

## Financial statements

## Consolidated balance sheets

	Millions of yen	
	Prior consolidated fiscal year (March 31, 2018)	Current consolidated fiscal year (March 31, 2019)
<b>Assets</b>		
Current assets		
Cash and deposits	82,995	109,327
Notes and accounts receivable-trade	28,180	32,521
Railway fares receivable	40,186	43,552
Accounts receivable	72,713	72,287
Securities	18,700	27,500
Inventories	101,258	104,827
Other current assets	56,323	65,623
Less allowance for doubtful accounts	(815)	(705)
Total current assets	399,542	454,934
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,144,690	1,175,279
Machinery and transport equipment	351,382	376,995
Land	758,987	767,908
Construction in progress	73,063	73,496
Other property, plant and equipment	36,413	60,207
Total property, plant and equipment	2,364,537	2,453,887
Intangible assets	35,867	39,361
Investments and other assets		
Investments in securities	86,817	101,010
Net defined benefit asset	1,868	2,170
Deferred tax assets	142,059	140,749
Other investments and assets	43,961	49,359
Less allowance for doubtful accounts	(2,823)	(3,876)
Total investments and other assets	271,882	289,413
Total non-current assets	2,672,286	2,782,661
<b>Total assets</b>	<b>3,071,829</b>	<b>3,237,596</b>

	Millions of yen	
	Prior consolidated fiscal year (March 31, 2018)	Current consolidated fiscal year (March 31, 2019)
<b>Liabilities and shareholders' equity</b>		
Current liabilities		
Notes and accounts payable-trade	65,057	70,771
Short-term loans payable	17,252	20,713
Current portion of bonds	25,000	35,000
Current portion of long-term loans payable	34,126	38,832
Current portion of long-term payables for acquisition of railway properties	1,580	1,642
Accounts payable	95,188	126,024
Accrued consumption tax	11,835	6,583
Accrued income tax	31,130	28,068
Inter-line fares received	1,893	2,686
Deposits received	93,768	105,788
Prepaid railway fares received	38,860	41,280
Advances received	29,551	33,785
Provision for bonuses	39,187	37,408
Provision for loss on disaster	—	11,100
Provision for point program	2,204	2,081
Other current liabilities	43,652	46,786
Total current liabilities	530,289	608,554
Non-current liabilities		
Bonds payable	499,983	534,984
Long-term loans payable	367,161	350,828
Long-term payables for acquisition of railway properties	104,375	102,728
Deferred tax liabilities	2,446	1,528
Provision for large scale renovation of Shinkansen infrastructure	8,333	12,500
Provision for environmental safety measures	15,838	11,587
Provision for loss on liquidation of railway belts	10,170	9,594
Provision for unredeemed gift certificates	2,414	2,382
Net defined benefit liability	301,783	285,843
Other long-term liabilities	112,730	137,203
Total non-current liabilities	1,425,236	1,449,180
Total liabilities	1,955,525	2,057,734
<b>Net assets</b>		
Total shareholders' equity		
Common stock	100,000	100,000
Capital surplus	56,171	56,171
Retained earnings	849,925	911,532
Treasury stock, at cost	(481)	(483)
Total shareholders' equity	1,005,615	1,067,220
Valuation and translation adjustments		
Net unrealized holding gain on securities	4,018	3,837
Deferred gains or losses on hedges	83	(54)
Remeasurements of defined benefit plans	11,242	8,594
Total valuation and translation adjustments	15,344	12,378
Non-controlling interests	95,343	100,262
Total net assets	1,116,304	1,179,861
<b>Total liabilities and net assets</b>	<b>3,071,829</b>	<b>3,237,596</b>

## Financial statements

## Consolidated statements of income and consolidated statements of comprehensive income

	Millions of yen	
	Prior consolidated fiscal year (From April 1, 2017 To March 31, 2018)	Current consolidated fiscal year (From April 1, 2018 To March 31, 2019)
<b>Consolidated statements of income</b>		
Operating revenues	1,500,445	1,529,308
Operating expenses		
Transportation, other services and cost of sales	1,113,026	1,128,016
Selling, general and administrative expenses	196,052	204,345
Total operating expenses	1,309,079	1,332,361
Operating income	191,365	196,946
Non-operating revenues		
Interest income	33	17
Dividend income	670	1,144
Dividends income of insurance	2,328	2,233
Transfer from administrative fee of contracted construction	1,525	1,580
Equity in earnings of affiliates	2,480	1,812
Other	2,060	2,638
Total non-operating revenues	9,098	9,426
Non-operating expenses		
Interest expense	20,906	20,030
Other	1,777	3,019
Total non-operating expenses	22,684	23,049
Recurring profit	177,780	183,323
Extraordinary profits		
Gain on sale of non-current assets	247	612
Gain on contributions received for construction	25,533	23,724
Compensation income for expropriation	1,237	1,212
Other	5,875	3,527
Total extraordinary profits	32,894	29,076
Extraordinary losses		
Loss on sales of non-current assets	664	139
Loss on deduction of contributions received for construction from acquisition costs of property, plant and equipment	24,208	22,107
Loss on reduction for expropriation, etc.	976	1,204
Loss on disaster	1,863	11,433
Provision for loss on disaster	—	11,100
Other	12,282	9,240
Total extraordinary losses	39,995	55,226
Profit before income taxes	170,679	157,173
Income taxes- Current	48,260	47,937
Income taxes- Deferred	6,400	1,414
Total income taxes	54,661	49,352
Profit	116,018	107,821
Profit attributable to non-controlling interests	5,524	5,071
Profit attributable to owners of parent	110,493	102,750

