

Summary of Consolidated Financial Report for the Nine Months Ended December 31, 2019 [under Japanese GAAP] (Unaudited)

English translation from the original Japanese-language document

January 30, 2020

Company Name	Central Japan Railway Company
Stock Exchange Listings	Tokyo and Nagoya
Code Number	9022
URL	https://jr-central.co.jp
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	February 4, 2020
Expected Date of Dividend Payment Commencement	—
Supplementary Information	Attached
Briefing of Financial Results of 3rd Quarter	None

1. Results for the nine months ended December 31, 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 3rd Quarter	1,448,006	2.9	611,936	2.4	555,658	2.9	388,121	3.3
Fiscal 2019 3rd Quarter	1,407,716	2.4	597,647	6.4	539,872	7.1	375,685	10.6

Note 1. Comprehensive income : Fiscal 2020 3rd Quarter 395,754 million yen, 7.5%. Fiscal 2019 3rd Quarter 368,299 million yen, 4.0%.

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 nine-month period of the previous year.

	Net income per share - basic	Net income per share - diluted
	Yen	Yen
Fiscal 2020 3rd Quarter	1,978.50	—
Fiscal 2019 3rd Quarter	1,917.62	—

(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 3rd Quarter	9,571,239	3,878,547	40.1
Fiscal 2019	9,295,745	3,508,065	37.3

Note Net worth : Fiscal 2020 3rd Quarter 3,837,144 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	—	75.00	—	—	—
Fiscal 2020 (Forecast)	—	—	—	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	1,902,000	1.3	690,000	(2.8)	614,000	(2.9)	426,000	(2.9)	2,171.55

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 3rd Quarter	206,000,000 shares	Fiscal 2019	206,000,000 shares
-------------------------	--------------------	-------------	--------------------

② Number of treasury stocks at the end of period

Fiscal 2020 3rd Quarter	9,694,169 shares	Fiscal 2019	9,923,059 shares
-------------------------	------------------	-------------	------------------

③ Average number of shares outstanding for the period

Fiscal 2020 3rd Quarter	196,169,812 shares	Fiscal 2019 3rd Quarter	195,912,625 shares
-------------------------	--------------------	-------------------------	--------------------

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 3rd Quarter 493,300 shares. Fiscal 2019 722,200 shares.

Average number of shares outstanding for the period : Fiscal 2020 3rd Quarter 629,320 shares. Fiscal 2019 3rd Quarter 886,525 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 determined based on the estimated annual tax provision and the estimated 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 October 28, 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 December 31, 2019
ASSETS		
Current assets:		
Cash and deposits	587,867	545,384
Money held in trust for the Chuo Shinkansen construction	2,670,591	2,435,015
Notes and accounts receivable-trade	58,085	55,131
Railway fares receivables	54,760	63,379
Marketable securities	158,300	358,300
Inventories	46,358	46,822
Other	54,792	57,749
Allowance for doubtful accounts	(61)	(14)
Total current assets	3,630,692	3,561,767
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures, net	1,447,619	1,394,534
Machinery, rolling stock and vehicles, net	240,018	218,800
Land	2,354,886	2,355,048
Construction in progress	616,395	781,489
Other, net	47,753	38,917
Total property, plant and equipment	4,706,673	4,788,790
Intangible assets	77,571	75,206
Investments and other assets		
Investment securities	676,420	844,466
Deferred tax assets	170,574	169,158
Other	39,498	134,107
Allowance for doubtful accounts	(5,685)	(2,257)
Total investments and other assets	880,807	1,145,475
Total noncurrent assets	5,665,052	6,009,472
Total assets	9,295,745	9,571,239

