

1st Quarter Investor Meeting FY2021.3
(Fiscal Year Ending March 31, 2021)

Central Japan Railway Company

July 31, 2020

Income Statement (Consolidated)

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(Billions of Yen)

	FY2020.3 Q1 Cumulative A	FY2021.3 Q1 Cumulative B	Changes (B-A)
Operating Revenues	471.3	128.7	-342.6
Operating Expenses	265.1	212.3	-52.7
Operating (Loss) Income	206.2	-83.6	-289.8
Non-operating Income (Loss)	-17.5	-17.8	-0.2
Ordinary (Loss) Income	188.6	-101.4	-290.1
Net (Loss) Income Attributable to Owners of the Parent	131.3	-72.6	-203.9

○ My name is Kimura, General Manager of the Corporate Planning Division. First, I would like to explain the summary of consolidated financial results.

○ Operating revenues declined substantially to 128.7 billion yen. This was because the self-restraint regarding going out and traveling and other factors due to the occurrence of COVID-19 pandemic had a negative impact on the business environment of the Company and the group companies.

○ Operating expenses decreased by 52.7 billion yen year-on-year to 212.3 billion yen. However, the Company recorded for the quarter an operating loss of 83.6 billion yen, ordinary loss of 101.4 billion yen and net loss attributable to owners of the parent company of 72.6 billion yen.

○ As a result, we recorded a loss in the first quarter for the first time since FY2003, when we began disclosing quarterly results.

Segment Information (Consolidated)

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(Billions of Yen)

	FY2020.3 Q1 Cumulative A	FY2021.3 Q1 Cumulative B	Changes (B-A)	Major Change Factor
Operating Revenues	471.3	128.7	-342.6	
Transportation	369.2	79.8	-289.4	(-) JR CENTRAL (Transportation)
Merchandise and Other	65.7	25.2	-40.4	(-) JR Tokai Takashimaya, Tokai Kiosk
Real Estate	19.7	15.5	-4.2	(-) Station building companies in each area
Others	50.6	46.4	-4.2	(-) JR Tokai Hotels, JR Tokai Tours
Operating Expenses	265.1	212.3	-52.7	
Operating (Loss) Income	206.2	-83.6	-289.8	
Transportation	196.3	-75.7	-272.0	(-) JR CENTRAL (Transportation)
Merchandise and Other	2.2	-6.4	-8.6	(-) JR Tokai Takashimaya, Tokai Kiosk
Real Estate	5.6	2.7	-2.9	(-) Station building companies in each area
Others	1.5	-3.3	-4.9	(-) JR Tokai Hotels, JR Tokai Tours

* Breakdown by segment is before offsetting transactions between segments. The total of figures in the breakdown does not match Operating Revenues and Operating (Loss) Income.
* Nippon Sharyo is included in the "Rolling Stock Manufacturing" segment in the Earnings Briefing, but is included in "Others" in this document.

○ Next, I would like to explain the results of each segment. In each of the non-railroad businesses, although the Company sought to ensure profits after the lifting of the state of emergency, mainly by gradually resuming the operation of JR CENTRAL TOWERS and JR GATE TOWER while striving to prevent the spread of infection, the overall operating revenues significantly decreased on a consolidated basis as well because of the impacts of the COVID-19 pandemic.

○ In Transportation, revenues and income decreased due to a decline in the Company's transportation revenues, etc.

○ Merchandise and Other showed a decline in revenues and income due to a decrease in sales at JR Tokai Takashimaya and Tokai Kiosk stores, etc.

○ In Real Estate, revenues and income decreased due to a decline in station building revenues in each area, etc.

○ Lastly, in the Others segment, revenues and income decreased due to a decline in revenues from accommodation at JR Tokai Hotels and travel products at JR Tokai Tours.

Although NIPPON SHARYO, LTD. is included in the segment of "railway rolling stock production business" in the statement of accounts because consolidated operating revenues decreased significantly due to the impact of COVID-19, it is included in the "Others" in this material because there has been no change in the structure of the group business.

