

[TRANSLATION]

[Supplemental Material 1]

Summary of the Consolidated Financial Results for the Three Months Ended June 30, 2020

July 31, 2020

Central Japan Railway Company

- **The Company's overall operating revenues on a consolidated basis significantly decreased** because of the business environment of the Company and its group companies becoming difficult mainly due to people refraining from going outside and traveling in response to the COVID-19 pandemic.
- Although operating expenses decreased, **the Company recorded a significant operating loss.**
- **Due to the difficulty of predicting the use of railway services by customers and other similar matters, the Company has decided not to issue forecasted results of operations as well as a dividend forecast.** The Company will continue to put efforts into preventing the spread of infection and provide appropriate transport capacity based on the amount of usage of its services by customers. In addition, the Company will seek to improve its services toward a recovery and increase of profits post-COVID-19 and pursue efficiency and cost reduction in the operation of its business at all levels, while giving top priority to ensuring safe and reliable transportation.

## 1. Summary of Consolidated Results for the Three Months Ended June 30, 2020

### (1) Operating revenues (128.7 billion yen; a 342.6 billion yen or a 72.7% decrease)

- The Company's **transportation revenues decreased by 287.3 billion yen (81.2%) to 66.3 billion yen in the three months ended June 30, 2020, as compared with the three months ended June 30, 2019.**
  - As for the railway business, the Company put efforts into preventing the spread of infection on both the Tokaido Shinkansen and conventional lines so that customers can use its services with peace of mind. The Company also provided appropriate transport capacity based on the amount of usage of its services by customers.
  - However, due to the impact of the COVID-19 pandemic, transportation revenues from the Tokaido Shinkansen decreased by 271.7 billion yen (83.2%) to 54.7 billion yen in the three months ended June 30, 2020 as compared with the three months ended June 30, 2019, while transportation revenues from conventional lines decreased by 15.5 billion yen (57.4%) to 11.5 billion yen in the three months ended June 30, 2020 as compared with the three months ended June 30, 2019.
- As for the non-railway business, although the Company sought to ensure profits after the lifting of the state of emergency, mainly by gradually resuming the operation of JR CENTRAL TOWERS and JR GATE TOWER while striving to prevent the spread of infection, the overall operating revenues significantly decreased on a consolidated basis as well because of the impacts of the COVID-19 pandemic.

### (2) Operating expenses (212.3 billion yen; a 52.7 billion yen or a 19.9% decrease)

### (3) Operating income/loss (-83.6 billion yen; a 289.8 billion yen negative change)

### (4) Non-operating income/loss (-17.8 billion yen; a 0.2 billion yen negative change)

### (5) Ordinary income/loss (-101.4 billion yen; a 290.1 billion yen negative change)

### (6) Net income/loss attributable to owners of the parent (-72.6 billion yen; a 203.9 billion yen negative change)

## 2. Forecasted Results of Operations for the Fiscal Year Ending March 31, 2021

- The Company is not issuing forecasted results of operation for the current fiscal year as coming up with them is currently difficult, given the significant decrease in the use of trains and other services resulting mainly from people continuing to refrain from going outside and travel in response to the COVID-19 pandemic, as well as the fact that there are many undetermined factors that could affect operating results in the future. The Company will publish forecasted results of operations promptly once it becomes to do so.

## 3. Dividend forecast for the Fiscal Year Ending March 31, 2021 (the Company)

- The Company is not issuing dividend forecasts for the current fiscal year as it is currently difficult to come up with forecasted results of operations. The Company will publish dividend forecasts once it becomes possible to do so.

(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<br>Months Ended<br>June 30, 2019 | For the Three<br>Months Ended<br>June 30, 2020 | Increase<br>(Decrease) | %            |
|---|--|--|------------------------|--------------|
| <b>Operating revenues</b>                                     | <b>471.3</b>                                   | <b>128.7</b>                                   | <b>(342.6)</b>         | <b>27.3</b>  |
| Transportation  | 366.2  | 77.6   | (288.5)                | 21.2         |
| Merchandise and other   | 62.3   | 22.2   | (40.1)                 | 35.7         |
| Real estate   | 11.8   | 8.9  | (2.9)                  | 74.9         |
| Other   | 30.8   | 19.9   | (10.9)                 | 64.5         |
| <b>Operating expenses</b>                                     | <b>265.1</b>                                   | <b>212.3</b>                                   | <b>(52.7)</b>          | <b>80.1</b>  |
| <b>Operating (loss) income</b>                                | <b>206.2</b>                                   | <b>(83.6)</b>                                  | <b>(289.8)</b>         | <b>-</b>     |
| <b>Non-operating income (loss)</b>                            | <b>(17.5)</b>                                  | <b>(17.8)</b>                                  | <b>(0.2)</b>           | <b>101.6</b> |
| Non-operating income  | 3.8  | 3.2  | (0.5)                  | 86.2         |
| Non-operating expenses  | 21.3   | 21.1   | (0.2)                  | 98.9         |
| <b>Ordinary (loss) income</b>                                 | <b>188.6</b>                                   | <b>(101.4)</b>                                 | <b>(290.1)</b>         | <b>-</b>     |
| <b>Extraordinary gain (loss)</b>                              | <b>(0.3)</b>                                   | <b>(0.7)</b>                                   | <b>(0.4)</b>           | <b>222.1</b> |
| <b>(Loss) income before income taxes</b>                      | <b>188.3</b>                                   | <b>(102.1)</b>                                 | <b>(290.5)</b>         | <b>-</b>     |
| Income taxes  | 55.9   | (29.0)   | (84.9)                 | -            |
| <b>Net (loss) income</b>                                      | <b>132.4</b>                                   | <b>(73.1)</b>                                  | <b>(205.5)</b>         | <b>-</b>     |
| Net (loss) income attributable to noncontrolling interests    | 1.1  | (0.4)  | (1.6)                  | -            |
| <b>Net (loss) income attributable to owners of the parent</b> | <b>131.3</b>                                   | <b>(72.6)</b>                                  | <b>(203.9)</b>         | <b>-</b>     |
| <b>Comprehensive (loss) income</b>                            | <b>128.7</b>                                   | <b>(68.8)</b>                                  | <b>(197.6)</b>         | <b>-</b>     |

