



“JR East 2020 Vision”

April 1, 2008

East Japan Railway Company

I. Management Strategy

II. Business Strategy

III. Numerical Targets



Vision
10 years ahead

Establishment
of company

Full
Privatization

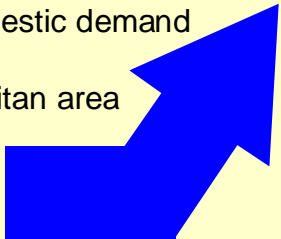


New Frontier 21
New Frontier 2008

- Declining population
- Aging population
- Stagnating domestic demand
- Centered on Tokyo metropolitan area

Difficult business
conditions

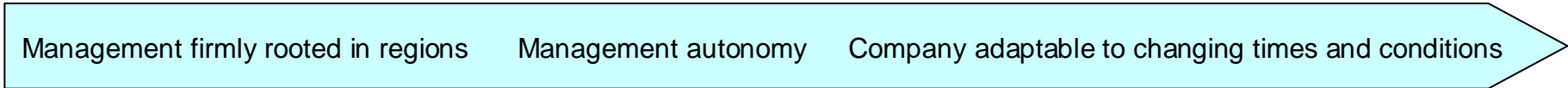
- Social responsibility
- Emphasis on shareholders
- Global environmental problems



Moving Up a Gear

Favorable business conditions

Our DNA



Management firmly rooted in regions Management autonomy Company adaptable to changing times and conditions

Four Basic Policies

Peace of mind based on assured safety

Safety is management's first priority
Rigorously pursuing customer satisfaction

Sustainable growth and taking on the challenge of the next era

Management aiming for sustainable growth
Taking on the challenge of creating new businesses

Fulfilling corporate social responsibility

Contributing to regions / society
Responding to global environmental problems

Increasing strength of organization and human resources

Employee motivation
Increasing organizational strength

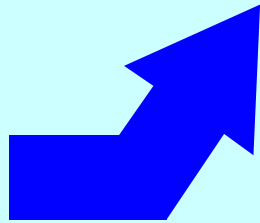
Aiming for “extreme safety levels” through tireless efforts to improve safety

**Continuing plan giving priority to provision
of safety equipment and facilities**

**Improving and expanding safety education / training,
accident prevention**

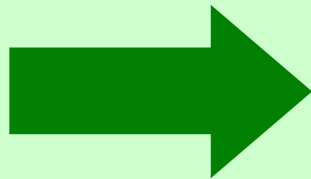


Unflagging Commitment



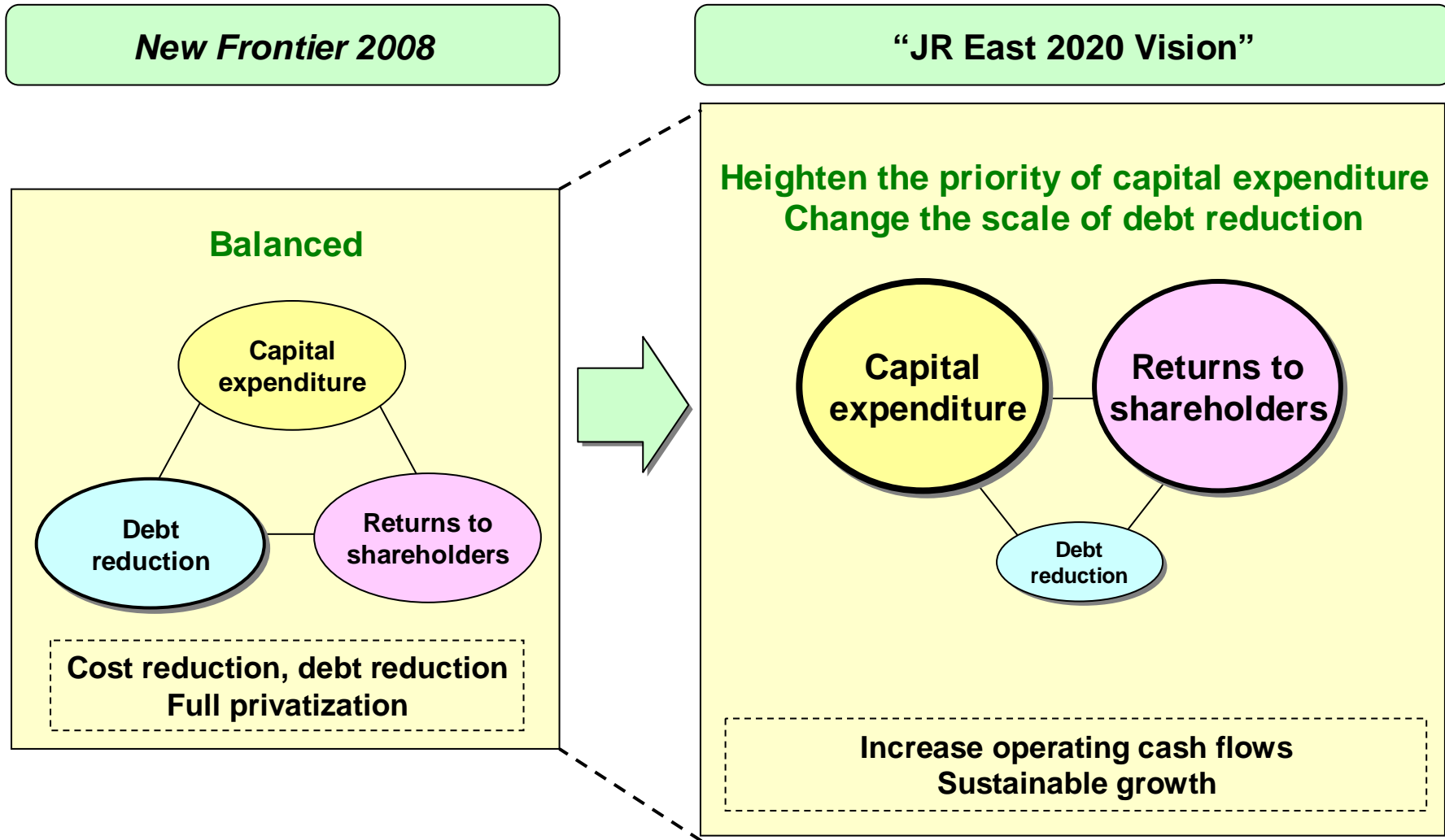
**Moving Up a Gear
in Seven Areas**

- Management strategy**
- 1) Invest aggressively to raise corporate value
 - 2) Open the way to new business areas
 - 3) Tackling global environmental problems
- Business strategy**
- 4) Upgrade Tokyo metropolitan area railway network / make line-side areas more attractive and convenient
 - 5) Invigorate regional railway lines / interregional communications
 - 6) Develop life-style businesses aggressively
 - 7) Establish *Suica* operations as a third pillar of operations

