

[TRANSLATION]

[Supplemental Material 1]

Summary of the Consolidated Financial Results for the Three Months Ended June 30, 2019

July 30, 2019
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 primarily during the “Golden Week” holidays in May maintained their high levels. The revenues of the group companies also increased, leading to the Company’s overall operating revenues on a consolidated basis also increasing.**
- **Although** operating expenses **increased mainly due to an increase in non-personnel expenses of the Company and a higher cost of sales recorded by group companies,** the Company recorded **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, 2020 **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 Three Months Ended June 30, 2019

(1) Operating revenues (471.3 billion yen; a 23.1 billion yen or a 5.2% increase)

- The Company's **transportation revenues increased by 14.9 billion yen (4.4%) to 353.7 billion yen in the three months ended June 30, 2019 as compared with the three months ended June 30, 2018.**
 - 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 to promoting "Express Reservation" and "Smart EX," the Company also put an 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 14.0 billion yen (4.5%) to 326.5 billion yen in the three months ended June 30, 2019 as compared with the three months ended June 30, 2018. Transportation revenues from the conventional lines increased by 0.8 billion yen (3.2%) to 27.1 billion yen in the three months ended June 30, 2019 as compared with the three months ended June 30, 2018.
- As for the non-railway business, the Company has implemented various measures including the integrated management of JR GATE TOWER and JR CENTRAL TOWERS as well as active sales and advertising promotions. As a result, sales in the merchandise and other businesses, including JR Tokai Takashimaya Co., Ltd. increased. In addition to this, increased sales in NIPPON SHARYO, LTD and other factors drove up the overall operating revenues on a consolidated basis.

(2) Operating expenses (265.1 billion yen; a 12.1 billion yen or a 4.8% increase)

- Operating expenses on a consolidated basis increased mainly due to an increase in non-personnel expenses of the Company and a higher cost of sales associated with sales increases at group companies.

(3) Operating income (206.2 billion yen; a 10.9 billion yen or a 5.6% increase)

(4) Non-operating income/loss (-17.5 billion yen; a 1.4 billion yen increase)

(5) Ordinary income (188.6 billion yen; a 12.4 billion yen or a 7.0% increase)

(6) Net income attributable to owners of the parent (131.3 billion yen; an 8.6 billion yen or a 7.1% increase)

2. Forecasted Results of Operations for the Fiscal Year Ending March 31, 2020

- Forecasted results of operations for the fiscal year ending March 31, 2020 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 Three Months Ended June 30, 2018	For the Three Months Ended June 30, 2019	Increase (Decrease)	%
Operating revenues	448.2	471.3	23.1	105.2
Transportation	351.3	366.2	14.8	104.2
Merchandise and other	60.3	62.3	2.0	103.4
Real estate	11.2	11.8	0.6	106.0
Other	25.3	30.8	5.5	122.0
Operating expenses	252.9	265.1	12.1	104.8
Operating income	195.2	206.2	10.9	105.6
Non-operating income (loss)	(18.9)	(17.5)	1.4	92.6
Non-operating income	2.6	3.8	1.1	144.7
Non-operating expenses	21.5	21.3	(0.2)	98.9
Ordinary income	176.2	188.6	12.4	107.0
Extraordinary gain (loss)	(0.3)	(0.3)	0.0	95.7
Income before income taxes	175.9	188.3	12.4	107.1
Income taxes	52.1	55.9	3.8	107.3
Net income	123.8	132.4	8.5	106.9
Net income attributable to noncontrolling interests	1.1	1.1	(0.0)	94.5
Net income attributable to owners of the parent	122.6	131.3	8.6	107.1
Comprehensive income	122.7	128.7	6.0	104.9

