

Summary of the Consolidated Financial Results for the Six Months Ended September 30, 2020

October 28, 2020

Central Japan Railway Company

- **The Company's overall operating revenues on a consolidated basis significantly decreased** because of an ongoing extremely difficult business environment for the Company and its group companies mainly due to people refraining from going outside and traveling in response to the COVID-19 pandemic.
- Although operating expenses decreased as a result of such factors as cost reduction efforts, **the Company recorded a significant operating loss.**
- **The Company expects a significant full-year decrease in income and profit (operating loss).** The Company will continue to put efforts into preventing the spread of infection, and also boosting demand by further enhancing services and offering new styles of travel, while giving top priority to ensuring safe and reliable transportation. In addition, the Company will further pursue efficiency and cost reduction in the operation of its business at all levels.
- **Both the interim dividends and forecasted year-end dividends for the fiscal year are 65 yen per share.**

1. Summary of Consolidated Results for the Six Months Ended September 30, 2020**(1) Operating revenues (337.8 billion yen; a 617.7 billion yen or a 64.6% decrease)**

- The Company's **transportation revenues decreased by 527.6 billion yen (73.6%) to 189.3 billion yen in the six months ended September 30, 2020, compared with the six months ended September 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 sufficient transport capacity, for example by utilizing the "12 Nozomi Timetable" based on the amount of usage of its services by customers. In addition, as an effort to increase the use of its services, the Company has also suggested "Zurashi Tabi," as a new style of travel where customers choose different time schedules, destinations, on-site transportation means and experiences from conventional ones, and sold attractive travel packages.
 - However, due to the impact of the COVID-19 pandemic, transportation revenues from the Tokaido Shinkansen decreased by 499.6 billion yen (75.4%) to 162.5 billion yen in the six months ended September 30, 2020 as compared with the six months ended September 30, 2019, while transportation revenues from conventional lines decreased by 28.0 billion yen (51.2%) to 26.7 billion yen in the six months ended September 30, 2020 as compared with the six months ended September 30, 2019.
- As for the non-railway business, although the Company sought to ensure profits, mainly through 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 (451.4 billion yen; a 97.2 billion yen or a 17.7% decrease)**
- (3) Operating income/loss (-113.5 billion yen; a 520.4 billion yen negative change)**
- (4) Non-operating income/loss (-37.1 billion yen; a 0.5 billion yen positive change)**
- (5) Ordinary income/loss (-150.7 billion yen; a 519.9 billion yen negative change)**
- (6) Net income/loss attributable to owners of the parent (-113.5 billion yen; a -371.1 billion yen negative change)**

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

- The forecasted results of operation for the fiscal year are as follows—**operating revenues: 863 billion yen (53.2% decrease compared with the fiscal year ended March 31, 2020), operating income/loss: -185 billion yen, ordinary income/loss: -258 billion yen, and net income/loss attributable to owners of the parent: -192 billion yen.**

(Reasons for disclosure)

Forecasted results of operations for the fiscal year had not been issued as coming up with them was 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 were many undetermined factors that could affect operating results in the future. However, taking into consideration the recent transportation trends, the Company has issued forecasted results assuming that the current state of use in the railway business will continue until the end of the year and then shift to a recovery trend.

The above forecasted results are subject to significant change depending on the state of progress in bringing COVID-19 under control, economic trends and other factors.

3. Interim Dividends and Forecasted Year-end Dividends for the Fiscal Year Ending March 31, 2021 (of the Company)

- Interim dividends 65 yen per share
(a decrease of 10 yen as compared with the dividend paid for the interim period of the fiscal year ended March 31, 2020)
- Forecasted year-end dividends 65 yen per share
(a decrease of 10 yen as compared with the dividend paid at the end of the fiscal year ended March 31, 2020)

(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, 2019	For the Six Months Ended September 30, 2020	Increase (Decrease)	%
Operating revenues	955.6	337.8	(617.7)	35.4
Transportation	742.3	212.5	(529.7)	28.6
Merchandise and other	125.5	64.3	(61.1)	51.3
Real estate	24.1	18.8	(5.3)	78.1
Other	63.5	42.0	(21.5)	66.1
Operating expenses	548.7	451.4	(97.2)	82.3
Operating (loss) income	406.8	(113.5)	(520.4)	-
Non-operating income (loss)	(37.6)	(37.1)	0.5	98.6
Non-operating income	5.2	6.7	1.4	127.7
Non-operating expenses	42.9	43.8	0.9	102.2
Ordinary (loss) income	369.2	(150.7)	(519.9)	-
Extraordinary gain (loss)	0.8	(4.8)	(5.7)	-
(Loss) income before income taxes	370.0	(155.6)	(525.6)	-
Income taxes	109.5	(41.9)	(151.4)	-
Net (loss) income	260.4	(113.7)	(374.1)	-
Net (loss) income attributable to noncontrolling interests	2.9	(0.1)	(3.0)	-
Net (loss) income attributable to owners of the parent	257.5	(113.5)	(371.1)	-
Comprehensive income	262.1	(109.9)	(372.1)	-

