Central Japan Railway Company and Consolidated Subsidiaries

Consolidated Balance Sheet as of March 31, 2022, and the Related Consolidated Statements of Operations, Comprehensive Income, Changes in Equity, and Cash Flows for the Year then Ended and Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Central Japan Railway Company:

Opinion

We have audited the consolidated financial statements of Central Japan Railway Company and its consolidated subsidiaries (the "Group"), which comprise the consolidated balance sheet as of March 31, 2022, and the consolidated statement of operations, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, all expressed in Japanese yen.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 2 to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information Technology ("IT") control related to passenger transportation revenue	
Key Audit Matter Description	**How the Key Audit Matter Was Addressed in the Audit**
As stated in Note 20 SEGMENT INFORMATION to the consolidated financial statements, operating revenues from the transportation business to external customers for the current year were 708,083 million yen, accounting for 75.7% of the recorded amount of operating revenues in the consolidated financial statements. In the transportation business, which comprise of the railway business, the bus business and the other businesses, passenger transportation revenue of Central Japan Railway Company (the "Company")'s railway business consists of the Tokaido Shinkansen and conventional lines in the Tokai region, which amounted to 657,244 million yen, accounting for most of the total amount of the operating revenues of the transportation business to external customers. Passenger fares are subject to contracts with other Japan Railway Companies that allow passengers to pay for their fares in total on routes operated by all the railway companies, and fares applicable to the Company's own routes are recorded as the Company's passenger transportation revenue. Since the Tokaido Shinkansen is responsible for the passenger transportation of Japan's main transportation artery between Tokyo and Osaka, the proportion allocated to the Company of tickets sold in the operating areas of other Japan Railway Companies, including travel agencies of each company, is relatively high. Train tickets are sold through the Mars system, which is an online system that is jointly used by six Japan Railway Companies for selling designated seat tickets and other tickets. Regarding the utilization of the system, the six Japan Railway Companies have jointly signed a contract with Railway Information Systems Co., Ltd. (the "contractor"), and entrust the contractor with calculation work such as revenue clearing for tickets sold mutually by each company. Passenger transportation revenue is determined by receiving the clearing results from the contractor of the revenue clearing business by collecting the revenue data through equipment, such as ticket vending machines and the aforementioned online system. The main processes, such as the aggregation processing of revenue data, the calculation of the revenue clearing amount, and the interface between the systems up to the financial accounting system, are highly reliant on the IT system. In addition, when auditing passenger transportation revenue consisting of a large number of daily usage data, it is assumed that the IT system is functioning properly.	Our audit procedures for IT controls related to passenger transportation revenue stated on the left, with assistance of our IT specialists, included the following, among others: 1. Testing of IT controls at the contractor • We obtained an understanding of the design and operating effectiveness of controls over the IT system of the revenue clearing business at the contractor by inspecting the contractor's controls design and operating effectiveness report issued by the independent auditor, and examined whether the general information technology controls ("GITCs") and IT application controls corresponding to the accuracy of the calculation processing of revenue clearing were identified and tested. In addition, we inquired of the contractor's auditor about the test results. 2. Testing of the Company's IT controls and the controls in order to record the amount of passenger transportation revenue • We evaluated the design and operating effectiveness of IT application controls over the interfaces between the IT systems at the contractor and the IT systems related to passenger transportation revenue at the Company through inspection of documents, such as design documents, and assessed the consistency between data interfaced across IT systems. • We tested the design and operating effectiveness of GITCs over the abovementioned IT systems by inspecting test results at the time of program changes and evidence of approvals for granting or changing access rights to information resources. • We tested the design and operating effectiveness of controls over daily cash and verification of revenue clearing results with other railway companies in order to address the accuracy of processing by the income data management system by making inquiries and inspecting documents.

Passenger transportation revenue is determined through the aggregation of the revenue amount of tickets of Japan Railway Companies and the revenue clearing. It is not composed solely of the amount sold by the Company. In addition, in order to accurately record revenue comprising of large amounts of daily revenue data, it is important that the IT system of the Company and the contractor of the revenue clearing business is properly designed and operating stably, which also requires the assistance of IT specialists. Hence, we determined IT controls related to passenger transportation revenue as a key audit matter.	Besides the aforementioned audit procedures for testing the IT controls of the contractor and the Company, our audit procedures for testing the accuracy of the amount of passenger transportation revenue included the following, among others: • We performed analytical procedures over the amount of passenger transportation revenue using relevant data, such as the passenger-kilometers. We also selected samples and tested revenue back to cash and credit cards payments and receipts or other relevant certificate documents. In addition, we confirmed the balance of receivables from credit card companies and the balance of receivables from and payables to other passenger transportation companies for fares distributions.

Accounting for capital investment in the railway business	
Key Audit Matter Description	**How the Key Audit Matter Was Addressed in the Audit**
As of March 31, 2022, the Group recorded net property, plant and equipment of 5,407,662 million yen on the consolidated balance sheet, most of which were related to the core railway business. As stated in Note 20 SEGMENT INFORMATION to the consolidated financial statements, the increase in property, plant and equipment and intangible assets in the transportation business, including in the railway business, for the year ended March 31, 2022, was 485,006 million yen. In addition to ensuring safe and reliable transportation of the Tokaido Shinkansen and conventional lines, and improving services, the Company has made significant capital investments in the construction of the Chuo Shinkansen. Regarding the Chuo Shinkansen project, the construction work between Tokyo and Nagoya has commenced and is at the first stage. It is a large-scale, long-term project and the importance of capital investment related to the construction of the Chuo Shinkansen is increasing. The Company's capital investment is often accompanied by construction works, and has the following characteristics: • A large number of construction works are performed at the same time, and the amount of money per construction contract is material. Changes in plans and specifications from the initial contract are also often made in response to the progress of construction.	Our audit procedures related to the accounting treatment for capital investment in the railway business included the following, among others: 1. Evaluation of the internal controls over the accurate recording of fixed assets • In addition to obtaining an understanding of the processes related to executing construction contracts, recording of expenditure amounts, managing of contract modifications and classifying appropriately amounts as fixed assets versus expenses, we evaluated the design and operating effectiveness of internal controls over the accurate recording of fixed assets by matching accounting slips of construction in progress and removal costs with relevant certificate documents, such as construction contracts, and periodically examining construction in progress activities and costs by making inquiries and inspecting documents. 2. Test of transactions of the increase in tangible fixed assets and the amount of construction in progress • We selected samples from the increase in tangible fixed assets, and tested the accuracy of amounts by reconciling them with contracts and other related documents. In addition, in order to understand the current state on the Chuo Shinkansen construction progress, which is large-scale and long-term, we performed observations of the construction sites selected as samples.

• Construction contracts often include a number of performance obligations, and they often include incidental activities, such as the equipment removal and repairs, without extending the useful life of the fixed assets or increasing the asset value. • Large-scale projects can take several years to complete. In particular, most of the capital expenditures related to the construction of the Chuo Shinkansen is accounted for as construction in progress for a long period of time until future commencement of the business. We determined the accounting for capital investments in the railway business as a key audit matter given the following considerations: • There are a large number of construction contracts which are made up of transactions that are individually quantitatively material; • Management judgment is required in determining the appropriate classification of whether costs should be capitalized or expensed; and • The amount of construction in progress is extremely material, mainly due to the Chuo Shinkansen construction work.	• Regarding projects involving incidental construction activities such as equipment removal and repair, we obtained an understanding of the nature of expenditures through inquiries of the Company's personnel and inspecting related certificate documents, such as contracts, and tested the appropriateness of the classification of capital expenditures and expenses incurred. • We obtained an understanding of the nature of expenditures and the planned timing of completion of the construction from administrative data of each construction project, and tested whether there were any projects in which construction in progress should be transferred to fixed assets where operation have started.

Other Information

The other information comprises the information included in the Group's disclosure documents accompanying audited consolidated financial statements, but does not include the consolidated financial statements and our auditor's report thereon.

We determined that no such information existed and therefore, we did not perform any work thereon.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Audit & Supervisory Board members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

北方宏樹

Hiroki Kitagata
Designated Engagement Partner
Certified Public Accountant

鈴木晴久

Haruhisa Suzuki
Designated Engagement Partner
Certified Public Accountant

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Designated Engagement Partner
Certified Public Accountant

Deloitte Touche Tohmatsu LLC

July 20, 2022

Central Japan Railway Company and Consolidated Subsidiaries

Consolidated Balance Sheet
March 31, 2022

ASSETS	Millions of Yen (Note 2) 2022	Millions of Yen (Note 2) 2021	Thousands of U.S. Dollars (Note 2) 2022
CURRENT ASSETS:			
Cash and cash equivalents (Note 15)	¥ 619,460	¥ 719,941	$ 5,077,540
Money held in trust for the Chuo Shinkansen construction (Notes 3.c and 15)	1,813,068	2,076,158	14,861,213
Marketable securities (Notes 6 and 15)	42,400	12,000	347,540
Trade receivables (Note 15)		102,162	
Trade receivables and contract assets (Notes 14 and 15)	98,763		809,532
Allowance for doubtful accounts	(106)	(16)	(868)
Inventories	34,369	41,938	281,713
Prepaid expenses and other	74,809	71,647	613,188
Total current assets	2,682,764	3,023,832	21,989,868
NONCURRENT ASSETS:			
Investments and other assets:			
Investment securities (Notes 6 and 15)	758,176	853,817	6,214,557
Investments in and advances to unconsolidated subsidiaries and affiliates (Note 15)	15,731	18,565	128,942
Asset for retirement benefits (Note 10)	5,257	4,977	43,090
Deferred tax assets (Note 13)	260,389	238,939	2,134,336
Long-term prepaid expenses and other	321,084	285,060	2,631,836
Allowance for doubtful accounts	(545)	(1,579)	(4,467)
Total investments and other assets	1,360,093	1,399,780	11,148,303
Property, plant and equipment (Note 3.f):			
Buildings and structures	5,012,231	4,973,359	41,083,860
Machinery, rolling stock and vehicles	1,506,111	1,463,662	12,345,172
Land	2,356,728	2,356,270	19,317,442
Construction in progress	1,382,891	1,143,306	11,335,172
Other	191,622	189,296	1,570,672
Total	10,449,585	10,125,895	85,652,336
Accumulated depreciation	(5,041,923)	(4,949,138)	(41,327,237)
Net property, plant and equipment	5,407,662	5,176,757	44,325,098
Total noncurrent assets	6,767,755	6,576,538	55,473,401
TOTAL ASSETS	¥ 9,450,519	¥ 9,600,370	$ 77,463,270

