

Tokyu Corporation

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

(April 1, 2021 – September 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 Half of Fiscal Year Ending March 31, 2022

Tokyu Corporation

November 9, 2021

Stock Code:	9005	Listed exchanges:	Tokyo Stock Exchange First Section
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Planned date for submission of quarterly financial reports:	November 9, 2021		
Scheduled date of commencement of dividend payment:	December 2, 2021		
Supplementary documents for quarterly results:			YES
Quarterly results briefing (for institutional investor and analysts):			YES

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

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

*(Figures in percentages denote the year-on-year change)
Million yen*

1) Consolidated Operating Results

	Six months ended September 30, 2021		Six months ended September 30, 2020	
	Change (%)		Change (%)	
Operating revenue.....	2.1	443,052	-25.2	434,019
Operating profit.....	-	24,941	-	-20,398
Recurring profit.....	-	26,611	-	-19,353
Profit attributable to owners of parent	-	24,185	-	-27,162
Net income per share (¥).....		40.15		-44.96
Net income per share (diluted) (¥).....		-		-

Notes: (1) Comprehensive Income: Six months ended September 30, 2021: ¥31,138 million [-%]

Six months ended September 30, 2020: ¥-25,427 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 half 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 September 30, 2021	As of March 31, 2021
Total assets.....	2,478,295	2,476,061
Net assets.....	772,004	752,538
Equity ratio (%).....	29.1	28.4

Reference: Shareholders' equity: First Half ended September 30, 2021: ¥719,963 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 half 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	
	Change (%)	
Operating revenue.....	-7.2	868,400
Operating profit.....	-	25,000
Recurring profit.....	-	25,200
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: Yes
(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 September 30, 2021: 624,869,876 As of March 31, 2021: 624,869,876
- 2) Number of treasury stock at the end of the term (shares)
As of September 30, 2021: 23,004,391 As of March 31, 2021: 20,776,928
- 3) Average numbers of shares issued during the terms (quarterly consolidated accumulation periods)
Six months ended September 30, 2021: 602,330,380
Six months ended September 30, 2020: 604,081,304

(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 September 30, 2021: 3,002,800 shares As of March 31, 2021: 310,500 shares

* 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 Half 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 Half of FY2021" will be disclosed on the Timely Disclosure network (TDnet) and the Company's own IR website today (November 9, 2021).

(Method of acquiring closing of accounts briefing material)

Tokyu Corporation will hold a results briefing for institutional investors and analysts on November 10, 2021.

The material used in that briefing will be promptly published on the Timely Disclosure network (TDnet) and the Company's own IR website on the same day.

○ Accompanying Materials – Contents

1. Qualitative Information on Consolidated Financial Results, etc. for the First Half of FY2021	Page 2
(1) Explanation about Consolidated Financial Results	Page 2
(2) Explanation about Consolidated Financial Position	Page 4
(3) Explanation about the Future Outlook, Including Forecast for Consolidated Earnings	Page 4
2. Matters Relating to Summary Information (Notes)	Page 5
(1) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement of Revisions	Page 5
3. Quarterly Consolidated Financial Statements and Primary Notes	Page 7
(1) Quarterly Consolidated Balance Sheets	Page 7
(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statements of Comprehensive Income	Page 9
Quarterly Consolidated Statements of Income	Page 9
Quarterly Consolidated Statements of Comprehensive Income	Page 10
(3) Notes to Quarterly Consolidated Financial Statements	Page 11
(Notes Regarding the Premise of a Going Concern)	Page 11
(Notes If There Is a Considerable Change to Shareholders' Equity)	Page 11
(Matters Related to Consolidated Quarterly Statements of Income)	Page 11
(Additional Information)	Page 11
(Segment Information).....	Page 12

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

(1) Explanation about Consolidated Financial Results

During the first half under review, the Japanese economy continued to face uncertain situations due to the COVID-19 pandemic. Businesses operated by the Company and its consolidated subsidiaries were affected mainly by the reduction of business hours and the temporary closure of some sales floors due to the redeclaration and subsequent extension of a state of emergency.

Operating revenue for the first half under review increased 2.1% year on year, to ¥443,052 million, partly reflecting the sale of a large-scale property in the Real Estate Business, coupled by a recovery in the number of customers particularly in the Transportation Business and the Hotel and Resort Business from the levels affected by restraints on outings and temporary sales floor closures following the state of emergency declared in April 2020, offsetting the negative impact of 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 ¥24,941 million (compared to the operating loss of ¥20,398 million in the same period of the previous fiscal year). Recurring profit stood at ¥26,611 million (compared to the recurring loss of ¥19,353 million in the same period of the previous fiscal year). Profit attributable to owners of parent was ¥24,185 million (compared to the loss attributable to owners of parent of ¥27,162 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 Revenue Recognition Accounting Standard and related measures have been applied from the beginning of the first quarter. 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 15.4% year on year, reflecting a 6.8% increase in the number of commuters carried and a 30.1% rise in the number of non-commuters carried thanks to a recovery from a decline in the number of users of both services attributable to the state of emergency declared last year, among other factors.

