



# CONSOLIDATED STATEMENT OF CASH FLOWS

For the years ended March 31, 2019 and 2020

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2019	2020	2020
<b>Cash flows from operating activities:</b>			
Income before income taxes	¥ 45,195	¥ 35,999	\$ 334,843
Depreciation and amortization	46,728	49,628	461,614
Loss on impairment of fixed assets	1,134	2,351	21,869
Amortization of goodwill	282	535	4,973
Increase (decrease) in provision for bonuses	387	115	1,071
Increase (decrease) in net defined benefit liabilities	(1,016)	(738)	(6,862)
Increase (decrease) in allowance for doubtful accounts	109	251	2,335
Increase (decrease) in allowance for unredeemed gift certificates and others	(10)	67	618
Increase (decrease) in provision for loss on disaster	—	1,447	13,461
Interest and dividends income	(1,771)	(1,780)	(16,554)
Interest expenses	5,829	5,373	49,976
Equity in losses (earnings) of affiliates	(1,274)	(830)	(7,722)
Construction costs allotted to and received from others	(2,029)	(1,179)	(10,964)
Loss (gain) on sales of stocks of subsidiaries and affiliates	208	(350)	(3,255)
Loss (gain) on sale of property and equipment, net	(1,707)	(4,612)	(42,895)
Loss on deduction of property and equipment	2,021	1,156	10,753
Loss on disposal of property and equipment	2,856	448	4,164
Loss (gain) on valuation of investment securities	19	183	1,704
Loss on valuation of inventories	269	121	1,124
Loss on the transfer of receivables	—	1,231	11,446
Decrease (increase) in trade receivables	(1,146)	3,121	29,028
Decrease (increase) in inventories	(1,666)	2,166	20,150
Increase (decrease) in accounts payables	(4,070)	(2,395)	(22,280)
Other	(53)	(1,753)	(16,304)
Subtotal	90,294	90,555	842,293
Interest and dividends received	1,962	2,011	18,706
Interest paid	(5,912)	(5,349)	(49,749)
Income taxes paid	(13,611)	(12,320)	(114,598)
Net cash provided by (used in) operating activities	72,733	74,897	696,652
<b>Cash flows from investing activities:</b>			
Purchase of investment securities	(7,747)	(4,437)	(41,267)
Proceeds from sales of investment securities	843	3,842	35,739
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(5,275)	—	—
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	92	—	—
Repayments for sales of shares of subsidiaries resulting in change in scope of consolidation	—	(962)	(8,952)
Acquisition of property and equipment	(72,946)	(89,416)	(831,698)
Proceeds from sales of property and equipment	2,307	3,279	30,496
Decrease (increase) in short-term loans receivable	(5)	(21)	(198)
Payments of long-term loans receivable	(323)	(579)	(5,391)
Collection of long-term loans receivable	15	22	208
Proceeds from advances received for contract consignment	1,880	2,142	19,925
Proceeds from long-term advances received	1,639	1,101	10,237
Other	(574)	(425)	(3,951)
Net cash provided by (used in) investing activities	(80,094)	(85,454)	(794,852)
<b>Cash flows from financing activities:</b>			
Increase (decrease) in short-term loans	16,900	(113)	(1,051)
Increase (decrease) in commercial papers	5,000	5,000	46,507
Proceeds from long-term loans	18,083	18,604	173,044
Repayments of long-term loans	(36,010)	(21,607)	(200,978)
Proceeds from issuance of bonds	40,000	65,000	604,595
Redemption of bonds	(40,000)	(30,040)	(279,416)
Redemption of accounts payable to Japan Railway Construction, Transport and Technology Agency	(10,892)	(11,110)	(103,337)
Cash dividends paid	(7,223)	(7,948)	(73,932)
Acquisition of treasury stock	(420)	(19)	(175)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(1)	(1)	(9)
Other	(520)	(595)	(5,530)
Net cash provided by (used in) financing activities	(15,083)	17,171	159,718
<b>Effect of exchange rate changes on cash and cash equivalents</b>	0	0	0
<b>Net increase (decrease) in cash and cash equivalents</b>	(22,444)	6,614	61,518
<b>Cash and cash equivalents at beginning of the year</b>	43,907	21,636	201,247
<b>Increase in cash and cash equivalents resulting from merger</b>	173	214	1,993
<b>Cash and cash equivalents at the end of the year Note 9</b>	¥ 21,636	¥ 28,464	\$ 264,758

See accompanying Notes to Consolidated Financial Statements.