

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

English translation from the original Japanese-language document

October 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, Corporate Officer, General Manager of the Public Relations Department (Tel +81-52-564-2549)
Expected Date of Presentation of Quarterly Financial Statement Reports	November 5, 2014
Expected Date of Payment of Dividends	December 1, 2014
Supplementary Information	attached
Briefing of Financial Results of 2nd Quarter	to be held

1. Results for the six months ended September 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 2nd Quarter	817,244	0.3	278,912	△ 3.2	245,160	△ 0.3	167,012	4.7
Fiscal 2014 2nd Quarter	814,759	3.2	288,182	18.3	245,949	33.1	159,580	39.7

Note 1. Comprehensive income : Fiscal 2015 2nd Quarter 174,034 million yen (2.6%). Fiscal 2014 2nd Quarter 169,612 million yen (52.7%).
 2. Percentages for operating revenues, operating income, ordinary income, net income and comprehensive income represent the changes from the corresponding six-month period of the previous year.

	Net income per share - basic	Net income per share - diluted
	Yen	Yen
Fiscal 2015 2nd Quarter	848.65	-
Fiscal 2014 2nd Quarter	810.88	-

(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 2nd Quarter	5,262,329	1,981,078	36.7
Fiscal 2014	5,178,166	1,802,252	33.9

Note Net worth : Fiscal 2015 2nd Quarter 1,932,722 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	-	60.00	-	-	-
Fiscal 2015 (Forecast)	-	-	-	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	1,651,000	△ 0.1	475,000	△ 4.0	396,000	△ 2.0	268,000	4.8	1,361.79

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 : changed

※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)

Fiscal 2015 2nd Quarter	206,000,000 shares	Fiscal 2014	206,000,000 shares
Fiscal 2015 2nd Quarter	9,200,676 shares	Fiscal 2014	9,200,676 shares
Fiscal 2015 2nd Quarter	196,799,324 shares	Fiscal 2014 2nd Quarter	196,799,349 shares

② Number of treasury stocks at the end of each period

③ Average number of shares outstanding for the period

(Reference) Nonconsolidated 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	1,291,000	1.1	445,000	△ 3.4	367,000	△ 1.3	256,000	6.5	1,299.49

- Note 1. Percentages for operating revenues, operating income, ordinary income and net income represent the change from the corresponding period of the previous year.
2. Changes in the nonconsolidated forecast for Fiscal 2015 : changed

- 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 six-month period ended September 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 been changed from the previous forecast at April 25, 2014.
3. English supplemental information will be announced on our website later.

Supplementary information for the notes to consolidated financial information

- (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 six months ended September 30, 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 September 30, 2014
ASSETS		
Current assets:		
Cash and deposit	92,639	133,875
Notes and accounts receivable-trade	58,024	53,355
Railway fares receivables	41,006	31,491
Inventories	36,650	41,556
Deferred tax assets	27,592	27,207
Other	57,979	175,767
Allowance for doubtful accounts	△ 39	△ 11
Total current assets	313,853	463,241
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures, net	1,678,360	1,624,708
Machinery, rolling stock and vehicles, net	314,032	289,315
Land	2,358,060	2,357,945
Construction in progress	132,900	156,905
Other, net	31,265	28,270
Total property, plant and equipment	4,514,619	4,457,145
Intangible assets	23,787	22,810
Investments and other assets		
Investment securities	128,543	136,005
Deferred tax assets	171,225	158,220
Other	26,229	24,999
Allowance for doubtful accounts	△ 92	△ 93
Total investments and other assets	325,905	319,131
Total noncurrent assets	4,864,313	4,799,087
Total assets	5,178,166	5,262,329

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 September 30, 2014
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	66,019	50,100
Short-term loans payable	24,754	29,961
Current portion of bonds payable	85,000	105,000
Current portion of long-term loans payable	128,026	95,140
Current portion of long-term accounts payable-railway facilities	96,505	98,541
Income taxes payable	84,472	74,827
Provision for bonuses	27,319	27,783
Other	199,428	166,163
Total current liabilities	711,526	647,519
Noncurrent liabilities:		
Bonds payable	797,988	827,693
Long-term loans payable	503,907	537,954
Long-term accounts payable-railway facilities	759,382	709,593
Provision for large scale renovation of the Shinkansen infrastructure	315,000	297,500
Liability for retirement benefits	212,969	187,035
Other	75,139	73,952
Total noncurrent liabilities	2,664,387	2,633,730
Total liabilities	3,375,913	3,281,250
EQUITY		
Shareholders' equity:		
Common stock	112,000	112,000
Capital surplus	53,500	53,500
Retained earnings	1,669,462	1,842,105
Treasury stock	△ 103,155	△ 103,155
Total shareholders' equity	1,731,806	1,904,450
Accumulated other comprehensive income:		
Unrealized gain on available-for-sale securities	21,493	27,809
Deferred (loss) gain on hedges	5	△ 24
Remeasurements of defined benefit plans	465	486
Total accumulated other comprehensive income	21,964	28,272
Minority interests	48,481	48,356
Total equity	1,802,252	1,981,078
Total liabilities and equity	5,178,166	5,262,329

QUARTERLY CONSOLIDATED STATEMENT OF INCOME (Unaudited)

