

Summary of Consolidated Financial Report for the Six Months Ended September 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."

October 31, 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	November 9, 2022
Expected Date of Dividend Payment Commencement	December 1, 2022
Supplementary Information	Attached
Briefing of Financial Results of 2nd 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 six months ended September 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 2nd Quarter	634,139	63.9	171,926	—	136,290	—	96,949	—
Fiscal 2022 2nd Quarter	386,949	14.5	(34,103)	—	(67,090)	—	(44,455)	—

Note 1. Comprehensive income : Fiscal 2023 2nd Quarter 92,549 million yen, —%. Fiscal 2022 2nd Quarter (45,572) 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 2nd Quarter	492.63	—
Fiscal 2022 2nd Quarter	(225.89)	—

(2) Consolidated financial position

	Total assets	Equity	Net worth ratio
	Millions of yen	Millions of yen	%
Fiscal 2023 2nd Quarter	9,460,921	3,688,904	38.5
Fiscal 2022	9,450,519	3,609,252	37.7

Note Net worth : Fiscal 2023 2nd Quarter 3,643,186 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	—	65.00	—	—	—
Fiscal 2023 (Forecast)	—	—	—	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	279,000	—	208,000	—	141,000	—	716.47

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 : revised

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 2nd Quarter	206,000,000 ^{shares}	Fiscal 2022	206,000,000 ^{shares}
	Fiscal 2023 2nd Quarter	9,200,851 ^{shares}	Fiscal 2022	9,200,851 ^{shares}
ii) Number of treasury stocks at the end of the period	Fiscal 2023 2nd Quarter	—	Fiscal 2022	—
iii) Average number of shares outstanding for the period	Fiscal 2023 2nd Quarter	196,799,149 ^{shares}	Fiscal 2022 2nd Quarter	196,796,048 ^{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 2nd Quarter — shares. Fiscal 2022 2nd Quarter 3,126 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 2nd 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 low level 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 the average of the use of trains will be around 80% relative to fiscal 2019 level in the 3rd Quarter and the 4th Quarter, considering the revitalization of socio-economic activities that would occur as responses to the pandemic progress.

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

	Operating revenues		Operating income		Ordinary income		Net income		Net income per share - basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	
Fiscal 2023	1,084,000	49.3	265,000	—	193,000	—	132,000	—	670.05 Yen

Note 1. Percentages for operating revenues, operating income, ordinary income, and net income represent the changes from the previous year.
2. Revisions to the previous nonconsolidated forecast for Fiscal 2023 : revised

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 2nd Quarter (As of September 30, 2022)
ASSETS		
Current assets:		
Cash and deposits	331,651	269,428
Money held in trust for the Chuo Shinkansen construction	1,813,068	1,676,711
Notes, accounts receivable-trade, and contract assets	54,569	49,678
Railway fares receivables	44,193	62,940
Marketable securities	328,500	508,600
Inventories	34,369	33,910
Other	76,518	81,957
Allowance for doubtful accounts	(106)	(73)
Total current assets	2,682,764	2,683,152
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures, net	1,354,261	1,321,878
Machinery, rolling stock and vehicles, net	272,900	281,225
Land	2,356,728	2,368,545
Construction in progress	1,382,891	1,458,395
Other, net	40,879	46,740
Total property, plant and equipment	5,407,662	5,476,785
Intangible assets	142,072	143,342
Investments and other assets		
Investment securities	772,089	708,010
Deferred tax assets	260,389	265,028
Other	186,087	185,112
Allowance for doubtful accounts	(545)	(511)
Total investments and other assets	1,218,020	1,157,641
Total noncurrent assets	6,767,755	6,777,768
Total assets	9,450,519	9,460,921

QUARTERLY CONSOLIDATED BALANCE SHEET (Unaudited)

