

**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 underlined.

Corrected Items

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

<Before corrections>

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2016	2016
Cash flows from operating activities:			
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	4,931	43,637
Subtotal	83,317	77,862	689,044
Interest and dividends received	1,538	1,851	16,381
Interest paid	(5,770)	(4,880)	(43,186)
Extra retirement benefits paid	(20)	—	—
Income taxes paid	(8,685)	(7,427)	(65,726)
Net cash provided by operating activities	70,380	67,406	596,513
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	507,726
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)	(115)	(1,018)
Net cash used in financing activities	(35,094)	(26,134)	(231,274)
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.

<After corrections>

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2016	2016
Cash flows from operating activities:			
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	5,055	44,735
Subtotal	83,317	77,986	690,142
Interest and dividends received	1,538	1,851	16,381
Interest paid	(5,770)	(4,880)	(43,186)
Extra retirement benefits paid	(20)	(1)	(9)
Income taxes paid	(8,685)	(7,427)	(65,726)
Net cash provided by operating activities	70,380	67,529	597,602
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
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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)	(2,107)
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.