



FY2007.3 (Fiscal Year ending March 31, 2007)
Year-end Investors Meeting
Central Japan Railway Company

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* Note: The Japanese fiscal year runs from April 1 through March 31

1. Summary of Financial Results for the end of FY2006

Financial Highlights

Performance at the end of FY2006 exceeded that in the previous fiscal year when the Expo 2005 Aichi was held

The Company broke previous records for operating revenue, ordinary income and net income

(Billions of Yen)	Consolidated		Non-Consolidated	
	Results	Change *	Results	Change *
Operating Revenues	1,491.2	23.6	1,212.3	12.6
Operating Income	402.4	1.2	380.8	2.9
Ordinary Income	236.6	23.1	216.7	21.3
Net Income	137.1	14.7	130.1	14.0

47 billion yen of long-term debt and payables were reduced (Amount of reduction increased by 40 billion yen from the initial forecast)

(Billions of Yen)	Consolidated		Non-Consolidated	
	Results	Change *	Results	Change *
Total Long-term Debt and Long-Term Payables	3,498.5	47.0	3,415.6	40.0

* "Change" means the change from the previous fiscal year

Non-consolidated Financial Results (1) (Revenue Analysis)

Previous records for both passenger kilometers and railway operation revenues were broken, and figures exceeding those for the previous fiscal year when the Expo 2005 Aichi was held

- Tokaido Shinkansen In addition to the strong economy, factors such as improving convenience on “Nozomi” services that directly link Tokyo and the Sanyo area, flexibly implementing extra train services and providing attractive products (including “Express Reservations” and tour packages) contributed to solid performance
- Conventional Railway: Passenger ridership of local trains has remained strong since the October 2006 timetable revision

A year-on-year (YoY) comparison of passenger ridership showed a 7% increase for the 2nd half in Nagoya area (2% increase for the full year)

(Billion kilometers, billion yen)		FY2006.3	FY2007.3	YoY Comparison	YoY Comparison (%)	
		Results (A)	Results (B)	(B)/(A)	1st Half	2nd Half
Passenger kilometers	Tokaido Shinkansen	43.7	44.4	101.6%	99.5%	103.8%
	Conventional Railway	9.1	9.0	99.4%	97.0%	102.0%
	Total	52.8	53.5	101.2%	99.1%	103.5%
Railway Operations Revenues	Tokaido Shinkansen	1,030.2	1,043.0	101.2%	99.2%	103.4%
	Conventional Railway	105.6	103.9	98.3%	95.5%	101.4%
	Total	1,136.1	1,147.0	101.0%	98.8%	103.2%

* Total railway operations revenues include revenues from small-package services. * Figures presented in the table are truncated.

Non-consolidated Financial Results (2) (Cost Analysis)

Increases in operating expenses are mainly attributed to both the temporary increase of personnel costs due to transitional measures accompanying personnel management reform and a lump-sum recognition of non-cash costs due to earthquake-resistant reinforcement of Tokaido Shinkansen ground facilities

Non-operating revenues (expenses) improved (the average interest rate of the long-term debt and payables decreased by approximately 0.2%)

(Billions of Yen)	FY2006.3 Results (A)	FY2007.3 Results (B)	Change (B)-(A)
Operating Expenses	815.8	831.4	15.6
Personnel	170.2	175.2	4.9
Non-Personnel	390.8	422.8	31.9
Taxes Other Than Income Taxes	33.4	32.1	1.2
Depreciation and Amortization	221.2	201.2	20.0
Non-Operating Revenues (Expenses) - net	188.3	164.0	24.2

Consolidated Financial Results (Segment Information Including JR Central Towers)

The solid performance is supported by segments such as merchandising, etc. (JR Tokai Takashimaya) and real estate (development of disused sites of former company housing)

(Billions of Yen)		FY2006.3 Results(A)	FY2007.3 Results (B)	Change (B)-(A)
Transportation	Operating Revenues	1,199.8	1,212.0	12.2
	Operating Income	379.9	377.5	2.4
Merchandise and Other	Operating Revenues	190.7	195.8	5.1
	Operating Income	7.5	7.5	0.0
Real Estate	Operating Revenues	58.2	62.5	4.3
	Operating Income	12.4	13.7	1.2
Other Services	Operating Revenues	145.0	159.4	14.4
	Operating Income	3.9	4.2	0.2
Intercompany	Operating Revenues	126.1	138.7	12.5
	Operating Income	0.1	0.5	0.3
Total	Operating Revenues	1,467.6	1,491.2	23.6
	Operating Income	403.7	402.4	1.2
【Reference】 JR Central Towers *	Operating Revenues	134.0	139.4	5.3
	Operating Income	9.5	9.1	0.4

