

I. Future Expectations on Key Issues

President and
Representative Director
Koei Tsuge



Central Japan Railway Company

April 28, 2017

Contribute to the development of Japan's main transportation artery and social infrastructure



Determination to be fully committed to handling various management issues, such as operating “three generations of railways”: the Tokaido Shinkansen, conventional lines, and the Chuo Shinkansen

Establishment of Firm Management Platform



		FY 1987	FY 2016	Note
Railroad accidents (number of accidents/year)		60	9	1/6
Tokaido Shinkansen	Passenger volume (1,000 persons/day)	279	452	1.6 times
	Number of services (number/day) (Maximum number of services/day)	231 (274)	365 (432)	1.6 times
	Highest speed	220 km/h (137 mph)	285 km/h (177 mph)	+65 km/h (+40 mph)
Non-consolidated	Operating Revenues (billion yen)	874.6	1,380.7	1.6 times
	Operating Income (billion yen)	71.5	595.8	8.3 times
	Ordinary Income (billion yen)	60.7	541.2	8.9 times
	Long-term debt (trillion yen)	5,5 ^{*2}	1,9^{*4}	-3,6
Operating Revenues of consolidated subsidiaries (billion yen) ^{*1}		52.6 ^{*3}	582.9	11.1 times

*1 Simple aggregation; *2 Figure for 1991; *3 Figure for 1989; *4 Excluding long-term debt for construction of the Chuo Shinkansen

Chuo Shinkansen Project - Full Efforts in the Construction Between Shinagawa and Nagoya



Progress in acquisition of land and concluding construction contracts

October 17, 2014: Approval on the construction plan (Part 1) between Shinagawa and Nagoya

Briefing on business

Center line survey.
Discussions on design.
Briefing on land.
Land survey.
Acquisition of land.

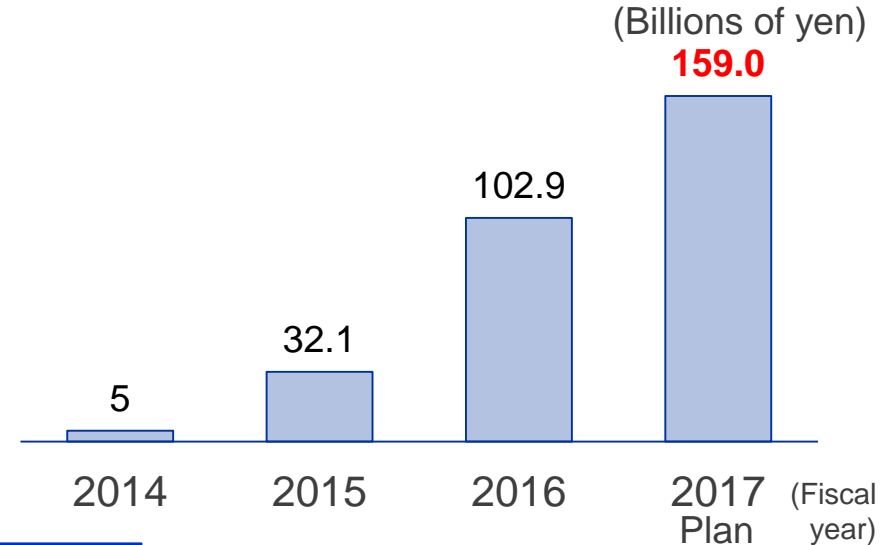
Construction contract

Briefing on construction

Start of construction

Flow from briefing on business to start of construction

Steady increase in capital investment



Construction work in full scale at locations along the line



Southern Alps Tunnel
(Yamanashi construction section)



Kita-Shinagawa emergency exit and electrical substation



Meijo emergency exit

Chuo Shinkansen Project - Securing of Long-Term Debt Using the Fiscal Investment and Loan Program (FILP)



Securing long-term, fixed, low-interest funds ⇒ Reduction of management risk

<Key terms of loan agreement>

Results for FY2016	First loan	Second loan	Third loan
Amount to be Borrowed	500 billion yen	500 billion yen	500 billion yen
Interest Rate (Fixed throughout the entire period)	0.6%	0.8%	0.9%
Borrowing Date	November 29, 2016	January 16, 2017	March 10, 2017
Maturity Date	November 29, 2055	January 16, 2056	March 10, 2056

Scheduled loan amount in FY2017: 1.5 trillion yen

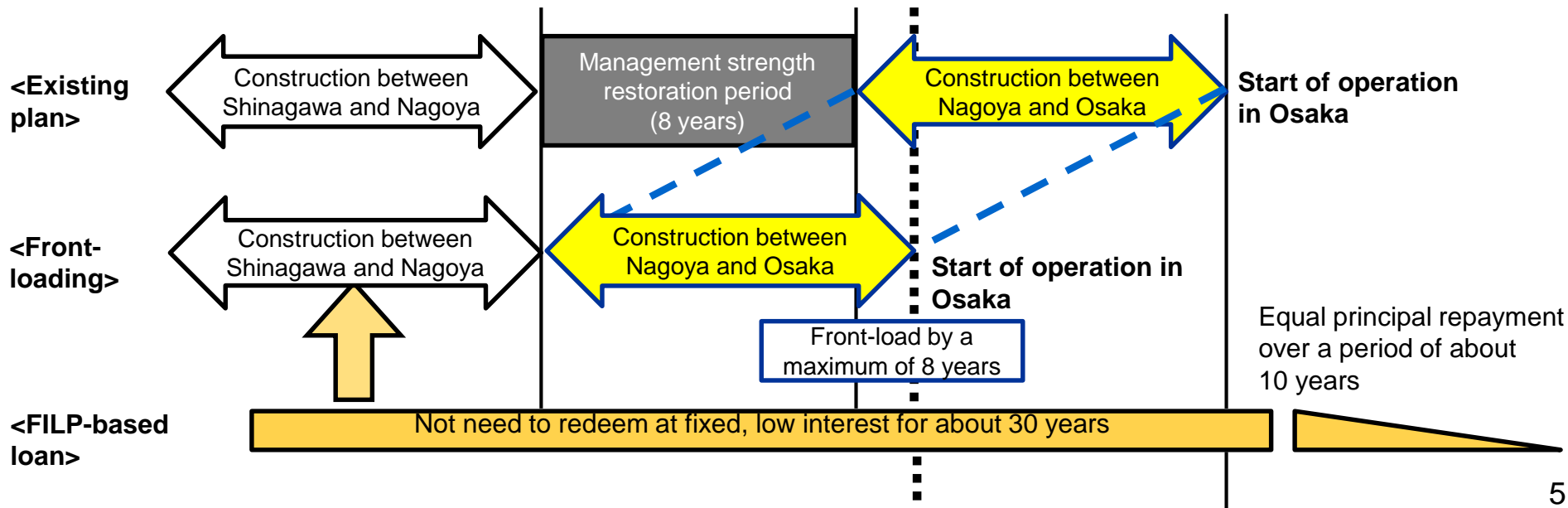
Total of 3 trillion yen (Plan)

