

Semi-Annual Investors Meeting FY2017.3 (Fiscal Year Ending March 31, 2017)

I. Financial Results for 1st Half of FY2017.3

Tatsuhiko Yamada

Corporate Officer and
General Manager of the Finance Department



Central Japan Railway Company

October 28, 2016

Summary of Financial Results for the 1st Half of FY2017.3 (Consolidated)

(Billions of Yen)

	1st Half of FY2016.3 (Apr. – Sep.) Results A	1st Half of FY2017.3 (Apr. – Sep.) Results B	Change (B – A)
Operating Revenues	860.2	866.7	+6.4
Operating Expenses	536.2	532.0	-4.2
Operating Income	324.0	334.7	+10.6
Non-Operating Income (Loss)	-31.1	-28.0	+3.0
Ordinary Income	292.9	306.6	+13.7
Net Income Attributable to Owners of the Parent	195.7	214.9	+19.2

Summary of Financial Results for the 1st Half of FY2017.3 (Consolidated, By segment)

(Billions of Yen)

		1st Half of FY2016.3 (Apr. – Sep.) Results A	1st Half of FY2017.3 (Apr. – Sep.) Results B	Change (B – A)
Operating Revenues		860.2	866.7	+6.4
	Transportation	678.4	685.5	+7.0
	Merchandise and Other	116.9	115.2	-1.6
	Real Estate	32.8	32.8	+0
	Other	101.3	106.3	+5.0
Operating Expenses		536.2	532.0	-4.2
Operating Income		324.0	334.7	+10.6
	Transportation	312.3	324.4	+12.1
	Merchandise and Other	4.1	3.4	-0.6
	Real Estate	7.5	9.6	+2.1
	Other	-0.3	-2.7	-2.3

* Figures in the breakdown by segment are those prior to offsetting and eliminating intersegment transactions. The totals of breakdown figures do not match operating revenues and operating income above.

Summary of Financial Results for the 1st Half of FY2017.3 (Non-Consolidated)

(Billions of Yen)

	1st Half of FY2016.3 (Apr. – Sep.) Results A	1st Half of FY2017.3 (Apr. – Sep.) Results B	Change (B – A)
Operating Revenues (Transportation Revenues)	678.5 (647.9)	685.8 (654.7)	+7.3 (+6.8)
Operating Expenses	365.8	359.6	-6.2
Personnel Expenses	89.6	89.7	+0.1
Non-Personnel Expenses	148.6	147.8	-0.8
Energy	21.7	18.3	-3.3
Maintenance	41.0	43.9	+2.8
Others	85.9	85.5	-0.3
Taxes other than Income Taxes	17.4	19.8	+2.3
Depreciation and Amortization	110.1	102.1	-7.9
Operating Income	312.6	326.2	+13.5
Ordinary Income	281.7	298.0	+16.3
Net Income	193.1	210.8	+17.7

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II. Performance Forecast for FY2017.3 and Key Policies

