

1st Quarter Investor Meeting FY2024.3
(Fiscal Year Ending March 31, 2024)

Central Japan Railway Company

July 28, 2023

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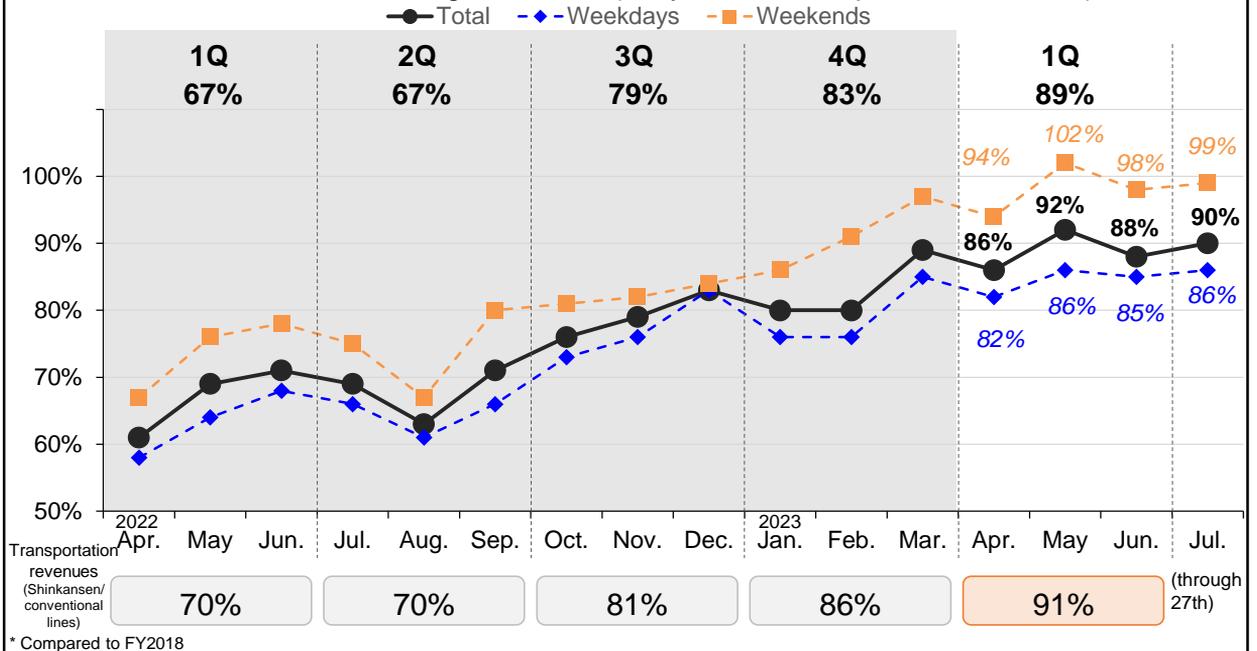
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- My name is Izumi, Deputy General Manager of the Management Supervision Department. My presentation today will cover the topics shown here.

I FY2024.3 1st Quarter Results, etc.

- I would like to explain the results of the first quarter of the fiscal year ending March 2024, etc.

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



* Compared to FY2018

- The passenger volume remained at a higher level than in the previous fourth quarter both on weekdays and on Saturdays, Sundays and public holidays.
- In particular, the passenger volume on Saturdays, Sundays and public holidays, largely during the Golden Week holidays, led the recovery.
- As a result, transportation revenues for the first quarter exceeded the forecast by 21.9 billion yen.

- First, I would like to go over the passenger volume and transportation revenues for the Tokaido Shinkansen, our main source of revenue.
- During the first quarter, the passenger volume of the Tokaido Shinkansen at the Tokyo Gate remained at a higher level than in the previous fourth quarter, both on weekdays and on Saturdays, Sundays and public holidays.
- In particular, with daily average passenger volume during the Golden Week holidays exceeding the level of fiscal 2018, the passenger volume on Saturdays, Sundays and public holidays led the recovery.
- In May, COVID-19 was reclassified as a Category V Infectious Disease. It seems that many companies have decided to lift the ban on face-to-face meetings and training programs. Currently, the recovery in passenger volume on weekdays is slower than on weekends and public holidays. However, since it has been steadily increasing from the level of the previous fiscal year, we expect a strong recovery on weekdays, as on weekends and holidays.
- As a result, the passenger volume at the Tokyo Gate was 86% of the FY2018 figure in April, 92% in May, which includes the larger portion of the Golden Week holidays, 88% in June, and 89% for the three months of the first quarter. The passenger volume on conventional lines for the first quarter was 87% of the FY2018 figure for express trains and 89% for Nagoya area lines.
- Transportation revenues for the Shinkansen and conventional lines combined were about 91% of the FY2018 figure, exceeding by 21.9 billion yen the performance forecast announced in April this year, in which transportation revenues were expected to be 85% of the FY2018 figure.

