

Summary of Consolidated Financial Report for the Three Months Ended June 30, 2015 [under Japanese GAAP] (Unaudited)

English translation from the original Japanese-language document

July 29, 2015

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	August 5, 2015
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, 2015
(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 attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2016 1st Quarter	414,455	4.2	157,620	15.1	142,444	17.7	97,305	16.7
Fiscal 2015 1st Quarter	397,635	0.7	136,894	△ 7.4	121,061	△ 5.8	83,396	△ 0.3

Note 1. Comprehensive income : Fiscal 2016 1st Quarter 101,189 million yen (15.6%). Fiscal 2015 1st Quarter 87,534 million yen (△1.0%).

Note 2. Percentages for operating revenues, operating income, ordinary income, net income attributable to owners of the parent 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 2016 1st Quarter	494.44	—
Fiscal 2015 1st Quarter	423.76	—

(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 2016 1st Quarter	5,211,577	2,153,255	40.5
Fiscal 2015	5,217,982	2,063,967	38.7

Note Net worth : Fiscal 2016 1st Quarter 2,109,026 million yen. Fiscal 2015 2,020,196 million yen.

2. Cash dividends

	Cash dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2015	—	60.00	—	60.00	120.00
Fiscal 2016	—	—	—	—	—
Fiscal 2016 (Forecast)	—	60.00	—	60.00	120.00

Note Changes in the forecast of cash dividends for Fiscal 2016 : none

3. Consolidated forecast for Fiscal 2016 (Year ending March 31, 2016)

	Operating revenues		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share – basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal 2016 2nd Quarter (six months)	823,000	0.7	290,000	4.0	258,000	5.2	176,000	5.4	894.31
Fiscal 2016	1,674,000	0.1	515,000	1.7	445,000	3.9	303,000	14.7	1,539.64

Note 1. Percentages for operating revenues, operating income, ordinary income and net income attributable to owners of the parent represent the changes from the corresponding period of the previous year.

2. Changes in the consolidated forecast for Fiscal 2016: 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 2016 1st Quarter	206,000,000 shares	Fiscal 2015	206,000,000 shares
Fiscal 2016 1st Quarter	9,200,743 shares	Fiscal 2015	9,200,743 shares
Fiscal 2016 1st Quarter	196,799,257 shares	Fiscal 2015 1st Quarter	196,799,324 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, 2015 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 28, 2015.
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
Changes in accounting policies
On September 13, 2013, the Accounting Standard Board of Japan (the "ASBJ") issued revised ASBJ Statement No. 21, "Accounting Standard for Business Combinations," revised ASBJ Statement No. 22, "Accounting Standard for Consolidated Financial Statements," and revised ASBJ Statement No. 7, "Accounting Standard for Business Divestitures." Effective April 1, 2015, the Company applied the revised accounting standards and accounts for any adjustment resulted from transactions with noncontrolling interests as capital surplus as long as the Company retains control over its subsidiary, and acquisition-related costs as expenses in the period in which the costs are incurred. In addition, for business combinations which occurred on or after April 1, 2015, the company applied the retrospective adjustment as if the business combination had been completed at the acquisition date. "Income before minority interests," "net income" and "minority interests" under the previous accounting standard were changed to "net income," "net income attributable to owners of the parent," and "noncontrolling interests," respectively, under the revised accounting standard. Reclassifications have been made in the fiscal 2015 consolidated financial statements to conform to the classifications used in the fiscal 2016. In accordance with the transitional treatments stated in paragraph 58-2 (4) of the Accounting Standard for Business Combinations, paragraph 44-5 (4) of the Accounting Standard for Consolidated Financial Statements, and paragraph 57-4 (4) of the Accounting Standard for Business Divestitures, the new standards were applied prospectively from April 1, 2015. The effects of the application of the revised accounting standards on the quarterly consolidated financial statements were immaterial.

QUARTERLY CONSOLIDATED BALANCE SHEET (Unaudited)

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

	Millions of yen	
	As of March 31, 2015	As of June 30, 2015
ASSETS		
Current assets:		
Cash and deposits	151,397	154,479
Notes and accounts receivable-trade	57,224	54,346
Railway fares receivables	33,732	29,922
Inventories	38,636	40,658
Deferred tax assets	26,708	26,485
Other	124,505	143,779
Allowance for doubtful accounts	△ 22	△ 18
Total current assets	432,183	449,653
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures, net	1,597,975	1,567,550
Machinery, rolling stock and vehicles, net	282,805	283,209
Land	2,356,186	2,356,286
Construction in progress	169,240	176,285
Other, net	28,530	28,129
Total property, plant and equipment	4,434,739	4,411,462
Intangible assets	24,470	24,441
Investments and other assets		
Investment securities	149,158	150,271
Deferred tax assets	149,077	148,059
Other	33,481	27,776
Allowance for doubtful accounts	△ 5,129	△ 87
Total investments and other assets	326,587	326,019
Total noncurrent assets	4,785,798	4,761,923
Total assets	5,217,982	5,211,577

