

Summary of Consolidated Financial Report for the Year Ended March 31, 2022 [under Japanese GAAP] (Unaudited)

English translation from the original Japanese-language document

April 26, 2022

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 Executive Officer, General Manager of the Public Relations Department (Tel +81-52-564-2549)
Expected Date of the Annual Shareholders' Meeting	June 23, 2022
Expected Date of Presentation of Annual Securities Reports	June 23, 2022
Expected Date of Dividend Payment Commencement	June 24, 2022
Supplementary Information	Attached
Briefing of Financial Results of Fiscal 2022	To be held (for institutional investors and analysts)

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

1. Results for Fiscal 2022 (Year ended March 31, 2022)

(1) Consolidated financial results

	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 2022	935,139	13.6	1,708	—	(67,299)	—	(51,928)	—
Fiscal 2021	823,517	(55.4)	(184,751)	—	(262,064)	—	(201,554)	—

Note 1. Comprehensive income : Fiscal 2022 (52,144) million yen, —%. Fiscal 2021 (165,901) million yen, —%.

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 2022	(263.87)	—	(1.4)	(0.7)	0.2
Fiscal 2021	(1,025.46)	—	(5.4)	(2.7)	(22.4)

Note Equity in earnings of affiliates : Fiscal 2022 182 million yen. Fiscal 2021 386 million yen.

(2) Consolidated financial position

	Total assets	Equity	Net worth ratio	Equity per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2022	9,450,519	3,609,252	37.7	18,110.23
Fiscal 2021	9,600,370	3,686,609	37.9	18,510.87

Note Net worth : Fiscal 2022 3,564,078 million yen. Fiscal 2021 3,642,515 million yen.

(3) Consolidated cash flows

	Net cash provided by (used in) operating activities	Net cash used in investing activities	Net cash (used in) provided by financing activities	Cash and cash equivalents, end of the fiscal year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2022	71,746	(153,049)	(19,178)	619,460
Fiscal 2021	(169,354)	(134,718)	262,638	719,941

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 2021	—	65.00	—	65.00	130.00	25,610	—	0.7
Fiscal 2022	—	65.00	—	65.00	130.00	25,610	—	0.7
Fiscal 2023 (Forecast)	—	65.00	—	65.00	130.00		17.5	

3. Consolidated forecast for Fiscal 2023 (Year ending March 31, 2023)

	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 2023	1,332,000	42.4	290,000	—	217,000	—	146,000	—	741.87

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

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
- i) Changes in accounting policies due to revision of accounting standard : changed
 - ii) Other changes in accounting policies : none
 - iii) Changes in accounting estimates : none
 - iv) Error corrections : none

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

i) Number of shares outstanding at the end of the year (Including treasury stocks)	Fiscal 2022	206,000,000	Fiscal 2021	206,000,000
		shares		shares
ii) Number of treasury stocks at the end of the year	Fiscal 2022	9,200,851	Fiscal 2021	9,222,869
		shares		shares
iii) Average number of shares outstanding for the year	Fiscal 2022	196,797,600	Fiscal 2021	196,551,674
		shares		shares

Note The number of treasury stocks at the end of the 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 the year : Fiscal 2022 — shares. Fiscal 2021 22,000 shares.

Average number of shares outstanding for the year : Fiscal 2022 1,567 shares. Fiscal 2021 247,457 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.

- (5) Changes in accounting policies

Application of Accounting Standard for Revenue Recognition

The Company has applied ASBJ Statement No. 29, March 31, 2020, "Accounting Standard for Revenue Recognition" ; hereinafter, "Revenue Recognition Accounting Standard" from the beginning of fiscal 2022. In accordance with the aforementioned accounting standard, the Company recognizes revenue in an amount expected to be entitled in exchange for promised goods or services at the time when control of those goods or services is transferred to customers. The primary impact of the application of the aforementioned accounting standard is the changes in the methods of recognizing revenue at certain transactions from on a gross basis as principal transactions to on a net basis as agent transactions.

In accordance with the transitional treatment as provided in the proviso of Paragraph 84 of Revenue Recognition Accounting Standard, the cumulative effect of the retrospective application of the new accounting policies prior to the beginning of fiscal 2022 was added to or deducted from the beginning balance of retained earnings in fiscal 2022, and the balance was adjusted to apply the new policies from the beginning of fiscal 2022.