(Note) 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, 2018	For the Three Months Ended June 30, 2019	Increase (Decrease)	%
Operating revenues	355.3	370.6	15.3	104.3
Transportation revenues	338.8	353.7	14.9	104.4
Other services	16.5	16.9	0.4	102.6
Operating expenses	168.3	172.8	4.4	102.7
Personnel expenses	46.3	45.0	(1.2)	97.3
Non-personnel expenses	65.6	70.0	4.3	106.7
Taxes other than income taxes	10.5	10.6	0.0	100.7
Depreciation and amortization	45.8	47.1	1.2	102.8
Operating income	186.9	197.8	10.8	105.8
Non-operating income (loss)	(19.1)	(18.6)	0.5	97.1
Non-operating income	2.3	2.7	0.3	116.3
Non-operating expenses	21.5	21.3	(0.1)	99.2
Ordinary income	167.7	179.1	11.4	106.8
Extraordinary gain (loss)	(0.0)	0.0	0.0	-
Income before income taxes	167.7	179.2	11.4	106.8
Income taxes	49.9	53.2	3.3	106.8
Net income	117.8	125.9	8.0	106.9

Comparison of Passenger-kilometers and Transportation Revenues
for the Three Months Ended June 30, 2019

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

			For the Three Months Ended June 30, 2018	For the Three Months Ended June 30, 2019	Increase (Decrease)	%
Passenger-kilometers	Shinkansen	Commuter	387	391	4	101.1
		Others	13,190	13,745	555	104.2
		Subtotal	13,577	14,136	559	104.1
	Conventional lines	Commuter	1,450	1,453	3	100.2
		Others	932	968	36	103.9
		Subtotal	2,382	2,421	39	101.6
	Subtotal	Commuter	1,837	1,844	7	100.4
		Others	14,122	14,713	591	104.2
		Subtotal	15,959	16,557	598	103.7
Transportation revenues	Shinkansen	Commuter	4.6	4.6	0.0	100.9
		Others	307.8	321.8	14.0	104.6
		Subtotal	312.4	326.5	14.0	104.5
	Conventional lines	Commuter	9.0	9.0	0.0	100.0
		Others	17.3	18.1	0.8	104.8
		Subtotal	26.3	27.1	0.8	103.2
	Subtotal	Commuter	13.6	13.7	0.0	100.3
		Others	325.1	340.0	14.8	104.6
		Subtotal	338.8	353.7	14.9	104.4
	Subtotal (including parcel fare)		338.8	353.7	14.9	104.4

- (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, 2019	As of June 30, 2019	Increase (Decrease)
Current assets	3,630.6	3,539.7	(90.8)
Money held in trust for the Chuo Shinkansen construction	2,670.5	2,509.1	(161.4)
Noncurrent assets	5,665.0	5,711.9	46.9
Property, plant and equipment and Intangible assets	4,784.2	4,807.1	22.8
Investments and other assets	880.8	904.8	24.0
Total assets	9,295.7	9,251.7	(43.9)
Current liabilities	650.2	513.7	(136.5)
Noncurrent liabilities	5,137.4	5,115.3	(22.1)
Total liabilities	5,787.6	5,629.0	(158.6)
Total equity	3,508.0	3,622.7	114.6
Total liabilities and equity	9,295.7	9,251.7	(43.9)
Breakdown of long-term debts	4,851.1	4,850.9	(0.1)
Long-term debt for the Chuo Shinkansen construction	3,000.0	3,000.0	-
Bonds payable	773.2	773.3	0.0
Long-term loans payable	533.9	533.7	(0.2)
Long-term accounts payable-railway facilities	543.8	543.8	-

Reference: Comparative Quarterly Operating Income/Loss by Segment

(Unit: Billions of yen, %)

Classifications		For the Three Months Ended June 30, 2018	For the Three Months Ended June 30, 2019	Increase (Decrease)	%
Operating revenues	Transportation	354.3	369.2	14.8	104.2
	Merchandise and other	63.2	65.7	2.5	104.0
	Real estate	18.9	19.7	0.7	104.0
	Other	44.2	50.6	6.4	114.5
	Reconciliations	(32.6)	(34.0)	(1.4)	104.4
	Total	448.2	471.3	23.1	105.2
Segment profit (Operating income)	Transportation	186.0	196.3	10.2	105.5
	Merchandise and other	1.9	2.2	0.3	117.6
	Real estate	5.1	5.6	0.5	110.1
	Other	2.1	1.5	(0.6)	71.5
	Reconciliations	0.0	0.5	0.4	999.9
	Total	195.2	206.2	10.9	105.6

(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.