

# 1. Our Starting Points

## First Starting Point

JR East was established as a result of the reform and privatization of Japanese National Railways (JNR) 25 years ago. Considerable time has passed since then. In fact, almost all of our new employees were born after the reform. Nonetheless, the reform of JNR, with the following goals, will always remain our first starting point.

- ◆ Thinking and acting for ourselves, upholding management autonomy
- ◆ Achieving regionally rooted management
- ◆ Aiming to be a company capable of responding appropriately, flexibly, and promptly to changing times and conditions

To avoid repeating the shortfalls and failure of JNR, we will hold the goals of the reform close to heart. While constantly remaining mindful of the support we have received from stakeholders, including customers and communities, we will make the continued pursuit of those goals the basis of our corporate management.

## Second Starting Point

On March 11, 2011, some 24 years after the company was formed, the Great East Japan Earthquake struck. JR East was forced to suspend operations on many routes, including Shinkansen, over an extended period. Various facilities were damaged, along with a large drop in railway ridership. Above all, the Great East Japan Earthquake caused untold devastation in many communities where we conduct business.

Under these conditions, we have been able to surmount these difficulties thanks to the considerable support of all related parties. Through experience derived from the Great East Japan Earthquake, we have reaffirmed our mission as a railway operator and have learned the following valuable lessons.

- ◆ The significance and responsibility of our mission
- ◆ High expectations for the JR East Group from customers and communities
- ◆ The abilities every individual employee demonstrated in the recovery and restoration effort following the Great East Japan Earthquake
- ◆ The importance of steadfast daily activities and training drills

A letter of encouragement from a young railway fan in Sendai City when train operations were suspended due to the Great East Japan Earthquake.

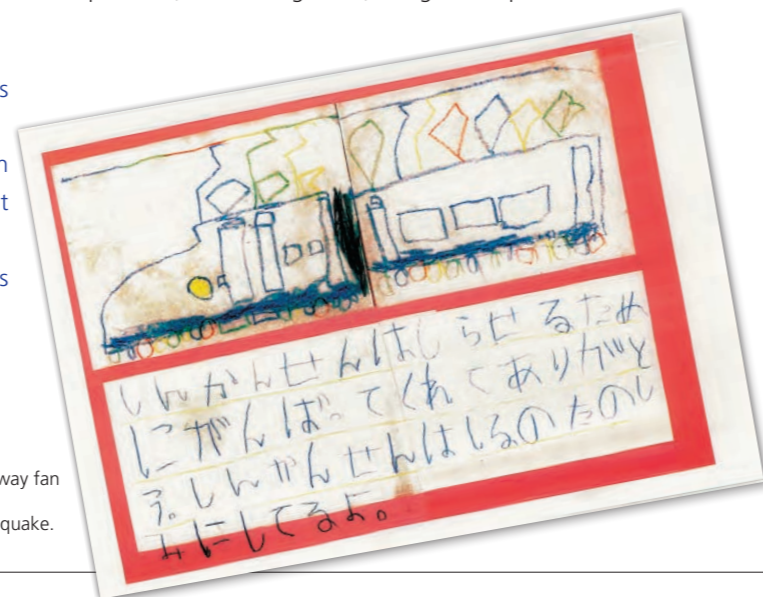
Our operating environment has changed dramatically as a result of the Great East Japan Earthquake. There is still much more work that must be done to fully recover from the earthquake. Moreover, the earthquake has brought into sharp relief certain issues that Japan faced even before the earthquake, such as an aging and declining population, the hollowing-out of industry, and the dwindling strength of regional economies. These issues are becoming increasingly serious challenges. Japan must also tackle new issues, such as the accident at Fukushima Daiichi Nuclear Power Station and persistent power shortage problems.

Having positioned March 11, 2011 as our second starting point, we must once again ask ourselves what role we must play, and how we should direct our evolution as an enterprise providing social infrastructure in the form of railways.

## New Management Vision Formulated

From this perspective, we have formulated our fifth medium-term management plan, “JR East Group Management Vision V(Five)—Ever Onward.” The plan was formulated based on “Key Challenges Over the Next Three Years (FY2013 (Year ending March 31, 2013) through FY2015 (Year ending March 31, 2015)),” which was announced in April 2012. In anticipation of changes in the social environment through around 2020, we have drawn up a plan that sets forth management’s basic direction and what specific priorities we will execute.

All JR East Group employees worked together to overcome the difficulties caused by the earthquake, giving JR East a sense of confidence and pride. Keeping this confidence and pride close to heart, the JR East Group will continue to boldly tackle various challenges as we make a fresh start to revitalize the East Japan area, our home ground, along with Japan as a whole.



A poster “TOHOKU MY LOVE”, released around the first anniversary of the Great East Japan Earthquake. Show JR East’s message: We will consider the future of communities together with local communities and take action accordingly.



A poster released when the operation of Tohoku Shinkansen resumed. Show JR East’s message: We will support reconstruction of Tohoku regions by connecting areas with our trains.