

## Financial Report for the Fiscal Year Ended March 2021

Mori Trust Group recently announced its consolidated business performance for the year ended March 31, 2021(FY 2021).

The Group consists of 32 consolidated companies, including MORI TRUST CO., LTD., MORI TRUST BUILDING MANAGEMENT CO., LTD., and MORI TRUST HOTELS & RESORTS CO., LTD., and three equity-method affiliates.

### **[Mori Trust Group Consolidated Financial Report]** (April 1, 2020 – March 31, 2021)

- In the fiscal year ended March 2021, operating revenue was 251.4 billion yen (up 7.6% compared to the previous term), and operating income was 58.2 billion yen (down 1.0% compared to the previous term). Despite the impact on the hotel-related business from the spread of COVID-19 infections, operating revenue increased for the fourth consecutive year, and operating income decreased only slightly. Newly operated properties in the leasing-related business and the strong performance of the real estate sales business contributed to the operating results.
- Income decreased, with ordinary income at 59.8 billion yen (down 0.5% compared to the previous term), and net income attributable to owners of the parent at 35.4 billion yen (down 12.1% compared to the previous term).
- For the fiscal year ending March 2022, we expect operating revenue of 260 billion yen (up 3.4% compared to the previous term), operating income of 60 billion yen (up 3.1% compared to the previous term), and net income attributable to owners of the parent of 37 billion yen (up 4.2% compared to the previous term).

(Figures in millions of yen; figures less than one million yen are rounded down.)

	FY2020	FY2021	FY2022 (Projection)
Operating revenue	233,638	251,450	260,000
Operating income	58,791	58,221	60,000
Ordinary income	60,188	59,894	58,000
Net income attributable to parent company's shareholders.	40,357	35,493	37,000

#### Operating revenue breakdown

Rental related business	73,256	82,937	83,000
Hotel related business	38,536	22,434	30,000
Real estate sales business	104,615	124,969	130,000
Other business (contract work, etc)	17,230	21,110	17,000

#### Total assets and net assets

Total assets	1,171,365	1,151,415
Net assets	466,202	479,603

## Highlights of FY 2021 business performance

- In “leasing-related business,” we recorded operating revenue of 82.9 billion yen, an increase of 9.7 billion yen compared to the previous term. The following factors contributed to the increased operating revenue: contribution throughout the year from the operation of the “Kamiyacho Trust Tower,” the construction of which was completed in March 2020; the favorable occupancy rate of existing properties; and contribution throughout the year from the operation of the office buildings in San Jose, which we acquired in March 2019.
- In “hotel-related business,” the new operation of the “Hilton Okinawa Sesoko Resort” (opened in July 2020), the “JW Marriott Hotel Nara” (opened in July 2020), and “The Tokyo EDITION, Toranomon” (opened in October 2020) contributed to the operating revenue. However, operating revenue decreased by 16.1 billion yen compared to the previous term to 22.4 billion yen due to the impact of the spread of COVID-19 infections, including the temporary closure of 19 facilities following the declaration of a state of emergency.
- “Real estate sales business” recorded operating revenue of 124.9 billion yen, an increase of 20.3 billion yen compared to the previous term, due to the strong sales of office buildings and condominiums. Additionally, “other business” recorded operating revenue of 21.1 billion yen, an increase of 3.9 billion yen compared to the previous term.

As a result of the above, operating revenue finished at 251.4 billion yen, operating income at 58.2 billion yen, and net income attributable to owners of the parent at 35.4 billion yen. In addition, we also achieved the numerical targets established for the final year of “Advance 2027,” our medium- to long-term vision, of operating revenue of 230 billion yen and operating income of 55 billion yen. This is the second consecutive year of achieving the numerical targets continuing from the fiscal year ended March 2020.

## Business Performance Projections for FY 2022

- In “leasing-related business,” the full-year occupancy rate of Kamiyacho Trust Tower is expected to improve. As a result, the business is expected to remain stable and generate 83 billion yen in operating revenue.
- In “hotel-related business,” although the outlook remains uncertain due to the spread of COVID-19 infections, we expect operating revenue of 30 billion yen. We anticipate the following factors will contribute to the increase in revenue: the expected improvement in the occupancy rate of existing hotels due to the moderate recovery in tourism demand, mainly from domestic tourists; and the full-year operation of three facilities newly opened in 2020.

- "Real estate sales business" is expected to generate 130 billion yen in operating revenue due to the strong performance of our residential property sales business, and we expect fruits from office building sales. In addition, "other business" is expected to generate 17 billion yen in operating revenue.

