

SECTION **2** ›

AS A CORPORATE CITIZEN

The 'As a Corporate Citizen' section provides a broad introduction to the JR East Group's commitments to sustainability from the three aspects of safety, the environment and society.

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SAFETY

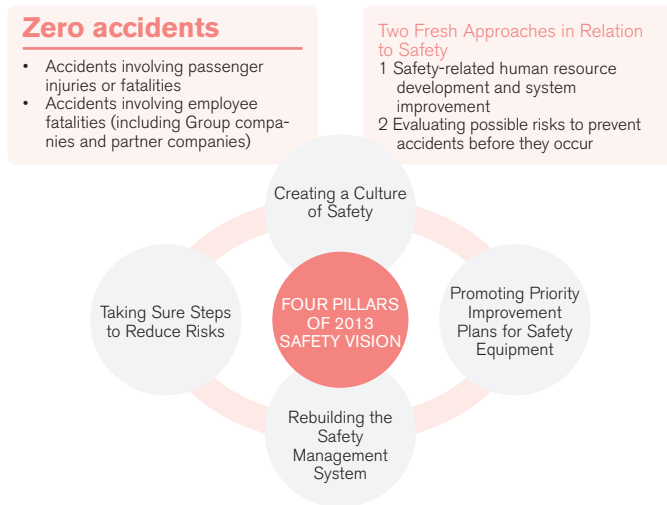
Since the establishment of JR East, safety has been the top management priority and we have worked relentlessly to heighten our levels of safety. Our earnest efforts to learn from unfortunate accidents in the past have enabled JR East to further the prevention of accidents in the future with our continued developments both in software and in hardware.

The first and foremost “Eternal mission” in “*JR East Group Management Vision V—Ever Onward*” is to pursue “extreme safety levels” by “building a railway capable of withstanding natural disasters.” Under this vision, the Group has committed itself to ongoing efforts to improve safety at all times.

Pursuit of safety measures can never end. We will continue to tirelessly work to improve safety by pursuing a goal of “zero accidents involving passenger injuries or fatalities and zero accidents involving employee fatalities (including employees of Group companies and partner companies).”

2013 Safety Vision

In fiscal 2010, JR East began advancing measures based on its latest five-year safety plan, *2013 Safety Vision*, JR East's fifth such plan since its founding in 1987. Under *2013 Safety Vision*, JR East will



make a concerted effort—from the frontline to the Head Office—to tackle safety issues under the slogan “think and act for yourself,” pursuing a goal of “zero accidents involving passenger injuries or fatalities and zero accidents involving employee fatalities (including employees of Group companies and partner companies).” From the two perspectives of safety-related human resource development and system improvement, and not just working to prevent the recurrence of accidents after an accident has already happened, but also evaluating possible risks to prevent accidents before they occur, JR East is taking on the challenge of pursuing “extreme safety levels” supported by four pillars: creating a culture of safety, rebuilding the safety management system, taking sure steps to reduce risks, and promoting priority improvement plans for safety equipment.

Promoting Priority Improvement Plans for Safety Equipment

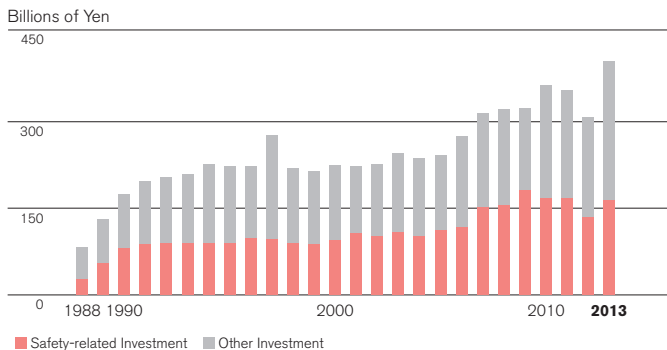
JR East has invested approximately ¥2.7 trillion in safety since its founding in 1987 and we are planning to invest about ¥750 billion in safety for five years from fiscal 2010. In fiscal 2013, JR East invested approximately ¥163.8 billion in safety. Major safety initiatives included reconstructing facilities damaged in the Great East Japan Earthquake, installing more ATS (automatic train-stop systems) to prevent train collisions and derailments, and undertaking countermeasures for large-scale earthquakes such as seismic reinforcement.

Results to Date

The incidence of railway accidents has decreased markedly since JR East's founding. This has been a result of successive medium-term safety plans designed and implemented with a view to building and improving safety equipment, and enhancing the safety awareness and expertise of each and every employee.

