

Summary of Consolidated Financial Report for the Year Ended March 31, 2017 [under Japanese GAAP] (Unaudited)

English translation from the original Japanese-language document

April 27, 2017

Company Name	Central Japan Railway Company
Stock Exchange Listings	Tokyo and Nagoya
Code Number	9022
URL	http://jr-central.co.jp
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 the Annual Shareholders' Meeting	Unfixed
Expected Date of Presentation of Financial Statement Reports	Unfixed
Expected Date of Dividend Payment Commencement	Unfixed
Supplementary Information	Attached
Briefing of Financial Results of Fiscal 2017	To be held

1. Results for the year ended March 31, 2017

(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	1,756,980	1.1	619,564	7.1	563,973	10.3	392,913	16.4
Fiscal 2016	1,738,409	4.0	578,677	14.2	511,455	19.5	337,440	27.8

Note 1. Comprehensive income : Fiscal 2017 399,856 million yen (28.0%). Fiscal 2016 312,322 million yen (16.1%).

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 previous year.

	Net income per share - basic	Net income per share - diluted	Return on net worth	Ordinary income to total assets	Operating income to operating revenues
	Yen	Yen	%	%	%
Fiscal 2017	1,996.52	—	15.7	9.2	35.3
Fiscal 2016	1,714.64	—	15.6	9.8	33.3

Note Equity in earnings of affiliates : Fiscal 2017 363 million yen. Fiscal 2016 560 million yen.

(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	Equity per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2017	7,052,675	2,726,729	38.2	13,681.22
Fiscal 2016	5,268,544	2,352,566	44.0	11,770.36

Note Net worth : Fiscal 2017 2,692,451 million yen. Fiscal 2016 2,316,397 million yen.

(3) Consolidated cash flows (Figures less than one million yen have been rounded down.)

	Net cash provided by operating activities	Net cash used in investing activities	Net cash used in financing activities	Cash and cash equivalents, end of the year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2017	580,565	△ 1,909,547	1,425,188	414,559
Fiscal 2016	601,495	△ 170,305	△ 242,847	318,352

2. Cash dividends

	Cash dividends per share					Total dividends (Fiscal)	Payout ratio (Consolidated)	Dividends on equity ratio (Consolidated)
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal 2016	—	60.00	—	65.00	125.00	24,625	7.3	1.1
Fiscal 2017	—	65.00	—	70.00	135.00	26,595	6.8	1.1
Fiscal 2018 (Forecast)	—	70.00	—	70.00	140.00		7.9	

3. Consolidated forecast for Fiscal 2018 (Year ending March 31, 2018)

	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 2018 2nd Quarter (six months)	870,000	0.4	329,000	△ 1.7	289,000	△ 5.8	203,000	△ 5.6	1,031.51
Fiscal 2018	1,760,000	0.2	583,000	△ 5.9	499,000	△ 11.5	348,000	△ 11.4	1,768.30

Note 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.

※Notes to Consolidated Financial Information

- (1) Changes in scope of significant consolidated subsidiaries : none
 (2) 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

(3) Number of common shares outstanding at the end of each year

① Number of shares issued and outstanding at the end of each year
 (Including treasury stocks)

Fiscal 2017	206,000,000 shares	Fiscal 2016	206,000,000 shares
Fiscal 2017	9,200,886 shares	Fiscal 2016	9,200,776 shares
Fiscal 2017	196,799,182 shares	Fiscal 2016	196,799,236 shares

② Number of treasury stocks at the end of each year

③ Average number of shares outstanding for the year

(4) 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.

(Reference) Summary of Nonconsolidated Financial Report for the Year Ended March 31, 2017

1. Results for the year ended March 31, 2017

(1) Nonconsolidated financial results (Figures less than one million yen, except for per share amounts, have been rounded down.)

	Operating revenues		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2017	1,380,770	1.7	595,821	6.8	541,289	10.3	381,898	16.2
Fiscal 2016	1,357,991	3.9	557,689	17.3	490,548	23.3	328,658	26.3

	Net income per share - basic	Net income per share - diluted
	Yen	Yen
Fiscal 2017	1,938.56	—
Fiscal 2016	1,668.31	—

Note Percentages for operating revenues, operating income, ordinary income and net income represent the changes from the previous year.

