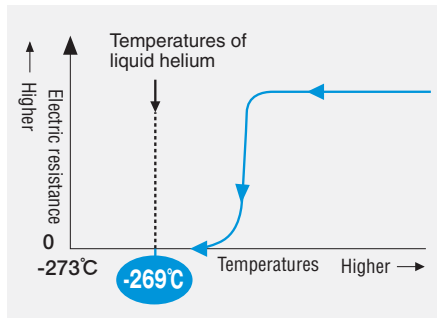


Promoting the Tokaido Shinkansen Bypass by the Superconducting Maglev system

In order to continually carry out our mission

JR Central, whose mission is to operate high-speed railway linking the three major metropolitan areas of Tokyo, Chukyo and Kinki, aims for the realization of the Tokaido Shinkansen Bypass that utilizes the Superconducting Maglev system and is steadily proceeding with necessary procedures and works.

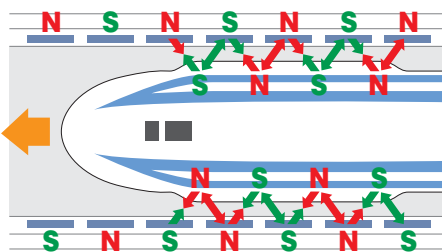
What is superconductivity?



Superconductivity is the phenomenon of zero electric resistance that results when the temperature of certain metals, alloys and oxides falls below a certain level. When an electrical current is applied to a coil in a superconductive state (superconductive coil), this current continues to flow permanently, resulting in the creation of a very large magnetic field. Niobium-titanium alloy has been used in the Superconducting Maglev to increase superconductive stability and a superconductive state is achieved by cooling Niobium-titanium to a temperature of minus 269°C with liquid helium.

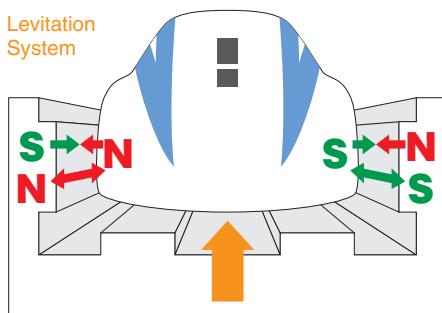
The Principles of the Superconducting Maglev System

Propulsion System



By passing current through propulsion coils on the ground, a magnetic field (north and south poles) is produced, thus the train is propelled forward by the attractive force of opposite poles and the repulsive force of same poles acting between the ground coils and the superconducting magnets built into the vehicles.

Levitation System



Levitation and guidance coils are installed on either side of the guideway (track). When the superconductive magnets on the car passes at high speed, an electric current passes through the levitation and guidance coils on either side to become electromagnetic, generating a force that both pushes up (repulsive force) and pulls up (suction power) the car (the superconducting magnet).

Promoting the Tokaido Shinkansen Bypass (Chuo Shinkansen)

The Tokaido Shinkansen Bypass (the "Bypass") that utilizes the Superconducting Maglev system will enable us to continually carry out our mission of operating high-speed railway linking the Tokyo Metropolitan, Chukyo regions and Kinki regions, which is vital to our business, and will provide the future foundation for existence of our company. It will soon be 46 years since the inauguration of the Tokaido Shinkansen which presently fulfills the mission, and we have entered a time when we must think of drastic ways to deal with feared future aging and large-scale disasters based on the fact that it takes a very long time to construct and realize a railway. It is for this reason that we must realize as quickly as possible the Bypass that can substitute the role of the Tokaido Shinkansen and that utilizes the Superconducting Maglev system, which we have developed, under the condition that we bear the cost of rail construction and operate it in an integrated manner along with the Tokaido Shinkansen.

