

Topics Promoting Open Innovation : Collaborating with Venture Companies

In order to swiftly create new businesses and services as passengers' needs and the management environment change rapidly, JR East requires expertise in unknown technologies and business fields where we lack experience. Therefore, in addition to leveraging our internal resources, we are also collaborating with venture companies, universities, and other research organizations and will be proactively adopting their technologies and expertise. As part of these efforts, in February 2018, we established JR East Startup Co., Ltd. for the purpose of speeding up the promotion of open innovation. By creating new businesses and services through the provision of funding for venture companies and promotion of collaboration, we will contribute to further vitalize local communities and improve the standard of living.

■JR East Startup Program

In FY2018, we launched the JR East Startup Program to solicit, refine, and implement proposals for businesses and services making use of stations,

railways, and the Group businesses's management and information resources from venture companies and individuals with various ideas. In FY2018, the program received 237 proposals, from which 19 were selected for development. Of these, 11 have been implemented on a trial basis, including an unstaffed store at Omiya Station and baggage check service at Tokyo Station. Collaboration with a view to commercialization is currently under way for several other proposals. For the second edition of the program in FY2019, there will be expanding themes to include new areas such as partnerships with communities (local governments, etc.) and collaboration with foreign venture companies.



JR East Startup Program logo



Unstaffed store at Omiya Station



Baggage check service at Tokyo Station

■Creation of new stations to develop the railway network

We are also cooperating with local governments in the creation of new stations in line with their city planning, based on requests from local governments, etc. In April 2018, we opened a new station, Ashikaga Flower Park Station, on the Ryomo Line.



Ashikaga Flower Park Station, Ryomo Line



Opening New Station in Collaboration with the Local Community

Ashikaga Station Staff, Takasaki Branch Office

On April 1, 2018, Ashikaga Flower Park Station opened on the Ryomo Line. With the cherry blossoms in full bloom, the opening ceremony, attended by around 800 people, was a magnificent occasion.

The station is located next to Ashikaga Flower Park, which is famous for its wisteria arbors. Normally, the station is unstaffed, but during the Great Wisteria Festival in Golden Week, which is the best time for viewing the wisteria, it was used by a large number of passengers, so staff from the Takasaki Branch Office, including personnel from Ashikaga Station, were present to assist passengers.

Ashikaga Flower Park is very popular even among passengers from other countries as well, so in addition to providing information using multilingual signs created by Ashikaga Station employees, I tried to make P.A. announcements in English and Chinese that would be easy for visitors to understand. Going forward, I will strive to provide information that enables passengers to use our facilities confidently and contribute to vitalize local communities.



Relationship with Society

Strengthening Collaboration with Communities

The very existence of the JR East Group depends on the health of the communities and of Japan as a whole. As a company responsible for a form of social infrastructure (i.e., railways), and as a member of the community, we work together with communities in order to take actions aimed at achieving their desired future. We are actively implementing community vitalization and tourism promotion measures that leverage the unique capabilities of our group, as well as pushing forward with the creation of appealing urban areas centering on railway stations.

■Development of large-scale terminal station

In the Shinagawa area, we are aiming to realize town development where advanced businesses and human resources will gather from all parts of the world and new businesses and culture will be created from their interactions, and the construction of a new station which will be the core of the new town has been launched between Shinagawa and Tamachi Stations.

At Shibuya Station, with the move of part of the Tokyo

Toyoko Line to underground tracks as the turning point, we are proceeding with renewal and reorganization of the functions of the station, rearrangement and expansion of surrounding infrastructure, and construction of jointly developed buildings, in cooperation with related business operators.

At Yokohama Station, with increasing momentum in the surrounding community for further urban redevelopment, we are proceeding with reconstruction of West Entrance Building under theme of enhancing attractiveness of the station and town, strengthening disaster-prevention strength, addressing environmental issues, reinforcing it as a place for pedestrians, etc., in cooperation with the local government.



Shibuya Station development



(provisional name) Development of Yokohama Station West Entrance Building

Topics

Opening of Tokyo Station Marunouchi Station Square

JR East has been working with the Tokyo Metropolitan Government to develop an urban space in the district around Tokyo Station commensurate with its status as the gateway to the capital city of Tokyo. Following the completion in October 2012 of preservation and restoration work at the Tokyo Station Marunouchi Building (designated as an important cultural property) development of the plaza in front of the Marunouchi exit was completed in December 2017, marking the end of work on the Marunouchi side covering a period of around 10 years.

Tokyo Station is a landmark building that is a terminal used by the Emperor and Empress of Japan and other VIPs, while also being the starting point for some of Japan's main railway lines. The recently completed

work has created a new, upscale, bustling urban landscape befitting the gateway to the capital city of Tokyo that is integrated with the surrounding district, including Gyoko-dori Street.

To celebrate the work's completion and express our gratitude to the many people involved, we held a ceremony to commemorate the completion of Tokyo Station Marunouchi Station Square on December 7, 2017, and the public was able to use the entire space beginning on that date. At this ceremony marking the start of a new chapter in the station's history, we were honored by the presence of the Emperor and Empress, and guests, including Prime Minister Shinzo Abe.



2012: South Dome following restoration



2012: Station building following preservation and restoration



2017: View from hotel



2017: Following completion of Station Square



Safety



Society



Environment

■Establishment of a lineside brand that will be chosen by passengers

Across the metropolitan Tokyo network, we are working on “creation of preferred lineside brands” that will make people want to visit or live in those areas by promoting development and renewal of not only the areas around stations but also locations under elevated tracks between stations through projects such as the Chuo Line Mall Project (Chuo Line), Kurasu Class

(Nambu Line), Keiyo Bayside Line Project (Keiyo Line), FUN TOKYO! (Yamanote Line), and Saikyo Line Lineside Branding, as well as providing information about areas along the lines.