Income Statement (Non-consolidated)

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(Billions of Yen)

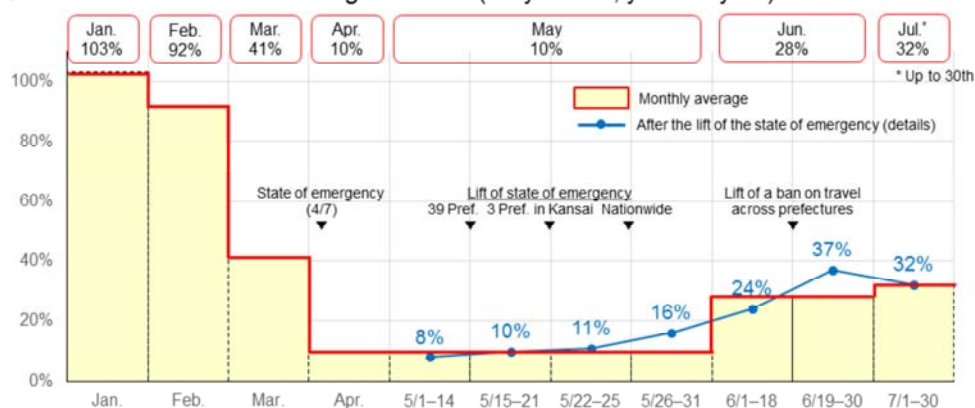
	FY2020.3 Q1 Cumulative A	FY2021.3 Q1 Cumulative B	Changes (B-A)	Major Change Factor
Operating Revenues (Transportation Revenues)	370.6 (353.7)	82.3 (66.3)	-288.3 (-287.3)	
Operating Expenses	172.8	155.8	-17.0	
Personnel Expenses	45.0	44.4	-0.6	Decrease in overtime pay, etc.
Non-personnel Expenses	70.0	60.7	-9.3	
Energy	10.9	9.0	-1.8	Decrease in vehicle mileage, etc.
Maintenance	14.4	17.0	+2.5	Change in the timing of billing of certain repair work, etc.
Other Operation	44.6	34.5	-10.0	Decrease in sales commissions, etc. Decrease in credit card fees, etc.
Taxes and Public Dues	10.6	9.1	-1.4	Decrease in business taxes
Depreciation & Amortization	47.1	41.5	-5.6	Yamanashi Maglev Line, vehicles, ground equipment, etc.
Operating (Loss) Income	197.8	-73.4	-271.2	
Ordinary (Loss) Income	179.1	-91.8	-271.0	
Net (Loss) Income	125.9	-65.9	-191.8	

- Next, I would like to explain the summary of non-consolidated financial results.
- First, in Transportation, we worked to prevent the spread of infections on both the Tokaido Shinkansen and local lines so that our customers can use our services without worry, and we provided appropriate transport capacity. However, due to the impact of COVID-19, the revenues from Transportation for the first quarter were 66.3 billion yen, a decrease of 287.3 billion yen year-on-year.
- On the other hand, operating expenses were 155.8 billion yen, a decrease of 17 billion yen year-on-year.
- Personnel expenses decreased by 600 million yen to 44.4 billion yen year-on-year, due in part to a decline in the payment of overtime pay.
- Energy expenses decreased by 1.8 billion yen to 9.0 billion yen, mainly due to a decline in vehicle mileage as the result of decrease in the number of services provided.
- Maintenance expenses increased by 2.5 billion yen to 17.0 billion yen year-on-year. This was mainly due to a change in the timing of billing of certain repair work, but there was no significant change in the nature of the repairs.
- Other Operation expenses decreased by 10.0 billion yen to 34.5 billion yen year-on-year. This was due to lower sales commissions, credit card fees, vehicle cleaning fees and other expenses linked to transportation volume, as well as cost reductions resulting from a review of advertising, restraint on meetings and reduction of unnecessary and non-urgent equipment purchases.
- Lastly, depreciation and amortization came to 41.5 billion yen, a decrease of 5.6 billion yen year-on-year. The depreciation burden was reduced on the investment made in the past extension of the Yamanashi Maglev Line.
- As a result, we posted a large operating loss also on a non-consolidated basis.
- In anticipation of a prolonged impact of COVID-19, we will continue with our efforts to reduce costs such as the review of advertising, while considering additional measures to further reduce costs, such as cutting back on construction work and modifying schedules to the extent that it does not interfere with safe and reliable railway operation.

