

# JR EAST GROUP MANAGEMENT VISION V—

Two important pillars and six basic courses of action for the Group

## ETERNAL MISSION AND PURSUING UNLIMITED POTENTIAL

Under “JR East Group Management Vision V—Ever Onward,” JR East has positioned “Eternal Mission” and “Pursuing Unlimited Potential” as two important pillars and has established six basic courses of action for the Group.

### ETERNAL MISSION

#### Pursuing “extreme safety levels”

—Building a railway capable of withstanding natural disasters



Seismic reinforcement of viaduct columns

- **Launched “JR East Group Safety Plan 2018”**

Rising to the challenge of “extreme safety levels” as a whole Group

- **Implement seismic reinforcements and other countermeasures**

Approx. ¥300.0 billion total in seismic reinforcement countermeasures

- Seismic reinforcement of viaduct columns
- Seismic reinforcement of embankments

Complete approx. 80% of the plan by the end of FY2017

- **Build a railway capable of withstanding natural disasters**

Strengthen snow disruption prevention capability

- Install electric snow melters
- Develop turnaround facilities

Install windbreak fences

➔ See p. 029 for more information

#### Service quality reforms

—Enhancing railway transportation network and other measures



Ueno-Tokyo Line to begin operation (FY2015)

- **Improving the quality of the Tokyo metropolitan area railway network**

Start of the Ueno-Tokyo Line

Improve service on the Chuo Line and Tokyo Megalooop

Expand and enhance seating services

Examine access improvements to Haneda Airport

- **Expanding the intercity transportation network**

Start of Hokuriku Shinkansen to Kanazawa

Promote development of destination-driven tourism

Develop wide-ranging sightseeing routes

Enhancing services for seniors

➔ See p. 020 for more information

#### Strengthening collaboration with local communities

—Supporting earthquake recovery, stimulating tourism and revitalizing communities



Destination Campaigns

- **Large-scale development of terminal railway stations**

Promote construction of Shinjuku, Shibuya, Yokohama, Chiba and Sendai stations

Formulate and promote the Shinagawa Development Project

- **Promoting Japan as a tourism-oriented nation**

Hold *Destination Campaigns*

Promote inbound tourism initiatives

Create trains people seek to board for the “ride” itself

- Cruise train/*TOHOKU EMOTION/SL Ginga*

➔ See p. 020 for more information

# —EVER ONWARD



For details, please refer to the following website.  
<http://www.jreast.co.jp/e/investor/everonward/index.html>

## PURSuing UNLIMITED POTENTIAL

### Technological innovation—Forging strategies for conserving energy and the environment, utilizing ICT (information and communication technology) and operating Shinkansen at faster speeds



ACCUM catenary and battery-powered hybrid railcar

#### ● Energy and environmental strategies

Catenary and battery-powered hybrid railcars

- Began operation of ACCUM railcars on the Karasuyama Line (from Mar. 2014)

Develop northern Tohoku as a renewable energy base

- Solar power/Wind power/Geothermal power/Woody biomass

Renewal of No. 4 Kawasaki Power Station

#### ● Utilize ICT

Wireless railway car control systems  
 Train track facility monitoring equipment

- Test runs on the Keihin-Tohoku Line (May 2013–Mar. 2015)

Introduction of tablet computers

➔ See p. 032  
 for more information

### Tackling new business areas—Globalization



Railcar assembly line in the J-TREC factory

#### ● Overseas railway projects

Purple Line in Bangkok, Thailand

- Joint investment in a new maintenance company
- Supply of railcars from J-TREC

Technological support and railcar transfer to Indonesia

Business development in the U.K.

