

# Year-End Investors Meeting

## FY2012.3 (Fiscal Year ending March 31, 2012)

---

### I. Management Policy

Yoshiomi Yamada  
President



Central Japan Railway Company

April 27, 2012 1

# Management Policy

- Although the impact of the Great East Japan Earthquake was limited in FY2012.3, the outlook for the economy is uncertain.
- JR Central will continue to steadily advance key measures by taking a long-term perspective, prioritizing ensuring safe and reliable transportation constituting the very foundation of the railway business

## Ensuring Safe and Reliable Transportation

Strengthening Earning Capability

→ Enhancing transportation service and developing marketing initiatives

Capital Investment

→ Steadily advancing the largest investment ever

“Cost Reduction” and Efficiency

→ Pursuing greater performance at all levels including capital investment

Long-term Debt and Payables

→ Enhancing financial strength by continuing to reduce debts and payables

Chuo Shinkansen Project

→ Steadily proceeding with preparations for construction including environmental impact assessments

## Maintaining Sound Operation and Stable Dividends

Year-End Investors Meeting  
FY2012.3 (Fiscal Year ending March 31, 2012)

---

## II. Summary of Financial Results for FY2012.3

Hidenori Fujii

Director and  
General Manager, Finance Department



# Summary of Financial Results for FY2012.3

【Consolidated】				【Non-Consolidated】			(billion yen)
	FY2011.3 Results A	FY2012.3 Results B	Changes B-A		FY2011.3 Results C	FY2012.3 Results D	Changes D-C
Operating Revenue	1,503.0	1,508.3	+5.2	Operating Revenue (Transportation Revenue)	1,171.9 (1,098.3)	1,184.5 (1,108.1)	+12.6 (+9.7)
Operating Expenses	1,153.7	1,135.8	-17.9	Operating Expenses	846.4	839.0	-7.4
Operating Income	349.3	372.5	+23.1	Operating Income	325.4	345.5	+20.0
Non-operating Income (Loss)	-120.7	-108.7	+12.0	Non-operating Income (Loss)	-117.8	-105.7	+12.1
Ordinary Income	228.5	263.8	+35.2	Ordinary Income	207.5	239.8	+32.2
Net Income	133.8	132.7	-1	Net Income	123.0	120.8	-2.2

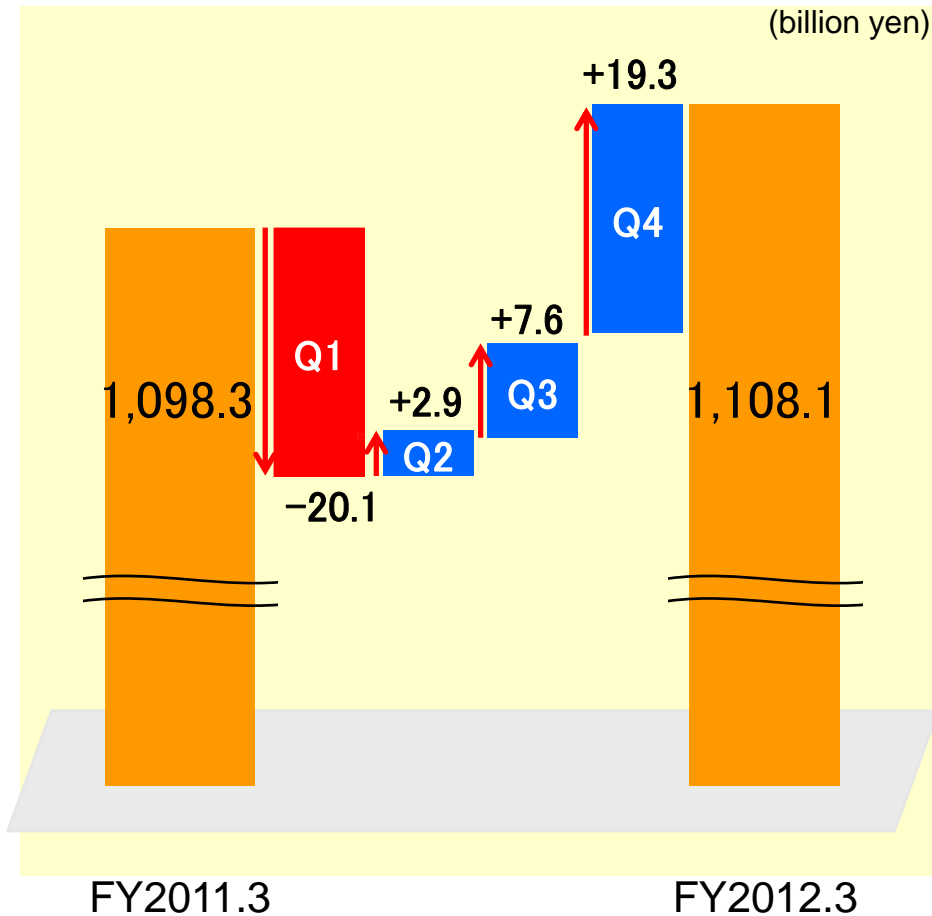
◆ Reduction in long-term debt and payables