Yoshiki Suyama



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

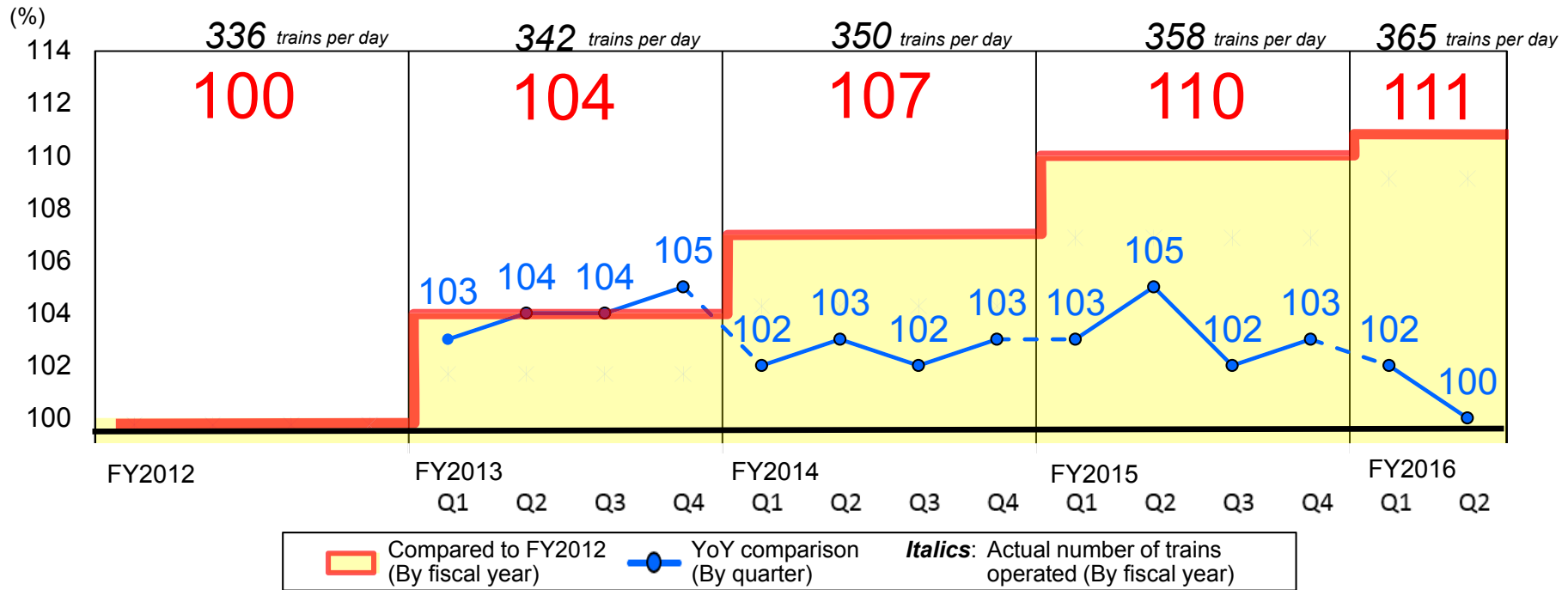
Central Japan Railway Company

October 28, 2016

Tokaido Shinkansen Passenger Volume (Tokyo Area)

Passenger volume is steadily on the rise

Results for the 1st half of FY2017.3: **101%** year-on-year (weekdays 102%; weekends 99%)



■ Continue exerting efforts to attract even more users

Revised Performance Forecast for FY2017.3 (Non-Consolidated)

(Billions of Yen)

	FY2017.3 Previous Forecast (A)	FY2017.3 Revised Forecast (B)	Change (B - A)
Operating Revenues (Transportation Revenues)	1,358.0 (1,294.7)	1,364.0 (1,301.5)	+6.0 (+6.8)
Operating Expenses	805.0	797.0	-8.0
Personnel Expenses	180.0	180.0	—
Non-Personnel Expenses	372.0	367.0	-5.0
Energy	41.0	37.0	-4.0
Maintenance	139.0	139.0	—
Others	192.0	191.0	-1.0
Taxes other than Income Taxes	39.0	39.0	—
Depreciation and Amortization	214.0	211.0	-3.0
Operating Income	553.0	567.0	+14.0
Non-Operating Income (Loss)	-57.0	-57.0	—
Ordinary Income	496.0	510.0	+14.0
Net Income	349.0	360.0	+11.0

Revised Performance Forecast for FY2017.3 (Consolidated)

Previous forecasts remain unchanged

(Billions of Yen)

	FY2017.3 Previous Forecast (A)	FY2017.3 Revised Forecast (B)	Change (B - A)
Operating Revenues	1,736.0	1,736.0	—
Operating Expenses	1,159.0	1,159.0	—
Operating Income	577.0	577.0	—
Non-Operating Income (Loss)	-57.0	-57.0	—
Ordinary Income	520.0	520.0	—
Net Income Attributable to Owners of the Parent	363.0	363.0	—

Management Policy

Maintaining and developing Japan's main artery of transportation



**Promoting
the Chuo Shinkansen Project**

**Enhancing transportation services and
increasing earnings**

Ensuring safety and reliability

Ensuring Safe and Reliable Transportation (1)

Continuing efforts toward ensuring safe and reliable transportation

Shinkansen

- Large-scale renovation work (example): Concrete bridge



- Renewal of the Hamamatsu Workshop: Conceptual image of expected completion



- Seismic strengthening work on elevated track columns



- Seismic strengthening and facility upgrading at Nagoya Workshop



Conventional Lines

Ensuring Safe and Reliable Transportation (2)

Derailment-prevention guards: Introducing an automatic inspection device

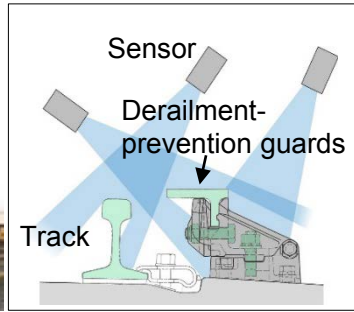
- Realizing more effective, high-precision inspection using in-house developed devices



