

1st Quarter Investor Meeting FY2022.3
(Fiscal Year Ending March 31, 2022)

Central Japan Railway Company

August 2, 2021

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- My name is Iwasaki, Deputy General Manager of the Management Supervision Department. Today's presentation will cover the topics shown here.

I FY2022.3 1st Quarter Results

Income Statement (Consolidated)

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(billion yen)

	FY2020 Q1 Cumulative A (Before applying the new standard)	FY2020 Q1 Cumulative A' (After applying the new standard)	FY2021 Q1 Cumulative B	Changes (B-A)	Changes (B-A')	Major Change Factor (B-A')
Operating Revenues	128.7	116.5	180.6	51.8	64.0	
Transportation	79.8	79.9	135.7	55.8	55.7	(+) JR CENTRAL (Transportation)
Merchandise and Other	25.2	12.0	22.0	-3.2	10.0	(+) JR Tokai Takashimaya, Tokai Kiosk
Real Estate	15.5	15.4	16.7	1.2	1.3	(+) JR Central Building, Tokyo Station Development
Other	46.4	49.5	43.6	-2.8	-5.8	(-) Nippon Sharyo
Operating Expenses	212.3	200.2	205.9	-6.4	5.6	
Operating Income (Loss)	-83.6	-83.7	-25.3	58.3	58.4	
Transportation	-75.7	-75.7	-23.8	51.8	51.8	(+) JR CENTRAL (Transportation)
Merchandise and Other	-6.4	-6.5	-2.3	4.0	4.2	(+) JR Tokai Takashimaya, Tokai Kiosk
Real Estate	2.7	2.7	4.1	1.4	1.4	(+) JR Central Building, Tokyo Station Development
Other	-3.3	-3.1	-2.8	0.5	0.2	(+) JR Tokai Tours, JR Tokai Hotels
Ordinary Income (Loss)	-101.4	-101.1	-40.1	61.2	60.9	
Net Income (Loss) Attributable to Owners of the Parent	-72.6	-72.3	-28.4	44.2	43.8	

* 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.
 * A: Before applying the revenue recognition accounting standard, A and B: After applying the revenue recognition accounting standard (A' is for reference purposes)
 * JR Tokai Hotels, JR Tokai Tours, and JR Tokai Agency are included in the Hotel and Services segment in the Earnings Briefing, but are included in "Other" in this document.

- I would like to start off with a summary of consolidated financial results. As shown on the slide, revenues for the first quarter increased due in part to a rebound from last year's poor performance, which was hit hard by the COVID-19 pandemic, but the level of earnings remained low as the impact of the pandemic continued, resulting in a loss.
- In Transportation, we worked to prevent the spread of infections on both the Tokaido Shinkansen and conventional lines so that customers can use our services without worry, and provided optimal transport capacity in light of the passenger volume. In other businesses, we operated JR Central Towers and JR Gate Tower while implementing infection control measures, all with an eye to generating revenues. Consolidated operating revenues totaled 180.6 billion yen, up 51.8 billion yen year on year.
- Although we made group-wide efforts to reduce operating expenses, we posted losses, including an operating loss of 25.3 billion yen, an ordinary loss of 40.1 billion yen, and a net loss attributable to owners of the parent totaling 28.4 billion yen.
- Next, I would like to go over the results for each segment.
- The Transportation business enjoyed a revenue increase and improved the bottom line thanks to the Company's growing transportation revenues.
- Merchandise and Other showed a decline in revenues from previous year because of the adoption of the revenue recognition accounting standard beginning in FY2021. When compared with the FY2020 figures shown in column A' that were recalculated using the standard, revenues substantially increased and profitability improved due mainly to increased sales of JR Tokai Takashimaya and Tokai Kiosk.
- In Real Estate, revenues and profits increased due to increase of station building revenues in each area such as JR Central Building and Tokyo Station Development.
- In Other, profitability improved as JR Tokai Tours and JR Tokai Hotels experienced a recovery in income, although revenues decreased due to declining sales of Nippon Sharyo, etc.