Chuo Line Mall Project: Musako Garden

Kurasu Class



Ensuring that Passengers Keep Choosing the Keiyo Line

Tsudunuma Station staff, Chiba Branch Office



I have been the member of the Keiyo Bayside Line Project at my prior workplace, the Shin-Kiba Station. The project was launched in 2015 with members who included various field personnel, such as station staff, train crew, rolling stock center employees, and technology-related employees. Through its monthly activities, it has developed a variety of ideas.

To date, the project has worked on a range of initiatives, including the launch of the Keiyo Line Facebook page, creation of Rurubu Keiyo Line, station-front flash mob in collaboration with the Chiba Institute of Technology's brass band club, and Keiyo Team 6 (a promotion in

conjunction with top sports teams along the line).

In December 2018, the Keiyo Line will celebrate the 30th anniversary of the opening of the section between Soga and Shin-Kiba Stations, and in March 2020, it will celebrate the 30th anniversary of the entire line's opening. To express our appreciation to the passengers who use the line and the communities alongside it, we are considering some commemorative events that will surprise and delight attendees. Please stay tuned for more from the Keiyo Bayside Line Project in the future.

■Town development focused on stations in core regional cities

JR East is promoting town development focusing on central stations in conjunction with central urban district revitalization projects, urban planning projects, and so forth being undertaken by local governments in the vicinity of Akita Station, Niigata Station, Matsumoto Station, and others. In June 2018, in order to promote an initiative relating to urban development of the Aomori Station area, four parties—Aomori Prefecture, Aomori

City, the Aomori Chamber of Commerce and Industry, and JR East—signed an agreement of cooperation. We are contributing to the revitalization of core regional cities by proceeding with the functional restructuring of station areas in alignment with town development projects of the communities.



Event marking signature of agreement of cooperation between Aomori Prefecture, Aomori City, the Aomori Chamber of Commerce and Industry, and JR East



Contributing to Community Development through Elevation of Tracks at Niigata Station

Assistant Manager, Niigata Construction Section, Joshinetsu Construction Office



My workplace is part of the project to develop the Niigata Station area being undertaken by Niigata City, elevating conventional line tracks near Niigata Station and development of platforms for cross-platform transferring between Shinkansen and conventional line trains.

In April 2018, when track switching work was implemented as part of phase 1 of the track elevation project, relevant parties from our company and partner companies worked diligently to establish a construction plan, made various preparations (such as making arrangements for alternative transportation plans based on a special schedule, informing passengers, and holding a meeting to brief local residents on the work), and started

construction. In total, some 1,400 people from JR East and partner companies combined worked on the switching project as one, and the work was successfully completed without problems. I felt a great sense of achievement whenever I heard feedback from satisfied passengers who have used the new-look Niigata Station following the switching work. Today, we are continuing to move forward with construction in order to elevate and open all the tracks. Going forward, we will continue contributing to the development of communities by creating stations that live up to passengers' expectations while prioritizing safety.

■Signing of agreement with Japan Post on revitalization of community and society

In June 2018, JR East signed an agreement with Japan Post Co., Ltd. in an aim to reinforce our efforts on revitalizing community and society. Specifically, functions of post offices and stations will be linked. As for urban areas, we have a plan to establish an office with a new business format that specializes in financial consulting out of various over-the-counter services of post offices in Tachikawa Station (third floor of eCute Tachikawa). As for regional areas, we are making considerations to enable unified operation of over-the-

counter services of post offices and stations, including the relocation of post offices into stations. In addition, we are planning to sell local produce of Sendai areas at Tokyo Station and Sendai Station on the day they are harvested by utilizing the transportation network of Japan Post as well as the Shinkansen. Furthermore, we are considering measures for community revitalization over a wide scope such as promotion of sightseeing.



Tachikawa Station (third floor of eCute) store image

*This is the projected image at the current time. It is subject to change based on future considerations.

■Restoration of railway sections devastated in the Great East Japan Earthquake

We have been steadily proceeding with restoration work and resumption of operations in railway sections on the Pacific Coast that suffered extensive damage due to the tsunami, beginning with sections where safety can be ensured.

In areas within 20 km of Fukushima Daiichi Power Station where evacuation orders have been lifted, we are progressively resuming operations with the support and collaboration of national and local governments regarding the necessary environmental measures, such as decontaminating areas along lines and making preparations for the return of residents. The section between Namie and Odaka resumed operation in April 2017, followed by the section between Tatsuta and Tomioka in October 2017. For the remaining section of line between Tomioka and Namie, where operations are suspended, we are proceeding with restoration work aimed at resuming operations in the spring of 2020.

For the section between Yanaizu and Kesennuma on the Kesennuma Line and the section between Kesennuma and Sakari on the Ofunato Line, in order for communities to achieve further development as full-scale urban recovery efforts progress in disaster-hit areas, we proposed that operation of our BRT service continue as a sustainable transport mode that will contribute to restoration. The proposal has been

approved by all lineside municipalities. Based on the requests of lineside municipalities in both sections, we are proceeding with other initiatives such as the establishment of new stations, relocation of stations, and further development of exclusive roads.

With the agreement with lineside municipalities, the section between Miyako and Kamaishi on the Yamada Line will be jointly operated with the Sanriku Railway South and North Rias Lines. We are moving forward with restoration work aimed at reopening the section in March 2019.

As of April, 2018, the total length of the sections where operations were suspended had been reduced from approximately 400km immediately after the earthquake to approximately 76km, with resumption of services for approximately 224km by railway and for approximately 99km by BRT.