(2) Nonconsolidated financial position (Figures less than one million yen, except for per share amounts, have been rounded down.)

	Total assets	Equity	Net worth ratio	Equity per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2017	6,814,357	2,582,839	37.9	13,110.81
Fiscal 2016	5,059,426	2,219,910	43.9	11,268.53

Reference Net worth : Fiscal 2017 2,582,839 million yen. Fiscal 2016 2,219,910 million yen.

2. Nonconsolidated forecast for Fiscal 2018 (Year ending March 31, 2018)

	Operating revenues		Operating income		Ordinary income		Net income		Net income per share - basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal 2018 2nd Quarter (six months)	688,000	0.3	323,000 △ 1.0		283,000 △ 5.0		198,000 △ 6.1		1,005.07
Fiscal 2018	1,383,000	0.2	561,000 △ 5.8		478,000 △ 11.7		335,000 △ 12.3		1,700.50

Note Percentages for operating revenues, operating income, ordinary income and net income represent the changes from the corresponding period of the previous year.

- Note 1. Consolidated financial information is not subject to audit procedures.
 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.
 3. English supplementary information will be announced on our website later.

CONSOLIDATED BALANCE SHEET (Unaudited)

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

	Millions of yen	
	As of March 31, 2016	As of March 31, 2017
ASSETS		
Current assets:		
Cash and deposits	164,871	246,483
Money held in trust for the Chuo Shinkansen construction	—	1,472,741
Notes and accounts receivable—trade	47,931	54,293
Railway fares receivables	37,593	40,482
Marketable securities	183,000	304,300
Inventories	38,214	36,706
Deferred tax assets	24,222	18,787
Short-term loans receivable	23	—
Other	34,897	36,564
Allowance for doubtful accounts	△ 37	△ 16
Total current assets	530,716	2,210,342
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures, net	1,525,935	1,558,665
Machinery, rolling stock and vehicles, net	275,114	267,229
Land	2,356,273	2,355,373
Construction in progress	225,268	273,653
Other, net	32,139	33,523
Total property, plant and equipment	4,414,731	4,488,445
Intangible assets	24,259	32,705
Investments and other assets		
Investment securities	122,005	150,469
Asset for retirement benefits	4,015	4,123
Deferred tax assets	148,760	144,580
Other	24,142	22,119
Allowance for doubtful accounts	△ 87	△ 111
Total investments and other assets	298,836	321,181
Total noncurrent assets	4,737,827	4,842,333
Total assets	5,268,544	7,052,675

CONSOLIDATED BALANCE SHEET (Unaudited)

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

	Millions of yen	
	As of March 31, 2016	As of March 31, 2017
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	67,938	74,140
Short-term loans payable	24,800	25,563
Current portion of long-term loans payable	112,236	100,574
Current portion of long-term accounts payable-railway facilities	77,665	4,824
Accounts payable-other	111,573	126,654
Income taxes payable	105,953	86,788
Advances received	51,321	55,136
Deposits received	15,590	16,902
Provision for bonuses	27,991	28,074
Other	44,196	36,692
Total current liabilities	639,269	555,352
Noncurrent liabilities:		
Bonds payable	646,126	724,250
Long-term loans payable	555,164	516,781
Long-term debt for the Chuo Shinkansen construction	—	1,500,000
Long-term accounts payable-railway facilities	553,856	549,028
Provision for large scale renovation of the Shinkansen infrastructure	245,000	210,000
Liability for retirement benefits	207,625	205,423
Other	68,936	65,110
Total noncurrent liabilities	2,276,709	3,770,594
Total liabilities	2,915,978	4,325,946
EQUITY		
Shareholders' equity:		
Common stock	112,000	112,000
Capital surplus	53,499	53,498
Retained earnings	2,241,207	2,608,511
Treasury stock	△ 103,157	△ 103,159
Total shareholders' equity	2,303,549	2,670,849
Accumulated other comprehensive income:		
Unrealized gain on available-for-sale securities	22,227	28,832
Deferred loss on hedges	△ 2	△ 1
Remeasurements of defined benefit plans	△ 9,375	△ 7,229
Total accumulated other comprehensive income	12,848	21,601
Noncontrolling interests	36,168	34,277
Total equity	2,352,566	2,726,729
Total liabilities and equity	5,268,544	7,052,675