SAFETY-RELATED INVESTMENT

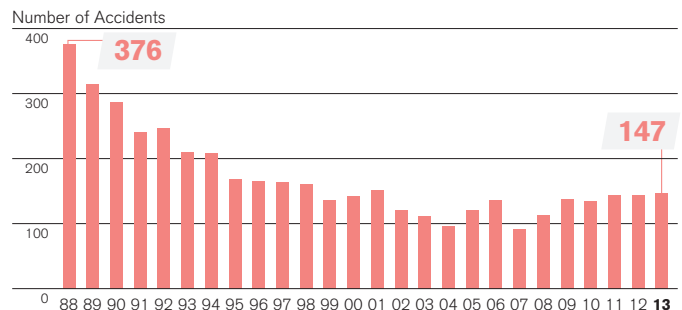
(Years ended March 31)



Fiscal 2013: Total investment of ¥404.4 billion, including ¥163.8 billion in safety-related investment

LOOK-BACK ON RAILWAY ACCIDENT FREQUENCY

(Years ended March 31)

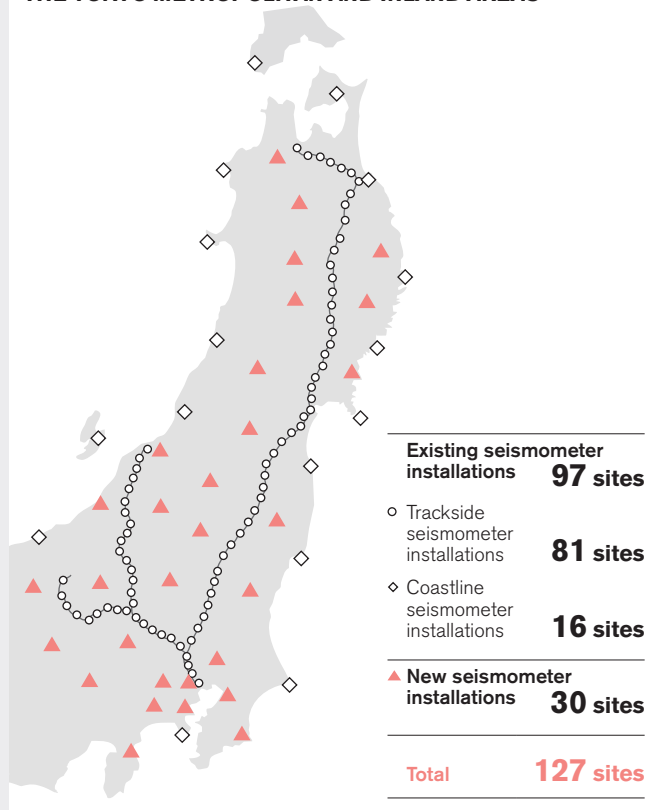


TOPIC *Preparing for Major Earthquakes*

JR East has budgeted a sum of approximately ¥300 billion for seismic reinforcement measures, positioning a five-year period from April 2012 through March 2017 as an intensive implementation period. In that time frame, the Group will implement lessons gleaned from the Great East Japan Earthquake and other earthquakes in the past, prepare against the high probability of an earthquake striking directly beneath the Tokyo metropolitan area, and hone new measures for improving the safety of its railways and services even further.

In addition, the Group will procure the necessary rescue and first aid equipment for assisting customers in the event of a disaster, and build evacuation spaces for offering them safe shelter, while providing employees with education and training in emergency response measures.

INSTALLATION OF ADDITIONAL SEISMOMETERS IN THE TOKYO METROPOLITAN AND INLAND AREAS



SEISMIC REINFORCEMENTS FOR WITHSTANDING AN EARTHQUAKE DIRECTLY BENEATH THE TOKYO METROPOLITAN AREA



Ceiling collapse



After reinforcement

DEVELOPMENT OF METHODS FOR THE SEISMIC REINFORCEMENT OF ELECTRIC POLES



Damage to a pole without reinforcement



Effect of reinforcement (no damage from major earthquake)

TSUNAMI DRILL



Staff member leading drill participants



Practice evacuating a train

STOCKS OF EMERGENCY SUPPLIES TO ASSIST PEOPLE WHO HAVE DIFFICULTY RETURNING HOME



Drinking water



Toilet tent

ENVIRONMENTAL ISSUES

JR East has developed a wide range of environmental initiatives that reflect its basic philosophy of promoting ecological activities—diligently striving to balance environmental protection with business activities as a member of society.

In addition, in its newly launched management vision, JR East will establish energy and environmental strategies and promote various measures from the perspectives of energy creation and energy conservation. These actions will be taken in light of Japan's prolonged power shortage issues after the Great East Japan Earthquake and other factors.

Railways' Environmental Advantages

Train travel accounts for around 28.8% of domestic travel in Japan, yet its share of overall energy consumption is only around 3.5%. This is a clear indication of railways' advantage over cars and other forms of transport in terms of energy efficiency per unit of transport volume.

Such figures indicate that in comparison with other modes of transport, railways have lower energy consumption per unit of transport volume. Rail can therefore be described as an environmentally-friendly form of transport, with limited impact on the environment.

However, while railways have a small environmental impact in relative terms, JR East has a large rail network that each year emits approximately 1.88 million tons of CO₂ (actual figure for fiscal 2012).

Therefore, rather than feeling complacent about the environmental advantages of rail transport, JR East will continue making strenuous efforts to tackle environmental issues over the long term.

