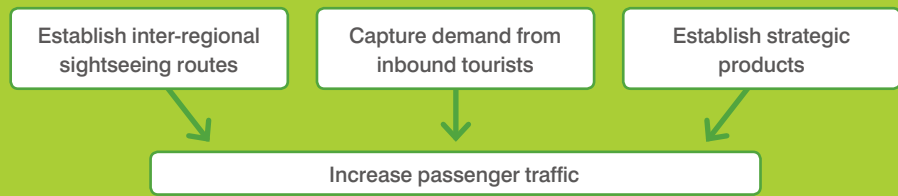


Feature: Priority Initiative 01

Railway Network Expansion

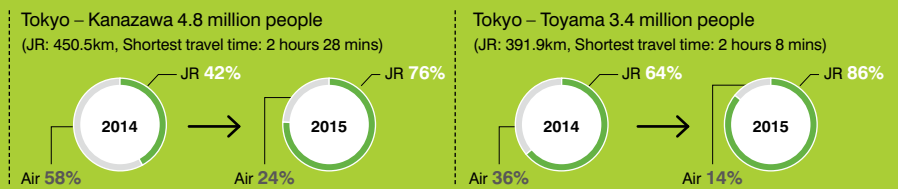


Following on from the March 2015 opening of the Hokuriku Shinkansen Line from Nagano to Kanazawa, March 2016 saw the opening of the Hokkaido Shinkansen Line. JR East will take full advantage of this expanded railway network to increase railway use even further.



Total Passenger Traffic between the Tokyo Metropolitan Area and Kanazawa / Toyama

In the first fiscal year following the extension of the Hokuriku Shinkansen Line, fiscal 2016, total passenger traffic (including airlines) between the Tokyo metropolitan area and Kanazawa / Toyama increased approximately 1.6 times year on year.



* Between Joetsumiyoko and Kanazawa section lies within the area of JR West

Opening of the Hokkaido Shinkansen Line to Shin-Hakodate Hokuto

In March 2016, to coincide with the opening of the Hokkaido Shinkansen Line from Shin-Aomori to Shin-Hakodate Hokuto, which JR Hokkaido operates, JR East began direct services between the Tohoku Shinkansen Line and the new Shinkansen line. As a result, the shortest journey between Tokyo and Shin-Hakodate Hokuto takes 4 hours and 2 minutes, and the shortest journey between Sendai and Shin-Hakodate Hokuto takes 2 hours and 30 minutes.

Aiming to increase passenger flows between the Tokyo metropolitan area, the Tohoku region, and Hokkaido, the entire JR Group will attract

tourists by holding the *Aomori Prefecture and Hakodate Destination Campaign* from July to September 2016. Moreover, plans call for exploiting the Hokkaido Shinkansen Line to increase passenger flows between the Tohoku region and Hokkaido. Further, low-cost carriers (LCCs) began flying to Sendai Airport, following its privatization in July 2016. We will exploit this development in combination with the new Hokkaido Shinkansen Line to generate even more interest and passenger flows.

JR East-South Hokkaido Rail Pass

JR East and JR Hokkaido have launched the *JR East-South Hokkaido Rail Pass*, using the opening of the Hokkaido Shinkansen Line as an opportunity to encourage visitors to Japan to enjoy wide-ranging sightseeing. The rail pass enables discount travel on Shinkansen and limited express services in JR Hokkaido's service area—southern Hokkaido, including Sapporo, Hakodate, and the New Chitose Airport—and JR East's service area, which comprises eastern Japan and includes the Tohoku region. Based on such discount tickets, we will step up collaborations with local communities to promote wide-ranging sightseeing routes.



JR East-South Hokkaido Rail Pass poster

Benefits of Extending the Hokuriku Shinkansen Line

The opening of the Hokuriku Shinkansen Line from Nagano to Kanazawa in March 2015 has reduced travel time between Tokyo and Kanazawa significantly, from 3 hours and 51 minutes to 2 hours and 28 minutes (from Tokyo to Kanazawa).

In fiscal 2016, the extension of the Hokuriku Shinkansen Line added ¥45.5 billion to passenger revenues year on year. This contribution

mainly reflected increased passenger flows not only between the Tokyo metropolitan area and the Hokuriku region but also between the Hokuriku region and areas outside the Tokyo metropolitan area, such as the Joshinetsu and Tohoku regions, and favorable usage of *GranClass* and *Green Car* services.