[Advantages for JR Central]
Rise in interest rate, funds procurement, redemption

Reduction of each risks

Start by making full efforts in the construction between Shinagawa and Nagoya

2027

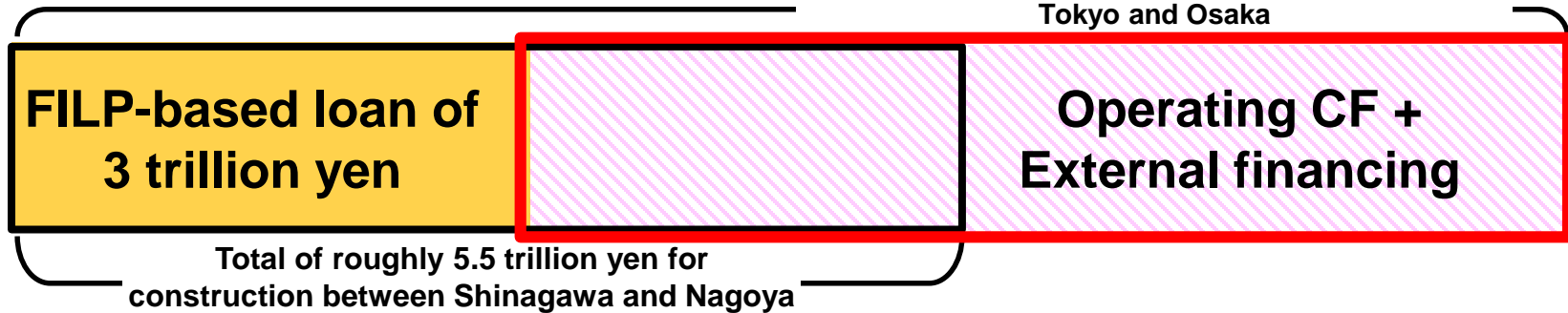


Cash Flow Associated with the Progress of the Chuo Shinkansen Project



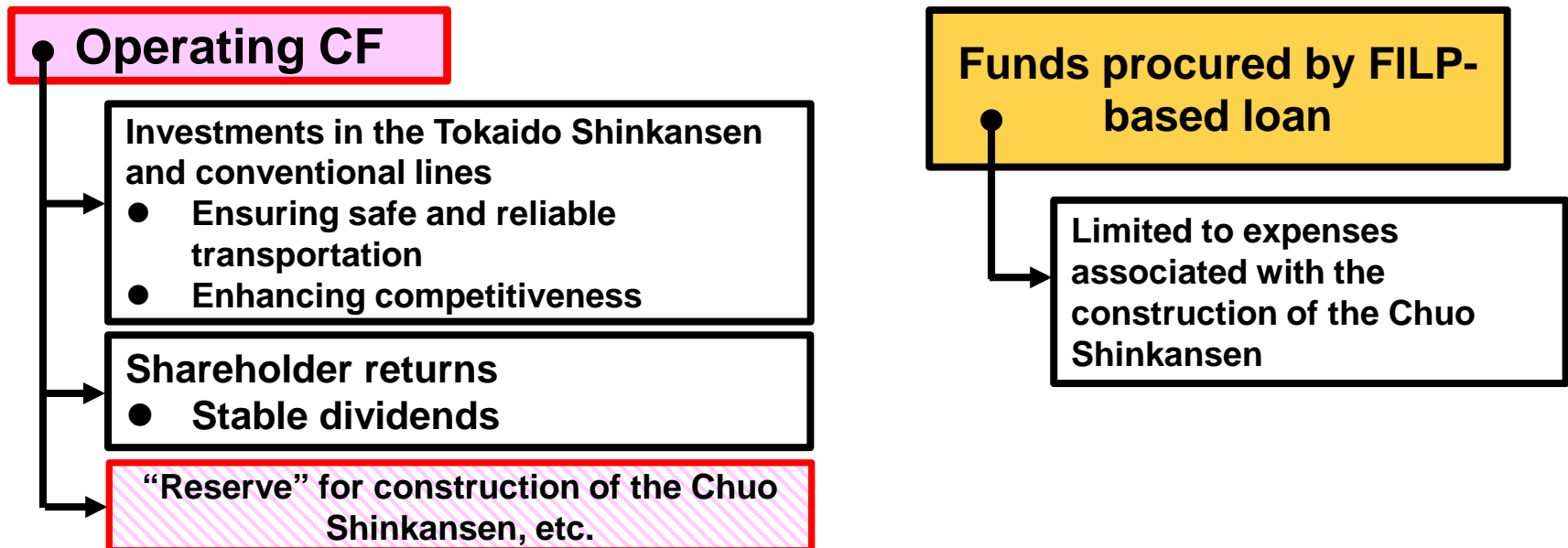
Securing external funds necessary for the construction between Shinagawa and Nagoya by means of FILP-based loans

