

# Summary of Consolidated Financial Report for the Nine Months Ended December 31, 2020 [under Japanese GAAP] (Unaudited)

English translation from the original Japanese-language document

January 29, 2021

Company Name	Central Japan Railway Company
Stock Exchange Listings	Tokyo and Nagoya
Code Number	9022
URL	<a href="https://jr-central.co.jp">https://jr-central.co.jp</a>
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 Securities Reports	February 3, 2021
Expected Date of Dividend Payment Commencement	—
Supplementary Information	Attached
Briefing of Financial Results of 3rd Quarter	To be held (for institutional investors and analysts)

## 1. Results for the nine months ended December 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 2021 3rd Quarter	603,083	(58.4)	(93,592)	—	(147,761)	—	(111,492)	—
Fiscal 2020 3rd Quarter	1,448,006	2.9	611,936	2.4	555,658	2.9	388,121	3.3

Note 1. Comprehensive income : Fiscal 2021 3rd Quarter (95,575) million yen, —%. Fiscal 2020 3rd Quarter 395,754 million yen, 7.5%.

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 same period of the previous year.

	Net income per share - basic	Net income per share - diluted
	Yen	Yen
Fiscal 2021 3rd Quarter	(567.42)	—
Fiscal 2020 3rd Quarter	1,978.50	—

### (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 2021 3rd Quarter	9,490,496	3,755,675	39.1
Fiscal 2020	9,603,126	3,872,103	39.9

Note Net worth : Fiscal 2021 3rd Quarter 3,714,368 million yen. Fiscal 2020 3,831,833 million yen.

## 2. Cash dividends

	Cash dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2020	—	75.00	—	75.00	150.00
Fiscal 2021	—	65.00	—		
Fiscal 2021 (Forecast)				65.00	130.00

Note Revisions to the previous forecast of cash dividends for Fiscal 2021 : none

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

	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 2021	863,000	(53.2)	(185,000)	—	(258,000)	—	(192,000)	—	(977.13)	

Note 1. Percentages for operating revenues, operating income, ordinary income and net income attributable to owners of the parent represent the changes from the same period of the previous year.

2. Revisions to the previous consolidated forecast for Fiscal 2021 : 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 2021 3rd Quarter	206,000,000 shares	Fiscal 2020	206,000,000 shares
Fiscal 2021 3rd Quarter	9,289,069 shares	Fiscal 2020	9,644,869 shares
Fiscal 2021 3rd Quarter	196,491,350 shares	Fiscal 2020 3rd Quarter	196,169,812 shares

- ② Number of treasury stocks at the end of period

- ③ Average number of shares outstanding for the period

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 2021 3rd Quarter 88,200 shares. Fiscal 2020 444,000 shares.

Average number of shares outstanding for the period : Fiscal 2021 3rd Quarter 307,781 shares. Fiscal 2020 3rd Quarter 629,320 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 computes income taxes by multiplying quarterly income before income taxes by the effective tax rate that is reasonably estimated by applying tax effect accounting to the projected annual income before income taxes of the fiscal year.

In case where the method of computation is remarkably unreasonable, the statutory effective tax rate is used.

- (7) Additional information

Effects of the COVID-19 pandemic

The use of trains and other services is declining as an effect of people refraining from going outside and moving in response to the COVID-19 pandemic.

While it is difficult to predict the various outcomes related to the pandemic such as the end of the spread, an accounting estimate is made based on the assumption that the status of passenger volume will recover gradually over the next several months towards the fiscal 2022.

- 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.
  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	
	Fiscal 2020 (As of March 31, 2020)	Fiscal 2021 3rd Quarter (As of December 31, 2020)
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and deposits	406,408	343,827
Money held in trust for the Chuo Shinkansen construction	2,435,015	2,149,404
Notes and accounts receivable—trade	48,206	48,885
Railway fares receivables	39,727	31,753
Marketable securities	353,500	393,500
Inventories	43,923	50,245
Other	55,915	62,207
Allowance for doubtful accounts	(14)	(11)
Total current assets	3,382,682	3,079,812
<b>Noncurrent assets:</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	1,416,829	1,373,599
Machinery, rolling stock and vehicles, net	217,844	235,632
Land	2,354,868	2,356,375
Construction in progress	890,016	1,060,029
Other, net	45,639	39,097
Total property, plant and equipment	4,925,199	5,064,734
<b>Intangible assets</b>	91,141	91,424
<b>Investments and other assets</b>		
Investment securities	846,723	859,669
Deferred tax assets	176,899	215,219
Other	182,720	181,171
Allowance for doubtful accounts	(2,241)	(1,536)
Total investments and other assets	1,204,102	1,254,524
Total noncurrent assets	6,220,443	6,410,683
<b>Total assets</b>	<b>9,603,126</b>	<b>9,490,496</b>

QUARTERLY CONSOLIDATED BALANCE SHEET (Unaudited)