Impact of COVID-19 on Business Performance

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◆ Tokaido Shinkansen Passenger Volume (Tokyo Gate, year-on-year)



- ◆ Impact on Operating Revenues (Non-consolidated):
Approx. -287 billion yen
- ◆ Impact on Operating Revenues (Consolidated):
Approx. -342 billion yen

Reference: Revenue Impact by Segment

Segment	Impact on Revenues	Summary
Transportation	Approx. -288 billion yen	Decrease in transportation revenues, etc.
Merchandise and Other	Approx. -40 billion yen	Decrease in department and kiosk store sales, etc.
Real Estate	Approx. -5 billion yen	Decrease in station building revenues in each area, etc.
Others	Approx. -9 billion yen	Decrease in revenues from hotel accommodation and travel products, etc.

○ Next, I will explain the impact of COVID-19 on our business performance.

○ With regard to transportation volume of the Tokaido Shinkansen, the impact of COVID-19 outbreak, such as the self-restraint regarding going out and traveling, became increasingly significant from the latter half of February. In particular, after the declaration of the state of emergency on April 7, the number of corporate business trips and travel decreased significantly, and passenger volume at the Tokyo gate in April and May fell dramatically to 10% year-on-year.

○ Since then, the state of emergency was lifted in phases on May 15, 22, and 26, and the call for self-restraint of travel across prefectures was lifted nationwide on June 19, resulting in a gradual recovery in customer use. However, there are many uncertainties about the future of the situation, including the impact of self-restraint regarding going out due to the resurgence of COVID-19 outbreak, so we believe it is necessary to closely monitor trends in customer use.

○ Although it is not possible to accurately measure the impact on the first quarter results, we estimate that there was a negative impact on non-consolidated and consolidated operating revenues of approximately 287 billion yen and 342 billion yen, respectively.

○ On the other hand, as mentioned earlier, because it is difficult to make a forecast of operation results for the current fiscal year as there are still a lot of uncertain factors that could affect operation results, including the significant decrease in the use of trains and other services resulting mainly from the self-restraint regarding going out and traveling due to the COVID-19 pandemic, the full-year earnings forecasts for FY2020 are yet to be decided. They will be published as soon as the projection becomes possible.

Countermeasures against COVID-19

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1. Providing ample seating

We are working to reduce congestion by utilizing the "12 Nozomi Timetable" to provide ample seating.

2. Ventilating the car within 6–8 minutes

Air-conditioning and ventilation systems on the Tokaido Shinkansen train ventilate all the air in the train with fresh air in about 6 to 8 minutes.

3. Disinfecting and cleaning stations and trains, etc.

We regularly disinfect areas that are likely to come into contact with passengers' hands at stations and on trains.

4. Preventing droplet infection

Vinyl shields are installed at station gates and ticket booths.

In addition, station staff, train crew and pursers are required to wear masks.

5. Reserving the seat of your choice

Passengers can make their own seat reservations of their choice through the EX Services ("Express Reservation" and "Smart EX"), which is an online reservation and ticketless boarding service for the Tokaido and Sanyo Shinkansen, as well as through seat reservation ticketing machines. At ticket booths, station staff will fully inform you of the seats available for purchase.

○ To prevent the spread of COVID-19, we have taken various measures to ensure the safety of our customers and employees as our top priority, ensuring that our customers travel on Tokaido Shinkansen and other services safely and comfortably.