- (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 Six Months Ended September 30, 2019	For the Six Months Ended September 30, 2020	Increase (Decrease)	%
Operating revenues	751.2	221.7	(529.5)	29.5
Transportation revenues	716.9	189.3	(527.6)	26.4
Other services	34.3	32.4	(1.9)	94.4
Operating expenses	361.2	321.8	(39.4)	89.1
Personnel expenses	88.0	87.1	(0.8)	99.0
Non-personnel expenses	156.5	133.6	(22.8)	85.4
Taxes other than income taxes	21.2	16.2	(4.9)	76.6
Depreciation and amortization	95.3	84.6	(10.7)	88.8
Operating (loss) income	390.0	(100.0)	(490.1)	-
Non-operating income (loss)	(38.6)	(39.6)	(0.9)	102.4
Non-operating income	4.3	4.2	(0.0)	97.8
Non-operating expenses	43.0	43.8	0.8	102.0
Ordinary (loss) income	351.3	(139.6)	(491.0)	-
Extraordinary gain (loss)	(0.1)	(0.9)	(0.7)	677.6
(Loss) income before income taxes	351.2	(140.5)	(491.8)	-
Income taxes	104.6	(42.3)	(146.9)	-
Net (loss) income	246.6	(98.2)	(344.8)	-

Comparison of Passenger-kilometers and Transportation Revenues
for the Six Months Ended September 30, 2020

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

			For the Six Months Ended September 30, 2019	For the Six Months Ended September 30, 2020	Increase (Decrease)	%	(Reference) From July to September 2020	Vs. From July to September 2019 (%)
Passenger-kilometers	Shinkansen	Commuter	783	531	(252)	67.8	262	66.9
		Others	27,922	6,504	(21,419)	23.3	4,373	30.8
		Subtotal	28,706	7,035	(21,671)	24.5	4,635	31.8
	Conventional lines	Commuter	2,917	2,431	(485)	83.4	1,280	87.5
		Others	1,969	678	(1,291)	34.4	421	42.0
		Subtotal	4,886	3,109	(1,777)	63.6	1,701	69.0
	Subtotal	Commuter	3,700	2,963	(738)	80.1	1,543	83.1
		Others	29,891	7,182	(22,710)	24.0	4,793	31.6
		Subtotal	33,592	10,144	(23,448)	30.2	6,336	37.2
Transportation revenues	Shinkansen	Commuter	9.3	6.3	(2.9)	67.9	3.0	66.1
		Others	652.8	156.2	(496.6)	23.9	104.7	31.6
		Subtotal	662.1	162.5	(499.6)	24.6	107.7	32.1
	Conventional lines	Commuter	18.0	14.4	(3.6)	79.9	7.4	82.2
		Others	36.6	12.3	(24.3)	33.6	7.7	41.7
		Subtotal	54.7	26.7	(28.0)	48.8	15.1	55.0
	Subtotal	Commuter	27.3	20.7	(6.6)	75.8	10.5	76.8
		Others	689.5	168.5	(521.0)	24.4	112.4	32.2
		Subtotal	716.9	189.3	(527.6)	26.4	122.9	33.8
Total (including parcel fare)			716.9	189.3	(527.6)	26.4	122.9	33.8

- (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 31, 2020	As of September 30, 2020	Increase (Decrease)
Current assets	3,382.6	3,126.3	(256.3)
Money held in trust for the Chuo Shinkansen construction	2,435.0	2,254.2	(180.7)
Noncurrent assets	6,220.4	6,370.1	149.7
Property, plant and equipment and Intangible assets	5,016.3	5,115.1	98.8
Investments and other assets	1,204.1	1,254.9	50.8
Total assets	9,603.1	9,496.4	(106.6)
Current liabilities	625.6	599.0	(26.6)
Noncurrent liabilities	5,105.3	5,146.4	41.1
Total liabilities	5,731.0	5,745.4	14.4
Total equity	3,872.1	3,751.0	(121.0)
Total liabilities and equity	9,603.1	9,496.4	(106.6)
Breakdown of long-term debts	4,846.0	4,927.0	80.9
Long-term debt for the Chuo Shinkansen construction	3,000.0	3,000.0	-
Bonds payable	848.7	938.8	90.0
Long-term loans payable	458.7	452.6	(6.1)
Long-term accounts payable-railway facilities	538.4	535.6	(2.8)