Roughly 9 trillion yen for construction between Tokyo and Osaka



Expansion of operating CF by reinforcing the management platform from a long-term perspective

⇒ Promoting construction of the Chuo Shinkansen by strictly maintaining sound management and stable dividends



Ensuring Safe and Reliable Transportation = Major Premise for All



Pursuit of ensuring safety

Number of incidents*

0 0 **0**

2014 2015 2016 (Fiscal year)

*Situations with a risk of railway accidents, etc. to occur

Safety-related investment

- Continuing to secure the necessary level going forward (Billions of yen)

173.1 180.8 **182.0**

2015 2016 2017 (Fiscal Plan year)

Firmly maintaining reliable transportation

Average time of delay by the Shinkansen

0.6 min

0.2 min

0.4 min

2014 2015 2016 (Fiscal year)

Installation of derailment prevention guards in all Shinkansen lines

- Scheduled to install in all lines totaling 1,072 km by FY2028



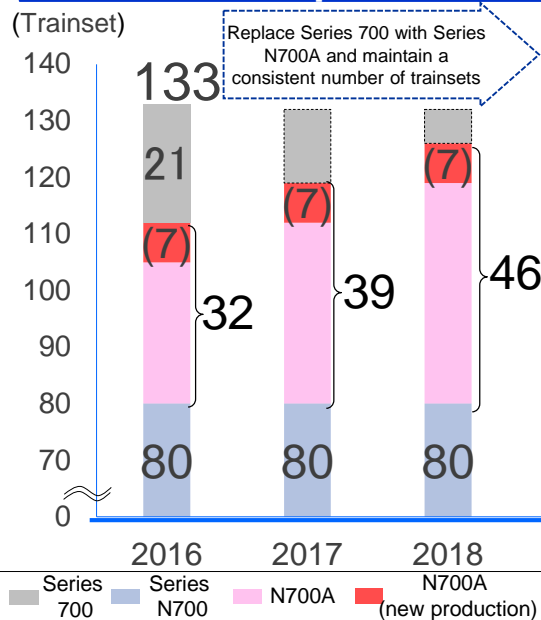
↑ Derailment prevention guards ↑

Dual High Speed Line = Both the Chuo Shinkansen and the Tokaido Shinkansen function smoothly
⇒ Do not loosen investments in the Tokaido Shinkansen

Polishing the Tokaido Shinkansen Service



Promotion of standardization to the N700A type ⇒ Preparation for the next step up



“Standardized train model”

Standardize all rolling stock to the N700A type

- Possible to travel at a maximum speed of 285 km/h
- High safety, reliability and comfort

⇒ Preparation to raise services to a higher level

End of FY2019

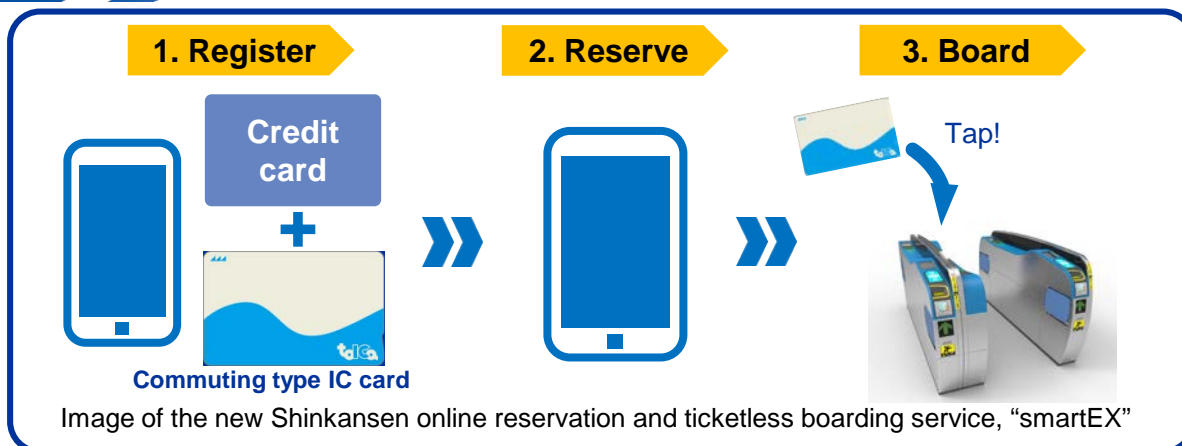
Launch of N700S

- New production of validation test vehicles by the end of FY2017

FY2020 (prospect)



Start of service at the end of September ⇒ Expansion of ticketless services



Accepted credit cards



Accepted commuting type IC cards

Full Opening of the JR Gate Tower

JR Gate Tower is expecting strong advances in affiliated businesses



JR Central Towers (center, left) and JR Gate Tower (right)