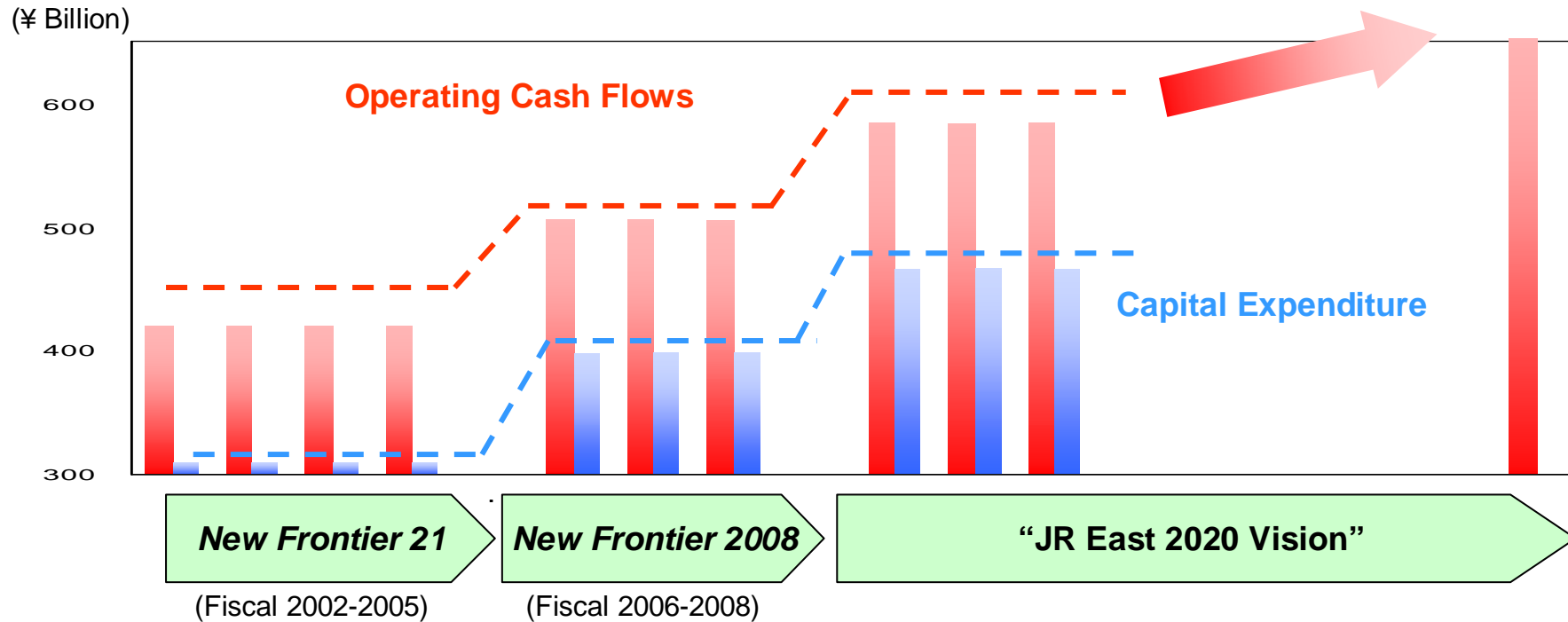


Ongoing Efforts

- Management strategy**
- 1) Heighten customer satisfaction
 - 2) Develop human resources
- Business strategy**
- 3) Advance research and development aggressively
 - 4) Expand the Shinkansen network, increase earnings from railway operations
 - 5) Expand life-style businesses



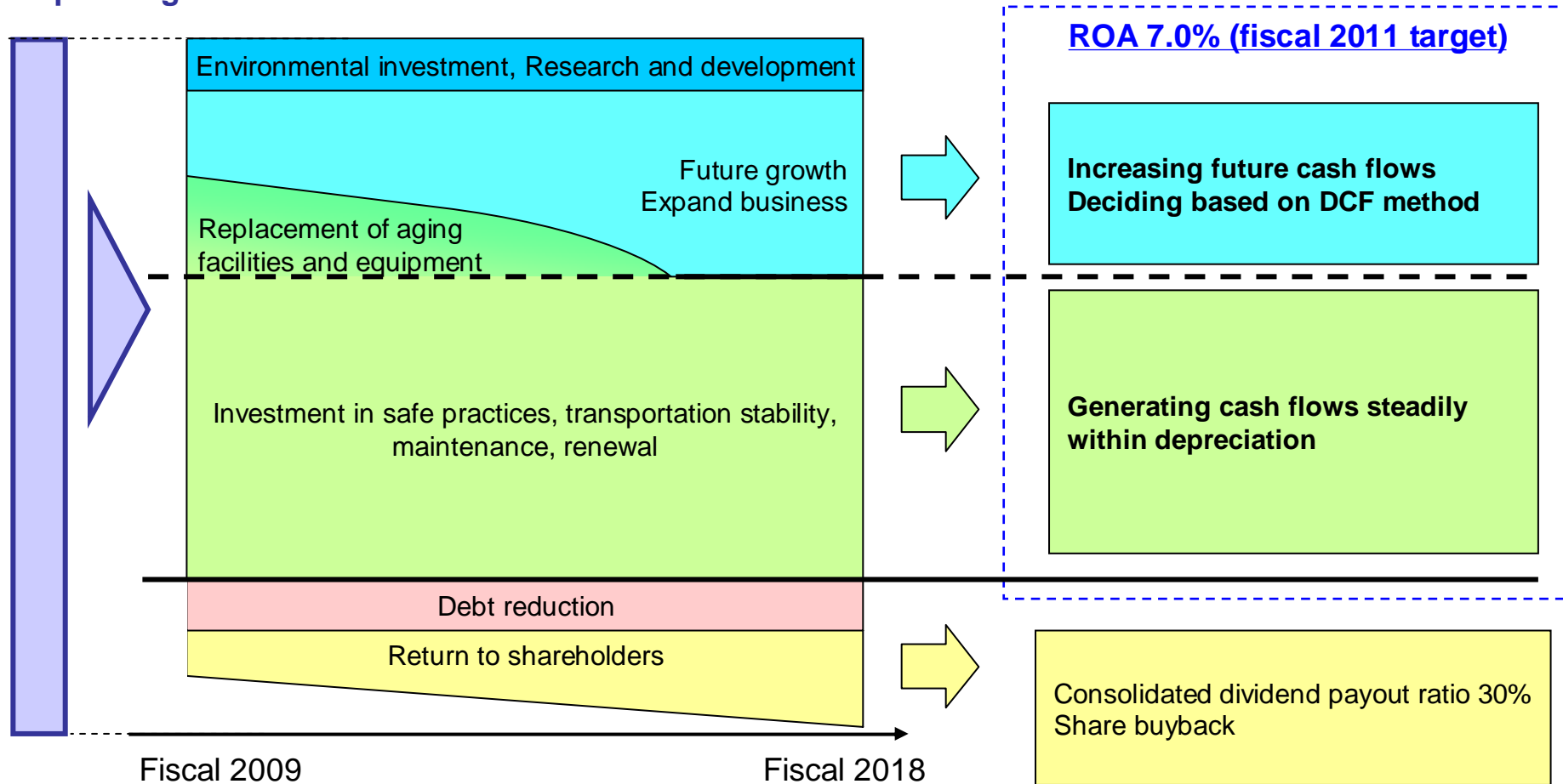
Focusing on increasing operating cash flows



Investing aggressively to raise corporate value

Increasing operating revenues, working to increase income

Operating Cash Flows



Dividends per share and dividend payout ratio

(%)

35

30

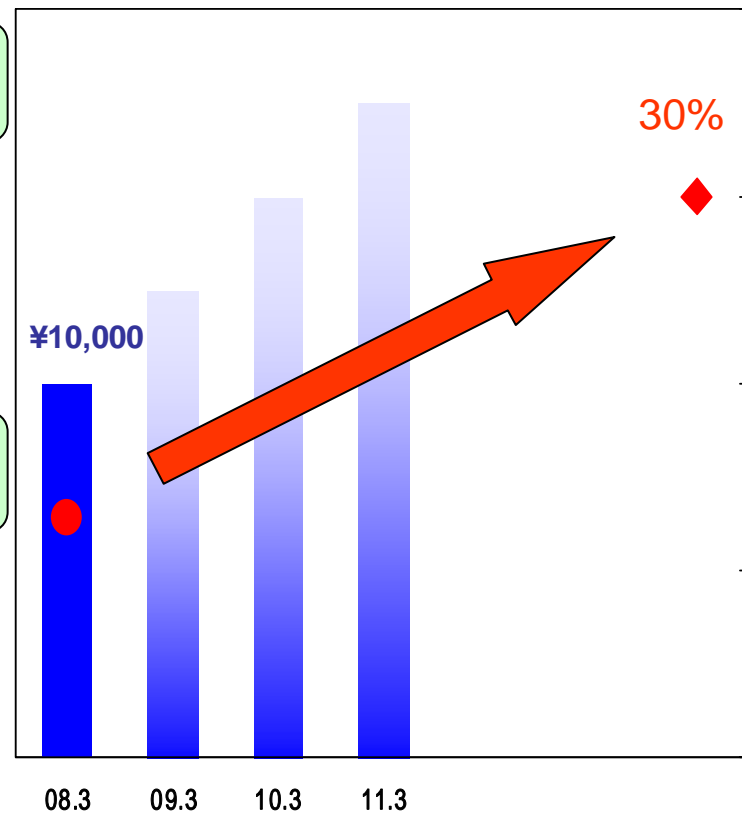
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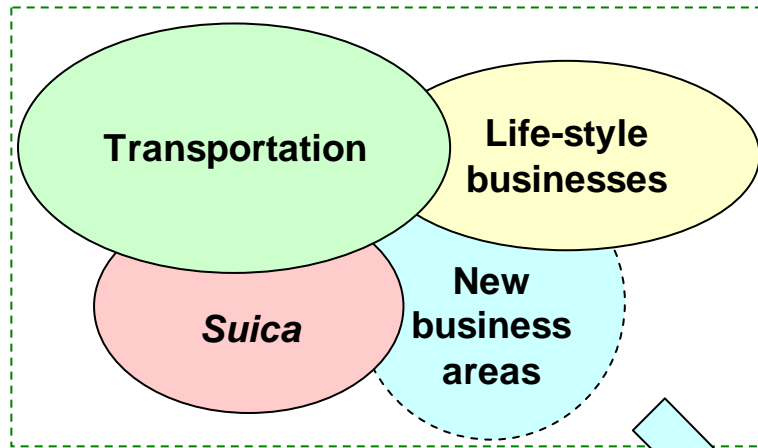
20

