

Summary of Consolidated Financial Report for the Nine Months Ended December 31, 2015 [under Japanese GAAP] (Unaudited)

English translation from the original Japanese-language document

January 29, 2016

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	February 10, 2016
Expected Date of Payment of Dividends	—
Supplementary Information	Attached
Briefing of Financial Results of 3rd Quarter	None

1. Results for the nine months ended December 31, 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 3rd Quarter	1,312,197	4.7	490,783	13.8	444,535	16.6	300,365	15.2
Fiscal 2015 3rd Quarter	1,252,884	0.5	431,136	△ 0.3	381,218	2.6	260,752	8.2

Note 1. Comprehensive income : Fiscal 2016 3rd Quarter 289,823 million yen (6.0%). Fiscal 2015 3rd Quarter 273,464 million yen (6.5%).

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 nine-month period of the previous year.

	Net income per share – basic	Net income per share – diluted
	Yen	Yen
Fiscal 2016 3rd Quarter	1,526.26	—
Fiscal 2015 3rd Quarter	1,324.97	—

(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 3rd Quarter	5,463,167	2,330,068	41.9
Fiscal 2015	5,217,982	2,063,967	38.7

Note Net worth : Fiscal 2016 3rd Quarter 2,291,347 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 : 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)

Fiscal 2016 3rd Quarter	206,000,000 shares	Fiscal 2015	206,000,000 shares
Fiscal 2016 3rd Quarter	9,200,776 shares	Fiscal 2015	9,200,743 shares
Fiscal 2016 3rd Quarter	196,799,240 shares	Fiscal 2015 3rd Quarter	196,799,311 shares

② Number of treasury stocks at the end of each period

③ Average number of shares outstanding for the period

- 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 nine-month period ended December 31, 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 October 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 December 31, 2015
ASSETS		
Current assets:		
Cash and deposits	151,397	249,947
Notes and accounts receivable-trade	57,224	59,748
Railway fares receivables	33,732	35,305
Marketable securities	-	255,000
Inventories	38,636	41,701
Deferred tax assets	26,708	23,630
Other	124,505	70,250
Allowance for doubtful accounts	△ 22	△ 39
Total current assets	432,183	735,545
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures, net	1,597,975	1,523,458
Machinery, rolling stock and vehicles, net	282,805	274,535
Land	2,356,186	2,356,710
Construction in progress	169,240	203,488
Other, net	28,530	28,505
Total property, plant and equipment	4,434,739	4,386,697
Intangible assets	24,470	23,784
Investments and other assets		
Investment securities	149,158	135,265
Deferred tax assets	149,077	152,244
Other	33,481	29,716
Allowance for doubtful accounts	△ 5,129	△ 87
Total investments and other assets	326,587	317,139
Total noncurrent assets	4,785,798	4,727,621
Total assets	5,217,982	5,463,167

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 December 31, 2015
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	69,282	58,878
Short-term loans payable	31,368	24,430
Current portion of bonds payable	35,000	34,998
Current portion of long-term loans payable	104,879	123,683
Current portion of long-term accounts payable-railway facilities	86,073	87,894
Income taxes payable	71,528	79,521
Provision for bonuses	27,715	14,345
Other	233,019	213,636
Total current liabilities	658,868	637,388
Noncurrent liabilities:		
Bonds payable	732,326	793,706
Long-term loans payable	548,627	569,406
Long-term accounts payable-railway facilities	643,611	599,201
Provision for large scale renovation of the Shinkansen infrastructure	280,000	253,750
Liability for retirement benefits	205,501	204,357
Other	85,079	75,288
Total noncurrent liabilities	2,495,146	2,495,710
Total liabilities	3,154,015	3,133,099
EQUITY		
Shareholders' equity:		
Common stock	112,000	112,000
Capital surplus	53,500	53,499
Retained earnings	1,927,407	2,204,132
Treasury stock	△ 103,156	△ 103,157
Total shareholders' equity	1,989,750	2,266,474
Accumulated other comprehensive income:		
Unrealized gain on available-for-sale securities	38,663	31,154
Deferred loss on hedges	△ 24	△ 4
Remeasurements of defined benefit plans	△ 8,192	△ 6,276
Total accumulated other comprehensive income	30,446	24,873
Noncontrolling interests	43,770	38,720
Total equity	2,063,967	2,330,068
Total liabilities and equity	5,217,982	5,463,167

