

Semi-Annual Investors Meeting
FY2015.3 (Fiscal Year Ending March 31, 2015)

I. Financial Results for 1st Half of FY2015.3

Tatsuhiko Yamada

General Manager of Finance Department



Central Japan Railway Company

October 30, 2014 1

Summary of Financial Results for 1st Half of FY2015.3 (Consolidated)

(billion yen)

	1 st Half of FY2014.3 (Apr-Sep) Results A	1 st Half of FY2015.3 (Apr-Sep) Results B	Change (B-A)
Operating Revenues	814.7	817.2	+2.4
Operating Expenses	526.5	538.3	+11.7
Operating Income	288.1	278.9	-9.2
Non-operating Income (Loss)	-42.2	-33.7	+8.4
Ordinary Income	245.9	245.1	-0.7
Net Income	159.5	167.0	+7.4

Long-term debt and payables at the end of 1st half of FY2015.3 :
2373.9 billion yen (+3.1 billion yen compared to the end of FY2014.3)

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[Financial Results Summary (Consolidated)]

- I would like to give you an overview of our consolidated financial results for the first half of fiscal year 2015.3.

- Firstly, thanks to steady increases in use by business people and tourists, transportation revenues increased by 11.9 billion yen year-on-year. Some group companies experienced decreases in revenue but total consolidated operating revenues increased by 2.4 billion yen year-on-year.

- In regard to operating expenses, sales costs for Nippon Sharyo, one of our group companies, decreased, but JR Central's non-personnel expenses increased due to increases in electricity charges and the progress of large-scale renovations on the Tokaido Shinkansen. Furthermore, increases in depreciation of the Yamanashi Maglev Test Line, at which running tests were resumed in August of last year, increased, thereby resulting in an overall year-on-year increase of 11.7 billion yen.

- Non-operating income improved year-on-year by 8.4 billion yen due to decreases in paid interest and in losses associated with the early payback of long-term debt.

- In the first half of the fiscal year, operating income and ordinary income decreased, but net income increased year-on-year by 7.4 billion yen due to decrease in corporate tax brought upon by the abolishment of special corporate taxes for reconstruction at the end of last fiscal year and increase in tax deductions for testing and research expenses.

- Furthermore, extraordinary loss for the first half of the fiscal year includes the loss from the revaluation of stock for a subsidiary of Nippon Sharyo, for which there was a timely disclosure on October 28, 2014.

Summary of Financial Results for 1st Half of FY2015.3 (By Segment)

(billion yen)

	1 st Half of FY2014.3 (Apr-Sep) Results A	1 st Half of FY2015.3 (Apr-Sep) Results B	Change (B-A)
Operating Revenues	814.7	817.2	+2.4
Transportation	631.1	644.0	+12.8
Merchandise and Other	105.3	112.8	+7.4
Real Estate	32.9	32.9	+0.0
Other	106.9	96.1	-10.7
Operating Expenses	526.5	538.3	+11.7
Operating Income	288.1	278.9	-9.2
Transportation	272.9	263.1	-9.8
Merchandise and Other	3.8	4.0	+0.2
Real Estate	7.7	8.5	+0.7
Other	2.2	2.4	+0.2

* Figures by segment for operating revenues and operating income are values without offsetting and eliminating intersegment transactions.
* Total values of segment for operating revenues and operating income are not equal to Operating Revenues and Operating Income indicated above.

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[Financial Results Summary (Consolidated by Segment)]

- I will next explain the year-on-year increases and decreases for each segment.
- In regard to transportation, whereas transportation revenues of JR Central increased, we experienced an increase in revenue but a decrease in profits due to increases in non-personnel expenses caused by increase in electricity charges and the progress of large-scale renovations on the Tokaido Shinkansen, and increases in depreciation costs of the Yamanashi Maglev Test Line.
- We saw increases in revenues and profits for merchandise and other due to sales increases at JR Tokai Takashimaya and JR-Central Passengers.
- Profit increases were seen in the real estate segment due to decreases in depreciation costs of JR Central Building.
- Lastly in the other segment whereas there is a decrease in sales of rolling stock to Taiwan by Nippon Sharyo we experienced decreases in revenues and increases in profits due to a decrease in sales costs of Nippon Sharyo.

