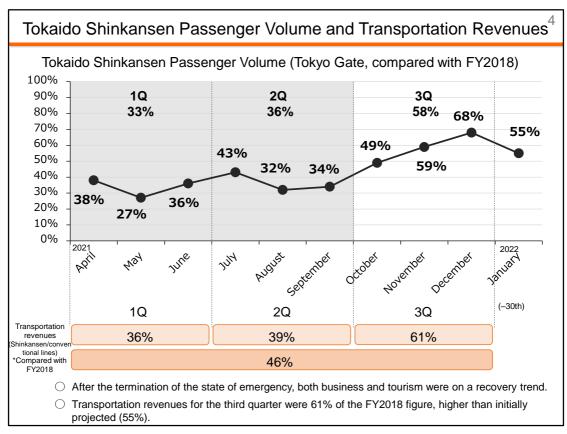
# 3rd Quarter Investor Meeting FY2022.3 (Fiscal Year Ending March 31, 2022)

# **Central Japan Railway Company**

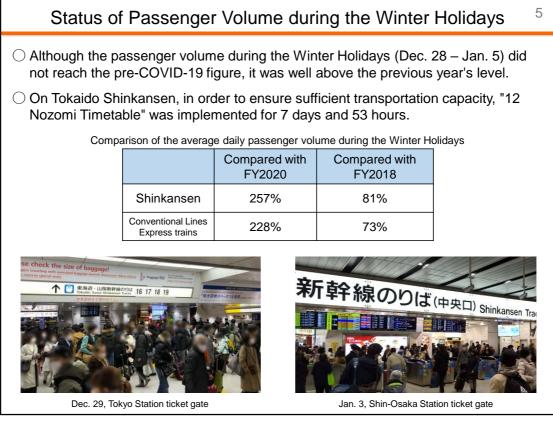
January 31, 2022

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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 3rd Quarter Results, etc.



- I would like to start off with the Tokaido Shinkansen passenger volume and transportation revenues.
- The state of emergency that had been issued in areas along our railway lines was lifted on September 30, 2021, and since then the infection situation stayed relatively calm up to the end of the year, so both business and tourism continued to recover.
- As a result, passenger volume at the Tokyo gate was 49% in October, 59% in November, 68% in December, and 58% for the three months in the third quarter of FY2018 figures. The passenger volume on conventional lines for the three months in the third quarter was 56% for express trains and 78% for Nagoya area lines of FY2018 figures.
- Under the performance forecast announced on October 27, 2021, transportation revenues for the three months in the third quarter combining Shinkansen and conventional lines were expected to be 55% of the FY2018 figure, but the actual results for the same period came to 61% against FY2018 figure. As a result, the transportation revenues were 20.4 billion yen higher than the amount previously projected.
- When it comes to the passenger volume of Tokaido Shinkansen at the Tokyo gate in January, it increased during the Winter Holidays, but then declined to 55% of the FY2018 figure as of January 30 due to the impact of the Omicron variant.



- Next, I would like to explain the status of passenger volume during the Winter Holidays.
- Although it did not reach the pre-COVID-19 figure, the passenger volume during the Winter Holidays was significantly higher than the previous year, partly because the infection situation was relatively calm.
- The average daily passenger volume of Tokaido Shinkansen was 257% year on year, 81% compared with FY2018; and that of conventional Express trains, 228% year on year, and 73% compared with FY2018.
- On Tokaido Shinkansen, we implemented "12 Nozomi Timetable" for 7 days and 53 hours in order to ensure sufficient transportation capacity during busy hours.

