



CONSOLIDATED STATEMENT OF CASH FLOWS

For the years ended March 31, 2018 and 2019

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2018	2019	2019
Cash flows from operating activities:			
Income before income taxes	¥ 43,941	¥ 45,195	\$ 407,490
Depreciation and amortization	45,347	46,728	421,311
Loss on impairment of fixed assets	930	1,133	10,220
Amortization of goodwill	228	282	2,544
Increase (decrease) in provision for bonuses	289	387	3,491
Increase (decrease) in net defined benefit liabilities	(35)	(1,016)	(9,159)
Increase (decrease) in allowance for doubtful accounts	(253)	109	982
Increase (decrease) in allowance for unredeemed gift certificates and others	65	(10)	(93)
Interest and dividends income	(1,705)	(1,771)	(15,972)
Interest expenses	6,446	5,829	52,556
Equity in losses (earnings) of affiliates	(1,297)	(1,274)	(11,491)
Special retirement expenses	2,944	—	—
Construction costs allotted to and received from others	(18,309)	(2,029)	(18,293)
Loss (gain) on sales of stocks of subsidiaries and affiliates	856	208	1,878
Loss (gain) on sale of property and equipment, net	(1,742)	(1,707)	(15,395)
Loss on deduction of property and equipment	17,579	2,021	18,224
Loss on disposal of property and equipment	1,890	2,856	25,749
Loss (gain) on valuation of investment securities	217	19	172
Loss on valuation of inventories	51	269	2,421
Decrease (increase) in trade receivables	(900)	(1,146)	(10,331)
Decrease (increase) in inventories	3,329	(1,666)	(15,020)
Increase (decrease) in accounts payables	1,601	(4,070)	(36,692)
Other	70	(53)	(474)
Subtotal	101,542	90,294	814,118
Interest and dividends received	1,909	1,962	17,688
Interest paid	(6,442)	(5,912)	(53,300)
Income taxes paid	(11,615)	(13,611)	(122,721)
Net cash provided by (used in) operating activities	85,394	72,733	655,785
Cash flows from investing activities:			
Purchase of investment securities	(1,123)	(7,747)	(69,849)
Proceeds from sales of investment securities	33	842	7,597
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,030)	(5,275)	(47,564)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	279	92	830
Acquisition of property and equipment	(64,989)	(72,946)	(657,701)
Proceeds from sales of property and equipment	3,454	2,307	20,805
Decrease (increase) in short-term loans receivable	1,940	(5)	(49)
Payments of long-term loans receivable	(279)	(323)	(2,912)
Collection of long-term loans receivable	34	15	132
Proceeds from advances received for contract consignment	6,099	1,880	16,951
Proceeds from long-term advances received	3,300	1,639	14,778
Other	(400)	(574)	(5,174)
Net cash provided by (used in) investing activities	(52,682)	(80,094)	(722,156)
Cash flows from financing activities:			
Increase (decrease) in short-term loans	—	16,900	152,376
Increase (decrease) in commercial papers	—	5,000	45,082
Proceeds from long-term loans	13,500	18,083	163,045
Repayments of long-term loans	(18,797)	(36,010)	(324,675)
Proceeds from issuance of bonds	50,000	40,000	360,653
Redemption of bonds	(35,000)	(40,000)	(360,653)
Redemption of accounts payable to Japan Railway Construction, Transport and Technology Agency	(10,158)	(10,892)	(98,202)
Cash dividends paid	(7,220)	(7,223)	(65,126)
Acquisition of treasury stock	(25)	(420)	(3,791)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(1)	(1)	(12)
Other	(398)	(520)	(4,693)
Net cash provided by (used in) financing activities	(8,099)	(15,083)	(135,996)
Effect of exchange rate changes on cash and cash equivalents	0	0	0
Net increase (decrease) in cash and cash equivalents	24,613	(22,444)	(202,367)
Cash and cash equivalents at beginning of the year	19,294	43,907	395,882
Increase in cash and cash equivalents resulting from merger	—	173	1,563
Cash and cash equivalents at the end of the year <i>Note 11</i>	¥ 43,907	¥ 21,636	\$ 195,078

See accompanying Notes to Consolidated Financial Statements.