Summary of Financial Results for 1st Half of FY2015.3 (Non-Consolidated)

(billion yen)

	1 st Half of FY2014.3 (Apr-Sep) Results A	1 st Half of FY2015.3 (Apr-Sep) Results B	Change (B-A)
Operating Revenues (Transportation Revenues)	631.7 (601.7)	644.5 (613.7)	+12.7 (+11.9)
Operating Expenses	357.5	379.6	+22.0
Personnel Expenses	87.1	87.7	+0.5
Non-personnel Expenses	140.9	151.3	+10.4
Energy	20.6	22.8	+2.1
Maintenance	37.2	44.7	+7.4
Others	82.9	83.7	+0.7
Tax other than income taxes	16.3	16.2	-0.0
Depreciation & Amortization	113.1	124.2	+11.1
Operating Income	274.2	264.8	-9.3
Ordinary Income	232.6	231.3	-1.2
Net Income	153.2	161.7	+8.5

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[Financial Results Summary (Non-Consolidated)]

- Next, let me explain JR Central's financial results on a non-consolidated basis.
- Firstly, operating revenues increased year-on-year by 12.7 billion yen due to a year-on-year increase in transportation revenues of 11.9 billion yen.
- Moving on to operating expenses.
- We see that personnel expenses increased year-on-year by 500 million yen mainly due to increases in insurance rates of the JR Group health insurance association.
- There was a year-on-year 2.1 billion yen increase in energy expenses due to increases in fuel prices and in electricity rates of Chubu Electric Power Company.
- Maintenance expenses increased year-on-year by 7.4 billion yen due to increases in testing and research expenses related to the Yamanashi Maglev Test Line, in addition to the progress of large-scale renovations. The costs associated with large-scale renovations were 3.9 billion yen, a year-on-year increase of 3.8 billion yen.
- Other expenses saw a year-on-year increase of 700 million yen due to increases in advertising expenses, etc.
- Depreciation and amortization increased year-on-year by 11.1 billion yen due to an 18 billion yen increase in depreciation costs associated with the Yamanashi Maglev Test Line, at which running tests recommenced in August of last year, even though depreciation of Shinkansen rolling stock and ground facilities decreased.
- As a result, operating profit decreased year-on-year by 9.3 billion yen, and ordinary profit decreased year-on-year by 1.2 billion yen as a result of decrease in paid interest and losses associated with the early repayment of long-term debt. Furthermore, net income increased year-on-year by 8.5 billion yen due to decreases in corporate tax brought upon by the abolishment of special corporate taxes for reconstruction at the end of last fiscal year and increases in tax deductions for testing and research expenses.
- This concludes my portion of this presentation. Thank you.

