)
Income taxes paid	(13,701)	(15,293)
Net cash provided by (used in) operating activities	103,772	88,104

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from investing activities		
Payments into time deposits	(298)	(153)
Proceeds from withdrawal of time deposits	1,502	188
Purchase of investment securities	(2,898)	(478)
Proceeds from sales of investment securities	712	1,274
Purchase of property, plant and equipment and intangible assets	(91,524)	(78,559)
Proceeds from sales of property, plant and equipment and intangible assets	601	1,388
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(4,418)	(7,144)
Proceeds from contribution received for construction	8,865	10,945
Other, net	(625)	(530)
Net cash provided by (used in) investing activities	(88,083)	(73,069)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(11,099)	(1,845)
Proceeds from long-term loans payable	119,444	75,750
Repayments of long-term loans payable	(115,239)	(78,985)
Proceeds from issuance of bonds	9,920	9,929
Redemption of accounts payable to Japan railway construction, transport and technology agency	(5,039)	(5,085)
Repayments of lease obligations	(661)	(706)
Cash dividends paid	(8,481)	(7,229)
Repayments of payables under fluidity receivables	(2,690)	—
Purchase of treasury shares	(0)	(9,999)
Proceeds from sales of treasury shares	591	614
Other, net	(292)	(341)
Net cash provided by (used in) financing activities	(13,549)	(17,898)
Effect of exchange rate change on cash and cash equivalents	(63)	(496)
Net increase (decrease) in cash and cash equivalents	2,076	(3,359)
Cash and cash equivalents at beginning of period	27,551	29,628
Cash and cash equivalents at end of period	29,628	26,269

(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, 2018 and 2019 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, 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	531,546	582,963	399,238	72,778	66,174	56,201	1,708,903	(39,680)	1,669,223
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 retirement 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.

For the fiscal year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

(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	155,027	211,089	61,641	81,913	18,173	38,092	565,939	–	565,939
Inter-segment operating revenue and transfer	8,060	8,712	8,009	27,776	915	3,838	57,313	(57,313)	–
Total	163,088	219,801	69,651	109,690	19,089	41,931	623,252	(57,313)	565,939
Segment profit (loss)	27,087	19,741	20,095	5,890	(1,377)	1,252	72,691	641	73,332
Segment assets	548,838	587,559	417,379	87,326	64,047	58,768	1,763,919	(34,989)	1,728,929
Other items									
Depreciation	21,678	16,335	10,324	424	2,583	3,060	54,407	(1,280)	53,126
Increase in property, plant and equipment and intangible assets	32,555	13,393	26,498	414	3,568	4,719	81,150	2,167	83,317

(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 ¥(57,313) million mainly consist of elimination of inter-company transactions.
- (2) Adjustments for segment profit (loss) of ¥641 million mainly consist of elimination of inter-company transactions.
- (3) Adjustments for segment assets of ¥(34,989) million mainly consist of elimination of inter-company transactions and adjustments of retirement benefit asset. The amount of corporate assets which are not allocable to the reportable segments, such as surplus funds (cash and deposits), is ¥10,889 million.
- (4) Adjustments for increase in property, plant and equipment and intangible assets of ¥2,167 million are mainly due to purchases of property, plant and equipment.

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, 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.

For the fiscal year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

(Millions of yen)

	Urban Transportation and Regional	Hotel and Leisure	Real Estate	Construction	Hawaii Business	Other	Unallocated amount and elimination	Total
Impairment loss	31	2,251	24	84	–	22	–	2,413

(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, 2017 to March 31, 2018)	Current fiscal year (From April 1, 2018 to March 31, 2019)
Net assets per share	1,240.09	1,346.05
Basic earnings per share	136.67	145.21
Diluted earnings per share	136.57	145.09

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

	Previous fiscal year (As of March 31, 2018)	Current fiscal year (As of March 31, 2019)
Total net assets (Millions of yen)	394,947	422,715
Amounts deducted from total net assets (Millions of yen)	5,437	5,899
[Of the above, share acquisition rights (Millions of yen)]	[487]	[504]
[Of the above, non-controlling interests (Millions of yen)]	[4,949]	[5,394]
Net assets related to common shares (Millions of yen)	389,510	416,815
Number of common shares used to calculate net assets per share (share)	314,097,841	309,658,959

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

	Previous fiscal year (From April 1, 2017 to March 31, 2018)	Current fiscal year (From April 1, 2018 to March 31, 2019)
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	42,908	45,457
Amounts not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent related to common shares (Millions of yen)	42,908	45,457
Average number of outstanding common shares during period (share)	313,947,384	313,037,802
Diluted earnings per share		
Adjustments to profit attributable to owners of parent (Millions of yen)	—	—
Increase in the number of common shares (share)	237,856	268,527
[Of the above, share acquisition rights (share)]	[237,856]	[268,527]
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, 2018 was 599,400, and for the fiscal year ended March 31, 2019 was 283,100. The average number of treasury shares during period deducted in calculating the basic earnings per share for the fiscal year ended March 31, 2018 was 743,969, and for the fiscal year ended March 31, 2019 was 435,343.

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 year ended March 31, 2018 was 22,243,031, and for the fiscal year ended March 31, 2019 was 22,120,813. The average number of treasury shares during period deducted in calculating the basic earnings per share for the

fiscal year ended March 31, 2018 was 22,243,031, and for the fiscal year ended March 31, 2019 was 22,212,560.

Significant events after the reporting period

Not applicable.