## Income Statement (Consolidated)

(billion yen)								
	FY2020 Q3 Cumulative A (Before applying the new standard)	FY2020 Q3 Cumulative A' (After applying the new standard)	FY2021 Q3 Cumulative B	Changes (B-A)	Changes (B-A')	Major Change Factor (B-A)		
Operating Revenues	603.0	547.0	686.3	83.3	139.3			
Transportation	401.7	401.5	529.0	127.3	127.4	(+) JR CENTRAL (Transportation)		
Merchandise and Other	121.1	60.2	74.8	-46.2	14.5	(+) JR Tokai Takashimaya, Tokai Kiosk		
Real Estate	51.7	51.5	54.1	2.3	2.6	(+) JR Central Building, Tokyo Station Development		
Other	160.8	163.7	154.0	-6.8	-9.7	(-) Nippon Sharyo		
Operating Expenses	696.6	641.1	649.2	-47.4	8.0			
Operating Income (Loss)	-93.5	-94.0	37.1	130.7	131.2			
Transportation	-88.2	-88.2	32.2	120.4	120.4	(+) JR CENTRAL (Transportation)		
Merchandise and Other	-10.3	-10.7	-3.9	6.4	6.8	(+) JR Tokai Takashimaya, Tokai Kiosk		
Real Estate	11.5	11.5	13.3	1.7	1.7	(+) JR Central Building, Tokyo Station Development		
Other	-4.2	-3.9	-2.9	1.3	1.0	(+) JR Tokai Tours, JR Tokai Hotels		
Ordinary Income (Loss)	-147.7	-147.6	-14.7	133.0	132.9			
Net Income (Loss) Attributable to Owners of the Parent	-111.4	-111.1	-12.3	99.1	98.7			

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

O Next, I would like to explain a summary of consolidated financial results.

- Consolidated operating revenues amounted to 686.3 billion yen, increasing from the previous fiscal year but remaining at a low level. While we secured operating income partly due to cost reductions promoted by the Company and the Group companies, we recorded losses for ordinary income and net income attributable to owners of the parent.
- $\bigcirc$  Now, I would like to go over the results for each segment.
- The Transportation business enjoyed a revenue increase mainly due to the Company's growing transportation revenues and secured operating income.
- Merchandise and Other showed a decline in revenues by 46.2 billion yen compared with the previous fiscal year as in the Changes (B–A) column. This is mainly due to the large negative impact of JR Tokai Takashimaya, to which the new accounting standard for revenue recognition was applied from the fiscal year under review. If we apply the same accounting standard to the figures for the previous fiscal year to set them on the same basis, as shown in the Changes (B–A') column, revenues will substantially increase, and the bottom line will improve.
- In Real Estate, revenues and profits increased due to higher station building revenues in each area such as JR Central Building and Tokyo Station Development.
- In Other, profitability improved from the previous year as travel product revenues of JR Tokai Tours and accommodation revenues of JR Tokai Hotels increased, although revenues fell due to declining sales of Nippon Sharyo, etc.

#### Income Statement (Non-consolidated)

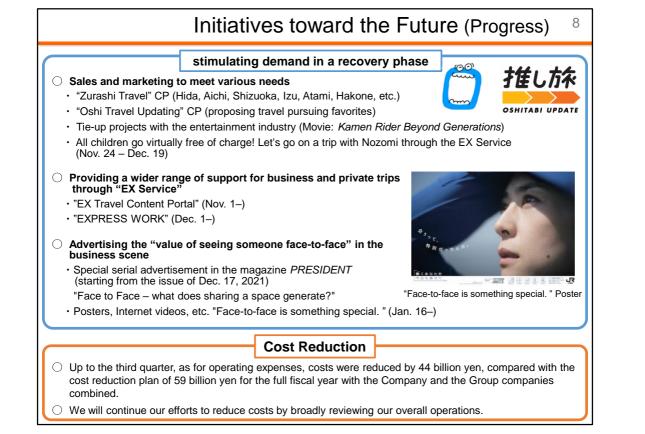
					(billion yen)
		FY2020 Q3 Cumulative A	FY2021 Q3 Cumulative B	Changes (B-A)	Major Change Factor
Operating Revenues (Transportation Revenues)		408.4 (359.0)	535.7 (483.9)	127.2 (124.9)	Shinkansen+118.7、 Conventional lines +6.2
Operating Expenses		490.7	497.6	6.8	
Personnel Expenses		125.5	120.1	-5.3	Decrease in provision for bonuses, etc.
Non-personnel Expenses		208.5	211.9	3.4	
	Energy	28.9	28.6	-0.3	
	Maintenance	66.9	72.3	5.4	Increase in bridge repair, etc.
	Others	112.5	110.9	-1.5	Decrease in advertising expenses, etc.
	xes other than come Taxes	24.4	26.3	1.9	
Depreciation & Amortization		132.2	139.1	6.8	Rolling stock, etc.
Operating Income (Loss)		-82.3	38.1	120.4	
Ordinary Income (Loss)		-139.6	-17.0	122.5	
Net Income (Loss)		-97.9	-23.2	74.7	

○ Next, I would like to explain a summary of non-consolidated financial results.

