



Development Plan of JR East

December 5, 2017

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OBJECTIVE

To introduce our Life-style Service Business which JR East is actively expanding.

AGENDA

1. Overview of JR East
2. Overview of Life-style Service Business
3. Sample Case :
Shinagawa Development Project

1. Overview of JR East

RESTRUCTURING OF JAPANESE NATIONAL RAILWAYS(JNR)



Total Debt:
More than 30B US\$

Receives subsidies from
national government

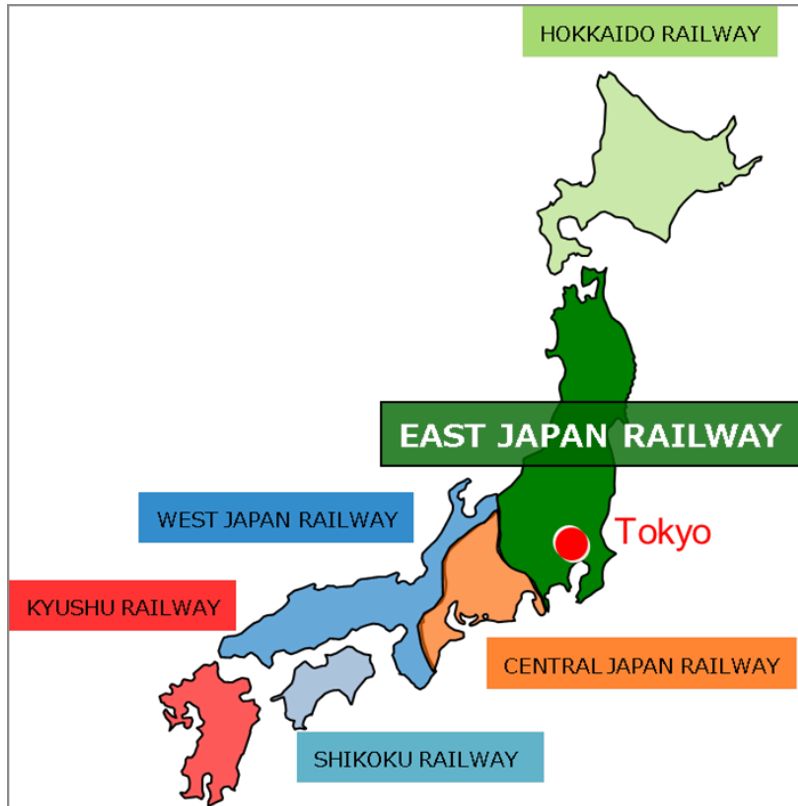
since
1987



Divided into 6 passenger companies and
1 freight company

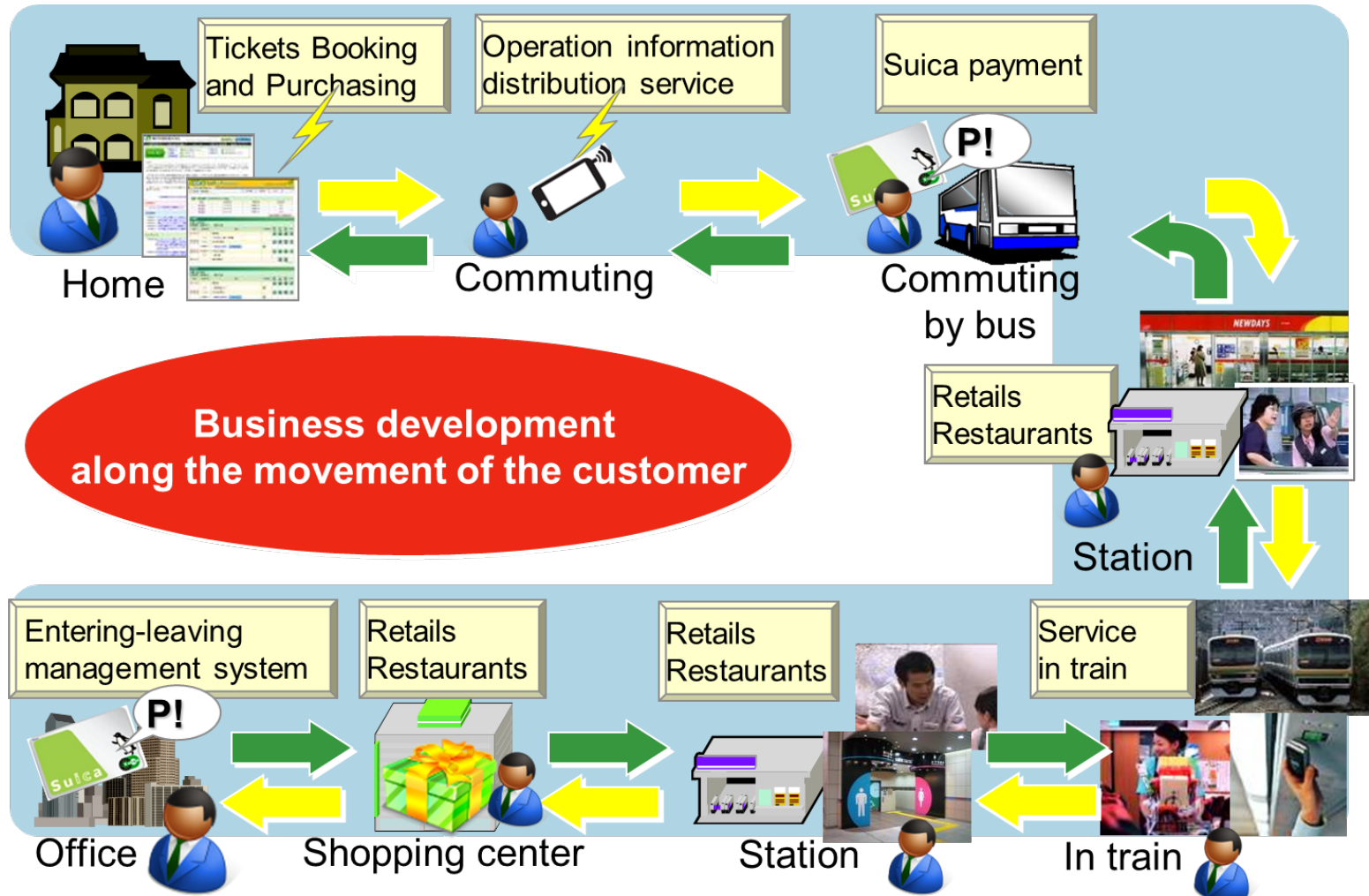
Pays tax to national and local
government

OVERVIEW OF JR EAST



- Railway network of 7,472km covering 69 routes