Gate Tower Plaza Restaurant Area receiving many customers



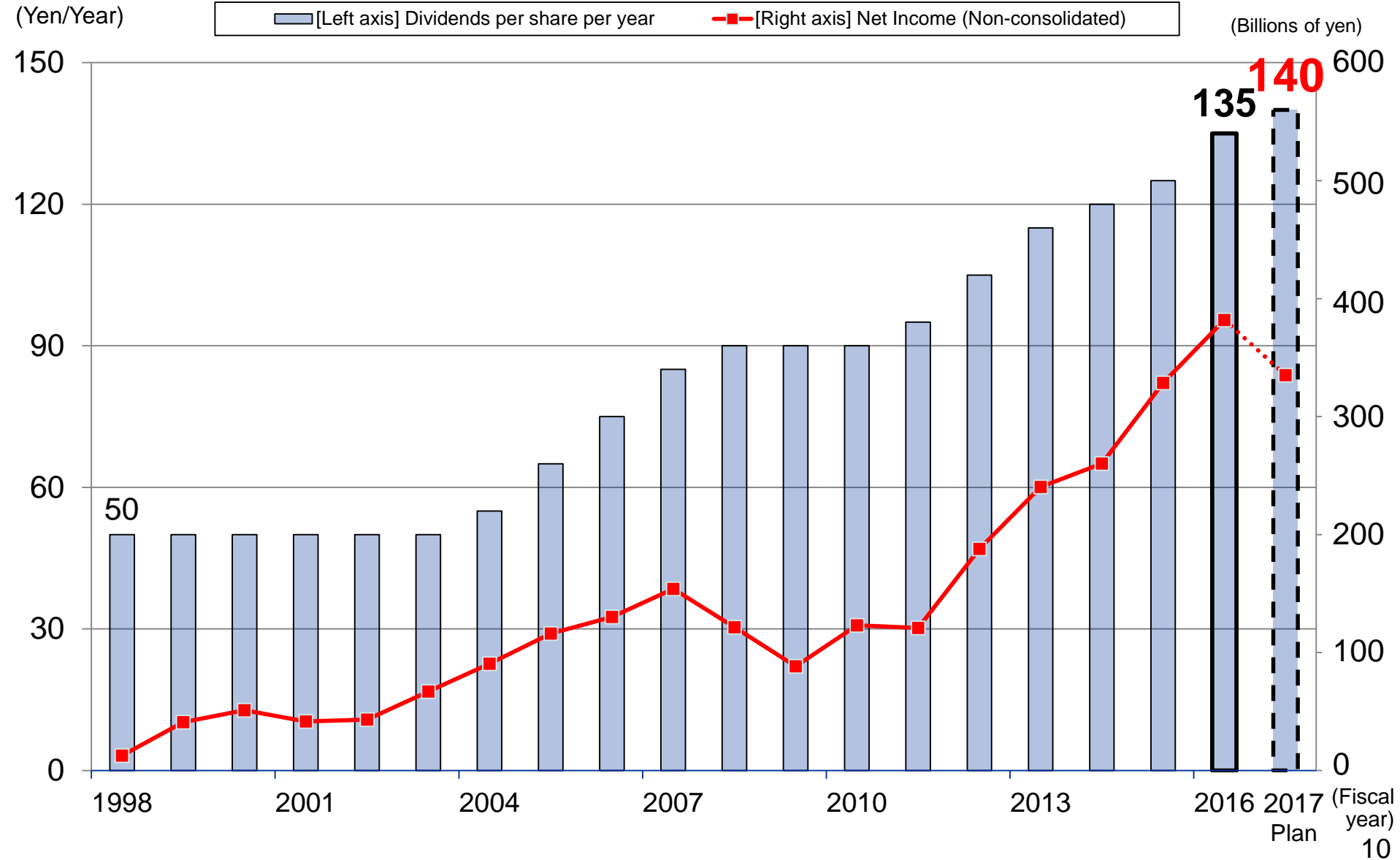
Takashimaya Gate Tower Mall on opening day

October 2012	Construction began
November 2016	Tenants began moving into the offices
April 2017	Full opening

Shareholder Returns



Continue providing stable dividends even during the construction period of the Chuo Shinkansen



Current status of NIPPON SHARYO, LTD.



[Status of large railway rolling stock deal for the U.S.]

No change in status

Extracted from NIPPON SHARYO's financial results material released on April 26, 2017
 "Continuing discussions with clients regarding the direction toward properly carrying out deals going forward."

[Positioning of NIPPON SHARYO in the JR Central Group]

An important subsidiary that supports the operation of "three generations of railways", i.e. rolling stock for the Shinkansen, conventional lines, and Superconducting Maglev



[Topics] Timely disclosure by NIPPON SHARYO as of March 22, 2017

	Transfer of workshop assets	Transfer of non-business use assets
Points	JR Central purchases assets of NIPPON SHARYO's plants (21.0 billion yen) → Lease back to NIPPON SHARYO	NIPPON SHARYO sells part of the non-business use assets to a third party
	NIPPON SHARYO makes early repayment of long-term loans in full	
Effect	Improvement in financial conditions and stability of NIPPON SHARYO's business	

(Reference) Assets purchased by JR Central (land and buildings of each plant)



Toyokawa Plant



Narumi Plant



Kinuura Plant

II. Summary of Financial Results for FY2017.3

Corporate Officer and
General Manager of
the Finance Department

Tatsuhiko Yamada



Central Japan Railway Company

April 28, 2017 12

Income Statement (Consolidated)



(Billions of yen)

	FY2016.3 Results A	FY2017.3 Results B	Changes (B-A)
Operating Revenues	1,738.4	1,756.9	+18.5
Operating Expenses	1,159.7	1,137.4	-22.3
Operating Income	578.6	619.5	+40.8
Non-operating Income (Loss)	-67.2	-55.5	+11.6
Ordinary Income	511.4	563.9	+52.5
Net Income Attributable to Owners of the Parent	337.4	392.9	+55.4

Actual long-term debt (Billions of yen)

	Balance as of year-end (()) for the "Chuo"	Changes	Excluding the "Chuo"	
			Balance as of year-end	Changes
Consolidated	3,395.4	1,450.4	1,895.4	-49.5
Non- consolidated	3,369.0 (1,500.0)	1,453.4 (1,500.0)	1,869.0	-46.5

Actual capital investment (Billions of yen)

Consolidated	Non- consolidated		
		Safety-related investment	Chuo Shinkansen
374.9	330.8	180.8	102.9

**"Chuo" = Long-term debt for construction of the Chuo Shinkansen

Segment Information (Consolidated)



(Billions of yen)

		FY2016.3 Results A	FY2017.3 Results B	Changes (B-A)
Operating Revenues		1,738.4	1,756.9	+18.5
	Transportation	1,358.1	1,380.4	+22.2
	Merchandise and Other	239.6	237.0	-2.6
	Real Estate	66.0	68.6	+2.5
	Other	243.0	253.9	+10.9
Operating Expenses		1,159.7	1,137.4	-22.3
Operating Income		578.6	619.5	+40.8
	Transportation	556.8	593.1	+36.3
	Merchandise and Other	8.7	7.5	-1.2
	Real Estate	15.6	18.1	+2.5
	Other	-1.7	1.6	+3.4

*Breakdown by segment shows figures prior to intersegment offsetting and elimination. The sum of breakdown figures does not agree with operating revenues and operating income.