* JR Central Towers :JR Tokai Takashimaya, JR Central Building, JR Tokai Hotels (operating revenue and operating income are calculated by simple aggregation of each company)

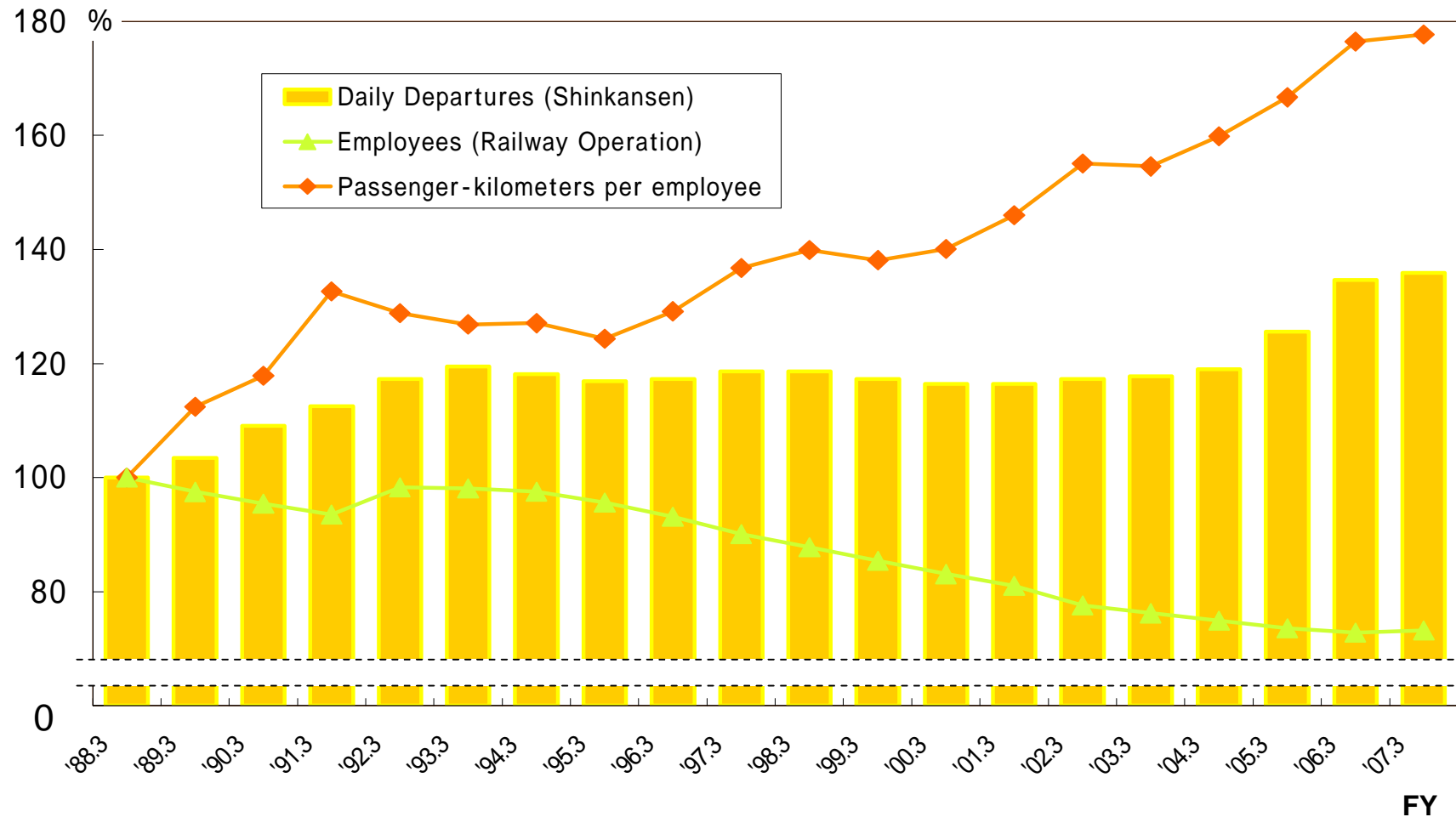
* The business of JR Tokai Hotels includes operation of other hotels in Toyohashi and Takayama