Consolidated: 178.5 billion yen Non-consolidated: 172.4 billion yen

# Summary of Financial Results for FY2012.3

## Non-Consolidated Transportation Revenue and Operating Expenses

### 【JR Central Transportation Revenue】



Transportation revenue has gradually recovered from large decline which occurred after the Great East Japan Earthquake in March 2011. The fourth quarter (January to March 2012) of FY 2012.3 included an increase in revenue achieved in comparison to the decline in usage resulting from the earthquake disaster last year.

### 【JR Central Operating Expenses】 (billion yen)

	FY2011.3 Results A	FY2012.3 Results B	Changes (B-A)
Operating Expenses	846.4	839.0	-7.4
Personnel Expenses	173.4	170.5	-2.8
Non-personnel Expenses	400.3	394.0	-6.2
—Energy	31.4	34.1	+2.6
—Maintenance	173.6	178.7	+5.0
—Others	195.2	181.1	-14.0
Tax other than income taxes	32.6	32.8	+0.2
Depreciation and Amortization	240.0	241.4	+1.4

- ◆ Decrease in operating expenses through “Cost Reduction” activities  
Approx. 3 billion yen

## Summary of Financial Results for FY2012.3 (By Segment)

	FY2011.3 Results A	FY2012.3 Results B	Changes B-A	(billion yen)
Operating Revenue	1,503.0	1,508.3	+5.2	
Transportation	1,169.7	1,182.6	+12.9	
Merchandise and Other	195.0	205.2	+10.2	
Real Estate	66.4	62.7	-3.6	
Other	239.6	225.8	-13.7	
Operating Expenses	1,153.7	1,135.8	-17.9	
Operating Income	349.3	372.5	+23.1	
Transportation	323.0	342.8	+19.7	
Merchandise and Other	5.1	5.7	+0.5	
Real Estate	11.8	13.0	+1.1	
Other	10.9	11.4	+0.5	

\* Figures by segment for operating revenue and operating income are values offsetting and eliminating intersegment transactions

