

[TRANSLATION]

January 29, 2013

To Whom It May Concern:

Name of Company: Central Japan Railway Company  
Name of Representative: Yoshiomi Yamada,  
President and Representative Director  
(Code: 9022, First Sections of the TSE, OSE and NSE)  
Contact Person: Ryo Ejiri,  
General Manager of the Public Relations Department  
(Telephone No.: +81-52-564-2549)

Notice of Application for Amendment to the Allowance Reserve Plan for the Large-Scale Renovation  
of Shinkansen Infrastructure

While the importance of infrastructure has come to be of greater concern to the people of Japan due to the occurrence of the Great East Japan Earthquake, etc., the civil engineering structures of the Tokaido Shinkansen, which is in its 49<sup>th</sup> year of operation, remain sound even today because of continuous careful inspections and repairs in accordance with maintenance standards.

While Central Japan Railway Company (the “Company”) will continue inspections and repairs of deterioration, it will be necessary to replace facilities in the future due to age-related deterioration. Therefore, in order to carry out large-scale renovation starting from FY2018, the Company has been accumulating allowance reserves since 2002 following approval by the Minister of Land, Infrastructure, Transport and Tourism of the allowance reserve plan for the large-scale renovation of Shinkansen infrastructure (the “Allowance Reserve Plan”) under the Nationwide Shinkansen Railway Development Act (the “Act”).

With respect to the method for the large-scale renovation, the Company has been continuously working on research and development centered at the Company’s research facility, which was established in 2002, and the Company has developed a method by which the Company can carry out measures to extend the life of structures by inhibiting the very occurrence of age-related deterioration of civil engineering structures (the “Measures to Inhibit Age-related Deterioration”) first, and then conduct overall renovation, such as replacement of floorbeams and stringers (the “Overall Renovation”). This new method makes it possible to reduce substantially interference to train operations at the time of construction and also to decrease construction costs drastically.

With respect to the civil engineering structures of the Tokaido Shinkansen, the Company determined that an earlier start to the large-scale renovation using the new method would be appropriate in order to preserve and improve the soundness of structures by inhibiting the very occurrence of deterioration, and decided to conduct such renovation 5 years ahead of schedule,

starting from FY2013. Therefore, the Company applied to the Minister of Land, Infrastructure, Transport and Tourism for an amendment to the Allowance Reserve Plan under Article 16, Paragraph (1) of the Act on January 29, 2013, following a resolution to do so, which was made at the meeting of the Board of Directors on January 29, 2013.

1. Details of the application for amendment

		Applied-for Amendment	(Reference) Existing Plan
Large-scale renovation	Period	From April 2013 to March 2023 (10-year period)	From April 2018 to March 2028 (10-year period)
	Total cost	730.8 billion yen	1,097.1 billion yen
Allowance	Reserve period	From October 1, 2002 to March 31, 2013 (10.5-year period)	From October 1, 2002 to September 30, 2017 (15-year period)
	Total reserve	350 billion yen	500 billion yen

2. Summary of the large-scale renovation (Exhibit)

(1) Content of construction

Target Facilities		Outline of Construction
Bridges	Steel bridges	Reinforcement of connection with floorbeams and stringers, replacement/reinforcement of shoes and replacement of floorbeams and stringers
	Concrete viaducts and bridges	Cladding of cantilevers and columns with steel plates
Tunnels		Grout injection behind lining, reinforcement with rock bolts and steel plates

(2) Method of construction

The Measures to Inhibit Age-related Deterioration will be carried out first, and then the Overall Renovation will be implemented. The specific time of commencement of the Overall Renovation will be separately determined taking into consideration the state of the structures after the implementation of the Measures to Inhibit Age-related Deterioration.

