

Summary of Consolidated Financial Report for the Year Ended March 31, 2020 [under Japanese GAAP] (Unaudited)

English translation from the original Japanese-language document

April 27, 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 the Annual Shareholders' Meeting	June 23, 2020
Expected Date of Presentation of Annual Securities Reports	June 23, 2020
Expected Date of Dividend Payment Commencement	June 24, 2020
Supplementary Information	Attached
Briefing of Financial Results of Fiscal 2020	To be held (for institutional investors and analysts)

1. Results for the year ended March 31, 2020

(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	1,844,647	(1.8)	656,163	(7.6)	574,282	(9.2)	397,881	(9.3)
Fiscal 2019	1,878,137	3.1	709,775	7.2	632,653	8.4	438,715	10.9

Note 1. Comprehensive income : Fiscal 2020 388,418 million yen, (13.0)%. Fiscal 2019 446,213 million yen, 10.4%.

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 previous year.

	Net income per share - basic	Net income per share - diluted	Return on net worth	Ordinary income to total assets	Operating income to operating revenues
	Yen	Yen	%	%	%
Fiscal 2020	2,027.86	—	10.9	6.1	35.6
Fiscal 2019	2,238.95	—	13.4	7.0	37.8

Note Equity in earnings of affiliates : Fiscal 2020 371 million yen. Fiscal 2019 294 million yen.

(2) Consolidated financial position (Figures less than one million yen, except for per share information, have been rounded down.)

	Total assets	Equity	Net worth ratio	Equity per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2020	9,603,126	3,872,103	39.9	19,514.81
Fiscal 2019	9,295,745	3,508,065	37.3	17,703.74

Note Net worth : Fiscal 2020 3,831,833 million yen. Fiscal 2019 3,471,294 million yen.

(3) Consolidated cash flows (Figures less than one million yen have been rounded down.)

	Net cash provided by operating activities	Net cash used in investing activities	Net cash used in financing activities	Cash and cash equivalents, end of the year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2020	595,227	(552,494)	(32,993)	761,376
Fiscal 2019	600,319	(597,502)	(33,635)	751,636

2. Cash dividends

	Cash dividends per share					Total dividends (Fiscal)	Payout ratio (Consolidated)	Dividends on equity ratio (Consolidated)
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal 2019	—	70.00	—	75.00	145.00	28,565	6.5	0.9
Fiscal 2020	—	75.00	—	75.00	150.00	29,550	7.4	0.8
Fiscal 2021 (Forecast)	—	—	—	—	—	—	—	—

Note The forecast of cash dividends for the fiscal year ending March 2021 is undetermined because it is difficult to estimate our business results at this point. Once it becomes possible to determine the forecast, it will be announced promptly.

3. Consolidated forecast for Fiscal 2021 (Year ending March 31, 2021)

The consolidated forecast for the fiscal year ending March 2021 is undetermined because it is difficult to estimate our business results at this point due to many uncertainties, including a decline in railway ridership owing to refraining from going out under outbreak of the novel coronavirus (COVID-19).

Once it becomes possible to determine the forecast, it will be announced promptly.

※Notes to Consolidated Financial Information

- (1) Changes in scope of significant consolidated subsidiaries : none
- (2) 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

- (3) Number of common shares issued and outstanding at the end of each year

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

Fiscal 2020	206,000,000 shares	Fiscal 2019	206,000,000 shares
Fiscal 2020	9,644,869 shares	Fiscal 2019	9,923,059 shares
Fiscal 2020	196,207,902 shares	Fiscal 2019	195,947,224 shares

- ② Number of treasury stocks at the end of year

- ③ Average number of shares outstanding for the year

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

Number of treasury stocks at the end of year : Fiscal 2020 444,000 shares. Fiscal 2019 722,200 shares.

Average number of shares outstanding for the year : Fiscal 2020 591,229 shares. Fiscal 2019 851,924 shares.

- (4) 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.