- Employees : Approx. 59,000
- Stations : Approx. 1,700
- Daily train frequency : Approx. 13,000 trains
- Daily passengers : Approx. 17 million

BUSINESS FLOW



THREE PILLARS



Railway Business

- Shinkansen network
- Tokyo metropolitan network



Life-style Service Business

- In station retail
- Station buildings
- Hotels etc.



Suica* / Other Business

- IC card
- Electronic money
JR East IC Card*

SEGMENT INFORMATION



Transportation

- Railway operations
- Railcar manufacturing operations



Station Space Utilization

- Retail stores
- Restaurants



Shopping Center & Office Building

- Operating and leasing Shopping Centers and Office Buildings



Others

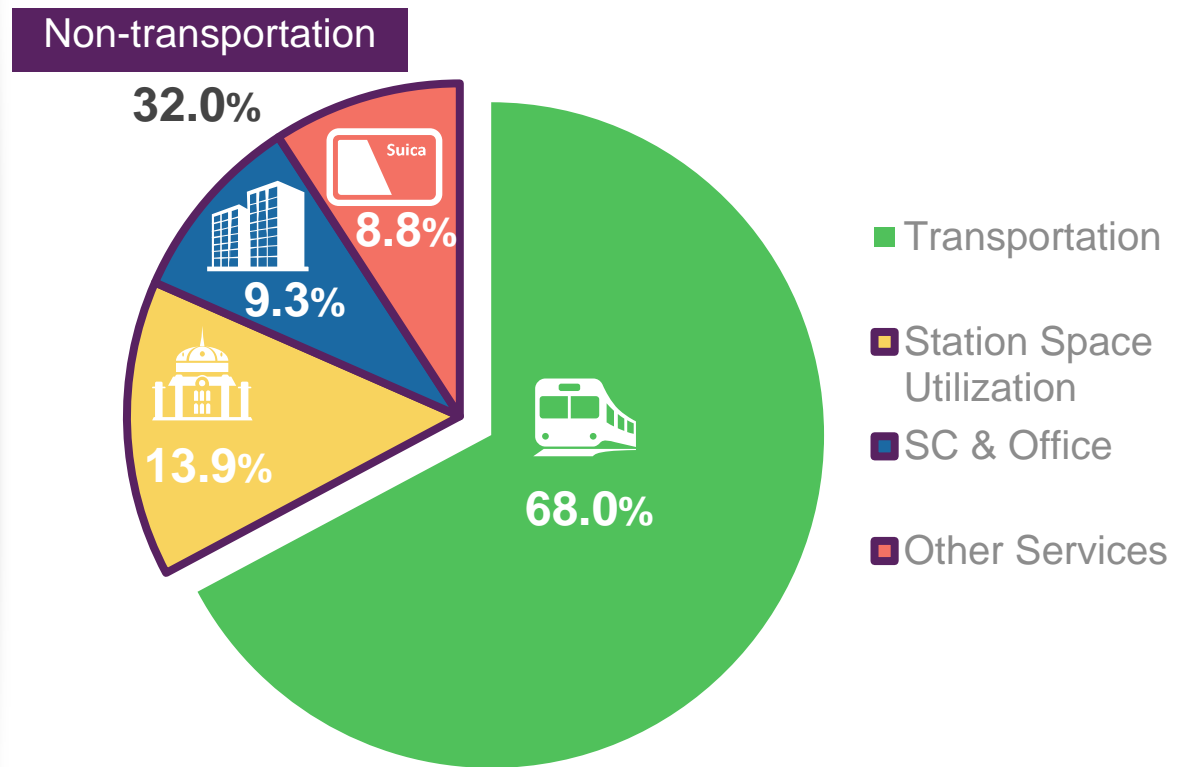
- Suica
- Hotel operations
- Advertising

