

Year-End Investor Meeting FY2015.3 (Fiscal Year Ending March 31, 2015)

I. Management policy

Koei Tsuge

President and Representative Director



Central Japan Railway Company

April 30, 2015

Management policy

“Japan’s main artery of transportation”

12 years later:

Opening of the Chuo Shinkansen (between Shinagawa and Nagoya) <the 1st phase>

Maximization of profit, and reinforcement of the management bases

Increasing Revenues

- Increasing revenues from the entire group businesses of JR Central.
- Meeting demand from both business and tourism.
- Enhancing various marketing campaigns for Kyoto and Nara.

Reducing Cost

- While ensuring safety,
- Reducing cost.
 - Pursuing efficiency of operation system, etc.

Safety

- Safety-related investment (Approx. 60% of total investment)
- Thorough education and training

Technology

- Komaki Research Center
- In-house technical contest
- Task force, QC activities

Employees

- Discipline, Teamwork, and improvement of technical skills
- Employee’s Satisfaction (Labor turnover rate: around 1%)

Looking back on FY2015.3

	FY2014.3	FY2015.3	FY2016.3	FY2017.3	FY2018.3	
<u>Ensuring Safe and Reliable Transportation</u>	Large-scale renovation of the Tokaido Shinkansen					
	Derailment and deviation countermeasures for the Tokaido Shinkansen, Renewal of Hamamatsu Workshop, Reinforcement of elevated track columns along conventional lines as anti-earthquake measures, Rebuilding and seismic strengthening of station buildings, etc					
<u>Enhancing Transportation Service</u>	Introduction of N700A Shinkansen trains (31 sets)					
	Modification of N700 Shinkansen trains (80 sets)					
<u>(Shinkansen and Conventional Lines)</u>	"10 Nozomi Timetable" (since March 2014)					
	Maximum speed of 285km/h for Tokaido Shinkansen					
	Electrification of the Taketoyo Line Completed in March 2015 *					
	Introduction of new diesel trains					
<u>Enhancing Marketing Initiatives</u>	Developing marketing initiatives to increase revenue (Marketing campaigns by utilizing permanent tourism resources such as Kyoto and Nara, etc.)					
	Sold commemorative travel products for Tokaido Shinkansen 50 th Anniversary *			* Enhancing tourist products for Express Reservation, PLUS EX, and 50+ members and developing excursion packages		
<u>Chuo Shinkansen Project (Maglev)</u>	Promoting the Chuo Shinkansen Project that employs Superconducting Maglev technology					
	Sent Environmental Impact Statement (Final ver.) to Minister of Land, Infrastructure, Transport and Tourism (August 2015)		* Approval of the construction implementation plan (part 1) (October 2014) * Start of preliminary work in Shinagawa and Nagoya Station (December 2014)			
<u>Developing Businesses other than railway-related business</u>	Promoting the project of JR GATE TOWER in Nagoya Station					
			Framing construction * (Winter)		Office tenants move * in (November 2016) * Commencement of operation of Takashimaya and hotel (April 2017)	
<u>Pursuing Overseas Projects</u>	Marketing activities in regions and corridors that have been selected as viable targets for overseas projects, etc.					
	* Established International High-Speed Rail Association (IHRA) (April 2014) * Started to provide technical consulting services to Taiwan High Speed Rail Company (April 2014)					

Key Measures on FY2016.3

	FY2014.3	FY2015.3	FY2016.3	FY2017.3	FY2018.3	
<u>Ensuring Safe and Reliable Transportation</u>	Large-scale renovation of the Tokaido Shinkansen					
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II. Financial Results for FY2015.3

Tatsuhiko Yamada

General Manager of Finance Department



Central Japan Railway Company

April 30, 2015

Summary of Financial Results for FY2015.3 (Consolidated)

(billion yen)

	FY2014.3 Results A	FY2015.3 Results B	Changes (B-A)
Operating Revenues	1,652.5	1,672.2	+19.7
Operating Expenses	1,157.9	1,165.6	+7.7
Operating Income	494.6	506.5	+11.9
Non-operating Income (Loss)	-90.3	-78.4	+11.8
Ordinary Income	404.2	428.1	+23.8
Net Income	255.6	264.1	+8.4

