

FY2018.3 Capital Expenditure Plan (non-consolidated)

East Japan Railway Company (JR East) today announced the formulation of its FY2018.3 capital expenditure plan (non-consolidated). Aiming to realize three priority groupwide tasks, namely, to improve the safety and reliability of transportation, take on the challenge of enhancing profitability, and advance “TICKET TO TOMORROW” initiatives, JR East will take measures to install and further improve safety equipment and steadily promote ongoing capital expenditure to increase customer satisfaction and pave the way for future growth.

Planned capital expenditure (non-consolidated) for FY2018.3 is ¥455.0 billion, an increase of ¥28.0 billion from capital expenditure in FY2017.3

○ Major capital expenditure

- We will proceed with the installation of automatic platform gates to enhance the safety of railway station platforms, and we will begin using automatic platform gates at five railway stations on the Keihin-Tohoku Line: Saitama-Shintoshin Station, Urawa Station, Ueno Station, Oimachi Station, and Tsurumi Station.
- We will work to improve the reliability of transportation. We will steadily advance safety measures, including measures to protect against major earthquakes and measures to prevent railway crossing accidents, while making progress in renewing aging facilities and equipment and taking measures to install equipment and facilities to prevent snow from disrupting our train services in the Tokyo metropolitan area.
- We will install security cameras inside Shinkansen railcars and continue such measures as strengthening the security of railway stations, railcar storage locations, track-side areas, and electrical facilities to ensure that customers use our services with peace of mind.
- We will distribute detailed information to customers by installing such equipment as displays that provide the latest information. Further, we will proceed with the introduction of railway station numbering so that all customers find railway services easier to understand and can use them with greater confidence.

- We will begin operating the *TRAIN SUITE SHIKI-SHIMA* cruise train. Further, we will proceed with the full-scale introduction of Series E235 railcars to the Yamanote Line, and we will introduce new-type diesel-electric railcars to the Niigata area.
- We will create “fun-to-ride” trains so that customers board them for the “ride” itself. In the fiscal year ending March 31, 2018, we will begin operating *HIGH RAIL 1375* on the Kōumi Line.
- We will continue measures for the restoration of conventional lines damaged by the Great East Japan Earthquake. With respect to line segments of the Joban Line on which operations have been suspended, we will continue implementing work with a view to resuming operations by March 31, 2020. (We plan to resume operations between Tatsuta Station and Tomioka Station by around October 2017.)
- We will implement the full opening of *GranSta Marunouchi* and a new area of *GranSta* in Tokyo Station (August 2017). We implemented the full opening of *PERIE CHIBA EKINAKA (IN-STATION)* (April 2017) in Chiba Station. Also, we will implement the partial opening of a station building in Chiba Station (autumn 2017). Other initiatives will include steady advancement of the development of large-scale terminal railway stations at Yokohama, Shinjuku, Shinagawa, and Shibuya stations and other railway stations.
- We will open Hotel Metropolitan Saitama-Shintoshin (June 2017), open Hotel Dream Gate Maihama Annex (provisional name) (winter of the fiscal year ending March 31, 2018), and open Hotel Metropolitan Sendai East (June 2017). Further, aiming to create a line-side-area brand that is chosen by customers, we will proceed with the development of Chuo Line Mall, using the space underneath a railway viaduct between Mitaka and Tachikawa on the Chuo Line; build JR Urawa Station West Gate Development Building (provisional name); and develop nursery schools near railway stations and other facilities for supporting childcare.

○ Amount of capital expenditure (non-consolidated)

(¥ billion)

	FY2018.3 plan	FY2017.3 results	FY2016.3 results	FY2015.3 results
Transportation	378.0	353.9	359.8	375.0
Life-style business	77.0	72.6	82.4	47.1
Total	455.0	426.5	442.2	422.1

Leasing investments	15.4	8.6	17.1	15.6
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Eternal Mission

Pursuing “extreme safety levels”—Building a railway capable of withstanding natural disasters

- Countermeasures for major earthquakes
 - Seismically reinforce viaduct columns, embankments, brick arch, and station buildings, etc.
 - Seismically reinforce supporting structures of overhead contact lines (electrical poles)
- Safety measures for railway crossings
 - Installation and improvement of safety equipment for platforms
 - Automatic platform gates, Dot-Braille blocks indicating platform edge, emergency stop buttons
 - Install ATS-P, etc.
 - Strengthening railway-related security



Automatic platform gates



Strengthening railway-related security (fence installation)



Seismic reinforcement of embankments



Seismic reinforcement of viaduct columns



Emergency stop button



Safety measure for railway crossing

Service quality reforms—Enhancing the railway transportation network and other measures

- Introduction of mass-production Series E235 railcars to the Yamanote Line
 - Expand and upgrade ATOS (Autonomous Decentralized Transport Operation Control System)
 - Upgrade restrooms at railway stations
- Prepare for introduction of Green Cars to Chuo Line Rapid Service
 - Take measures to prevent railroad switch malfunctions
 - Establishment of counters for visitors to Japan
- Renew Shinkansen electrical substation/distribution equipment and facilities
 - Upgrade elevators and other equipment at railway stations
 - Introduction of station numbering



Series E235 railcars



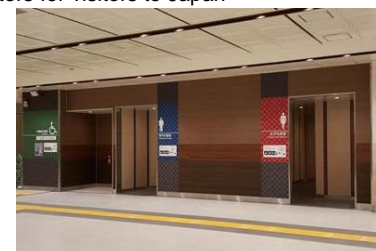
Counters for visitors to Japan



Station numbering



Elevator



Restrooms at stations

Strengthening collaboration with local communities

—Supporting earthquake recovery, stimulating tourism, and revitalizing communities

- Restore conventional lines damaged by the Great East Japan Earthquake
- Introduction of the *TRAIN SUITE SHIKI-SHIMA* cruise train
- Proceeding with installation work for Shinagawa New Station (provisional name)
- Undertake the development of large-scale terminal railway stations; Tokyo, Shibuya, Shinjuku, Yokohama, Chiba, Sendai
- Develop Saitama-Shintoshin Building



Restore conventional lines damaged by the Great East Japan Earthquake (Joban Line)



TRAIN SUITE SHIKI-SHIMA cruise train



Development of large-scale terminal railway stations (Yokohama)



Development of large-scale terminal railway stations (Sendai)
"Hotel Metropolitan Sendai East"



JR Saitama-Shintoshin Building
"Hotel Metropolitan Saitama-Shintoshin"



Development of large-scale terminal railway stations (Chiba)

Pursuing Unlimited Potential

Technological innovation—Forging strategies for conserving energy and the environment, utilizing ICT, and operating Shinkansen at faster speeds

- Prepare for deployment of ATACS (Advanced Train Administration and Communications System) to Saikyo Line
- Track equipment monitoring
- Establishment of *ecoste* model stations

Tackling new business areas—Globalization

- Expand railcar manufacturing operations

Developing employees and creating a corporate culture that maximizes human potential

- Develop training center facilities for employees
- Pursue technological development in frontline operations
- Develop facilities for female employees



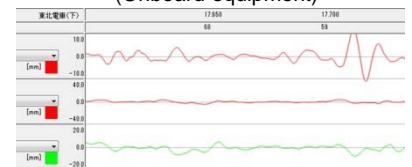
Railcar manufacturing operations



Development of training facilities



(Onboard equipment)



(Rendered image of monitoring results)

Track equipment monitoring