

[TRANSLATION]

[Supplemental Material 1]

Summary of the Consolidated Financial Results for the Three Months Ended June 30, 2010

July 27, 2010  
Central Japan Railway Company

- In the continuing severe business environment, Central Japan Railway Company (the “Company”) sought to further improve its service by prioritizing the maintenance of safe and reliable transportation. As a result, **while there was an impact from the economic downturn and the government policy to reduce highway tolls, the Company’s non-consolidated transportation revenues increased partly because of the rebound from the impact of the swine flu that occurred in the spring of 2009.** The operating revenues of the group companies increased slightly due to an increase in merchandise and other revenues.
- **Operating expenses on a consolidated basis decreased due to a decline in the Company’s non-personnel expenses that resulted from pursuing efficiency and cost reduction efforts, among others, as well as a decline in depreciation and amortization, and others.** Due to the decrease in interest expenses, non-operating income/loss improved.
- As a result of the above, in FY2011 first quarter (for the three months ended June 30, 2010), the Company recorded **increases in revenues and profits** (operating income, ordinary income and net income).

## **1. Summary of Consolidated Results for the Three Months Ended June 30, 2010**

### **(1) Operating revenues (362.4 billion yen; a 16.1 billion yen, or 4.7%, increase)**

- The Company's non-consolidated **transportation revenues increased by 15.7 billion yen (6.2%) to 269.7 billion yen in FY2011 first quarter as compared with FY2010 first quarter (decreased by 8.2% compared with FY2009 first quarter).**
  - As for the Tokaido Shinkansen, the Company continued to introduce the Series N700 rolling stock in a concentrated manner and further improved convenience by enhancing the "Nozomi" services, which include direct service between the Tokaido and Sanyo sections through the timetable revisions in March 2010. Additionally, the Company promoted efforts for further expansion of the "Express Reservation" service members and also worked to stimulate travel demand by implementing tourism campaigns that focused on various areas, such as Nara, which marked the 1300th anniversary of Nara Heijo-kyo Capital, or Kyoto. Transportation revenues increased by 15.6 billion yen (6.8%) to 244.9 billion yen in FY2011 first quarter as compared with FY2010 first quarter.
  - As for the conventional lines, the Company started services, such as expanding service areas and adding an electronic money function in regard to TOICA, in March 2010, and also proceeded with preparations for the replacement with new cars. Transportation revenues turned out to be 24.7 billion yen in FY2011 first quarter, remaining the same as compared with FY2010 first quarter.
- As for non-railway businesses, the Company worked towards the enhancement of the existing businesses and steadily carried out each of the projects, such as the Nagoya Station New Building Project and an agriculture business. Operating revenues of the group companies increased by 0.4 billion yen (0.5%) to 79.8 billion yen in FY2011 first quarter as compared with FY2010 first quarter, owing mainly to an increase in merchandise and other revenues from, for example, JR Nagoya Takashimaya.

### **(2) Operating expenses (260.4 billion yen; a 5.1 billion yen, or 1.9%, decrease)**

- While expenses related to purchases, etc. by the group companies increased, overall expenses decreased due to a decline in non-personnel expenses that resulted from pursuing efficiency and cost reduction efforts, among others, as well as a decline in depreciation and amortization and others.

### **(3) Operating income (102.0 billion yen; a 21.3 billion yen, or 26.4%, increase)**

### **(4) Non-operating income/loss (-27.2 billion yen; a 1.5 billion yen improvement)**

- Interest expenses decreased by 2.0 billion yen due to a decline in the average interest rate for long-term debt and payables, etc.
- The balance of long-term debt and payables increased by 58.8 billion yen to 3,232.4 billion yen as compared with the end of the previous fiscal year due to advanced financing for preparations for the repayment of debt and payables relating to Shinkansen at the beginning of August.

