

Special Topic 5 Maximizing Group Value

Providing High Quality Services in an Age of Change



Further Leap in Life-style Businesses

In JR East Vision 2020, we stated that we will continue to aggressively develop our life-style businesses and that we aim to increase the share of our non-transportation operating revenues to approximately 40% of total operating revenues by fiscal 2018. We made this announcement of our Group-wide efforts to set a clear target and work toward its achievement in order to respond to a society that is currently facing drastic changes caused by a declining birthrate, the aging of the population and globalization. To that end, we will recognize stations as important management resources and work toward contributing to the raising of total Group value.

Building New Businesses and Revitalizing Existing Businesses

In order to coordinate our railway lines, which are used daily by 16.86 million travelers, and our life-style businesses and increase the asset value of our stations, seven or eight years ago we started our Station Renaissance program. In the past we considered stations simply as parts of our railway and life-style businesses. Now, however, we are advancing station development from the perspective of total optimal use of stations and as a form of urban planning in cooperation with communities.

We also believe it is important to press on with our process of continuous improvement of existing outlets in the pursuit of meeting customer needs. Along with the provision of high-quality and high-hospitality products and services that will attract customers, we will initiate high quality design with the aim of making our stations satisfy all the diverse needs of our customers.

One of the most recent issues we have been faced with is the need to revitalize local communities. In this regard, we believe that if we take on the role of introducing local regions to urban areas, by means such as publicizing an individual region's agricultural products and crafts, we will ultimately nurture the revitalization of many of the localities within our service area.

To achieve this, I believe it is vital for us to encourage each and every employee to develop a vision of a better future and through exchanges of ideas turn those visions into realities. We in management intend to consider all suggestions put to us and make speedy decisions about implementation.

Under an environment facing increasingly dramatic changes, we at JR East intend to steadily achieve the targets we published in JR East Vision 2020 and continue to strive for a strengthening of our Group's sustainable growth and management.

The vision of our life-style business is nothing less than initiating business that will be highly regarded by our customers, doing this with the help of extremely sensitive methods and devices.



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