

# JR Central Group's Vision

## - Toward the future 30 years from now -

JR Central is committed to maintaining and developing the Tokaido Shinkansen, Japan's main transportation artery, and the network of conventional railway lines centered on the Tokai region, while also operating various businesses in unison with its Group companies. In addition, the company is proceeding with the construction of the Chuo Shinkansen, which is essential for us to continue to fulfill our mission into the future.

Looking ahead, we can expect technological advances, further population decline, and other social changes. To show our direction in proactively moving forward, rather than being passive, in response to these changes, we have formulated "JR Central Group's Vision - Toward the future 30 years

from now" (hereinafter, "Vision").

To us, the Vision is something that connects our Management Philosophy and annual operating policy. We aim to use it as a compass, so to speak, that helps us share a common "target point" throughout the JR Central Group for moving forward without wavering in the face of difficult challenges in this era of rapid changes. The time frame is set at an extremely long term of 30 years.

By sharing the "Vision" throughout the JR Central Group, we will push ahead more vigorously than ever with various measures for the future that our Group should address.

\* Unless otherwise noted, figures are as of the time the "Vision" was formulated (March 2025).

### Positioning of the "Vision"

#### Actions for the next 30 years

- Tackling the challenge of a society with a declining population -

Work with local communities to increase the "exchange population" and "related population" and capture new demand.

- A leap forward in main transportation artery with the Chuo Shinkansen
- JR Central Group-wide initiatives
- Diversification of services offered
- Further acquisition of inbound demand
- More convenient and smooth use
- Securing revenues by setting prices appropriate to the services provided
- Securing revenues by utilizing railway technology and assets
- Contribution to global environment preservation by promoting railway use

#### Management that benefits all stakeholders



#### Honing "technologies"

- Further enhancement of safety
- Provision of better services
- Lean structure for business operation
- Global environment preservation

#### "Human resources" play the main role.

- Improved abilities of employees
- Establishment of a comfortable working environment
- Resilient organization capable of responding to changes

Expectations for employees

- Challenging spirit
- Technical capabilities
- Open attitude

#### The foundation of everything: Safety

## 1. Why the "Vision" now?

Since its establishment in 1987 following the breakup and privatization of the Japanese National Railways, JR Central Group has fulfilled its mission of "contributing to the development of Japan's main transportation artery and social infrastructure" through the provision of railway transportation services and Group businesses centered on areas along its railway lines.

On the other hand, we also experienced a situation beyond our expectations, namely the COVID-19 pandemic. The COVID pandemic

caused significant damage to our business, but we have since been responding flexibly to changes in the business environment and society and made a fresh start by promoting initiatives for "Reinforcement of Earning Power" centered on "Revenue Expansion" and "Reform of Business Operations," among others.

At such a milestone, we formulated the JR Central Group's Vision to express our determination to "pioneer the future," communicating it to all employees in the Group.

The roles that the railway  
▶ has played since its opening  
in the early Meiji period

Provision of  
transportation services by rail

Strengthening creativity by promoting  
exchanges among people

Contributing to the development  
of science and culture

The JR Central Group's mission:  
▶ "Contribute to the development  
of Japan's main transportation  
artery and social infrastructure"

Achievements since  
the Group's founding

Consolidated operating revenues are  
compared to FY1989 and long-term debt  
outstanding is as of the end of FY2015.

- Number of trains operated per day (Tokaido Shinkansen) ..... 1.6 times
- Number of railway operation accidents ..... Halved
- Consolidated operating revenues ..... 1.6 times
- Long-term debt outstanding ..... 5 trillion yen ▶ 2 trillion yen or less

Starting afresh  
after the  
COVID-19  
pandemic

Reinforcement  
of  
Earning Power

Revenue Expansion  
Reform of Business  
Operations

Starting efforts to provide new and diverse services  
(E.g.: Improvement of business environment, "Chartered Shinkansen Package," "Oshi Travel," etc.)