- London office opened
- Consulting for the High Speed 2 (HS2) high-speed railway plan

#### ● Railcar manufacturing operations

Consolidation of Japan Transport Engineering Company (J-TREC) and the Niitsu Rolling Stock Plant (JR East) (Apr. 2014)

#### ● Nurturing global human resources

Send employees abroad on overseas assignment and training

➔ See p. 019  
 for more information

### Developing employees and creating a corporate culture that maximizes human potential

#### Initiatives in View of the 2020 Summer Olympic and Paralympic Games in Tokyo

- Provide safe, smooth and comfortable transportation services
- Revitalize the flow of tourism in the Tokyo metropolitan area and attract tourists to the regions
- Upgrade the attractiveness of Tokyo by promoting the development of terminal stations

#### ● Provide further growth opportunities to motivated employees

Utilize e-learning and strengthen the development of global human resources

#### ● Promote cohesive Group management

Examine the scheme of group point (JR East's point rebate systems)

#### ● Establish a lean, muscular and agile management structure

- Capital expenditures: Invest in sustainable growth and a stronger base of operations
- Returns to shareholders: Establish a new total return ratio target of 33%
- Debt reduction: Reduce interest-bearing debt to ¥3,000 billion sometime during the 2020s

➔ See p. 028  
 for more information

## NUMERICAL TARGETS

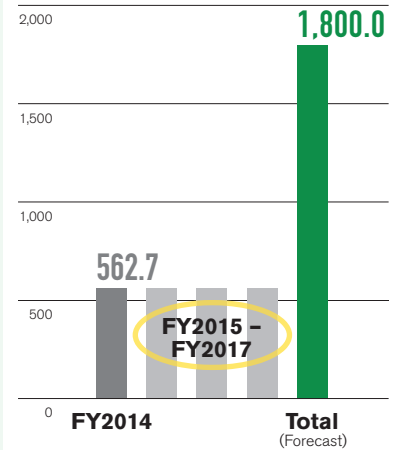
# For Fiscal 2017 (Year ending March 31, 2017)

Guided by “JR East Group Management Vision—Ever Onward,” JR East will establish numerical targets that it will seek to achieve over the next three years. Those three-year targets will be reviewed annually, and will be revised to new targets for the next three years starting from the following fiscal year.

We will announce new numerical targets together with business results every fiscal year.

### CONSOLIDATED CASH FLOWS FROM OPERATING ACTIVITIES\*

Billions of Yen

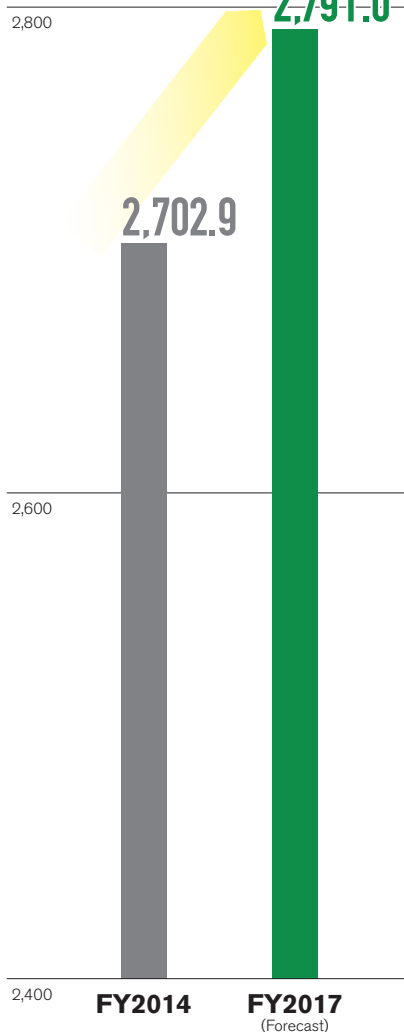


\* The target for consolidated cash flows from operating activities represents the aggregate of the estimated cash flows for the three years from FY2015 to FY2017.

