

## GROUP STRATEGY

# A Message from the Management

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In fiscal 2009, ended March 31, 2009, Japan's economy rapidly moved into recession as the increasing severity of the worldwide financial crisis that began in the United States led to falling exports, slumping production, and lackluster consumer spending, particularly from the second half of the fiscal year. Amid such increasingly severe economic conditions, JR East worked to secure revenues by further improving services in railway operations and developing life-style businesses centered on railway stations. At the same time, JR East actively developed businesses that capitalize on the success of *Suica*.

Despite those efforts, in fiscal 2009 JR East recorded year-on-year declines of 0.2% in operating revenues, to ¥2,697.0 billion; 2.8%, in operating income, to ¥432.6 billion; and 1.3% in net income, to ¥187.3 billion. Those year-on-year decreases were the first in four years for operating revenues and net income and the first in seven years for operating income. That performance reflected a decrease in revenues from transportation operations due to the effects of the global recession on the Japanese economy and earthquakes in the Tohoku region, which exceeded an increase in revenues from operations established as a result of the development of *Tokyo Station City* and other initiatives.

The fiscal year ending March 31, 2010, is the second year of the *JR East 2020 Vision—idomu—*. JR East has positioned this fiscal year as important in forging a solid foundation for future development. By placing safety as its highest management goal and pursuing customer satisfaction, JR East aims to be a corporate group that gives customers "peace of mind based on assured safety."



Mutsutake Otsuka (left) and Satoshi Seino

Specifically, in transportation operations we will take steps to increase usage by continuing to promote ticket sales through the Internet, create general information counters, and introduce new-type railcars in order to further improve the convenience and comfort experienced by passengers. Meanwhile, in Shinkansen operations we will move forward with preparation for the beginning of services on the Hachinohe to Shin-Aomori segment on the Tohoku Shinkansen Line, which is scheduled for December 2010.

In life-style businesses, we will continue to promote the *Station Renaissance* program and steadily advance major projects such as *Tokyo Station City*.

Further, to establish *Suica* operations as a third pillar alongside railway operations and life-style businesses, JR East will expand the *Suica* network for railway usage and increase the number of stores affiliated with *Suica* electronic money.

In closing, we will do our utmost to satisfy our shareholders and other investors in the medium-to-long term by realizing sustainable growth. As the JR East Group pursues that goal, we would like to ask our shareholders and other investors for their continued support and understanding.

June 2009

*Mutsutake Otsuka*

Mutsutake Otsuka, Chairman

*Satoshi Seino*

Satoshi Seino, President and CEO