

Non-Transportation > Station Space Utilization

Fiscal 2016 Summary

In the Station Space Utilization segment, the JR East Group introduced newly designed *NewDays* convenience stores and revamped the product mixes and store layouts of station kiosks, which it renamed *NewDays KIOSK*. Aiming to revitalize regions through restaurants offering regional gourmet cuisines, the JR East Group opened *B-1 Grand Prix Shokudo* (Tokyo) in July 2015 under a railway viaduct between Akihabara and Okachimachi stations. Further, the JR East Group proceeded with preparations for the opening phase 2 of *NEWoMan* (Tokyo) at the Shinjuku Station's New South Exit in April 2016. Also, in January 2016 JR East began improvement work between the central passage and the north passage of Tokyo Station to develop new stores in conjunction with the establishment of more barrier-free routes. Other initiatives included commencement of work for the fall 2016 opening of certain stores in the Chiba Station's concourse.



NewDays KIOSK

Mainly in JR East's railway stations, approximately 500 *NewDays* convenience stores carry product lineups reflecting their locations. For example, those on Shinkansen platforms have more souvenirs and travel accessories, those in downtown areas carry product lineups reflecting commuters' needs, while those in front of suburban railway stations cater to local residents. *NewDays* convenience stores average 1,600 store visits per day—far above the normal level in the convenience store industry.

Further, our roughly 360 station kiosks make good use of limited space to maximize customer convenience. In light of the changing and diversifying usage trends and needs among customers in recent years, we are revamping the product mixes and store layouts of station kiosks and renaming them *NewDays KIOSK*.



NewDays KIOSK

Development of Tokyo Station

Based on the *Tokyo Station City* concept of developing Tokyo Station into a complete city, the JR East Group has been developing Tokyo Station's concourse and surrounding area in stages. As part of these efforts, we have preserved and restored the Marunouchi Building; opened *GranTokyo North Tower*, *GranTokyo South Tower*, and *GranRoof*; and developed a station-front plaza to the Yaesu entrances. Following on from the development of the north passage in the area inside Tokyo Station's ticket gates, which we began in 2012, we began improvement work between the central passage and the north passage.

As well as renewing stores in and around the first floor of the north passage, we will use newly created space to develop appealing stores and restaurants. Furthermore, this initiative will enable us to meet the needs of a greater number of customers by, for example, increasing the amount of restaurant seating available in the area.



Rendering of the area in and around Tokyo Station's north passage near the station concourse on the first basement floor

> Numbers

Railway stations used by more than 100,000 passengers per day:

94 (as of March 31, 2016)

Railway stations used by more than 200,000 passengers per day:

39 (as of March 31, 2016)

* The number of station users represents twice the number of passengers embarking.

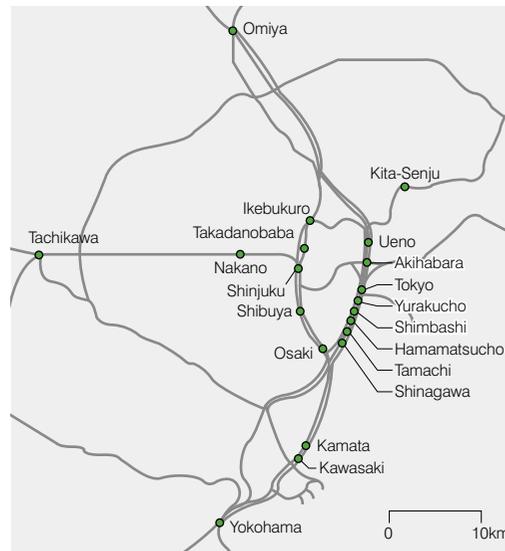
> Priority Initiatives

- Maximize the value of railway stations by creating appealing commercial spaces
- Revitalize regional industries

> Environment

Top 20 Stations with Large Daily Passenger Use

* The number of station users represents twice the number of passengers embarking.



