

[TRANSLATION]

[Supplemental Material 1]

Summary of the Consolidated Financial Results for the Nine Months Ended December 31, 2017

January 30, 2018
Central Japan Railway Company

- Non-consolidated transportation revenues of the Central Japan Railway Company (the “Company”) **increased because the use of the Company’s services for business as well as tourism maintained their high levels. The Company’s overall operating revenues on a consolidated basis also increased due to an increase in revenues from the opening of the JR GATE TOWER.**
- **Although** operating expenses **rose due mainly to an increase in expenses associated with the opening of the JR GATE TOWER,** the Company posted **higher revenues and profits** (operating income, ordinary income and net income attributable to owners of the parent) for the period.
- Forecasted results of operations for the fiscal year ending March 31, 2018 **will remain unchanged from the previous forecasts.** 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, 2017

(1) Operating revenues (1,374.3 billion yen; a 55.5 billion yen or a 4.2% increase)

- The Company's **transportation revenues increased by 35.6 billion yen (3.6%) to 1,034.4 billion yen** in the nine months ended December 31, 2017, as compared with the nine months ended December 31, 2016.
 - As for the Tokaido Shinkansen, the Company sought to enhance transportation services by, among other things, adding extra trains flexibly to respond to demand by leveraging the "10 Nozomi Timetable". In addition, we promoted the expansion of usage of smartEX — a new online reservation/ticketless boarding service on the Tokaido and Sanyo Shinkansen — which launched in September 2017.
 - As for the conventional lines, for limited express trains such as "Shinano" and "Hida," the Company continued to make efforts to increase passengers by increasing the frequency or the number of cars of trains flexibly to respond to demand.
 - As a result, transportation revenues from the Tokaido Shinkansen increased by 34.7 billion yen (3.8%) to 954.7 billion yen in the nine months ended December 31, 2017, as compared with the nine months ended December 31, 2016. Transportation revenues from the conventional lines increased by 0.8 billion yen (1.1%) to 79.6 billion yen in the nine months ended December 31, 2017, as compared with the nine months ended December 31, 2016.
- As for the non-railway business, the Company worked towards the enhancement of existing businesses. The Company has conducted an integral management of the JR GATE TOWER, which was fully opened in April 2017, along with the JR CENTRAL TOWERS and carried out active sales and advertising promotion. Sales increased from the opening of JR GATE TOWER and the overall operating revenues on a consolidated basis also increased.

(2) Operating expenses (812.5 billion yen; an 8.4 billion yen or a 1.1% increase)

- Despite the decrease in depreciation and amortization associated with the Yamanashi Maglev Line, expenses on a consolidated basis increased, mainly due to increases in expenses relating to the Company's technological development, etc. and in expenses in connection with the opening of the JR GATE TOWER.

(3) Operating income (561.8 billion yen; a 47.0 billion yen or a 9.1% increase)

(4) Non-operating income/loss (-57.9 billion yen; a 16.2 billion yen decrease)

- Non-operating expenses of the Company increased due to an increase in interest expense from the long-term debt for the Chuo Shinkansen construction

(5) Ordinary income (503.9 billion yen; a 30.8 billion yen or a 6.5% increase)

(6) Net income attributable to owners of the parent (339.7 billion yen; an 8.6 billion yen or a 2.6% increase)

2. Summary of Long-term Debt and Payables

- The balance of long-term debt and payables in the nine months ended December 31, 2017 increased to 4,893.7 billion yen, mainly due to borrowings of 1,500.0 billion yen in long-term debt for the Chuo Shinkansen construction up until July 2017.

3. Forecasted Results of Operations for the Fiscal Year Ending March 31, 2018

- Forecasted results of operations for the fiscal year ending March 31, 2018 will remain unchanged from the previous forecasts.

(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, 2016	For the Nine Months Ended December 31, 2017	Increase (Decrease)	%
Operating revenues	1,318.8	1,374.3	55.5	104.2
Transportation	1,036.9	1,073.5	36.6	103.5
Merchandise and other	166.0	178.4	12.3	107.5
Real estate	29.3	34.7	5.3	118.4
Other	86.4	87.5	1.1	101.3
Operating expenses	804.0	812.5	8.4	101.1
Operating income	514.8	561.8	47.0	109.1
Non-operating income (loss)	(41.7)	(57.9)	(16.2)	138.8
Non-operating income	3.9	5.1	1.1	129.3
Non-operating expenses	45.7	63.1	17.3	138.0
Ordinary income	473.0	503.9	30.8	106.5
Extraordinary gain (loss)	(2.9)	(22.6)	(19.6)	756.2
Income before income taxes	470.0	481.2	11.2	102.4
Income taxes	140.7	147.3	6.6	104.7
Net income	329.3	333.9	4.5	101.4
Net loss attributable to noncontrolling interests	(1.7)	(5.8)	(4.0)	327.3
Net income attributable to owners of the parent	331.1	339.7	8.6	102.6
Comprehensive income	341.0	354.1	13.1	103.9