As a result, operating revenues for fiscal 2022 decreased by 98,840 million yen, and operating expenses decreased by 98,826 million yen. However, there are immaterial effects on loss before income taxes of the consolidated financial statements and information per share. There are also immaterial effects on the beginning balance of retained earnings in fiscal 2022 in the consolidated statement of changes in equity due to the reflection of the cumulative effect on the beginning balance of equity in fiscal 2022.

Because of the application of the aforementioned accounting standard, "Notes and accounts receivable-trade" that was disclosed in Current assets in the consolidated balance sheet in fiscal 2021 is included in "Notes, accounts receivable-trade, and contract assets" from fiscal 2022. In accordance with the transitional treatment as provided in Paragraph 89-2 of Revenue Recognition Accounting Standard, figures for fiscal 2021 are not reclassified by the new methods of presentation.

Application of Accounting Standard for Fair Value Measurement

The Company has applied ASBJ Statement No. 30, July 4, 2019, "Accounting Standard for Fair Value Measurement" ; hereinafter, "Fair Value Accounting Standard" from the beginning of fiscal 2022. In accordance with the transitional treatment as provided in the Paragraph 19 of Fair Value Accounting Standard and the Paragraph 44-2 of ASBJ Statement No. 10, July 4, 2019, "Accounting Standard for Financial Instruments", the Company has applied the new accounting policies prospectively as provided in Fair Value Accounting Standard. There are no effects on the consolidated financial statements due to the application of the aforementioned accounting standard.

- (6) 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 of the pandemic, the accounting estimate for fiscal 2023 is made based on the assumption that transportation revenues will recover to an average of 80% in the 3rd Quarter relative to fiscal 2019 level, considering the revitalization of socio-economic activity that would occur as responses to the pandemic progress.

(Reference) Summary of Nonconsolidated Financial Report**1. Results for Fiscal 2022 (Year ended March 31, 2022)****(1) Nonconsolidated financial results**

	Operating revenues		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2022	726,074	34.0	(1,261)	—	(74,048)	—	(68,176)	—
Fiscal 2021	541,798	(62.3)	(175,904)	—	(256,691)	—	(202,313)	—

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 2022	(346.08)	—
Fiscal 2021	(1,028.26)	—

(2) Nonconsolidated financial position

	Total assets	Equity	Net worth ratio	Equity per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2022	9,246,656	3,369,875	36.4	17,105.90
Fiscal 2021	9,406,227	3,461,234	36.8	17,571.62

Note Net worth : Fiscal 2022 3,369,875 million yen. Fiscal 2021 3,461,234 million yen.

2. Nonconsolidated forecast for Fiscal 2023 (Year ending March 31, 2023)

	Operating revenues		Operating income		Ordinary income		Net income		Net income per share - basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal 2023	1,084,000	49.3	277,000	—	204,000	—	139,000	—	705.58

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

- Note
1. 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.

CONSOLIDATED BALANCE SHEET (Unaudited)

	Millions of yen	
	Fiscal 2021 (As of March 31, 2021)	Fiscal 2022 (As of March 31, 2022)
ASSETS		
Current assets:		
Cash and deposits	340,509	331,651
Money held in trust for the Chuo Shinkansen construction	2,076,158	1,813,068
Notes and accounts receivable-trade	54,157	—
Notes, accounts receivable-trade, and contract assets	—	54,569
Railway fares receivables	48,005	44,193
Marketable securities	389,600	328,500
Inventories	41,938	34,369
Other	73,480	76,518
Allowance for doubtful accounts	(16)	(106)
Total current assets	3,023,832	2,682,764
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures, net	1,391,371	1,354,261
Machinery, rolling stock and vehicles, net	240,140	272,900
Land	2,356,270	2,356,728
Construction in progress	1,143,306	1,382,891
Other, net	45,669	40,879
Total property, plant and equipment	5,176,757	5,407,662
Intangible assets	110,456	142,072
Investments and other assets		
Investment securities	867,567	772,089
Asset for retirement benefits	4,977	5,257
Deferred tax assets	238,939	260,389
Other	179,419	180,830
Allowance for doubtful accounts	(1,579)	(545)
Total investments and other assets	1,289,324	1,218,020
Total noncurrent assets	6,576,538	6,767,755
Total assets	9,600,370	9,450,519

CONSOLIDATED BALANCE SHEET (Unaudited)

