

# Summary of Consolidated Financial Report for the Three Months Ended June 30, 2019 [under Japanese GAAP] (Unaudited)

English translation from the original Japanese-language document

July 30, 2019

Company Name	Central Japan Railway Company
Stock Exchange Listings	Tokyo and Nagoya
Code Number	9022
URL	<a href="https://jr-central.co.jp">https://jr-central.co.jp</a>
Representative	Shin Kaneko, President and Representative Director
Contact Person	Kentaro Takeda, Corporate Officer, General Manager of the Public Relations Department (Tel +81-52-564-2549)
Expected Date of Presentation of Quarterly Financial Statement Reports	August 7, 2019
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, 2019

### (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 2020 1st Quarter	471,358	5.2	206,254	5.6	188,694	7.0	131,326	7.1
Fiscal 2019 1st Quarter	448,225	2.5	195,260	7.2	176,293	7.4	122,663	3.8

Note 1. Comprehensive income : Fiscal 2020 1st Quarter 128,763 million yen, 4.9%. Fiscal 2019 1st Quarter 122,718 million yen, (3.9)%.

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 2020 1st Quarter	669.73	-
Fiscal 2019 1st Quarter	626.34	-

### (2) Consolidated financial position (Figures less than one million yen have been rounded down.)

	Total assets	Equity	Net worth ratio
	Millions of yen	Millions of yen	%
Fiscal 2020 1st Quarter	9,251,781	3,622,750	38.8
Fiscal 2019	9,295,745	3,508,065	37.3

Note Net worth : Fiscal 2020 1st Quarter 3,585,158 million yen. Fiscal 2019 3,471,294 million yen.

## 2. Cash dividends

	Cash dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2019	-	70.00	-	75.00	145.00
Fiscal 2020	-	-	-	-	-
Fiscal 2020 (Forecast)	-	75.00	-	75.00	150.00

Note Changes in the previous forecast of cash dividends for Fiscal 2020 : none

## 3. Consolidated forecast for Fiscal 2020 (Year ending March 31, 2020)

	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 2020 2nd Quarter (six months)	933,000	1.6	385,000	(1.5)	346,000	(1.7)	241,000	(1.5)	1,229.11
Fiscal 2020	1,891,000	0.7	676,000	(4.8)	599,000	(5.3)	416,000	(5.2)	2,121.62

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 previous consolidated forecast for Fiscal 2020 : 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 issued and outstanding at the end of each period

① Number of shares outstanding at the end of period  
 (Including treasury stocks)

Fiscal 2020 1st Quarter	206,000,000 shares	Fiscal 2019	206,000,000 shares
Fiscal 2020 1st Quarter	9,882,269 shares	Fiscal 2019	9,923,059 shares
Fiscal 2020 1st Quarter	196,090,057 shares	Fiscal 2019 1st Quarter	195,840,884 shares

② Number of treasury stocks at the end of period

③ Average number of shares outstanding for the period

Note The number of treasury stocks at the end of period and treasury stocks that are deducted from calculation of the average number of shares outstanding for the period include the Company's shares held by the employee stock ownership plan trust account, as follows.

Number of treasury stocks at the end of period : Fiscal 2020 1st Quarter 681,400 shares. Fiscal 2019 722,200 shares.

Average number of shares outstanding for the period : Fiscal 2020 1st Quarter 709,076 shares. Fiscal 2019 1st Quarter 958,267 shares.

(5) Quarterly Consolidated Balance Sheet

Money held in trust for the Chuo Shinkansen construction and Long-term debt for the Chuo Shinkansen construction

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 25, 2019.  
 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, 2019	As of June 30, 2019
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and deposits	587,867	675,571
Money held in trust for the Chuo Shinkansen construction	2,670,591	2,509,149
Notes and accounts receivable-trade	58,085	52,262
Railway fares receivables	54,760	48,038
Marketable securities	158,300	158,300
Inventories	46,358	47,530
Other	54,792	48,970
Allowance for doubtful accounts	(61)	(25)
Total current assets	3,630,692	3,539,796
<b>Noncurrent assets:</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	1,447,619	1,423,438
Machinery, rolling stock and vehicles, net	240,018	234,118
Land	2,354,886	2,355,308
Construction in progress	616,395	673,001
Other, net	47,753	44,763
Total property, plant and equipment	4,706,673	4,730,630
<b>Intangible assets</b>	77,571	76,472
<b>Investments and other assets</b>		
Investment securities	676,420	700,061
Deferred tax assets	170,574	171,138
Other	39,498	39,212
Allowance for doubtful accounts	(5,685)	(5,531)
Total investments and other assets	880,807	904,880
Total noncurrent assets	5,665,052	5,711,984
<b>Total assets</b>	<b>9,295,745</b>	<b>9,251,781</b>

QUARTERLY CONSOLIDATED BALANCE SHEET (Unaudited)

