

# Summary of Consolidated Financial Report for the Six Months Ended September 30, 2006 (Unaudited)

English translation from the original Japanese-language document

October 27, 2006

Company name	Central Japan Railway Company
Stock Exchange Listings	Tokyo, Osaka and Nagoya
Code Number	9022
Location of the Head Office	Aichi Prefecture, Japan
URL	<a href="http://www.jr-central.co.jp">http://www.jr-central.co.jp</a>
Representative	Masayuki Matsumoto, President and Representative Director
Contact Person	Katsumi Miyazawa, Director and General Manager of the Public Relations Department (Tel +81-52-564-2549)
Date of the Meeting of the Board of Directors for approval of the Consolidated Financial Statements	October 27, 2006
Adoption of U.S. GAAP	None

## 1. Results for the six months ended September 30, 2006

(1) Consolidated financial results (Figures less than one million yen, except for per share amounts, have been rounded down.)

	Operating revenues		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2007 semi-annual	733,416	1.0	215,652	9.2	140,886	9.7	83,312	8.9
Fiscal 2006 semi-annual	740,626	6.1	237,437	25.5	155,984	58.9	91,412	27.2
Fiscal 2006	1,467,650		403,754		213,462		122,437	

	Earnings per share - basic	Earnings per share - diluted
	Yen	Yen
Fiscal 2007 semi-annual	42,024.78	-
Fiscal 2006 semi-annual	40,845.97	-
Fiscal 2006	54,560.69	-

Note 1. Equity in earnings of affiliated companies:

Fiscal 2007 semi-annual 295 million yen. Fiscal 2006 semi-annual 166 million yen. Fiscal 2006 228 million yen.

2. Average number of shares outstanding in each period (consolidated):

Fiscal 2007 semi-annual 1,982,452 shares. Fiscal 2006 semi-annual 2,237,982 shares. Fiscal 2006 2,237,982 shares.

3. Changes in accounting policies: None

4. Percentages for operating revenues, operating income, ordinary income and net income represent the change from the corresponding six-month period of the previous year.

(2) Consolidated financial position (Figures less than one million yen, except for per share amounts, have been rounded down.)

	Total assets	Equity	Equity ratio	Equity per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2007 semi-annual	5,157,591	751,118	14.3	374,010.39
Fiscal 2006 semi-annual	5,382,058	942,525	17.5	421,149.85
Fiscal 2006	5,309,848	973,669	18.3	434,917.59

Note Number of shares outstanding at the end of each period (consolidated):

Fiscal 2007 semi-annual 1,969,238 shares. Fiscal 2006 semi-annual 2,237,982 shares. Fiscal 2006 2,237,982 shares.

(3) Consolidated cash flows (Figures less than one million yen have been rounded down.)

	Net cash provided by operating activities	Net cash used in investing activities	Net cash used in financing activities	Cash and cash equivalents at the end of the period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2007 semi-annual	184,989	75,800	206,229	76,507
Fiscal 2006 semi-annual	229,619	48,416	35,078	224,611
Fiscal 2006	477,901	119,641	264,023	172,723

(4) Number of consolidated subsidiaries, unconsolidated subsidiaries and affiliates accounted for under the equity method	
Consolidated subsidiaries	30 companies
Unconsolidated subsidiaries accounted for under the equity method	-
Affiliated companies accounted for under the equity method	2 companies

(5) Changes in the number of consolidated subsidiaries, unconsolidated subsidiaries and affiliates accounted for under the equity method	
Consolidated subsidiaries	
Newly included:	-
Excluded:	-
Equity method companies	
Newly included:	-
Excluded:	-

2. Forecast for Fiscal 2007 (Year ending March 31, 2007)

	Operating revenues	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
Fiscal 2007	1,464,000	204,000	119,000

(Reference) Estimated net income per share: 60,429.47 yen

Note

The above forward-looking statements in this report are based on estimates, assumptions that reflect information available as of the day of release of this report. The accuracy of forecasts above, therefore, is inherently uncertain because it is affected by future economic trends and environment.

