

[TRANSLATION]

[Supplemental Material 1]

Summary of the Consolidated Financial Results for the Three Months Ended June 30, 2014

July 29, 2014
Central Japan Railway Company

- **Transportation revenues of the Central Japan Railway Company (the “Company”) exceeded the favorable results of the previous year and increased because the use of the Company’s services for business as well as tourism continued to increase steadily. The Company’s overall operating revenues on a consolidated basis slightly increased despite a decrease in revenues of the group companies.**
- **Operating expenses increased due to an increase in depreciation and amortization of the Yamanashi Maglev Test Line, etc. As a result, the Company recorded increases in revenues and decreases in profits** (operating income, ordinary income and net income).
- **The Company will not revise the forecasted results for the fiscal year ending March 31, 2015 and the estimated reduction in long-term debt and payables from the previous numbers released in April 2014.** 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 giving priority to ensuring safe and reliable transportation.

1. Summary of Consolidated Results for the Three Months Ended June 30, 2014

(1) Operating revenues (397.6 billion yen; a 2.9 billion yen or a 0.7% increase)

- The Company's **transportation revenues increased by 5.8 billion yen (2.0%) to 298.2 billion yen in the three months ended June 30, 2014, as compared with the three months ended June 30, 2013.**
 - As for the Tokaido Shinkansen, the Company worked on the sale of commemorative and bargain travel products to mark the "Tokaido Shinkansen 50th Anniversary", etc. and promoted its efforts to expand the number of members and the use of the Express Reservation service, etc.; the Company also worked on various marketing campaigns by utilizing tourism resources such as Kyoto, Nara and Tokyo. The Company sought to enhance transportation services by, among other things, setting a flexible train schedule leveraging the "10 Nozomi Timetable" started in March 2014.
 - As for the conventional lines, the Company made efforts to increase passenger use by promoting sales in cooperation with local communities, such as the "Shupo" and "Takayama Line 80th Anniversary" campaigns.
 - As a result, transportation revenues from the Tokaido Shinkansen increased by 5.8 billion yen (2.2%) to 273.4 billion yen in the three months ended June 30, 2014, as compared with the three months ended June 30, 2013. Transportation revenues from the conventional lines increased by 0.04 billion yen (0.2%) to 24.8 billion yen in the three months ended June 30, 2014, as compared with the three months ended June 30, 2013. Total transportation revenues increased by 5.8 billion yen (2.0%) to 298.2 billion yen in the three months ended June 30, 2014, as compared with the three months ended June 30, 2013.
- As for the non-railway business, the Company worked towards the enhancement of existing businesses, and carried on with projects, such as JR GATE TOWER Project at Nagoya Station. Operating revenues of the group companies decreased by 3.1 billion yen (3.4%) to 88.5 billion yen in the three months ended June 30, 2014, as compared with the three months ended June 30, 2013, despite a substantial increase in sales at JR Nagoya Takashimaya, due to a decrease in sales associated with the completion of the delivery of railway rolling stocks to Taiwan by NIPPON SHARYO, LTD. in the previous year.

(2) Operating expenses (260.7 billion yen; a 13.8 billion yen or a 5.6% increase)

- Operating expenses of the Company increased due to an increase in depreciation and amortization associated with the Yamanashi Maglev Test Line in which the Company restarted running tests in August 2013 and an increase in non-personnel expenses such as energy expenses.
- As for the group companies, overall operating expenses increased despite a decrease in the cost of sales at NIPPON SHARYO, LTD.

(3) Operating income (136.8 billion yen; a 10.9 billion yen or a 7.4% decrease)

(4) Non-operating income/loss (-15.8 billion yen; a 3.4 billion yen improvement)

- The Company's interest expenses decreased by 2.1 billion yen due to a reduction in long-term debt and payables.

(5) Ordinary income (121.0 billion yen; a 7.4 billion yen or a 5.8% decrease)

(6) Net income (83.3 billion yen; a 0.2 billion yen or a 0.3% decrease)

2. Forecasted Results of Operations for the fiscal year ending March 31, 2015

- The Company will not revise the forecasted results for the fiscal year ending March 31, 2015 and the estimated reduction in long-term debt and payables from the previous numbers released in April 2014.

Comparison of Passenger-kilometers and Transportation Revenues
for the Three Months Ended June 30, 2014

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

			For the Three Months Ended June 30, 2013	For the Three Months Ended June 30, 2014	Increase (Decrease)	%
Passenger-kilometers	Shinkansen	Commuter	365	339	(26)	92.8
		Others	11,412	11,649	236	102.1
		Subtotal	11,777	11,988	210	101.8
	Conventional lines	Commuter	1,451	1,435	(17)	98.9
		Others	875	871	(4)	99.5
		Subtotal	2,327	2,306	(21)	99.1
	Subtotal	Commuter	1,817	1,774	(43)	97.6
		Others	12,287	12,519	232	101.9
		Subtotal	14,104	14,293	189	101.3
Transportation revenues	Shinkansen	Commuter	4.3	4.4	0.1	102.5
		Others	263.3	269.0	5.7	102.2
		Subtotal	267.6	273.4	5.8	102.2
	Conventional lines	Commuter	8.7	8.8	0.0	101.0
		Others	16.0	16.0	(0.0)	99.7
		Subtotal	24.7	24.8	0.0	100.2
	Subtotal	Commuter	13.0	13.2	0.1	101.5
		Others	279.3	285.0	5.6	102.0
		Subtotal	292.4	298.2	5.8	102.0
Total (including parcel fare)		292.4	298.2	5.8	102.0	