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

	Millions of yen	
	As of March 31, 2019	As of June 30, 2019
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Notes and accounts payable-trade	76,348	55,492
Short-term loans payable	28,392	29,075
Current portion of bonds payable	—	10,000
Current portion of long-term loans payable	110,493	110,379
Current portion of long-term debt of the employee stock ownership plan trust	5,400	5,400
Current portion of long-term accounts payable-railway facilities	5,444	5,444
Income taxes payable	105,698	58,294
Provision for bonuses	28,716	16,663
Other	289,767	222,975
Total current liabilities	650,260	513,726
<b>Noncurrent liabilities:</b>		
Bonds payable	773,293	763,305
Long-term loans payable	423,438	423,346
Long-term debt for the Chuo Shinkansen construction	3,000,000	3,000,000
Long-term debt of the employee stock ownership plan trust	9,700	7,900
Long-term accounts payable-railway facilities	538,451	538,451
Provision for large-scale renovation of the Shinkansen infrastructure	140,000	131,250
Liability for retirement benefits	194,347	194,182
Other	58,188	56,868
Total noncurrent liabilities	5,137,419	5,115,304
<b>Total liabilities</b>	<b>5,787,679</b>	<b>5,629,030</b>
<b>EQUITY</b>		
<b>Shareholders' equity:</b>		
Common stock	112,000	112,000
Capital surplus	53,497	53,497
Retained earnings	3,387,569	3,504,121
Treasury stock	(116,912)	(116,136)
Total shareholders' equity	3,436,154	3,553,482
<b>Accumulated other comprehensive income:</b>		
Unrealized gain on available-for-sale securities	33,024	29,770
Remeasurements of defined benefit plans	2,116	1,905
Total accumulated other comprehensive income	35,140	31,675
<b>Noncontrolling interests</b>	36,770	37,592
<b>Total equity</b>	<b>3,508,065</b>	<b>3,622,750</b>
<b>Total liabilities and equity</b>	<b>9,295,745</b>	<b>9,251,781</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, 2018	For the three months ended June 30, 2019
<b>Operating revenues</b>	448,225	471,358
<b>Operating expenses:</b>		
Transportation, other services and cost of sales	207,341	216,844
Selling, general and administrative expenses	45,623	48,259
Total operating expenses	252,965	265,103
<b>Operating income</b>	<b>195,260</b>	<b>206,254</b>
<b>Non-operating income:</b>		
Interest income	230	553
Dividend income	1,477	1,594
Insurance income	54	45
Cancellation income	—	830
Other	864	776
Total non-operating income	2,626	3,801
<b>Non-operating expenses:</b>		
Interest expense	11,281	11,133
Interest on long-term accounts payable-railway facilities	8,904	8,826
Other	1,408	1,402
Total non-operating expenses	21,594	21,361
<b>Ordinary income</b>	<b>176,293</b>	<b>188,694</b>
<b>Extraordinary gain:</b>		
Contribution for construction	132	164
Other	33	30
Total extraordinary gain	166	194
<b>Extraordinary loss:</b>		
Loss on reduction of noncurrent assets	131	178
Loss on retirement of noncurrent assets	259	283
Other	120	63
Total extraordinary loss	511	525
<b>Income before income taxes</b>	<b>175,948</b>	<b>188,363</b>
Income taxes	52,109	55,927
Net income	123,838	132,436
Net income attributable to noncontrolling interests	1,174	1,109
<b>Net income attributable to owners of the parent</b>	<b>122,663</b>	<b>131,326</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, 2018	For the three months ended June 30, 2019
<b>Net income</b>	123,838	132,436
<b>Other comprehensive income:</b>		
Unrealized loss on available-for-sale securities	(1,926)	(3,413)
Deferred gain on hedges	7	—
Remeasurements of defined benefit plans	752	(257)
Share of other comprehensive (loss) income in affiliates	46	(2)
Total other comprehensive loss	(1,120)	(3,673)
<b>Comprehensive income</b>	<b>122,718</b>	<b>128,763</b>
(breakdown)		
<b>Total comprehensive income attributable to</b>		
Owners of the parent	121,222	127,861
Noncontrolling interests	1,495	901

**SEGMENT INFORMATION (Unaudited)**
**I Fiscal 2019 1st Quarter (For the three months ended June 30, 2018)**
**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	351,392	60,305	11,218	25,309	448,225	—	448,225
Intersegment transactions or transfers	3,000	2,933	7,770	18,919	32,623	(32,623)	—
Total	354,392	63,238	18,989	44,228	480,849	(32,623)	448,225
Segment profit	186,062	1,910	5,107	2,176	195,256	3	195,260

Note 1. Other includes business in hotel, travel, advertising, rolling stock production, construction, etc., which are not included in a reportable segment.

2. The reconciliations amount of 3 million yen for segment profit is the elimination of intersegment transactions.

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

**II Fiscal 2020 1st Quarter (For the three months ended June 30, 2019)**
**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	366,212	62,379	11,887	30,879	471,358	—	471,358
Intersegment transactions or transfers	3,055	3,360	7,864	19,779	34,060	(34,060)	—
Total	369,268	65,739	19,751	50,659	505,418	(34,060)	471,358
Segment profit	196,326	2,247	5,622	1,555	205,752	501	206,254

Note 1. Other includes business in hotel, travel, advertising, rolling stock production, construction, etc., which are not included in a reportable segment.

2. The reconciliations amount of 501 million yen for segment profit is the elimination of intersegment transactions.

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