

Summary of Consolidated Financial Report for the Three Months Ended June 30, 2022 [under Japanese GAAP] (Unaudited)

English translation from the original Japanese-language document

Central Japan Railway Company is referred to as the "Company," and the Company and its consolidated subsidiaries are referred to as the "Companies."

July 27, 2022

Company Name	Central Japan Railway Company
Stock Exchange Listings	Tokyo and Nagoya
Code Number	9022
URL	https://jr-central.co.jp
Representative Contact Person	Shin Kaneko, President and Representative Director Ataru Kimura, Corporate Executive Officer, General Manager of the Public Relations Department (Tel +81-52-564-2549)
Expected Date of Presentation of Quarterly Securities Reports	August 3, 2022
Expected Date of Dividend Payment Commencement	—
Supplementary Information	Attached
Briefing of Financial Results of 1st Quarter	To be held (for institutional investors and analysts)

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

1. Results for the three months ended June 30, 2022

(1) Consolidated financial results

	Operating revenues		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2023 1st Quarter	309,342	71.3	83,540	—	66,838	—	47,001	—
Fiscal 2022 1st Quarter	180,628	40.3	(25,306)	—	(40,188)	—	(28,442)	—

Note 1. Comprehensive income : Fiscal 2023 1st Quarter 44,531 million yen, — %. Fiscal 2022 1st Quarter (33,185) million yen, —%.

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

	Net income per share - basic	Net income per share - diluted
	Yen	Yen
Fiscal 2023 1st Quarter	238.83	—
Fiscal 2022 1st Quarter	(144.53)	—

(2) Consolidated financial position

	Total assets	Equity	Net worth ratio
	Millions of yen	Millions of yen	%
Fiscal 2023 1st Quarter	9,403,946	3,640,876	38.2
Fiscal 2022	9,450,519	3,609,252	37.7

Note Net worth : Fiscal 2023 1st Quarter 3,595,264 million yen. Fiscal 2022 3,564,078 million yen.

2. Cash dividends

	Cash dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2022	—	65.00	—	65.00	130.00
Fiscal 2023	—				
Fiscal 2023 (Forecast)		65.00	—	65.00	130.00

Note Revisions to the previous forecast of cash dividends for Fiscal 2023 : none

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

	Operating revenues		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share - basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal 2023	1,332,000	42.4	290,000	—	217,000	—	146,000	—	741.87

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

2. Revisions to the previous consolidated forecast for Fiscal 2023 : none

Notes to Consolidated Financial Information

- (1) Changes in scope of significant consolidated subsidiaries : none
- (2) Adoption of simplified accounting methods or accounting methods used specifically for quarterly consolidated financial statements : adopted
- (3) Changes in accounting policies, changes in accounting estimates and error corrections
- i) Changes in accounting policies due to revision of accounting standard : none
 - ii) Other changes in accounting policies : none
 - iii) Changes in accounting estimates : none
 - iv) Error corrections : none
- (4) Number of common shares issued and outstanding at the end of each period

i) Number of shares outstanding at the end of the period (Including treasury stocks)	Fiscal 2023 1st Quarter	206,000,000 ^{shares}	Fiscal 2022	206,000,000 ^{shares}
	Fiscal 2023 1st Quarter	9,200,851 ^{shares}	Fiscal 2022	9,200,851 ^{shares}
ii) Number of treasury stocks at the end of the period	Fiscal 2023 1st Quarter	9,200,851 ^{shares}	Fiscal 2022	9,200,851 ^{shares}
iii) Average number of shares outstanding for the period	Fiscal 2023 1st Quarter	196,799,149 ^{shares}	Fiscal 2022 1st Quarter	196,792,880 ^{shares}

Note Treasury stocks that are deducted from calculation of the average number of shares outstanding for the period include the Company's shares held by the employee stock ownership plan trust account, as follows.
Fiscal 2023 1st Quarter — shares. Fiscal 2022 1st Quarter 6,286 shares.

(5) Quarterly Consolidated Balance Sheet

Money held in trust for the Chuo Shinkansen construction and Long-term debt for the Chuo Shinkansen construction

The Company has received loans from the Japan Railway Construction, Transport and Technology Agency for promoting the construction of the Chuo Shinkansen, and the money is placed in the trust fund to segregate it from other money.

