

[TRANSLATION]

[Supplemental Material 1]

Summary of the Consolidated Financial Results for the Three Months Ended June 30, 2016

July 29, 2016
Central Japan Railway Company

- **Non-consolidated transportation revenues of the Central Japan Railway Company (the “Company”) exceeded the results of the previous fiscal year** because the use of the Company’s services for business as well as tourism maintained their high levels. **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 a decrease in depreciation and amortization of the Company, due to an increase in expenses of the group companies.
- 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, 2017 and the estimated reduction in long-term debt and payables from the previous numbers released in April 27, 2016.** 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 Three Months Ended June 30, 2016

(1) Operating revenues (423.1 billion yen; an 8.7 billion yen or a 2.1% increase)

- The Company's **transportation revenues increased by 6.5 billion yen (2.1%) to 316.7 billion yen in the three months ended June 30, 2016, as compared with the three months ended June 30, 2015.**
 - As for the Tokaido Shinkansen, the Company sought to enhance transportation services by, among others, adding extra trains flexibly to respond to demand by leveraging the "10 Nozomi Timetable". The Company also spurred demand by, among others, expanding tourist product offerings for Express Reservation members and their family.
 - As for the conventional lines, the Company made efforts to increase passengers through cooperation with local communities, such as promoting travel products related to the "Shupo" campaign.
 - As a result, transportation revenues from the Tokaido Shinkansen increased by 6.0 billion yen (2.1%) to 291.0 billion yen in the three months ended June 30, 2016, as compared with the three months ended June 30, 2015. Transportation revenues from the conventional lines increased by 0.4 billion yen (2.0%) to 25.7 billion yen in the three months ended June 30, 2016, as compared with the three months ended June 30, 2015. Total transportation revenues increased by 6.5 billion yen (2.1%) to 316.7 billion yen in the three months ended June 30, 2016, as compared with the three months ended June 30, 2015.
- 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 2.0 billion yen (2.2%) to 95.6 billion yen in the three months ended June 30, 2016, as compared with the three months ended June 30, 2015, mainly due to an increase in sales at NIPPON SHARYO, LTD.

(2) Operating expenses (256.9 billion yen; a 0.1 billion yen increase)

- While depreciation and amortization associated with the Yamanashi Maglev Line decreased, the expenses on a consolidated basis remained at the same level as the previous fiscal year, mainly due to an increase in expenses at group companies, including NIPPON SHARYO, LTD.

(3) Operating income (166.2 billion yen; an 8.5 billion yen or a 5.4% increase)

(4) Non-operating income/loss (-13.6 billion yen; a 1.5 billion yen improvement)

- The Company's interest expenses decreased by 1.6 billion yen.

(5) Ordinary income (152.5 billion yen; a 10.1 billion yen or a 7.1% increase)

(6) Net income attributable to owners of the parent (106.4 billion yen; a 9.1 billion yen or a 9.4% increase)

2. Forecasted Results of Operations for the fiscal year ending March 31, 2017

- The Company does not revise the forecasted results for the fiscal year ending March

31, 2017 and the estimated reduction in long-term debt and payables from the previous numbers released in April 27, 2016.

(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 Three Months Ended June 30, 2015	For the Three Months Ended June 30, 2016	Increase (Decrease)	%
Operating revenues	414.4	423.1	8.7	102.1
Transportation	322.0	328.8	6.7	102.1
Merchandise and other	55.8	55.2	(0.6)	98.9
Real estate	9.4	9.5	0.0	100.5
Other	27.0	29.6	2.5	109.5
Operating expenses	256.8	256.9	0.1	100.1
Operating income	157.6	166.2	8.5	105.4
Non-operating income (loss)	(15.1)	(13.6)	1.5	89.7
Non-operating income	2.0	1.6	(0.3)	82.2
Non-operating expenses	17.1	15.2	(1.9)	88.8
Ordinary income	142.4	152.5	10.1	107.1
Extraordinary gain (loss)	(0.3)	(1.0)	(0.6)	280.7
Income before income taxes	142.0	151.5	9.4	106.6
Income taxes	44.3	45.3	1.0	102.3
Net income	97.7	106.1	8.4	108.6
Net income attributable to noncontrolling interests	0.3	(0.3)	(0.6)	-
Net income attributable to owners of the parent	97.3	106.4	9.1	109.4
Comprehensive income	101.1	101.1	(0.0)	100.0

(Notes)