Comparative Quarterly Statements of Cash Flows (Consolidated)

(Unit: Billions of yen)

Classifications	For the Six Months Ended September 30, 2019	For the Six Months Ended September 30, 2020	Increase (Decrease)
Net cash provided by (used in) operating activities	302.3	(184.2)	(486.5)
Net cash provided by (used in) investing activities	(131.3)	(74.5)	56.8
Expenditures from the purchase of property plant and equipment and intangible assets, etc.	(190.2)	(255.3)	(65.1)
Proceeds from the trust for the Chuo Shinkansen construction (net)	161.4	180.7	19.3
Revenue/expenditure from fund management (net)	(102.5)	-	102.5
Net cash provided by (used in) financing activities	(57.2)	172.5	229.8
Net increase (decrease) in cash and cash equivalents	113.6	(86.2)	(199.9)
Cash and cash equivalents, beginning of the period	751.6	761.3	9.7
Cash and cash equivalents, end of the period	865.3	675.0	(190.2)

Forecasted Results of Operations for the Fiscal Year Ending March 31, 2021 (Consolidated)

(Unit: Billions of yen, %)

Classifications	For the Year Ending March 31, 2020 (Actual Results)	For the Year Ending March 31, 2021 (Forecasted Results)	Increase (Decrease)	%
Operating revenues	1,844.6	863.0	(981.6)	46.8
Operating expenses	1,188.4	1,048.0	(140.4)	88.2
Operating (loss) income	656.1	(185.0)	(841.1)	-
Ordinary (loss) income	574.2	(258.0)	(832.2)	-
Net (loss) income attributable to owners of the parent	397.8	(192.0)	(589.8)	-

Forecasted Results of Operations for the Fiscal Year Ending March 31, 2021 (Non-Consolidated)

(Unit: Billions of yen, %)

Classifications	For the Year Ending March 31, 2020 (Actual Results)	For the Year Ending March 31, 2021 (Forecasted Results)	Increase (Decrease)	%
Operating revenues	1,436.9	582.0	(854.9)	40.5
[Transportation revenues]	1,365.6	516.0	(849.6)	37.8
Operating expenses	813.9	753.0	(60.9)	92.5
Operating (loss) income	623.0	(171.0)	(794.0)	-
Ordinary (loss) income	540.0	(247.0)	(787.0)	-
Net (loss) income	378.8	(187.0)	(565.8)	-

Reference: Actual Results According to Reportable Segments

(Unit: Billions of yen, %)

Classifications		For the Six Months Ended September 30, 2019	For the Six Months Ended September 30, 2020	Increase (Decrease)	%
Operating revenues	Transportation	748.4	217.2	(531.2)	29.0
	Merchandise and other	132.0	70.2	(61.8)	53.2
	Real estate	40.2	33.4	(6.7)	83.1
	Other	111.9	97.1	(14.7)	86.8
	Reconciliations	(77.1)	(80.2)	(3.1)	104.0
	Total	955.6	337.8	(617.7)	35.4
Segment profit (loss) (Operating income (loss))	Transportation	387.1	(104.0)	(491.1)	-
	Merchandise and other	4.6	(9.7)	(14.4)	-
	Real estate	11.3	6.7	(4.5)	59.4
	Other	3.5	(5.0)	(8.5)	-
	Reconciliations	0.1	(1.4)	(1.6)	-
	Total	406.8	(113.5)	(520.4)	-

- (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.

Reference: Forecasted Results According to Reportable Segments

(Unit: Billions of yen, %)

Classifications		For the Year Ending March 31, 2020 (Actual Results)	For the Year Ending March 31, 2021 (Forecasted Results)	Increase (Decrease)	%
Operating revenues	Transportation	1,431.2	573.0	(858.2)	40.0
	Merchandise and other	263.2	177.0	(86.2)	67.2
	Real estate	79.9	70.0	(9.9)	87.5
	Other	272.2	247.0	(25.2)	90.7
	Reconciliations	(202.1)	(204.0)	(1.8)	100.9
	Total	1,844.6	863.0	(981.6)	46.8
Segment profit (loss) (Operating income (loss))	Transportation	617.6	(179.0)	(796.6)	-
	Merchandise and other	7.4	(13.0)	(20.4)	-
	Real estate	19.0	13.0	(6.0)	68.4
	Other	13.5	(4.0)	(17.5)	-
	Reconciliations	(1.3)	(2.0)	(0.6)	143.1
	Total	656.1	(185.0)	(841.1)	-

- (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.
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.

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