## CONSOLIDATED OPERATING REVENUES AND OPERATING INCOME FOR FISCAL 2017

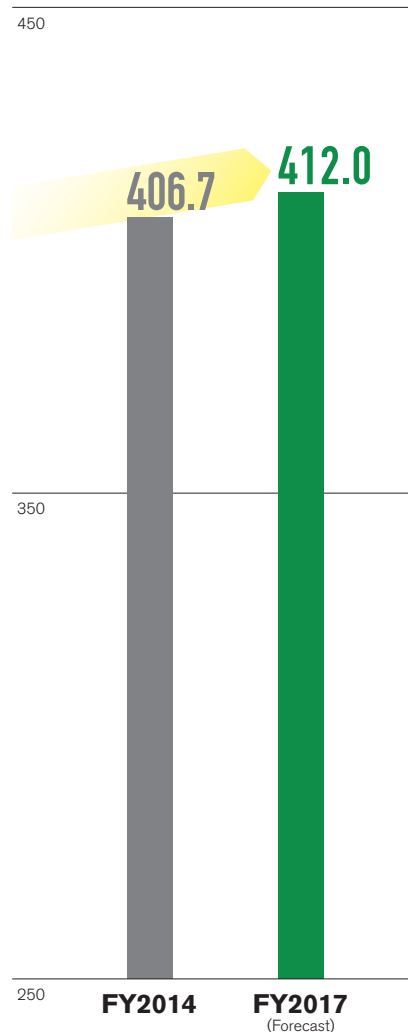
### CONSOLIDATED OPERATING REVENUES

Billions of Yen



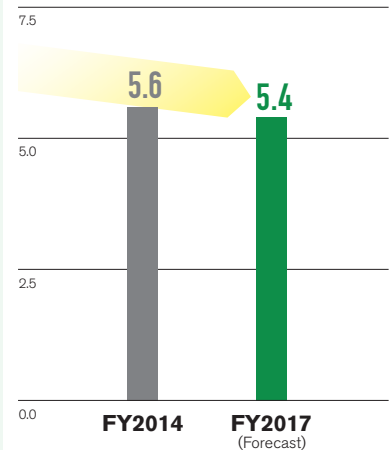
### CONSOLIDATED OPERATING INCOME

Billions of Yen



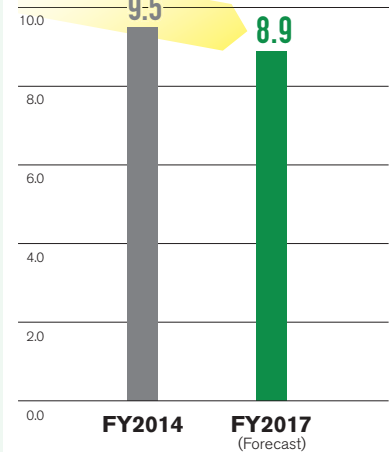
### CONSOLIDATED ROA AT THE END OF FISCAL 2017

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### CONSOLIDATED ROE AT THE END OF FISCAL 2017