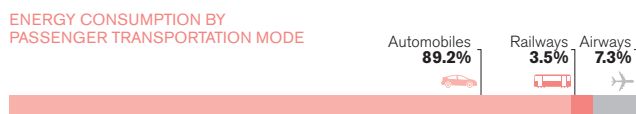
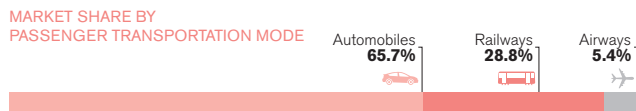
JR East's Initiatives

Environmental Preservation Initiatives

1) Reduction of energy used in train operations

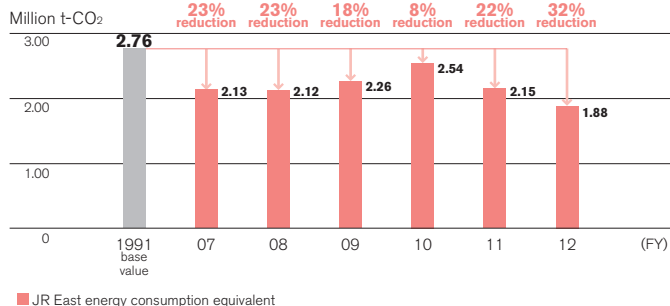
Energy used by its railway operations accounts for approximately 70% of the total energy consumed by JR East. By the end of fiscal 2012, 89.5% of JR East's total rolling stock, or 11,205 railcars, were energy-efficient railcars.

ENERGY CONSUMPTION AND TRANSPORTATION MARKET SHARE



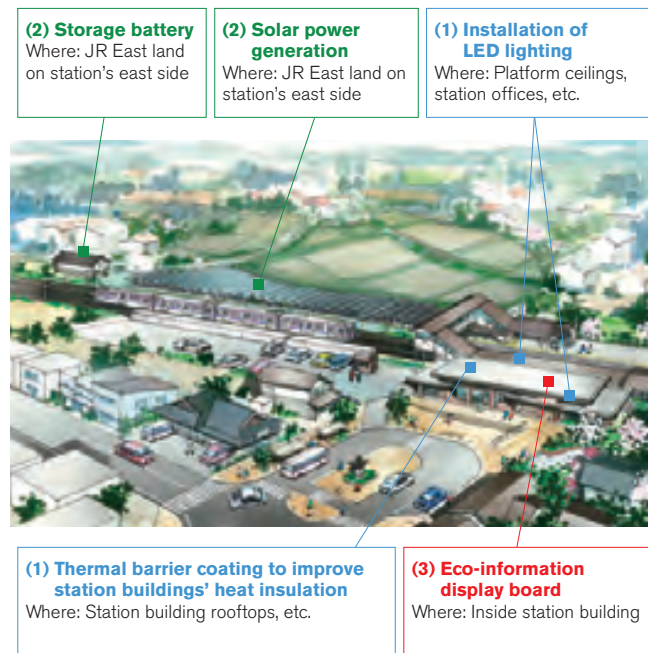
Source: Compiled based on data from The Energy Conservation Center, Japan's Handbook of Energy & Economic Statistics in Japan

TREND IN THE TOTAL CO₂ EMISSIONS OF JR EAST



* Calculation method
CO₂ emissions are calculated based on the method prescribed by the Act on Promotion of Global Warming Countermeasures. However, CO₂ emissions caused by electricity purchased externally are calculated according to an adjusted emissions coefficient, which includes electricity used in railway transportation. Fiscal 2012 CO₂ emissions calculated using the actual emissions coefficient were 2.02 million t-CO₂.

HIRAIZUMI STATION ON THE TOHOKU LINE: AN ECOSTE MODEL STATION



Legend
 (1) Energy Conservation: Promoting more advanced energy conservation
 (2) Energy Creation: Actively implementing renewable energy
 (3) Eco-Awareness: Building facilities that make users eco-aware

* Zero-emission station
The combination of solar power generation and storage batteries will supply all electricity and eliminate CO₂ emissions of a station on sunny days

TOPIC **Technological Innovation**—Forging Strategies for Conserving Energy and the Environment

As indicated in “JR East Group Management Vision V—Ever Onward,” JR East is tackling the challenge of technological innovation, as it works to forge strategies for conserving energy and the environment in light of prolonged electricity shortages in Japan.

1) Promoting energy creation

To ensure a steady supply of power, JR East will work to upgrade the facilities and improve the power generation efficiency of Kawasaki Thermal Power Station, while closely monitoring supply and demand for electricity and other trends going forward. Along with these efforts, JR East will upgrade its privately operated power grid. In addition, the Group will expand the introduction of renewable energy. And the Group will install its first mega-solar electricity plant at the Keiyo Rolling Stock Center.

2) Promoting energy conservation

JR East has been pushing ahead with development of a catenary and battery-powered hybrid railcar train system as a new means of reducing its environmental impact in non-electrified railway sections. Plans call for this system to be introduced on the Karasuyama Line from spring 2014 once its practicality has been confirmed. Furthermore, while facilitating the effective use of regenerative electricity from the standpoint of energy management, JR East aims to revolutionize train operation systems by pursuing R&D directed at automatic

power-saving train operation*¹ and train operation free of catenary (overhead power lines)*² utilizing high-performance storage battery systems. In other areas, besides adopting LED lights, and achieving high efficiency by replacing heating equipment and air-conditioning equipment, the Group will promote energy conservation throughout entire development areas in step with large-scale development projects.

