

Top message

Thriving with Communities, Growing Globally

Although the future of the Japanese economy has been uncertain in the recent years, with the current economic policies of the Government of Japan, corporate earnings and consumer spending have continued to show upward trends and indicate the economy's gradual recovery. With this positive growth as momentum, it is now vital for the country to implement specific strategies for growth through the concerted efforts of both the public and the private sector, and to take advantage of these positive trends for the expansion of the real economy. In order to help further the upward trend of the Japanese economy, JR East remains supportive of all measures contributing to the vitalization of regional economies and the creation of tourist flows.

It has been two and a half years since the Great East Japan Earthquake of March 2011, and there is still a great deal to be done in order to fully recover from the devastation. Since the disaster, JR East has worked in coalition with the Government of Japan and local municipalities to restore the railway sections along the Pacific Ocean which were devastated by tsunami. To date, JR East has reduced the initial 400 km length of unusable track to approximately 250 km through its ongoing efforts to restore the heavily damaged lines in stages while confirming safety in the process.

In addition, in order to revitalize the disaster hit areas through the power of tourism and the strength of the JR East Group, JR East launched Let's Go to Tohoku campaigns ("Ikuze, Tohoku") and holds farm fresh markets featuring the local specialties of the Tohoku area at stations in the Tokyo metropolitan area.

Nevertheless, companies cannot thrive without the support of sound and vibrant communities. And, as a network industry, railways will not be able to realize their full potential without the support of such communities. Though it may still take some time, JR East will continue to offer whatever it can in support of its aim for the fastest possible recovery of the disaster hit areas and the revitalization of the regional economies.

Formulation of the JR East Group Management Vision V - Ever Onward

In October 2012, we formulated our fifth medium-term management plan, "JR East Group Management Vision V - Ever Onward". This plan places the Great East Japan Earthquake as our second starting point, following the reform and privatization of JNR, and requires us to once again ask ourselves of the roles we are to assume, and in which

direction we should steer our future evolution in light of the various challenges we currently face. In moving forward, JR East aims to uphold its slogan of "Thriving with Communities, Growing Globally", and, as pillars of its business, continue to "fulfill our eternal missions" and challenge our "pursuit for unlimited potential."

JR East greatly values the importance of responding to the willingness of its employees, and actively offers them opportunities to challenge themselves and play active roles in the company. In helping each one of them to grow, the JR East Group can achieve group growth as a whole, contributing to further avenues and opportunities for employees to develop and to succeed. By combining the personal growth of employees with the growth of the group, JR East can achieve positive cycles of development which we consider vital to the creation of a corporate culture comprised of challenge and growth. In harnessing the power of its employees, JR East aims to grow "Ever Onward" and break new ground for the future of railways, the JR East Group, and for each of our employees.



Continuing our "Eternal Mission"

Through the Great East Japan Earthquake, our employees were able to recognize anew their

bonds with the 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 responding to these expectations and for fulfilling our missions as a railway company. As such, the fundamental missions of the JR East Group, i.e., to adhere to customer demands for safe and high-quality services and to contribute to the development of local communities, will remain forever unchanged.

First, we remain committed to our efforts to achieve “ultimate safety levels”. At the time of the Great East Japan Earthquake, no passengers on board any of our trains suffered any major injury. In addition to good fortune, we owe this in part to our endeavors to date to implement countermeasures against earthquakes. For this reason, we will never forget this experience, and remain both humble and fully prepared for the possibility of an earthquake occurring directly beneath the Tokyo metropolitan area. In order to solidify our standing as an increasingly disaster-resilient railway and to steadily implement all possible countermeasures, we are investing 300 billion yen for seismic reinforcement in this area. In addition, while necessity and urgency for measures concerning the aging of social infrastructure remain at the forefront, JR East is also taking measures against the aging of its railway facilities through planned repair and replacement in order to prolong the service life of these facilities. Furthermore, through the FY2016 completion of platform doors for stations on the Yamanote Line which are not scheduled for large-scale renovations, JR East endeavors to increase the safety of railway transport for the whole of the Tokyo metropolitan area.

Second, we aim to implement service quality reforms through the harnessing of teamwork from both beyond our business divisions and with groups from within our organization as part of our goal to become No. 1 in customer satisfaction in the railway industry. With this at heart, we aim to take all possible measures which will enable us to offer stable and comfortable customer transport while maintaining secure safety in our operations. We remain committed in our efforts to strategically implement our service quality improvement projects through the reinforcement of service management for each of our railway lines to respond to the potential needs of our customers. Furthermore, in addition to the FY2015 planned opening of the Tohoku Through Line and the Hokuriku and Hokkaido Shinkansen lines, JR East plans to further expand its railway network in the Tokyo metropolitan area and between other cities.