Income Statement (Consolidated)

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(billion yen)

	FY2022 Q1 Cumulative A	FY2023 Q1 Cumulative B	Change (B-A)	Major Factors of Change
Operating Revenues	309.3	395.0	85.7	
Transportation	251.0	325.0	73.9	(+) JR CENTRAL (Transportation)
Merchandise and Other	31.4	37.7	6.3	(+) Tokai Kiosk, JR-CENTRAL PASSENGERS, JR Tokai Takashimaya
Real Estate	18.3	19.6	1.3	(+) Tokyo Station Development, JR Development and Management Corporation of Kansai
Other	50.3	53.5	3.1	(+) JR Tokai Hotels, JR Tokai Tours
Operating Expenses	225.8	248.5	22.7	
Operating Income	83.5	146.5	62.9	
Transportation	77.3	135.4	58.0	(+) JR CENTRAL (Transportation)
Merchandise and Other	1.3	2.6	1.2	(+) Tokai Kiosk, JR Tokai Takashimaya, JR-CENTRAL PASSENGERS
Real Estate	5.0	5.8	0.8	(+) Tokyo Station Development, JR Development and Management Corporation of Kansai
Other	-0.0	2.3	2.3	(+) JR Tokai Hotels, JR Tokai Tours
Ordinary Income	66.8	129.3	62.5	
Net Income Attributable to Owners of Parent	47.0	90.5	43.5	

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

- Next, I would like to move on to an overview of the consolidated financial results.
- Consolidated operating revenues increased by 85.7 billion yen from the previous fiscal year to 395.0 billion yen as transportation revenues of the Company increased by 74.0 billion yen, and revenues of group companies also increased.
- Although operating expenses increased mainly due to an increase in the Company's non-personnel expenses and an increase in the cost of sales of group companies, we posted operating income of 146.5 billion yen, ordinary income of 129.3 billion yen, and quarterly net income attributable to owners of parent of 90.5 billion yen, achieving increases in both revenues and income.
- I would like to move on to the results for each segment.
- The Transportation business achieved increases in both revenues and income mainly owing to the Company's growing transportation revenues.
- Merchandise and Other achieved increases in both revenues and income, mainly due to increases in sales of Tokai Kiosk, JR-CENTRAL PASSENGERS, and JR Tokai Takashimaya.
- In Real Estate, both revenues and income increased due to higher lease revenues of Tokyo Station Development and an increase in sales of direct stores of JR Development and Management Corporation of Kansai.
- In Other, both revenues and income increased mainly due to increases in accommodation revenues of JR Tokai Hotels and travel product revenues of JR Tokai Tours.

Income Statement (Non-consolidated)

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(billion yen)

	FY2022 Q1 Cumulative A	FY2023 Q1 Cumulative B	Change (B-A)	Major Factors of Change
Operating Revenues (Transportation Revenues)	253.4 (235.8)	327.3 (309.8)	73.8 (74.0)	Shinkansen +70.9, Conventional lines +3.0
Operating Expenses	173.8	189.7	15.8	
Personnel Expenses	44.0	45.4	1.4	Pay raises, etc.
Non-personnel Expenses	72.0	84.7	12.7	
Energy	12.6	16.4	3.7	Rise in unit prices, etc.
Maintenance	18.0	23.3	5.2	End of reversal of provision for the large-scale renovation, etc.
Others	41.2	45.0	3.7	Increase in sales commissions, etc.
Taxes Other Than Income Taxes	9.7	10.4	0.7	
Depreciation & Amortization	48.1	49.1	0.9	
Operating Income	79.5	137.5	57.9	
Ordinary Income	62.2	120.1	57.8	
Net Income	43.5	85.1	41.6	