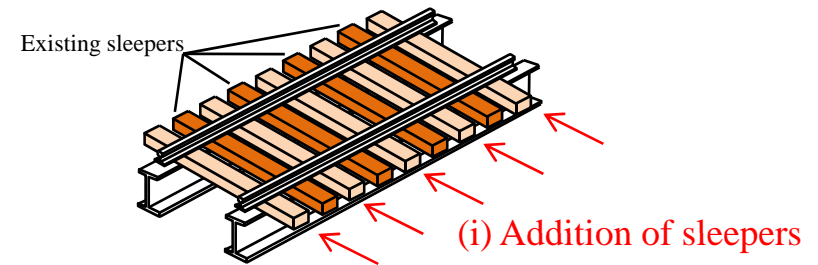
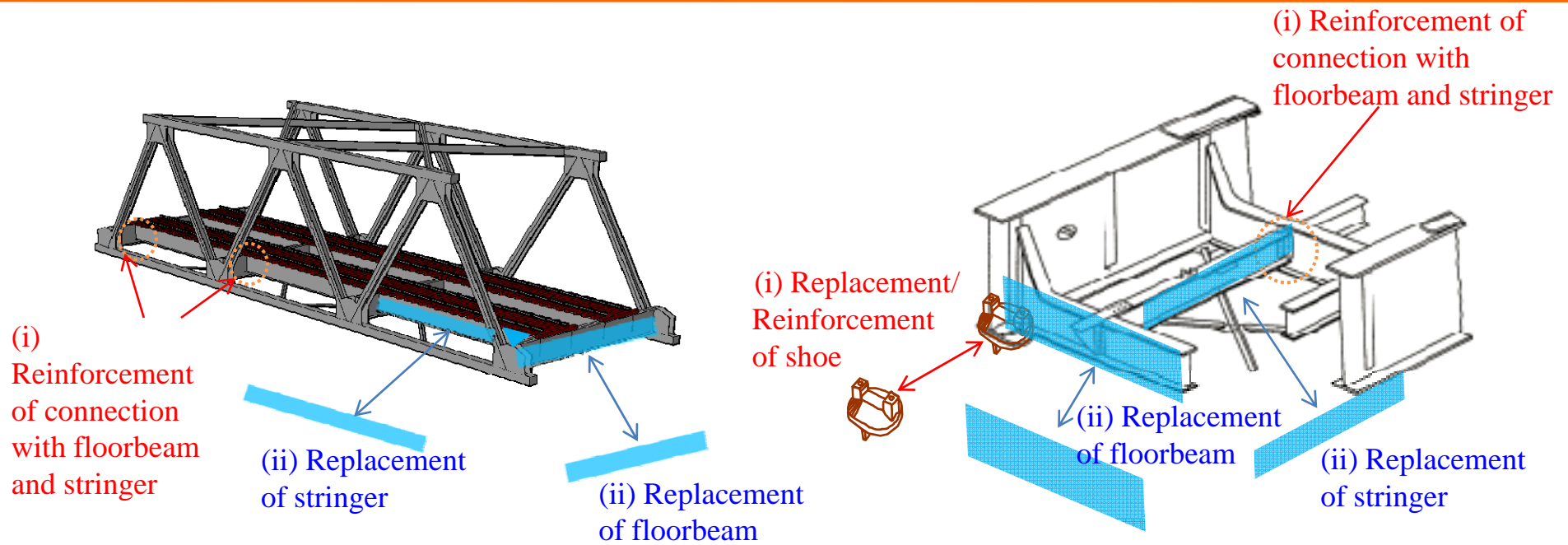
3. Effect on profit and loss due to reserve/appropriation of allowances

If the application for the amendment is approved, for every fiscal year from FY2013 to FY2022 there will be, compared to FY2012, a decrease of 68.3 billion yen in operating expenses. The breakdown of the amount is: a decrease of 33.3 billion yen due to the discontinuance of the reserve of allowances from FY2013 and a decrease of 35.0 billion yen due to the appropriation of reserves spread evenly over 10 years from FY2013.