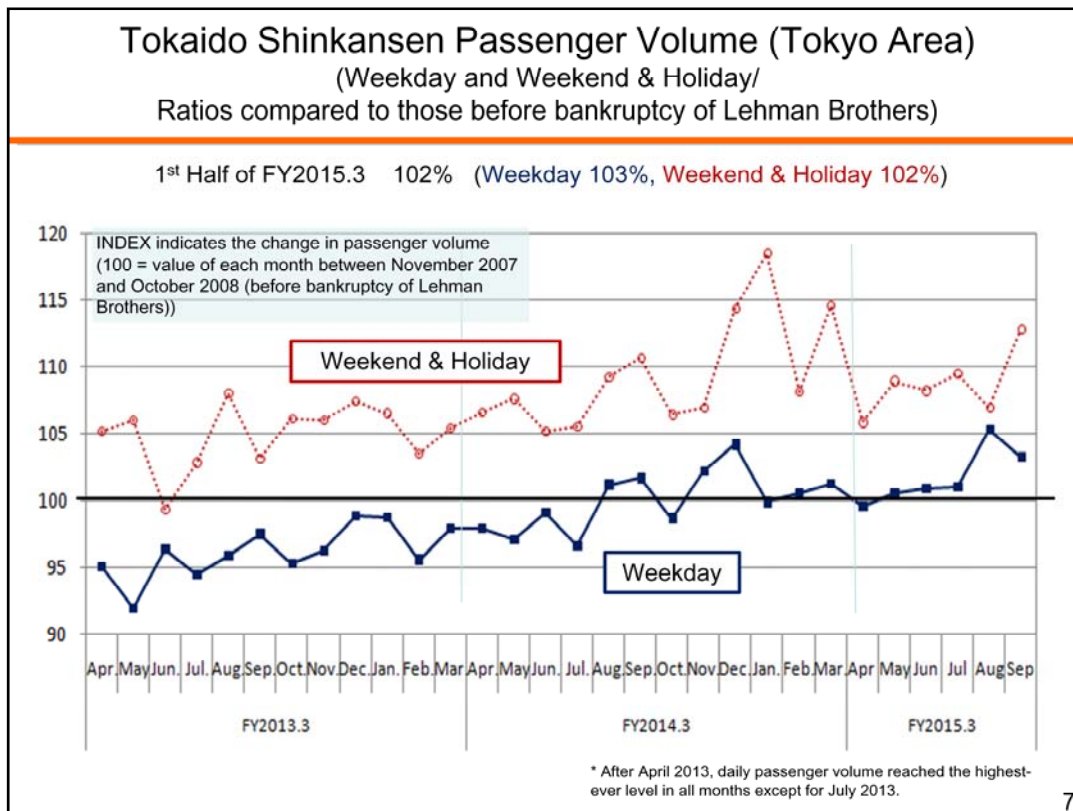
Semi-Annual Investors Meeting FY2015.3 (Fiscal Year Ending March 31, 2015)

II. Performance Forecast for FY2015.3 and Key Policy Developments

Katsumi Miyazawa

Director, Senior Executive Officer and
Director General of Corporate Planning Division





[Weekday/Weekend Comparison and Comparison with Numbers prior to the Bankruptcy of Lehman Brothers]

- The graph before you shows a breakdown of use of the Tokaido Shinkansen on weekends and weekdays by month. Passenger volumes have been indexed based on the months for the year prior to the bankruptcy of Lehman Brothers (November 2007 through October 2008) for which a value of 100 has been allocated.
- Firstly, compared with weekdays, use on weekends, which is largely accounted for by tourism use, quickly recovered to levels seen prior to the bankruptcy of Lehman Brothers. And, as I mentioned earlier, this stable increase beyond levels seen prior to the bankruptcy of Lehman Brothers that we have experienced during the first half is the result of our efforts to increase tourism demand in conjunction with the 50th anniversary of the Tokaido Shinkansen.
- Meanwhile, use on weekdays, which is largely accounted for by business use, finally exceeded levels seen prior to the bankruptcy of Lehman Brothers in the summer of last fiscal year. That trend has continued into the first half of this year. We can see that this is not a singular event, and that there has been a steady return to pre-Lehman Brothers bankruptcy volumes over approximately one year.
- As a result, transportation revenues have exceeded last year's record-breaking numbers, thereby setting new records.

Revised Performance Forecast for FY2015.3 (Non-Consolidated)			
	(billion yen)		
	FY2015.3 Previous Forecast (A)	FY2015.3 Revised Forecast (B)	Change (B-A)
Operating Revenues (Transportation Revenues)	1,279.0 (1,214.8)	1,291.0 (1,226.8)	+12.0 (+11.9)
Operating Expenses	850.0	846.0	-4.0
Personnel Expenses	177.0	176.0	-1.0
Non-personnel Expenses	382.0	381.0	-1.0
Energy	47.0	46.0	-1.0
Maintenance	146.0	146.0	-
Others	189.0	189.0	-
Tax other than income taxes	33.0	33.0	-
Depreciation & Amortization	258.0	256.0	-2.0
Operating Income	429.0	445.0	+16.0
Non-Operating Income (Loss)	-70.0	-78.0	-8.0
Ordinary Income	359.0	367.0	+8.0
Net Income	251.0	256.0	+5.0

