

Summary of the Consolidated Financial Results for the Year Ended March 31, 2018

April 26, 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 revenue on a consolidated basis also increased due to an increase in revenue from the opening of the JR GATE TOWER.**
- **Although** operating expenses **rose due mainly to increases in expenses relating to the Company’s technological development and the opening of the JR GATE TOWER, the Company posted higher revenue and profits** (operating income, ordinary income and net income attributable to owners of the parent) **for the period.**
- Next fiscal year, the Company will seek, as the entire group, to enhance its management vitality. It will do this by working to expand the earning capability and pursuing efficiency and cost reductions in the operation of its business at all levels including capital investments, while giving top priority to ensuring safe and reliable transportation.
- The Company will pay a year-end dividend of 70 yen per share for the fiscal year under review. The interim and year-end dividends for the next fiscal year are also forecasted to be **70 yen per share.**

1. Summary of Consolidated Results for the Year Ended March 31, 2018

(1) Operating revenues: 1,822.0 billion yen (a 65.0 billion yen or a 3.7% increase)

- The Company’s **transportation revenues increased by 42.4 billion yen (3.2%) to 1,358.3 billion yen in the year ended March 31, 2018 as compared with the year ended March 31, 2017.**
 - As for the Tokaido Shinkansen, the Company continued to seek enhanced transportation services by, among other things, adding extra trains flexibly to respond to demand by leveraging the “10 Nozomi Timetable”. In addition, we strove to expand the 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 41.3 billion yen (3.4%) to 1,253.2 billion yen in the year ended March 31, 2018 as compared with the year ended March 31, 2017. Transportation revenues from the conventional lines increased by 1.1 billion yen (1.1%) to 105.1 billion yen in the year ended March 31, 2018 as compared with the year ended March 31, 2017.

- As for the non-railway business, the Company worked to enhance existing businesses. The Company has conducted integrated management of both the JR GATE TOWER, which fully opened in April 2017, and the JR CENTRAL TOWERS and carried out active sales and advertising promotion. Sales increased from the opening of the JR GATE TOWER and the overall operating revenues on a consolidated basis also increased.

(2) Operating expenses (1,160.0 billion yen; a 22.5 billion yen or a 2.0% 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 the opening of the JR GATE TOWER.

(3) Operating income (662.0 billion yen; a 42.4 billion yen or a 6.9% increase)

(4) Non-operating income/loss (-78.4 billion yen; a 22.8 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 (583.5 billion yen; a 19.5 billion yen or a 3.5% increase)

(6) Net income attributable to owners of the parent (395.5 billion yen; a 2.5 billion yen or a 0.7% increase)

2. Conditions of Cash Flow

(1) Net cash provided by operating activities: 609.5 billion yen (a 29.0 billion yen increase)

- Net cash provided by operating activities increased due to a decrease in income tax paid and also because non-consolidated transportation revenues of the Company increased as the use of the Company's services for business as well as tourism maintained their high levels.

(2) Net cash used in investing activities: 1,676.4 billion yen (a 233.0 billion yen decrease)

- Net cash used for investing activities decreased due to an increase in proceeds from the reversal of money held in trust for the Chuo Shinkansen construction and a drop in expenditures (net) associated with fund management.

(3) Net cash provided by financing activities: 1,434.7 billion yen (a 9.5 billion yen increase)

- Net cash provided by financing activities increased mainly due to a decrease in the amount of long-term debt and payables despite a drop in the amount of bonds issued.

(4) Cash and cash equivalents as of March 31, 2018: 782.4 billion yen (a 367.8 billion yen increase)

(Reference) Substantial free cash flow: 302.5 billion yen (a 52.1 billion yen increase)

- There was an increase in substantial free cash flow (after deducting expenditure for purchasing property, plant and equipment and intangible assets, etc. (306.9 billion yen) within net cash used in investing activities from net cash provided by operating activities (609.5 billion yen)).

3. Summary of Long-term Debt and Payables

- The balance of long-term debt and payables as of March 31, 2018 amounted to 4,856.2 billion yen both on a consolidated and non-consolidated basis mainly due to borrowing of 1,500.0 billion yen in long-term debt for the Chuo Shinkansen construction. The balance of long-term debt and payables other than long-term debt for the Chuo Shinkansen construction decreased by 12.8 billion yen to 1,856.2 billion yen on a non-consolidated basis.

