

Summary of the Consolidated Financial Results for the Nine Months Ended December 31, 2014

January 30, 2015  
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. Revenues of the group companies decreased, but the Company’s overall operating revenues on a consolidated basis increased.**
- **Despite a decrease in operating income because operating expenses increased due to an increase in non-personnel expenses associated with an increase in electricity charges and progress in the large-scale renovation of the Tokaido Shinkansen, etc. and due to an increase in depreciation and amortization, etc., the Company recorded increases in ordinary income and net income due to a decrease in interest expenses, etc.**
- **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 October 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 Nine Months Ended December 31, 2014

### **(1) Operating revenues (1,252.8 billion yen; a 6.6 billion yen or a 0.5% increase)**

- The Company's **transportation revenues increased by 20.6 billion yen (2.2%) to 942.0 billion yen in the nine months ended December 31, 2014, as compared with the nine months ended December 31, 2013.**
  - As for the Tokaido Shinkansen, the Company worked on the sale of bargain commemorative products, etc. to mark the "Tokaido Shinkansen 50th Anniversary" and promoted its efforts to expand the number of members for 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, flexibly setting train services in accordance with demand by leveraging the "10 Nozomi Timetable".
  - 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", "Takayama Line 80th Anniversary", and "Gotemba Line 80th Anniversary" campaigns. With respect to the Chuo Line and Tokaido Line, which were damaged by last year's heavy rain, etc., the Company resumed their operations by promptly repairing the damage done to each line.
  - As a result, transportation revenues from the Tokaido Shinkansen increased by 21.6 billion yen (2.6%) to 866.8 billion yen in the nine months ended December 31, 2014, as compared with the nine months ended December 31, 2013. Transportation revenues from the conventional lines decreased by 1.0 billion yen (1.3%) to 75.2 billion yen in the nine months ended December 31, 2014, as compared with the nine months ended December 31, 2013. Total transportation revenues increased by 20.6 billion yen (2.2%) to 942.0 billion yen in the nine months ended December 31, 2014, as compared with the nine months ended December 31, 2013.
- As for the non-railway business, the Company worked towards the enhancement of existing businesses, and steadily carried on with JR GATE TOWER Project at Nagoya Station. Operating revenues of the group companies decreased by 14.4 billion yen (5.0%) to 277.3 billion yen in the nine months ended December 31, 2014, as compared with the nine months ended December 31, 2013, despite an increase in sales in merchandise, such as 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 (821.7 billion yen; a 7.9 billion yen or a 1.0% increase)**

- Operating expenses of the Company increased due to an increase in non-personnel expenses associated with an increase in electricity charges and progress in the large-scale renovation of the Tokaido Shinkansen, etc. and an increase in depreciation and amortization associated with the Yamanashi Maglev Test Line.
- As for the group companies, overall operating expenses, including operating expenses of the Company, increased despite a decrease in the cost of sales at NIPPON SHARYO, LTD.

### **(3) Operating income (431.1 billion yen; a 1.3 billion yen or a 0.3% decrease)**

**(4) Non-operating income/loss (-49.9 billion yen; a 10.8 billion yen improvement)**

- Non-operating expenses of the Company decreased due to a decrease in interest expenses as well as a decrease in losses from the early repayment of long-term debt and payables.

**(5) Ordinary income (381.2 billion yen; a 9.5 billion yen or a 2.6% increase)**

**(6) Net income (260.7 billion yen; a 19.7 billion yen or an 8.2% increase)**

**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 October 2014.

Comparison of Passenger-kilometers and Transportation Revenues  
for the Nine Months Ended December 31, 2014

