

[TRANSLATION]

[Supplemental Material 1]

Summary of the Consolidated Financial Results for the Six Months Ended September 30, 2019

October 28, 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 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.**
- **The Company will upwardly revise the forecasted results of revenues and profits for the fiscal year ending March 31, 2020 to reflect mainly the actual results for the six months ended September 30, 2019.** 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 Six Months Ended September 30, 2019

### **(1) Operating revenues (955.6 billion yen; a 37.4 billion yen or a 4.1% increase)**

- The Company's **transportation revenues increased by 23.6 billion yen (3.4%) to 716.9 billion yen in the six months ended September 30, 2019, as compared with the six months ended September 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". For example, we recorded the highest number of services offered in one day, 436, on August 9, 2019. 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 21.4 billion yen (3.4%) to 662.1 billion yen in the six months ended September 30, 2019 as compared with the six months ended September 30, 2018. Transportation revenues from the conventional lines increased by 2.1 billion yen (4.2%) to 54.7 billion yen in the six months ended September 30, 2019 as compared with the six months ended September 30, 2018.
- As for the non-railway business, the Company has implemented various measures including the integrated management of JR CENTRAL TOWERS and JR GATE TOWER 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 (548.7 billion yen; a 21.6 billion yen or a 4.1% 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 (406.8 billion yen; a 15.8 billion yen or a 4.1% increase)**

### **(4) Non-operating income/loss (-37.6 billion yen; a 1.4 billion yen increase)**

### **(5) Ordinary income (369.2 billion yen; a 17.3 billion yen or a 4.9% increase)**

### **(6) Net income attributable to owners of the parent (257.5 billion yen; a 12.8 billion yen or a 5.2% increase)**

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

- Reflecting mainly the actual results for the six months ended September 30, 2019, the Company will revise the forecasted results for the fiscal year ending March 31, 2020 as follows—**operating revenues: 1,902.0 billion yen (1.3% increase compared with the fiscal year ended March 31, 2019), operating income: 690.0 billion yen (2.8% decrease compared with the fiscal year ended March 31, 2019), ordinary income: 614.0 billion yen (2.9% decrease compared with the fiscal year ended March 31, 2019), and net income attributable to owners of the parent: 426.0 billion yen (2.9% decrease compared with the fiscal year ended March 31, 2019).**

## 3. Interim Dividends and Forecasted Year-end Dividends for the Fiscal Year Ending March 31, 2020 (of the Company)

- Interim dividends 75 yen per share  
(as forecasted at the beginning of this fiscal year; an increase of 5 yen as compared with the amount of dividends paid for the interim period of the fiscal year ended March 31, 2019)
- Forecasted year-end dividends 75 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 Quarterly Statements of Income (Consolidated)

(Unit: Billions of yen, %)

Classifications	For the Six Months Ended September 30, 2018	For the Six Months Ended September 30, 2019	Increase (Decrease)	%
<b>Operating revenues</b>	<b>918.1</b>	<b>955.6</b>	<b>37.4</b>	<b>104.1</b>
Transportation	719.1	742.3	23.2	103.2
Merchandise and other	121.9	125.5	3.5	102.9
Real estate	22.9	24.1	1.2	105.4
Other	54.0	63.5	9.4	117.6
<b>Operating expenses</b>	<b>527.1</b>	<b>548.7</b>	<b>21.6</b>	<b>104.1</b>
<b>Operating income</b>	<b>390.9</b>	<b>406.8</b>	<b>15.8</b>	<b>104.1</b>
<b>Non-operating income (loss)</b>	<b>(39.1)</b>	<b>(37.6)</b>	<b>1.4</b>	<b>96.2</b>
Non-operating income	4.2	5.2	1.0	123.7
Non-operating expenses	43.4	42.9	(0.4)	98.9
<b>Ordinary income</b>	<b>351.8</b>	<b>369.2</b>	<b>17.3</b>	<b>104.9</b>
<b>Extraordinary gain (loss)</b>	<b>(1.0)</b>	<b>0.8</b>	<b>1.8</b>	<b>-</b>
<b>Income before income taxes</b>	<b>350.7</b>	<b>370.0</b>	<b>19.2</b>	<b>105.5</b>
Income taxes	103.6	109.5	5.9	105.7
<b>Net income</b>	<b>247.1</b>	<b>260.4</b>	<b>13.3</b>	<b>105.4</b>
Net income attributable to noncontrolling interests	2.4	2.9	0.5	121.3
<b>Net income attributable to owners of the parent</b>	<b>244.7</b>	<b>257.5</b>	<b>12.8</b>	<b>105.2</b>
<b>Comprehensive income</b>	<b>249.1</b>	<b>262.1</b>	<b>13.0</b>	<b>105.2</b>