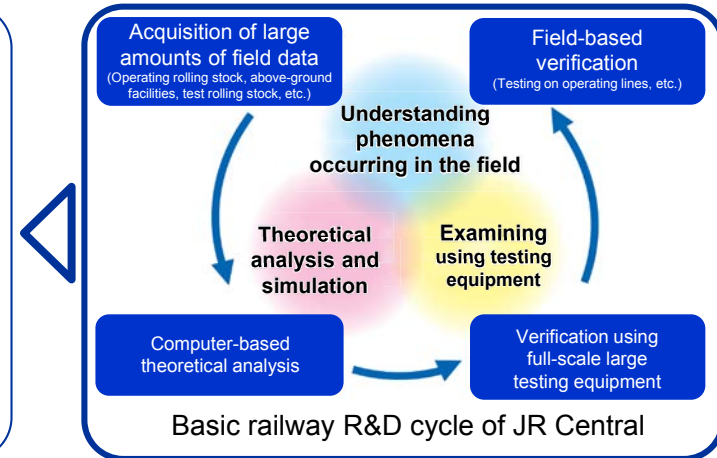
Derailment-prevention guards



Mounted on maintenance car (track-defect detector car)

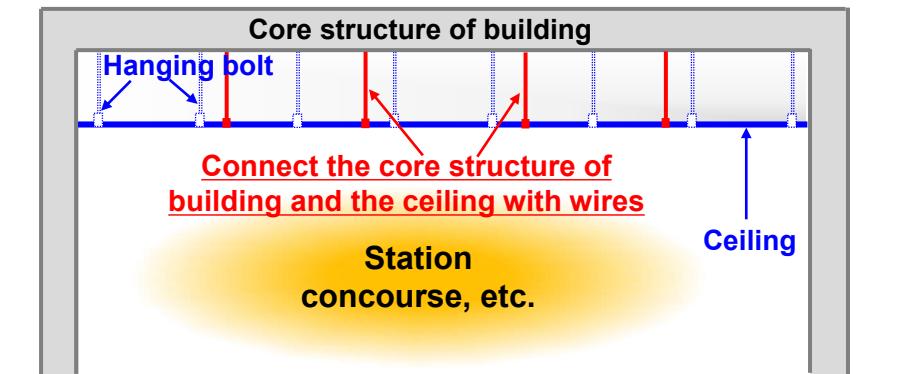


Laser-based measurement



Rolling out earthquake-resistant measures on ceilings of stations

- Implementation of anti-falling measures on specified* and other suspended ceilings to further enhance safety even when an earthquake occurs
(For all 17 Tokaido Shinkansen stations and 30 conventional line stations that service 10,000 or more passengers daily)