(Reference) Summary of Nonconsolidated Financial Report for the Year Ended March 31, 2020

1. Results for the year ended March 31, 2020

(1) Nonconsolidated 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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2020	1,436,996	(1.9)	623,050	(6.7)	540,002	(8.5)	378,842	(8.5)
Fiscal 2019	1,464,886	2.6	667,745	6.8	590,105	7.8	414,045	7.7

Note Percentages for operating revenues, operating income, ordinary income and net income represent the changes from the previous year.

	Net income per share - basic	Net income per share - diluted
	Yen	Yen
Fiscal 2020	1,928.84	—
Fiscal 2019	2,110.87	—

(2) Nonconsolidated financial position (Figures less than one million yen, except for per share information, have been rounded down.)

	Total assets	Equity	Net worth ratio	Equity per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2020	9,401,279	3,658,628	38.9	18,613.60
Fiscal 2019	9,092,120	3,315,499	36.5	16,891.81

Note Net worth : Fiscal 2020 3,658,628 million yen. Fiscal 2019 3,315,499 million yen.

- Note 1. 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. The consolidated forecast for the fiscal year ending March 2021 is undetermined because it is difficult to estimate at this point.
3. English supplementary information will be announced on our website later.

CONSOLIDATED BALANCE SHEET (Unaudited)

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

	Millions of yen	
	As of March 31, 2019	As of March 31, 2020
ASSETS		
Current assets:		
Cash and deposits	587,867	406,408
Money held in trust for the Chuo Shinkansen construction	2,670,591	2,435,015
Notes and accounts receivable–trade	58,085	48,206
Railway fares receivables	54,760	39,727
Marketable securities	158,300	353,500
Inventories	46,358	43,923
Other	54,792	55,915
Allowance for doubtful accounts	(61)	(14)
Total current assets	3,630,692	3,382,682
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures, net	1,447,619	1,416,829
Machinery, rolling stock and vehicles, net	240,018	217,844
Land	2,354,886	2,354,868
Construction in progress	616,395	890,016
Other, net	47,753	45,639
Total property, plant and equipment	4,706,673	4,925,199
Intangible assets	77,571	91,141
Investments and other assets		
Investment securities	676,420	846,723
Asset for retirement benefits	7,939	3,433
Deferred tax assets	170,574	176,899
Other	31,558	179,287
Allowance for doubtful accounts	(5,685)	(2,241)
Total investments and other assets	880,807	1,204,102
Total noncurrent assets	5,665,052	6,220,443
Total assets	9,295,745	9,603,126

CONSOLIDATED BALANCE SHEET (Unaudited)

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

	Millions of yen	
	As of March 31, 2019	As of March 31, 2020
LIABILITIES		
Current liabilities:		
Notes and accounts payable–trade	76,348	78,825
Short–term loans payable	28,392	29,497
Current portion of bonds payable	—	30,000
Current portion of long–term loans payable	110,493	54,969
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	5,783
Accounts payable–other	170,457	181,167
Income taxes payable	105,698	83,575
Advances received	57,762	41,853
Deposits received	16,963	50,348
Provision for bonuses	28,716	28,440
Other	44,583	35,822
Total current liabilities	650,260	625,682
Noncurrent liabilities:		
Bonds payable	773,293	818,786
Long–term loans payable	423,438	403,819
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	4,300
Long–term accounts payable–railway facilities	538,451	532,666
Provision for large–scale renovation of the Shinkansen infrastructure	140,000	105,000
Liability for retirement benefits	194,347	190,774
Other	58,188	49,994
Total noncurrent liabilities	5,137,419	5,105,341
Total liabilities	5,787,679	5,731,023
EQUITY		
Shareholders' equity:		
Common stock	112,000	112,000
Capital surplus	53,497	53,486
Retained earnings	3,387,569	3,755,901
Treasury stock	(116,912)	(111,615)
Total shareholders' equity	3,436,154	3,809,772
Accumulated other comprehensive income:		
Unrealized gain on available–for–sale securities	33,024	20,729
Remeasurements of defined benefit plans	2,116	1,331
Total accumulated other comprehensive income	35,140	22,061
Noncontrolling interests	36,770	40,269
Total equity	3,508,065	3,872,103
Total liabilities and equity	9,295,745	9,603,126