- I would now like to move on to an overview of non-consolidated results.
- As shown on the slide, operating revenues increased by 73.8 billion yen from the previous fiscal year to 327.3 billion yen, including an increase of 74.0 billion yen in passenger revenues.
- Operating expenses increased by 15.8 billion yen to 189.7 billion yen.
- Personnel expenses increased by 1.4 billion yen to 45.4 billion yen as a result of the raise of base pay, etc.
- Non-personnel expenses as a whole increased by 12.7 billion yen to 84.7 billion yen. This was due to an increase in energy expenses caused mainly by rising unit fuel prices and an increase in maintenance expenses following the end of reversal of provision for the large-scale renovation of Shinkansen infrastructure, as well as an increase in other expenses associated with an increase in sales commissions, etc., which is linked to revenues.
- As a result, we recorded operating income of 137.5 billion yen, ordinary income of 120.1 billion yen, and quarterly net income of 85.1 billion yen, achieving increases in both revenues and income.

II Status of Efforts to Increase Revenues

- Next, I would like to explain the status of our efforts to increase revenues.

Fostering momentum

- ◆ “Let’s Go Meet” campaign (from February 2023)



Campaign poster



“You are my destination” version of the commercial video

Business

- ◆ Increasing sales of Chartered Shinkansen Package



New product promotion by Kirin Brewery



New product promotion by Xreal Japan

Sightseeing

- ◆ “Love Live! Sunshine!!” LOVE Numazu! campaign (March 25 to August 31, 2023)



At the North Gate of Numazu Station



Interior decoration of the special express train “Love Live! Sunshine!!”

- Continue to support customers “going to meet”
- Advance initiatives for revenue expansion based on innovative ideas for both business and sightseeing

- I would now like to explain our major initiatives to stimulate mobility demand.
- To foster momentum to go to meet face-to-face, we launched the “Let’s Go Meet” campaign in February this year. We have received voices of many people, mainly through social media, recalling nostalgically their travels by the Tokaido Shinkansen. The campaign also received a Galaxy Award as an outstanding program in the commercial section of the Galaxy Awards, a prestigious award program in the world of media and advertising. In response to these reactions, as a development for this summer, we have produced commercial videos showing various “go meet” scenes for the purpose of supporting everyone, not only business passengers, who will “go meet someone” using the Tokaido Shinkansen, and put them on a special site on our company website and on YouTube. By deploying this campaign during the summer vacation season, when many people go on trips, we aim to communicate that the Tokaido Shinkansen supports and encourages everyone who will “go meet,” thereby stimulating mobility demand.
- In terms of stimulating business trip demand, the Chartered Shinkansen Package, a service to allow customers to charter a whole car of the Tokaido Shinkansen to, for example, hold an event of their own for a company incentive trip, an employee training program, etc., has drawn the attention of many customers and received more than 60 orders since its launch. So far, this service has been used for new product promotion events, with original headrest covers and carpets installed to create a special atmosphere.
- As a measure to stimulate sightseeing demand, the “Love Live! Sunshine!!” LOVE Numazu! Campaign was launched in March this year. Based at Numazu Station, which has often appeared in anime, various programs have been carried out over a long period of time, such as special exhibitions and decorations in the station building, a stamp rally, and operation of the “Love Live! Sunshine!!” special express train. As of the end of June, about 14,000 people have participated in the event. We hope many more people will participate in the event till the end of August.
- Going forward, we will advance initiatives for revenue expansion based on innovative ideas for both business and sightseeing.

Enhancing contents and revising prices of the Japan Rail Pass

- Outline
 - By purchasing a “Nozomi Mizuho Ticket” before boarding, passengers will be able to use Nozomi trains with a Japan Rail Pass.
 - In line with the enhancement of product contents in addition to improvements in existing services, prices will be revised, and the same prices will be set for JR-designated dealers, agents, and the designated website.
- Implementation timing (scheduled)
From purchase on October 1, 2023

[Prices before and after revision (for 7 days)]

(yen)

Type	[Now]		[Revised]	Difference
	Agents, etc.	Dedicated website		
Ordinary-type (Adult)	29,650	33,610	50,000	+20,350
Green-type (Adult)	39,600	44,810	70,000	+30,400

