

[TRANSLATION]

[Supplemental Material 1]

Summary of the Consolidated Financial Results for the Six Months Ended September 30, 2016

October 27, 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 maintained their high levels, particularly for business. **As a result, the Company’s overall operating revenues on a consolidated basis also increased.**
- **Operating expenses decreased due to a decrease in depreciation and amortization, etc. 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, 2017 from the previous numbers released in April 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 Six Months Ended September 30, 2016

(1) Operating revenues (866.7 billion yen; a 6.4 billion yen or a 0.8% increase)

- The Company's **transportation revenues increased by 6.8 billion yen (1.1%) to 654.7 billion yen in the six months ended September 30, 2016, as compared with the six months ended September 30, 2015.**
 - As for the Tokaido Shinkansen, the Company sought to enhance transportation services by adding extra trains flexibly to respond to demand by leveraging the "10 Nozomi Timetable". For example, we recorded the highest number of services offered in one day, 432, on August 10, 2016. 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 6.1 billion yen (1.0%) to 602.1 billion yen in the six months ended September 30, 2016, as compared with the six months ended September 30, 2015. Transportation revenues from the conventional lines increased by 0.7 billion yen (1.4%) to 52.6 billion yen in the six months ended September 30, 2016, as compared with the six months ended September 30, 2015. Total transportation revenues increased by 6.8 billion yen (1.1%) to 654.7 billion yen in the six months ended September 30, 2016, as compared with the six months ended September 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. As a result, overall operating revenues also increased.

(2) Operating expenses (532.0 billion yen; a 4.2 billion yen or a 0.8% decrease)

- While expenses at NIPPON SHARYO, LTD. increased, the expenses on a consolidated basis decreased, mainly due to a decrease in depreciation and amortization associated with the Yamanashi Maglev Line of the Company.

(3) Operating income (334.7 billion yen; a 10.6 billion yen or a 3.3% increase)

(4) Non-operating income/loss (-28.0 billion yen; a 3.0 billion yen improvement)

- The Company's interest expenses decreased by 3.4 billion yen.

(5) Ordinary income (306.6 billion yen; a 13.7 billion yen or a 4.7% increase)

(6) Net income attributable to owners of the parent (214.9 billion yen; a 19.2 billion yen or a 9.8% 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 from the previous numbers released in April 2016.
(Note) The Company revises upward the forecasted non-consolidated results for the fiscal year ending March 31, 2017 to reflect the actual results for the six months ended September 30, 2016. (For further details, refer to Supplemental Material 6.)

3. Interim Dividends and Forecasted Year-end Dividends for the fiscal year ending March 31, 2017 (of the Company)

- Interim dividends: 65 yen per share (as forecasted at the beginning of this fiscal year; an increase of 5 yen as compared with the amount of dividends paid for the interim period of the fiscal year ended March 31, 2016)
- Forecasted year-end dividends: 65 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, 2015	For the Six Months Ended September 30, 2016	Increase (Decrease)	%
Operating revenues	860.2	866.7	6.4	100.8
Transportation	672.6	679.6	7.0	101.1
Merchandise and other	112.5	110.7	(1.7)	98.4
Real estate	19.2	19.3	0.1	100.8
Other	55.9	56.9	1.0	101.8
Operating expenses	536.2	532.0	(4.2)	99.2
Operating income	324.0	334.7	10.6	103.3
Non-operating income (loss)	(31.1)	(28.0)	3.0	90.1
Non-operating income	3.5	2.6	(0.9)	73.8
Non-operating expenses	34.6	30.6	(4.0)	88.4
Ordinary income	292.9	306.6	13.7	104.7
Extraordinary gain (loss)	(4.1)	(1.7)	2.4	40.8
Income before income taxes	288.7	304.9	16.2	105.6
Income taxes	97.3	91.8	(5.4)	94.4
Net income	191.3	213.0	21.7	111.4
Net income (loss) attributable to noncontrolling interests	(4.3)	(1.8)	2.4	43.4
Net income attributable to owners of the parent	195.7	214.9	19.2	109.8
Comprehensive income	179.1	213.2	34.0	119.0

(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 Six Months Ended September 30, 2015	For the Six Months Ended September 30, 2016	Increase (Decrease)	%
Operating revenues	678.5	685.8	7.3	101.1
Transportation revenues	647.9	654.7	6.8	101.1
Other services	30.6	31.1	0.4	101.5
Operating expenses	365.8	359.6	(6.2)	98.3
Personnel expenses	89.6	89.7	0.1	100.2
Non-personnel expenses	148.6	147.8	(0.8)	99.4
Taxes other than income taxes	17.4	19.8	2.3	113.7
Depreciation and amortization	110.1	102.1	(7.9)	92.8
Operating income	312.6	326.2	13.5	104.3
Non-operating income (loss)	(30.9)	(28.1)	2.7	91.0
Non-operating income	3.2	2.2	(1.0)	69.2
Non-operating expenses	34.2	30.4	(3.7)	88.9
Ordinary income	281.7	298.0	16.3	105.8
Extraordinary gain (loss)	(0.1)	(0.0)	0.1	5.6
Income before income taxes	281.5	298.0	16.4	105.8
Income taxes	88.4	87.1	(1.2)	98.5
Net income	193.1	210.8	17.7	109.2

