

Recently, corporate social responsibility (CSR) has become an extremely important factor in corporate management thinking. While in the past companies tended to deal with CSR-related issues after the fact, today active CSR policies are regarded as crucial to earning stakeholder trust. With that in mind, JR East is committed to enriching society by offering new, value-added products and services in its daily operations. At the same time, JR East will maintain high ethical standards and management transparency while earnestly taking progressive measures in response to major issues facing society as a whole.

Implementation

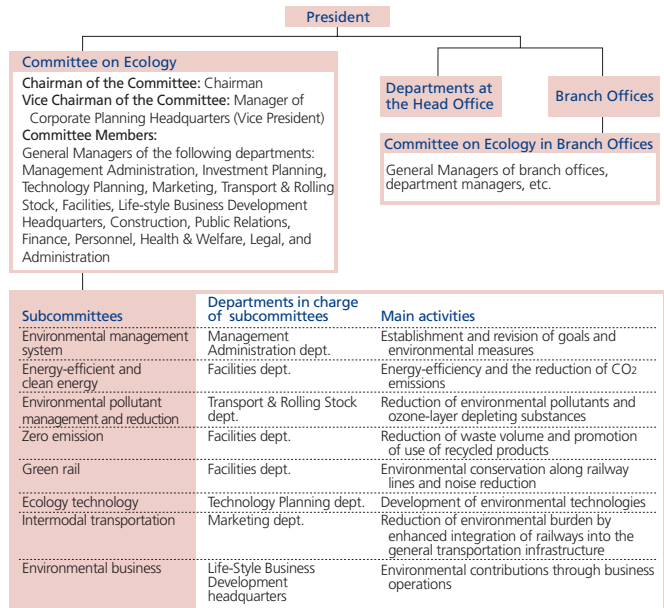
JR East Group Implementation Systems

JR East's Committee on Ecology is involved with all aspects of JR East's environmental preservation efforts. The committee helps JR East's management team to supervise environmental policies effectively by assessing the environmental impact of JR East's operations, setting targets, implementing policies, and checking progress. Further, JR East successfully enhanced coordination among the environmental activities of subsidiaries by establishing the JR East Group Environmental Committee in fiscal 2003. In fiscal 2004, all subsidiaries attended the JR East Group Environmental Management Advancement Conference and confirmed JR East's environmental policy.

ISO 14001 Certification

In fiscal 1999, JR East's Niitsu Rolling Stock Plant became the first operational division of a railway company in Japan to acquire ISO 14001 certification. Since then, seven operational divisions—mainly factories and power plants—have obtained the certification.

Environmental Management Implementation Structure



Moreover, several subsidiaries have received certification, including East Japan Eco Access Co., Ltd., LUMINE Co., Ltd., and the production and operational divisions of Nippon Restaurant Enterprise Co., Ltd.

Environmental Risk Management

JR East has prepared response manuals for spillages and other environment-related emergencies at power plants and rolling stock maintenance facilities that handle hazardous chemicals or substances. In addition, JR East thoroughly familiarizes workers on the ground with risk control procedures by holding study groups and on-site disposal drills.

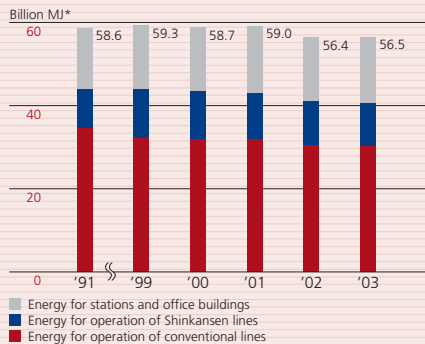
Other preventative measures related to environmental accidents include JR East's adoption of strict chemical substance



Photovoltaic generator panel at Takasaki station

Energy Consumption Volume

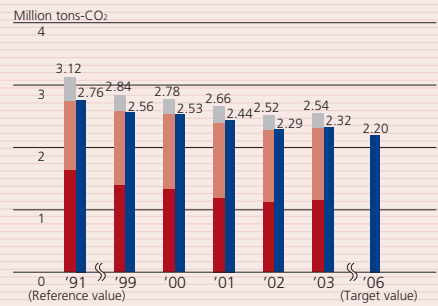
Years ended March 31



* MJ=Mega Joules
 Note: Purchased electric power and electric power from the dedicated hydraulic plant were calculated based on 9.42 MJ/kWh. The electric power from the dedicated thermal power plant and other fuel types were calculated based on the actual consumption.

Total CO2 Emissions

Years ended March 31



Note: Calculation of CO2 emission factors from fuel and purchased electric power was based on the coefficient set forth in the Voluntary Action Plan established by Japan Business Federation and the Federation of Electric Power Companies of Japan.

ENVIRONMENTAL PRESERVATION

Basic Approach

Basic Philosophy (established May 1992)

JR East will diligently strive to reconcile environmental protection with its business activities.