Review of pricing system for Express Reservation

- Outline
 - With enhanced services introduced, such as “EX Hotels and Activities”, “EX Shinkansen Travel Packages”, and reservation one year in advance of boarding, Express Reservation will shift to a new pricing system.
- Implementation timing (scheduled)
Around autumn 2023

[Prices before and after revision for major sections (for one adult, one way, reserved seat in ordinary car of Nozomi train, regular season)]

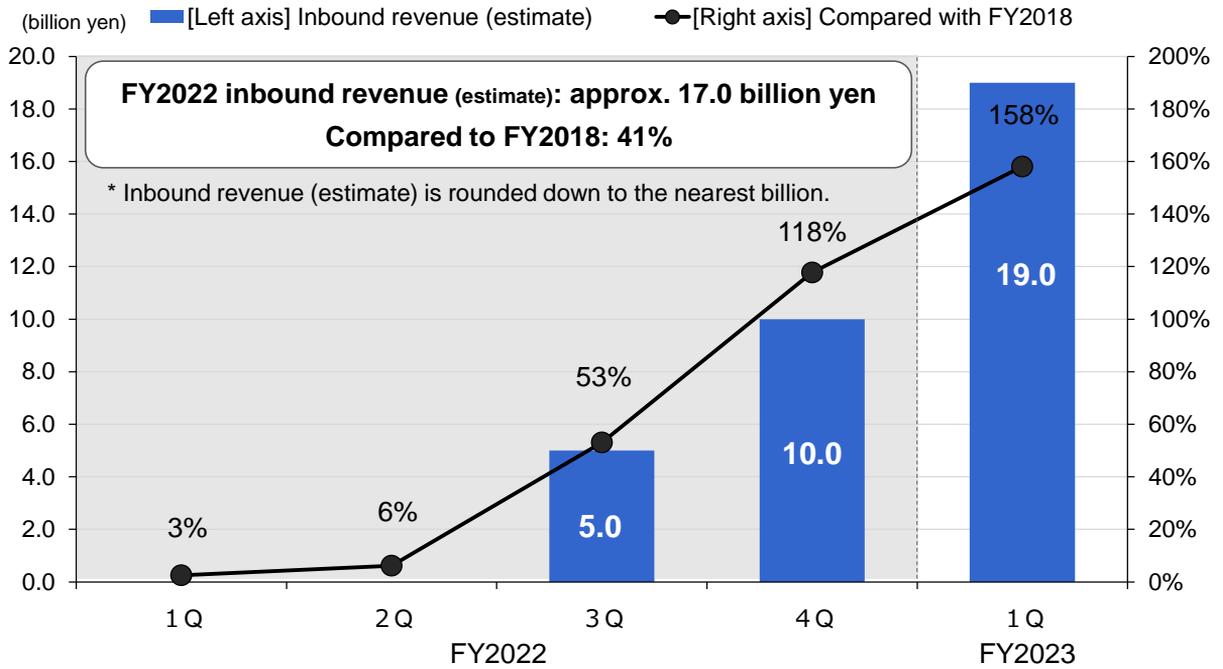
(yen)

Major sections	Fare/charge	[Now]	[Revised]	Difference
Tokyo ↔ Nagoya	11,300	10,310	10,880	+570
Tokyo ↔ Shin-Osaka	14,720	13,620	14,230	+610

* Difference refers to the difference between [Now] at agents, etc. and [Revised] prices.

- I will now explain the new pricing announced in the first quarter.
- For the Japan Rail Pass, a product for foreigners visiting Japan, passengers will be able to ride a Nozomi train with a Japan Rail Pass by purchasing a “Nozomi Mizuho Ticket” before boarding.
As such, the product contents will be enhanced in addition to improvements in existing services. In line with these improvements, prices will be revised starting from tickets purchased on October 1 this year.
- Express Reservation, an online reservation and ticketless boarding service for the Tokaido, Sanyo, and Kyushu Shinkansen, will shift to a new pricing system in the autumn of 2023 with enhanced services introduced, such as “EX Hotels and Activities”, “EX Shinkansen Travel Packages”, and reservation one year in advance of boarding.
- Specific revised prices are as shown on the tables.

Status of Inbound Demand



- From July this year, strengthen the internal structure to launch effective advertising and sales promotions, and develop products that satisfy various needs of travelers.
- Attract customers to the JR Central area and capture demand of foreigners visiting Japan, who are on an increasing trend.

