

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 our top management priority, and we have worked relentlessly to heighten our levels of safety. Its earnest efforts to learn from unfortunate accidents in the past have enabled JR East to further the prevention of future accidents with continued developments both in physical and operational terms.

Pursuit of safety measures can never end. JR East will continue to work tirelessly 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)."

In *Group Management Vision V—Ever Onward*, JR East sets its eternal mission to pursue "extreme safety levels," and build a railway capable of withstanding natural disasters. In order to achieve this, we will continue our ceaseless efforts to increase the safety of our railways.

When the Great East Japan Earthquake occurred, the earthquake countermeasures that JR East had already been steadily implementing proved effective to a great extent. However, the earthquake also revealed issues that the Group must address to ensure a higher level of safety. Based on this experience, JR East has worked to implement

earthquake countermeasures in preparation for events that are conceivable, such as an earthquake directly beneath the Tokyo metropolitan area, focusing on both tangible and intangible aspects. In these ways, the Group is working to build a railway capable of withstanding natural disasters.

JR East is also further promoting initiatives to prevent train collisions, derailments and road crossing accidents. At the same time, the Group is installing automatic platform gates for the Yamanote Line and exploring the possibility of installation for other lines. In these and other ways, the Group continues to promote the development of railways that passenger can utilize reliably. Starting from fiscal 2015, JR East will step up activities for achieving "extreme safety levels," based on its newly formulated *JR East Group Safety Plan 2018*.

JR EAST GROUP SAFETY PLAN 2018. JR EAST'S SIXTH FIVE-YEAR SAFETY PLAN

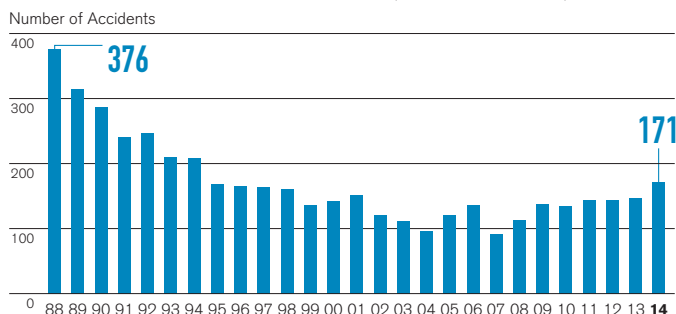
Since its establishment, JR East has continued to create and implement medium-term safety plans. With the installation and further development of our safety equipment, along with companywide advancements in safety awareness and skill, we have succeeded in reducing the frequency of railway accidents drastically from levels at the time of the company's establishment.

For fiscal 2015, JR East formulated "*JR East Group Safety Plan 2018—safety through individual development and teamwork*," its sixth five-year safety plan. Each employee involved in railway operations will strive to improve individual safety and band together as the JR East Group to ensure "extreme safety levels."