With regard to the section of the Tadami Line between Aizu-Kawaguchi and Tadami (damaged by heavy rains in Niigata and Fukushima in July 2011), there was strong demand to restore the railway from Fukushima Prefecture and lineside municipalities. Based on this, we reached an agreement with Fukushima Prefecture in June 2017 to resume service by means of separating infrastructure and operation. At present, we are carrying out restoration work aimed at resuming operations on the entire line.



Resumption of operations between Tatsuta and Tomioka on the Joban Line



Kesennuma Line BRT on exclusive roads

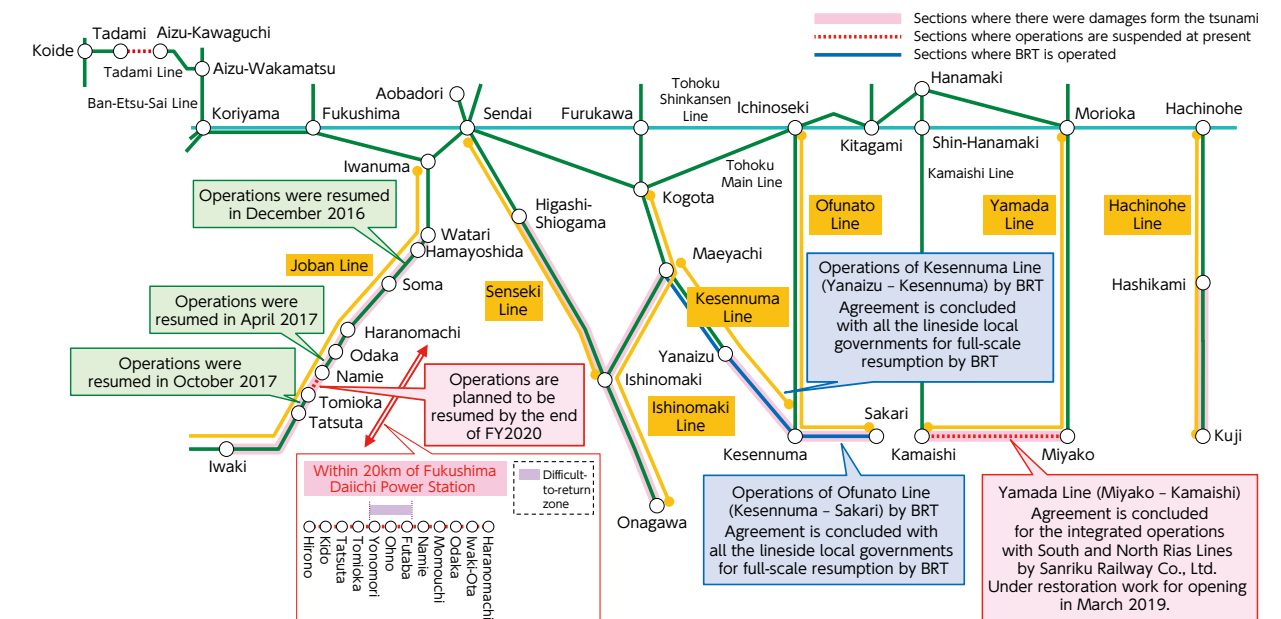


Otsuchi River Railway Bridge, Yamada Line



Groundbreaking ceremony, Tadami Line

[Sections where operations were suspended as of April 1, 2018]



Safety



Society



Environment

Rediscover the Region Project

Development of the Rediscover the Region Project

Under the "Create Together" strategy, which specifies enhanced cooperation between JR East and local communities, we are promoting the Rediscover the Region Project. The aim of the project is to create new potential markets that bring increased circulation of people and goods between the Tokyo metropolitan area and other regions and also attract overseas visitors to Japan. The JR East Group has railway networks, stations that serve as centers of local communities, business know-how, sales channels and advertising power that all radiate out from the Tokyo metropolitan area. The strategy utilizes JR's unique abilities to discover traditional cultures, local produce and other tangible and intangible tourist resources as well as to promote the interactive exchange of information and to expand sales channels between the Tokyo metropolitan area and local communities.

In the Tokyo metropolitan area, in collaboration with destination campaigns and other marketing tools, we are hosting a "Farm Fresh Market" at Ueno Station and opened permanent NOMONO shops where producers present their products and the appeal of their regions at Tokyo Station and other locations.

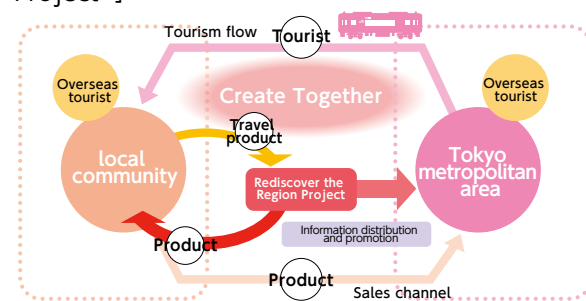
Furthermore, in 2017, as a new initiative at our Farm Fresh Markets promoting the appeal of local communities, we held the Asatore Shinkansen Marché, which features vegetables and fruits picked in various regions of Japan the same morning and delivered directly by Shinkansen, at Tokyo Station's Dorin Square and elsewhere.