(Reference) Dividends: non-consolidated

	Dividends per share for the fiscal year		
		Interim dividends	Year-end dividends
Fiscal 2006	yen 6,500.00	yen 3,000.00	yen 3,500.00
Fiscal 2007	7,000.00	3,500.00	-
		-	3,500.00 (forecast)

## CONSOLIDATED SEMI-ANNUAL BALANCE SHEETS (unaudited)

(Figures less than one million yen have been rounded down)

	Millions of yen			
	As of March 31, 2006	As of September 30, 2006	Increase (decrease)	As of September 30, 2005
<b>ASSETS</b>				
Current assets:				
Cash and time deposit	70,430	73,194	2,763	81,691
Trade notes receivables	22,947	20,128	2,819	19,366
Railway fares receivables	16,081	29,148	13,067	19,146
Land and buildings held for sale	4,225	4,051	174	4,374
Inventories	12,300	16,910	4,610	14,904
Deferred tax assets	22,009	21,512	496	22,758
Short-term loan receivables	101,635	2,107	99,527	143,707
Other current assets	27,188	28,987	1,799	21,482
Allowance for doubtful accounts	19	10	8	9
Total current assets	276,798	196,031	80,766	327,422
Fixed assets:				
Property and equipment				
Buildings and structures	2,093,704	2,022,581	71,122	2,138,802
Machinery, rolling stock and vehicles	203,410	195,612	7,797	215,201
Land	2,344,445	2,342,126	2,318	2,347,961
Construction in progress	93,547	97,107	3,559	78,243
Other property and equipment	30,866	34,483	3,617	28,592
Total property and equipment	4,765,973	4,691,911	74,061	4,808,800
Intangible fixed assets	14,308	12,978	1,330	15,693
Investments and other assets				
Investment securities	91,882	89,496	2,386	76,879
Deferred tax assets	149,179	155,249	6,069	141,697
Other investments and other assets	11,906	12,133	227	11,772
Allowance for doubtful accounts	200	209	9	207
Total investments and other assets	252,768	256,669	3,901	230,142
Total fixed assets	5,033,050	4,961,559	71,490	5,054,635
Total assets	5,309,848	5,157,591	152,257	5,382,058

## CONSOLIDATED SEMI-ANNUAL BALANCE SHEETS (unaudited)

(Figures less than one million yen have been rounded down)

	Millions of yen			
	As of March 31, 2006	As of September 30, 2006	Increase (decrease)	As of September 30, 2005
<b>LIABILITIES</b>				
Current liabilities:				
Trade notes payables	49,790	33,134	16,656	30,493
Short-term borrowings	14,987	19,167	4,180	13,962
Current portion of long-term debt	116,892	116,656	235	97,391
Current portion of long-term payables	186,336	186,082	253	290,587
Accounts payables	95,017	57,644	37,372	51,428
Accrued income taxes	64,085	60,949	3,136	67,629
Advances received	78,175	93,987	15,811	81,812
Accrued bonuses	22,507	24,073	1,565	23,208
Other current liabilities	39,193	41,277	2,083	40,116
Total current liabilities	666,988	632,973	34,014	696,629
Long-term liabilities:				
Bonds	415,000	495,000	80,000	355,000
Long-term debt	557,484	642,492	85,008	594,643
Long-term payables	2,269,879	2,212,299	57,580	2,397,493
Allowance for large scale renovation of the Shinkansen infrastructure	116,666	133,333	16,666	100,000
Liabilities for employees' retirement benefits	224,106	221,257	2,848	226,075
Other long-term liabilities	70,930	69,116	1,813	55,334
Total long-term liabilities	3,654,066	3,773,499	119,432	3,728,546
Total liabilities	4,321,054	4,406,472	85,417	4,425,175

## CONSOLIDATED SEMI-ANNUAL BALANCE SHEETS (unaudited)

(Figures less than one million yen have been rounded down)