FY2016* CONSOLIDATED SETTLEMENT OF ACCOUNTS

	US\$
• Transportation	17,816m
• Station Space Utilization	3,633m
• Shopping Centre (SC) & Office	2,433m
• Others	2,306m
• Total	26,189m

(FX1USD= 110 JPY)

Operating revenues



*ARP. ~MAR.

2.Overview of Life-style Service Business

WHAT ARE THE LIFE-STYLE SERVICE BUSINESSES OF JR EAST



- Owns property around stations and railroads.
- Develops properties already owned by JR East.
- Operates JR East Life-style service Businesses.

MAJOR AREAS OF BUSINESS



Retail & Restaurant
Approx. 2,120 stores



In-Station SC
24 zones



Shopping Centers
159 SCs



Hotels
45 hotels



Office Buildings
33 Buildings



Advertising

RADICAL REVISION OF STATIONS "STATION RENAISSANCE"

Stations manage 17 million passengers per day



JR East's largest business resource



Reconstruction of optimal facility designs from zero
Integration of Railway & Life-style service

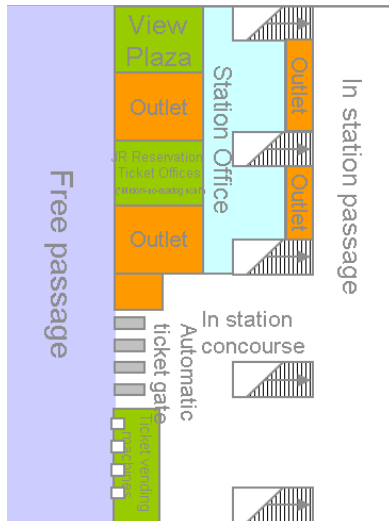


Attractiveness of stations & High profitability

STATION RENAISSANCE- PROTOTYPE

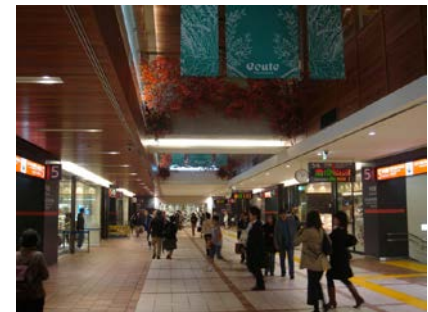
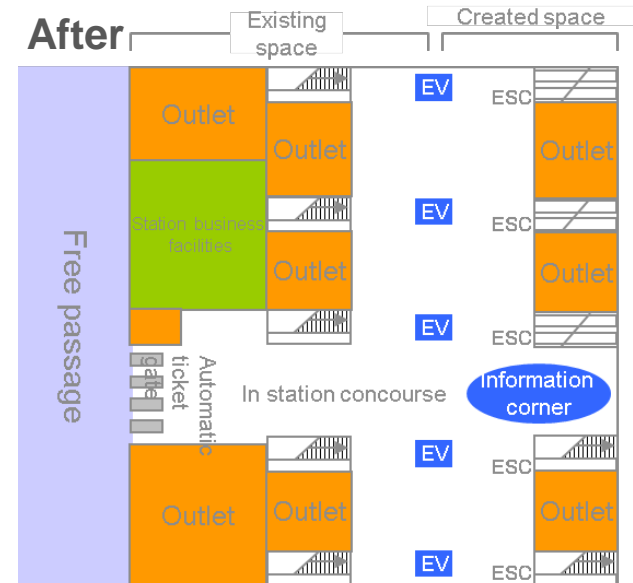
Example : Tachikawa station (in Tokyo)