	Millions of yen	
	Fiscal 2022 (As of March 31, 2022)	Fiscal 2023 2nd Quarter (As of September 30, 2022)
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	75,970	60,806
Short-term loans payable	30,738	31,436
Current portion of bonds payable	—	138,997
Current portion of long-term loans payable	87,777	62,578
Current portion of long-term accounts payable-railway facilities	6,529	6,730
Income taxes payable	6,409	43,948
Provision for bonuses	22,493	27,755
Other	507,395	420,885
Total current liabilities	737,314	793,137
Noncurrent liabilities:		
Bonds payable	890,754	761,781
Long-term loans payable	436,642	461,442
Long-term debt for the Chuo Shinkansen construction	3,000,000	3,000,000
Long-term accounts payable-railway facilities	519,988	516,572
Provision for large-scale renovation of the Shinkansen infrastructure	35,000	17,500
Liability for retirement benefits	180,830	182,190
Other	40,736	39,391
Total noncurrent liabilities	5,103,953	4,978,878
Total liabilities	5,841,267	5,772,016
EQUITY		
Shareholders' equity:		
Common stock	112,000	112,000
Capital surplus	53,474	53,474
Retained earnings	3,449,334	3,533,479
Treasury stock	(103,159)	(103,159)
Total shareholders' equity	3,511,649	3,595,793
Accumulated other comprehensive income:		
Unrealized gain on available-for-sale securities	46,912	42,660
Deferred gain on hedges	—	0
Remeasurements of defined benefit plans	5,516	4,732
Total accumulated other comprehensive income	52,428	47,392
Noncontrolling interests	45,173	45,718
Total equity	3,609,252	3,688,904
Total liabilities and equity	9,450,519	9,460,921

QUARTERLY CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)

	Millions of yen	
	Fiscal 2022 2nd Quarter (For the six months ended September 30, 2021)	Fiscal 2023 2nd Quarter (For the six months ended September 30, 2022)
Operating revenues	386,949	634,139
Operating expenses:		
Transportation, other services and cost of sales	345,573	380,597
Selling, general and administrative expenses	75,479	81,615
Total operating expenses	421,053	462,212
Operating income (loss)	(34,103)	171,926
Non-operating income:		
Interest income	1,234	1,071
Dividend income	2,068	2,526
Insurance income	1,276	101
Other	4,216	2,268
Total non-operating income	8,796	5,968
Non-operating expenses:		
Interest expense	22,288	22,470
Interest on long-term accounts payable-railway facilities	17,304	17,115
Other	2,190	2,018
Total non-operating expenses	41,783	41,604
Ordinary income (loss)	(67,090)	136,290
Extraordinary gain:		
Contribution for construction	48	364
Gain on sales of noncurrent assets	2,400	150
Other	30	17
Total extraordinary gain	2,479	533
Extraordinary loss:		
Loss on reduction of noncurrent assets	33	228
Loss on retirement of noncurrent assets	444	603
Other	92	36
Total extraordinary loss	571	868
Income (loss) before income taxes	(65,182)	135,955
Income taxes	(21,227)	38,405
Net income (loss)	(43,955)	97,549
Net income attributable to noncontrolling interests	499	600
Net income (loss) attributable to owners of the parent	(44,455)	96,949

QUARTERLY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

	Millions of yen	
	Fiscal 2022 2nd Quarter (For the six months ended September 30, 2021)	Fiscal 2023 2nd Quarter (For the six months ended September 30, 2022)
Net income (loss)	(43,955)	97,549
Other comprehensive loss:		
Unrealized loss on available-for-sale securities	(655)	(4,198)
Deferred gain on hedges	—	0
Remeasurements of defined benefit plans	(948)	(776)
Share of other comprehensive loss in affiliates	(12)	(26)
Total other comprehensive loss	(1,617)	(5,000)
Comprehensive income (loss)	(45,572)	92,549
(breakdown)		
Total comprehensive income (loss) attributable to		
Owners of the parent	(45,635)	91,913
Noncontrolling interests	62	636

