

GROUP STRATEGY

JR East 2020 Vision—Outline

To achieve sustainable growth even amid the challenging business conditions, we prepared *JR East 2020 Vision—idomu*—in order to establish and pursue ambitious goals, which address “how railways, and how we as a railway operator, should evolve over the coming 10 years.”

Basic Management Policies

- Pursuing safety and customer satisfaction rigorously
—giving customers “a feeling of ease and peace of mind based on assured safety”
- Sustaining growth and pursuing initiatives for the next era
- Meeting corporate social responsibilities
- Building organizational strength and developing human resources

Unflagging Commitment to “Extreme Safety Levels”

- We will continue implementing our priority improvement plan for safety equipment, reinforce safety weak points, and reduce risks
- We will expand and improve education and training on safety and prevent accidents by correctly understanding and analyzing previous accidents and incidents

Moving Up a Gear in Seven Areas

- 1 Increasing focus on investment to raise corporate value
- 2 Opening the way to new business areas
- 3 Taking a positive and long-term approach to global environmental problems
- 4 Upgrading the Tokyo metropolitan area railway network to make line-side areas more attractive and convenient
- 5 Invigorating regional railway lines and interregional communications
- 6 Developing life-style businesses aggressively, increasing non-transportation operating revenues to approximately 40% of total operating revenues by fiscal 2018
- 7 Establishing *Suica* operations as a third pillar of operations

Ongoing Efforts

- 1 Heightening customer satisfaction even further
 - 2 Developing human resources
 - 3 Advancing research and development aggressively
 - 4 Expanding the Shinkansen (bullet train) network and increasing earnings from railway operations
 - 5 Expanding life-style businesses
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Achievements Envisioned by Fiscal 2018

Consolidated Operating Revenues

Billions of Yen

2018 (Targets)		3,100.0
2010 (Targets)		2,635.0
2009 (Actual)		2,697.0

Consolidated Operating Income

Billions of Yen

2018 (Targets)		670.0
2010 (Targets)		357.0
2009 (Actual)		432.6

	Billions of Yen		
	2009 (Actual)	2010 (Targets)	2018 (Targets)
Consolidated Operating Revenues	¥2,697.0	¥2,635.0	¥3,100.0
Transportation	1,831.9	1,778.0	1,930.0
Station Space Utilization	415.0	416.0	540.0
Shopping Centers & Office Buildings	222.6	232.0	320.0
Other Services	227.4	209.0	310.0
Consolidated Operating Income	¥432.6	¥357.0	¥670.0
Transportation	309.2	239.0	480.0
Station Space Utilization	38.2	38.0	50.0
Shopping Centers & Office Buildings	70.0	71.0	100.0
Other Services	17.3	10.0	40.0

Fiscal 2011 Targets

JR East has set out numerical targets covering a three-year period as management benchmarks in *JR East 2020 Vision—idomu*. In light of the business results achieved in the first of those three years, which ended March 31, 2009, and the outlook for business results in the fiscal year ending March 31, 2010, reaching the numerical targets for the third and final fiscal year, ending March 31, 2011, will be extremely difficult. Therefore, JR East believes that it needs to revise those targets. Nevertheless, because time is needed to analyze unclear external conditions, JR East will not announce new numerical targets in the immediate future and will do its utmost to realize its business result forecasts for the fiscal year ending March 31, 2010. JR East will continue to adhere to the management strategies laid out in *JR East 2020 Vision—idomu*—to further increase its corporate value.