# Year-End Investors Meeting

## FY2012.3 (Fiscal Year ending March 31, 2012)

---

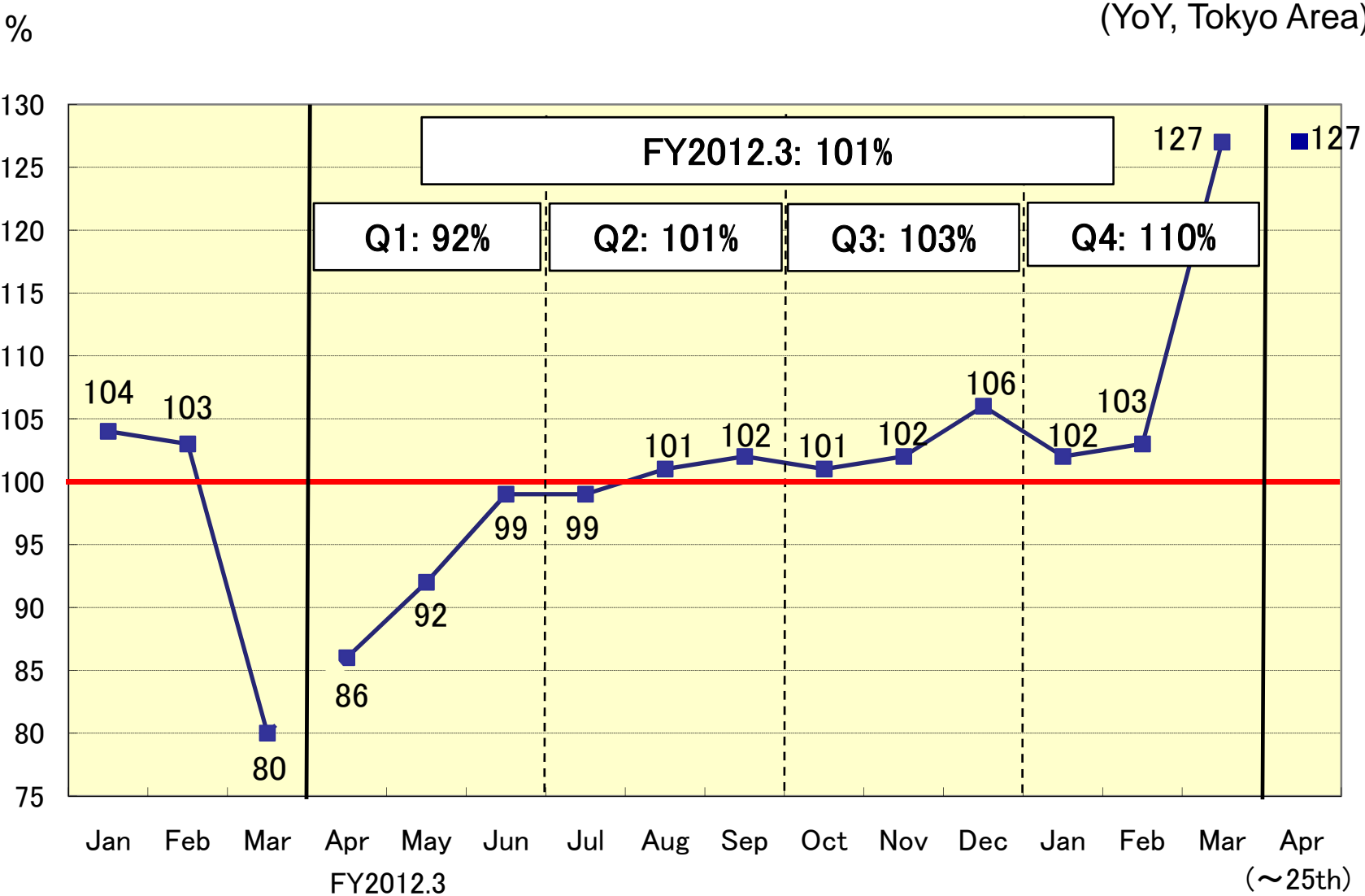
### III. Performance Forecast for FY2013.3