Sales Initiatives in the Second Year since the Extension of the Hokuriku Shinkansen Line

From March to September 2016, the JR East Group is collaborating with JR West to conduct a campaign marking the first anniversary of the extension of the Hokuriku Shinkansen Line. We hope this campaign will offset a year-on-year dip in passenger numbers expected during this period due to the absence of *Zenkoji Gokaicho**, which was held in April and May 2015. Following on from the first anniversary campaign, we will roll out a continuous series of sales initiatives, including the *Hokuriku After Destination Campaign* in the fall and the *Japanese Beauty Hokuriku Campaign* in the winter. In conjunction with these initiatives, we will establish products aimed at increasing use of wide-ranging sightseeing routes that include *View Buses*, and we plan to develop new wide-ranging sightseeing routes.

* A special event held every seven years in Zenkoji Temple in Nagano.



The logo of the campaign marking the first anniversary of the extension of the Hokuriku Shinkansen Line

Feature: Priority Initiative 02

Shinagawa Development Project



Under the Shinagawa development project, JR East has scheduled the provisional opening of a new railway station between Tamachi and Shinagawa stations for 2020 and the unveiling of a new town around 2023 or 2024.

Basic Summary of Town Development of the Shinagawa Development Project

The Shinagawa development project is one of the largest development initiatives in Japan. The project has a site that covers roughly 130,000 square meters, and will create around 1,000,000 square meters of floor space. We are passionate about developing a new type of town that symbolizes Japan's openness to the world. The investment will total approximately ¥500.0 billion, and while the development will include hotels, commercial facilities, and cultural facilities, it will mainly be comprised of offices and condominiums.

In April 2016, the town plan, which the JR East Group prepared in collaboration with other parties, received approval from the Prime Minister of Japan as a zone plan of a national strategic special zone. Further, under this project, based on the Global Gateway Shinagawa concept, JR East will develop a town that enables innovative, internationally appealing companies and personnel to gather and create new businesses and cultures through diverse exchanges.



Global Gateway Shinagawa

- Access to downtown Tokyo

Tokyo metropolitan area network
Access to highly appealing downtown areas

- Japan's terminal

Opening of Linear Chuo Shinkansen scheduled for 2027
Enhanced access to regions around Japan

