

Creating "Social Value" –Social–

Conventional Lines and Group Businesses: Maintenance and Development of Social Infrastructure

By continuing to strengthen conventional lines in the Tokai region that form a network with the Tokaido Shinkansen, as well as group businesses that are expected to generate synergies with the railway business, such as the JR Central Towers and the JR Gate Tower at Nagoya Station, JR Central is working to expand business revenues and contribute to the maintenance and development of local social infrastructure.



▶ Mission as social infrastructure of the local community

JR Central undertakes the mission of supporting social infrastructure. That is, in an integrated manner with the management of Japan's main transportation artery, we take a locally oriented approach in operating a network of conventional lines in the Tokai Region, centered on the Nagoya and Shizuoka areas, thereby supporting the people in these areas. The conventional lines operated by JR Central, covering 12 railway sections, reach approximately 1,400 km in operating kilometers, which is approximately 2.5 times the length of the Tokaido Shinkansen, and play a role as a means of transportation for daily life, including commuting to work and school. In other words, they serve as social infrastructure of the local community. We have steadily improved our services by, for example, launching new vehicles and thereby increasing the speed and frequency of the services.

In order to enhance the convenience of limited express trains, we will continue to develop an integrated network of the Shinkansen and conventional lines by improving connections between the two and increase flexibility in the operation by increasing the frequency of services or number of cars per train to absorb demand fluctuations caused by seasonal factors and events. In FY2022, we began putting the new hybrid powered limited express "Series HC85" into commercial operation for our limited express train "Hida." Series HC85 has been introduced to all our "Hida" and "Nanki"

limited express trains through FY2023. The Series HC85 has achieved commercial operation as the first hybrid powered electric car in Japan to reach a top speed of 120 km/h.

Moreover, in order to offer convenient timetables for local train passengers, we will continue to develop a convenient rapid train system, operate trains at regular intervals, and increase the frequency of services or the number of cars per train, especially during the morning and evening commuting hours. Furthermore, we put a new type of commuter electric railcar, the Series 315, into commercial operation. We plan to gradually introduce it to conventional lines centered on the Nagoya and Shizuoka City areas in the period through FY2025. By launching these new vehicles, we will improve services for our customers by providing safety, stability, comfort and convenience and by further enhancing environmental performance.



New Series HC85 limited express vehicle

▶ Sales and marketing in coordination with local communities along our lines

Areas along our lines are blessed with many tourist resources. While continuing to strengthen our relationships with local residents and travel agencies at tourist spots in our operating areas, we are working to stimulate tourist demand by publicizing attractive tourist resources at stations, on trains, through our website and by other means and by taking various sales and marketing measures.

For example, we offer a train journey with a sense of the extraordinary by operating the express train "Iida Line Unexplored Stations" on the Iida Line, which runs through remote mountain stations and scenic sections, during periods of high tourist demand. Furthermore, we are holding the "Sawayaka Walking" service, offering free-of-charge walking tours requiring no reservation that start from our stations and visit wayside sightseeing spots. We are also

collaborating with local governments, travel agencies, etc. through the Destination Campaign organized jointly by the six JR companies to develop attractive tourism resources and products and operate sightseeing trains, etc., contributing to regional revitalization as well as promoting the use of the Shinkansen and conventional lines.



Kowada Station and "Iida Line Unexplored Stations" express train

▶ JR Central Group's affiliated businesses

The JR Central Group undertakes businesses in Transportation, Merchandise and Other, Real Estate, and Other areas. The Transportation segment involves railway and bus businesses. The Merchandise and Other segment manages department stores and provides sales services for goods and food in stations and trains. The Real Estate

segment develops commercial facilities in stations and areas under elevated tracks and also leases real estate, such as station buildings. In the Other segment, we manage hotels, travel agencies, advertising agencies, etc. We also manufacture rolling stock and maintain, inspect, and repair our railway facilities in this segment.

▶ Uniform management of JR Central Towers and JR Gate Tower

The development of Nagoya Station, the largest station in our network, is a pillar of our affiliated businesses. The JR Central Towers (hereinafter, the "Towers"), opened in 2000, and the JR Gate Tower (hereinafter, the "Gate Tower"), opened in 2017, have been recognized as landmarks of Nagoya and have made a significant contribution to the

economic development of the Chubu region. We will continue to operate both buildings in a uniform manner and work to increase earnings by demonstrating synergistic effects by segregating the concepts of the businesses of both facilities and promoting collaboration in sales.

JR Central Towers

Towers is a complex consisting of commercial facilities, hotels, offices, etc., with a height of 245 m and a total floor area of approximately 417,000 m².

The office business has enjoyed a high occupancy rate since its launch. All office spaces are almost fully occupied. JR Nagoya Takashimaya, ideally located directly above Nagoya Station, attracts large numbers of visitors. In the period between FY2021 and FY2022, we secured revenue

through measures such as a renovation of the living section. Nagoya Marriott Associa Hotel is rated highly for its convenient location directly above the station, its spectacular view from the top floors, its upscale facilities, and other features.



Renovated kitchen and tableware section in Takashimaya

JR Gate Tower

JR Gate Tower is a high-rise complex building with a height of approximately 220 m and a total floor area of approximately 260,000 m² that stands adjacent to Towers and consists of commercial facilities, a hotel, offices, etc.

The office spaces are almost fully occupied due to their prime location directly above Nagoya Station, which the Chuo Shinkansen will serve in the future. Housing about 160 fashion stores, Takashimaya Gate Tower Mall offers products in categories and price ranges not found in the adjacent department store. Nagoya JR Gate Tower Hotel, together with

Nagoya Marriott Associa Hotel, is highly regarded by a wide range of guests as a hotel that focuses mainly on accommodation, offering both comfort and functionality.

By integrating the management and operation of the entire building with Towers, we are pursuing efficiency while adding new content not found in the Towers, further enhancing the attractiveness of the two buildings.



Takashimaya Gate Tower Mall

▶ Profitability improvement of JR Central Group's affiliated businesses

To respond to changes in the business environment, we will thoroughly implement low-cost and efficient business operations and promote the management efficiency of each Group company. We will also start and expand new businesses to improve our profitability further by taking advantage of our experience gained from synergistic effects with the railway business.

For example, in relation to the improvement of management efficiency of group companies, we carried out a merger between Tokai Kiosk and JR-CENTRAL PASSENGERS in October 2023 to form JR Tokai Retailing Plus for the purpose of improving the attractiveness and profitability of commercial facilities in stations.

JR Nagoya Takashimaya, which had promoted step-by-step extensive renewal of the luxury-brands floor, including setting up a new men's section, grand opened the floor on

September 29, 2023. A total of 52 brands are available on this floor, the largest lineup of merchandise in the Tokai area.

As for real estate development in areas along rail lines, we have acquired a development site at a distance of a 3-minute walk from the Hachijo east exit of Kyoto Station, and an attractive hotel for both Japanese and foreign guests is scheduled to open in FY2026. We will also start the TOKAI STATION POINT program, a shared point program that is available for use in shops inside the stations of the JR Central Group (approximately 1,000 shops), in October 2023.



[TOKAI STATION POINT] Main visual