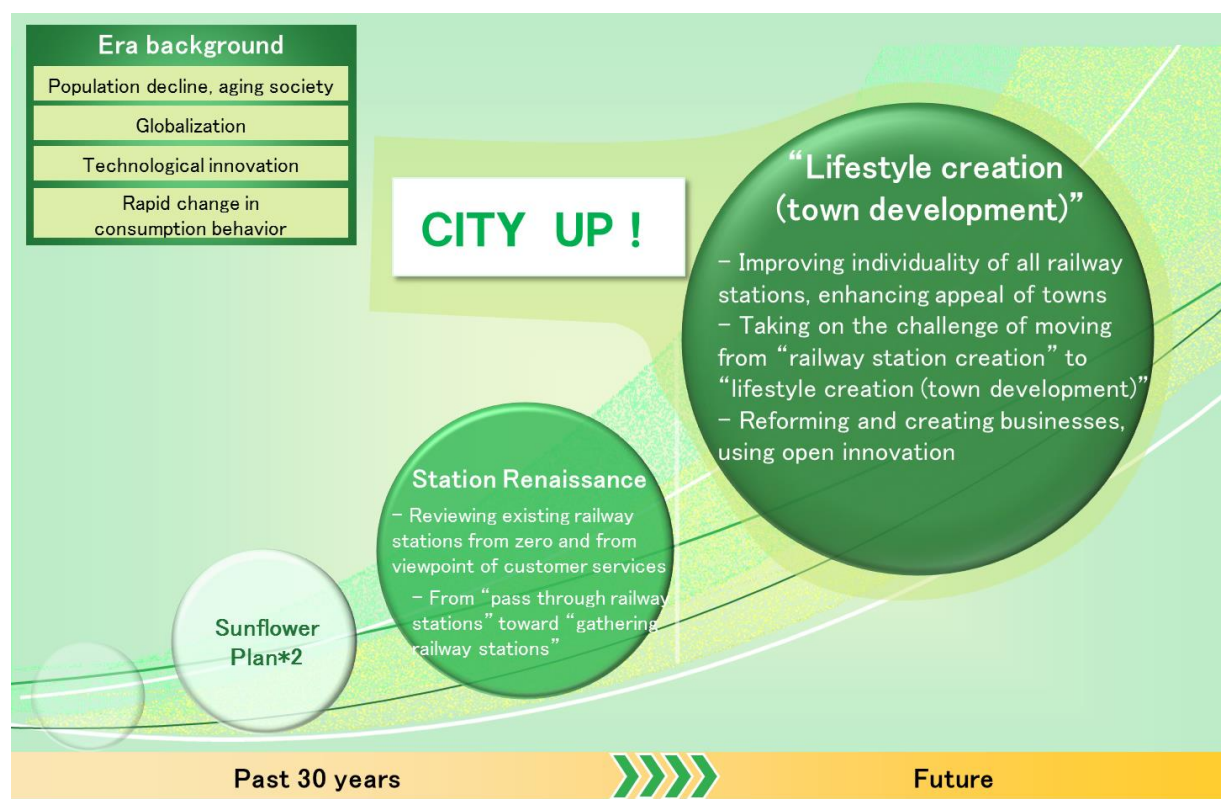


“Life-Style Service Business Growth Vision (NEXT10)”

Established 30 years ago, the JR East Group aims to be a corporate group that energizes regions, energizes Japan, and continues growing beyond 2020 under the “TICKET TO TOMORROW*¹” slogan. Therefore, with a view to further accelerating the provision of high-quality services that repay the trust of customers and meet their expectations, with its sights set on the coming 10 years, the JR East Group has established “Life-Style Service Business Growth Vision (NEXT10).”

Summary of “Life-Style Service Business Growth Vision (NEXT10)”

- Until now, the JR East Group has conducted “businesses centered on railway stations.” Going forward, the JR East Group will improve established businesses while taking on the challenge of “lifestyle creation (town development)” and reforming and creating businesses.
- The JR East Group will realize long-term growth based on “four pillars”: *NOBIRU* (Grow), *HIRAKU* (Pioneer), *TSUNAGU* (Connect), and *MIGAKU* (Improve).
- The JR East Group has established “CITY UP!” as the slogan accompanying “Life-Style Service Business Growth Vision (NEXT10).”
- As numerical targets for the life-style service business, the JR East Group aims to increase operating revenues and operating income by approximately 1.5 times in Fiscal 2027 versus consolidated results in Fiscal 2017.