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# Content of Large-Scale Renovation Work (Steel Bridges)

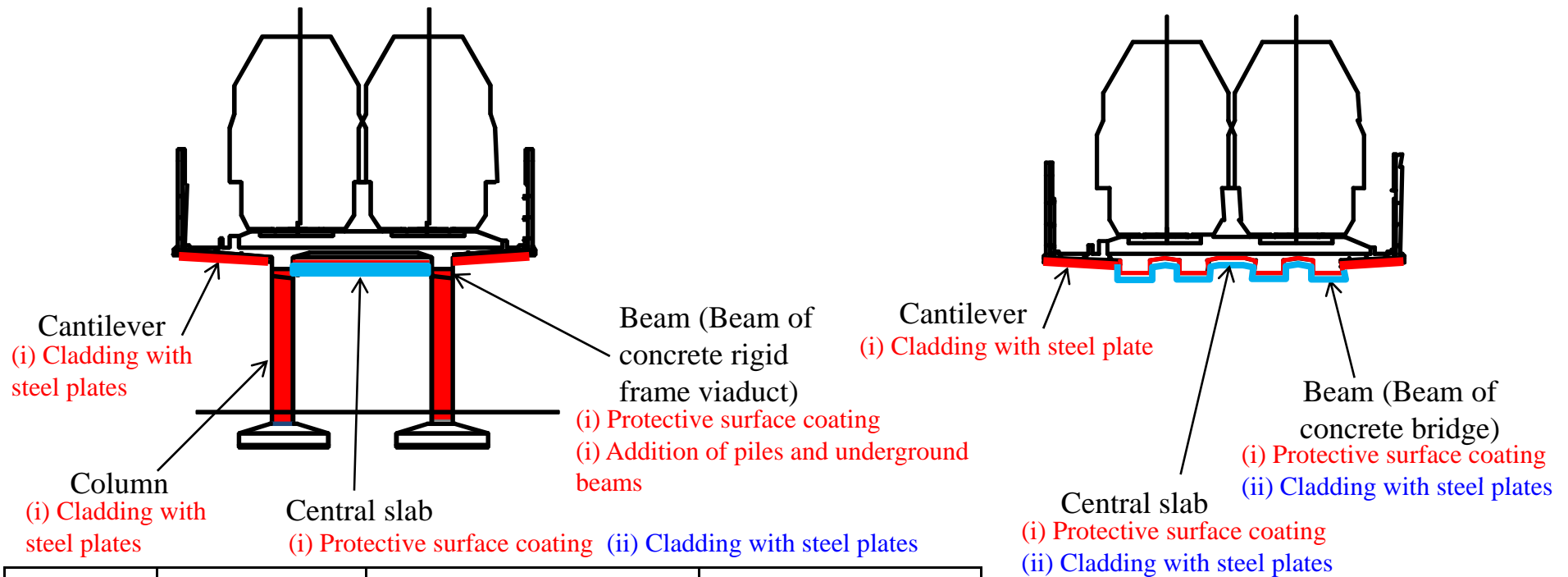
[Exhibit]



Types of measures	(i) Measures to Inhibit Age-related Deterioration	(ii) Overall Renovation
Content of work	<ul style="list-style-type: none"> <li>▪ Reinforcement of connection with floorbeams and stringers</li> <li>▪ Replacement/Reinforcement of shoes</li> <li>▪ Addition of sleepers</li> </ul>	<ul style="list-style-type: none"> <li>▪ Replacement of floorbeams and stringers</li> </ul>

※ The specific time of commencement of the Overall Renovation will be separately determined taking into consideration the state of the structures after the implementation of the Measures to Inhibit Age-related Deterioration.