The revised amount of Long-term debt and payables at the end of 1st half of FY2015.3 decreased (Non-Consolidated) :
200 billion yen (+80 billion yen compared to the previous forecast)

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[Revised Performance Forecast (Non-Consolidated)]

- I would now like to introduce our revised performance forecast on a non-consolidated basis.
- Initially, our forecast for transportation revenues was the same number as results for the previous fiscal year. However, actual transportation revenues for the first half exceeded last year's numbers and our forecast by 11.9 billion yen. Our forecast for the second half remains unchanged, but we have increased the forecast for the entire year by the actual increase experienced during the first half, 11.9 billion yen, thereby resulting in a new forecast of 1.2268 trillion yen for the year.
- Operating expenses are expected to be 4 billion yen less than originally forecasted, but most of this is included in our margin of error.
- Non-operating income is 8 billion yen less than the previous forecast. This is because we plan to newly redeem corporate bonds early during the second half in order to further enhance corporate strength.
- The original forecast for long-term debt on a non-consolidated basis expected a reduction of 120 billion yen, but we have increased this number by 80 billion yen as we strive to achieve a reduction of 200 billion yen.
- As a result, our ordinary income forecast has increased 8 billion yen to 367 billion yen while our net income forecast has increased 5 billion yen to 256 billion yen.

Revised Performance Forecast for FY2015.3 (By Segment)			
(billion yen)			
	FY2015.3 Previous Forecast (A)	FY2015.3 Revised Forecast (B)	Change (B-A)
Operating Revenues	1,636.0	1,651.0	+15.0
Transportation	1,277.8	1,290.1	+12.3
Merchandise and Other	223.3	229.0	+5.7
Real Estate	65.1	65.6	+0.5
Other	234.7	238.7	+4.0
Operating Expenses	1,177.0	1,176.0	-1.0
Operating Income	459.0	475.0	+16.0
Transportation	428.1	444.4	+16.3
Merchandise and Other	6.8	7.7	+0.9
Real Estate	13.5	13.9	+0.4
Other	8.7	8.7	-
Non-Operating Income (Loss)	-71.0	-79.0	-8.0
Ordinary Income	388.0	396.0	+8.0
Net Income	265.0	268.0	+3.0

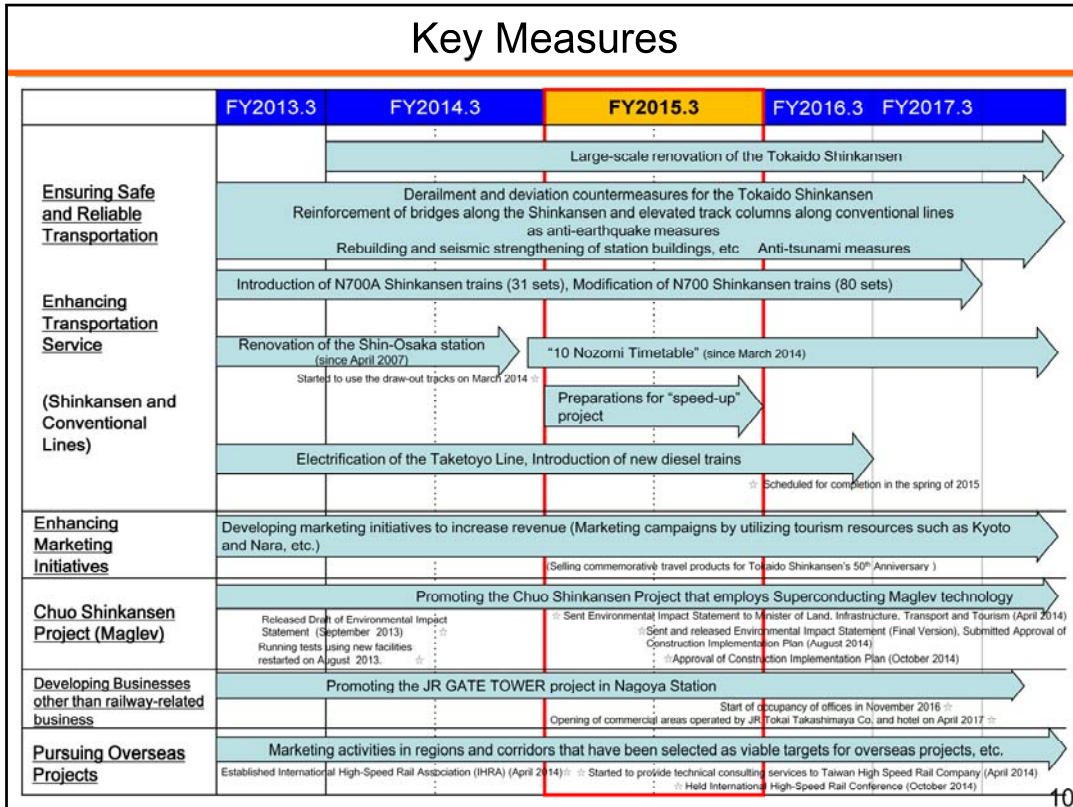
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* Total values of segment for operating revenues and operating income are not equal to Operating Revenues and Operating Income indicated above.

