
Central Japan Railway Company

Semi-Annual Investors Meeting

FY2010.3

(Fiscal Year ending March 31,2010)



Oct. 29th, 2009

Semi-Annual Investors Meeting for FY2010.3

1. Financial results for the 1st half of FY2010.3 and performance forecast for FY2010.3

Summary of financial results for the 1st half of FY2010.3

Current state of Tokaido Shinkansen passenger volume

Future plans

Points for modifying performance forecast for FY2010.3

2. Policy review and future policy development

Key policies for improving Shinkansen Service

Introduction results of Series N700 rolling stock and increasing the number of direct services to the Sanyo Shinkansen

Usage status of Express Reservation Service and expansion of TOICA Service

Progress of the Tokaido Shinkansen Bypass Project

**1 .Financial Results for the 1st half of FY2010.3
and
Performance Forecast for FY2010.3**

Summary of Financial Results for the 1st half of FY2010.3 (Consolidated)

(billions of yen)

	The 1st half of FY2009.3 (Apr.-Sep.) A	The 1st half of FY2010.3 (Apr.-Sep.) B	Increase/ Decrease ** B-A	Breakdown of the 1st half of FY 2010.3 (Apr.-Sep.)			
				Apr. - Jun.		Jul. - Sep.	
					Inc./Dec.**		Inc./Dec.**
Operating Revenues	772.9	730.6	42.3	346.3	33.5	384.3	8.8
(Transportation Revenues)*	(598.0)	(533.8)	(64.1)	(253.9)	(39.6)	(279.8)	(24.5)
Operating Expenses	531.5	554.1	22.6	265.5	10.6	288.5	11.9
Operating Income	241.4	176.4	65.0	80.7	44.1	95.7	20.8
Non-operating Revenues and Expenses (net)	68.7	58.3	10.4	28.8	1.7	29.5	8.6
Ordinary Income	172.6	118.1	54.5	51.9	42.4	66.2	12.1
Net Income	102.6	69.6	32.9	30.8	24.7	38.8	8.2

* The numbers in parenthesis are for transportation revenues of JR Central.

** "Increase/Decrease" indicates comparisons between the same periods of FY2009.3 and FY2010.3.

Summary of Financial Results for the 1st half of FY2010.3 (Revenues / Expenses)

Revenues

Railway Business

[Shinkansen]

- In addition to the economic recession etc, the swine flu outbreak during mid-May to June as well caused transportation revenues for the Shinkansen to drop by 60.9 billion yen.
(11.2% YoY) * Apr.~Jun.: 14.2%, Jul.~Sep.: 8.3%

[Conventional Lines]

- Transportation revenues for conventional lines decreased by 3.2 billion yen (6.0% YoY).

Non-railway Business

- The merchandise and other segment saw decreases in revenues, but consolidated results with Nippon Sharyo (+32.9 billion yen) meant that operating revenues for the subsidiaries increased by 21.2 billion yen (+14.2% YoY).

Expenses

- While there were decreases in expenses accompanying decreases in purchases by subsidiaries, operating expenses increased in total (+22.6 billion yen) due to a 5.8 billion yen increase in depreciation and amortization from introduction of the Series N700, etc. in addition to increases in expenses (+30.8 billion yen) from consolidation with Nippon Sharyo.
- Non-operating expenses decreased by 11.4 billion yen due to a 4.6 billion yen decrease in interest expenses that accompanied a decline in the average interest rate of long-term debt and payables.

Summary of Financial Results for the 1st half of FY2010.3 (By Segment)

(billions of yen)

		The 1st half of FY2009.3 (Apr.-Sep.) A	The 1st half of FY2010.3 (Apr.-Sep.) B	Increase/ Decrease B-A	YoY Comparison (%) B / A
Operating Revenues		772.9	730.6	42.3	94.5
	Transportation	632.0	568.0	63.9	89.9
	Merchandise and Other	99.5	92.2	7.2	92.7
	Real Estate	32.4	32.2	0.2	99.3
	Other Services	62.7	107.9	45.1	172.0
Operating Expenses		531.5	554.1	22.6	104.3
Operating Income		241.4	176.4	65.0	73.1
	Transportation	230.5	166.2	64.2	72.1
	Merchandise and Other	3.1	1.4	1.7	44.2
	Real Estate	7.2	7.1	0.1	98.2
	Other Services	0.2	2.4	2.1	970.3

* Figures by segment for operating revenues and operating income are values prior to eliminating transaction offsets between segments

Transportation: [Decreasing revenues, decreasing profits](#)

•Decrease in transportation revenues of JR Central, etc.