Aiming for steady cost reduction of 80 billion yen over 10 to 15 years

Declaring the determination to "open up the future" at the timing of this new start

## 2. Conditions surrounding the JR Central Group 30 years from now

In a world filled with constant change and uncertainty, it is difficult to draw a "future prediction map." Nevertheless, we envision three major things as highly probable scenarios for our "Vision."

### ① Full-line commercial operation of Chuo Shinkansen (between Tokyo and Osaka)

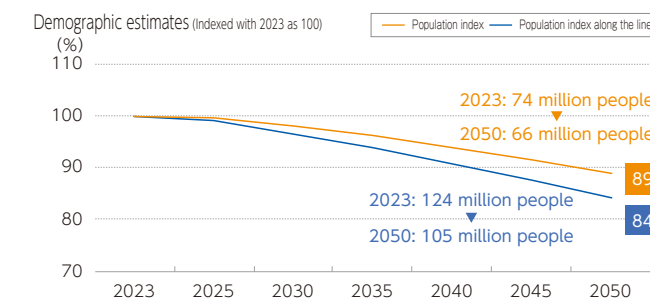
A full-line operation of the Chuo Shinkansen will not only enhance national resilience by making Japan's main transportation artery a dual system, but form a Japan Central Corridor connecting Tokyo, Nagoya, and Osaka by the overwhelming speed achieved by the Superconducting Maglev, greatly stimulating the movement of people and generating great vitality for Japan's economy and society.

### ② Technological development

Even now, technologies such as AI are making remarkable progress, but in 30 years' time, all technologies are expected to have developed and will further permeate the way people live and work. These technological advances are expected to have a positive impact on the movement of people as, for example, virtual experiences through the use of XR technology lead to a desire for real-life experiences, creating new demand for transportation.

### ③ Population decline and other social changes

The National Institute of Population and Social Security Research estimates that the nation's population will decrease by about 20% from the current level in 30 years. This could lead to a variety of social issues, including a decrease in the number of people consuming goods and services and labor shortages. On the other hand, other expected social changes include an increase in inbound tourism, increased leisure time due to the use of technology, and heightened environmental awareness.



Source: National Institute of Population and Social Security Research "Population and Household Projections for Japan (2023 estimates)" Statistics Bureau of Japan, Ministry of Internal Affairs and Communications "Population Estimates (as of October 1, 2023)"  
Population along the line: Population of Saitama, Chiba, Tokyo, Kanagawa, Yamanashi, Nagano, Shizuoka, Aichi, Gifu, Mie, Shiga, Kyoto, Osaka, Hyogo and Nara Prefectures is totaled.

## JR Central Group's Vision

- Toward the future 30 years from now -

## 3. Actions for the next 30 years

As outlined in the diagram on the previous page, the main theme is "tackling the social issue of population decline," and for this, we will take advantage of positive changes such as the Chuo Shinkansen and technological developments. To that end, we will focus on the following areas as we look ahead to the next 30 years.

- Placing the highest priority on safety, support main transportation artery by operating the Chuo Shinkansen and Tokaido Shinkansen while contributing to the revitalization of social and economic activities together with conventional lines and Group businesses.

- In addition to creating new travel demand through the realization of the Chuo Shinkansen, work with communities along the line to create attractive areas and increase the flow of people, thereby capturing new demand.
- Diversify the services offered and provide better services while utilizing the latest technology, and secure revenues by setting prices appropriate to the services.
- Continuously work on "Reform of Business Operations" and the subsequent establishment of an efficient business execution system to cope with labor shortages.
- To achieve this, hone our technical capabilities and improve the quality of human resources while placing the highest priority on safety.
- Grow sustainably as a company and benefit all stakeholders.

