

[TRANSLATION]

November 21, 2011

To Whom It May Concern:

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Construction Costs Burden of the Chuo Shinkansen's Intermediate Stations

On November 21, 2011, Central Japan Railway Company (the "Company"), at a governor-level meeting with related prefectures, explained to each prefecture the attached Exhibit "Preparing for Early Realization of the Chuo Shinkansen Project", with the goal of dividing roles between the Company and each prefecture and promoting early realization of the Chuo Shinkansen project.

The Company will continue to work towards early realization of the Chuo Shinkansen project, while ensuring its sound management and stable dividends.

● Future Outlook

The total amount of the increased construction costs due to the establishment of intermediate stations in the four (4) prefectures of Kanagawa, Yamanashi, Nagano and Gifu that the Japan Railway Construction, Transport and Technology Agency and the Company clarified in the examination pursuant to Article 5 of the Nationwide Shinkansen Railway Development Act (the "Act") is approximately JPY 330 billion. As described in detail in "3. Conclusion -Future Construction Process, etc.-" in the aforementioned Exhibit, the Company will continue to work towards the realization of the project.

[Exhibit]

Preparing for Early Realization of the Chuo Shinkansen Project

Central Japan Railway Company

November 21, 2011

1. Introduction

1) Past Progress

With respect to the financial resources for the construction of the Chuo Shinkansen, since there is no prospect of realizing the Chuo Shinkansen project with the previous Shinkansen public burden method, (i.e., the method where the national government bears two-thirds (2/3) and the local government bears one-third (1/3) of the construction costs), instead, in December 2007, the Company proposed the idea of proceeding with construction with the Company bearing the construction costs for the line in two steps: first, constructing the portion to Nagoya, and thereafter, working towards the opening to Osaka, the final goal.

In this regard, with respect to the construction costs for the intermediate stations, since

- A. the Company needs to promote the project involving large expenses without relying on the financial resources of the national government, and
- B. local communities are expected to benefit from tax revenue, such as real estate taxes associated with line construction, as well as from various wide-ranging and long-term development profits,

the Company has proceeded with the policy that “the Company would like the local governments to bear at least the construction costs for the intermediate stations.”, as there will be one (1) station per prefecture.

In response to this, each prefecture has expressed opinions opposing arrangements stipulating that the local governments bear the entire amount of the construction costs.

On the other hand, with respect to the Chuo Shinkansen project, the Company was designated as both the operator and constructor by the Minister of Land, Infrastructure, Transport and Tourism in May 2011, and through the determination of the development plan, the Company has received instruction to construct the line. Subsequently, the Company started its assessment of the environmental impact, and hereafter, the Company will enter a new stage involving moving forward with various specific preparations while steadily proceeding with the environmental assessment. In addition, the Company believes that the urgency of early realization of the Chuo Shinkansen project, which contributes to the establishment of a dual-route system for the main transportation artery of Japan, has further increased after the Great East Japan Earthquake which occurred earlier this year.

2) Future Direction

Based on the progress described above, in order to facilitate rapid and uninterrupted progress on the various preparations for early realization of the project, the Company recognizes that the resolution of the issue regarding the construction costs for the intermediate stations, and ensuring that the related parties each steadily play their original roles and work cooperatively, are the most important aspects in order to achieve effective implementation of the project. Therefore, the

Company will modify the existing idea with respect to the bearing of the construction costs for the intermediate stations.

Specifically, the Company will construct the intermediate stations at its own expense. Accordingly, for the implementation of the Chuo Shinkansen project, the Company asks that the local governments cooperate in various ways on the administration side with respect to furthering the progress of the construction. This would include mediation with respect to the acquisition of sites, which is essential for advancing construction progress, and to play the original role of government as local administration with respect to the effect of the Chuo Shinkansen on the development of the relevant prefectures as a whole.

The Company would like to work towards its major goal of early realization of the Chuo Shinkansen project, sharing the roles as described above, and cooperating without causing confusion of roles.

2. Roles for Early Realization of the Chuo Shinkansen Project - Specific Explanation -

1)-A Roles of the Company

The Company will develop stations with facilities which the Company deems necessary for the customers to use, and will bear the construction costs.

Provided, however, that since the financial burden on the Company increases significantly compared to the cost assumptions initially anticipated, the Company will conduct the following:

- (a) reduce comprehensively the overall cost of construction, and
- (b) with respect to station facilities, based on the concept of future passenger transportation, seek compact stations, dramatically pursuing efficiency and functionality also on the operational side, such as not assigning full-time sales staff, etc., free from the traditional method, and reduce not only the construction costs but also operating costs after opening.

1)-B Structure of Facilities which the Company Deems Necessary

Specific details of the facilities will be made clear hereafter, following consideration.

<Above ground station>

- Two (2) island platforms with four (4) lines.
- Place entrance and exit gate, ticket gate facilities, public toilets for passengers on the ground, and connect the ground and the elevated platform with the stairs, elevator and escalator.

<Underground station>

- Two (2) island platforms with four (4) lines.
- Place a space on the second basement floor immediately above the platform, place entrance and exit gate, ticket gate facilities, public toilets for passengers in such space, and connect this space and the platform, the space and exit and entrance way on the ground, respectively with the stairs, elevator and escalator.

In addition, since there are separate issues with construction costs, construction capacity, etc. in repairing the existing stations adjacent to the intermediate stations and organizing

connecting facilities, the Company will give priority to early realization of the first stage section to Nagoya, and following this, the section to Osaka, and will not plan to conduct such repairs and organization in the meantime.

