

[TRANSLATION]

[Supplemental Material 1]

Summary of the Consolidated Financial Results for the Nine Months Ended December 31, 2015

January 29, 2016  
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 remained at the same level as the previous fiscal year 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 consolidated revenues and profits** (operating income, ordinary income and net income attributable to owners of the parent).
- **The Company does 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 October 28, 2015.** The Company will seek, as 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 top priority to ensuring safe and reliable transportation.

## 1. Summary of Consolidated Results for the Nine Months Ended December 31, 2015

### **(1) Operating revenues (1,312.1 billion yen; a 59.3 billion yen or a 4.7% increase)**

- The Company's **transportation revenues increased by 42.7 billion yen (4.5%) to 984.8 billion yen in the nine months ended December 31, 2015, as compared with the nine months ended December 31, 2014.**
  - As for the Tokaido Shinkansen, the Company sought to enhance transportation services by, among others, 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 by, for example, introducing new products, 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 "400<sup>th</sup> Anniversary of the Death of Tokugawa Ieyasu".
  - As a result, transportation revenues from the Tokaido Shinkansen increased by 40.2 billion yen (4.6%) to 907.0 billion yen in the nine months ended December 31, 2015, as compared with the nine months ended December 31, 2014. Transportation revenues from the conventional lines increased by 2.5 billion yen (3.4%) to 77.7 billion yen in the nine months ended December 31, 2015, as compared with the nine months ended December 31, 2014. Total transportation revenues increased by 42.7 billion yen (4.5%) to 984.8 billion yen in the nine months ended December 31, 2015, as compared with the nine months ended December 31, 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 16.7 billion yen (6.1%) to 294.0 billion yen in the nine months ended December 31, 2015, as compared with the nine months ended December 31, 2014, mainly due to an increase in sales in the merchandise and other segment centering on JR Tokai Takashimaya Co., Ltd. and NIPPON SHARYO, LTD.

### **(2) Operating expenses (821.4 billion yen; a 0.3 billion yen decrease)**

- Overall operating expenses remained at the same level as the previous fiscal year 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 (490.7 billion yen; a 59.6 billion yen or a 13.8% increase)**

### **(4) Non-operating income/loss (-46.2 billion yen; a 3.6 billion yen improvement)**

- The Company's interest expenses decreased by 5.2 billion yen.

### **(5) Ordinary income (444.5 billion yen; a 63.3 billion yen or a 16.6% increase)**

**(6) Net income attributable to owners of the parent (300.3 billion yen; a 39.6 billion yen or a 15.2% increase)**

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

- The Company does 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 October 28, 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 Nine Months Ended December 31, 2014	For the Nine Months Ended December 31, 2015	Increase (Decrease)	%
<b>Operating revenues</b>	<b>1,252.8</b>	<b>1,312.1</b>	<b>59.3</b>	<b>104.7</b>
Transportation	978.8	1,021.9	43.1	104.4
Merchandise and other	164.5	170.2	5.7	103.5
Real estate	29.6	29.0	(0.5)	98.2
Other	79.8	90.8	10.9	113.8
<b>Operating expenses</b>	<b>821.7</b>	<b>821.4</b>	<b>(0.3)</b>	<b>100.0</b>
<b>Operating income</b>	<b>431.1</b>	<b>490.7</b>	<b>59.6</b>	<b>113.8</b>
<b>Non-operating income (loss)</b>	<b>(49.9)</b>	<b>(46.2)</b>	<b>3.6</b>	<b>92.6</b>
Non-operating income	6.4	5.3	(1.0)	83.0
Non-operating expenses	56.3	51.5	(4.7)	91.6
<b>Ordinary income</b>	<b>381.2</b>	<b>444.5</b>	<b>63.3</b>	<b>116.6</b>
<b>Extraordinary gain (loss)</b>	<b>(3.6)</b>	<b>(3.7)</b>	<b>(0.0)</b>	<b>102.2</b>
<b>Income before income taxes</b>	<b>377.5</b>	<b>440.7</b>	<b>63.2</b>	<b>116.8</b>
Income taxes	115.6	145.5	29.9	125.9
<b>Net income</b>	<b>261.9</b>	<b>295.2</b>	<b>33.2</b>	<b>112.7</b>
Net income (loss) attributable to noncontrolling interests	1.1	(5.1)	(6.3)	-
<b>Net income attributable to owners of the parent</b>	<b>260.7</b>	<b>300.3</b>	<b>39.6</b>	<b>115.2</b>
<b>Comprehensive income</b>	<b>273.4</b>	<b>289.8</b>	<b>16.3</b>	<b>106.0</b>