Shin Kaneko



Senior Executive Director and  
Director General, Corporate Planning Division

# Passenger Volume of Tokaido Shinkansen

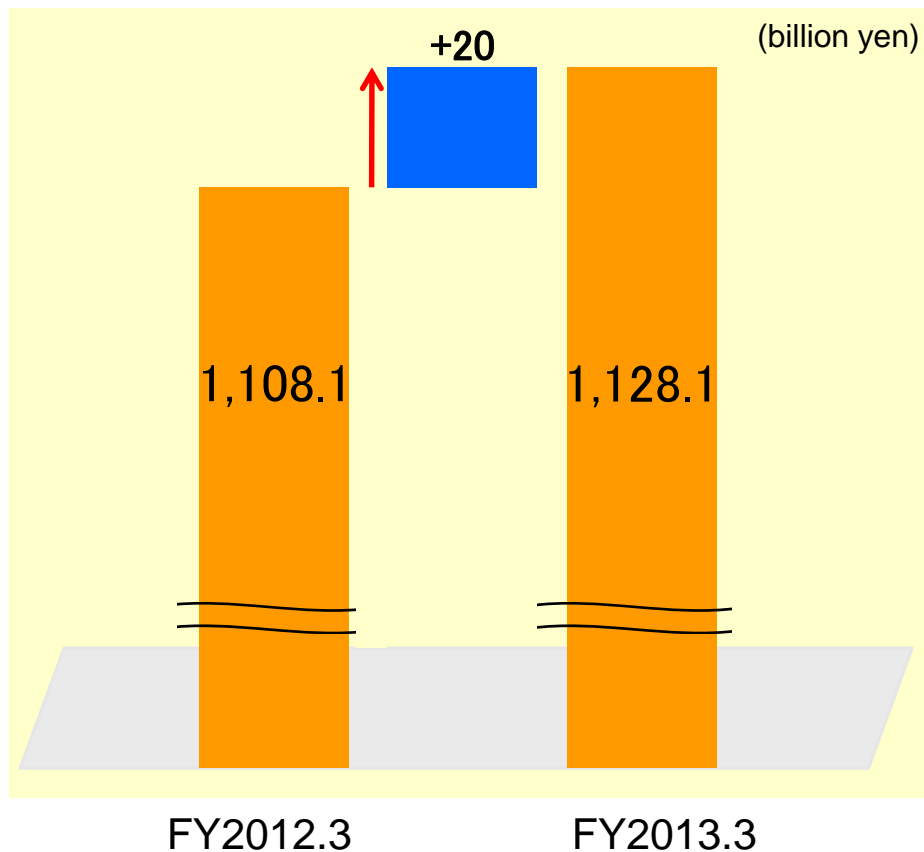




# Performance Forecast for FY2013.3

## Non-Consolidated Transportation Revenue and Operating Expenses

### 【JR Central Transportation Revenue】



Transportation revenue is forecast to increase by 20 billion yen on a rebound from the decrease in revenue in the first quarter of FY2012.3, which resulted from the Great East Japan Earthquake.

### 【JR Central Operating Expenses】 (billion yen)

	FY2012.3 Results A	FY2013.3 Forecast B	Changes (B-A)
Operating Expenses	839.0	847.0	+7.9
Personnel Expenses	170.5	172.0	+1.4
Non-personnel Expenses	394.0	420.0	+25.9
—Energy	34.1	36.0	+1.8
—Maintenance	178.7	196.0	+17.2
—Others	181.1	188.0	+6.8
Tax other than income taxes	32.8	33.0	+0.1
Depreciation and Amortization	241.4	222.0	-19.4

- ◆ Decrease in operating expenses through “Cost Reduction” activities
  - Forecasted decrease for FY2013.3:  
Approx. 2 billion yen
  - Accumulated decrease through “Cost Reduction” activities:  
Approx. 13.5 billion yen  
(Accumulated amount includes forecast for FY2013.3)

## Performance Forecast for FY2013.3 (By segment)

	FY2012.3 Results A	FY2013.3 Forecast B	Changes B-A	(billion yen)
Operating Revenue	1,508.3	1,552.0	+43.6	
Transportation	1,182.6	1,201.9	+19.2	
Merchandise and Other	205.2	205.5	+0.2	
Real Estate	62.7	63.7	+0.9	
Other	225.8	233.2	+7.3	
Operating Expenses	1,135.8	1,169.0	+33.1	
Operating Income	372.5	383.0	+10.4	
Transportation	342.8	354.1	+11.2	
Merchandise and Other	5.7	6.0	+0.2	
Real Estate	13.0	12.7	-0.3	
Other	11.4	9.3	-2.1	