LIABILITIES AND EQUITY	Millions of Yen (Note 2) 2022	Millions of Yen (Note 2) 2021	Thousands of U.S. Dollars (Note 2) 2022
CURRENT LIABILITIES:			
Short-term loans payable (Notes 7 and 15)	¥ 30,738	¥ 29,993	$ 251,950
Current portion of long-term debt (Notes 7 and 15)	87,777	130,347	719,483
Current portion of long-term debt of the employee—stock ownership plan trust (Notes 3.l, 12 and 15)		4,300	
Current portion of long-term accounts payable—railway facilities (Notes 9 and 15)	6,529	6,145	53,516
Trade payables (Note 15)	286,101	257,423	2,345,090
Provision for bonuses	22,493	22,871	184,368
Income taxes payable (Note 15)	6,409	83,733	52,532
Advances received	35,618	31,999	291,950
Other (Note 7)	261,645	257,274	2,144,631
Total current liabilities	737,314	824,087	6,043,557
NONCURRENT LIABILITIES:			
Long-term debt (Notes 7 and 15)	1,327,396	1,269,624	10,880,295
Long-term debt for the Chuo Shinkansen construction (Notes 3.c, 8 and 15)	3,000,000	3,000,000	24,590,163
Long-term accounts payable—railway facilities (Notes 9 and 15)	519,988	526,518	4,262,196
Provision for large-scale renovation of the Shinkansen infrastructure (Note 3.j)	35,000	70,000	286,885
Liability for retirement benefits (Note 10)	180,830	178,925	1,482,213
Other (Note 13)	40,736	44,604	333,901
Total noncurrent liabilities	5,103,953	5,089,672	41,835,680
CONTINGENCIES (Note 18)			
EQUITY (Notes 11 and 21):			
Common stock—authorized, 824,000,000 shares; issued, 206,000,000 shares in 2022 and 2021	112,000	112,000	918,032
Capital surplus	53,474	53,475	438,311
Retained earnings	3,449,334	3,526,766	28,273,229
Treasury stock—at cost, 9,200,851 shares in 2022 and 9,222,869 shares in 2021 (Notes 3.l and 12)	(103,159)	(103,578)	(845,565)
Accumulated other comprehensive income:			
Unrealized gain on available-for-sale securities	46,912	46,157	384,524
Remeasurements of defined benefit plans (Note 10)	5,516	7,695	45,213
Total	3,564,078	3,642,515	29,213,754
Noncontrolling interests	45,173	44,094	370,270
Total equity	3,609,252	3,686,609	29,584,032
TOTAL LIABILITIES AND EQUITY	¥ 9,450,519	¥ 9,600,370	$ 77,463,270

See notes to consolidated financial statements.

Central Japan Railway Company and Consolidated Subsidiaries

Consolidated Statement of Operations
Year Ended March 31, 2022

	Millions of Yen (Note 2)		Thousands of U.S. Dollars (Note 2)
	2022	2021	2022
OPERATING REVENUES (Note 14)	¥ 935,139	¥ 823,517	$ 7,665,073
OPERATING EXPENSES (Note 3.n):			
Transportation, other services and cost of sales (Note 3.j)	773,583	843,758	6,340,844
Selling, general and administrative expenses	159,847	164,511	1,310,221
Total operating expenses	933,431	1,008,269	7,651,073
Operating income (loss)	1,708	(184,751)	14,000
OTHER INCOME (EXPENSES):			
Interest and dividend income	6,229	5,645	51,057
Interest expense (Note 9)	(79,023)	(79,225)	(647,729)
Other—net	4,340	(10,245)	35,573
Other expenses—net	(68,453)	(83,825)	(561,090)
LOSS BEFORE INCOME TAXES	(66,745)	(268,576)	(547,090)
INCOME TAXES (Note 13):			
Current	4,980	4,892	40,819
Deferred	(22,098)	(74,355)	(181,131)
Total income taxes	(17,117)	(69,463)	(140,303)
NET LOSS	(49,627)	(199,113)	(406,778)
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	2,300	2,441	18,852
NET LOSS ATTRIBUTABLE TO OWNERS OF THE PARENT	¥ (51,928)	¥ (201,554)	$ (425,639)

	Yen		U.S. Dollars
	2022	2021	2022
PER SHARE OF COMMON STOCK (Note 3.s):			
Basic net loss	¥ (263.87)	¥ (1,025.46)	$ (2.16)
Cash dividends applicable to the year	130.00	130.00	1.07

See notes to consolidated financial statements.

Central Japan Railway Company and Consolidated Subsidiaries

Consolidated Statement of Comprehensive Income
Year Ended March 31, 2022

	Millions of Yen (Note 2)		Thousands of U.S. Dollars (Note 2)
	2022	2021	2022
NET LOSS	¥ (49,627)	¥ (199,113)	$ (406,778)
OTHER COMPREHENSIVE (LOSS) INCOME (Note 19):			
Unrealized (loss) gain on available-for-sale securities	(328)	26,305	(2,688)
Remeasurements of defined benefit plans	(2,168)	6,901	(17,770)
Share of other comprehensive (loss) income in affiliates	(19)	4	(155)
Total other comprehensive (loss) income	(2,517)	33,212	(20,631)
COMPREHENSIVE LOSS	¥ (52,144)	¥ (165,901)	$ (427,409)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:			
Owners of the parent	¥ (53,352)	¥ (169,762)	$ (437,311)
Noncontrolling interests	1,207	3,861	9,893

See notes to consolidated financial statements.

Central Japan Railway Company and Consolidated Subsidiaries

Consolidated Statement of Changes in Equity
Year Ended March 31, 2022

	Thousands	Millions of Yen (Note 2)								
						Accumulated Other Comprehensive Income				
	Outstanding Number of Shares of Common Stock	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Unrealized Gain on Available-for-Sale Securities	Remeasurements of Defined Benefit Plans	Total	Noncontrolling Interests	Total Equity
BALANCE, APRIL 1, 2020	196,355	¥ 112,000	¥ 53,486	¥ 3,755,901	¥ (111,615)	¥ 20,729	¥ 1,331	¥ 3,831,833	¥ 40,269	¥ 3,872,103
Net loss attributable to owners of the parent				(201,554)				(201,554)		(201,554)
Dividends from surplus, ¥140 per share				(27,580)				(27,580)		(27,580)
Purchases of treasury stock										
Disposal of treasury stock	422				8,036			8,036		8,036
Changes in the ownership interest by purchases of shares of consolidated subsidiaries			(10)					(10)		(10)
Net change in the year						25,428	6,363	31,791	3,824	35,616
BALANCE, MARCH 31, 2021 (APRILE 1,2021,as previously reported)	196,777	112,000	53,475	3,526,766	(103,578)	46,157	7,695	3,642,515	44,094	3,686,609
Cumulative effect of accounting change (Note 5)				106				106	14	121
BALANCE, APRIL 1, 2021 (as restated)		112,000	53,475	3,526,873	(103,578)	46,157	7,695	3,642,622	44,108	3,686,731
Net loss attributable to owners of the parent				(51,928)				(51,928)		(51,928)
Dividends from surplus, ¥130 per share				(25,610)				(25,610)		(25,610)
Purchases of treasury stock	(0)				(0)			(0)		(0)
Disposal of treasury stock	22		0		419			419		419
Changes in the ownership interest by purchases of shares of consolidated subsidiaries			(0)					(0)		(0)
Net change in the year						754	(2,179)	(1,424)	1,064	(359)
BALANCE, MARCH 31, 2022	196,799	¥ 112,000	¥ 53,474	¥ 3,449,334	¥ (103,159)	¥ 46,912	¥ 5,516	¥ 3,564,078	¥ 45,173	¥ 3,609,252

	Thousands of U.S. Dollars (Note 2)								
					Accumulated Other Comprehensive Income				
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Unrealized Gain on Available-for-Sale Securities	Remeasurements of Defined Benefit Plans	Total	Noncontrolling Interests	Total Equity
BALANCE, MARCH 31, 2021 (APRILE 1,2021,as previously reported)	$ 918,032	$ 438,319	$ 28,907,918	$ (849,000)	$ 378,336	$ 63,073	$ 29,856,680	$ 361,426	$ 30,218,106
Cumulative effect of accounting change (Note 5)			868				868	114	991
BALANCE, APRIL 1, 2021 (as restated)	918,032	438,319	28,908,786	(849,000)	378,336	63,073	29,857,549	361,540	30,219,098
Net loss attributable to owners of the parent			(425,639)				(425,639)		(425,639)
Dividends from surplus, $1.07 per share			(209,918)				(209,918)		(209,918)
Purchases of treasury stock				(0)			(0)		(0)
Disposal of treasury stock		0		3,434			3,434		3,434
Changes in the ownership interest by purchases of shares of consolidated subsidiaries		(0)					(0)		(0)
Net change in the year					6,180	(17,860)	(11,672)	8,721	(2,942)
BALANCE, MARCH 31, 2022	$ 918,032	$ 438,311	$ 28,273,229	$ (845,565)	$ 384,524	$ 45,213	$ 29,213,754	$ 370,270	$ 29,584,032

See notes to consolidated financial statements.

Central Japan Railway Company and Consolidated Subsidiaries

Consolidated Statement of Cash Flows
Year Ended March 31, 2022

	Millions of Yen (Note 2)		Thousands of U.S. Dollars (Note 2)
	2022	2021	2022
OPERATING ACTIVITIES:			
Loss before income taxes	¥ (66,745)	¥ (268,576)	$ (547,090)
Adjustments for:			
Income taxes—paid	(79,060)	(5,547)	(648,032)
Depreciation and amortization	207,039	199,362	1,697,040
Equity in earnings of affiliates	(182)	(386)	(1,491)
Proceeds from contribution for construction	(4,730)	(4,944)	(38,770)
Loss on reduction of noncurrent assets	4,679	5,501	38,352
Loss on retirement of noncurrent assets	5,578	6,684	45,721
(Gain) loss on sales of noncurrent assets—net	(2,370)	252	(19,426)
Changes in assets and liabilities:			
Decrease in provision for large-scale renovation of the Shinkansen infrastructure	(35,000)	(35,000)	(286,885)
Decrease (increase) in trade receivables	11,123	(14,229)	91,172
Decrease in inventories	8,090	2,982	66,311
Increase in trade payables	11,583	1,972	94,942
Increase in advances received	3,618	384	29,655
Decrease in liability for retirement benefits	(1,240)	(3,409)	(10,163)
Other—net	9,361	(54,399)	76,729
Net cash provided by (used in) operating activities	71,746	(169,354)	588,081
INVESTING ACTIVITIES:			
Payments into time deposits	(31,000)	(15,000)	(254,098)
Proceeds from withdrawal of time deposits	31,000	15,000	254,098
Proceeds from cancellation of money held in trust for the Chuo Shinkansen construction	263,090	358,857	2,156,475
Payments for money held in trust			
Proceeds from cancellation of money held in trust	-	0	0
Purchases of marketable securities	(71,100)	(31,500)	(582,786)
Proceeds from redemption of marketable securities	71,100	31,500	582,786
Purchases of property, plant and equipment	(450,554)	(470,185)	(3,693,065)
Proceeds from contribution received for construction	2,864	3,693	23,475
Purchases of investment securities	(2)	(4,954)	(16)
Proceeds from sales and redemption of investment securities	62,164	981	509,540
Purchase of investments in subsidiaries resulting in change in scope of consolidation			
Other—net	(30,611)	(23,110)	(250,909)
Net cash used in investing activities	(153,049)	(134,718)	(1,254,500)
FORWARD	¥ (81,303)	¥ (304,072)	$ (666,418)

(Continued)

Central Japan Railway Company and Consolidated Subsidiaries

Consolidated Statement of Cash Flows
Year Ended March 31, 2022

	Millions of Yen (Note 2)		Thousands of U.S. Dollars (Note 2)
	2022	2021	2022
FORWARD	¥ (81,303)	¥ (304,072)	$ (666,418)
FINANCING ACTIVITIES:			
Net increase in short-term loans payable	745	495	6,106
Proceeds from issuance of short-term bonds	200,000	300,000	1,639,344
Redemption of short-term bonds	(200,000)	(100,000)	(1,639,344)
Proceeds from long-term debt	145,500	177,302	1,192,622
Repayments of long-term debt	(130,359)	(84,969)	(1,068,516)
Payments for long-term accounts payable—railway facilities	(6,146)	(5,785)	(50,377)
Cash dividends paid	(25,610)	(27,580)	(209,918)
Purchases of treasury stock	(0)		(0)
Proceeds from sales of treasury stock	336	6,542	2,754
Cash dividends paid to noncontrolling interests	(141)		(1,155)
Other—net	(3,502)	(3,367)	(28,704)
Net cash (used in) provided by financing activities	(19,178)	262,638	(157,196)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(100,481)	(41,434)	(823,614)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	719,941	761,376	5,901,155
CASH AND CASH EQUIVALENTS, END OF YEAR	¥ 619,460	¥ 719,941	$ 5,077,540
ADDITIONAL CASH FLOW INFORMATION:			
Interest paid	¥ 78,816	¥ 78,793	$ 646,032

See notes to consolidated financial statements.