*¹ Automatic power-saving train operation

A train operation system that achieves more efficient and energy saving operation by exchanging information among trains and between trains and power facilities

*² Train operation free of catenary (overhead power lines)

Trains run on electricity stored in a storage battery without drawing electricity from power lines (overhead lines) on electrified rail segments

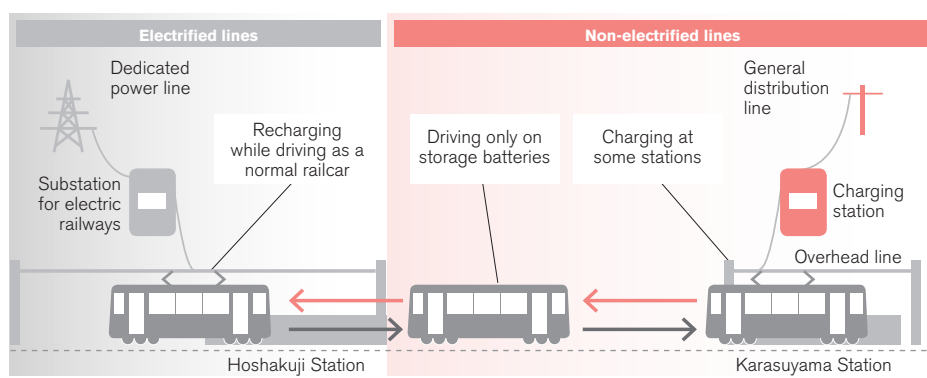
3) Introducing smart grid technology to train power systems

Aiming to boost the efficiency of energy usage by linking energy creation with energy conservation, JR East will strive to introduce smart grid technology to train power systems. Besides promoting the development of technologies for “storing and using surplus electricity” and “using surplus electricity at a distant location,” it will seek to implement measures to save power consumption by utilizing smart meters and other advances. JR East has begun basic trials of regenerative electricity storage systems on the Ome Line. It will now progressively initiate specific measures to effectively use electricity generated when railcars stop and electricity generated by solar power and other means.

CONFIGURATION OF CATENARY AND BATTERY-POWERED HYBRID RAILCAR TRAIN SYSTEM



Drawing of catenary and battery-powered hybrid railcar train



2) Energy saving at railway stations and offices

JR East is taking both tangible and intangible measures to conserve energy at railway stations and offices. In terms of the former, JR East is introducing high-efficiency equipment, while with the latter it manages air-conditioning temperatures and rigorously turns off lighting.

In addition, JR East is progressively creating “ecoste” model stations, an initiative to equip railway stations with a variety of “Eco-Menu” environmental conservation technologies. The Chuo Line’s Yotsuya Station became the first “ecoste” model station in March 2012. Later, in June 2012, the Tohoku Line’s Hiraizumi Station began operating as an “ecoste” model station with the aim of achieving zero emissions*.

3) Waste reduction and recycling

JR East generates many kinds of waste through its railway operations and life-style services. In order to reduce these various forms of waste, JR East actively supports the approach known as “reduce, reuse, recycle.” For recycling in particular, goals are set for each type of waste.

4) Biodiversity measures

In 2004, in order to protect biodiversity and contribute to a sustainable society, while cherishing our sense of gratitude to nature, we began the Hometown Forestation Programs to plant trees native to each region and revitalize the forests.

FOR SOCIETY

JR East's core railway operations have extremely strong ties with society at large and local communities. Consequently, in tandem with the development of its operations, JR East has fostered a corporate culture of meeting social responsibilities and benefiting society through its business activities.

The JR East Group has a stated social mission to “fulfill social responsibilities and strive for sustainable growth as a trusted life-style service creating group.” In living up to this mission, JR East will continue to meet the expectations of society and justify the trust of its stakeholders.

Rediscovering the Region Projects

JR East invigorates regions through a strategy of strengthening collaboration with local communities in order to facilitate joint efforts to come up with ideas. These efforts entail raising the profile of local products and such tourism resources as traditional culture and festivals. They also leverage the unique characteristics of railways and the advantages of JR East's sales channels in the Tokyo metropolitan area.

JR East maintains close cooperation with local governments and producers. Visible initiatives include hosting *Sanchoku-Ichi* (farmers' markets) at Group stations including Akihabara and Ueno, the operation of *NOMONO* shops featuring locally grown and processed foods, and the development of processed farm products, including their factories. These concrete initiatives provide the Group a means for activating resources and generating employment in local communities. JR East also aims to create human interaction, including travel, between Tokyo and the outlying regions by acting as a conduit of interactive regional information.



NOMONO



Sanchoku-Ichi

HAPPY CHILD PROJECT Childcare Business

—Helping Working Parents to Manage Their Time

As part of its initiatives to develop towns in partnership with local communities, the Group is helping working parents to manage their time by opening childcare facilities in prime locations, most of them within five minutes' walk of a JR railway station. Since 1996, JR East has developed 71 day care facilities (as of April 2013) and aims to expand the franchise to upwards of 100 locations.

The facilities the Group is opening are centered on *Station Day Care*, which allows parents to drop off and pick up preschoolers while commuting. And, by popular demand, they now include *Station After-School* for kids in elementary school. What's more, JR East took the initiative in 2013 to expand the scope of this operation's social contribution by also opening *COTONIOR*—a facility providing care for both preschoolers and senior citizens under one roof. This new concept of using Group daycare to foster communal ties between children and the elderly is but one way JR East is working tirelessly to enhance the value of its line-side areas.