15

Targeting consolidated dividend payout ratio of 30%
Increasing in stages

Share buyback





- Taking on the possibilities of overseas operations
- Tie-ups and collaboration with railway companies in the Tokyo metropolitan area
- Integrating new technologies, raising “network” value

Reducing total CO₂ emissions of railway operations

Reduce 50% by fiscal 2031
(Government recommendation: 50% reduction worldwide by 2050)

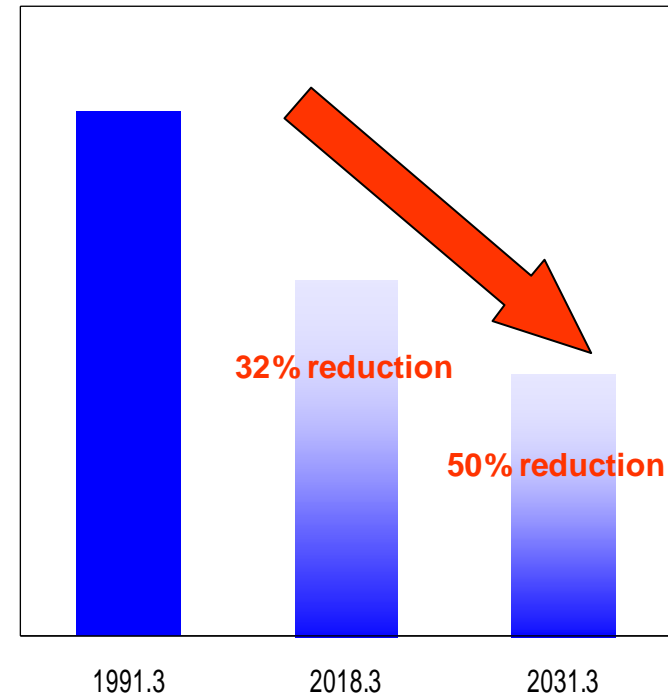
Reducing environmental burden

Introducing reusable energy
Energy-saving railway stations: “eco stations”
Energy-saving railcars, hybrid railcars
Regenerating railway trees

Public transportation network providing convenience rivaling private cars

Collaboration with other railway, bus, and taxi companies

Total CO₂ emissions of railway operations



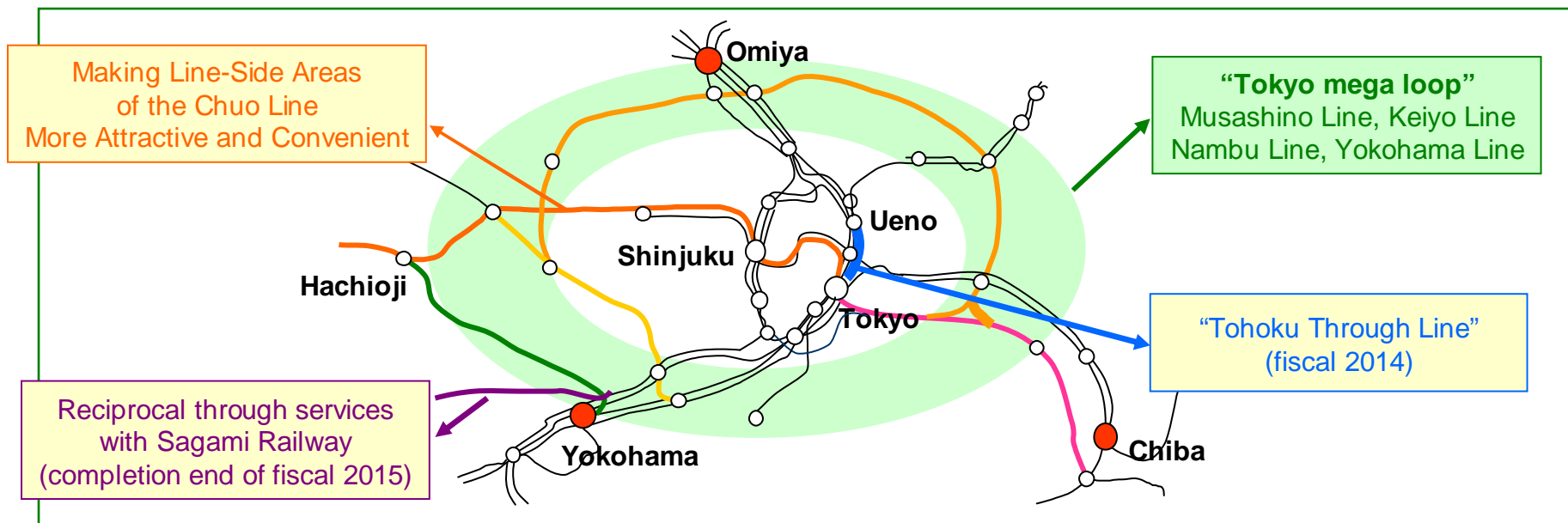
I. Management Strategy

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III. Numerical Targets

- Expanding the through-service network in Tokyo metropolitan area
 (“Tohoku Through Line,” reciprocal through services with Sagami Railway)
 - Reconstructing transportation network
 - Creating attractive railway lines
 (strengthening the competitiveness of respective railway lines, realizing their potential)
- > Increasing the reliability of transportation (reducing total duration of delays, reducing railcar failures)
- > Creating railway stations that customers can use comfortably and without anxiety
 (increasing and improving barrier-free facilities and equipment, improving customer guidance information)
- > Realizing stations that enable customers to buy tickets without waiting
 (automated ticket vending machines, *eki-net*, *Mobile Suica*)