(Concluded)

1. INCORPORATION OF CENTRAL JAPAN RAILWAY COMPANY

Central Japan Railway Company (Tokai Ryokaku Tetsudo Kabushiki Gaisha, the "Company") was incorporated on April 1, 1987, as a private business company, pursuant to the Law for Japanese National Railways Restructuring enacted upon the resolution of the Japanese Diet.

The business of the Japanese National Railways (the "JNR") was succeeded by the following newly established organizations: seven railway companies including the Company, the former Shinkansen Holding Corporation (a predecessor entity to the Railway Development Fund (1991–1997), which was subsequently succeeded by the Corporation for Advanced Transport and Technology (the "CATT") (1997–2003) and in turn by the Japan Railway Construction, Transport and Technology Agency (the "JRTT")), the former Railway Telecommunication Co., Ltd., Railway Information Systems Co., Ltd., and the Railway Technical Research Institute (the "RTRI") which reorganized as a public interest corporation as of April 1, 2011. The JNR itself became the JNR Settlement Corporation (the "JNRSC"). All of the assets and liabilities of the JNR were transferred to such organizations, including the JNRSC.

Prior to December 1, 2001, the Law Concerning Passenger Railway Companies and the Japan Freight Railway Company (the "Law") required that authorization be obtained from the Minister of Land, Infrastructure, Transport and Tourism regarding fundamentals such as: (1) commencement of business other than railway and its related business, (2) the appointment or dismissal of representative directors and corporate auditors, (3) the issuance of new shares and bonds, (4) long-term loans payable, (5) amendments to the Articles of Incorporation, (6) operating plans, (7) sales of material assets, (8) appropriations of earnings and (9) merger or dissolution. As of December 1, 2001, since the Law was revised and the Company was no longer in scope of the Law, the Company was not required to obtain the aforementioned authorizations.

On October 8, 1997, the Company's shares were listed on the Nagoya and Tokyo stock exchanges in Japan. The JNRSC, which held all 2,240,000 of the Company's outstanding shares prior to the listing, sold 1,353,929 shares in the initial public offerings. Pursuant to the Law for Disposal of Debts and Liabilities of the JNRSC enacted in October of 1998, the Company's shares held by the JNRSC were transferred to Japan Railway Construction Public Corporation (the "JRCPC"). On October 1, 2003, the CATT and the JRCPC were fully integrated, pursuant to the Law of Japan Railway Construction, Transport and Technology enacted on October 1, 2003, and designated as the JRTT. In July 2005, the JRTT sold 600,000 shares of the Company. On April 5, 2006, the JRTT also sold its remaining 286,071 shares of the Company. As a result of this sale, all of the Company's shares held by the JRTT were sold.

The shares above do not reflect the effect of the hundred-for-one stock split effective as of October 1, 2012.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations, and in accordance with accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥122 to $1, the approximate rate of exchange as of March 31, 2022. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate. Japanese yen figures of less than one million yen are rounded down to the nearest million of yen, except for per share information, and U.S. dollar figures of less than one thousand U.S. dollars are also rounded down to the nearest thousand of U.S. dollars, except for per share information.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Principles of Consolidation—The accompanying consolidated financial statements as of March 31, 2022, include the accounts of the Company and its 29 (29 in 2021) significant subsidiaries (together, the "Companies").

Under the control and influence concepts, those companies in which the Company, directly or indirectly, is able to exercise control over operations are consolidated, and those companies over which the Company has the ability to exercise significant influence are accounted for using the equity method.

Investments in two affiliates are accounted for using the equity method. Investments in the remaining unconsolidated subsidiaries and affiliates are stated at cost. If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not be material.

The difference between the cost of acquisition and the fair value of the equity of an acquired subsidiary at the date of acquisition is fully amortized when incurred.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Companies is also eliminated.

A certain consolidated subsidiary has adopted a fiscal year ending on February 28, which is different from that of the Company. The necessary adjustments for preparing consolidated financial statements as of the Company's year-end were appropriately made, such as adjustments for significant intercompany accounts and transactions which occur between the fiscal year-end of the subsidiary and that of the Companies.

b. Cash Equivalents—Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value. Cash equivalents include time deposits, certificates of deposit and others, all of which mature or become due within three months of the date of acquisition.

c. 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 JRTT for the further construction of the Chuo Shinkansen, and the money is placed in the trust fund to segregate it from other money.

d. ***Inventories—*** Inventories are stated at the lower of cost, principally determined by the retail method for merchandise, by the specific identification method for land and buildings held for sale in lots, by the specific identification method for work in process and by the moving-average cost method for materials and supplies, or net selling value.

e. ***Marketable and Investment Securities—***Marketable and investment securities are classified and accounted for, depending on management's intent, as follows: (1) held-to-maturity debt securities, for which there is a positive intent and ability to hold to maturity, are reported at amortized cost; and (2) available-for-sale securities, which are not classified as the aforementioned securities, are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity.

Nonmarketable securities classified as available-for-sale securities are carried at cost, determined by the moving-average method. For other-than-temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

f. ***Property, Plant and Equipment—***Property, plant and equipment are stated at cost. Certain contributions in aid for construction of railways and other property are deducted directly from the cost of the related assets. The accumulated contributions deducted from the cost of property, plant and equipment as of March 31, 2022 and 2021 amounted to ¥296,760 million ($2,432,459 thousand), and ¥295,997 million, respectively.

Depreciation is computed substantially by the declining-balance method over the estimated useful lives of the assets. Additional depreciation is provided for the Shinkansen rolling stock based on kilometers traveled.

The range of useful lives is principally from 2 to 60 years for buildings and structures, and from 2 to 20 years for machinery, rolling stock and vehicles.

Depreciation of certain railway structures, except for the Shinkansen railway facilities, is computed by the replacement-accounting method.

g. ***Long-Lived Assets—***The Companies review their long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss is recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

h. ***Software Costs—***Software costs are amortized by the straight-line method mainly over five years.

i. ***Deferred Charges—***Bond issuance costs are fully charged to income as incurred.

j. ***Provision for Large-Scale Renovation of Shinkansen Infrastructure—***Provision for large-scale renovation of Shinkansen infrastructure is provided based on the Nationwide Shinkansen Railway Development Law. In accordance with the Nationwide Shinkansen Railway Development Law and Regulations, the Company reversed the provision in the amount of ¥35,000 million ($286,885 thousand) for the year ended March 31, 2022 and ¥35,000 million for the years ended March 31, 2021.

k. ***Retirement and Pension Plans—***The Company and 28 consolidated subsidiaries have unfunded retirement plans covering substantially all of their employees. Six consolidated subsidiaries have noncontributory defined benefit pension plans and one consolidated subsidiary has a defined contribution pension plan, some of those subsidiaries also have unfunded retirement plans. Some of the subsidiaries adopt the simplified accounting method for calculation of liability for retirement benefits and retirement benefit expenses.

Liability for retirement benefits is mainly calculated based on the projected benefit obligations and plan assets at the balance sheet date. The projected benefit obligations are attributed to periods on a benefit formula basis. Actuarial gains and losses are amortized on a straight-line basis mainly over five years, which is within the average remaining service period. Prior service costs are amortized on a straight-line basis mainly over five years, which is within the average remaining service period.

l. Employee Stock Ownership Plan —In accordance with Accounting Standards Board of Japan ("ASBJ") Practical Issues Task Force No. 30, "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts," at year-end, the Company shall record (1) the Company stock held by the employee stock ownership trust as treasury stock in equity, (2) all other assets and liabilities of the employee stock ownership trust on a line-by-line basis, and (3) a liability/asset for the net of (i) any gain or loss on delivery of the stock by the employee stock ownership trust to the employee shareholding association, (ii) dividends received from the entity for the stock held by the employee stock ownership trust, and (iii) any expenses relating to the employee stock ownership trust. The trust was terminated in April 2021.

m. Revenue Recognition—The principal performance obligations of the Companies in the principal businesses and the normal time at which revenue is recognized are as follows:

Transportation
In addition to railway operations on the Tokaido Shinkansen and conventional lines in the Tokai region, the Transportation segment conducts bus operations and other operations. The segment has a performance obligation to provide transportation services based on transportation contracts with customers.
Of these transportation services, ordinary tickets are recognized as the Companies determine that performance obligations are satisfied upon completion of the delivery of the transportation service, in principle. In addition, performance obligations are satisfied over a specified period of time for commuter passes and revenues are recognized over the effective period.

Merchandise and Other
The Merchandise and Other segment operates a department store business within JR Central Towers and primarily sells products on train and station premises and has performance obligations to deliver merchandise under sales contracts with customers.
Such performance obligations are determined to be satisfied upon delivery of the merchandise and revenue is recognized at the time of delivery.
Revenue is recognized on a net basis for sales of merchandise that we believe qualify as agent transactions, such as transactions that we consider to have purchased the merchandise at the point of sale.

Real Estate
In the Real Estate segment, in addition to the real estate leasing business for station buildings and other properties, the Companies engage in the real estate sales business.
The real estate leasing business is a transaction that is included in the scope of "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13, March 30, 2007), etc., and lease fees are recognized as revenue over the contracted period.
With respect to the real estate sales business, the Companies are obligated to deliver properties pursuant to real estate purchase and sale contracts with our customers. Such performance obligations are determined to be satisfied upon delivery of the property and revenue is recognized at the time of delivery.

n. Research and Development Costs—Research and development costs are charged to income as incurred. Research and development costs charged to income were ¥28,764 million ($235,770 thousand) and ¥36,040 million for the years ended March 31, 2022 and 2021, respectively.

o. Leases—Lease assets of finance leases that were not deemed to transfer ownership of the leased property are depreciated and amortized by the straight-line method over the lease period.

p. ***Income Taxes—***The provision for income taxes is computed based on the pretax income included in the consolidated statement of operations. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

q. ***Appropriations of Retained Earnings—***Appropriations of retained earnings are reflected in the consolidated financial statements for the following year upon shareholders' approval.

r. ***Derivatives and Hedging Activities—***The Companies use derivative financial instruments mainly to manage exposure to market risks of changes in foreign currency exchange rates and in interest rates. Foreign currency swaps are utilized by the Companies to reduce foreign currency exchange rate risks. Interest rate swaps are utilized by the Companies to reduce interest rate risks. Interest rate and currency swap contracts are utilized by the Companies to reduce interest rate and foreign exchange risks. The Companies do not enter into derivatives for trading or speculative purposes.

