

FY2008 Key Measures and Capital Investment

1. "Securing Safe and Reliable Transportation"

(Capital investment: 98 billion yen)

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

(1) In regards to anti-earthquake measures, this fiscal year is the last year for quake-resistant reinforcement of elevated track columns, so such work, with the exception of some development, will conclude. Other quake-resistant reinforcement, including rail embankment work which is entering its peak, will be steadily promoted.

(1) Quake-resistant reinforcement of elevated track columns (FY2008)
Countermeasures against column shearing: 600 columns
Countermeasures for "expected wave patterns" of a future Tokai Earthquake: 500 columns

(2) Promoting disaster prevention measures such as measures to prevent rocks from falling on conventional lines and upgrading level-crossing safety devices. Promoting construction aimed at completing installation of ATS-PT during FY2011.



Quake-Resistant Reinforcement of Elevated Track Columns of the Tokaido Shinkansen



Planned Installation of ATS-PT

2. "Concentrated Introduction of the Series N700 and Strengthening the Transportation Infrastructure of the Tokaido Shinkansen"

(Capital investment: 103 billion yen)

We will introduce the Series N700 in a concentrated manner and promote measures aimed at strengthening the transportation infrastructure of the Tokaido Shinkansen.

(1) Along with promoting the continued concentrated introduction of the Series N700, we will gradually increase operation of Series N700 "Nozomi" services that directly link the Tokaido and Sanyo section.

(1) Planned introduction of 16 trainsets in FY2008

(2) We will convert the analog train radio to digital and enable Internet access onboard the Series N700.

(2) Service to start in spring 2009

(3) Advancing the work of enhancing the electric power facilities of the Tokaido Shinkansen such as building new frequency conversion substations

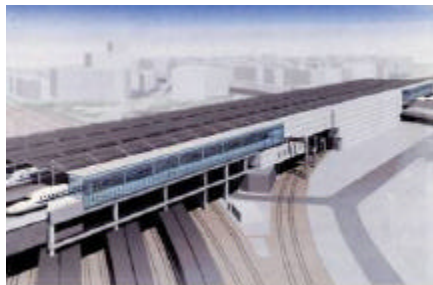
(3) Planned completion: By spring 2009

(4) We will promote renovation work on Shin-Osaka Station such as expansion of platforms and draw-out tracks.

(4) Full-scale use to start during FY2013



Series N700



Shin-Osaka Station Platform Expansion (concept drawing)

3. "Promotion of Expansion of the Yamanashi Maglev Test Line and Commencement of Preparations for the Construction of a Tokaido Shinkansen Bypass"

In addition to proceeding with technological development aimed at the practical application of Superconducting-Maglev, in order to realize a Tokaido Shinkansen Bypass, namely the Chuo Shinkansen, we will commence preparation for the construction of it.

(1) Conducting running tests on the priority section of the Yamanashi Maglev Test Line to further verify long-term durability and reduce costs, and steadily implementing an extension of the existing line to 42.8km along with upgrading existing facilities.

(2) Along with performing horizontal boring surveys and excavating necessary work shafts in the Southern Japanese Alps, we will perform vertical boring surveys in metropolitan areas at closer intervals and acquire the data needed for geologic survey reports.

(3) We will be directed to conduct the other surveys in accordance with Article 5 of the Nationwide Shinkansen Railway Development Law and will report on such along with the results of geologic surveys in an effort to move forward with preparations for the construction.



Yamanashi Maglev Test Line

(Capital investment: 13 billion yen)
*Only related to promotion of the extension of the Yamanashi Maglev Test Line

(1) Construction period: Scheduled by the end of FY2016
Period of tests using new facilities
Planned for approximately 3 years from the end of FY2013

4. "Proactively Implementing Marketing Initiatives"

In addition to increasing the number of "EX-IC (Express IC) Service" users, we will proactively implement marketing initiatives to arouse demand in tourism.

(1) We will promote efforts to increase the number of "EX-IC Service" users as well as to expand the service availability to Sanyo section and commence "EX-IC Service" for corporate members.

(2) We will promote efforts to increase the number of "TOICA" users.