Comparison of Passenger-kilometers and Transportation Revenues
for the Six Months Ended September 30, 2016

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

			For the Six Months Ended September 30, 2015	For the Six Months Ended September 30, 2016	Increase (Decrease)	%	(Reference) From July to September, 2016	
							Vs. From July to September, 2015 (%)	
Passenger-kilometers	Shinkansen	Commuter	728	737	9	101.2	367	101.7
		Others	25,372	25,577	205	100.8	13,200	99.9
		Subtotal	26,100	26,314	214	100.8	13,567	99.9
	Conventional lines	Commuter	2,831	2,867	36	101.3	1,435	101.2
		Others	1,881	1,886	5	100.3	974	99.4
		Subtotal	4,712	4,753	41	100.9	2,409	100.4
	Subtotal	Commuter	3,559	3,604	45	101.3	1,802	101.3
		Others	27,252	27,463	210	100.8	14,174	99.9
		Subtotal	30,811	31,067	255	100.8	15,975	100.0
Transportation revenues	Shinkansen	Commuter	8.3	8.7	0.4	104.9	4.3	104.4
		Others	587.6	593.3	5.6	101.0	306.7	100.0
		Subtotal	595.9	602.1	6.1	101.0	311.0	100.0
	Conventional lines	Commuter	17.1	17.7	0.6	103.6	8.8	103.9
		Others	34.7	34.9	0.1	100.3	18.0	99.4
		Subtotal	51.9	52.6	0.7	101.4	26.9	100.8
	Subtotal	Commuter	25.5	26.5	1.0	104.0	13.2	104.1
		Others	622.4	628.2	5.8	100.9	324.7	99.9
		Subtotal	647.9	654.7	6.8	101.1	338.0	100.1
	Total (including parcel fare)			647.9	654.7	6.8	101.1	338.0

- (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, 2016	As of September 30, 2016	Increase (Decrease)
Current assets	530.7	621.2	90.5
Noncurrent assets	4,737.8	4,732.8	(5.0)
Property, plant and equipment • Intangible assets	4,438.9	4,437.6	(1.3)
Investments and other assets	298.8	295.1	(3.7)
Total assets	5,268.5	5,354.0	85.5
Current liabilities	639.2	519.9	(119.3)
Noncurrent liabilities	2,276.7	2,281.2	4.5
Total liabilities	2,915.9	2,801.1	(114.8)
[Long-term debt and payables]	1,945.0	1,904.9	(40.0)
Total equity	2,352.5	2,552.9	200.3
Total liabilities and equity	5,268.5	5,354.0	85.5

Comparative Quarterly Statements of Cash Flows (Consolidated)

(Unit: Billions of yen)

Classifications	For the Six Months Ended September 30, 2015	For the Six Months Ended September 30, 2016	Increase (Decrease)
Net cash provided by (used in) operating activities	285.0	284.0	(0.9)
Net cash provided by (used in) investing activities	(160.1)	(304.0)	(143.8)
Net cash provided by (used in) financing activities	(18.5)	(52.3)	(33.8)
Net increase (decrease) in cash and cash equivalents	106.3	(72.2)	(178.6)
Cash and cash equivalents, end of the period	236.3	246.0	9.6

[Supplemental Material 6]

Forecasted Results of Operations for the Fiscal Year Ending March 31, 2017 (Consolidated)

(Unit: Billions of yen, %)

Classifications	For the Year Ended March 31, 2016 (Actual Results) A	For the Year Ending March 31, 2017 (Previous Forecast) B	For the Year Ending March 31, 2017 (Current Forecast) C	Previous Forecast vs. Current Forecast		For the Year Ended March 31, 2016 (Actual Results) vs. For the Year Ending March 31, 2017 (Current Forecast)	
				Increase (Decrease) C-B	% C/B	Increase (Decrease) C-A	% C/A
Operating revenues	1,738.4	1,736.0	1,736.0	-	100.0	(2.4)	99.9
Operating expenses	1,159.7	1,159.0	1,159.0	-	100.0	(0.7)	99.9
Operating income	578.6	577.0	577.0	-	100.0	(1.6)	99.7
Ordinary income	511.4	520.0	520.0	-	100.0	8.5	101.7
Net income attributable to owners of the parent	337.4	363.0	363.0	-	100.0	25.5	107.6

