

[TRANSLATION]

[Supplemental Material 1]

Summary of the Consolidated Financial Results for the Six Months Ended September 30, 2015

October 28, 2015
Central Japan Railway Company

- **Non-consolidated transportation revenues of the Central Japan Railway Company (the “Company”) exceeded the favorable results of the previous fiscal year 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 slightly decreased despite an increase in expenses of the group companies due to, among others, a decrease in depreciation and amortization of the Company. As a result, the Company recorded increases in both revenues and profits** (operating income, ordinary income and net income attributable to owners of the parent).
- **The Company revises upward the forecasted results of revenues and profits for the fiscal year ending March 31, 2016 to reflect the actual results for the six months ended September 30, 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 Six Months Ended September 30, 2015

(1) Operating revenues (860.2 billion yen; a 43.0 billion yen or a 5.3% increase)

- The Company's **transportation revenues increased by 34.2 billion yen (5.6%) to 647.9 billion yen in the six months ended September 30, 2015, as compared with the six months ended September 30, 2014.**

- As for the Tokaido Shinkansen, the Company sought to enhance transportation services by, among other things, increasing Shinkansen's maximum speed from 270km/h to 285km/h in March 2015 and setting a flexible train schedule to respond to demand by leveraging the "10 Nozomi Timetable". The Company also expanded tourist product offerings for Express Reservation members and strengthened various marketing campaigns by utilizing tourism resources such as Kyoto, Nara and Tokyo and travel products linked to them.
- As for the conventional lines, the Company sought to enhance transportation services through, among others, the electrification of the Taketoyo Line in March 2015 and the introduction of new diesel trains in the Kisei line and Sangu line. The Company also made efforts to increase passengers through cooperation with local communities, such as organizing events and promoting travel products related to the "Shupo" campaign and the "400th Anniversary of the Death of Tokugawa Ieyasu".
- As a result, transportation revenues from the Tokaido Shinkansen increased by 32.3 billion yen (5.7%) to 595.9 billion yen in the six months ended September 30, 2015, as compared with the six months ended September 30, 2014. Transportation revenues from the conventional lines increased by 1.8 billion yen (3.8%) to 51.9 billion yen in the six months ended September 30, 2015, as compared with the six months ended September 30, 2014. Total transportation revenues increased by 34.2 billion yen (5.6%) to 647.9 billion yen in the six months ended September 30, 2015, as compared with the six months ended September 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 9.0 billion yen (5.0%) to 190.2 billion yen in the six months ended September 30, 2015, as compared with the six months ended September 30, 2014, mainly due to an increase in sales of merchandise and other centering on JR Tokai Takashimaya Co., Ltd. and NIPPON SHARYO, LTD.

(2) Operating expenses (536.2 billion yen; a 2.0 billion yen or a 0.4% decrease)

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

(3) Operating income (324.0 billion yen; a 45.0 billion yen or a 16.2% increase)

(4) Non-operating income/loss (-31.1 billion yen; a 2.6 billion yen improvement)

- The Company's interest expenses decreased by 3.5 billion yen.

(5) Ordinary income (292.9 billion yen; a 47.7 billion yen or a 19.5% increase)

(6) Net income attributable to owners of the parent (195.7 billion yen; a 28.6 billion yen or a 17.2% increase)

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

- Reflecting actual results for the six months ended September 30, 2015, **the Company revises the forecasted results for the fiscal year ending March 31, 2016 as follows – operating revenues: 1,715.0 billion yen (2.6% increase compared with the fiscal year ended March 31, 2015), operating income: 545.0 billion yen (7.6% increase compared with the fiscal year ended March 31, 2015), ordinary income: 475.0 billion yen (10.9% increase compared with the fiscal year ended March 31, 2015), net income attributable to owners of the parent: 321.0 billion yen (21.5% increase compared with the fiscal year ended March 31, 2015).**
- **The Company also revises the estimated amount of the reduction of long-term debt and payables to 154.0 billion yen** and estimates the balance of long-term debt and payables as of March 31, 2016 to be 1,996.5 billion yen.