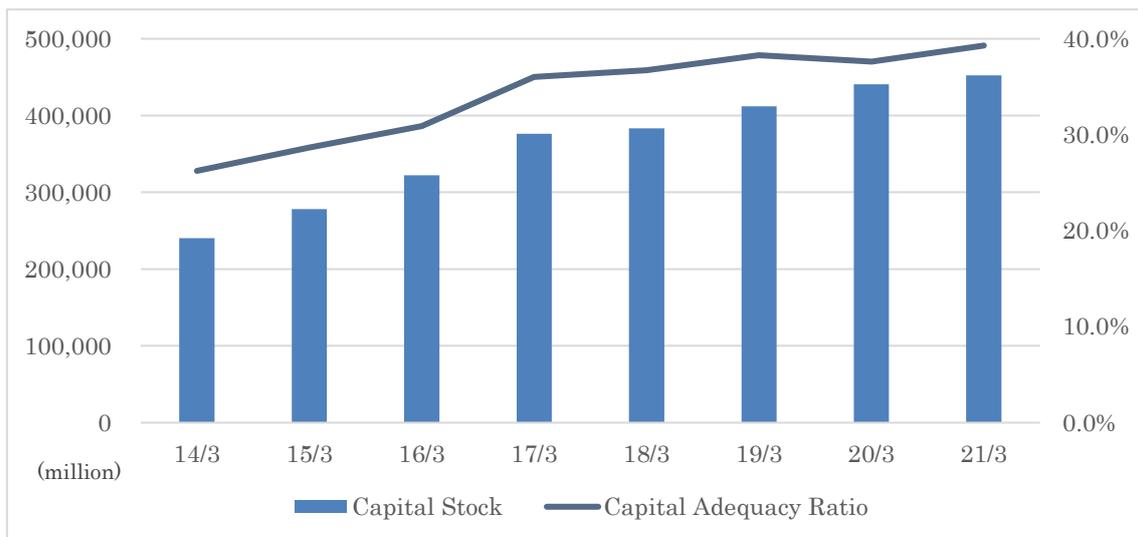
As a result of the above, for the fiscal year ending March 2022, we expect operating revenue of 260 billion yen, operating income of 60 billion yen, and net income attributable to owners of the parent of 37 billion yen.

Projections contained in this document have been made on the basis of information available when it was released. Due to various unforeseeable factors, actual performance may differ from such projections.

## Financial Conditions of Mori Trust Group

### ■ Trends of Capital Stock and Capital Adequacy Ratio

The capital stock and capital adequacy ratio for the fiscal year ended March 2021 were 452.4 billion yen and 39.3% respectively.



## FY 2021 Key Business Topics

### ■ REAL ESTATE

Under our office business vision, "Creative First," we completed the construction of "Kamiyacho Trust Tower," the large complex that forms the core of "Tokyo World Gate," in March of last year. We constructed this building to supply an office building that meets diversifying office needs. A green space of about 5,000 m<sup>2</sup> has been developed. In addition, various facilities for stores and conferences, etc., are opening successively. In March of this year, the construction of the "Akasaka 2-Chome Project (tentative name)" started in earnest. We are now developing a town that will serve as a destination for diverse people, looking beyond the new normal.

Tokyo World Gate/Kamiyacho Trust Tower		AKASAKA 2-CHOME PROJECT	
			
Site area	16,210 m <sup>2</sup>	Site area	15,750 m <sup>2</sup>
Total floor area	198,774.23 m <sup>2</sup>	Total floor area	220,000 m <sup>2</sup>
Number of floors	38 floors above ground 3 floors below ground	Number of floors	43 floors above ground 3 floors below ground
Location	4-1-1, Toranomon, Minato-ku, Tokyo	Location	1-chome and 2-chome, Akasaka, Minato-ku, Tokyo
Primary use	Offices, shared office, residence, luxury hotel and serviced apartments, medical facility for foreign patients, shop & restaurant, shrine	Primary use	Offices, hotel, serviced apartments, shop & restaurant, facilities to support tourism, facilities to promote history and culture, clinics

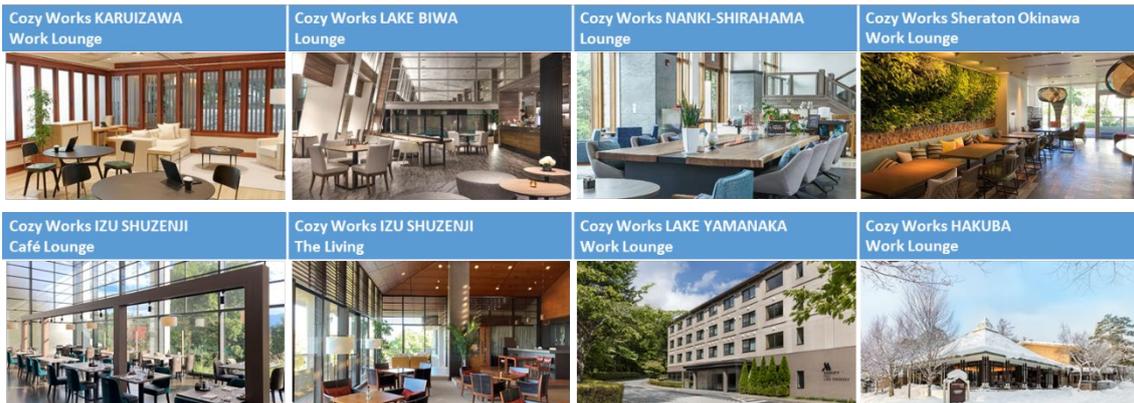
## Small offices “Cozy Works”