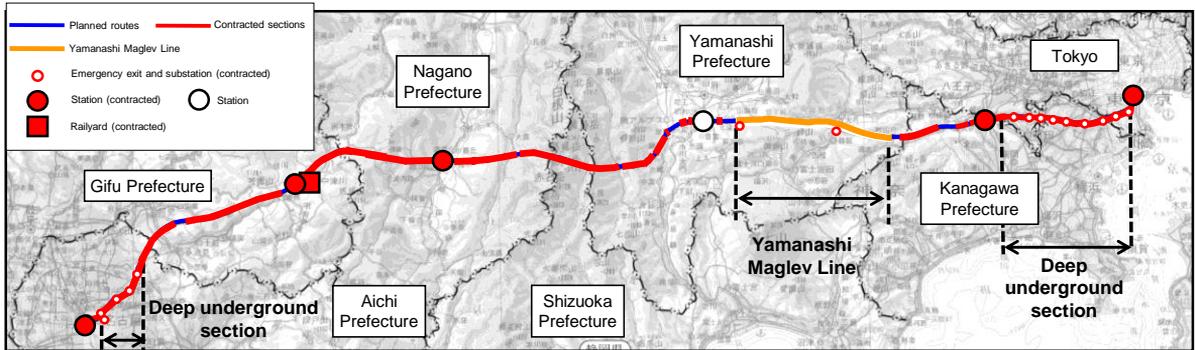
- Now I would like to explain the status of inbound demand. Since the relaxation of border controls in October last year, the number of inbound foreign passengers has been increasing.
- Our inbound revenue (estimate) exceeded the level of fiscal 2018 in the previous fourth quarter, and it continued to increase in the subsequent three months of the first quarter, reaching approximately 19 billion yen, 158% of the level of FY2018.
- Starting from July this year, the department in charge of inbound passengers has been strengthened by selecting and assigning motivated and competent employees through internal recruitment. In addition to analyzing passenger trends by country and region, we will launch effective advertising and sales promotions and develop products that will satisfy various needs of travelers.
- Through these efforts, we aim to attract customers to the JR Central area and capture demand of foreigners visiting Japan, who are on an increasing trend.

III Status of the Chuo Shinkansen Project

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

[Main construction contract locations (as of June 30, 2023)]

* This map is a copy of a 1:1,000,000 map of Japan issued by the Geospatial Information Authority of Japan under the approval of its Director General. (Approval number: H25 Jo Fuku, 310)
 * The locations of the main construction contract sections, etc. are approximate.



Nagoya Station Central East Section chemical injection (excavation)



Seto Tunnel excavation of main tunnel



Tonegawa Park viaduct



Metropolitan Area Tunnel No. 1 Kajigaya section survey tunneling

- 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 progressed steadily in various areas along the line. In the Kitashinagawa section, the Kajigaya section, and the Higashiurigaoka section of Metropolitan Tunnel No. 1, where deep underground excavation by a shield machine is taking place, survey tunneling work progressed, confirming the effectiveness of safety and security measures in the field.
- We will continue to focus on construction safety, environmental protection, and coordination with local communities, and we will vigorously proceed with various types of construction while thoroughly and carefully examining costs.

[Southern Alps Tunnel (Shizuoka Section)]

<Initiatives on Oi River water resources>

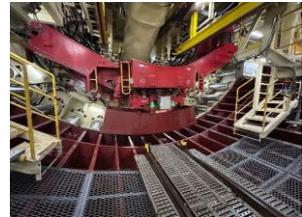
- Based on the interim report on Oi River water resource issues prepared in December 2021 by the Expert Conference on the Linear Chuo Shinkansen Shizuoka Section of the Construction Site, organized by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT), we have been working to provide a clear explanation to local communities, identify specific measures to address risks and conduct monitoring, and realize methods to return to the Oi River the same amount of water as the amount of spring water flowing out from the tunnel to outside of Shizuoka Prefecture during a certain period of the construction as an exceptional situation.
- In June this year, we started talks with a power generation company regarding the method to reduce water intake for power generation and return the water to the Oi River.

<Environmental preservation of the ecosystem, etc. of the Southern Alps>

- Discussions have been taking place since June 2022 at the Expert Conference organized by the MLIT. We have been explaining the issues presented in December: (1) impact on aquatic life in the swamp, (2) impact on vegetation in high-altitude terrain, and (3) impact on the environment at altered locations of the above-ground part.