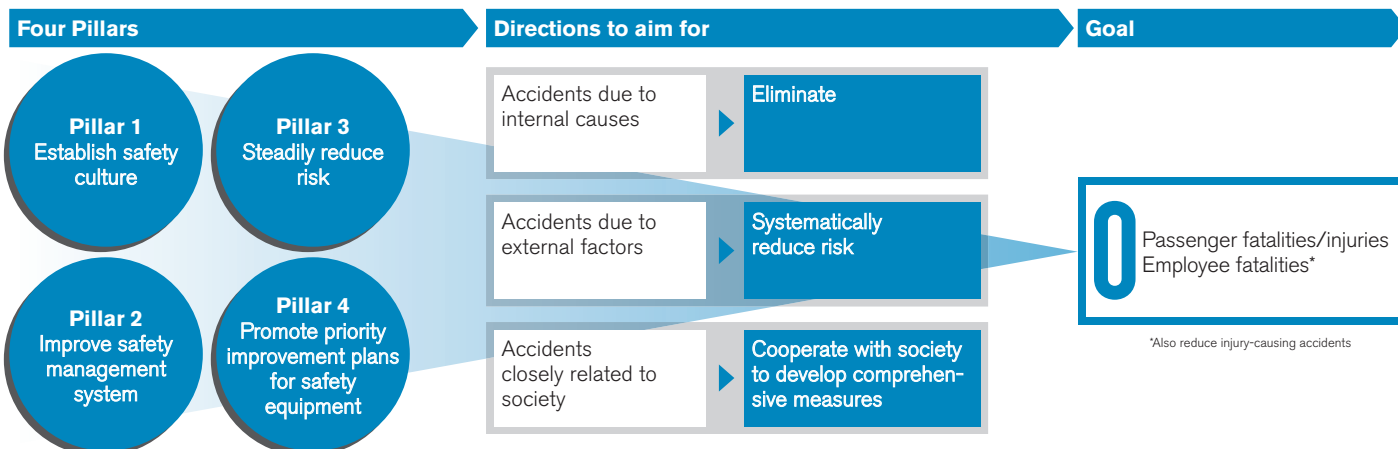
Under *JR East Group Safety Plan 2018*, JR East develops concrete safety initiatives based on objectives such as "Eliminate accidents due to internal causes" clarified in the plan. The Group also aims

to improve the Group's safety management system by promoting training of personnel responsible for safety including succession of skills and efforts to learn the serious consequence of accidents.

LOOK-BACK ON RAILWAY ACCIDENT FREQUENCY (Years ended March 31)



OVERALL IMAGE OF JR EAST GROUP SAFETY PLAN 2018



INVESTMENT IN SAFETY EQUIPMENT FOR “EXTREME SAFETY LEVELS”

To achieve a more assured level of safety in railway operations, weak points in the current systems must be identified and reviewed from a safety standpoint. Furthermore, safety equipment must undergo intensive and effective assessments in order to prevent the occurrence of accidents in the future. JR East analyses and evaluates all potential areas of risk and takes appropriate measures to ensure that these risks do not become reality, placing priority on facility investments in order to avert any major damage in the case of a major earthquake in the Tokyo metropolitan area.

For improvements to safety equipment, under its five previous five-year safety plans leading up to fiscal 2014, JR East invested more than ¥3,000 billion during those 27 years following the Group's establishment. In *JR East Group Safety Plan 2018*, JR East has planned to invest approximately ¥1,000 billion on safety measures during the five years from April 2014 to March 2019.

TOPIC INSTALLATION OF AUTOMATIC PLATFORM GATES

As a major measure to prevent accidents to customers on platforms, JR East is introducing automatic platform gates on the Yamanote Line. In fiscal 2014, we started the use of these gates at Otsuka, Sugamo, Komagome, Shin-Okubo, Mejiro, Takadanobaba and Tamachi stations. In fiscal 2015, we plan to install these gates at Okachimachi, Uguisudani, Tabata, Yurakucho, Harajuku, Gotanda, and Nishi-Nippori stations. With the exception of six stations, Shinagawa, Hamamatsucho, Shimbashi, Shibuya, Shinjuku, and Tokyo stations, which require large-scale improvement work, we plan to complete installations at all stations on the line by fiscal 2016. For routes other than the Yamanote Line, we plan to install automatic platform gates mainly at stations used frequently by visually challenged customers, while discussing these matters with the relevant organizations.



Automatic platform gates on the Yamanote Line

YAMANOTE LINE PLATFORM GATE INSTALLATION PLAN

- Installations as of fiscal 2011
- Plan from fiscal 2013 through fiscal 2015
- Plan from fiscal 2016 onward
(Fiscal 2018 onward for four large-scale terminals)



ENVIRONMENTAL ISSUES

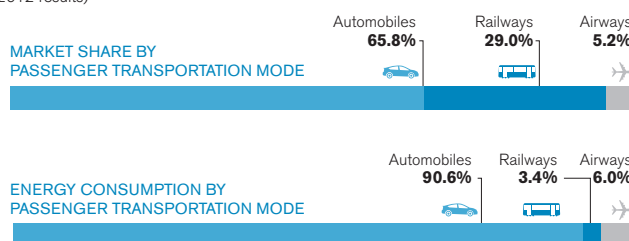
JR East has developed a wide range of environmental initiatives that reflect its basic philosophy for promoting ecological activities—diligently striving to balance global environmental protection with business activities as a member of society.