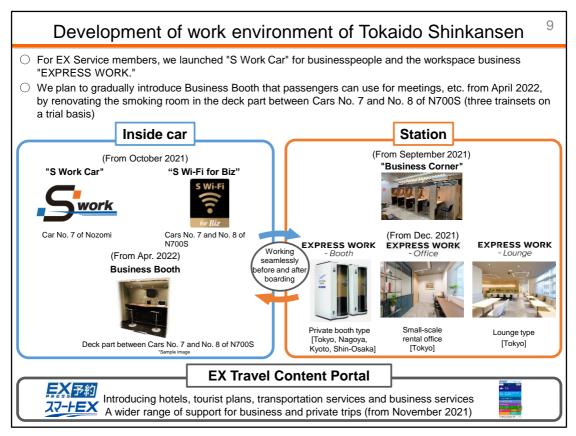
○ First, although the recovery trend continued in the third quarter, transportation revenues for the third quarter were still affected by the impact of COVID-19 and totaled 483.9 billion yen, an increase of 124.9 billion yen year on year. This figure is only 46% of the pre-COVID-19 figure for FY2018.

- Operating expenses rose 6.8 billion yen year on year to total 497.6 billion yen, largely due to an increase in depreciation and amortization despite our ongoing cost-reduction efforts.
- Personnel expenses decreased by 5.3 billion yen to 120.1 billion yen year on year, due in part to a decline in provision for bonuses.
- Non-personnel expenses increased by 3.4 billion yen to 211.9 billion yen overall, as maintenance expenses grew 5.4 billion yen year on year due in part to an increase in bridge repair, although energy expenses and others decreased.
- O Depreciation and amortization came to 139.1 billion yen, an increase of 6.8 billion yen year on year. This increase mainly came from the launch of the new N700S Shinkansen rolling stock.
- As a result, we secured an operating income but posted an ordinary loss and net loss even on a non-consolidated basis as shown in the slide.

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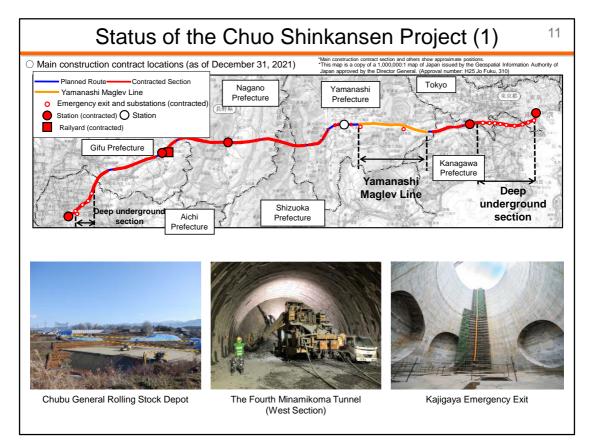