- indicates Moving Up a Gear > indicates Ongoing Efforts

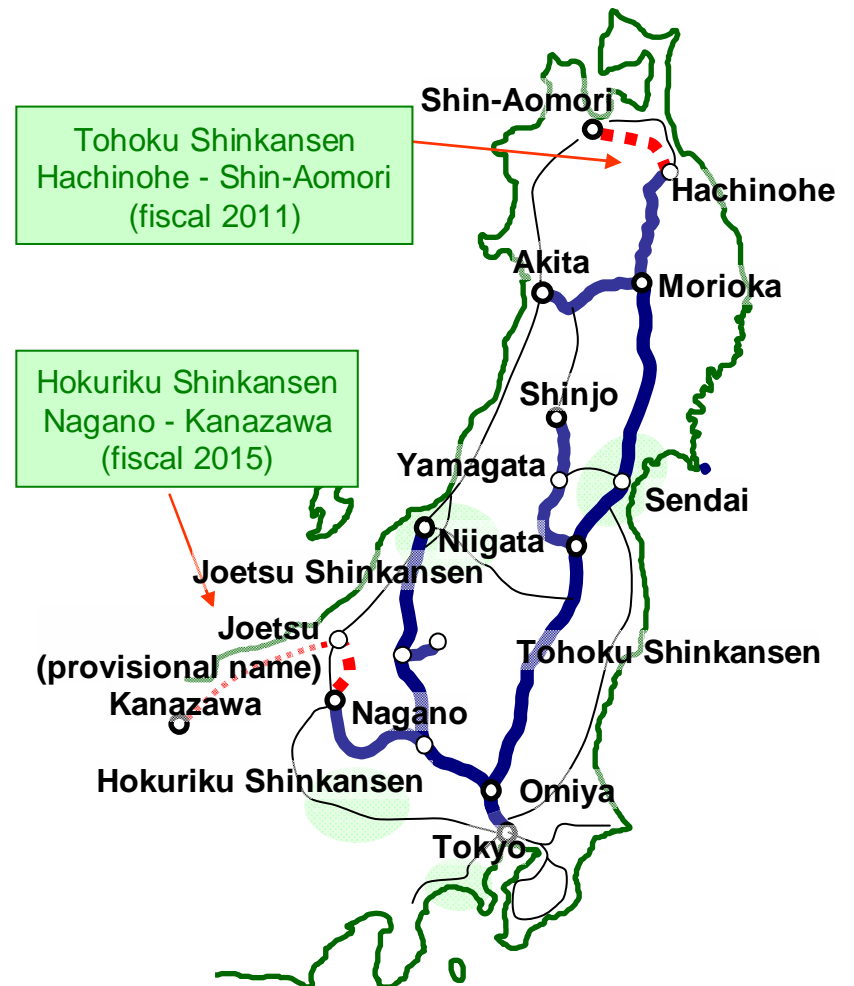


Shinkansen

- > Expanding Shinkansen network
 - > Competitiveness through new-model railcars, high-grade services
 - > Research and development focused on further evolving Shinkansen technology
- Promoting tourism development, creating travel demand
 - > Offering attractive products and services
- Creating railway stations befitting their role as the “faces” of regions
 - Creating sustainable intercity networks (renewal and downsizing)
 - Increasing the efficiency of regional networks, changing to non-railway modes of transportation

Regional areas

- indicates Moving Up a Gear > indicates Ongoing Efforts



* Between Joetsu (provisional name) and Kanazawa on the Hokuriku Shinkansen is within the area of West Japan Railway Company

Develop life-style businesses strategy aggressively, increasing operating revenues to approximately 40% of total operating revenues

Inside railway stations

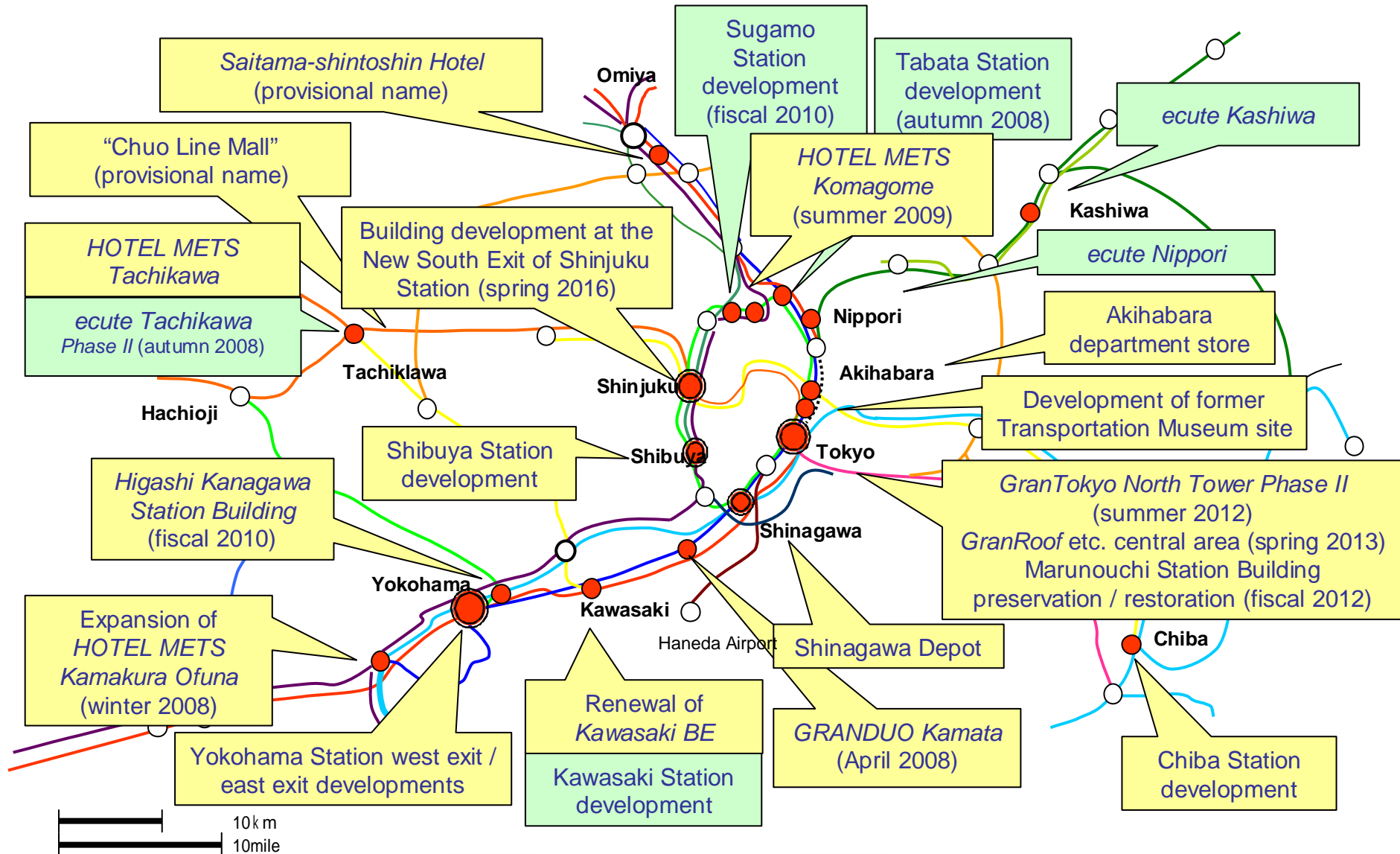
- Developing businesses such as *ecute* and *Dila* aggressively
- Bold renewals, maximizing the value of advertising media
 - > Concentrate management resources on Tokyo metropolitan area, review regional station buildings
 - > Develop *NEWDAYS* aggressively
 - > Establish brands such as *Lumine*, *atré*, and *GRANDUO*
 - > Completing *Tokyo Station City* project

Terminal railway stations

- Reconstructing existing station buildings
- Advancing large-scale development

Outside railway stations

- Implementing initiatives for town development
- Developing railway lines and adjacent areas



* certain projects still under consideration

Station space utilization

Shopping centers and office buildings, other services 17

Railway usage

[JR East area]

Increasing usage rate in Tokyo metropolitan area
(fiscal 2011 *Suica* / *PASMO* usage rate of 90%)
Enabling use on all railway lines

[Outside area]

Expanding mutual-use network
(Sapporo, Fukuoka areas)

