

JR East Group Management Vision V — Ever Onward— *EverOnward*

JR East was established as a result of the reform and privatization of Japanese National Railways (JNR) 25 years ago, and the Group is now at a crossroads of moving on into the next quarter century. With this as an impetus, and in light of major changes in our operating environment, for instance as a consequence of the Great East Japan Earthquake, JR East in October 2012 formulated a new management vision entitled “JR East Group Management Vision V - Ever Onward.” This fifth management vision since the Company was established aims to once again renew the courses of action for the Group going forward. Having set the continual fulfillment of “Eternal Mission” and of growth through “Pursuing Unlimited Potential” as two important pillars, the vision was drawn up to set forth management’s basic direction and the Group’s specific priorities for execution.

1 Our Starting Points —Background for the formulation of the Vision

◆Awareness of Issues When Formulating the Management Vision

- Through experience derived from the Great East Japan Earthquake, JR East recognized the importance of ties with communities and of the high expectations that society has for the JR East Group. As a company responsible for railways, which are a crucial social infrastructure, we have reaffirmed the mission we must fulfill and its importance.
- Our operating environment has changed dramatically as a result of the Great East Japan Earthquake. There is still much more work that must be done to fully recover from the earthquake. Moreover, the earthquake has brought into sharp relief certain issues that Japan faced even before the earthquake, such as an aging and declining population, the hollowing-out of industry, and the dwindling strength of regional economies.
- Japan must also tackle urgent new issues, such as the accident at Fukushima Daiichi Nuclear Power Station and persistent power shortage problems.

→ Having positioned the Great East Japan Earthquake as our second starting point following the reform and privatization of JNR, we must once again ask ourselves what role we must play, and how we should direct our evolution in light of the various challenges we face.

JR East has formulated a new management vision entitled, “JR East Group Management Vision V — Ever Onward,” with a view to achieving sustainable growth and responding to high expectations from society.

2 Our Calling —Basic Courses of Action for Management

The JR East Group’s New Key Phrase

Thriving with Communities, Growing Globally

Thriving with communities

The Great East Japan Earthquake poignantly reminded us of the fact that companies cannot thrive without sound and vibrant communities. The East Japan area, our home ground, and Japan as a whole currently face a host of issues. As a corporate citizen, we are determined to fulfill our mission and execute businesses unique to the JR East Group in an effort to help solve those issues. The goal is to draw a blueprint for the future together with members of the community as we do our part to build vibrant communities.

Growing Globally

However, taking root in communities does not mean becoming complacent by turning inward. To continue to fulfill our mission, we must constantly transform ourselves and achieve growth. We must look outward and step out into the world, while actively seeking knowledge and technology externally. We believe that doing so will provide fertile ground for capturing new growth opportunities. To unlock our full potential, we must boldly step out into the world.



Eternal Mission and Pursuing Unlimited Potential

Under “JR East Group Management Vision V — Ever Onward,” JR East has set “Eternal Mission” and “Pursuing Unlimited Potential” as two important pillars and has established six basic courses of action for the Group.

◆Eternal Mission

The JR East Group’s fundamental mission is to provide safe and high-quality services that customers expect of the JR East Group and conduct railway and life-style businesses, with the aim of contributing to the growth and prosperity of communities. This fundamental mission will never change through the years. We have once again positioned this mission as a key tenet of management. At the same time, we will make relentless efforts to ensure that the content and quality of our services properly answer the expectations of society.