4. Forecasted Results of Operations for the Year Ending March 31, 2019

(1) Operating revenues: 1,844.0 billion yen (a 21.9 billion yen or a 1.2% increase)

- The Company's expected transportation revenues on a non-consolidated basis: 1,369.0 billion yen (a 10.6 billion yen or a 0.8% increase)

(2) Operating income: 663.0 billion yen (a 0.9 billion yen or a 0.1% increase)

(3) Ordinary income: 584.0 billion yen (a 0.4 billion yen or a 0.1% increase)

(4) Net income attributable to owners of the parent: 404.0 billion yen (an 8.4 billion yen or a 2.1% increase)

5. Dividends (the Company)

- Year-end dividends for the fiscal year under review shall be 70 yen per share as announced in the January 2018 dividend forecast.
- The amounts of both the interim and year-end dividends for the next fiscal year are forecasted to be 70 yen per share.

(Note) Any fraction less than a tenth of the unit indicated is rounded down. (The same for Supplemental Material 2 and later.)

Comparative Statements of Income (Consolidated)

(Unit: Billions of yen, %)

Classifications	For the Year Ended March 31, 2017	For the Year Ended March 31, 2018	Increase (Decrease)	%
	<i>[1.272]</i>	<i>[1.276]</i>		
Operating revenues	1,756.9	1,822.0	65.0	103.7
Transportation	1,368.6	1,412.1	43.5	103.2
Merchandise and other	227.2	243.2	16.0	107.1
Real estate	41.2	46.1	4.8	111.8
Other	119.9	120.5	0.5	100.5
Operating expenses	1,137.4	1,160.0	22.5	102.0
	<i>[1.040]</i>	<i>[1.059]</i>		
Operating income	619.5	662.0	42.4	106.9
Non-operating income (loss)	(55.5)	(78.4)	(22.8)	141.1
Non-operating income	7.4	8.7	1.3	118.7
Non-operating expenses	62.9	87.2	24.2	138.5
	<i>[1.042]</i>	<i>[1.066]</i>		
Ordinary income	563.9	583.5	19.5	103.5
Extraordinary gain (loss)	(3.9)	(21.7)	(17.7)	550.8
Income before income taxes	560.0	561.8	1.8	100.3
Income taxes	168.7	171.9	3.1	101.9
Net income	391.2	389.8	(1.3)	99.7
Net income (loss) attributable to noncontrolling interests	(1.6)	(5.6)	(3.9)	339.2
	<i>[1.029]</i>	<i>[1.029]</i>		
Net income attributable to owners of the parent	392.9	395.5	2.5	100.7
Comprehensive income	399.8	404.1	4.3	101.1

(Notes) 1. The figure shown in square brackets (i.e., “[]”) is the ratio of consolidated to non-consolidated results.

2. The breakdown of operating revenues is based on the amount of sales to external customers, according to reportable segments.

Comparative Statements of Income (Non-consolidated)

(Unit: Billions of yen, %)

Classifications	For the Year Ended March 31, 2017	For the Year Ended March 31, 2018	Increase (Decrease)	%
Operating revenues	1,380.7	1,427.4	46.6	103.4
Transportation revenues	1,315.8	1,358.3	42.4	103.2
Other services	64.8	69.0	4.2	106.5
Operating expenses	784.9	802.1	17.2	102.2
Personnel expenses	179.2	179.6	0.3	100.2
Non-personnel expenses	354.9	382.0	27.0	107.6
Taxes other than income taxes	39.6	41.8	2.1	105.3
Depreciation and amortization	210.9	198.6	(12.3)	94.2
Operating income	595.8	625.2	29.4	104.9
Non-operating income (loss)	(54.5)	(77.6)	(23.1)	142.4
Non-operating income	7.5	8.3	0.7	109.9
Non-operating expenses	62.0	85.9	23.8	138.4
Ordinary income	541.2	547.6	6.3	101.2
Extraordinary gain (loss)	(0.1)	1.9	2.0	-
Income before income taxes	541.1	549.5	8.4	101.6
Income taxes	159.2	165.1	5.9	103.7
Net income	381.8	384.4	2.5	100.7