1)-C Facilities which the Local Governments would Like to Prepare

With respect to the facilities that the local governments would like to prepare other than the facilities that the Company deems necessary, the Company will consider such facilities to be included in the construction plan on the condition that the local governments bear the construction costs and the costs related to operation and maintenance; provided, however, that it is necessary to proceed with the preparation of such facilities in strict accordance with the schedule for construction process management.

2) Roles of Local Governments

The Company would like the local governments, including the relevant prefectural governments to play the roles set forth in the Act and their original roles as the local governments for early realization of the Chuo Shinkansen project as follows:

The Company would like the prefectural governments to continue to coordinate between local municipalities for the implementation of the following tasks.

A. Cooperation for furthering the progress of the Construction Including Acquisition of Sites Pursuant to the Act

The Company would like the local governments to actively implement the acquisition of construction sites, and conduct mediation regarding the procurement of a disposal site for soil created by construction and the administrative procedures related to the construction, etc., both of which are essential for furthering the progress of construction and the roles that the local governments should play pursuant to the Act.

B. Preparation of Facilities that Promote the Development of the Entire Prefectures

With respect to facilities adjacent to stations (traffic square, etc., including free passages) and the facilities for promoting use among wide areas of the Chuo Shinkansen (access system to nearby roads and high-standard roads, etc.), it is necessary that each local government, including prefectural governments prepare such facilities as a local administrative matter that will promote the development of their entire prefecture through utilizing the rules, etc., that have been established between the national government and the local governments thus far.

The Company would like Kanagawa prefecture, which will have an underground station, to cooperate with the utilization of a construction site for the station and extra underground space on the basis of the special circumstances related to underground station construction.

3. Conclusion - Future Construction Process, etc. -

The Company believes that the responsibilities of the Company and the local governments for their respective original roles while implementing the construction plan under the close cooperative relationship and strict management of the construction process as described above will further the progress of the construction in the fastest possible manner, and will result in early realization of the Chuo Shinkansen project.

Even though bearing the construction costs for the intermediate stations will be a large financial burden for the Company, with respect to the station facilities, the Company would like to work towards compact stations by dramatically pursuing efficiency and functionality that is free from the traditional method, upon preparing the necessary functions for customers' use. In addition, the Company requests understanding and cooperation since it does not plan to change the proposed timing of opening even though it bears the construction costs of the intermediate stations, through further cost reduction in all areas of the construction costs related to the Chuo Shinkansen project, as well as making continuous annual management efforts and reducing operating costs after opening.

Illustration of Above Ground Station

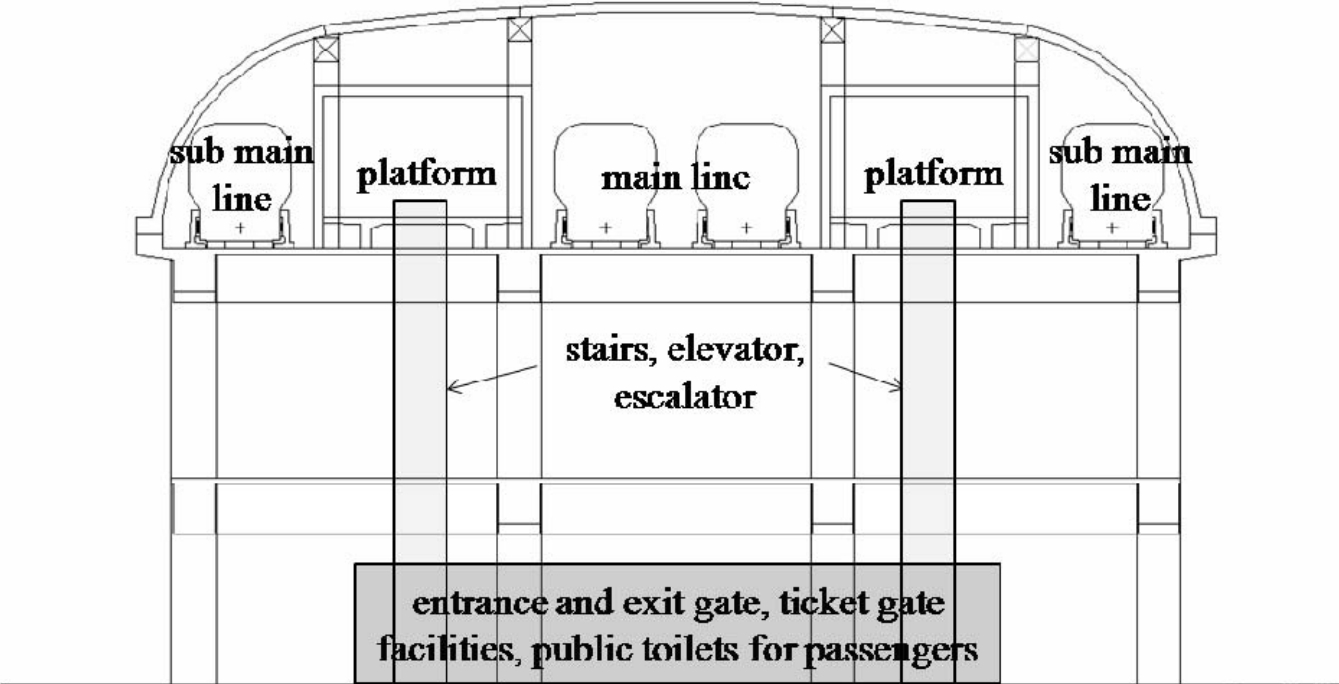


Illustration of Underground Station