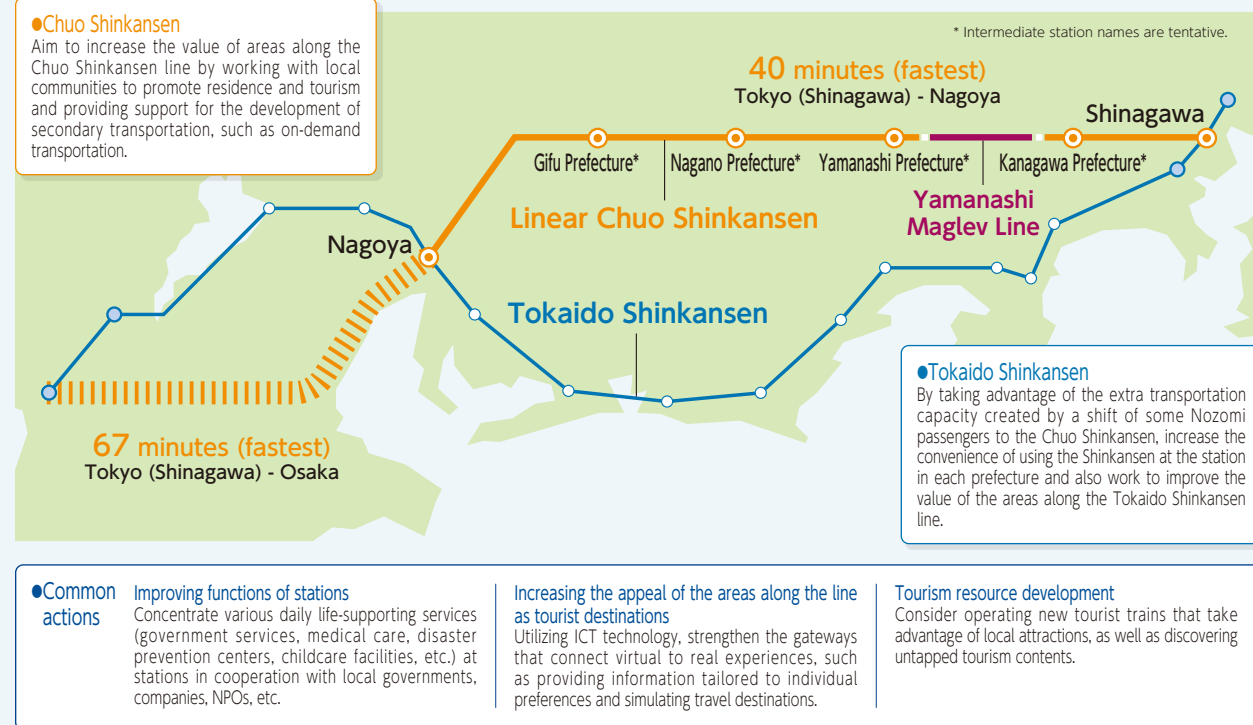
Image of Actions for  
the Next 30 Years

- A leap forward in main transportation artery with the Chuo Shinkansen / JR Central Group-wide initiatives -

This column gives an outline of future measures. As one of our key initiatives, we will leverage the Chuo Shinkansen to dramatically enhance our main transportation artery services and work together as a group to create new value in the areas along the line.

For the Chuo Shinkansen, we aim to increase the value of areas along the line by working with local communities to promote residence and tourism and providing support for the development of secondary transportation, such as on-demand transportation. By taking advantage of the extra transportation capacity of Tokaido Shinkansen created by a shift of some passengers to the Chuo Shinkansen, we will work to increase the

convenience of using the Shinkansen at the station in each prefecture and improve the value of the areas along the line. Furthermore, as common initiatives, we will work with local governments, local businesses, NPOs, etc. to bring together diverse services that support daily life in stations, as well as improve the appeal of the areas along the line as tourist destinations and develop tourism resources. Through these initiatives, we hope to boost the attractiveness of these regions, stimulate the movement of people even in a time of population decline, and capture the new types of demand that will emerge from this.

Image of Actions for  
the Next 30 Years

- Diversification of services offered -

Changes in  
people's lifestyles  
and interests

- ✓ Increased leisure time due to reduced commuting time and improved efficiency in housework thanks to the expansion of digital technology
- ✓ New ways of working, such as workcation and dual residence
- ✓ Longer healthy life expectancy due to advances in medical technology, etc.