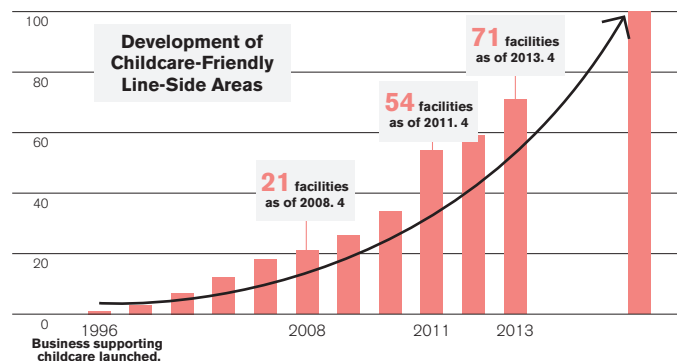


A Station Day Care facility



COTONIOR

JR EAST'S CHILDCARE FACILITIES



BOARD OF DIRECTORS AND CORPORATE AUDITORS

As of June 21, 2013



SATOSHI SEINO
Chairman



MASAKI OGATA
Vice Chairman
Technology and Overseas Related Affairs



TETSURO TOMITA^{*1}
President and CEO



TSUGIO SEKIJI^{*1}
Executive Vice President
Assistant to President



YUJI FUKASAWA^{*1}
Executive Vice President
Assistant to President

EXECUTIVE DIRECTORS

YOSHITAKA TAURA
Director General of IT & Suica Business Development Headquarters; In charge of Public Relations Department; In charge of Legal Department; In charge of Administration Department

NAOMICHI YAGISHITA
Director General of Railway Operations Headquarters

YUJI MORIMOTO
Director General of Life-style Business Development Headquarters; In charge of Personnel Department; In charge of Health & Welfare Department

TSUKASA HARAGUCHI
Deputy Director General of Railway Operations Headquarters; In charge of Marketing Department, Railway Operations Headquarters; Tourism Promotion

OSAMU KAWANOBE
Deputy Director General of Railway Operations Headquarters; In charge of Transport Safety Department, Railway Operations Headquarters; In charge of Transport & Rolling Stock Department, Railway Operations Headquarters

TOSHIRO ICHINOSE
Director General of Corporate Planning Headquarters; In charge of Inquiry & Audit Department; In charge of Finance Department

TAKASHI SAWAMOTO
Deputy Director General of Railway Operations Headquarters; In charge of Information Systems Planning Department, Corporate Planning Headquarters; In charge of Technology Planning Department, Corporate Planning Headquarters; In charge of Customer Service Quality Reformation Department, Railway Operations Headquarters

HIDEMI DEGUCHI
General Manager of Tokyo Branch Office

MASAHIKO NAKAI
Deputy Director General of Railway Operations Headquarters; In charge of Reconstruction Planning Department, Corporate Planning Headquarters; In charge of Shinanogawa Power Station Improvement Department, Railway Operations Headquarters; In charge of Construction Department

DIRECTORS

YASUYOSHI UMEHARA
Stationmaster of Tokyo Station, Tokyo Branch Office

MAKOTO TAKAHASHI
General Manager of Management Planning Department, Corporate Planning Headquarters

TAKESHI SASAKI^{*2}
TOMOKAZU HAMAGUCHI^{*2}

FULL-TIME CORPORATE AUDITORS

SHIGEO HOSHINO^{*3}
HAJIME HIGASHIKAWA^{*3}

CORPORATE AUDITORS

TOSHIAKI YAMAGUCHI^{*3}
(Certified Public Accountant)
MUTSUO NITTA^{*3}
(Attorney)
YOSHIO ISHIDA

^{*1} Representative director
^{*2} Outside corporate director
^{*3} Outside corporate auditor

CORPORATE GOVERNANCE

JR East's Basic Corporate Governance Philosophy

To continue to be a company trusted by its shareholders and all other groups of stakeholders, JR East has made the strengthening of its corporate governance a top-priority management task.

Specifically, with a view to augmenting the soundness, effectiveness and transparency of management, JR East is creating appropriate systems for management decision making, operational execution and auditing, Group management, information disclosure, and other important matters while also implementing the various measures required in connection with those systems.

Because of the special characteristics of JR East's mainstay railway transportation operations, JR East emphasizes the making of management decisions based on a long-term perspective. Accordingly, JR East believes the most appropriate course is to enhance corporate governance based on its current auditor system of governance.

Current Status of Corporate Governance Systems

Reason for Adopting Current Corporate Governance System

Railway operations, JR East's principal business, require judgments that are based on a range of knowledge and experience about safety and other areas as well as decision-making that reflects long-term perspectives. Accordingly, decisions on important management matters are reached through consultation among multiple directors. Further, JR East adopts a system in which audits are conducted by corporate auditors who are independent from the Board of Directors and have terms of service of four years.