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[Revised Performance Forecast (Consolidated by Segment)]

- Next, I will explain our consolidated forecast.
- Operating revenues on a total consolidated basis are forecasted to be 1.651 trillion yen, 15 billion yen higher than the previous forecast due to increases in sales at JR Tokai Takashimaya in addition to increases in JR Central's transportation revenues.
- As I explained earlier, operating expenses will decrease on a non-consolidated basis. Even considering sales cost increases for JR Tokai Takashimaya and so on, we predict that operating expenses will decrease by 1 billion yen to around 1.176 trillion yen.
- As a result, we predict that operating income will increase by 16 billion yen to 475 billion yen.
- In regard to non-operating income and loss, as a result of the 8 billion yen increase in non-operating expenses for JR Central, ordinary income is expected to increase by 8 billion yen over the previous forecast to 396 billion yen. Also, net income is predicted to increase by 3 billion yen to 268 billion yen, as a result of the special loss from Nippon Sharyo mentioned earlier during the explanation of the financial results for the first half.

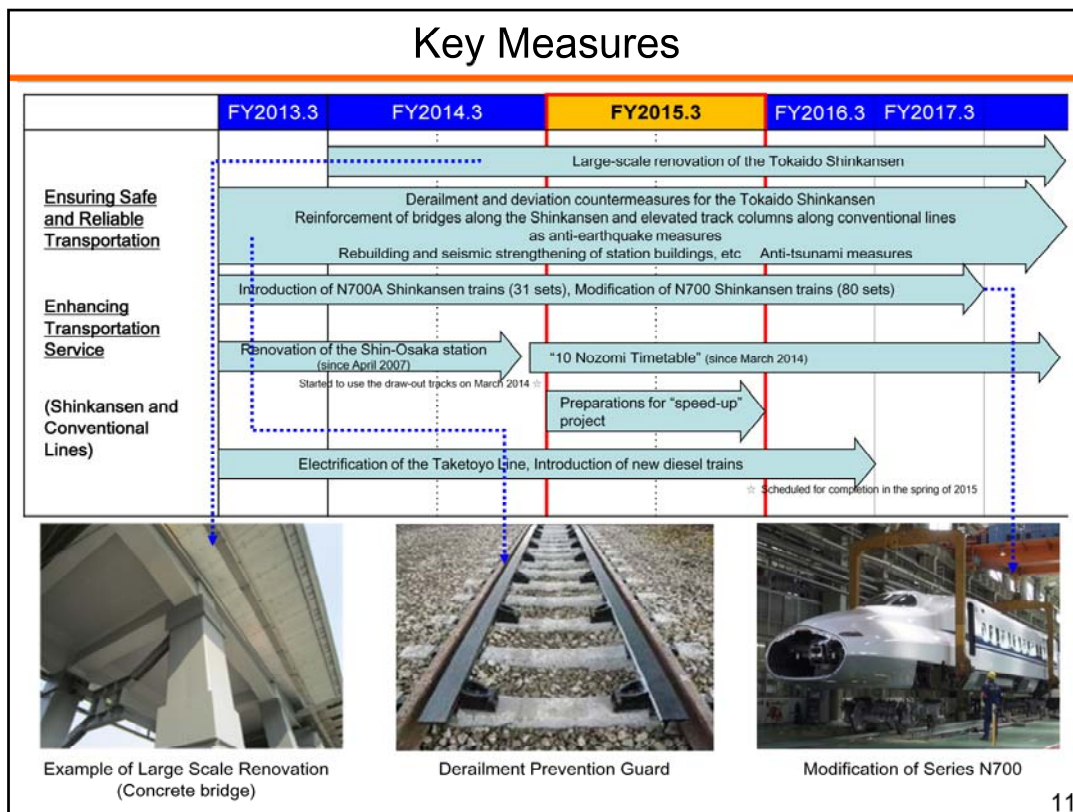
