

# Summary of Consolidated Financial Report for the Nine Months Ended December 31, 2016 [under Japanese GAAP] (Unaudited)

English translation from the original Japanese-language document

January 30, 2017

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	February 8, 2017
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, 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 3rd Quarter	1,318,846	0.5	514,816	4.9	473,069	6.4	331,120	10.2
Fiscal 2016 3rd Quarter	1,312,197	4.7	490,783	13.8	444,535	16.6	300,365	15.2

Note 1. Comprehensive income : Fiscal 2017 3rd Quarter 341,014 million yen (17.7%). Fiscal 2016 3rd Quarter 289,823 million yen (6.0%).

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 2017 3rd Quarter	1,682.53	—
Fiscal 2016 3rd Quarter	1,526.26	—

### (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 3rd Quarter	5,951,943	2,667,888	44.2
Fiscal 2016	5,268,544	2,352,566	44.0

Note Net worth : Fiscal 2017 3rd Quarter 2,633,409 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	—	65.00	—	—	—
Fiscal 2017 (Forecast)	—	—	—	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	1,736,000	△ 0.1	577,000	△ 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)

Fiscal 2017 3rd Quarter	206,000,000 shares	Fiscal 2016	206,000,000 shares
Fiscal 2017 3rd Quarter	9,200,886 shares	Fiscal 2016	9,200,776 shares
Fiscal 2017 3rd Quarter	196,799,204 shares	Fiscal 2016 3rd Quarter	196,799,240 shares

- ② Number of treasury stocks at the end of each period

- ③ Average number of shares outstanding for the period

- (5) Quarterly Consolidated Balance Sheet

The Company has received loans from the Japan Railway Construction, Transport and Technology Agency for promoting the construction of the Chuo Shinkansen, and the money is placed in the trust fund to segregate it from other money.

- 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, 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 December 31, 2016
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and deposits	164,871	351,641
Money held in trust for the Chuo Shinkansen construction	—	500,000
Notes and accounts receivable-trade	47,931	47,715
Railway fares receivables	37,593	40,702
Marketable securities	183,000	142,800
Inventories	38,214	40,027
Deferred tax assets	24,222	24,011
Other	34,921	43,944
Allowance for doubtful accounts	△ 37	△ 38
Total current assets	530,716	1,190,803
<b>Noncurrent assets:</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	1,525,935	1,459,787
Machinery, rolling stock and vehicles, net	275,114	251,435
Land	2,356,273	2,355,822
Construction in progress	225,268	322,187
Other, net	32,139	29,760
Total property, plant and equipment	4,414,731	4,418,992
<b>Intangible assets</b>	24,259	24,952
<b>Investments and other assets</b>		
Investment securities	122,005	145,981
Deferred tax assets	148,760	145,220
Other	28,158	26,080
Allowance for doubtful accounts	△ 87	△ 87
Total investments and other assets	298,836	317,195
Total noncurrent assets	4,737,827	4,761,140
<b>Total assets</b>	<b>5,268,544</b>	<b>5,951,943</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 December 31, 2016
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Notes and accounts payable-trade	67,938	59,710
Short-term loans payable	24,800	25,385
Current portion of long-term loans payable	112,236	84,919
Current portion of long-term accounts payable-railway facilities	77,665	41,614
Income taxes payable	105,953	63,743
Provision for bonuses	27,991	14,333
Other	222,682	224,672
Total current liabilities	639,269	514,379
<b>Noncurrent liabilities:</b>		
Bonds payable	646,126	656,145
Long-term loans payable	555,164	567,778
Long-term debt for the Chuo Shinkansen construction	—	500,000
Long-term accounts payable-railway facilities	553,856	551,476
Provision for large scale renovation of the Shinkansen infrastructure	245,000	218,750
Liability for retirement benefits	207,625	205,449
Other	68,936	70,074
Total noncurrent liabilities	2,276,709	2,769,675
<b>Total liabilities</b>	<b>2,915,978</b>	<b>3,284,055</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	2,546,717
Treasury stock	△ 103,157	△ 103,159
Total shareholders' equity	2,303,549	2,609,056
<b>Accumulated other comprehensive income:</b>		
Unrealized gain on available-for-sale securities	22,227	31,343
Deferred loss on hedges	△ 2	△ 0
Remeasurements of defined benefit plans	△ 9,375	△ 6,989
Total accumulated other comprehensive income	12,848	24,353
<b>Noncontrolling interests</b>	36,168	34,478
<b>Total equity</b>	<b>2,352,566</b>	<b>2,667,888</b>
<b>Total liabilities and equity</b>	<b>5,268,544</b>	<b>5,951,943</b>

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, 2015	For the nine months ended December 31, 2016
<b>Operating revenues</b>	1,312,197	1,318,846
<b>Operating expenses:</b>		
Transportation, other services and cost of sales	696,199	674,199
Selling, general and administrative expenses	125,214	129,830
Total operating expenses	821,413	804,029
<b>Operating income</b>	<b>490,783</b>	<b>514,816</b>
<b>Non-operating income:</b>		
Interest income	246	27
Dividends income	2,149	1,798
Insurance income	277	309
Other	2,652	1,845
Total non-operating income	5,325	3,979
<b>Non-operating expenses:</b>		
Interest expense	17,969	15,887
Interest on long-term accounts payable-railway facilities	31,513	28,586
Other	2,091	1,252
Total non-operating expenses	51,574	45,726
<b>Ordinary income</b>	<b>444,535</b>	<b>473,069</b>
<b>Extraordinary gain:</b>		
Contribution for construction	623	571
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	997	208
Total extraordinary gain	17,369	779
<b>Extraordinary loss:</b>		
Loss on reduction of noncurrent assets	376	324
Loss on retirement of noncurrent assets	1,095	2,866
Write down of an investment in an unconsolidated subsidiary	19,061	—
Other	588	583
Total extraordinary loss	21,121	3,773
<b>Income before income taxes</b>	<b>440,783</b>	<b>470,075</b>
Income taxes	145,567	140,740
Net Income	295,216	329,335
Net loss attributable to noncontrolling interests	△ 5,149	△ 1,784
<b>Net income attributable to owners of the parent</b>	<b>300,365</b>	<b>331,120</b>

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, 2015	For the nine months ended December 31, 2016
<b>Net income</b>	295,216	329,335
<b>Other comprehensive income:</b>		
Unrealized gain (loss) on available-for-sale securities	△ 7,383	9,288
Deferred gain on hedges	38	4
Remeasurements of defined benefit plans	1,836	2,324
Share of other comprehensive income in affiliates	116	62
<b>Total other comprehensive income</b>	△ 5,392	11,679
<b>Comprehensive income</b>	<b>289,823</b>	<b>341,014</b>
(breakdown)		
<b>Total comprehensive income attributable to</b>		
Owners of the parent	294,792	342,624
Noncontrolling interests	△ 4,968	△ 1,609

## SEGMENT INFORMATION (Unaudited)

### I 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			
<b>Operating revenues:</b>								
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, 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.

### II Fiscal 2017 3rd quarter (For the nine months ended December 31, 2016)

#### 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			
<b>Operating revenues:</b>								
External customers	1,036,956	166,052	29,387	86,450	1,318,846	—	1,318,846	
Intersegment transactions or transfers	8,831	7,387	20,141	77,645	114,006	△ 114,006	—	
Total	1,045,787	173,440	49,528	164,096	1,432,852	△ 114,006	1,318,846	
Segment profit (loss)	497,112	5,094	14,408	△ 1,437	515,177	△ 360	514,816	

- 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 △360 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.