

FY2010 Key Measures and Capital Investment

We will prioritize ensuring safe and reliable transportation, which is the foundation of the railway business, by expanding safety related investment and thoroughly training our employees in an integrated manner with our group companies.

In regard to railway business, we will prioritize ensuring safe and reliable transportation such as earthquake countermeasures of the Tokaido Shinkansen and the installation of ATS-PT on the conventional lines, and will also improve transportation services through the introduction of the Series N700 in a concentrated manner and the replacement with new rolling stock for the conventional lines.

We are steadily promoting Tokaido Shinkansen Bypass, New Building Project at Nagoya Station, and execution of deployment of high-speed rail systems in overseas projects from a long-term perspective.

On the other hand, acknowledging that harsh economic situation will continue, we will strengthen earning capabilities, continuously improve technological competences, and seek to enhance management vitality as we pursue efficiency and cost reduction in the operation of our business at all levels.

I. Key Measures

- Ensuring Safe and Reliable Transportation
- Enhancing Transportation Services of the Tokaido Shinkansen
- Enhancing Transportation Services of Conventional Lines
- Promoting the Tokaido Shinkansen Bypass by the Superconducting Maglev
- Implementing Marketing Initiatives
- Strengthening Technological Competences, Pursuing Possibility of Overseas Deployments
- Developing Affiliated Businesses
- Efforts to Conserve the Global Environment and Prepare for Museum Opening

II. Capital Investment

- Consolidated : 328 billion yen
(9 billion yen increase from previous year's plan)
- Non-consolidated : 308 billion yen
(28 billion yen increase from previous year's plan)

The safety-related portion of the non-consolidated investment : 176 billion yen
(23 billion yen increase from previous year's plan)

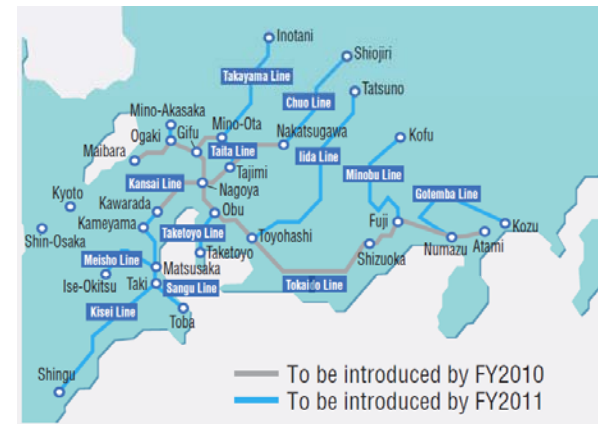
Ensuring Safe and Reliable Transportation

(Capital Investment: 110 billion yen)

- We will prioritize ensuring safe and reliable transportation, which is the foundation of the railway business
- As for the Tokaido Shinkansen, in regard to anti-earthquake measures, promoting **countermeasures against derailment and post derailment** as well as the quake-resistant reinforcement of embankments and bridges
- As for conventional lines, promoting disaster prevention measures such as measures to prevent falling rocks, upgrading level-crossing safety devices, and promoting installation work of ATS-PT



Countermeasure against Derailment and Post Derailment of the Tokaido Shinkansen



Installation Plan of ATS-PT

[Note]

- Quake-resistant reinforcement of embankments and bridges of the Shinkansen
Embankments : 0.6km Bridges : Around 60 bridges (FY2010)
- Installation of ATS-PT : Planned completion of installation for all lines during FY2011
- Countermeasure against derailment and post derailment : total length of 140km

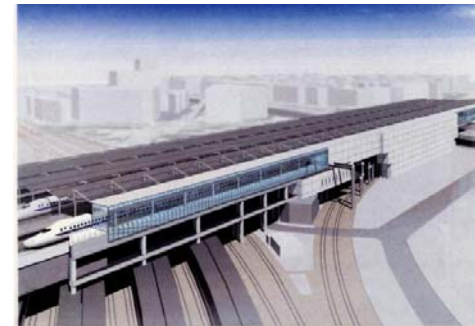
Enhancing Transportation Services of the Tokaido Shinkansen