Statement of Cash Flows (Consolidated)



(Billions of yen)

	FY2016.3 Results A	FY2017.3 Results B	Changes (B-A)
Net cash provided by operating activities (A)	601.4	580.5	-20.9
Net cash used in investment activities	-170.3	-1,909.5	-1,739.2
Payments for purchases of property, plant and equipment and intangible assets (B)	-252.3	-330.1	-77.8
Proceeds/payments for money held in trust for the Chuo Shinkansen construction	-	-1,472.7	-1,472.7
Proceeds/Payments from funds management	82.0	-106.7	-188.7
Net cash used in financing activities	-242.8	1,425.1	1,668.0
of which proceeds from long-term debt for the Chuo Shinkansen construction	-	1,500.0	1,500.0
Net increase in cash and cash equivalents	188.3	96.2	-92.1
Cash and cash equivalents, beginning of year	130.0	318.3	188.3
Cash and cash equivalents, end of year	318.3	414.5	96.2
Substantial free cash flow ((A) + (B))	349.1	250.4	-98.7

Income Statement (Non-consolidated)



(Billions of yen)

	FY2016.3 Results A	FY2017.3 Results B	Changes (B-A)
Operating Revenues (Transportation Revenues)	1,357.9 (1,294.7)	1,380.7 (1,315.8)	+22.7 (+21.1)
Operating Expenses	800.3	784.9	-15.3
Personnel Expenses	179.4	179.2	-0.1
Non-personnel Expenses	358.3	354.9	-3.3
Energy	40.5	35.7	-4.8
Maintenance	131.9	134.6	+2.6
Others	185.7	184.5	-1.1
Taxes other than Income Taxes	35.3	39.6	+4.3
Depreciation & Amortization	227.0	210.9	-16.1
Operating Income	557.6	595.8	+38.1
Ordinary Income	490.5	541.2	+50.7
Net Income	328.6	381.8	+53.2

III. Performance Forecast for FY2018.3; Deployment of Key Measures

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

Yoshiki Suyama



Central Japan Railway Company

April 28, 2017 17

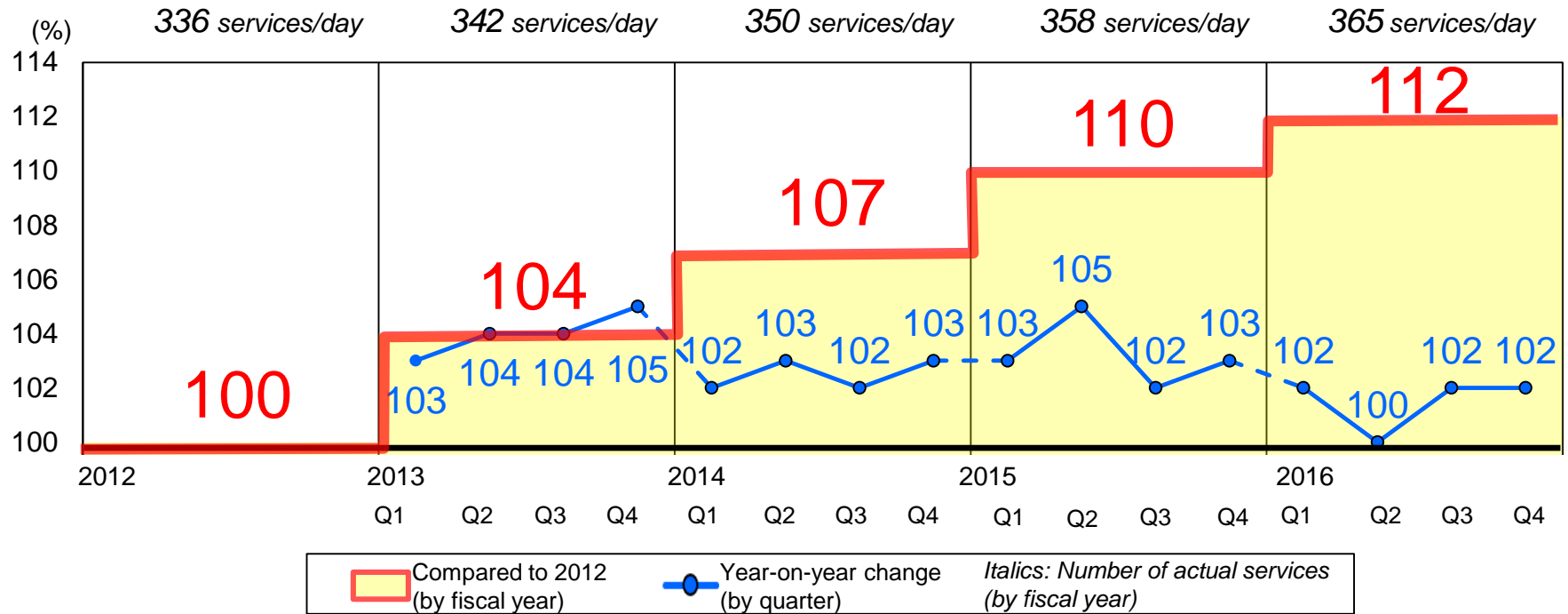
Transportation Status of the Tokaido Shinkansen (passenger volume at Tokyo)