NOMONO Gransta Marunouchi branch, Tokyo Station

Asatore Shinkansen Marché

[Conceptual diagram of "Rediscover the Region Project"]



Participation in primary industry

In order to find solutions to issues in primary industries and to enhance the appeal of food through agricultural produce, we entered the agribusiness field in collaboration with local farmers in the spring of 2016. The JR Tomato Land Iwaki Farm in Iwaki City,

Fukushima Prefecture, produces high-quality tomatoes at its sunlight-based plant factory, which are used as ingredients for food served by Group companies. "JR Niigata Farm" in Niigata City is an agricultural corporation established by taking advantage of the status of Niigata as a National Strategic Special Zone. It is bearing a part in developing Niigata's sake culture through production of rice suitable as an ingredient of sake. In addition, JR Agri-Sendai in Sendai City produces goods suited to market needs through integrated management covering everything from production to sales activities. We will continue seeking to increase the non-resident population and revitalize regional communities by enhancing their appeal through the stable production of safe, secure agricultural produce.



JR Tomato Land Iwaki Farm

JR Niigata Farm

JR Agri-Sendai

Addressing measures to promote tourism

Destination campaign (DC)

Destination campaign (DC) means a large-scale tourism promotion campaign implemented by local governments, tourism-related people, JR Group and other related organizations and persons working together for the purpose of developing local sightseeing resources and implementing nation-wide advertising, to attract visitors and promote use of JR. One of the targets is to cause the event to continuously create new superb tourist resorts that will lead to the promotion of tourism in the communities, by holding "Pre-DC" just one year in advance of the DC period as well as "After-DC" just one year after the DC. So that the DC is not a merely temporary event. Since we held "Twinkling Kishuji" in Wakayama Prefecture in 1978, we have continued to hold DCs and the number is an average of four per year.

Following the Great East Japan Earthquake in March 2011, the JR Group conducted DCs for all six Tohoku prefectures as its measure to support reconstruction. We also ran a Tochigi DC from April to June 2018. Going forward, we will continue to strengthen the cooperation with local communities and local governments in an aim to revitalize local tourism and establish a strong tourist base.



Tochigi Destination Campaign ceremony

Further Vitalization of Communities Thanks to the DC Legacy

Station Master, Nikko Station, Omiya Branch Office

Many prefecture residents participated in the "Tochigi: Discover the Real Thing" DC, resulting in a remarkable DC where the entire prefecture was united in showing hospitality to visitors. Starting in July 2017, as part of the Prefectural Tourism and Exchange Section, I was involved in preparing for the campaign by creating travel products, conducting tourism PR activities outside the prefecture, and coordinating various issues with various governmental offices. Municipalities within the prefecture were divided into five regional sub-committees. It required a lot of effort to prepare numerous special plans leveraging local resources, but we were able to interact and develop partnerships with people from various businesses, which I believe is the true legacy of the

DC. As Nikko Station Master, I began welcoming visitors in April 2018, with the help of station staff, Tobu Railway personnel, and people from the community. The DC is a stepping stone leading to further stimulated tourism. Going forward, we will work with local people to increase our capability to accept passengers created by the DC and develop new transportation services to sightseeing destinations from stations, sightseeing routes, etc., while continuing to contribute to the promotion of tourism by using Nikko Station as a base for providing information about the area and showcasing its appeal.

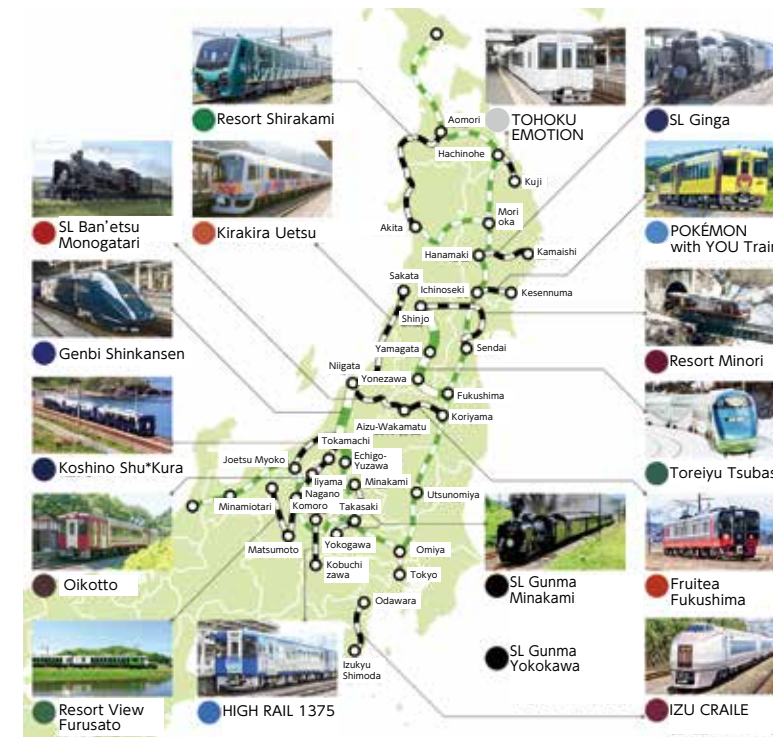


Trains for enjoying riding

JR East operates various "Trains for enjoying riding" which provide passengers enjoyment in riding in them itself. Those include Shinkansen, limited express, SL and other trains, each of which has its own theme and is so elaborately and uniquely designed that they remind us of something like a running theme park. The trains offer travel with such new feeling that passengers fully enjoy meals, sweets, arts, music, and even a "foot bath" on board, and upon alighting from the train, they feel excited to wonder which train they should select for their next trips.

In support of the aim of "POKÉMON with YOU," an activity by The Pokémon Company to support disaster-affected areas, JR East operates POKÉMON with YOU trains with the cooperation of the company.