- (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 Nine Months Ended December 31, 2014	For the Nine Months Ended December 31, 2015	Increase (Decrease)	%
<b>Operating revenues</b>	<b>988.2</b>	<b>1,030.8</b>	<b>42.6</b>	<b>104.3</b>
Transportation revenues	942.0	984.8	42.7	104.5
Other services	46.2	46.0	(0.1)	99.7
<b>Operating expenses</b>	<b>580.0</b>	<b>555.8</b>	<b>(24.1)</b>	<b>95.8</b>
Personnel expenses	131.8	134.6	2.7	102.1
Non-personnel expenses	234.8	227.1	(7.6)	96.8
Taxes other than income taxes	24.4	26.4	2.0	108.2
Depreciation and amortization	188.9	167.5	(21.3)	88.7
<b>Operating income</b>	<b>408.2</b>	<b>475.0</b>	<b>66.7</b>	<b>116.4</b>
<b>Non-operating income (loss)</b>	<b>(49.7)</b>	<b>(46.4)</b>	<b>3.3</b>	<b>93.4</b>
Non-operating income	6.3	4.6	(1.6)	73.5
Non-operating expenses	56.0	51.0	(4.9)	91.1
<b>Ordinary income</b>	<b>358.5</b>	<b>428.6</b>	<b>70.0</b>	<b>119.6</b>
<b>Extraordinary gain (loss)</b>	<b>0.0</b>	<b>(0.2)</b>	<b>(0.3)</b>	<b>-</b>
<b>Income before income taxes</b>	<b>358.6</b>	<b>428.3</b>	<b>69.7</b>	<b>119.4</b>
Income taxes	108.0	134.2	26.2	124.3
<b>Net income</b>	<b>250.5</b>	<b>294.0</b>	<b>43.4</b>	<b>117.4</b>

Comparison of Passenger-kilometers and Transportation Revenues  
for the Nine Months Ended December 31, 2015

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

			For the Nine Months Ended December 31, 2014	For the Nine Months Ended December 31, 2015	Increase (Decrease)	%	(Reference)	
							From October to December, 2015	
							Vs. From October to December, 2014 (%)	
Passenger-kilometers	Shinkansen	Commuter	1,045	1,090	44	104.2	362	105.1
		Others	36,878	38,525	1,647	104.5	13,153	102.4
		Subtotal	37,924	39,615	1,691	104.5	13,515	102.5
	Conventional lines	Commuter	4,201	4,255	54	101.3	1,424	102.4
		Others	2,692	2,820	128	104.8	940	103.5
		Subtotal	6,893	7,075	182	102.6	2,363	102.9
	Subtotal	Commuter	5,246	5,344	98	101.9	1,785	103.0
		Others	39,570	41,345	1,775	104.5	14,093	102.5
		Subtotal	44,817	46,689	1,873	104.2	15,878	102.6
Transportation revenues	Shinkansen	Commuter	12.8	12.7	(0.1)	98.8	4.3	100.7
		Others	853.9	894.3	40.3	104.7	306.7	102.6
		Subtotal	866.8	907.0	40.2	104.6	311.0	102.6
	Conventional lines	Commuter	25.8	25.6	(0.1)	99.3	8.5	100.5
		Others	49.3	52.1	2.7	105.5	17.3	103.6
		Subtotal	75.2	77.7	2.5	103.4	25.8	102.6
	Subtotal	Commuter	38.6	38.3	(0.3)	99.1	12.8	100.6
		Others	903.3	946.4	43.1	104.8	324.0	102.7
		Subtotal	942.0	984.8	42.7	104.5	336.8	102.6
	Total (including parcel fare)		942.0	984.8	42.7	104.5	336.8	102.6

- (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 passes become 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 December 31, 2015	Increase (Decrease)
<b>Current assets</b>	<b>432.1</b>	<b>735.5</b>	<b>303.3</b>
<b>Noncurrent assets</b>	<b>4,785.7</b>	<b>4,727.6</b>	<b>(58.1)</b>
Property, plant and equipment • Intangible assets	4,459.2	4,410.4	(48.7)
Investments and other assets	326.5	317.1	(9.4)
<b>Total assets</b>	<b>5,217.9</b>	<b>5,463.1</b>	<b>245.1</b>
Current liabilities	658.8	637.3	(21.4)
Noncurrent liabilities	2,495.1	2,495.7	0.5
<b>Total liabilities</b>	<b>3,154.0</b>	<b>3,133.0</b>	<b>(20.9)</b>
<b>Total equity</b>	<b>2,063.9</b>	<b>2,330.0</b>	<b>266.1</b>
<b>Total liabilities and equity</b>	<b>5,217.9</b>	<b>5,463.1</b>	<b>245.1</b>

<b>Breakdown of long-term debts and payables</b>	<b>2,150.5</b>	<b>2,208.8</b>	<b>58.3</b>
Bonds payable	767.3	828.7	61.3
Long-term loans payable	653.5	693.0	39.5
Long-term accounts payable-railway facilities	729.6	687.0	(42.5)

## 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 December 31, 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	2,208.8	1,996.5	(154.0)
Balance of long-term debt and payables (non-consolidated)	2,136.3	2,178.5	1,966.3	(170.0)

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

(Unit: Billions of yen, %)

Classifications	Segments	For the Nine Months Ended December 31, 2014	For the Nine Months Ended December 31, 2015	Increase (Decrease)	%
Operating revenues	Transportation	987.5	1,030.8	43.3	104.4
	Merchandise and other	171.0	177.1	6.1	103.6
	Real estate	49.6	49.3	(0.3)	99.4
	Other	152.6	162.7	10.0	106.6
	Reconciliations	(108.0)	(107.8)	0.1	99.9
	Total	1,252.8	1,312.1	59.3	104.7
Segment profit (Operating income)	Transportation	405.5	474.0	68.5	116.9
	Merchandise and other	6.3	6.4	0.0	101.0
	Real estate	13.0	12.2	(0.8)	93.7
	Other	5.5	(1.3)	(6.9)	-
	Reconciliations	0.5	(0.6)	(1.1)	-
	Total	431.1	490.7	59.6	113.8

- (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.