### **(5) Ordinary income (74.7 billion yen; a 22.8 billion yen, or 44.1%, increase)**

### **(6) Net income (46.5 billion yen; a 15.7 billion yen, or 51.0%, increase)**

## **2. Forecasted Results of Operations for FY2011**

- As for the forecasted results for FY 2011 second quarter (for the six months ending September 30, 2010), and the forecasted results for FY 2011 (April 1, 2010 through March 31, 2011), the Company will not revise the forecast from the previous numbers released in April 2010.

Comparison of Passenger-kilometers and Transportation Revenues for the Three Months Ended  
June 30, 2010

(Unit: Millions of Passenger-kilometers, Billions of yen)

			For the three months ended June 30, 2009	For the three months ended June 30, 2010	Increase/ (Decrease)	%	(Reference) From the three months ended June 30,2008 (%)
Passenger-kilometers	Shinkansen	Commuter	357	359	2	100.5	101.7
		Others	9,751	10,435	684	107.0	92.8
		Subtotal	10,108	10,794	686	106.8	93.0
	Conventional Lines	Commuter	1,450	1,455	5	100.4	100.7
		Others	873	872	(1)	99.9	92.1
		Subtotal	2,323	2,327	4	100.2	97.3
	Subtotal	Commuter	1,807	1,814	7	100.4	100.9
		Others	10,624	11,307	683	106.4	92.7
		Subtotal	12,431	13,122	690	105.6	93.8
Transportation Revenues	Shinkansen	Commuter	4.2	4.2	0	100.1	101.2
		Others	225.0	240.7	15.6	107.0	91.5
		Subtotal	229.2	244.9	15.6	106.8	91.7
	Conventional Lines	Commuter	8.7	8.7	(0)	99.7	99.8
		Others	15.9	15.9	0	100.4	90.9
		Subtotal	24.7	24.7	0	100.1	93.9
	Subtotal	Commuter	13.0	12.9	(0)	99.9	100.2
		Others	240.9	256.6	15.7	106.5	91.5
		Subtotal	253.9	269.6	15.7	106.2	91.8
Total (including parcel fare)			253.9	269.7	15.7	106.2	91.8

- (Notes) 1. The above table contains non-consolidated passenger-kilometers and transportation revenues of the Company.
2. Any fraction in passenger-kilometers less than the unit indicated is rounded to the nearest unit.
3. Any fraction in transportation revenues less than a tenth of the unit indicated is truncated.

## Comparative Quarterly Statements of Income (Consolidated)

(Unit: Billions of yen)

Classifications	For the three months ended June 30, 2009	For the three months ended June 30, 2010	Increase/ (Decrease)	%
<b>Operating Revenues</b>	<b>346.3</b>	<b>362.4</b>	<b>16.1</b>	<b>104.7</b>
Transportation	267.9	283.5	15.6	105.8
Merchandise and Other	43.3	45.6	2.2	105.1
Real Estate	10.1	9.9	(0.2)	97.9
Other	24.8	23.3	(1.4)	94.0
<b>Operating Expenses</b>	<b>265.5</b>	<b>260.4</b>	<b>(5.1)</b>	<b>98.1</b>
<b>Operating Income</b>	<b>80.7</b>	<b>102.0</b>	<b>21.3</b>	<b>126.4</b>
<b>Non-operating Income (Loss)</b>	<b>(28.8)</b>	<b>(27.2)</b>	<b>1.5</b>	<b>94.6</b>
Non-operating Income	1.3	2.0	0.6	147.2
Non-operating Expenses	30.2	29.3	(0.8)	97.1
<b>Ordinary Income</b>	<b>51.9</b>	<b>74.7</b>	<b>22.8</b>	<b>144.1</b>
<b>Extraordinary Income (Loss)</b>	<b>(0.3)</b>	<b>(0.4)</b>	<b>(0.1)</b>	<b>139.6</b>
Extraordinary Income	3.7	0	(3.6)	1.4
Extraordinary Loss	4.0	0.5	(3.5)	12.7
<b>Income before Income Taxes and Minority Interests</b>	<b>51.5</b>	<b>74.3</b>	<b>22.7</b>	<b>144.1</b>
Income Taxes	20.6	27.7	7.0	134.0
Minority Interests	0	0	(0)	89.6
<b>Net Income</b>	<b>30.8</b>	<b>46.5</b>	<b>15.7</b>	<b>151.0</b>