3. Interim Dividends and Forecasted Year-end Dividends for the fiscal year ending March 31, 2016 (of the Company)

- Interim dividends: 60 yen per share (as forecasted at the beginning of this fiscal year; an amount equal to the amount of dividends paid for the interim period of the fiscal year ended March 31, 2015)
- Forecasted year-end dividends: 60 yen per share

(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 Six Months Ended September 30, 2014	For the Six Months Ended September 30, 2015	Increase (Decrease)	%
Operating revenues	817.2	860.2	43.0	105.3
Transportation	638.2	672.6	34.3	105.4
Merchandise and other	108.7	112.5	3.7	103.5
Real estate	19.6	19.2	(0.3)	98.1
Other	50.6	55.9	5.3	110.5
Operating expenses	538.3	536.2	(2.0)	99.6
Operating income	278.9	324.0	45.0	116.2
Non-operating income (loss)	(33.7)	(31.1)	2.6	92.2
Non-operating income	4.0	3.5	(0.5)	86.7
Non-operating expenses	37.8	34.6	(3.1)	91.6
Ordinary income	245.1	292.9	47.7	119.5
Extraordinary gain (loss)	(3.4)	(4.1)	(0.7)	121.5
Income before income taxes	241.7	288.7	46.9	119.4
Income taxes	74.3	97.3	22.9	130.9
Net income	167.3	191.3	24.0	114.4
Net income (loss) attributable to noncontrolling interests	0.3	(4.3)	(4.6)	-
Net income attributable to owners of the parent	167.0	195.7	28.6	117.2
Comprehensive income	174.0	179.1	5.1	103.0

- (Notes)
1. Net income before minority interests (loss), minority interests in net income and net income are presented for net income, net income (loss) 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 Six Months Ended September 30, 2014	For the Six Months Ended September 30, 2015	Increase (Decrease)	%
Operating revenues	644.5	678.5	34.0	105.3
Transportation revenues	613.7	647.9	34.2	105.6
Other services	30.8	30.6	(0.1)	99.4
Operating expenses	379.6	365.8	(13.7)	96.4
Personnel expenses	87.7	89.6	1.8	102.1
Non-personnel expenses	151.3	148.6	(2.6)	98.2
Taxes other than income taxes	16.2	17.4	1.1	107.3
Depreciation and amortization	124.2	110.1	(14.1)	88.6
Operating income	264.8	312.6	47.8	118.0
Non-operating income (loss)	(33.5)	(30.9)	2.5	92.4
Non-operating income	4.1	3.2	(0.9)	78.2
Non-operating expenses	37.6	34.2	(3.4)	90.8
Ordinary income	231.3	281.7	50.3	121.8
Extraordinary gain (loss)	0.0	(0.1)	(0.2)	-
Income before income taxes	231.4	281.5	50.1	121.7
Income taxes	69.7	88.4	18.7	126.9
Net income	161.7	193.1	31.4	119.4

Comparison of Passenger-kilometers and Transportation Revenues
for the Six Months Ended September 30, 2015

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

			For the Six Months Ended September 30, 2014	For the Six Months Ended September 30, 2015	Increase (Decrease)	%	(Reference) From July to September, 2015	
								Vs. the Same Period of Fiscal 2015 (%)
Passenger-kilometers	Shinkansen	Commuter	701	728	27	103.8	361	99.6
		Others	24,039	25,372	1,332	105.5	13,213	106.6
		Subtotal	24,741	26,100	1,359	105.5	13,574	106.4
	Conventional lines	Commuter	2,811	2,831	20	100.7	1,418	103.0
		Others	1,785	1,881	96	105.4	980	107.3
		Subtotal	4,596	4,712	116	102.5	2,398	104.7
	Subtotal	Commuter	3,513	3,559	47	101.3	1,779	102.3
		Others	25,824	27,252	1,428	105.5	14,193	106.7
		Subtotal	29,336	30,811	1,475	105.0	15,972	106.2
Transportation revenues	Shinkansen	Commuter	8.5	8.3	(0.1)	97.8	4.1	100.6
		Others	555.0	587.6	32.5	105.9	306.8	107.3
		Subtotal	563.6	595.9	32.3	105.7	311.0	107.2
	Conventional lines	Commuter	17.3	17.1	(0.2)	98.7	8.5	99.8
		Others	32.6	34.7	2.1	106.5	18.2	109.3
		Subtotal	50.0	51.9	1.8	103.8	26.7	106.1
	Subtotal	Commuter	25.9	25.5	(0.4)	98.4	12.6	100.1
		Others	587.7	622.4	34.6	105.9	325.0	107.4
		Subtotal	613.7	647.9	34.2	105.6	337.7	107.1
	Total (including parcel fare)			613.7	647.9	34.2	105.6	337.7

