

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

English translation from the original Japanese-language document

October 28, 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	November 5, 2015
Expected Date of Payment of Dividends	December 1, 2015
Supplementary Information	Attached
Briefing of Financial Results of 2nd Quarter	To be held

1. Results for the six months ended September 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 2nd Quarter	860,271	5.3	324,005	16.2	292,901	19.5	195,708	17.2
Fiscal 2015 2nd Quarter	817,244	0.3	278,912	△ 3.2	245,160	△ 0.3	167,012	4.7

Note 1. Comprehensive income : Fiscal 2016 2nd Quarter 179,173 million yen (3.0%). Fiscal 2015 2nd Quarter 174,034 million yen (2.6%).

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 six-month period of the previous year.

	Net income per share - basic	Net income per share - diluted
	Yen	Yen
Fiscal 2016 2nd Quarter	994.46	-
Fiscal 2015 2nd Quarter	848.65	-

(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 2nd Quarter	5,297,453	2,231,238	41.4
Fiscal 2015	5,217,982	2,063,967	38.7

Note Net worth : Fiscal 2016 2nd Quarter 2,192,385 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	-	60.00	-	-	-
Fiscal 2016 (Forecast)	-	-	-	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	1,715,000	2.6	545,000	7.6	475,000	10.9	321,000	21.5	1,631.10

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: 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)
 ② Number of treasury stocks at the end of each period
 ③ Average number of shares outstanding for the period

Fiscal 2016 2nd Quarter	206,000,000 shares	Fiscal 2015	206,000,000 shares
Fiscal 2016 2nd Quarter	9,200,776 shares	Fiscal 2015	9,200,743 shares
Fiscal 2016 2nd Quarter	196,799,248 shares	Fiscal 2015 2nd Quarter	196,799,324 shares

(Reference) Nonconsolidated forecast for Fiscal 2016 (Year ending March 31, 2016)

	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 2016	1,341,000	2.6	525,000	10.4	456,000	14.7	314,000	20.6	1,593.90

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 2016 : 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, 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 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. Cash flows arising from purchases of or proceeds from sales of investments in subsidiaries that do not result in the change in the scope of consolidation, are classified as financing activities in quarterly consolidated statement of cash flows for the six months ended September 30, 2015. 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 September 30, 2015
ASSETS		
Current assets:		
Cash and deposits	151,397	262,209
Notes and accounts receivable-trade	57,224	54,045
Railway fares receivables	33,732	33,396
Marketable securities	-	76,000
Inventories	38,636	43,408
Deferred tax assets	26,708	24,249
Other	124,505	71,492
Allowance for doubtful accounts	△ 22	△ 19
Total current assets	432,183	564,782
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures, net	1,597,975	1,543,705
Machinery, rolling stock and vehicles, net	282,805	282,037
Land	2,356,186	2,356,820
Construction in progress	169,240	187,142
Other, net	28,530	30,781
Total property, plant and equipment	4,434,739	4,400,487
Intangible assets	24,470	24,203
Investments and other assets		
Investment securities	149,158	125,920
Deferred tax assets	149,077	154,782
Other	33,481	27,363
Allowance for doubtful accounts	△ 5,129	△ 87
Total investments and other assets	326,587	307,979
Total noncurrent assets	4,785,798	4,732,670
Total assets	5,217,982	5,297,453

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 September 30, 2015
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	69,282	54,719
Short-term loans payable	31,368	24,806
Current portion of bonds payable	35,000	15,000
Current portion of long-term loans payable	104,879	124,576
Current portion of long-term accounts payable-railway facilities	86,073	87,894
Income taxes payable	71,528	95,503
Provision for bonuses	27,715	27,727
Other	233,019	170,056
Total current liabilities	658,868	600,285
Noncurrent liabilities:		
Bonds payable	732,326	777,332
Long-term loans payable	548,627	545,951
Long-term accounts payable-railway facilities	643,611	599,201
Provision for large scale renovation of the Shinkansen infrastructure	280,000	262,500
Liability for retirement benefits	205,501	204,688
Other	85,079	76,254
Total noncurrent liabilities	2,495,146	2,465,929
Total liabilities	3,154,015	3,066,214
EQUITY		
Shareholders' equity:		
Common stock	112,000	112,000
Capital surplus	53,500	53,499
Retained earnings	1,927,407	2,111,295
Treasury stock	△ 103,156	△ 103,157
Total shareholders' equity	1,989,750	2,173,636
Accumulated other comprehensive income:		
Unrealized gain on available-for-sale securities	38,663	25,685
Deferred loss on hedges	△ 24	△ 1
Remeasurements of defined benefit plans	△ 8,192	△ 6,936
Total accumulated other comprehensive income	30,446	18,748
Noncontrolling interests	43,770	38,853
Total equity	2,063,967	2,231,238
Total liabilities and equity	5,217,982	5,297,453

