

[TRANSLATION]

[Supplemental Material 1]

Summary of the Consolidated Financial Results for the Three Months Ended June 30, 2015

July 29, 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. The Company’s overall operating revenues on a consolidated basis also increased due to an increase in revenues of the group companies.**
- **Operating expenses decreased due to a decrease in depreciation and amortization, etc. As a result, the Company recorded increases in revenues and profits** (operating income, ordinary income and net income attributable to owners of the parent).
- **The Company will not revise the forecasted results for the fiscal year ending March 31, 2016 and the estimated reduction in long-term debt and payables from the previous numbers released in April 2015.** 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, 2015

(1) Operating revenues (414.4 billion yen; a 16.8 billion yen or a 4.2% increase)

- The Company's **transportation revenues increased by 11.8 billion yen (4.0%) to 310.1 billion yen in the three months ended June 30, 2015, as compared with the three months ended June 30, 2014.**
 - As for the Tokaido Shinkansen, the Company sought to enhance transportation services by, among other things, setting a flexible train schedule to respond to demand by leveraging the "10 Nozomi Timetable". The Company also spurred demand by strengthening tourist product offerings for Express Reservation members, etc.
 - 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" campaign.
 - As a result, transportation revenues from the Tokaido Shinkansen increased by 11.5 billion yen (4.2%) to 284.9 billion yen in the three months ended June 30, 2015, as compared with the three months ended June 30, 2014. Transportation revenues from the conventional lines increased by 0.3 billion yen (1.4%) to 25.2 billion yen in the three months ended June 30, 2015, as compared with the three months ended June 30, 2014. Total transportation revenues increased by 11.8 billion yen (4.0%) to 310.1 billion yen in the three months ended June 30, 2015, as compared with the three months ended June 30, 2014.
- As for the non-railway business, the Company worked towards the enhancement of existing businesses, and carried on with JR GATE TOWER Project at Nagoya Station. Operating revenues of the group companies increased by 5.0 billion yen (5.7%) to 93.5 billion yen in the three months ended June 30, 2015, as compared with the three months ended June 30, 2014, due to an increase in sales at NIPPON SHARYO, LTD., etc.

(2) Operating expenses (256.8 billion yen; a 3.9 billion yen or a 1.5% decrease)

- Overall operating expenses decreased despite an increase in the cost of sales at NIPPON SHARYO, LTD., etc., due to a decrease in depreciation and amortization associated with the Yamanashi Maglev Line.

(3) Operating income (157.6 billion yen; a 20.7 billion yen or a 15.1% increase)

(4) Non-operating income/loss (-15.1 billion yen; a 0.6 billion yen improvement)

- The Company's interest expenses decreased by 1.7 billion yen.

(5) Ordinary income (142.4 billion yen; a 21.3 billion yen or a 17.7% increase)

(6) Net income attributable to owners of the parent (97.3 billion yen; a 13.9 billion yen or a 16.7% increase)

2. Forecasted Results of Operations for the fiscal year ending March 31, 2016

- The Company will not revise the forecasted results for the fiscal year ending March 31, 2016 and the estimated reduction in long-term debt and payables from the previous numbers released in April 2015.

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

(The same for Supplemental Material 2 and later.)

Comparative Quarterly Statements of Income (Consolidated)

(Unit: Billions of yen, %)

Classifications	For the Three Months Ended June 30, 2014	For the Three Months Ended June 30, 2015	Increase (Decrease)	%
Operating revenues	397.6	414.4	16.8	104.2
Transportation	310.1	322.0	11.9	103.9
Merchandise and other	55.0	55.8	0.8	101.5
Real estate	9.3	9.4	0.0	100.8
Other	23.0	27.0	3.9	117.2
Operating expenses	260.7	256.8	(3.9)	98.5
Operating income	136.8	157.6	20.7	115.1
Non-operating income (loss)	(15.8)	(15.1)	0.6	95.9
Non-operating income	2.9	2.0	(0.9)	68.7
Non-operating expenses	18.7	17.1	(1.5)	91.6
Ordinary income	121.0	142.4	21.3	117.7
Extraordinary gain (loss)	(0.0)	(0.3)	(0.3)	960.0
Income before income taxes	121.0	142.0	21.0	117.4
Income taxes	36.8	44.3	7.5	120.5
Net income	84.1	97.7	13.5	116.0
Net income attributable to noncontrolling interests	0.8	0.3	(0.4)	49.1
Net income attributable to owners of the parent	83.3	97.3	13.9	116.7
Comprehensive income	87.5	101.1	13.6	115.6

- (Notes)
1. Net income before minority interests (loss), minority interests in net income and net income are presented for net income, net income attributable to noncontrolling interests and net income attributable to owners of the parent, respectively, for the quarterly consolidated financial results for the year ended March 31, 2015.
 2. The breakdown of operating revenues is based on the amount of sales to external customers, according to reportable segments.