- Next, I would like to explain the progress of initiatives toward the future.
- As explained at the Semi-Annual Investor Meeting, we actively took marketing measures to stimulate demand when the passenger volume started to recover.
- As a part of sales and marketing measures to respond to various needs, we promoted "Zurashi Travel" where time, place, means of travel and action at destinations are shifted from the standard, and broadly advertised the attractiveness of various areas in order to decentralize tourist destinations.
- We improved "Oshi Travel," which proposes travels that pursue one's own favorites, and launched the "Oshi Travel Updating" campaign with new content. We also conducted a tie-up project with the latest Kamen Rider movie.
- Furthermore, from November to December 2021, we conducted a campaign where children go virtually free of charge, under certain conditions, for "Express Reservation" and "Smart EX" members who use "Nozomi." During the campaign period, many people used the service, and the simultaneous use of EX Service by adults and children, which are the targets of the campaign, increased by about three times.
- O In addition, as I will explain in detail later, we have also promoted initiatives to further enhance EX Service and provide a wider range of support for business and private trips. From November 1, 2021, for EX Service members, we started the "EX Travel Content Portal" site that introduces content including hotel and secondary transportation available on business and private trips, and on December 1, we opened workspaces for EX Service members at six locations in four stations of the Tokaido Shinkansen.
- In addition, to advertise the "value of seeing someone face-to-face" in the business scene, we published a tie-up advertisement and a special series "Face to Face what does sharing a space generate?" that features interviews with celebrities in the magazine *PRESIDENT* as well as posting posters and publishing Internet videos with the catchphrase "Face-to-face is something special."
- Currently, COVID-19 is spreading again, and we will continue to raise demand appropriately according to the infection status.
- Regarding the cost reduction, up to the third quarter, operating expenses were reduced by 35 billion yen on a non-consolidated basis, 9 billion yen in the Group companies, and a total of 44 billion yen with the Company and the Group companies combined. This is compared with the cost reduction plan of 59 billion yen with regard to operating expenses for the full fiscal year with the Company and the Group companies combined.
- $\bigcirc$  We will continue working to reduce costs by broadly reviewing our overall operations.



- We have been proceeding with the development of a work environment for Tokaido Shinkansen as a response to the new remote working styles using ICT, which have spread due to the COVID-19 pandemic, and launched various services in the third quarter.
- With regard to inside car efforts, starting from October 2021, we made Car No. 7 of Nozomi an "S Work Car" where mobile devices may be used without hesitation.
- Free Wi-Fi services with increased capacity have been also introduced to Car No. 7 and No. 8 of N700S.
- Furthermore, from April 2022, we plan to introduce Business Booth that passengers can use for meetings, etc. in the deck part between Cars No. 7 and No. 8 of N700S to three trainsets on a trial basis.
- At stations, we launched a workspace business called "EXPRESS WORK" for EX Service members in December 2021. Three types of workspaces, namely booth type, lounge type, and office type, are available according to the customer's usage scene.
- Through these measures, we are enhancing the work environment in ways suitable for passengers' work style so that they can continue working seamlessly before and after boarding the Tokaido Shinkansen.
- From November 2021, we also started the "EX Travel Content Portal" site accessible from the EX Service online page. We introduce hotels, tourist plans, transportation services and business services including "EXPRESS WORK" to provide a wider range of support for business and private trips for our customers.
- In the summer of 2023, we plan to launch a full-fledged MaaS, called "EX-MaaS (tentative name)," which will enable customers to reserve and make payments seamlessly within the EX Service site.
- We aim to continue working to enhance our services from a variety of aspects so that customers who use Tokaido Shinkansen can spend the time of their travel in more convenient and comfortable ways.

I Status of the Chuo Shinkansen Project



O Lastly, I would like to explain the status of the Chuo Shinkansen Project.

- In the map at the top of the slide which shows the planned route between Shinagawa and Nagoya where we received approval for the Construction Implementation Plan, the orange line represents the Yamanashi Maglev Line, and the red line indicates sections where construction contracts have already been signed.
- Construction work has been progressing steadily in various areas along the line. At the Chubu General Rolling Stock Depot, etc., we started full-scale construction work. At the Kajigaya emergency exit in Kanagawa Prefecture, where construction work has already begun, the main vertical shaft was completed. At the Fourth Minamikoma Tunnel (West Section and East Section) in Yamanashi Prefecture, excavation of the main shaft has been newly started.
- We will continue to focus on construction safety, environmental protection, and coordination with local communities, and will steadily proceed with various types of construction while thoroughly and carefully examining costs.

#### Status of the Chuo Shinkansen Project (2)

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[Southern Alps Tunnel (Shizuoka Section)]

- 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) held on December 19, 2021, an interim report on Oi River water resource issues was finalized.
- $\bigcirc\,$  Based on the interim report, we will respond sincerely so that we can obtain the understanding and cooperation of the local community.