Merchandise and Other: [Decreasing revenues, decreasing profits](#)

•Decreases in sales from “Tokai Kiosk”, “JR Tokai Takashimaya” and “JR-Central Passengers” ,etc.

Real Estate : [Decreasing revenues, decreasing profits](#)

•Nearly at par with the 1st half of FY2009.3.

Other Services: [Increasing revenues, increasing profits](#)

•Consolidation of Nippon Sharyo

Summary of Financial Results for the 1st half of FY2010.3 (Cash Flow / Long-term Debt and Payables)

Cash Flow

Cash in from operating activities: 187.6 billion yen (YoY +35.8 billion yen)

Decreases in transportation revenues of JR Central, along with decreases in payments such as corporate tax, etc.

Cash out from investment activities: 131.8 billion yen (YoY +11.9 billion yen)

Decrease in expenditure relating to the acquisition of fixed assets in capital investment, etc.

Cash out from financial activities: 20.9 billion yen (YoY +18.3 billion yen)

Increase in the amount of issued corporate bonds, etc.

Total Long-term Debt and Payables Balance

Consolidated: 3.2559 trillion yen (+ 0.8 billion yen) *

Average interest rate (consolidated): 3.62% (-0.05%)*

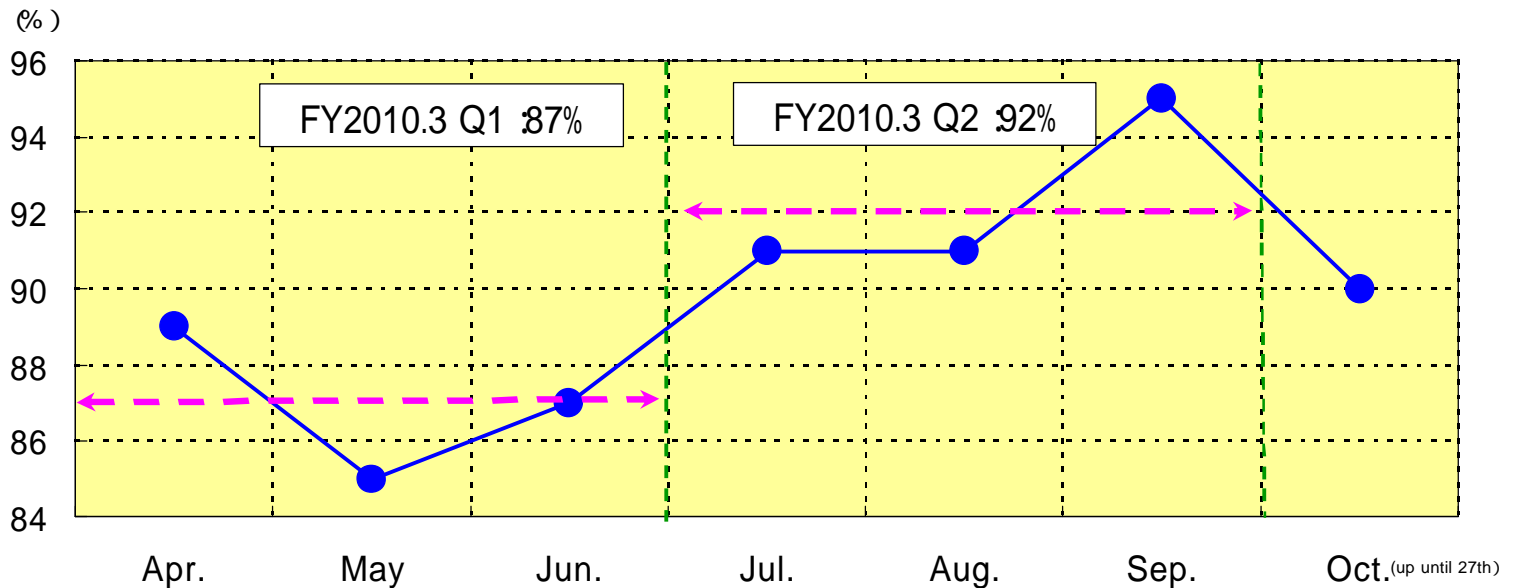
Non-consolidated: 3.1843 trillion yen (+ 6.7billion yen)*

Average interest rate (non-consolidated): 3.65% (-0.06%)*

*compared with the end of FY2009.3

Current State of Tokaido Shinkansen Passenger Volume

Trends in the cross-sectional passenger volume for the Tokaido Shinkansen
(YoY, Tokyo area, daily average)



The passenger volume for the 1st quarter of this FY was 87% YoY due to the economic recession and the swine flu, etc.
After the 2nd quarter, YoY passenger volume has been as nearly forecasted.