- Long-term debts and payables at the end of FY2015.3

Consolidated: 2,150.5 billion yen, Annual reduction: -220.2 billion yen

(Non-consolidated: 2,136.3 billion yen , Annual reduction: -215.4 billion yen)

Summary of Financial Results for FY2015.3 (Consolidated / by segment)

(billion yen)

	FY2014.3 Results A	FY2015.3 Results B	Changes (B-A)
Operating Revenues	1,652.5	1,672.2	+19.7
Transportation	1,276.1	1,305.6	+29.5
Merchandise and Other	220.7	233.8	+13.0
Real Estate	67.4	66.5	-0.8
Other	250.6	238.9	-11.6
Operating Expenses	1,157.9	1,165.6	+7.7
Operating Income	494.6	506.5	+11.9
Transportation	460.1	472.0	+11.8
Merchandise and Other	8.2	8.9	+0.7
Real Estate	13.8	16.6	+2.7
Other	10.5	8.2	-2.3

* Figures by segment for operating revenue and operating income are values without offsetting and eliminating intersegment transactions

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

Summary of Financial Results for FY2015.3 (Non-consolidated)

(billion yen)

	FY2014.3 Results A	FY2015.3 Results B	Changes (B-A)
Operating Revenues (Transportation Revenues)	1,277.2 (1,214.8)	1,306.6 (1,243.2)	+29.3 (+28.3)
Operating Expenses	816.3	831.1	+14.8
Personnel Expenses	174.3	177.4	+3.1
Non-personnel Expenses	348.6	365.1	+16.4
Energy	41.2	45.0	+3.7
Maintenance	125.1	136.6	+11.5
Others	182.2	183.4	+1.1
Tax other than income taxes	32.9	32.7	-0.2
Depreciation & Amortization	260.3	255.8	-4.5
Operating Income	460.8	475.4	+14.5
Ordinary Income	371.8	397.7	+25.9
Net Income	240.3	260.2	+19.9

Year-End Investor Meeting FY2015.3 (Fiscal Year Ending March 31, 2015)

III. Performance Forecast for FY 2016.3 and Key Measures

Katsumi Miyazawa

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



Central Japan Railway Company

April 30, 2015

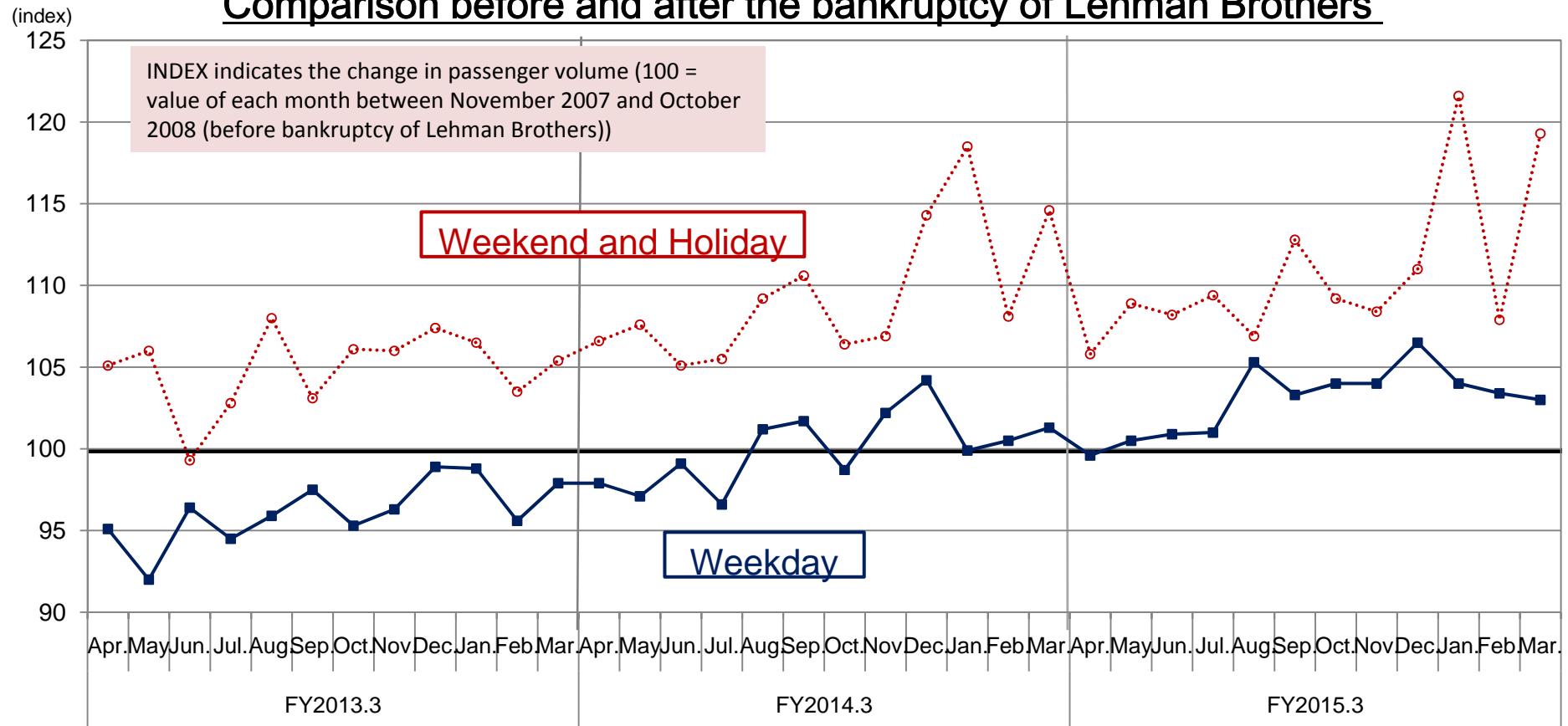
Cross Sectional Passenger Volume of the Tokaido Shinkansen