CONSOLIDATED STATEMENT OF INCOME (Unaudited)

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

	Millions of yen	
	For the year ended March 31, 2019	For the year ended March 31, 2020
Operating revenues	1,878,137	1,844,647
Operating expenses:		
Transportation, other services and cost of sales	970,811	991,462
Selling, general and administrative expenses	197,551	197,021
Total operating expenses	1,168,362	1,188,483
Operating income	709,775	656,163
Non-operating income:		
Interest income	1,601	2,345
Dividend income	3,338	3,398
Equity in earnings of affiliates	294	371
Insurance income	2,134	2,061
Other	3,416	3,655
Total non-operating income	10,784	11,833
Non-operating expenses:		
Interest expense	45,259	44,686
Interest on long-term accounts payable-railway facilities	35,464	35,219
Other	7,182	13,808
Total non-operating expenses	87,906	93,714
Ordinary income	632,653	574,282
Extraordinary gain:		
Contribution for construction	2,984	2,165
Gain on sales of noncurrent assets	1,204	808
Reversal of provision for doubtful accounts of an unconsolidated subsidiary	—	3,429
Other	38	164
Total extraordinary gain	4,228	6,567
Extraordinary loss:		
Loss on reduction of noncurrent assets	3,531	2,549
Loss on retirement of noncurrent assets	2,131	3,016
Loss on sales of noncurrent assets	278	271
Impairment loss	251	1,536
Other	417	41
Total extraordinary loss	6,610	7,414
Income before income taxes	630,271	573,436
Income taxes-current	190,699	172,873
Income taxes-deferred	(5,465)	(3,757)
Income taxes	185,233	169,116
Net income	445,037	404,319
Net income attributable to noncontrolling interests	6,322	6,438
Net income attributable to owners of the parent	438,715	397,881

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

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

	Millions of yen	
	For the year ended March 31, 2019	For the year ended March 31, 2020
Net income	445,037	404,319
Other comprehensive income:		
Unrealized loss on available-for-sale securities	(4,409)	(13,222)
Deferred gain on hedges	7	—
Remeasurements of defined benefit plans	5,519	(2,611)
Share of other comprehensive (loss) income in affiliates	58	(68)
Total other comprehensive (loss) income	1,175	(15,901)
Comprehensive income	446,213	388,418
(breakdown)		
Total comprehensive income attributable to		
Owners of the parent	438,691	384,802
Noncontrolling interests	7,521	3,615

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)
For the year ended March 31, 2019

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

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current year	112,000	53,498	2,976,434	(121,687)	3,020,245
Changes of items during the year					
Dividends from surplus			(27,580)		(27,580)
Net income attributable to owners of the parent			438,715		438,715
Purchases of treasury stock				(0)	(0)
Disposal of treasury stock				4,774	4,774
Changes in the ownership interest by purchases of shares of consolidated subsidiaries		(0)			(0)
Net changes of items other than shareholders' equity					
Total changes of items during the year	—	(0)	411,135	4,774	415,908
Balance at the end of current year	112,000	53,497	3,387,569	(116,912)	3,436,154

	Accumulated other comprehensive income				Noncontrolling interests	Total equity
	Unrealized gain available-for-sale securities	Deferred loss on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current year	38,011	(3)	(2,842)	35,164	29,329	3,084,739
Changes of items during the year						
Dividends from surplus						(27,580)
Net income attributable to owners of the parent						438,715
Purchases of treasury stock						(0)
Disposal of treasury stock						4,774
Changes in the ownership interest by purchases of shares of consolidated subsidiaries						(0)
Net changes of items other than shareholders' equity	(4,986)	3	4,958	(23)	7,440	7,417
Total changes of items during the year	(4,986)	3	4,958	(23)	7,440	423,325
Balance at the end of current year	33,024	—	2,116	35,140	36,770	3,508,065