Before

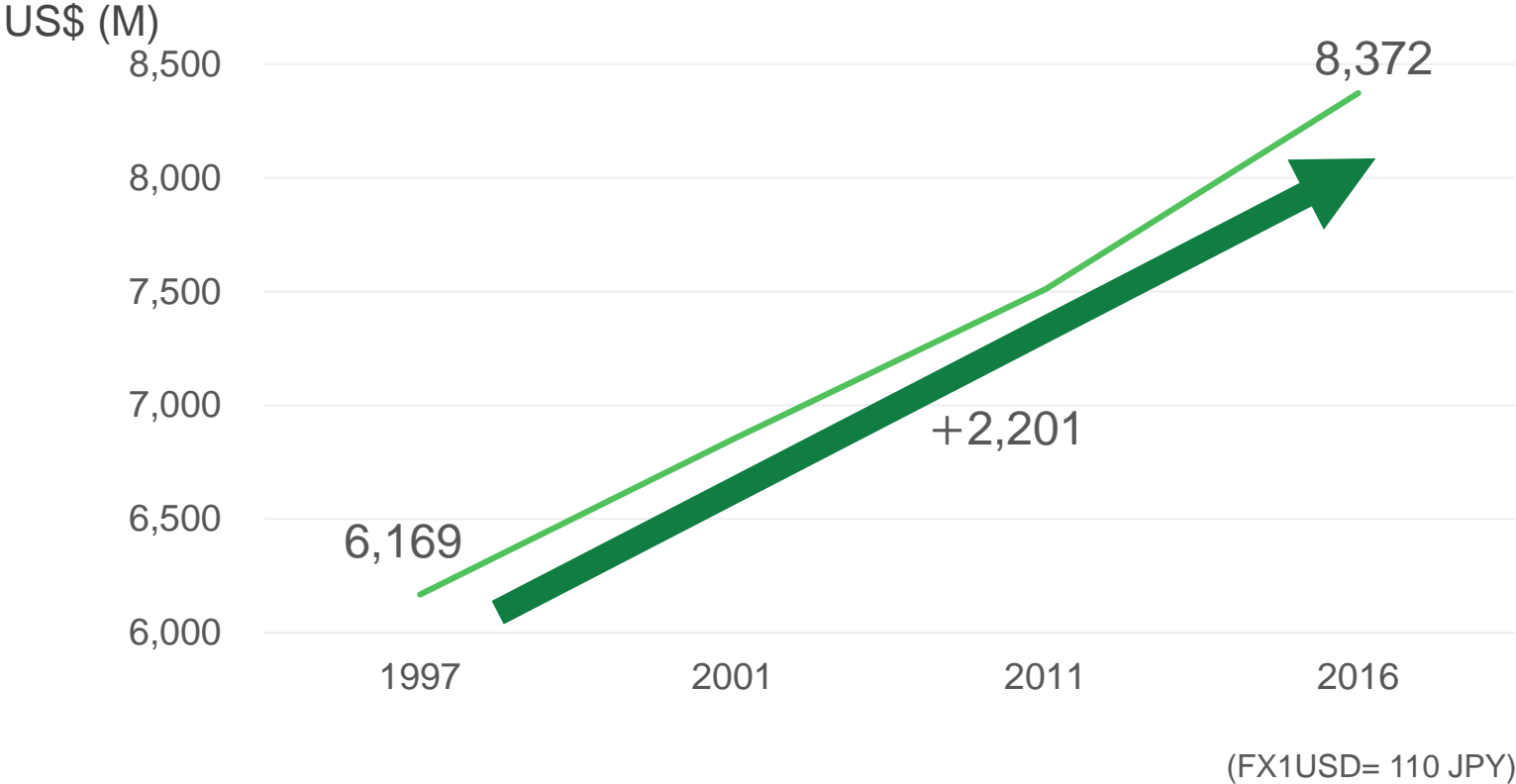


- Expand Space
- Convenient facilities
- Barrier-free facilities (Escalators / Elevators)
- Concentration of station facilities in one location

