

[TRANSLATION]

[Supplemental Material 1]

Summary of the Consolidated Financial Results for the Three Months Ended June 30, 2013

July 30, 2013  
Central Japan Railway Company

- **Transportation revenues of the Central Japan Railway Company (the “Company”) increased due to the steady increase in use of the Company’s services for various purposes, including tourism. The Company’s overall operating revenues on a consolidated basis also increased.**
- **Operating expenses decreased due to a substantial decrease in non-personnel expenses, which was associated with an amendment to the provision reserve plan for the large scale renovation of the Shinkansen infrastructure.** Non-operating income/loss improved due to a decrease in interest expenses.
- Due to the influence of the above-mentioned amendment to the provision reserve plan as well as other factors, **the Company recorded increases in revenues and profits** (operating income, ordinary income and net income). The Company will seek, in the entire group, to enhance its management vitality through working towards growing the earning capability and pursuing efficiency and cost reduction in the operation of its business at all levels including capital investments, while prioritizing the maintenance of safe and reliable transportation.

## 1. Summary of Consolidated Results for the Three Months Ended June 30, 2013

### **(1) Operating revenues (394.7 billion yen; a 14.0 billion yen or a 3.7% increase)**

- The Company's **transportation revenues increased by 8.4 billion yen (3.0%) to 292.4 billion yen in the three months ended June 30, 2013, as compared with the three months ended June 30, 2012.**

- As for the Tokaido Shinkansen, the Company promoted its efforts to expand the number of members and the use of the Express Reservation service and the PLUS EX service, in which customers can use their existing credit cards for the online reservation service and the IC boarding service. The Company also worked on tourism campaigns that focused on various areas, such as the Grand Shrine of Ise which is gaining popularity due to the upcoming special ceremony, Shikinen Sengu. The Company sought to enhance transportation services by introducing new rolling stock, the N700A, and promoting modifications of the Series N700 in order to reflect features of the N700A.

- As for the conventional lines, in March 2013, the Company commenced the service of nation-wide mutual use of TOICA with IC cards of other transport operators in order to further improve the convenience of using transportation.

- As a result, transportation revenues from the Tokaido Shinkansen increased by 8.2 billion yen (3.2%) to 267.6 billion yen in the three months ended June 30, 2013, as compared with the three months ended June 30, 2012. Transportation revenues from the conventional lines increased by 0.2 billion yen (0.9%) to 24.7 billion yen in the three months ended June 30, 2013, as compared with the three months ended June 30, 2012. Total transportation revenues increased by 8.4 billion yen (3.0%) to 292.4 billion yen in the three months ended June 30, 2013, as compared with the three months ended June 30, 2012.

- As for the non-railway business, the Company worked towards the enhancement of existing businesses, and steadily carried on with projects, such as the construction of a new building (the "Nagoya Station New Building Project"). Mainly due to an increase in sales at NIPPON SHARYO, LTD. and at JR Nagoya Takashimaya, operating revenues of the group companies increased by 8.3 billion yen (10.0%) to 91.6 billion yen in the three months ended June 30, 2013, as compared with the three months ended June 30, 2012.

### **(2) Operating expenses (246.9 billion yen; an 11.8 billion yen or a 4.6% decrease)**

- Despite an increase in energy expenses of the Company and in the cost of sales at NIPPON SHARYO, LTD., overall expenses decreased because the Company ended accumulating provision reserves and initiated the reversal of the provision reserves associated with the amendment to the provision reserve plan for the large scale renovation (decreased by 17.0 billion yen in the three months ended June 30, 2013, as compared with the three months ended June 30, 2012).

### **(3) Operating income (147.8 billion yen; a 25.8 billion yen or a 21.2% increase)**

### **(4) Non-operating income/loss (-19.3 billion yen; a 3.0 billion yen improvement)**

- The Company's interest expenses decreased by 2.6 billion yen due to a reduction in long-term debt and payables.

- The balance of long-term debt and payables decreased by 31.7 billion yen to 2,608.2 billion yen as of June 30, 2013, as compared with March 31, 2013, due to the redemption of bonds, etc.

**(5) Ordinary income (128.4 billion yen; a 28.8 billion yen or a 29.0% increase)**

**(6) Net income (83.6 billion yen; a 22.2 billion yen or a 36.3% increase)**

## **2. Forecasted Results of Operations for the fiscal year ending March 31, 2014**

- The Company will not revise the forecasted results for the fiscal year ending March 31, 2014 and the estimated reduction in long-term debt and payables from the previous numbers released in April 2013.

