

# Year-End Investors Meeting

FY2011.3 (Fiscal Year ending March 31, 2011)

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## I. Management Policy for FY2012.3

Yoshiomi Yamada

President



Central Japan Railway Company  
April 28, 2011

# Management Policy for FY2012.3

## Performance forecast for FY2012.3 (consolidated)

It is forecasted that revenues and profits will decrease considerably due to a slow down in business and economic activity in the wake of the Great Tohoku-Kanto Earthquake and Tsunami

- Operating revenues 1,342.0 billion yen (YoY -161 billion yen, 89.3%)  
Transportation Revenues of JR Central, 960 billion yen (YoY -138.3 billion yen, 87.4%)
- Operating income 203 billion yen (YoY -146.3 billion yen, 58.1%)
- Ordinary income 105 billion yen (YoY -123.5 billion yen, 45.9%)

## Ensuring Safe and Reliable Transportation

Strengthening Earning Capability

→ Enhance transportation service and marketing initiatives

“Cost Reduction” and Efficiency

→ Strongly promoted

Capital Investment

→ Steadily promote key measures

Long-term Debt and Payables

→ Continue to reduce as much as possible

The Tokaido Shinkansen Bypass

→ Steadily develop procedures

## Maintaining Sound Operation and Stable Dividends

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## II. Summary of Financial Results for FY 2011.3

Hidenori Fujii

Director and  
General Manager, Finance Department



# Summary of Financial Results for FY2011.3

【Consolidated】				【Non-consolidated】			(billion yen)
	FY2010.3 Results A	FY2011.3 Results B	Changes B-A		FY2010.3 Results C	FY2011.3 Results D	Changes D-C
Operating Revenues	1,486.6	1,503.0	16.4	Operating Revenues (Transportation Revenues of JRC)*	1,143.9 (1,072.8)	1,171.9 (1,098.3)	27.9 (25.4)
Operating Expenses	1,193.1	1,153.7	-39.4	Operating Expenses	869.8	846.4	-23.3
Operating Income	293.4	349.3	55.8	Operating Income	274.1	325.4	51.3
Non-operating Revenues and Expenses (net)	-128.2	-120.7	7.5	Non-operating Revenues and Expenses (net)	-125.7	-117.8	7.8
Ordinary Income	165.2	228.5	63.3	Ordinary Income	148.3	207.5	59.1
Net Income	91.7	133.8	42.0	Net Income	88.4	123.0	34.6

\*JRC stands for JR Central

◆ Capital Investment

Consolidated: 298.9 billion yen, Non-Consolidated: 288.8 billion yen

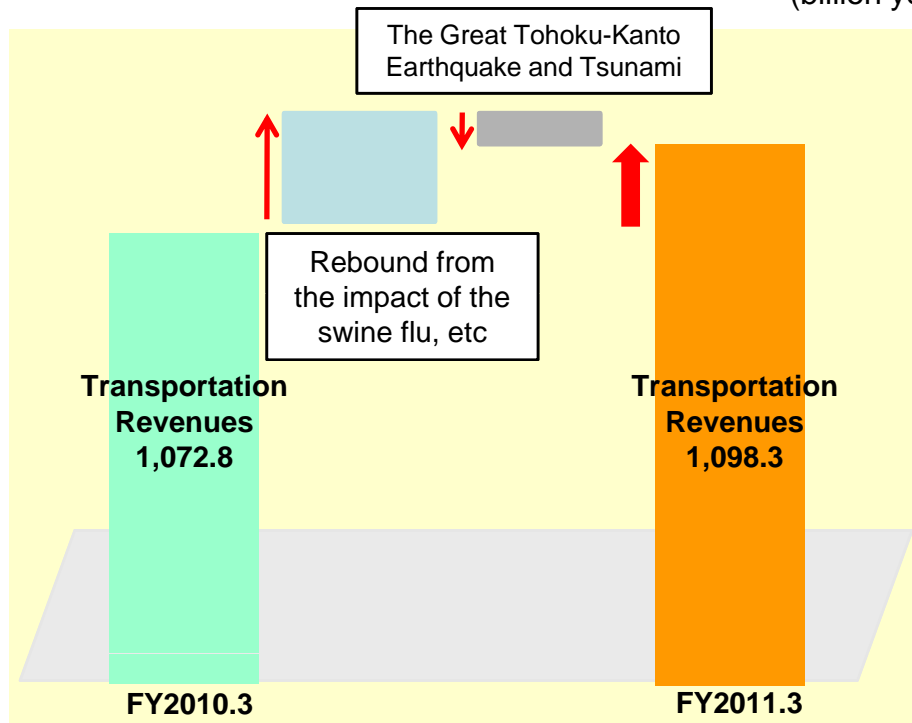
◆ Total long-term debt and payables reduction

Consolidated: 128.2 billion yen, Non-Consolidated: 115.4 billion yen

# Analysis of the Changes in JRC's Transportation Revenues and Operating Expenses for FY2011.3

## 【JRC's Transportation Revenues】

(billion yen)



Transportation Revenues increased by 25.4 billion yen due to the rebound from the impact of the swine flu, etc, while passenger volume considerably dropped due to stagnation in economic activities following the earthquake.