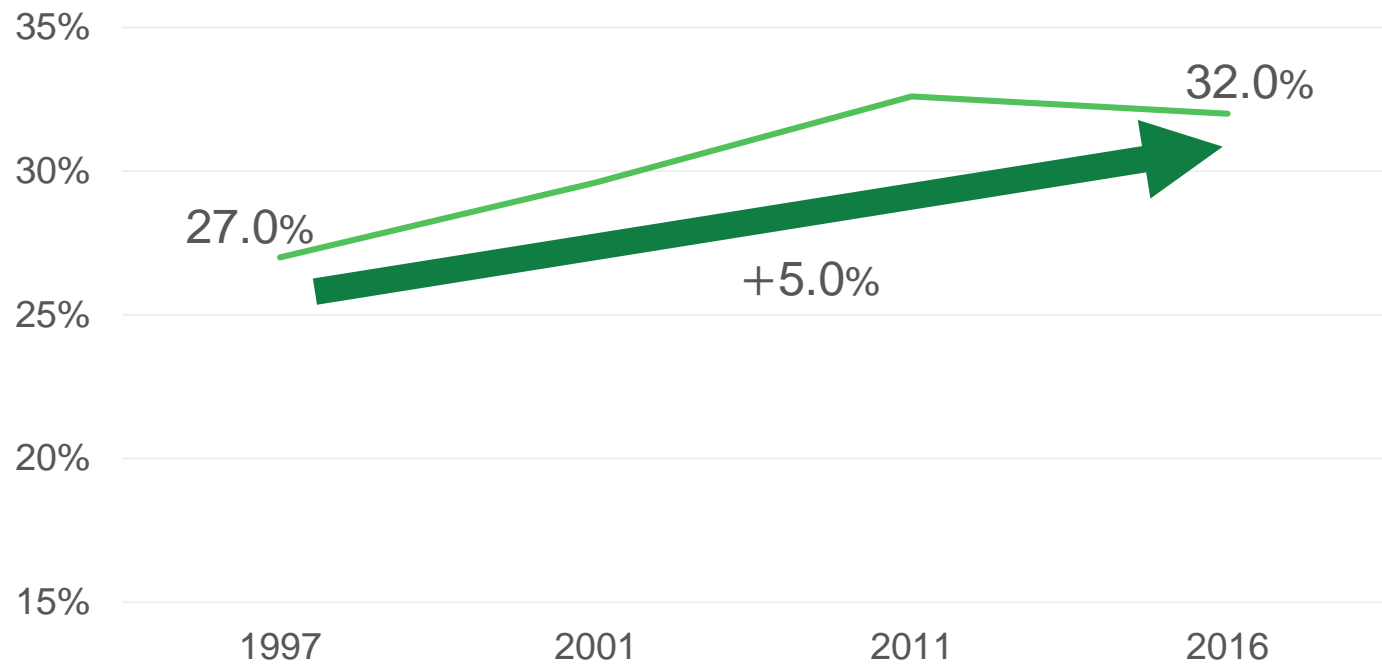
After



NON-TRANSPORT REVENUE

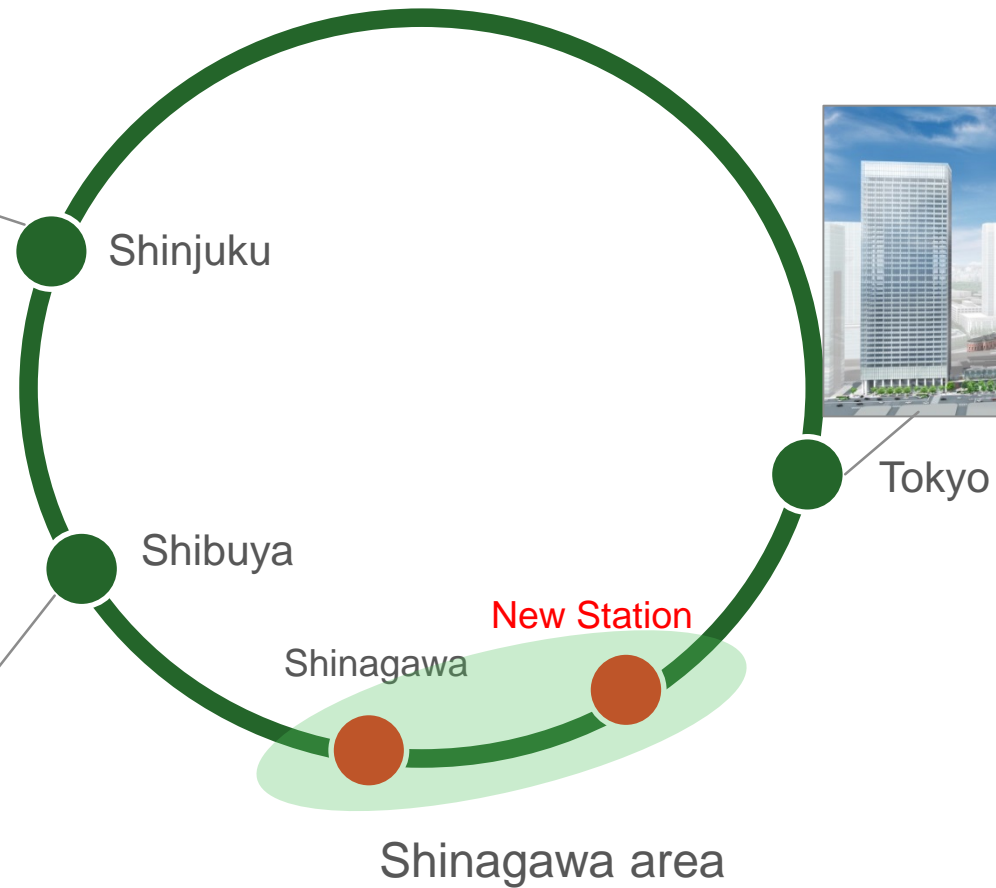


RATIO OF NON-TRANSPORT REVENUE

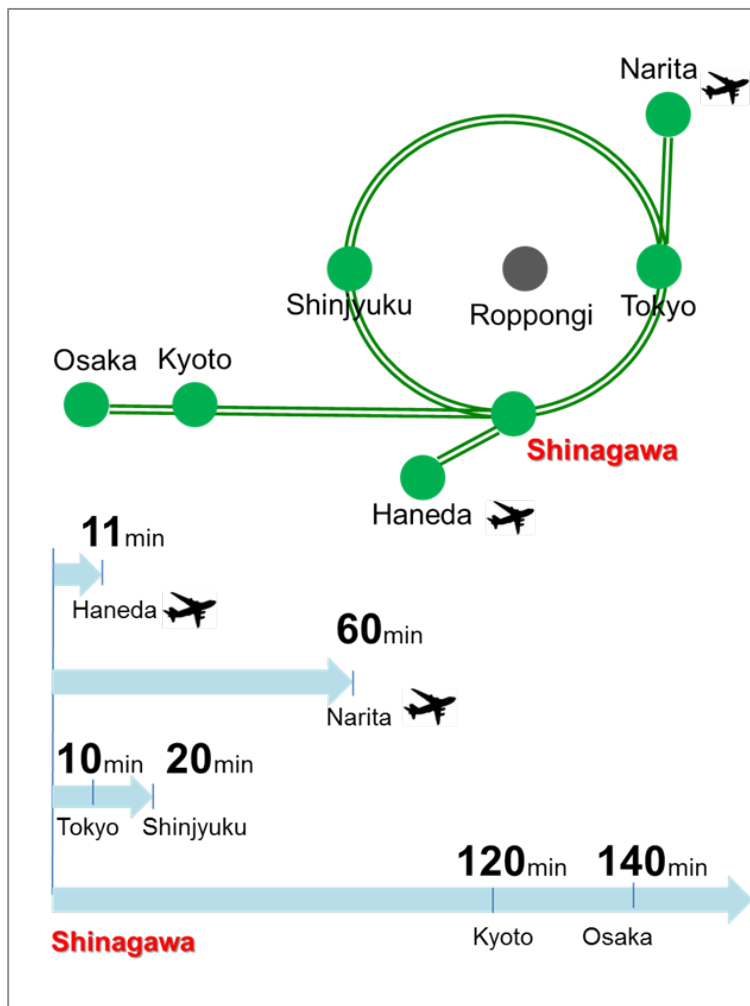


3. Sample Case : Shinagawa Development Project

LARGE-SCALE DEVELOPMENT PROJECT



MAIN CONCEPT "GLOBAL GATEWAY SHINAGAWA"



Leveraging locational advantage

- (1) Direct and easy access to both Haneda and Narita Airport
- (2) Hub station for people from all over the world.
 - Direct access to Kyoto and Osaka.
 - Near to Downtown Tokyo.

OVERVIEW

Town Functions

Offices / Residences / Hotels
/Commercial Facilities /
Cultural Facilities etc.



