

[TRANSLATION]

[Supplemental Material 1]

Summary of the Consolidated Financial Results for the Three Months Ended June 30, 2018

July 27, 2018
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 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 of the group companies.**
- 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, 2019 from the previous numbers released on April 26, 2018.** 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 Three Months Ended June 30, 2018

(1) Operating revenues (448.2 billion yen; an 11.0 billion yen or a 2.5% increase)

- The Company's **transportation revenues increased by 7.9 billion yen (2.4%) to 338.8 billion yen in the three months ended June 30, 2018, as compared with the three months ended June 30, 2017.**
 - 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". In addition to the promotion of "Express Reservation" and "Smart EX", the company also put effort into spurring demand by offering tourist products such as "EX Hayatoku-Family NOZOMI".
 - As for the conventional lines, for limited express trains such as "Shinano" and "Hida," the Company made efforts to increase passengers by adding extra trains flexibly to respond to any increases in demand.
 - As a result, transportation revenues from the Tokaido Shinkansen increased by 7.8 billion yen (2.6%) to 312.4 billion yen in the three months ended June 30, 2018, as compared with the three months ended June 30, 2017. Transportation revenues from the conventional lines increased by 40 million yen (0.2%) to 26.3 billion yen in the three months ended June 30, 2018, as compared with the three months ended June 30, 2017.
- As for the non-railway business, the Company has conducted an integral management of the JR GATE TOWER along with the JR CENTRAL TOWERS and carried out active sales and advertising promotion. The overall operating revenues on a consolidated basis increased, mainly due to an increase in operating revenues of JR GATE TOWER.

(2) Operating expenses (252.9 billion yen; a 2.1 billion yen or a 0.8% decrease)

- The expenses on a consolidated basis decreased, mainly due to a decrease in depreciation and amortization.

(3) Operating income (195.2 billion yen; a 13.1 billion yen or a 7.2% increase)

(4) Non-operating income/loss (-18.9 billion yen; a 0.9 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 (176.2 billion yen; a 12.1 billion yen or a 7.4% increase)

(6) Net income attributable to owners of the parent (122.6 billion yen; a 4.4 billion yen or a 3.8% increase)

2. Forecasted Results of Operations for the fiscal year ending March 31, 2019

- The Company does not revise the forecasted results for the fiscal year ending March 31, 2019 from the previous numbers released on April 26, 2018.

(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 Three Months Ended June 30, 2017	For the Three Months Ended June 30, 2018	Increase (Decrease)	%
Operating revenues	437.2	448.2	11.0	102.5
Transportation	343.4	351.3	7.9	102.3
Merchandise and other	58.2	60.3	2.0	103.4
Real estate	10.6	11.2	0.5	105.0
Other	24.8	25.3	0.4	101.9
Operating expenses	255.0	252.9	(2.1)	99.2
Operating income	182.1	195.2	13.1	107.2
Non-operating income (loss)	(17.9)	(18.9)	(0.9)	105.5
Non-operating income	1.8	2.6	0.7	140.4
Non-operating expenses	19.8	21.5	1.7	108.8
Ordinary income	164.1	176.2	12.1	107.4
Extraordinary gain (loss)	8.8	(0.3)	(9.2)	-
Income before income taxes	173.0	175.9	2.9	101.7
Income taxes	51.3	52.1	0.7	101.5
Net income	121.6	123.8	2.1	101.8
Net income attributable to noncontrolling interests	3.4	1.1	(2.2)	33.9
Net income attributable to owners of the parent	118.1	122.6	4.4	103.8
Comprehensive income	127.6	122.7	(4.9)	96.1