Based on the concept of "at living," Gotenyama Trust Tower and Shiroyama Trust Tower provide private spaces where you can relax as though you are at home even while you are in an office.

Cozy Works Gotenyama		Cozy Works Kamiyacho	
Starting date	February 3, 2020	Starting date	September 1, 2020
Location	3F, Gotenyama Trust Tower	Location	4F, Shiroyama Trust Tower
Area	622.83 m <sup>2</sup>	Area	1,025.15 m <sup>2</sup>
Room	11 rooms	Room	35 rooms
Contents	Small offices, Exclusive lounges for members and residents, Exclusive meeting rooms for members and residents	Contents	Small offices, Exclusive lounges for members and residents, Exclusive meeting rooms for members and residents

We have expanded our “Cozy Works” brand office spaces in the resort hotels operated by our Group.



## ■ HOTELS & RESORTS

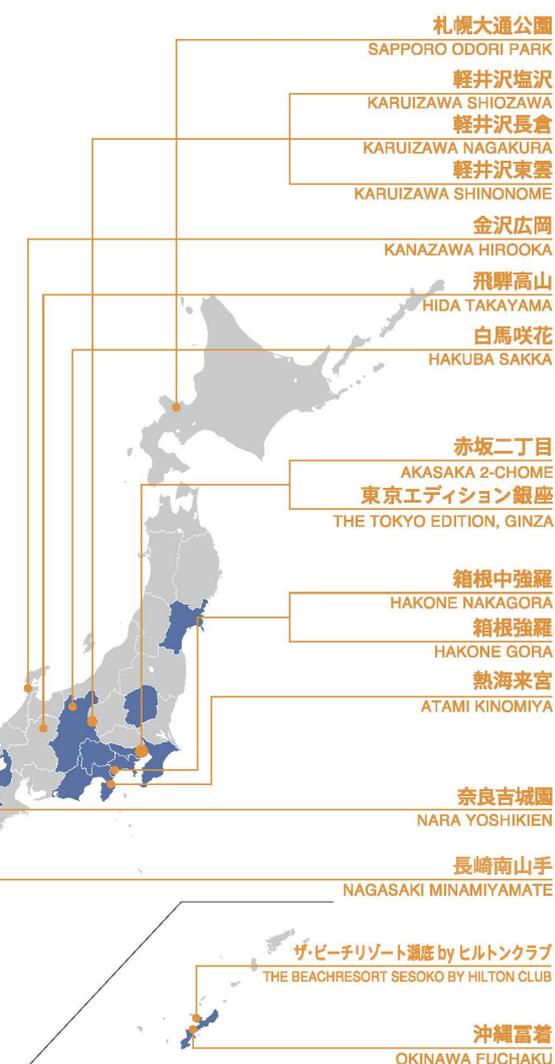
Apart from having 27 hotel facilities across Japan as of March 2021, we are also promoting new hotel plans for two hotels in central Tokyo and 14 hotels in regional areas.

Under the “luxury destination network” concept\*, we provide comfortable stays to tourists from Japan and overseas utilizing the attractive tourism resources of various areas of Japan, such as promoting initiatives aimed at increasing inbound demand and increasing consumption per traveler.

