FY2021.3
Investor Meeting regarding Revisions to the Forecasted Results of Operations

Central Japan Railway Company

February 22, 2021

Revisions to the Forecasted Results of Operations

○ **Reasons for the revisions**

The use of trains and other services had significantly decreased mainly due to the declaration of a state of emergency by the Japanese government in January 2021. In February 2021, the Japanese government decided to extend the state of emergency, and the use of trains and other services remains low. Given such circumstances, the Company has revised its forecasted results of operations.

○ **Our approach to the revisions**

[Non-consolidated]

Revenues: We assume that revenues will remain at current levels until the state of emergency is lifted (expected on March 8), after which they will rise.

Costs: We only incorporate cost reductions that are definite at this moment.

[Consolidated]

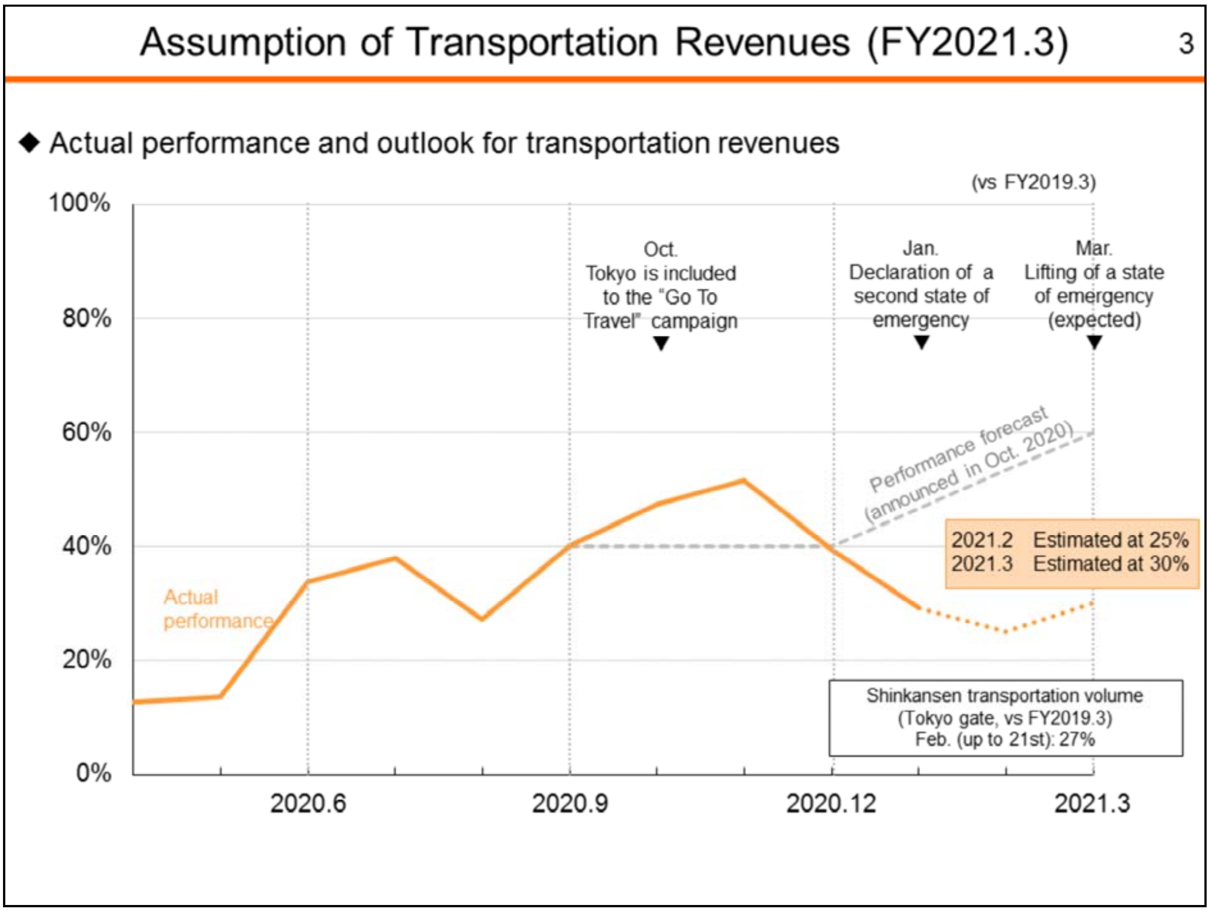
In addition to non-consolidated revisions, we have revised the revenues and costs of group companies.