(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 Six Months Ended September 30, 2018	For the Six Months Ended September 30, 2019	Increase (Decrease)	%
<b>Operating revenues</b>	<b>727.0</b>	<b>751.2</b>	<b>24.2</b>	<b>103.3</b>
Transportation revenues	693.2	716.9	23.6	103.4
Other services	33.7	34.3	0.5	101.7
<b>Operating expenses</b>	<b>353.5</b>	<b>361.2</b>	<b>7.6</b>	<b>102.2</b>
Personnel expenses	90.4	88.0	(2.3)	97.4
Non-personnel expenses	149.1	156.5	7.3	104.9
Taxes other than income taxes	20.8	21.2	0.4	102.0
Depreciation and amortization	93.0	95.3	2.2	102.4
<b>Operating income</b>	<b>373.4</b>	<b>390.0</b>	<b>16.5</b>	<b>104.4</b>
<b>Non-operating income (loss)</b>	<b>(39.4)</b>	<b>(38.6)</b>	<b>0.7</b>	<b>98.0</b>
Non-operating income	3.8	4.3	0.5	113.9
Non-operating expenses	43.2	43.0	(0.2)	99.4
<b>Ordinary income</b>	<b>333.9</b>	<b>351.3</b>	<b>17.3</b>	<b>105.2</b>
<b>Extraordinary gain (loss)</b>	<b>0.0</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>-</b>
<b>Income before income taxes</b>	<b>334.0</b>	<b>351.2</b>	<b>17.2</b>	<b>105.2</b>
<b>Income taxes</b>	<b>99.3</b>	<b>104.6</b>	<b>5.2</b>	<b>105.3</b>
<b>Net income</b>	<b>234.6</b>	<b>246.6</b>	<b>11.9</b>	<b>105.1</b>

Comparison of Passenger-kilometers and Transportation Revenues  
for the Six Months Ended September 30, 2019

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

			For the Six Months Ended September 30, 2018	For the Six Months Ended September 30, 2019	Increase (Decrease)	%	(Reference) From July to September 2019	Vs. From July to September 2018 (%)
Passenger-kilometers	Shinkansen	Commuter	773	783	11	101.4	392	101.7
		Others	27,129	27,922	794	102.9	14,177	101.7
		Subtotal	27,901	28,706	805	102.9	14,569	101.7
	Conventional lines	Commuter	2,899	2,917	18	100.6	1,464	101.0
		Others	1,876	1,969	93	105.0	1,001	106.1
		Subtotal	4,774	4,886	111	102.3	2,465	103.0
	Subtotal	Commuter	3,671	3,700	29	100.8	1,856	101.2
		Others	29,004	29,891	887	103.1	15,179	102.0
		Subtotal	32,675	33,592	916	102.8	17,034	101.9
Transportation revenues	Shinkansen	Commuter	9.2	9.3	0.1	101.2	4.6	101.6
		Others	631.5	652.8	21.3	103.4	331.0	102.3
		Subtotal	640.7	662.1	21.4	103.4	335.6	102.3
	Conventional lines	Commuter	17.9	18.0	0.0	100.5	9.0	101.0
		Others	34.5	36.6	2.1	106.1	18.5	107.3
		Subtotal	52.5	54.7	2.1	104.2	27.5	105.2
	Subtotal	Commuter	27.1	27.3	0.2	100.8	13.6	101.2
		Others	666.1	689.5	23.4	103.5	349.5	102.5
		Subtotal	693.2	716.9	23.6	103.4	363.2	102.5
	Total (including parcel fare)		693.2	716.9	23.6	103.4	363.2	102.5