- (Notes)
1. Any fraction less than a tenth of the unit indicated is truncated.
  2. The breakdown of operating revenues is based on the amount of sales to outside customers, according to industrial segments.

## Operating Income/Loss According to Industrial Segments

(Unit: Billions of yen)

Classifications	Segments	For the three months ended June 30, 2009	For the three months ended June 30, 2010	Increase/ (Decrease)	%
<b>Operating Revenues</b>	Transportation	270.9	286.5	15.5	105.7
	Merchandise and Other	45.7	47.4	1.6	103.7
	Real Estate	15.7	16.0	0.2	101.7
	Other	46.4	45.5	(0.8)	98.1
	Eliminations or Corporate	(32.6)	(33.0)	(0.4)	101.3
	Total	346.3	362.4	16.1	104.7
<b>Segment Income (Operating Income)</b>	Transportation	77.1	98.1	21.0	127.3
	Merchandise and Other	0.2	1.1	0.8	399.3
	Real Estate	3.5	2.9	(0.6)	82.9
	Other	0	0.2	0.2	999.9
	Eliminations or Corporate	(0.2)	(0.4)	(0.2)	183.5
	Total	80.7	102.0	21.3	126.4

- (Notes)
1. Any fraction less than a tenth of the unit indicated is truncated.
  2. Rows titled "Eliminations or Corporate" show amounts that were set-off between industrial segments.

## Comparative Quarterly Balance Sheets (Consolidated)

(Unit: Billions of yen)

Classifications	As of March 31, 2010	As of June 30, 2010	Increase/ (Decrease)
<b>Current Assets</b>	<b>242.7</b>	<b>330.9</b>	<b>88.2</b>
<b>Noncurrent Assets</b>	<b>4,968.2</b>	<b>4,942.1</b>	<b>(26.0)</b>
Property, Plant and Equipment	4,640.9	4,619.8	(21.1)
Intangible Assets	16.5	17.8	1.3
Investments and Other Assets	310.8	304.4	(6.3)
<b>Total Assets</b>	<b>5,211.0</b>	<b>5,273.1</b>	<b>62.1</b>
<b>Current Liabilities</b>	<b>642.4</b>	<b>632.7</b>	<b>(9.7)</b>
<b>Noncurrent Liabilities</b>	<b>3,433.9</b>	<b>3,476.6</b>	<b>42.7</b>
<b>Total Liabilities</b>	<b>4,076.4</b>	<b>4,109.4</b>	<b>32.9</b>
[Long-term Debt and Payables]	3,173.5	3,232.4	58.8
<b>Total Equity</b>	<b>1,134.5</b>	<b>1,163.7</b>	<b>29.1</b>
<b>Total Liabilities and Equity</b>	<b>5,211.0</b>	<b>5,273.1</b>	<b>62.1</b>

(Note) Any fraction less than a tenth of the unit indicated is truncated.

