

## **FY2011 Key Measures and Capital Investment**

We will prioritize ensuring safe and reliable transportation, which is the foundation of the railway business, such as by continuous safety-related investment and integrated employee training with our group companies.

In regard to railway business, we continue to prioritize ensuring safe and reliable transportation such as by promoting earthquake countermeasures for the Tokaido Shinkansen and the installation of ATS-PT which will be used on all conventional lines by the end of FY2011. We will also improve transportation services through the concentrated introduction of the Series N700 and the replacement of old rolling stock with new rolling stock on the conventional lines.

We also steadily move forward with the Tokaido Shinkansen Bypass by the Superconducting Maglev system based on a long-term perspective, as well as a New Building Project at Nagoya Station, and overseas deployment of high-speed railway system.

At the same time, we acknowledge that the Japanese economy will face more severe circumstances in the wake of the Great Tohoku-Kanto Earthquake and Tsunami. We shall therefore strengthen earning capability, continuously improve technological competency, and seek to enhance management vitality in the pursuit of efficiency and cost reduction 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 System
- Enhancing Marketing Initiatives
- Strengthening Technological Competency, Pursuing Overseas Deployment of High-Speed Railway System
- Developing Affiliated Businesses
- Efforts to Conserve the Global Environment, Operation of the “SCMAGLEV and Railway Park”

### **II. Capital Investment**

- Consolidated : 356 billion yen
  - Non-consolidated : 329 billion yen \*
- \*including 167 billion yen for safety-related investment

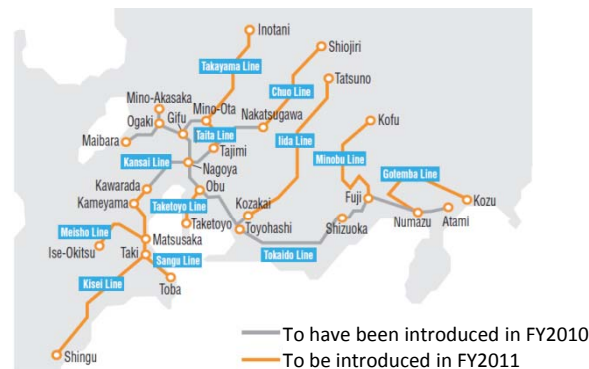
# Ensuring Safe and Reliable Transportation

(Capital Investment: 113 billion yen)

- We will prioritize ensuring safe and reliable transportation, which is the foundation of the railway business.
- Strongly promoting **countermeasures for derailment and deviation** as well as the reinforcement of embankments and bridges as further anti-earthquake measures for the Tokaido Shinkansen
- Promoting **the renovation of the Hamamatsu Workshop**, where general overhauls of the Tokaido Shinkansen rolling stock are conducted
- As for the conventional lines, promoting **the installation work of ATS-PT** which will be used on all conventional lines by the end of FY2011 as well as countermeasures for falling rocks and upgrade of level-crossing safety devices
- Enhancing employee training that focuses on safety and hospitality in cooperation with group companies by utilizing **the new Employee Training Center, which will integrate two existing centers through renovations**



Countermeasure for Derailment and Deviation of the Tokaido Shinkansen



Installation Plan of ATS-PT



The Completion Image of the New Employee Training Center

- [Note]
- Quake-resistant reinforcement of embankments and bridges of the Shinkansen  
Embankments : 0.7km Bridges : Approx. 65 bridges (FY2011)
  - Countermeasure for derailment and deviation : applied to 140km in total (43km during FY2011)
  - New Employee Training Center: to open in FY2011

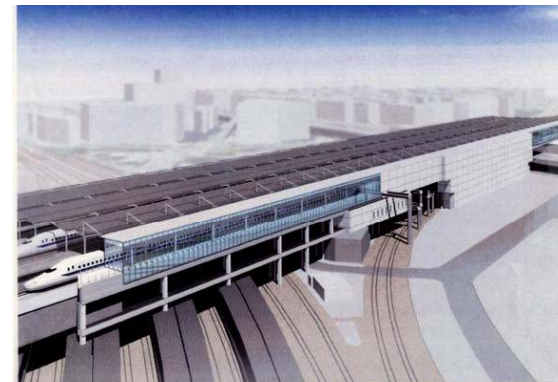
# Enhancing Transportation Services of the Tokaido Shinkansen

