

Financial statements

Millions of yen

Consolidated balance sheets

| | Prior consolidated fiscal year (March 31, 2019) | Current consolidated fiscal year (March 31, 2020) |
|--------------------------------------|--|---|
| Assets | | |
| Current assets | | |
| Cash | 109,327 | 78,530 |
| Notes and accounts receivable-trade | 32,521 | 28,198 |
| Railway fares receivable | 43,552 | 34,699 |
| Accounts receivable | 72,287 | 71,671 |
| Securities | 27,500 | 127 |
| Inventories | 104,827 | 117,088 |
| Other current assets | 65,623 | 77,298 |
| Less allowance for doubtful accounts | (705) | (634) |
| Total current assets | 454,934 | 406,981 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 1,175,279 | 1,215,032 |
| Machinery and transport equipment | 376,995 | 385,669 |
| Land | 767,908 | 780,886 |
| Construction in progress | 73,496 | 86,437 |
| Other property, plant and equipment | 60,207 | 64,062 |
| Total property, plant and equipment | 2,453,887 | 2,532,088 |
| Intangible assets | 39,361 | 34,229 |
| Investments and other assets | | |
| Investments in securities | 101,010 | 116,690 |
| Net defined benefit asset | 2,170 | 1,919 |
| Deferred tax assets | 140,749 | 136,954 |
| Other investments and assets | 49,359 | 51,085 |
| Less allowance for doubtful accounts | (3,876) | (4,692) |
| Total investments and other assets | 289,413 | 301,956 |
| Total non-current assets | 2,782,661 | 2,868,275 |
| Total assets | 3,237,596 | 3,275,257 |

Millions of yen

| | Prior consolidated fiscal year (March 31, 2019) | Current consolidated fiscal year (March 31, 2020) |
|---|--|---|
| Liabilities and shareholders' equity | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 70,771 | 70,037 |
| Short-term loans payable | 20,713 | 24,711 |
| Commercial paper | — | 60,000 |
| Current portion of bonds | 35,000 | 35,000 |
| Current portion of long-term loans payable | 38,832 | 36,422 |
| Current portion of long-term payables for acquisition of railway properties | 1,642 | 1,567 |
| Accounts payable | 126,024 | 133,582 |
| Accrued consumption tax | 6,583 | 9,367 |
| Accrued income tax | 28,068 | 20,953 |
| Inter-line fares received | 2,686 | 6,700 |
| Deposits received | 105,788 | 98,282 |
| Prepaid railway fares received | 41,280 | 31,999 |
| Advances received | 33,785 | 40,532 |
| Allowance for bonuses | 37,408 | 37,410 |
| Allowance for loss on disaster | 11,100 | 5,131 |
| Allowance for point program | 2,081 | 2,431 |
| Other current liabilities | 46,786 | 44,398 |
| Total current liabilities | 608,554 | 658,530 |
| Non-current liabilities | | |
| Bonds | 534,984 | 509,986 |
| Long-term loans payable | 350,828 | 334,846 |
| Long-term payables for acquisition of railway properties | 102,728 | 101,158 |
| Deferred tax liabilities | 1,528 | 655 |
| Allowance for large scale renovation of Shinkansen infrastructure | 12,500 | 16,666 |
| Allowance for environmental safety measures | 11,587 | 8,912 |
| Allowance for loss on liquidation of railway belts | 9,594 | 8,887 |
| Allowance for unredeemed gift certificates | 2,382 | 2,343 |
| Net defined benefit liability | 285,843 | 269,328 |
| Other long-term liabilities | 137,203 | 140,834 |
| Total non-current liabilities | 1,449,180 | 1,393,620 |
| Total liabilities | 2,057,734 | 2,052,150 |
| Net assets | | |
| Total shareholders' equity | | |
| Common stock | 100,000 | 100,000 |
| Capital surplus | 56,171 | 56,567 |
| Retained earnings | 911,532 | 956,227 |
| Treasury stock, at cost | (483) | (483) |
| Total shareholders' equity | 1,067,220 | 1,112,311 |
| Valuation and translation adjustments | | |
| Net unrealized holding gain on securities | 3,837 | (430) |
| Deferred gains or losses on hedges | (54) | 29 |
| Remeasurements of defined benefit plans | 8,594 | 6,114 |
| Total valuation and translation adjustments | 12,378 | 5,714 |
| Non-controlling interests | 100,262 | 105,080 |
| Total net assets | 1,179,861 | 1,223,106 |
| Total liabilities and net assets | 3,237,596 | 3,275,257 |