Comparison of Passenger-kilometers and Transportation Revenues  
for the Three Months Ended June 30, 2013

(Unit: Millions of passenger-kilometers, billions of yen, %)

			For the Three Months Ended June 30, 2012	For the Three Months Ended June 30, 2013	Increase (Decrease)	%
Passenger-kilometers	Shinkansen	Commuter	364	365	1	100.4
		Others	11,061	11,412	351	103.2
		Subtotal	11,425	11,777	353	103.1
	Conventional lines	Commuter	1,447	1,451	5	100.3
		Others	865	875	10	101.2
		Subtotal	2,312	2,327	15	100.6
	Subtotal	Commuter	1,811	1,817	6	100.3
		Others	11,926	12,287	361	103.0
		Subtotal	13,737	14,104	367	102.7
Transportation revenues	Shinkansen	Commuter	4.2	4.3	0.0	101.3
		Others	255.0	263.3	8.2	103.2
		Subtotal	259.3	267.6	8.2	103.2
	Conventional lines	Commuter	8.7	8.7	(0.0)	99.9
		Others	15.8	16.0	0.2	101.4
		Subtotal	24.5	24.7	0.2	100.9
	Subtotal	Commuter	13.0	13.0	0.0	100.4
		Others	270.9	279.3	8.4	103.1
		Subtotal	283.9	292.4	8.4	103.0
	Total (including parcel fare)		283.9	292.4	8.4	103.0

- (Notes)
1. The above table contains non-consolidated passenger-kilometers and transportation revenues of the Company.
  2. Any fraction in passenger-kilometers that is less than the unit indicated is rounded to the nearest unit.
  3. Any fraction in transportation revenues that is less than a tenth of the unit indicated is rounded down.

## Comparative Quarterly Statements of Income (Consolidated)

(Unit: Billions of yen, %)

Classifications	For the Three Months Ended June 30, 2012	For the Three Months Ended June 30, 2013	Increase (Decrease)	%
<b>Operating revenues</b>	<b>380.6</b>	<b>394.7</b>	<b>14.0</b>	<b>103.7</b>
Transportation	298.2	304.0	5.7	101.9
Merchandise and other	49.6	50.3	0.7	101.5
Real estate	9.3	9.5	0.2	102.4
Other	23.4	30.7	7.3	131.3
<b>Operating expenses</b>	<b>258.7</b>	<b>246.9</b>	<b>(11.8)</b>	<b>95.4</b>
<b>Operating income</b>	<b>121.9</b>	<b>147.8</b>	<b>25.8</b>	<b>121.2</b>
<b>Non-operating income (loss)</b>	<b>(22.3)</b>	<b>(19.3)</b>	<b>3.0</b>	<b>86.4</b>
Non-operating income	1.5	1.6	0.0	105.8
Non-operating expenses	23.9	20.9	(2.9)	87.7
<b>Ordinary income</b>	<b>99.5</b>	<b>128.4</b>	<b>28.8</b>	<b>129.0</b>
<b>Extraordinary gain (loss)</b>	<b>0.1</b>	<b>0.7</b>	<b>0.5</b>	<b>416.9</b>
Extraordinary gain	0.4	1.2	0.7	265.2
Extraordinary loss	0.2	0.5	0.2	172.9
<b>Income before income taxes and minority interests</b>	<b>99.7</b>	<b>129.2</b>	<b>29.4</b>	<b>129.5</b>
Income taxes	37.6	44.5	6.9	118.4
<b>Net income before minority interests (loss)</b>	<b>62.1</b>	<b>84.6</b>	<b>22.5</b>	<b>136.2</b>
Minority interests in net income	0.7	0.9	0.2	131.0
<b>Net income</b>	<b>61.4</b>	<b>83.6</b>	<b>22.2</b>	<b>136.3</b>
<b>Comprehensive income</b>	<b>58.2</b>	<b>88.4</b>	<b>30.1</b>	<b>151.7</b>

- (Notes)
- Any fraction less than a tenth of the unit indicated is rounded down.
  - The breakdown of operating revenues is based on the amount of sales to external customers, according to reportable segments.

## Operating Income/Loss According to Reportable Segments

(Unit: Billions of yen, %)

Classifications	Segments	For the Three Months Ended June 30, 2012	For the Three Months Ended June 30, 2013	Increase (Decrease)	%
<b>Operating revenues</b>	Transportation	301.0	306.7	5.7	101.9
	Merchandise and other	51.9	52.2	0.2	100.6
	Real estate	15.6	16.0	0.4	102.8
	Other	38.7	46.5	7.7	120.0
	Reconciliations	(26.6)	(26.8)	(0.2)	100.9
	Total	380.6	394.7	14.0	103.7
<b>Segment profit (Operating income)</b>	Transportation	114.7	140.6	25.9	122.6
	Merchandise and other	1.6	1.9	0.3	120.5
	Real estate	4.0	4.1	0.1	104.6
	Other	0.6	(0.3)	(0.9)	-
	Reconciliations	0.9	1.3	0.4	144.5
	Total	121.9	147.8	25.8	121.2

- (Notes)
- Any fraction less than a tenth of the unit indicated is rounded down.
  - Operating revenues include the amount of sales to other reportable segments as well as the amount of sales to external customers.
  - Rows entitled "Reconciliations" show amounts that are off-set among reportable segments.