As a result, operating revenue for the segment increased 14.5% year on year, to ¥79,595 million. However, the segment posted an operating loss of ¥360 million (as opposed to an operating loss of ¥12,187 million in the same period of the previous fiscal year) chiefly because it continued to face challenging business conditions such as the spread of COVID-19 during the summer season.

(Operation results of Tokyu Railway's railway operations)

Categories		Units	First half of the previous fiscal year	First half of the fiscal year under review
			April 1, 2020 to September 30, 2020	April 1, 2021 to September 30, 2021
Number of operating days		Days	183	183
Operating distance		Kilometers	104.9	104.9
Operating distance of passenger trains		Thousand kilometers	76,759	74,260
Number of passengers carried	Non-commuter	Thousand passengers	141,659	184,345
	Commuter	Thousand passengers	239,629	255,833
	Total	Thousand passengers	381,288	440,178
Passenger revenue	Non-commuter	Million yen	22,785	29,884
	Commuter	Million yen	22,591	22,329
	Total	Million yen	45,376	52,213
Miscellaneous income from railway operations		Million yen	7,219	7,145
Total revenues		Million yen	52,595	59,358
Average passenger revenue per day		Million yen	248	285
Operating efficiency		%	31.3	37.2

(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, operating revenue and operating profit increased 42.1% and 159.9% year on year, respectively, to ¥124,269 million and ¥32,069 million, respectively, chiefly reflecting an increase in the Company's real estate leasing business in reaction to the suspension of certain facility operations due to the state of emergency declared in April 2020, coupled with the sale of a large-scale property.

(iii) Life Service

In the Live Service Business segment, operating revenue decreased 14.5% year on year, to ¥247,555 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 ¥2,298 million (as opposed to the operating loss of ¥2,460 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 36.0% (up 13.7 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 31.5% year on year, to ¥19,598 million, with an operating loss of ¥9,219 million for the segment (compared with operating loss of ¥18,466 million in the same period of the previous fiscal year).

(2) Explanation about Consolidated Financial Position

Assets

Total assets increased ¥2,234 million from the end of the previous fiscal year, to ¥2,478,295 million at the end of the first half under review, primarily due to an increase in notes and accounts receivable - trade.

Liabilities

Liabilities decreased ¥17,231 million year on year, to ¥1,706,290 million, largely because of a decrease in notes and accounts payable – trade, despite growth in interest-bearing debt* of ¥18,212 million year on year, to ¥1,200,480 million.

Net assets

Net assets rose ¥19,465 million from the end of the previous fiscal year, to ¥772,004 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

The Company has revised the full-year earnings forecasts announced on August 11, 2021, taking into account factors such as results for the first half under review. Forecasts for operating revenue, operating profit and recurring profit have been changed to ¥868.4 billion (down 3.3% from the previous forecast), ¥25.0 billion (up 25.0% from the previous forecast) and ¥25.2 billion (up 61.5% from the previous forecast), respectively. The previously announced forecast for profit attributable to owners of parent remains unchanged.

For details, please see the Summary of Results for the First Half 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 “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020, hereinafter the “Revenue Recognition Accounting Standard”) and related measures have been applied from the beginning of the first quarter. Accordingly, revenue is recognized at points where control over goods or services that the Group promises to provide is transferred to customers and in amounts that it expects to receive in exchange for such goods or services.

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 upon the termination of the validity period.

In its application of the Revenue Recognition Accounting Standard and related measures, the Group follows the provisional measures stated in paragraph 84 of the Revenue Recognition Accounting Standard. Accordingly, retained earnings as of the beginning of the first quarter are adjusted to reflect the cumulative effect of the retrospective application of the new accounting policy to the time prior to the beginning of the first quarter. The new accounting policy has been applied, starting with the balance thereof as of the beginning of the quarter. However, due to the application of the method prescribed in paragraph 86, subparagraph (1) of the Revenue Recognition Accounting Standard, accounting procedures are undertaken based on the terms of contracts that reflect all relevant revisions with respect to contract revisions made before the beginning of the first quarter. Then, retained earnings as of the beginning of the first quarter are adjusted to reflect the cumulative effect of such revisions.