	Millions of yen	
	Fiscal 2021 (As of March 31, 2021)	Fiscal 2022 (As of March 31, 2022)
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	70,084	75,970
Short-term loans payable	29,993	30,738
Current portion of bonds payable	68,148	—
Current portion of long-term loans payable	62,199	87,777
Current portion of long-term debt of the employee stock ownership plan trust	4,300	—
Current portion of long-term accounts payable-railway facilities	6,145	6,529
Accounts payable-other	188,013	210,644
Income taxes payable	83,733	6,409
Advances received	40,986	40,368
Deposits received	18,515	31,829
Provision for bonuses	22,871	22,493
Other	229,098	224,552
Total current liabilities	824,087	737,314
Noncurrent liabilities:		
Bonds payable	850,703	890,754
Long-term loans payable	418,920	436,642
Long-term debt for the Chuo Shinkansen construction	3,000,000	3,000,000
Long-term accounts payable-railway facilities	526,518	519,988
Provision for large-scale renovation of the Shinkansen infrastructure	70,000	35,000
Liability for retirement benefits	178,925	180,830
Other	44,604	40,736
Total noncurrent liabilities	5,089,672	5,103,953
Total liabilities	5,913,760	5,841,267
EQUITY		
Shareholders' equity:		
Common stock	112,000	112,000
Capital surplus	53,475	53,474
Retained earnings	3,526,766	3,449,334
Treasury stock	(103,578)	(103,159)
Total shareholders' equity	3,588,662	3,511,649
Accumulated other comprehensive income:		
Unrealized gain on available-for-sale securities	46,157	46,912
Remeasurements of defined benefit plans	7,695	5,516
Total accumulated other comprehensive income	53,853	52,428
Noncontrolling interests	44,094	45,173
Total equity	3,686,609	3,609,252
Total liabilities and equity	9,600,370	9,450,519

CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)

	Millions of yen	
	Fiscal 2021 (For the year ended March 31, 2021)	Fiscal 2022 (For the year ended March 31, 2022)
Operating revenues	823,517	935,139
Operating expenses:		
Transportation, other services and cost of sales	843,758	773,583
Selling, general and administrative expenses	164,511	159,847
Total operating expenses	1,008,269	933,431
Operating income (loss)	(184,751)	1,708
Non-operating income:		
Interest income	2,482	2,421
Dividend income	3,163	3,807
Equity in earnings of affiliates	386	182
Insurance income	2,022	2,976
Subsidies for employment adjustment	2,152	2,861
Other	4,548	4,950
Total non-operating income	14,755	17,199
Non-operating expenses:		
Interest expense	44,348	44,507
Interest on long-term accounts payable-railway facilities	34,877	34,516
Other	12,842	7,183
Total non-operating expenses	92,068	86,207
Ordinary loss	(262,064)	(67,299)
Extraordinary gain:		
Contribution for construction	4,944	4,730
Gain on sales of noncurrent assets	857	2,464
Other	740	787
Total extraordinary gain	6,541	7,982
Extraordinary loss:		
Loss on reduction of noncurrent assets	5,501	4,679
Loss on retirement of noncurrent assets	1,500	1,340
Loss on sales of noncurrent assets	1,109	94
Impairment loss	4,930	1,312
Other	11	1
Total extraordinary loss	13,053	7,429
Loss before income taxes	(268,576)	(66,745)
Income taxes-current	4,892	4,980
Income taxes-deferred	(74,355)	(22,098)
Total income taxes	(69,463)	(17,117)
Net loss	(199,113)	(49,627)
Net income attributable to noncontrolling interests	2,441	2,300
Net loss attributable to owners of the parent	(201,554)	(51,928)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

	Millions of yen	
	Fiscal 2021 (For the year ended March 31, 2021)	Fiscal 2022 (For the year ended March 31, 2022)
Net loss	(199,113)	(49,627)
Other comprehensive (loss) income:		
Unrealized (loss) gain on available-for-sale securities	26,305	(328)
Remeasurements of defined benefit plans	6,901	(2,168)
Share of other comprehensive (loss) income in affiliates	4	(19)
Total other comprehensive (loss) income	33,212	(2,517)
Comprehensive loss	(165,901)	(52,144)
(breakdown)		
Total comprehensive loss attributable to		
Owners of the parent	(169,762)	(53,352)
Noncontrolling interests	3,861	1,207