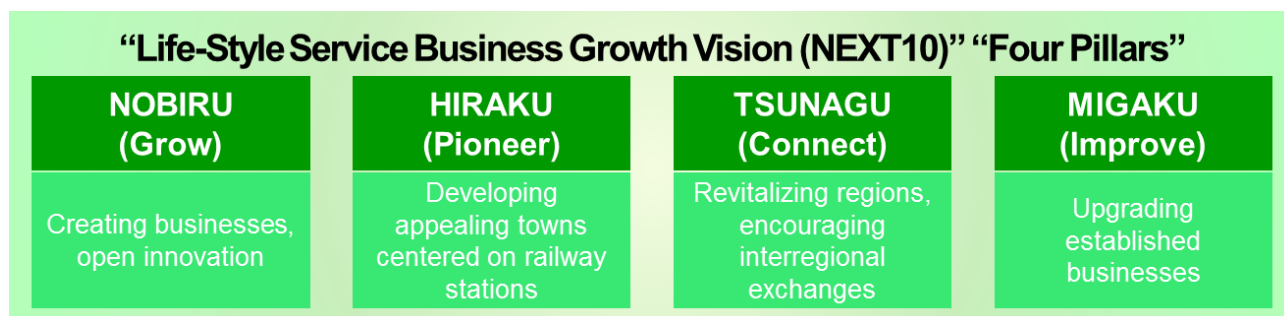
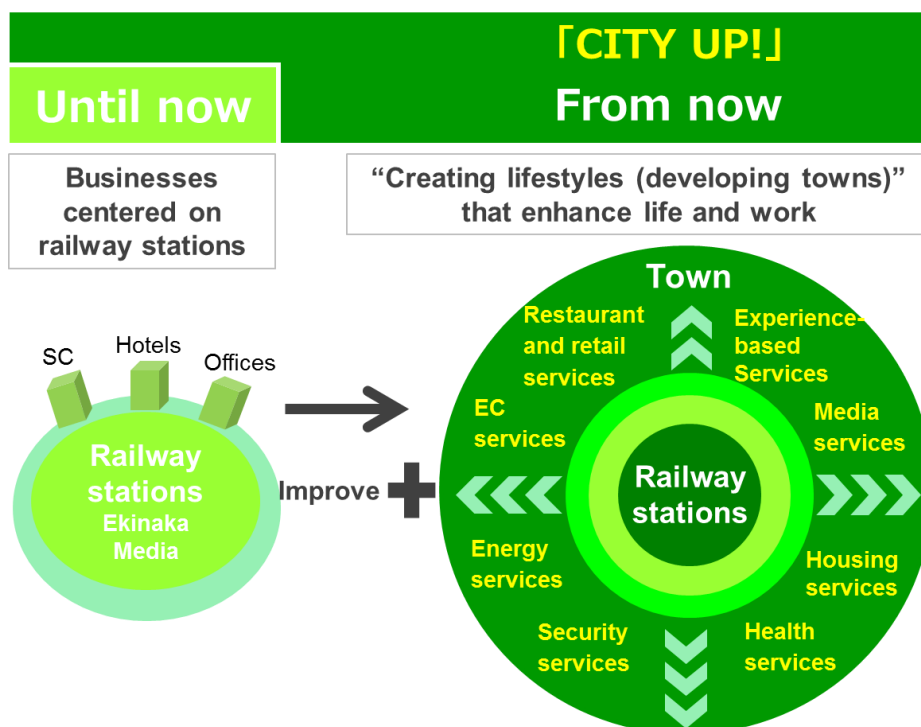


*1. This is the JR East Group's communication slogan. Under this slogan, the JR East Group aims to make concerted efforts to provide high-quality services in all business fields and to meet customers' expectations and leave a legacy for society beyond 2020.