Income Statement (Non-consolidated)

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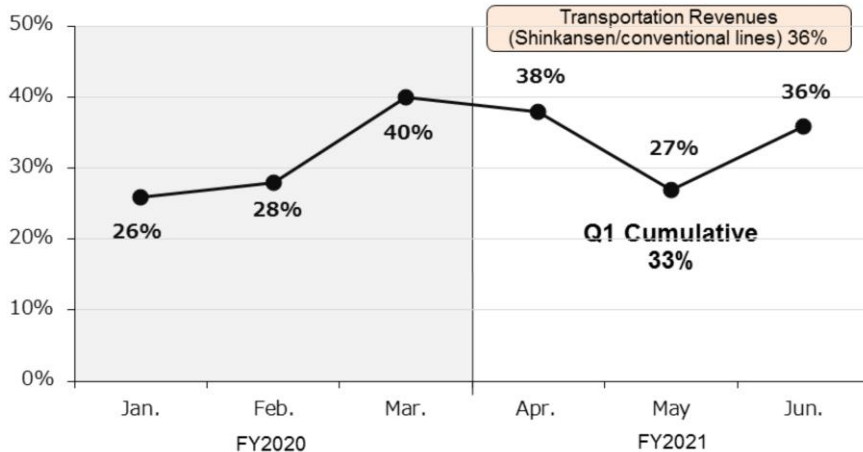
(billion yen)

	FY2020 Q1 Cumulative A	FY2021 Q1 Cumulative B	Changes (B-A)	Major Change Factor
Operating Revenues (Transportation Revenues)	82.3 (66.3)	137.9 (122.5)	55.5 (56.1)	Shinkansen +51.9, Conventional lines +4.2
Operating Expenses	155.8	159.7	3.9	
Personnel Expenses	44.4	43.7	-0.7	Decrease in retirement benefit costs, etc.
Non-personnel Expenses	60.7	62.3	1.6	
Energy	9.0	8.7	-0.3	
Maintenance	17.0	18.7	1.7	Increase in capital investment- related expenses, etc.
Others	34.5	34.8	0.2	
Taxes other than Income Taxes	9.1	9.1	-0	
Depreciation & Amortization	41.5	44.5	3.0	Rolling stock, etc.
Operating Income (Loss)	-73.4	-21.8	51.5	
Ordinary Income (Loss)	-91.8	-38.2	53.6	
Net Income (Loss)	-65.9	-26.3	39.6	

- Next, I would like to explain the summary of non-consolidated financial results.
- First, we were still impacted by the COVID-19 pandemic, and transportation revenues for the first quarter totaled 122.5 billion yen, an increase of 56.1 billion yen year on year. This figure is only 36% of the pre-COVID-19 figure for FY2018.
- On the other hand, operating expenses rose 3.9 billion yen year on year to total 159.7 billion yen largely due to an increase in depreciation and amortization despite our ongoing cost reduction efforts.
- Personnel expenses decreased by 700 million yen to 43.7 billion yen year on year, due in part to a decline in retirement benefit costs.
- Non-personnel expenses increased 1.6 billion yen to total 62.3 billion yen overall, as climbing capital investment-related expenses, such as large-scale renovation for the Tokaido Shinkansen, brought maintenance expenses up 1.7 billion yen year on year.
- Lastly, depreciation and amortization came to 44.5 billion yen, an increase of 3.0 billion yen year on year. This increase mainly came from the launch of the new N700S Shinkansen rolling stock.
- As a result, we also posted loss on a non-consolidated basis as shown on the slide.

II Passenger Volume and Revisions to Performance Forecast

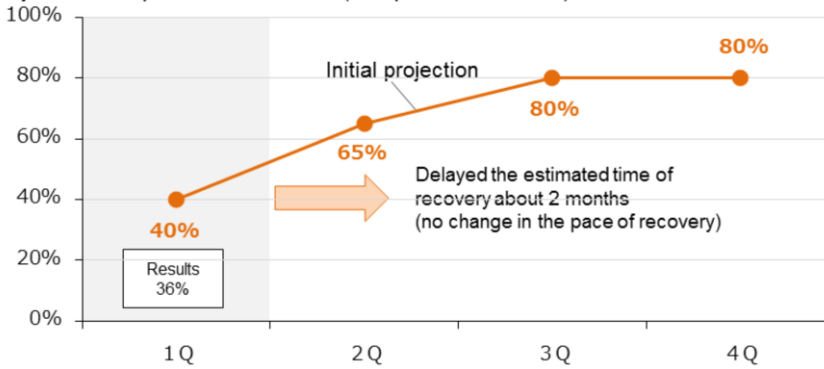
■ Tokaido Shinkansen Passenger Volume (Tokyo Gate, compared to FY2018)



