

# FY2006 Key Measures and Related Capital Investment

## 1. “Securing safe and reliable operation”

Every effort is made to continually secure safe and reliable operation, which is the origin of the railway business.

- (1) Strengthening of earthquake countermeasures, including functional upgrade to the Earthquake Disaster Prevention System, involving the "Tokaido shinkansen Earthquake Rapid Alarm System (TERRA-S)", and quake-resistant reinforcement of elevated track columns and rail embankments along the Tokaido Shinkansen
- (2) Installing safety devices on conventional railway rolling stocks, including operation data recorders and emergency train stop devices, while at the same time introducing driving simulators for the on the job training at all workplaces of onbroad train personnel
- (3) Promoting disaster prevention measures including countermeasures for falling rock on conventional railway, upgrading of safety devices on level crossings, introduction of solid state interlocking equipment in station yards, and upgrade of CTC (Centralized Traffic Control) and PRC (Programmed Route Control) equipment



Locations of TERRA-S detection points



Driving simulators

## 2. “Preparing for the Series N700 introduction and strengthening the transportation infrastructure of the Tokaido Shinkansen”

Preparation for the introduction of the Series N700 Tokaido Shinkansen in 2007 is progressing steadily, and at the same time various measures are being promoted aiming to strengthen the transportation infrastructure of the Tokaido Shinkansen. Moreover, the renewal of major stations is being advanced in order to improve the convenience of these stations for our customers.

- (1) Steadily preparing for introduction of the Series N700 rolling stock equipped with improvements such as a body inclining system and upgraded passenger compartments
- (2) Planning the most appropriate train timetable in order to ensure that the Series N700 proves far superior to other means of transportation
- (3) Promoting the improvement plans for Shin-Osaka Shinkansen Station, such as increased platform facilities
- (4) Steadily preparing for constructing a new Tokaido Shinkansen station between Maibara and Kyoto
- (5) Promoting renewal of major Shinkansen stations such as Tokyo Station



Series N700



Kyoto Station renewal (concept)

## 3. “Proactive implementation of marketing initiatives”

Marketing initiatives will be proactively implemented in order to aim at further improving convenience of the "Express Reservation" service and to stimulate tourism demand.

- (1) Expanding the service area of the "Express Reservation" service this summer to include both Tokaido and Sanyo Shinkansen
- (2) Preparing for launch of the "Express Reservation" IC card service, a new service that takes advantage of IC technology
- (3) Offering attractive products that make maximum use of tourism resources within the Company's marketing area such as Kyoto, Nara and Ise, and at the same time proactively rolling out various types of campaigns



Ticket Gate for the "Express Reservation" IC card service



Kyoto Campaign Poster

(Capital Investment: 100 billion yen)

- (1)
  - Quake-resistant reinforcement of elevated track columns
  - Starting FY2006,
  - Countermeasures for column shearing: 2,900 columns
  - Countermeasures for the distinctive wave patterns of the predicted Tokai Earthquake: 1,900 columns
  - Planned completion: End of FY2008
  - Functional upgrade to Earthquake Disaster Prevention System
  - Planned completion: September 2007
- (2)
  - Train safety devices
  - Planned installation: by the end of FY2007
  - Driving simulators
  - Planned introduction: by July 2006
- (3)
  - Introduction of solid state interlocking equipment in station yards
  - Shizuoka
  - Hamamatsu
  - Mino-Ota
  - Replacement of CTC/PRC
  - Iida Line

(Capital Investment: 48 billion yen)

- (1) FY2006:
  - Rolling stock manufacturing procurement, improvement of aboveground facilities, etc.
- (4) Planned opening: FY2012
- (5) Promoting renewal of Tokyo, Shin-Yokohama, Shizuoka, Hamamatsu, Nagoya, Maibara and Kyoto Stations

(Capital Investment: 10 billion yen)

- (2) Planned introduction: FY2007

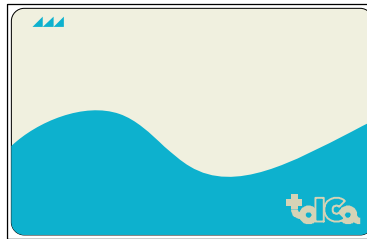
#### 4. “Promoting various measures for conventional railway in response to the types of line sections and the characteristics of each area”

Various measures will be promoted, both in order to handle the different line sections and area characteristics of conventional railway, and to improve safety and transportation service.

- (1) Steadily manufacturing new rolling stock, with commercial operations scheduled to begin after this summer
- (2) Steadily preparing for the introduction of “TOICA” IC card service in the Nagoya and Shizuoka area
- (3) Promoting service restoration work between Tsunogawa Station and Inotani Station of Takayama Line where alternate bus transportation service is being conducted



Series 313 rolling stock newly manufactured



“TOICA” design

(Capital Expenditure: 30 billion yen)

- (1) 204 cars manufactured, for a total expenditure of 25 billion yen
- (2) Planned introduction period  
Nagoya area: This Autumn  
Shizuoka area: FY2007
- (3) Planned service restoration: Autumn 2007

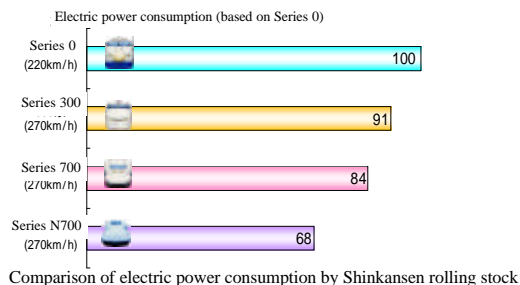
#### 5. “Continuous development of railway technology and efforts for conservation of the global environment”

Technology development will be promoted in order to further enhance railway technology, and at the same time efforts will be continually promoted which is aimed at conservation of the global environment.