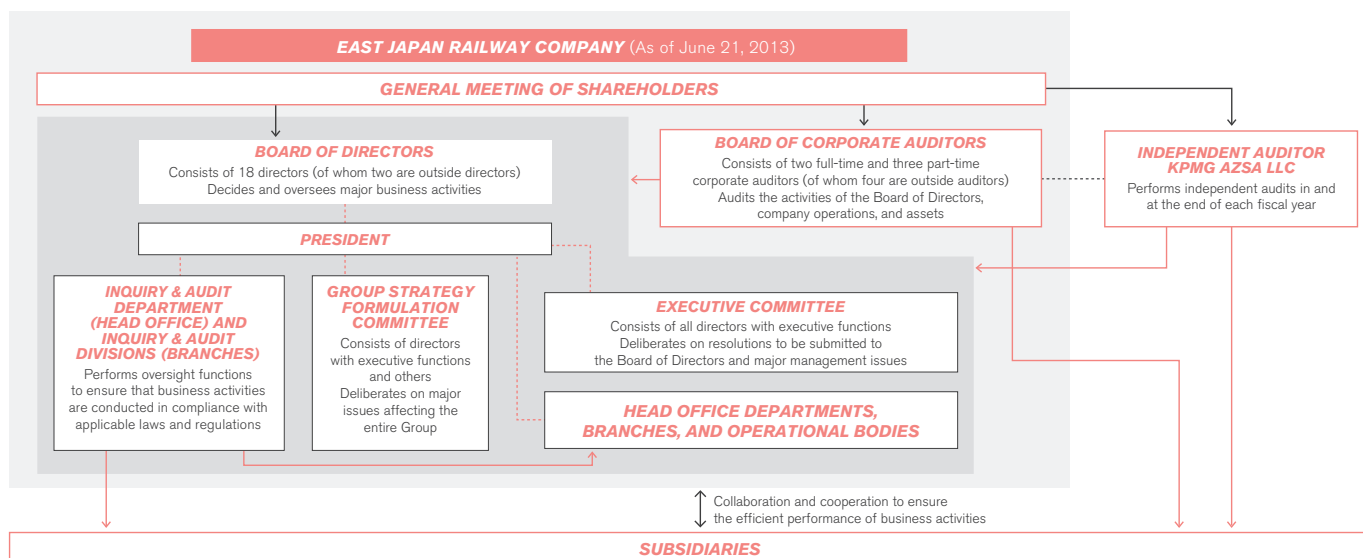
Overview of Corporate Governance Units

JR East's Board of Directors comprised 18 directors, including two outside corporate directors as of June 21, 2013. Meeting once a month in principle, the Board of Directors decides on key operational issues relating to statutory requirements and other matters and supervises overall operations. Created by the Board of Directors, the

Executive Committee includes all directors with executive functions. Meeting once a week in principle, the Executive Committee deliberates on matters to be decided by the Board of Directors and other important management issues. In addition, the Group Strategy Formulation Committee, which mainly consists of directors with executive functions, convenes as required and considers management strategy for respective operational areas and other significant Group issues with a view to developing the JR East Group as a whole.

Meeting once a month in principle, the Board of Corporate Auditors comprises five corporate auditors, including two full-time and three part-time corporate auditors, of whom four are outside auditors. In accordance with guidelines established by the Board of Corporate Auditors, the corporate auditors supervise the directors' implementation of operations by attending meetings of the Board of Directors, the Executive Committee, and other committees as well as by making inquiries regarding JR East's operations and assets.

CONCEPTUAL DIAGRAM OF CORPORATE GOVERNANCE



Basic Internal Control Policy for Financial Reports

JR East's basic internal control policy for financial reports is as follows:

- 1) JR East will establish and operate systems required to ensure the appropriateness of documents relating to the financial statements and other information.
- 2) Regarding the establishment and operation of the systems indicated in the previous item, JR East will adhere to generally accepted standards for the evaluation of internal controls in relation to financial reports and evaluate internal controls each fiscal year.

Current State of Risk Management Systems

JR East has established the Transportation Operations Center, which operates 24 hours a day and has the task of ensuring rapid and appropriate responses in the event of an accident or disaster affecting railway operations. JR East has also established two specialized internal committees, the Railway Safety Promotion Committee and the Committee for Improving Transport Reliability. The former stresses the prompt review, effective formulation, and promotion of measures for preventing railway operation accidents and accidents involving injury and death. The latter focuses on the effective formulation and promotion of measures for preventing the malfunction of railway cars, facilities and equipment, and improving the response to service disruptions once a transportation malfunction occurs, with the aim of enhancing transportation service quality.

With regard to the risk of a significant adverse influence on corporate operations due to such incidents as external offenses or internal misconduct and legal violations in JR East and subsidiaries, all JR East departments undertake risk management activities. In addition, JR East has established the Crisis Management Headquarters based around departments responsible for risk management, as well as implemented crisis management-related internal regulations. In the event of a problem, JR East's crisis management system calls for top management to participate in the immediate establishment of a preliminary task force that rapidly undertakes such actions as gathering the relevant information and implementing countermeasures.