○ I would like to explain the revisions to the forecasted results of operations announced today.

○ The business environment has remained extremely difficult for both the Company and group companies mainly due to people refraining from going outside and traveling in response to the COVID-19 pandemic. The use of our services centered on the Tokaido Shinkansen had significantly decreased mainly due to the declaration of a state of emergency by the Japanese government in January 2021. In February 2021, the Japanese government decided to extend the state of emergency, and the use of our services remains low. Given such circumstances, the Company has revised its forecasted results of operations.

○ Upon this revisions, we have assumed that, on a non-consolidated basis, transportation revenues will remain at current levels and then gradually rise, based on the assumption that the state of emergency will be lifted on March 8. With regard to costs, we have only incorporated cost reductions that are definite at this moment.

○ On a consolidated basis, we have reflected the decreases in revenues and sales costs of some of our group companies, as well as non-consolidated revisions.



○ Before explaining the figures, I would like to lay out the details of the transportation revenues outlook for the rest of the fiscal year, which we assumed when revising the forecasted results of operations.

○ The line chart of the slide is a comparison of transportation revenues after April 2020 with FY2019.3, which is before our revenues were affected by COVID-19. The solid orange line indicates the actual performance. Transportation revenues for January were around 29% of FY2019.3 levels.

○ The dotted orange line is the outlook that was reflected in the revisions to the forecasted results of operations. For February, we expect transportation revenues to be 25% of FY2019.3 levels, in view of the current transportation trend. For March, we expect revenues to be 30% of FY2019.3 levels, based on the assumption that the extended state of emergency will be lifted on March 8 as planned.

○ Although we believe that customer use will begin to recover as the state of emergency is lifted and infections gradually abate, we expect the degree of recovery to be limited, since the impact of the state of emergency will continue until early March.

Revisions to the Forecasted Results of Operations for FY2021.3 (Non-Consolidated) 4

(Billions of Yen)

	FY2020.3 Results (A)	FY2021.3 Previous Forecast (B)	FY2021.3 New Forecast (C)	vs FY2020.3 Results (C-A)	vs Previous Forecast (C-B)
Operating Revenues (Transportation Revenues)	1,436.9 (1,365.6)	582.0 (516.0)	519.0 (453.0)	-917.9 (-912.6)	-63.0 (-63.0)
Operating Expenses	813.9	753.0	746.0	-67.9	-7.0
Personnel Expenses	175.1	174.0	169.0	-6.1	-5.0
Non-personnel Expenses	401.3	366.0	364.0	-37.3	-2.0
Energy	43.3	39.0	39.0	-4.3	-
Maintenance	156.1	144.0	144.0	-12.1	-
Others	201.9	183.0	181.0	-20.9	-2.0
Taxes and Public Dues	41.8	33.0	33.0	-8.8	-
Depreciation & Amortization	195.5	180.0	180.0	-15.5	-
Operating Income (Loss)	623.0	(171.0)	(227.0)	-850.0	-56.0
Ordinary Income (Loss)	540.0	(247.0)	(303.0)	-843.0	-56.0
Net Income (Loss)	378.8	(187.0)	(226.0)	-604.8	-39.0

○ I would now like to explain the details of the revisions to the forecasted results of operations, starting with the non-consolidated basis.

○ We expect transportation revenues of ¥453 billion, a decrease of ¥63 billion from the previous forecast based on the assumptions I described earlier. We expect operating revenues of ¥519 billion.

○ As for operating expenses, we have only reflected cost reductions that are definite at this moment. Specifically, they are a ¥5 billion reduction in year-end allowances of personnel expenses and a ¥2 billion reduction in costs linked to transportation revenues, of others expenses. This brings us to ¥746 billion in operating expenses.