QUARTERLY CONSOLIDATED STATEMENT OF INCOME (Unaudited)

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

	Millions of yen	
	For the nine months ended December 31, 2014	For the nine months ended December 31, 2015
Operating revenues	1,252,884	1,312,197
Operating expenses:		
Transportation, other services and cost of sales	688,803	696,199
Selling, general and administrative expenses	132,944	125,214
Total operating expenses	<u>821,747</u>	<u>821,413</u>
Operating income	431,136	490,783
Non-operating income:		
Interest income	169	246
Dividends income	2,009	2,149
Insurance income	1,357	277
Other	2,876	2,652
Total non-operating income	<u>6,412</u>	<u>5,325</u>
Non-operating expenses:		
Interest expense	19,358	17,969
Interest on long-term accounts payable-railway facilities	35,339	31,513
Other	1,633	2,091
Total non-operating expenses	<u>56,331</u>	<u>51,574</u>
Ordinary income	381,218	444,535
Extraordinary gain:		
Contribution for construction	1,021	623
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	341	997
Total extraordinary gain	<u>1,363</u>	<u>17,369</u>
Extraordinary loss:		
Loss on reduction of noncurrent assets	1,055	376
Loss on retirement of noncurrent assets	1,240	1,095
Write down of an investment in an unconsolidated subsidiary	2,655	19,061
Other	85	588
Total extraordinary loss	<u>5,036</u>	<u>21,121</u>
Income before income taxes	377,544	440,783
Income taxes	115,609	145,567
Net Income	261,935	295,216
Net (loss) income attributable to noncontrolling interests	1,183	△ 5,149
Net income attributable to owners of the parent	260,752	300,365

QUARTERLY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

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

	Millions of yen	
	For the nine months ended December 31, 2014	For the nine months ended December 31, 2015
Net income	261,935	295,216
Other comprehensive income:		
Unrealized (loss) gain on available-for-sale securities	11,418	△ 7,383
Deferred gain (loss) on hedges	△ 84	38
Remeasurements of defined benefit plans	83	1,836
Share of other comprehensive income in affiliates	111	116
Total other comprehensive income	<u>11,528</u>	<u>△ 5,392</u>
Comprehensive income	<u>273,464</u>	<u>289,823</u>
(breakdown)		
Total comprehensive income attributable to		
Owners of the parent	271,448	294,792
Noncontrolling interests	<u>2,015</u>	<u>△ 4,968</u>

SEGMENT INFORMATION (Unaudited)

I Fiscal 2015 3rd quarter (For the nine months ended December 31, 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	978,824	164,553	29,629	79,876	1,252,884	—	1,252,884	
Intersegment transactions or transfers	8,693	6,516	20,033	72,803	108,046	△ 108,046	—	
Total	987,518	171,069	49,662	152,679	1,360,930	△ 108,046	1,252,884	
Segment profit	405,563	6,368	13,087	5,547	430,566	570	431,136	

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 570 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 3rd quarter (For the nine months ended December 31, 2015)

Information about operating revenues and profit (loss)

(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	1,021,977	170,268	29,087	90,863	1,312,197	—	1,312,197	
Intersegment transactions or transfers	8,866	6,913	20,265	71,845	107,891	△ 107,891	—	
Total	1,030,844	177,182	49,353	162,709	1,420,089	△ 107,891	1,312,197	
Segment profit (loss)	474,079	6,429	12,262	△ 1,374	491,396	△ 612	490,783	

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 △612 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.