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[Major trains for enjoying riding and efforts made in cooperation with local communities]

Train names	Characteristics of train name and efforts made in cooperation with local communities
Resort Shirakami	Live performances of Tsugaru-jamisen music, talks by a "storyteller" in the Tsugaru dialect, Tsugaru Traditional Kinta Mamejo puppet plays, and other shows are offered on board. In addition, Fureai Hanbai is held, when local residents board the train during a stop at a station and sell fresh light meals.
TOHOKU EMOTION	People of Hirono-cho across which the JR Hachinohe Line, runs have been continuing to gather and wave their colorful "tairyobata" fisherman's banners and their hands with their whole hearts to passing trains, which has coined a new phrase, "HIRONO EMOTION."
Fuitea-Fukushima	Original sweets which are made sumptuously using fruits grown in Fukushima Prefecture are offered on board. As the menu is changed in accordance with the season, passengers can enjoy seasonal fruits grown in Fruit Kingdom Fukushima.
Koshino Shu*Kura	Through collaborations with local sake breweries, musicians, universities, and others, events are held at which passengers may sample local sake, hear stories about sake, and enjoy live music, especially jazz.
HIGH RAIL 1375	Along with a brunch featuring vegetables that are cultivated in areas along railway lines without the use of agri-chemicals and sweets from Saku, renowned as one of Japan's top three towns for cake, passengers on the HIGH RAIL Hoshizora train that runs at night may enjoy stargazing sessions at Nobeyama Station, with explanations provided by a local expert.
IZU CRAILE	Aboard this stylish, elegant resort train, passengers can partake in casual conversation while enjoying original dishes made with Izu ingredients and drinks as they travel through spectacular natural scenery.



Safety



Society



Environment

Childcare Support Services HAPPY CHILD PROJECT

■Childcare Support Facilities — Support for Working Parents

JR East has opened childcare support facilities such as "nursery schools near stations" located in easily accessible areas usually within a five-minute walk from stations in order to support the combination of childcare and work. A total of 128 childcare support facilities were opened from 1996 through April 2018, and JR East aims to increase the number of these facilities to 130 by April 2020. These nursery schools near stations provide added convenience as they allow parents to drop off and pick up their children on the way to and from work. As evidenced by children who are accompanied to nurseries by their fathers, our childcare support encourages paternal participation in childcare as well. In May 2017, to commemorate reaching 100 childcare support facilities, we published 20 Years of Childcare Support Services at JR East Group: A History.



View of a "nursery school near station" (Sakurao Nursery School) in front of Toda Station



Commemorative publication 20 Years of Childcare Support Services at JR East Group: A History

■Childcare Support Events

Each year, we hold an exhibition of craftworks produced by children who attend our nursery schools near stations at the Railway Museum in Saitama City, Saitama Prefecture.

With "trains" as its theme, original, creative and fantastic works created by children are enjoyed by many visitors. It also provides a space for

displaying the daily activities of nursery schools and observing child development.



Eighth Children's Train Craftwork Exhibition

Development of COTONIOR

We have opened complexes for childcare support and eldercare themed with multigenerational interaction, "COTONIOR." COTONIOR is a coined word formed from "kodomu" (Japanese for "children"), "to" (Japanese for "and"), and "senior." By May 2018, COTONIOR facilities had been opened in Kichijoji, Akabane, Nishi-Funabashi, Kunitachi, and Koshigaya-Laketown. In addition, at Cotonior Garden Shin-Kawasaki—which includes rental housing, a commercial complex, and more—we have also opened a nursery school and an elder care facility based on the concept of urban planning that promotes interaction between multiple generations. With a well-thought-out facility layout, seasonal events and such, COTONIOR has created a heartwarming place where children and senior generations interact that brings together a wide range of generations.



COTONIOR Kichijoji



Cotonior Garden Shin-Kawasaki



The Idea Behind Cotonior Garden Shin-Kawasaki, a Project Fostering Urban Development

Assistant Manager, Office and Housing Operational Headquarters JR East Urban Development Corporation

I was involved in Cotonior Garden Shin-Kawasaki from the development stage. Based on the concept of creating a neighborhood that will make people think "I want to keep living here," Cotonior Garden Shin-Kawasaki is an urban planning initiative integrated with the community to interactively develop commercial facilities, rental housing, an elder care facility, a nursery school, and a plaza space, providing a venue for multi-generational interaction. It has spaces open to the local community, including a terrace that anyone can use and community exchange center, which are encouraging interaction on a daily basis.

At the time of the opening, we held an inauguration ceremony in collaboration with tenants, neighborhood associations, a junior high school, and NPOs. Through the events we have held to date, we have heard from local residents that they are keen to use Cotonior Garden Shin-Kawasaki's facilities. Going forward, we will continue to build the community by holding events that involve the local community. In this way, we will achieve our goal of creating a neighborhood where people want to keep living."



Launch of Mamorail: JR East's Child Watching-Over Service

In October 2017, we launched a new addition to our childcare support lineup: Mamorail, a child watching-over service developed as a joint venture with Central Security Patrols Co., Ltd. Its slogan is "Notifications from stations for your peace of mind." By April 2018, the service had been rolled out to 244 stations in the Tokyo metropolitan area.

【Service Overview】

- Usage fee: 500 yen per month (plus tax)
- Persons eligible for service: elementary, junior high, and high school students
- Applicable cards: Suica, PASMO
- Notification method: Email or JR East app

【Image of message notification】

The child taps their pass on the reader when passing through the gate...

and a notification about the child's passing the gate is sent to their parent or guardian



Cultural Activities

■East Japan Railway Culture Foundation

In order to continuously utilize its management resources for social contributions, in 1992 JR East established the East Japan Railway Culture Foundation, which became a public interest incorporated foundation in April 2010. This organization has successfully promoted local culture through our railway business, studies and research on railways, and taken part in driving international cultural exchanges related to railways. The Foundation's major activities include operating the Railway Museum, Tokyo Station Gallery, the Old Shimbashi Station building, Old Manseibashi Station and Ome Railway Park, sponsoring local cultural activities and accepting trainees from railway operators in Asian countries.