Future Plans

Cutting back on and reducing costs

We will ensure profits by cutting back on costs through such actions as postponing and holding down non-urgent maintenance costs and other costs that do not directly affect safety.

While passenger volume fails to increase amidst the economic recession, we will enhance management vitality by promoting efforts aimed at “cost reduction”, that is, reducing costs without sacrificing quality and performance.

Steadily promoting measures for long-term vitality enhancement

While prioritizing safe and reliable transportation, we shall steadily promote measures to improve the service of the Shinkansen, such as through concentrated introduction of Series N700, and completely develop management vitality.

As part of these actions, we shall promote capital investment while appropriately controlling the timing and pace of such investment. Also, we will steadily continue with preparations for the Tokaido Shinkansen Bypass Project.

Along with making efforts to shrink total long-term debt and payables, we shall maintain stable dividends.

Performance Forecast for FY2010.3 (Consolidated / Non-consolidated)

(billions of yen)

	Consolidated			Non-consolidated		
	FY2010.3	FY2010.3	Increase/ Decrease	FY2010.3	FY2010.3	Increase/ Decrease
	Previous Forecast** A	Current Forecast B	B - A	Previous Forecast** C	Current Forecast D	D - C
Operating Revenues (Transportation revenues*)	1,492.0	1,477.0	15.0	1144.0 (1,073.6)	1144.0 (1,073.6)	— —
Operating Expenses	1,234.0	1,219.0	15.0 <small>subsidiaries 10.0 JR Central 5.0</small>	905.0	900.0	5.0
Operating Income	258.0	258.0	—	239.0	244.0	5.0
Non-operating Revenues	7.0	7.0	—	7.0	7.0	—
Non-operating Expenses	137.0	137.0	—	135.0	135.0	—
Ordinary Income	128.0	128.0	—	111.0	116.0	5.0
Net Income	72.0	72.0	—	66.0	69.0	3.0

* The numbers in parenthesis under non-consolidated operating revenues are for transportation revenues of JR Central.

** The previous forecasts above (A and C) are those as of the publication of the financial report for the three months ended June 30, 2009

Points for Modifying Performance Forecast for FY2010.3

In order to guarantee previous forecasted profits, we will reduce the costs of subsidiaries and JR Central, responding to decreases in revenues from subsidiaries.

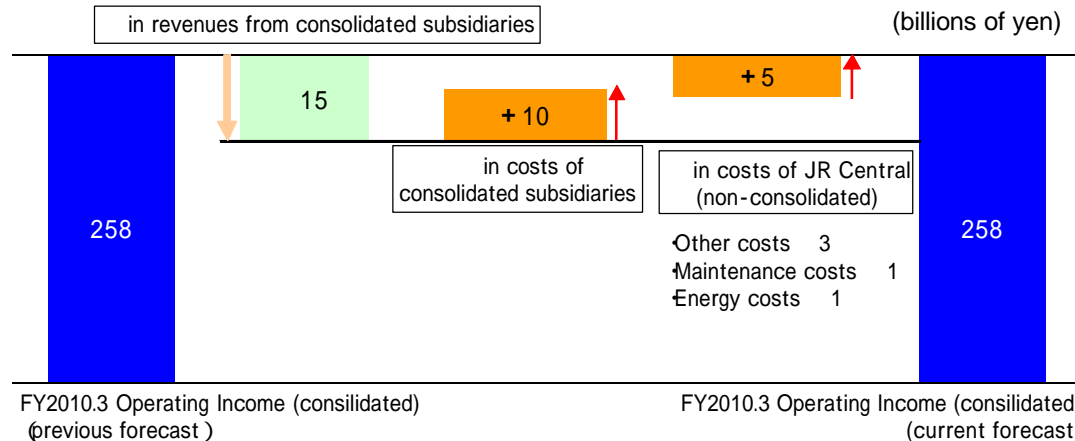
Revenues

Revenues from subsidiaries will be subjected to a 15 billion yen downward adjustment from the previous forecast based on 1st half performance, etc.

Whereas transportation revenues of JR Central exceeded forecasts at the end of the 2nd quarter (+5.8 billion yen), no changes in previous forecasted transportation revenues are made since the future is uncertain.

Expenses

Reduction of 15 billion yen through reducing the costs of subsidiaries and reducing JR Central operating costs.