1 Total project costs:

5B US\$

2 Development area:

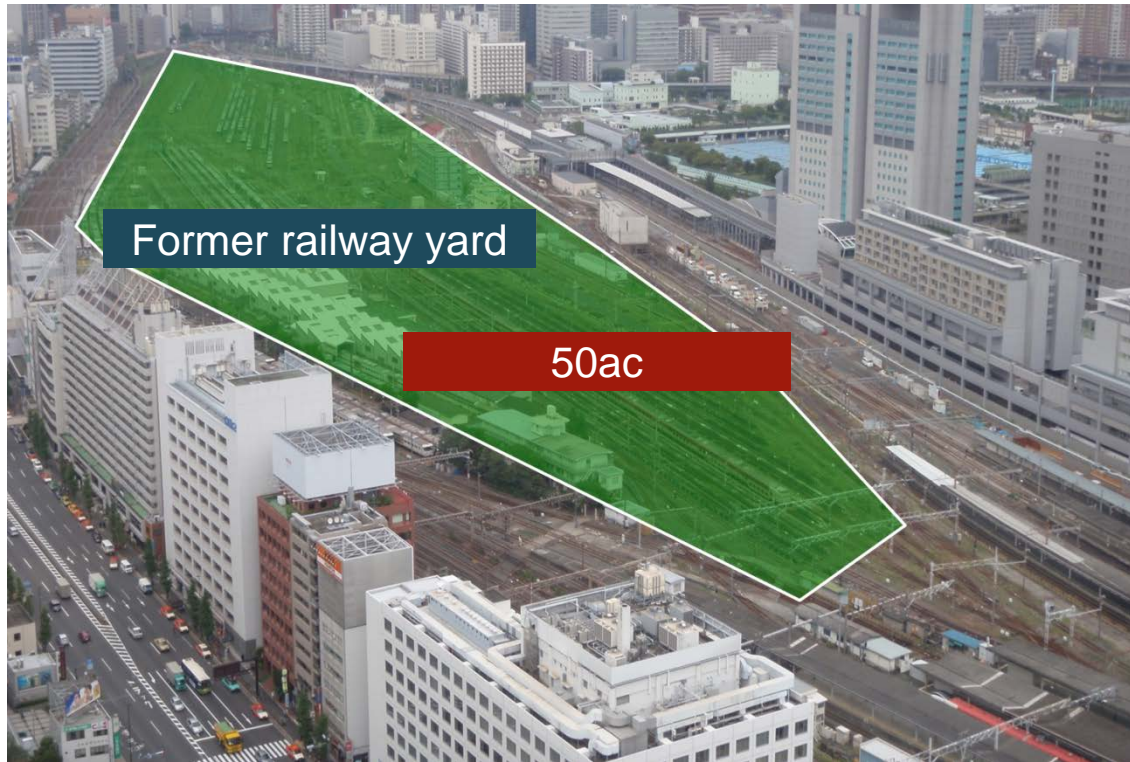
32ac(13ha)

3 Floor space:

11M sq. feet
(1M sq.meters)

BACKGROUND 1

[Before]