- (Notes)
- 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 passes become valid.
 - The above table contains non-consolidated passenger-kilometers and transportation revenues of the Company.
 - 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 September 30, 2015	Increase (Decrease)
Current assets	432.1	564.7	132.5
Noncurrent assets	4,785.7	4,732.6	(53.1)
Property, plant and equipment • Intangible assets	4,459.2	4,424.6	(34.5)
Investments and other assets	326.5	307.9	(18.6)
Total assets	5,217.9	5,297.4	79.4
Current liabilities	658.8	600.2	(58.5)
Noncurrent liabilities	2,495.1	2,465.9	(29.2)
Total liabilities	3,154.0	3,066.2	(87.8)
[Long-term debt and payables]	2,150.5	2,149.9	(0.5)
Total equity	2,063.9	2,231.2	167.2
Total liabilities and equity	5,217.9	5,297.4	79.4

Comparative Quarterly Statements of Cash Flows (Consolidated)

(Unit: Billions of yen)

Classifications	For the Six Months Ended September 30, 2014	For the Six Months Ended September 30, 2015	Increase (Decrease)
Net cash provided by (used in) operating activities	266.5	285.0	18.5
Net cash provided by (used in) investing activities	(201.5)	(160.1)	41.4
Net cash provided by (used in) financing activities	(4.1)	(18.5)	(14.3)
Net increase (decrease) in cash and cash equivalents	60.7	106.3	45.6
Cash and cash equivalents, end of the period	136.2	236.3	100.1

Forecasted Results of Operations for the Fiscal Year Ending March 31, 2016 (Consolidated)

(Unit: Billions of yen, %)

Classifications	For the Year Ended March 31, 2015 (Actual Results) A	For the Year Ending March 31, 2016 (Previous Forecast) B	For the Year Ending March 31, 2016 (Current Forecast) C	Previous Forecast vs. Current Forecast		For the Year Ended March 31, 2015 (Actual Results) vs. For the Year Ending March 31, 2016 (Current Forecast)	
				Increase (Decrease) C-B	% C/B	Increase (Decrease) C-A	% C/A
Operating revenues	1,672.2	1,674.0	1,715.0	41.0	102.4	42.7	102.6
Operating expenses	1,165.6	1,159.0	1,170.0	11.0	100.9	4.3	100.4
Operating income	506.5	515.0	545.0	30.0	105.8	38.4	107.6
Ordinary income	428.1	445.0	475.0	30.0	106.7	46.8	110.9
Net income attributable to owners of the parent	264.1	303.0	321.0	18.0	105.9	56.8	121.5

(Note) Net income is presented for net income attributable to owners of the parent for the consolidated financial results for the year ended March 31, 2015 (Actual Results).