(6) Adoption of simplified accounting methods or accounting methods used specifically for quarterly consolidated financial statements

Computation of income taxes

The Companies compute income taxes by multiplying quarterly income before income taxes by the effective tax rate that is reasonably estimated by applying tax effect accounting to the projected annual income before income taxes of the fiscal 2023 including the fiscal 2023 1st Quarter. In case where the method of computation is remarkably unreasonable, the statutory effective tax rate is used.

(7) Additional information

Effects of the COVID-19 pandemic

The use of trains and other services is declining as an effect of the COVID-19 pandemic. While it is difficult to predict the various outcomes of the pandemic, the accounting estimate for fiscal 2023 is made based on the assumption that transportation revenues will recover to an average of 80% in the 3rd Quarter relative to fiscal 2019 level, considering the revitalization of socio-economic activities that would occur as responses to the pandemic progress.

- Note
1. Financial information is not subject to audit procedures.
 2. The forward-looking statements in this report are based on estimates and assumptions that reflect information available as of the day of release of this report. The accuracy of forecasts above, therefore, is inherently uncertain because it is affected by future economic trends and environment.
 3. English supplementary information will be announced on our website later.

QUARTERLY CONSOLIDATED BALANCE SHEET (Unaudited)

	Millions of yen	
	Fiscal 2022 (As of March 31, 2022)	Fiscal 2023 1st Quarter (As of June 30, 2022)
ASSETS		
Current assets:		
Cash and deposits	331,651	334,233
Money held in trust for the Chuo Shinkansen construction	1,813,068	1,698,223
Notes, accounts receivable-trade, and contract assets	54,569	50,508
Railway fares receivables	44,193	52,826
Marketable securities	328,500	386,200
Inventories	34,369	33,851
Other	76,518	81,278
Allowance for doubtful accounts	(106)	(72)
Total current assets	2,682,764	2,637,048
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures, net	1,354,261	1,340,309
Machinery, rolling stock and vehicles, net	272,900	286,122
Land	2,356,728	2,356,696
Construction in progress	1,382,891	1,400,299
Other, net	40,879	51,365
Total property, plant and equipment	5,407,662	5,434,792
Intangible assets	142,072	142,966
Investments and other assets		
Investment securities	772,089	739,670
Deferred tax assets	260,389	262,822
Other	186,087	187,164
Allowance for doubtful accounts	(545)	(518)
Total investments and other assets	1,218,020	1,189,139
Total noncurrent assets	6,767,755	6,766,898
Total assets	9,450,519	9,403,946

QUARTERLY CONSOLIDATED BALANCE SHEET (Unaudited)

	Millions of yen	
	Fiscal 2022 (As of March 31, 2022)	Fiscal 2023 1st Quarter (As of June 30, 2022)
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	75,970	65,322
Short-term loans payable	30,738	31,273
Current portion of long-term loans payable	87,777	87,777
Current portion of long-term accounts payable-railway facilities	6,529	6,529
Income taxes payable	6,409	21,935
Provision for bonuses	22,493	16,245
Other	507,395	429,522
Total current liabilities	737,314	658,605
Noncurrent liabilities:		
Bonds payable	890,754	900,766
Long-term loans payable	436,642	436,642
Long-term debt for the Chuo Shinkansen construction	3,000,000	3,000,000
Long-term accounts payable-railway facilities	519,988	519,988
Provision for large-scale renovation of the Shinkansen infrastructure	35,000	26,250
Liability for retirement benefits	180,830	181,455
Other	40,736	39,360
Total noncurrent liabilities	5,103,953	5,104,464
Total liabilities	5,841,267	5,763,070
EQUITY		
Shareholders' equity:		
Common stock	112,000	112,000
Capital surplus	53,474	53,474
Retained earnings	3,449,334	3,483,531
Treasury stock	(103,159)	(103,159)
Total shareholders' equity	3,511,649	3,545,845
Accumulated other comprehensive income:		
Unrealized gain on available-for-sale securities	46,912	44,242
Remeasurements of defined benefit plans	5,516	5,176
Total accumulated other comprehensive income	52,428	49,418
Noncontrolling interests	45,173	45,612
Total equity	3,609,252	3,640,876
Total liabilities and equity	9,450,519	9,403,946

QUARTERLY CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)