- (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, 2019	As of September 30, 2019	Increase (Decrease)
<b>Current assets</b>	<b>3,630.6</b>	<b>3,580.5</b>	<b>(50.1)</b>
Money held in trust for the Chuo Shinkansen construction	2,670.5	2,509.1	(161.4)
<b>Noncurrent assets</b>	<b>5,665.0</b>	<b>5,807.9</b>	<b>142.9</b>
Property, plant and equipment and Intangible assets	4,784.2	4,821.1	36.9
Investments and other assets	<b>880.8</b>	<b>986.8</b>	<b>106.0</b>
<b>Total assets</b>	<b>9,295.7</b>	<b>9,388.4</b>	<b>92.7</b>
<b>Current liabilities</b>	<b>650.2</b>	<b>533.4</b>	<b>(116.8)</b>
<b>Noncurrent liabilities</b>	<b>5,137.4</b>	<b>5,097.1</b>	<b>(40.2)</b>
<b>Total liabilities</b>	<b>5,787.6</b>	<b>5,630.5</b>	<b>(157.0)</b>
<b>Total equity</b>	<b>3,508.0</b>	<b>3,757.9</b>	<b>249.8</b>
<b>Total liabilities and equity</b>	<b>9,295.7</b>	<b>9,388.4</b>	<b>92.7</b>
<b>Breakdown of long-term debts</b>	<b>4,851.1</b>	<b>4,801.8</b>	<b>(49.2)</b>
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	487.3	(46.6)
Long-term accounts payable-railway facilities	543.8	541.2	(2.6)

## Comparative Quarterly Statements of Cash Flows (Consolidated)

(Unit: Billions of yen)

Classifications	For the Six Months Ended September 30, 2018	For the Six Months Ended September 30, 2019	Increase (Decrease)
<b>Net cash provided by (used in) operating activities</b>	<b>276.2</b>	<b>302.3</b>	<b>26.0</b>
<b>Net cash provided by (used in) investing activities</b>	<b>(245.6)</b>	<b>(131.3)</b>	<b>114.2</b>
Expenditures from the purchase of property plant and equipment and intangible assets, etc.	(169.3)	(190.2)	(20.8)
Proceeds from the trust for the Chuo Shinkansen construction (net)	103.9	161.4	57.5
Revenue/expenditure from fund management (net)	(180.2)	(102.5)	77.6
<b>Net cash provided by (used in) financing activities</b>	<b>18.3</b>	<b>(57.2)</b>	<b>(75.6)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>49.0</b>	<b>113.6</b>	<b>64.6</b>
<b>Cash and cash equivalents, beginning of the period</b>	<b>782.4</b>	<b>751.6</b>	<b>(30.8)</b>
<b>Cash and cash equivalents, end of the period</b>	<b>831.4</b>	<b>865.3</b>	<b>33.8</b>



## Forecasted Results of Operations for the Fiscal Year Ending March 31, 2020 (Consolidated)

(Unit: Billions of yen, %)

Classifications	For the Year Ended March 31, 2019 (Actual Results) A	For the Year Ending March 31, 2020 (Previous Forecast) B	For the Year Ending March 31, 2020 (Current Forecast) C	Previous Forecast vs. Current Forecast		For the Year Ended March 31, 2019 (Actual Results) vs. For the Year Ending March 31, 2020 (Current Forecast)	
				Increase (Decrease) C - B	% C/B	Increase (Decrease) C - A	% C/A
<b>Operating revenues</b>	<b>1,878.1</b>	<b>1,891.0</b>	<b>1,902.0</b>	<b>11.0</b>	<b>100.6</b>	<b>23.8</b>	<b>101.3</b>
<b>Operating expenses</b>	<b>1,168.3</b>	<b>1,215.0</b>	<b>1,212.0</b>	<b>(3.0)</b>	<b>99.8</b>	<b>43.6</b>	<b>103.7</b>
<b>Operating income</b>	<b>709.7</b>	<b>676.0</b>	<b>690.0</b>	<b>14.0</b>	<b>102.1</b>	<b>(19.7)</b>	<b>97.2</b>
<b>Ordinary income</b>	<b>632.6</b>	<b>599.0</b>	<b>614.0</b>	<b>15.0</b>	<b>102.5</b>	<b>(18.6)</b>	<b>97.1</b>
<b>Net income attributable to owners of the parent</b>	<b>438.7</b>	<b>416.0</b>	<b>426.0</b>	<b>10.0</b>	<b>102.4</b>	<b>(12.7)</b>	<b>97.1</b>

## Forecasted Results of Operations for the Fiscal Year Ending March 31, 2020 (Non-Consolidated)

(Unit: Billions of yen, %)