Station	Number of Passengers per Day
1 Shinjuku	1,520,086
2 Ikebukuro	1,113,560
3 Tokyo	869,266
4 Yokohama	822,766
5 Shibuya	744,468
6 Shinagawa	722,932
7 Shimbashi	531,910
8 Omiya	500,958
9 Akihabara	487,842
10 Kita-Senju	419,988
11 Kawasaki	415,450
12 Takadanobaba	405,108
13 Ueno	363,176
14 Yurakucho	334,848
15 Tachikawa	327,806
16 Hamamatsucho	310,668
17 Osaki	309,088
18 Tamachi	297,668
19 Nakano	289,832
20 Kamata	286,544

Rediscovering the Region Project

Under the *Rediscovering the Region Project*, the JR East Group collaborates with local communities to invigorate regions by promoting the circulation of people and goods. As part of these efforts, we opened *NOMONO* shops, featuring foods grown and processed in various regions, in Ueno Station in January 2012 and in Akihabara Station in March 2014. Mainly through *NOMONO Kitchen Ikebukuro Higashiguchi*, opened in November 2015, and *NOMONO Izakaya Kayojiji*, opened in January 2016, we offer dishes featuring regional and seasonal ingredients and emphasize food culture.

The JR East Group will help reinvigorate local communities by expanding *NOMONO* as a brand that is based on regional food culture and which provides customers in the Tokyo metropolitan area with surprises, discoveries, and enjoyment.



NOMONO Izakaya Kayojiji

Ekiben

Ekiben, which are boxed lunches sold at railway stations, add flavor to a memorable railway journey by featuring recommended or popular dishes unique to each season or region. Opened in August 2012, *the Ekibenya Matsuri* in Tokyo Station has a lineup of approximately 170 varieties of *ekiben* sold in stations throughout Japan. Also, *the Ekibenya Matsuri* has gained popularity for its two demonstration booths where cooks prepare and sell fresh *ekiben*.

Further, as part of efforts to take on new business areas, we held special events in Singapore and Taiwan to promote sales of *ekiben*. Also, in March 2016, we opened a store, *EKIBEN*, which sold *ekiben* for a limited period at Paris-Gare de Lyon Station, in France. By providing traditional Japanese *ekiben* and original *Paris-Gare de Lyon Bento*, the store introduced customers to *makunouchi orizuru bento*, a popular part of Japan's food culture for more than a century.