○The Railway Museum

On October 14, 2007, Railway Day, the Railway Museum, based on three major concepts, was opened in Saitama City, Saitama Prefecture. It was designed to be a museum that systematically conducts surveys and research using railway-related heritage and reference materials, a history museum that depicts the history of railways focusing on exhibits of locomotives and cars, and an educational museum where visitors can learn about railway principles, systems and technologies through hands-on experience.

The Railway Museum has attracted a huge number of visitors, with the total number exceeding 10 million people in May 2018. On July 5, 2018, it evolved into a museum that showcases an overview of railways as well as its significance, and makes appeals based on the concept of conveying the "Job" of railways, unfolding its "History" and creating railways of the "Future." At the Job Station in the new building, visitors are enabled to experience various tasks in the business with the purpose of helping them recognize the depth and complexity of the railway business. As such, the museum enhanced its hands-on exhibit and technological exhibit in addition to the rolling stock exhibit it had offered before.



Opening ceremony



E5 simulator

○Tokyo Station Gallery

In the spring of 1988, a year after the foundation of JR East, Tokyo Station Gallery was born in Tokyo Station Marunouchi Building out of the desire to offer everyone a place for fragrant culture rather than simply being a passing point through the station.

We continue to be active while deeply recognizing the significance of carrying out our activities as a gallery in the important cultural property of Tokyo Station Marunouchi Building that is located at the geographical and historical heart of modern Japan.



Tokyo Station Gallery

○Supporting local cultural activities

Starting in FY1994, we have been supporting local cultural activities by providing financial support for the purpose of conserving and succeeding precious cultural heritage and traditional performing arts in our company's area and development of community, aiming at promotion of regional culture.

By the end of FY2018, we had supported a total of 182 activities, and in FY2019, we plan to provide support for 16 new activities as well as supporting five ongoing projects.



Supporting local cultural activities



Safety



Society



Environment

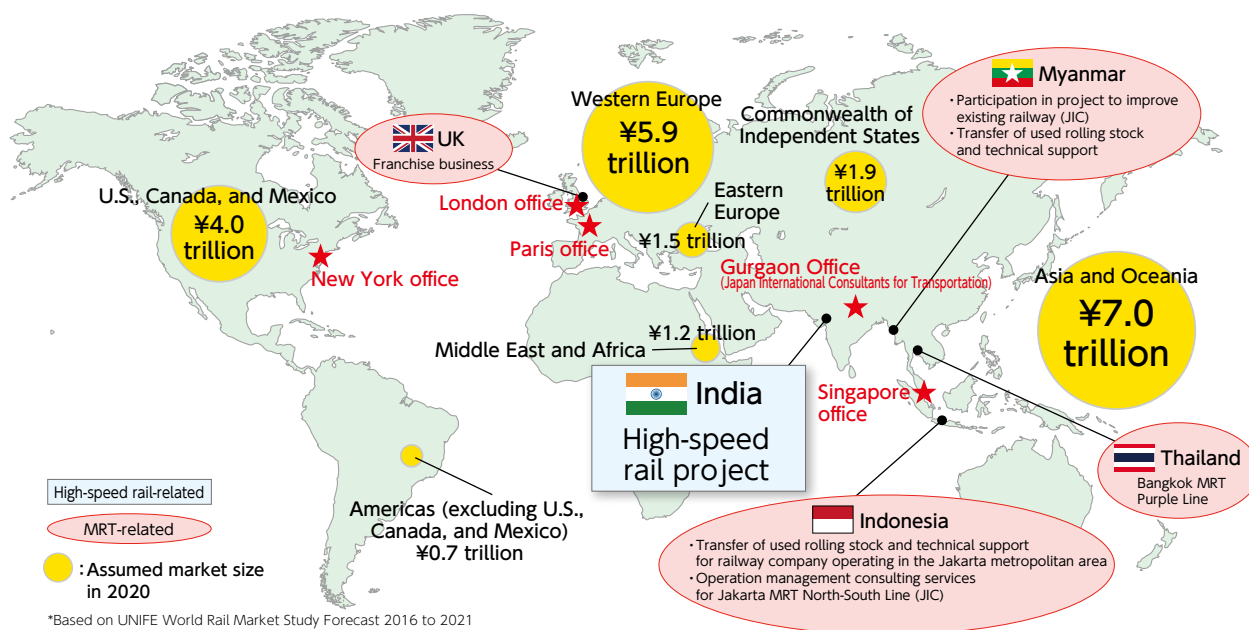
Developing Our Business on the World Stage

■ Global Development

Given the current increase in awareness of global environmental issues and the economic growth of emerging nations, there is growing interest around the world in railways as an environmentally friendly form of public transportation. The global railway market is expected to grow by an average of 2.6% a year through 2021, expanding in size to an annual average of approximately 24 trillion yen from 2019 to 2021.

In November 2011, the JR East Group, in partnership with domestic railway companies with a variety of track record and expertise relating to high-speed, MRT, and freight railways, launched Japan International Consultants for Transportation Co., Ltd. (JIC) to provide railway consulting services overseas. At present, JIC is actively developing our overseas railway

consulting business, focusing on the areas of operations and maintenance. In addition, we established an International Affairs Headquarters at our head office in June 2017, which is leveraging our experience, technology, and expertise to explore new business areas, with the aim of driving future growth. Specifically, through our overseas projects, we will develop the JR East Group's human resources and incorporate the knowledge and technical skills acquired in the process into our domestic operations. Furthermore, while working to promote Japan's railway standards, we are establishing a business model for international projects that will enable us to expand high-quality, high-efficiency railway infrastructure systems of JR East Group using the JR East Group's combined strengths—including both our railway business and lifestyle business. In all projects, we are striving to achieve sustainable operations aimed at long-term profitability by controlling the risks and returns.