(Capital Investment: 95 billion yen)

- We will promote measures aimed at enhancing transportation services of the Tokaido Shinkansen such as introducing the Series N700 in a concentrated manner.
- Promoting **the concentrated introduction of the Series N700** and in sequence increasing operation of regular "Nozomi" services operated by the Series N700
- Providing train services flexibly in peak seasons and hours
- Promoting large-scale renovations at Shin-Osaka Station and preparing for the direct service of Kyushu Shinkansen to Shin-Osaka
- Proceeding with the renovation of passenger-related facilities at Tokyo Station and the replacement of platform fences at Shin-Yokohama Station



The Series N700



Shin-Osaka Station Platform Expansion (completion image)

[Note]

- The Series N700: Planned introduction of 16 trainsets during FY2010
- ⌋ ※ All regular "Nozomi" services directly linking the Tokaido and Sanyo Shinkansen sections have started to be operated by the Series N700 since March 13th, 2010

- Large-scale renovations at Shin-Osaka Station : Full-scale use to start during FY2013
- Replacement of platform fences at Shin-Yokohama Station : Planned completion in FY2010
- Renovation works of passenger-related facilities at Tokyo Station : Planned completion in the spring of 2012

Enhancing Transportation Services of Conventional Lines

(Capital Investment: 12 billion yen)

- We will work on various measures such as replacement with new rolling stock.
 - Working on various measures to further improve transportation services such as **replacement with new rolling stock**
 - Strengthening the transportation infrastructure in Nagoya Metropolitan Area through **the Taketoyo line electrification plan**
 - Steadily introducing barrier-free accessible facilities in cooperation with concerned local governments and other institutions
 - Promoting construction of a new station between Koda and Okazaki Stations on the Tokaido line
 - Proactively developing our walking event "*SAWAYAKA Walking*"



New Rolling Stock, the Series Ki-Ha 25 (completion image)



New Station between Koda and Okazaki Stations (completion image)

[Note]

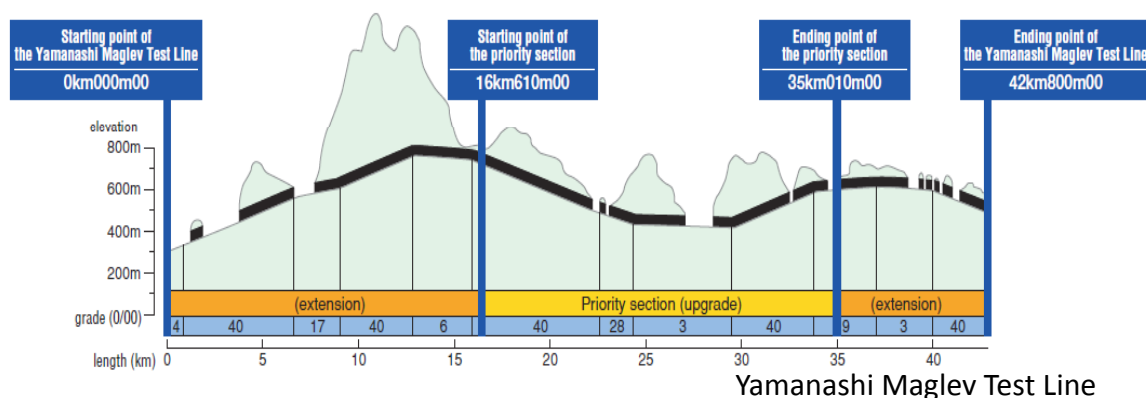
- Replacement with new type of rolling stock : 120 electric cars, 10 diesel cars
- Establishment of a new station between Koda and Okazaki stations : at the end of FY2011
- The Taketoyo line electrification plan: Planned in the spring of 2015
- Barrier-free accessible facilities : Elevators; 8 stations, 12 units Multifunction toilets; 5 stations (Facilities to be upgraded in FY2010)