### ◆ Cross-sectional passenger volume for the

Tokaido Shinkansen (YoY, Tokyo area, daily, average)

From March 1 to 10 (before the earthquake) 104%

From March 11 to 31 (after the earthquake) 71%

## 【JRC's Operating Expenses】

(billion yen)

	FY2010.3 Results A	FY2011.3 Results B	Changes B-A
Operating Expenses	869.8	846.4	-23.3
Personnel Expenses	172.7	173.4	0.6
Non-personnel Expenses	417.6	400.3	-17.3
– Energy	32.0	31.4	-0.5
– Maintenance	177.4	173.6	-3.8
– Others	208.1	195.2	-12.9
Tax other than income taxes	32.3	32.6	0.2
Depreciation and Amortization	247.0	240.0	-6.9

Operating Expenses decreased by 23.3 billion yen due to the decrease in “Others” achieved through cost reduction activities and decreases in depreciation and amortization, etc.

### ◆ Decrease in operating expenses through “Cost Reduction” activities

4.5 billion yen (FY2011.3)

# Summary of Financial Results for FY2011.3 (By segment)

## 【By segment】

(billion yen)

	FY2010.3 Results A	FY2011.3 Results B	Changes B-A
Operating Revenues	1,486.6	1,503.0	16.4
Transportation	1,142.3	1,169.7	27.3
Merchandise and Other	188.6	195.0	6.3
Real Estate	66.7	66.4	-0.3
Other Services	255.5	239.6	-15.9
Operating Expenses	1,193.1	1,153.7	-39.4
Operating Income	293.4	349.3	55.8
Transportation	272.0	323.0	51.0
Merchandise and Other	3.7	5.1	1.4
Real Estate	6.7	11.8	5.1
Other Services	10.3	10.9	0.5

## 【Changes】

### ■Transportation

#### Increasing revenues, Increasing profits

Increase in transportation revenues of JRC,  
Decrease in expenses, etc

### ■Merchandise and Other

#### Increasing revenues, Increasing profits

Increases in sales from “JR Tokai Takashimaya” , etc  
(YoY 105.2%)

### ■Real Estate

#### Decreasing revenues, Increasing profits

Decrease in rent revenues due to the closing of the  
Nagoya Terminal Building,  
Decrease in expenses from the closing of the building, etc

### ■Other Services

#### Decreasing revenues, Increasing profits

Recoil decrease in export revenues from Nippon Sharyo,  
which increased last year, and  
decrease in sales of commissioned companies but costs  
reduced at those companies

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

# Year-End Investors Meeting

## FY2011.3 (Fiscal Year ending March 31, 2011)

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### III. Performance Forecast for FY2012.3

