

JR East will maintain high ethical standards and management transparency while earnestly taking progressive measures in response to major issues facing society as a whole. Through those efforts, JR East intends to continue fulfilling the expectations of society and the trust of shareholders and other stakeholders. In particular, JR East will redouble efforts focused on stringent management compliance and measures that address global environmental issues.

ENVIRONMENTAL INITIATIVES

Environmental Targets of New Frontier 2008

In January 2005, JR East revised its environmental targets to coincide with the unveiling of *New Frontier 2008*. JR East raised the bar for several targets that were reached ahead of the original March 2006 deadline. In addition, JR East set out new environmental targets for the group as a whole. Key targets are shown in the accompanying graphs.

Environmental Management Systems

JR East Group

The JR East group's Committee on Ecology is involved in all aspects of JR East's environmental preservation efforts. The committee helps JR East's management team to supervise environmental polices effectively by assessing the environmental impact of JR East's operations, setting targets, implementing policies, and monitoring progress. JR East

checks its environmental policies through the JR East Group Environmental Management Advancement Conference, which has been convened regularly since fiscal 2004.

Environmental Risk Management

JR East has prepared response manuals for spillages and other environment-related emergencies at power plants and rolling stock maintenance facilities that handle hazardous chemicals or substances. In addition, JR East thoroughly familiarizes workers on the ground with risk control procedures by holding study groups and on-site disposal drills.

Other preventative measures related to environmental accidents include JR East's adoption of strict chemical substance controls, the avoidance of soil contamination, and the appropriate storage of PCBs (polychlorinated biphenyls).

SOCIAL INITIATIVES

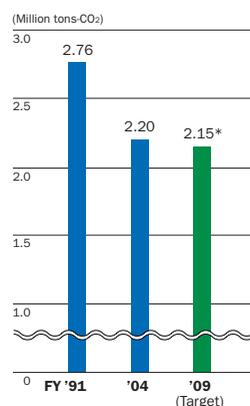
East Japan Railway Culture Foundation

In March 1992, JR East established the East Japan Railway Culture Foundation, which has played an important role in using business achievements accumulated since JR East's founding to benefit society. Those contributions include promoting regional culture and sponsoring railway-related surveys, research, and international cultural exchanges.

Further, JR East regularly invites managers from railway companies around Asia to participate in business training

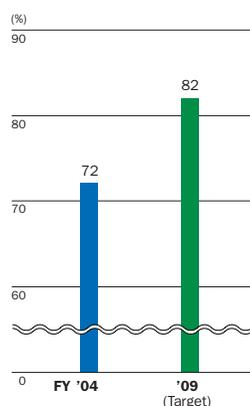
JR EAST (PARENT COMPANY)

TOTAL CO₂ EMISSIONS FROM GENERAL BUSINESS ACTIVITIES

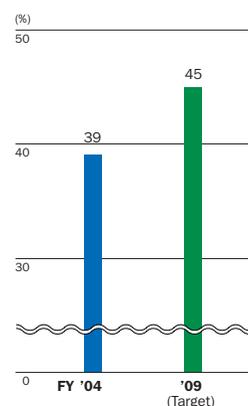


*22% reduction against FY '91

ENERGY-SAVING RAILCARS AS A PERCENTAGE OF TOTAL ROLLING STOCK



RECYCLING RATE FOR WASTE GENERATED AT STATIONS AND ON TRAINS



JR EAST GROUP

RECYCLING RATE FOR GENERAL WASTE

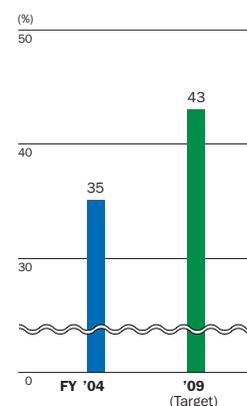
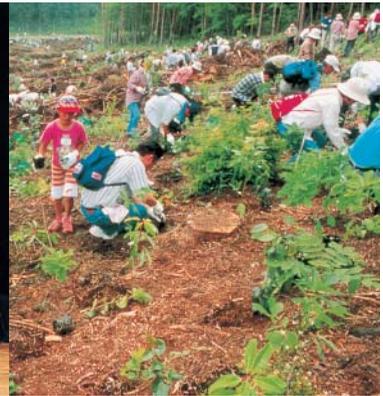




Image of Railway Museum



Ceremony for Environment Minister's Award



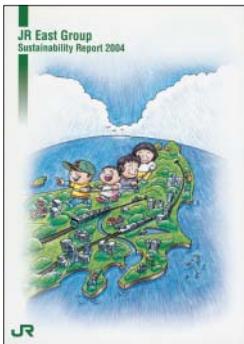
A scene of Forestation Program

courses organized by the foundation that cover railway management and technology.

Railway Museum

The construction of a railway museum is the flagship project among plans for the 20th anniversary of JR East's incorporation. In winter 2005, the East Japan Railway Culture Foundation will break ground on land that JR East owns in Saitama City, and plans call for the completion of the facility in autumn 2007. It is expected that ¥2.6 billion of the ¥12.4 billion total project cost will be covered by contributions from Saitama City's municipal government and other project sponsors.

At the museum, the foundation plans to systematically store and display artifacts and documents depicting the rich railway heritage of Japan and other countries as well as archives relating to JR East and the restructuring of JNR. The foundation anticipates that the facility will draw approximately 70 thousand visitors a year.



Sustainability Report 2004
<http://www.jreast.co.jp/e/environment/index.html>

Sustainability Report 2004

Aiming to benefit all stakeholders, JR East's business management strikes a balance among environmental, social, and economic concerns. JR East discloses the progress of those efforts in annual sustainability reports. In December

2004, among 319 entries in the environmental report category of the Eighth Environmental Communication Awards, sponsored by the Ministry of the Environment and other organizations, JR East's Sustainability Report 2004 won first prize—the Environment Minister's Award.

Forestation

Members of local communities and volunteers from among JR East's employees have been taking part in the JR East's *Railway Lines Forestation Program* since 1992. During the 13 years through fiscal 2005, roughly 32 thousand people have participated in the program—planting 240 thousand trees.

Since fiscal 2003, JR East has been embarking on alliances with municipal authorities in areas near railway lines to extend the scope of forestation from JR East-owned land that abuts railway lines to areas around railway lines.

Union Internationale des Chemins de fer (UIC)

UIC is an organization that facilitates international cooperation among railway companies around the world. As an official member of the organization, JR East takes part in various initiatives and conferences that aim to promote the future development of railways by addressing a range of technological, managerial, and social issues.

Furthermore, JR East Vice Chairman Yoshio Ishida is the vice chairman of the World Executive Council, which manages UIC's international activities.