\* Figures by segment for operating revenue and operating income are values offsetting and eliminating intersegment transactions

# Performance Forecast for FY2013.3

【Consolidated】				【Non-Consolidated】			(billion yen)
	FY2012.3 Results A	FY2013.3 Forecast B	Changes B-A		FY2012.3 Results C	FY2013.3 Forecast D	Changes D-C
Operating Revenue	1,508.3	1,552.0	+43.6	Operating Revenue (Transportation Revenue)	1,184.5 (1,108.1)	1,204.0 (1,128.1)	+19.4 (+20.0)
Operating Expenses	1,135.8	1,169.0	+33.1	Operating Expenses	839.0	847.0	+7.9
Operating Income	372.5	383.0	+10.4	Operating Income	345.5	357.0	+11.4
Non-operating Income (Loss)	-108.7	-98.0	+10.7	Non-operating Income (Loss)	-105.7	-96.0	+9.7
Ordinary Income	263.8	285.0	+21.1	Ordinary Income	239.8	261.0	+21.1
Net Income	132.7	173.0	+40.2	Net Income	120.8	164.0	+43.1

# Key Measures

	~FY2011.3	FY2012.3	FY2013.3	FY2014.3
<b>Ensuring Safe and Reliable Transportation</b> (Earthquake Countermeasures, Renovation of the Hamamatsu Workshop, etc.)				
Tokaido Shinkansen	<b>FY2008.3~FY2012.3 Concentrated Introduction of 80 trainsets of Series N700</b>		<b>Introduction of 13 trainsets of N700A (Replacement of Series 700)</b>	
	<b>2010.3</b> All Regular "Nozomi" with Direct Services to the Sanyo Shinkansen operated by Series N700	<b>2012.3</b> All Regular "Nozomi" Services operated by Series N700	<b>2012.3: Retirement of Series 300</b>	<b>During FY2014.3</b> Completion of Large-Scale Renovation at Shin-Osaka Station
	<b>2008.3</b> Introduction of EX-IC Service	<b>2009.8</b> Expanding the EX-IC Service to corporate members and the Sanyo Shinkansen	<b>2012.3</b> Passenger-related Facilities Improved at Tokyo Station	<b>During FY2013.3</b> Passenger-related Facilities Improved at Shin-Osaka Station
Conventional Line, Affiliated business		<b>2012.2</b> Completion to Introduce ATS-PT system on All Lines	<b>During FY2013.3</b> All Electric and Diesel cars replaced with Energy-Saving type cars(*)	
		<b>2011.9</b> Opening of the General Education Center	<b>During 2012</b> Start to Construct the "Nagoya Station New Building"	

⇒ improving ability to make up for train delays due to natural hazards and to increase transportation capacity

\* Except some cars for events

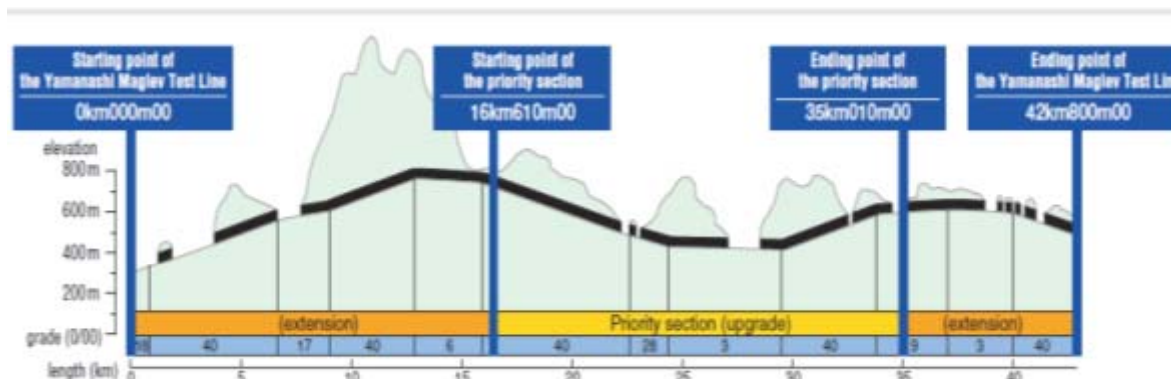
# The Chuo Shinkansen using the Superconducting Maglev System