Comparative Quarterly Statements of Income (Non-consolidated)

(Unit: Billions of yen, %)

Classifications	For the Three Months Ended June 30, 2014	For the Three Months Ended June 30, 2015	Increase (Decrease)	%
Operating revenues	313.2	325.0	11.8	103.8
Transportation revenues	298.2	310.1	11.8	104.0
Other services	14.9	14.9	(0.0)	99.7
Operating expenses	182.7	173.9	(8.7)	95.2
Personnel expenses	44.9	46.0	1.0	102.3
Non-personnel expenses	68.2	64.9	(3.2)	95.2
Taxes other than income taxes	8.1	8.7	0.5	107.0
Depreciation and amortization	61.2	54.1	(7.1)	88.4
Operating income	130.5	151.1	20.6	115.8
Non-operating income (loss)	(15.6)	(15.0)	0.6	96.1
Non-operating income	3.0	1.8	(1.1)	62.4
Non-operating expenses	18.6	16.9	(1.7)	90.6
Ordinary income	114.8	136.1	21.2	118.5
Extraordinary gain (loss)	0.0	(0.1)	(0.1)	-
Income before income taxes	114.9	136.0	21.1	118.4
Income taxes	34.6	42.5	7.9	123.0
Net income	80.2	93.4	13.1	116.4

Comparison of Passenger-kilometers and Transportation Revenues
for the Three Months Ended June 30, 2015

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

			For the Three Months Ended June 30, 2014	For the Three Months Ended June 30, 2015	Increase (Decrease)	%
Passenger-kilometers	Shinkansen	Commuter	339	367	28	108.3
		Others	11,649	12,159	510	104.4
		Subtotal	11,988	12,526	538	104.5
	Conventional lines	Commuter	1,435	1,413	(22)	98.5
		Others	871	900	30	103.4
		Subtotal	2,306	2,313	8	100.3
	Subtotal	Commuter	1,774	1,780	6	100.4
		Others	12,519	13,059	540	104.3
		Subtotal	14,293	14,839	546	103.8
Transportation revenues	Shinkansen	Commuter	4.4	4.2	(0.2)	95.2
		Others	269.0	280.7	11.7	104.4
		Subtotal	273.4	284.9	11.5	104.2
	Conventional lines	Commuter	8.8	8.6	(0.2)	97.6
		Others	16.0	16.5	0.5	103.6
		Subtotal	24.8	25.2	0.3	101.4
	Subtotal	Commuter	13.2	12.8	(0.4)	96.8
		Others	285.0	297.3	12.3	104.3
		Subtotal	298.2	310.1	11.8	104.0
	Total (including parcel fare)			298.2	310.1	11.8

- (Notes)
1. Starting in the year ended March 31, 2016, the method of accounting for commuter passes for passenger-kilometers and transportation revenues has been changed from a method based on the month of sale to a method based on the month on which the pass becomes valid.
 2. The above table contains non-consolidated passenger-kilometers and transportation revenues of the Company.
 3. Any fraction in passenger-kilometers that is less than the unit indicated is rounded to the nearest unit.

Comparative Quarterly Balance Sheets (Consolidated)

(Unit: Billions of yen)

Classifications	As of March 31, 2015	As of June 30, 2015	Increase (Decrease)
Current assets	432.1	449.6	17.4
Noncurrent assets	4,785.7	4,761.9	(23.8)
Property, plant and equipment • Intangible assets	4,459.2	4,435.9	(23.3)
Investments and other assets	326.5	326.0	(0.5)
Total assets	5,217.9	5,211.5	(6.4)
Current liabilities	658.8	527.4	(131.4)
Noncurrent liabilities	2,495.1	2,530.8	35.7
Total liabilities	3,154.0	3,058.3	(95.6)
Total equity	2,063.9	2,153.2	89.2
Total liabilities and equity	5,217.9	5,211.5	(6.4)

Breakdown of long-term debts	2,150.5	2,185.6	35.1
Bonds payable	767.3	777.3	10.0
Long-term loans payable	653.5	678.6	25.1
Long-term accounts payable-railway facilities	729.6	729.6	-

Estimated Reduction in Long-term Debt and Payables (Consolidated/Non-consolidated)

(Unit: Billions of yen)

Classifications	As of March 31, 2015 (Actual Results)	As of June 30, 2015 (Actual Results)	As of March 31, 2016 (Estimated)	Estimated Annual Amount of Decrease
Balance of long-term debt and payables (consolidated)	2,150.5	2,185.6	1,997.5	(153.0)
Balance of long-term debt and payables (non-consolidated)	2,136.3	2,153.3	1,986.3	(150.0)

Reference: Comparative Quarterly Operating Income/Loss According to
Reportable Segments

(Unit: Billions of yen, %)

Classifications	Segments	For the Three Months Ended June 30, 2014	For the Three Months Ended June 30, 2015	Increase (Decrease)	%
Operating revenues	Transportation	312.9	324.9	12.0	103.8
	Merchandise and other	57.0	58.3	1.2	102.2
	Real estate	15.9	16.1	0.1	101.2
	Other	41.5	48.0	6.5	115.7
	Reconciliations	(29.8)	(33.0)	(3.1)	110.7
	Total	397.6	414.4	16.8	104.2
Segment profit (Operating income)	Transportation	129.5	150.3	20.7	116.1
	Merchandise and other	2.2	1.9	(0.3)	85.1
	Real estate	4.2	4.2	(0.0)	98.7
	Other	0.0	1.5	1.4	999.9
	Reconciliations	0.7	(0.4)	(1.1)	-
	Total	136.8	157.6	20.7	115.1

- (Notes)
1. Operating revenues include the amount of sales to other reportable segments as well as the amount of sales to external customers.
 2. Rows entitled "Reconciliations" show amounts that are off-set among reportable segments.