%

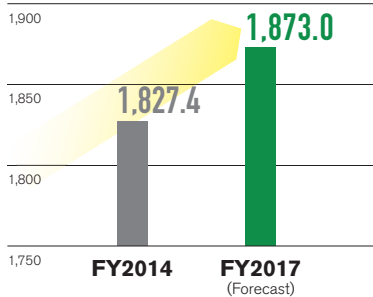


## SEGMENT OPERATING REVENUES AND OPERATING INCOME FOR FISCAL 2017

## TRANSPORTATION

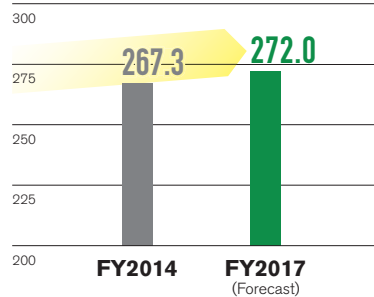
## OPERATING REVENUES

Billions of Yen



## OPERATING INCOME

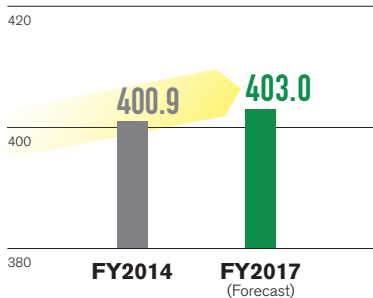
Billions of Yen



## STATION SPACE UTILIZATION

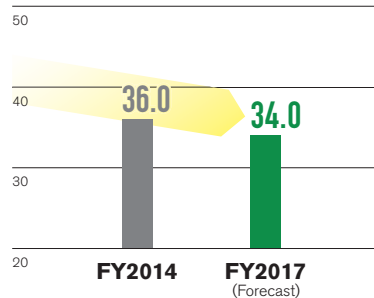
## OPERATING REVENUES

Billions of Yen



## OPERATING INCOME

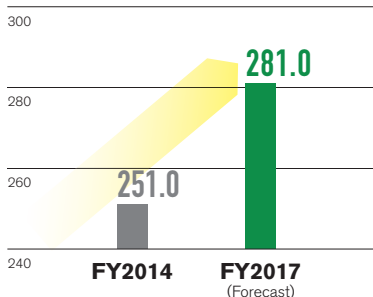
Billions of Yen



## SHOPPING CENTERS &amp; OFFICE BUILDINGS

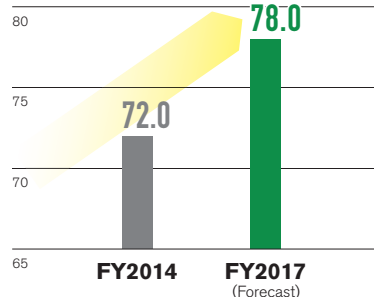
## OPERATING REVENUES

Billions of Yen



## OPERATING INCOME

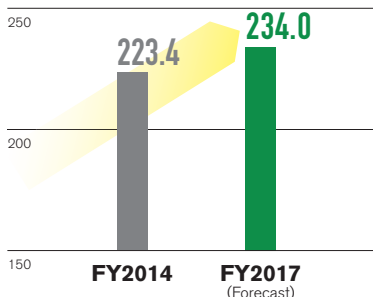
Billions of Yen



## OTHERS

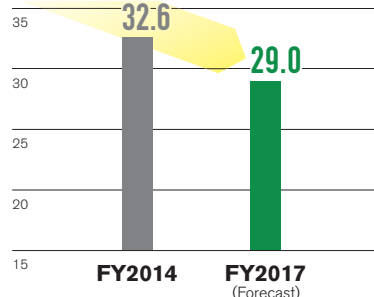
## OPERATING REVENUES

Billions of Yen



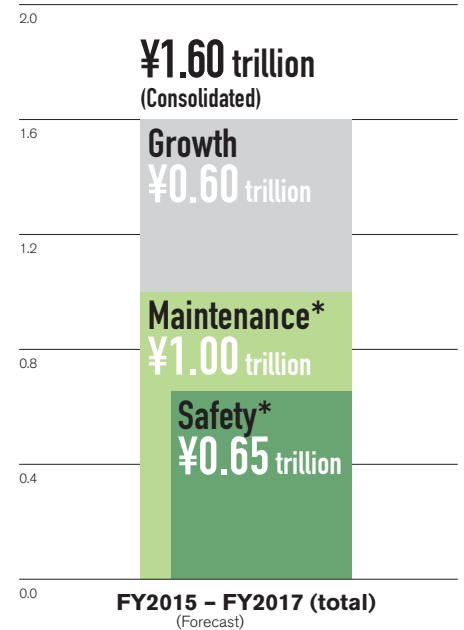
## OPERATING INCOME

Billions of Yen



## CAPITAL EXPENDITURES FOR THE THREE YEARS FROM FY2015 TO FY2017

Trillions of Yen



\* Maintenance: Investment needed for the continuous operation of business  
 Safety: Investment in safe and stable transportation

- Planned consolidated capital expenditures for the three years from FY2015 to FY2017 are approximately ¥1.60 trillion.
- Planned capital expenditures in safe and stable transportation for the three years from FY2015 to FY2017 are approximately ¥650 billion.
- Planned growth investments expected to generate returns, such as those in the life-style service business, for the three years from FY2015 to FY2017 are approximately ¥600 billion.