## 【Legal Process】

- In May 2011, the Minister of Land, Infrastructure, Transport and Tourism designated JR Central as the operator and constructor of the Chuo Shinkansen. The Minister also determined the development plan and instructed JRC to construct the Chuo Shinkansen.
- We will steadily proceed with preparations to begin constructions including an assessment of environmental impacts between Tokyo and the City of Nagoya.

## 【Technology, etc】

- We will make efforts to improve the Superconducting Maglev technology and reduce costs for construction, operation and maintenance.
- We will proceed with the construction works to extend the length of the Yamanashi Maglev Test Line to 42.8 km and upgrade its facilities in full scale steadily and swiftly to start running tests by the end of 2013, and also with the manufacture of the new rolling stock, the Series L0.



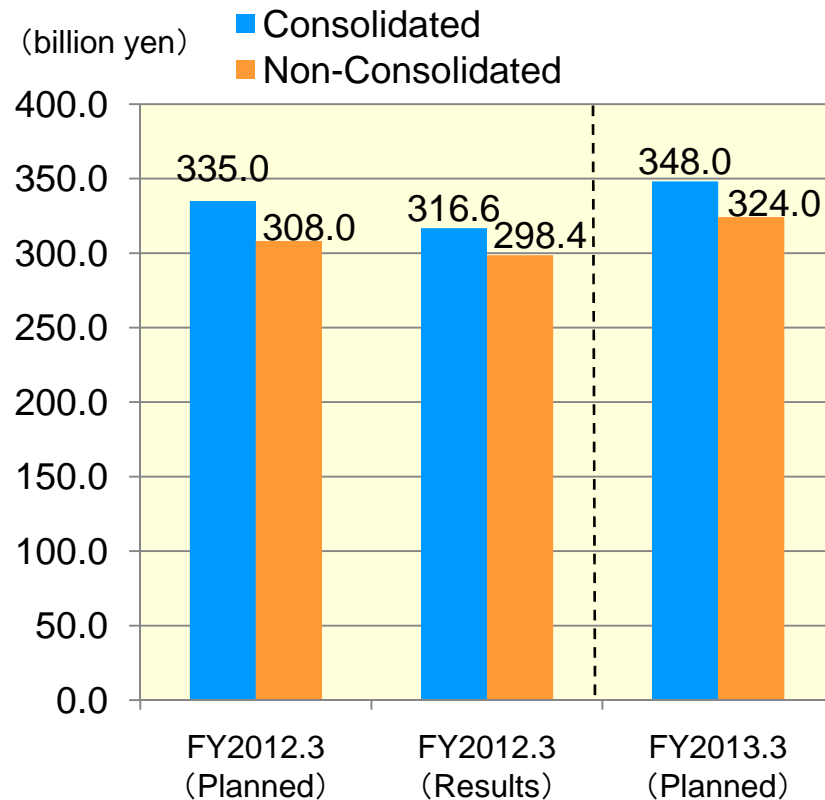
Yamanashi Maglev Test Line



New Vehicle, Series L0

# Use of Cash for FY2013.3

## 【Capital Investment】



Planned investment in FY2013.3 will be the largest ever with construction work to upgrade and extend the Yamanashi Maglev Test Line reaching its zenith.