Promoting the Tokaido Shinkansen Bypass by the Superconducting Maglev

(Capital Investment: 49 billion yen)

*only includes capital investment related to the extension and the upgrading of facilities of the Yamanashi Test Line

- We will promote measures to realize the Tokaido Shinkansen Bypass that utilizes the Superconducting Maglev.
- Steadily proceeding with the required procedures in accordance with the Nationwide Shinkansen Railway Development Law
- Continuing efforts to polish up the Superconducting Maglev technology
- In regard to the Yamanashi Maglev Test Line, proceeding with the construction works to extend its length to 42.8 km and completely renovating the facilities to practical specifications, aiming to complete them as quickly as possible in a steady and speedy manner



[Note]

- The Yamanashi Maglev Test Line : Planned start of tests using new facilities at the end of FY2013

Implementing Marketing Initiatives

(Capital Investment: 5 billion yen)

- We will proactively implement marketing initiatives to increase revenues, such as penetrating new services of “TOICA” and developing various campaigns.
- Working for increasing membership of “Express Reservation”
- Along with promoting an electronic money function on “TOICA” and the service in which a passenger can get on board the Tokaido Shinkansen with TOICA commuter pass, continuing deliberation toward expansion of mutual use of IC cards
- Proactively developing various campaigns and offering attractive travel products, by fully utilizing tourist resources in Kyoto, Nara and other destinations



EX-IC Service



Nara Campaign Poster

[Note]

- The number of Express Reservation Members : 1.59 million (as of the end of February, 2010)

Strengthening Technological Competences, Pursuing Possibility of Overseas Deployment

(Capital Investment: 1 billion yen)

- We will strive to continuously enhance our technological competences, which is the foundation of railway management and development, and also strive to execute deployment of high-speed rail systems in overseas projects
- Fostering research and development on enhancing transportation services mainly of the Tokaido Shinkansen and countermeasures against natural disasters at JR Central Research Center in Komaki (Aichi Prefecture)
- Promoting **execution of deployment of high-speed rail systems in overseas projects** by leveraging our comprehensive technological competences



Rolling Stock Field Test Simulator



High-Speed Rail Symposium

[Note]

- Overseas deployment of high-speed rail systems : Proactively promoting marketing activities for identified corridors

Developing Affiliated Businesses

(Capital Investment: 20 billion yen) *Capital Investment by the consolidated subsidiaries

- We will further develop our affiliated businesses such as steadily proceeding with the project of constructing a new building at Nagoya station, and studying for further agricultural business development
- Steadily proceeding with **the project of constructing a new building at Nagoya Station**, such as coordinating with the organizations concerned
- Developing land generated through the re-allocation of our company housings to use it effectively
- In our agriculture business, starting shipping out products to our group companies and deliberation toward further business development



“Nagoya Station New Building” (tentative name, completion image)



Agriculture Business

[Note]

- Nagoya Station New Building Plan : Planned completion in FY2016 and planned full open in FY2017

Total area : Approx.260,000m², Highest Point : approx.220m, Floors : 46 floors
(environmental assessment will be conducted with this size)

Efforts to Conserve the Global Environment and Prepare for Museum Opening

(Capital Investment: 4 billion yen)

- We will proactively promote efforts to conserve the global environment and proceed with preparations for opening a museum.
- Promoting efforts to contribute to the conservation of the global environment such as replacement with energy-saving rolling stock, and engaging in activities to disseminate information, aiming to spread the concept of "Eco Business Trips"
- Preparing for the construction and **the opening of the "JR Central Museum (tentative name)" in the spring of 2011** to widely introduce advancements in high-speed railway technology and other aspects



Introduction of Energy-saving Rolling Stock (Shinkansen)



"JR Central Museum" (tentative name, completion image)

[Note]

- Proportion of N700 out of all owned Shinkansen rolling stock: 60% at the end of FY2011

- JR central Museum (tentative name) : Planned introduction of Photovoltaic Power Generation System