Key Measures



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[Key Measures 1]

- Moving on I would like to briefly explain the progress of our key measures currently underway.



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[Key Measures 2]

- Firstly, we have entered the second year of large-scale renovations on the Tokaido Shinkansen. As mentioned during our last briefing, these renovations are to take approximately 10 years and shall be implemented in two steps. To explain briefly, we will first implement countermeasures to extend the life of structures by preventing structures from deforming as a result of cracks caused by the aging of civil engineering structures (measures to inhibit aging damage). Then, we will monitor the status of structures and if necessary, implement overall renovation, such as the replacement of girders, etc., at appropriate times.

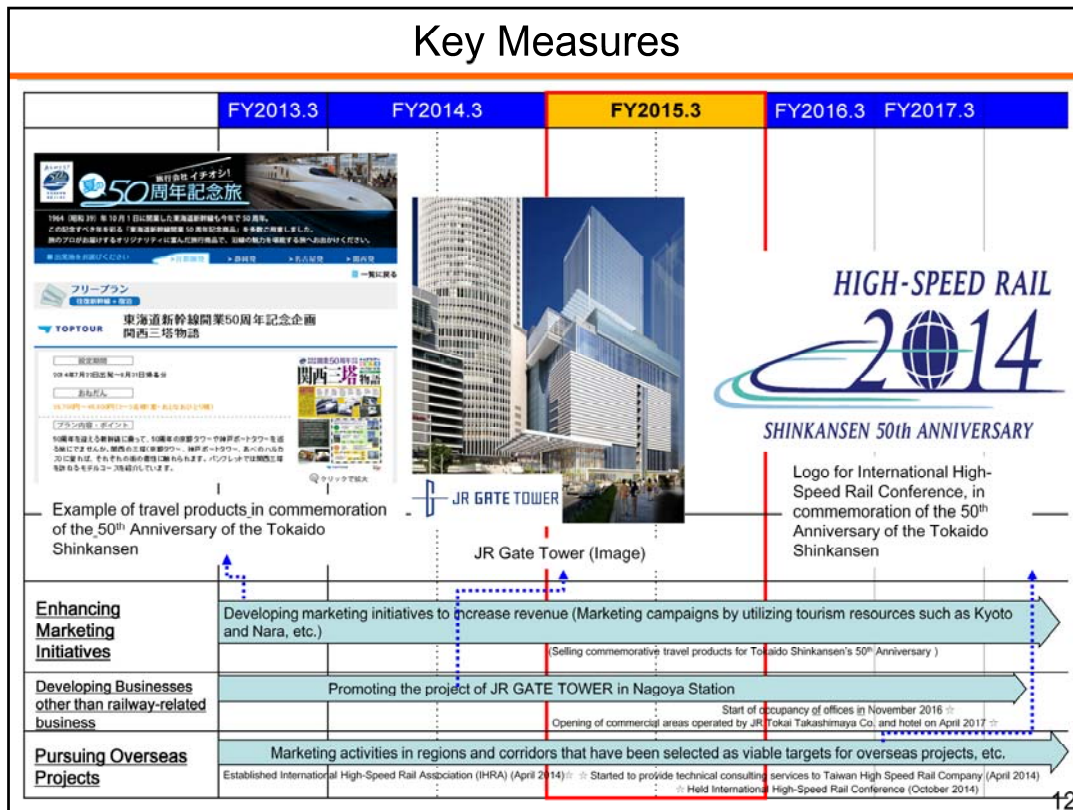
In regard to the first step measures to inhibit aging damage, total expenses for the three-year period of construction, which started last year, will be 93 billion yen, with the amount for this fiscal year coming to 35 billion yen (of which approximately 25 billion yen will be included as expenses).