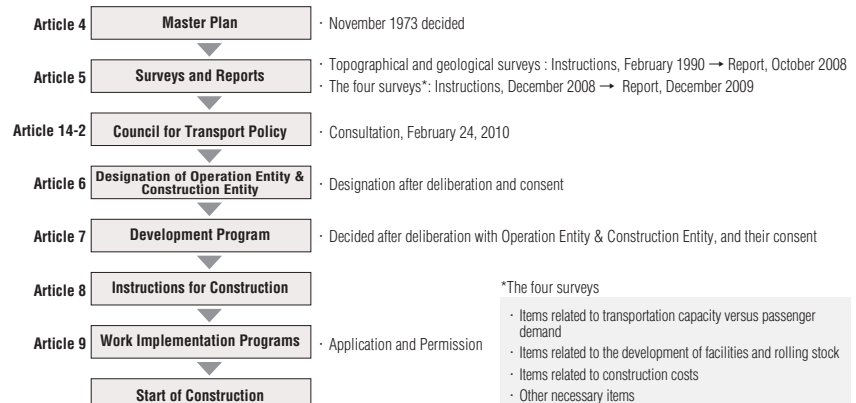
With that, we determined in December 2007 that it is sufficiently possible to maintain sound operation and stable dividends while investing as needed to ensure safe and reliable transportation and enhance competitiveness even if we bear the financial burden of constructing a line, at first, between the Tokyo Metropolitan and Chukyo regions, and decided to proceed with the necessary procedures and works to realize such a bypass as a Chuo Shinkansen in accordance with the Nationwide Shinkansen Railway Development Law (the "Law") under the condition that we bear the financial burden.

Furthermore, in conjunction with this decision, in order to confirm that the rules of a privately owned company, such as autonomy of capital investment and discretion of management, will not be hindered by application of the Law, we referred fundamental clauses regarding application of the Law to the Ministry of Land, Infrastructure, Transport and Tourism, and received a reply in January 2008 indicating that those rules would not be hindered.

Based on these facts, we are steadily moving forward with efforts aimed at realizing the Chuo Shinkansen that utilizes the Superconducting Maglev system.

We submitted a report to the Minister of Land, Infrastructure, Transport and Tourism (the "Minister") in October 2008 concerning topographical and geological surveys conducted since 1990 in accordance with Article 5 of the Law. We also submitted a report in December 2009 to the Minister regarding the remaining four surveys which we received instructions to implement from the Minister in December 2008. In response to this, the Minister consulted the Council for Transport Policy (the "CTP") pursuant to Article 14-2 of the Law on February 24, 2010 regarding the designation of an operation entity & construction entity and matters regarding the decision on a development program, which are currently under discussion. Regarding the above entity and the decision on a development program, since construction is envisioned to take place in the section between Tokyo Metropolitan and Osaka City, we confirmed that we can ensure sound operation and stable dividends throughout the construction period and after commencement of commercial operation by reviewing the long-term estimated forecast by placing assumptions that are considered to be reasonable as of today, and announced on April 28, 2010 that we shall proceed with necessary steps in preparation for the case in which the Minister requests our consent to the designation of an operation entity & construction entity pursuant to Article 6 of the Law with respect to the section of the Chuo Shinkansen between the Tokyo Metropolitan and Osaka city based on the premise that we intend to consent to such request. Thereafter, at the CTP Chuo Shinkansen Subcommittee held on May 10, 2010, we asserted and explained that ①it is necessary to create redundancy for Japan's main transportation artery linking Tokyo, Nagoya and Osaka in the form of a Chuo Shinkansen that utilizes the Superconducting Maglev system in order to prepare for future risk; ②that the realization of the Superconducting Maglev system will

Flow of Works based on the Nationwide Shinkansen Railway Development Law



have great spreading effects on the whole Japanese economy; ③that JR Central is able to complete the project through to Osaka City while solely burdening the costs; and, ④that it is necessary to begin construction as soon as possible in order to finish early.

We shall continue to make steady preparations aimed at the early start of construction and early completion of the Bypass that utilizes the Superconducting Maglev system.

Yamanashi Maglev Test Line Investment and the Superconducting Maglev Technology Development

In the realization of the Bypass (Chuo Shinkansen), since we consider that the employment of the Superconducting Maglev system is most suitable due to its advanced nature and high-speed, we have spent more than 20 years since its inception developing the Superconducting Maglev system.

In June 1990 in particular, after confirming the attitude toward integrated management of the Tokaido Shinkansen and the Chuo Shinkansen to the Ministry of Transportation (former), we decided that we would bear the burden for a portion of the costs for construction of civil engineering structures for the Yamanashi Maglev Test Line and technological development associated with practical application to the Chuo Shinkansen. Construction on the test line commenced in November of the same year.

