

## Thriving with Communities, Growing Globally

The Great East Japan Earthquake on March 11, 2011 caused devastating damage in the JR East Group's service area and to its railway facilities. Owing to our comprehensive safety measures, there were no injuries to the passengers on board our trains. However, in some cases this was also due to good fortune, which helped us to appreciate that there is more to be done to be better prepared against future disasters. Following the earthquake, together with the great support of related parties and the ceaseless efforts of each and every JR East Group employee, JR East was able to overcome the many challenges and restore its railway facilities. Each time we reopened a section of railway, we were able to see the joy and appreciation on the faces of the people. In particular, when the Tohoku Shinkansen resumed full operation on the 50th day following the disaster, a great many people lined the tracks waving and cheering the return of the train. I am sure that I will never forget that scene for the rest of my life.

Through the disaster, each one of our employees was able to recognize anew their bonds with local communities and the great expectations that society holds for our railway company. As a company responsible for railways as social infrastructure, we have once again realized the importance of fulfilling our missions as a railway company, and in responding to the expectations of society.

Still, due to the Great East Japan Earthquake, our business environment has changed drastically and there is still much to be done in order to fully recover from the earthquake. In addition to nationwide shortages in electricity and the uncertain future of the Fukushima Daiichi Nuclear Power Station, the European financial crisis and the prolonged appreciation of the yen against the dollar have further obscured the future path of the Japanese economy and society. Prior to the earthquake, Japan was already facing several difficult challenges, including a declining birthrate, an aging population, and a hollowing-out of domestic industry. Following the disaster, the direction of these challenges became more severe than ever before, and it continues to become clearer as the momentum of change increases.

In such a time of rapid reform, JR East needs to remain constantly moving forward into the future in order to continue to respond to the great expectations of society. With this at heart, JR East considers March 11, 2011 to be the company's second starting point, with the first being the privatization of JNR. It is now necessary that we once again ask ourselves what the roles and goals of the JR East Group are, and what is needed for the company to evolve.

Based on this realization, in October 2012, JR East formulated its 5th management vision since the foundation of the company, "Management Vision V - Ever Onward". With the main pillars of this vision set in our firm commitment to fulfill our "Eternal Mission" and to achieve growth through "Pursuing Unlimited Potential," the JR East Group aims to make a fresh start in the revitalization of the East Japan area- the Group's home ground - and in Japan as a whole.

### **Our "Eternal Mission": Extreme safety levels, Service quality reforms, and strengthened coalitions with local communities**

The basic missions of the JR East Group, to adhere to customer demands for safe and high-quality services and to contribute to the development of wayside areas through railway and life-style business services, will remain unchanged. In order to continue to respond to the expectations of society, the JR East Group will persist with its ceaseless efforts to improve the contents and



quality of these services.

First, for measures to achieve unsurpassed levels of safety, JR East has commenced seismic reinforcement measures totaling 300 billion yen in preparation for a possible earthquake occurring directly beneath the Tokyo metropolitan area. At the same time, JR East has also been taking other measures to increase its standing as an increasingly disaster-resilient railway, including measures to strengthen its resilience to natural disasters and abnormal weather. In addition, plans to install platform doors on the Yamanote Line were pushed forward. Some stations planning large-scale renovations are not yet included, but this project will be completed for 23 stations by FY2016. JR East will also work with the related organizations for stations on lines other than the Yamanote Line for the future installation of platform doors in those stations.

Second, to further thrive as a corporate group loved by both customers and communities, JR East is working to become No.1 in customer satisfaction in the railway industry through service quality reforms and teamwork. JR East aims to establish new discretionary travel flows and expand tourism to cover wider areas through further improvements to transport quality, enhancements to the Tokyo metropolitan area network through the opening of the Tohoku Through Line, improvements to services on the Tokyo Mega loop, and through the opening of the Hokuriku Shinkansen Kanazawa Station and the Hokkaido Shinkansen Shin-Hakodate Station (both names are tentative).

As a company responsible for local infrastructure, JR East desires to further strengthen its coalitions with local communities. Based on the pressing need for disaster restoration, JR East is focused on measures for the revitalization and promotion of local areas which can only be accomplished by the JR East Group. Specifically, we aim to continue tourism campaigns in coalition with local communities, and to support the manufacture of local products through the sales network and know-how of the JR East Group. In addition, in promoting urban development through the development of large-scale terminal stations, giving our line-side areas a reputation that is high among people in the Tokyo metropolitan area, and the revitalization of regional core cities, JR East aims to establish stations as places of exchange for local people and as entrances to cities and communities.

### **Pursuing the unlimited potential of the JR East Group**

In order to achieve sustainable growth in this time of drastic change following the disaster, we need to avoid complacency and to continue to challenge ourselves with new goals. For this reason, JR East remains determined to challenge new fields in order to tap the unlimited potential of the JR East Group and each one of its employees. JR East aims to actively pursue new business fields through the promotion of strategies for energy and the environment, the utilization of information and communication technology (ICT), increases in the speed of its Shinkansen, technological innovations for the evolution of railways, participation in overseas railway projects, and the expansion of its railcar manufacturing operations. In support of these measures, JR East seeks to create numerous opportunities for its motivated employees to assume active roles and create their own challenges, to establish corporate cultures open to those outside of the Group, and to foster globally-minded individuals.

### **Toward the realization of a sustainable society : Our ceaseless efforts to address global environmental issues**

The JR East Group considers global environmental issues to be one of its most important management concerns. Through various environmental conservation measures to date, including the introduction of energy-saving railcars and a shift to LED lighting, JR East has been able to achieve steady reductions in its total CO<sub>2</sub> emissions and in the environmental burden of its railway operations. However, owing to the 2011 disaster, we are currently facing a new business challenge, an electricity shortage which is forecast to continue into the foreseeable future. Additionally, though in the past railways have been viewed as an environmentally friendly mode of transportation and have been evaluated highly for their environmental superiority, with recent significant advancements in the environmental technologies of other fields such as the automobile industry, we have a strong sense that in the near future there might come a time when railways may not be seen as such.

In order to contribute to the realization of a sustainable society and to maintain the environmental superiority of railways, advancements in the field of environmental technology are inevitable. JR East must both strengthen its environmental measures and remain steadfast in its commitment to lead in the advancement of environmental technologies in Japan.

Specifically, JR East aims to promote measures from a number of viewpoints, including the commercialization of a storage battery-driven electric railcar system, the introduction of smart grid technologies to the JR East Group's railway power system, and the expanded introduction of renewable energies. Moreover, in promoting the development of "ecoste" to introduce various environmental preservation technologies to stations, JR East will create one model station for each of the 12 JR East Branch Offices in its service area. Two of these, Yotsuya Station on the Chuo Line and Hiraizumi Station on the Tohoku Main Line, have been completed. With the ultimate aim of realizing a sustainable society, JR East is committed to actively addressing global environmental issues over the long term.

As 25 years have passed since the JNR privatization reform and the foundation of JR East, the JR East Group now begins its next quarter century. JR East will enter this new era following its new policy, "Management Vision V - Ever Onward", a policy based on our shared theme of Thriving with Communities, Growing Globally.

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