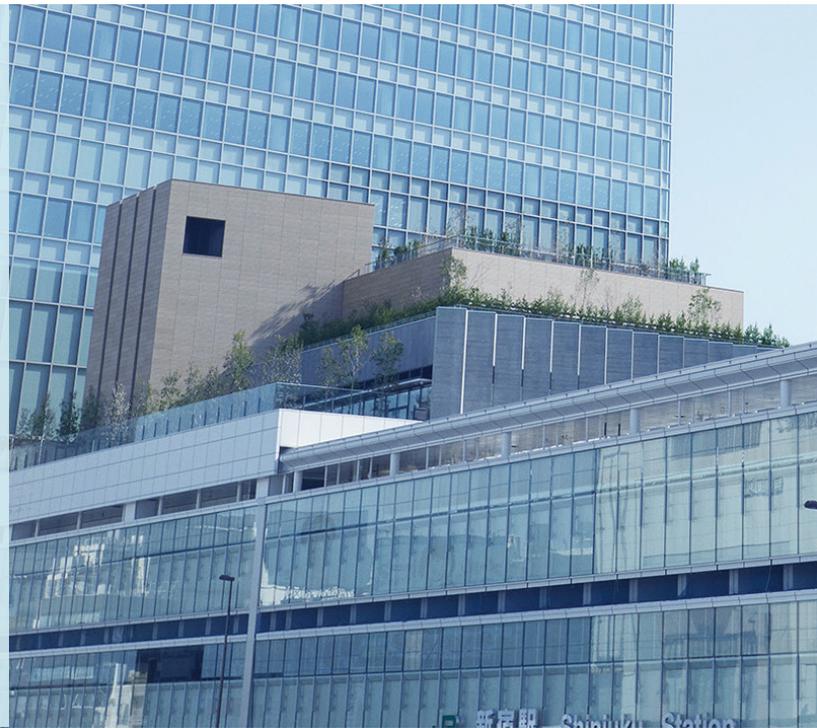


EKIBEN, our store at Paris-Gare de Lyon Station

Non-Transportation > Shopping Centers & Office Buildings

Fiscal 2016 Summary

In the Shopping Centers & Office Buildings segment, with a view to strengthening store development capabilities and realizing regionally rooted management, the JR East Group placed three subsidiaries responsible for managing station buildings in the northern Kanto area under the control of subsidiary *atré Co., Ltd.*, in April 2015. Further, the JR East Group launched *JRE POINT* as a common Groupwide service in February 2016. Also, following its opening of *atré URAWA* (Saitama) in November 2015 and *tekute Nagamachi* (Miyagi) in December 2015, JR East opened the *JR SHINJUKU MIRAINA TOWER* (Tokyo), phase 1 of *NEWoMan* (Tokyo), and *S-PAL Sendai East Building* (Miyagi) in March 2016. In addition, the JR East Group opened *nonowa Kunitachi EAST* (Tokyo) in April 2015 and opened *nonowa Musashikoganei WEST* (Tokyo) in December 2015. At the same time, we prepared to open *nonowa Kunitachi WEST* (Tokyo) and *atré Ebisu west building* (Tokyo) in April 2016. Also, we proceeded with the construction of *JEBL Akihabara Square* (Tokyo), scheduled for completion in August 2016; phase 1 of the *Shibuya Station Area Development Plan* (East Bldg.), scheduled for completion in fiscal 2020; and the *Yokohama Station West Exit Station Building Plan* (provisional name), scheduled to open in 2020.



Opening of JR SHINJUKU MIRAINA TOWER and NEWoMan

March 2016 saw the completion of Shinjuku's new landmark: JR SHINJUKU MIRAINA TOWER. Approximately 170 meters high, the new multipurpose building is located on the former site of Shinjuku Station's New South Exit station building. The tower's 5th to 32nd floors comprise offices. Meanwhile, the commercial facility *NEWoMan* occupies six of the tower's floors; one floor of Shinjuku Station's New South Exit concourse, and three floors of an elevated structure above the train tracks, including the roof. We plan to create an integrated multipurpose facility that includes stores and a host of other amenities, such as the culture-creating space *LUMINE ZERO*, a clinic including a gynecology department, a nursery facility, an outdoor plaza, and a rooftop garden. A further aim is to develop and manage facilities with town development in mind. To this end, we will unify the designs of facilities near the Shinjuku Station and develop its environs.



NEWoMan

nonowa

Established in December 2010, JR Chuo Line Mall Co., Ltd., leads the *Chuo Line Mall Project*, tasked with heightening the line-side value of the Chuo Line. Currently, the project is developing the area between Mitaka and Tachikawa based on the concept of "green × people × linking towns." For the JR East Group, the project represents a completely new, highly significant mission: fostering an overall brand that establishes the line-side area as a desirable residential zone while advancing painstaking collaborations with local communities.

Approaching development, railway station operations, and commercial facility management in an integrated manner, we will work with store owners' associations, commerce and industry associations, and other stakeholders living and working near railway stations to develop prosperous regions and develop sales areas, railway stations, and communities that generate regional value.



nonowa Kunitachi EAST

> Numbers

JR East's shopping centers:

159

(as of March 31, 2016)

Shopping centers

Total floor space:

2,250,000 m²

(as of March 31, 2016)

