

[TRANSLATION]

July 28, 2017

To Whom It May Concern:

Name of Company: Central Japan Railway Company
Name of Representative: Koei Tsuge,
President and Representative Director
(Code: 9022, First Sections of the TSE and NSE)
Contact Person: Shunsuke Niwa,
Corporate Officer and General Manager of the Public Relations Department
(Telephone No.: +81-52-564-2549)

Notice Concerning Introduction of Employee Stock Ownership Plan (Employee Shareholding Association Purchase-type)

The Central Japan Railway Company (the “Company”) hereby announces that it resolved, at the Board of Directors meeting held today, to introduce an Employee Stock Ownership Plan (employee shareholding association purchase-type) (the “Plan”) for the purpose of improving the employee benefit program for employees participating in the JR Tokai Employee Shareholding Association (the “Shareholding Association”) and revitalizing the Shareholding Association.

1. Purpose of Introduction of the Plan

The introduction of the Plan is intended to increase medium- to long-term corporate value through improvement of job performance and motivation aimed at increasing the business performance and stock price of the Company by granting to its employees incentives to raise the Company’s stock price and to further enhance the employee benefit program.

The Plan is an employee benefit program established with reference to, among others, the ESOP (Employee Stock Ownership Plan) system, an employee compensation plan which is common in the United States as part of employee incentive plans, and to the “Report on a New Holding Scheme of Treasury Stocks,” which was announced by the Ministry of Economy, Trade and Industry on November 17, 2008.

2. Overview of the Plan

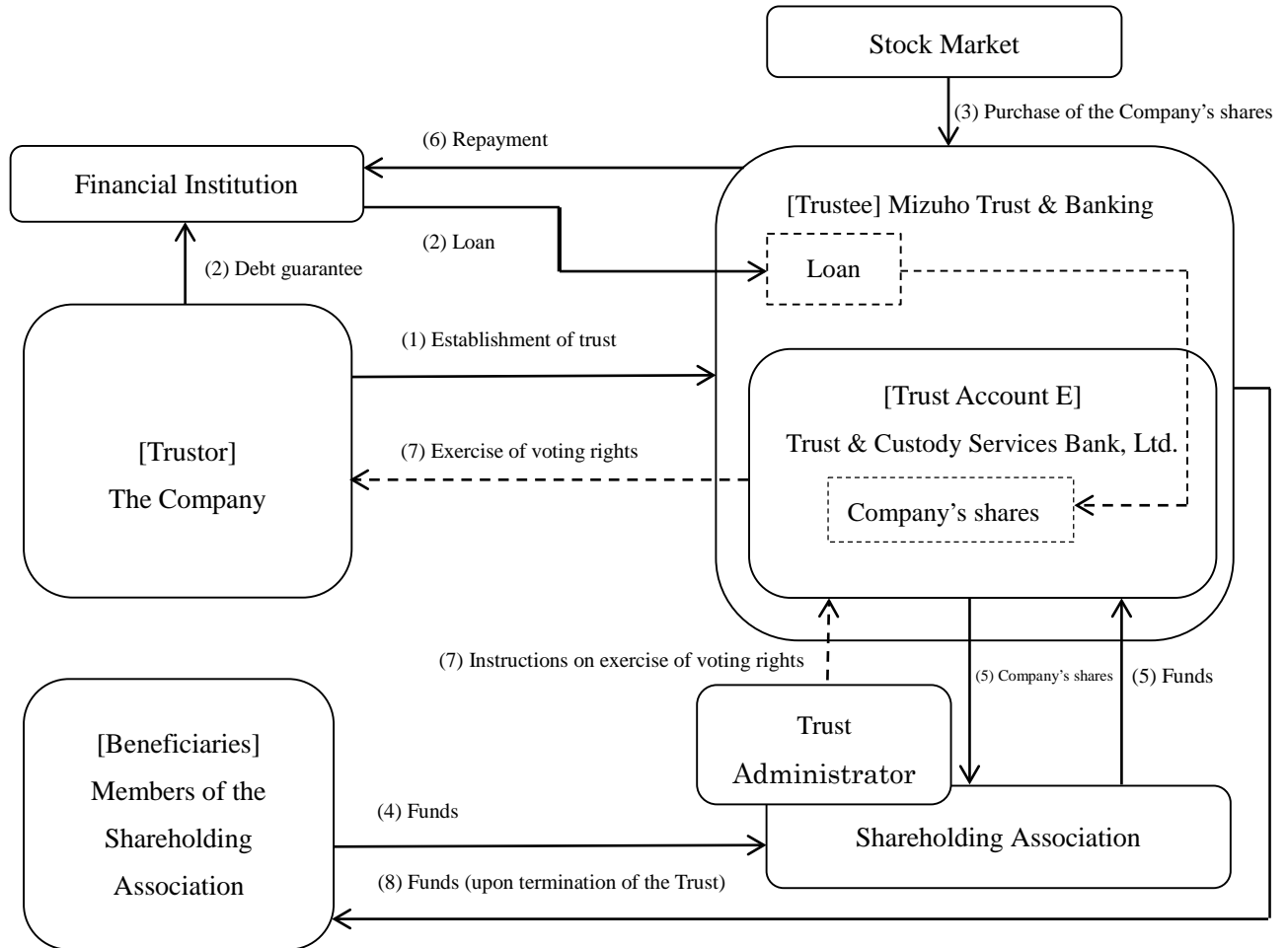
This is an incentive plan that is open to all employees who are members of the Shareholding Association. The Plan aims to return the benefits of the appreciation of the Company's stock price to the members.