Shin Kaneko

Senior Executive Director and  
Director General, Corporate Planning Division



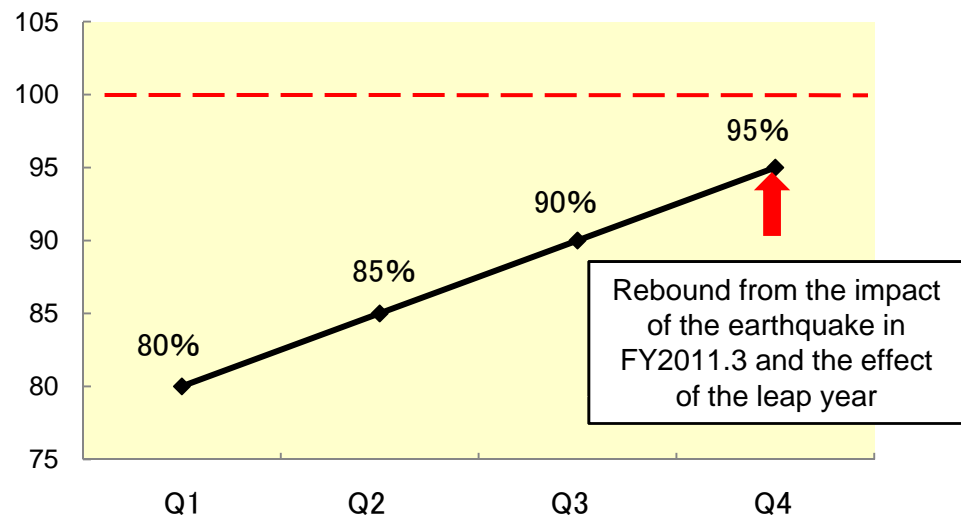


# Performance Forecast for FY2012.3

## JRC's Transportation Revenues and Changes in Operating Expenses

### 【JRC's Transportation Revenues】

#### ◆ Forecasted Transportation Revenues (YoY, %)



◆ Cross-sectional passenger volume for the Tokaido Shinkansen (YoY, Tokyo area, daily, average)  
From April 1 to 26 83%

◆ It is forecasted that Transportation Revenues will be

- 80% YoY in Q1 (from Apr. to Jun.) based on the assumption that present trends will continue.
- 85% YoY in Q2, 90% YoY in Q3, and 95% YoY in Q4. (In Q4, we take into account the rebound from the impact of the earthquake in FY2011.3 and the effect of the leap year)

Transportation revenues for FY2012.3 are forecasted to be 960 billion yen (87.4%, -138.3 billion yen YoY)

### 【JRC's Operating Expenses】

(billion yen)

	FY2011.3 Results A	FY2012.3 Forecast B	Changes B-A
Operating Expenses	846.4	846.0	-0.4
Personnel Expenses	173.4	171.0	-2.4
Non-personnel Expenses	400.3	401.0	0.6
—Energy	31.4	32.0	0.5
—Maintenance	173.6	183.0	9.3
—Others	195.2	186.0	-9.2
Tax other than income taxes	32.6	33.0	0.3
Depreciation and Amortization	240.0	241.0	0.9

Operating Expenses will decrease by 0.4 billion yen due to the decrease in “Others” and “Personnel Expenses”, and increase in “Maintenance” for Shinkansen rolling stock inspections.

◆ Decrease in expenses from “Cost Reduction” activities

- Forecasted decrease for FY2012.3: 1 billion yen
- Accumulated decrease through “Cost Reduction” activities: 9.5 billion yen (Accumulated amount includes forecast for FY2012.3)



# Performance Forecast for FY2012.3 (By segment)

## 【By segment】

(billion yen)

	FY2011.3 Results A	FY2012.3 Forecast B	Changes B-A
Operating Revenues	1,503.0	1,342.0	-161.0
Transportation	1,169.7	1,030.6	-139.1
Merchandise and Other	195.0	192.8	-2.2
Real Estate	66.4	62.0	-4.4
Other Services	239.6	216.8	-22.8
Operating Expenses	1,153.7	1,139.0	-14.7
Operating Income	349.3	203.0	-146.3
Transportation	323.0	184.4	-138.6
Merchandise and Other	5.1	3.0	-2.1
Real Estate	11.8	12.1	0.2
Other Services	10.9	5.1	-5.8

## 【Changes】

- Transportation  
Decreasing revenues, Decreasing profits  
Decrease in transportation revenues of JRC, etc
- Merchandise and Other  
Decreasing revenues, Decreasing profits  
Decreases in sales from “Tokai Kiosk Company” and “JR- Central Passengers” due to decrease in railway passengers, etc
- Real Estate  
Decreasing revenues, Increasing profits  
Decrease in rent revenues due to the closing of the Nagoya Terminal Building,  
Decrease in expenses from the closing of the building, etc
- Other Services  
Decreasing revenues, Decreasing profits  
Decrease in sales from Nippon Sharyo’s steel structure business and in sales of commissioned companies.

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

# Performance Forecast for FY2012.3 (Consolidated and Non-consolidated)

## 【Consolidated】

	FY2011.3 Results A	FY2012.3 Forecast B	Changes B-A
Operating Revenues	1,503.0	1,342.0	-161.0
Operating Expenses	1,153.7	1,139.0	-14.7
Operating Income	349.3	203.0	-146.3
Non-operating Revenues	7.9	7.0	-0.9
Non-operating Expenses	128.7	105.0	-23.7
Ordinary Income	228.5	105.0	-123.5
Net Income	133.8	60.0	-73.8

## 【Non-Consolidated】

(billion yen)

	FY2011.3 Results C	FY2012.3 Forecast D	Changes D-C
Operating Revenues (Transportation Revenues of JRC)	1,171.9 (1,098.3)	1,033.0 (960.0)	-138.9 (-138.3)
Operating Expenses	846.4	846.0	-0.4
Operating Income	325.4	187.0	-138.4
Non-operating Revenues	8.1	7.0	-1.1
Non-operating Expenses	126.0	102.0	-24.0
Ordinary Income	207.5	92.0	-115.5
Net Income	123.0	56.0	-67.0

