

[TRANSLATION]

[Supplemental Material 1]

Summary of the Consolidated Financial Results for the Nine Months Ended December 31, 2016

January 30, 2017
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. **Although revenues of some parts of group companies decreased, 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 October 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 Nine Months Ended December 31, 2016

(1) Operating revenues (1,318.8 billion yen; a 6.6 billion yen or a 0.5% increase)

- The Company's **transportation revenues increased by 13.9 billion yen (1.4%) to 998.7 billion yen in the nine months ended December 31, 2016, as compared with the nine months ended December 31, 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 12.8 billion yen (1.4%) to 919.9 billion yen in the nine months ended December 31, 2016, as compared with the nine months ended December 31, 2015. Transportation revenues from the conventional lines increased by 1.0 billion yen (1.4%) to 78.8 billion yen in the nine months ended December 31, 2016, as compared with the nine months ended December 31, 2015. Total transportation revenues increased by 13.9 billion yen (1.4%) to 998.7 billion yen in the nine months ended December 31, 2016, as compared with the nine months ended December 31, 2015.
- As for the non-railway business, the Company worked towards the enhancement of existing businesses, and continued to prepare for the grand opening of the JR GATE TOWER at Nagoya Station in April 2017, which had started admitting office tenants in November 2016. Revenues of some parts of group companies such as NIPPON SHARYO, LTD. decreased, but the overall operating revenues increased.

(2) Operating expenses (804.0 billion yen; a 17.3 billion yen or a 2.1% decrease)

- 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 and a decrease in costs of sales of group companies etc.

(3) Operating income (514.8 billion yen; a 24.0 billion yen or a 4.9% increase)

(4) Non-operating income/loss (-41.7 billion yen; a 4.5 billion yen improvement)

- The Company's interest expenses decreased by 5.0 billion yen.

(5) Ordinary income (473.0 billion yen; a 28.5 billion yen or a 6.4% increase)

(6) Net income attributable to owners of the parent (331.1 billion yen; a 30.7 billion yen or a 10.2% 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 October 2016.

3. Summary of Long-term Debt and Payables

- The balance of long-term debt and payables at the nine months ended December 31, 2016 increased to 2,401.9 billion yen, mainly due to borrowing of 500.0 billion yen in long-term debt for the Chuo Shinkansen construction.
- In January 2017, the Company also borrowed 500.0 billion yen in long-term debt for the Chuo Shinkansen construction.

(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, 2015	For the Nine Months Ended December 31, 2016	Increase (Decrease)	%
Operating revenues	1,312.1	1,318.8	6.6	100.5
Transportation	1,021.9	1,036.9	14.9	101.5
Merchandise and other	170.2	166.0	(4.2)	97.5
Real estate	29.0	29.3	0.2	101.0
Other	90.8	86.4	(4.4)	95.1
Operating expenses	821.4	804.0	(17.3)	97.9
Operating income	490.7	514.8	24.0	104.9
Non-operating income (loss)	(46.2)	(41.7)	4.5	90.3
Non-operating income	5.3	3.9	(1.3)	74.7
Non-operating expenses	51.5	45.7	(5.8)	88.7
Ordinary income	444.5	473.0	28.5	106.4
Extraordinary gain (loss)	(3.7)	(2.9)	0.7	79.8
Income before income taxes	440.7	470.0	29.2	106.6
Income taxes	145.5	140.7	(4.8)	96.7
Net income	295.2	329.3	34.1	111.6
Net income (loss) attributable to noncontrolling interests	(5.1)	(1.7)	3.3	34.6
Net income attributable to owners of the parent	300.3	331.1	30.7	110.2
Comprehensive income	289.8	341.0	51.1	117.7

(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 Nine Months Ended December 31, 2015	For the Nine Months Ended December 31, 2016	Increase (Decrease)	%
Operating revenues	1,030.8	1,046.1	15.3	101.5
Transportation revenues	984.8	998.7	13.9	101.4
Other services	46.0	47.4	1.3	102.9
Operating expenses	555.8	546.4	(9.3)	98.3
Personnel expenses	134.6	134.6	0.0	100.0
Non-personnel expenses	227.1	226.7	(0.4)	99.8
Taxes other than income taxes	26.4	29.7	3.3	112.6
Depreciation and amortization	167.5	155.2	(12.2)	92.7
Operating income	475.0	499.6	24.6	105.2
Non-operating income (loss)	(46.4)	(41.2)	5.1	88.9
Non-operating income	4.6	4.1	(0.5)	89.2
Non-operating expenses	51.0	45.4	(5.6)	88.9
Ordinary income	428.6	458.4	29.8	107.0
Extraordinary gain (loss)	(0.2)	(0.0)	0.2	24.7
Income before income taxes	428.3	458.3	30.0	107.0
Income taxes	134.2	134.3	0.0	100.0
Net income	294.0	324.0	29.9	110.2