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)
Fiscal 2021 (For the year ended March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the fiscal year	112,000	53,486	3,755,901	(111,615)	3,809,772
Cumulative effects of changes in accounting policies					
Restated balance	112,000	53,486	3,755,901	(111,615)	3,809,772
Changes of items during the fiscal year					
Dividends from surplus			(27,580)		(27,580)
Net loss attributable to owners of the parent			(201,554)		(201,554)
Purchases of treasury stock					
Disposal of treasury stock				8,036	8,036
Changes in the ownership interest by purchases of shares of consolidated subsidiaries		(10)			(10)
Net changes of items other than shareholders' equity					
Total changes of items during the fiscal year	—	(10)	(229,135)	8,036	(221,109)
Balance at the end of the fiscal year	112,000	53,475	3,526,766	(103,578)	3,588,662

	Accumulated other comprehensive income			Noncontrolling interests	Total equity
	Unrealized gain on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the fiscal year	20,729	1,331	22,061	40,269	3,872,103
Cumulative effects of changes in accounting policies					
Restated balance	20,729	1,331	22,061	40,269	3,872,103
Changes of items during the fiscal year					
Dividends from surplus					(27,580)
Net loss attributable to owners of the parent					(201,554)
Purchases of treasury stock					
Disposal of treasury stock					8,036
Changes in the ownership interest by purchases of shares of consolidated subsidiaries					(10)
Net changes of items other than shareholders' equity	25,428	6,363	31,791	3,824	35,616
Total changes of items during the fiscal year	25,428	6,363	31,791	3,824	(185,493)
Balance at the end of the fiscal year	46,157	7,695	53,853	44,094	3,686,609

Fiscal 2022 (For the year ended March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the fiscal year	112,000	53,475	3,526,766	(103,578)	3,588,662
Cumulative effects of changes in accounting policies			106		106
Restated balance	112,000	53,475	3,526,873	(103,578)	3,588,769
Changes of items during the fiscal year					
Dividends from surplus			(25,610)		(25,610)
Net loss attributable to owners of the parent			(51,928)		(51,928)
Purchases of treasury stock				(0)	(0)
Disposal of treasury stock		0		419	419
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 fiscal year	—	(0)	(77,538)	419	(77,119)
Balance at the end of the fiscal year	112,000	53,474	3,449,334	(103,159)	3,511,649

	Accumulated other comprehensive income			Noncontrolling interests	Total equity
	Unrealized gain on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the fiscal year	46,157	7,695	53,853	44,094	3,686,609
Cumulative effects of changes in accounting policies				14	121
Restated balance	46,157	7,695	53,853	44,108	3,686,731
Changes of items during the fiscal year					
Dividends from surplus					(25,610)
Net loss attributable to owners of the parent					(51,928)
Purchases of treasury stock					(0)
Disposal of treasury stock					419
Changes in the ownership interest by purchases of shares of consolidated subsidiaries					(0)
Net changes of items other than shareholders' equity	754	(2,179)	(1,424)	1,064	(359)
Total changes of items during the fiscal year	754	(2,179)	(1,424)	1,064	(77,479)
Balance at the end of the fiscal year	46,912	5,516	52,428	45,173	3,609,252

CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)