[Shield Tunneling of Deep Underground Section of the Tokyo Metropolitan Area and the Chukyo Area]

- At the First Tokyo Metropolitan Area Tunnel (Kitashinagawa Section), we proceeded with the survey tunneling to confirm the safety and security measures by operating the shield machine in practice, which started in October 2021.
- At the First Chukyo Area Tunnel (Sakashita Nishi Section), we held a briefing on construction in December 2021, and are currently preparing for survey tunneling. We plan to launch the survey tunneling after informing everyone concerned.
- At both sections, we will explain the confirmed results of the survey tunneling to the residents along such section before launching the full-scale excavation.

#### [Construction Safety]

- In order to more strongly work to prevent industrial accidents in construction work related to Chuo Shinkansen, we established the Chuo Shinkansen Safety Promotion Council with construction companies last November.
- O Meanwhile, as for the situation of the Southern Alps Tunnel (Shizuoka Section), tunnel excavation work cannot be started yet.
- In such a situation, 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) held in December 2021, an interim report on Oi River water resource issues was finalized.
- O Based on the interim report, we will respond sincerely so that we can obtain the understanding and cooperation of the local community.
- Regarding shield tunneling in the deep underground section of the Tokyo metropolitan area and the Chukyo area, we proceeded with the survey tunneling at the First Tokyo Metropolitan Area Tunnel (Kitashinagawa Section), which started in October 2021, to confirm the safety and security measures by operating the shield machine in practice before the full-scale excavation.
- At the First Chukyo Area Tunnel (Sakashita Nishi Section), we held a briefing on construction in December 2021, and are currently preparing for survey tunneling. We plan to launch the survey tunneling after informing everyone concerned.
- At both sections, we will explain the confirmed results of the survey tunneling to the residents along such section before launching the full-scale excavation.
- O Furthermore, in light of the industrial accidents that occurred in October and November 2021, we established the Chuo Shinkansen Safety Promotion Council last November to share information and recognition on accident prevention between the construction companies and the contractee in order to more strongly work to prevent industrial accidents related to Chuo Shinkansen construction.
- $\bigcirc$  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 for Major Subsidiaries (Before Consolidation Adjustments)

#### OResults

(billion yen)										
	Operating Revenues					(Loss)	Ordin	Ordinary Income (Loss)		
	FY2020 Q3 Results	FY2021 Q3 Results	ΥοΥ	FY2020 Q3 Results	FY2021 Q3 Results	YoY	FY2020 Q3 Results	FY2021 Q3 Results	ΥοΥ	
JR Tokai Takashimaya <sup>(*)</sup>	26.8	32.2	120.4%	-2.0	-0.3	18.4%	-1.9	-0.2	12.0%	
JR Central Building	22.1	23.0	104.4%	3.0	3.4	115.8%	2.8	3.4	123.3%	
JR Tokai Hotels	8.8	10.3	116.5%	-5.2	-4.1	78.1%	-4.7	-3.5	73.9%	
Nippon Sharyo	70.1	65.6	93.5%	4.2	3.8	91.2%	4.4	3.9	89.7%	
Nippon Sharyo Net Income								4.1	99.3%	