Financial statements

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Consolidated statements of income

| | Prior consolidated fiscal year (From April 1, 2018 To March 31, 2019) | Current consolidated fiscal year (From April 1, 2019 To March 31, 2020) |
|---|---|--|
| Operating revenues | 1,529,308 | 1,508,201 |
| Operating expenses | | |
| Transportation, other services and cost of sales | 1,128,016 | 1,130,143 |
| Selling, general and administrative expenses | 204,345 | 217,430 |
| Total operating expenses | 1,332,361 | 1,347,573 |
| Operating income | 196,946 | 160,628 |
| Non-operating revenues | | |
| Interest income | 17 | 38 |
| Dividend income | 1,144 | 1,164 |
| Dividends income of insurance | 2,233 | 1,880 |
| Transfer from administrative fee of contracted construction | 1,580 | 1,770 |
| Equity in earnings of affiliates | 1,812 | 1,787 |
| Other | 2,638 | 2,222 |
| Total non-operating revenues | 9,426 | 8,864 |
| Non-operating expenses | | |
| Interest expense | 20,030 | 19,465 |
| Other | 3,019 | 1,674 |
| Total non-operating expenses | 23,049 | 21,139 |
| Recurring profit | 183,323 | 148,353 |
| Extraordinary profits | | |
| Gain on sale of non-current assets | 612 | 961 |
| Gain on contributions received for construction | 23,724 | 12,191 |
| Compensation income for expropriation | 1,212 | 2,658 |
| Other | 3,527 | 7,286 |
| Total extraordinary profits | 29,076 | 23,097 |
| Extraordinary losses | | |
| Loss on sales of non-current assets | 139 | 148 |
| Loss on deduction of contributions received for construction from acquisition costs of property, plant and equipment | 22,107 | 11,606 |
| Loss on reduction for expropriation, etc. | 1,204 | 2,642 |
| Allowance for loss on disaster | 11,100 | — |
| Loss on disposal of property, plant and equipment | 1,875 | 5,291 |
| Other | 18,798 | 11,098 |
| Total extraordinary losses | 55,226 | 30,788 |
| Profit before income taxes | 157,173 | 140,662 |
| Income taxes- Current | 47,937 | 40,703 |
| Income taxes- Deferred | 1,414 | 6,130 |
| Total income taxes | 49,352 | 46,833 |
| Profit | 107,821 | 93,828 |
| Profit attributable to non-controlling interests | 5,071 | 4,447 |
| Profit attributable to owners of parent | 102,750 | 89,380 |

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Consolidated statements of comprehensive income

| | Prior consolidated fiscal year (From April 1, 2018 To March 31, 2019) | Current consolidated fiscal year (From April 1, 2019 To March 31, 2020) |
|--|---|--|
| Profit | 107,821 | 93,828 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (323) | (4,572) |
| Deferred gains or losses on hedges | (172) | 105 |
| Remeasurements of defined benefit plans, net of tax | (2,575) | (2,519) |
| Share of other comprehensive income of associates accounted for using equity method | 68 | 208 |
| Total other comprehensive income | (3,003) | (6,778) |
| Comprehensive income | 104,817 | 87,050 |
| Comprehensive income attributable to: | | |
| Comprehensive income attributable to owners of the parent | 99,783 | 82,716 |
| Comprehensive income attributable to non-controlling interests | 5,034 | 4,333 |

