Top Message

Since the foundation of the company following the privatization of Japanese National Railways (JNR), we have held the concepts "Customer First," "Self-Reliance and Independence," and "Close to Communities" to be the vital starting point of all our undertakings. At the same time, through the concerted efforts of all our employees, we have been striving to rehabilitate and revitalize railways since privatization. JR East Group has developed into a corporate group offering not only a Railway Business, but also various non-railway businesses including the Life-style Business and the IT & Suica Business. These non-railway businesses are now deeply rooted in the various aspects of our customers' daily lives. We would never have been able to achieve this growth without the cooperation, understanding, and support of our customers, people in local communities, and all our stakeholders.

On the other hand, as for our future business environment, in the medium and long term, we are expecting various changes such as an even more decreasing and aging population as well as an increased concentration of the population in the Tokyo metropolitan area. Additionally, we also expect further advancements in technological innovation and globalization. Against this backdrop, JR East Group is facing various challenges such as system changes for our railways and a shifting of generations among our employees.



In October 2016, with these business issues in mind, once again we reminded ourselves of our roots since the company's foundation and reconfirmed our support for the following priority group-wide tasks: Improving the safety and reliability of transportation, Taking on the challenge of enhancing profitability, and Promoting the slogan, TICKET TO TOMORROW.

Improve the safety and reliability of transportation

By making the improvement of the safety and reliability of transportation as one of our priority issues, we thoroughly investigate the risk and vulnerability of our railways and do our utmost to prevent the reoccurrence of transport-related accidents and incidents. Through the concerted efforts of all the employees of JR East Group, we will strive to achieve Ultimate Safety Levels and Service Quality Reforms.

Specifically, based on the Group Safety Plan 2018, to further deepen understanding of the true nature of each task, we will work to further improve safety as a whole Group by introducing further necessary facilities for more practical safety education and training for our frontline employees. Additionally, we will steadily implement measures against natural disasters such as earthquakes and heavy rain as well as against accidents at level crossings. Our efforts also include the installation of platform doors to prevent accidents on platforms. Moreover, we will reinforce electricity facilities for conventional lines in the Tokyo metropolitan area, while further strengthening security at our stations and onboard our trains.

Together with these safety measures, based on the Medium-Term Vision for Service Quality Reforms 2017, with the aim of offering stable transport services we will continue our efforts to improve the quality of our transport. Our endeavors include preventing failures in our ground facilities and rolling stock and strengthening our responsiveness at times of transport disruption by increasing the number of shuttle operations.

Taking on the challenge of enhancing profitability

Alongside efforts to improve the safety and reliability of transportation, we will fully capitalize on expansion of our railway network through the opening of the Hokkaido Shinkansen Line and also the commencement of operations for our cruise train TRAIN SUITE SHIKI-SHIMA. We also aim to further increase people flows including inbound tourist flows

from overseas, while continuing our tourism campaigns for the Tohoku region to promote restoration following the earthquake in 2011.

Furthermore, as future measures, we will steadily press forward with our plans for large-scale terminal stations such as Chiba, Shibuya, and Yokohama. Additionally, while renewing existing stores to offer greater additional value, we will revitalize local communities by developing line-side area brands that are chosen by our customers. Our efforts include the HAPPY CHILD PROJECT. Also, especially in the area around Shinagawa and Tamachi stations, mainly as part of our plan to temporarily open Shinagawa New Station (provisional name) in 2020, and while continuing our cooperation with related parties such as the national government and the Tokyo Metropolitan Government, we will bring these urban development plans to fruition. We hope to make this area a new gateway to Japan, making it an international hub with abundant appeal.

Promoting the slogan, TICKET TO TOMORROW

Based on our communication slogan, TICKET TO TOMORROW, JR East Group will respond to the expectations of our customers and people in local communities through regional revitalization and technological innovation, as well as participation in overseas railway projects. Additionally, by tackling global environmental issues, we will offer high-quality services.

Specifically, as a part of our efforts in regional revitalization, we will work on the sixth sector industrialization of the agriculture, forestry and fishing industries, to include food processing, logistics, and marketing and urban development of rural core stations such as Akita. Furthermore, based on our Mid-to-Long term Vision for Technological Innovation ("JR-EAST Innovation Vision"), by actively utilizing technologies such as the IoT (Internet of Things) and AI (artificial intelligence), we will continue to meet the challenge of revolutionizing mobility by accelerating our efforts in open innovation and building innovation ecosystems. Moreover, by utilizing our knowhow in rolling stock manufacturing, maintenance, and train operations, we will expand the overseas aspect of our Railway Business. Through the global development of our businesses, we are actively endeavoring to increase the range of business areas open to our employees and to expand on opportunities to foster globally competitive individuals.

In response to the Paris Agreement at the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 21) in December 2015, JR East has set targets for its core railway business. By FY2031 we aim to reduce energy consumption by 25% and CO₂ emissions by 40% from FY2014 levels. To meet these goals, we are studying the possible introduction of smart grids with power storage systems and automatic energy-saving train control systems.

Toward the future

This year, we are celebrating the 30th anniversary since our foundation. By taking this year as a new starting point, while at the same time returning to our original targets of "Customer First," "Self-Reliance and Independence," and "Close to Communities," we see these changes in the business environment as a chance to revolutionize ourselves to overcome challenges and embrace new possibilities. To further respond to the expectations of our customers, people in local communities and all stakeholders, JR East Group is committed to continuing in its endeavors to move Ever Onward.

> September 2017 President and CEO

Tetsuro Tomita