Conceptual image of anti-falling measure

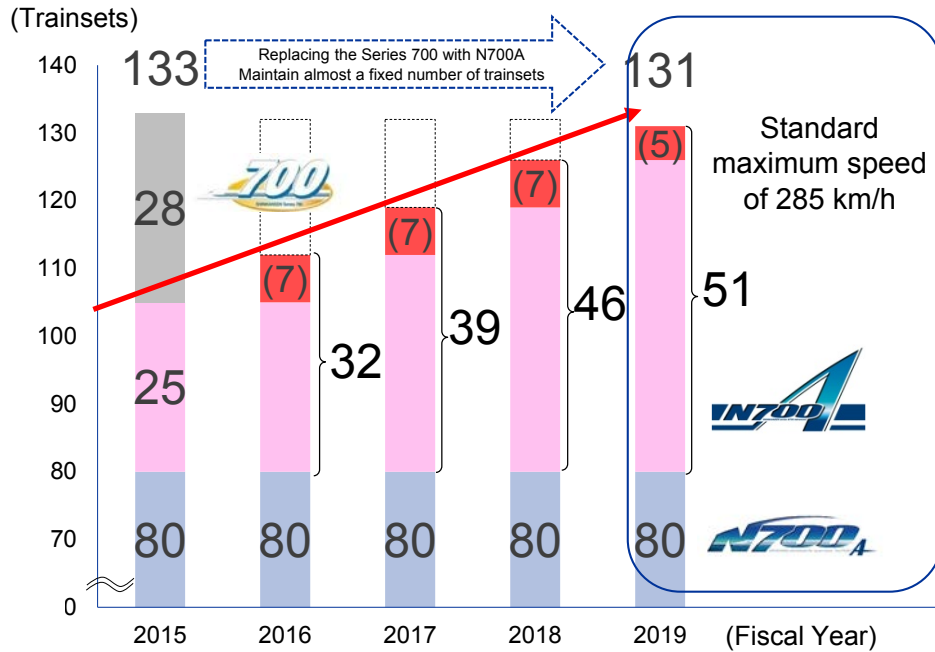


Example of measure adopted:
Tokyo Station concourse outside the ticket gates

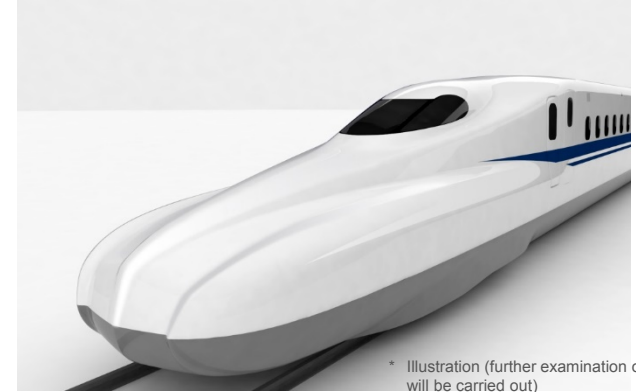
* Laws related to the Building Standards Act were partially amended in April 2014 based on which suspended ceilings of a certain size or larger were specified (*Tokutei Tenjo*) to require anti-falling measures for new or extended/renovated buildings. Specified ceilings (*Tokutei Tenjo*) are any suspended ceiling situated 6 meters above the floor or higher, with an area of over 200 m² and mass of over 2 kg/m² in a facility where people enter on a day-to-day basis.

Enhancing Transportation Services & Increasing Earnings

Promote the shift to the N700A type as a standard



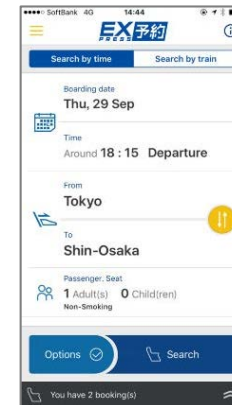
Full model change for the next-generation vehicle



Name: **“N700S”** (S represents “Supreme”)
 ⇒ Verification testing vehicle is scheduled for completion in March 2018
 ⇒ Considering to launch the next-generation commercial vehicle (production vehicle) in **FY2020 (planned)**

More convenient, user-friendly Shinkansen

Spring of 2017:
 Plan to launch “EX Reservation App” for smartphones
 Summer of 2017:
 Plan to introduce a new ticketless boarding service using commuting-type IC cards



Main screen of “EX Reservation Application”