Current State of Internal Audits, Corporate Audits, and Accounting Audits (Systems for Internal Audits, Corporate Audits, and Accounting Audits)

Regarding internal audits, JR East has established an internal auditing system involving approximately 100 full-time employees in the Inquiry & Audit Department at the Head Office and Inquiry & Audit divisions at branch offices, and together they work to ensure that corporate operations are executed lawfully and efficiently. Audits of the business execution status of the Head Office, Branch Office, Operational Body and other entities are performed according to an audit plan, and requests are made for the submission of progress updates for items requiring improvement. The audit results are reported to representative directors at the end of each accounting period, and at other times deemed necessary. In addition, the Inquiry & Audit Department audits subsidiaries.

Regarding corporate audits, corporate auditors exchange information at monthly meetings of the Board of Corporate Auditors, and they also exchange auditing information with corporate auditors of subsidiaries at liaison meetings held at regular intervals. The audits of corporate auditors are supported by approximately 10 specialized staff. The system for the oversight of the implementation of operations by directors, carried out in accordance with the rules established by the Board of Corporate Auditors, centers on full-time corporate auditors who attend meetings of the Board of Directors, the Executive Committee, and other important in-house meetings as well as investigate financial situations and other items. Further, corporate auditor Toshiaki Yamaguchi is a certified public accountant and has extensive expertise with regard to finance and accounting.

Regarding accounting audits, the consolidated accounts of JR East are audited under contract by an independent auditor (accounting auditor), KPMG AZSA LLC, in and at the end of each fiscal year. The following is a breakdown of the certified public accountants (CPAs) who conducted accounting audits in the fiscal year under review as well as their auditing assistants.

- Designated certified public accountants:
Shozo Tokuda, Teruhiko Tanaka and Kazuhiko Azami
- Breakdown of auditing assistants:

certified public accountants	16
other	23

JR East facilitates coordination and information sharing to promote efficient and effective auditing. For example, full-time corporate auditors and the director responsible for internal auditing units hold liaison meetings, and full-time corporate auditors receive regular updates on audit implementation from the accounting auditor five times a year and at any other time deemed necessary.

Outside Directors and Outside Corporate Auditors

JR East has two outside directors. Also, JR East has four outside corporate auditors. There is no conflict of interest between these outside directors, outside corporate auditors and JR East with regard to personal relationships, capital relationships, business relationships and other potentially conflicting interests JR East is obliged to disclose.

JR East elects outside directors in order to take advantage of extensive knowledge and experience garnered outside JR East in its management and with a view to strengthening corporate governance systems through oversight of business management from independent standpoints. Moreover, JR East elects outside corporate auditors in order to take advantage of extensive knowledge and experience garnered outside JR East in its auditing operations and with a view to strengthening corporate governance systems through audit of directors and the business duties they execute from independent standpoints.

Principal Activities of Outside Directors and Outside Corporate Auditors in Fiscal 2013

Title	Name	Principal activities
Outside Director	TAKESHI SASAKI	Attended 15 meetings out of all 16 meetings of the Board of Directors during this fiscal year (attendance rate 94%) and spoke on the Company's management issues based on his wide experience as an expert.
Outside Director	TOMOKAZU HAMAGUCHI	Attended 15 meetings out of all 16 meetings of the Board of Directors during this fiscal year (attendance rate 94%) and spoke on the Company's management issues based on his wide experience as a top executive.
Outside Corporate Auditor	SHIGEO HOSHINO	Attended all 16 meetings of the Board of Directors during this fiscal year (attendance rate 100%) and all 17 meetings of the Board of Corporate Auditors during this fiscal year (attendance rate 100%) and spoke on the Company's management issues based on his wide experience in the government.
Outside Corporate Auditor	HAJIME HIGASHIKAWA	Attended all 16 meetings of the Board of Directors during this fiscal year (attendance rate 100%) and all 17 meetings of the Board of Corporate Auditors during this fiscal year (attendance rate 100%) and spoke on the Company's management issues based on his wide experience in the government.
Outside Corporate Auditor	TOSHIAKI YAMAGUCHI	Attended all 16 meetings of the Board of Directors during this fiscal year (attendance rate 100%) and all 17 meetings of the Board of Corporate Auditors during this fiscal year (attendance rate 100%) and spoke on the Company's management issues based on his wide experience as a certified public accountant.
Outside Corporate Auditor	MUTSUO NITTA	Attended 12 meetings out of all 16 meetings of the Board of Directors during this fiscal year (attendance rate 75%) and 14 meetings out of all 17 meetings of the Board of Corporate Auditors during this fiscal year (attendance rate 82%) and spoke on the Company's management issues based on his wide experience as an attorney-at-law.

Appointment Status of Outside Directors (as of July 2013)

Name	Positions at other entities	Reasons for election
TAKESHI SASAKI	Outside Director, ORIX Corporation	Mr. Sasaki is elected on the basis of his vast experience and expertise as a former Dean of the Faculty of Law, University of Tokyo and a former President of the University of Tokyo.
TOMOKAZU HAMAGUCHI	Outside Director, IHI Corporation	Mr. Hamaguchi is elected on the basis of his vast experience and expertise as a former President and CEO of NTT DATA Corporation.