Foreign currency swaps, which qualify for hedge accounting and specific matching criteria, are not remeasured at market value, but the hedged debt is translated at the contracted rates of the foreign currency swaps. Interest rate swaps, which qualify for hedge accounting and meet specific matching criteria, are not remeasured at market value, but the differential paid or received under the swap agreements is recognized and included in interest expense. When interest and currency swap contracts meet the above criteria, hedged debt is translated at the contracted rates, and the differential paid or received under the swap agreement is recognized and included in interest expense.

s. ***Per Share Information—***Basic net loss per share is computed by dividing net loss attributable to owners of the parent available to common shareholders by the weighted-average number of common shares outstanding for the period.

Net loss attributable to owners of the parent available to common shareholders used in the computation for 2022 and 2021 were ¥(51,928) million ($(425,639) thousand) and ¥(201,554) million, respectively. The average number of common shares used in the computation for 2022 and 2021 were 196,797,600 shares and 196,551,674 shares, respectively. The average number of shares of the Companies held by the employee stock ownership trust for the years ended March 31, 2022 and 2021 was 1,567 shares and 247,457 shares, respectively, and it has been deducted from the weighted-average number of shares outstanding during the fiscal year.

Diluted net income per share is not presented in the accompanying consolidated financial statements as the Companies do not have any dilutive securities.

Cash dividends per share presented in the accompanying consolidated statement of operations are dividends applicable to the respective years, including dividends to be paid after the end of the year.

t. ***Accounting Changes and Error Corrections***—In March 2020, the ASBJ issued ASBJ Statement No. 24, "Accounting Standard for Accounting Changes and Error Corrections" and ASBJ Guidance No. 24, "Guidance on Accounting Standard for Accounting Changes and Error Corrections." Accounting treatments under this standard and guidance are as follows: (1) Changes in Accounting Policies—When a new accounting policy is applied following revision of an accounting standard, the new policy is applied retrospectively unless the revised accounting standard includes specific transitional provisions, in which case the entity shall comply with the specific transitional provisions. (2) Changes in Presentation—When the presentation of financial statements is changed, prior-period financial statements are reclassified in accordance with the new presentation. (3) Changes in Accounting Estimates—A change in an accounting estimate is accounted for in the period of the change if the change affects that period only, and is accounted for prospectively if the change affects both the period of the change and future periods. (4) Corrections of Prior-Period Errors—When an error in prior-period financial statements is discovered, those statements are restated.

4. SIGNIFICANT ACCOUNTING ESTIMATE

The Company's consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Japan. In preparing these consolidated financial statements, although the estimates were made based on the past results and various reasonable factors depending on the situation, because of uncertainty unique to estimates, actual results could differ from these estimates. Of the accounting estimates, deferred tax assets are recognized for deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that they can be used against future taxable profit. However, estimated taxable profit could be revised due to changes in uncertain economic conditions in the future, and when the future taxable profit is revised, it could affect the amount of deferred tax assets for the next fiscal year and subsequent fiscal years. The amount and details of deferred tax assets are included in Note 13.
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 the year ended March 31, 2022 is made based on the assumption that the average quarterly transportation revenue in the 3rd quarter for the year ending March 31, 2023 will recover to 80% of that for the year ended March 31, 2019, considering the revitalization of socio-economic activity that would occur as responses to the pandemic progress.

5. ACCOUNTING CHANGES

（Application of Accounting Standard for Revenue Recognition）
Effective April 1, 2021, the Companies adopted ASBJ Statement No. 29, "Accounting Standard for Revenue Recognition" and recognize revenue at the amount expected to be received in exchange for promised goods or services when control of the goods or services is transferred to customers. The primary impact of the application of the accounting standard for revenue recognition is the changes in the methods of recognizing revenue for 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 Paragragh 84 of the Accounting Standard for Revenue Recognition, the Companies retrospectively applied ASBJ Statement No. 29 and the cumulative effect of applying the new accounting standard was added to retained earnings at April 1, 2021.
The effects of this accounting change were to decrease the operating revenues by ¥98,840 million ($810,163 thousand) and to decrease the operating expenses by ¥98,826 million ($810,049 thousand) for the year ended March 31, 2022. The effects on the consolidated loss before income taxes and per share information for the year ended March 31, 2022 and retained earnings at April 1, 2021 were immaterial.
Prior to April 1, 2021, "Accounts receivable" was presented in current assets of the balance sheet. Effective April 1, 2021, such amount is presented in "Accounts receivable and contract assets." In accordance with the transitional treatment as provided in the Paragraph 89-2 of the Accounting Standard for Revenue Recognition, the contract assets at March 31, 2021 was not reclassified to "Accounts receivable and contract assets."
In addition, in accordance with the transitional treatment as provided in the Paragraph 89-3 of the Accounting Standard for Revenue Recognition, information for Note 14 for the year ended March 31, 2021 is not presented.

（Application of Accounting Standard for Fair Value Measurement）
Effective April 1, 2021, the Companies applied ASBJ Statement No. 30, "Accounting Standard for Fair Value Measurement" and ASBJ Guidance No. 31, "Implementation Guidance on Accounting Standard for Fair Value Measurement," and revised related ASBJ Statements and ASBJ Guidance. In accordance with the transitional treatment as provided in the Paragragh 19 of the Accounting Standard for Fair Value Measurement and the Paragragh 44-2 of ASBJ Statement No. 10, July 4, 2019, "Accounting Standard for Financial Instruments", the Companies applied the new accounting standards prospectively. There was no effect on the consolidated financial statements for the year ended March 31, 2022.
In accordance with the transitional treatment as provided in the Paragraph 7-4 of the Implementation

Guidance on Accounting Standard for Fair Value Measurement, financial instruments categorized by fair value hierarchy at March 31, 2021 is not presented in Note 15.

6. MARKETABLE AND INVESTMENT SECURITIES

Information regarding marketable and investment securities with readily determinable fair values classified as available-for-sale and held to maturity as of March 31, 2022 and 2021, was as follows:

	Millions of Yen			
	2022			
	Cost	Unrealized Gain	Unrealized Loss	Fair Value
Securities classified as:				
Available for sale:				
Equity securities	¥ 97,540	¥ 74,257	¥ 6,972	¥ 164,826
Trust fund investment and other	276	77		353
Held to maturity	627,000	124	1,814	625,310
Total	¥ 724,817	¥ 74,459	¥ 8,786	¥ 790,490

	Millions of Yen			
	2021			
	Cost	Unrealized Gain	Unrealized Loss	Fair Value
Securities classified as:				
Available for sale:				
Equity securities	¥ 100,071	¥ 74,934	¥ 6,935	¥ 168,069
Trust fund investment and other	276	65		341
Held to maturity	689,000	467	1,367	688,099
Total	¥ 789,347	¥ 75,467	¥ 8,303	¥ 856,510

	Thousands of U.S. Dollars			
	2022			
	Cost	Unrealized Gain	Unrealized Loss	Fair Value
Securities classified as:				
Available for sale:				
Equity securities	$ 799,508	$ 608,663	$ 57,147	$ 1,351,032
Trust fund investment and other	2,262	631		2,893
Held to maturity	5,139,344	1,016	14,868	5,125,491
Total	$ 5,941,122	$ 610,319	$ 72,016	$ 6,479,426

The information for available-for-sale securities whose fair value is not readily determinable as of March 31, 2022 and 2021, is disclosed in Note 15.

During the year ended March 31, 2022, the portions of held-to-maturity securities are sold based on a comprehensive judgment based on the operation policy, etc., but the information of the sale is not presented because they are immaterial.

The impairment loss on marketable and investment securities for the years ended March 31, 2022 and 2021 was not presented as the effect was immaterial.

7. SHORT-TERM LOANS PAYABLE, SHORT-TERM BONDS AND LONG-TERM DEBT

The interest rates applicable to short- term loans payable were 0.14% as of March 31, 2022, and 0.14% as of March 31, 2021.

Short-term bond and Long-term debt held by the Company as of March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
The Company			
Unsecured 2.39% bonds due 2026	¥ 29,795	¥ 29,794	$ 244,221
Unsecured 2.31% bonds due 2027	9,995	9,995	81,926
Unsecured 2.30% bonds due 2027	4,998	4,998	40,967
Unsecured 2.39% bonds due 2028	19,992	19,991	163,868
Unsecured 2.391% bonds due 2028	30,000	30,000	245,901
Unsecured 2.646% bonds due 2038	10,000	10,000	81,967
Unsecured 2.166% bonds due 2029	30,000	30,000	245,901
Unsecured 2.312% bonds due 2029	30,000	30,000	245,901
Unsecured 2.556% bonds due 2039	10,000	10,000	81,967
Unsecured 2.321% bonds due 2029	30,000	30,000	245,901
Unsecured 2.157% bonds due 2029	40,000	40,000	327,868
Unsecured 2.375% bonds due 2039	10,000	10,000	81,967
Unsecured 2.212% bonds due 2030	30,000	30,000	245,901
Unsecured 2.111% bonds due 2030	20,000	20,000	163,934
Unsecured 1.797% bonds due 2030	10,000	10,000	81,967
Unsecured 2.083% bonds due 2031	20,000	20,000	163,934
Unsecured 1.895% bonds due 2031	10,000	10,000	81,967
Unsecured 1.824% bonds due 2032	10,000	10,000	81,967
Unsecured 1.725% bonds due 2033	5,000	5,000	40,983
Unsecured 1.807% bonds due 2033	15,000	15,000	122,950
Unsecured 1.786% bonds due 2033	15,000	15,000	122,950
Unsecured 1.629% bonds due 2033	10,000	10,000	81,967
Unsecured 1.623% bonds due 2034	15,000	15,000	122,950
Unsecured 1.584% bonds due 2034	15,000	15,000	122,950
Unsecured 1.502% bonds due 2034	20,000	20,000	163,934
Unsecured 1.309% bonds due 2032	15,000	15,000	122,950
Unsecured 1.917% bonds due 2044	10,000	10,000	81,967
Unsecured 1.362% bonds due 2034	20,000	20,000	163,934
Unsecured 1.014% bonds due 2035	20,000	20,000	163,934
Unsecured 1.685% bonds due 2045	10,000	10,000	81,967
Unsecured 1.196% bonds due 2035	15,000	15,000	122,950
Unsecured 1.297% bonds due 2035	15,000	15,000	122,950
Unsecured 1.210% bonds due 2035	15,000	15,000	122,950
Unsecured 1.018% bonds due 2036	15,000	15,000	122,950
Unsecured 0.421% bonds due 2036	10,000	10,000	81,967
Unsecured 0.001% bonds due 2023	100,000	100,001	819,672
Unsecured 0.897% bonds due 2056	20,000		163,934
Unsecured 1.091% bonds due 2057（Green bonds）	20,000		163,934
Short-term (△0.006%) bonds due 2021		200,000	
Short-term (△0.010%) bonds due 2022	200,000		1,639,344
U.S. dollar 4.25% bonds due 2045 issued abroad	36,505	36,483	299,221
U.S. dollar 2.8% bonds due 2022 issued abroad		68,148	
U.S. dollar 3.40% bonds due 2023 issued abroad	38,991	38,979	319,598
U.S. dollar 2.20% bonds due 2024 issued abroad	80,474	80,459	659,622

Unsecured loans from Japanese banks and others, with interest rates ranging from 0.61% to 2.27% (2022), 0.61% to 2.90% (2021), due 2021 to 2045	¥ 524,420	¥ 481,119	$ 4,298,524
Total	1,615,174	1,599,971	13,239,131
Less current portion	(287,777)	(330,347)	(2,358,827)
Long-term debt, less current portion	¥1,327,396	¥1,269,624	$ 10,880,295

There are no debts held by consolidated subsidiaries as of March 31, 2022 and 2021.