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)
For the year ended March 31, 2020

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

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current year	112,000	53,497	3,387,569	(116,912)	3,436,154
Changes of items during the year					
Dividends from surplus			(29,550)		(29,550)
Net income attributable to owners of the parent			397,881		397,881
Purchases of treasury stock				(0)	(0)
Disposal of treasury stock				5,297	5,297
Changes in the ownership interest by purchases of shares of consolidated subsidiaries		(11)			(11)
Net changes of items other than shareholders' equity					
Total changes of items during the year	—	(11)	368,331	5,297	373,618
Balance at the end of current year	112,000	53,486	3,755,901	(111,615)	3,809,772

	Accumulated other comprehensive income				Noncontrolling interests	Total equity
	Unrealized gain available-for-sale securities	Deferred loss on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current year	33,024	—	2,116	35,140	36,770	3,508,065
Changes of items during the year						
Dividends from surplus						(29,550)
Net income attributable to owners of the parent						397,881
Purchases of treasury stock						(0)
Disposal of treasury stock						5,297
Changes in the ownership interest by purchases of shares of consolidated subsidiaries						(11)
Net changes of items other than shareholders' equity	(12,294)		(785)	(13,079)	3,498	(9,580)
Total changes of items during the year	(12,294)	—	(785)	(13,079)	3,498	364,037
Balance at the end of current year	20,729	—	1,331	22,061	40,269	3,872,103

CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)

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

	Millions of yen	
	For the year ended March 31, 2019	For the year ended March 31, 2020
Operating activities:		
Income before income taxes	630,271	573,436
Depreciation and amortization	211,262	214,517
Decrease in provision for large-scale renovation of the Shinkansen infrastructure	(35,000)	(35,000)
Decrease in liability for retirement benefits	(675)	(2,203)
Interest and dividend income	(4,939)	(5,744)
Interest expense	80,723	79,906
Equity in earnings of affiliates	(294)	(371)
Proceeds from contribution for construction	(2,984)	(2,165)
Loss on reduction of noncurrent assets	3,531	2,549
Loss on retirement of noncurrent assets	8,272	7,804
Gain on sales of noncurrent assets	(926)	(537)
Decrease (increase) in trade receivables	(10,824)	24,911
Decrease (increase) in inventories	(7,697)	2,801
Increase (decrease) in trade payables	(4,892)	2,477
(Decrease) increase in accounts payable-other	5,317	(2,083)
(Decrease) increase in advances received	6,940	(19,497)
Other	(7,020)	22,340
Subtotal	871,065	863,141
Interest and dividend income received	4,310	5,367
Interest expense paid	(80,366)	(79,289)
Income taxes paid	(194,689)	(193,991)
Net cash provided by operating activities	600,319	595,227
Investing activities:		
Proceeds from cancellation of money held in trust for the Chuo Shinkansen construction	170,340	235,576
Payments for money held in trust	—	(150,000)
Purchases of property, plant and equipment	(365,446)	(424,853)
Proceeds from contribution for construction	4,564	5,754
Purchases of intangible assets	(28,455)	(24,603)
Purchases of investment securities	(375,002)	(196,651)
Proceeds from sales of investment securities	15	1,158
Other	(3,517)	1,124
Net cash used in investing activities	(597,502)	(552,494)
Financing activities:		
Net increase in short-term loans payable	882	1,105
Proceeds from long-term loans payable	45,592	36,250
Repayment of long-term loans payable	(84,547)	(111,393)
Proceeds from issuance of bonds	48,950	80,437
Redemption of bonds	(9,996)	(5,000)
Payments for long-term accounts payable-railway facilities	(5,127)	(5,446)
Purchases of treasury stock	(0)	(0)
Proceeds from sales of treasury stock	5,758	6,060
Cash dividend paid	(27,580)	(29,550)
Cash dividend paid to noncontrolling shareholders	(79)	(79)
Other	(7,486)	(5,376)
Net cash used in financing activities	(33,635)	(32,993)
Net increase (decrease) in cash and cash equivalents	(30,817)	9,739
Cash and cash equivalents, beginning of year	782,454	751,636
Cash and cash equivalents, end of year	751,636	761,376

SEGMENT INFORMATION (Unaudited)

1. Description of reportable segments

The companies' reportable segments are those for which separately financial information is available and regularly reported to the board of directors in order to determine how to allocate the resources and evaluate the performance among the companies.