Performance Forecast for FY2010.3 (By Segment, etc)

By Segment

(billions of yen)

		FY2010.3 Previous Forecast A	FY2010.3 Current Forecast B	Increase/ Decrease B- A
Operating Revenues		1,492.0	1,477.0	15.0
	Transportation	1,144.2	1,144.0	0.2
	Merchandise and Other	195.0	185.9	9.1
	Real Estate	68.9	67.9	1.0
	Other Services	252.5	248.2	4.3
Operating Expenses		1,234.0	1,219.0	15.0
Operating Income		258.0	258.0	-
	Transportation	237.8	241.7	3.9
	Merchandise and Other	3.5	1.1	2.4
	Real Estate	11.6	11.4	0.2
	Other Services	5.9	6.2	0.3

* Figures by segment for operating revenues and operating income are values prior to eliminating transaction offsets between segments

* The previous forecasts above (A) are those as of the publication of the financial report for the three months ended June 30, 2009

Total Long-Term Debt and payables Reduction

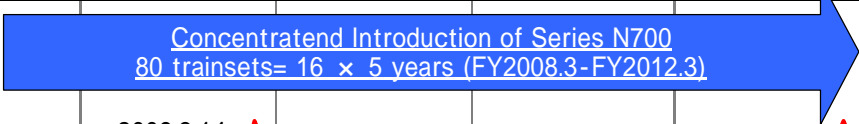
Consolidated :68.0 billion yen, Non-consolidated :50.0 billion yen (as initially estimated)

Capital Investment

Consolidated :319.0 billion yen, Non-consolidated 280.0 billion yen (as initially planned)

2. Policy Review and Future Policy Development

Key Policies for improving Shinkansen Service

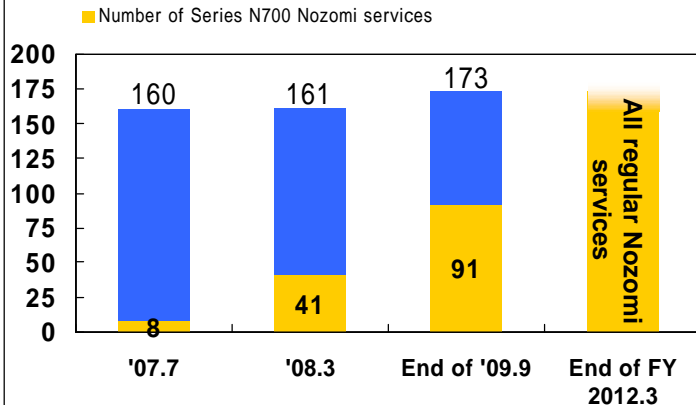
		FY2009.3	FY2010.3	FY2011.3	FY2012.3	FY2013.3	FY2014.3	
Airlines				Haneda Airport Expansion ★				
Improving Shinkansen Service	Amenity							
	Ticketless	★ 2008.3 Introduction of IC Service	★ 2009.8.29 Expanding the IC Service to Sanyo section and Corporate members					
	Transportation Service	★ 2009.3.14 Power Facilities Enhanced	★ 2009.3.14 Introduced operation of Max. 9 "Nozomi" Services/hour				during FY2014.3 ★ Shin-Osaka Station New Platform Completed	
	Station Renovation		★ 2009.6 (Maibara Station) Passenger related Facilities Improved			Passenger related Facilities Improved ★ Spring 2012 (Tokyo Station) ★ Spring 2013 (Shin-Osaka Station)		

Introduction Results of Series N700 Rolling Stock and Increasing the number of Direct Services to the Sanyo Shinkansen

Introduction Results of Series N700 and the number of Nozomi

40 trainsets had been introduced as of the end of September 2009, resulting in the Series N700 accounting for about 30% of all trainsets. The 91 “Nozomi” services per day are operated with the Series N700. 80 trainsets of Series N700 will be introduced by FY2012.3.

The Number of Nozomi Services Operated by Series N700 (excluding extra services)



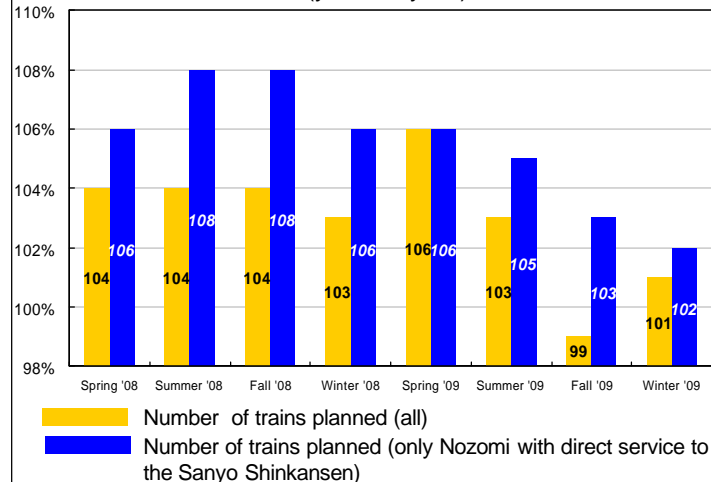
* The numbers above the bars are those of all Nozomi services
 * The numbers of '07.7 and '08.3 are as of the timetable revisions