Steady performance for both business and tourism

FY2016 results: Up **102%** year on year (Weekdays 102%, Weekends and holidays 101%*)

*For weekdays, weekends and holidays, comparison of daily average



Secure a high level comparable to the results of the previous year

FY2017 (Forecast): **100%** year on year

Full-Year Performance Forecast (Non-consolidated)



(Billions of yen)

	FY2017.3 Results A	FY2018.3 Forecast B	Changes (B-A)
Operating Revenues (Transportation Revenues)	1,380.7 (1,315.8)	1,383.0 (1,315.8)	+2.2 (-)
Operating Expenses	784.9	822.0	+37.0
Personnel Expenses	179.2	180.0	+0.7
Non-personnel Expenses	354.9	400.0	+45.0
Energy	35.7	42.0	+6.2
Maintenance	134.6	157.0	+22.3
Others	184.5	201.0	+16.4
Taxes other than Income Taxes	39.6	41.0	+1.3
Depreciation & Amortization	210.9	201.0	-9.9
Operating Income	595.8	561.0	-34.8
Ordinary Income	541.2	478.0	-63.2
Net Income	381.8	335.0	-46.8

Expenses for future growth

Technological development expenses for the Tokaido Shinkansen and Superconductive Maglev

Up approximately 10.0 billion yen year on year



N700S validation test vehicles



Brush-up of Superconducting Maglev Technology

Expenses associated with aggressive capital investment

Up approximately 9.0 billion yen year on year



Large-scale renovation (concrete bridges)

東海道・山陽新幹線 発車ご案内
Tōkaidō, Sanyō Shinkansen Departures

列車名 Train	列車番号 Train No.	時刻 Time	行先 Destination	番線 Tracks	自由席	停車駅
のぞみ NOZOMI	25	10:30	博多 Hakata	18	1-3号車	東京 新宿 山手線 有楽町線 丸の内線 有明線 有楽町線 有明線 有楽町線 有明線
ひかり HIKARI	509	10:33	新大阪 Shin-Osaka	15	1-5号車	東京 新宿 山手線 有楽町線 丸の内線 有明線 有楽町線 有明線 有楽町線 有明線
のぞみ NOZOMI	107	10:50	広島 Hiroshima	16	1-3号車	東京 新宿 山手線 有楽町線 丸の内線 有明線 有楽町線 有明線 有楽町線 有明線
こだま KODAMA	649	10:56	新大阪 Shin-Osaka	14	1-7,13-15号車	東京 新宿 山手線 有楽町線 丸の内線 有明線 有楽町線 有明線 有楽町線 有明線
ひかり HIKARI	469	11:03	岡山 Okayama	15	1-5号車	東京 新宿 山手線 有楽町線 丸の内線 有明線 有楽町線 有明線 有楽町線 有明線

【お客様へのお願い】 駅及び車内への危険物の持ち込みは禁止されております

Upgrade of operating information guidance facility

Expenses for reducing future management risk

Up approximately 25.0 billion yen year on year

- Long-term debt for the Chuo Shinkansen construction

Full-Year Performance Forecast (Consolidated)



(Billions of yen)

	FY2017.3 Results A	FY2018.3 Forecast B	Changes (B-A)
Operating Revenues	1,756.9	1,760.0	+3.0
Transportation	1,380.4	1,380.0	-0.4
Merchandise and Other	237.0	245.0	+7.9
Real Estate	68.6	78.0	+9.3
Other	253.9	250.0	-3.9
Operating Expenses	1,137.4	1,177.0	+39.5
Operating Income	619.5	583.0	-36.5
Transportation	593.1	558.0	-35.1
Merchandise and Other	7.5	8.0	+0.4
Real Estate	18.1	17.0	-1.1
Other	1.6	1.0	-0.6
Non-operating Income (Loss)	-55.5	-84.0	-28.4
Ordinary Income	563.9	499.0	-64.9
Net Income Attributable to Owners of the Parent	392.9	348.0	-44.9

* Breakdown by segment shows figures prior to intersegment offsetting and elimination. The sum of breakdown figures does not agree with operating revenues and operating income.

Tokaido Shinkansen large-scale renovation

- Continue to conduct measures to inhibit aging damage for steel bridges, concrete bridges, and tunnels^{*1}

Fiscal year	2013	2014	2015	2016	2017	2018	2019	2020 and thereon
Investment results/plan (Billion yen)	9.5	30.2	35.5	34.0	37.0	Approximately 74.0 ^{*2}		To be determined
of which amount posted to P/L	6.9	19.5	24.1	23.3	25.0	To be determined		

*1 Measures to extend the life of structures by inhibiting the very occurrence of aging damage, such as cracks caused by aging of civil engineering structures.

*2 Calculation based on 145.0 billion yen for FY2016 to FY2019

Large-scale renovation (tunnels)



Anti-earthquake measures

- Tokaido Shinkansen ⇒ Derailment and deviation countermeasures, etc.
- Conventional lines ⇒ Earthquake resistance work for Nagoya Workshop, etc.
- Common ⇒ Measures to prevent ceilings in stations from falling