[Shield Tunneling of Deep Underground Sections]

- In the Kajigaya section and the Higashiyurigaoka section of Metropolitan Tunnel No. 1, where deep underground excavation by a shield machine is taking place, survey tunneling work has progressed. In the Onoji section, survey tunneling started in July this year.



Onoji section of Metropolitan Tunnel No. 1
Preparation for start

- On the other hand, we have been unable to begin tunnel excavation work in the Southern Alps Tunnel (Shizuoka section) due to failure to gain the understanding of Shizuoka Prefecture and other stakeholders.
- Under these circumstances, concerning its impact on the use of Oi River water resources, an interim report on Oi River water resource issues was finalized 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 in December 2021. Based on this report, we have been working to provide clear explanations to local communities, identify specific measures to address risks and conduct monitoring, and realize the methods to return to the Oi River the same amount of water as the amount of spring water flowing out from the tunnel to outside of Shizuoka Prefecture during a certain period of the construction as an exceptional situation.
- In June this year, we started talks with a power generation company regarding the method to reduce water intake for power generation and return the water to the Oi River.
- Regarding the issue of environmental preservation of the ecosystem, etc. of the Southern Alps, discussions have been taking place since June 2022 at the Expert Conference organized by the MLIT. We have been explaining the three issues presented in December: (1) impact on aquatic life in the swamp, (2) impact on vegetation in high-altitude terrain, and (3) impact on the environment at altered locations of the above-ground part. At the 11th expert conference on environmental preservation held on July 26, we explained our plans for monitoring of aquatic life in the swamp and environmental preservation measures, and responded to opinions and questions from the conference members. We will continue to work diligently to resolve any pending environmental preservation issues.
- As for shield tunneling in deep underground sections, survey tunneling work has progressed in the Kajigaya section and the Higashiyurigaoka section of Metropolitan Tunnel No. 1. In the Onoji section, survey tunneling started in July this year.

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, the competitive positions of the Company and its subsidiaries, and laws and regulations.

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

○ Results

(billion yen)

	Operating Revenues			Operating Income			Ordinary Income		
	FY2022 Q1 Results	FY2023 Q1 Results	YoY	FY2022 Q1 Results	FY2023 Q1 Results	YoY	FY2022 Q1 Results	FY2023 Q1 Results	YoY
JR Tokai Takashimaya	12.5	13.3	106.6%	1.0	1.3	133.6%	1.0	1.4	132.0%
JR Central Building	7.7	7.9	102.4%	0.8	0.9	108.6%	0.8	0.9	107.7%
JR Tokai Hotels	4.6	6.1	131.9%	-0.5	0.5	—	-0.4	0.5	—
Nippon Sharyo	22.6	20.6	91.5%	1.2	1.3	107.9%	1.4	1.5	110.9%
				Nippon Sharyo	Net Income		1.3	1.5	115.8%

(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		
23/04	140 (86)	134 (87)	169 (87)	138 (81)	140 (82)	140 (94)	142 (88)	162 (85)	111 (89)
23/05	134 (92)	131 (94)	149 (92)	132 (87)	135 (86)	135 (102)	136 (95)	137 (90)	110 (88)
23/06	125 (88)	123 (90)	138 (90)	121 (83)	125 (85)	126 (98)	126 (93)	123 (85)	105 (90)
23/04-06	133 (89)	129 (90)	151 (90)	130 (84)	133 (84)	134 (99)	134 (92)	139 (87)	109 (89)

◆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
4/28~5/7	126 (101)	122 (103)	139 (98)	132 (93)	128 (90)	113 (91)

(※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2018年度との比較。

Note1: Numbers in parentheses are compared to FY2018 (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 2024年2月期 (百万円) Total Sales FY2023: 2023.3~2024.2 (Millions of Yen)	前年同月比 (%) YoY Comparison
23/03	16,828	112.1
23/04	14,319	110.2
23/05	14,548	110.3
23/06	14,477	107.9

◆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 (※)		
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.
23/04	72.7	20.7	84.7	13.1
23/05	71.4	8.9	81.3	3.3
23/06	72.2	4.2	82.8	-2.1

(※) 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。

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