Comparison of Passenger-kilometers and Transportation Revenues

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

			For the Year Ended March 31, 2017	For the Year Ended March 31, 2018	Increase (Decrease)	%	(Reference)	
							From January to March 2018	%
Passenger-kilometers	Shinkansen	Commuter	1,450	1,479	29	102.0	351	102.1
		Others	51,459	53,277	1,817	103.5	12,751	102.3
		Subtotal	52,909	54,756	1,846	103.5	13,102	102.3
	Conventional lines	Commuter	5,614	5,656	42	100.7	1,314	100.4
		Others	3,745	3,800	54	101.5	935	101.9
		Subtotal	9,359	9,456	96	101.0	2,249	101.0
	Subtotal	Commuter	7,064	7,135	71	101.0	1,665	100.7
		Others	55,205	57,076	1,872	103.4	13,686	102.3
		Subtotal	62,269	64,212	1,943	103.1	15,351	102.1
Transportation revenues	Shinkansen	Commuter	17.3	17.6	0.3	101.9	4.2	102.2
		Others	1,194.5	1,235.5	40.9	103.4	294.2	102.2
		Subtotal	1,211.9	1,253.2	41.3	103.4	298.5	102.2
	Conventional lines	Commuter	34.8	35.1	0.2	100.8	8.3	100.4
		Others	69.1	69.9	0.8	101.2	17.0	101.4
		Subtotal	103.9	105.1	1.1	101.1	25.4	101.1
	Subtotal	Commuter	52.2	52.8	0.6	101.2	12.6	101.0
		Others	1,263.6	1,305.5	41.8	103.3	311.2	102.2
		Subtotal	1,315.8	1,358.3	42.4	103.2	323.9	102.2
Total (including parcel fare)			1,315.8	1,358.3	42.4	103.2	323.9	102.2

(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 Balance Sheets (Consolidated)

(Unit: Billions of yen)

Classifications	As of March 31, 2017	As of March 31, 2018	Increase (Decrease)
Current assets	2,191.5	3,804.7	1,613.2
Money held in trust for the Chuo Shinkansen construction	1,472.7	2,840.9	1,368.1
Noncurrent assets	4,861.1	5,103.9	242.7
Property plant and equipment	4,488.4	4,544.7	56.2
Intangible assets	32.7	55.6	22.9
Investments and other assets	339.9	503.5	163.5
Total assets	7,052.6	8,908.6	1,856.0
Current liabilities	555.3	602.8	47.4
Noncurrent liabilities	3,770.5	5,221.1	1,450.5
Of which long-term debt for the Chuo Shinkansen construction	1,500.0	3,000.0	1,500.0
Total liabilities	4,325.9	5,823.9	1,497.9
Total equity	2,726.7	3,084.7	358.0
Total liabilities and equity	7,052.6	8,908.6	1,856.0
Breakdown of long-term debts	3,395.4	4,856.2	1,460.7
Long-term debt for the Chuo Shinkansen construction	1,500.0	3,000.0	1,500.0
Bonds payable	724.2	734.2	10.0
Long-term loans payable	617.3	572.8	(44.4)
Long-term accounts payable-railway facilities	553.8	549.0	(4.8)

Comparative Statements of Cash Flows (Consolidated)

(Unit: Billions of yen)

Classifications	For the Year Ended March 31, 2017	For the Year Ended March 31, 2018	Increase (Decrease)
Net cash provided by (used in) operating activities (A)	580.5	609.5	29.0
Net cash provided by (used in) investing activities	(1,909.5)	(1,676.4)	233.0
Expenditures from the purchase of property plant and equipment and intangible assets etc. (B)	(330.1)	(306.9)	23.1
Proceeds from the trust for the Chuo Shinkansen construction (net)	(1,472.7)	(1,368.1)	104.5
Revenue/expenditure from fund management (net)	(106.7)	(1.3)	105.4
Net cash provided by (used in) financing activities	1,425.1	1,434.7	9.5
Proceeds from the long-term debt for the Chuo Shinkansen construction	1,500.0	1,500.0	-
Net increase (decrease) in cash and cash equivalents	96.2	367.8	271.6
Cash and cash equivalents, beginning of the year	318.3	414.5	96.2
Cash and cash equivalents, end of the year	414.5	782.4	367.8
Substantial free cash flow ((A) + (B))	250.4	302.5	52.1

Forecasted Results of Operations for the Next Fiscal Year (Consolidated)

(Unit: Billions of yen, %)

Classifications	For the Year Ended March 31, 2018 (Actual Results)	For the Year Ending March 31, 2019 (Forecast)	Increase (Decrease)	%
Operating revenues	1,822.0	1,844.0	21.9	101.2
Operating expenses	1,160.0	1,181.0	20.9	101.8
Operating income	662.0	663.0	0.9	100.1
Ordinary income	583.5	584.0	0.4	100.1
Net income attributable to owners of the parent	395.5	404.0	8.4	102.1

Forecasted Results of Operations for the Next Fiscal Year (Non-consolidated)

(Unit: Billions of yen, %)

Classifications	For the Year Ended March 31, 2018 (Actual Results)	For the Year Ending March 31, 2019 (Forecast)	Increase (Decrease)	%
Operating revenues	1,427.4	1,438.0	10.5	100.7
[Transportation revenues]	1,358.3	1,369.0	10.6	100.8
Operating expenses	802.1	807.0	4.8	100.6
Operating income	625.2	631.0	5.7	100.9
Non-operating income (loss)	(77.6)	(79.0)	(1.3)	101.7
Ordinary income	547.6	552.0	4.3	100.8
Extraordinary gain (loss)	1.9	-	(1.9)	-
Income before income taxes	549.5	552.0	2.4	100.4
Income taxes	165.1	166.0	0.8	100.5
Net income	384.4	386.0	1.5	100.4

