

FY2020.3 Capital Expenditure Plan

East Japan Railway Company (JR East) today announced the formulation of its FY2020.3 capital expenditure plan. With the aim of realizing the JR East Group Management Vision “Move Up” 2027, JR East will increase the safety and reliability of transportation through investment needed for the continuous operation of business, conduct well-modulated growth investment that enhances earning power, and proceed steadily and flexibly with priority budget allocation that contributes to work reform and working style reform.

Planned consolidated capital expenditure for FY2020.3 is ¥768.0 billion, an increase of approximately ¥138.0 billion from capital expenditure in FY2019.3, and planned non-consolidated capital expenditure for FY2020.3 is ¥613.0 billion, an increase of approximately ¥104.0 billion from capital expenditure in FY2019.3

○ Major capital expenditure

- JR East will proceed with the installation of automatic platform gates to enhance the safety of railway station platforms, and we will begin using automatic platform gates at Shimbashi Station and Hamamatsucho Station (Yamanote Line), and Kawaguchi Station, Yokohama Station, Shimbashi Station, Warabi Station, etc. (Keihin-Tohoku Line). Furthermore, we will introduce “Smart” Automatic Platform Gate ®*1 at Warabi Station.
*1 “Smart” Automatic Platform Gate is a registered trademark of JR East Mechatronics Co., Ltd.
- JR East will steadily advance safety measures, including measures to protect against major earthquakes and measures to prevent railway crossing accidents, while steadily implementing transportation reliability measures, such as the strengthening of electric facilities in the Tokyo metropolitan area and the renewal of aging facilities.
- JR East will continue enhancing the security of such facets of railway operations as railway stations, the insides of trains, railcar storage locations, electrical facilities, and track-side areas through measures that include increasing the installation of security cameras within railcars and installing intrusion prevention fences.
- JR East will continue introducing Series E7 Shinkansen railcars to the Joetsu Shinkansen Line and introduce Series GV-E400 diesel-electric railcars to regional areas. Further, JR East will produce new buses.

- JR East will proactively implement technological innovation measures, such as track monitoring systems, and aim to increase productivity and achieve working style reform by realizing work innovation.
- In preparation for the holding of the Tokyo 2020 Olympic and Paralympic Games, JR East will proceed with the upgrading of such railway station facilities as elevators, toilets, and guidance displays and signage, mainly focusing on railway stations near competition venues.
- With respect to line segments of the Joban Line on which operations have been suspended due to damage caused by the Great East Japan Earthquake, JR East will continue implementing work with a view to resuming operations by March 31, 2020.
- JR East will proceed steadily with construction with the aim of opening Takanawa Gateway Station (spring 2020). At the same time, JR East will proceed with the development of large-scale terminal stations, including Shinagawa, Shibuya, Yokohama, and Tokyo stations and proceed with plans for the development of *WATERS takeshiba* and other large-scale multipurpose towns.
- JR East will proceed with the Sendai Station East Exit office development and the Niigata Station underpass development, pursue initiatives such as the development of a regionally linked IC card, develop the appeal of core regional cities, and prepare to expand the introduction of IC cards to modes of public transportation in regions.
- In addition to HOTEL METROPOLITAN KAMAKURA (opening in March 2020), JR-EAST HOTEL METS AKIHABARA (opening in October 2019), and JR-EAST HOTEL METS TOKYO BAY SHINKIBA (opening in November 2019), JR East aims to enhance the value of line-side areas through the development of childcare support facilities and such measures as the renewal of station buildings and in-station stores.
- JR East will proceed steadily with construction with the aim of opening a direct Sotetsu-JR line (November 30, 2019). Further, JR East will introduce a new limited express train for tourists to the Izu area (spring 2020) and aims to enhance convenience for customers and enhance the value of line-side areas.
- With the aim of realizing next-generation MaaS travel services that enable seamless traveling, JR East will provide more information through the JR EAST APP while proceeding with verification tests of Ringo Pass*2, tourism-type MaaS, and other services.

*2 *Ringo Pass* is an application for which verification tests are currently being conducted. Registering *Suica* or a credit card with the application enables it to be used to pay for secondary transportation or to identify the user.

- JR East will continue establishing facilities that extend the scope of female employees' work. At the same time, JR East will enhance employees' job satisfaction and advance work reform through such measures as the improvement of workplace environments and the development of dormitories.