(\*) 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

				新幹線				在	来線	
				Shinkanse	n			Conventio	nal Railway	
			東京				大阪口			
110 00	0.01		Tokyo		ar a	1400	Osaka Gate	特急等 Express	名古屋近郊	
期間 Period	合計 Total	のぞみ Nozomi	ひかり Hikari	こだま Kodama	平日 Weekdays	<i>土休日</i> Weekends	合計 Total	Express	Nagoya Are	
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)	
21/07	130 (43)	132 (44)	134 (38)	120 (44)	122 (43)	152 (43)	127 (45)	153 (59)	106 (76)	
21/08	125 (32)	128 (32)	131 (28)	109 (34)	117 (32)	140 (31)	127 (32)	94 (25)	108 (63)	
21/09	87 (34)	86 (34)	89 (29)	88 (38)	87 (32)	87 (37)	83 (33)	73 (30)	88 (67)	
21/07-09	112 (36)	113 (36)	116 (32)	105 (38)	107 (35)	121 (37)	110 (36)	102 (35)	100 (69)	
21/04-09	142 (35)	142 (35)	148 (30)	136 (39)	134 (35)	159 (35)	135 (34)	130 (33)	118 (69)	
21/10	108 (49)	107 (49)	118 (45)	103 (49)	105 (49)	116 (47)	105 (49)	93 (46)	99 (75)	
21/11	118 (59)	116 (60)	129 (55)	119 (57)	115 (58)	124 (61)	114 (61)	101 (56)	108 (78)	
21/12	174 (68)	179 (70)	184 (62)	151 (64)	174 (69)	176 (66)	180 (70)	145 (66)	116 (83)	
21/10-12	131 (58)	131 (60)	141 (54)	123 (57)	130 (59)	132 (58)	129 (60)	111 (56)	107 (78)	
21/04-12	136 (43)	136 (44)	144 (38)	130 (45)	132 (43)	146 (42)	132 (43)	120 (41)	114 (72)	
・ゴールデンウィーク		新幹 Shinka					E来線 ional Railway		]	
期間 Period	<u>合計</u> Total	のぞみ Nozomi	ひかり Hikari	こだま Kodama		急等 oress	名古居 Nagoy		1	
4/28~5/5	526 (32)	511 (32)	584 (29)	544 (35)		(35)	345			
・お盆期間 Summer H	olidavs						•		-	
NO ILL /VIIII) COMMON		新幹	線			ť	E来線		1	
		Shinka					ional Railway			
期間 Period	合計 Total	のぞみ Nozomi	ひかり Hikari	こだま Kodama		急等 ress	名古居 Nagoy			
8/6~8/17	139 (34)	142 (34)	153 (31)	118 (35)	113	(27)	137	(55)		
・年末年始 Winter Holidays									_	
	新幹線 在来線 Shinkanaan Convertional Bailway									
期間	Shinkansen     Conventional Railway       合計     のぞみ     ひかり     こだま     特急等     名古居						電近郊	1		
Period	Total	Nozomi	Hikari	Kodama		ress	Nagoy			
12/28~1/5	257 (81)	263 (84)	264 (70)	222 (73)	228	(73)	158	(80)		
(※1)カッコ内は、新型コ									-	
Note1: Numbers in parenthe					e COVID-19 pa	andemic).				
(※2)新幹線·在来線特急等	は特定の駅間に:	は特定の駅間における月累計断面輸送量の対前年比。 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。								

#### (Reference) Monthly Results of Commercial Facilities and Hotels

◆商業施	設
Comm	hercial 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

期間

Period

21/03

21/04

21/05

21/06

21/07

21/08

21/09

21/10

21/11

21/12

売上高合計 2022年2月期 (百万円)

Total Sales FY2021: 2021.3~2022.2 (Millions of Yen)

13,990

10.591

8,479

9,867

12,395

8,917

9,548

13,026

14,128

17.850

#### ◆ホテル Hotels

Hotels								
	名古屋マリオット Nagoya Marriot	トアソシアホテル t Associa Hotel	名古屋JRゲートタワーホテル Nagoya JR Gate Tower Hotel (※1)					
期間	稼働率(%) 前年同月比 増減		稼働率 (%)	前年同月比 増減				
Period	Occupancy YoY Rate Inc./Dec.		Occupancy Rate	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				
21/07	50.3	20.5	60.5	17.7				
21/08	51.3	13.7	57.2	11.1				
21/09	41.5	-7.7	54.7	-12.7				
21/10	55.7	-14.4	74.8	-10.6				
21/11	69.3	-2.1	80.6	-9.9				
21/12	76.2	23.2	86.5	14.8				

(※1) 名古屋 J Rゲートタワーホテルは2020年4月13日から5月31日まで休業。

JR Nagoya Takashimaya and Takashimaya Gate Tower Mall

前年同月比 (%)

YoY Comparison

147.5

383.3

210.0

88.9

116.4

116.0

91.5

111.2

115.3

119.0

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