(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 Three Months Ended June 30, 2017	For the Three Months Ended June 30, 2018	Increase (Decrease)	%
Operating revenues	347.1	355.3	8.2	102.4
Transportation revenues	330.9	338.8	7.9	102.4
Other services	16.2	16.5	0.2	101.8
Operating expenses	170.1	168.3	(1.7)	98.9
Personnel expenses	45.8	46.3	0.4	101.1
Non-personnel expenses	66.8	65.6	(1.2)	98.2
Taxes other than income taxes	10.1	10.5	0.3	103.5
Depreciation and amortization	47.3	45.8	(1.4)	97.0
Operating income	176.9	186.9	9.9	105.6
Non-operating income (loss)	(16.8)	(19.1)	(2.3)	113.8
Non-operating income	1.8	2.3	0.4	123.5
Non-operating expenses	18.7	21.5	2.7	114.8
Ordinary income	160.0	167.7	7.6	104.8
Extraordinary gain (loss)	0.0	(0.0)	(0.0)	-
Income before income taxes	160.1	167.7	7.5	104.7
Income taxes	47.9	49.9	1.9	104.0
Net income	112.2	117.8	5.6	105.0

Comparison of Passenger-kilometers and Transportation Revenues
for the Three Months Ended June 30, 2018

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

			For the Three Months Ended June 30, 2017	For the Three Months Ended June 30, 2018	Increase (Decrease)	%
Passenger-kilometers	Shinkansen	Commuter	378	387	9	102.3
		Others	12,956	13,190	234	101.8
		Subtotal	13,334	13,577	243	101.8
	Conventional lines	Commuter	1,446	1,450	4	100.3
		Others	936	932	(4)	99.5
		Subtotal	2,382	2,382	(0)	100.0
	Subtotal	Commuter	1,824	1,837	13	100.7
		Others	13,892	14,122	230	101.7
		Subtotal	15,716	15,959	243	101.5
Transportation revenues	Shinkansen	Commuter	4.5	4.6	0.1	102.5
		Others	300.0	307.8	7.7	102.6
		Subtotal	304.6	312.4	7.8	102.6
	Conventional lines	Commuter	8.9	9.0	0.0	100.3
		Others	17.2	17.3	0.0	100.1
		Subtotal	26.2	26.3	0.0	100.2
	Subtotal	Commuter	13.5	13.6	0.1	101.0
		Others	317.3	325.1	7.7	102.4
		Subtotal	330.9	338.8	7.9	102.4
Total (including parcel fare)		330.9	338.8	7.9	102.4	

- (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, 2018	As of June 30, 2018	Increase (Decrease)
Current assets	3,804.7	3,659.0	(145.6)
Money held in trust for the Chuo Shinkansen construction	2,840.9	2,737.0	(103.9)
Noncurrent assets	5,103.9	5,210.3	106.4
Property, plant and equipment • Intangible assets	4,600.3	4,611.8	11.5
Investments and other assets	503.5	598.4	94.9
Total assets	8,908.6	8,869.4	(39.2)
Current liabilities	602.8	465.6	(137.1)
Noncurrent liabilities	5,221.1	5,209.4	(11.6)
Long-term debt for the Chuo Shinkansen construction	3,000.0	3,000.0	-
Total liabilities	5,823.9	5,675.1	(148.8)
Total equity	3,084.7	3,194.3	109.6
Total liabilities and equity	8,908.6	8,869.4	(39.2)

Breakdown of long-term debts	4,856.2	4,855.8	(0.3)
Long-term debt for the Chuo Shinkansen construction	3,000.0	3,000.0	-
Bonds payable	734.2	734.3	0.0
Long-term loans payable	572.8	572.4	(0.4)
Long-term accounts payable-railway facilities	549.0	549.0	-

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

(Unit: Billions of yen, %)

Classifications	Segments	For the Three Months Ended June 30, 2017	For the Three Months Ended June 30, 2018	Increase (Decrease)	%
Operating revenues	Transportation	346.3	354.3	8.0	102.3
	Merchandise and other	61.9	63.2	1.2	102.0
	Real estate	18.2	18.9	0.7	104.0
	Other	47.4	44.2	(3.2)	93.2
	Reconciliations	(36.8)	(32.6)	4.2	88.5
	Total	437.2	448.2	11.0	102.5
Segment profit (Operating income)	Transportation	176.4	186.0	9.6	105.5
	Merchandise and other	1.6	1.9	0.2	116.6
	Real estate	3.9	5.1	1.1	130.6
	Other	0.0	2.1	2.1	999.9
	Reconciliations	0.0	0.0	(0.0)	3.7
	Total	182.1	195.2	13.1	107.2

- (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.