- Passenger volume remained low throughout the quarter with the declaration of the state of emergency in areas along our train lines from April 25 to June 20
- Q1 transportation revenues were 36% of the FY2018 figure, lower than initially projected (40%)

- Next, I would like to go over the passenger volume and transportation revenues for the Tokaido Shinkansen.
- The passenger volume at the Tokyo gate remained low throughout the first quarter with the declaration of the state of emergency in areas along the line from April 25 to June 20. The passenger volume was 38% of the FY2018 figure in April, 27% in May, 36% in June, and 33% for the first quarter. The passenger volume on conventional lines for the first quarter was 30% of the FY2018 figure for express trains and 69% for Nagoya area lines. Transportation revenues for the Shinkansen and conventional lines combined were 36% of the FY2018 figure.
- In the performance forecast announced on April 27 of this year, transportation revenues for the first quarter were expected to be 40% of the FY2018 figure, but the revenue amount was 12.8 billion yen lower than initially projected.

■ Projected Transportation Revenues (Compared to FY2018)



	Q1	Q2	Q3	Q4	Full-year
Initial projection	40%	65%	80%	80%	66%
After revision	36%	45%	74%	80%	59%

- Delayed the estimated time of recovery about 2 months from the initial projection in light of the state of emergency currently in effect, etc.
- Made no change to the estimated pace of recovery, still expect revenues to recover to 80% of the FY2018 level by the end of the year

- Now, let's move on to the revisions made to our performance forecast.
- As I noted in the previous slide, the passenger volumes for the Tokaido Shinkansen and other rail services remained low with the declaration of another state of emergency in Tokyo on July 12, which followed on the heels of the state of emergency that was in effect from April to June of this year in areas along the line. Given these circumstances, we expect delay in the recovery of the passenger volumes and have decided to revise our performance forecast.
- In the performance forecast announced this past April, transportation revenues, which are our main source of revenues, were expected to recover to 65% of the pre-pandemic level in the second quarter and to 80% in the third and fourth quarters.
- In the revised forecast, revenues will recover at the pace we initially expected, but will start to pick up two months later than we originally projected.
- In the revised transportation revenue forecast, transportation revenues were 36% of the FY2018 level in the first quarter, which was actual results, and are projected to be 45% in the second quarter, 74% in the third quarter, 80% in the fourth quarter, and 59% for the year.

Revisions to Performance Forecast for FY2022.3 (Non-consolidated)

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■ Income Statement

(billion yen)

	FY2020 Results A	FY2021 Previous Forecast B	FY2021 Latest Forecast C	YoY Change (C-A)	vs. Previous Forecast (C-B)
Operating Revenues (Transportation Revenues)	541.7 (476.1)	998.0 (928.0)	890.0 (820.0)	348.2 (343.8)	-108.0 (-108.0)
Operating Expenses	717.7	786.0	783.0	65.2	-3.0
Personnel Expenses	160.7	173.0	173.0	12.2	-
Non-personnel Expenses	342.7	381.0	379.0	36.2	-2.0
Energy	37.7	42.0	42.0	4.2	-
Maintenance	142.9	148.0	148.0	5.0	-
Others	162.0	191.0	189.0	26.9	-2.0
Taxes other than Income taxes	32.8	38.0	37.0	4.1	-1.0
Depreciation & Amortization	181.3	194.0	194.0	12.6	-
Operating Income (Loss)	-175.9	212.0	107.0	282.9	-105.0
Ordinary Income (Loss)	-256.6	139.0	34.0	290.6	-105.0
Net Income (Loss)	-202.3	87.0	12.0	214.3	-75.0

- Now, let's look at the details of the revisions to the performance forecast, starting with non-consolidated performance.
- Based on the assumptions I just noted in the previous slide, transportation revenues are expected to be total 820 billion yen, a decrease of 108 billion yen from the previous forecast, and operating revenues are projected to be 890 billion yen.
- We project that operating expenses will be total 783 billion yen, 3 billion yen less than previously forecasted, in light of the factors associated with transportation revenues, such as sales fees that are included in "Others".
- As a result, operating income will be total 107 billion yen, ordinary income 34 billion yen, and net income 12 billion yen. Although we revised all these figures downward, we still expect to generate a profit for the fiscal year.