Annual maturities of debt outstanding at the principal amounts as of March 31, 2022, were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2023	¥ 287,777	$ 2,358,827
2024	185,600	1,521,311
2025	116,762	957,065
2026	77,300	633,606
2027	135,300	1,109,016
Thereafter	813,015	6,664,057
Total	¥ 1,615,755	$ 13,243,893

The Company has entrusted cash for the repayment of a portion of its outstanding bonds based on debt assumption agreements with financial institutions; however, the Company is not released from the primary responsibility for the liability by these agreements. The outstanding bonds covered by these agreements as of March 31, 2022 and 2021, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Unsecured 2.390% bonds due 2022		¥ 18,995	
Unsecured 2.200% bonds due 2022	¥ 18,200	18,200	$ 149,180
Unsecured 1.740% bonds due 2022	20,000	20,000	163,934
Unsecured 1.150% bonds due 2022	25,000	25,000	204,918
Unsecured 1.310% bonds due 2033	10,000	10,000	81,967
Unsecured 2.015% bonds due 2023	9,000	9,000	73,770
Unsecured 2.200% bonds due 2024	9,900	9,900	81,147
Unsecured 2.210% bonds due 2024	9,650	9,650	79,098
Unsecured 2.405% bonds due 2026	9,900	9,900	81,147
Unsecured 2.310% bonds due 2027	10,000	10,000	81,967
Unsecured 2.300% bonds due 2027	10,000	10,000	81,967
Unsecured 1.725% bonds due 2033	5,000	5,000	40,983
Total	¥ 136,650	¥ 155,645	$ 1,120,081

The aforementioned bonds for which the Company entered into debt assumption agreements have been derecognized in the consolidated balance sheet and disclosed as contingent liabilities (see Note 18).

The Company has credit commitments from banks. Total unused credit available to the Company as of March 31, 2022, was ¥100,000 million ($819,672 thousand).

8. LONG-TERM DEBT FOR THE CHUO SHINKANSEN CONSTRUCTION

Long-term debt for the Chuo Shinkansen construction is a loan in total of ¥3,000,000 million from the JRTT using the Fiscal Investment and Loan Program (the "FILP") in accordance with the Order for Enforcement of the Act on the Japan Railway Construction, Transport and Technology Agency (the "JRTT Act") for the further construction of the Chuo Shinkansen.

The average interest rates of long-term debt for the Chuo Shinkansen construction as of March 31, 2022, were 0.86%.

Annual maturities of long-term debt for the Chuo Shinkansen construction as of March 31, 2022, were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2023		
2024		
2025		
2026		
2027		
Thereafter	¥ 3,000,000	$ 24,590,163
Total	¥ 3,000,000	$ 24,590,163

9. LONG-TERM ACCOUNTS PAYABLE—RAILWAY FACILITIES

Long-term accounts payable—railway facilities were incurred in the amount of ¥5,095,661 million in 1991 for the purchase of the Shinkansen railway ground facilities and serially repaid to the JRTT. Payment terms are 25.5 years for ¥4,494,466 million and 60 years for ¥601,195 million. Payment terms and interest rates of the payables were determined based on the agreements on the purchase of the Shinkansen railway ground facilities. The Company had paid off ¥4,494,466 million by January 2017.

The average interest rates of long-term accounts payable—railway facilities excluding current portion as of March 31, 2022, were 6.51%.

Annual maturities of long-term accounts payable—railway facilities as of March 31, 2022, were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2023	¥ 6,529	$ 53,516
2024	6,937	56,860
2025	7,373	60,434
2026	7,837	64,237
2027	8,333	68,303
Thereafter	489,507	4,012,352
Total	¥ 526,518	$ 4,315,721

Interest expense on the aforementioned long-term accounts payable—railway facilities amounted to ¥34,516 million ($282,918 thousand) and ¥34,877 million for the years ended March 31, 2022 and 2021, respectively.

10. RETIREMENT AND PENSION PLANS

Employees whose service with the Company and consolidated subsidiaries is terminated are entitled to retirement and pension benefits determined by reference to accumulated points during their employment calculated by their position or basic rates of pay at the time of termination, length of service and other conditions under which the termination occurs. Some of the subsidiaries adopt the simplified accounting method for calculation of liability of retirement benefits and retirement benefit expenses.

a. The changes in defined benefit obligation for the years ended March 31, 2022 and 2021, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Balance at beginning of year (as previously reported)	¥ 202,128	¥ 213,151	$ 1,656,786
Current service cost	14,674	15,783	120,278
Interest cost	811	854	6,647
Actuarial losses (gains)	367	(10,681)	3,008
Benefits paid	(13,179)	(16,978)	(108,024)
Prior service cost	(48)		(393)
Others		(1)	
Balance at end of year	¥ 204,753	¥ 202,128	$ 1,678,303

The retirement benefit expenses recognized by the consolidated subsidiaries, which adopt the simplified accounting method, are included in the current service cost.

b. The changes in plan assets for the years ended March 31, 2022 and 2021, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Balance at beginning of year	¥ 28,179	¥ 25,810	$ 230,975
Expected return on plan assets	399	371	3,270
Actuarial (gains) losses	(26)	1,163	(213)
Contributions from the employer	1,363	1,443	11,172
Benefits paid	(736)	(609)	(6,032)
Balance at end of year	¥ 29,180	¥ 28,179	$ 239,180

c. Reconciliation between the liability recorded in the consolidated balance sheet and the balances of defined benefit obligation and plan assets as of March 31, 2022 and 2021, was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Funded defined benefit obligation	¥ 25,230	¥ 24,508	$ 206,803
Plan assets	(29,180)	(28,179)	(239,180)
Total	(3,950)	(3,670)	(32,377)
Unfunded defined benefit obligation	179,523	177,619	1,471,500
Net liability arising from defined benefit obligation	175,572	173,948	1,439,114
Liability for retirement benefits	180,830	178,925	1,482,213
Asset for retirement benefits	(5,257)	(4,977)	(43,090)
Net liability arising from defined benefit obligation	¥ 175,572	¥ 173,948	$ 1,439,114

d. The components of net periodic benefit costs for the years ended March 31, 2022 and 2021, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Service cost	¥ 14,674	¥ 15,783	$ 120,278
Interest cost	811	854	6,647
Expected return on plan assets	(399)	(371)	(3,270)
Recognized actuarial gains	(2,417)	(1,899)	(19,811)
Amortization of prior service cost	(261)	(258)	(2,139)
Net periodic benefit costs	¥ 12,407	¥ 14,108	$ 101,696

The retirement benefit expenses recognized by the consolidated subsidiaries, which adopt the simplified accounting method, are included in service cost.

e. Amounts recognized in other comprehensive income (before income tax effect) in respect of defined retirement benefit plans for the years ended March 31, 2022 and 2021, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Actuarial (gains) losses	¥ (2,811)	¥ 9,945	$ (23,040)
Prior service cost	(212)	(258)	(1,737)
Total	¥ (3,024)	¥ 9,687	$ (24,786)

f. Amounts recognized in accumulated other comprehensive income (before income tax effect) in respect of defined retirement benefit plans as of March 31, 2022 and 2021, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Unrecognized actuarial losses	¥ 9,032	¥ 11,843	$ 74,032
Unrecognized prior service cost	723	935	5,926
Total	¥ 9,755	¥ 12,779	$ 79,959

g. Plan assets

(1) Components of plan assets

Plan assets as of March 31, 2022 and 2021, consisted of the following:

	2022	2021
Equities	45 %	47 %
General security account	32	31
Bonds	11	12
Others	12	9
Total	100 %	100 %

The employee retirement benefit trust for the Companies' contributory pension plans accounted for 37% and 38% of total plan assets for the years ended March 31, 2022 and 2021, respectively.

(2) Method of determining the expected rate of return on plan assets

The expected rate of return on plan assets is determined considering the current and future asset portfolio and the long-term rates of return which are expected currently and in the future from the various components of the plan assets.

h. Assumptions used for the years ended March 31, 2022 and 2021, were set forth as follows:

	2022	2021
Discount rate	Mainly 0.4%	Mainly 0.4%
Expected rate of return on plan assets	1.2% to 2.0%	1.2% to 2.0 %

i. Defined contribution plan

Total contribution by the Companies for the defined contribution plan was ¥144 million ($1,180 thousand) for the year ended March 31, 2022 and ¥137 million for the year ended March 31, 2021.

11. EQUITY

Japanese companies are subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

a. Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders' meeting. Additionally, for companies that meet certain criteria including (1) having a Board of Directors, (2) having independent auditors, (3) having an Audit & Supervisory Board, and (4) the term of service of the directors being prescribed as one year rather than the normal two-year term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends-in-kind) at any time during the fiscal year if the Company has prescribed so in its articles of incorporation.

The Companies Act permits companies to distribute dividends-in-kind (noncash assets) to shareholders subject to a certain limitation and additional requirements.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of equity after dividends must be maintained at no less than ¥3 million.

b. Increases/Decreases and Transfer of Common Stock, Reserve and Surplus

The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus), depending on the equity account charged upon the payment of such dividends, until the aggregate amount of legal reserve and additional paid-in capital equals to 25% of the common stock. The Company has already appropriated defined amount as a legal reserve or additional paid-in capital. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings-unappropriated can be transferred among the accounts within equity under certain conditions upon resolution of the shareholders.

c. Treasury Stock and Treasury Stock Acquisition Rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by a specific formula.

Under the Companies Act, stock acquisition rights are presented as a separate component of equity.

The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

12. EMPLOYEE STOCK OWNERSHIP PLAN

The Company holds the Employee Stock Ownership Plan by transactions of delivering its own stock to the JR Tokai Employee Shareholding Association (the "Shareholding Association") through trusts for the purpose of improving the employee benefit program for employees participating in the Shareholding Association and revitalizing the Shareholding Association, which was terminated in April 2021.