○ As a result of the above, we have downgraded our forecasts for operating loss, ordinary loss and net loss to ¥227 billion, ¥303 billion and ¥226 billion, respectively.

(Billions of Yen)

		FY2020.3 Results (A)	FY2021.3 Previous Forecast (B)	FY2021.3 New Forecast (C)	vs FY2020.3 Results (C-A)	vs Previous Forecast (C-B)
Operating Revenues		1,844.6	863.0	793.0	-1,051.6	-70.0
	Transportation	1,431.2	573.0	510.0	-921.2	-63.0
	Merchandise and Other	263.2	177.0	171.0	-92.2	-6.0
	Real Estate	79.9	70.0	70.0	-9.9	-
	Other	272.2	247.0	246.0	-26.2	-1.0
Operating Expenses		1,188.4	1,048.0	1,037.0	-151.4	-11.0
Operating Income (Loss)		656.1	(185.0)	(244.0)	-900.1	-59.0
	Transportation	617.6	(179.0)	(235.0)	-852.6	-56.0
	Merchandise and Other	7.4	(13.0)	(15.0)	-22.4	-2.0
	Real Estate	19.0	13.0	13.0	-6.0	-
	Other	13.5	(4.0)	(5.0)	-18.5	-1.0
Ordinary Income (Loss)		574.2	(258.0)	(317.0)	-891.2	-59.0
Net Income (Loss) Attributable to Owners of the Parent		397.8	(192.0)	(234.0)	-631.8	-42.0

* Breakdown by segment is before offsetting transactions between segments. The sum of figures in the breakdown does not match Operating Revenues and Operating Income (Loss).

○ I would like to move on to our consolidated forecasted results of operations.

○ Our group companies have also been affected by the extended state of emergency, mainly in the Merchandise and Other segment and the hotel and travel businesses, which are part of the Other segment. We have formulated our forecast based on the non-consolidated transportation revenues outlook, which I explained earlier, and in view of the situation of each group company. We expect consolidated operating revenues of ¥793 billion, a downward revision of ¥70 billion from the previous forecast.

○ As for operating expenses, we expect ¥1,037 billion, down ¥11 billion from the previous forecast. This reflects cost reductions following decreases in sales at group companies, in addition to the ¥7 billion at the non-consolidated level, which I explained earlier.

○ As a result of the above, we have downgraded our forecasts for consolidated operating loss, ordinary loss and net loss attributable to owners of the parent to ¥244 billion, ¥317 billion and ¥234 billion, respectively.

Impact of COVID-19

◆ Impact of COVID-19 on revenues (vs FY2020.3)

- Impact on operating revenues (non-consolidated): Approx. -¥913 billion
- Impact on operating revenues (consolidated): Approx. -¥1,051 billion

(Reference) Impact in each segment

Segment	Impact	Outline
Transportation	Approx. -¥916 billion	Decrease in transportation revenues, etc.
Merchandise and Other	Approx. -¥101 billion	Decrease in sales at department stores and other stores, etc.
Real Estate	Approx. -¥9 billion	Decrease in station building revenues in each area, etc.
Other	Approx. -¥25 billion	Decrease in revenues from accommodation, travel products, etc.

○ Lastly, I would like to describe the impact of COVID-19 on revenues that was incorporated in the forecasted results of operations.

○ In comparison with FY2020.3, we believe there is an impact of around ¥913 billion on a non-consolidated basis and around ¥1,051 billion on a consolidated basis.

○ All segments, in addition to transportation, have also been impacted,with the impact particularly large in the Merchandise and Other segment, which include decreases in department store sales at JR Tokai Takashimaya and store sales at Tokai Kiosk, as well as decreases in accommodation revenues at JR Tokai Hotels and travel product sales at JR Tokai Tours, which are part of the Other segment.

○ This concludes my explanation.

Forward-looking statements and forecasts contained in this document are based on information available at the time of preparing this document. Actual operating results and performances may differ substantially from the forecasts in this document.
Examples of latent risks and uncertainties include economic conditions, the business environment, consumer trends, the status of competition between the Company and its subsidiaries and other firms, changes to laws and regulations, and natural disasters.