- (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, 2013	For the Three Months Ended June 30, 2014	Increase (Decrease)	%
Operating revenues	394.7	397.6	2.9	100.7
Transportation	304.0	310.1	6.1	102.0
Merchandise and other	50.3	55.0	4.6	109.2
Real estate	9.5	9.3	(0.1)	98.3
Other	30.7	23.0	(7.6)	75.0
Operating expenses	246.9	260.7	13.8	105.6
Operating income	147.8	136.8	(10.9)	92.6
Non-operating income (loss)	(19.3)	(15.8)	3.4	82.0
Non-operating income	1.6	2.9	1.2	174.2
Non-operating expenses	20.9	18.7	(2.2)	89.3
Ordinary income	128.4	121.0	(7.4)	94.2
Extraordinary gain (loss)	0.7	(0.0)	(0.7)	-
Extraordinary gain	1.2	0.9	(0.3)	73.4
Extraordinary loss	0.5	0.9	0.4	188.9
Income before income taxes and minority interests	129.2	121.0	(8.2)	93.7
Income taxes	44.5	36.8	(7.7)	82.6
Net income before minority interests (loss)	84.6	84.1	(0.4)	99.5
Minority interests in net income	0.9	0.8	(0.1)	82.3
Net income	83.6	83.3	(0.2)	99.7
Comprehensive income	88.4	87.5	(0.8)	99.0

- (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, 2013	For the Three Months Ended June 30, 2014	Increase (Decrease)	%
Operating revenues	Transportation	306.7	312.9	6.1	102.0
	Merchandise and other	52.2	57.0	4.8	109.2
	Real estate	16.0	15.9	(0.1)	99.4
	Other	46.5	41.5	(5.0)	89.2
	Reconciliations	(26.8)	(29.8)	(2.9)	111.0
	Total	394.7	397.6	2.9	100.7
Segment profit (Operating income)	Transportation	140.6	129.5	(11.1)	92.1
	Merchandise and other	1.9	2.2	0.3	115.3
	Real estate	4.1	4.2	0.0	101.9
	Other	(0.3)	0.0	0.4	-
	Reconciliations	1.3	0.7	(0.5)	57.3
	Total	147.8	136.8	(10.9)	92.6

- (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, 2014	As of June 30, 2014	Increase (Decrease)
Current assets	313.8	325.1	11.3
Noncurrent assets	4,864.3	4,823.4	(40.8)
Property, plant and equipment • Intangible assets	4,538.4	4,504.8	(33.5)
Investments and other assets	325.9	318.5	(7.3)
Total assets	5,178.1	5,148.6	(29.5)
Current liabilities	711.5	625.0	(86.4)
Noncurrent liabilities	2,664.3	2,629.0	(35.3)
Total liabilities	3,375.9	3,254.0	(121.8)
Total equity	1,802.2	1,894.5	92.3
Total liabilities and equity	5,178.1	5,148.6	(29.5)

Breakdown of long-term debts	2,370.8	2,389.9	19.1
Bonds payable	882.9	897.6	14.7
Long-term loans payable	631.9	636.3	4.4
Long-term accounts payable-railway facilities	855.8	855.8	-

(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, 2013	For the Three Months Ended June 30, 2014	Increase (Decrease)	%
Operating revenues	307.1	313.2	6.0	102.0
Transportation revenues	292.4	298.2	5.8	102.0
Other services	14.7	14.9	0.2	101.5
Operating expenses	165.4	182.7	17.2	110.4
Personnel expenses	44.7	44.9	0.2	100.6
Non-personnel expenses	63.1	68.2	5.1	108.2
Taxes other than income taxes	8.2	8.1	(0.0)	99.5
Depreciation and amortization	49.4	61.2	11.8	123.9
Operating income	141.6	130.5	(11.1)	92.1
Non-operating income (loss)	(18.8)	(15.6)	3.2	82.9
Non-operating income	1.9	3.0	1.0	152.4
Non-operating expenses	20.8	18.6	(2.1)	89.6
Ordinary income	122.8	114.8	(7.9)	93.6
Extraordinary gain (loss)	0.0	0.0	(0.0)	8.2
Extraordinary gain	0.3	0.6	0.3	215.1
Extraordinary loss	0.2	0.6	0.4	263.5
Income before income taxes	122.8	114.9	(7.9)	93.5
Income taxes	42.1	34.6	(7.4)	82.2
Net income	80.7	80.2	(0.4)	99.4

(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, 2014 (Actual Results)	As of June 30, 2014 (Actual Results)	As of March 31, 2015 (Estimated)	Estimated Annual Amount of Decrease
Balance of long-term debt and payables (consolidated)	2,370.8	2,389.9	2,246.8	(124.0)
Balance of long-term debt and payables (non-consolidated)	2,351.7	2,372.3	2,231.7	(120.0)

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