Classifications	For the Year Ended March 31, 2019 (Actual Results) A	For the Year Ending March 31, 2020 (Previous Forecast) B	For the Year Ending March 31, 2020 (Current Forecast) C	Previous Forecast vs. Current Forecast		For the Year Ended March 31, 2019 (Actual Results) vs. For the Year Ending March 31, 2020 (Current Forecast)	
				Increase (Decrease) C - B	% C/B	Increase (Decrease) C - A	% C/A
<b>Operating revenues</b>	<b>1,464.8</b>	<b>1,476.0</b>	<b>1,490.0</b>	<b>14.0</b>	<b>100.9</b>	<b>25.1</b>	<b>101.7</b>
[Transportation revenues]	1,396.6	1,407.0	1,421.0	14.0	101.0	24.3	101.7
<b>Operating expenses</b>	<b>797.1</b>	<b>831.0</b>	<b>831.0</b>	<b>-</b>	<b>100.0</b>	<b>33.8</b>	<b>104.2</b>
<b>Operating income</b>	<b>667.7</b>	<b>645.0</b>	<b>659.0</b>	<b>14.0</b>	<b>102.2</b>	<b>(8.7)</b>	<b>98.7</b>
<b>Ordinary income</b>	<b>590.1</b>	<b>568.0</b>	<b>582.0</b>	<b>14.0</b>	<b>102.5</b>	<b>(8.1)</b>	<b>98.6</b>
<b>Net income</b>	<b>414.0</b>	<b>399.0</b>	<b>408.0</b>	<b>9.0</b>	<b>102.3</b>	<b>(6.0)</b>	<b>98.5</b>

## Reference: Actual Results According to Reportable Segments

(Unit: Billions of yen, %)

Classifications		For the Six Months Ended September 30, 2018	For the Six Months Ended September 30, 2019	Increase (Decrease)	%
<b>Operating revenues</b>	Transportation	725.1	748.4	23.3	103.2
	Merchandise and other	127.5	132.0	4.4	103.5
	Real estate	38.9	40.2	1.3	103.4
	Other	95.6	111.9	16.3	117.1
	Reconciliations	(69.1)	(77.1)	(7.9)	111.5
	Total	918.1	955.6	37.4	104.1
<b>Segment profit (Operating income)</b>	Transportation	371.6	387.1	15.4	104.2
	Merchandise and other	4.3	4.6	0.3	108.1
	Real estate	10.6	11.3	0.6	106.4
	Other	4.1	3.5	(0.5)	86.2
	Reconciliations	0.2	0.1	(0.0)	68.9
	Total	390.9	406.8	15.8	104.1

(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: Forecasted Results According to Reportable Segments

(Unit: Billions of yen, %)

Classifications		For the Year Ended March 31, 2019 (Actual Results) A	For the Year Ending March 31, 2020 (Previous Forecast) B	For the Year Ending March 31, 2020 (Current Forecast) C	Previous Forecast vs. Current Forecast		For the Year Ended March 31, 2019 (Actual Results) vs. For the Year Ending March 31, 2020 (Current Forecast)	
					Increase (Decrease) C - B	% C/B	Increase (Decrease) C - A	% C/A
<b>Operating revenues</b>	Transportation	1,461.3	1,471.0	1,485.0	14.0	101.0	23.6	101.6
	Merchandise and other	264.9	270.0	269.0	(1.0)	99.6	4.0	101.5
	Real estate	82.1	82.0	81.0	(1.0)	98.8	(1.1)	98.6
	Other	261.0	263.0	269.0	6.0	102.3	7.9	103.0
	Reconciliations	(191.3)	(195.0)	(202.0)	(7.0)	103.6	(10.6)	105.5
	Total	1,878.1	1,891.0	1,902.0	11.0	100.6	23.8	101.3
<b>Segment profit (Operating income)</b>	Transportation	664.8	640.0	654.0	14.0	102.2	(10.8)	98.4
	Merchandise and other	9.6	8.0	8.0	-	100.0	(1.6)	83.0
	Real estate	20.2	20.0	20.0	-	100.0	(0.2)	98.6
	Other	16.1	9.0	9.0	-	100.0	(7.1)	55.9
	Reconciliations	(1.1)	(1.0)	(1.0)	-	100.0	0.1	87.5
	Total	709.7	676.0	690.0	14.0	102.1	(19.7)	97.2

(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.