In addition, in its “JR East Group Management Vision V,” 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.

ENVIRONMENTAL ADVANTAGES OF RAILWAYS

Train travel accounts for around 29% of domestic travel in Japan, yet its share of overall energy consumption is only around 3.4%. This is a clear indication of the advantage of railways over automobiles and other forms of transport in terms of energy efficiency per unit of traffic volume.

ENERGY CONSUMPTION AND TRANSPORTATION MARKET SHARE (FY2012 results)



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

PROGRESS WITH ONGOING TARGETS AND THE INITIATION OF NEW TARGETS FOR THE ENVIRONMENT

JR East has set tangible targets since 1996 in promoting ecological activities. The following new environmental targets to be met by fiscal 2017 were initiated for continuation of the targets established in fiscal

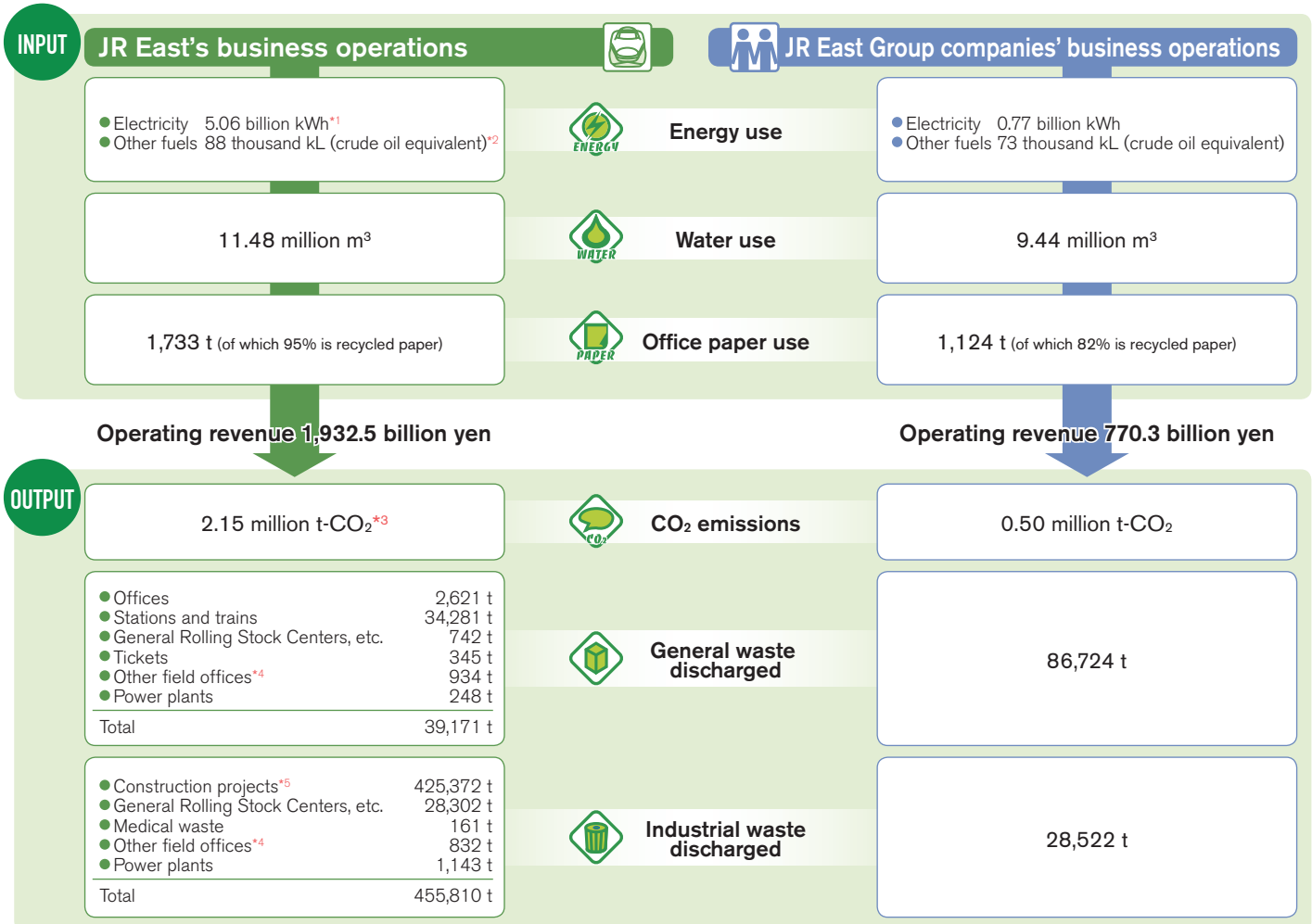
2012, which expired on March 31, 2014, and in view of the fiscal 2021 objectives in the Group's management vision.