QUARTERLY CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)

	Millions of yen	
	Fiscal 2022 2nd Quarter (For the six months ended September 30, 2021)	Fiscal 2023 2nd Quarter (For the six months ended September 30, 2022)
Operating activities:		
Income (loss) before income taxes	(65,182)	135,955
Depreciation and amortization	99,304	106,069
Decrease in provision for large-scale renovation of the Shinkansen infrastructure	(17,500)	(17,500)
Increase (decrease) in liability for retirement benefits	(532)	135
Interest and dividend income	(3,303)	(3,597)
Interest expense	39,593	39,585
Proceeds from contribution for construction	(48)	(364)
Loss on reduction of noncurrent assets	33	228
Loss on retirement of noncurrent assets	1,503	1,754
(Increase) decrease in trade receivables	35,408	(13,966)
Decrease in inventories	3,426	830
Decrease in trade payables	(13,169)	(15,163)
Other	(50,579)	(27,828)
Subtotal	28,955	206,138
Interest and dividend income received	3,290	3,588
Interest expense paid	(39,458)	(39,446)
Income taxes paid	(77,475)	(3,755)
Net cash provided by (used in) operating activities	(84,688)	166,524
Investing activities:		
Payments into time deposits	(15,000)	(16,000)
Proceeds from withdrawal of time deposits	15,000	16,000
Proceeds from cancellation of money held in trust for the Chuo Shinkansen construction	128,045	136,357
Purchases of marketable securities	—	(35,700)
Proceeds from redemption of marketable securities	—	35,700
Purchases of property, plant and equipment	(227,699)	(239,803)
Proceeds from contribution received for construction	2,266	1,896
Purchases of intangible assets	(4,258)	(3,527)
Purchases of investment securities	(1)	(500)
Proceeds from sales and redemption of investment securities	31	26,763
Other	5,341	1,339
Net cash used in investing activities	(96,274)	(77,474)
Financing activities:		
Net increase in short-term loans payable	168	697
Proceeds from issuance of short-term bonds	200,000	200,000
Redemption of short-term bonds	—	(200,000)
Proceeds from long-term loans payable	12,100	34,800
Repayment of long-term loans payable	(42,996)	(35,199)
Proceeds from issuance of bonds	20,000	10,000
Payments for long-term accounts payable-railway facilities	(3,026)	(3,215)
Proceeds from sales of treasury stock	336	—
Cash dividends paid	(12,805)	(12,805)
Cash dividends paid to noncontrolling interests	(70)	(90)
Other	(2,302)	2,978
Net cash (used in) provided by financing activities	171,403	(2,835)
Net increase (decrease) in cash and cash equivalents	(9,559)	86,214
Cash and cash equivalents, beginning of the fiscal year	719,941	619,460
Cash and cash equivalents, end of period	710,381	705,674

SEGMENT INFORMATION (Unaudited)

Fiscal 2022 2nd Quarter (For the six months ended September 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	285,316	41,075	20,328	40,229	386,949	—	386,949
Intersegment transactions or transfers	4,720	3,917	15,272	54,143	78,053	(78,053)	—
Total	290,036	44,992	35,600	94,373	465,003	(78,053)	386,949
Segment profit (loss)	(32,555)	(4,922)	8,356	(4,172)	(33,293)	(809)	(34,103)

- 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 (809) 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 2nd Quarter (For the six months ended September 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	509,424	59,940	21,615	43,158	634,139	—	634,139
Intersegment transactions or transfers	5,093	3,732	15,721	59,903	84,451	(84,451)	—
Total	514,518	63,672	37,337	103,062	718,590	(84,451)	634,139
Segment profit (loss)	160,547	2,643	9,867	(469)	172,588	(662)	171,926

- 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 (662) 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 2nd Quarter is disclosed on the basis of reportable segment classifications for the fiscal 2023 2nd Quarter.