*2. This is a plan that entails creating space generally of at least 100 square meters and advancing the development of such businesses as stores and restaurants at railway stations that are used by 30,000 or more passengers per day.

1. Target Profile of “Life-Style Service Business Growth Vision (NEXT10)”

To continue growing in tough business conditions, the JR East Group will improve established businesses while taking on new challenges based on “four pillars.” In addition to improving the individuality of railway stations and enhancing the appeal of towns, the JR East Group will reform and create businesses.



2. Slogan and Logo Design of “Life-Style Service Business Growth Vision (NEXT10)”

From railway stations, from towns,
let's build the future.

CITY UP!

Let's create individuality unique to each railway station.
This individuality will in time become part of a town's appeal.
An increase in appealing railway stations will bring smiles to the
faces of local residents.
These smiles will add value throughout Japan.

Logo design meaning

Based on the image of
growing into the future with
railways and of towns that
harmoniously combine
homes, buildings, trees, etc.

Slogan

Logo design

3. The “Four Pillars” of the Vision

NOBIRU (Grow)

The JR East Group will extend its business field into towns and into areas outside JR East’s service area and take on challenge of using technologies through collaborations with outside parties.

■Extending business field into towns and into areas outside service area



LUMINE SINGAPORE



Opening of store in Taiwan (atrè)



Sapporo Hotel (provisional name)



JEXER FITNESS & SPA Shinkawasaki

From *ekinaka* commercial spaces inside railway stations to *machinaka* areas in towns, the JR East Group will advance the development of businesses outside JR East’s service area. Further, overseas the JR East Group aims to participate in “lifestyle creation (town development)” centered on railway stations.

- Developing hotels, fitness clubs, etc., in towns and outside JR East’s service area
- Opening stores overseas through the shopping center business, developing areas within station concourses in collaboration with urban railway operators in Asia, etc.

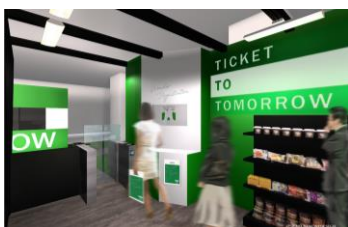
■Use of IT

The JR East Group will use *Suica* and *JRE POINT* to provide services that match the needs of each customer.

The JR East Group will expand the Internet business while promoting combination of the advantages of the Internet’s convenience with the tangibility of stores.

The JR East Group will strengthen compatibility with diversifying payment methods, including virtual currencies, etc.

■ Initiatives for new businesses



Unstaffed store (rendering)



One-stop congestion notification service (rendering)



The JR East start-up program

Through the JR East start-up program and other open innovation, the JR East Group will use ideas and technologies from inside and outside the Group to realize new businesses and services.

- Conducting fields trials aimed at realizing unstaffed stores
- Providing meal management, etc., through apps and providing health-care services
- Providing one-stop congestion notification service at *ekinaka* stores and JR ticket offices (Midori-no-madoguchi) that uses image recognition technology, etc.

HIRAKU (Pioneer)

Extending its field to areas around railway stations, the JR East Group will advance development plans based on an awareness of “lifestyle creation” that includes homes.

■Development of large-scale terminal stations, plans for development of large-scale multipurpose towns



Development of Tokyo Station *ekinaka*

(development of area in and around north passage of Tokyo Station)



Development of
Yokohama Station
West Exit
Station Building



Development of
Takeshiba Waterfront

The JR East Group will work with local communities to implement town development that heightens the appeal of towns. The JR East Group will heighten the value of towns by developing multipurpose facilities that include commercial facilities, offices, and hotels and serve as hubs for culture and the arts.

- Development of Tokyo Station *ekinaka* (development of area in and around north passage of Tokyo Station)
- Development of Yokohama Station West Exit Station Building, development of Takeshiba Waterfront, development of area around Chiba Station, development of Shibuya Station, etc.

■Development of former Shinagawa depot



Rendering of “Global Gateway Shinagawa”

The JR East Group will proceed with considerations focused on the development of “Global Gateway Shinagawa,” as a town where progressive companies and personnel from around the world gather and which encourages diverse exchanges that give rise to new businesses and culture. The JR East Group plans the interim opening of Shinagawa New Station (provisional name) in spring 2020 and the opening of the town around 2024.