Forecasted Results of Operations for Fiscal Year Ending March 31, 2016 (Non-Consolidated)

(Unit: Billions of yen, %)

Classifications	For the Year Ended March 31, 2015 (Actual Results) A	For the Year Ending March 31, 2016 (Previous Forecast) B	For the Year Ending March 31, 2016 (Current Forecast) C	Previous Forecast vs. Current Forecast		For the Year Ended March 31, 2015 (Actual Results) vs. For the Year Ending March 31, 2016 (Current Forecast)	
				Increase (Decrease) C-B	% C/B	Increase (Decrease) C-A	% C/A
Operating revenues	1,306.6	1,307.0	1,341.0	34.0	102.6	34.3	102.6
[Transportation revenues]	1,243.2	1,243.2	1,277.4	34.2	102.8	34.2	102.8
Operating expenses	831.1	820.0	816.0	(4.0)	99.5	(15.1)	98.2
Operating income	475.4	487.0	525.0	38.0	107.8	49.5	110.4
Ordinary income	397.7	418.0	456.0	38.0	109.1	58.2	114.7
Net income	260.2	288.0	314.0	26.0	109.0	53.7	120.6

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

(Unit: Billions of yen)

Classifications	As of March 31, 2015 (Actual Results) A	As of March 31, 2016 (Previous Estimation) B	As of March 31, 2016 (Current Estimation) C	Estimated Annual Amount of Decrease		
				For the Year Ended March 31, 2015 (Actual Results)	For the Year Ending March 31, 2016 (Previous Estimation) B-A	For the Year Ending March 31, 2016 (Current Estimation) C-A
Balance of long-term debt and payables (consolidated)	2,150.5	1,997.5	1,996.5	(220.2)	(153.0)	(154.0)
Balance of long-term debt and payables (non-consolidated)	2,136.3	1,986.3	1,966.3	(215.4)	(150.0)	(170.0)

Reference: Actual Results According to Reportable Segments

(Unit: Billions of yen, %)

Classifications	Segments	For the Six Months Ended September 30, 2014	For the Six Months Ended September 30, 2015	Increase (Decrease)	%
Operating revenues	Transportation	644.0	678.4	34.4	105.4
	Merchandise and other	112.8	116.9	4.0	103.6
	Real estate	32.9	32.8	(0.1)	99.5
	Other	96.1	101.3	5.1	105.3
	Reconciliations	(68.7)	(69.3)	(0.5)	100.7
	Total	817.2	860.2	43.0	105.3
Segment profit (Operating income)	Transportation	263.1	312.3	49.2	118.7
	Merchandise and other	4.0	4.1	0.0	101.2
	Real estate	8.5	7.5	(0.9)	88.5
	Other	2.4	(0.3)	(2.8)	-
	Reconciliations	0.6	0.3	(0.3)	47.5
	Total	278.9	324.0	45.0	116.2

- (Notes)
- 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.

Reference: Forecasted Results According to Reportable Segments

(Unit: Billions of yen, %)

Classifications		For the Year Ended March 31, 2015 (Actual Results) A	For the Year Ending March 31, 2016 (Previous Forecast) B	For the Year Ending March 31, 2016 (Current Forecast) C	Previous Forecast vs. Current Forecast		For the Year Ended March 31, 2015 (Actual Results) vs. For the Year Ending March 31, 2016 (Current Forecast)	
					Increase (Decrease) C-B	% C/B	Increase (Decrease) C-A	% C/A
Operating revenues	Transportation	1,305.6	1,307.0	1,341.1	34.1	102.6	35.4	102.7
	Merchandise and other	233.8	232.4	236.2	3.8	101.6	2.3	101.0
	Real estate	66.5	65.1	65.5	0.4	100.6	(1.0)	98.4
	Other	238.9	231.7	238.5	6.8	102.9	(0.4)	99.8
	Reconciliations	(172.8)	(162.2)	(166.3)	(4.1)	102.5	6.5	96.2
	Total	1,672.2	1,674.0	1,715.0	41.0	102.4	42.7	102.6
Segment profit (Operating income)	Transportation	472.0	484.9	523.1	38.2	107.9	51.0	110.8
	Merchandise and other	8.9	7.6	8.5	0.9	111.8	(0.4)	95.1
	Real estate	16.6	15.0	15.4	0.4	102.7	(1.2)	92.7
	Other	8.2	6.3	(2.0)	(8.3)	-	(10.2)	-
	Reconciliations	0.7	1.2	-	(1.2)	-	(0.7)	-
	Total	506.5	515.0	545.0	30.0	105.8	38.4	107.6

- (Notes)
- 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.