(Capital Investment: 85 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 operating all regular “Nozomi” services with the Series N700 by the end of FY2011
  - Continuing with large-scale renovations such as improvements of the station concourse including equipments relating to ticket sales and entry gates and the addition of a platform at Shin-Osaka Station as well as proceeding with the renovation of passenger-related facilities at Tokyo Station to be completed during FY2011
  - Maintaining a smooth operation of the Tokaido, Sanyo, and Kyushu Shinkansen



The Series N700



Shin-Osaka Station Platform Expansion (completion image)

[Note] • The Series N700: Planned introduction of 16 trainsets during FY2011  
\* Approx. 90% of all regular “Nozomi” services of the Tokaido Shinkansen have been operated using the Series N700 since March 12, 2011

• Large-scale renovations at Shin-Osaka Station : Opening of all facilities during FY2013  
• Renovation works of passenger-related facilities at Tokyo Station : Planned completion by the end of FY2011

# Enhancing Transportation Services of Conventional Lines

(Capital Investment: 10 billion yen)

- We will work on various measures such as the replacement of old rolling stock.
- Working on measures to further improve transportation services such as the **replacement of old rolling stock**
- Strengthening the transportation infrastructure in the Nagoya Metropolitan Area through plans to electrify the Taketoyo Line
- Steadily introducing barrier-free accessible facilities
- Moving forward with preparations to construct a new station between Koda and Okazaki Stations on the Tokaido Line



The Series 313



New Station between Koda and Okazaki Stations  
(completion image)

[Note] • Replacement of old rolling stock: manufacture of 44 new electric cars (FY2011)

• The Taketoyo Line electrification plan: Planned for the spring of 2015

• Establishment of a new station between Koda and Okazaki Stations : by the end of FY2011

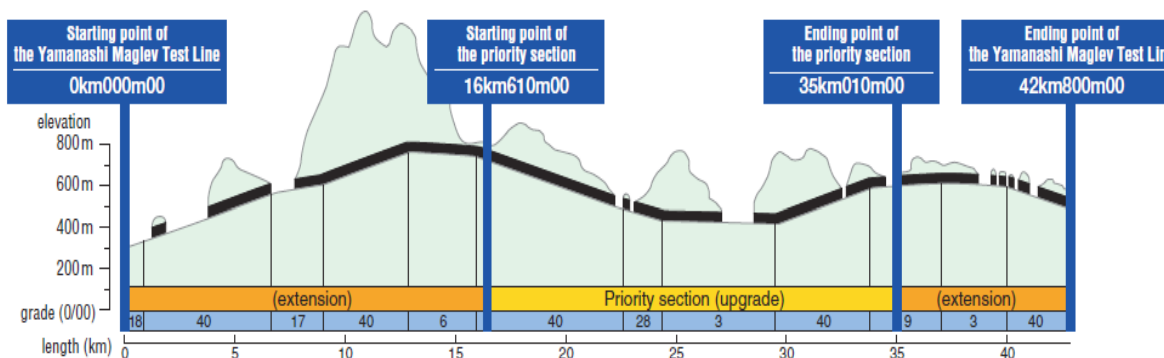
• Barrier-free accessible facilities : 2 elevators for 1 station, 1 multifunction toilets (to be upgraded in FY2011), improvements of fall prevention fences on platforms

# Promoting the Tokaido Shinkansen Bypass by the Superconducting Maglev System

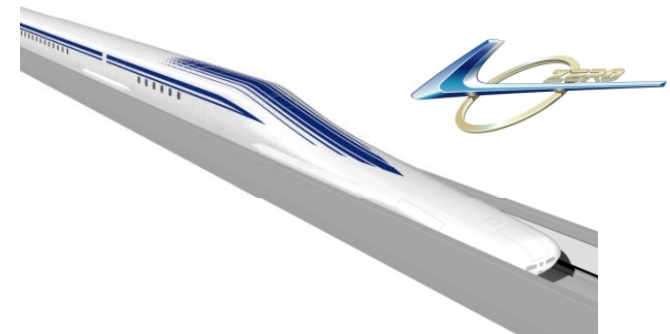
(Capital Investment: 86 billion yen)