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

			For the Nine Months Ended December 31, 2013	For the Nine Months Ended December 31, 2014	Increase (Decrease)	%	(Reference)	
							From October to December, 2014	Vs. the Same Period of Fiscal 2014 (%)
Passenger-kilometers	Shinkansen	Commuter	1,066	1,045	(21)	98.0	344	100.6
		Others	35,942	36,878	936	102.6	12,839	103.2
		Subtotal	37,009	37,924	915	102.5	13,183	103.1
	Conventional lines	Commuter	4,230	4,201	(29)	99.3	1,390	100.7
		Others	2,738	2,692	(46)	98.3	908	98.9
		Subtotal	6,968	6,893	(75)	98.9	2,297	100.0
	Subtotal	Commuter	5,296	5,246	(50)	99.1	1,734	100.7
		Others	38,681	39,570	890	102.3	13,746	102.9
		Subtotal	43,977	44,817	840	101.9	15,480	102.6
Transportation revenues	Shinkansen	Commuter	12.8	12.8	0.0	100.1	4.2	100.7
		Others	832.3	853.9	21.6	102.6	298.8	103.0
		Subtotal	845.1	866.8	21.6	102.6	303.1	103.0
	Conventional lines	Commuter	25.9	25.8	(0.1)	99.5	8.4	98.9
		Others	50.2	49.3	(0.8)	98.3	16.7	99.2
		Subtotal	76.2	75.2	(1.0)	98.7	25.1	99.1
	Subtotal	Commuter	38.8	38.6	(0.1)	99.7	12.7	99.5
		Others	882.6	903.3	20.7	102.4	315.5	102.8
		Subtotal	921.4	942.0	20.6	102.2	328.3	102.7
Total (including parcel fare)			921.4	942.0	20.6	102.2	328.3	102.7

- (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 Nine Months Ended December 31, 2013	For the Nine Months Ended December 31, 2014	Increase (Decrease)	%
<b>Operating revenues</b>	<b>1,246.2</b>	<b>1,252.8</b>	<b>6.6</b>	<b>100.5</b>
Transportation	957.5	978.8	21.2	102.2
Merchandise and other	154.9	164.5	9.6	106.2
Real estate	29.5	29.6	0.0	100.3
Other	104.1	79.8	(24.3)	76.7
<b>Operating expenses</b>	<b>813.7</b>	<b>821.7</b>	<b>7.9</b>	<b>101.0</b>
<b>Operating income</b>	<b>432.4</b>	<b>431.1</b>	<b>(1.3)</b>	<b>99.7</b>
<b>Non-operating income (loss)</b>	<b>(60.7)</b>	<b>(49.9)</b>	<b>10.8</b>	<b>82.2</b>
Non-operating income	4.3	6.4	2.0	146.7
Non-operating expenses	65.1	56.3	(8.7)	86.5
<b>Ordinary income</b>	<b>371.7</b>	<b>381.2</b>	<b>9.5</b>	<b>102.6</b>
<b>Extraordinary gain (loss)</b>	<b>0.5</b>	<b>(3.6)</b>	<b>(4.1)</b>	<b>-</b>
Extraordinary gain	4.0	1.3	(2.6)	33.9
Extraordinary loss	3.5	5.0	1.5	143.6
<b>Income before income taxes and minority interests</b>	<b>372.2</b>	<b>377.5</b>	<b>5.3</b>	<b>101.4</b>
Income taxes	127.8	115.6	(12.2)	90.4
<b>Net income before minority interests (loss)</b>	<b>244.3</b>	<b>261.9</b>	<b>17.5</b>	<b>107.2</b>
Minority interests in net income	3.3	1.1	(2.1)	35.7
<b>Net income</b>	<b>241.0</b>	<b>260.7</b>	<b>19.7</b>	<b>108.2</b>
<b>Comprehensive income</b>	<b>256.7</b>	<b>273.4</b>	<b>16.7</b>	<b>106.5</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 Nine Months Ended December 31, 2013	For the Nine Months Ended December 31, 2014	Increase (Decrease)	%
<b>Operating revenues</b>	Transportation	966.0	987.5	21.5	102.2
	Merchandise and other	160.5	171.0	10.5	106.6
	Real estate	49.5	49.6	0.1	100.2
	Other	168.7	152.6	(16.0)	90.5
	Reconciliations	(98.5)	(108.0)	(9.4)	109.6
	Total	1,246.2	1,252.8	6.6	100.5
<b>Segment profit (Operating income)</b>	Transportation	407.6	405.5	(2.0)	99.5
	Merchandise and other	5.9	6.3	0.4	106.9
	Real estate	11.9	13.0	1.0	109.1
	Other	5.4	5.5	0.0	101.1
	Reconciliations	1.4	0.5	(0.8)	40.6
	Total	432.4	431.1	(1.3)	99.7

