

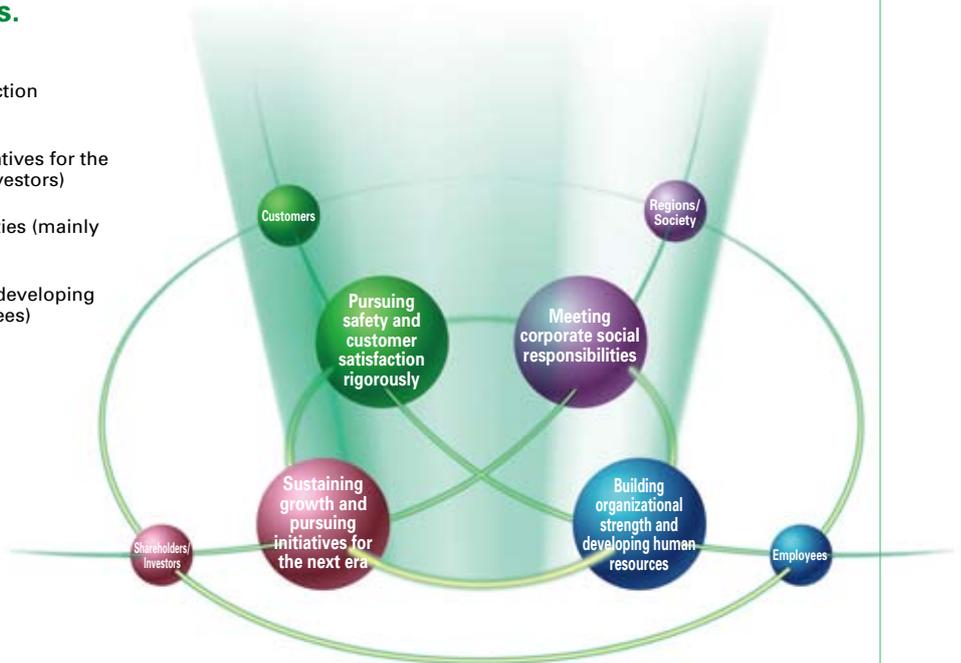
JR East 2020 Vision – i do mu –

On March 31, 2008, JR East announced our JR East 2020 Vision – i do mu –. To keep abreast of rapidly changing business conditions and fulfil our roles and responsibilities, we have positioned the word “challenge” at the heart of those management efforts. JR East will work in unison to realize its vision.

01 Basic Management Policies

As a message to stakeholders, we set out the following four policies.

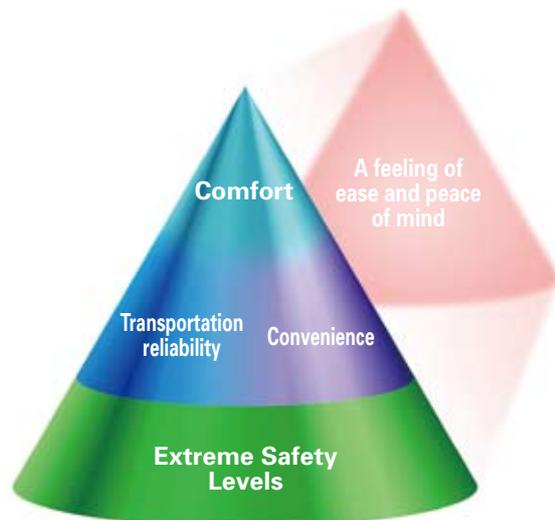
- ① Pursuing safety and customer satisfaction rigorously (mainly for customers)
- ② Sustaining growth and pursuing initiatives for the next era (mainly for shareholders / investors)
- ③ Meeting corporate social responsibilities (mainly for regions / society)
- ④ Building organizational strength and developing human resources (mainly for employees)



02 Unflagging Commitment to “Extreme Safety Levels”

With safety as its highest management priority, JR East is tirelessly seeking the complete elimination of accidents resulting in the death or injury of customers or the death of employees (including employees of Group companies and partner companies).

- We will eradicate accidents within the railway system that we can prevent by upgrading systems for railway operations and maintenance.
- We will steadily and continuously reduce risks related to such external factors as natural disasters.
- With the cooperation of the customers and society, we will implement comprehensive measures for railway level crossings and platforms, where a large proportion of operational railway accidents occur.
- We will introduce movable platform barriers on the Yamanote Line as one of our measures for platform safety.
- We will invest approximately ¥450 billion in transportation safety and reliability over three years, in such areas as installation of Automatic Train Stop devices (ATS-P type), earthquake resistance strengthening, and disaster countermeasures.



03 Moving to a Higher Gear in Seven Areas

JR East will move to a higher gear in seven areas and their accompanying management reforms, based on a mind-set that is eager to forge ahead, that sets out unprecedentedly ambitious goals, and that takes on the challenge of reforming existing structures and systems.

① Increasing focus on investment to raise corporate value

● Shifting emphasis toward growth investment

· After increasing consolidated cash flows from operating activities (consolidated cash flows from operating activities of ¥1,800 billion over three years from fiscal 2009 to fiscal 2011), we will shift the emphasis toward using cash flows for investment in future growth.

*Consolidated cash flows from operating activities for fiscal 2006 to fiscal 2008: ¥1,465.1 billion

· We will continue to reduce total long-term debt but decrease the size of reductions.

*At fiscal 2008 year-end: total long-term debt of ¥3,558.7 billion

· We aim to increase dividends to shareholders in stages, with a 30% consolidated dividend payout ratio target.