Office buildings

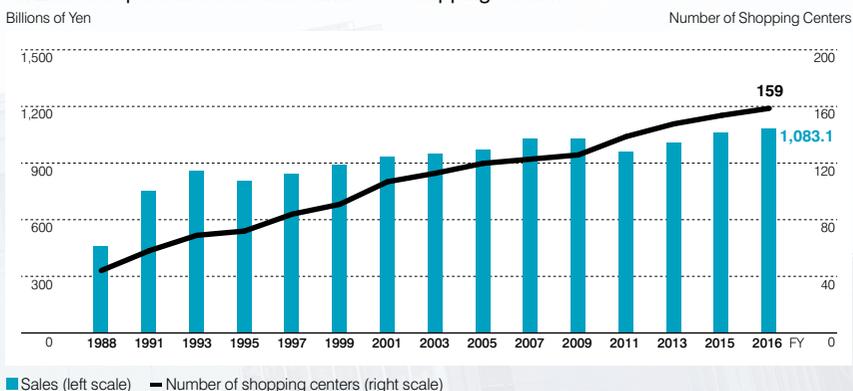
Leased floor space:

340,000 m²

(as of March 31, 2016)

> Environment

JR East Group's Sales from and Number of Shopping Centers



> Priority Initiatives

- Develop large-scale terminal stations
- Create desirable line-side area brands

Major Projects Going Forward

Chiba Station

Elevating the station concourse and station buildings from the first floor to a third-floor area above the tracks will create an open, easy-to-understand concourse. Furthermore, we will help reinvigorate the area surrounding Chiba Station by reconstructing station buildings, integrating development of the railway station and commercial facilities, and providing access via a pedestrian deck.

Shibuya Station

We aim to make Shibuya Station easier to use by creating a single platform for all services on the Yamanote Line; moving the Saikyo Line platform, currently on the south side of the railway station, to a location parallel with the new Yamanote Line platform; widening the station

concourse; and establishing barrier-free facilities. Furthermore, we will undertake integrated development of the railway station and city block and jointly construct three buildings with Tokyu Corporation and Tokyo Metro Co., Ltd.

Yokohama Station

In fiscal 2016, we began work on a station-front tower on the west side of Yokohama Station that will concentrate commercial and office facilities in one area. At the same time, this project will expand and improve the pedestrian network to form routes facilitating movement between railway lines and the surrounding facilities. Also, the plan will reflect environmental and disaster-prevention requirements by incorporating progressive environmental initiatives and establishing a disaster management center and integrated regional base for disaster preparedness.

	Opening	Total Floor Space (m ²)			
		Offices (m ²)	Commercial (m ²)	Hotel (Rooms)	
Sendai Station East Exit Development	Spring 2017	Approx. 14,000	—	—	Approx. 280
Marunouchi underground area of Tokyo Station	Summer 2017	Approx. 19,000	—	Approx. 4,100	—
Main building and facilities of Chiba Station	around November 2016 - summer 2018 and beyond	Approx. 73,800	—	Approx. 57,400	—
Shibuya Station Development (Joint development)	(East Tower) FY2020	Approx. 276,000	(Leased floor) Approx. 73,000	(Store space) Approx. 70,000	—
	(Central & West Tower) FY2028	Approx. 181,000	(East Tower) Approx. 73,000	(East Tower) Approx. 30,000	—
Development of area in and around north passage of Tokyo Station	2020	Approx. 8,900	—	Approx. 6,300	—
Yokohama Station West Exit Station Development Building (Provisional name)	2020	Approx. 122,000	Approx. 28,000	Approx. 70,000	—
Shinagawa Development Project		Area for development : Approx. 130,000 m ²			



Image of the plaza in front of Yokohama Station's west exit

Fiscal 2016 Summary

In *Suica* operations, JR East began mutual usage of *Suica* with the Sendai City Transportation Bureau's *icsca* card in the Sendai area in March 2016. From December 14, 2015, to heighten the convenience of *Suica* further, JR East began *Mobile Suica* services for SIM-free handsets*1 that are compatible with the services of MVNO*2. The 10th anniversary of the launch of *Mobile Suica* services was in January 2016.

*1 SIM-free handsets are mobile phone handsets that allow users to insert and use a SIM (subscriber identity module) card of their choice.
 *2 An MVNO (mobile virtual network operator) is a communications services provider that uses the network of a major mobile phone company.