- ① Pursuing “extreme safety levels”—Building a railway capable of withstanding natural disasters
- ② Service quality reforms—Enhancing the rail transportation network and other measures
- ③ Strengthening collaboration with local communities —Supporting earthquake recovery, stimulating tourism and revitalizing communities

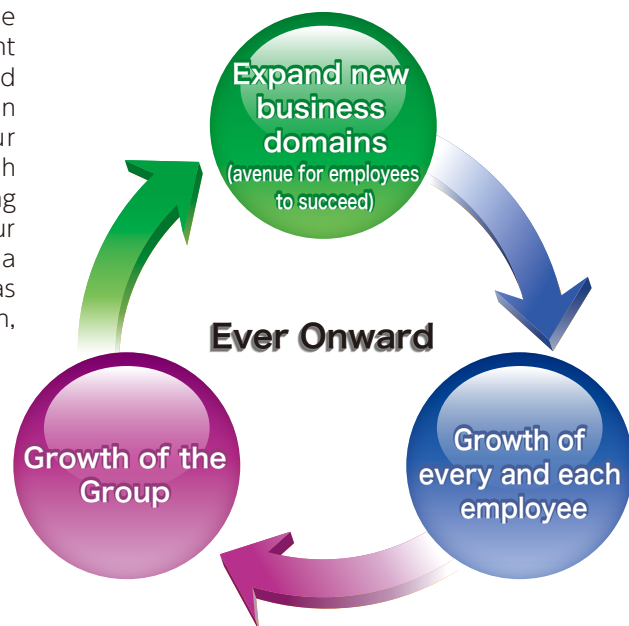
◆Pursuing Unlimited Potential

The JR East Group must achieve sustained growth in order to continue to fulfill its three-part eternal mission in the years ahead. In a fast-changing environment, maintaining the status quo will only mean falling behind. Unless we constantly take on the challenge of reaching new goals, we will be unable to achieve growth. The JR East Group and each and every Group employees will pursue the Group’s unlimited potential.

- ① Technological innovation—Forging strategies for conserving energy and the environment, utilizing ICT (information and communication technology) and operating the Shinkansen at faster speeds
- ② Tacking new business areas—Globalization
- ③ Developing employees and creating a corporate culture that maximizes human potential

3 Ever Onward

We have adopted “Ever Onward” as the subtheme of “JR East Group Management Vision V.” This subtheme carries forward the spirit of “*Idomu*” championed in JR East 2020 Vision — *idomu* —, our management vision formulated in March 2008. “Ever Onward” embodies our strong determination to drive the growth of our employees and the JR East Group as a whole by embracing new challenges such as technological innovation and globalization, as we pursue our unlimited potential.



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Eternal Mission

1 KIWAMERU (Excel): Pursuing “extreme safety levels”**– Building a railway capable of withstanding natural disasters**

- Based on experience derived from the Great East Japan Earthquake, we have worked to implement earthquake countermeasures in preparation for events that are conceivable such as an earthquake directly beneath the Tokyo metropolitan area, focusing on both tangible and intangible aspects, in an effort to build a railway capable of withstanding natural disasters.
- We will strengthen countermeasures against train collision and derailment accidents and rail crossing accidents, along with installing automatic platform gates on station platforms. In these and other ways, we continue to promote the development of railways that passenger can utilize reliability.
- We will continue to tirelessly work to improve safety by pursuing a goal of “zero accidents involving passenger injuries or fatalities and zero accidents involving employee fatalities (including employees of Group companies and partner companies).”

[Our efforts]

- ① Responding to major earthquakes
- ② Responses to natural disasters and extreme weather events
- ③ Automatic platform gates
- ④ Promoting measures to prevent train collision and derailment accidents
- ⑤ Upgrading systems and structures to ensure safety

**2 MIGAKU (Improve): Service quality reforms****– Enhancing the rail transportation network and other measures**

- We aim to become No.1 in customer satisfaction in the railway industry by honing the quality of transportation services while rigorously pursuing passenger-friendly railway services.
- We will generate new sources of demand, such as tourism, by steadily promoting several major projects. These include the forthcoming start of service on the Tohoku Through Line, as well as new operations of the Hokuriku Shinkansen to Kanazawa and the Hokkaido Shinkansen to Shin-Hakodate (provisional name).
- Besides striving to create new demand by upgrading and enhancing services for seniors, we will promote measures to enhance the convenience of Suica. Through these sorts of measures, we aim to further popularize Suica in society as an essential social infrastructure in daily life.