- Furthermore, as part of earthquake countermeasures, we have steadily continued with the seismic-resistance reinforcement of bridge columns on the Shinkansen, elevated bridge columns on conventional lines and so on, in addition to derailment and deviation prevention measures.

- In regard to rolling stock, we will introduce a total of 31 sets of N700A by the end of FY2016, of which 16 have already been introduced as of the end of September of this year. At the same time, all 80 sets of existing Series N700 are being renovated to include some of the functions of the N700A, and as of the end of September of this year, a total of 52 sets have already been renovated.

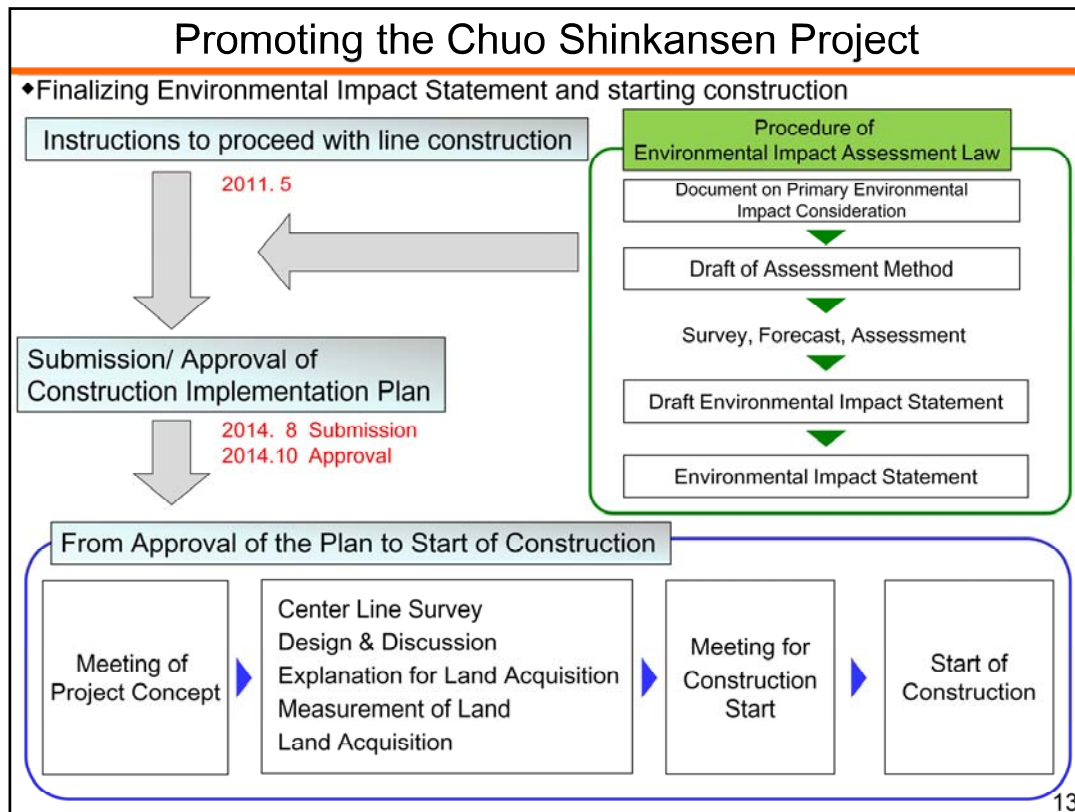
- These types of rolling stock will be able to make the maximum speed increase to 285km/h from 270km/h planned for spring of next year. We received authorization from the MLIT minister on July 14 to increase the maximum speed to 285km/h, and during the second half of the year we will continue with crew training and other preparations necessary to make the transition.