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 December 31, 2019
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	76,348	56,397
Short-term loans payable	28,392	28,561
Current portion of bonds payable	—	20,000
Current portion of long-term loans payable	110,493	68,941
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	5,612
Income taxes payable	105,698	72,638
Provision for bonuses	28,716	15,098
Other	289,767	263,977
Total current liabilities	650,260	536,628
Noncurrent liabilities:		
Bonds payable	773,293	833,771
Long-term loans payable	423,438	418,171
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	5,200
Long-term accounts payable-railway facilities	538,451	535,601
Provision for large-scale renovation of the Shinkansen infrastructure	140,000	113,750
Liability for retirement benefits	194,347	193,296
Other	58,188	56,273
Total noncurrent liabilities	5,137,419	5,156,063
Total liabilities	5,787,679	5,692,691
EQUITY		
Shareholders' equity:		
Common stock	112,000	112,000
Capital surplus	53,497	53,496
Retained earnings	3,387,569	3,746,141
Treasury stock	(116,912)	(112,554)
Total shareholders' equity	3,436,154	3,799,083
Accumulated other comprehensive income:		
Unrealized gain on available-for-sale securities	33,024	35,966
Remeasurements of defined benefit plans	2,116	2,094
Total accumulated other comprehensive income	35,140	38,060
Noncontrolling interests	36,770	41,403
Total equity	3,508,065	3,878,547
Total liabilities and equity	9,295,745	9,571,239

QUARTERLY CONSOLIDATED STATEMENT OF INCOME (Unaudited)

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

	Millions of yen	
	For the nine months ended December 31, 2018	For the nine months ended December 31, 2019
Operating revenues	1,407,716	1,448,006
Operating expenses:		
Transportation, other services and cost of sales	673,700	693,728
Selling, general and administrative expenses	136,368	142,341
Total operating expenses	810,069	836,070
Operating income	597,647	611,936
Non-operating income:		
Interest income	1,049	1,719
Dividend income	3,049	3,113
Insurance income	115	232
Other	2,688	2,770
Total non-operating income	6,903	7,836
Non-operating expenses:		
Interest expense	34,126	33,577
Interest on long-term accounts payable-railway facilities	26,598	26,434
Other	3,952	4,101
Total non-operating expenses	64,678	64,113
Ordinary income	539,872	555,658
Extraordinary gain:		
Contribution for construction	1,610	1,069
Reversal of provision for doubtful accounts of an unconsolidated subsidiary	—	3,418
Other	191	192
Total extraordinary gain	1,802	4,680
Extraordinary loss:		
Loss on reduction of noncurrent assets	1,596	1,068
Loss on retirement of noncurrent assets	1,136	1,513
Other	453	398
Total extraordinary loss	3,186	2,980
Income before income taxes	538,488	557,359
Income taxes	158,918	164,447
Net income	379,570	392,911
Net income attributable to noncontrolling interests	3,884	4,789
Net income attributable to owners of the parent	375,685	388,121

QUARTERLY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

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

	Millions of yen	
	For the nine months ended December 31, 2018	For the nine months ended December 31, 2019
Net income	379,570	392,911
Other comprehensive income:		
Unrealized gain (loss) on available-for-sale securities	(13,541)	2,958
Deferred gain on hedges	7	—
Remeasurements of defined benefit plans	2,256	(160)
Share of other comprehensive income in affiliates	6	45
Total other comprehensive income (loss)	(11,270)	2,843
Comprehensive income	368,299	395,754
(breakdown)		
Total comprehensive income attributable to		
Owners of the parent	364,457	391,041
Noncontrolling interests	3,841	4,713

SEGMENT INFORMATION (Unaudited)

I Fiscal 2019 3rd Quarter (For the nine months ended December 31, 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
Operating revenues:							
External customers	1,100,619	185,648	35,304	86,144	1,407,716	—	1,407,716
Intersegment transactions or transfers	9,126	8,555	23,946	70,986	112,615	(112,615)	—
Total	1,109,745	194,203	59,251	157,131	1,520,331	(112,615)	1,407,716
Segment profit	566,305	7,055	15,987	8,474	597,822	(175)	597,647

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 (175) 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 3rd Quarter (For the nine months ended December 31, 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
Operating revenues:							
External customers	1,125,983	189,847	36,434	95,740	1,448,006	—	1,448,006
Intersegment transactions or transfers	9,251	9,816	24,080	75,161	118,310	(118,310)	—
Total	1,135,235	199,663	60,514	170,902	1,566,316	(118,310)	1,448,006
Segment profit	581,253	7,170	16,724	6,681	611,829	106	611,936

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 106 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.