Consolidated statement of cash flows

| | Prior consolidated fiscal year (From April 1, 2018 To March 31, 2019) | Current consolidated fiscal year (From April 1, 2019 To March 31, 2020) |
|---|---|--|
| Cash flows from operating activities | | |
| Profit before income taxes | 157,173 | 140,662 |
| Depreciation and amortization | 163,188 | 170,448 |
| Loss on deduction of contributions received for construction from acquisition costs of property, plant and equipment | 22,107 | 11,606 |
| Loss on disposal of property, plant and equipment | 8,056 | 11,934 |
| Increase (decrease) in liability for retirement benefits | (19,720) | (20,190) |
| Increase (decrease) in allowance for doubtful accounts | 940 | 728 |
| Increase (decrease) in provision for employees' bonuses | (1,813) | (190) |
| Increase in allowance for large-scale renovation of Shinkansen infrastructure | 4,166 | 4,166 |
| Increase (decrease) in other provisions | 6,438 | (8,706) |
| Interest and dividend income | (1,161) | (1,203) |
| Interest expense | 20,030 | 19,465 |
| Equity in earnings of affiliates | (1,812) | (1,787) |
| Proceeds from contribution for construction | (23,724) | (12,191) |
| Decrease (increase) in notes and accounts receivable-trade | (6,888) | 15,527 |
| Decrease (increase) in inventories | (2,709) | (9,184) |
| Increase (decrease) in notes and accounts payable-trade | 41,268 | (16,487) |
| Increase (decrease) in accrued consumption taxes | (5,276) | 2,739 |
| Other | (1,585) | (2,239) |
| Subtotal | 358,679 | 305,097 |
| Interest and dividends income received | 1,159 | 1,201 |
| Interest paid | (19,753) | (19,217) |
| Income taxes paid | (50,357) | (46,928) |
| Net cash provided by operating activities | 289,728 | 240,152 |
| Cash flows from investing activities | | |
| Payments for time deposits with a maturity in excess of more than three months | (231) | (230) |
| Proceeds for time deposits with a maturity in excess of more than three months | 231 | 230 |
| Purchases of property, plant and equipment | (257,264) | (265,152) |
| Proceeds from sales of property, plant and equipment | 453 | 1,564 |
| Contributions received for constructions | 29,932 | 21,742 |
| Purchases of investments in securities | (15,289) | (25,507) |
| Proceeds from sales of investments in securities | 55 | 1,923 |
| Net decrease (increase) in loans receivable | 501 | (34) |
| Other | (5,808) | (3,193) |
| Net cash used in investing activities | (247,420) | (268,657) |
| Cash flows from financing activities | | |
| Net increase in short-term loans | 4,248 | 3,791 |
| Net changes in commercial paper | — | 60,000 |
| Proceeds from long-term loans | 29,700 | 20,000 |
| Repayments of long-term loans | (41,326) | (39,205) |
| Proceeds from issuance of bonds | 70,000 | 10,000 |
| Redemption of bonds | (25,000) | (35,000) |
| Payment of long-term payables for acquisition of railway properties | (1,583) | (1,645) |
| Purchases of treasury stock | (9,999) | (9,999) |
| Cash dividends paid | (32,329) | (34,999) |
| Dividends paid to non-controlling interests | (114) | (333) |
| Other | (770) | (1,774) |
| Net cash (used in) provided by financing activities | (7,174) | (29,167) |
| Net increase (decrease) in cash and cash equivalents | 35,132 | (57,671) |
| Cash and cash equivalents at the beginning of the period | 101,448 | 136,581 |
| Increase in cash and cash equivalents from newly consolidated subsidiary | — | 1,110 |
| Decline in cash and cash equivalents accompanying removal from scope of consolidation | — | (1,736) |
| Cash and cash equivalents at end of year | 136,581 | 78,283 |