(1) Transaction outline
The Company introduced an "Employee Stock Ownership Plan (employee shareholding association purchase-type)" (the "Plan") in September 2017. To introduce the Plan, the Company, as the trustor, entered into a Stock Benefit Trust (Employee Shareholding Association Purchase-type) Agreement (the "Trust Agreement") with Mizuho Trust & Banking Co., Ltd. as the trustee (hereinafter the trust to be established pursuant to the Trust Agreement is referred to as the "Trust"). Mizuho Trust & Banking Co., Ltd. will enter into an agreement with Trust & Custody Services Bank, Ltd. to re-entrust the administration of trust assets such as securities with Trust & Custody Services Bank, Ltd. as the re-trustee. The agreement was terminated in April 2021.

(2) The Trust held the treasury stock and long-term debt, which was included in the consolidated balance sheet as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Treasury stock		¥ 418	
(shares)		(22,000)	
Long-term debt of the employee stock ownership plan trust		¥ 4,300	

13. INCOME TAXES

The Companies are subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 30.3% for the years ended March 31, 2022 and 2021.

The tax effects of significant temporary differences and tax loss carryforwards which resulted in deferred tax assets and liabilities as of March 31, 2022 and 2021, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Deferred tax assets:			
Tax loss carryforwards	¥ 114,107	¥ 95,203	$ 935,303
Depreciation and amortization	87,908	83,004	720,557
Liability for retirement benefits	57,613	59,674	472,237
Software	14,548	14,016	119,245
Loss on write down of investment securities	13,080	12,251	107,213
Unrealized profit on property, plant and equipment	8,732	8,561	71,573
Provision for bonuses	6,931	6,973	56,811
Accrued railway usage charges	2,342	2,590	19,196
Other	33,953	35,394	278,303
Total	339,219	317,669	2,780,483
Less valuation allowance for tax loss carryforwards	(13,914)	(9,722)	(114,049)
Less valuation allowance for temporary differences	(35,386)	(34,995)	(290,049)
Total less valuation allowance	(49,301)	(44,717)	(404,106)
Deferred tax assets	289,917	272,952	2,376,368
Deferred tax liabilities:			
Unrealized gain on available-for-sale securities	22,446	22,681	183,983
Deferred gain on transfer of certain fixed assets	4,286	4,286	35,131
Other	4,590	10,564	37,622
Deferred tax liabilities	31,322	37,532	256,737
Net deferred tax assets	¥ 258,595	¥ 235,419	$ 2,119,631

The expiration of tax loss carryforwards, the related valuation allowances and the resulting net deferred tax assets as of March 31, 2022 and 2021, were as follows:

	Millions of Yen						
March 31, 2022	1 Year or Less	After 1 Year through 2 Years	After 2 Years through 3 Years	After 3 Years through 4 Years	After 4 Years through 5 Years	After 5 Years	Total
Deferred tax assets relating to tax loss carryforwards					¥ 94	¥114,012	¥114,107
Less valuation allowances for tax loss carryforwards						(13,914)	(13,914)
Net deferred tax assets relating to tax loss carryforwards					¥ 94	¥100,097	¥100,192

	Millions of Yen						
March 31, 2021	1 Year or Less	After 1 Year through 2 Years	After 2 Years through 3 Years	After 3 Years through 4 Years	After 4 Years through 5 Years	After 5 Years	Total
Deferred tax assets relating to tax loss carryforwards						¥ 95,203	¥ 95,203
Less valuation allowances for tax loss carryforwards						(9,722)	(9,722)
Net deferred tax assets relating to tax loss carryforwards						¥ 85,481	¥ 85,481

March 31, 2022	Thousands of U.S. Dollars						
	1 Year or Less	After 1 Year through 2 Years	After 2 Years through 3 Years	After 3 Years through 4 Years	After 4 Years through 5 Years	After 5 Years	Total
Deferred tax assets relating to tax loss carryforwards					$ 770	$934,524	$935,303
Less valuation allowances for tax loss carryforwards						(114,049)	(114,049)
Net deferred tax assets relating to tax loss carryforwards					$770	$820,467	$821,245

The amount of tax loss carryforwards was calculated by using the statutory tax rate.
The amount of deferred tax assets related to tax loss carryforwards is determined to be recovered based on the expected future taxable income.

The reconciliation between the normal effective statutory tax rate and the actual effective tax rate for the year ended March 31, 2022 and 2021, was not presented because the Companies recorded a loss before income taxes for the year.

14. REVENUE

a. Disaggregation of Revenue

	Millions of Yen								
	2022								
	Reportable Segment								
	Transportation								
	Commuter passes	Ordinary tickets	Others	Merchandise and Other	Real Estate	Hotel and Services	Rolling Stock Production	Other	Total
Revenues from contracts with customers	¥ 41,372	¥ 615,870	¥ 46,903	¥ 88,036	¥ 12,428	¥ 27,278	¥ 49,845	¥ 13,832	¥ 895,566
Other revenue			3,937	6,745	28,563	252	20	52	39,573
Total	¥ 41,372	¥ 615,870	¥ 50,840	¥ 94,782	¥ 40,992	¥ 27,531	¥ 49,866	¥ 13,884	¥ 935,139

	Thousands of U.S. Dollars								
	2022								
	Reportable Segment								
	Transportation								
	Commuter passes	Ordinary tickets	Others	Merchandise and Other	Real Estate	Hotel and Services	Rolling Stock Production	Other	Total
Revenues from contracts with customers	$ 339,114	$ 5,048,114	$ 384,450	$ 721,606	$ 101,868	$ 223,590	$ 408,565	$ 113,377	$ 7,340,704
Other revenue			32,270	55,286	234,122	2,065	163	426	324,368
Total	$ 339,114	$ 5,048,114	$ 416,721	$ 776,901	$ 336,000	$ 225,663	$ 408,737	$ 113,803	$ 7,665,073

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

b. Basic Information to Understand Revenues from Contracts with Customers

The following table provides information on the basis of how customer contracts relate to items presented in the consolidated financial statements or other notes in the notes to revenue recognition.
The content described in Note 3 m. to the consolidated financial statements is not presented.

Hotels and services
In the hotel and service segment, in addition to operating hotels at our main stations and other locations, the Companies engage in travel and other businesses.
In the hotel business, the performance obligations are to provide accommodation and

beverage services based on accommodation contracts with customers and other factors. The Companies believe that the performance obligations are satisfied at the time the services are rendered and recognizes revenue.
In the travel business, the performance obligations are to arrange and manage travel under travel agreements with our customers. The Companies believe that the performance obligations are satisfied at the time the services are rendered and recognizes revenue. Revenue is recognized on a net basis for sales of travel products that are determined to qualify as agent businesses, such as transactions that do not have inventory risk.

Rolling Stock Production
In the Rolling Stock Production segment, in addition to the railcar business, the Companies engage in the transportation equipment and railway structure business, construction machinery business, and engineering business. The Companies are obligated to perform its obligations to provide railcars, construction machinery, etc. based on contracts with customers.
Such performance obligations are determined to be satisfied primarily upon delivery of products and merchandise, and revenue is recognized at the time of delivery.
For certain construction contracts, the Companies determine that the performance obligations are satisfied over a specified period of time and recognizes revenue based on the degree of progress (the input method for measurement) related to the satisfaction of performance obligations.

c. Contract Balances

Receivables from contract with customers, contract assets and contract liabilities at the beginning and end of the year are as follows:

	Millions of Yen	Thousands of U.S. Dollars
	2022	2022
Receivables from contracts with customers:		
Balance at beginning of year	¥ 98,709	$ 809,090
Balance at end of year	91,377	748,991
Contract assets:		
Balance at beginning of year	5,769	47,286
Balance at end of year	7,723	63,303
Contract liabilities:		
Balance at beginning of year	20,951	171,729
Balance at end of year	¥ 24,437	$ 200,303

Contractual liabilities primarily relate to prepaid fares received to satisfaction of performance obligations for which we provide transportation services pursuant to transportation agreements with customers and consist of commuter fares and non-commuter fares. For charges non-commuter fares, the Companies generally record revenue upon completion of the delivery of the transportation service, and for commuter fares, the Companies record revenue over a period of time, and reverses the contractual liability at the time such revenue is recorded. The contractual liability for these prepaid fares received is both monetized in a short period of time.

d. Transaction Prices Allocated to Remaining Performance Obligations

The transaction prices allocated to remaining performance obligations within one year are not presented in accordance with the practical expedient stipulated in the accounting standard for revenue recognition. In addition, the transactions prices allocated to remaining performance obligations after one year and after are not presented since the amount is immaterial.

15. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

a. Policy for Financial Instruments

The Companies use only financial instruments with high degrees of safety for the management of funds and raise funds from bank loans, bonds and others.

Derivatives are used, not for speculative purposes, but to manage exposure to financial risks as described in Note 16.

b. Nature and Extent of Risks Arising from Financial Instruments

Money held in trust for the Chuo Shinkansen construction is set to segregate loans from the JRTT from other cash on hand for purposes of the further construction of the Chuo Shinkansen. The trust property is comprised of deposits.

Trade receivables are exposed to customer credit risk.

Marketable and investment securities, mainly held to maturity debt securities and equity instruments of customers and suppliers of the Companies, are exposed to the risk of market price fluctuations.

Payment terms of trade payables and income taxes payable are within one year.

Short-term bank loans are used to fund the Companies' ongoing operations. Bonds and long-term loans are used for renewal of long-term debt and capital spending. Please see Note 7 for a maturity analysis for bank loans and bonds payable.

Long-term debt for the Chuo Shinkansen construction is a loan in the amount of ¥3,000,000 million from the JRTT using the FILP in accordance with the JRTT Act for purposes of the further construction of the Chuo Shinkansen.

Long-term debt of the employee stock ownership plan trust is a loan which the Trust borrowed from financial institutions. The trust was terminated in April 2021.

Long-term accounts payable—railway facilities were incurred in the amount of ¥5,095,661 million in 1991 for the purchase of the Shinkansen railway ground facilities and serially repaid to the JRTT. Payment terms are 25.5 years for ¥4,494,466 million and 60 years for ¥601,195 million. Payment terms and interest rates of the payables were determined based on the agreements from the purchase of the Shinkansen railway ground facilities. The Company had paid off ¥4,494,466 million by January 2017.

Derivatives include foreign currency swaps, which are used to manage exposure to market risks of changes in foreign exchange rates of foreign currency denominated long-term debt, and interest rate swaps, which are used to manage exposure to market risks of changes in interest rates of long-term debt. Please see Note 16 for details on derivatives.

c. *Risk Management for Financial Instruments*

Credit Risk Management

Credit risk is the risk of economic loss arising from a counterparty's failure to repay or service debt according to the contractual terms. The Companies manage their credit risk from trade receivables by monitoring payment terms and balances of major customers by each business administration department to identify the default risk of customers in the early stage. With respect to held-to-maturity debt securities, the Companies manage exposure to credit risk by limiting debt securities to high credit rated bonds.

Market Risk Management

Marketable and investment securities are managed by monitoring market values and the financial position of issuers on a regular basis.