Cross Sectional Passenger Volume (Tokyo area) in FY2015.3

: 102% (YoY) (the highest volume ever)

- Weekday (103% YoY): recorded the highest level ever brought by steady business demand (exceeded the high level before the bankruptcy of Lehman Brothers)
- Weekend and Holiday (101% YoY): recorded the highest level beyond the favorable volume of last year

Comparison before and after the bankruptcy of Lehman Brothers



Performance Forecast for FY2016.3 (Non-Consolidated)

(billion yen)

	FY2015.3 Results A	FY2016.3 Forecast B	Changes (B-A)
Operating Revenues (Transportation Revenues)	1,306.6 (1,243.2)	1,307.0 (1,243.2)	+0.3 (-)
Operating Expenses	831.1	820.0	-11.1
Personnel Expenses	177.4	180.0	+2.5
Non-personnel Expenses	365.1	374.0	+8.8
Energy	45.0	45.0	-0.0
Maintenance	136.6	141.0	+4.3
Others	183.4	188.0	+4.5
Tax other than income taxes	32.7	36.0	+3.2
Depreciation & Amortization	255.8	230.0	-25.8
Operating Income	475.4	487.0	+11.5
Non-Operating Income (Loss)	-77.6	-69.0	+8.6
Ordinary Income	397.7	418.0	+20.2
Net Income	260.2	288.0	+27.7

Performance Forecast for FY2016.3 (Consolidated)

	FY2015.3 Results A	FY2016.3 Forecast B	Changes (B-A)
Operating Revenues	1,672.2	1,674.0	+1.7
Transportation	1,305.6	1,307.0	+1.3
Merchandise and Other	233.8	2,32.4	-1.4
Real Estate	66.5	65.1	-1.4
Other	238.9	231.7	-7.2
Operating Expenses	1,165.6	1,159.0	-6.6
Operating Income	506.5	515.0	+8.4
Transportation	472.0	484.9	+12.8
Merchandise and Other	8.9	7.6	-1.3
Real Estate	16.6	15.0	-1.6
Other	8.2	6.3	-1.9
Non-Operating Income (Loss)	-78.4	-70.0	+8.4
Ordinary Income	428.1	445.0	+16.8
Net Income	264.1	303.0	+38.8

(billion yen)

Estimated Reduction in Long-term Debt and Payables

(billion yen)

FY2016.3	
Amount at the end of FY2016.3	Annual Reduction
Consolidated	
1,997.5	-153.0
Non-Consolidated	
1,986.3	-150.0