	Millions of yen			
	As of March 31, 2006	As of September 30, 2006	Increase (decrease)	As of September 30, 2005
Minority interests				
Minority interests	15,124	-	-	14,357
Shareholders' equity				
Common stock	112,000	-	-	112,000
Capital surplus	53,500	-	-	53,500
Retained earnings	783,703	-	-	759,398
Unrealized gain on available-for-sale securities	25,420	-	-	18,581
Treasury stock	954	-	-	954
Total shareholders' equity	973,669	-	-	942,525
Total liabilities, minority interests and shareholders' equity	5,309,848	-	-	5,382,058
Equity				
Shareholders' equity				
Common stock	-	112,000	-	-
Capital surplus	-	53,500	-	-
Retained earnings	-	858,843	-	-
Treasury stock	-	309,971	-	-
Total shareholders' equity	-	714,372	-	-
Valuation and translation adjustments				
Unrealized gain on available-for-sale securities	-	22,142	-	-
Total valuation and translation adjustments	-	22,142	-	-
Minority interests	-	14,603	-	-
Total equity	-	751,118	-	-
Total liabilities and equity	-	5,157,591	-	-

## CONSOLIDATED SEMI-ANNUAL STATEMENTS OF INCOME (unaudited)

(Figures less than one million yen have been rounded down)

	Millions of yen			
	For the six months ended September 30, 2005	For the six months ended September 30, 2006	Increase (decrease)	For the year ended March 31, 2006
Operating revenues	740,626	733,416	7,209	1,467,650
Operating expenses:	503,188	517,764	14,575	1,063,895
Transportation, other services and cost of sales	420,603	434,307	13,704	904,713
Selling, general and administrative expenses	82,585	83,456	870	159,181
Operating income	237,437	215,652	21,785	403,754
Nonoperating revenues:	2,442	2,600	157	6,745
Interest income	19	42	22	54
Dividend income	426	488	62	504
Amortization of negative goodwill	-	273	273	-
Equity in earnings of affiliates	-	295	295	228
Insurance proceeds from group term insurance	576	473	102	3,587
Gain on sales of discarded articles	126	139	12	-
Other	1,293	887	405	2,370
Nonoperating expenses:	83,895	77,366	6,528	197,037
Interest expense	12,913	14,042	1,129	25,937
Interest on long-term payables	69,557	62,326	7,231	135,154
Other	1,423	997	426	35,945
Ordinary income	155,984	140,886	15,098	213,462
Extraordinary gains:	718	2,013	1,294	4,158
Contributions for the construction of railway facilities received	205	580	374	3,140
Gain on sales of property and equipment	282	785	502	457
Gain on liquidation of a subsidiary	156	-	156	-
Extinction of tie-in shares	-	502	502	-
Other	74	145	70	560
Extraordinary losses:	2,426	2,826	400	11,059
Advanced depreciation for construction grants	241	582	340	3,007
Loss on disposals of property and equipment	1,481	1,646	165	3,595
Loss from exchange of fixed assets	-	458	458	-
Loss on investment in kind	424	-	424	-
Other	278	139	139	4,457
Income before income taxes and minority interests	154,277	140,073	14,204	206,561
Income taxes-current	65,976	59,518	6,458	97,809
Income taxes-deferred	3,978	3,327	650	15,312
Minority interests in earnings of consolidated subsidiaries	866	571	295	1,627
Net income	91,412	83,312	8,100	122,437

## CONSOLIDATED SEMI-ANNUAL STATEMENT OF RETAINED EARNINGS (unaudited)

(Figures less than one million yen have been rounded down)

	Millions of yen	
	For the six months ended September 30 , 2005	For the year ended March 31 , 2006
<b>Capital surplus</b>		
Capital surplus at beginning of period	53,500	53,500
Capital surplus at end of period	53,500	53,500
<b>Retained earnings</b>		
Retained earnings at beginning of period	674,990	674,990
Increase in retained earnings	91,412	122,437
Net income	91,412	122,437
Appropriations of retained earnings	7,004	13,724
Cash dividends	6,720	13,440
Directors' bonuses	284	284
(Including corporate auditors' bonuses )	( 27 )	( 27 )
Retained earnings at end of period	759,398	783,703