CONSOLIDATED STATEMENT OF INCOME (Unaudited)

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

	Millions of yen	
	For the year ended March 31, 2016	For the year ended March 31, 2017
Operating revenues	1,738,409	1,756,980
Operating expenses:		
Transportation, other services and cost of sales	982,295	954,512
Selling, general and administrative expenses	177,436	182,903
Total operating expenses	1,159,732	1,137,415
Operating income	578,677	619,564
Non-operating income:		
Interest income	343	31
Dividends income	2,447	1,999
Equity in earnings of affiliates	560	363
Insurance income	2,334	2,890
Other	2,601	2,121
Total non-operating income	8,286	7,406
Non-operating expenses:		
Interest expense	23,815	22,762
Interest on long-term accounts payable-railway facilities	41,718	37,523
Other	9,974	2,711
Total non-operating expenses	75,508	62,996
Ordinary income	511,455	563,973
Extraordinary gain:		
Contribution for construction	3,944	2,641
Gain on sales of noncurrent assets	2,197	1,059
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	1,232	157
Total extraordinary gain	23,121	3,858
Extraordinary loss:		
Loss on reduction of noncurrent assets	4,244	2,566
Loss on retirement of noncurrent assets	1,907	4,322
Loss on sales of noncurrent assets	874	717
Write down of an investment in an unconsolidated subsidiary	19,061	—
Other	387	196
Total extraordinary loss	26,475	7,802
Income before income taxes	508,101	560,029
Income taxes-current	165,344	160,669
Income taxes-deferred	11,754	8,098
Income taxes	177,098	168,768
Net Income	331,003	391,261
Net loss attributable to noncontrolling interests	△ 6,437	△ 1,652
Net income attributable to owners of the parent	337,440	392,913

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

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

	Millions of yen	
	For the year ended March 31, 2016	For the year ended March 31, 2017
Net income	331,003	391,261
Other comprehensive income:		
Unrealized gain (loss) on available-for-sale securities	△ 16,719	6,507
Deferred gain on hedges	42	2
Remeasurements of defined benefit plans	△ 1,898	2,020
Share of other comprehensive income in affiliates	△ 105	63
Total other comprehensive income	△ 18,681	8,595
Comprehensive income	312,322	399,856
(breakdown)		
Total comprehensive income attributable to		
Owners of the parent	319,842	401,667
Noncontrolling interests	△ 7,520	△ 1,810

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)

For the year ended March 31, 2016

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current year	112,000	53,500	1,927,407	△ 103,156	1,989,750
Changes of items during the year					
Dividends from surplus			△ 23,640		△ 23,640
Net income attributable to owners of the parent			337,440		337,440
Purchases of treasury stock				△ 0	△ 0
Changes in the ownership interest by purchases of shares of consolidated subsidiaries		△ 1			△ 1
Net changes of items other than shareholders' equity					
Total changes of items during the year	—	△ 1	313,800	△ 0	313,798
Balance at the end of current year	112,000	53,499	2,241,207	△ 103,157	2,303,549

	Accumulated other comprehensive income				Noncontrolling interests	Total equity
	Unrealized gain available-for-sale securities	Deferred loss on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current year	38,663	△ 24	△ 8,192	30,446	43,770	2,063,967
Changes of items during the year						
Dividends from surplus						△ 23,640
Net income attributable to owners of the parent						337,440
Purchases of treasury stock						△ 0
Changes in the ownership interest by purchases of shares of consolidated subsidiaries						△ 1
Net changes of items other than shareholders' equity	△ 16,436	21	△ 1,183	△ 17,597	△ 7,601	△ 25,199
Total changes of items during the year	△ 16,436	21	△ 1,183	△ 17,597	△ 7,601	288,599
Balance at the end of current year	22,227	△ 2	△ 9,375	12,848	36,168	2,352,566

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)

For the year ended March 31, 2017

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current year	112,000	53,499	2,241,207	△ 103,157	2,303,549
Changes of items during the year					
Dividends from surplus			△ 25,610		△ 25,610
Net income attributable to owners of the parent			392,913		392,913
Purchases of treasury stock				△ 2	△ 2
Changes in the ownership interest by purchases of shares of consolidated subsidiaries		△ 0			△ 0
Net changes of items other than shareholders' equity					
Total changes of items during the year	—	△ 0	367,303	△ 2	367,300
Balance at the end of current year	112,000	53,498	2,608,511	△ 103,159	2,670,849