New Environmental Targets

Category of environmental conservation activities	Performance indicators	Targets to be met by FY2021	
Measures to prevent global warming	Energy consumption from railway business activities [Ongoing]	8% reduction (MJ: relative to FY2011 level) (52.7 billion MJ → 48.5 billion MJ)	
	CO ₂ emissions per unit of electricity generated at JR East's own power plants [Ongoing]	30% improvement (kg-CO ₂ /kWh: relative to FY1991 level) (0.457 kg-CO ₂ /kWh → 0.320 kg-CO ₂ /kWh)	
Measures to prevent global warming	Electricity used for railway operations per unit of transport volume on Shinkansen and conventional lines (kWh/car-km: relative to FY2011 level)	5.9% reduction each on Shinkansen and conventional lines Shinkansen lines: 2.71 kWh/railcar km → 2.55 kWh/railcar km Conventional lines: 1.65 kWh/railcar km → 1.55 kWh/railcar km	
	Energy consumption per unit of floor area at branch offices, etc. (kL-crude oil equivalent/m ² : relative to FY2011 level)	15% reduction 0.0467 kL-crude oil equivalent/m ² → 0.0397 kL-crude oil equivalent/m ²	
	Construction of "ecoste" model stations	8 stations in total	
	LED lighting on platforms (to be met within FY2015 to FY2017)	Over 50% at 60 stations	
	High-efficiency upgrade of large air conditioning systems	5 installations (47 million MJ reduction)	
	Energy reduction target by all Group companies	An average of 1% per year	
	Measures for resource circulation	Recycling rate for waste generated at stations and on trains	94%
		Recycling rate for waste generated at General Rolling Stock Centers, etc.	96%
		Recycling rate for waste generated in construction projects	96%
		Waste recycling target by all Group companies	100%
Environmental activities along railway lines	Measures to reduce noise to 75 dB or less along the Tohoku and Joetsu Shinkansen Lines* (for areas subject to noise limitation measures)	100% [Targets to be met by FY2016]	
Environmental management	Setting of numeric targets by all Group companies	Targets to be revised continually	

* Measures to reduce noise to 75 dB or less have been completed in the designated areas in accordance with government guidance. Currently, improvement work is being carried out step by step in other areas, to be completed by fiscal 2016.

JR EAST GROUP'S ENVIRONMENTAL IMPACT



*1 Electricity: Both electricity generated in JR East's power plants and used internally and electricity purchased from electric companies are included.

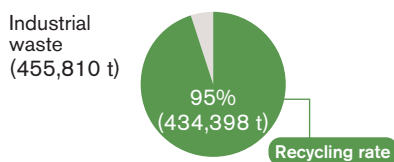
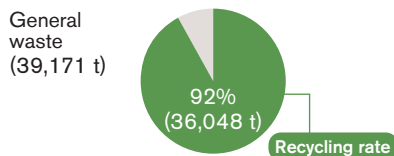
*2 Other fuels: Fuel used for generating electricity in JR East's thermal power plants is not included.