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 Three Months Ended June 30, 2015	For the Three Months Ended June 30, 2016	Increase (Decrease)	%
Operating revenues	325.0	331.8	6.7	102.1
Transportation revenues	310.1	316.7	6.5	102.1
Other services	14.9	15.1	0.2	101.6
Operating expenses	173.9	171.4	(2.4)	98.6
Personnel expenses	46.0	46.0	0.0	100.1
Non-personnel expenses	64.9	64.8	(0.1)	99.8
Taxes other than income taxes	8.7	9.9	1.1	113.4
Depreciation and amortization	54.1	50.6	(3.5)	93.4
Operating income	151.1	160.4	9.2	106.1
Non-operating income (loss)	(15.0)	(13.8)	1.2	91.9
Non-operating income	1.8	1.3	(0.5)	70.7
Non-operating expenses	16.9	15.1	(1.7)	89.5
Ordinary income	136.1	146.6	10.4	107.7
Extraordinary gain (loss)	(0.1)	(0.0)	0.1	5.0
Income before income taxes	136.0	146.6	10.6	107.8
Income taxes	42.5	42.6	0.0	100.1
Net income	93.4	103.9	10.5	111.3

Comparison of Passenger-kilometers and Transportation Revenues
for the Three Months Ended June 30, 2016

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

			For the Three Months Ended June 30, 2015	For the Three Months Ended June 30, 2016	Increase (Decrease)	%
Passenger-kilometers	Shinkansen	Commuter	367	370	3	100.8
		Others	12,159	12,377	218	101.8
		Subtotal	12,526	12,747	221	101.8
	Conventional lines	Commuter	1,413	1,432	19	101.4
		Others	900	912	11	101.3
		Subtotal	2,313	2,344	31	101.3
	Subtotal	Commuter	1,780	1,802	22	101.2
		Others	13,059	13,289	230	101.8
		Subtotal	14,839	15,091	252	101.7
Transportation revenues	Shinkansen	Commuter	4.2	4.4	0.2	105.3
		Others	280.7	286.5	5.8	102.1
		Subtotal	284.9	291.0	6.0	102.1
	Conventional lines	Commuter	8.6	8.8	0.2	103.3
		Others	16.5	16.8	0.2	101.3
		Subtotal	25.2	25.7	0.4	102.0
	Subtotal	Commuter	12.8	13.3	0.5	104.0
		Others	297.3	303.4	6.0	102.0
		Subtotal	310.1	316.7	6.5	102.1
	Total (including parcel fare)		310.1	316.7	6.5	102.1

- (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, 2016	As of June 30, 2016	Increase (Decrease)
Current assets	530.7	509.9	(20.7)
Noncurrent assets	4,737.8	4,732.4	(5.3)
Property, plant and equipment • Intangible assets	4,438.9	4,440.7	1.8
Investments and other assets	298.8	291.6	(7.1)
Total assets	5,268.5	5,242.3	(26.1)
Current liabilities	639.2	523.9	(115.3)
Noncurrent liabilities	2,276.7	2,277.5	0.8
Total liabilities	2,915.9	2,801.5	(114.4)
Total equity	2,352.5	2,440.8	88.2
Total liabilities and equity	5,268.5	5,242.3	(26.1)

Breakdown of long-term debts	1,945.0	1,951.8	6.7
Bonds payable	646.1	656.1	10.0
Long-term loans payable	667.4	664.1	(3.2)
Long-term accounts payable-railway facilities	631.5	631.5	-

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

(Unit: Billions of yen)

Classifications	As of March 31, 2016 (Actual Results)	As of June 30, 2016 (Actual Results)	As of March 31, 2017 (Estimated)	Estimated Annual Amount of Decrease
Balance of long-term debt and payables (consolidated)	1,945.0	1,951.8	1,935.0	(10.0)
Balance of long-term debt and payables (non-consolidated)	1,915.6	1,923.3	1,908.6	(7.0)

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

(Unit: Billions of yen, %)

Classifications	Segments	For the Three Months Ended June 30, 2015	For the Three Months Ended June 30, 2016	Increase (Decrease)	%
Operating revenues	Transportation	324.9	331.7	6.7	102.1
	Merchandise and other	58.3	57.5	(0.7)	98.7
	Real estate	16.1	16.1	(0.0)	99.8
	Other	48.0	52.1	4.1	108.5
	Reconciliations	(33.0)	(34.3)	(1.2)	103.9
	Total	414.4	423.1	8.7	102.1
	Segment profit (Operating income)	Transportation	150.3	159.5	9.2
Merchandise and other		1.9	1.5	(0.3)	80.6
Real estate		4.2	4.8	0.6	116.1
Other		1.5	(0.0)	(1.5)	-
Reconciliations		(0.4)	0.2	0.6	-
Total		157.6	166.2	8.5	105.4

- (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.