○ Specifically, we have been working to provide ample seats by utilizing the "12 Nozomi Timetable," ensure sufficient ventilation on the Shinkansen and local lines, disinfect and clean stations and trains, prevent droplet infection, and utilize the Shinkansen internet reservation service to allow customers to reserve seats of their choice. We are also working on announcing these measures to customers through digital signage at stations and other means, using pictograms and videos in an easy-to-understand manner.

○ We will continue to take measures to prevent infectious diseases so that our customers can use our trains without worry.

◆ FY2021.3 Q1 Earnings Briefing (excerpt)

As for the Chuo Shinkansen Project using the Superconducting Maglev System, concerning the section between Shinagawa and Nagoya where we received approval for the Construction Implementation Plan, we carried out measurement, design, and acquisition of land while promoting close coordination with local communities. Also, in regards to the sections where we have already concluded construction contracts, we explained the outline of the construction work and safety measures to local residents. In regards to sections where construction has already begun, at the Yamanashi section of the construction site in the Southern Alps tunnel, we continued to excavate the inclined shaft, pilot tunnel, and main tunnel, and at the Nagano section of the construction site, we continued to excavate the inclined shaft and pilot tunnel. At the Shinagawa and Nagoya stations, we built construction beams, etc., and also steadily continued construction of tunnels in mountainous areas, emergency exits in urban areas, and intermediate station, etc. We will continue to work steadily while focusing on construction safety, environmental protection and coordination with local communities.



Nagoya Station



Southern Alps Tunnel (Nagano section)



North Shinagawa Emergency Exit

- Finally, I would like to explain the progress in the Chuo Shinkansen Project.
- In the first quarter of the current year, concerning the section between Shinagawa and Nagoya where we received approval for the Construction Implementation Plan, we carried out measurement, design, and acquisition of land while promoting close coordination with local communities. Also, in regards to the sections where we have already concluded construction contracts, we explained the outline of the construction work and safety measures to local residents.
- In regards to sections where construction has already begun, at the Yamanashi section of the construction site in the Southern Alps tunnel, we continued to excavate the inclined shaft, pilot tunnel, and main tunnel, and at the Nagano section of the construction site, we continued to excavate the inclined shaft and pilot tunnel. At the Shinagawa and Nagoya stations, we built construction beams, etc., and also steadily continued construction of tunnels in mountainous areas, emergency exits in urban areas, and intermediate station, etc.
- We will continue to work steadily while focusing on construction safety, environmental protection and coordination with local communities.

◆ FY2021.3 Q1 Earnings Briefing (excerpt)

At the Shizuoka section of the construction site in the Southern Alps Tunnel, we have not been able to obtain the understanding of Shizuoka Prefecture and the local municipalities concerning the impact on the water resources of the Oi River. As such, construction work has not seen substantial progress, including the impossibility to begin work required in the stages prior to drilling of tunnels, such as the preparation of the construction yard. The construction schedule to meet our 2027 target for opening is in a very pressing situation, and because it was necessary to begin preparation of the construction yard within the month of June, we made efforts, including the president meeting with the governor of Shizuoka Prefecture, to obtain approval, but we were not able to obtain the governor's approval.

Given the situation, the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) established in April the "Expert Conference on the Linear Chuo Shinkansen Shizuoka Section of the Construction Site" to resolve this issue by discussing based on the scientific and engineering evidence. We will continue to work to relieve the concerns of the community by sincerely explaining at the Expert Conference and to resolve the issue as soon as possible. We will continue to endeavor to start the tunnel excavation work in the Shizuoka section of the construction site and start operation of the Chuo Shinkansen (Shinagawa-Nagoya) as soon as possible.

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○ This concludes my presentation.

Forward-looking statements, forecasts, etc. contained in this document are future prospects based on information available at the time of preparing this document and include risks and uncertainties. Examples of latent risks and uncertainties include: economic conditions, business environment, consumer trends, and status of competition between the Company and its subsidiaries and other firms. Changes, etc. to laws, regulations and the like may also be cited.