*Fiscal 2008: 21.1% consolidated dividend payout ratio



② Opening the way to new business areas

● Taking on the challenge of new business areas in which JR East can take advantage of its strengths

· Capitalizing on overall railway technology capabilities, we will enter into tie-ups with Japanese manufacturers and examine the possibility of overseas operations. (An in-house organization for advancement of such initiatives is already established, and JR East plans to strengthen such initiatives in line with the results of our examinations.)

· We will take on the challenge of strengthening the overall competitiveness of the railway industry through tie-ups and partnership with other railway companies.

· Through WiMAX communication services, we aim to develop new businesses that provide video advertisements or communication services inside moving trains.



③ Taking a positive and long-term approach to global environmental problems

● Reducing total CO₂ emissions of railway operations 50% by fiscal 2031 compared with fiscal 1991 levels

(Fiscal 2009 target: 22% reduction (compared with fiscal 1991))

· We will establish the Environmental Technology Research Center with a view to leading the world's environmental railway technology.

(Begin preparation for establishment from fiscal 2009, aiming for establishment in fiscal 2010)

· We will take steps to utilize such reusable energies as wind power and photovoltaic power generation.

· We will begin to build a model railway station, or "eco station," that incorporates various technologies for preserving the environment.

(Plans call for the establishment of one eco station in each branch office area within 10 years)



JR East 2020 Vision – i do mu –

④ Upgrading the Tokyo metropolitan area railway network to make line-side areas more attractive and convenient

- Aiming to create a public transportation network that rivals the convenience of private cars
- We are creating attractive railway lines that will make people want to live alongside JR East railway lines

- We will extend the services of the Utsunomiya Line, the Takasaki Line, and the Joban Line to Tokyo Station by constructing the “Tohoku Through Line”, which we plan to open in fiscal 2014)
- We will enhance the “mega loop” lines of the Tokyo metropolitan area (the Musashino Line, the Keiyo Line, the Nambu Line, the Yokohama Line), by further improving the convenience and comfort of transportation services, railway station facilities, and life-style services.
- We will make line-side areas of the Chuo Line generally more attractive and convenient by completing the construction of an elevated viaduct that will eliminate level crossings between Mitaka and Tachikawa, completing the introduction of new railcars for rapid-service, and implementing development plans for areas under elevated railway tracks.
- We will double the number of child-rearing support facilities by fiscal 2011, such as station-based nursery schools. (21 nursery schools as of April 2008)



⑤ Invigorating regional railway lines and interregional communications

- We will promote the charms of tourism in the regions of eastern Japan and collaborate with regions to develop tourism.
- We will work to increase the number of tourists visiting Japan by providing railways that are easy for customers from overseas to use and by collaborating with the “Visit Japan Campaign.”
- We will cooperate with local authority projects for town development efforts centered on railway stations, such as “compact city” initiatives, by upgrading railway station facilities.
- We will renew facilities and railcars in intercity networks.
- We will promote increased usage of regional networks and rigorously improve the efficiency of operational management. On that basis, JR East aims to maintain and improve overall service levels for line segments that are extremely difficult to support as railway lines through such initiatives as replacing them with non-railway modes of transportation.



⑥ Developing life-style businesses aggressively, increasing non-transportation operating revenues to approximately 40% of total operating revenues by fiscal 2018

(Non-transportation operating revenues as a percentage of total operating revenues for fiscal 2008: 31.3%)

- For the Chuo Line, where construction is progressing on elevation of the railway between Mitaka and Tachikawa, we will take steps to realize our “Chuo Line Mall” concept by developing an entire area under the elevated railway tracks, based on a unified concept for enhancing the appearance of the line-side area and for increasing earnings.
- We will implement development plans for buildings at Shinjuku Station, Chiba Station, the west exit and east exit of Yokohama Station, and Shibuya Station. (We expect to open the building development at the New South Exit of Shinjuku Station in fiscal 2017)
- We will promote new development around Shinagawa Station.



⑦ Establishing Suica operations as a third pillar of operations

- Developing the mutual-use railway network for Suica nationwide and aiming to spread Suica nationwide as the number one electronic money

- We aim to reach a 90% usage rate for Suica and PASMO in the Tokyo metropolitan area in fiscal 2011. (approximately 70% as of December 2007)
- We aim to enable the use of Suica throughout the JR East network.
- We aim to have eight million electronic money transactions daily in fiscal 2011. (The highest number of daily transactions for transportation-related electronic money (total of Suica / PASMO / ICOCA) was approximately 970,000, as of March 31, 2008)



04 Ongoing Efforts

JR East will continue existing initiatives and raise their level.

① Heightening customer satisfaction even further

- 1) Improving the reliability of transportation
- 2) Creating railway stations that customers can use comfortably and without anxiety
- 3) Providing railway stations that enable customers to buy tickets without waiting

② Developing human resources

③ Advancing research and development aggressively

④ Expanding the Shinkansen high-speed railway network and increasing earnings from railway operations

- 1) Expanding the network
- 2) Introducing faster Shinkansen services
- 3) Introducing higher-grade first-class cars, tentatively named "super green cars"



⑤ Expanding life-style businesses

- 1) Developing a 500 NEWDAYS convenience store network
- 2) Expanding office buildings operations by developing office buildings near to railway stations
- 3) Completing the Tokyo Station City project (fiscal 2014)



*The graphic images and illustrations in this report represent the Company's future direction.