[Locations of International Railway Projects and Overseas Offices]

■ Participation in Indian High-Speed Rail Project

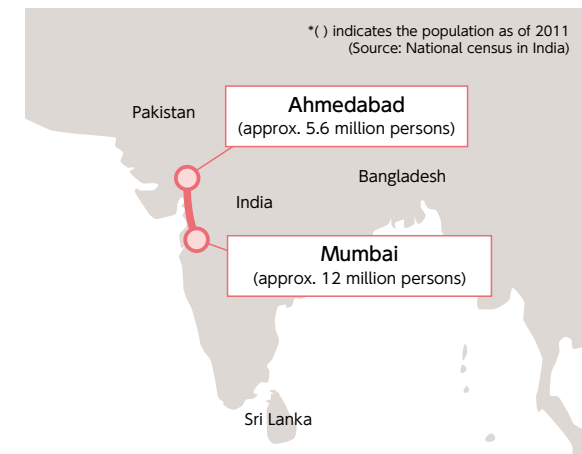
For the Mumbai-Ahmedabad Line, one of the seven high-speed railway lines announced by the Indian government, the "Memorandum of Cooperation between the Government of Japan and the Government of the Republic of India on High Speed Railways" was entered into in December 2015, and it was decided that Japan's Shinkansen method was adopted for the Ahmedabad-Mumbai high speed railway plan.

At present, consultations about the high-speed railway plan of India including concrete business scheme are underway, and at the consultation between the two governments held in November 2016, a progress report for the high-speed railway plan was announced, indicating the schedule for the work to be commenced in 2018 and operations to be commenced in 2023. Through a public-private cooperation, JR East is providing technical support for these discussions, based on our extensive experience as a Shinkansen operator.

In addition, in March 2016, one of the companies in our group, Japan International Consultants for Transportation (JIC), received an order from JICA for the Indian High-Speed Railway-Related System Development Support Project, which is to provide consulting services relating to the formulation of high-speed rail technical standards. We have also enhanced our internal organization through measures such as appointing executives with responsibility for the Indian high-speed rail project.

Furthermore, in December 2016, a joint venture (JV) formed by three companies, namely, Japan International Consultants Global for Transportation Co., Ltd., Nippon Koei Co., Ltd. and Oriental Consultants Co., Ltd. received an order from JICA for the "Detailed Design Study on the High Speed Railway Construction Project in India to Commence" which is for formulation of design and tender documents (draft) for the Mumbai-Ahmedabad High Speed Railway Construction Project as well as supporting bidding, and the JV is now implementing the work.

Furthermore, in September 2017, a ground-breaking ceremony for this high-speed railway project was held in Ahmedabad (Sabarmati) in conjunction with the 2017 Japan-India Summit Meeting.



■ Participation in Thailand's Purple Line Project

We are also involved in a project to provide comprehensive maintenance for rolling stock and ground installations for the MRT Purple Line in Bangkok, Thailand. The Purple Line is a railway line in Thailand's capital of Bangkok intended to link the Bang Sue district in the northern part of the city to the Bang Yai district in the northwestern suburbs, which began operation in August 2016. In December 2013, through a joint investment with Marubeni and Toshiba, we established the maintenance company Japan Transportation Technology (Thailand) Co., Ltd. (JTT) in Bangkok. JTT is providing maintenance services for a ten-year period, including the rolling stock, signaling systems, tracks, power systems, platform doors, automated fare collection system, and depot facilities. In addition, Japan Transport Engineering Company (J-TREC) has manufactured stainless-steel rolling stock for use on the Purple Line, and delivered a total of 21 train-sets (63 cars).



A running Purple Line train

Track Maintenance vehicle

■ Participation in U.K. Railway Operation Project

With regard to railway operations in UK, the "Scheme of separating infrastructure and operation" has been incorporated, under which the railway operation sector and infrastructure sector are separated, and currently, the country's railway service for passenger transportation is divided to be provided by 20 train operating companies.

The UK franchise system means a system under which each train operating company's right to operate trains is selected by performing bidding, and the right to operate trains, effective for 7 to 10 years, is granted by the Ministry of Transport or relevant government authorities of the country.

Our company obtained the right to operate the West Midlands project in collaboration with Mitsui & Co., Ltd. and Abellio UK, a Dutch Railways-affiliated company. Operation began in December 2017. It is JR East's first project involving operation of an overseas railway. Services include commuter lines to London, a long-distance line connecting London and Liverpool, which is located in the northwestern region of England, and transportation in the metropolitan area of Birmingham, the country's second-largest city, which is located in the central Midlands region.



Image of a train in operation after commencement of services for this project

Ceremony marking start of operations



Safety



Society



Environment

■Providing Technical Support to Overseas Railway Operators

In Jakarta, the capital of the Republic of Indonesia, there is extreme traffic congestion, and public transportation infrastructure is being developed to address this issue. Since the carrying capacity of existing railways also needs to be rapidly increased, over a period of three years starting in 2013, we transferred 476 205-series railcars formerly used on the Saikyo Line and other lines to the railway company that operates Jakarta's commuting trains, and during the three-year period starting in 2018, we are planning to transfer another 336 205-series railcars, formerly used on the Musashino Line. At the same time, to ensure stable operation of the transferred railcars in Indonesia, we have been providing support for rolling stock maintenance as well as providing various cooperation such as inspection and maintenance of rolling stock by crew members and service improvements.