Key Measures



[Key Measures 3]

- Moving on to enhancing marketing initiatives, in order to convey our gratitude in conjunction with the 50th anniversary of the Tokaido Shinkansen we released discount commemorative products and held many events in coordination with other JR Central Group companies in which many customers participated. We will continue to leverage the permanent tourism resources available to us, such as Kyoto and Nara, as we strive to enhance various marketing initiatives and increase earnings.
- In regard to developing non-railway related businesses, at the end of July of this year we finished burying piles for the foundation of the JR Gate Tower and construction proceeds on schedule. The aboveground structure has started to take shape since September. We will continue to lease space steadily and firm up the details of business plans in preparation for the opening of offices in November 2016 and the commencement of operation of Takashimaya department store and the hotel in April of 2017.
- Furthermore, in order to deepen the understanding by other countries and regions of high-speed railway systems based on the concept "Crash Avoidance," we established the International High-speed Railway Association (IHRA) in April, and on October 22 held the international high-speed railway conference in coronation with IHRA, JR West and JR Kyushu.



[Chuo Shinkansen Plan Progress]

- In May, 2011, JR Central received instructions to proceed with construction of the Chuo Shinkansen in accordance with Article 8 of the Nationwide Shinkansen Railway Development Act, and we have continued to follow the procedure of the environmental impact assessment for first-phase construction between Tokyo and Nagoya. On August 26, 2014, JR Central submitted final Environmental Impact Statement to the Minister of the MLIT, the governors of all affected prefectures and the mayors of all affected cities, districts and towns. At the same time we continued making preparations required to submit for approval of the construction implementation plan in accordance with Article 9 of the Nationwide Shinkansen Railway Development Act. Our application for approval of the construction implementation plan was submitted on the same day as the final Environmental Impact Statement and on October 17 approval was granted by the Minister of the MLIT.

- After receiving approval, we have given briefings in the Meeting of Project Concept to each of the 47 cities, districts, towns and villages along the way side of the planned route from October 27. We plan to begin construction after completing surveying and acquiring land and holding the Meeting for Construction Start.

- We will soon be commencing construction on this project that will provide redundancy for Japan's main transportation artery and with your help and cooperation we look to complete this project quickly, while prioritizing safety and the environment as well as cooperation with local communities.

Refining Superconducting Maglev technology and Reducing Costs

- ◆ Continuously making efforts to improve Superconducting Maglev technology and to reduce costs.
 - Long distance running tests with equipment and a 12-car set with specifications equal to that for commercial operation. (From June 25 to July 19, 2014)
 - Verification tests to verify that maintenance systems are compatible with the commercial operation of rolling stock and ground facilities.
- ◆ Holding of Superconducting Maglev test rides in November and December 2014 and March 2015.



Long distance running tests with a 12-car set



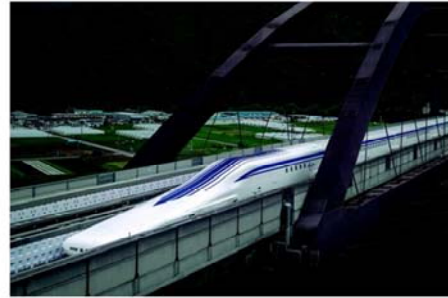
Display onboard a running Maglev train

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[Improving Superconducting Maglev Technology and Reducing Costs]

- At the Yamanashi Maglev Test Line we have conducted long distance running tests using a 12 car set of rolling stock and equipment designed to commercial operation specifications. We will continue to improve superconducting maglev technology and strive to reduce costs.
- We will also be offering test rides of superconducting maglev rolling stock for total of eight days during the months of November and December 2014. There are also plans to offer test rides in March of next year.
- This concludes my presentation, thank you.

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Business plans and financial forecasts in this document are based on information that could be obtained at the time of writing. The accuracy of such statements, therefore, contains inherent risks and uncertainties. Latent risks and uncertainties include macroeconomic trends and business environments, consumption trends, competitive conditions with other companies and JR-Central/JR-Central's subsidiaries, and changes in relevant laws and legal provisions.