## Partial Corrections of Consolidated Financial Statements (Unaudited) for the Years Ended 31 March 2015 and 2016

23 June 2016

Nagoya Railroad Co., Ltd. announces that it has made the following corrections in its consolidated financial statements for the years ended 31 March 2015 and 2016, which were disclosed on 10 May 2016.

Corrections are <u>underlined</u>.

Corrected Items

Consolidated Statements of Cash Flows (Unaudited) for the Years Ended 31 March 2015 and 2016

## <Before corrections>

Decrease (increase) in trade notes and accounts receivable 2,657 (2,440) (21,4	
Profit before income taxes¥29,783¥39,373\$348,Adjustments for:38,70838,914344,Depreciation and amortisation38,70838,914344,Impairment loss on fixed assets2,2745,97052,Loss on sale or disposition of property and equipment, net2,6431,21510,Gain on contributions for construction(2,305)(1,771)(15,6)Increase (decrease) in employee retirement benefit liability4,120(774)(6,6)Decrease (increase) in trade notes and accounts receivable2,657(2,440)(21,5)	
Adjustments for:38,70838,914344,Depreciation and amortisation38,70838,914344,Impairment loss on fixed assets2,2745,97052,Loss on sale or disposition of property and equipment, net2,6431,21510,Gain on contributions for construction(2,305)(1,771)(15,0)Increase (decrease) in employee retirement benefit liability4,120(774)(6,5,0)Decrease (increase) in trade notes and accounts receivable2,657(2,440)(21,5,0)	
Depreciation and amortisation38,70838,914344,1Impairment loss on fixed assets2,2745,97052,2Loss on sale or disposition of property and equipment, net2,6431,21510,7Gain on contributions for construction(2,305)(1,771)(15,070)Increase (decrease) in employee retirement benefit liability4,120(774)(6,071)Decrease (increase) in trade notes and accounts receivable2,657(2,440)(21,571)	34
Impairment loss on fixed assets2,2745,97052,Loss on sale or disposition of property and equipment, net2,6431,21510,Gain on contributions for construction(2,305)(1,771)(15,000)Increase (decrease) in employee retirement benefit liability4,120(774)(6,000)Decrease (increase) in trade notes and accounts receivable2,657(2,440)(21,000)	
Loss on sale or disposition of property and equipment, net2,6431,21510,7Gain on contributions for construction(2,305)(1,771)(15,4)Increase (decrease) in employee retirement benefit liability4,120(774)(6,4)Decrease (increase) in trade notes and accounts receivable2,657(2,440)(21,4)	72
Gain on contributions for construction(2,305)(1,771)(15,4)Increase (decrease) in employee retirement benefit liability4,120(774)(6,5)Decrease (increase) in trade notes and accounts receivable2,657(2,440)(21,5)	32
Increase (decrease) in employee retirement benefit liability4,120(774)(6,200)Decrease (increase) in trade notes and accounts receivable2,657(2,440)(21,400)	52
Decrease (increase) in trade notes and accounts receivable 2,657 (2,440) (21,4	73)
	350)
	93)
Decrease (increase) in inventories 2,878 (3,827) (33,8	67)
Decrease in trade notes and accounts payable (537) (3,729) (33,	(00)
Others, net 3,096 <u>4,931</u> <u>43,</u>	37
Subtotal 83,317 77,862 689,0	44
Interest and dividends received 1,538 1,851 16,	81
Interest paid (5,770) (4,880) (43,	86)
Extra retirement benefits paid (20) <u>–</u>	_
Income taxes paid (8,685) (7,427) (65,7	26)
Net cash provided by operating activities70,38067,406596,2	13
Cash flows from investing activities:	
Purchases of property and equipment (47,876) (51,954) (459,	70)
Proceeds from sales of property and equipment 3,994 6,038 53,	
Proceeds for contributions for construction 9,443 6,731 59,	66
Purchases of investments securities (822) (898) (7,9	47)
Proceeds from sales or redemptions of investment securities 1,138 1,168 10,	36
Collections of loans receivable 851 741 6,	58
Others, net 342 (1,952) (17,	74)
Net cash used in investing activities(32,930)(40,126)(355,0)	97)
Cash flows from financing activities:	
Increase in long-term debt 99,137 57,373 507,	26
Repayment of long-term debt (102,868) (71,778) (635,2	.04)
Net decrease in short-term borrowings (27,222) (7,310) (64,	90)
Dividends paid to shareholders (3,544) (4,133) (36,5	75)
	(13)
	)18)
Net cash used in financing activities(35,094)(26,134)(231,2)	74)
Effect of exchange rate changes on cash and cash equivalents 15 –	_
Net increase in cash and cash equivalents 2,371 1,146 10,	
Cash and cash equivalents at beginning of year 13,405 15,776 139,	42
Cash and cash equivalents at end of year ¥ 15,776 ¥ 16,922 \$ 149,	

See Notes to Consolidated Financial Statements.

## <After corrections>

	Millions of		Thousands of U.S. dollars (Note 1)
	Millions of 2015	2016	2016
Cash flows from operating activities:	2013	2010	2010
Profit before income taxes	¥ 29,783	¥ 39,373	\$ 348,434
Adjustments for:			
Depreciation and amortisation	38,708	38,914	344,372
Impairment loss on fixed assets	2,274	5,970	52,832
Loss on sale or disposition of property and equipment, net	2,643	1,215	10,752
Gain on contributions for construction	(2,305)	(1,771)	(15,673)
Increase (decrease) in employee retirement benefit liability	4,120	(774)	(6,850)
Decrease (increase) in trade notes and accounts receivable	2,657	(2,440)	(21,593)
Decrease (increase) in inventories	2,878	(3,827)	(33,867)
Decrease in trade notes and accounts payable	(537)	(3,729)	(33,000)
Others, net	3,096	<u>5,055</u>	44,735
Subtotal	83,317	77,986	<u>690,142</u>
Interest and dividends received	1,538	1,851	16,381
Interest paid	(5,770)	(4,880)	(43,186)
Extra retirement benefits paid	(20)	<u>(1)</u>	<u>(9)</u>
Income taxes paid	(8,685)	(7,427)	(65,726)
Net cash provided by operating activities	70,380	<u>67,529</u>	<u>597,602</u>
Cash flows from investing activities:			
Purchases of property and equipment	(47,876)	(51,954)	(459,770)
Proceeds from sales of property and equipment	3,994	6,038	53,434
Proceeds for contributions for construction	9,443	6,731	59,566
Purchases of investments securities	(822)	(898)	(7,947)
Proceeds from sales or redemptions of investment securities	1,138	1,168	10,336
Collections of loans receivable	851	741	6,558
Others, net	342	(1,952)	(17,274)
Net cash used in investing activities	(32,930)	(40,126)	(355,097)
Cash flows from financing activities:			
Increase in long-term debt	99,137	57,373	507,725
Repayment of long-term debt	(102,868)	(71,778)	(635,204)
Net decrease in short-term borrowings	(27,222)	(7,310)	(64,690)
Dividends paid to shareholders	(3,544)	(4,133)	(36,575)
Dividends paid to non-controlling shareholders	(518)	(171)	(1,513)
Others, net	(79)	(238)	<u>(2,107)</u>
Net cash used in financing activities	(35,094)	(26,257)	(232,363)
Effect of exchange rate changes on cash and cash equivalents	15	_	
Net increase in cash and cash equivalents	2,371	1,146	10,142
Cash and cash equivalents at beginning of year	13,405	15,776	139,610
Cash and cash equivalents at end of year	¥ 15,776	¥ 16,922	\$ 149,752

See Notes to Consolidated Financial Statements.