

## **Key Measures and Capital Investment in FY2013**

(Year ending March 31, 2014)

We will give priority to ensuring safe and reliable transportation, which is the foundation of the railway business, through continuous safety-related investment, integrated employee training with our group companies, and other efforts.

In our railway business, while continuously promoting earthquake countermeasures, we will start large-scale renovations of the civil engineering structures along the Tokaido Shinkansen in order to maintain Japan's main transportation artery. We will also improve transportation services by introducing N700A and modifying the Series N700 cars.

Test runs will be started at the Yamanashi Maglev Test Line after completion of the extension and facility upgrade.

At the same time, from a long-term perspective, we will steadily move forward with the Chuo Shinkansen project which employs the Superconducting Maglev System, and the Nagoya Station New Building Project, as well as overseas projects using the high-speed railway and superconducting maglev system.

In order to steadily move forward to address various challenges, we shall continuously enhance management vitality by strengthening earning capability, improving technological competency, and pursuing efficiency and cost reductions at all levels including capital investment.

### **I. Key Measures**

- Ensuring Safe and Reliable Transportation
- Enhancing Tokaido Shinkansen Transportation Services
- Enhancing Conventional Line Transportation Services
- Promoting the Chuo Shinkansen Project employing the Superconducting Maglev System
- Enhancing Marketing Initiatives
- Strengthening Technological Capability, Pursuing Overseas Projects, Preserving the Global Environment,
- Developing Affiliated Businesses

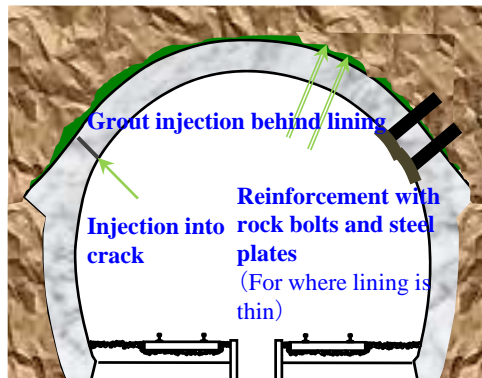
### **II. Capital Investments**

- Consolidated : 294.0 billion yen
  - Non-consolidated : 271.0 billion yen \*
- \*including 172.0 billion yen for safety-related investments

# Ensuring Safe and Reliable Transportation

( Capital Investment : 123 billion yen )

- We will give priority to ensuring safe and reliable transportation, which is the foundation of the railway business.
- Starting **large-scale renovation** to preserve and improve the soundness of civil engineering structures along the Tokaido Shinkansen.
- Promoting **measures to counter derailment and deviation of the Tokaido Shinkansen** as well as **reinforcing elevated track columns along conventional lines** as further anti-earthquake measures.
- Promoting **rebuilding and seismic strengthening of buildings such as the Hamamatsu Workshop and Mishima station.**
- Promoting countermeasures for falling rocks and upgrading of level-crossing safety devices for conventional lines.
- **Enhancing anti-tsunami measures** based on the hazard maps to be published by each local government.
- Enhancing employee training to focus on safety and hospitality in cooperation with group companies by utilizing the General Education Center.



Large-Scale Renovation  
(tunnel; measures to inhibit age-related deterioration)



Derailment and Deviation Countermeasure along  
the Tokaido Shinkansen



Illustration of the Rebuilt Hamamatsu Workshop

[Note] • Large-scale renovation of the Shinkansen : 93 billion yen over the first 3 years  
(22 billion yen in FY2013)  
• Derailment and deviation countermeasure for the Tokaido Shinkansen :  
Derailment prevention guards along approx. 70km (FY2013)

• Rebuilding of the Hamamatsu Workshop :  
General inspections using new line are scheduled to begin in March 2017

# Enhancing Tokaido Shinkansen Transportation Services

( Capital Investment : 55 billion yen )

- We will continue to enhance transportation services, including replacement of Series 700 with the N700A for the Tokaido and Sanyo Shinkansen.
- **Introducing N700A**, which employs the latest technological developments, as well as promoting **modifications of Series N700** to incorporate technology adopted by the N700A.
- Completing large-scale renovation of Shin-Osaka Station after a seven-year renovation project with **renovation of the draw-out tracks**.
- Promoting **installation of new movable platform fences** at Tokyo Station and Nagoya Station.
- Promoting **installation of smoking rooms** at all Shinkansen stations.