Foreign currency swaps are used to manage exposure to market risks of changes in exchange rates of foreign currency long-term debt. Interest rate swaps are used to manage exposure to market risks of changes in interest rates of long-term debt.

d. *Fair Values of Financial Instruments*

Fair values of financial instruments are as follows: Investments in equity instruments that do not have a quoted market price in an active market are not included in the following table. The fair values of cash and cash equivalents, trade receivables, short-term loans payable, trade payables, income taxes payable are not disclosed because their maturities are short and the carrying values approximate fair value. The carrying values of money held in trust for the Chuo Shinkansen construction approximate fair value because the trust property consists of a deposit in cash. Therefore, the fair values of money held in trust for the Chuo Shinkansen construction are not disclosed. Also, please see Note 16 for the details of fair value for derivatives.

(1) Fair Value of Financial Instruments

	Millions of Yen		
March 31, 2022	Carrying Amount	Fair Value	Unrealized Gain (Loss)
Marketable and investment securities	¥ 792,179	¥ 790,490	¥ (1,689)
Total	¥ 792,179	¥ 790,490	¥ (1,689)
Long-term debt including current portion	¥ (1,415,174)	¥ (1,517,498)	¥ 102,324
Long-term debt for the Chuo Shinkansen construction	(3,000,000)	(2,954,226)	(45,773)
Long-term accounts payable—railway facilities including current portion	(526,518)	(1,044,587)	518,069
Total	¥ (4,941,692)	¥ (5,516,312)	¥ 574,619

March 31, 2021	Millions of Yen Carrying Amount	Fair Value	Unrealized Gain (Loss)
Marketable and investment securities	¥ 857,411	¥ 856,510	¥ (900)
Total	¥ 857,411	¥ 856,510	¥ (900)
Long-term debt including current portion	¥ (1,399,971)	¥ (1,525,104)	¥ 125,132
Long-term debt for the Chuo Shinkansen construction	(3,000,000)	(3,146,771)	146,771
Long-term debt of the employee stock ownership plan trust including current portion	(4,300)	(4,300)	0
Long-term accounts payable—railway facilities including current portion	(532,664)	(1,105,439)	572,775
Total	¥ (4,936,935)	¥ (5,781,615)	¥ 844,679

March 31, 2022	Thousands of U.S. Dollars Carrying Amount	Fair Value	Unrealized Gain (Loss)
Marketable and investment securities	$ 6,493,270	$ 6,479,426	$ (13,844)
Total	$ 6,493,270	$ 6,479,426	$ (13,844)
Long-term debt including current portion	$ (11,599,786)	$ (12,438,508)	$ 838,721
Long-term debt for the Chuo Shinkansen construction	(24,590,163)	(24,214,967)	(375,188)
Long-term accounts payable—railway facilities including current portion	(4,315,721)	(8,562,188)	4,246,467
Total	$ (40,505,672)	$ (45,215,672)	$ 4,709,991

(2) Carrying Amount of Investments in Equity Instruments that Do Not Have a Quoted Market Price in an Active Market

	Carrying Amount	
March 31, 2022	Millions of Yen	Thousands of U.S. Dollars
Unlisted equity instruments:		
Investment securities	¥ 8,396	$ 68,819
Investments in unconsolidated subsidiaries and affiliates	13,912	114,032
Total	¥ 22,309	$ 182,860

	Carrying Amount
March 31, 2021	Millions of Yen
Unlisted equity instruments:	
Investment securities	¥ 8,405
Investments in unconsolidated subsidiaries and affiliates	13,750
Total	¥ 22,156

e. Maturity Analysis for Financial Assets and Securities with Contractual Maturities

	Millions of Yen		
March 31, 2022	Due within One Year	Due after One Year through Five Years	Due after Five Years
Cash and cash equivalents	¥ 619,460		
Money held in trust for the Chuo Shinkansen construction	1,813,068		
Trade receivables	91,039		
Marketable and investment securities	42,400	¥ 364,600	¥ 220,000
Total	¥ 2,565,968	¥ 364,600	¥ 220,000

	Thousands of U.S. Dollars		
March 31, 2022	Due within One Year	Due after One Year through Five Years	Due after Five Years
Cash and cash equivalents	$ 5,077,540		
Money held in trust for the Chuo Shinkansen construction	14,861,213		
Trade receivables	746,221		
Marketable and investment securities	347,540	$ 2,988,524	$ 1,803,278
Total	$21,032,524	$ 2,988,524	$ 1,803,278

f. Annual Maturities of Long-Term Debt, Long-Term Debt for the Chuo Shinkansen Construction and Long-Term Accounts Payable—Railway Facilities

Please see Note 7 for annual maturities of long-term debt, Note 8 for long-term debt for the Chuo Shinkansen construction and Note 9 for long-term accounts payable—railway facilities.

g. Financial Instruments Categorized by Fair Value Hierarchy

The fair value of financial instruments is categorized into the following three levels, depending on the observability and significance of the inputs used in making fair value measurements:

Level 1: Fair values measured by using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair values measured by using inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3: Fair values measured by using unobservable inputs for the assets or liabilities.

If multiple inputs are used that have a significant impact on the measurement of fair value, fair value is categorized at the lowest level in the fair value measurement among the levels to which each of these inputs belongs.

(1) The Financial Assets and Liabilities Measured at the Fair Values in the Consolidated Balance Sheet

	Millions of Yen			
March 31, 2022	Level 1	Level 2	Level 3	Total
Marketable and investment securities: Available-for-sale securities:				
Equity securities	¥ 164,826			¥ 164,826
Other	353			353
Total assets	¥ 165,179			¥ 165,179

	Thousands of U.S. Dollars			
March 31, 2022	Level 1	Level 2	Level 3	Total
Marketable and investment securities: Available-for-sale securities:				
Equity securities	$1,351,032			$ 1,351,032
Other	2,893			2,893
Total assets	$1,353,926			$ 1,353,926

(2) The Financial Assets and Liabilities Not Measured at the Fair Values in the Consolidated Balance Sheet

	Millions of Yen			
March 31, 2022	Level 1	Level 2	Level 3	Total
Marketable and investment securities:				
Held-to-maturity securities:				
Municipal bonds		¥ 9,017		¥ 9,017
Corporate bonds		616,293		616,293
Total assets		¥ 625,310		¥ 625,310
Long-term debt including current portion		¥ 1,517,498		¥ 1,517,498
Long-term debt for the Chuo Shinkansen construction		2,954,226		2,954,226
Long-term accounts payable—railway facilities including current portion		1,044,587		1,044,587
Total liabilities		¥ 5,516,312		¥ 5,516,312

	Thousands of U.S. Dollars			
March 31, 2022	Level 1	Level 2	Level 3	Total
Marketable and investment securities:				
Held-to-maturity securities:				
Municipal bonds		$ 73,909		$ 73,909
Corporate bonds		5,051,581		5,051,581
Total assets		$ 5,125,491		$ 5,125,491
Long-term debt including current portion		$ 12,438,508		$ 12,438,508
Long-term debt for the Chuo Shinkansen construction		24,214,967		24,214,967
Long-term accounts payable—railway facilities including current portion		8,562,188		8,562,188
Total liabilities		$ 45,215,672		$45,215,672

The following is a description of valuation methodologies and inputs used for measurement of the fair value of assets and liabilities:

Marketable and Investment Securities

The fair values of listed equity securities, municipal bonds and corporate bonds are measured at the quoted market prices. Since listed equity securities and government bonds are traded in active markets, the fair values of listed equity securities are categorized as Level 1. As the quoted market prices of municipal bonds and corporate bonds are not considered to be in active markets due to low market transactions, the fair values of municipal bonds and corporate bonds are categorized as Level 2.

Long-Term Debt including Current Portion, Long-Term Debt for the Chuo Shinkansen Construction
The fair values of domestic bonds are measured at the quoted market prices. Fair values of foreign currency bonds are measured in combination with foreign currency swaps, which qualify for hedge accounting and meet specific matching criteria and are accounted for by the method stated in Note 3.r, by using discounted present value techniques considering the total amounts of principal and interest of the bonds in combination with foreign currency swaps and the Company's assumed bond issuing rate.

The fair values of long-term debt with floating interest rates are measured in combination with interest rate swaps or interest rate and currency swaps, which qualify for hedge accounting and are accounted for by the method stated in Note 3.r, by using discounted present value techniques considering the total amounts of the principal and interest and the Company's assumed borrowing rate.

The fair values of other debt, long-term debt for the Chuo Shinkansen construction are determined by using discounted present value techniques considering the cash flows related to the debt and the Company's assumed bond issuing rate or corporate borrowing rate.

The fair values of these instruments are categorized as Level 2.

Long-Term Accounts Payable—Railway Facilities including Current Portion
Long-term accounts payable represents monetary liability for purchase of railway facilities assumed under a special law, and it is difficult for the Company to raise funds again in the same manner. The fair values of such long-term accounts payable are determined by using discounted present value techniques considering the total amounts of principal and interest payment discounted and an interest rate to be applied if similar new bonds were issued. The fair values of long-term accounts payable – railway facilities are categorized as Level 2.

16. DERIVATIVES

The Companies enter into foreign currency swap agreements to manage exposure to market risks of changes in foreign exchange of foreign currency long-term debt, and interest rate swap agreements to manage exposure to market risks of changes in interest rates of certain liabilities.

Derivative transactions are mainly entered into to hedge foreign exchange exposures and interest rate exposures incorporated within their business. Accordingly, market risk in these derivatives is basically offset by opposite movements in the value of hedged liabilities.

Because the counterparties to these derivatives are limited to major international financial institutions, the Companies do not anticipate any losses arising from credit default.

Derivative transactions have been made in accordance with internal policies.

Derivative Transactions to Which Hedge Accounting Is Applied

	Millions of Yen			
March 31, 2022	Hedged Item	Contract Amount	Contract Amount Due after One Year	Fair Value
Foreign currency swaps: (fixed amount payment in yen, fixed amount receipt in U.S. dollars)	Foreign currency bonds	¥ 156,535	¥ 156,535	※
Interest rate swaps: (fixed rate payment, floating rate receipt)	Bank loans	¥ 117,500	¥ 106,000	※
Interest rate and currency swaps: (fixed rate / amount payment in yen, floating rate receipt and fixed amount receipt in U.S. dollars)	Foreign currency bank loans	¥ 22,570	¥ 3,292	※

March 31, 2021	Hedged Item	Contract Amount (Millions of Yen)	Contract Amount Due after One Year (Millions of Yen)	Fair Value (Millions of Yen)
Foreign currency swaps: (fixed amount payment in yen, fixed amount receipt in U.S. dollars)	Foreign currency bonds	¥ 224,695	¥ 156,535	※
Interest rate swaps: (fixed rate payment, floating rate receipt)	Bank loans	¥ 72,200	¥ 72,200	※
Interest rate and currency swaps: (fixed rate / amount payment in yen, floating rate receipt and fixed amount receipt in U.S. dollars)	Foreign currency bank loans	¥ 53,062	¥ 22,570	※

March 31, 2022	Hedged Item	Contract Amount (Thousands of U.S. Dollars)	Contract Amount Due after One Year (Thousands of U.S. Dollars)	Fair Value (Thousands of U.S. Dollars)
Foreign currency swaps: (fixed amount payment in yen, fixed amount receipt in U.S. dollars)	Foreign currency bonds	$1,283,073	$ 1,283,073	※
Interest rate swaps: (fixed rate payment, floating rate receipt)	Bank loans	$ 963,114	$ 868,852	※
Interest rate and currency swaps: (fixed rate / amount payment in yen, floating rate receipt and fixed amount receipt in U.S. dollars)	Foreign currency bank loans	$ 185,000	$ 26,983	※

※ Foreign currency swaps, interest rate swaps, or interest rate and currency swaps which qualify for hedge accounting are accounted for in combination with hedged items such as the foreign currency bonds, long-term debt, or foreign currency bank loans and the fair values of these swaps are included in those of hedged items in Note 15.