(Reference) Results of Main Subsidiaries (Before Consolidation Adjustment)

○Results of FY2021.3

(Billions of Yen)

	Operating Revenues			Operating (Loss) Income			Ordinary (Loss) Income		
	FY2020.3 Q1 Results	FY2021.3 Q1 Results	Y-o-Y	FY2020.3 Q1 Results	FY2021.3 Q1 Results	Y-o-Y	FY2020.3 Q1 Results	FY2021.3 Q1 Results	Y-o-Y
JR Tokai Takashimaya	35.5	14.4	40.7%	1.3	-1.4	—	1.4	-1.4	—
JR CENTRAL BUILDING	7.7	6.4	83.2%	1.2	0.2	19.2%	1.1	0.1	14.7%
JR Tokai Hotels	6.6	1.1	17.7%	0.5	-2.5	—	0.5	-2.3	—
NIPPON SHARYO	21.1	24.5	115.7%	1.5	1.3	83.2%	1.8	1.4	77.8%
Net income of NIPPON SHARYO							1.6	1.9	123.5%

(Reference) Monthly Passenger Volume

◆月次利用状況 Monthly passenger volume (%)

期間 Period	新幹線 Shinkansen						在来線 Conventional Railway	
	東京口 Tokyo Gate					大阪口 Osaka Gate	特急等 Express	名古屋近郊 Nagoya Area
	合計 Total	のぞみ Nozomi	ひかり Hikari	こだま Kodama	平日 Weekdays	土休日 Weekends		
20/04	10	10	8	15	12	7	10	43
20/05	10	10	9	13	12	8	10	36
20/06	28	28	25	32	29	26	29	67
FY 1Q	16	16	14	20	18	12	16	49

◆多客期利用状況（東京口） Passenger volume during the peak holiday seasons (Tokyo Gate)

・ゴールデンウィーク *Golden Week* Holidays

期間 Period	新幹線 Shinkansen				在来線 Conventional Railway	
	合計 Total	のぞみ Nozomi	ひかり Hikari	こだま Kodama	特急等 Express	名古屋近郊 Nagoya Area
4/24-5/6	6	5	5	7	4	16

(注)新幹線・在来線特急等は特定の駅間における月累計断面輸送量の対前年比。

在来線名古屋近郊は自動改札機計による乗車人員合計の対前年比。※多客期においては定期外の乗車人員に限る。

Note: The data of the Shinkansen and Express is based on the total passenger volume of each month at certain points.

The data of the Nagoya area is based on the passenger ridership of each month counted by automatic ticket gates.

※The data of the Nagoya area regarding the peak holiday seasons is based on the passenger ridership excluding commuter passes.

(Reference) Monthly Results of Commercial Facilities and Hotels

◆商業施設

Commercial Facilities

ジェイアール名古屋タカシマヤ、及び タカシマヤゲートタワーモール JR Nagoya Takashimaya and Takashimaya Gate Tower Mall		
期間 Period	売上高合計 2021年2月期 (百万円) Total Sales FY2020: 2020.3~2021.2 (Millions of Yen)	前年同月比 (%) YoY Comparison
20/03	9,489	62.1
20/04	2,758	21.1
20/05	4,036	32.6
20/06	11,019	80.8

◆ホテル

Hotels

名古屋マリオットアソシアホテル Nagoya Marriott Associa Hotel		名古屋JRゲートタワーホテル Nagoya JR Gate Tower Hotel (※1)		
期間 Period	稼働率 (%) Occupancy Rate	前年同月比 増減 YoY Inc./Dec.	稼働率 (%) Occupancy Rate	前年同月比 増減 YoY Inc./Dec.
20/04	18.6	-66.9	23.7	-72.7
20/05	16.7	-62.5	-	-
20/06	25.7	-50.1	27.3	-64.2

(※1) 名古屋JRゲートタワーホテルは4月13日から5月31日まで休業したため、4月は12日までの実績。

Note1: Nagoya JR Gate Tower Hotel was closed from April 13th to May 31st. The figure for April show the results up to April 12th.

(※2) 各月の数値は速報値のため、確定値とは異なる場合があります。

Note2: The number for each month comes from a quick estimation, which might differ from the actual results.