## 【Dividend】

- ◆ Year-End Dividend (FY2012.3)  
5,000 yen per share  
(Increase of 500 yen per share over the original forecast)
- ◆ Dividend Forecast (FY2013.3)  
5,000 yen per share in 2<sup>nd</sup> quarter and at year-end  
(1-for-100 stock split scheduled to take effect on October 1, 2012 is not taken into account)

## 【Cancellation of Treasury Stock】

- Number of shares cancelled: 90,000
- Scheduled Date: May 7, 2012
- Number of Treasury Shares after Cancellation: 89,990

## 【Reduction in Long-term Debt and Payables】

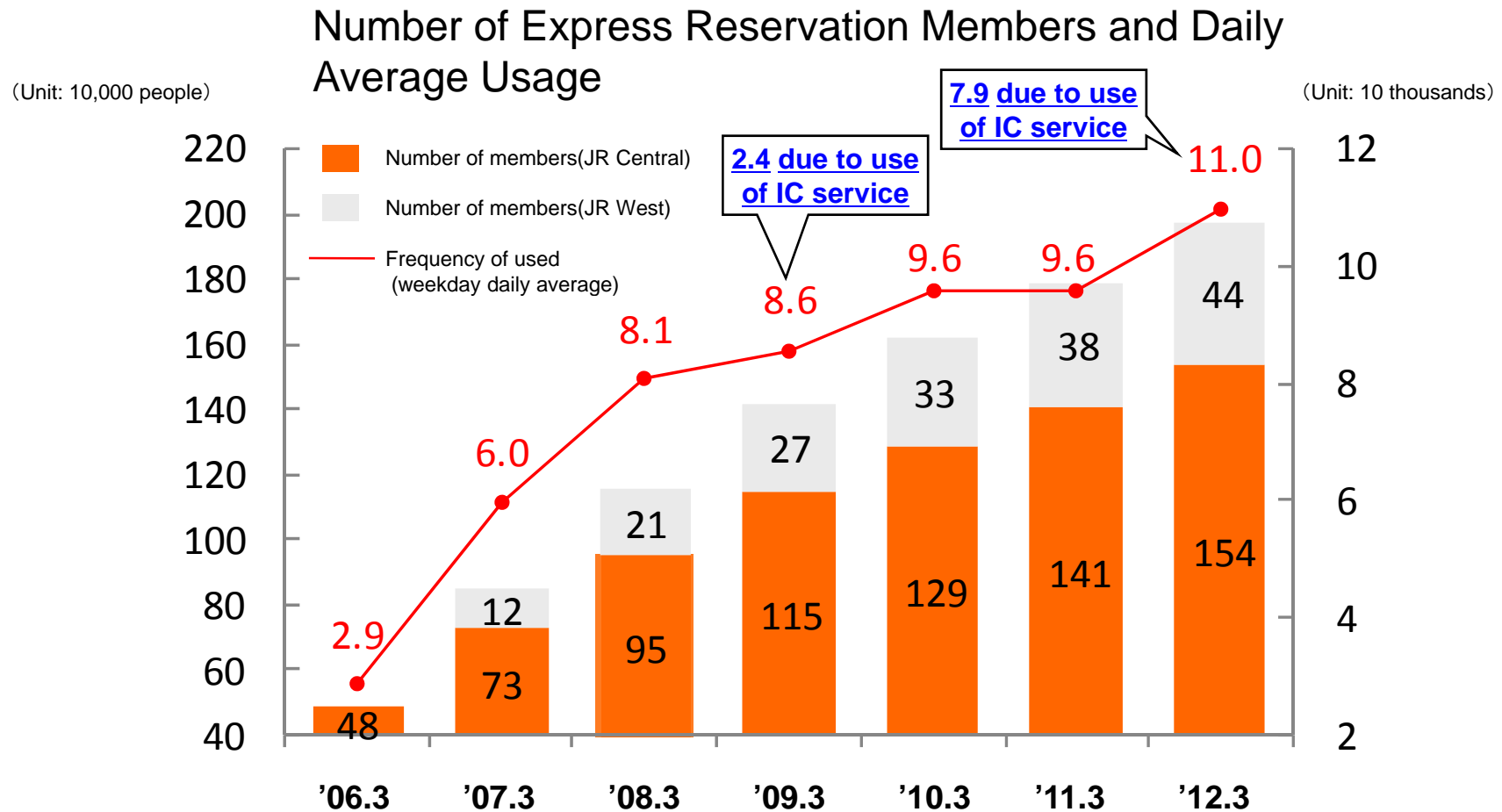
- ◆ Estimated Reduction
 

Consolidated	127 billion yen (2,739.7 billion yen)
Non-Consolidated	110 billion yen (2,719.1 billion yen)

\* Numbers shown in parentheses are estimates of long-term debt and payables at the end of FY2013.3

# Appendix: Express Reservation Service

■ Both the number of members and frequency of use increased. Usage of IC service increased especially due to the expansion of “EX-IC Service” to the Sanyo Shinkansen and the commencement of service for corporate members ('09.8).



Note: Both reservations and changes are counted in “frequency of used.”

## Appendix: Progress of the Chuo Shinkansen Project

	Procedure for construction of the Chuo Shinkansen	Superconducting Maglev Technology
1990	Feb: Started topographical and geological researches by the instruction of the Minister (Article 5)	Jun: Applied the construction plan of the Yamanashi Maglev Test Line to the Minister, which was approved →Started construction of the priority section, 18.4km
1997		Apr: Started running tests at the priority section of the Yamanashi Maglev Test Line
2007	Dec: Announced that JR Central would construct the Tokaido Shinkansen Bypass as the Chuo Shinkansen under the Nationwide Shinkansen Railway Development Act on the premise that JR Central would bear the construction cost	Jan: Applied the modified construction plan of the Yamanashi Maglev Test Line to the Minister regarding upgrade and extension, which was approved
2008	Oct: Reported topographical and geological researches to the Minister (Article 5) Dec: Started "the four researches" by the instruction of the Minister (Article 5)	