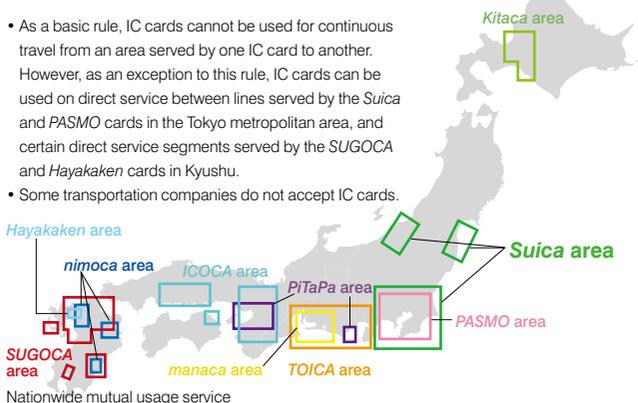
Suica Usage Area

JR East introduced *Suica* as a prepaid fare collection system based on IC cards in November 2001 and launched *Suica* electronic money services in March 2004. The *Suica* card's convenience has earned it strong customer support. Customers can use the card to make purchases from beverage vending machines and at stores inside as well as outside railway stations.

As for the *Suica* usage area, efforts to improve customer convenience culminated in the launch of a nationwide mutual service network linking 10 public transportation IC cards*3 in March 2013. To make this network possible, transportation companies abandoned bilateral agreements on mutual usage in favor of a blanket approach. Today, travelers can use *Suica*, or any one of the IC public transportation cards, for most train and bus services—and some other modes of public transportation—in almost every major city in Japan. *Suica* was usable at approximately 4,670 railway stations and for approximately 28,000 bus services nationwide as of March 31, 2016.

*3. *Kitaca*, *PASMO*, *Suica*, *manaca*, *TOICA*, *PiTaPa*, *ICOCA*, *Hayakaken*, *nimoca*, and *SUGOCA*

- As a basic rule, IC cards cannot be used for continuous travel from an area served by one IC card to another. However, as an exception to this rule, IC cards can be used on direct service between lines served by the *Suica* and *PASMO* cards in the Tokyo metropolitan area, and certain direct service segments served by the *SUGOCA* and *Hayakaken* cards in Kyushu.
- Some transportation companies do not accept IC cards.



Suica Electronic Money

Since launching *Suica* electronic money in March 2004, JR East has been expanding business partnerships for the card with the aim of popularizing its usage in a wide variety of settings. We have extended the card's usability beyond in-station stores and vending machines to include convenience stores, shopping centers, and mass retailers of electronics and home appliances outside railway stations. In addition, JR East is broadening *Suica*'s usage environment to include various other aspects of daily life, such as online shopping, domestic in-flight shopping, home video game consoles, and gas stations.

As a result of these efforts, usage of *Suica* electronic money has grown continually. As of March 31, 2016, *Suica* was usable at approximately 342,600 stores, and the record for daily transactions for public transportation electronic money reached approximately 5.2 million. The target record for daily transactions for public transportation electronic money is eight million by fiscal 2021.



Using *Suica* electronic money at a vending machine

>Numbers

Suica cards issued:

59.2 million

(as of March 31, 2016)

Public transportation electronic money, record daily transactions:

5.2 million (Highest ever)

(as of March 31, 2016)

Public transportation electronic money, compatible stores:

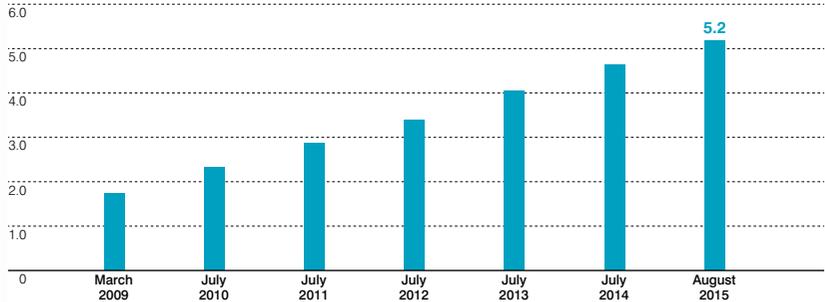
342,600

(as of March 31, 2016)