Reflecting these adjustments, operating revenue and operating expenses for the first half under review decreased ¥71,130 million and ¥71,225 million, respectively, resulting in an increase of ¥95 million in operating profit as well as rises in both recurring profit and profit attributable to owners of parent of ¥81 million, respectively. In addition, the balance of retained earnings at beginning of period decreased ¥5,409 million.

Due to the application of the Revenue Recognition Standard and related measures, trade notes and

accounts receivable, which were presented as current assets in the consolidated balance sheet for the previous fiscal year, are included in trade notes and accounts receivable and contract assets, starting from the first quarter. For the same reason, advances received, which were presented in current liabilities, are included in advances received and contract liabilities, starting from the first quarter. 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), information on the breakdown of revenue arising in relation to contracts with customers in the previous first half is not presented.

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

The Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019, hereinafter the "Fair Value Measurement Accounting Standard"), etc. has been applied from the beginning of the first quarter. Accordingly, the new accounting policies specified in the Fair Value Accounting Standard, etc. are applied into the future 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 September 30, 2021
Assets		
Current Assets		
Cash and deposits	45,964	50,488
Trade notes & accounts receivable	121,756	132,088
Contract assets	–	11,244
Merchandise and products	11,864	11,375
Land and buildings for sale	70,108	62,702
Work in progress	7,092	5,222
Raw materials and supplies	8,460	8,367
Others	62,224	45,328
Allowance for doubtful accounts	(1,247)	(1,159)
Total current assets	326,225	325,659
Fixed Assets		
Tangible fixed assets		
Buildings & structures (net)	843,871	842,845
Rolling stock & machinery (net)	74,735	81,418
Land	727,884	715,297
Construction in progress	135,638	147,727
Others (net)	27,360	25,156
Total tangible fixed assets	1,809,491	1,812,444
Intangible fixed assets	36,941	35,758
Investments & others		
Investment securities	203,685	207,700
Net defined benefit asset	6,806	7,024
Deferred tax assets	24,454	21,114
Others	68,991	69,190
Allowance for doubtful accounts	(533)	(598)
Total investments and others	303,403	304,432
Total fixed assets	2,149,836	2,152,635
Total Assets	2,476,061	2,478,295

Million yen

Item	As of March 31, 2021	As of September 30, 2021
Liabilities		
Current Liabilities		
Trade notes & accounts payable	96,900	82,663
Short-term debt	405,932	396,299
Commercial papers	10,000	10,000
Current portion of corporate bonds	–	10,000
Accrued income taxes	6,949	10,739
Contract liabilities	–	35,593
Provision	11,797	10,805
Advances received	28,356	18,552
Others	128,529	89,987
Total current liabilities	688,466	664,643
Long-Term Liabilities		
Corporate bonds	270,000	280,000
Long-term debt	496,262	504,108
Provision	3,063	2,215
Net defined benefit liability	44,492	44,009
Long-term deposits from tenants and club members	136,226	134,820
Deferred tax liabilities	13,761	13,343
Deferred tax liabilities from revaluation	9,168	9,168
Others	52,040	45,197
Total long-term liabilities	1,025,016	1,032,862
Special Legal Reserves		
Urban railways improvement reserve	10,040	8,785
Total Liabilities	1,723,522	1,706,290
Net Assets		
Shareholders' Equity		
Common stock	121,724	121,724
Capital surplus	134,095	134,297
Retained income	455,201	471,069
Treasury stock	(37,153)	(40,312)
Total shareholders' equity	673,868	686,779
Accumulated Other Comprehensive Income		
Net unrealized gains (losses) on investment securities, net of taxes	20,509	20,171
Net unrealized gains (losses) on hedging instruments, net of taxes	(75)	(11)
Land revaluation reserve	8,700	8,584
Foreign currency translation adjustment account	895	4,563
Remeasurements of defined benefit plans	(1,542)	(124)
Total accumulated other comprehensive income	28,486	33,184
Non-Controlling Interests	50,183	52,040
Total Net Assets	752,538	772,004
Total Liabilities and Net Assets	2,476,061	2,478,295