## Comparative Quarterly Statements of Cash Flows (Consolidated)

(Unit: Billions of yen)

Classifications	For the three months ended June 30, 2009	For the three months ended June 30, 2010	Increase/ (Decrease)
<b>Net Cash Provided by Operating Activities</b>	<b>69.5</b>	<b>124.2</b>	<b>54.7</b>
Income before Income Taxes and Minority Interests	51.5	74.3	22.7
Depreciation and Amortization	62.8	61.9	(0.8)
Other	(44.9)	(12.0)	32.9
<b>Net Cash Used in Investing Activities</b>	<b>(71.2)</b>	<b>(130.8)</b>	<b>(59.6)</b>
Purchase of Property, Plant, Equipment and Intangible Assets	(73.1)	(73.6)	(0.5)
Payment for Time Deposits, etc.	-	(65.0)	(65.0)
Other	1.9	7.7	5.8
<b>Net Cash Used in Financing Activities</b>	<b>47.3</b>	<b>49.5</b>	<b>2.1</b>
Proceeds from Issuance of Bonds and Long-term Loans Payable	137.3	92.1	(45.2)
Repayment of Long-term Debt and Payables	(68.2)	(33.2)	35.0
Other	(21.6)	(9.3)	12.3
<b>Net Increase/Decrease in Cash and Cash Equivalents</b>	<b>45.7</b>	<b>42.9</b>	<b>(2.7)</b>
<b>Cash and Cash Equivalents, Beginning of the Period</b>	<b>55.5</b>	<b>79.7</b>	<b>24.1</b>
<b>Cash and Cash Equivalents, End of the Period</b>	<b>101.2</b>	<b>122.6</b>	<b>21.3</b>

(Note) Any fraction less than a tenth of the unit indicated is truncated.

[Supplemental Material 5]

Comparative Quarterly Statements of Income (Non-consolidated)

(Unit: Billions of yen)

Classifications	For the three months ended June 30, 2009	For the three months ended June 30, 2010	Increase/ (Decrease)	%
<b>Operating Revenues</b>	<b>271.3</b>	<b>287.1</b>	<b>15.8</b>	<b>105.8</b>
Transportation	253.9	269.7	15.7	106.2
Other Services	17.3	17.4	0.1	100.8
<b>Operating Expenses</b>	<b>193.2</b>	<b>187.7</b>	<b>(5.5)</b>	<b>97.1</b>
Personnel Expenses	45.3	44.5	(0.8)	98.2
Non-Personnel Expenses	81.6	78.8	(2.7)	96.6
Taxes other than Income Taxes	8.0	8.1	0.1	101.4
Depreciation and Amortization	58.3	56.2	(2.0)	96.5
<b>Operating Income</b>	<b>78.0</b>	<b>99.4</b>	<b>21.3</b>	<b>127.3</b>
<b>Non-operating Income/Loss</b>	<b>(28.2)</b>	<b>(25.8)</b>	<b>2.3</b>	<b>91.6</b>
Non-operating Income	1.4	1.9	0.5	137.5
Non-operating Expenses	29.6	27.8	(1.8)	93.8
<b>Ordinary Income</b>	<b>49.8</b>	<b>73.5</b>	<b>23.7</b>	<b>147.6</b>
<b>Extraordinary Income/Loss</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>185.2</b>
Extraordinary Income	3.6	0	(3.6)	0.6
Extraordinary Loss	3.6	0	(3.5)	2.0
<b>Income before Income Taxes</b>	<b>49.8</b>	<b>73.5</b>	<b>23.7</b>	<b>147.6</b>
Income Taxes	19.4	28.6	9.2	147.9
<b>Net Income</b>	<b>30.4</b>	<b>44.8</b>	<b>14.4</b>	<b>147.4</b>

(Note) Any fraction less than a tenth of the unit indicated is truncated.

Estimated Reduction of Long-term Debt and Payables (Consolidated / Non-consolidated)

(Unit: Billions of yen)

Classifications	As of March 31, 2010 (Actual Results)	As of June 30, 2010 (Actual Results)	As of March 31, 2011 (Estimated)	Estimated Annual Amount of Decrease
Balance of Long-term Debt and Payables (Consolidated)	3,173.5	3,232.4	3,100.5	(73.0)
Balance of Long-term Debt and Payables (Non-consolidated)	3,117.0	3,177.4	3,057.0	(60.0)

(Note) Any fraction less than a tenth of the unit indicated is truncated.