

Summary of Consolidated Financial Report for the Three Months Ended June 30, 2014 [under Japanese GAAP] (Unaudited)

English translation from the original Japanese-language document

July 29, 2014

Company Name	Central Japan Railway Company
Stock Exchange Listings	Tokyo and Nagoya
Code Number	9022
URL	http://jr-central.co.jp
Representative	Kouei Tsuge, President and Representative Director
Contact Person	Ryo Ejiri, General Manager of the Public Relations Department (Tel +81-52-564-2549)
Expected Date of Presentation of Quarterly Financial Statement Reports	August 6, 2014
Expected Date of Payment of Dividends	—
Supplementary Information	attached
Briefing of Financial Results of 1st Quarter	none

1. Results for the three months ended June 30, 2014

(1) Consolidated financial results (Figures less than one million yen, except for per share information, have been rounded down.)

	Operating revenues		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2015 1st Quarter	397,635	0.7	136,894	△ 7.4	121,061	△ 5.8	83,396	△ 0.3
Fiscal 2014 1st Quarter	394,720	3.7	147,802	21.2	128,484	29.0	83,682	36.3

Note 1. Comprehensive income : Fiscal 2015 1st Quarter 87,534 million yen (△1.0%). Fiscal 2014 1st Quarter 88,431 million yen (51.7%).
 2. Percentages for operating revenues, operating income, ordinary income, net income and comprehensive income represent the changes from the corresponding three-month period of the previous year.

	Net income per share - basic	Net income per share - diluted
	Yen	Yen
Fiscal 2015 1st Quarter	423.76	—
Fiscal 2014 1st Quarter	425.22	—

(2) Consolidated financial position (Figures less than one million yen, except for per share information, have been rounded down.)

	Total assets	Equity	Net worth ratio
	Millions of yen	Millions of yen	%
Fiscal 2015 1st Quarter	5,148,633	1,894,580	35.9
Fiscal 2014	5,178,166	1,802,252	33.9

Note Net worth : Fiscal 2015 1st Quarter 1,845,800 million yen. Fiscal 2014 1,753,771 million yen.

2. Cash dividends

	Cash dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2014	—	55.00	—	60.00	115.00
Fiscal 2015	—	—	—	—	—
Fiscal 2015 (Forecast)	—	60.00	—	60.00	120.00

Note Changes in the forecast of cash dividends for Fiscal 2015 : none

3. Consolidated forecast for Fiscal 2015 (Year ending March 31, 2015)

	Operating revenues		Operating income		Ordinary income		Net income		Net income per share - basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal 2015 2nd Quarter (six months)	805,000	△ 1.2	260,000	△ 9.8	224,000	△ 8.9	153,000	△ 4.1	777.44
Fiscal 2015	1,636,000	△ 1.0	459,000	△ 7.2	388,000	△ 4.0	265,000	3.6	1,346.55

Note 1. Percentages for operating revenues, operating income, ordinary income and net income represent the changes from the corresponding period of the previous year.
 2. Changes in the consolidated forecast for Fiscal 2015 : none

※Notes to Consolidated Financial Information

- (1) Changes in scope of significant consolidated subsidiaries : none
- (2) Adoption of simplified accounting methods or accounting methods used specifically for quarterly consolidated financial statements : adopted
- (3) Changes in accounting policies, changes in accounting estimates and error corrections
- ① Changes in accounting policies due to revision of accounting standard : changed
- ② Other changes in accounting policies : none
- ③ Changes in accounting estimates : none
- ④ Error corrections : none

- (4) Number of common shares outstanding at the end of each period

- ① Number of shares issued and outstanding at the end of each period
(Including treasury stocks)
- ② Number of treasury stocks at the end of each period
- ③ Average number of shares outstanding for the period

Fiscal 2015 1st Quarter	206,000,000 shares	Fiscal 2014	206,000,000 shares
Fiscal 2015 1st Quarter	9,200,676 shares	Fiscal 2014	9,200,676 shares
Fiscal 2015 1st Quarter	196,799,324 shares	Fiscal 2014 1st Quarter	196,799,374 shares

- Note 1. This consolidated financial information is not subject to quarterly review in accordance with the Japanese Financial Instruments and Exchange Act. Quarterly review procedures on the consolidated financial statements for the three-month period ended June 30, 2014 have not been completed at the time of announcement of this consolidated financial information.
2. The forward-looking statements in this report are based on estimates and assumptions that reflect information available as of the day of release of this report. The accuracy of forecasts above, therefore, is inherently uncertain because it is affected by future economic trends and environment. This forecast has not been changed from the previous forecast at April 30, 2014.
3. English supplemental information will be announced on our website later.