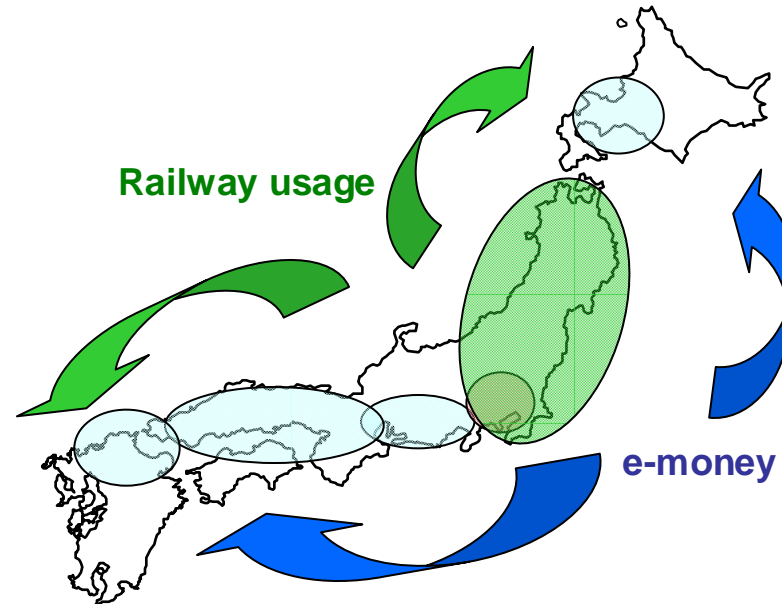
e-money

Establish as No.1 e-money

Spread nationwide
Increase tie-up partners
Increase compatible stores

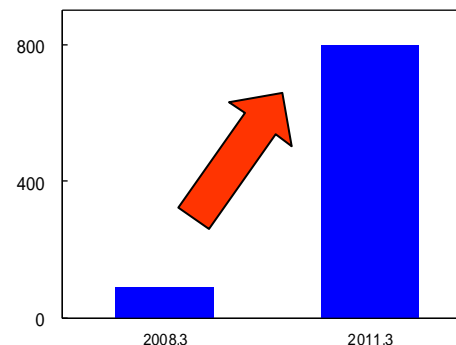
New information business

Use as marketing data



Establish as third pillar of operations

(fiscal 2011 target)
8 million transactions / daily



Increase tie-up partners
Convenience stores
Supermarkets
Taxis
Airlines

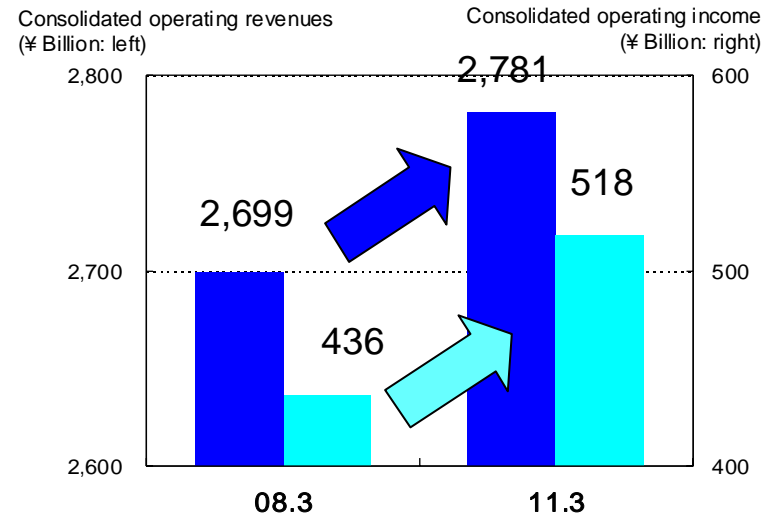
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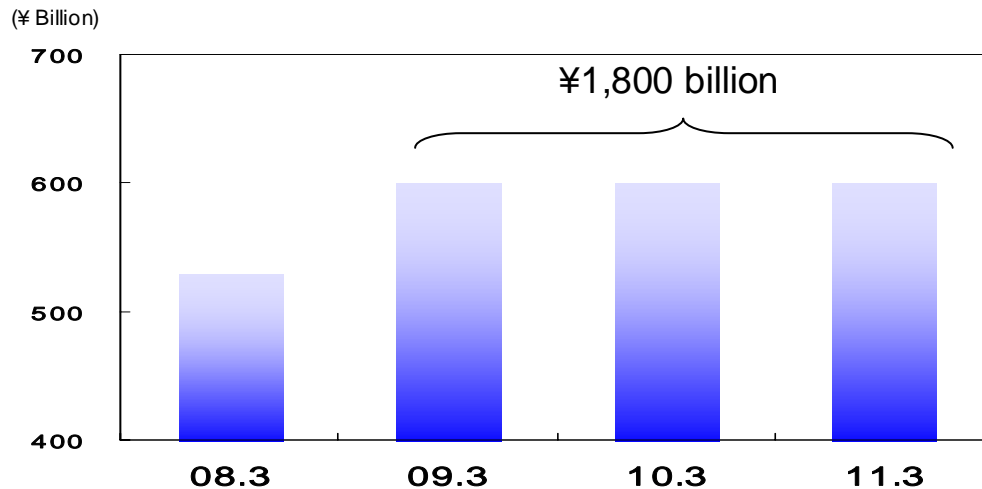
III. Numerical Targets

Item	Fiscal 2011 Targets
Consolidated operating revenues	2,781 billion
Consolidated operating income	518 billion
Consolidated operating cash flows	Total for 3 years ¥1,800 billion
Consolidated ROA	7.0%

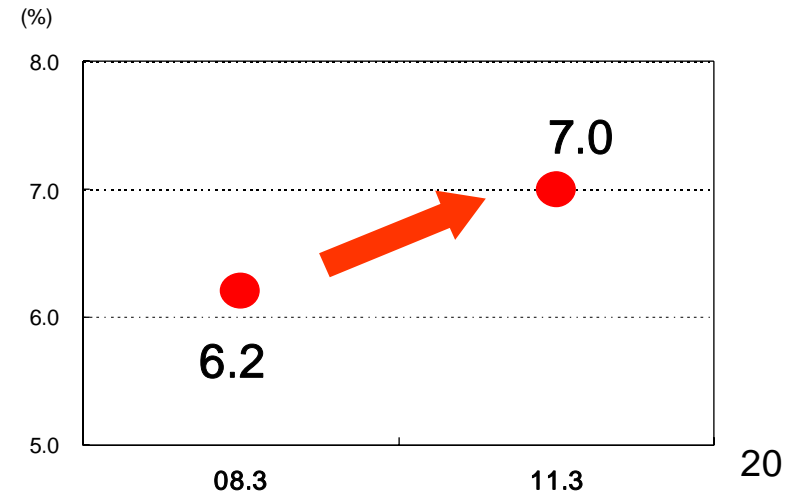
Consolidated operating revenues / income