### 27 既存ホテル BRANDED HOTELS

- 東京エディション虎ノ門  
THE TOKYO EDITION, TORANOMON
- 翠嵐 ラグジュアリーコレクションホテル京都  
SUIRAN, A LUXURY COLLECTION HOTEL, KYOTO
- イラフ SUI ラグジュアリーコレクションホテル沖縄宮古  
IRAPH SUI, A LUXURY COLLECTION HOTEL, MIYAKO OKINAWA
- JWマリオット・ホテル奈良  
JW MARRIOTT HOTEL NARA
- コンラッド東京  
CONRAD TOKYO
- 東京マリオットホテル  
TOKYO MARRIOTT HOTEL
- 富士マリオットホテル山中湖  
FUJI MARRIOTT HOTEL LAKE YAMANAKA
- 軽井沢マリオットホテル  
KARUIZAWA MARRIOTT HOTEL
- 伊豆マリオットホテル修善寺  
IZU MARRIOTT HOTEL SHUZENJI
- 琵琶湖マリオットホテル  
LAKE BIWA MARRIOTT HOTEL
- 南紀白浜マリオットホテル  
NANKI-SHIRAHAMA MARRIOTT HOTEL
- シェラトン沖縄サンマリーナリゾート  
SHERATON OKINAWA SUNMARINA RESORT
- ウェスティンホテル仙台  
THE WESTIN SENDAI
- ヒルトン小田原リゾート&スパ  
HILTON ODAWARA RESORT & SPA
- ヒルトン沖縄瀬底リゾート  
HILTON OKINAWA SESOKO RESORT
- コートヤード・バイ・マリオット 東京ステーション  
COURTYARD BY MARRIOTT TOKYO STATION
- コートヤード・バイ・マリオット 新大阪ステーション  
COURTYARD BY MARRIOTT SHIN-OSAKA STATION
- コートヤード・バイ・マリオット 白馬  
COURTYARD BY MARRIOTT HAKUBA
- リゾートホテルラフォーレ那須  
RESORT HOTEL LAFORET NASU
- ラフォーレ倶楽部 箱根強羅 湯の楼  
LAFORET CLUB HAKONE GORA YU NO SUMIKA
- ラフォーレ倶楽部 伊東温泉 湯の庭  
LAFORET CLUB ITO ONSEN YU NO NIWA
- ホテルラフォーレ修善寺  
HOTEL LAFORET SHUZENJI
- ラフォーレ蔵王リゾート&スパ  
LAFORET ZAO RESORT AND SPA
- ラフォーレ&松尾ゴルフ倶楽部  
LAFORET & MATSUO GOLF CLUB
- 万平ホテル  
MAMPEI HOTEL
- 強羅環翠楼  
GORA-KANSUIRO
- シャングリ・ラ ホテル東京(リース)  
SHANGRI-LA HOTEL, TOKYO

### 16 新規プロジェクト NEW DEVELOPMENTS



\*“Luxury destination network” concept: The Mori Trust Group’s business vision of creating a “luxury destination network” in Japan through the development of luxury hotels in attractive cities and resorts throughout Japan to contribute to making Japan a leading tourism country.

## Hotels opened in FY2020

### ■ THE TOKYO EDITION, TORANOMON



We opened the luxury lifestyle hotel brand "EDITION" for the first time in Japan, offering new trends and sophisticated lifestyles in Tokyo.

Location	Toranomon, Minato-ku, Tokyo
Room	206 rooms

### ■ JW Marriott Hotel NARA



We attracted the "JW Marriott Hotel" Marriott International luxury hotel brand to Japan for the first time. This hotel has good access to historic sites representative of Japan and is aiming to become a new tourist base.

Location	Sanjooji, Nara-shi, Nara
Room	158 rooms

### ■ HILTON OKINAWA SESOKO RESORT



This is the first beach resort hotel in Japan opened by Hilton. Facing Sesoko Beach, which boasts the clearest water in Japan, the hotel provides a memorable stay where you can feel beautiful nature with your five senses.

Location	Sesoko, Motobu-cho, kunigami-gun, Okinawa
Room	298 rooms

## (Reference) Hotels scheduled to be developed

### ■ The Beach Resort Sesoko by Hilton Club



By developing medium- to long-term timeshare resorts, we aim to propose a new vacation style called "enjoy as if you live here" and contribute to the realization of affluent and fulfilling lifestyles for visitors.

### ■ THE TOKYO EDITION, GINZA



Affinity with surrounding global high-brand customer segments is high. We aim to contribute to the sustainable development of the Ginza area by attracting international travelers, including trendsetters and the wealthy.

## ■ WELLNESS BUSINESS

In an effort to create new value based on ideas outside the framework of existing businesses, our Group focused on the importance of wellness. Therefore, we launched a full-scale wellness business in October 2020. The wellness business aims to provide comprehensive support for workers' lifestyles, including proposals for accommodation plans that allow them to experience wellness; developing a workcation environment; and wellness-related services in collaboration with startup companies. While focusing on wellness, which is an important theme for modern society, we will contribute to the realization of a wellness society by designing "safety and security" in various real spaces such as places to work and relax.

### Exclusive Sales in Japan of Pure Wellness Room

#### **【Program for Cleaning the Indoor Environment】**

We have signed an exclusive distributor agreement in Japan for "Pure wellness room" (hereinafter referred to as the "Program") with Pure Solutions, LLC. The Program purifies the indoor environment and maintains clear conditions through seven comprehensive processes. Pure Solutions, LLC has been developing its business to improve the quality of the air environment in the U.S. for more than 20 years. Through the development of the Program, we will respond to growing social needs for safe and secure air environments caused by the spread of COVID-19 infections.