■ Income Statement

(billion yen)

	FY2020 Results A (Before applying the new standard)	FY2020 Results A' (After applying the new standard)	FY2021 Previous Forecast B	FY2021 Latest Forecast C	YoY Change (C-A)	vs. Previous Forecast (C-B)
Operating Revenues	823.5	740.0	1,234.0	1,115.0	291.4	-119.0
Transportation	533.0	533.2	990.0	882.0	348.9	-108.0
Merchandise and Other	174.7	82.9	126.0	119.0	-55.7	-7.0
Real Estate	69.1	69.1	75.0	75.0	5.8	-
Other	251.6	251.7	245.0	241.0	-10.6	-4.0
Operating Expenses	1,008.2	924.7	1,019.0	1,009.0	0.7	-10.0
Operating Income (Loss)	-184.7	-184.7	215.0	106.0	290.7	-109.0
Transportation	-183.3	-183.3	205.0	100.0	283.3	-105.0
Merchandise and Other	-12.2	-12.2	-3.0	-5.0	7.2	-2.0
Real Estate	13.0	13.0	15.0	15.0	1.9	-
Other	1.3	1.7	1.0	-1.0	-2.3	-2.0
Ordinary Income (Loss)	-262.0	-261.9	142.0	33.0	295.0	-109.0
Net Income (Loss) Attributable to Owners of the Parent	-201.5	-201.4	90.0	15.0	216.5	-75.0

* 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.

* A: Before applying the revenue recognition accounting standard, A', B, and C: After applying the revenue recognition accounting standard (A' is for reference purposes)

- Now let's look at the consolidated performance forecast.
- Our group companies are also affected by the COVID-19 pandemic, especially those in the Merchandise and Other segment, as well as companies operating hotels and travel businesses, which are categorized as Other. After estimating based on the non-consolidated forecast for transportation revenues I noted earlier, and in light of the special conditions of each company, we revised the previous forecast for consolidated operating revenues downward by 119 billion yen to 1,115 billion yen.
- On the other hand, we expect operating expenses of total 1,009 billion yen, 10 billion yen less than previously forecasted, due mainly to lower costs as a result of sales decreases at group companies, in addition to the 3 billion yen downward revision to the non-consolidated forecast I noted earlier.
- As a result, operating income will be total 106 billion yen, ordinary income 33 billion yen, and net income attributable to owners of the parent 15 billion yen. Although we revised all these figures downward, we still expect to generate a profit for the fiscal year.

[Initiatives to Increase Revenues]

- Prepare for responding to "remote working" styles (on a trial basis)
 - Stations: Complimentary business corners, paid box-type teleworking booths, etc.
 - Inside trains: PC user-friendly cars, enhanced free Wi-Fi, etc.
(Make announcements and start offering services as soon as they are ready)
- Enhance EX service
 - Open a portal site (this fall) featuring hotels along our lines and other content prior to the launch of "EX-MaaS (tentative name)"
- Strengthen earning power of Group businesses
 - Opened a new urban store location, "JR Nagoya Takashimaya Watch Maison", in the Dai Nagoya Building (on July 27)



JR Nagoya Takashimaya Watch Maison

[Initiatives to Reduce Costs]

- Moved ahead with initiatives to achieve initial targets, and reduced costs by about 6 billion yen on a non-consolidated basis and by about 3 billion yen at group companies in Q1
- Work to reduce costs the rest of the fiscal year in light of the tough business environment