>Environment

Record Daily Transaction Volume of Public Transportation Electronic Money Cards*1

Million Transactions



*1 Comprising Kitaca, PASMO, Suica, manaca, TOICA, ICOCA, Hayakaken, nimoca, and SUGOCA

>Priority Initiatives

- Enhance convenience as IC railway ticket
- Promote further growth in electronic money business

Mobile Suica

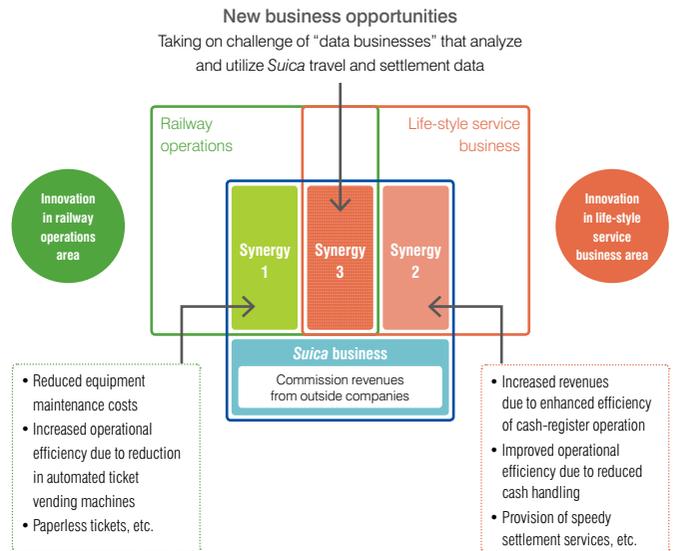
An evolved version of *Suica* that uses the telecommunications and display functions of mobile phone handsets, *Mobile Suica* was launched in January 28, 2006. By using a pre-registered credit card to add credit to their mobile phone handsets, customers can use them as *Suica* cards to pay for railway services or purchase goods. In addition, *Mobile Suica* caters to customers' needs by enabling the purchase of a wide range of tickets and services. These include commuter passes; a *Suica Green* ticket; *EASY Mobile Suica*, for which credit card registration is not required; *Mobile Suica* limited express tickets, which enable ticketless use of the Hokkaido, Tohoku, Yamagata, Akita, Joetsu, and Hokuriku Shinkansen services; and ticketless use of the Tokaido and Sanyo Shinkansen *EX-IC* services.



The *Mobile Suica* interface Using *Mobile Suica* on a smartphone

Synergies between Suica and Non-Suica Businesses

In addition to functioning as an IC railway ticket and as electronic money, *Suica* has a variety of other functions. This convenience leads to synergy benefits for JR East's non-*Suica* businesses. For example, increasing use of IC railway tickets is allowing us to remove more automated ticket vending machines, freeing up space in station concourses. Group companies use these spaces to build restaurants or stores or to install in-station *VIEW ALTE* ATMs, thereby creating new business opportunities.



Synergies between *Suica* and non-*Suica* businesses

Others > Hotel Operations

Fiscal 2016 Summary

Exploiting its network, the JR East Group operates various hotels, ranging from city hotels near railway stations through to relaxing hotels surrounded by nature. The Group plans to continue development initiatives that take full advantage of its management resources.

> Numbers

Hotels: **45** **Guest rooms:** **6,687**

(as of March 31, 2016)

Metropolitan Hotels occupancy:

82.5% (as of March 31, 2016)

HOTEL METS occupancy:

82.6% (as of March 31, 2016)

The Tokyo Station Hotel

First opened in 1915, *The Tokyo Station Hotel* suspended operations in March 2006 while Tokyo Station Marunouchi Building underwent restoration. The hotel reopened in October 2012 as a unique leading-edge facility housed in the historically restored splendor of the station building, designated as an Important Cultural Property of Japan. Occupying two basement floors and four above-ground floors, the hotel has a floor area of 20,800 m² and 150 guest rooms.