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

	Millions of yen	
	For the six months ended September 30, 2013	For the six months ended September 30, 2014
Operating revenues	814,759	817,244
Operating expenses:		
Transportation, other services and cost of sales	443,898	451,376
Selling, general and administrative expenses	82,678	86,954
Total operating expenses	526,576	538,331
Operating income	288,182	278,912
Non-operating income:		
Interest income	53	90
Dividends income	982	1,102
Insurance income	263	1,166
Other	1,083	1,728
Total non-operating income	2,383	4,088
Non-operating expenses:		
Interest expense	14,103	12,795
Interest on long-term accounts payable-railway facilities	26,724	23,894
Other	3,789	1,151
Total non-operating expenses	44,617	37,841
Ordinary income	245,949	245,160
Extraordinary gain:		
Contribution for construction	503	995
Other	1,067	315
Total extraordinary gain	1,570	1,311
Extraordinary loss:		
Loss on reduction of noncurrent assets	616	1,037
Loss on retirement of noncurrent assets	648	998
Write down of an investment in an unconsolidated subsidiary	-	2,655
Other	234	68
Total extraordinary loss	1,498	4,759
Income before income taxes and minority interests	246,021	241,711
Income taxes	84,524	74,395
Net income before minority interests	161,496	167,316
Minority interests in net income	1,916	303
Net income	159,580	167,012

QUARTERLY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

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

	Millions of yen	
	For the six months ended September 30, 2013	For the six months ended September 30, 2014
Net income before minority interests	161,496	167,316
Other comprehensive income:		
Unrealized gain on available-for-sale securities	8,102	6,652
Deferred loss on hedges	△ 9	△ 58
Remeasurements of defined benefit plans	—	55
Share of other comprehensive income in affiliates	22	68
Total other comprehensive income	<u>8,115</u>	<u>6,717</u>
Comprehensive income	<u>169,612</u>	<u>174,034</u>
(breakdown)		
Total comprehensive income attributable to		
Owners of the parent	167,781	173,320
Minority interests	<u>1,830</u>	<u>713</u>

QUARTERLY CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)

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

	Millions of yen	
	For the six months ended September 30, 2013	For the six months ended September 30, 2014
Operating activities:		
Income before income taxes and minority interests	246,021	241,711
Depreciation and amortization	121,620	132,147
Decrease in provision for large scale renovation of the Shinkansen infrastructure	△ 17,500	△ 17,500
Increase in provision for retirement benefits	2,606	-
Increase in liability for retirement benefits	-	162
Interest and dividends income	△ 1,035	△ 1,193
Interest expense	40,827	36,690
Proceeds from contribution for construction	△ 503	△ 995
Loss on reduction of noncurrent assets	616	1,037
Loss on retirement of noncurrent assets	3,253	2,027
Decrease (increase) in trade receivables	△ 875	14,162
(Increase) decrease in inventories	6,199	△ 4,387
Decrease in trade payables	△ 18,782	△ 15,919
Other	△ 10,957	△ 2,515
Subtotal	371,491	385,430
Interest and dividends income received	1,016	1,163
Interest expense paid	△ 41,395	△ 36,937
Income taxes paid	△ 78,553	△ 83,142
Net cash provided by operating activities	252,558	266,513
Investing activities:		
Placement of time deposits	△ 45,000	△ 95,000
Withdrawal of time deposits	20,002	50,000
Purchases of marketable securities	△ 35,000	△ 50,000
Purchases of property, plant and equipment	△ 111,094	△ 103,967
Proceeds from contribution for construction	2,081	2,202
Purchases of intangible assets	△ 2,504	△ 1,565
Other	475	△ 3,260
Net cash used in investing activities	△ 171,039	△ 201,591
Financing activities:		
Net increase in short-term loans payable	259	5,207
Proceeds from long-term loans payable	43,500	68,600
Repayment of long-term loans payable	△ 58,793	△ 67,438
Proceeds from issuance of bonds	40,000	50,000
Redemption of bonds	△ 38,199	△ 299
Payments for long-term accounts payable-railway facilities	△ 51,191	△ 47,752
Cash dividends paid	△ 10,835	△ 11,820
Cash dividends paid to minority shareholders	△ 257	△ 257
Other	△ 3,234	△ 387
Net cash used in financing activities	△ 78,751	△ 4,148
Net increase in cash and cash equivalents	2,767	60,773
Cash and cash equivalents, beginning of period	75,106	75,445
Cash and cash equivalents, end of period	77,874	136,219

SEGMENT INFORMATION (Unaudited)

I Fiscal 2014 2nd quarter (For the six months ended September 30, 2013)

Information about operating revenues and profit

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

	Millions of yen						Reconciliations	Consolidated
	Transportation	Merchandise and Other	Real Estate	Other	Total			
Operating revenues:								
External customers	625,528	101,841	19,684	67,705	814,759	—	814,759	
Intersegment transactions or transfers	5,586	3,536	13,242	39,199	61,564	△ 61,564	—	
Total	631,115	105,378	32,926	106,904	876,324	△ 61,564	814,759	
Segment profit	272,955	3,814	7,795	2,209	286,775	1,407	288,182	

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 1,407 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.

II Fiscal 2015 2nd quarter (For the six months ended September 30, 2014)

Information about operating revenues and profit

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

	Millions of yen						Reconciliations	Consolidated
	Transportation	Merchandise and Other	Real Estate	Other	Total			
Operating revenues:								
External customers	638,293	108,721	19,625	50,603	817,244	—	817,244	
Intersegment transactions or transfers	5,716	4,155	13,344	45,580	68,797	△ 68,797	—	
Total	644,010	112,877	32,969	96,184	886,041	△ 68,797	817,244	
Segment profit	263,121	4,064	8,552	2,499	278,238	673	278,912	

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 673 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.