

Summary of Consolidated Financial Report for the Three Months Ended June 30, 2016 [under Japanese GAAP] (Unaudited)

English translation from the original Japanese-language document

July 29, 2016

Company Name	Central Japan Railway Company
Stock Exchange Listings	Tokyo and Nagoya
Code Number	9022
URL	<a href="http://jr-central.co.jp">http://jr-central.co.jp</a>
Representative	Kouei Tsuge, President and Representative Director
Contact Person	Shunsuke Niwa, Corporate Officer, General Manager of the Public Relations Department (Tel +81-52-564-2549)
Expected Date of Presentation of Quarterly Financial Statement Reports	August 10, 2016
Expected Date of Payment of Dividends	—
Supplementary Information	Attached
Briefing of Financial Results of 1st Quarter	None

1. Results for the three months ended June 30, 2016

(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 2017 1st Quarter	423,197	2.1	166,200	5.4	152,584	7.1	106,414	9.4
Fiscal 2016 1st Quarter	414,455	4.2	157,620	15.1	142,444	17.7	97,305	16.7

Note 1. Comprehensive income : Fiscal 2017 1st Quarter 101,177 million yen ( $\Delta$ 0.0%). Fiscal 2016 1st Quarter 101,189 million yen (15.6%).

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 three-month period of the previous year.

	Net income per share - basic	Net income per share - diluted
	Yen	Yen
Fiscal 2017 1st Quarter	540.73	—
Fiscal 2016 1st Quarter	494.44	—

(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 2017 1st Quarter	5,242,383	2,440,859	45.9
Fiscal 2016	5,268,544	2,352,566	44.0

Note Net worth : Fiscal 2017 1st Quarter 2,405,437 million yen. Fiscal 2016 2,316,397 million yen.

2. Cash dividends

	Cash dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2016	—	60.00	—	65.00	125.00
Fiscal 2017	—	—	—	—	—
Fiscal 2017 (Forecast)	—	65.00	—	65.00	130.00

Note Changes in the forecast of cash dividends for Fiscal 2017 : none

3. Consolidated forecast for Fiscal 2017 (Year ending March 31, 2017)

	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 2017 2nd Quarter (six months)	863,000	0.3	326,000	0.6	298,000	1.7	209,000	6.8	1,062.00
Fiscal 2017	1,736,000	$\Delta$ 0.1	577,000	$\Delta$ 0.3	520,000	1.7	363,000	7.6	1,844.52

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 2017: 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 : none
- 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 2017 1st Quarter	206,000,000 shares	Fiscal 2016	206,000,000 shares
Fiscal 2017 1st Quarter	9,200,776 shares	Fiscal 2016	9,200,776 shares
Fiscal 2017 1st Quarter	196,799,224 shares	Fiscal 2016 1st Quarter	196,799,257 shares

- 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 three-month period ended June 30, 2016 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 April 27, 2016.
3. English supplementary 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 income before income taxes by estimated effective rate,  
which is applicable to annual tax provision to annual income before income taxes of the current year.

**QUARTERLY CONSOLIDATED BALANCE SHEET (Unaudited)**

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

	Millions of yen	
	As of March 31, 2016	As of June 30, 2016
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and deposits	164,871	180,905
Notes and accounts receivable-trade	47,931	46,238
Railway fares receivables	37,593	33,502
Marketable securities	183,000	151,800
Inventories	38,214	38,291
Deferred tax assets	24,222	24,045
Other	34,921	35,177
Allowance for doubtful accounts	△ 37	△ 43
Total current assets	530,716	509,916
<b>Noncurrent assets:</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	1,525,935	1,499,899
Machinery, rolling stock and vehicles, net	275,114	266,249
Land	2,356,273	2,356,326
Construction in progress	225,268	263,197
Other, net	32,139	30,218
Total property, plant and equipment	4,414,731	4,415,891
<b>Intangible assets</b>	24,259	24,903
<b>Investments and other assets</b>		
Investment securities	122,005	114,477
Deferred tax assets	148,760	149,942
Other	28,158	27,339
Allowance for doubtful accounts	△ 87	△ 88
Total investments and other assets	298,836	291,671
Total noncurrent assets	4,737,827	4,732,466
<b>Total assets</b>	<b>5,268,544</b>	<b>5,242,383</b>