Another important issue for JR East is the strengthening of coalitions with local communities. In order to contribute to the restoration of the Tohoku Region, while continuing our efforts to restore the tsunami hit railway lines along the Pacific coast, we are working to improve customer convenience through operation of Bus Rapid Transit (BRT) for the Kesenuma and Ofunato lines, and the shortening of travel time between Sendai and Ishinomaki through construction of the Senseki-Tohoku Connecting Line. Also, in addition to the POKÉMON with YOU train which began service in December 2012, we plan to introduce other concept trains such as the all-seating dining car train Tohoku Emotion, and the steam locomotive galaxy express SL Ginga Tetsudo (provisional name). By thoroughly exploiting the combined power of trains, tourism, and innovative concepts, we seek to inspire people to board our trains for the “ride” itself, and hope that it will encourage as many people as possible to visit the Tohoku region. Through the expansion of agriculture, fisheries, and forestry into six industries with the production and processing of products, we aim to contribute to the revitalization of regional economies in coalition with local communities. Moreover, from the perspective of station-central city planning and in coalition with local communities, JR East aims to promote the three strategies of large-scale development of terminal railway stations such as Shinjuku and Shibuya stations; development of a line-side area brand chosen by consumers in the Tokyo metropolitan area; and, revitalization of core regional cities, such as the development of the Nagano Station Zenkoji Exit.

Pursuing the Unlimited Potential of the JR East Group

One of the important pillars in our management vision is that of “Pursuing Unlimited Potential”. Some might consider that railways are an outdated mode of transport with limited room for technological advancement. However, I am confident that railways possess undiscovered and unlimited potential, and I believe that technological innovations hold the key to expand this potential and progress. Our current themes of focus for our research and development are the advancement of energy and environmental strategies; work evolution utilizing Information and Communication Technology (ICT); and, further increases in the operational speed of the Shinkansen. JR East asks its engineers to widely study technologies from outside the company, including that of other industries in order to help us achieve breakthroughs that exceed our traditional sense of values, without adhering too much to the technologies of JR East or railways.

Another key point for JR East is globalization. Currently, we are considering a wide range of overseas railway projects in a market that is said to be worth 22 trillion yen by 2020. In today's world, the railway industry is not an industry in decline but a promising one of growth. Utilizing the rolling stock manufacturing capacity and maintenance and train operations knowhow of the JR East Group, we aim to expand our business into the overseas railway market.

Above all, through the new challenges presented by technological innovation and globalization, we hope that each one of our employees will amass a great deal of knowledge from both outside of the company and the country, and continue their efforts to expand their potential. Each one of us must boldly step out into the world in order to unleash the full potential of the group and its employees. This is what we mean by “growing globally.”

Aiming to achieve a sustainable society

In JR East's endeavors to address global environmental issues, the JR East Group Management Vision V - Ever Onward has upheld our environmental targets to reduce energy usage in railway operations by 8% (compared to FY2011), and to improve the CO₂ emissions coefficient of JR East power plants by 30% (compared to FY1991) by FY2021. Following the Great East Japan Earthquake, with various energy-related issues such as the uncertain supply of electricity and increases in the cost of electricity becoming commonplace, JR East has been actively working to promote innovative efforts which stray from our traditional framework, achieve targets, and even try to exceed those targets along the way.

Our energy and environmental strategies are set on the pillars of energy creation, energy conservation, and the introduction of smart grid technologies. For the first of these three pillars, we promote the introduction of renewable energy through measures which include the construction of a mega-solar photovoltaic electricity plant for the Keiyo Rolling Stock Center scheduled to be completed by the end of this fiscal year. Also, in addition to the scheduled practical introduction of storage battery-driven electric car systems for the spring of 2014, we maintain our energy conservation efforts which include the addition of various green technologies to our ecological station "ecoste", the introduction of energy-efficient railcars for the Saikyo Line and the Yokohama Line, and the introduction of LED lighting for our facilities. Furthermore, for future generations, we are directing our efforts to the development of new type rail cars with efficient automatic power-saving train operations through the utilization of Information and Communication Technology (ICT), and on research and development for the creation of railways free of overhead power lines which utilize high performance storage batteries. For the introduction of smart grid technologies, we aim to promote research surrounding automatic energy savings through the effective use of regenerative electricity and smart meters.

Since 2002, the JR East Group has been issuing its Sustainability Report as a means to disclose its CSR related information. From this year, we have changed the report's name to the CSR Report. In the JR East Group Management Vision V - Ever Onward, we have repositioned our relationships with local communities as the basis for our business operations, and therefore have decided to more suitably convey our group's efforts in this endeavor as the CSR Report.

Owing to the Great East Japan Earthquake, the JR East Group has pledged to return to its starting point at the time of JNR reform and the privatization and the foundation of the company with the slogan Thriving with Communities, Growing Globally. The JR East Group aims to refocus its collective capabilities and fulfill its eternal mission to contribute to the development of local communities through the provision of safe quality services, and to continue its ceaseless efforts to discover its unlimited potential in order to break new ground for the future, together with the people of local communities.

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