	Millions of yen	
	Fiscal 2021 (For the year ended March 31, 2021)	Fiscal 2022 (For the year ended March 31, 2022)
Operating activities:		
Loss before income taxes	(268,576)	(66,745)
Depreciation and amortization	199,362	207,039
Decrease in provision for large-scale renovation of the Shinkansen infrastructure	(35,000)	(35,000)
Decrease in liability for retirement benefits	(3,409)	(1,240)
Interest and dividend income	(5,645)	(6,229)
Interest expense	79,225	79,023
Equity in earnings of affiliates	(386)	(182)
Proceeds from contribution for construction	(4,944)	(4,730)
Loss on reduction of noncurrent assets	5,501	4,679
Loss on retirement of noncurrent assets	6,684	5,578
(Gain) loss on sales of noncurrent assets	252	(2,370)
Decrease (increase) in trade receivables	(14,229)	11,123
Decrease in inventories	2,982	8,090
Increase (decrease) in trade payables	(8,740)	5,885
Increase in accounts payable-other	10,712	5,697
Increase in advances received	384	3,618
Other	(54,564)	9,330
Subtotal	(90,391)	223,570
Interest and dividend income received	5,377	6,052
Interest expense paid	(78,793)	(78,816)
Income taxes paid	(5,547)	(79,060)
Net cash provided by (used in) operating activities	(169,354)	71,746
Investing activities:		
Payments into time deposits	(15,000)	(31,000)
Proceeds from withdrawal of time deposits	15,000	31,000
Proceeds from cancellation of money held in trust for the Chuo Shinkansen construction	358,857	263,090
Purchases of marketable securities	(31,500)	(71,100)
Proceeds from redemption of marketable securities	31,500	71,100
Purchases of property, plant and equipment	(470,185)	(450,554)
Proceeds from contribution received for construction	3,693	2,864
Purchases of intangible assets	(30,537)	(34,079)
Purchases of investment securities	(4,954)	(2)
Proceeds from sales and redemption of investment securities	981	62,164
Other	7,426	3,467
Net cash used in investing activities	(134,718)	(153,049)
Financing activities:		
Net increase in short-term loans payable	495	745
Proceeds from issuance of short-term bonds	300,000	200,000
Redemption of short-term bonds	(100,000)	(200,000)
Proceeds from long-term loans payable	77,300	105,500
Repayment of long-term loans payable	(54,969)	(62,199)
Proceeds from issuance of bonds	100,002	40,000
Redemption of bonds	(30,000)	(68,160)
Payments for long-term accounts payable-railway facilities	(5,785)	(6,146)
Purchases of treasury stock	—	(0)
Proceeds from sales of treasury stock	6,542	336
Cash dividends paid	(27,580)	(25,610)
Cash dividends paid to noncontrolling interests	—	(141)
Other	(3,367)	(3,502)
Net cash (used in) provided by financing activities	262,638	(19,178)
Net decrease in cash and cash equivalents	(41,434)	(100,481)
Cash and cash equivalents, beginning of the fiscal year	761,376	719,941
Cash and cash equivalents, end of the fiscal year	719,941	619,460

SEGMENT INFORMATION (Unaudited)

1. Description of reportable segments

The reportable segment of the JR Central Group is comprised of units in which separate financial information is obtainable and is reported regularly to the JR Central's board of directors to determine the allocation of management resources and to evaluate business performance.

The Group is composed of five reportable segments by nature of products and services: Transportation, Merchandise and Other, Real Estate, Hotel and Services, and Rolling Stock Production.

The Transportation segment includes railway operations of the Tokaido Shinkansen and the conventional railway in the Tokai area, and bus operations.

The Merchandise and Other segment includes department store operations at the JR Central Towers, and retail sales on trains and at stations.

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

The Hotel and Services segment includes hotel operations at the Company's main stations, travel operations, and advertising operations.

The Rolling Stock Production segment includes rolling stock production operations.

From fiscal 2022, business of "Hotel and Services" and "Rolling Stock Production," which were previously included in "Other," are reclassified as reportable segments after fulfilling the quantitative criteria.

Segment information for fiscal 2021 is disclosed on the basis of reportable segment classifications for fiscal 2022.

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.

Application of Accounting Standard for Revenue Recognition

As described above in (5) Changes in accounting policies, the Company has applied Revenue Recognition Accounting Standard from the beginning of fiscal 2022.

Due to the changes in the methods of accounting treatment for revenue recognition, similar changes have been made to the methods of measuring profit and loss in each reportable segment.

There are immaterial effects on profit in each reportable segment due to these changes. The primary impact of the application of the aforementioned accounting standard is the changes in the methods of recognizing revenue at certain transactions from on a gross basis as principal transactions to on a net basis as agent transactions.

As a result, mainly in business of "Merchandise and Other," operating revenues of this reportable segment in fiscal 2022 decreased by 103,381 million yen compared with the amount when they were recognized by the previous methods.

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

Fiscal 2021 (For the year ended March 31, 2021)

(Millions of yen)

	Transportation	Merchandise and Other	Real Estate	Hotel and Services	Rolling Stock Production	Other (Note 1)	Total	Reconciliations (Note 2)	Consolidated (Note 3)
Operating revenues:									
External customers	523,346	161,692	38,865	22,330	65,669	11,613	823,517	—	823,517
Intersegment transactions or transfers	9,659	13,035	30,290	8,733	32,264	112,492	206,475	(206,475)	—
Total	533,006	174,727	69,156	31,063	97,934	124,105	1,029,993	(206,475)	823,517
Segment profit (loss)	(183,328)	(12,221)	13,031	(12,046)	8,722	4,612	(181,229)	(3,522)	(184,751)
Segment assets	8,777,514	116,233	351,860	33,342	129,516	260,800	9,669,267	(68,897)	9,600,370
Other									
Depreciation and amortization	173,546	3,965	16,892	1,740	2,283	933	199,362	—	199,362
Amounts of investments in equity in affiliates	10,589	—	—	—	—	—	10,589	—	10,589
Increase in property, plant and equipment and intangible assets	481,028	4,047	7,388	1,080	2,802	1,098	497,446	—	497,446

Note 1. "Other" includes business of construction, etc., which are not included in any reportable segment.