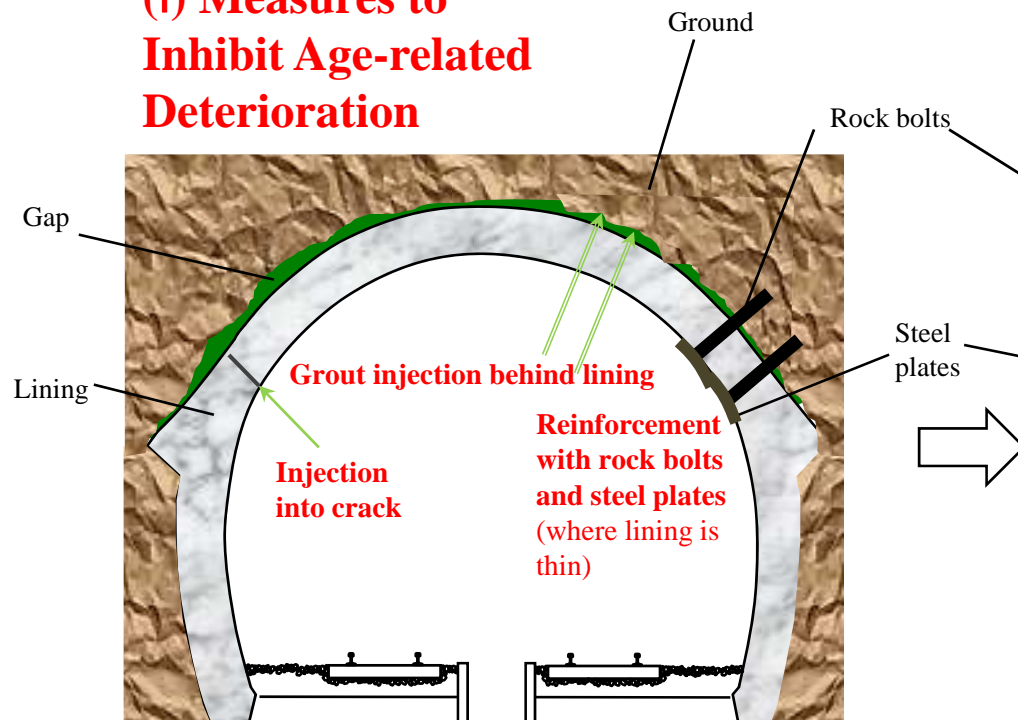
# Content of Large-Scale Renovation Work (Concrete Viaducts and Bridges) [Exhibit]



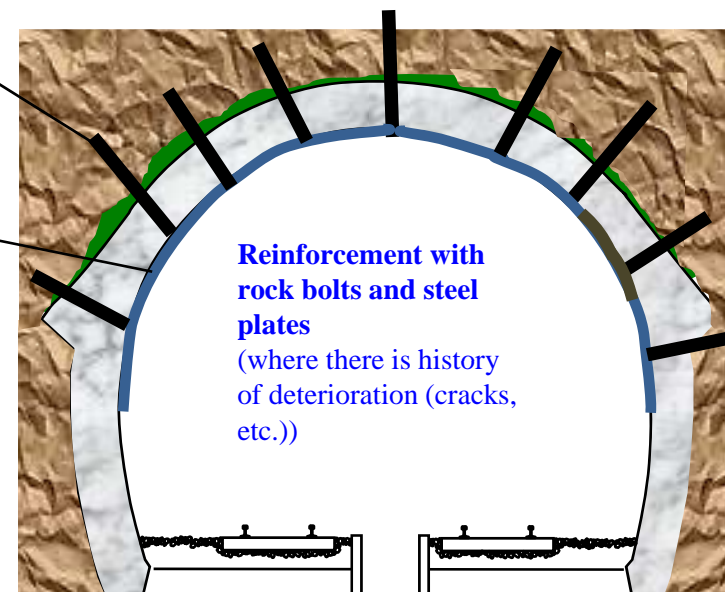
Types of measures		(i) Measures to Inhibit Age-related Deterioration	(ii) Overall Renovation
Content of work	Cantilever	• Cladding with steel plates	—
	Column	• Cladding with steel plates	—
	Central slab	• Protective surface coating	• Cladding with steel plates
	Beam (Beam of concrete rigid frame viaduct)	• Protective surface coating • Addition of piles/underground beams	—
	Beam (Beam of concrete bridge)	• Protective surface coating	• Cladding with steel plates

※ The specific time of commencement of the Overall Renovation will be separately determined taking into consideration the state of the structures after the implementation of the Measures to Inhibit Age-related Deterioration.

## (i) Measures to Inhibit Age-related Deterioration



## (ii) Overall Renovation



※ The specific time of commencement of the Overall Renovation will be separately determined taking into consideration the state of the structures after the implementation of the Measures to Inhibit Age-related Deterioration.