- Summary for derailment and deviation countermeasures^{*3, 4}

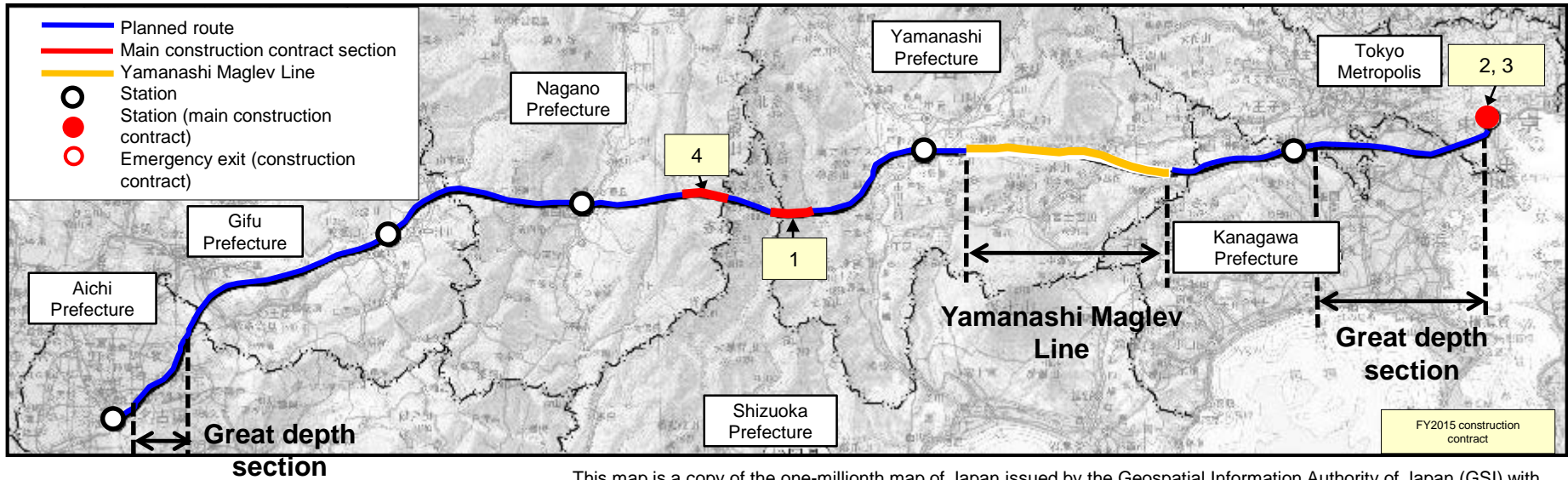
Fiscal year	Overall plan 2009 to 2028	2009 to 2015	2016	2017	2018 and thereon
Investment results/plan (Billion yen)	Approximately 210.0	73.4	12.4	15.0	Approximately 109.0 ^{*5}
Implementation of derailment prevention guards (km)	1,072	360	67	75	570

*3 Installation of derailment prevention guards (including replacement of PC sleepers), measures for structures, deviation prevention stoppers (completed at the end of FY2012)

*4 Former plan summary ⇒ Overall plan for 2009 to 2019; approximately 134.0 billion yen; implementation of derailment prevention guards for 596 km

*5 Calculated based on estimated construction cost for the overall plan (approximately 210.0 billion yen)

Chuo Shinkansen Project - Status of Construction Progress

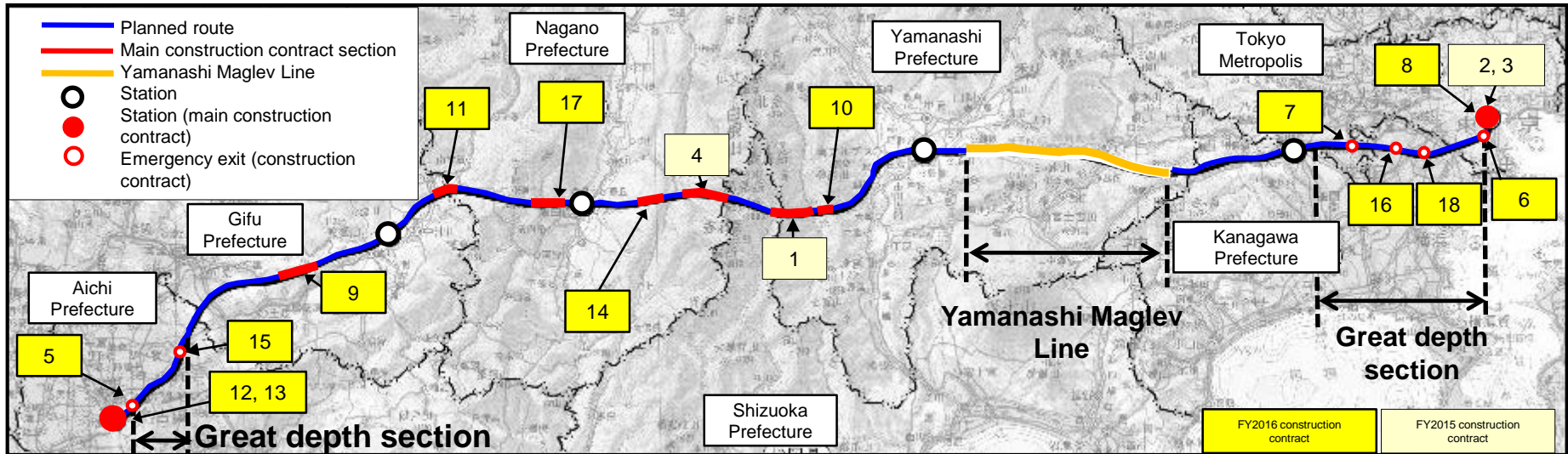


This map is a copy of the one-millionth map of Japan issued by the Geospatial Information Authority of Japan (GSI) with the approval of the Director-General of GSI. (Approval number 2013 copy No. 310)

Names of main construction contracts concluded thus far

1. Southern Alps Tunnel (Yamanashi construction section) [Yamanashi Prefecture] (August 2015)
2. Shinagawa Station (North construction section) [Tokyo Metropolis] (September 2015)
3. Shinagawa Station (South construction section) [Tokyo Metropolis] (October 2015)
4. Southern Alps Tunnel (Nagano construction section) [Nagano Prefecture] (February 2016)