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

- We will promote measures to realize the Tokaido Shinkansen Bypass that utilizes the Superconducting Maglev system.
- Steadily proceeding with the required procedures in accordance with the Nationwide Shinkansen Railway Development Law
- Continuing efforts to refine the Superconducting Maglev technology
- Proceeding with the construction works to extend the length of the Yamanashi Maglev Test Line to 42.8 km and completely upgrading its facilities to practical specifications, which is being promoted swiftly and steadily toward early completion
- Proceeding with the manufacture of **the new rolling stock, the Series L0, built to commercial specifications**



Yamanashi Maglev Test Line



New Rolling Stock, the Series L0

[Note]

- The Yamanashi Maglev Test Line : Planned start of tests using new facilities in FY2013
- The Series L0: Producing 14 cars, out of which 2 leading cars and 3 middle cars will be produced in FY2013 and the other 9 cars will be gradually introduced by FY2015

# Enhancing Marketing Initiatives

(Capital Investment: 4 billion yen)

- We will proactively develop marketing initiatives to increase revenue, such as expanding the use of “EX-IC Service”.
  - Working to expand the use of “EX-IC Service” and increase the number of “Express Reservation” members
  - Proactively developing various marketing campaigns by fully utilizing tourist resources in Kyoto, Nara and other destinations
  - Launching new marketing initiatives such as **coordination with Kyushu Shinkansen (JR Kyushu) and the development of products for foreign visitors**
  - Expanding the use of the conventional lines by proactively developing efforts such as “SAWAYAKA Walking (walking event)” etc



EX-IC Service



A poster for the Kyoto Marketing Campaign

[Note] • Express Reservation membership: 1.78 million (as of the end of February, 2011)

# Strengthening Technological Competences, Pursuing Overseas Deployment of High-Speed Railway System

(Capital Investment: 1 billion yen)

- We will continuously strive to enhance our technological competences, which is the foundation of railway management and development, and also to pursue overseas deployment of high-speed railway system.
- Promoting research and development at JR Central Research Center in Komaki (Aichi Prefecture) aimed at enhancing transportation services primarily for the Tokaido Shinkansen, and countermeasures for natural disasters
- Engaging in marketing activities in regions and corridors that have been selected as viable targets for **the overseas deployment of high-speed railway system** by leveraging our comprehensive technological competences



Rolling Stock Field Test Simulator



Image of high-speed railway

# Developing Affiliated Businesses

(Capital Investment: 36 billion yen)

\*including 27 billion yen to be invested by the consolidated subsidiaries

- We will steadily proceed with the Nagoya Station New Building Project and further develop our affiliated businesses by, for example, developing our agriculture business.
- Steadily proceeding with the dismantlement of the existing Nagoya Station building to start construction of **the Nagoya Station New Building** in the summer of 2012
- Developing land to use it effectively
- Developing our agriculture business to provide safer and more reliable food products



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



Agriculture Business

[Note] • Nagoya Station New Building Project : Planned completion in FY2016. Total Floor Area; approx. 260,000m<sup>2</sup>, Height; approx. 220m, Floors (Above-ground); 46 floors



# Efforts to Conserve the Global Environment, Operation of the “SCMAGLEV and Railway Park”

(Capital Investment: 1 billion yen)

- We will proactively promote efforts to conserve the global environment, as well as to attract more visitors to the “SCMAGLEV and Railway Park”.
- Promoting efforts to contribute to the conservation of the global environment such as replacing old rolling stock with energy-saving rolling stock, and actively conveying the environmental superiority of railways
- Making efforts to refine operation of the “SCMAGLEV and Railway Park” and to attract more visitors



The Series N700



“SCMAGLEV and Railway Park”

[Note]

• The Series N700: Planned introduction of 16 trainsets during FY2011  
\* Approx. 90% of all regular “Nozomi” services of the Tokaido Shinkansen have been operated using the Series N700 since March 12, 2011

• “SCMAGLEV and Railway Park”: opened on March 14, 2011. 600 thousand visitors are expected in the first year. Photovoltaic Power Generation System is introduced.