## CONSOLIDATED SEMI-ANNUAL STATEMENTS OF CHANGES IN EQUITY (unaudited)

Fiscal 2007 semi-annual (For the six months ended September 30, 2006)

(Figures less than one million yen have been rounded down)

	Millions of yen							
	Shareholders' equity					Valuation and translation adjustments Unrealized gain on available-for-sale securities	Minority interests	Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity			
As of March 31, 2006	112,000	53,500	783,703	954	948,248	25,420	15,124	988,793
Increase(decrease) during the six months ended September 30, 2006								
Cash dividends			7,840		7,840			7,840
Directors' bonuses			331		331			331
Net income			83,312		83,312			83,312
Repurchase of treasury stock				308,988	308,988			308,988
Decrease in equity of affiliates accounted for under the equity method				27	27			27
Decrease from the previous year, net						3,277	521	3,799
Total increase(decrease) during the six months ended September 30, 2006	-	-	75,140	309,016	233,875	3,277	521	237,675
As of September 30, 2006	112,000	53,500	858,843	309,971	714,372	22,142	14,603	751,118

Note Cash dividends and Directors' bonuses are resolutions at the annual shareholders' meeting held in June, 2006.



## CONSOLIDATED SEMI-ANNUAL STATEMENT OF CASH FLOWS (unaudited)

(Figures less than one million yen have been rounded down)

	Millions of yen			
	For the six months ended September 30, 2005	For the six months ended September 30, 2006	Increase (decrease)	For the year ended March 31, 2006
<b>Operating activities</b>				
Income before income taxes and minority interests	154,277	140,073	14,204	206,561
Depreciation and amortization	115,144	106,145	8,999	234,854
Increase in allowance for large scale renovation of the Shinkansen infrastructure	16,666	16,666	-	33,333
Decrease in provision for employees' retirement benefits	2,976	3,012	36	4,945
Interest and dividend income	446	530	84	558
Interest expense	82,471	76,369	6,102	161,091
Contributions for the construction of railway facilities received	205	580	374	3,140
Loss on disposals of property and equipment	5,765	23,759	17,993	23,512
Loss on investment in kind	424	-	424	-
Increase in trade receivables	2,240	9,906	7,665	2,758
Increase in inventories	2,712	3,178	465	213
Increase (Decrease) in trade payables	13,589	16,847	3,258	5,708
Increase (Decrease) in payables	6,653	17,492	10,838	12,153
Increase in advances received	7,268	9,296	2,027	755
Other-net	868	2,417	1,549	51,351
Sub-total	354,063	323,180	30,882	717,705
Interest and dividend received	472	556	84	584
Interest paid	82,972	76,229	6,743	163,200
Income taxes-paid	41,943	62,518	20,575	77,186
Net cash provided by operating activities	229,619	184,989	44,629	477,901
<b>Investing activities</b>				
Purchases of property and equipment	51,984	77,943	25,959	126,656
Receipts of contributions for the construction of railway facilities	5,221	7,095	1,874	11,029
Purchases of intangible fixed assets	736	1,237	500	1,440
Purchases of investment securities	28	3,241	3,213	4,148
Other-net	887	472	414	1,574
Net cash used in investing activities	48,416	75,800	27,384	119,641
<b>Financing activities</b>				
Increase in short-term borrowings	240	4,180	3,939	1,266
Proceeds from long-term debt	25,500	100,000	74,500	90,000
Repayments of long-term debt	15,971	15,451	520	98,129
Proceeds from issuance of bonds	20,000	80,000	60,000	80,000
Repayments of long-term payables	58,028	57,834	194	289,893
Repurchases of treasury stock	-	308,988	308,988	-
Cash dividends paid	6,720	7,840	1,120	13,440
Payment of cash dividends to minority interests	12	11	0	12
Other-net	86	284	197	33,815
Net cash used in financing activities	35,078	206,229	171,151	264,023
Net increase (decrease) in cash and cash equivalents	146,124	97,040	243,165	94,236
Cash and cash equivalents, beginning of the period	78,486	172,723	94,236	78,486
Cash and cash equivalents increased by merger of a consolidated subsidiary with an unconsolidated subsidiary	-	824	824	-
Cash and cash equivalents, end of the period	224,611	76,507	148,104	172,723