The companies are composed of segments by nature of products and services, and three reportable segments: Transportation, Merchandise and Other, and Real Estate, are disclosed.

The Transportation segment manages the companies' railway operations, such as the Tokaido Shinkansen and conventional railway operations in the Tokai area, and bus operations. The Merchandise and Other segment includes a department store in JR central towers and retail sales in trains and stations.

The Real Estate segment includes real estate leasing business, such as station building leasing, and real estate sales in lots.

2. Methods of measurement for the amounts of Operating Revenues, Profit (Loss), Assets, Liabilities and Other items for each reportable segment

Reportable segment profit represents operating income. Intersegment transactions or transfers prices are based upon the arm's length transactions.

3. Information about Operating Revenues, Profit (Loss), Assets, Liabilities and Other items is as follows.

Fiscal 2019 (For the year ended March 31, 2019)

(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	1,449,198	253,312	49,646	125,980	1,878,137	—	1,878,137
Intersegment transactions or transfers	12,146	11,672	32,488	135,090	191,398	(191,398)	—
Total	1,461,345	264,984	82,134	261,071	2,069,535	(191,398)	1,878,137
Segment profit	664,897	9,638	20,279	16,103	710,918	(1,143)	709,775
Segment assets	8,711,224	127,619	370,244	408,015	9,617,103	(321,358)	9,295,745
Other							
Depreciation and amortization	186,166	4,101	16,930	4,064	211,262	—	211,262
Amounts of investments in equity in affiliates	9,909	—	—	—	9,909	—	9,909
Increase in property, plant and equipment and intangible assets	392,471	2,999	10,436	8,492	414,399	—	414,399

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

2. Reconciliations are as follows:

(1) The reconciliations amount of (1,143) million yen for segment profit is the elimination of intersegment transactions.

(2) The reconciliations amount of (321,358) million yen for segment assets includes corporate assets of 288,709 million yen and elimination of intersegment balances of (610,068) million yen. Corporate assets, which are not allocated to reportable segments, principally consist of investment securities and marketable securities.

The elimination of intersegment transactions is related to intersegment receivables.

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

Fiscal 2020 (For the year ended March 31, 2020)

(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	1,419,006	250,111	47,487	128,042	1,844,647	—	1,844,647
Intersegment transactions or transfers	12,260	13,160	32,510	144,220	202,152	(202,152)	—
Total	1,431,266	263,272	79,998	272,263	2,046,800	(202,152)	1,844,647
Segment profit	617,643	7,401	19,004	13,512	657,561	(1,398)	656,163
Segment assets	8,833,470	126,572	364,996	412,213	9,737,253	(134,126)	9,603,126
Other							
Depreciation and amortization	188,343	3,946	16,851	5,376	214,517	—	214,517
Amounts of investments in equity in affiliates	10,155	—	—	—	10,155	—	10,155
Increase in property, plant and equipment and intangible assets	438,422	5,842	10,859	8,600	463,725	—	463,725

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

2. Reconciliations are as follows:

(1) The reconciliations amount of (1,398) million yen for segment profit is the elimination of intersegment transactions.

(2) The reconciliations amount of (134,126) million yen for segment assets includes corporate assets of 478,047 million yen and elimination of intersegment balances of (612,174) million yen. Corporate assets, which are not allocated to reportable segments, principally consist of investment securities and marketable securities.

The elimination of intersegment transactions is related to intersegment receivables.

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