	Accumulated other comprehensive income				Noncontrolling interests	Total equity
	Unrealized gain available-for-sale securities	Deferred loss on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current year	22,227	△ 2	△ 9,375	12,848	36,168	2,352,566
Changes of items during the year						
Dividends from surplus						△ 25,610
Net income attributable to owners of the parent						392,913
Purchases of treasury stock						△ 2
Changes in the ownership interest by purchases of shares of consolidated subsidiaries						△ 0
Net changes of items other than shareholders' equity	6,605	1	2,146	8,753	△ 1,891	6,861
Total changes of items during the year	6,605	1	2,146	8,753	△ 1,891	374,162
Balance at the end of current year	28,832	△ 1	△ 7,229	21,601	34,277	2,726,729

CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)

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

	Millions of yen	
	For the year ended March 31, 2016	For the year ended March 31, 2017
Operating activities:		
Income before income taxes	508,101	560,029
Depreciation and amortization	242,369	225,386
Decrease in provision for large scale renovation of the Shinkansen infrastructure	△ 35,000	△ 35,000
Increase in liability for retirement benefits	1,657	764
Interest and dividends income	△ 2,790	△ 2,030
Interest expense	65,533	60,285
Equity in earnings of affiliates	△ 560	△ 363
Proceeds from contribution for construction	△ 3,944	△ 2,641
Loss on reduction of noncurrent assets	4,244	2,566
Loss on retirement of noncurrent assets	8,769	13,433
Gain on sales of noncurrent assets	△ 1,322	△ 341
(Increase) decrease in trade receivables	5,743	△ 9,278
Decrease in inventories	1,421	1,946
Increase (decrease) in trade payables	△ 1,775	6,200
Increase in accounts payable—other	3,099	4,208
Increase in advances received	1,644	434
Other	477	△ 4,496
Subtotal	797,670	821,103
Interest and dividends income received	2,581	1,837
Interest expense paid	△ 65,636	△ 58,812
Income taxes paid	△ 133,119	△ 183,562
Net cash provided by operating activities	601,495	580,565
Investing activities:		
Placement of time deposits	△ 162,900	△ 78,700
Withdrawal of time deposits	244,900	110,700
Payments for money held in trust for the Chuo Shinkansen construction	—	△ 1,500,000
Proceeds from cancellation of money held in trust for the Chuo Shinkansen construction	—	27,259
Purchases of marketable securities	△ 120,000	△ 555,100
Proceeds from redemption of marketable securities	120,000	416,400
Purchases of property, plant and equipment	△ 236,164	△ 305,151
Proceeds from contribution for construction	4,909	6,022
Purchases of intangible assets	△ 4,449	△ 11,046
Purchases of investment securities	△ 2,013	△ 19,600
Proceeds from sales of investment securities	5,262	33
Other	△ 19,850	△ 363
Net cash used in investing activities	△ 170,305	△ 1,909,547
Financing activities:		
Net increase (decrease) in short-term loans payable	△ 5,712	877
Proceeds from long-term loans payable	118,773	62,192
Repayment of long-term loans payable	△ 104,879	△ 112,236
Proceeds from long-term debt for the Chuo Shinkansen construction	—	1,500,000
Proceeds from issuance of bonds	96,368	78,096
Redemption of bonds	△ 217,585	—
Payments for long-term accounts payable—railway facilities	△ 98,163	△ 77,668
Cash dividends paid	△ 23,640	△ 25,610
Cash dividends paid to noncontrolling shareholders	△ 79	△ 79
Other	△ 7,928	△ 381
Net cash used in financing activities	△ 242,847	1,425,188
Net increase in cash and cash equivalents	188,343	96,207
Cash and cash equivalents, beginning of year	130,002	318,352
Cash and cash equivalents increased by merger with an unconsolidated subsidiary	7	0
Cash and cash equivalents, end of year	318,352	414,559

SEGMENT INFORMATION (Unaudited)

1. Description of reportable segments

The companies' reportable segments are those for which separately financial information is available and regularly reported to the board of directors in order to determine how to allocate the resources and evaluate the performance among the companies.