QUARTERLY CONSOLIDATED BALANCE SHEET (Unaudited)

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

	Millions of yen	
	As of March 31, 2015	As of June 30, 2015
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	69,282	54,639
Short-term loans payable	31,368	24,950
Current portion of bonds payable	35,000	15,000
Current portion of long-term loans payable	104,879	104,061
Current portion of long-term accounts payable-railway facilities	86,073	86,073
Income taxes payable	71,528	45,474
Provision for bonuses	27,715	16,106
Other	233,019	181,159
Total current liabilities	658,868	527,465
Noncurrent liabilities:		
Bonds payable	732,326	762,329
Long-term loans payable	548,627	574,550
Long-term accounts payable-railway facilities	643,611	643,611
Provision for large scale renovation of the Shinkansen infrastructure	280,000	271,250
Liability for retirement benefits	205,501	205,340
Other	85,079	73,773
Total noncurrent liabilities	2,495,146	2,530,856
Total liabilities	3,154,015	3,058,321
EQUITY		
Shareholders' equity:		
Common stock	112,000	112,000
Capital surplus	53,500	53,499
Retained earnings	1,927,407	2,012,892
Treasury stock	△ 103,156	△ 103,156
Total shareholders' equity	1,989,750	2,075,235
Accumulated other comprehensive income:		
Unrealized gain on available-for-sale securities	38,663	41,375
Deferred loss on hedges	△ 24	△ 19
Remeasurements of defined benefit plans	△ 8,192	△ 7,564
Total accumulated other comprehensive income	30,446	33,790
Noncontrolling interests	43,770	44,229
Total equity	2,063,967	2,153,255
Total liabilities and equity	5,217,982	5,211,577

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, 2014	For the three months ended June 30, 2015
Operating revenues	397,635	414,455
Operating expenses:		
Transportation, other services and cost of sales	215,199	214,422
Selling, general and administrative expenses	45,542	42,413
Total operating expenses	260,741	256,835
Operating income	136,894	157,620
Non-operating income:		
Interest income	31	57
Dividends income	1,084	1,199
Insurance income	1,070	76
Other	725	667
Total non-operating income	2,911	2,001
Non-operating expenses:		
Interest expense	6,367	5,880
Interest on long-term accounts payable-railway facilities	11,950	10,656
Other	426	639
Total non-operating expenses	18,744	17,176
Ordinary income	121,061	142,444
Extraordinary gain:		
Contribution for construction	780	477
Reversal of provision for loss on business of an unconsolidated subsidiary	-	10,712
Reversal of provision for doubtful accounts of an unconsolidated subsidiary	-	5,035
Other	133	878
Total extraordinary gain	913	17,104
Extraordinary loss:		
Loss on reduction of noncurrent assets	671	358
Loss on retirement of noncurrent assets	237	249
Write down of an investment in an unconsolidated subsidiary	-	16,710
Other	45	170
Total extraordinary loss	954	17,488
Income before income taxes	121,021	142,060
Income taxes	36,822	44,360
Net Income	84,198	97,700
Net income attributable to noncontrolling interests	802	394
Net income attributable to owners of the parent	83,396	97,305

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, 2014	For the three months ended June 30, 2015
Net income	84,198	97,700
Other comprehensive income:		
Unrealized gain on available-for-sale securities	3,287	2,792
Deferred gain (loss) on hedges	△ 9	8
Remeasurements of defined benefit plans	27	598
Share of other comprehensive income in affiliates	30	90
Total other comprehensive income	3,336	3,489
Comprehensive income	87,534	101,189
(breakdown)		
Total comprehensive income attributable to		
Owners of the parent	86,399	100,650
Noncontrolling interests	1,135	538

SEGMENT INFORMATION (Unaudited)

I Fiscal 2015 1st quarter (For the three months ended June 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	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.

II Fiscal 2016 1st quarter (For the three months ended June 30, 2015)

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	322,074	55,860	9,465	27,054	414,455	—	414,455	
Intersegment transactions or transfers	2,910	2,444	6,680	20,998	33,034	△ 33,034	—	
Total	324,985	58,305	16,146	48,053	447,490	△ 33,034	414,455	
Segment profit	150,326	1,929	4,215	1,553	158,025	△ 404	157,620	

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 △404 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.