

Rediscover Local Areas Project



1. Regional revitalization

Against a backdrop of a decreasing population, a low birth rate and an aging society combined with an overconcentration of people and functions in cities, Japan's social environment is facing very difficult conditions, not only in terms of the economy but also in terms of the cultures, traditions, and techniques of individual regions.

With this in mind, we are aware that if the JR East Group is to continue to expand its railway network-based business, it will be necessary for us to create fluidity between local communities through the enhancement of each community's individual and specific appeals.

The JR East Group has actively implemented the unearthing of previously little known tourist resources, the development of secondary transport systems, and the provision of regional information in cooperation with local communities. We have done this through such initiatives as the Destination Campaigns, the setting up of priority sales areas, the sale of local specialties in stations, and various other events. Furthermore, in JR East 2020 Vision, we committed ourselves to a company-wide effort to further enhance the revitalization of local communities.

2. Rediscover Local Areas Project

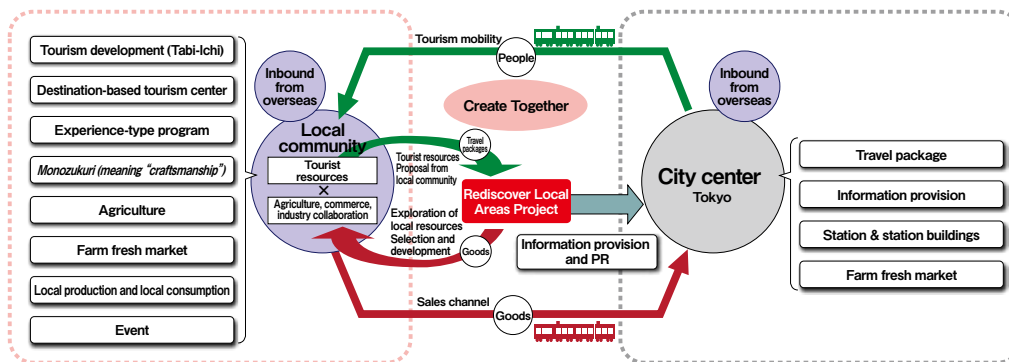
In September 2009, JR East launched the Rediscover Local Areas Project, an initiative that combines our transportation and life-style services businesses with the aim of accelerating cooperation with regional communities and, thereby, achieving steady results.

The basic concept of the Rediscover Local Areas Project is to support a form of continuous cooperation between the JR East Group and local communities regarding regional revitalization matters. The project stipulates a clear division of roles based on the “Create Together” strategy under which the Group strengthens its cooperation with regional communities and strives to develop new ideas and solutions.

In line with this concept, we have already started the provision of support for autonomous tourism development efforts in local communities. This support includes the creation of a new market of destination-based tourism using the travel package Tabi-Ichi. Tabi-Ichi includes the following concepts: climate and culture rooted in the region; local production and local consumption; and getting in touch with people, and features the involvement and ideas of local residents. Events such as the Iwate-Hanamaki Rediscovery Symposium have been held with the aim of providing residents with opportunities to look again at the tourist resources of their regions.

The JR East Group has railway networks that connect different regions, stations that serve as local centers, business know-how regarding ekinaka (inside station), buildings, and hotels, sales channels and advertising media radiating out from the Tokyo metropolitan area, and human resources that make contributions as members of local communities. The Rediscover Local Areas Project utilizes these strengths and exploits the traditional cultures, festivals, techniques, local produce, and other tangible and intangible tourist resources, expands sales channels, and promotes the exchange of interactive information between the Tokyo metropolitan area and regional communities.

A main objective of the Rediscover Local Areas Project is to bring about an increased flow of people and goods and create new markets through a tightening of ties between the Tokyo metropolitan area and local regions. This, in turn, will no doubt lead to the reinvigoration of regional communities within the JR East service area and a concomitant strengthening of our management foundation leading to improved prospects for the Group.



Rediscover Local Areas Project



Tabi-Ichi



Iwate-Hanamaki Rediscovery Symposium

3. Specific initiatives

The Rediscover Local Areas Project started by deepening our specific undertakings from the following perspectives: social responsibility and contribution; cooperation with local communities; and the synergy of our railway network and life-style services business.

One specific case is our Folkloro and Familio long-stay hotels. We have promoted regional revitalization measures centered on the renewal of such facilities. In the Iwate area, for example, Folkloro Iwate Towa has undergone renewal and has been relaunched as an auberge with its own vegetable gardens. Furthermore, through a newly opened restaurant specializing in locally produced ingredients, visitors can try new local dishes using seasonal ingredients, as well as taking part in a variety of activities, organized in cooperation with local producers, such as actually harvesting produce. The facility has proved popular not only with tourists but also with local residents.

In the Tateyama area, Familio Tateyama has been renewed with sports as its core concept, including newly constructed sand and artificial grass courts. Furthermore, with the goal of meeting the expanding needs of visitors, Familio Tateyama has developed a wide variety of sporting activities including yoga, sea kayaking, and Nordic walking, and invited sports competitions to take advantage of the natural beauty of Minami Boso.

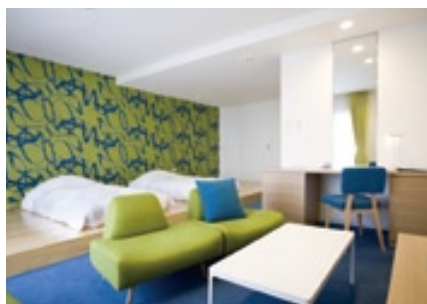
As a part of our regional revitalization program in the Echigo-Yuzawa area, the station has been positioned to serve as a gateway for regional tourism. Echigo-Yuzawa Station Renaissance (2nd phase) has already been implemented, and Gangidori, a commercial sales area for local foods and goods, has been opened inside the station. Furthermore, a destination-based Visitor Center outlet that integrates multiple functions, including tourist information covering a wide area, operated in cooperation with local tourist associations, and a car rental service, has been opened and has contributed to a significant increase in the number of foreign visitors. Both developments have been well received by customers.

In addition to strategically developing the Tabi-Ichi brand in these areas, we create and broadcast contents for JR East's digital signage in cooperation with local communities, and otherwise utilize the transport media and travel products owned by JR East to provide interactive information for city center and regional areas, thereby creating increased tourism flows.

In regard to the utilization of local products and the expansion of sales channels, our initiatives are continuing apace with tie-ups with Group companies. Our collaboration with local governments, organizations, and producers has been strengthened and efforts are constantly being made to contribute to the revitalization of local resources and industries through the exploitation of local products and traditional crafts, the development of processed agricultural products, and the holding of farm-fresh markets.



Folkloro Iwate Towa



Familio Tateyama

4. Future developments

The Rediscover Local Areas Project will continue to promote the local revitalization measures deemed appropriate for individual areas. We are, for example, planning the construction of a craft center and market specializing in the apples produced in Aomori Prefecture, Japan's largest producer, on the Aomori waterfront which will be easily accessible by the Tohoku Shinkansen service. Various other collaborative projects and tie-ups with Aomori City's urban planning organizations are also in the pipeline.

In order to continue these initiatives with further strength under the Create Together strategy, JR East will promote local revitalization as a new role to be taken on by all our employees in cooperation with local powers including regional governments, organizations, producers, schools, and companies. As part of the Rediscover Local Areas Project, we will create the systems and frameworks necessary for the promotion of these approaches by the end of the fiscal year ending March 2011 and, thereby, accelerate JR East Group's ability to meet new challenges.



Factory & Market (provisional name) in the Aomori waterfront area