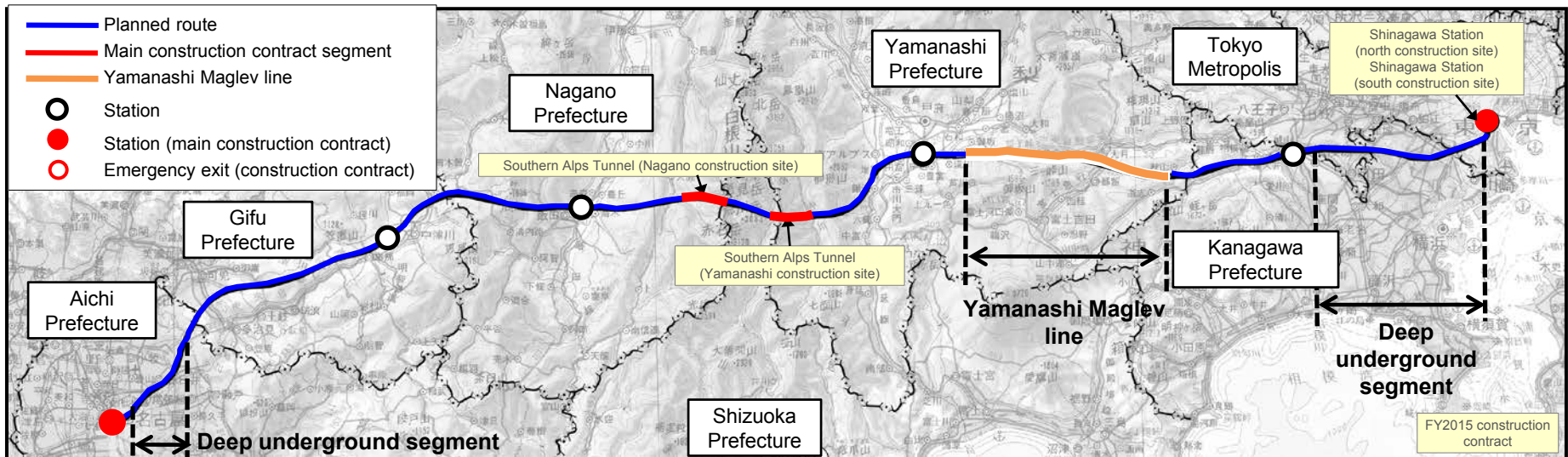


Verification test of QR Code* based Shinkansen boarding [Practical implementation TBD]

* “QR Code” is a registered trademark of DENSO WAVE Inc.

Progress of Chuo Shinkansen Construction

Locations subject to construction contracts (FY2015)



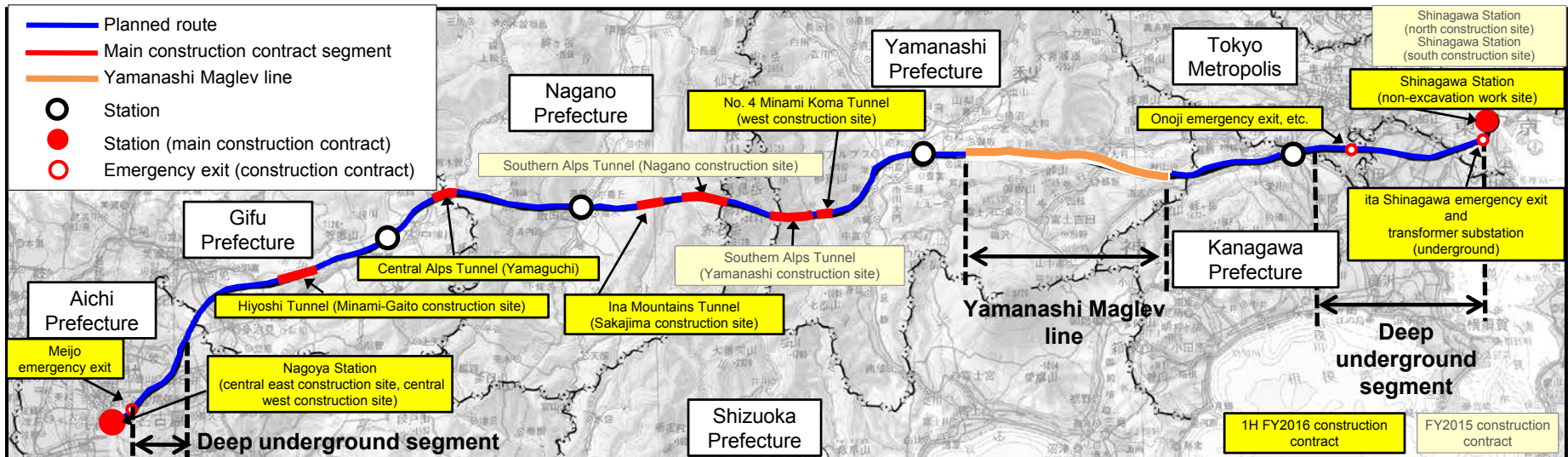
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Coverage of construction contracts (FY2015)

- Shinagawa Station (north construction site) [September 2015]
- Shinagawa Station (south construction site) [October 2015]
- Southern Alps Tunnel (Yamanashi construction site) [August 2015]
- Southern Alps Tunnel (Nagano construction site) [February 2016]

Progress of Chuo Shinkansen Construction

Locations covered by main construction contracts (FY2015 to 1st half of FY2016)