Forecasted Results of Operations for Fiscal Year Ending March 31, 2017 (Non-Consolidated)

(Unit: Billions of yen, %)

Classifications	For the Year Ended March 31, 2016 (Actual Results) A	For the Year Ending March 31, 2017 (Previous Forecast) B	For the Year Ending March 31, 2017 (Current Forecast) C	Previous Forecast vs. Current Forecast		For the Year Ended March 31, 2016 (Actual Results) vs. For the Year Ending March 31, 2017 (Current Forecast)	
				Increase (Decrease) C-B	% C/B	Increase (Decrease) C-A	% C/A
Operating revenues	1,357.9	1,358.0	1,364.0	6.0	100.4	6.0	100.4
[Transportation revenues]	1,294.7	1,294.7	1,301.5	6.8	100.5	6.8	100.5
Operating expenses	800.3	805.0	797.0	(8.0)	99.0	(3.3)	99.6
Operating income	557.6	553.0	567.0	14.0	102.5	9.3	101.7
Ordinary income	490.5	496.0	510.0	14.0	102.8	19.4	104.0
Net income	328.6	349.0	360.0	11.0	103.2	31.3	109.5

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

(Unit: Billions of yen)

Classifications	As of March 31, 2016 (Actual Results) A	As of March 31, 2017 (Previous Estimation) B	As of March 31, 2017 (Current Estimation) C	Estimated Annual Amount of Decrease		
				For the Year Ended March 31, 2016 (Actual Results)	For the Year Ending March 31, 2017 (Previous Estimation) B-A	For the Year Ending March 31, 2017 (Current Estimation) C-A
Balance of long-term debt and payables (consolidated)	1,945.0	1,935.0	1,895.0	(205.4)	(10.0)	(50.0)
Balance of long-term debt and payables (non-consolidated)	1,915.6	1,908.6	1,868.6	(220.6)	(7.0)	(47.0)

Reference: Actual Results According to Reportable Segments

(Unit: Billions of yen, %)

Classifications	Segments	For the Six Months Ended September 30, 2015	For the Six Months Ended September 30, 2016	Increase (Decrease)	%
Operating revenues	Transportation	678.4	685.5	7.0	101.0
	Merchandise and other	116.9	115.2	(1.6)	98.6
	Real estate	32.8	32.8	0.0	100.0
	Other	101.3	106.3	5.0	105.0
	Reconciliations	(69.3)	(73.2)	(3.9)	105.7
	Total	860.2	866.7	6.4	100.8
Segment profit (Operating income)	Transportation	312.3	324.4	12.1	103.9
	Merchandise and other	4.1	3.4	(0.6)	84.0
	Real estate	7.5	9.6	2.1	128.0
	Other	(0.3)	(2.7)	(2.3)	719.6
	Reconciliations	0.3	(0.2)	(0.5)	-
	Total	324.0	334.7	10.6	103.3

- (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, 2016 (Actual Results) A	For the Year Ending March 31, 2017 (Previous Forecast) B	For the Year Ending March 31, 2017 (Current Forecast) C	Previous Forecast vs. Current Forecast		For the Year Ended March 31, 2016 (Actual Results) vs. For the Year Ending March 31, 2017 (Current Forecast)	
					Increase (Decrease) C-B	% C/B	Increase (Decrease) C-A	% C/A
Operating revenues	Transportation	1,358.1	1,357.8	1,363.7	5.9	100.4	5.5	100.4
	Merchandise and other	239.6	237.2	236.4	(0.8)	99.7	(3.2)	98.6
	Real estate	66.0	69.4	69.3	(0.1)	99.9	3.2	104.9
	Other	243.0	250.4	250.5	0.1	100.0	7.4	103.1
	Reconciliations	(168.5)	(178.8)	(183.9)	(5.1)	102.9	(15.3)	109.1
	Total	1,738.4	1,736.0	1,736.0	-	100.0	(2.4)	99.9
Segment profit (Operating income)	Transportation	556.8	550.5	564.5	14.0	102.5	7.6	101.4
	Merchandise and other	8.7	9.0	7.8	(1.2)	86.7	(0.9)	89.2
	Real estate	15.6	15.7	15.7	-	100.0	0.0	100.4
	Other	(1.7)	2.5	(9.6)	(12.1)	-	(7.8)	557.5
	Reconciliations	(0.8)	(0.7)	(1.4)	(0.7)	200.0	(0.5)	159.8
	Total	578.6	577.0	577.0	-	100.0	(1.6)	99.7

- (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.