Capital Investment

(billion yen)

FY2015.3 Results	FY2016.3 Planned
Consolidated	
272.3	366.0
Non-Consolidated	
257.2 (Approx.5.0)	335.0 (93.0)

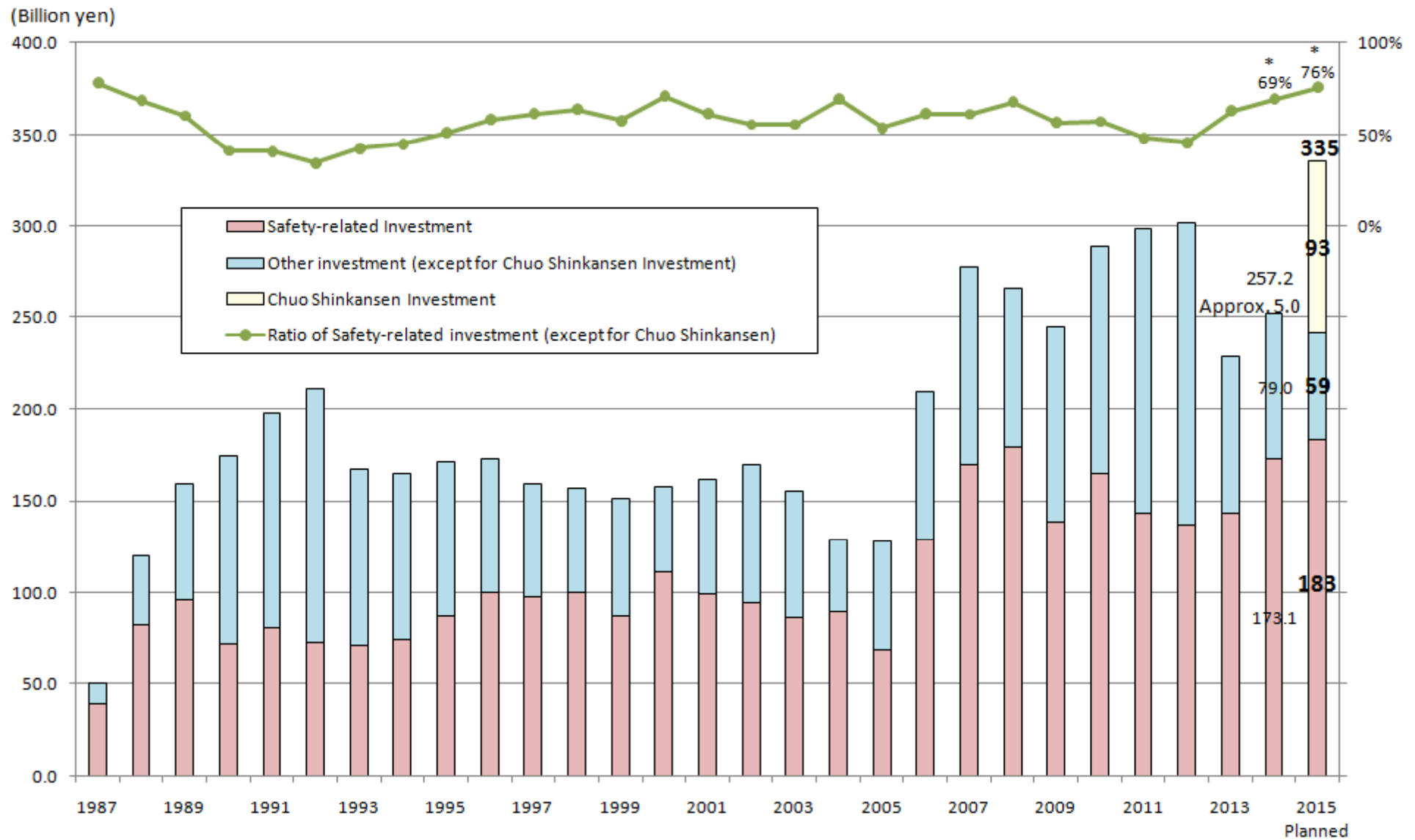
* Values in parentheses above are for Chuo Shinkansen Project.