Comparison of Passenger-kilometers and Transportation Revenues
for the Nine Months Ended December 31, 2016

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

			For the Nine Months Ended December 31, 2015	For the Nine Months Ended December 31, 2016	Increase (Decrease)	%	(Reference) From October to December, 2016	Vs. From October to December, 2015 (%)
Passenger-kilometers	Shinkansen	Commuter	1,090	1,107	17	101.6	370	102.2
		Others	38,525	38,993	468	101.2	13,416	102.0
		Subtotal	39,615	40,099	485	101.2	13,785	102.0
	Conventional lines	Commuter	4,255	4,305	50	101.2	1,438	101.0
		Others	2,820	2,827	7	100.3	942	100.2
		Subtotal	7,075	7,132	58	100.8	2,380	100.7
	Subtotal	Commuter	5,344	5,412	67	101.3	1,808	101.3
		Others	41,345	41,820	475	101.1	14,357	101.9
		Subtotal	46,689	47,232	542	101.2	16,165	101.8
Transportation revenues	Shinkansen	Commuter	12.7	13.1	0.4	103.9	4.4	101.9
		Others	894.3	906.7	12.3	101.4	313.4	102.2
		Subtotal	907.0	919.9	12.8	101.4	317.8	102.2
	Conventional lines	Commuter	25.6	26.5	0.8	103.4	8.7	102.9
		Others	52.1	52.3	0.2	100.4	17.4	100.6
		Subtotal	77.7	78.8	1.0	101.4	26.1	101.4
	Subtotal	Commuter	38.3	39.6	1.3	103.5	13.1	102.6
		Others	946.4	959.0	12.6	101.3	330.8	102.1
		Subtotal	984.8	998.7	13.9	101.4	344.0	102.1
Total (including parcel fare)			984.8	998.7	13.9	101.4	344.0	102.1

- (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 December 31, 2016	Increase (Decrease)
Current assets	530.7	1,190.8	660.0
Money held in trust for the Chuo Shinkansen construction	-	500.0	500.0
Noncurrent assets	4,737.8	4,761.1	23.3
Property, plant and equipment • Intangible assets	4,438.9	4,443.9	4.9
Investments and other assets	298.8	317.1	18.3
Total assets	5,268.5	5,951.9	683.3
Current liabilities	639.2	514.3	(124.8)
Noncurrent liabilities	2,276.7	2,769.6	492.9
Long-term debt for the Chuo Shinkansen construction	-	500.0	500.0
Total liabilities	2,915.9	3,284.0	368.0
Total equity	2,352.5	2,667.8	315.3
Total liabilities and equity	5,268.5	5,951.9	683.3
Breakdown of long-term debts	1,945.0	2,401.9	456.8
Bonds payable	646.1	656.1	10.0
Long-term loans payable	667.4	652.6	(14.7)
Long-term debt for the Chuo Shinkansen construction	-	500.0	500.0
Long-term accounts payable-railway facilities	631.5	593.0	(38.4)

Estimated Balance of 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 (Estimated / Last time) B	As of March 31, 2017 (Estimated / This time) C	Annual amount of Increase (Decrease)		
				As of March 31, 2016 (Actual Results)	As of March 31, 2017 (Estimated / Last time) B-A	As of March 31, 2017 (Estimated / This time) C-A
Balance of long-term debt and payables (consolidated)	1,945.0	1,895.0	3,395.0	(205.4)	(50.0)	1,450.0
Balance of long-term debt and payables (non-consolidated)	1,915.6	1,868.6	3,368.6	(220.6)	(47.0)	1,453.0
Long-term debt for the Chuo Shinkansen construction	-	-	1,500.0	-	-	1,500.0

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

(Unit: Billions of yen, %)

Classifications	Segments	For the Nine Months Ended December 31, 2015	For the Nine Months Ended December 31, 2016	Increase (Decrease)	%
Operating revenues	Transportation	1,030.8	1,045.7	14.9	101.4
	Merchandise and other	177.1	173.4	(3.7)	97.9
	Real estate	49.3	49.5	0.1	100.4
	Other	162.7	164.0	1.3	100.9
	Reconciliations	(107.8)	(114.0)	(6.1)	105.7
	Total	1,312.1	1,318.8	6.6	100.5
	Segment profit (Operating income)	Transportation	474.0	497.1	23.0
Merchandise and other		6.4	5.0	(1.3)	79.2
Real estate		12.2	14.4	2.1	117.5
Other		(1.3)	(1.4)	(0.0)	104.6
Reconciliations		(0.6)	(0.3)	0.2	58.8
Total		490.7	514.8	24.0	104.9

- (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.