- (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 December 31, 2014	Increase (Decrease)
<b>Current assets</b>	<b>313.8</b>	<b>571.7</b>	<b>257.8</b>
<b>Noncurrent assets</b>	<b>4,864.3</b>	<b>4,771.0</b>	<b>(93.2)</b>
Property, plant and equipment • Intangible assets	4,538.4	4,446.8	(91.5)
Investments and other assets	325.9	324.2	(1.6)
<b>Total assets</b>	<b>5,178.1</b>	<b>5,342.7</b>	<b>164.5</b>
Current liabilities	711.5	601.7	(109.7)
Noncurrent liabilities	2,664.3	2,672.5	8.1
<b>Total liabilities</b>	<b>3,375.9</b>	<b>3,274.2</b>	<b>(101.6)</b>
<b>Total equity</b>	<b>1,802.2</b>	<b>2,068.5</b>	<b>266.2</b>
<b>Total liabilities and equity</b>	<b>5,178.1</b>	<b>5,342.7</b>	<b>164.5</b>

<b>Breakdown of long-term debts</b>	<b>2,370.8</b>	<b>2,364.7</b>	<b>(6.0)</b>
Bonds payable	882.9	907.6	24.7
Long-term loans payable	631.9	648.8	16.9
Long-term accounts payable-railway facilities	855.8	808.1	(47.7)

(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 Nine Months Ended December 31, 2013	For the Nine Months Ended December 31, 2014	Increase (Decrease)	%
<b>Operating revenues</b>	<b>966.9</b>	<b>988.2</b>	<b>21.3</b>	<b>102.2</b>
Transportation revenues	921.4	942.0	20.6	102.2
Other services	45.5	46.2	0.6	101.5
<b>Operating expenses</b>	<b>557.2</b>	<b>580.0</b>	<b>22.8</b>	<b>104.1</b>
Personnel expenses	131.4	131.8	0.4	100.3
Non-personnel expenses	216.0	234.8	18.8	108.7
Taxes other than income taxes	24.5	24.4	(0.1)	99.6
Depreciation and amortization	185.2	188.9	3.6	102.0
<b>Operating income</b>	<b>409.7</b>	<b>408.2</b>	<b>(1.4)</b>	<b>99.6</b>
<b>Non-operating income(loss)</b>	<b>(59.6)</b>	<b>(49.7)</b>	<b>9.9</b>	<b>83.3</b>
Non-operating income	4.8	6.3	1.5	131.3
Non-operating expenses	64.5	56.0	(8.4)	86.9
<b>Ordinary income</b>	<b>350.0</b>	<b>358.5</b>	<b>8.4</b>	<b>102.4</b>
<b>Extraordinary gain(loss)</b>	<b>(0.7)</b>	<b>0.0</b>	<b>0.8</b>	<b>-</b>
Extraordinary gain	0.6	1.0	0.4	165.1
Extraordinary loss	1.3	0.9	(0.3)	70.2
<b>Income before income taxes</b>	<b>349.3</b>	<b>358.6</b>	<b>9.2</b>	<b>102.7</b>
Income taxes	119.1	108.0	(11.1)	90.6
<b>Net income</b>	<b>230.1</b>	<b>250.5</b>	<b>20.4</b>	<b>108.9</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, 2014 (Actual Results)	As of December 31, 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	2,364.7	2,166.8	(204.0)
Balance of long-term debt and payables (non-consolidated)	2,351.7	2,349.4	2,151.7	(200.0)

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