2. Reconciliations are as follows:

(1) The reconciliations amount of (3,522) million yen for segment profit (loss) is the elimination of intersegment transactions.

(2) The reconciliations amount of (68,897) million yen for segment assets includes corporate assets of 539,091 million yen and elimination of intersegment balances of (607,989) 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 (loss) is reconciled to operating loss in the consolidated statement of operations.

Fiscal 2022 (For the year ended March 31, 2022)

(Millions of yen)

	Transportation	Merchandise and Other	Real Estate	Hotel and Services	Rolling Stock Production	Other (Note 1)	Total	Reconciliations (Note 2)	Consolidated (Note 3)
Operating revenues:									
External customers	708,083	94,782	40,992	27,531	49,866	13,884	935,139	—	935,139
Intersegment transactions or transfers	9,534	7,947	31,231	6,278	42,437	95,911	193,341	(193,341)	—
Total	717,618	102,729	72,223	33,809	92,303	109,796	1,128,481	(193,341)	935,139
Segment profit (loss)	(8,327)	(3,790)	14,925	(7,583)	5,890	2,821	3,936	(2,228)	1,708
Segment assets	8,713,798	117,679	351,348	29,040	125,451	272,465	9,609,784	(159,264)	9,450,519
Other:									
Depreciation and amortization	182,415	3,951	16,317	1,004	2,333	1,017	207,039	—	207,039
Amounts of investments in equity in affiliates	10,752	—	—	—	—	—	10,752	—	10,752
Increase in property, plant and equipment and intangible assets	485,006	4,701	6,183	1,165	2,418	1,441	500,917	—	500,917

Note 1. "Other" includes business of construction, etc., which are not included in any reportable segment.

2. Reconciliations are as follows:

(1) The reconciliations amount of (2,228) million yen for segment profit (loss) is the elimination of intersegment transactions.

(2) The reconciliations amount of (159,264) million yen for segment assets includes corporate assets of 448,551 million yen and elimination of intersegment balances of (607,816) 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 (loss) is reconciled to operating income in the consolidated statement of operations.

Information about impairment loss on noncurrent assets by reportable segments (Unaudited)

Fiscal 2021 (For the year ended March 31, 2021)

(Millions of yen)

	Transportation	Merchandise and Other	Real Estate	Hotel and Services	Rolling Stock Production	Other	Reconciliations	Consolidated
Impairment loss	377	153	—	4,370	29	—	—	4,930

Fiscal 2022 (For the year ended March 31, 2022)

Information about impairment loss on noncurrent assets by reportable segments is omitted because the amount is not material.

NONCONSOLIDATED BALANCE SHEET (Unaudited)

	Millions of yen	
	Fiscal 2021 (As of March 31, 2021)	Fiscal 2022 (As of March 31, 2022)
ASSETS		
Current assets:		
Cash and deposits	330,685	324,933
Money held in trust for the Chuo Shinkansen construction	2,076,158	1,813,068
Railway fares receivables	48,806	45,309
Trade receivables	12,912	12,903
Short-term loans receivable	8,660	8,870
Marketable securities	389,600	328,500
Supplies	15,646	16,420
Prepaid expenses	1,192	1,750
Other	53,079	53,261
Total current assets	2,936,741	2,605,018
Noncurrent assets:		
Noncurrent assets - railway		
Property, plant and equipment	8,234,582	8,315,734
Accumulated depreciation	(4,565,931)	(4,643,333)
Property, plant and equipment, net	3,668,651	3,672,401
Intangible assets	28,723	22,268
Total noncurrent assets - railway	3,697,374	3,694,669
Noncurrent assets - related businesses		
Property, plant and equipment	131,501	133,118
Accumulated depreciation	(35,434)	(38,646)
Property, plant and equipment, net	96,067	94,472
Intangible assets	21	66
Total noncurrent assets - related businesses	96,089	94,539
Noncurrent assets - shared		
Property, plant and equipment	91,965	93,971
Accumulated depreciation	(63,455)	(64,768)
Property, plant and equipment, net	28,510	29,202
Intangible assets	469	310
Total noncurrent assets - shared	28,980	29,513
Construction in progress		
Construction in progress - railway	1,202,453	1,471,195
Construction in progress - related businesses	746	37
Other	2,483	672
Total construction in progress	1,205,683	1,471,905
Investments and other assets		
Investment securities	834,456	742,256
Stock of subsidiaries and affiliates	136,519	121,004
Long-term loans receivable from subsidiaries and affiliates	70,645	65,362
Long-term prepaid expenses	18,508	24,401
Deferred tax assets	230,047	250,729
Other	153,980	152,456
Allowance for doubtful accounts	(2,800)	(5,200)
Total investments and other assets	1,441,358	1,351,010
Total noncurrent assets	6,469,485	6,641,638
Total assets	9,406,227	9,246,656