Appointment Status of Outside Corporate Auditors (as of July 2013)

Name	Positions at other entities	Reasons for election
SHIGEO HOSHINO	—	Mr. Hoshino is elected on the basis of his vast experience and expertise in major posts at the Ministry of Land, Infrastructure, Transport and Tourism.
HAJIME HIGASHIKAWA	—	Mr. Higashikawa is elected on the basis of his vast experience and expertise in major posts at the National Police Agency.
TOSHIKI YAMAGUCHI	<i>Certified Public Accountant</i>	Mr. Yamaguchi is elected on the basis of his vast experience and expertise as a certified public accountant.
MUTSUO NITTA	<i>Attorney, Outside Corporate Auditor, Sumitomo Corporation</i>	Mr. Nitta is elected on the basis of his vast experience and expertise as a judge and attorney-at-law.

Compensation of Directors and Corporate Auditors JR East's Total Remuneration of Directors and Corporate Auditors by Classification, Total Remuneration by Type, and Number of Directors and Corporate Auditors Receiving Remuneration

Position	Total Amount of Remuneration (¥ Million)	Total Amount of Remuneration by Type (¥ Million)		Number of Recipients
		Basic Remuneration	Bonuses	
Directors (not including outside directors)	805	654	150	25
Corporate auditors (not including outside corporate auditors)	10	8	1	2
Outside directors and outside corporate auditors	103	84	18	6
Total	918	747	171	33

Notes

- The amount of remuneration, etc., includes the amount paid to one director who resigned on April 1, 2012, six directors and one corporate auditor who retired at the conclusion of the 25th Ordinary General Meeting of Shareholders held on June 22, 2012, and one director who resigned on June 30, 2012.
- The Company's retirement benefit scheme for directors and corporate auditors was abolished at the conclusion of the 17th Ordinary General Meeting of Shareholders held on June 23, 2004. It was approved at the meeting that vested retirement benefits would be paid out to each director or corporate auditor who was reappointed or was in the middle of his or her term of office at such meeting, based on the Company's regulations. In accordance with such approval, retirement benefits in the amount of ¥362 million were paid to four directors who retired on March 31, 2012 and during the fiscal year under review in addition to the above remuneration.

Total Remuneration of Individual JR East Directors

Name	Total Amount of Consolidated Remuneration (¥ Million)	Classification	Company	Breakdown (¥ Million)		
				Basic Remuneration	Bonuses	Retirement Benefits
Mutsutake Otsuka	181	Director	JR East	—	—	181
			JR East	12	—	129
Yoshio Ishida	149	Corporate Auditor	JR East	6	1	—

Note

Disclosure is limited to individuals who received total consolidated remuneration of ¥100 million or more.

Remuneration for Auditing Services Remuneration for Independent Auditors

Classification	Fiscal 2012		Fiscal 2013	
	Remuneration for Auditing Services	Remuneration for Non-auditing Services	Remuneration for Auditing Services	Remuneration for Non-auditing Services
JR East	245	24	245	5
Consolidated subsidiaries	442	9	468	2
Total	687	34	713	7

Compliance

Basic Concept of Compliance

In 2005, JR East established a set of Legal and Regulatory Compliance and Corporate Ethics as the Group's corporate code of conduct. Moreover, JR East has pressed forward with various compliance initiatives, including the establishment of a Compliance Hotline as a window for whistleblowing both inside and outside the Company.

Since 2009, JR East has been educating all employees on an ongoing basis to enhance their awareness of how important it is to comply with relevant laws and regulations.

In 2009, JR East began a full compliance inspection of the Group's entire business operation, and in 2011 a "Basic Matter Confirmation Support Sheet" was formulated as an initiative to confirm the proper execution of business operations. In these and other ways, JR East is striving to further ensure that the entire Group is being managed in a compliant manner.

Revision of the Legal and Regulatory Compliance and Corporate Ethics

In light of the changing social environment and values, JR East took the opportunity to revise its Legal and Regulatory Compliance and Corporate Ethics when the "JR East Group Management Vision V—Ever Onward" was formulated.

Along with this, the Group's Compliance Action Plan Hand book, concisely outlining the code of conduct expected of all JR East employees, was revised and revamped as a third edition. JR East began distributing the revamped hand book to all employees in April 2013, and will use it to instill awareness that compliance is a solemn issue.



Compliance Action Plan Hand Book

Education of All Employees

JR East has been carrying out compliance education for all employees since 2009 in order to further increase awareness, focusing on cases and topics matching the realities of each workplace. In fiscal 2013, JR East implemented a new educational program focused on social media and information security, where a number of issues have been surfacing lately.

In view of the changes in society and business environment, JR East will add breadth to the content and continue to educate employees on compliance.

Compliance Training (Fiscal 2013)

Title	Number of Sessions	Participants	Contents and Objectives	Number of Participants
Management School (Compliance Course)	1	Administrative managers of Group companies	Compliance	67
Legal Skills Training	1	Legal affairs managers of branch offices	Enhancement of practical legal knowledge, legal reasoning, and decision-making/problem-solving skills	13
Basic Legal Training	1	Legal affairs personnel of Group companies	Acquisition of basic legal knowledge	69
Regular Legal Seminar	4	Executives and employees of JR East and Group companies	Explanation of new and revised laws, and awareness-raising about compliance	800
Lecture on Social Media	4	<ul style="list-style-type: none"> Executives, general managers, etc., of the Head Office Staff Members of Branch Offices Executives of Group companies 	Explanations and exercises on problems, corporate risks, etc., involving use of social media	330