*3 CO₂ emissions: CO₂ emitted by electricity purchased from the outside is calculated based on adjusted emission coefficients.

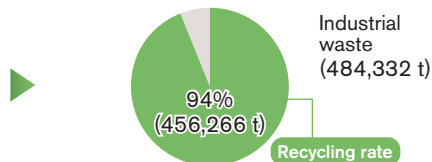
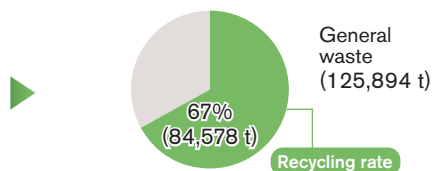
*4 Other field offices: Technical centers engaged in the maintenance of equipment and conductor's depots.

*5 Construction projects: Waste generated by our construction projects, but for which contractors legally become the waste-discharging entities, is included in industrial waste.

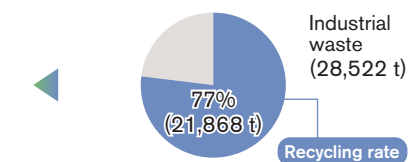
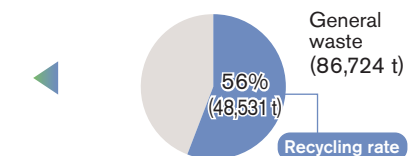
JR East's recycling rate



Entire JR East Group's recycling rate



Group companies' recycling rate



Waste disposal

• Waste includes salable waste.

• Recycling includes thermal recycling* where general and industrial waste are incinerated with heat recovery.

* Thermal recycling: A recycling method in which the heat arising from the incineration of waste is used to create steam and warm water, which in turn are used to generate electricity and to produce hot water.

FOR SOCIETY

The JR East Group is based on railway businesses that are involved in a broad range of our customers' lives and that are vital to society and local communities. With such a public responsibility, the Group is committed to meeting its social responsibilities by carrying out business activities in a way that will ensure railway safety and reliable transportation services.

In terms of social mission, the JR East Group Philosophy states: "We aim to grow continuously while meeting our social responsibilities as a *Trusted Life-style Service Creating Group*." JR East is determined to remain a corporate group capable of meeting social expectations and maintaining stakeholders' trust by pursuing business activities in line with that philosophy.

RELATIONSHIP WITH SOCIETY

As a member of the local community, JR East continues to take an interest in its future and works to enhance its reputation through the medium of its lineside areas, which have evolved through the *Station Renaissance* program.

The work to restore the Tokyo Station *Marunouchi Building* on the Marunouchi side of the terminal to its original form was completed in October 2012. On the Yaesu side, the *GranRoof* covered pedestrian deck opened in September 2013, in addition to the *GranTokyo North and South Towers*. A station-front plaza to the Yaesu entrances is scheduled for completion in the fall of 2014. Together with the in-station commercial zone, *GranSta*, these developments are called *Tokyo Station City* and form part of the concept of developing Tokyo Station into a complete city. The Group's goal is to create a station that will serve as a center to disseminate information on new cultures, while also serving as a spectacular gateway to Metropolitan Tokyo.

The Group is also cooperating with local governments in the creation of new stations,

in line with their city planning, and the improvement of existing station buildings with free passages and other facilities, based on requests from local authorities. In fiscal 2012, JR East opened a new station, Yoshikawa-Minami, on the Musashino Line, and improved Gosannen Station on the Ou Line by building a community space (local government facility) in fiscal 2013. Since its establishment in 1987, JR East has introduced local government facilities into a total of 84 stations (as of March 31, 2013). In fiscal 2014, Sashiogi Station on the Kawagoe Line and Hakusan Station on the Echigo Line were also improved by construction of free passages.