(3) Offering attractive products that make maximum use of tourism resources in Kyoto, Nara, Ise, Tokyo and other locations, and at the same time actively launching a variety of promotion campaigns

(Capital investment: 15 billion yen)

(1) Planned expansion of the service availability to Sanyo section and commencement of "EX-IC Service" for corporate members in the summer of 2009



EX-IC Card



Kyoto Campaign Poster

5. "Promoting Development of Railway Technology and Efforts for Global Environmental Conservation"

(Capital investment: 1 billion yen)

Technology development will be promoted in order to further enhance railway technology, and at the same time efforts will be proactively advanced for conserving the global environment.

- (1) Fostering research and development at JR Central Research Center in Komaki (Aichi Prefecture) with a focus on "improving railway technology" and "addressing challenges in new fields"
- (2) We will leverage various opportunities and actively disseminate information in an attempt to gain more understanding about the fundamental characteristic of railway which is to lessen the burden on the global environment.
- (3) Continuing to actively advance measures that contribute to conservation of the global environment, such as introduction of the Series N700, with the goal of realizing further environmental suitability and significantly reducing energy consumption. We will also promote efforts aimed at the penetration of "Eco Business Trips".



Vehicle Dynamic Simulator



"Eco Business Trips" Logo

6. "Upgrading Station Facilities"

(Capital investment: 17 billion yen)

Station facilities will be upgraded to ensure that our passengers are able to use the railway with more safety and convenience.

- (1) Promoting the renovation of major stations such as Tokyo Station
- (2) Steadily introducing barrier-free accessible facilities in cooperation with concerned local governments and other institutions
 - A. Installing elevators and escalators
 - B. Eliminating level differences between trains and conventional railway platforms to improve evenness
 - C. Furnishing multifunction toilets and other improvements
- (3) Establishing new conventional railway stations and promoting the elevation of stations or railway tracks

- (1) Promoting renewal of Tokyo, Nagoya, Maibara etc.
- (2) Facilities to be upgraded in FY2008
 - a. Stations which are being, or will finish being, renovated during FY2008:
Approximately 90% of all stations for which reforms are planned.
Elevators: 9 stations, 12 units
(Yoshiwara, Kikugawa, Toyodacho, Araimachi, Washizu, Kyowa, Otoubashi, Biwajima, Kisogawa)
Elevators: 1 station, 1 unit (Kyowa)
 - b. 2 stations (Kamado, Inashi)
 - c. Toilets: 6 stations (Yoshiwara, Kikugawa, Araimachi, Otoubashi, Biwajima, Kisogawa)
- (3) Establishment of new station between Odaka and Kyowa
End of FY2008
Elevation of stations:
Kisogawa Early FY2008
Biwajima Mid FY2008
Unuma End of FY2008
Tajimi Mid FY2009
Elevation of railway tracks:
Kachigawa Mid FY2009
Fujinomiya Early FY2012



Nagoya Station Renewed (Concept)



Installation of Elevator

7. "Developing Affiliated Businesses"

(Capital investment: 26 billion yen)

In order to further the development of affiliated businesses, we are promoting the renovation of station buildings, business development of sites no longer used for company housing, and the renewal of commercial facilities on station premises.

- (1) Smooth operation of various businesses within the "Shin-Yokohama Central Building".
- (2) Along with steadily promoting preparations aimed at the term II handover of "Nagoya Central Garden" condominiums, we will also promote the development of land formerly used for company housing, for example Nakada, Suruga-ku (Shizuoka City)
- (3) Promoting renovation of commercial facilities on station premises to coincide with both quake-resistant reinforcement of elevated track columns and improvement work at station facilities

- (1) Commercial facilities (CUBICPLAZA Shin-Yokohama), office, hotel (Hotel Associa Shin-Yokohama)
- (2) - Nagoya Central Garden
Handover of condominium apartments (Term II): March 2009
- Nakada, Suruga-ku (Shizuoka City)
Handover of condominium apartments: Spring and autumn 2010
Planned opening of commercial facilities: Spring 2010
- (3) Tokyo, Mishima, Hamamatsu, Kyoto, etc.



Shin-Yokohama Central Building



Nagoya Central Garden (Concept)

Total capital investment FY2008
 - Consolidated 315 billion yen
 (95.7% over previous year's plan)
 - Non-consolidated 290 billion yen
 (100.7% over previous year's plan)