2009	Dec: Reported "the four researches" to the Minister (Article 5)	Jul: The government's "Superconducting Magnetic Levitation Technological Practicality Evaluation Committee" determined that "the technology required for a commercial line has been cyclopaedically and systematically established and it is possible to move forward with actually creating detailed technological standards and specifications for a commercially viable line"
2010	Feb: The Minister consulted Transport Policy Council regarding the designation of an operator and constructor of the Chuo Shinkansen and matters regarding the establishment of Development Plan (Article 14-2) May: Explained JR Central's attitude including "Long-term Estimated Forecast" at Transport Policy Council	
2011	May: Transport Policy Council reported to the Minister (Article 14-2) May: The Minister designated JR Central as the operator and constructor (Article 6), determined the Development Plan (Article 7), and instructed JR Central to construct the Chuo Shinkansen (Article 8) Jun, Aug: Announced a rough route and locations of stations bet. Tokyo and Nagoya in the "Report for Environmental Consideration at the Planning Phase" Sep: Published the "Report for Procedure of Environmental Assessment" Nov: Announced that JR Central would construct the intermediate stations at its own expense for the early realization of the Chuo Shinkansen by sharing the roles with the local governments	Sep: Ending running tests at the priority section due to upgrade and extension of the Yamanashi Maglev Test Line Dec: The Minister established the standard of the Superconducting Maglev Technology
2013		End of the year (planned) Start running tests at the upgraded and extended Test Line

\*Numbers shown in parentheses indicate related articles of the Nationwide Shinkansen Railway Development Act

\* "The Minister" stands for the Ministry of Land, Infrastructure, Transport and Tourism (the Ministry of Transport in 1990)



---

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.