

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended March 31, 2014 and 2015

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2015	2015
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 39,003	¥ 47,259	\$ 393,625
Depreciation and amortization	48,652	46,692	388,902
Loss on impairment of fixed assets	845	844	7,034
Amortization of goodwill	48	54	452
Increase (decrease) in provision for bonuses	116	(271)	(2,260)
Increase (decrease) in net defined benefit liabilities	(1,805)	(2,828)	(23,558)
Increase (decrease) in allowance for doubtful accounts	(126)	179	1,493
Increase (decrease) in allowance for unredeemed gift certificates and others	2	(60)	(502)
Interest and dividends income	(1,202)	(1,302)	(10,849)
Interest expenses	9,343	8,358	69,614
Equity in losses (earnings) of affiliates	(882)	(1,064)	(8,866)
Construction costs allotted to and received from others	(3,785)	(2,881)	(23,998)
Increase (decrease) in special reserve for expansion of railway transport facilities	(4,700)	(4,700)	(39,147)
Loss (gain) on sales of stocks of subsidiaries and affiliates	—	(1,150)	(9,579)
Loss (gain) on sale of property and equipment, net	4,826	276	2,302
Loss on deduction of carrying amounts of property and equipment	3,785	2,600	21,657
Loss on disposal of property and equipment	1,941	1,924	16,025
Loss (gain) on valuation of investment securities	17	27	228
Loss on valuation of inventories	267	177	1,478
Decrease (increase) in trade receivables	(1,966)	(112)	(937)
Decrease (increase) in inventories	(1,396)	(1,873)	(15,602)
Increase (decrease) in accounts payables	595	1,071	8,918
Other	3,515	1,136	9,475
Subtotal	97,093	94,356	785,905
Interest and dividends received	1,342	1,442	12,011
Interest paid	(9,500)	(8,430)	(70,217)
Income taxes paid	(15,297)	(16,241)	(135,276)
Net cash provided by (used in) operating activities	73,638	71,127	592,423
Cash flows from investing activities:			
Purchase of investment securities	(33)	(1,919)	(15,981)
Proceeds from sales of investment securities	13	4,385	36,524
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	(1,408)	(11,730)
Acquisition of property and equipment	(49,667)	(55,821)	(464,941)
Proceeds from sales of property and equipment	15,766	987	8,221
Decrease (increase) in short-term loans receivable	(29)	30	250
Payments of long-term loans receivable	(3)	(61)	(507)
Collection of long-term loans receivable	33	18	149
Proceeds from advances received for contract consignment	7,190	6,870	57,223
Proceeds from long-term advances received	1,815	3,757	31,292
Other	1,865	(33)	(277)
Net cash provided by (used in) investing activities	(23,050)	(43,195)	(359,777)
Cash flows from financing activities:			
Net decrease in short-term loans	(1,814)	129	1,075
Proceeds from long-term loans	33,467	13,088	109,012
Repayments of long-term loans	(34,862)	(20,400)	(169,913)
Proceeds from issuance of bonds	40,000	25,000	208,229
Redemption of bonds	(70,000)	(40,000)	(333,167)
Redemption of accounts payable to Japan Railway Construction, Transport and Technology Agency	(10,345)	(10,566)	(88,008)
Cash dividends paid	(5,782)	(5,786)	(48,193)
Acquisition of treasury stock	(244)	(191)	(1,592)
Other	(473)	(272)	(2,263)
Net cash provided by (used in) financing activities	(50,053)	(38,998)	(324,820)
Effect of exchange rate changes on cash and cash equivalents	0	0	0
Net increase (decrease) in cash and cash equivalents	535	(11,066)	(92,174)
Cash and cash equivalents at beginning of the year	29,861	30,438	253,524
Increase in cash and cash equivalents resulting from merger	42	—	—
Cash and cash equivalents at end of the year Note 9	¥ 30,438	¥ 19,372	\$ 161,350

See accompanying Notes to Consolidated Financial Statements.