Increasing the number of Direct Services to the Sanyo Shinkansen

The number of trains is planned by season according to trends in transportation volume.

Continuously increasing the number of direct services to the Sanyo Shinkansen.

Trends in the Number of Trains per Service Plan by Season (year-on-year)



■ Number of trains planned (all)
 ■ Number of trains planned (only Nozomi with direct service to the Sanyo Shinkansen)

*The numbers of trains planned mean the combined total number of regular services and extra services

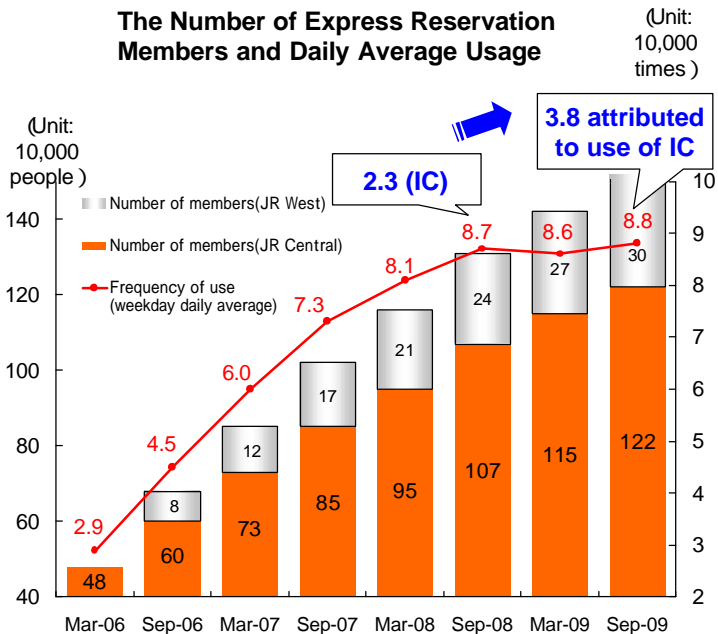
* Spring: March - June, Summer: July - September, Fall: October - November, Winter: December - February of the next year

Usage Status of Express Reservation Service and Expansion of TOICA Service

Usage Status of Express Reservation Service

The usage increased due to the expansion of “EX-IC Service” to the Sanyo Shinkansen and the commencement of service for corporate members

The Number of Express Reservation Members and Daily Average Usage



Expansion of TOICA Service

Addition of an electronic money function
 Enabling mutual use of electronic money with JR East’s “Suica” and JR West’s “ICOCA”
 Expansion of usage area and enabling passengers who have a TOICA commuter pass to ride the Shinkansen

Both are scheduled to be in the Spring of 2010



We have started studies toward mutual use of IC cards between TOICA, IC tickets that will be implemented by the Transportation Bureau City of Nagoya and Nagoya Railroad, and JR East’s Suica.

During FY2013.3 launch is the goal

Progress of the Tokaido Shinkansen Bypass Project

Legal Process

In regard to the remaining four surveys based on the Nationwide Shinkansen Railway Development Law, we have already calculated and released data for the surveys between Tokyo Metropolitan and Osaka City, and are working on compiling the results of the surveys into a report.

Technology Development, etc

Superconducting Maglev Technology has already achieved levels sufficient for commercial operation. The current state of this level of technology was confirmed by the Ministry of Land, Transportation, and Infrastructure's "Superconducting Magnetic Levitation Technological Practicality Evaluation Committee", which was convened in July 2009.

Construction work to extend the Yamanashi Maglev Test Line to 42.8km and upgrade facilities at the line to practical application specifications is steadily proceeding with the objective of completion by the end of FY2014.3.



Test run by the improved test car

In this material, forward-looking statements, such as those regarding business plans, strategies, and financial forecasts, are based on assumptions that reflect information available at the time of writing. The accuracy of such statements, therefore, is inherently uncertain because it is affected by future macroeconomic trends and business environment developments, notably, consumption trends, competitive challenges, and changes in relevant laws and legal provisions.