NONCONSOLIDATED BALANCE SHEET (Unaudited)

	Millions of yen	
	Fiscal 2021 (As of March 31, 2021)	Fiscal 2022 (As of March 31, 2022)
LIABILITIES		
Current liabilities:		
Short-term loans payable	164,426	182,561
Current portion of bonds payable	68,148	—
Current portion of long-term loans payable	62,199	87,777
Current portion of long-term debt of the employee stock ownership plan trust	4,300	—
Current portion of long-term accounts payable-railway facilities	6,145	6,529
Trade payables	224,524	240,921
Accrued expenses	9,796	9,814
Income taxes payable	79,785	2,594
Inter-line fares received	135	13,843
Deposits received	6,421	7,184
Prepaid fares received	13,802	20,068
Deferred contribution for construction	23,016	15,147
Provision for bonuses	15,702	15,532
Other	209,880	206,516
Total current liabilities	888,282	808,492
Noncurrent liabilities:		
Bonds payable	850,703	890,754
Long-term loans payable	418,920	436,642
Long-term debt for the Chuo Shinkansen construction	3,000,000	3,000,000
Long-term accounts payable-railway facilities	526,518	519,988
Provision for large-scale renovation of the Shinkansen infrastructure	70,000	35,000
Provision for retirement benefits	170,136	168,404
Other	20,431	17,499
Total noncurrent liabilities	5,056,710	5,068,289
Total liabilities	5,944,992	5,876,781
EQUITY		
Shareholders' equity:		
Common stock	112,000	112,000
Capital surplus		
Legal capital surplus	53,500	53,500
Other capital surplus	0	0
Total capital surplus	53,500	53,500
Retained earnings		
Legal retained earnings	12,504	12,504
Other retained earnings		
Reserve for tax purpose reduction entry	9,475	9,475
General reserve	3,081,000	3,081,000
Retained earnings brought forward	252,785	158,999
Total retained earnings	3,355,765	3,261,978
Treasury stock	(102,624)	(102,205)
Total shareholders' equity	3,418,641	3,325,273
Valuation and translation adjustments		
Unrealized gain on available-for-sale securities	42,593	44,601
Total valuation and translation adjustments	42,593	44,601
Total equity	3,461,234	3,369,875
Total liabilities and equity	9,406,227	9,246,656

NONCONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)