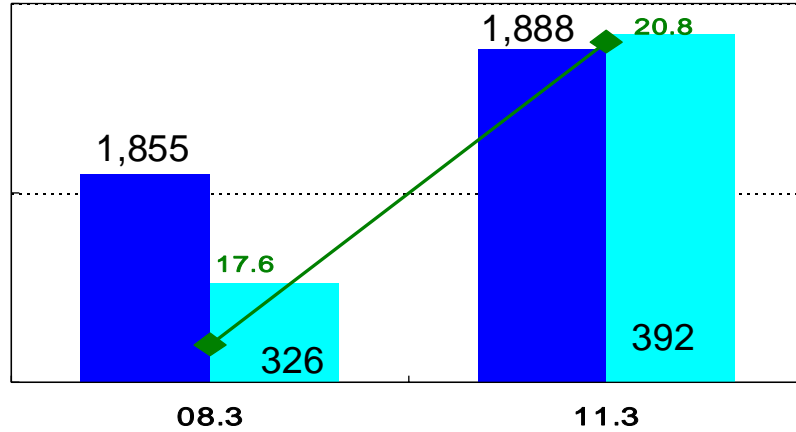
Consolidated operating cash flows



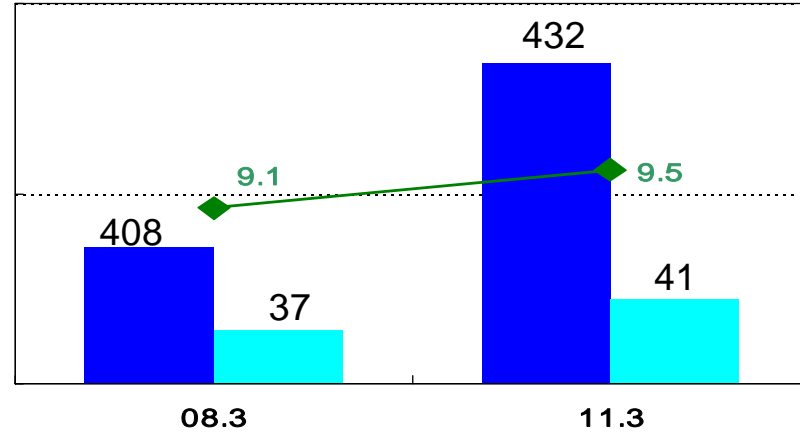
Consolidated ROA



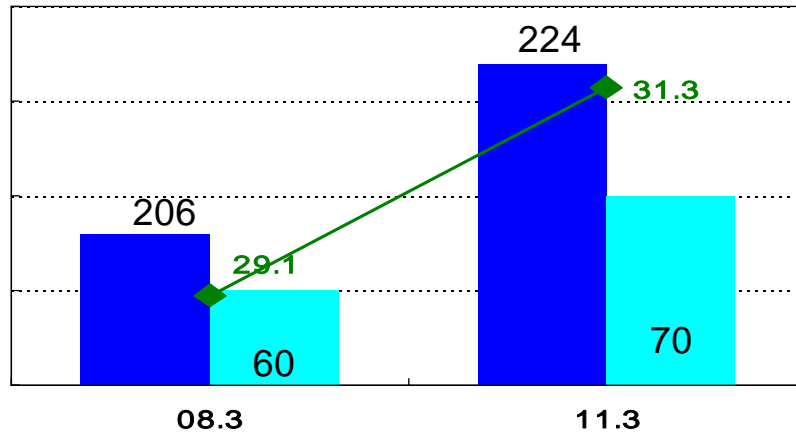
Transportation



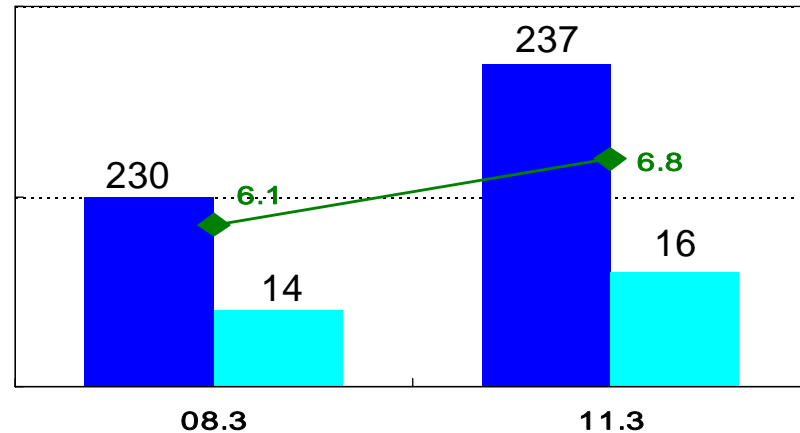
Station space utilization



Shopping centers and office buildings



Other services



Numerical targets



Left: operating revenues (¥ Billion)

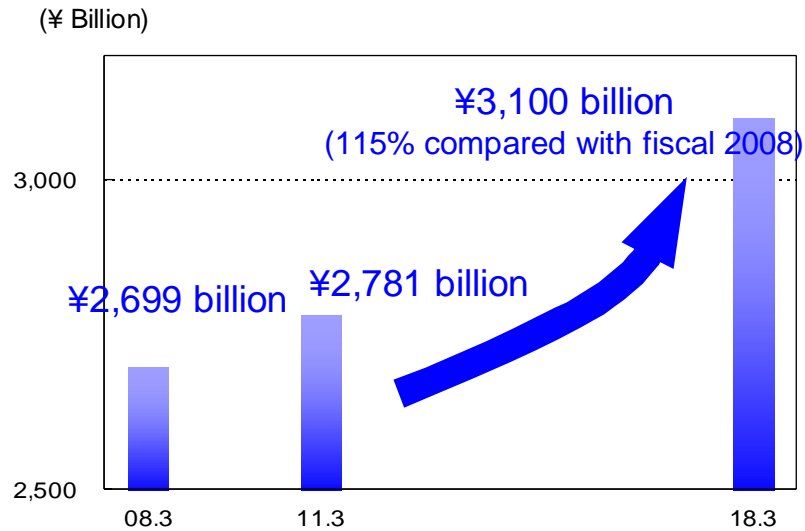


Right: operating income (¥ Billion)

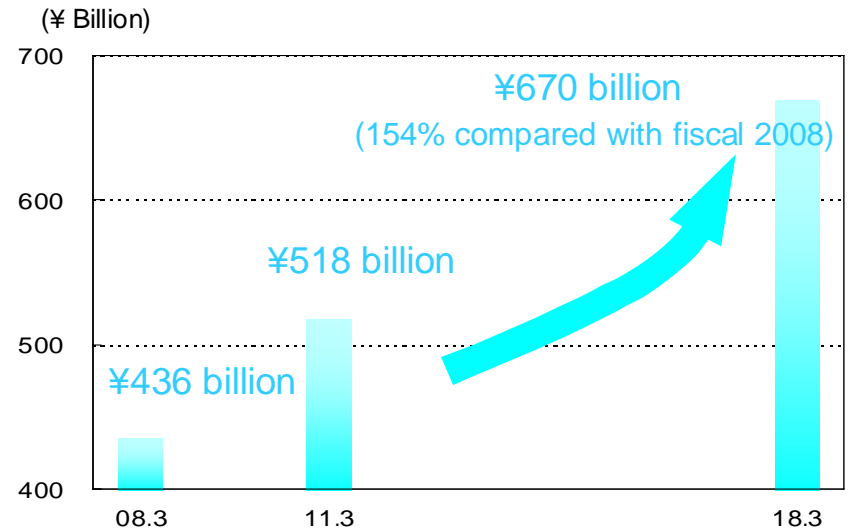
(reference)

operating income / operating revenues (%)

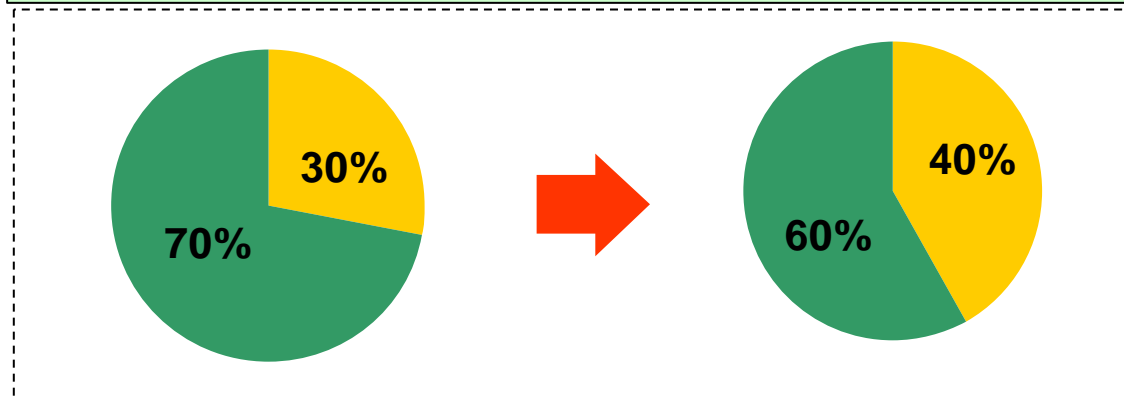
Consolidated operating revenues ¥3,100 billion



Consolidated operating income ¥670 billion



Non-transportation operating revenues accounting for approximately 40%



Keeping abreast of changing business conditions, moving up a gear to achieve development for the next era

Actively implementing investment that will increase corporate value and increasing returns to shareholders

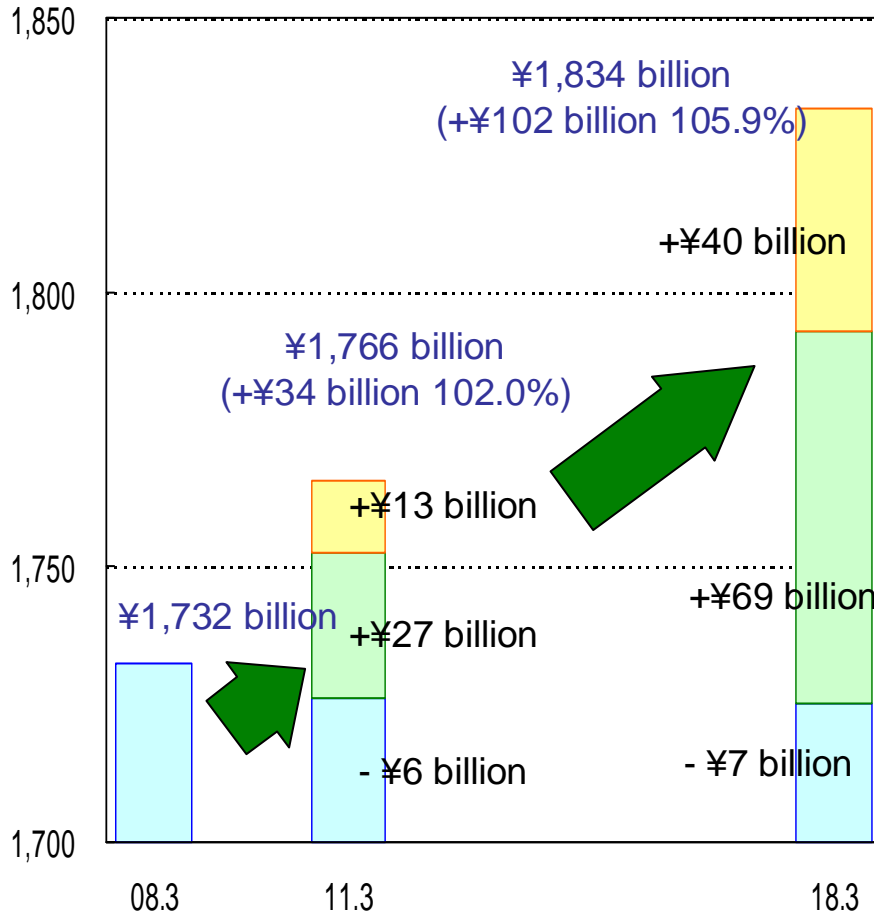
Implementing initiatives to meet social responsibilities and tackle global environmental problems