Basic Policies (established May 1992)

- To contribute to customers' lives and local communities by providing a comfortable environment.
- To develop and provide the technology needed to protect the global environment.
- To maintain an awareness of environmental protection and raise the environmental awareness of employees.

Action Guidelines (established March 1996)

- JR East works to prevent the waste of precious energy and to reduce CO₂ emissions—a known source of global warming—by enhancing energy efficiency and introducing cleaner forms of energy.
- JR East ensures the proper management and processing of environmental pollutants and ozone-depleting substances, in compliance with laws and regulations. Moreover, JR East does its best to reduce the usage and generation of these substances and to adopt environmentally responsible substitutes when they are available.
- JR East ensures the appropriate processing of various types of waste generated in offices, establishments, stations, trains, and other operational areas. JR East strives to recycle waste and reduce the generation thereof and to use more recycled and resource-saving products to minimize the burden JR East places on the environment.
- JR East respects the natural environment as a nurturer and source of life, and therefore JR East endeavors to reduce noise and vibration caused by train operations, thus achieving a harmonious relationship with the communities it serves.
- JR East works to make railways a more attractive and environment-friendly form of transportation.

Goals to Be Met by Fiscal 2006 (benchmarked against fiscal 1991 levels; established March 1996, revised November 2000, partially revised September 2002)

- A 20% reduction of CO₂ emissions in general business activities
- Realization of an energy-saving railcar ratio of 80%
- A 30% reduction of CO₂ emissions in proportion to unit electric power generation at dedicated thermal power plant
- A 15% reduction in energy consumption for train operations in proportion to unit transportation volume
- An 85% reduction in the number of large-size refrigerating machines using specific chlorofluorocarbons (CFCs)
- Realization of a 40% recycling rate for waste generated in stations and trains
- Realization of a 75% recycling rate for waste generated in rolling stock workshops
- Realization of an 85% recycling rate for waste generated in construction projects
- Realization of 100% usage of recycled paper in offices
- Reduction of noise to less than 75dB in designated residential areas along the Tohoku Shinkansen and Joetsu Shinkansen lines*
- A 60% reduction of NO_x emissions at Company-run thermal power plant
- Implementation of specific environmental conservation activities on an annual basis

* Projected for achievement by fiscal 2003

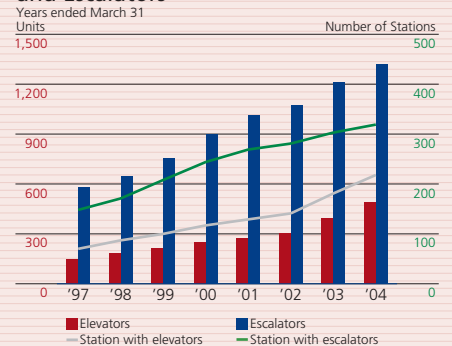


Uniforms with synthetic fiber made from recycled PET bottles



Improvement of elevators and escalators

Number of Stations with Elevators and Escalators



controls in line with Japan's recently enacted Pollutant Release and Transfer Register (PRTR) regulations, the avoidance of soil contamination, and the appropriate storage of PCBs (polychlorinated biphenyls).

SOCIAL INITIATIVES

Revitalization of Local Communities

JR East does not simply view railway stations as points of departure and return. JR East sees them as hubs of information and culture that bring many people together and make an important contribution to the vitality of local communities. Accordingly, some station buildings are adjoined to public facilities, such as community centers and libraries. Also, when JR East undertakes station refurbishments, it tries to coordinate development plans with those of local governments for areas around the stations.

East Japan Railway Culture Foundation

In March 1992, JR East established the East Japan Railway Culture Foundation, which has played an important role in using business achievements accumulated since JR East's founding to benefit society. Those contributions include promoting regional culture and sponsoring railway-related surveys, research, and international cultural exchanges.

In addition, JR East invites managers from railway companies around Asia to participate in business training courses organized by the foundation that cover railway management and technology. Also, the foundation completed the construction of a railway history exhibition hall in April 2003. Located in Shimbashi, Tokyo, the hall replicates the original Shimbashi

station, from where Japan's first train departed in 1872. Further, the foundation plans to complete the construction of a railway museum in fiscal 2008. The museum will introduce railway technology and include displays of railway cultural heritage.

Forestation

Members of local communities and volunteers from among JR East's employees take part in JR East's *Railway Lines Forestation Program*. During the 12 years through fiscal 2004, roughly 29 thousand people have participated in the program and 230 thousand trees have been planted.

Union Internationale des Chemins de fer (UIC)

UIC is an organization that facilitates international cooperation among railway companies around the world. As an official member of the organization, JR East takes part in various initiatives and conferences that aim to promote the future development of railways by addressing various technological, managerial, and social issues.

Furthermore, JR East Chairman Masatake Matsuda is the vice chairman of UIC as well as chairman of one of UIC's decision-making bodies, the World Executive Council.



Sustainability Report 2003
<http://www.jreast.co.jp/e/environment/index.html>



Image of JR East's planned railway museum



A scene of *Railway Lines Forestation Program*