To introduce the Plan, the Company will enter into a Stock Benefit Trust (Employee Shareholding Association Purchase-type) Agreement (the "Trust Agreement") with the Company as the trustor and Mizuho Trust & Banking Co., Ltd. as the trustee (hereinafter the trust to be established pursuant to the Trust Agreement is referred to as the "Trust"). Mizuho Trust & Banking Co., Ltd. will enter into an agreement with Trust & Custody Services Bank, Ltd. to re-entrust the administration of trust assets such as securities with Trust & Custody Services Bank, Ltd. as the re-trustee.

Trust & Custody Services Bank, Ltd. will collectively acquire and place in the trust account E to be established at Trust & Custody Services Bank, Ltd. ("Trust Account E") the equivalent number of the Company's shares that the Shareholding Association is expected to purchase over the next four (4) years, and thereafter, will sell the Company's shares to the Shareholding Association upon its acquisition of shares. If the amount equivalent to the net gains on the sale of the Company's shares to the Shareholding Association by the Trust Account E accumulates within the trust assets of the Trust by the time of termination of the Trust, such money will be distributed as the residual assets to members of the Shareholding Association meeting the beneficiary requirements (employees).

Meanwhile, the Company will act as guarantor for the borrowing undertaken by the trust bank to purchase the Company's shares, and will repay any outstanding portion of the loan if there are remaining borrowings equivalent to the loss on the sale of the shares at the time of termination of the Trust due to a decrease in the market price of the Company's shares or otherwise.

3. Structure of the Plan



- (1) The Company shall contribute funds to Trust Account E and establish a third-party benefit trust.
- (2) The trustee (Mizuho Trust & Banking) shall borrow from the financial institution the funds for acquiring shares (the Company provides the financial institution with a guarantee of the loan).
- (3) The trustee (Mizuho Trust & Banking) shall re-entrust the borrowed funds to Trust Account E, and Trust Account E shall acquire the Company's shares through the stock market using such funds.
- (4) Members of the Shareholding Association shall pay into the Shareholding Association along with their incentive pay.
- (5) The Shareholding Association shall use the purchase funds contributed by the employees on a monthly basis to purchase the Company's shares from the Trust Account E at the prevailing market price.

- (6) The trustee (Mizuho Trust & Banking) shall repay the principal of its loan using the Trust Account E's proceeds from the sale of shares to the Shareholding Association, and pay the interest on the loan using funds such as the dividends that the Trust Account E receives from the Company.
- (7) During the trust period, the trustee (Mizuho Trust & Banking) shall exercise the voting rights concerning the Company's shares held in Trust Account E under the instructions on the exercise of voting rights received from the trust administrator.
- (8) The Trust is terminated upon the expiration of the trust period or due to causes such as the depletion of trust assets. Residual shares held by the Trust will be sold upon termination of the Trust. Any surplus that remains after full repayment of the loan will be distributed to the members of the Shareholding Association.
(In the event that the trustee (Mizuho Trust & Banking) is not able to repay its loan using the trust assets upon termination of the Trust, the Company will repay the loan as required under the debt guarantee.)

4. Overview of the Trust

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| (1) Purpose of the trust: | Steady provision of the Company's shares to the Shareholding Association and delivery to the beneficiaries of profits generated by the administration and disposition of trust assets. |
| (2) Trustor: | The Company |
| (3) Trustee: | Mizuho Trust & Banking Co., Ltd.
Mizuho Trust & Banking Co., Ltd. is scheduled to conclude a comprehensive trust agreement with Trust & Custody Services Bank, Ltd., upon which Trust & Custody Services Bank, Ltd. will become the re-trustee. |
| (4) Beneficiaries: | Members of the Shareholding Association who meet the beneficiary requirements |
| (5) Trust Establishment Date: | September 1, 2017 (scheduled) |
| (6) Term of the Trust: | September 1, 2017 – September 10, 2021 (scheduled) |

5. Details of Acquisition of the Company's Shares by the Trust

- (1) Stock to be Acquired: Common stock of the Company
- (2) Total Acquisition Price: JPY 21,400 million
- (3) Period of Acquisition of Stock: September 1, 2017 – September 30, 2017
(scheduled)
- (4) Method of Acquiring Stock: Stock market transaction

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