# Key Measures for FY2012.3

## ■ Ensuring Safe and Reliable Transportation

- Strongly promoting countermeasures for derailment and deviation for the Tokaido Shinkansen
- Promoting the installation of ATS-PT system (Automatic Train Stop), which will be used on all conventional lines by the end of FY2012.3
- Utilizing the new Employee Training Center

## ■ Enhancing Transportation Services

- Promoting the concentrated introduction of the Series N700
- Promoting large-scale renovations of Shin-Osaka Station
- Maintaining smooth operation of the Tokaido, Sanyo, and Kyushu Shinkansen
- Replacing old conventional line rolling stock

## ■ Promoting the Tokaido Shinkansen Bypass by the Superconducting Maglev System

- Steadily proceeding with the required procedures in accordance with the Nationwide Shinkansen Railway Development Law
- Proceeding with the construction to extend and upgrade facilities at the Yamanashi Maglev Test Line
- Proceeding with the manufacture of new rolling stock, the Series L0, built to commercial specifications

## ■ Other

- Coordinating with Kyushu Shinkansen (JR Kyushu) and developing products for foreign visitors
- Steadily proceeding with the dismantling of the existing Nagoya Station building
- Attracting more visitors to the “SCMAGLEV and Railway Park”



Countermeasure for Derailment and Deviation of the Tokaido Shinkansen



The Series N700



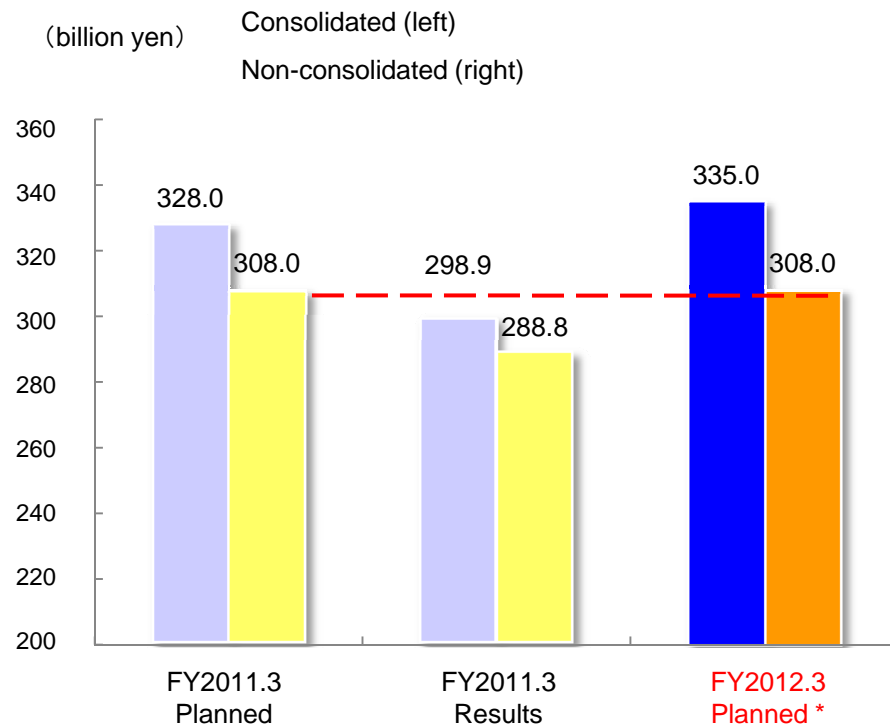
“Nagoya Station New Building”  
(tentative name, completion image)



“SCMAGLEV and Railway Park”

# Use of Cash Flow for FY2012.3

## 【Capital Investment】



\* Modified from amounts (consolidated 356.0 billion yen, Non-consolidated 329.0 billion yen) announced on March 29, 2011

Construction at the Yamanashi Maglev Test Line requires a large amount of capital investment in FY2012.3. We will also proceed with various key measures such as the concentrated introduction of the Series N700 and countermeasures for earthquakes

## 【Dividends, Reduction of long-term debt and payables】

It is forecasted that revenues and profits will decrease considerably in the wake of the Great Tohoku-Kanto Earthquake and Tsunami, but we'll maintain stable dividends and reduce long-term debt and payables as much as possible

### ◆ Forecasted Dividends

4,500 yen per share for both Q2 and year-end

### ◆ Estimated reduction in long-term debt and payables

\*Numbers shown in parentheses are estimates of long-term debt and payables at the end of FY2012.3