Pure™  
wellness



## Collaboration with Companies

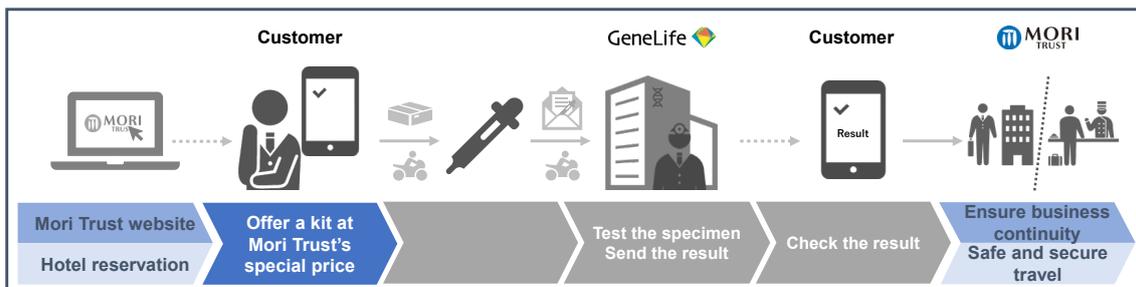
### 【Concluded a Sales Agent Agreement with MRSO, Inc., a Company in Which We Have Invested】

The current COVID-19 pandemic has led to a decline in the rate of undergoing comprehensive medical examinations and health checkups. It has also led to the subsequent deterioration in the financial performance of medical institutions. Therefore, we aim to contribute to the realization of a sustainable medical system by promoting the introduction of "Pure wellness room" to alleviate the psychological barriers that people visiting medical institutions have.



### 【Support the Safety and Security of Office and Hotel Users with PCR Test Kits】

Mori Trust Group is working to create a safe and secure environment for work and travel in the era of With Corona. As part of our efforts, we offer office tenants and hotel guests with reservations GeneLife's COVID-19 PCR test kits at Mori Trust's special price.



It is expected that people will gradually resume their daily lives. However, in order to prevent a resurgence in infections, we need to propose new ways of working and leisure in the era of With Corona while reducing the risk of infection. We offer Mori Trust's special price to tenant companies and hotel guests with reservations. Thus, tenant employees can come to the office with as much peace of mind as possible, and hotel guests can enjoy their trip safely and securely with our support.

### 【Encourage Workcation Promotion and Support Work-Life Balance Realization】

Together with the JAL Group, we are developing the "JAL×Marriott Workcation Debut Plan," a one-package plan that even beginners can easily use. We provide this plan to support the realization of a rich work-life balance for workers through workcation promotion. We will expand the base of workcation users and support more workers in achieving a work-life balance.



## Mori Trust Group : Total Floor Area Leased or Managed

### ■ Number of rental / managed facilities (as of March 31, 2021)

- Rental buildings : Approx. 1,790,000 m<sup>2</sup> (80 buildings)
- Hotel & Resort facilities : 27 facilities (Number of rooms : Approx. 4,400)

## Mori Trust Group : Summary of Consolidated Companies

#### MORI TRUST CO., LTD.

Location Toranomon, Minato-ku, Tokyo  
 Chairman Akira Mori  
 President Miwako Date  
 Established June 10, 1970  
 Capital 30 billion yen  
 Business sectors Real estate development, hotel management and investment business

#### MORI TRUST BUILDING MANAGEMENT CO., LTD.

Location Toranomon, Minato-ku, Tokyo  
 President Kazunobu Kuwata  
 Established April 1, 2002  
 Capital 100 million yen  
 Business sectors Comprehensive building services for building management, interior design management & renovation, and planning & consulting.

#### MORI TRUST HOTELS & RESORTS CO., LTD.

Location Kitashinagawa, Shinagawa-ku, Tokyo  
 President Miwako Date  
 Established February 7, 1973  
 Capital 100 million yen  
 Business sectors Operation of hotel chains & golf courses, Management of tourism information center, Meeting room lease, Innovative R&D

#### MAMPEI HOTEL CO., LTD.

Location Toranomon, Minato-ku, Tokyo  
 Chairman Miwako Date  
 President Mamoru Fukuda  
 Established 1894  
 Capital 100 million yen  
 Business sectors operation of the Mampei Hotel

#### MT&Hilton Hotel Co., Ltd.

Location Toranomon, Minato-ku, Tokyo  
 President Eiji Funayama  
 Established October 22, 2004  
 Capital 20 million yen  
 Business sectors Management of the Conrad Tokyo, Hilton Odawara Resort & Spa and Hilton Okinawa Sesoko Resort