## Comparative Quarterly Balance Sheets (Consolidated)

(Unit: Billions of yen)

Classifications	As of March 31, 2013	As of June 30, 2013	Increase (Decrease)
<b>Current assets</b>	<b>282.0</b>	<b>240.6</b>	<b>(41.3)</b>
<b>Noncurrent assets</b>	<b>4,949.1</b>	<b>4,934.2</b>	<b>(14.8)</b>
Property, plant and equipment • Intangible assets	4,642.6	4,622.8	(19.8)
Investments and other assets	306.4	311.4	5.0
<b>Total assets</b>	<b>5,231.1</b>	<b>5,174.9</b>	<b>(56.1)</b>
Current liabilities	657.4	528.1	(129.3)
Noncurrent liabilities	3,015.6	3,011.5	(4.0)
<b>Total liabilities</b>	<b>3,673.1</b>	<b>3,539.6</b>	<b>(133.4)</b>
<b>Total equity</b>	<b>1,557.9</b>	<b>1,635.3</b>	<b>77.3</b>
<b>Total liabilities and equity</b>	<b>5,231.1</b>	<b>5,174.9</b>	<b>(56.1)</b>
<b>Breakdown of long-term debts</b>	<b>2,639.9</b>	<b>2,608.2</b>	<b>(31.7)</b>
Bonds payable	1,016.1	991.0	(25.0)
Long-term loans payable	629.1	622.5	(6.6)
Long-term accounts payable-railway facilities	994.7	994.7	-

(Note) Any fraction less than a tenth of the unit indicated is rounded down.

## Comparative Quarterly Statements of Income (Non-consolidated)

(Unit: Billions of yen, %)

Classifications	For the Three Months Ended June 30, 2012	For the Three Months Ended June 30, 2013	Increase (Decrease)	%
<b>Operating revenues</b>	<b>301.5</b>	<b>307.1</b>	<b>5.6</b>	<b>101.9</b>
Transportation revenues	283.9	292.4	8.4	103.0
Other services	17.6	14.7	(2.8)	83.7
<b>Operating expenses</b>	<b>185.6</b>	<b>165.4</b>	<b>(20.1)</b>	<b>89.1</b>
Personnel expenses	44.2	44.7	0.5	101.2
Non-personnel expenses	80.3	63.1	(17.2)	78.5
Taxes other than income taxes	8.2	8.2	(0.0)	99.2
Depreciation and amortization	52.8	49.4	(3.3)	93.6
<b>Operating income</b>	<b>115.8</b>	<b>141.6</b>	<b>25.8</b>	<b>122.3</b>
<b>Non-operating income(loss)</b>	<b>(21.7)</b>	<b>(18.8)</b>	<b>2.8</b>	<b>86.9</b>
Non-operating income	1.8	1.9	0.0	105.0
Non-operating expenses	23.6	20.8	(2.7)	88.4
<b>Ordinary income</b>	<b>94.1</b>	<b>122.8</b>	<b>28.6</b>	<b>130.4</b>
<b>Extraordinary gain(loss)</b>	<b>(0.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>
Extraordinary gain	0.0	0.3	0.3	999.9
Extraordinary loss	0.0	0.2	0.2	999.9
<b>Income before income taxes</b>	<b>94.1</b>	<b>122.8</b>	<b>28.7</b>	<b>130.5</b>
Income taxes	35.2	42.1	6.8	119.4
<b>Net income</b>	<b>58.8</b>	<b>80.7</b>	<b>21.8</b>	<b>137.2</b>

(Note) Any fraction less than a tenth of the unit indicated is rounded down.

## Estimated Reduction in Long-term Debt and Payables (Consolidated / Non-Consolidated)

(Unit: Billions of yen)

Classifications	As of March 31, 2013 (Actual Results)	As of June 30, 2013 (Actual Results)	As of March 31, 2014 (Estimated)	Estimated Annual Amount of Decrease
Balance of long-term debt and payables (consolidated)	2,639.9	2,608.2	2,494.9	(145.0)
Balance of long-term debt and payables (non-consolidated)	2,614.9	2,584.7	2,474.9	(140.0)

(Note) Any fraction less than a tenth of the unit indicated is rounded down.