(reference material)

(¥ Billion)

	Fiscal 2008 plan	Fiscal 2011 targets	Fiscal 2018 targets
Operating revenues	2,699	2,781	3,100
Transportation	1,855	1,888	1,930
Station space utilization	408	432	540
Shopping centers and office buildings	206	224	320
Other services	230	237	310
Operating income	436	518	670
Transportation	326	392	480
Station space utilization	37	41	50
Shopping centers and office buildings	60	70	100
Other services	14	16	40
Ordinary income	327	407	-
Net income	187	233	-

(¥ Billion)



(Principal assumptions)

Actual GDP growth rate	100.9% / year
Population trends in Tokyo metropolitan area	100.4% / year

Factors increasing revenues

- *Otona no Kyujitsu (Holiday for Adults) Club*
- Introduction of faster Shinkansen services, "super green cars" (provisional name)
- New Musashi Kosugi Station
- "Tohoku Through Line"

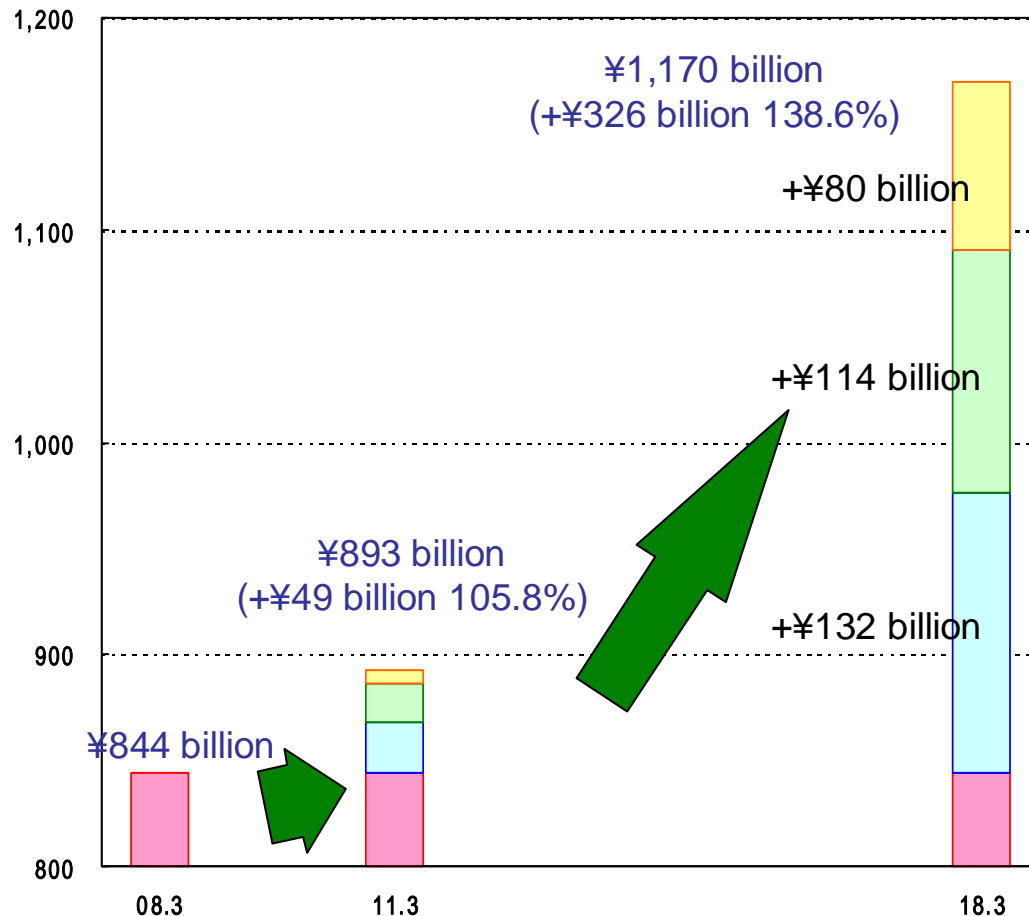
Growth of foundations (rate per year)

- (Fiscal 2009-2011)
- Shinkansen
 - commuter passes +0.4%, non-commuter passes +0.8%
 - Tokyo metropolitan area network
 - commuter passes +0.5%, non-commuter passes +0.7%
 - Intercity and regional networks
 - commuter passes -0.3%, non-commuter passes -0.4%
- (Fiscal 2009-2018)
- Shinkansen conventional lines total
 - commuter passes +0.1%, non-commuter passes +0.4%

Factors decreasing revenues

Negative effect of leap year (fiscal 2008)	- 30
Tokyo Metro Fukutoshin Line	- 40

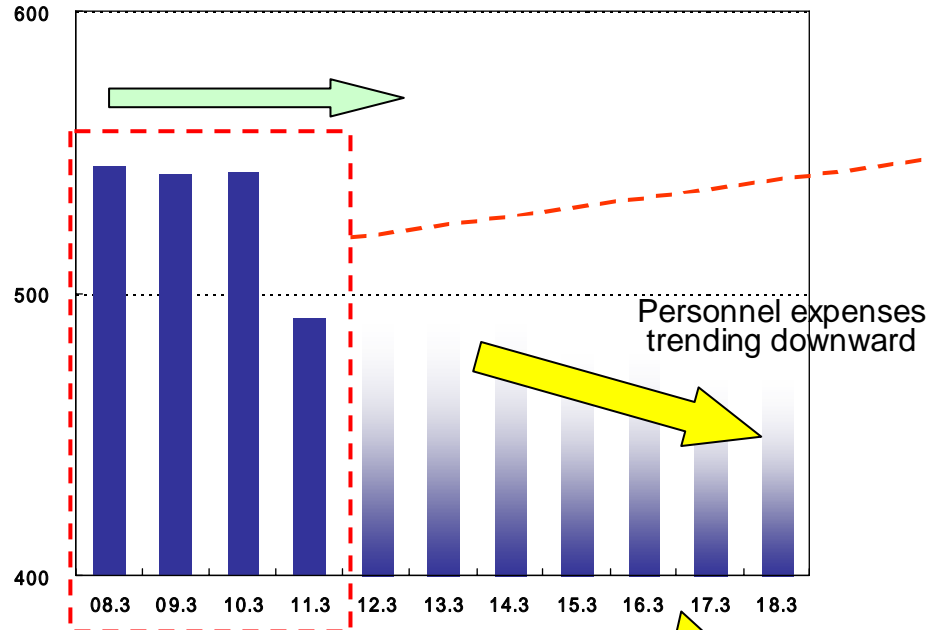
(¥ Billion)