## SEGMENT INFORMATION

### 1. Industrial Segment Information

Fiscal 2006 semi-annual (For the six months ended September 30, 2005)

(Figures less than one million yen have been rounded down)

	Millions of Yen						
	Transportation	Merchandise and Other	Real Estate	Other Services	Total	Eliminations or Corporate	Consolidated
Operating revenues:							
Outside customers	603,439	90,776	19,064	27,345	740,626	-	740,626
Inter company	5,978	3,352	10,100	29,410	48,841	(48,841)	-
Total	609,417	94,129	29,164	56,755	789,467	(48,841)	740,626
Operating expenses	384,583	90,301	21,910	55,764	552,559	(49,370)	503,188
Operating income	224,834	3,828	7,254	991	236,908	528	237,437

Notes 1. Method of segmentation by industry

Considering the Japan Standard Industry Classification, the Company classified industry segments in order to clearly illustrate its diversification of managements.

2. Main activities of each business segment

Transportation: railway, bus

Merchandise and other: department store, wholesale, retail sales, food service

Real estate: real estate rental business

Other services: hotel, travel, advertising, construction and other business

Fiscal 2007 semi-annual (For the six months ended September 30, 2006)

(Figures less than one million yen have been rounded down)

	Millions of Yen						
	Transportation	Merchandise and Other	Real Estate	Other Services	Total	Eliminations or Corporate	Consolidated
Operating revenues:							
Outside customers	597,362	90,811	19,000	26,241	733,416	-	733,416
Inter company	5,858	4,994	10,177	30,755	51,785	(51,785)	-
Total	603,220	95,806	29,178	56,996	785,201	(51,785)	733,416
Operating expenses	398,224	92,339	22,182	57,088	569,835	(52,071)	517,764
Operating income (loss)	204,995	3,466	6,996	91	215,366	285	215,652

Notes 1. Method of segmentation by industry

Considering the Japan Standard Industry Classification, the Company classified industry segments in order to clearly illustrate its diversification of managements.

2. Main activities of each business segment

Transportation: railway, bus

Merchandise and other: department store, wholesale, retail sales, food service

Real estate: real estate rental business

Other services: hotel, travel, advertising, construction and other business

Fiscal 2006 (For the year ended March 31, 2006)

(Figures less than one million yen have been rounded down)

	Millions of Yen						
	Transportation	Merchandise and Other	Real Estate	Other Services	Total	Eliminations or Corporate	Consolidated
Operating revenues:							
Outside customers	1,187,944	183,103	38,046	58,556	1,467,650	-	1,467,650
Inter company	11,857	7,603	20,186	86,518	126,165	(126,165)	-
Total	1,199,802	190,706	58,232	145,074	1,593,815	(126,165)	1,467,650
Operating expenses	819,819	183,197	45,766	141,117	1,189,900	(126,005)	1,063,895
Operating income	379,983	7,509	12,466	3,956	403,915	(160)	403,754

Notes 1. Method of segmentation by industry

Considering the Japan Standard Industry Classification, the Company classified industry segments in order to clearly illustrate its diversification of managements.

2. Main activities of each business segment

Transportation: railway, bus

Merchandise and other: department store, wholesale, retail sales, food service

Real estate: real estate rental business

Other services: hotel, travel, advertising, construction and other business

### 2. Geographic Segment Information

As the group has not operated abroad during the each interim period of fiscal 2006 and 2007, this item was not required to be disclosed.

### 3. Overseas Sales

As there were no overseas sales in the interim period of fiscal 2006 and 2007, this item was not required to be disclosed.