[Our efforts]

- ① Improving transportation quality
- ② Pursuing customer-friendly railway services
- ③ Improving the quality of the Tokyo metropolitan area railway network
- ④ Expanding the intercity transportation network
 - Growing Shinkansen, expanding tourism. Discovery of new travel routes—
- ⑤ Enhancing the convenience of Suica as social infrastructure
- ⑥ Enhancing services for seniors

**3 TOMO NI IKIRU (Together): Strengthening collaboration with local communities****– Supporting earthquake recovery, stimulating tourism and revitalizing communities**

- As a company responsible for railways, which are a crucial social infrastructure, and a member of communities, we will consider the future of communities together with local communities and take action accordingly.
- We have positioned the next five years (from FY2013 through FY2017) as an intensive period in which reconstruction from the earthquake will remain an urgent priority. Therefore, we will diligently execute measures to revitalize communities and promote tourism in ways unique to JR East.
- In the life-style business, we will promote three town development perspectives that will see us conduct development and business expansion initiatives integrated with towns surrounding stations. These measures will be centered on the development of large-scale terminal stations, the Tokyo metropolitan area railway network and core regional train stations.

[Our efforts]

- ① Restoration of segments along the Pacific coast damaged by the tsunami caused by the Great East Japan Earthquake
- ② Promoting Japan as a tourism-oriented nation
- ③ Driving further growth in the life-style business
 - Three town development perspectives—
- ④ Measures to fulfill our role as provider of regional transportation
- ⑤ Revitalizing local industries
- ⑥ Contributing to communities and society as a whole through medical services



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Pursuing Unlimited Potential

1 HIRAKU (Pioneer): Technological innovation – Forging strategies for conserving energy and the environment, utilizing ICT (information and communication technology) and operating the Shinkansen at faster speeds

- We will embrace the approach of open innovation where we utilize external development capabilities and intellectual property and will vigorously promote technological innovation.
- We will emphasize measures to establish energy and environmental strategies in light of power shortage issues, develop new railway systems utilizing ICT that are unfettered by conventional notions, and embrace the challenge of operating Shinkansen at a maximum speed of 360 km/h.

[Our efforts]

- ① Establishing energy and environmental strategies
- ② Utilizing ICT
- ③ Operating the Shinkansen at faster speeds
- ④ Promoting an intellectual property strategy



2 NOBIRU (Grow): Tackling new business areas – Globalization

- The overseas railway market is projected to grow, and we will cooperate with companies worldwide to actively participate in overseas railway projects so that we will grow as a group.
- While continuing its challenges to enter into new business domains, we will hone JR East Group's technologies and expertise and establish an open and transparent corporate culture.

[Our efforts]

- ① Participating in overseas railway projects
- ② Expanding railcar manufacturing operations
- ③ Fully leveraging external technologies and services
- ④ New business initiatives



3 HABATAKU (Empower): Developing employees and create a corporate culture that maximizes human potential

- To ensure that employees are able to experience personal growth and fulfillment through their work, we will strive to provide numerous opportunities where highly motivated employees can succeed and tackle new challenges. At the same time, we will create a culture of respect for embracing challenges, where people feel empowered to try new initiatives.
- Through technological innovation and participation in overseas railway projects, among other means, we aim to build an open and transparent corporate culture and nurture personnel with an expansive perspective, as we foster employees who are able to take a broad interest in other industries and the world at large.
- To address the tumultuous management environment and allocate business resources to growing sectors, we will create a lean, muscular and agile management structure that is able to continuously generate profit.

[Our efforts]

- ① Expanding opportunities for employees to succeed and tackle challenges
- ② Corporate culture reforms
 - Work style reforms, raising the efficiency of organizational management —
- ③ Establishing a lean, muscular and agile management structure