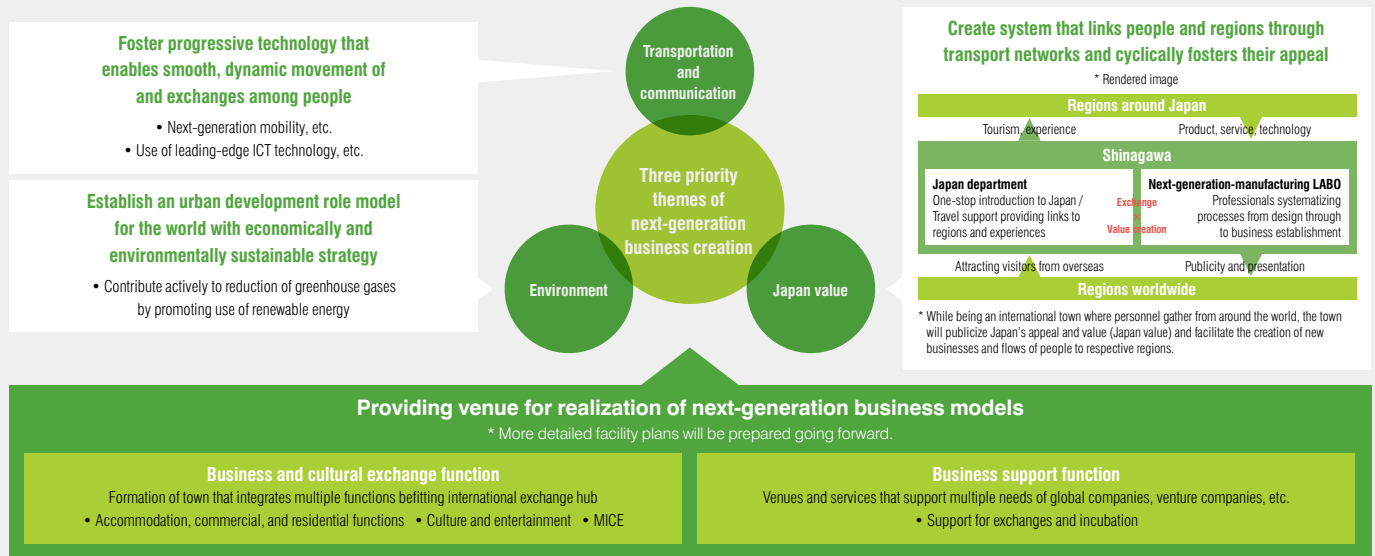
- Gateway to the world

Accessibility of Haneda Airport
Hub connecting Tokyo to the world

Vision of the International Exchange Hub

New international town

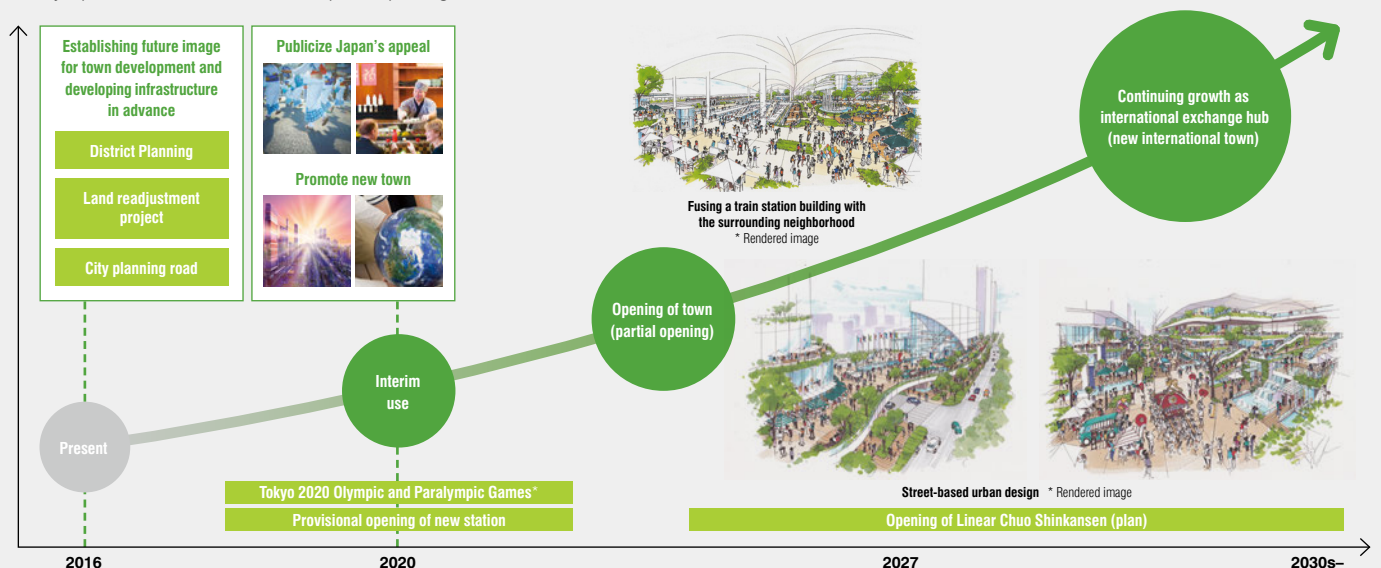
Using the new town as a platform, JR East will create and facilitate next-generation businesses continuously based on three priority themes: transportation and communication, environment, and Japan value.



Schedule for the Formation of an International Exchange Hub

Town able to continue growing

We aim to create a town that can continue growing as an international exchange hub through interim use with a view to Tokyo 2020 Olympic and Paralympic Games* and the subsequent opening of the town.



* East Japan Railway Company is an Official Passenger Rail Transportation Services Partner of the Tokyo 2020 Olympic and Paralympic Games.

Feature: Priority Initiative 03

Advancement of Strategies for Visitors to Japan from Overseas



As part of strategies aimed at capturing demand from visitors to Japan from overseas, which has continued to increase in recent years, the JR East Group as a whole took measures to increase and improve products and develop capabilities to service such customers.

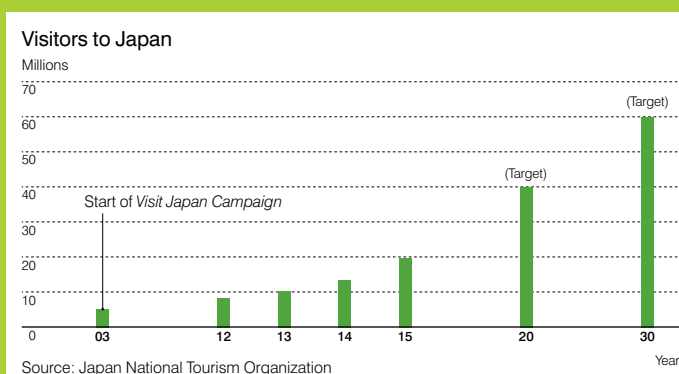
Summary of Strategies for Visitors to Japan from Overseas

In July 2015, a JR East subsidiary entered into comprehensive operational alliances with two travel companies that have particular competence in Thailand, Indonesia, and China. In November 2015, JR East launched the *JR TOKYO Wide Pass*, a “free pass” that covers popular tourism areas and winter resorts. Furthermore, in April 2016 JR East launched the *Tokyo-Osaka Hokuriku Arch Pass*, which includes the Hokuriku Shinkansen Line, and the *JR East-South Hokkaido Rail Pass*, which includes the Hokkaido Shinkansen Line.