GranRoof and station-front plaza to the Yaesu entrances



Free passage at Hakusan Station on the Echigo Line

TOPIC **CHILDCARE SUPPORT SERVICES *HAPPY CHILD PROJECT***

The JR East Group is striving to develop communities along its railway lines in which people can live in comfort and can benefit from adequate childcare support, as envisaged by the *HAPPY CHILD PROJECT*. More specifically, these communities will benefit from elements of social infrastructure, such as nursery schools near stations for supporting childcare, and community cafés for parents and children. It is hoped that these may contribute to the development of local communities and be used as venues for various events that both parents and children can enjoy.

The Group will respond actively to various needs associated with childcare, contribute to the local community and upgrade the value of areas adjacent to the railway lines.

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 that are usually within a five-minute walk from the station, to support the combination of childcare and easy commuting to work. A total of 79 childcare support facilities were opened from 1996 through April 2014, and JR East is continuing to increase the number of these facilities. These nursery schools near stations have the advantage that parents can drop and pick up their children easily on their way to and from work. As evidenced by many children who are brought to the nursery by their fathers, our childcare support encourages men's participation in childcare as well.



Nursery school near station



Children playing on station rooftop

BOARD OF DIRECTORS AND CORPORATE AUDITORS

As of June 24, 2014



SATOSHI SEINO
Chairman



MASAKI OGATA
Vice Chairman
Technology and Overseas Related Affairs



TETSURO TOMITA*1
President and CEO



YUJI FUKASAWA*1
Executive Vice President
Assistant to President



NAOMICHI YAGISHITA*1
Executive Vice President
Assistant to President

EXECUTIVE DIRECTORS

YUJI MORIMOTO
Director General of Corporate Planning Headquarters; In charge of Inquiry & Audit Department; In charge of Finance Department

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

OSAMU KAWANOBE
Director General of Railway Operations Headquarters

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

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

YASUYOSHI UMEHARA
General Manager of Tokyo Branch Office

MAKOTO TAKAHASHI
Director General of IT & Suica Business Development Headquarters; In charge of Public Relations Department; In charge of Legal Department; In charge of Administration Department; In charge of Olympics and Paralympics

YASUSHI FUKUDA
Deputy Director General of Railway Operations Headquarters; In charge of Facilities Department, Railway Operations Headquarters; In charge of Electrical & Signal Network System Department, Railway Operations Headquarters

TAKAO NISHIYAMA
In charge of Overseas Related Affairs

DIRECTORS

TAKASHI ETO
Stationmaster of Tokyo Station, Tokyo Branch Office

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

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

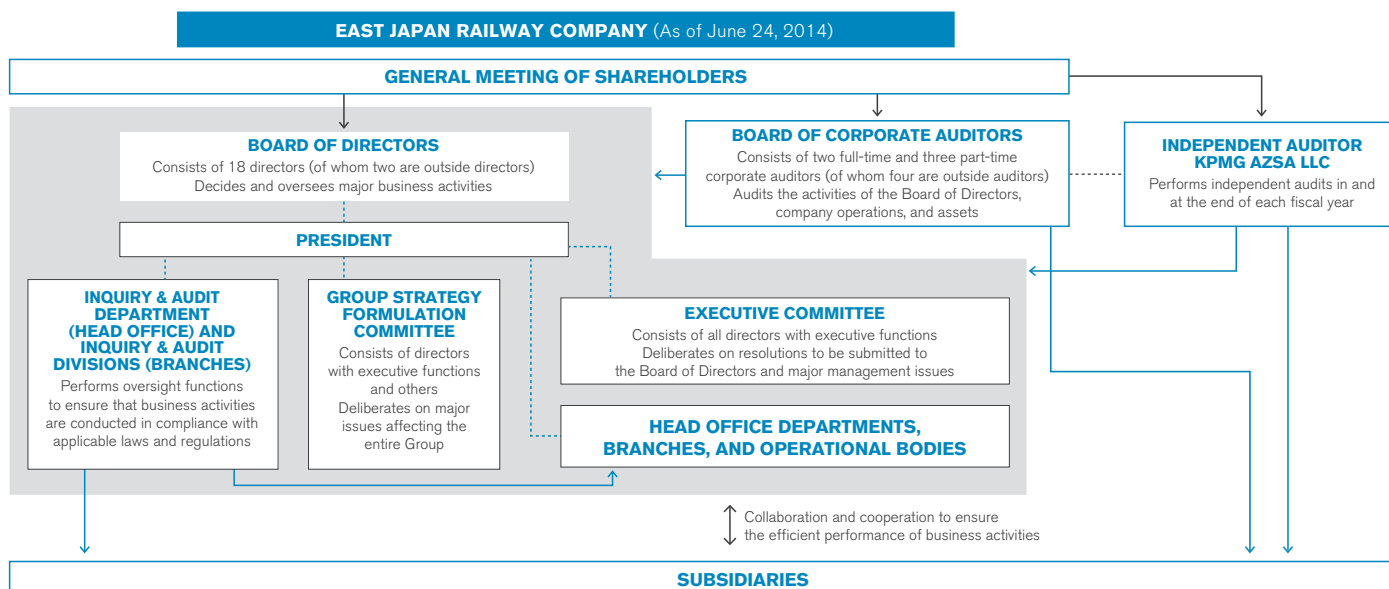
Reason for Adopting Current Corporate Governance System