2 .Future Measures

Improving the Operating Efficiency of the Railway Business

We have achieved an over 30% increase in transportation capacity and an approximate 80% increase in operating efficiency since incorporation

The expertise and loyalty of our employees has been essential to our safe and reliable transportation



Future Measures

We are strengthening the competitiveness of the Tokaido and Sanyo Shinkansen in preparation for the expansion of the runway at Haneda Airport scheduled for 2010
We are continuing to develop Superconducting Maglev technology, a long-term experimental and research investment

		FY2007.3	FY2008.3	FY2009.3	FY2010.3	FY2011.3 ~
Airline Industry Related			2007 Start of phase service at Kansai Airport (addition of a runway) (addition of a runway)		2009 Increase in arrival/ departure time slots at Haneda Airport (addition of a runway)	Delayed until the end of October, 2010
	Company Measures	Transport/Service	FY2008.3 - FY2010.3 Concentrated introduction of Series N700 (42 trainsets) Only Series N700 "Nozomi" used for linked service from Tokyo to the Sanyo area			
Express Reservation Service - Service expansion to Sanyo Area - Introduction of IC card service						
Strengthening the transportation infrastructure of the Tokaido Shinkansen - Construction completed on reinforced electric power sources for the Tokaido Shinkansen (Spring 2009) - Renovation of Shin-Osaka Station completed (to be determined)						
Company Measures	Earthquake Countermeasures		September 2007 Functional upgrade to Earthquake Disaster Prevention System		FY2010.3 Quake-resistant reinforcement of rebar bridge piers completed	
		End of FY2009.3 Completion of quake-resistant reinforcement of elevated track columns and rail embankments				
Company Measures	Superconducting Maglev	FY2007.3 - FY2017.3 Renewal and extension of the existing Yamanashi Maglev Test Line				End of FY2014.3 Extension of test line completed, and testing using new facilities begin

Capital Investment during FY2007 (FY2008.3)

Necessary capital investment will be steadily promoted

- Examples include safety-related investment and the strengthening the competitiveness while looking ahead to the new Haneda Airport runway

The amount of capital investment is expected to remain approximately at planned levels for FY2007 and the years ahead

(Billions of Yen)

Key Investments	Amount	Contents
Non-consolidated	288	
Securing safe and reliable operation	100	- Strengthening of earthquake countermeasures - Renewing old facilities
Introducing the Series N700 and strengthening the transportation infrastructure of the Tokaido Shinkansen	100	- Introducing the Series N700 - Expanding the electrical infrastructure of the Tokaido Shinkansen - Renovating the Shin-Osaka Shinkansen station
Proactively implementing marketing initiatives	22	- Launching the "Express Reservation" IC card service - Introducing the "TOICA" IC card for use in the Shizuoka area
Promoting development of railway technology and striving for global environment conservation	1	
Furthering testing and extension of the Yamanashi Maglev Test Line	6	- Continued extension of the existing test line to 42.8km, along with upgrading specifications of existing facilities
Upgrading station facilities	24	- Promoting the renovation of major stations - Steadily introducing barrier-free accessible facilities
Developing affiliated businesses	3	
Consolidated	329	
Capital investment in subsidiaries	41	- JR Central Shin-Yokohama Station Building (tentative name) - Promoting the renovation of commercial facilities on station premises

Forecast for FY2007(FY2008.3)

We expect that operating revenues will increase while income items, such as operating income, will decrease

Nevertheless, we will effectively appropriate increases of non-cash expenses for our important corporate strategies such as the reduction of the long-term debt and payables

● **Railway operation revenues are expected to remain at the same levels as the previous fiscal year. Operating expenses are estimated to increase by 27.5 billion yen on a non-consolidated basis.**

- Depreciation will be expected to increase by 19.7 billion yen due to the concentrated introduction of the Series N700 to strengthen competitiveness and the effect of tax system reform

The effect of tax system reform is estimated at 9 billion yen. This amount includes 6 billion yen attributed to the straight-line depreciation of residual book values over five years

- Non-personnel expenses will be expected to grow by 9.1 billion yen due to an increase of advertising expenses accompanying the debut of the Series N700 and expenses accompanying capital investment

● **Non-operating revenues (expenses), such as interest expenses, will continue to improve due to a decrease in interest rates through refinancing and reducing liabilities**