#### MT&M Hotel Management Co., Ltd.

Location Toranomon, Minato-ku, Tokyo  
 President Eiji Funayama  
 Established May 13, 2019  
 Capital 20 million yen  
 Business sectors Management of JW Marriott Hotel NARA, The Tokyo EDITION, Ginza and The Tokyo EDITION, Toranomon

#### Sun Marina Operations Co., Ltd.

Location Onna-son, Kunigami-gun, Okinawa  
 President Shigeru Sakai  
 Established April 1, 1987  
 Capital 100 million yen  
 Business sectors Operation of the Sheraton Okinawa Sun Marina Resort

#### GOURAKANSUIROU CO., LTD.

Location Hakone-Machi Gora, Ashigarashimo-gun, Kanagawa  
 President Shigeru Sakai  
 Established April 15, 1949  
 Capital 10 million yen  
 Business sectors operation of Gora-Kansuirou

#### FORETSEINE CO., LTD.

Location Kitashinagawa, Shinagawa-ku, Tokyo  
 President Shin Takahashi  
 Established March 31, 2011  
 (date of foundation since incorporation-type company split)  
 Capital 100 million yen  
 Business sectors Planning and development of urban type condominium for sales and rental management

#### Toyo Green Building Co., Ltd.

Location Kitashinagawa, Shinagawa-ku, Tokyo  
 President Mitsuya Toyoda  
 Established March 1, 1978  
 Capital 90 million yen  
 Business sectors Condominium management service

#### ESLEAD CORPORATION (Code: 8877)

Location Fukushima, Fukushima-ku, Osaka-shi  
 President Sugio Aramaki  
 Established May 8, 1992  
 Capital 1,983 million yen  
 Business sectors Sale of condominiums, Real estate replacement business, Real estate rental business, etc

#### ESLEAD CHINTAI CORPORATION

Location Oyodominami, Kita-ku, Osaka-shi  
 President Tsuneyuki Matsushita  
 Established May 20, 1996  
 Capital 10 million yen  
 Business sectors Rental Management Businesses

#### Souden CORPORATION

Location Oyodominami, Kita-ku, Osaka-shi  
 President Hiroshi Kurokawa  
 Established May 17, 2006  
 Capital 90 million yen  
 Business sectors Electricity Management Business

#### E·L CONSTRUCTION CORPORATION

Location Oyodominami, Kita-ku, Osaka-shi  
 President Wataru Suzuki  
 Established June 14, 2006  
 Capital 100 million yen  
 Business sectors General Contract and Renovation Businesses

**ESLEAD JYUTAKU RYUTU CO. LTD**

Location Oyodominami, Kita-ku, Osaka-shi  
 President Hiroyuki Harima  
 Established May 8, 2007  
 Capital 10 million yen  
 Business sectors Real Estate Transaction, Asset Management and Real Estate Rental Businesses

**ESLEAD HOUSE CORPORATION**

Location Oyodominami, Kita-ku, Osaka-shi  
 President Mutsuo Nishida  
 Established June 20, 2016  
 Capital 10 million yen  
 Business sectors Sale of detached houses

**ESLEAD TATEMONOKANRI CORPORATION**

Location Oyodominami, Kita-ku, Osaka-shi  
 President Masaaki Fujino  
 Established November 22, 2018  
 Capital 10 million yen  
 Business sectors Real Estate Management Business etc.

**ESLEAD HOTEL MANAGEMENT CORPORATION**

Location Oyodominami, Kita-ku, Osaka-shi  
 President Ryosuke Kamine  
 Established January 29, 2019  
 Capital 4 million yen  
 Business sectors Management, operation and consulting services for Ryokan, hotel and budget hotel etc.

**E CLEANUP CORPORATION**

Location Oyodominami, Kita-ku, Osaka-shi  
 President Masaaki Fujino  
 Established November 1, 2019  
 Capital 10 million yen  
 Business sectors House cleaning business and cleaning business for buildings, condominiums, hotels, etc.

**ESLEAD ASSET MANAGEMENT CORPORATION**

Location Fukushima, Fukushima-ku, Osaka-shi  
 President Kiyofumi Shirouzu  
 Established November 1, 2019  
 Capital 10 million yen  
 Business sectors Asset Management etc.

**MT GENEX CORPORATION (Code:9820)**

Location Azabudai, Minato-ku, Tokyo  
 President Hitoshi Suzuki  
 Established October 1945  
 Capital Approx. 1.072 billion yen  
 Business sectors Facelift of building and housing, and parking operation management, etc.