**QUARTERLY CONSOLIDATED BALANCE SHEET (Unaudited)**

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

	Millions of yen	
	As of March 31, 2016	As of June 30, 2016
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Notes and accounts payable–trade	67,938	56,130
Short–term loans payable	24,800	25,348
Current portion of long–term loans payable	112,236	110,638
Current portion of long–term accounts payable–railway facilities	77,665	77,665
Income taxes payable	105,953	47,049
Provision for bonuses	27,991	16,046
Other	222,682	191,053
Total current liabilities	639,269	523,931
<b>Noncurrent liabilities:</b>		
Bonds payable	646,126	656,132
Long–term loans payable	555,164	553,512
Long–term accounts payable–railway facilities	553,856	553,856
Provision for large scale renovation of the Shinkansen infrastructure	245,000	236,250
Liability for retirement benefits	207,625	207,028
Other	68,936	70,811
Total noncurrent liabilities	2,276,709	2,277,592
<b>Total liabilities</b>	<b>2,915,978</b>	<b>2,801,524</b>
<b>EQUITY</b>		
<b>Shareholders' equity:</b>		
Common stock	112,000	112,000
Capital surplus	53,499	53,498
Retained earnings	2,241,207	2,334,817
Treasury stock	△ 103,157	△ 103,157
Total shareholders' equity	2,303,549	2,397,158
<b>Accumulated other comprehensive income:</b>		
Unrealized gain on available–for–sale securities	22,227	16,862
Deferred loss on hedges	△ 2	△ 1
Remeasurements of defined benefit plans	△ 9,375	△ 8,581
Total accumulated other comprehensive income	12,848	8,278
<b>Noncontrolling interests</b>	36,168	35,421
<b>Total equity</b>	<b>2,352,566</b>	<b>2,440,859</b>
<b>Total liabilities and equity</b>	<b>5,268,544</b>	<b>5,242,383</b>

QUARTERLY CONSOLIDATED STATEMENT OF INCOME (Unaudited)

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

	Millions of yen	
	For the three months ended June 30, 2015	For the three months ended June 30, 2016
<b>Operating revenues</b>	414,455	423,197
<b>Operating expenses:</b>		
Transportation, other services and cost of sales	214,422	212,716
Selling, general and administrative expenses	42,413	44,280
Total operating expenses	256,835	256,996
<b>Operating income</b>	<b>157,620</b>	<b>166,200</b>
<b>Non-operating income:</b>		
Interest income	57	11
Dividends income	1,199	912
Insurance income	76	14
Other	667	706
Total non-operating income	2,001	1,644
<b>Non-operating expenses:</b>		
Interest expense	5,880	5,246
Interest on long-term accounts payable-railway facilities	10,656	9,665
Other	639	349
Total non-operating expenses	17,176	15,260
<b>Ordinary income</b>	<b>142,444</b>	<b>152,584</b>
<b>Extraordinary gain:</b>		
Contribution for construction	477	401
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	878	143
Total extraordinary gain	17,104	544
<b>Extraordinary loss:</b>		
Loss on reduction of noncurrent assets	358	287
Loss on retirement of noncurrent assets	249	1,301
Write down of an investment in an unconsolidated subsidiary	16,710	-
Other	170	34
Total extraordinary loss	17,488	1,623
<b>Income before income taxes</b>	<b>142,060</b>	<b>151,505</b>
Income taxes	44,360	45,396
Net Income	97,700	106,109
Net (loss) income attributable to noncontrolling interests	394	△ 305
<b>Net income attributable to owners of the parent</b>	<b>97,305</b>	<b>106,414</b>

QUARTERLY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

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

	Millions of yen	
	For the three months ended June 30, 2015	For the three months ended June 30, 2016
<b>Net income</b>	97,700	106,109
<b>Other comprehensive income:</b>		
Unrealized (loss) gain on available-for-sale securities	2,792	△ 5,676
Deferred gain on hedges	8	1
Remeasurements of defined benefit plans	598	772
Share of other comprehensive income in affiliates	90	△ 28
<b>Total other comprehensive income</b>	3,489	△ 4,931
<b>Comprehensive income</b>	<b>101,189</b>	<b>101,177</b>
(breakdown)		
<b>Total comprehensive income attributable to</b>		
Owners of the parent	100,650	101,844
Noncontrolling interests	538	△ 666

## SEGMENT INFORMATION (Unaudited)

### I Fiscal 2016 1st quarter (For the three months ended June 30, 2015)

#### Information about operating revenues and profit

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

	Millions of yen						
	Transportation	Merchandise and Other	Real Estate	Other	Total	Reconciliations	Consolidated
<b>Operating revenues:</b>							
External customers	322,074	55,860	9,465	27,054	414,455	—	414,455
Intersegment transactions or transfers	2,910	2,444	6,680	20,998	33,034	△ 33,034	—
Total	324,985	58,305	16,146	48,053	447,490	△ 33,034	414,455
Segment profit	150,326	1,929	4,215	1,553	158,025	△ 404	157,620

- Note
1. Other includes business in hotel, travel, advertising, rolling stock production, construction and etc. which are not included in reportable segments.
  2. The reconciliations amount of △404 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 2017 1st quarter (For the three months ended June 30, 2016)

#### Information about operating revenues and profit (loss)

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

	Millions of yen						
	Transportation	Merchandise and Other	Real Estate	Other	Total	Reconciliations	Consolidated
<b>Operating revenues:</b>							
External customers	328,819	55,247	9,509	29,619	423,197	—	423,197
Intersegment transactions or transfers	2,893	2,274	6,607	22,538	34,313	△ 34,313	—
Total	331,713	57,521	16,117	52,158	457,511	△ 34,313	423,197
Segment profit (loss)	159,535	1,554	4,892	△ 30	165,951	248	166,200

- Note
1. Other includes business in hotel, travel, advertising, rolling stock production, construction and etc. which are not included in reportable segments.
  2. The reconciliations amount of 248 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.