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

	Millions of yen	
	Fiscal 2020 (As of March 31, 2020)	Fiscal 2021 3rd Quarter (As of December 31, 2020)
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Notes and accounts payable–trade	78,825	58,514
Short-term loans payable	29,497	29,638
Current portion of bonds payable	30,000	10,000
Current portion of long-term loans payable	54,969	79,901
Current portion of long-term debt of the employee stock ownership plan trust	5,400	5,200
Current portion of long-term accounts payable–railway facilities	5,783	5,962
Income taxes payable	83,575	81,016
Provision for bonuses	28,440	14,617
Other	309,191	313,515
Total current liabilities	625,682	598,366
<b>Noncurrent liabilities:</b>		
Bonds payable	818,786	918,836
Long-term loans payable	403,819	372,620
Long-term debt for the Chuo Shinkansen construction	3,000,000	3,000,000
Long-term debt of the employee stock ownership plan trust	4,300	—
Long-term accounts payable–railway facilities	532,666	529,637
Provision for large-scale renovation of the Shinkansen infrastructure	105,000	78,750
Liability for retirement benefits	190,774	190,010
Other	49,994	46,598
Total noncurrent liabilities	5,105,341	5,136,453
<b>Total liabilities</b>	<b>5,731,023</b>	<b>5,734,820</b>
<b>EQUITY</b>		
<b>Shareholders' equity:</b>		
Common stock	112,000	112,000
Capital surplus	53,486	53,475
Retained earnings	3,755,901	3,616,828
Treasury stock	(111,615)	(104,839)
Total shareholders' equity	3,809,772	3,677,464
<b>Accumulated other comprehensive income:</b>		
Unrealized gain on available-for-sale securities	20,729	35,554
Remeasurements of defined benefit plans	1,331	1,349
Total accumulated other comprehensive income	22,061	36,904
<b>Noncontrolling interests</b>	40,269	41,307
<b>Total equity</b>	<b>3,872,103</b>	<b>3,755,675</b>
<b>Total liabilities and equity</b>	<b>9,603,126</b>	<b>9,490,496</b>

## QUARTERLY CONSOLIDATED STATEMENT OF INCOME (Unaudited)

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

	Millions of yen	
	Fiscal 2020 3rd Quarter (For the nine months ended December 31, 2019)	Fiscal 2021 3rd Quarter (For the nine months ended December 31, 2020)
<b>Operating revenues</b>	1,448,006	603,083
<b>Operating expenses:</b>		
Transportation, other services and cost of sales	693,728	577,825
Selling, general and administrative expenses	142,341	118,850
Total operating expenses	836,070	696,676
<b>Operating (loss) income</b>	<b>611,936</b>	<b>(93,592)</b>
<b>Non-operating income:</b>		
Interest income	1,719	1,873
Dividend income	3,113	2,903
Insurance income	232	243
Subsidies for employment adjustment	—	1,970
Other	2,770	3,810
Total non-operating income	7,836	10,802
<b>Non-operating expenses:</b>		
Interest expense	33,577	33,408
Interest on long-term accounts payable—railway facilities	26,434	26,179
Other	4,101	5,383
Total non-operating expenses	64,113	64,971
<b>Ordinary (loss) income</b>	<b>555,658</b>	<b>(147,761)</b>
<b>Extraordinary gain:</b>		
Contribution for construction	1,069	3,985
Other	3,611	947
Total extraordinary gain	4,680	4,932
<b>Extraordinary loss:</b>		
Loss on reduction of noncurrent assets	1,068	3,926
Impairment loss	115	4,071
Other	1,796	2,032
Total extraordinary loss	2,980	10,030
<b>(Loss) income before income taxes</b>	<b>557,359</b>	<b>(152,858)</b>
Income taxes	164,447	(41,651)
Net (loss) income	392,911	(111,207)
Net income attributable to noncontrolling interests	4,789	285
<b>Net (loss) income attributable to owners of the parent</b>	<b>388,121</b>	<b>(111,492)</b>

QUARTERLY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

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

	Millions of yen	
	Fiscal 2020 3rd Quarter (For the nine months ended December 31, 2019)	Fiscal 2021 3rd Quarter (For the nine months ended December 31, 2020)
Net (loss) income	392,911	(111,207)
<b>Other comprehensive income:</b>		
Unrealized gain on available-for-sale securities	2,958	15,682
Remeasurements of defined benefit plans	(160)	(26)
Share of other comprehensive (loss) income in affiliates	45	(24)
Total other comprehensive income	2,843	15,631
<b>Comprehensive (loss) income</b>	<b>395,754</b>	<b>(95,575)</b>
(breakdown)		
<b>Total comprehensive (loss) income attributable to</b>		
Owners of the parent	391,041	(96,650)
Noncontrolling interests	4,713	1,074

## SEGMENT INFORMATION (Unaudited)

Fiscal 2020 3rd Quarter (For the nine months ended December 31, 2019)

### 1. 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
<b>Operating revenues:</b>							
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 any reportable segment.

2. "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.

### 2. Information about impairment loss on noncurrent assets by reportable segments

Information about impairment loss on noncurrent assets by reportable segments is omitted because of little materiality.

Fiscal 2021 3rd Quarter (For the nine months ended December 31, 2020)

### 1. 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
<b>Operating revenues:</b>							
External customers	394,483	111,768	29,372	67,459	603,083	—	603,083
Intersegment transactions or transfers	7,254	9,345	22,389	93,417	132,405	(132,405)	—
Total	401,737	121,113	51,761	160,876	735,489	(132,405)	603,083
Segment profit (loss)	(88,214)	(10,325)	11,519	(4,289)	(91,310)	(2,282)	(93,592)

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

2. "Reconciliations" amount of (2,282) million yen for segment profit (loss) is the elimination of intersegment transactions.

3. Segment profit (loss) is reconciled to operating loss in the quarterly consolidated statement of income.

### 2. Matters related to changes in reportable segments

Business in "Rolling Stock Production," a business which was reclassified from "Other" as a reportable segment from the fiscal 2021 1st quarter after fulfilling the quantitative criteria, is reclassified back to "Other" from the fiscal 2021 3rd quarter. This is due to business in "Rolling Stock Production" falling short of the quantitative criteria.

### 3. Information about impairment loss on noncurrent assets by reportable segments

Mainly, the book value of assets of business in travel included in "Other" is reduced to its recoverable amount.

The recorded amount of the impairment loss is 3,197 million yen for the fiscal 2021 3rd Quarter.