(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, 2016	For the Nine Months Ended December 31, 2017	Increase (Decrease)	%
Operating revenues	1,046.1	1,085.1	38.9	103.7
Transportation revenues	998.7	1,034.4	35.6	103.6
Other services	47.4	50.6	3.2	106.9
Operating expenses	546.4	550.3	3.8	100.7
Personnel expenses	134.6	135.1	0.4	100.3
Non-personnel expenses	226.7	238.5	11.8	105.2
Taxes other than income taxes	29.7	30.6	0.8	102.9
Depreciation and amortization	155.2	146.0	(9.2)	94.0
Operating income	499.6	534.7	35.0	107.0
Non-operating income (loss)	(41.2)	(57.3)	(16.1)	139.1
Non-operating income	4.1	4.7	0.5	114.4
Non-operating expenses	45.4	62.1	16.7	136.8
Ordinary income	458.4	477.3	18.9	104.1
Extraordinary gain (loss)	(0.0)	0.1	0.2	—
Income before income taxes	458.3	477.5	19.1	104.2
Income taxes	134.3	143.7	9.3	107.0
Net income	324.0	333.8	9.7	103.0

Comparison of Passenger-kilometers and Transportation Revenues
for the Nine Months Ended December 31, 2017

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

			For the Nine Months Ended December 31, 2016	For the Nine Months Ended December 31, 2017	Increase (Decrease)	%	(Reference) From October to December 2017	
								Vs. From October to December 2016 (%)
Passenger-kilometers	Shinkansen	Commuter	1,107	1,128	22	102.0	377	102.0
		Others	38,993	40,526	1,533	103.9	13,987	104.3
		Subtotal	40,099	41,654	1,555	103.9	14,365	104.2
	Conventional lines	Commuter	4,305	4,342	37	100.9	1,450	100.8
		Others	2,827	2,865	37	101.3	946	100.5
		Subtotal	7,132	7,207	74	101.0	2,396	100.7
	Subtotal	Commuter	5,412	5,470	59	101.1	1,827	101.1
		Others	41,820	43,390	1,570	103.8	14,933	104.0
		Subtotal	47,232	48,861	1,629	103.4	16,761	103.7
Transportation revenues	Shinkansen	Commuter	13.1	13.4	0.2	101.8	4.4	102.0
		Others	906.7	941.3	34.5	103.8	325.3	103.8
		Subtotal	919.9	954.7	34.7	103.8	329.8	103.8
	Conventional lines	Commuter	26.5	26.7	0.2	101.0	8.8	100.9
		Others	52.3	52.9	0.6	101.2	17.3	99.9
		Subtotal	78.8	79.6	0.8	101.1	26.2	100.2
	Subtotal	Commuter	39.6	40.1	0.4	101.2	13.3	101.3
		Others	959.0	994.2	35.1	103.7	342.7	103.6
		Subtotal	998.7	1,034.4	35.6	103.6	356.1	103.5
	Total (including parcel fare)		998.7	1,034.4	35.6	103.6	356.1	103.5

- (Notes)
1. The above table contains non-consolidated passenger-kilometers and transportation revenues of the Company.
 2. 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, 2017	As of December 31, 2017	Increase (Decrease)
Current assets	2,210.3	3,798.4	1,588.1
Money held in trust for the Chuo Shinkansen construction	1,472.7	2,840.9	1,368.1
Noncurrent assets	4,842.3	5,006.0	163.7
Property, plant and equipment / intangible assets	4,521.1	4,524.4	3.2
Investments and other assets	321.1	481.6	160.4
Total assets	7,052.6	8,804.5	1,751.8
Current liabilities	555.3	503.1	(52.1)
Noncurrent liabilities	3,770.5	5,267.5	1,496.9
Long-term debt for the Chuo Shinkansen construction	1,500.0	3,000.0	1,500.0
Total liabilities	4,325.9	5,770.6	1,444.7
Total equity	2,726.7	3,033.8	307.1
Total liabilities and equity	7,052.6	8,804.5	1,751.8

Breakdown of long-term debts	3,395.4	4,893.7	1,498.2
Long-term debt for the Chuo Shinkansen construction	1,500.0	3,000.0	1,500.0
Bonds payable	724.2	744.2	20.0
Long-term loans payable	617.3	598.0	(19.3)
Long-term accounts payable-railway facilities	553.8	551.4	(2.3)

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

(Unit: Billions of yen)

Classifications	As of March 31, 2017 (Actual Results)	As of December 31, 2017 (Actual Results)	As of March 31, 2018 (Estimate)	Estimated Annual Amount of Increase (Decrease)
Balance of long-term debt and payables (consolidated)	3,395.4	4,893.7	4,859.4	1,464.0

Balance of long-term debt and payables (non-consolidated)	3,369.0	4,893.4	4,859.0	1,490.0
Long-term debt for the Chuo Shinkansen construction	1,500.0	3,000.0	3,000.0	1,500.0
Other long-term debt	1,869.0	1,893.4	1,859.0	(10.0)

Reference: Comparative Quarterly Operating Income/Loss by Segment

(Unit: Billions of yen, %)

Classifications	Segments	For the Nine Months Ended December 31, 2016	For the Nine Months Ended December 31, 2017	Increase (Decrease)	%
Operating revenues	Transportation	1,045.7	1,082.4	36.6	103.5
	Merchandise and other	173.4	187.9	14.4	108.4
	Real estate	49.5	58.2	8.7	117.6
	Other	164.0	169.5	5.4	103.3
	Reconciliations	(114.0)	(123.8)	(9.8)	108.6
	Total	1,318.8	1,374.3	55.5	104.2
Segment profit (Operating income)	Transportation	497.1	532.3	35.1	107.1
	Merchandise and other	5.0	5.8	0.7	114.7
	Real estate	14.4	15.0	0.6	104.2
	Other	(1.4)	9.9	11.3	—
	Reconciliations	(0.3)	(1.2)	(0.8)	335.3
	Total	514.8	561.8	47.0	109.1

- (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 with the title “Reconciliations” show amounts that are off-set among reportable segments.