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 24, 2014. 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.

CONCEPTUAL DIAGRAM OF CORPORATE GOVERNANCE



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.

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 its 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	18
other	20

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 2014

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 14 meetings out of all 16 meetings of the Board of Directors during this fiscal year (attendance rate 88%) 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 held during this fiscal year (attendance rate 100%) and all 15 meetings of the Board of Corporate Auditors held 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 held during this fiscal year (attendance rate 100%) and all 15 meetings of the Board of Corporate Auditors held 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 15 meetings out of all 16 meetings of the Board of Directors during this fiscal year (attendance rate 94%) and 13 meetings out of all 15 meetings of the Board of Corporate Auditors during this fiscal year (attendance rate 87%), and spoke on the Company's management issues based on his wide experience as a certified public accountant.
Outside Corporate Auditor	MUTSUO NITTA	Attended 15 meetings out of all 16 meetings of the Board of Directors during this fiscal year (attendance rate 94%) and all 15 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 an attorney-at-law.

Appointment Status of Outside Directors (as of July 2014)

Name	Positions at other entities	Reasons for election
TAKESHI SASAKI	Outside Director, ORIX Corporation	JR East deems Mr. Sasaki to be appropriate for the appointment and equipped with managerial judgment capability and expertise for providing the Company supervision and advice on management on the basis of his experience 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 and KURARAY CO., LTD.	JR East deems Mr. Hamaguchi to be appropriate for the appointment and equipped with managerial judgment capability and expertise for providing the Company supervision and advice on management on the basis of his experience as a former President and CEO of NTT DATA Corporation.

Appointment Status of Outside Corporate Auditors (as of July 2014)

Name	Positions at other entities	Reasons for election
SHIGEO HOSHINO	—	JR East deems Mr. Hoshino to be appropriate for the appointment and equipped with audit operation judgment capability and expertise for auditing the execution of business duties by the Company's directors on the basis of his experience in major posts at the Ministry of Land, Infrastructure, Transport and Tourism.
HAJIME HIGASHIKAWA	—	JR East deems Mr. Higashikawa to be appropriate for the appointment and equipped with the audit operation judgment capability and expertise for auditing the execution of business duties by the Company's directors on the basis of his experience in major posts at the National Police Agency.
TOSHIAKI YAMAGUCHI	<i>Certified Public Accountant</i>	JR East deems Mr. Yamaguchi to be appropriate for the appointment and equipped with the audit operation judgment capability and expertise for auditing the execution of business duties by the Company's directors on the basis of his vast experience as a certified public accountant.
MUTSUO NITTA	<i>Attorney, Outside Corporate Auditor, Sumitomo Corporation</i>	JR East deems Mr. Nitta to be appropriate for the appointment and equipped with the audit operation judgment capability and expertise for auditing the execution of business duties by the Company's directors on the basis of his vast judiciary experience 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)	770	606	163	18
Corporate auditors (not including outside corporate auditors)	10	8	2	1
Outside directors and outside corporate auditors	105	84	21	6
Total	886	699	186	25