- While I just talked about downward revisions to our performance forecast, we are working to increase revenues and reduce costs in order to firmly maintain sound management despite the tough business environment.
- As announced during last fiscal year's year-end investor meeting, we are laying the groundwork in an effort to boost revenues by responding to "remote working" styles. We are looking to set up complimentary business corners in some waiting rooms at stations as well as paid box-type teleworking booths in station concourses.
- We are also thinking about setting up some cars as PC user-friendly cars that allow people to use computers without hesitation and enhancing onboard Wi-Fi services in phases to provide better internet access for passengers. We will announce the launch of these services and begin operations as soon as they are ready.
- We are also planning to open a portal site this fall offering various content about the areas along the Shinkansen lines ahead of the launch of "EX-MaaS (tentative name)" scheduled for the summer of 2023 as an extension of the EX service. We will make the portal site accessible from the EX service online reservation page.
- On top of that, we are working to open new store locations in cities with an eye to strengthening earning power of Group businesses, and on July 27, opened "JR Nagoya Takashimaya Watch Maison" in the Dai Nagoya Building.
- As part of our cost reduction efforts, we moved ahead with initiatives to achieve initial targets, and reduced about 6 billion yen on a non-consolidated basis and about 3 billion yen at group companies in the first quarter. We will continue to work on reducing costs the rest of the fiscal year in light of the tough business environment.
- We are also working hard on our "Reform of Business Operations" initiative to build the most ideal business systems by fully utilizing ICT.

III Status of the Chuo Shinkansen Project

[Southern Alps Tunnel (Shizuoka Section)]

- Construction work has not seen substantial progress.
- We are working to resolve the concerns of the Oi River basin communities by sincerely explaining at the Expert Conference on the Linear Chuo Shinkansen Shizuoka Section of the Construction Site organized by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT).

<<About the Expert Conference on the Linear Chuo Shinkansen Shizuoka Section of the Construction Site>>

- Established by MLIT to resolve issues through discussions on scientific and engineering evidence. The Conference has been held 11 times since the first session on April 27 of the last year.
- Examines the discussions, etc. that have been held between Shizuoka Prefecture and JR Central, and discusses the following two major points:
 - (1) How to return the entire amount of spring water from the tunnel to the Oi River's surface water.
 - (2) The impact of the tunnel on the groundwater of the Oi River's mid/downstream basin.
- The Conference will summarize discussions on the above issues in an interim report.

[Shield Tunneling of Deep Underground Section]

- We will strengthen construction management to ensure safety and implement measures that will ensure peace of mind among people living in the areas along the line.
- Before starting construction, we will explain the safety and security measures to be taken during the construction to local communities and hold briefings on construction prior to excavation.

- Finally, I would like to explain the progress on the Chuo Shinkansen Project.
- We have not made substantial progress in constructing the Shizuoka Section of the Southern Alps Tunnel.
- In April of the last year, the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) organized the Expert Conference on the Linear Chuo Shinkansen Shizuoka Section of the Construction Site, where ongoing discussions are focused on how to return the entire amount of spring water from the tunnel to the Oi River's surface water and the impact of the tunnel on the groundwater of the Oi River's mid/downstream basin.
- We are working to resolve the concerns of the Oi River basin communities by sincerely explaining at the Expert Conference. Discussions on water resources are steadily underway and, during the 11th meeting held this past April, we discussed a draft interim report on Oi River water resource issues.
- Last October, a cave-in occurring near East Nippon Expressway Co., Ltd.'s Tokyo Outer Ring Road construction site was reportedly due to a problem with the construction of a section with special ground conditions. We are aware of the geology of the urban areas where the Chuo Shinkansen is being constructed and don't believe any of these areas can be categorized as having all of the special ground conditions. We will proceed with safe construction while steadily implementing necessary measures, such as strengthening the management of the excavated soil volume. Before starting construction, we will explain safety and security measures to be taken during the construction of shield tunneling to local communities and hold pre-excavation briefings, where we will provide a detailed explanation about the excavation.
- In accordance with this plan, in June we held a briefing on shield tunneling safety and security measures for people living in the areas near the planned route of the Chuo Shinkansen in Shinagawa, Ota, and Setagaya Wards.
- This concludes my presentation.