(Billions of Yen)	Consolidated		Non-consolidated	
	Forecast	Change*	Forecast	Change*
Operating Revenues	1,494.0	2.7	1,216.0	3.6
Operating Expenses	1,118.0	29.2	859.0	27.5
Operating Income	376.0	26.4	357.0	23.8
Non-operating Revenues (Expenses) - net	148.0	17.8	146.0	18.0
Ordinary Income	228.0	8.6	211.0	5.7
Net Income	133.0	4.1	127.0	3.1

* "Change" means the change from the previous fiscal year

July 2007 Timetable Revision (Debut of Series N700)

Commercial operation of Series N700 starts on July 1st, 2007

- The Series N700 will be introduced on eight “Nozomi” services.

Steady increase in the number of N700 introduced on “Nozomi” services that directly link the Tokaido and Sanyo sections

- Travel time is shortened for “Nozomi” services operating in the early morning and late at night

(Quickest time: 2hr 25min. between Tokyo and Shin-Osaka)

- A new “Nozomi” service, which departs from Shinagawa Station at 6:00am (“Nozomi 99A”), will be introduced

Series N700



Providing customers with a more comfortable ride than ever

- Improving riding comfort and IT-related services
- Establishing smoking rooms (6 locations total in the cars No.3•7• 10• 15)
Creating interior spaces with superior quality to enhance competitiveness

Plans for introduction

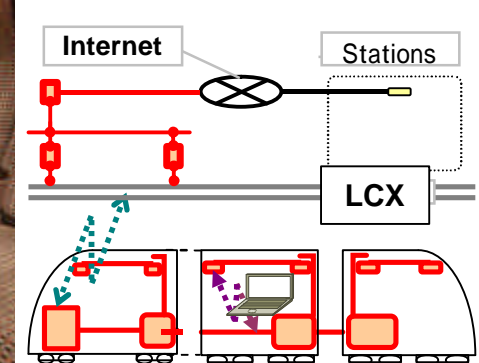
Each “Nozomi” that operates between Tokaido and the Sanyo area will use the Series N700

	FY2007	FY2008	FY2009	Total
No. of Trainsets to be introduced	15	16	11	42

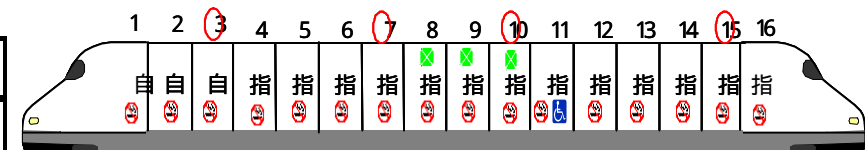
Seats of N700



Internet connection (from 2009)



Locations of smoking-rooms



Enhancing Sales and Marketing Initiatives (1)

The introduction of IC card services further enhances customer convenience in addition to expanding the service areas of the “Express Reservation” service

(1) “Express Reservation” Service

Service expanded to all Tokaido and Sanyo Shinkansen stations in July 2006 and “J-WEST cards” issued by JR West are now accepted

- Further enhanced convenience
- Both membership and usage are steadily expanding

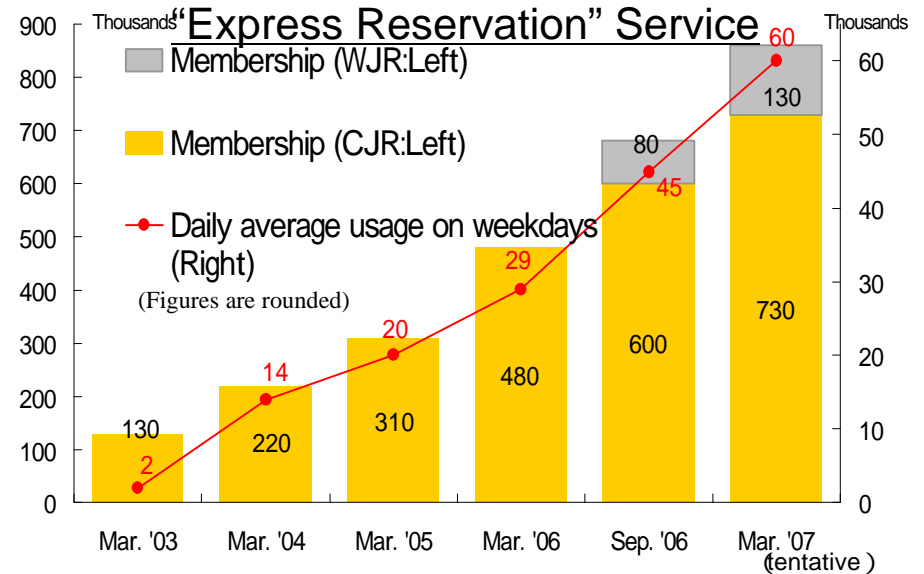
(2) “Express Reservation” IC Card Service