○ Amount of capital expenditure

FY2020.3 Amount of capital expenditure (consolidated)

(¥ billion)

	FY2020.3 plan	FY2019.3 results
Transportation services	515.0	432.3
Lifestyle services, IT & Suica services	253.0	197.6
Total	768.0	629.9

FY2020.3 Amount of capital expenditure (non-consolidated)

(¥ billion)

	FY2020.3 plan	FY2019.3 results
Total	613.0	509.4

Overview of the FY2020.3 JR East Group Capital Expenditure Plan (major items)

Trust / Safety

Pursuing ultimate safety levels and rigorous risk management and compliance

- Production of new railcars (Series GV-E400, etc.)
- Countermeasures for major earthquakes
- Installation and improvement of safety equipment for platforms (Automatic platform gates, etc.)
- Safety measures for railway crossings
- Track monitoring systems
- Smart maintenance in the electrical field
- Development of Shinkansen education and training facilities
- Security measures
- *Manufacture new buses (JR Bus Kanto Co., Ltd.)*

Service quality reform

- Upgrading of railway stations near competition venues of the Tokyo 2020 Olympic and Paralympic Games
- Development of railway station facilities (elevators, toilets, and guidance displays and signage)
- Strengthening of electrical facilities in the Tokyo metropolitan area

Contribution to local communities

- Restoration of conventional lines damaged by the Great East Japan Earthquake
- Establish station passages and elevate concourses

Prevention of global warming and diversification of energy

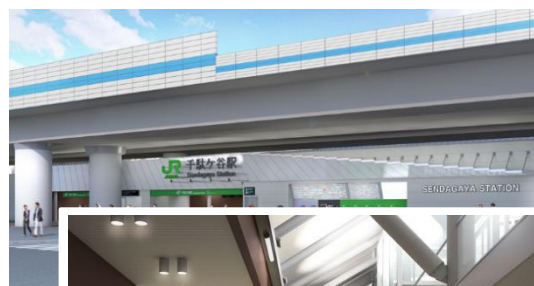
- Establishment of ecoste model stations
- Renewal of power generation facilities
- Introduction of LED lighting



Production of new railcars (Series GV-E400)



Installation of automatic platform gates



Upgrading of railway stations near competition venues of the Tokyo 2020 Olympic and Paralympic Games



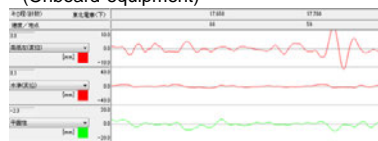
Restoration of conventional lines damaged by the Great East Japan Earthquake (Joban line)



Elevate station concourses (Hatori Station)



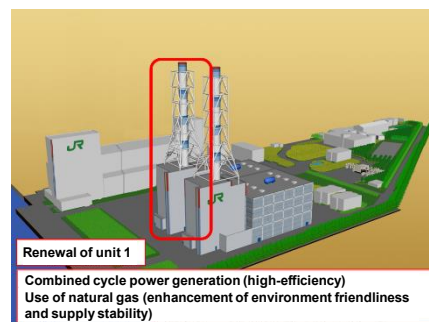
(Onboard equipment)



(Rendered image of monitoring results)
Track monitoring systems



Establishment of ecoste model stations (Nobeyama Station)



Renewal of unit 1

Combined cycle power generation (high-efficiency)
Use of natural gas (enhancement of environment friendliness and supply stability)

Renewal of power generation facilities (Kawasaki thermal power station)



Development of Shinkansen education and training facilities



Manufacture new buses (JR Bus Kanto Co., Ltd.)



Countermeasures for major earthquakes

Affluence / People's daily lives

New lifestyles and creating cities

- Shinagawa development project (phase 1)
- Construction of Takanawa Gateway Station
- WATERS takeshiba Development
- JR Yokohama Tower/JR Yokohama Tsuruya-cho Building
- Sendai Station East Exit office development
- Niigata Station underpass development
- JR Akita Gate arena (provisional name)
- **HOTEL METROPOLITAN KAMAKURA** (NIPPON HOTEL Co., Ltd.)

Realization of seamless mobility

- Direct Sotetsu-JR line
- Haneda Airport Access Line (provisional name)
- Introduction of Green Cars to Chuo Line Rapid Service

Revolutionizing transportation services /

Promoting tourism /

Revitalization of regional industries

- Manufacture limited express trains for tourists (Izu area)

Making Suica a shared infrastructure

- Shinkansen IC ticket service
- Regionally linked IC card

Introduction of new services based on analysis of data, etc.

- MaaS
- JR EAST APP
- Replacement of Eki-net system (JR East Information Systems Company)



Construction of Takanawa Gateway Station



Direct Sotetsu-JR line



Manufacture limited express trains for tourists



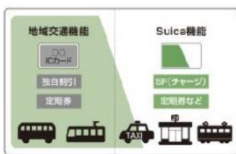
WATERS takeshiba development



Sendai Station East Exit office development



MaaS



Regionally linked IC card



Niigata Station underpass development



HOTEL METROPOLITAN KAMAKURA
(NIPPON HOTEL Co., Ltd.)

Happiness of employees and their families

Advancement of our work /

Expanding the range of fields for career development /

Exercising creativity closer to our customers

- Development of workplace environments
- Development of facilities for female employees
- Reorganization of train crew member sites
- Development of branch office buildings and dormitories



Reorganization of train crew member sites



Development of dormitories