Scheduled Amount of Capital Investment (Consolidated/Non-consolidated)

(Unit: Billions of yen, %)

	For the Year Ended March 31, 2018 (Actual Results)	For the Year Ending March 31, 2019 (Planned)	Increase (Decrease)	%
Capital investment (consolidated)	379.6	524.0	144.4	138.0
Capital investment (non-consolidated)	384.5	495.0	110.5	128.7

Reference: Actual Results by Reportable Segments

(Unit: Billions of yen, %)

Classifications		For the Year Ended March 31, 2017	For the Year Ended March 31, 2018	Increase (Decrease)	%
Operating revenues	Transportation	1,380.4	1,424.0	43.6	103.2
	Merchandise and other	237.0	255.3	18.3	107.7
	Real estate	68.6	78.0	9.3	113.7
	Other	253.9	261.6	7.6	103.0
	Reconciliations	(183.1)	(197.0)	(13.9)	107.6
	Total	1,756.9	1,822.0	65.0	103.7
Segment profit (Operating income)	Transportation	593.1	623.0	29.8	105.0
	Merchandise and other	7.5	8.2	0.7	109.6
	Real estate	18.1	18.5	0.3	102.1
	Other	1.6	13.2	11.5	784.3
	Reconciliations	(0.9)	(1.0)	(0)	106.6
	Total	619.5	662.0	42.4	106.9

(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.

Reference: Forecasted Results by Reportable Segments

(Unit: Billions of yen, %)

Classifications		For the Year Ended March 31, 2018 (Actual Results)	For the Year Ending March 31, 2019 (Forecast)	Increase (Decrease)	%
Operating revenues	Transportation	1,424.0	1,435.0	10.9	100.8
	Merchandise and other	255.3	258.0	2.6	101.0
	Real estate	78.0	81.0	2.9	103.8
	Other	261.6	259.0	(2.6)	99.0
	Reconciliations	(197.0)	(189.0)	8.0	95.9
	Total	1,822.0	1,844.0	21.9	101.2
Segment profit (Operating income)	Transportation	623.0	629.0	5.9	101.0
	Merchandise and other	8.2	8.0	(0.2)	97.3
	Real estate	18.5	18.0	(0.5)	97.1
	Other	13.2	8.0	(5.2)	60.6
	Reconciliations	(1.0)	-	1.0	-
	Total	662.0	663.0	0.9	100.1

(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 entitled "Reconciliations" show amounts that are off-set among reportable segments.

Reference Figures for the End of the Fiscal Year (Consolidated)

	Unit	For the Year Ended March 31, 2017	For the Year Ended March 31, 2018	Increase (Decrease)
Finance income and expenditures	Billions of yen	(58.2)	(75.4)	(17.1)
Interest expenses	Billions of yen	60.2	78.7	18.4
Earnings per share (EPS)	Yen	1,996	2,015	18
Return on net worth	%	15.7	13.8	(1.9)
Net worth ratio	%	38.2	34.3	(3.9)
Capital investment	Billions of yen	374.9	379.6	4.6
Long-term debt and payables (year-end)	Billions of yen	3,395.4	4,856.2	1,460.7
Average interest (year-end)	%	1.99	1.66	(0.33)
Number of employees (year-end)	Persons	28,593	28,867	274

Reference Figures for the End of the Fiscal Year (Non-consolidated)

	Unit	For the Year Ended March 31, 2017	For the Year Ended March 31, 2018	Increase (Decrease)
Finance income and expenditures	Billions of yen	(57.9)	(75.6)	(17.6)
Interest expenses	Billions of yen	60.1	79.1	18.9
Earnings per share (EPS)	Yen	1,938	1,956	18
Return on net worth	%	15.9	13.9	(2.0)
Net worth ratio	%	37.9	33.6	(4.3)
Capital investment	Billions of yen	330.8	384.5	53.6
Long-term debt and payables (year-end)	Billions of yen	3,369.0	4,856.2	1,487.1
Average interest (year-end)	%	2.00	1.66	(0.34)
Number of employees (year-end)	Persons	18,054	18,116	62
Number of retired employees	Persons	827	919	92

- (Notes) 1. Average number of shares for the term (consolidated):
196,799,182 shares for the year ended March 31, 2017
196,233,039 shares for the year ended March 31, 2018
Average number of shares for the term (non-consolidated):
197,000,802 shares for the year ended March 31, 2017
196,434,659 shares for the year ended March 31, 2018
2. "Number of employees" shows the number of persons at work.