Scheduled for introduction in Mar. 2008

Using IC technology allows customers to board the Tokaido Shinkansen without having to pick up tickets using ticketing machines at stations

Promoting the introduction of “TOICA” IC card for use as a stored-fare railway ticket or a commuter pass

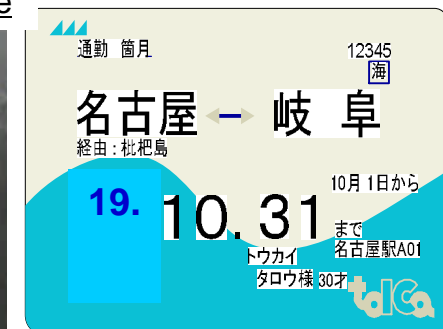
Together with the “Express Reservation” IC card service, “TOICA” will further enhance customer convenience



Ticket Gate of “Express Reservation” IC card service



“TOICA”



Enhancing Sales and Marketing Initiatives (2)

In order to stimulate travel demand, sales through travel agencies have been strengthened by using tourism advertising campaigns and providing attractive tour packages

(1) Tourism advertising campaigns

Proactively implementing tourism advertising campaigns for various areas including Kyoto, Nara, Ise, etc.

Kyoto campaign



Nara campaign



“JR Central 50+”



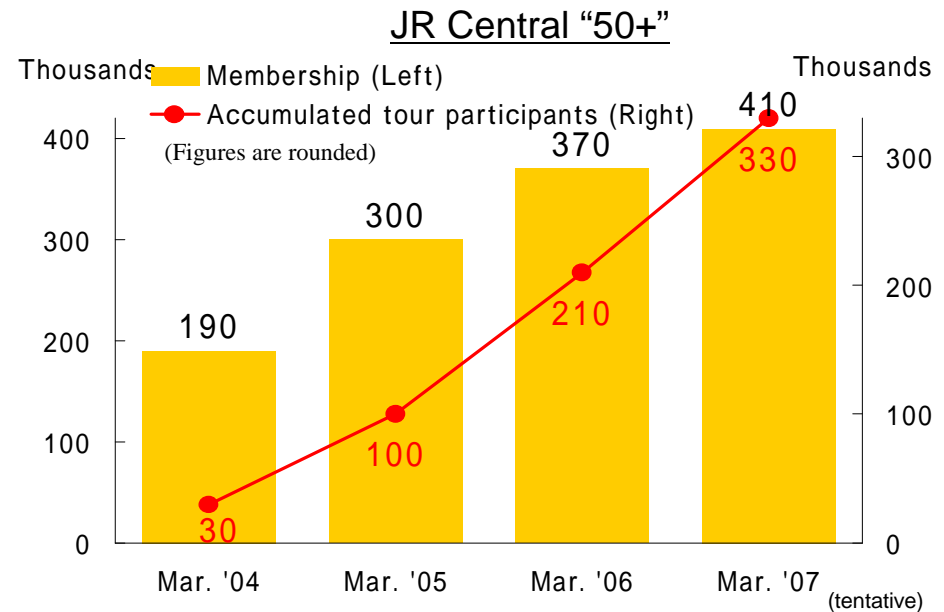
Attractive tour packages



(2) Strengthening the marketing initiatives of JR Tokai Tours (a subsidiary)

•“JR Central 50+ (Fifty-Plus)”

•Sales of other attractive products, which utilize available seats in off-peak times with relatively low demand, are steadily growing



Long-term Debt and Payables

Early reduction of long-term debt and payables remains one of our most important corporate strategies

	Consolidated		Non-Consolidated	
	Forecast	Change *	Forecast	Change *
Total Long-term Debt and Long-Term Payables	3,391.5	107.0	3,315.6	100.0

* "Change" means the change from the previous fiscal year

Outstanding of long-term debt and payables (Non-consolidated)