	Millions of yen	
	Fiscal 2022 1st Quarter (For the three months ended June 30, 2021)	Fiscal 2023 1st Quarter (For the three months ended June 30, 2022)
Operating revenues	180,628	309,342
Operating expenses:		
Transportation, other services and cost of sales	166,071	183,967
Selling, general and administrative expenses	39,862	41,834
Total operating expenses	205,934	225,801
Operating income (loss)	(25,306)	83,540
Non-operating income:		
Interest income	613	534
Dividend income	1,727	2,140
Insurance income	1,242	16
Other	2,257	1,317
Total non-operating income	5,841	4,008
Non-operating expenses:		
Interest expense	11,077	11,161
Interest on long-term accounts payable-railway facilities	8,652	8,558
Other	992	991
Total non-operating expenses	20,722	20,710
Ordinary income (loss)	(40,188)	66,838
Extraordinary gain:		
Contribution for construction	20	135
Other	2,401	31
Total extraordinary gain	2,421	167
Extraordinary loss:		
Loss on reduction of noncurrent assets	14	45
Loss on retirement of noncurrent assets	142	307
Other	48	23
Total extraordinary loss	205	376
Income (loss) before income taxes	(37,972)	66,629
Income taxes	(9,787)	19,024
Net income (loss)	(28,184)	47,604
Net income attributable to noncontrolling interests	257	603
Net income (loss) attributable to owners of the parent	(28,442)	47,001

QUARTERLY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

	Millions of yen	
	Fiscal 2022 1st Quarter (For the three months ended June 30, 2021)	Fiscal 2023 1st Quarter (For the three months ended June 30, 2022)
Net income (loss)	(28,184)	47,604
Other comprehensive loss:		
Unrealized loss on available-for-sale securities	(4,516)	(2,711)
Remeasurements of defined benefit plans	(476)	(321)
Share of other comprehensive loss in affiliates	(7)	(39)
Total other comprehensive loss	(5,000)	(3,073)
Comprehensive income (loss)	(33,185)	44,531
(breakdown)		
Total comprehensive income (loss) attributable to		
Owners of the parent	(33,093)	43,991
Noncontrolling interests	(91)	540

SEGMENT INFORMATION (Unaudited)

Fiscal 2022 1st Quarter (For the three months ended June 30, 2021)

1. Information about operating revenues and profit (loss)

(Millions of yen)

	Transportation	Merchandise and Other	Real Estate	Other (Note 1)	Total	Reconciliations (Note 2)	Consolidated (Note 3)
Operating revenues:							
External customers	133,447	19,996	9,247	17,936	180,628	—	180,628
Intersegment transactions or transfers	2,278	2,024	7,493	25,685	37,481	(37,481)	—
Total	135,725	22,021	16,740	43,622	218,109	(37,481)	180,628
Segment profit (loss)	(23,877)	(2,371)	4,153	(2,887)	(24,983)	(323)	(25,306)

- Note 1. "Other" includes business of hotel, travel, advertising, rolling stock production, construction, etc., which are not included in any reportable segment.
 2. "Reconciliations" amount of (323) million yen for segment profit (loss) is the elimination of intersegment transactions.
 3. Segment profit (loss) is reconciled to operating loss in the quarterly consolidated statement of operations.

Fiscal 2023 1st Quarter (For the three months ended June 30, 2022)

1. Information about operating revenues and profit (loss)

(Millions of yen)

	Transportation	Merchandise and Other	Real Estate	Other (Note 1)	Total	Reconciliations (Note 2)	Consolidated (Note 3)
Operating revenues:							
External customers	248,638	29,505	10,581	20,617	309,342	—	309,342
Intersegment transactions or transfers	2,442	1,925	7,730	29,767	41,866	(41,866)	—
Total	251,080	31,431	18,311	50,385	351,208	(41,866)	309,342
Segment profit (loss)	77,385	1,372	5,018	(43)	83,732	(191)	83,540

- Note 1. "Other" includes business of hotel, travel, advertising, rolling stock production, construction, etc., which are not included in any reportable segment.
 2. "Reconciliations" amount of (191) million yen for segment profit (loss) is the elimination of intersegment transactions.
 3. Segment profit (loss) is reconciled to operating income in the quarterly consolidated statement of operations.

2. Matters related to changes in reportable segments

From the fiscal 2023 1st Quarter, business of "Hotel and Services" and "Rolling Stock Production" are reclassified back to "Other." This is due to business of "Hotel and Services" and "Rolling Stock Production" falling short of the quantitative criteria.

Segment information for the fiscal 2022 1st Quarter is disclosed on the basis of reportable segment classifications for the fiscal 2023 1st Quarter.