

Consolidated Financial Statements for Fiscal 2016

(Year Ended March 31, 2016)

[Consolidated Balance Sheets]

	Fiscal 2016		(Millions of Yen)	Fiscal 2016
[ASSETS]		[LIABILITIES]		
Current Assets	934,518	Current Liabilities	1,404,960	
Cash and time deposits	239,477	Notes and accounts payable-trade	48,803	
Notes and accounts receivable-trade	439,443	Short-term loans and current portion of long-term loans	107,107	
Fares receivable	38,489	Current portion of bonds	79,999	
Short-term loans receivable	6,427	Current portion of long-term liabilities incurred for purchase of railway facilities	97,251	
Securities	68,500	Payables	494,778	
Real estate for sale	903	Accrued consumption taxes	23,955	
Inventories	47,834	Accrued income taxes	83,238	
Deferred income taxes	49,188	Fare deposits received with regard to railway connecting services	20,848	
Other	45,826	Prepaid railway fares received	102,493	
Allowance for doubtful accounts	△ 1,572	Allowance for bonuses to employees	73,092	
Fixed Assets	6,855,243	Allowance for earthquake-damage losses	11,587	
Property, plant and equipment, net of accumulated depreciation	6,233,542	Other	261,804	
Buildings and fixtures (net)	3,128,743	Long-Term Liabilities	3,922,264	
Machinery, rolling stock and vehicles (net)	726,591	Bonds	1,729,914	
Land	2,002,529	Long-term loans	908,422	
Construction in progress	306,398	Long-term liabilities incurred for purchase of railway facilities	341,074	
Other (net)	69,279	Long-term deferred tax liabilities	3,361	
Intangible assets	127,859	Allowance for earthquake-damage losses	14,672	
Investments and other assets	493,841	Allowance for partial transfer costs of railway operation	19,087	
Investments in securities	210,377	Net defined benefit liability	675,783	
Long-term loans receivable	2,833	Other	229,948	
Long-term deferred income taxes	217,256	Total Liabilities	5,327,225	
Net defined benefit asset	112	NET ASSETS		
Other	63,976	Shareholders' Equity	2,393,361	
Allowance for doubtful accounts	△ 713	Common stock	200,000	
Total Assets	7,789,762	Capital surplus	96,811	
		Retained earnings	2,101,844	
		Treasury stock, at cost	△ 5,295	
		Accumulated Other Comprehensive Income	48,767	
		Net unrealized holding gains (losses) on securities	43,771	
		Net deferred gains (losses) on derivatives under hedge accounting	473	
		Revaluation reserve for land	△ 473	
		Remeasurements of defined benefit plans	4,996	
		Non-Controlling Interests	20,408	
		Total Net Assets	2,462,537	
		Total Liabilities and Net Assets	7,789,762	

[Consolidated Statements of Income]

	(Millions of Yen)	Fiscal 2016
Operating Revenues		2,867,199
Operating Expenses		2,379,378
Transportation, other services and cost of sales		1,841,025
Selling, general and administrative expenses		538,352
Operating Income		487,821
Non-Operating Income		21,616
Interest income		214
Dividend income		3,703
Gains on sales of equipment		998
Insurance proceeds and dividends		10,067
Equity in net income of affiliated companies		2,565
Other		4,067
Non-Operating Expenses		80,535
Interest expense		76,332
Losses on sales of equipment		294
Other		3,908
Ordinary Income		428,902
Extraordinary Gains		36,721
Gains on sales of fixed assets		838
Construction grants received		24,487
Gain on sales of investments in securities		4,473
Other		6,921
Extraordinary Losses		80,763
Losses on sales of fixed assets		1,102
Losses from disposition of fixed assets		5,105
Losses on reduction entry for construction grants		18,346
Impairment losses on fixed assets		12,297
Intensive seismic reinforcement costs		10,288
Provision for allowance for earthquake-damage losses		25,085
Other		8,537
Income before Income Taxes		384,860
Income Taxes		128,972
Current		9,326
Deferred		138,298
Income before Minority Interests		246,561
Profit Attributable to Non-Controlling Interests		1,251
Profit Attributable to Owners of Parent		245,309

[Consolidated Statements of Cash Flows]

	(Millions of Yen)	Fiscal 2016
Cash Flows from Operating Activities		673,109
Income before income taxes		384,860
Depreciation		359,515
Impairment losses on fixed assets		12,297
Amortization of long-term prepaid expense		8,719
Net change in net defined benefit liability		△ 27,648
Interest and dividend income		△ 3,917
Interest expense		76,332
Construction grants received		△ 24,487
Losses from disposition of fixed assets		36,725
Losses from provision for cost reduction of fixed assets		18,346
Provision for allowance for earthquake-damage losses		25,085
Net change in major receivables		△ 27,637
Net change in major payables		13,688
Other		△ 19,618
Sub-total		832,259
Proceeds from interest and dividends		4,407
Payments of interest		△ 76,487
Insurance proceeds related to earthquake		14,688
Payments of earthquake-damage losses		△ 1,338
Payments of partial transfer costs of railway operation		△ 452
Payments of income taxes		△ 99,968
Cash Flows from Investing Activities		△ 499,575
Payments for purchases of fixed assets		△ 538,244
Proceeds from sales of fixed assets		11,531
Proceeds from construction grants		32,123
Payments for purchases of investments in securities		△ 713
Proceeds from sales of investment in securities		4,664
Other		△ 8,935
Cash Flows from Financing Activities		△ 110,265
Proceeds from long-term loans		140,600
Payments of long-term loans		△ 118,212
Proceeds from issuance of bonds		100,000
Payments for redemption of bonds		△ 55,000
Payments of liabilities incurred for purchase of railway facilities		△ 106,880
Payments for acquisition of treasury stock		△ 11,085
Cash dividends paid		△ 49,082
Other		△ 10,604
Net Change in Cash and Cash Equivalents		63,268
Cash and Cash Equivalents at Beginning of the Year		245,170
Decrease in Cash and Cash Equivalents Resulting from Exclusion of Subsidiaries from Consolidation		△ 630
Cash and Cash Equivalents at End of the Year		307,809