- (Note) 1. The breakdown of operating revenues is based on the amount of sales to external customers, according to reportable segments.
2. Although NIPPON SHARYO, LTD. is included in the segment of "railway rolling stock production business" in the statement of accounts, it is included in "Other" in this Material.

## Comparative Quarterly Statements of Income (Non-consolidated)

(Unit: Billions of yen, %)

| Classifications                          | For the Three<br>Months Ended<br>June 30, 2019 | For the Three<br>Months Ended<br>June 30, 2020 | Increase<br>(Decrease) | %           |
|--|--|--|------------------------|-------------|
| <b>Operating revenues</b>                | <b>370.6</b>                                   | <b>82.3</b>                                    | <b>(288.3)</b>         | <b>22.2</b> |
| Transportation revenues                  | 353.7  | 66.3   | (287.3)                | 18.8        |
| Other services                           | 16.9   | 15.9   | (0.9)                  | 94.3        |
| <b>Operating expenses</b>                | <b>172.8</b>                                   | <b>155.8</b>                                   | <b>(17.0)</b>          | <b>90.2</b> |
| Personnel expenses                       | 45.0   | 44.4   | (0.6)                  | 98.6        |
| Non-personnel expenses                   | 70.0   | 60.7   | (9.3)                  | 86.7        |
| Taxes other than income taxes            | 10.6   | 9.1  | (1.4)                  | 86.6        |
| Depreciation and amortization            | 47.1   | 41.5   | (5.6)                  | 88.0        |
| <b>Operating (loss) income</b>           | <b>197.8</b>                                   | <b>(73.4)</b>                                  | <b>(271.2)</b>         | <b>-</b>    |
| <b>Non-operating income (loss)</b>       | <b>(18.6)</b>                                  | <b>(18.3)</b>                                  | <b>0.2</b>             | <b>98.6</b> |
| Non-operating income                     | 2.7  | 2.7  | 0.0                    | 100.0       |
| Non-operating expenses                   | 21.3   | 21.0   | (0.2)                  | 98.8        |
| <b>Ordinary (loss) income</b>            | <b>179.1</b>                                   | <b>(91.8)</b>                                  | <b>(271.0)</b>         | <b>-</b>    |
| <b>Extraordinary (loss) gain</b>         | <b>0.0</b>                                     | <b>(1.0)</b>                                   | <b>(1.0)</b>           | <b>-</b>    |
| <b>(Loss) income before income taxes</b> | <b>179.2</b>                                   | <b>(92.8)</b>                                  | <b>(272.0)</b>         | <b>-</b>    |
| Income taxes                             | 53.2   | (26.9)   | (80.2)                 | -           |
| <b>Net (loss) income</b>                 | <b>125.9</b>                                   | <b>(65.9)</b>                                  | <b>(191.8)</b>         | <b>-</b>    |

Comparison of Passenger-kilometers and Transportation Revenues  
for the Three Months Ended June 30, 2020