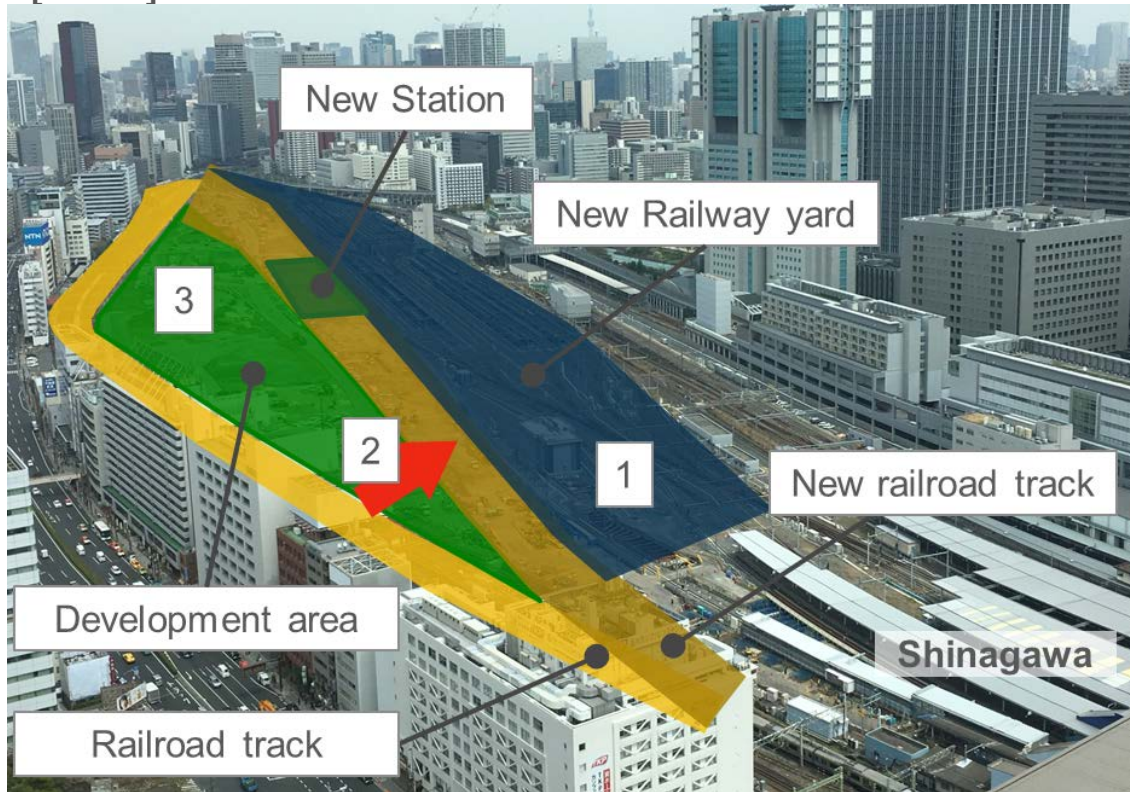
Inefficient equipment



Reorganization and
reduction

BACKGROUND 2

[After]



- 1 Relocate function of railway yard
- 2 Relocate railroad track
- 3 Create development area and New Station

DESIGN CONCEPT OF NEW STATION

Create a Traditional Japanese Atmosphere



**Exterior concept
image of new station**



Interior concept image of new station



*These are images at the present time and may differ in reality.

STATION IS THE ENTRANCE AND FACE OF THE TOWN

Promote an attractive station design which is integrated with the town.



Fusing a train station building with the surrounding neighborhood



Street-based urban design



*These are images at the present time and may differ in reality.

VISION OF GLOBAL GATEWAY SHINAGAWA

1. Transportation
and
communication

Our next-generation
business creation

2. Environment

3. Japan Value

Business and cultural
exchange function

Business support
function

New international town

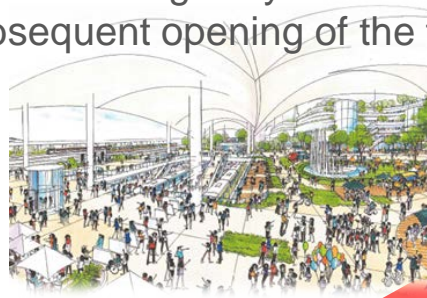
By using the new town as a platform, we will create and facilitate our next-generation business which is continuously based on three priorities.

TIMELINE

We aim to create a town that can continue growing as an international exchange hub. This will include interim-use during Tokyo 2020 Olympic and the Paralympic Games and the subsequent opening of the town around 2024.

2020 Tokyo Summer Olympic and Paralympic Games

Provisional opening of new station



opening of the town

Continue growing

as international exchange hub

Present

Interim use



2017

2020

Around 2024

2030s~

PUBLIC-PRIVATE PARTNERSHIP(PPP)①

[Public]

Tokyo
metropolitan
government



[Private]

JR East

District Planning

A development plan for the area is determined by District Planning which is authorized by local government.

PPP②

[Public]

Urban
Renaissance
Agency



[Private]

JR East

Land readjustment project

Land readjustment projects are development projects which change the form or nature of land in order to improve public facilities (roads, parks, etc.) and to promote the use of housing land within city planning areas.

PPP③



Overview of C40

1. C40 (The Large Cities Climate Leadership Group)

- Founded in 2005 it has 85 'cities' members.
- Acts as a network for 'cities' to work on reducing greenhouse gas emissions
- Tokyo Metropolitan Government joined in 2006.

Overview of C40-CPDP

2. CPDP = Climate Positive Development Program

- Recognition framework by the C40 to promote sustainable urban development
- Launched in 2009
- Shinagawa project participated in 2015.

SUMMARY



- Stations are not only transit points but also community spaces.
- Improve value of stations by developing its surrounding area: SC, Hotels, Office buildings and etc.
- Draws a blueprint for the future together with local communities.
- Provides more value for customer through cutting-edge services.
- Taking on the challenge of moving from “railway station creation” to “Lifestyle creation(town development)”



Thank You

Tatsuya Mizobe | December 5, 2017