(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 September 30, 2020	April 1, 2021 to September 30, 2021
Operating Revenue	434,019	443,052
Cost of operating revenue		
Operating expenses & cost of sales (Transportation, etc.)	353,640	315,371
SG&A expenses	100,776	102,740
Total cost of operating revenue	454,417	418,111
Operating Profit (Loss)	(20,398)	24,941
Non-operating profit		
Interest income	166	555
Dividend income	725	590
Investment gains from equity method	551	1,316
Compensation income	1,379	–
Subsidies for employment adjustment	*1 2,625	*1 2,360
Others	2,304	3,260
Total non-operating profit	7,752	8,084
Non-operating expenses		
Interest expenses	4,352	4,262
Others	2,355	2,151
Total non-operating expenses	6,708	6,413
Recurring Profit (Loss)	(19,353)	26,611
Extraordinary gains		
Gains on sale of fixed assets	29	14,352
Subsidies received for construction	346	604
Gain on reversal of Urban Railways Improvement Reserve	1,255	1,255
Subsidies for employment adjustment	*1 803	*1 2
Others	444	396
Total extraordinary gains	2,879	16,611
Extraordinary losses		
Reduction entry of land contribution for construction	278	535
Loss on retirement of fixed assets	266	1,854
Impairment loss	4,134	113
Losses related to the spread of COVID-19	*2 3,751	*2 403
Others	383	407
Total extraordinary losses	8,813	3,314
Income (Loss) before Income Taxes	(25,287)	39,908
Corporate income taxes	2,309	14,857
Net Income (Loss)	(27,597)	25,050
Profit (loss) attributable to non-controlling interests	(434)	865
Profit (loss) attributable to owners of parent	(27,162)	24,185

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

Item	April 1, 2020 to September 30, 2020	April 1, 2021 to September 30, 2021
Net Income (Loss)	(27,597)	25,050
Other comprehensive income		
Net unrealized gains (losses) on investment securities	2,131	15
Net unrealized gains (losses) on hedging instruments	0	0
Foreign currency translation adjustment account	(990)	3,453
Remeasurements of defined benefit plans, net of tax	743	1,359
Share of other comprehensive income of associates accounted for using equity method	284	1,259
Total other comprehensive income	2,169	6,088
Comprehensive Income	(25,427)	31,138
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(24,660)	28,998
Comprehensive income attributable to non-controlling interests	(766)	2,140

(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 Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and related measures have been applied from the beginning of the first quarter. For details, please see "2. Matters Relating to Summary Information (Notes), (1) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement of Revisions" Restatement of revisions

Following a resolution of the Board of Directors at a 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 ¥4,513 million in the first half under review.

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 half under review.

(Matters Related to Consolidated Quarterly Statements of Income)

*1 Employment Adjustment Subsidy

April 1, 2020 to September 30, 2020

The Company posted the Employment Adjustment Subsidy received in connection with COVID-19 under non-operating profit and extraordinary gains. The Company posted the Employment Adjustment Subsidy received for a loss related to COVID-19 posted under extraordinary losses as extraordinary gains.

April 1, 2021 to September 30, 2021

The Company posted the Employment Adjustment Subsidy received in connection with COVID-19 under non-operating profit and extraordinary gains. The Company posted the Employment Adjustment Subsidy received for a loss related to COVID-19 posted under extraordinary losses as extraordinary gains.

*2 Losses related to the spread of COVID-19

April 1, 2020 to September 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 September 30, 2021

Certain 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 due to the COVID-19 pandemic. 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 September 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	67,878	69,305	282,053	14,782	434,019	–	434,019
Inter-segment internal revenues or transfers	1,666	18,120	7,382	119	27,289	(27,289)	–
Total	69,544	87,425	289,436	14,902	461,309	(27,289)	434,019
Segment profit (loss)	(12,187)	12,340	(2,460)	(18,466)	(20,773)	375	(20,398)

Notes

1. An adjustment of ¥375 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. Information related to impairment loss on fixed assets, goodwill, etc. by reported segment

(Important impairment loss related to fixed assets)

Impairment loss of ¥4,019 million was posted in the Hotel and Resort segment.

Impairment loss the Company posted in the first half under review was ¥4,134 million.

II. April 1, 2021 to September 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	77,798	106,654	240,914	17,684	443,052	–	443,052
Inter-segment internal revenues or transfers	1,796	17,615	6,640	1,914	27,966	(27,966)	–
Total	79,595	124,269	247,555	19,598	471,019	(27,966)	443,052
Segment profit (loss)	(360)	32,069	2,298	(9,219)	24,788	152	24,941

Notes

1. An adjustment of ¥152 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,” accounting procedures for revenue recognition were modified due to the application of the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and related measures at the beginning of the first quarter. To reflect the modification, it changed the method it uses to calculate profit and loss on a business segment basis.

As a result of the change, operation revenue increased ¥496 million and segment loss increased ¥92 million in the Transportation Business, operation revenue declined ¥5,677 million and segment profit increased ¥30 million in the Real Estate Business, operating revenue fell ¥65,810 and segment profit rose ¥34 million in the Life Service Business, and operating revenue and segment loss decreased ¥138 million and ¥122 million, respectively, in the Hotel and Resort Business for the first half under review, compared to the levels calculated using the traditional method.