

Q&A Summary at the Year-End Investors Meeting for FY2012.3

Q. What are your forecasts for non-consolidated personnel expenses and maintenance expenses for the next three years?

A. Actual numbers will eventually be announced for each fiscal year, so for now, I will share our view in broader terms as much as we can provide at the moment. Although it is possible that our number of employees will slightly increase, the basis of personnel expenses will generally continue to remain unchanged without large fluctuations because unit cost will decrease due to the lowering of the average age. Expenses related to the improvement of Superconducting Maglev technologies will be allocated as maintenance expenses, but we are going to control costs by continuously engaging in “Cost Reduction Activities” at all levels.

Q. Your planned non-consolidated capital investments for FY2013.3 are 324 billion yen. Will this be the peak?

A. Actual numbers will eventually be announced for each fiscal year, but I can tell you that our capital investments will decrease in FY2014.3 because our planned investments for FY2013.3 include the construction to upgrade and extend the Yamanashi Maglev Test Line, which will hit its peak this fiscal year.

Q. Why did you decide to increase dividends from 9,500 yen to 10,000 yen per share for FY2013.3?

A. We have consistently calculated dividends taking into account the management environment and our performance for each fiscal year based on our principle of maintaining stable dividends. Dividend per share at the end of FY2012.3 will be increased by 500 yen mainly because passenger volume in FY2012.3 steadily recovered after the second quarter despite of the impact of the Great East Japan Earthquake. Dividends per share at the end of the second quarter and the end of the fiscal year will also be 5,000 yen (10,000 yen for FY2013.3).

* The 1-for-100 stock split scheduled to take effect on October 1, 2012 has not been taken into account when calculating dividend forecasts.

Q. When will you increase dividends next?

A. In the railway business it is essential to engage in maintenance and investment necessary for ensuring safety, from a long-term point of view, even though our income for each fiscal year fluctuates to some degree. Therefore it has been our fundamental policy to provide stable dividends to JR Central's investors. We will suitably calculate dividends in consideration of the management environment and our performance of each fiscal year so that we can maintain stable dividends for long periods of time.

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