

Thriving with Communities, Growing Globally

In October 2012, we formulated our fifth medium-term management plan, "JR East Group Management Vision V-Ever Onward." Under the slogan "Thriving with Communities, Growing Globally," the plan renews our commitment to the twin pillars of our business: "fulfilling our eternal missions" and striving to succeed in our "pursuit of unlimited potential."

The experience of the Great East Japan Earthquake reminded all our employees of our ties to local communities and the great expectations that society places on our railway company. As a company responsible for maintaining social infrastructure, the disaster brought home to us how vital it is that we work with a sense of mission to meet the public's expectations.

Nearly three years have passed since the formulation of the JR East Group Management Vision V and we are now finally able to recognize the basic philosophy of our vision being shared throughout the JR East Group including our field sites. In tapping into the strengths of each one of our employees and together as a team within the JR East Group, we aim to focus on specific results in an effort to realize the basic premise behind our management vision, Thriving with Communities, Growing Globally.



| Eternal Mission

As a group dedicated to our Eternal Mission, our fundamental duty is to contribute to the development of communities by providing safe and high-quality services. We must continue our efforts to meet the expectations that local communities have placed in us and reinforce the trust that is at the foundation of everything we do. This is why safety has always been our number one priority, and the reason we have constantly worked to improve our safety standards since the JR East Group was formed.

Nevertheless, in April 2015, a major incident occurred on the Yamanote Line between Kanda and Akihabara, with fallen electric poles on the tracks creating significant trouble and concern for many of our customers. Immediately following the incident, we conducted emergency inspections of all of the electric poles in our service area. And, in order to prevent the reoccurrence of such incidents in the future, we established a review board led by the Director General of Railway Operations Headquarters in the Railway Safety Promotion Committee to investigate and identify any and all specific details and reasons, including related background information, for the incident. In addition, we also founded the Electric Technology Management Center in order to enhance our technical support and risk management in design and construction. Moreover, emergency safety general inspections have also been completed at all of our field organizations to help uncover and eliminate any safety vulnerability across the JR East Group. Through measures such as these, we remain committed in our efforts to ensure the public's unwavering trust in our levels of safety.

In line with JR East's Group Safety Plan 2018, through the comprehensive awareness and daily efforts of each and every employee to address our safety challenges, we aim to extend beyond the realms of all departments and fields to realize "ultimate safety levels" through the development and harnessing of the capabilities and efforts of each one of these individuals as a team. In order to prevent the recurrence of near-miss incidents and potential accidents resulting from previously encountered variables, we also aim to enhance our railway operations and maintenance methods as part of our goal to completely eradicate any and all accidents related to internal factors. In addition, we are continuing our efforts to improve our preparedness for the event of a natural disaster. In addition to the 300 billion yen we have invested in seismic reinforcement to prepare for the eventuality of a major earthquake occurring directly beneath the Tokyo metropolitan area, we are also taking steps to guard against other natural disasters and extreme weather events. With the occurrence and resulting damage from major snowfall, heavy rain, and strong winds, among others, increasing in frequency in recent years, we are continuing our work to develop a railway that

can withstand natural disasters and weather of all types. Moreover, in order to reduce the amount of risk involved in accidents closely related to the public, such as incidents at level crossings and passengers inadvertently falling onto our tracks, we have, among other measures, increased the number of level crossing trouble alarm systems and introduced platform doors for stations on the Yamanote and other lines.

Together with safety, another one of our major missions is service quality reform. However, to our regret, our customers have experienced great inconvenience through such transport disruptions as the two incidents which occurred since April 2015, involving fallen overhead contact lines and incinerated cables. Consequently, as detailed in our Medium-term Vision for Service Quality Reforms 2017 which began in April 2015, JR East will continue its efforts to prevent the reoccurrence of such transport disruptions, and to further improve its information guidance in the unfortunate event of such a disruption in endeavoring to further enhance the quality of its transport services while rigorously pursuing passenger-friendly railway services. Additionally, since our decreasing population has become an unavoidable reality, it is also necessary for us to create further demands for the future use of railways. To this end, we will continue our efforts to expand the use of railways by making full use of the various expansions to our railway network, such as our extension of the Hokuriku Shinkansen to Kanazawa, and the opening of the Ueno Tokyo Line in March 2015. Furthermore, in order to further increase the flow of customers within our service areas, we are progressively preparing for the opening of the Shin Hakodate Hokuto section of the Hokkaido Shinkansen in 2016. And, as a measure to improve our network in the Tokyo metropolitan area, we are planning to further increase passenger seating through the introduction of Green Cars (1st class cars) to the Chuo Rapid Line in FY2021. We are also reviewing and bringing shape to our plans for access lines for Haneda Airport (Tokyo International Airport) to prepare for any possible future increases in airline usage.