From April 1997 until June 2010, 800,000 km accumulative of running tests have been performed on the 18.4km priority section at the Yamanashi Maglev Test Line; that's approximately 20 times the circumference of the globe. In addition, our technology development has obtained extremely good results, such as by setting the world's fastest speed record for railway of 581km/h in December 2003. We can attest that the Superconducting Maglev system is safe and has already achieved levels sufficient for commercial operation at this time.

The current state of this level of technology was confirmed by the Ministry of Land, Infrastructure, Transport and Tourism's "Superconducting Magnetic Levitation Technological Practicality Evaluation Committee" (the "Evaluation Committee") which was held in July 2009.

We will continue its efforts to further improve the Superconducting Maglev technology aimed at practical application and commercial operation. In addition, in September 2006, we decided to invest 355 billion yen of its own capital in the upgrading of facilities at the Yamanashi Maglev Test Line to practical application specifications, and to extend the line to 42.8km. This construction is proceeding with the objective of completion by the end of FY2013 and we aim to complete it as quickly as possible in a steady and speedy manner.

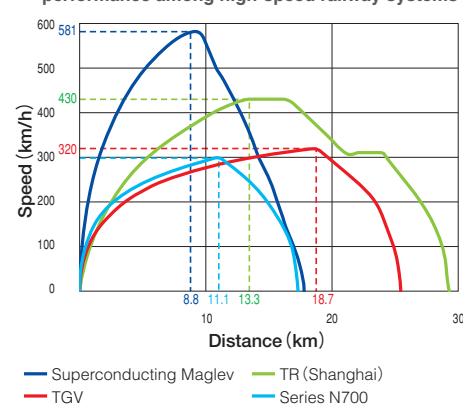
Reducing Costs thoroughly while Ensuring Safety

The burden of the cost for construction of the Bypass (Chuo Shinkansen) rests entirely on us, and all costs of construction are examined by the internally established "the Tokaido Shinkansen Bypass Construction Cost Reduction Committee," which continues to thoroughly reduce costs while ensuring safety. At the same time, we will be flexible in terms of managing this project so that we may distribute resources in an optimal fashion in accordance with operational status.

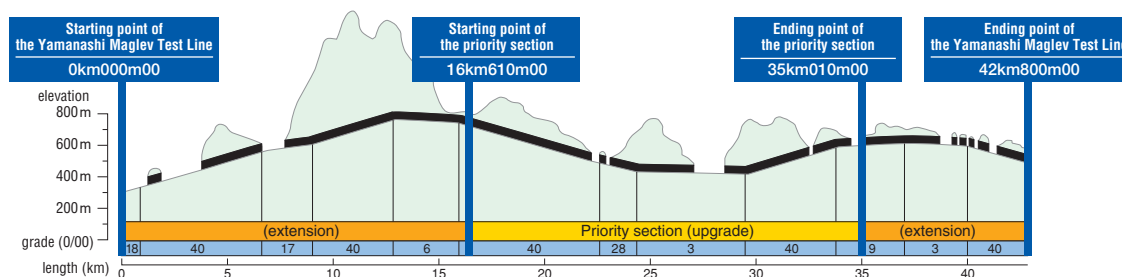


▲Rolling Stock of the Superconducting Maglev System

The comparison of accelerating/decelerating performance among high-speed railway systems



Overview of the Yamanashi Maglev Test Line



History of the Yamanashi Maglev Test Line

1990	Construction began on the Yamanashi Maglev Test Line
1997	Test runs began (record the maximum design speed of 550 km/h)
2000 March 9	The technical prospects for practical application of the Superconducting Maglev was acknowledged by the Evaluation Committee under the Ministry of Transport, currently reorganized into the Ministry of Land, Infrastructure, Transport and Tourism
2005 March 11	The Evaluation Committee acknowledges that the foundation technology for Superconducting Maglev was established for practical application
2006 September 25	Investment plan of the upgrade and extension of the Yamanashi Maglev Test Line is decided
2007 January 23	Application for changes of "Yamanashi Test Line Construction Plan" was approved by the Minister of Land, Infrastructure and Transport
2008 May 30	Upgrade and Extension works began on the Yamanashi Maglev Test Line
2009 July 28	The Evaluation Committee determined that, "the technology required for a commercial line has been cyclopaedically and systematically established, and it is possible to move forward with actually creating detailed technological standards and specifications for a commercially viable line"