Consolidated	46 billion yen (2,999.3 billion yen)
Non-consolidated	40 billion yen (2,961.5 billion yen)

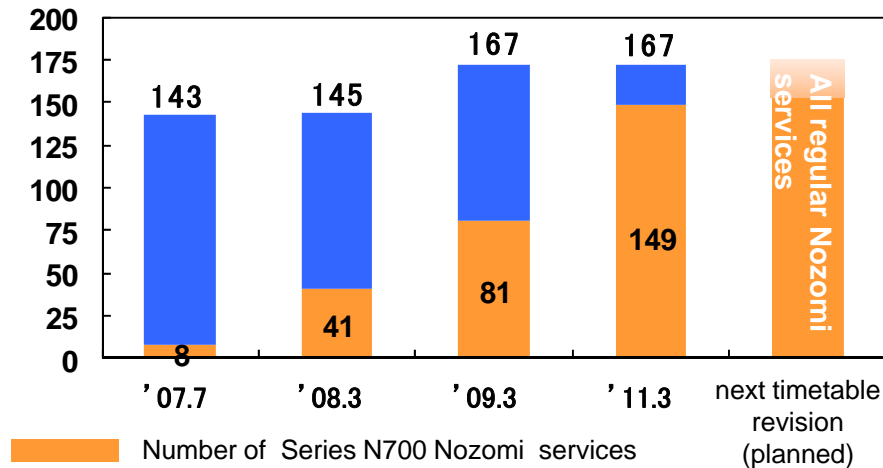
# Appendix

## Statistics on Introduction of the Series N700 and the number of Nozomi services

■ All regular “Nozomi” with direct services to the Sanyo Shinkansen section have been operated with the Series N700 since the timetable revision of March 2010.

Out of the 80 Series N700 trainsets which are to be introduced, 64 trainsets had been introduced as of March 12, 2011, the day of the timetable revision.

### Number of Nozomi Services Operated with the Series N700 (daily)

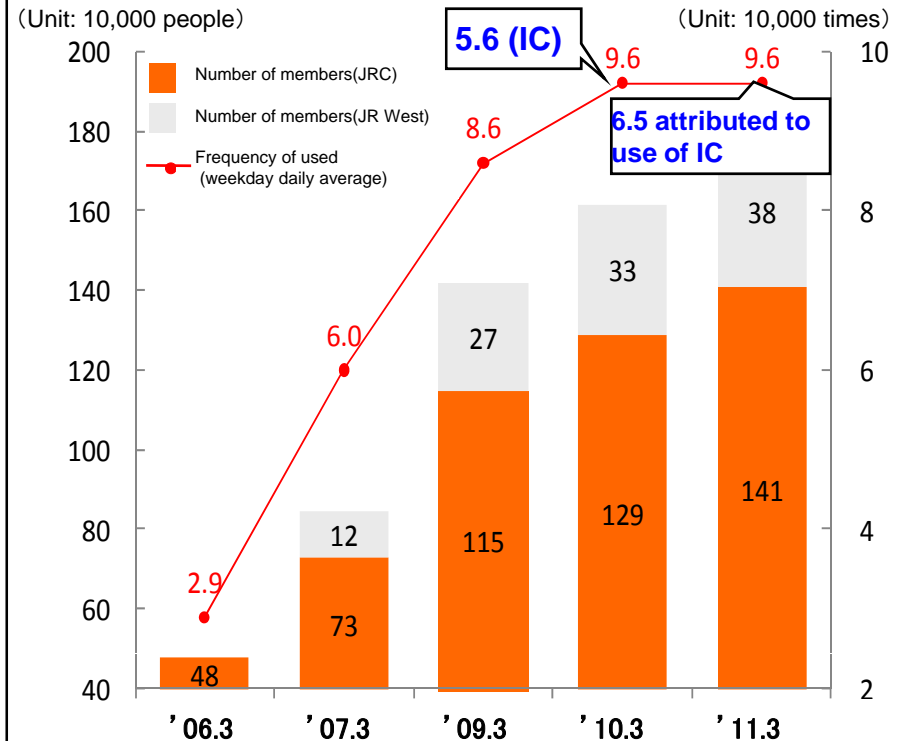


\* The numbers above the bars indicate all regular Nozomi services  
 \* These figures were current at the time of the timetable revisions

## Usage Status of Express Reservation Service

■ Usage of IC service increased due to the expansion of “EX-IC Service” to the Sanyo Shinkansen section and the commencement of service for corporate members.

### The Number of Express Reservation Members and Daily Average Usage



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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.