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, 2014	For the six months ended September 30, 2015
Operating revenues	817,244	860,271
Operating expenses:		
Transportation, other services and cost of sales	451,376	453,564
Selling, general and administrative expenses	86,954	82,701
Total operating expenses	<u>538,331</u>	<u>536,266</u>
Operating income	278,912	324,005
Non-operating income:		
Interest income	90	133
Dividends income	1,102	1,304
Insurance income	1,166	157
Other	1,728	1,949
Total non-operating income	<u>4,088</u>	<u>3,543</u>
Non-operating expenses:		
Interest expense	12,795	11,857
Interest on long-term accounts payable-railway facilities	23,894	21,308
Other	1,151	1,480
Total non-operating expenses	<u>37,841</u>	<u>34,646</u>
Ordinary income	245,160	292,901
Extraordinary gain:		
Contribution for construction	995	561
Reversal of provision for loss on business of an unconsolidated subsidiary	-	9,790
Reversal of provision for doubtful accounts of an unconsolidated subsidiary	-	5,035
Other	315	976
Total extraordinary gain	<u>1,311</u>	<u>16,363</u>
Extraordinary loss:		
Loss on reduction of noncurrent assets	1,037	360
Loss on retirement of noncurrent assets	998	806
Write down of an investment in an unconsolidated subsidiary	2,655	19,061
Other	68	324
Total extraordinary loss	<u>4,759</u>	<u>20,553</u>
Income before income taxes	241,711	288,710
Income taxes	74,395	97,382
Net Income	167,316	191,328
Net (loss) income attributable to noncontrolling interests	303	△ 4,379
Net income attributable to owners of the parent	167,012	195,708

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, 2014	For the six months ended September 30, 2015
Net income	167,316	191,328
Other comprehensive income:		
Unrealized (loss) gain on available-for-sale securities	6,652	△ 13,458
Deferred gain (loss) on hedges	△ 58	45
Remeasurements of defined benefit plans	55	1,196
Share of other comprehensive income in affiliates	68	60
Total other comprehensive income	<u>6,717</u>	<u>△ 12,155</u>
Comprehensive income	<u>174,034</u>	<u>179,173</u>
(breakdown)		
Total comprehensive income attributable to		
Owners of the parent	173,320	184,009
Noncontrolling interests	<u>713</u>	<u>△ 4,836</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, 2014	For the six months ended September 30, 2015
Operating activities:		
Income before income taxes	241,711	288,710
Depreciation and amortization	132,147	118,267
Decrease in provision for large scale renovation of the Shinkansen infrastructure	△ 17,500	△ 17,500
Increase in liability for retirement benefits	162	851
Interest and dividends income	△ 1,193	△ 1,437
Interest expense	36,690	33,166
Proceeds from contribution for construction	△ 995	△ 561
Loss on reduction of noncurrent assets	1,037	360
Loss on retirement of noncurrent assets	2,027	2,248
Decrease in trade receivables	14,162	3,826
Increase in inventories	△ 4,387	△ 3,689
Decrease in trade payables	△ 15,919	△ 14,994
Other	△ 2,515	△ 21,993
Subtotal	<u>385,430</u>	<u>387,256</u>
Interest and dividends income received	1,163	1,306
Interest expense paid	△ 36,937	△ 33,472
Income taxes paid	△ 83,142	△ 70,061
Net cash provided by operating activities	<u>266,513</u>	<u>285,028</u>
Investing activities:		
Placement of time deposits	△ 95,000	△ 105,000
Withdrawal of time deposits	50,000	124,000
Purchases of marketable securities	△ 50,000	△ 50,000
Purchases of property, plant and equipment	△ 103,967	△ 118,586
Proceeds from contribution for construction	2,202	1,873
Purchases of intangible assets	△ 1,565	△ 1,744
Other	△ 3,260	△ 10,671
Net cash used in investing activities	<u>△ 201,591</u>	<u>△ 160,129</u>
Financing activities:		
Net (decrease) increase in short-term loans payable	5,207	△ 5,706
Proceeds from long-term loans payable	68,600	51,573
Repayment of long-term loans payable	△ 67,438	△ 34,552
Proceeds from issuance of bonds	50,000	45,000
Redemption of bonds	△ 299	△ 20,000
Payments for long-term accounts payable-railway facilities	△ 47,752	△ 42,588
Cash dividends paid	△ 11,820	△ 11,820
Cash dividends paid to noncontrolling shareholders	△ 257	△ 79
Other	△ 387	△ 337
Net cash used in financing activities	<u>△ 4,148</u>	<u>△ 18,512</u>
Net increase in cash and cash equivalents	<u>60,773</u>	<u>106,386</u>
Cash and cash equivalents, beginning of period	<u>75,445</u>	<u>130,002</u>
Cash and cash equivalents increased by merger with an unconsolidated subsidiary	-	1
Cash and cash equivalents, end of period	<u>136,219</u>	<u>236,389</u>

SEGMENT INFORMATION (Unaudited)

I 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.

II Fiscal 2016 2nd quarter (For the six months ended September 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	672,611	112,503	19,250	55,906	860,271	—	860,271	
Intersegment transactions or transfers	5,881	4,453	13,551	45,415	69,300	△ 69,300	—	
Total	678,492	116,956	32,801	101,321	929,572	△ 69,300	860,271	
Segment profit (loss)	312,377	4,113	7,572	△ 378	323,685	320	324,005	

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 320 million yen for segment profit (loss) is the elimination of intersegment transactions.

3. Segment profit (loss) is reconciled to operating income in the quarterly consolidated statement of income.