17. LEASES

As a lessee, the minimum rental commitments under noncancelable operating leases as of March 31, 2022 and 2021, were due as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Due within one year	¥ 704	¥ 549	$ 5,770
Due after one year	4,410	2,228	36,147
Total	¥ 5,115	¥ 2,777	$ 41,926

As a lessor, the minimum rental commitments under noncancelable operating leases as of March 31, 2022 and 2021, were due as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Due within one year	¥ 5,606	¥ 6,291	$ 45,950
Due after one year	17,924	17,634	146,918
Total	¥ 23,531	¥ 23,925	$ 192,877

18. CONTINGENCIES

As of March 31, 2022, the Company has joint and several obligations with the RTRI to make payments on long-term debt of ¥53 million ($434 thousand) borrowed by the RTRI. The proceeds are being used for the enhancement of technological development of the Maglev system. In addition, as of March 31, 2022, the Company is contingently liable for guarantees of loans of RTRI amounting to ¥13,400 million ($109,836 thousand).

As discussed in Note 7, based on debt assumption agreements with financial institutions, the Company has transferred the debt repayment obligations for certain bonds to such financial institutions. As of March 31, 2022, the Company had contingent obligations of ¥136,650 million ($1,120,081 thousand) for the bonds.

19. OTHER COMPREHENSIVE (LOSS) INCOME

The components of other comprehensive (loss) income for the years ended March 31, 2022 and 2021, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Unrealized (loss) gain on available-for-sale securities:			
(Loss) gain arising during the year	¥ (3,079)	¥ 36,564	$ (25,237)
Reclassification adjustments to profit or loss	2,525	9	20,696
Amount before income tax effect	(554)	36,573	(4,540)
Income tax effect	225	(10,267)	1,844
Total	¥ (328)	¥ 26,305	$ (2,688)
Remeasurements of defined benefit plans:			
Adjustments arising during the year	¥ (345)	¥ 11,845	$ (2,827)
Reclassification adjustments to profit	(2,679)	(2,157)	(21,959)
Amount before income tax effect	(3,024)	9,687	(24,786)
Income tax effect	855	(2,785)	7,008
Total	¥ (2,168)	¥ 6,901	$ (17,770)
Share of other comprehensive income in affiliates			
Loss arising during the year	¥ (30)	¥ (7)	$ (245)
Reclassification adjustments to profit	11	12	90
Total	¥ (19)	¥ 4	$ (155)
Total other comprehensive (loss) income	¥ (2,517)	¥ 33,212	$ (20,631)

20. SEGMENT INFORMATION

Under ASBJ Statement No. 17, "Accounting Standard for Segment Information Disclosures" and ASBJ Guidance No. 20, "Guidance on Accounting Standard for Segment Information Disclosures," an entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity for which separate financial information is available and such information is evaluated regularly by the chief operating decisionmaker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

a. Description of Reportable Segments

The Companies' reportable segments are those for which separate financial information is available and regular evaluation by the Companies' management is being performed in order to decide how resources are allocated among the Companies.

The Companies are 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 manages the Companies' railway operations, such as the Tokaido Shinkansen and conventional railway operations in the Tokai area, bus operations and others. The Merchandise and Other segment includes a department store in JR Central Towers, retail sales in trains and stations and others. The Real Estate segment include real estate leasing business, such as station building leasing and real estate sales in lots. 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.
Effective April 1, 2021, operating segments of "Hotel and Services" and "Rolling Stock Production," which were previously included in "Other," are disclosed as reportable segments because their materiality increased. The segment information for the year ended March 31, 2021, is also disclosed using the new operating segments.

b. Methods of Measurement for the Amounts of Operating Revenues, Profit (Loss), Assets, Liabilities and Other Items for Each Reportable Segment

The accounting policies of each reportable segment are consistent with those disclosed in Note 3, "Summary of Significant Accounting Policies." Reportable segment profit represents operating income. Prices of intersegment transactions or transfers are determined based upon arm's length transactions.

（Application of Accounting Standard for Revenue Recognition）
As described above in Note 5 to the consolidated financial statements, effective April 1, 2021, the Companies adopted ASBJ Statement No. 29, “Accounting Standard for Revenue Recognition."
Due to the changes in the methods of accounting for revenue recognition, similar changes were made to the methods of accounting for 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 accounting standard for revenue recognition is changes in

the methods of recognizing revenue for 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 for the year ended March 31, 2022 decreased by ¥103,381 million ($847,385 thousand) compared with the amount when they were recognized by the previous methods.

c. Information about Operating Revenues, Profit (Loss), Assets, Liabilities and Other Items

	Millions of Yen									
	2022									
	Reportable Segment									
	Transportation	Merchandise and Other	Real Estate	Hotel and Services	Rolling Stock Production	Total	Other	Total	Reconciliations	Consolidated
Operating revenues:										
External customers	¥ 708,083	¥ 94,782	¥ 40,992	¥ 27,531	¥ 49,866	¥ 921,254	¥ 13,884	¥ 935,139		¥ 935,139
Intersegment transactions or transfers	9,534	7,947	31,231	6,278	42,437	97,430	95,911	193,341	¥ (193,341)	
Total	¥ 717,618	¥ 102,729	¥ 72,223	¥ 33,809	¥ 92,303	¥ 1,018,685	¥ 109,796	¥ 1,128,481	¥ (193,341)	¥ 935,139
Segment profit (loss)	¥ (8,327)	¥ (3,790)	¥ 14,925	¥ (7,583)	¥ 5,890	¥ 1,114	¥ 2,821	¥ 3,936	¥ (2,228)	¥ 1,708
Segment assets	8,713,798	117,679	351,348	29,040	125,451	9,337,318	272,465	9,609,784	(159,264)	9,450,519
Other:										
Depreciation and amortization	182,415	3,951	16,317	1,004	2,333	206,022	1,017	207,039		207,039
Amounts of investments in equity in affiliates	10,752					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	499,476	1,441	500,917		500,917

	Millions of Yen									
	2021									
	Reportable Segment									
	Transportation	Merchandise and Other	Real Estate	Hotel and Services	Rolling Stock Production	Total	Other	Total	Reconciliations	Consolidated
Operating revenues:										
External customers	¥ 523,346	¥ 161,692	¥ 38,865	¥ 22,330	¥ 65,669	¥ 811,904	¥ 11,613	¥ 823,517		¥ 823,517
Intersegment transactions or transfers	9,659	13,035	30,290	8,733	32,264	93,983	112,492	206,475	¥ (206,475)	
Total	¥ 533,006	¥ 174,727	¥ 69,156	¥ 31,063	¥ 97,934	¥ 905,888	¥ 124,105	¥ 1,029,993	¥ (206,475)	¥ 823,517
Segment profit (loss)	¥ (183,328)	¥ (12,221)	¥ 13,031	¥ (12,046)	¥ 8,722	¥ (185,841)	¥ 4,612	¥ (181,229)	¥ (3,522)	¥ (184,751)
Segment assets	8,777,514	116,233	351,860	33,342	129,516	9,408,467	260,800	9,669,267	(68,897)	9,600,370
Other:										
Depreciation and amortization	173,546	3,965	16,892	1,740	2,283	198,428	933	199,362		199,362
Amounts of investments in equity in affiliates	10,589					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	496,347	1,098	497,446		497,446

	Thousands of U.S. Dollars									
	2022									
	Reportable Segment									
	Transportation	Merchandise and Other	Real Estate	Hotel and Services	Rolling Stock Production	Total	Other	Total	Reconciliations	Consolidated
Operating revenues:										
External customers	$ 5,803,959	$ 776,901	$ 336,000	$ 225,663	$ 408,737	$ 7,551,262	$ 113,803	$ 7,665,073		$ 7,665,073
Intersegment transactions or transfers	78,147	65,139	255,991	51,459	347,844	798,606	786,155	1,584,762	$ (1,584,762)	
Total	$ 5,882,114	$ 842,040	$ 591,991	$ 277,122	$ 756,581	$ 8,349,877	$ 899,967	$ 9,249,844	$ (1,584,762)	$ 7,665,073
Segment profit (loss)	$ (68,254)	$ (31,065)	$ 122,336	$ (62,155)	$ 48,278	$ 9,131	$ 23,122	$ 32,262	$ (18,262)	$ 14,000
Segment assets	71,424,573	964,581	2,879,901	238,032	1,028,286	76,535,393	2,233,319	78,768,721	(1,305,442)	77,463,270
Other:										
Depreciation and amortization	1,495,204	32,385	133,745	8,229	19,122	1,688,704	8,336	1,697,040		1,697,040
Amounts of investments in equity in affiliates	88,131					88,131		88,131		88,131
Increase in property, plant and equipment and intangible assets	3,975,459	38,532	50,680	9,549	19,819	4,094,065	11,811	4,105,877		4,105,877

Notes:

1. Other includes business of construction, etc., which are not included in any reportable segment.
2. Reconciliations are as follows:
   a. The amount of elimination of intersegment transactions included in the reconciliations was ¥(2,228) million ($(18,262) thousand), ¥(3,522) million for the years ended March 31, 2022 and 2021, respectively.
   b. The reconciliations for segment assets include corporate assets, which are not allocated to a reportable segment, and the elimination of intersegment transactions.
   Corporate assets principally consist of investment securities and certificates of deposit. The amounts of corporate assets were ¥448,551 million ($3,676,647 thousand), ¥539,091 million for the years ended March 31, 2022 and 2021, respectively.
   The elimination of intersegment transactions consists of intersegment receivables and others. The amounts of the elimination were ¥607,816 million ($4,982,098 thousand), ¥607,989 million for the years ended March 31, 2022 and 2021, respectively.
3. Segment profit (loss) is reconciled to operating income (loss) in the consolidated statement operations.
4. Information about products and services was omitted since equivalent information was disclosed above.
   Information about geographical areas was not presented since the Companies have no significant overseas operations.

d. Information about Impairment Loss on Noncurrent Assets by Reportable Segments

	Millions of Yen							
	2021							
	Reportable Segment							
	Transportation	Merchandise and Other	Real Estate	Hotel and Services	Rolling Stock Production	Other	Reconciliations	Consolidated
Impairment loss	¥ 377	¥ 153		¥ 4,370	¥ 29			¥ 4,930

Information about impairment loss on noncurrent assets by reportable segments for the years ended March 31, 2022 is omitted because the amount is not material.

21. SUBSEQUENT EVENT

Appropriations of Retained Earnings

The following appropriation of retained earnings as of March 31, 2022, was approved at the Company's shareholders' meeting held on June 23, 2022.

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥65 ($0.53) per share	¥ 12,805	$ 104,959

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