The companies are composed of segments by nature of products and services, and three reportable segments: Transportation, Merchandise and Other, and Real Estate, are disclosed.

The Transportation segment manages the companies' railway operations, such as the Tokaido Shinkansen and conventional railway operations in the Tokai area, and bus operations. The Merchandise and Other segment includes a department store in JR central towers and retail sales in trains and stations.

The Real Estate segment includes real estate leasing business, such as station building leasing, and real estate sales in lots.

2. Methods of measurement for the amounts of Operating Revenues, Profit (Loss), Assets, Liabilities and Other items for each reportable segment

Reportable segment profit (loss) represents operating income. Intersegment transactions or transfers prices are based upon the arm's length transactions.

3. Information about Operating Revenues, Profit (Loss), Assets, Liabilities and Other items is as follows.

Fiscal 2016 (For the year ended March 31, 2016)

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

	Millions of yen						
	Transportation	Merchandise and Other	Real Estate	Other	Total	Reconciliations	Consolidated
Operating revenues:							
External customers	1,346,347	230,670	38,618	122,774	1,738,409	—	1,738,409
Intersegment transactions or transfers	11,815	9,025	27,471	120,252	168,564	△ 168,564	—
Total	1,358,162	239,695	66,089	243,026	1,906,974	△ 168,564	1,738,409
Segment profit (loss)	556,892	8,747	15,637	△ 1,722	579,554	△ 876	578,677
Segment assets	4,648,963	105,259	342,344	212,356	5,308,923	△ 40,378	5,268,544
Other							
Depreciation and amortization	222,474	3,481	12,477	3,936	242,369	—	242,369
Amounts of investments in equity in affiliates	8,705	—	—	—	8,705	—	8,705
Increase in property, plant and equipment and intangible assets	202,549	7,855	24,338	3,635	238,379	—	238,379

Note 1. Other includes business in hotel, travel, advertising, rolling stock production and construction which are not included in reportable segments.

2. Reconciliations are as follows:

(1) The reconciliations amount of △876 million yen for segment profit (loss) is the elimination of intersegment transactions.

(2) The reconciliations amount of △40,378 million yen for segment assets includes corporate assets of 320,737 million yen and elimination of Intersegment balances of △361,116 million yen. Corporate assets, which are not allocated to reportable segments, principally consist of investment securities and marketable securities.

The elimination of intersegment transactions is related to intersegment receivables.

3. Segment profit (loss) is reconciled to operating income in the consolidated statements of income.

Fiscal 2017 (For the year ended March 31, 2017)

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

	Millions of yen						
	Transportation	Merchandise and Other	Real Estate	Other	Total	Reconciliations	Consolidated
Operating revenues:							
External customers	1,368,604	227,201	41,244	119,929	1,756,980	—	1,756,980
Intersegment transactions or transfers	11,798	9,888	27,400	134,036	183,124	△ 183,124	—
Total	1,380,403	237,089	68,645	253,966	1,940,104	△ 183,124	1,756,980
Segment profit	593,192	7,501	18,144	1,684	620,522	△ 958	619,564
Segment assets	6,295,736	111,093	376,295	369,461	7,152,585	△ 99,910	7,052,675
Other							
Depreciation and amortization	205,970	3,463	12,147	3,804	225,386	—	225,386
Amounts of investments in equity in affiliates	9,048	—	—	—	9,048	—	9,048
Increase in property, plant and equipment and intangible assets	270,710	12,786	39,720	6,706	329,924	—	329,924

Note 1. Other includes business in hotel, travel, advertising, rolling stock production and construction which are not included in reportable segments.

2. Reconciliations are as follows:

(1) The reconciliations amount of △958 million yen for segment profit is the elimination of intersegment transactions.

(2) The reconciliations amount of △99,910 million yen for segment assets includes corporate assets of 426,429 million yen and elimination of Intersegment balances of △526,340 million yen. Corporate assets, which are not allocated to reportable segments, principally consist of investment securities and marketable securities.

The elimination of intersegment transactions is related to intersegment receivables.

3. Segment profit is reconciled to operating income in the consolidated statements of income.