Note: The amount of remuneration, etc., includes the amount paid to two directors who resigned at the conclusion of the 26th Ordinary General Meeting of Shareholders held on June 21, 2013.

Total Remuneration of Individual JR East Directors

Not recorded because no individual received total consolidated remuneration of ¥100 million or more.

REMUNERATION FOR AUDITING SERVICES

Remuneration for Independent Auditors

Classification	(¥ Million)			
	Fiscal 2013		Fiscal 2014	
	Remuneration for Auditing Services	Remuneration for Non-auditing Services	Remuneration for Auditing Services	Remuneration for Non-auditing Services
JR East	245	5	245	6
Consolidated subsidiaries	468	2	480	2
Total	713	7	725	9

COMPLIANCE

JR East has adopted the *Policy on Legal and Regulatory Compliance and Corporate Ethics* as the Group's corporate activity guidelines. Concomitantly, it has established Compliance Hotlines, both inside and outside the Company, for internal reporting, and has promoted efforts on compliance.

JR East has an ongoing initiative in which all employees are educated on a yearly basis to increase their awareness of compliance.

Apart from this, JR East is making concerted efforts to further promote compliance. The Group started reviewing legal aspects throughout its business activities and established the *Basic Matter Confirmation Support Sheet* designed for the regular checking of important matters by individual departments to ensure proper business conduct.

Formulation and Revision of the Compliance Action Plan

In order to enhance the effectiveness of the *Policy on Legal and Regulatory Compliance and Corporate Ethics* adopted in 2005, the Group developed the *Compliance Action Plan Handbook* that summarized the desirable conduct for all employees. Subsequently, the handbook was distributed to all JR East employees.

In 2013, with the formulation of *JR East Group Management Vision V*, the Group revised the 2005 policy together with the *Compliance Action Plan Handbook*, taking into consideration the social changes surrounding the Company. The Group will continue to ensure that all employees of JR East completely understand and follow the handbook and will review it according to ongoing environmental and societal changes.

Education of All Employees

Since 2009, all employees of the Group have received compliance education which has been specifically designed to further increase their awareness. In fiscal 2014, JR East held compliance education programs with case study exercises involving tangible examples to enforce rigorous adherence of employees to the standards of conduct inscribed in the revised *Compliance Action Plan Handbook*.

In fiscal 2015, with aims to ensure that all employees act with compliance awareness, JR East will focus on case studies and topics matching the realities of the social fabric and workplace to educate employees. Going forward, the Group will continue to improve the content of its education programs based on societal and environmental changes.

In fiscal 2014, JR East conducted a questionnaire of all employees as part of the Group-wide compliance education program, as well as a *Group Company Compliance Questionnaire* targeting Group company corporate planning and administrative division personnel, to survey compliance awareness.

Looking ahead, JR East will continue a compliance education program that takes into account social responsibilities expected of the Group and changes in employee awareness.

Compliance Training (Fiscal 2014)

Title	Number of Sessions	Participants	Contents and Objectives	Number of Participants
All Employee Training	1	JR East and Group company employees	Compliance awareness	All employees
New Recruit Training	1	JR East new recruits	Compliance awareness	All new recruits
Basic Legal Training	1	Group company legal affairs personnel	Acquisition of basic legal knowledge	47
Legal Skills Training	1	Head Office and branch office legal affairs personnel	Personnel enhancement of practical legal knowledge, legal reasoning, and decision-making/problem-solving skills	15
Compliance Seminar	2	Head Office executives, general managers, etc.	Compliance management awareness	180