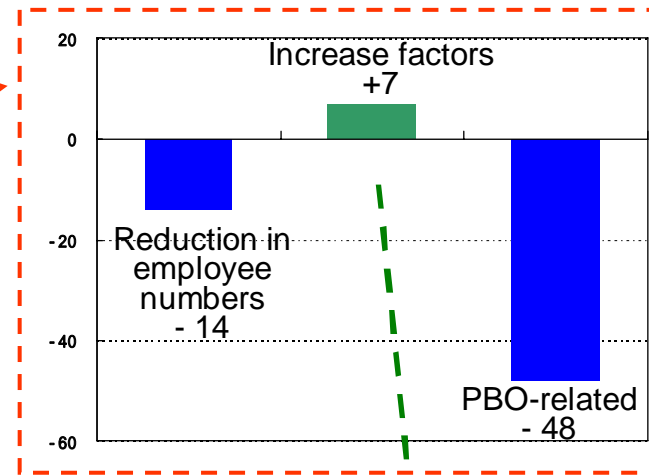
Other services
- Revenues from credit card business
Shopping centers and office buildings
- Building development at New South Exit of Shinjuku Station
- Chiba Station development
- Yokohama Station west exit development
- Yokohama Station east exit development
- Shibuya Station development
Station space utilization
- <i>ecute Nippori</i>
- <i>ecute Kashiwa</i>

*Non-transportation operating revenues = station space utilization operating revenues
+ shopping centers and office buildings operating revenues
+ other services operating revenues

(¥ Billion)

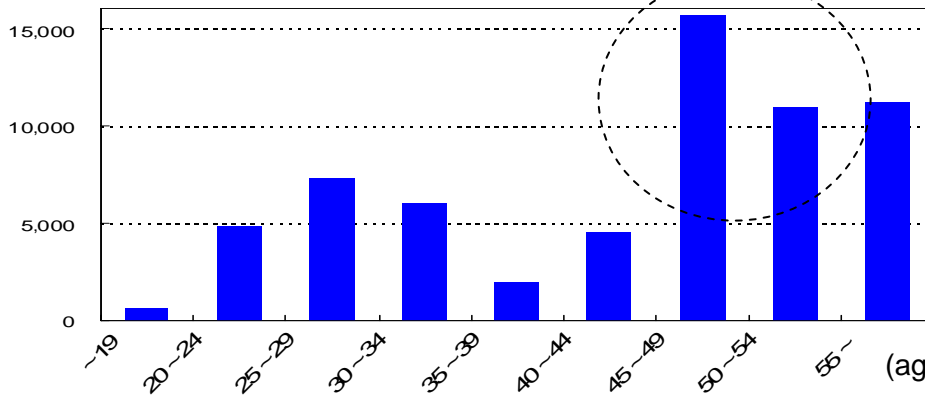


¥55 billion for 3 years



Another increase in retirees

Age composition of employees (unit: people)



Breakdown of increase factors of +¥7 billion

- Increase in contract employees +3
- New reemployment system +2
- Changes to welfare benefits packages etc. +2

(age: as of April 1, 2007)

Transportation ¥1,000 billion

Non-transportation ¥400 billion

**Investment needed for
continuance of
operations**

Investment in safe practices, transportation stability ¥450 billion
(natural disaster countermeasures, provision of ATS-P etc.)

- Environmental measures
- Replacement of aging facilities and equipment

Growth investment

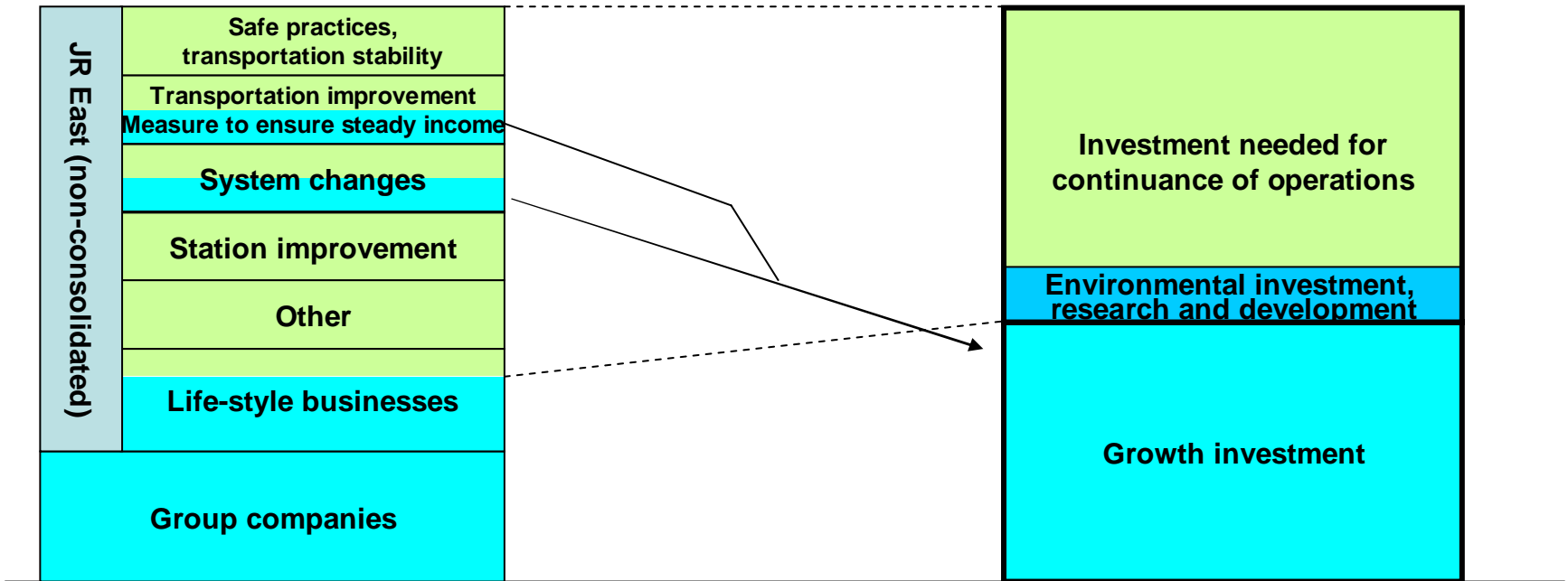
- Tohoku Through Line
- New Musashi Kosugi Station
- Faster Shinkansen services
- Tokyo Station City
- Development of Nippori Station
- WiMAX business

¥450 billion

Fiscal 2009-2011 Total ¥1,400 billion (Depreciation Total ¥1,050 billion)

Classification based on fact sheet

“JR East 2020 Vision”



Transportation	Non-transportation	
<p>“Tohoku Through Line” (fiscal 2014)</p> <p>Project cost: ¥40.0 billion Revenues: ¥1.0 billion / year</p>	<p><i>ecute Tachikawa Phase II</i> (autumn 2008) Project cost: ¥8.2 billion (* including phase I) Revenues: ¥10.0 billion (* including phase I) <i>HOTEL METS Tachikawa</i> (autumn 2008) Project cost: ¥1.5 billion Operating revenues: ¥0.36 billion / year</p>	<p><i>S-PAL II</i> (under elevated railway tracks north of Sendai Station) (summer 2008)</p> <p>Project cost: ¥2.1 billion Operating revenues: ¥0.38 billion / year</p>
<p>New Musashi Kosugi Station (fiscal 2010)</p> <p>Project cost: ¥17.0 billion Revenues: ¥2.0 billion / year</p>	<p>Tabata Cosmos Plan (fiscal 2009)</p> <p>Project cost: ¥1.1 billion Tenant revenues: ¥2.2 billion / year</p>	<p>Niigata South Exit Building (fiscal 2009)</p> <p>Project cost: ¥6.8 billion Operating revenues: ¥1.0 billion / year</p>

These materials and a video of the presentation can be viewed at the JR East's web site.

JR East web site, IR (Investor Relations)
<http://www.jreast.co.jp/e/investor/>

Forward-Looking Statements

Statements contained in this report with respect to JR East's plans, strategies, and beliefs that are not historical facts are forward-looking statements about the future performance of JR East, which are based on management's assumptions and beliefs in light of the information currently available to it. These forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause JR East's actual results, performance, or achievements to differ materially from the expectations expressed herein. These factors include, without limitation, (i) JR East's ability to successfully maintain or increase current passenger levels on railway services, (ii) JR East's ability to improve the profitability of railway and other operations, (iii) JR East's ability to expand non-transportation operations, and (iv) general changes in economic conditions and laws, regulations, and government policies in Japan.