

# Summary of Consolidated Financial Report for the Three Months Ended June 30, 2017 [under Japanese GAAP] (Unaudited)

English translation from the original Japanese-language document

July 28, 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 Presentation of Quarterly Financial Statement Reports	August 9, 2017
Expected Date of Dividend Payment Commencement	-
Supplementary Information	Attached
Briefing of Financial Results of 1st Quarter	None

## 1. Results for the three months ended June 30, 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 2018 1st Quarter	437,224	3.3	182,129	9.6	164,151	7.6	118,187	11.1
Fiscal 2017 1st Quarter	423,197	2.1	166,200	5.4	152,584	7.1	106,414	9.4

Note 1. Comprehensive income : Fiscal 2018 1st Quarter 127,684 million yen (26.2%). Fiscal 2017 1st Quarter 101,177 million yen (△0.0%).

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 three-month period of the previous year.

	Net income per share – basic	Net income per share – diluted
	Yen	Yen
Fiscal 2018 1st Quarter	600.55	—
Fiscal 2017 1st Quarter	540.73	—

### (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 2018 1st Quarter	7,807,338	2,840,543	35.9
Fiscal 2017	7,052,675	2,726,729	38.2

Note Net worth : Fiscal 2018 1st Quarter 2,802,520 million yen. Fiscal 2017 2,692,451 million yen.

## 2. Cash dividends

	Cash dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2017	—	65.00	—	70.00	135.00
Fiscal 2018	—				
Fiscal 2018 (Forecast)		70.00	—	70.00	140.00

Note Changes in the forecast of cash dividends for Fiscal 2018 : none

## 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 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 2018: 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 2018 1st Quarter	206,000,000 shares	Fiscal 2017	206,000,000 shares
Fiscal 2018 1st Quarter	9,200,886 shares	Fiscal 2017	9,200,886 shares
Fiscal 2018 1st Quarter	196,799,114 shares	Fiscal 2017 1st Quarter	196,799,224 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.

(6) 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.

- Note 1. Quarterly 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. This forecast has not been changed from the previous forecast at April 27, 2017.
3. English supplementary information will be announced on our website later.

# QUARTERLY CONSOLIDATED BALANCE SHEET (Unaudited)

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

	Millions of yen	
	As of March 31, 2017	As of June 30, 2017
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and deposits	246,483	509,392
Money held in trust for the Chuo Shinkansen construction	1,472,741	2,121,587
Notes and accounts receivable-trade	54,293	44,837
Railway fares receivables	40,482	35,575
Marketable securities	304,300	143,800
Inventories	36,706	42,203
Deferred tax assets	18,787	18,714
Other	36,564	35,909
Allowance for doubtful accounts	△ 16	△ 12
Total current assets	2,210,342	2,952,007
<b>Noncurrent assets:</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	1,558,665	1,540,232
Machinery, rolling stock and vehicles, net	267,229	260,633
Land	2,355,373	2,355,408
Construction in progress	273,653	296,940
Other, net	33,523	31,598
Total property, plant and equipment	4,488,445	4,484,814
<b>Intangible assets</b>	32,705	32,730
<b>Investments and other assets</b>		
Investment securities	150,469	166,731
Deferred tax assets	144,580	142,435
Other	26,242	29,257
Allowance for doubtful accounts	△ 111	△ 638
Total investments and other assets	321,181	337,787
Total noncurrent assets	4,842,333	4,855,331
<b>Total assets</b>	<b>7,052,675</b>	<b>7,807,338</b>

# QUARTERLY CONSOLIDATED BALANCE SHEET (Unaudited)

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

Millions of yen		
	As of March 31, 2017	As of June 30, 2017
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Notes and accounts payable-trade	74,140	57,103
Short-term loans payable	25,563	25,389
Current portion of long-term loans payable	100,574	94,322
Current portion of long-term accounts payable-railway facilities	4,824	4,824
Income taxes payable	86,788	53,996
Provision for bonuses	28,074	16,118
Other	235,385	212,835
Total current liabilities	555,352	464,592
<b>Noncurrent liabilities:</b>		
Bonds payable	724,250	734,259
Long-term loans payable	516,781	497,208
Long-term debt for the Chuo Shinkansen construction	1,500,000	2,250,000
Long-term accounts payable-railway facilities	549,028	549,028
Provision for large-scale renovation of the Shinkansen infrastructure	210,000	201,250
Liability for retirement benefits	205,423	205,022
Other	65,110	65,433
Total noncurrent liabilities	3,770,594	4,502,203
<b>Total liabilities</b>	<b>4,325,946</b>	<b>4,966,795</b>
<b>EQUITY</b>		
<b>Shareholders' equity:</b>		
Common stock	112,000	112,000
Capital surplus	53,498	53,498
Retained earnings	2,608,511	2,712,908
Treasury stock	△ 103,159	△ 103,159
Total shareholders' equity	2,670,849	2,775,247
<b>Accumulated other comprehensive income:</b>		
Unrealized gain on available-for-sale securities	28,832	33,652
Deferred loss on hedges	△ 1	△ 1
Remeasurements of defined benefit plans	△ 7,229	△ 6,378
Total accumulated other comprehensive income	21,601	27,272
<b>Noncontrolling interests</b>	<b>34,277</b>	<b>38,023</b>
<b>Total equity</b>	<b>2,726,729</b>	<b>2,840,543</b>
<b>Total liabilities and equity</b>	<b>7,052,675</b>	<b>7,807,338</b>