*183.0 billion yen of safety-related investment in FY2016.3 (Non-Consolidated)

* Figures by segment for operating revenue and operating income are values without offsetting and eliminating intersegment transactions

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

Capital Investment



* Since the construction implementation plan (part 1) received approval, the ratio of safety-related investment after FY2014 excludes investment for Chuo Shinkansen.

Key Measures

Ensuring Safe and Reliable Transportation

< Large-scale renovation for the Tokaido Shinkansen >

- Inhibit the occurrence of age-related deterioration of steel bridges, concrete bridges and tunnels such as cracks.

Plan of the first three years (since FY2014.3)		
FY2014.3	FY2015.3	FY2016.3 (Planned)
9.5 billion yen (including approx. 6.9 billion yen as maintenance expenses)	30.2 billion yen (including approx. 19.5 billion yen as maintenance expenses)	35.0 billion yen (including approx. 23.0 billion yen as maintenance expenses)

Measures to inhibit the occurrence of age-related deterioration



Large-Scale Renovation
(Installing rock bolts in inner wall of tunnel)

< Anti-earthquake measures >

- Derailment and deviation countermeasures for the Tokaido Shinkansen
- Reinforcement of elevated track columns along conventional lines as anti-earthquake measures

Installation of Derailment and Deviation Guard (from FY2010.3 to FY2020.3)			
Total Length (Plan)	Until FY2014.3	FY2015.3 (result)	FY2016.3 (Planned)
596km	212km	75km	66km

About 60% of total length will be completed.



Derailment Prevention Guards

Key Measures

Developing Transportation Services

- Continuing to flexibly set train service to meet demands using the “10 Nozomi Timetable,” in which ten Nozomi trains can depart from the first station per hour.
- Enhancing the ability to resume normal operation when the timetable is disrupted by accidents, which is brought by the improvement with the maximum speed is increased to 285km/h.
- Promoting the introduction of N700A, and completing modifications of Series N700.



N700A



Maximum Speed Increased to 285km/h

Enhancing Marketing Initiatives

- Enhancing tourist products for Express Reservation, PLUS EX, and 50+ members.
- Developing excursion packages with the opening of Hokuriku Shinkansen.



EX-IC



Excursion Package

Progress of the Chuo Shinkansen Project

FY 2007
 FY 2013
 FY 2014
 FY2015

- ◀ Decided that JR Central will construct the Chuo Shinkansen between Tokyo and Nagoya bearing the construction cost. (Dec. 2007)
- ◀ Decided that JR Central will complete the Chuo Shinkansen Project between Tokyo and Osaka after opening the route from Tokyo and Nagoya. (Apr. 2010)
- ◀ Designation of operator and construction company, decision on development plan and instruction to proceed with line construction made by Minister of Land, Infrastructure, Transport and Tourism (the Minister) (May)
- | |
|-----|
| EIA |
|-----|

 - Started the procedure of Environmental Impact Assessment (EIA) (Jun. 2011)
 - ◀ Sent Environmental Impact Statement (EIS) to the Minister (Apr.2012)
 - ◀ Sent revised EIS to the Minister, etc. (Aug. 2014)
- ◀ Submission of Construction Implementation Plan (part 1) (Aug. 2014)
 Approval of Construction Implementation Plan (part 1) (Oct. 2014)
- ◀ Meeting of Project Concept (from Oct. 2014)
 - for city, town and village (all 51 meetings have been completed)
 - for resident's association (199 meetings have been held as of the end of April 2015)
- ◀ Safety invocation ceremony at Shinagawa and Nagoya Station (Dec.2014)
 - Started preliminary work in the area of our company at both stations.
- ◀ Start of Center Line Survey (from Mar. 2015)

Concluded agreements

- Agreement which JR Central entrusts local governments to acquire land.
- Agreement which JR Central entrusts Japan Railway Construction, Transport and Technology Agency to construct a part of the Chuo Shinkansen line.



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Central Japan Railway Company

April 30, 2015

Business plans and financial forecasts in this documentation are based on information that we can obtain at the time of writing. The accuracy of such statements, therefore, incorporates risks and uncertainties. Latent risks and uncertainties include macroeconomic trends and business environments, consumption trends, competitive situations between other companies and JR-Central/JR-Central's subsidiaries, and changes in relevant laws and legal provisions.