■Enhancement of line-side value



mamorail automatic ticket
gate passage notification



COTONIOR Garden Shinkawasaki facility
for exchanges among multiple generations



Rental housing that
supports child rearing (Mitaka)

Through new services that it is uniquely qualified to provide, the JR East Group will advance the creation of line-side areas that enhance life and work.

- Station one-stop services (medical facilities, delivery lockers, etc.)
- Automatic ticket gate one-touch services (automatic ticket gate passage notification, etc.)
- Housing services “purpose-built rental housing” (child rearing support, nursing care support, students from overseas support, etc.)

* The JR East Group aims to have 3,000 rental homes under management by Fiscal 2027.

TSUNAGU (Connect)

The JR East Group will promote interregional exchanges through town development centered on core regional cities and revitalize local industries.

■ Revitalization of core regional cities in partnership with local communities

In addition to advancing town development centered on railway stations as the “faces” of regions, the JR East Group will conduct revitalization that leverages regions’ characteristics.



Northern Station Gate Akita

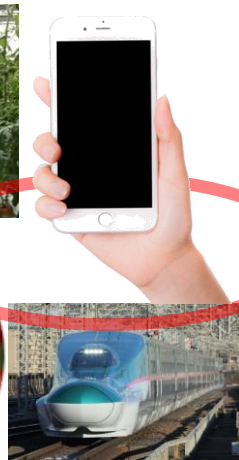


Tsuchiura Station Cycling Center

- Development of area around Akita Station (Northern Station Gate Akita)
- Establishment of Tsuchiura Station Cycling Center
- Niigata Station development plan, Matsumoto Station development plan, Aomori Station development plan, etc.

■ Initiatives to heighten the appeal of regions

The JR East Group will redouble efforts to revitalize regions and use the Group’s networks while integrating them with advance technologies.



Vegetables, seafood, etc. Internet reservation +
Railway station collection service (rendering)



Morning Pick Shinkansen Marché (rendering)



AOYA (direct seller of agricultural produce and restaurant, Sendai)

- Building networks with regional producers, implementing “Internet reservation + Tokyo metropolitan area railway station collection” service for vegetables, seafood, etc.
- Using new transportation scheme that uses Shinkansen, etc., to develop “direct-from-the-producer *marché*,” etc., with freshness as selling point
- Providing support for increasing labor shortages and aging in the agricultural industry by expanding agriculture that uses robots and IoT
- Implementing guidance matching service in Tohoku area, etc., for visitors to Japan and Japanese people interested in international exchanges
- Expanding secondary transportation that uses car sharing or ride sharing, etc.

MIGAKU (Improve)

The JR East Group will heighten the value of established businesses by upgrading services that it provides centered on railway stations.

■Creation of world-class, appealing “Tokyo VALUE”

Using as a starting point the Yamanote Line, which symbolizes the international city of Tokyo, the JR East Group will create and publicize worldwide “Tokyo VALUE” that represents a new, forward-looking urban lifestyle. Further, the JR East Group will develop this initiative in line-side areas of the Tokyo metropolitan area other than those of the Yamanote Line and generate excitement in Tokyo and in respective regions.



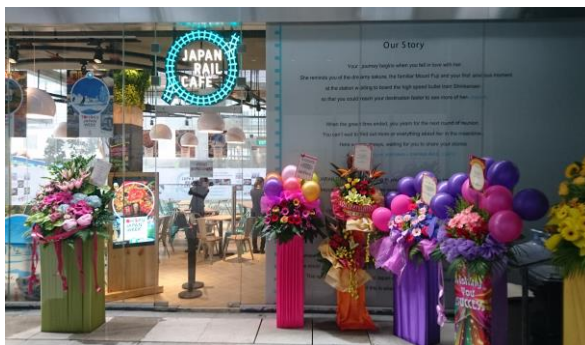
Rendering of the Creation of “Tokyo VALUE”

- Implementing new communication in which artists, etc., communicate through designs, SNS, etc., the appeal of Tokyo that they have discovered through their own experiences
- Creating railway stations that leverage the nature, culture, history, etc., of respective railway stations and their surrounding areas, implementing initiatives that encourages pride in towns

■Measures for visitors to Japan



Baggage storage online reservation (rendering)



JAPAN RAIL CAFE (Singapore)

The JR East Group will enhance services for the increasing numbers of visitors to Japan, take measures to send passengers to the Tohoku and Joshinetsu areas, and strengthen initiatives to distribute information overseas.