Also, the JR East Group extended the provision of a free public wireless LAN service to all stations within the Yamanote Line and established duty-free counters in station concourses and station buildings. In February 2016, the JR East Group expanded the *JR EAST Travel Service Center* at Haneda Airport and introduced multilingual, online Internet reservation services for non-Japanese customers overseas.

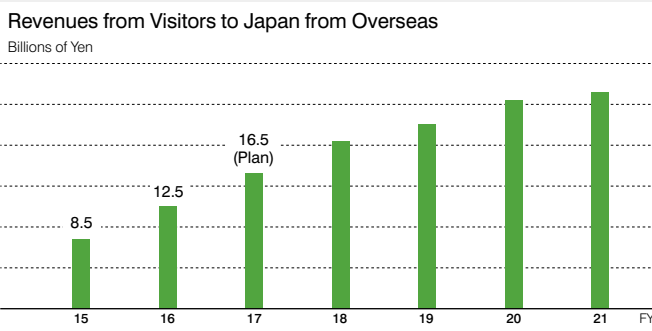
Visitors to Japan from Overseas

In 2015, visitors to Japan from overseas increased 47% year on year, to 19.7 million, surpassing the record set in the previous year by 6.3 million. Further, we expect visitors to Japan from overseas to reach 40 million by 2020, and we are looking forward to revenues from visitors to Japan from overseas growing in step with this increase.



Revenues from Visitors to Japan from Overseas

We intend to boost revenues from visitors to Japan from overseas even further by attracting them to the Tohoku and Shinetsu regions and other regions in our service area. In fiscal 2016, JR East's range of rail passes for visitors to Japan from overseas generated ¥12.5 billion in revenues. In fiscal 2017, we plan to increase this by ¥4.0 billion, to ¥16.5 billion.



JR TOKYO Wide Pass poster



Tokyo-Osaka Hokuriku Arch Pass poster



JR East-South Hokkaido Rail Pass poster

Expansion of Free Public Wireless LAN Service for Visitors to Japan from Overseas

In October 2012, JR East began a free public wireless LAN service for visitors to Japan from overseas: *JR-EAST FREE Wi-Fi*. Initially, this service was available at 41 railway stations and five *JR EAST Travel Service Center* sites. We have introduced *JR-EAST FREE Wi-Fi* to a further 47 railway stations that many visitors to Japan from overseas are likely to use. As a result, from the current fiscal year visitors to Japan from overseas can use the service at 88 railway stations and five *JR EAST Travel Service Center* sites. Other initiatives to provide visitors to Japan from overseas with Internet access include our introduction of a free public wireless LAN service onboard the *Narita Express*.

In addition, the JR East Group provides a free public wireless LAN service at 44 shopping centers, 39 hotels, and one sports and leisure facility. We plan to extend this service to include more facilities.



Narita Express

Duty-Free Sales in Station Concourses and Station Buildings

The JR East Group has begun to establish duty-free counters in the commercial facilities of station concourses and station buildings. As well as expanding our network of duty-free counters, we will provide duty-free sales in an increasing number of facilities.



Duty-free counter

Expansion of the JR EAST Travel Service Center at Haneda Airport

Because service counters were becoming congested due to the increasing numbers of visitors to Japan from overseas, the JR East Group expanded the Haneda Airport *JR EAST Travel Service Center*, which is inside the Tokyo Monorail's Haneda Airport International Terminal Station, in February 2016. This center provides in exchange for vouchers the *JAPAN RAIL PASS*; sells, or provides in exchange for vouchers, JR East rail passes for visitors to Japan from overseas; and sells other JR tickets.



JR EAST Travel Service Center

Opening of a Center to Attract Visitors from Singapore to Japan, JAPAN RAIL CAFE

Amid the rising number of visitors to Japan from overseas, the number of visitors from countries in the ASEAN region is increasing steadily. In particular, more than 70% of visitors to Japan from Singapore make return visits. Such visitors not only seek general tourist information but also want the latest, in-depth information about diverse aspects of Japan. With this in mind, we aim to create a new type of center for promoting travel to Japan in the ASEAN region by unveiling the *JAPAN RAIL CAFE* in Singapore in November 2016. As well as providing information about Japan's various regions, the center will encourage exchanges of information among Japan travel fans.



A rendered image of the *JAPAN RAIL CAFE*