Supplementary information for the Note of Summary

- (1) Adoption of simplified accounting methods or accounting methods used specifically for quarterly consolidated financial statements
- Computation of income taxes
The company computed income taxes by multiplying quarterly net income before income taxes by estimated effective rate, which is applicable to annual tax provision to annual net income before income taxes of the current year.
- (2) Changes in accounting policies, changes in accounting estimates and error corrections
- Effective the first quarter beginning on April 1, 2014, the company adopted main clause of paragraph (35) of Accounting Standard for Retirement Benefits, and paragraph (67) of Guidance on Accounting Standard for Retirement Benefits.
- In accordance with the accounting standard and guidance for retirement benefits above, the company changed the method of determining projected benefit obligations and service costs, and revised the method of attributing expected benefit to periods from the straight-line basis to the plan's benefit formula basis, and that of determining discount rate. In accordance with transitional treatment stipulated in paragraph (37) of Accounting Standard for Retirement Benefits, the company recorded the cumulative effect of the change in the method of determining projected benefit obligations and service costs in retained earnings as of April 1, 2014.
- As a result, retained earnings as of April 1, 2014 increased by 17,450 million yen, and the effect on the consolidated statement of income for the first quarter beginning on April 1, 2014 was immaterial.

QUARTERLY CONSOLIDATED BALANCE SHEET (Unaudited)

(Figures less than one million yen have been rounded down.)

	Millions of yen	
	As of March 31, 2014	As of June 30, 2014
ASSETS		
Current assets:		
Cash and deposit	92,639	99,312
Notes and accounts receivable-trade	58,024	48,558
Railway fares receivables	41,006	30,980
Inventories	36,650	39,835
Deferred tax assets	27,592	27,365
Other	57,979	79,142
Allowance for doubtful accounts	△ 39	△ 10
Total current assets	313,853	325,184
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures, net	1,678,360	1,647,097
Machinery, rolling stock and vehicles, net	314,032	294,261
Land	2,358,060	2,357,999
Construction in progress	132,900	153,175
Other, net	31,265	29,038
Total property, plant and equipment	4,514,619	4,481,572
Intangible assets	23,787	23,286
Investments and other assets		
Investment securities	128,543	133,302
Deferred tax assets	171,225	160,321
Other	26,229	25,077
Allowance for doubtful accounts	△ 92	△ 111
Total investments and other assets	325,905	318,590
Total noncurrent assets	4,864,313	4,823,448
Total assets	5,178,166	5,148,633

QUARTERLY CONSOLIDATED BALANCE SHEET (Unaudited)

(Figures less than one million yen have been rounded down.)

	Millions of yen	
	As of March 31, 2014	As of June 30, 2014
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	66,019	50,312
Short-term loans payable	24,754	26,970
Current portion of bonds payable	85,000	105,000
Current portion of long-term loans payable	128,026	126,546
Current portion of long-term accounts payable-railway facilities	96,505	96,505
Income taxes payable	84,472	36,769
Provision for bonuses	27,319	16,253
Other	199,428	166,681
Total current liabilities	711,526	625,039
Noncurrent liabilities:		
Bonds payable	797,988	792,691
Long-term loans payable	503,907	509,839
Long-term accounts payable-railway facilities	759,382	759,382
Provision for large scale renovation of the Shinkansen infrastructure	315,000	306,250
Liability for retirement benefits	212,969	186,602
Other	75,139	74,247
Total noncurrent liabilities	2,664,387	2,629,013
Total liabilities	3,375,913	3,254,053
EQUITY		
Shareholders' equity:		
Common stock	112,000	112,000
Capital surplus	53,500	53,500
Retained earnings	1,669,462	1,758,489
Treasury stock	△ 103,155	△ 103,155
Total shareholders' equity	1,731,806	1,820,833
Accumulated other comprehensive income:		
Unrealized gain on available-for-sale securities	21,493	24,490
Deferred gain on hedges	5	1
Remeasurements of defined benefit plans	465	475
Total accumulated other comprehensive income	21,964	24,967
Minority interests	48,481	48,779
Total equity	1,802,252	1,894,580
Total liabilities and equity	5,178,166	5,148,633

QUARTERLY CONSOLIDATED STATEMENT OF INCOME (Unaudited)

(Figures less than one million yen have been rounded down.)