HOTEL METS: Accommodation-Based Hotels Providing Comfortable Environments

Near railway stations and used mainly for accommodation, *HOTEL METS* hotels are ideal bases for business or tourism. These new-type business hotels have become popular by offering comfortable, reasonably priced rooms with facilities comparable with those of city hotels. Aiming to strengthen the competitiveness of existing hotels, the JR East Group renewed *HOTEL METS Musashisakai* (Tokyo), *HOTEL METS Nagaoka* (Niigata), *HOTEL METS Mizonokuchi* (Kanagawa), and *HOTEL METS Urawa* (Saitama).



Guestroom in *The Tokyo Station Hotel*

Others > Credit Card Business

View Card

In April 2015, Viewcard Co., Ltd., began soliciting applications for the JR East Group's first gold credit card, *View Gold Plus Card*. The credit card is designed to make day-to-day life more convenient by being highly useful. Customers can use it to pay for daily travel on railways in the JR East Group's service area and a range of services in railway stations. Moreover, *View Gold Plus Card* offers benefits not only to card holders but also their family members.

Further, we opened the *View Gold Lounge* on the first floor of *GranRoof* at Tokyo Station's Yaesu Central Exit in December 2015. *View Gold Plus Card* members riding in the *Green Cars* of Shinkansen or limited express services departing from Tokyo Station and customers riding in the *GranClass* railcars of Shinkansen services departing from Tokyo Station can use the lounge free of charge. It offers beverages, light snacks, and other services before departure on the day of travel.



View Gold Plus Card



View Gold Lounge

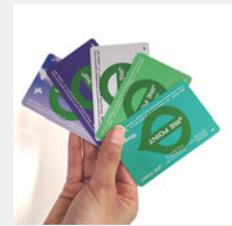
Column 1 JRE POINT

To promote cohesive Group management in accordance with “JR East Group Management Vision V—Ever Onward,” we have launched *JRE POINT* as a common Groupwide points service. Our goal is to establish a service that makes points easy to save and use.

To this end, the JR East Group made *JRE POINT* the common points service for the points services of *atré*, *Boxhill*, *GRANDUO*, *Shapo*, and *TERMINA* on February 23, 2016. The next step will be to incorporate the points services of other station buildings into *JRE POINT*. Ultimately, plans call for unification of *View Thanks Point* and *Suica Point* with *JRE POINT*.



JRE POINT Logo



JRE POINT Card

Service Details

Collect Points at a Range of Different Station Buildings!

Customers receive one point for every ¥100* spent on goods, food, and other items at *JRE POINT*-affiliated station buildings. Points are easy to save because saved points automatically become valid for a further two years each time customers use points.

* Not including tax

Website: <http://www.jrepoint.jp/> (in Japan)

1 Point = ¥ 1 !

When shopping at *JRE POINT*-affiliated station buildings, one *JRE POINT* is worth ¥1. Also, customers can exchange points for railway-related products.

Customers Can Check Points Anytime!

Customers can use the *JRE POINT* website to check their point balance or history and campaign information. In addition, we will use the website to inform customers about *JRE POINT*.

Column 2 JR East Dynamic Rail Pack

JR East Dynamic Rail Pack is a variable-price travel product that allows customers to combine Shinkansen or limited express services within the JR East Group's service area and hotels. Prices of train services and accommodation vary depending on when customers buy them, the season they travel in, and demand trends. Through the *JR East Dynamic Rail Pack* website, customers are free to choose and buy products suited to their plans and aims. Further, individual customers can buy the travel product.



JR East Dynamic Rail Pack (rendered image)

Website:

eki-net, in JR East domestic tours section under *JR East Dynamic Rail Pack*

Personal computers: <http://www.eki-net.com/travel/>

Smartphones: <http://www.eki-net.com/travel/sp/>

Business hours: 5:30 a.m.–11:40 p.m., year round

Train services included:

Shinkansen services and main limited express services on conventional lines in JR East's service area

Note: Hokuriku Shinkansen services (in JR West's service area beyond Joetsumiyoko Station), Tokaido Shinkansen services, limited express services between JR East's service area and those of other railway operators, and certain limited express direct services between JR East's service area and those of private railway operators are not included.