**Toyo Housing Management, Inc.**

Location Roppongi, Minato-ku, Tokyo  
 President Mitsuya Toyoda  
 Established November 27, 2019  
 Capital 10 million yen  
 Business sectors Leasing management and operations of real estate

**MORI TRUST INSURANCE SERVICE CORPORATION**

Location Roppongi, Minato-ku, Tokyo  
 President Hitoshi Suzuki  
 Established January 25, 2016  
 Capital 10 million yen  
 Business sectors Nonlife insurance agent and life insurance solicitor

**CHIYODA ME SERVICE CORPORATION**

Location Ogimachi, Takamatsu-shi, Kagawa-ken  
 President Kinashi Ritsuyu  
 Established May 29, 1976  
 Capital 30 million yen  
 Business sectors Maintenance and preservation of electrical equipment systems

**MORI TRUST Asset Management Co., Ltd.**

Location Toranomon, Minato-ku, Tokyo  
 President Michio Yamamoto  
 Established February 28, 2000  
 Capital 400 million yen  
 Business sectors Operation of real estate investment trusts

**Shiroyama Heating & Cooling Supply Co., Ltd.**

Location Toranomon, Minato-ku, Tokyo  
 President Takashi Akiba  
 Established November 6, 1989  
 Capital 300 million yen  
 Business sectors District heating and cooling services for Shiroyama Garden, Tokyo World Gate and the adjacent areas

**AZMAX CORP.**

Location Nihonbashi, Chuo-ku, Tokyo  
 President Masayoshi Takahashi  
 Established August 11, 1947  
 Capital 499 million yen  
 Business sectors Manufacturing and selling cold drawn special steel shapes

**MORI America LLC**

Location County of New Castle, Delaware 19808 U.S.A.  
 Established November 7, 2016  
 Business sectors Real estate business in the United States

**MT BACK BAY ONE LLC**

Location County of New Castle, Delaware 19808 U.S.A.  
 Established November 4, 2016  
 Business sectors Ownership of 10 St. James Avenue and 75 Arlington Street in Boston

**MORI America Management LLC**

Location County of New Castle, Delaware 19808 U.S.A.  
 Established December 16, 2016  
 Business sectors Real estate management service in the United States

**MT Silicon Valley One LL**

Location County of New Castle, Delaware 19808 U.S.A.  
 Established July 11, 2018  
 Business sectors Ownership of HQ @first (110 Holger Way, 120 Holger Way, 130 Holger Way, 95 Headquarters) in San Jose

(as of March 31, 2021)

## Mori Trust Group : Summary of Equity – Method

**MORI TRUST Sogo Reit, Inc. (Code:8961)**

Location Toranomon, Minato-ku, Tokyo  
 Established October 2, 2001  
 Business sectors Investment in real estate and asset-backed securities investing primarily in real estate

**MORI TRUST Hotel Reit, Inc.**

Location Toranomon, Minato-ku, Tokyo  
 Established January 15, 2016  
 Business sectors Investment in real estate and asset-backed securities investing primarily in real estate

**Aichi Road Concession Co., Ltd.**

Location Hikozucho, Handa-shi, Aichi  
 Established August 3, 2016  
 Business sectors Road maintenance and management in the Aichi prefecture district and surrounding regions and associated road improvement works

(as of March 31, 2021)

Consolidated Balance Sheets (as of March 31, 2021 and 2020)

MORI TRUST CO., LTD. and its consolidated subsidiaries

(¥ millions)

	2021	2020
<b>Assets</b>		
<b>I . Current assets</b>		
1 Cash and deposits	59,704	55,186
2 Notes and accounts receivable-trade	17,726	14,478
3 Short-term investment securities	6,361	2,451
4 Real estate for sale	208,783	238,970
5 Real estate for sale in process	58,389	48,821
6 Real estate for development	618	618
7 Other inventories	2,046	2,176
8 Other	18,514	29,205
Allowance for doubtful accounts	(18)	(22)
<b>Total current assets</b>	<b>372,126</b>	<b>391,887</b>
<b>II . Noncurrent assets</b>		
<b>1 Property, plant and equipment</b>		
(1) Buildings and structures, net	229,618	245,219
(2) Machinery, equipment and vehicles, net	6,685	6,664
(3) Tools, furniture and fixtures, net	3,308	2,091
(4) Land	467,327	468,036
(5) Construction in progress	17,243	4,958
(6) Other, net	2,598	1,661
<b>Total property, plant and equipment</b>	<b>726,782</b>	<b>728,631</b>
<b>2 Intangible assets</b>		
(1) Leasehold right	3,378	3,378
(2) Goodwill	211	112
(3) Other	4,747	5,603
<b>Total intangible assets</b>	<b>8,337</b>	<b>9,094</b>
<b>3 Investments and other assets</b>		
(1) Investment securities	26,690	26,712
(2) Long-term loans receivable	34	42
(3) Deferred tax assets	874	950
(4) Net Defined Benefit Asset	824	852
(5) Guarantee deposits	6,366	6,506
(6) Other	9,398	6,707
Allowance for doubtful accounts	(18)	(18)
<b>Total Investments and other assets</b>	<b>44,168</b>	<b>41,752</b>
<b>Total noncurrent assets</b>	<b>779,288</b>	<b>779,478</b>
<b>Total assets</b>	<b>1,151,415</b>	<b>1,171,365</b>

Note: Figures less than one million yen are rounded down.