As a group dedicated to “thriving with communities”, one of our fundamental duties is clearly to contribute to the development of those communities. Among our current endeavors, alongside those for our large-scale terminal stations such as Tokyo, Shinjuku, Shibuya, Yokohama, Chiba, and Sendai, we are also promoting the urban development of other stations which play key roles in major regional cities. In enhancing the neighboring areas of these stations and their functions as regional cores, we believe the attractiveness of the surrounding areas as a whole can be improved, creating new flow and revitalization for the regions. Specifically, for Shinagawa Station and the areas around, in coalition with concerned parties such as the national government and the Tokyo Metropolitan Government, we are tentatively planning to utilize the space created from our rolling stock depot to open a new station between Tamachi and Shinagawa in 2020, with further plans aimed at transforming the area into an international hub.

Additionally, for the vitalization of regional industries, we are actively promoting NOMONO 1-2-3, a manufacturing project for the expansion of agriculture, forestry, and fisheries to include food processing, logistics and marketing, and preparing for production at the JR Tomato Land Iwaki Farm.

Furthermore, to contribute to the overall restoration of regions damaged by the Great East Japan Earthquake, we are working to further increase tourist flows through our Fukushima Destination Campaign and improvements to Bus Rapid Transit (BRT) services along the Kesenuma and Ofunato lines. Aiming to promote the area with a greater focus on tourism, including the targeting of inbound tourist traffic, we are preparing for the commencement of operations of our cruise train, TRAIN SUITE SHIKI-SHIMA, and the realization of a “Golden Route for Travel in East Japan.”

| Pursuing Unlimited Potential

Based on the perspectives of technological innovation and globalization, we are committed to the realization of our unlimited potential while remaining steadfast in our pursuit of our eternal missions.

Rail travel enjoys a reputation as an environmentally friendly mode of transportation. However, the automotive industry, one of the main competing modes of transport for railways, has achieved remarkable developments in energy-efficient and environmentally friendly technology in recent years, including hybrid vehicles, electric cars, and fuel cell vehicles. Aiming for the further innovation of railways, we aim to embrace open innovation in order to utilize external developmental capabilities and intellectual property to vigorously promote technological innovation.

In responding to global environmental issues, based on a progressing consideration of the new global framework against global warming discussed at the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP), JR East is focusing on energy creation, energy conservation, and the introduction of smart grid technologies. Pertaining to energy creation, we are actively introducing solar, wind, geothermal, biomass, and other renewable energies. Specifically, we are aiming to transform northern Tohoku into a base for renewable energy production through such activities as our participation in the management of a bio-mass generation company in Hachinohe, Aomori in November 2014, the commencement of solar power plant operations in Katagami City, Akita prefecture in March 2015, and the founding of JR-East Energy Development Co., Ltd. in April 2015 for the development of wind power generation aimed at mainly the Tohoku region. In addressing energy conservation, we are continuing to develop facilities at our “ecoste” ecological model stations, bringing together a variety of environmental innovations, and are moving forth with plans to introduce storage- battery-driven electric car systems (ACCUM) for alternating current (AC) operations in selected railway sections to eliminate the use of overhead contact wires. We are also pursuing research and development for the efficient utilization of surplus electricity. In terms of smart grid technologies, we have plans in place to introduce energy management systems (EMS) into

stations. Additionally, we plan to continue with research and development for the efficient utilization of regenerated energy for timely commercialization.

Through the utilization of ICT and the increased introduction of monitoring equipment to model railway sections, we are targeting innovations to maintenance work with the goals of detecting signs of failure and initiating preventative maintenance for cost reductions in maintenance and faster restoration times in the event of a failure. Additionally, we are working the formulation of new station work procedures by introducing remote operation systems for stations, and the further innovation of our transport systems with the introduction of radio train control systems. Moreover, in order to accelerate the technical innovations of forefront employees, we will continue to reinforce our support efforts in the development of these individuals.

With regards to globalization, we are planning numerous railway projects planned for overseas, and aim to exploit our know-how in rolling stock manufacturing, maintenance, and railway operations to develop our business endeavors in global markets. Specifically, we have a future commitment to provide rolling stock and maintenance services for the MRT Purple Line in Bangkok, Thailand, and offer technical support for railway operators in Indonesia. In efforts such as these, we endeavor to actively increase the fields of business for our employees, and to expand our efforts to foster globally competitive individuals.

| For the future

Moving forward, the JR East Group remains committed to its collective efforts to fulfill the group's "eternal missions" to provide safe and high-quality services, and to contribute to local communities. At the same time, we aim to continue our efforts toward technical innovation and globalization, working together with neighboring communities to discover new possibilities for the future.

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