	Millions of yen	
	Prior consolidated fiscal year (From April 1, 2017 To March 31, 2018)	Current consolidated fiscal year (From April 1, 2018 To March 31, 2019)
<b>Consolidated statements of comprehensive income</b>		
Profit	116,018	107,821
Other comprehensive income		
Valuation difference on available-for-sale securities	305	(323)
Deferred gains or losses on hedges	(132)	(172)
Remeasurements of defined benefit plans, net of tax	(2,089)	(2,575)
Share of other comprehensive income of associates accounted for using equity method	70	68
Total other comprehensive income	(1,846)	(3,003)
Comprehensive income	114,171	104,817
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	108,347	99,783
Comprehensive income attributable to non-controlling interests	5,824	5,034

## Consolidated statement of cash flows

	Millions of yen	
	Prior consolidated fiscal year (From April 1, 2017 To March 31, 2018)	Current consolidated fiscal year (From April 1, 2018 To March 31, 2019)
<b>Consolidated statement of cash flows</b>		
<b>Cash flows from operating activities</b>		
Profit before income taxes	170,679	157,173
Depreciation and amortization	163,562	163,188
Loss on deduction of contributions received for construction from acquisition costs of property, plant and equipment	24,208	22,107
Loss on disposal of property, plant and equipment	5,506	8,056
Increase (decrease) in liability for retirement benefits	(26,528)	(19,720)
Increase (decrease) in allowance for doubtful accounts	1,705	940
Increase (decrease) in provision for employees' bonuses	1,755	(1,813)
Increase in allowance for large-scale renovation of Shinkansen infrastructure	4,166	4,166
Increase (decrease) in other provisions	(4,366)	6,438
Interest and dividend income	(703)	(1,161)
Interest expense	20,906	20,030
Equity in earnings of affiliates	(2,480)	(1,812)
Proceeds from contribution for construction	(25,533)	(23,724)
Decrease (increase) in notes and accounts receivable-trade	(12,282)	(6,888)
Decrease (increase) in inventories	(15,736)	(2,709)
Increase (decrease) in notes and accounts payable-trade	23,440	41,268
Increase (decrease) in accrued consumption taxes	(366)	(5,276)
Other	9,605	(1,585)
Subtotal	337,540	358,679
Interest and dividends income received	700	1,159
Interest paid	(20,663)	(19,753)
Income taxes paid	(42,475)	(50,357)
Net cash provided by operating activities	275,101	289,728
<b>Cash flows from investing activities</b>		
Payments for time deposits with a maturity in excess of more than three months	(231)	(231)
Proceeds from time deposits with a maturity in excess of more than three months	231	231
Purchases of property, plant and equipment	(201,705)	(257,264)
Proceeds from sales of property, plant and equipment	2,239	453
Contributions received for constructions	36,391	29,932
Purchases of investments in securities	(4,604)	(15,289)
Proceeds from sales of investments in securities	631	55
Net decrease (increase) in loans receivable	3,083	501
Other	(2,388)	(5,808)
Net cash used in investing activities	(166,352)	(247,420)
<b>Cash flows from financing activities</b>		
Net increase in short-term loans	857	4,248
Proceeds from long-term loans	37,600	29,700
Repayments of long-term loans	(31,780)	(41,326)
Proceeds from issuance of bonds	40,000	70,000
Redemption of bonds	(50,000)	(25,000)
Payment of long-term payables for acquisition of railway properties	(1,515)	(1,583)
Purchases of treasury stock	—	(9,999)
Proceeds from sales of treasury stock	0	—
Cash dividends paid to owners of parent	(29,049)	(32,329)
Cash dividends paid to non-controlling interests	(122)	(114)
Other	(37,413)	(770)
Net cash (used in) provided by financing activities	(71,422)	(7,174)
<b>Net increase (decrease) in cash and cash equivalents</b>	37,326	35,132
<b>Cash and cash equivalents at beginning of year</b>	63,332	101,448
<b>Increase in cash and cash equivalents resulting from initial consolidation of a subsidiary</b>	789	—
<b>Cash and cash equivalents at end of year</b>	101,448	136,581