Diversified  
services with  
flexible ideas

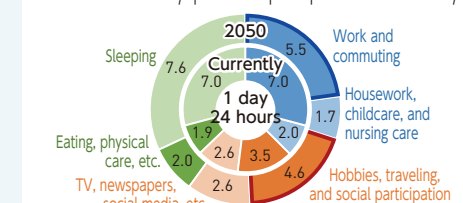
- ✓ Enhanced in-car entertainment and audiovisual spaces using the latest IT technology, etc.
- ✓ Providing high-quality facilities and services for high net worth customers

According to surveys by Mitsubishi Research Institute, Inc.

- Regarding the use of time when digital technology advances, respondents indicated that they would like to use the time saved from work and commuting for hobbies, travel, and social participation.
- Due to the decline in living costs thanks to the expansion of digital technology, consumer goods industries are expected to shrink while value-driven industries are expected to expand.

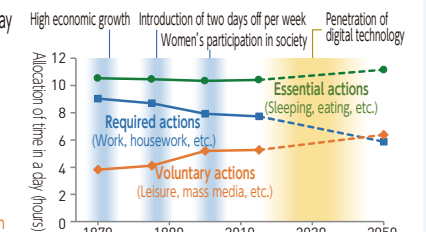
Source: Mitsubishi Research Institute, Inc. "Future Society 2050" (published on October 11, 2019)

## How individuals currently spend and hope to spend their time each day



Note: Respondents were asked about how they would spend their time each day when digital technology advances, and the current situation. Essential actions include sleeping and eating, required actions include work, housework, and study, and voluntary actions include leisure activities and contact with mass media.

Source: Prepared using data from Mitsubishi Research Institute "Future Society 2050 survey" (N=5,000) and NHK "National Time Use Survey"



## 4. "Human resources" play the main role

Human resources are the greatest management resource, and this belief will not change in the future.

We will strive to realize a virtuous cycle in which the productivity of each employee is increased, corporate performance is improved, return to employees is achieved, and both the company and employees continue to grow.

Furthermore, to operate three generations of railway - the Chuo Shinkansen, Tokaido Shinkansen, and conventional lines - in a society with a declining population, we will continue to promote Reform of Business Operations while utilizing ICT and other latest technologies. After that, we will also work tirelessly to build an efficient business execution system.

## Improved abilities of employees

- Improve employees' ICT skills.
- Visualize skills and provide educational opportunities for all levels.
- Utilize ICT in training to ensure safe and stable transportation.

Establishment of a comfortable  
working environment

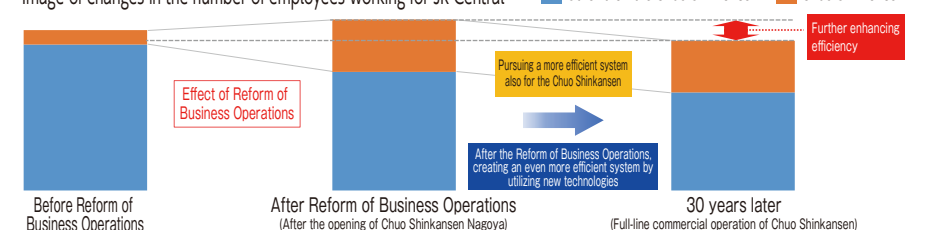
- Replace dangerous, dirty, and difficult jobs with robots and machines.
- Enhance systems to accommodate employees with various circumstances.
- Discuss ways of conducting business that allow diverse employees to play more active roles.

Strong organization capable of  
responding to changes

- Employees can focus on operations that require decision making or creativity.
- Share the direction the organization aims for so that employees can think, act, and demonstrate their capabilities.
- Continue to strengthen teamwork and unity.

## Respond to future social changes with a lean organization with elite members.

## Image of changes in the number of employees working for JR Central



## 5. Management that focuses on all stakeholders

By continuing to fulfill our mission and growing sustainably as a company, we will benefit all stakeholders, including shareholders.

While the construction of the Chuo Shinkansen is underway, our basic policy is to maintain stable dividends to maintain ample internal reserves to cover construction costs. However, after the entire Chuo Shinkansen line opens, we will strive to increase our ability to generate cash flow to make further growth investments and expand shareholder returns.

## Image of cash flow direction

