

## Consolidated Financial Statements for Fiscal 2014 (Year Ended March 31, 2014)

### [ Consolidated Balance Sheets ]

(Millions of Yen)

	Fiscal 2014		Fiscal 2014
<b>[ASSETS]</b>		<b>[LIABILITIES]</b>	
<b>Current Assets</b>	<b>804,888</b>	<b>Current Liabilities</b>	<b>1,325,964</b>
Cash and time deposits	87,248	Notes and accounts payable-trade	49,546
Notes and accounts receivable-trade	401,129	Short-term loans and current portion of long-term loans	125,233
Fares receivable	44,523	Current portion of bonds	75,000
Short-term loans receivable	16,515	Current portion of long-term liabilities incurred for purchase of railway facilities	120,998
Securities	91,149	Payables	400,586
Real estate for sale	1,199	Accrued consumption taxes	5,798
Inventories	67,392	Accrued income taxes	57,548
Deferred income taxes	48,404	Fare deposits received with regard to railway connecting services	28,663
Other	49,494	Prepaid railway fares received	135,879
Allowance for doubtful accounts	(2,169)	Allowance for bonuses to employees	71,809
<b>Fixed Assets</b>	<b>6,623,378</b>	Allowance for earthquake-damage losses	2,212
Property, plant and equipment, net of accumulated depreciation	<b>6,025,838</b>	Other	252,686
Buildings and fixtures (net)	2,997,304	<b>Long-Term Liabilities</b>	<b>3,902,981</b>
Machinery, rolling stock and vehicles (net)	705,942	Bonds	1,644,793
Land	1,987,541	Long-term loans	810,727
Construction in progress	279,626	Long-term liabilities incurred for purchase of railway facilities	545,417
Other (net)	55,424	Long-term deferred tax liabilities	4,068
<b>Intangible assets</b>	<b>109,850</b>	Allowance for earthquake-damage losses	3,037
<b>Investments and other assets</b>	<b>487,690</b>	Net defined benefit liability	644,809
Investments in securities	199,096	Other	250,128
Long-term loans receivable	3,493	<b>Total Liabilities</b>	<b>5,228,946</b>
Long-term deferred income taxes	222,415	<b>NET ASSETS</b>	
Net defined benefit asset	382	<b>Shareholders' Equity</b>	<b>2,150,471</b>
Other	63,078	Common stock	200,000
Allowance for doubtful accounts	(776)	Capital surplus	96,790
<b>Deferred Assets</b>	<b>37</b>	Retained earnings	1,858,007
Deferred business commencement expenses	30	Treasury stock, at cost	(4,327)
Deferred development expenses	6	<b>Accumulated Other Comprehensive Income</b>	<b>30,161</b>
		Net unrealized holding gains (losses) on securities	36,856
		Net deferred gains (losses) on derivatives under hedge accounting	1,650
		Revaluation reserve for land	(503)
		Remeasurements of defined benefit plans	(7,841)
		<b>Minority Interests</b>	<b>18,725</b>
		<b>Total Net Assets</b>	<b>2,199,357</b>
<b>Total Assets</b>	<b>7,428,303</b>	<b>Total Liabilities and Net Assets</b>	<b>7,428,303</b>

### [ Consolidated Statements of Income ]

(Millions of Yen)

	Fiscal 2014
<b>Operating Revenues</b>	<b>2,702,916</b>
<b>Operating Expenses</b>	<b>2,296,123</b>
Transportation, other services and cost of sales	1,794,501
Selling, general and administrative expenses	501,622
<b>Operating Income</b>	<b>406,793</b>
<b>Non-Operating Income</b>	<b>18,995</b>
Interest income	163
Dividend income	2,802
Gains on sales of equipment	2,154
Insurance proceeds and dividends	8,678
Equity in net income of affiliated companies	1,211
Other	3,985
<b>Non-Operating Expenses</b>	<b>93,270</b>
Interest expense	88,279
Losses on sales of equipment	526
Other	4,465
<b>Ordinary Income</b>	<b>332,518</b>
<b>Extraordinary Gains</b>	<b>54,857</b>
Gains on sales of fixed assets	2,248
Construction grants received	41,788
Insurance proceeds related to earthquake	9,624
Other	1,196
<b>Extraordinary Losses</b>	<b>62,774</b>
Losses on sales of fixed assets	473
Losses from disposition of fixed assets	4,969
Losses on reduction entry for construction grants	38,489
Impairment losses on fixed assets	6,467
Other	12,374
<b>Income before Income Taxes</b>	<b>324,601</b>
<b>Income Taxes</b>	<b>119,621</b>
<b>Current</b>	<b>3,956</b>
<b>Deferred</b>	<b>123,580</b>
<b>Income before Minority Interests</b>	<b>201,021</b>
Minority Interests in Net Income of Consolidated Subsidiaries	1,081
<b>Net Income</b>	<b>199,939</b>
<b>Comprehensive Income</b>	<b>214,632</b>

### [ Consolidated Statements of Cash Flows ]

(Millions of Yen)

	Fiscal 2014
<b>Cash Flows from Operating Activities</b>	<b>562,763</b>
Income before income taxes	324,601
Depreciation	348,042
Impairment losses on fixed assets	6,467
Amortization of long-term prepaid expense	7,542
Net change in net defined benefit liability	(6,951)
Interest and dividend income	(2,966)
Interest expense	88,279
Construction grants received	(41,788)
Insurance proceeds related to earthquake	(9,624)
Losses from disposition of fixed assets	33,322
Losses from provision for cost reduction of fixed assets	38,489
Net change in major receivables	(66,582)
Net change in major payables	86,730
Other	(12,508)
Sub-total	793,053
Proceeds from interest and dividends	3,348
Payments of interest	(88,698)
Insurance proceeds related to earthquake	9,624
Payments of earthquake-damage losses	(6,026)
Payments of income taxes	(148,537)
<b>Cash Flows from Investing Activities</b>	<b>(474,697)</b>
Payments for purchases of fixed assets	(514,528)
Proceeds from sales of fixed assets	5,534
Proceeds from construction grants	47,327
Payments for purchases of investments in securities	(2,537)
Other	(10,493)
<b>Cash Flows from Financing Activities</b>	<b>(91,367)</b>
Proceeds from long-term loans	186,000
Payments of long-term loans	(145,943)
Proceeds from issuance of bonds	140,000
Payments for redemption of bonds	(80,000)
Payments of liabilities incurred for purchase of railway facilities	(126,814)
Payments for acquisition of treasury stock	(8,444)
Cash dividends paid	(47,421)
Other	(8,742)
<b>Net Change in Cash and Cash Equivalents</b>	<b>(3,301)</b>
<b>Cash and Cash Equivalents at Beginning of the Year</b>	<b>189,262</b>
<b>Increase in Cash and Cash Equivalents due to Merger</b>	<b>96</b>
<b>Cash and Cash Equivalents at End of the Year</b>	<b>186,057</b>