(¥ millions)

	2021	2020
<b>Liabilities</b>		
<b>I . Current liabilities</b>		
1 Notes and accounts payable-trade	16,267	18,526
2 Short-term loans payable	58,925	23,619
3 Current portion of long-term loans payable	12,714	15,714
4 Accounts payable-other	12,029	81,882
5 Income taxes payable	15,893	14,775
6 Accrued expenses	953	964
7 Advances received	8,916	11,266
8 Deposits received	1,344	2,394
9 Provision for bonuses	791	886
10 Other	540	424
<b>Total current liabilities</b>	<b>128,377</b>	<b>170,455</b>
<b>II . Noncurrent liabilities</b>		
1 Long-term loans payable	403,832	394,695
2 Long-term lease deposited	65,395	62,870
3 Long-term guarantee deposited	48,643	49,451
4 Long-term deposits received	435	423
5 Deferred tax liabilities	15,125	18,385
6 Net defined benefit liability	2,416	2,453
7 Asset Retirement Obligation	5,320	5,744
8 Other	2,264	684
<b>Total noncurrent liabilities</b>	<b>543,434</b>	<b>534,707</b>
<b>Total liabilities</b>	<b>671,811</b>	<b>705,163</b>
<b>Net assets</b>		
<b>I . Shareholders' equity</b>		
1 Capital stock	30,000	30,000
2 Capital surplus	10,028	9,755
3 Retained earnings	420,697	404,203
<b>Total shareholders' equity</b>	<b>460,725</b>	<b>443,959</b>
<b>II . Valuation and translation adjustments</b>		
1 Valuation difference on available-for-sale securities	1,081	272
2 Deferred hedge gains and losses	(1)	(1)
3 Foreign currency translation adjustment	(9,582)	(3,916)
4 Remeasurements of defined benefit plans	204	259
<b>Total valuation and translation adjustments</b>	<b>(8,298)</b>	<b>(3,416)</b>
<b>III . Non-controlling interests</b>	<b>27,176</b>	<b>25,659</b>
<b>Total net assets</b>	<b>479,603</b>	<b>466,202</b>
<b>Total liabilities and net assets</b>	<b>1,151,415</b>	<b>1,171,365</b>

Note: Figures less than one million yen are rounded down.

Consolidated Statements of Income (For the years ended March 31, 2021 and 2020)

(¥ millions)

	2021	2020
<b>I . Operating revenue</b>	<b>251,450</b>	<b>233,638</b>
<b>II . Operating cost</b>	<b>174,515</b>	<b>156,914</b>
<b>Operating gross profit</b>	<b>76,935</b>	<b>76,724</b>
<b>III . Selling, general and administrative expenses</b>	<b>18,714</b>	<b>17,932</b>
<b>Operating income</b>	<b>58,221</b>	<b>58,791</b>
<b>IV . Non-operating income</b>		
1 Interest and dividends income	148	512
2 Gain on sales of securities	264	2,273
3 Gain on investments in partnership etc.	1,501	1,327
4 Subsidies for employment adjustment	1,567	-
5 Other	1,335	1,715
<b>Total non-operating income</b>	<b>4,816</b>	<b>5,828</b>
<b>V . Non-operating expenses</b>		
1 Interest expenses	2,755	2,938
2 Loss on valuation of securities	-	1,065
3 Other	388	428
<b>Total non-operating expenses</b>	<b>3,144</b>	<b>4,431</b>
<b>Ordinary income</b>	<b>59,894</b>	<b>60,188</b>
<b>VI . Extraordinary income</b>		
1 Subsidy income	499	-
2 Other	37	2,822
<b>Total extraordinary income</b>	<b>537</b>	<b>2,822</b>
<b>VII . Extraordinary loss</b>		
1 Loss on valuation of investment securities	1,570	176
2 Loss from COVID-19 infections	1,354	-
3 Other	354	139
<b>Total extraordinary losses</b>	<b>3,279</b>	<b>316</b>
<b>Income before income taxes and minority interests</b>	<b>57,152</b>	<b>62,695</b>
Income taxes-current	22,953	20,357
Income taxes-deferred	(3,401)	(640)
Income taxes	19,551	19,716
<b>Net income</b>	<b>37,601</b>	<b>42,978</b>
<b>Net income attributable to non-controlling interests</b>	<b>2,107</b>	<b>2,620</b>
<b>Net income attributable to parent company's shareholders</b>	<b>35,493</b>	<b>40,357</b>

Note: Figures less than one million yen are rounded down.