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

|                                     |                    |          | For the Three<br>Months Ended<br>June 30, 2019 | For the Three<br>Months Ended<br>June 30, 2020 | Increase<br>(Decrease) | %    |
|-------------------------------------|--------------------|----------|--|--|------------------------|------|
| Passenger-kilometers                | Shinkansen         | Commuter | 391  | 269  | (122)                  | 68.7 |
|                                     |                    | Others   | 13,745   | 2,131  | (11,614)               | 15.5 |
|                                     |                    | Subtotal | 14,136   | 2,400  | (11,736)               | 17.0 |
|                                     | Conventional lines | Commuter | 1,453  | 1,151  | (302)                  | 79.2 |
|                                     |                    | Others   | 968  | 257  | (711)                  | 26.6 |
|                                     |                    | Subtotal | 2,421  | 1,408  | (1,013)                | 58.2 |
|                                     | Subtotal           | Commuter | 1,844  | 1,420  | (424)                  | 77.0 |
|                                     |                    | Others   | 14,713   | 2,388  | (12,325)               | 16.2 |
|                                     |                    | Subtotal | 16,557   | 3,808  | (12,749)               | 23.0 |
| Transportation revenues             | Shinkansen         | Commuter | 4.6  | 3.2  | (1.4)                  | 69.6 |
|                                     |                    | Others   | 321.8  | 51.5   | (270.3)                | 16.0 |
|                                     |                    | Subtotal | 326.5  | 54.7   | (271.7)                | 16.8 |
|                                     | Conventional lines | Commuter | 9.0  | 6.9  | (2.0)                  | 77.6 |
|                                     |                    | Others   | 18.1   | 4.5  | (13.5)                 | 25.3 |
|                                     |                    | Subtotal | 27.1   | 11.5   | (15.5)                 | 42.6 |
|                                     | Subtotal           | Commuter | 13.7   | 10.2   | (3.4)                  | 74.8 |
|                                     |                    | Others   | 340.0  | 56.1   | (283.8)                | 16.5 |
|                                     |                    | Subtotal | 353.7  | 66.3   | (287.3)                | 18.8 |
| Subtotal<br>(including parcel fare) |                    | 353.7    | 66.3   | (287.3)  | 18.8                   |      |

- (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<br>31, 2020 | As of June<br>30, 2020 | Increase<br>(Decrease) |
|--|-------------------------|------------------------|------------------------|
| <b>Current assets</b>                                    | <b>3,382.6</b>          | <b>3,150.5</b>         | <b>(232.1)</b>         |
| Money held in trust for the Chuo Shinkansen construction | 2,435.0                 | 2,254.2                | (180.7)                |
| <b>Noncurrent assets</b>                                 | <b>6,220.4</b>          | <b>6,288.3</b>         | <b>67.9</b>            |
| Property, plant and equipment and Intangible assets      | 5,016.3                 | 5,049.3                | 32.9                   |
| Investments and other assets                             | 1,204.1                 | 1,239.0                | 34.9                   |
| <b>Total assets</b>                                      | <b>9,603.1</b>          | <b>9,438.8</b>         | <b>(164.2)</b>         |
| <b>Current liabilities</b>                               | <b>625.6</b>            | <b>556.3</b>           | <b>(69.3)</b>          |
| <b>Noncurrent liabilities</b>                            | <b>5,105.3</b>          | <b>5,093.0</b>         | <b>(12.2)</b>          |
| <b>Total liabilities</b>                                 | <b>5,731.0</b>          | <b>5,649.3</b>         | <b>(81.6)</b>          |
| <b>Total equity</b>                                      | <b>3,872.1</b>          | <b>3,789.4</b>         | <b>(82.6)</b>          |
| <b>Total liabilities and equity</b>                      | <b>9,603.1</b>          | <b>9,438.8</b>         | <b>(164.2)</b>         |

|   |                |                |               |
|---|----------------|----------------|---------------|
| <b>Breakdown of long-term debts</b>                 | <b>4,846.0</b> | <b>4,834.6</b> | <b>(11.3)</b> |
| Long-term debt for the Chuo Shinkansen construction | 3,000.0        | 3,000.0        | -             |
| Bonds payable                                       | 848.7          | 838.8          | (9.9)         |
| Long-term loans payable                             | 458.7          | 457.3          | (1.3)         |
| Long-term accounts payable-railway facilities       | 538.4          | 538.4          | -             |

## Reference: Comparative Quarterly Operating Income/Loss by Segment

(Unit: Billions of yen, %)

| Classifications  |                       | For the Three<br>Months Ended<br>June 30, 2019 | For the Three<br>Months Ended<br>June 30, 2020 | Increase<br>(Decrease) | %     |
|--|-----------------------|--|--|------------------------|-------|
| <b>Operating revenues</b>                                  | Transportation        | 369.2  | 79.8   | (289.4)                | 21.6  |
|  | Merchandise and other | 65.7   | 25.2   | (40.4)                 | 38.5  |
|  | Real estate           | 19.7   | 15.5   | (4.2)                  | 78.6  |
|  | Other                 | 50.6   | 46.4   | (4.2)                  | 91.7  |
|  | Reconciliations       | (34.0)   | (38.3)   | (4.3)                  | 112.7 |
|  | Total                 | 471.3  | 128.7  | (342.6)                | 27.3  |
| <b>Segment profit (loss)<br/>(Operating income (loss))</b> | Transportation        | 196.3  | (75.7)   | (272.0)                | -     |
|  | Merchandise and other | 2.2  | (6.4)  | (8.6)                  | -     |
|  | Real estate           | 5.6  | 2.7  | (2.9)                  | 48.4  |
|  | Other                 | 1.5  | (3.3)  | (4.9)                  | -     |
|  | Reconciliations       | 0.5  | (0.7)  | (1.2)                  | -     |
|  | Total                 | 206.2  | (83.6)   | (289.8)                | -     |

- (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.
3. Although NIPPON SHARYO, LTD. is included in the segment of "railway rolling stock production business" in the statement of accounts, it is included in "Other" in this Material.