# QUARTERLY CONSOLIDATED STATEMENT OF INCOME (Unaudited)

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

	Millions of yen	
	For the three months ended June 30, 2016	For the three months ended June 30, 2017
<b>Operating revenues</b>	423,197	437,224
<b>Operating expenses:</b>		
Transportation, other services and cost of sales	212,716	208,533
Selling, general and administrative expenses	44,280	46,560
Total operating expenses	256,996	255,094
<b>Operating income</b>	<b>166,200</b>	<b>182,129</b>
<b>Non-operating income:</b>		
Interest income	11	3
Dividend income	912	1,296
Insurance income	14	127
Other	706	442
Total non-operating income	1,644	1,870
<b>Non-operating expenses:</b>		
Interest expense	5,246	8,727
Interest on long-term accounts payable-railway facilities	9,665	8,980
Other	349	2,140
Total non-operating expenses	15,260	19,848
<b>Ordinary income</b>	<b>152,584</b>	<b>164,151</b>
<b>Extraordinary gain:</b>		
Contribution for construction	401	90
Gain on sales of noncurrent assets	46	9,103
Other	96	353
Total extraordinary gain	544	9,547
<b>Extraordinary loss:</b>		
Loss on reduction of noncurrent assets	287	32
Loss on retirement of noncurrent assets	1,301	543
Other	34	115
Total extraordinary loss	1,623	691
<b>Income before income taxes</b>	<b>151,505</b>	<b>173,007</b>
Income taxes	45,396	51,360
Net Income	106,109	121,647
Net income (loss) attributable to noncontrolling interests	△ 305	3,459
<b>Net income attributable to owners of the parent</b>	<b>106,414</b>	<b>118,187</b>

# QUARTERLY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

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

	Millions of yen	
	For the three months ended June 30, 2016	For the three months ended June 30, 2017
<b>Net income</b>	106,109	121,647
<b>Other comprehensive income:</b>		
Unrealized gain (loss) on available-for-sale securities	△ 5,676	5,161
Deferred gain on hedges	1	0
Remeasurements of defined benefit plans	772	812
Share of other comprehensive income (loss) in affiliates	△ 28	62
<b>Total other comprehensive income (loss)</b>	<u>△ 4,931</u>	<u>6,037</u>
<b>Comprehensive income</b>	<u><b>101,177</b></u>	<u><b>127,684</b></u>
(breakdown)		
<b>Total comprehensive income attributable to</b>		
Owners of the parent	101,844	123,858
Noncontrolling interests	<u>△ 666</u>	<u>3,825</u>

## SEGMENT INFORMATION (Unaudited)

### I Fiscal 2017 1st quarter (For the three months ended June 30, 2016)

#### Information about operating revenues and profit (loss)

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

	Millions of yen						
	Transportation	Merchandise and Other	Real Estate	Other	Total	Reconciliations	Consolidated
<b>Operating revenues:</b>							
External customers	328,819	55,247	9,509	29,619	423,197	-	423,197
Intersegment transactions or transfers	2,893	2,274	6,607	22,538	34,313	△34,313	-
Total	331,713	57,521	16,117	52,158	457,511	△34,313	423,197
Segment profit (loss)	159,535	1,554	4,892	△30	165,951	248	166,200

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 248 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 statements of income.

### II Fiscal 2018 1st quarter (For the three months ended June 30, 2017)

#### Information about operating revenues and profit

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

	Millions of yen						
	Transportation	Merchandise and Other	Real Estate	Other	Total	Reconciliations	Consolidated
<b>Operating revenues:</b>							
External customers	343,415	58,297	10,684	24,826	437,224	-	437,224
Intersegment transactions or transfers	2,946	3,702	7,583	22,634	36,865	△36,865	-
Total	346,362	61,999	18,267	47,460	474,089	△36,865	437,224
Segment profit	176,430	1,638	3,910	66	182,046	82	182,129

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 82 million yen for segment profit is the elimination of intersegment transactions.

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