	Millions of yen	
	Fiscal 2021 (For the year ended March 31, 2021)	Fiscal 2022 (For the year ended March 31, 2022)
Operating revenues - railway		
Operating revenues:		
Passenger transportation	476,191	657,244
Trackage revenue	4,348	3,564
Miscellaneous income of transportation	46,906	50,587
Total operating revenues	527,447	711,396
Operating expenses:		
Transportation expenses	426,418	431,174
General and administrative expenses	74,414	67,388
Taxes	30,739	33,149
Depreciation and amortization	177,871	187,359
Total operating expenses	709,444	719,071
Operating loss - railway	(181,996)	(7,675)
Operating revenues - related businesses		
Operating revenues:		
Real estate lease revenue	13,789	14,122
Other	560	555
Total operating revenues	14,350	14,678
Operating expenses:		
Cost of real estate lease revenue	2,238	2,381
Selling, general and administrative expenses	446	416
Taxes	2,112	2,119
Depreciation and amortization	3,460	3,346
Total operating expenses	8,258	8,264
Operating income - related businesses	6,092	6,413
Total Operating loss	(175,904)	(1,261)
Non-operating income:		
Interest income	474	452
Interest on securities	2,449	2,410
Dividend income	2,891	3,657
Insurance income	1,815	2,889
Other	3,909	4,399
Total non-operating income	11,539	13,809
Non-operating expenses:		
Interest expense	31,369	31,571
Interest on bonds	13,569	13,620
Interest on long-term accounts payable-railway facilities	34,877	34,516
Other	12,510	6,889
Total non-operating expenses	92,326	86,597
Ordinary loss	(256,691)	(74,048)
Extraordinary gain:		
Contribution for construction	4,835	4,658
Gain on sales of noncurrent assets	867	1,809
Reversal of provision for loss on guarantees for subsidiaries and affiliates	—	1,013
Other	—	2
Total extraordinary gain	5,702	7,483
Extraordinary loss:		
Loss on reduction of noncurrent assets	5,446	4,679
Loss on sales of noncurrent assets	1,107	76
Loss on valuation of stocks of subsidiaries and affiliates	13,219	15,774
Provision of allowance for doubtful accounts for subsidiaries and affiliates	2,800	2,400
Provision for loss on guarantees for subsidiaries and affiliates	4,322	—
Other	0	1
Total extraordinary loss	26,895	22,932
Loss before income taxes	(277,884)	(89,497)
Income taxes-current	195	166
Income taxes-deferred	(75,766)	(21,487)
Total income taxes	(75,571)	(21,321)
Net loss	(202,313)	(68,176)

NONCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)
Fiscal 2021 (For the year ended March 31, 2021)

(Millions of yen)

	Shareholders' equity								
	Common stock	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
					Reserve for tax purpose reduction entry	General reserve	Retained earnings brought forward		
Balance at the beginning of the fiscal year	112,000	53,500	0	53,500	12,504	9,475	3,081,000	482,679	3,585,658
Changes of items during the fiscal year									
Dividends from surplus								(27,580)	(27,580)
Net loss								(202,313)	(202,313)
Purchases of treasury stock									
Disposal of treasury stock									
Net changes of items other than shareholders' equity									
Total changes of items during the fiscal year	—	—	—	—	—	—	—	(229,893)	(229,893)
Balance at the end of the fiscal year	112,000	53,500	0	53,500	12,504	9,475	3,081,000	252,785	3,355,765

	Shareholders' equity		Valuation and translation adjustments		Total equity
	Treasury stock	Total shareholders' equity	Unrealized gain on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of the fiscal year	(110,661)	3,640,498	18,129	18,129	3,658,628
Changes of items during the fiscal year					
Dividends from surplus		(27,580)			(27,580)
Net loss		(202,313)			(202,313)
Purchases of treasury stock					
Disposal of treasury stock	8,036	8,036			8,036
Net changes of items other than shareholders' equity			24,463	24,463	24,463
Total changes of items during the fiscal year	8,036	(221,856)	24,463	24,463	(197,393)
Balance at the end of the fiscal year	(102,624)	3,418,641	42,593	42,593	3,461,234

Fiscal 2022 (For the year ended March 31, 2022)

(Millions of yen)

	Shareholders' equity								
	Common stock	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
						Reserve for tax purpose reduction entry	General reserve	Retained earnings brought forward	
Balance at the beginning of the fiscal year	112,000	53,500	0	53,500	12,504	9,475	3,081,000	252,785	3,355,765
Changes of items during the fiscal year									
Dividends from surplus								(25,610)	(25,610)
Net loss								(68,176)	(68,176)
Purchases of treasury stock									
Disposal of treasury stock			0	0					
Net changes of items other than shareholders' equity									
Total changes of items during the fiscal year	—	—	0	0	—	—	—	(93,786)	(93,786)
Balance at the end of the fiscal year	112,000	53,500	0	53,500	12,504	9,475	3,081,000	158,999	3,261,978

	Shareholders' equity		Valuation and translation adjustments		Total equity
	Treasury stock	Total shareholders' equity	Unrealized gain on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of the fiscal year	(102,624)	3,418,641	42,593	42,593	3,461,234
Changes of items during the fiscal year					
Dividends from surplus		(25,610)			(25,610)
Net loss		(68,176)			(68,176)
Purchases of treasury stock	(0)	(0)			(0)
Disposal of treasury stock	419	419			419
Net changes of items other than shareholders' equity			2,007	2,007	2,007
Total changes of items during the fiscal year	419	(93,367)	2,007	2,007	(91,359)
Balance at the end of the fiscal year	(102,205)	3,325,273	44,601	44,601	3,369,875