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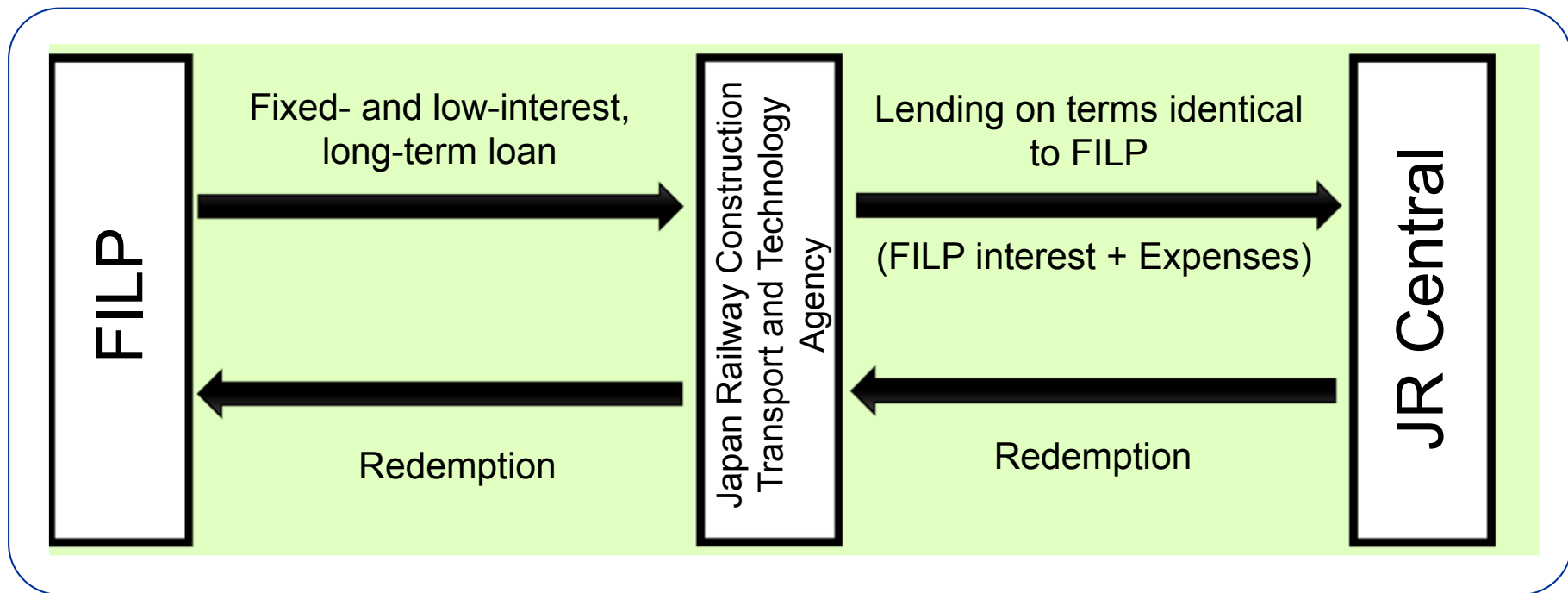
Coverage of main construction contracts (1st half of FY2016)

- | | |
|---|------------------|
| ■ Meijo emergency exit | [April 2016] |
| ■ Kita Shinagawa emergency exit and transformer substation (underground) | [April 2016] |
| ■ Shinagawa Station (non-excavation construction site) | [May 2016] |
| ■ Hiyoshi Tunnel (Minami-Gaito construction site) | [June 2016] |
| ■ No. 4 Minami Koma Tunnel (west construction site) | [July 2016] |
| ■ Nagoya Station (central east construction site, central west construction site) | [September 2016] |
| ■ Ina Mountains Tunnel (Sakajima construction site) | [September 2016] |

<<Coverage of main construction contracts by Japan Railway Construction, Transport and Technology Agency (JRJT)>>

- Onoji emergency exit, etc. [April 2016]
- Central Alps Tunnel (Yamaguchi) [August 2016]

[Reference] Diagram of Fiscal Investment and Loan Program(FILP)-Based Borrowing



Prepared by the Company based on the appended material "Cabinet Decision on Proposal for Partial Amendment to the Act on the Japan Railway Construction, Transport and Technology Agency, Independent Administrative Agency" announced by the Ministry of Land, Infrastructure, Transport and Tourism on September 26, 2016.

Progress of JR Gate Tower Project

Thorough preparation toward full operation of JR Gate Tower



Exterior view of JR Gate Tower and JR Central Towers (Photographed in September 2016)

November 2016: Begin moving into the office

April 2017: Full operation

Takashimaya Gate Tower Mall

Nagoya JR Gate Tower Hotel

Gate Tower Plaza Restaurant Mall and more



Illustration of 15th floor office entrance



Illustration of Takashimaya Gate Tower Mall
Stores viewed from the 2nd floor walkway

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Central Japan Railway Company
October 28, 2016

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.