- Offering baggage storage online reservation service aimed at realizing hands-free tourism
- Opening JAPAN RAIL CAFE, which opened in Singapore as a center for visitors to Japan, in multiple countries

■Strengthening of the Group’s collective power

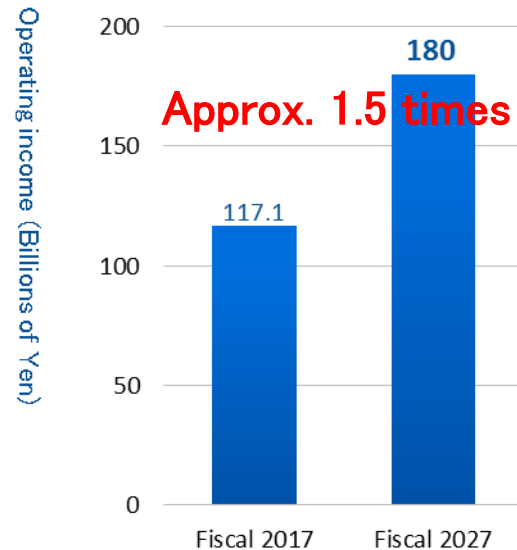
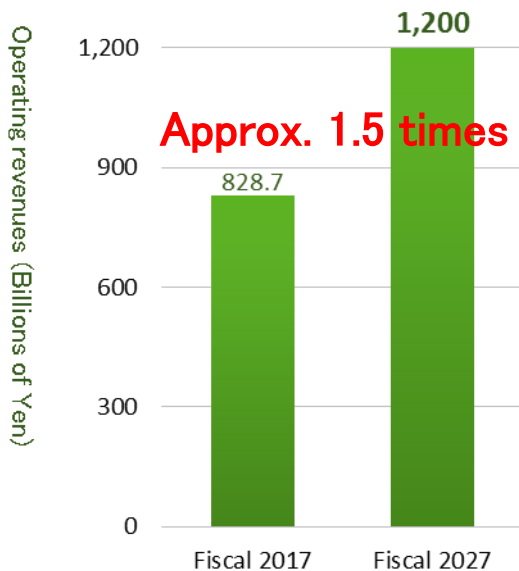
The JR East Group will secure the investment capacity of respective Group companies and heighten competitiveness in markets. As a result, the JR East Group will encourage the introduction of new services and the enhancement of service levels and strengthen the Group’s collective power.

- Reorganizing Group companies that help maximize the value of railway stations
- Revising rent system within the Group
- Enhancing the appeal of railway stations through advancement of *ekinaka* renewal

4. Numerical Targets

As numerical targets for the life-style service business, the JR East Group aims to increase operating revenues and operating income by approximately 1.5 times in fiscal 2027 versus consolidated results in fiscal 2017.

- Fiscal 2027 life-style service business operating revenues: ¥1,200 billion (up 1.5 times versus fiscal 2017)
- Fiscal 2027 life-style service business operating income: ¥180 billion (up 1.5 times versus fiscal 2017)



(Reference) Revision of Criteria for Investment Decisions

With a view to realization of “Life-Style Service Business Growth Vision (NEXT10),” the JR East Group will revise criteria for investment decisions.

- Change investment decision index from NPV (net present value) to IRR (internal rate of return)
- Change residual value at end of periods of investment decisions from remaining book value of buildings, etc. to terminal value

Through these revisions, the JR East Group will proactively advance new investment and increase operating cash flows. At the same time, the JR East Group will advance “lifestyle creation (town development)” centered on railway stations while stepping up initiatives to revitalize regions.