- (1) Promoting research and development at R&D facility in Komaki (Aichi Prefecture), focusing on “improvement of railway technology” and “challenges to new fields”
- (2) Continually promoting measures that contribute to the conservation of the global environment, such as the introduction of the Series N700 and the manufacture of new conventional railway rolling stocks, with the goal of environmental adaptation and realization of broad reduction in energy consumption



Vehicle Dynamic Simulator



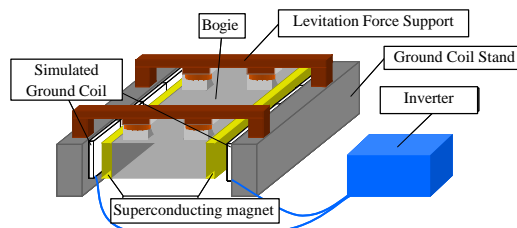
(Capital Investment: 5 billion yen)

#### 6. “Further development of Superconducting Maglev technology”

Such as seen in our development of the "SCM Dynamic Simulator", we are making strides ahead in original technical development and improvement of the level of core technologies, with an aim to further extending our reach with regard to bringing Superconducting Maglev to a higher stage of perfection.



Yamanashi Maglev Test Line



SCM Dynamic Simulator (concept)

(Capital Investment: 3 billion yen)

- SCM Dynamic Simulator
- Planned completion: End of FY2006

## 7. “Upgrading station facilities”

Station facilities will be upgraded to ensure that our customers can use the railways with more safety and convenience.

(1) Steadily installing barrier-free accessible facilities in cooperation with related local governments, etc.

- A. Installation of elevators and escalators
- B. Removal of differences in levels between conventional railway platforms and trains
- C. Installation of multifunction toilets, etc.

(2) Establishing new conventional railway stations and promoting the elevation of stations and elevation of railway tracks



Elevator installation



Elevation of railway track (Kachigawa)

## 8. “Affiliated Business development”

In order to aim toward further affiliated business development, we are promoting realignment/reinforcement of station housed commercial facilities, development of businesses on disused sites of former company housing, and development of station buildings.

(1) Promoting renewal of commercial facilities at station premises to coincide with renovation work at station facilities, such as “Tokyo Eki Ichibangai (First Avenue Tokyo Station)”

(2) Promoting development of “Nagoya Central Garden”, while at the same time steadily promoting development of Higashi-ku Meirin-cho company-owned land with condominium apartments and commercial facilities as the core, in order to fully utilize disused sites of former company housing

(3) Promoting various preparations related to construction on the JR Central Shin-Yokohama Station Building (tentative name) which is to open for business in 2008



Nagoya Central Garden (concept)



JR Central Shin-Yokohama Station Building (tentative name) (concept)

## 9. "Opening of Nagoya Central Hospital"

We are preparing carefully to contribute to regional medicine and to providing advanced medical capabilities incorporating cutting edge technologies with the “Nagoya Central Hospital” planned to open this July.



Nagoya Central Hospital



Deluxe private room

(Capital Investment: 8 billion yen)

(1) Facilities to be upgraded in FY2006

a.

- Elevators: 11 stations, 15 units (Mishima, Mikawa-Anjo, Maibara, Kyoto, Katakama, Nishi-Gifu, Chikusa, Kachigawa, Ena, Fujinomiya, Matsusaka)
- Escalators: 4 stations, 8 units (Tokyo, Shin-Fuji, Mikawa-Anjo, Kachigawa)

b. 3 stations (Kashiwabara, Joukouji, Asahi)

c. Toilets: 5 stations (Maibara, Katakama, Fujieda, Nishi-Gifu, Fujinomiya)

(2)

- Establishment of new station between Higashi-Kariya and Kariya: End of FY2006

- Establishment of new station between Ohdaka and Kyouwa: End of FY2008

- Elevation of stations

Fujieda: End of FY2006

Kisogawa: End of FY2007

Jimryu: Early FY2008

Shimada: Early FY2008

Biwajima: End of FY2008

- Elevation of railway track

Kachigawa

Nakatsugawa bound track: Autumn 2006

All tracks: FY2009

(Capital Investment: 1 billion yen)

\* Consolidated subsidiaries: 31 billion yen

(1) Toko, Shin-Yokohama, Hamamatsu, Nagoya, Maibara, Kyoto

(2) Joint venture by JR Tokai Real Estate Co., Ltd, Mitsubishi Estate Co., Ltd, and Mitsubishi Corporation

- Nagoya Central Garden

Planned opening of condominium apartments

(Period I) and commercial facilities: Spring 2007

- Development of Higashi-ku Meirin-cho company-owned land

Planned opening of condominium apartments:

Autumn 2008

Planned opening of commercial facilities:

Spring 2007

(3) Core business entity is Shin-Yokohama Station Development Co., Ltd.

(Capital Investment: 4 billion yen)

Total Capital Investment FY2006

- Nonconsolidated

230 billion yen (55% over previous year plan)

- Consolidated

261 billion yen (50% over previous year plan)