	Millions of yen	
	For the three months ended June 30, 2013	For the three months ended June 30, 2014
Operating revenues	394,720	397,635
Operating expenses:		
Transportation, other services and cost of sales	204,830	215,199
Selling, general and administrative expenses	42,087	45,542
Total operating expenses	<u>246,917</u>	<u>260,741</u>
Operating income	147,802	136,894
Non-operating income:		
Interest income	25	31
Dividends income	964	1,084
Insurance income	113	1,070
Other	567	725
Total non-operating income	<u>1,671</u>	<u>2,911</u>
Non-operating expenses:		
Interest expense	7,069	6,367
Interest on long-term accounts payable-railway facilities	13,364	11,950
Other	554	426
Total non-operating expenses	<u>20,989</u>	<u>18,744</u>
Ordinary income	128,484	121,061
Extraordinary gain:		
Contribution for construction	286	780
Other	957	133
Total extraordinary gain	<u>1,244</u>	<u>913</u>
Extraordinary loss:		
Loss on reduction of noncurrent assets	274	671
Loss on retirement of noncurrent assets	211	237
Other	20	45
Total extraordinary loss	<u>505</u>	<u>954</u>
Income before income taxes and minority interests	129,222	121,021
Income taxes	44,564	36,822
Net Income before minority interests	<u>84,658</u>	<u>84,198</u>
Minority interests in net income	975	802
Net income	83,682	83,396

QUARTERLY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

(Figures less than one million yen have been rounded down.)

	Millions of yen	
	For the three months ended June 30, 2013	For the three months ended June 30, 2014
Net income before minority interests	84,658	84,198
Other comprehensive income:		
Unrealized gain on available-for-sale securities	3,805	3,287
Deferred loss on hedges	△ 32	△ 9
Remeasurements of defined benefit plans	—	27
Share of other comprehensive income in affiliates	△ 0	30
Total other comprehensive income	<u>3,773</u>	<u>3,336</u>
Comprehensive income	<u>88,431</u>	<u>87,534</u>
(breakdown)		
Total comprehensive income attributable to		
Owners of the parent	87,774	86,399
Minority interests	<u>656</u>	<u>1,135</u>

SEGMENT INFORMATION (Unaudited)

I Fiscal 2014 1st quarter (For the three months ended June 30, 2013)

Information about operating revenues and profit (loss)

(Figures less than one million yen have been rounded down.)

	Millions of yen						
	Transportation	Merchandise and Other	Real Estate	Other	Total	Reconciliations	Consolidated
Operating revenues:							
External customers	304,011	50,379	9,554	30,774	394,720	—	394,720
Intersegment transactions or transfers	2,759	1,830	6,502	15,780	26,873	△ 26,873	—
Total	306,771	52,209	16,056	46,555	421,593	△ 26,873	394,720
Segment profit (loss)	140,675	1,965	4,192	△ 353	146,480	1,321	147,802

- Note 1. Other includes business in hotel, travel, advertising, rolling stock production and construction and etc. which are not included in reportable segments.
 2. The reconciliations amount of 1,321 million yen for segment profit (loss) is the elimination of intersegment transactions.
 3. Segment profit (loss) is reconciled to operating income in the quarterly consolidated statement of income.

II Fiscal 2015 1st quarter (For the three months ended June 30, 2014)

Information about operating revenues and profit (loss)

(Figures less than one million yen have been rounded down.)

	Millions of yen						
	Transportation	Merchandise and Other	Real Estate	Other	Total	Reconciliations	Consolidated
Operating revenues:							
External customers	310,133	55,015	9,393	23,093	397,635	—	397,635
Intersegment transactions or transfers	2,820	2,015	6,561	18,440	29,837	△ 29,837	—
Total	312,954	57,031	15,954	41,533	427,473	△ 29,837	397,635
Segment profit	129,534	2,266	4,271	64	136,136	757	136,894

- Note 1. Other includes business in hotel, travel, advertising, rolling stock production and construction and etc. which are not included in reportable segments.
 2. The reconciliations amount of 757 million yen for segment profit is the elimination of intersegment transactions.
 3. Segment profit is reconciled to operating income in the quarterly consolidated statement of income.