Chuo Shinkansen Project - Status of Construction Progress



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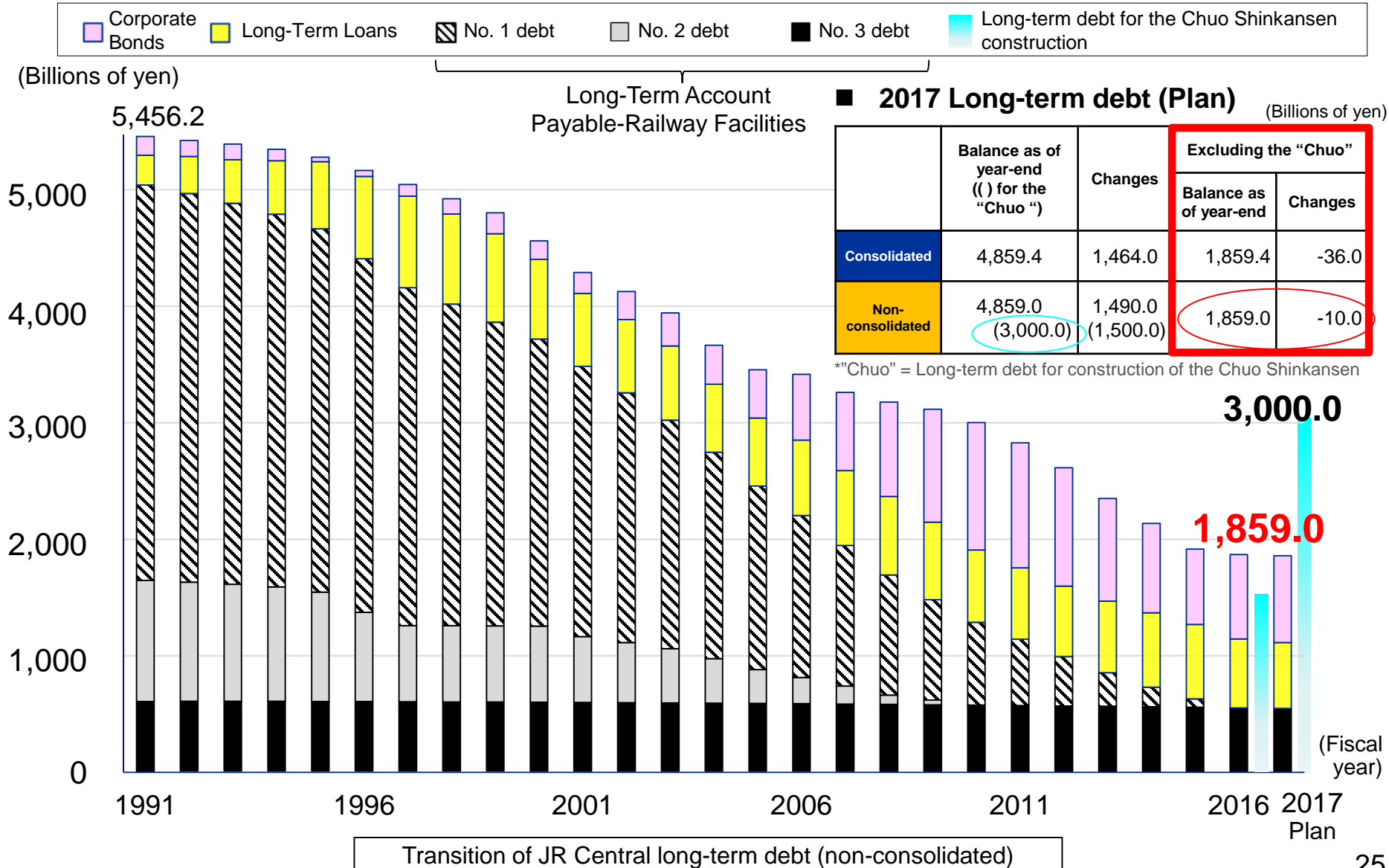
1. Southern Alps Tunnel (Yamanashi construction section) [Yamanashi Prefecture] (August 2015)
2. Shinagawa Station (North construction section) [Tokyo Metropolis] (September 2015)
3. Shinagawa Station (South construction section) [Tokyo Metropolis] (October 2015)
4. Southern Alps Tunnel (Nagano construction section) [Nagano Prefecture] (February 2016)
5. Meijo emergency exit [Aichi Prefecture] (April 2016)
6. Kita-Shinagawa emergency exit and electrical substation (underground section) [Tokyo Metropolis] (April 2016)
7. Onoji emergency exit and other [Tokyo Metropolis] (April 2016)*
8. Shinagawa Station (non-excavation construction section) [Tokyo Metropolis] (May 2016)
9. Hiyoshi Tunnel (Minamigaito construction section) [Gifu Prefecture] (June 2016)
10. No. 4 Minamikoma Tunnel (west construction section) [Yamanashi Prefecture] (July 2016)
11. Central Alps Tunnel (Yamaguchi) [Nagano and Gifu Prefectures] (August 2016)*
12. Nagoya Station (central east construction section) [Aichi Prefecture] (September 2016)
13. Nagoya Station (central west construction section) [Aichi Prefecture] (September 2016)
14. Ina Mountains tunnel (Sakajima construction section) [Nagano Prefecture] (September 2016)
15. Sakashita emergency exit [Aichi Prefecture] (October 2016)
16. Higashi Yurigaoka emergency exit [Kanagawa Prefecture] (November 2016)
17. Central Alps Tunnel (Matsukawa etc.) [Nagano Prefecture] (December 2016)*
18. Kajigaya emergency exit and material loading area [Kanagawa Prefecture] (February 2017)

*Names of construction contracts concluded by Japan Railway Construction, Transport and Technology Agency

Long-term Debt Forecast



Properly control the total amount of long-term debt going forward



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