Forward-looking statements and forecasts contained in this document are estimates based on information currently available to the Company and contain risks and uncertainties. Examples of potential risks and uncertainties include changes in economic trends, the business environment, consumer trends, competitive positions of the Company and its subsidiaries, as well as laws and regulations.

(Reference) Results and Forecasts for Major Subsidiaries (Before Consolidation Adjustments)

○ Results (billion yen)

	Operating Revenues			Operating Income (Loss)			Ordinary Income (Loss)		
	FY2020 Q1 Results	FY2021 Q1 Results	YoY	FY2020 Q1 Results	FY2021 Q1 Results	YoY	FY2020 Q1 Results	FY2021 Q1 Results	YoY
JR Tokai Takashimaya ^(*)	5.6	10.6	187.0%	-1.4	-0.2	13.3%	-1.4	-0.1	10.4%
JR Central Building	6.4	7.3	114.1%	0.2	1.0	440.4%	0.1	1.0	603.6%
JR Tokai Hotels	1.1	2.7	234.2%	-2.5	-1.6	66.3%	-2.3	-1.4	62.1%
Nippon Sharyo	24.5	18.3	74.6%	1.3	0.8	65.1%	1.4	1.0	70.5%
				Nippon Sharyo Net Income			1.9	1.0	50.8%

○ Forecasts (billion yen)

	Operating Revenues				Operating Income (Loss)				Ordinary Income (Loss)			
	FY2020 Results	FY2021 Forecast	FY2021 Forecast (Latest)	Previous vs. Latest	FY2020 Results	FY2021 Forecast	FY2021 Forecast (Latest)	Previous vs. Latest	FY2020 Results	FY2021 Forecast	FY2021 Forecast (Latest)	Previous vs. Latest
JR Tokai Takashimaya ^(*)	38.3	51.5	51.5	No change	-1.3	0.3	0.3	No change	-1.1	0.5	0.5	No change
JR Central Building	29.9	31.7	31.7	No change	2.8	3.2	3.2	No change	2.8	3.1	3.1	No change
JR Tokai Hotels	11.4	17.1	15.6	91.3%	-7.3	-4.6	-5.9	127.4%	-7.0	-4.6	-5.9	127.5%
Nippon Sharyo	97.9	91.0	91.0	No change	8.7	5.2	5.2	No change	9.0	5.3	5.3	No change
					Nippon Sharyo Net Income				8.3	4.8	4.8	No change

(*) The revenue recognition accounting standard is applied only to JR Tokai Takashimaya in calculating its FY2020 results because it has a large impact on its revenue.

(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			合計 Total
21/04	349 (38)	374 (38)	386 (32)	268 (42)	318 (39)	458 (36)	333 (35)	299 (33)	173 (75)
21/05	253 (27)	251 (26)	251 (24)	259 (35)	216 (27)	320 (26)	224 (24)	281 (26)	171 (61)
21/06	125 (36)	123 (36)	126 (32)	128 (42)	119 (36)	142 (37)	116 (35)	108 (31)	105 (70)
21/04-06	202 (33)	203 (33)	207 (29)	193 (40)	184 (34)	255 (32)	186 (31)	190 (30)	141 (69)

◆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
4/28~5/5	526 (32)	511 (32)	584 (29)	544 (35)	736 (35)	345 (51)

(※1)カッコ内は、新型コロナウイルス感染症の影響を受ける前の2019年度との比較。

Note1: Numbers in parentheses are compared to FY2019 (before the decline due to the COVID-19 pandemic).

(※2)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集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。

Note2: 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 2022年2月期 (百万円) Total Sales FY2021: 2021.3~2022.2 (Millions of Yen)	前年同月比 (%) YoY Comparison
21/03	13,990	147.5
21/04	10,591	383.3
21/05	8,479	210.0
21/06	9,867	88.9

◆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.
21/04	41.8	23.3	53.0	29.3
21/05	31.8	15.1	40.5	-
21/06	35.8	10.1	51.4	24.2

(※1) 名古屋JRゲートタワーホテルは前年4月13日から5月31日まで休業。

Note1: Nagoya JR Gate Tower Hotel was closed from April 13th to May 31st, 2020.

(※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る。

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