In the Republic of the Union of Myanmar, since 2007 we have also been transferring rolling stock to Myanmar Railways, which operates passenger trains and freight transportations in Myanmar. In 2015, we transferred 19 diesel railcars (Kiha 40 series/Kiha 48 series) that had been used in the Tohoku and Niigata areas, in addition to providing technical support for rolling stock maintenance.



205-series train in service in Jakarta following transfer to commuting train company in Indonesia

Service improvement seminar



Diesel train transferred to Myanmar

■Developing Lifestyle Business Overseas

By placing "NOBIRU" ("Grow") in our Life-Style Service Business Growth Vision (NEXT 10), we are leveraging the JR East Group's track record and experience in the domestic market to promote our lifestyle business even overseas.

In December 2016, we opened the JAPAN RAIL CAFE in Singapore, which provides information about tours to Japan and offers a "venue" where locals with a strong interest in Japan interact with us. Furthermore, in March 2018, we established JRE Business Development Taiwan, Inc. a local company which is a wholly owned subsidiary of JR East and is working to develop business in Taiwan, raise awareness of the JR East Group brand, support overseas expansion of Group companies,

and develop services for travelers visiting Japan.

■International Cooperation

Our company actively offers railway-related professionals from overseas the opportunity to observe our operations; in FY2018, we hosted some 1,100 observers from around 60 countries worldwide. These observers included government- and railway-related persons from various nations as well as researchers from overseas research institutes. Their visits play a valuable role in promoting mutual understanding.



Observation of maintenance of Shinkansen railcars



Observation of coupling of Yamagata Shinkansen train

■Global Contribution through International Institutions

We actively collect and provide information through international conferences organized by the International Union of Railways (UIC), International Association of Public Transport (UITP), Community of European Railway and Infrastructure Companies (CER), Association of American Railroads (AAR), American Public Transportation Association (APTA), and other international railway organizations to which we belong. We have been working toward the global development of railways and public transportation and the resolution of various related issues by serving as president of the UITP from June 2015 to May 2017 and president of the UITP Asia-Pacific regional assembly since May 2017, among other activities.

In order to showcase features of Japanese railway systems to overseas railway-related parties, we have been actively participating in overseas exhibitions, seminars and so on as well as extending invitations for international conferences.



May 2017 to present Vice Chairman Ogata is serving as President of the UITP Asia-Pacific regional assembly



May 2017 UITP Global Public Transport Summit (Montreal)



November 2017 UITP Asia-Pacific regional assembly (Tokyo)

Relationship with Employees

In order to enhance the power of human resources

The nature of our work is "to have consciousness of social duty and to act up to it" that we should support daily life of passengers and contribute to the progress of the community. In order for JR East Group to continue its sustainable growth, it is indispensable to foster professionals of each area of endeavor who think and act by themselves and are trusted by passengers and people in the community. Therefore, in fostering human resources, we aim to enhance the power of human resources of the entire JR East Group by addressing measures to strengthen the managers' controlling power, to succeed technologies and to foster human resources including those of the Group companies while responding to the motivation of employees.

■Focused items to be implemented

	Target	Focused items to be implemented
Development of human resources	General employees	Responding to the motivation of employees and providing more challenges and growth opportunities
	Manager	Addressing measures to enhance managers' controlling power
	Group companies	Enhancing power of human resources of entire JR East Group
Succeeding technologies	Employees of all generations	Implementing assured succession of technologies and skills and education for learning the nature of work

■Responding to the motivation of employees and providing more challenges and growth opportunities

With the aim of responding to the motivation of employees and draw out their potential abilities, we have improved our "application-based training." In our "training for fostering practicing managers," which is the core of this training, we are developing foreman-class employees to become "managers who lead the next generation" by holding training camps lasting around two and a half months at the JR East General Training Center. In response to the motivation of employees, we plan to offer the courses to approximately 300 people in FY2019—a 20% increase over the previous fiscal year. In addition, we are providing opportunities for younger employees to take external seminars, as well as opportunities for employees who have completed the seminars to receive training from external instructors, including "Global" and "Technical Innovation" editions. Moreover, as a system for further responding to employees' diverse work-related motivations, we are transferring employees based on open recruitment, including employees aiming to become professionals in jobs that require specialized skills (e.g., finance, public relations) and employees who wish to pursue activities in strategic growth areas such as international business or tourism strategy.

In addition, we are striving to keep quality management at a high level through measures such as measuring the effects of seminars by implementing questionnaires to attending employees and endeavoring to improve the content of training.



Training for fostering practicing managers



On-site experience education at technology academy

■Addressing measures to enhance managers' controlling power

Since the essence of fostering human resources is with managers at workplaces, we strive to increase the opportunities to take trainings such as "Newly appointed field leaders training" for the purpose of letting manager-class personnel recognize the importance of fostering human resources and revitalization of workplaces.

Since FY2018, we have also been implementing "Training to Create the Work Environment of the Future" for employees who are expected to become field leaders in the near future and promoting workplace manager development that supports motivated employees.

■Addressing measures to enhance the power of human resources of the entire Group

Our company aims at realization of the integrated Group management and enhancement of the Group value, promoting positive human resource exchanges in terms of fostering human resources. Specifically, with such programs as the "JR East Group seminar for fostering management personnel (General Manager course and Section Manager course)" for the purpose of fostering managements of the Group companies to widen their views, and "JR East Group exchange training" for the purpose of creating sense of unity among the foreman-class employees of our company and Group companies, we are proceeding with endeavors to enhance the power of human resources of the entire Group.

■Addressing measures for the succession of technologies

Our company is facing a period of rapid generation



Safety



Society



Environment