N700A



Platform #27 at the Shin-Osaka Station

[Note] • Introducing 31 N700A trainsets  
(6 in FY2012, 7 in FY2013, 6 in FY2014, 6 in FY2015, 6 in FY2016)

• Large-scale renovation at Shin-Osaka Station :  
Full use of renovated facilities to begin in FY2013

• New-type moving platform fences :  
Use of platforms #15 thru #19 at Tokyo Station to successively go into use by the end of March 2015  
Use of platforms #14 thru #17 at Nagoya Station to successively go into use by March 2017

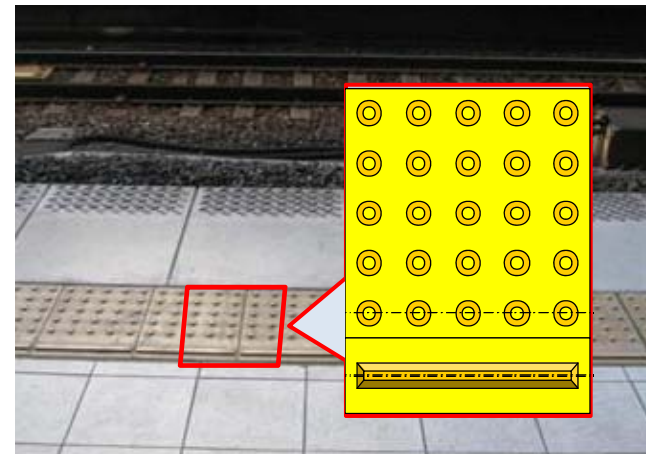
# Enhancing Conventional Line Transportation Services

( Capital Investment : 4 billion yen )

- We will actively address various measures such as electrification of the Taketoyo Line.
- Steadily promoting **electrification of the Taketoyo Line** to start operation in the spring of 2015.
- Proceeding designs for replacing old diesel cars with new ones.
- Continuously promoting **installation of barrier-free facilities** at stations, including elevators, multifunction toilets, and braille blocks that have lines indicating the platform edge side.



Series Ki-Ha 25



Braille blocks that have lines indicating platform edge side

[Note] • Starting operation of newly electrified Taketoyo Line : Spring 2015 (planned)  
• Replacement with new diesel cars : manufacturing 52 "Series Ki-Ha 25" diesel cars (16 in FY2014 and 36 in FY2015)

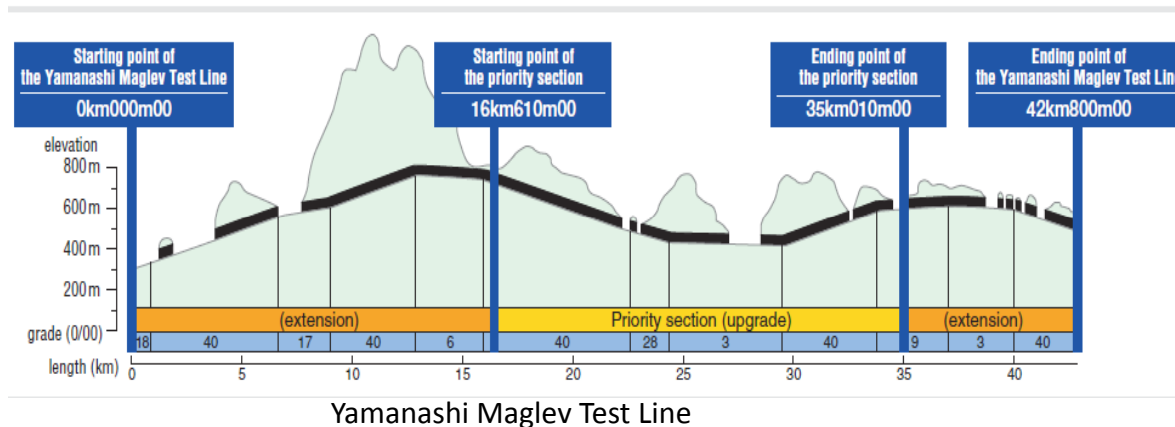
• Installation of elevators and multifunction toilets :  
6 elevators for 3 stations, multifunction toilets for 3 stations (FY2013)  
• Replacement of braille blocks : 17 stations (FY2013)

# Promoting the Chuo Shinkansen Project Employing Superconducting Maglev System

( Capital Investment : 37 billion yen )

\*Including only capital investment related to extension and facility upgrade along Yamanashi Test Line

- We will promote measures to realize the Chuo Shinkansen employing the Superconducting Maglev System.
- Steadily proceeding with preparations to begin construction, such as assessing the environmental impact between Tokyo and the Nagoya City including **publication of “Report on Preparation for Environmental Assessment.”**
- **Completing the construction to extend the Yamanashi Maglev Test Line to 42.8 km and upgrade its facilities, and restarting running tests using the new rolling stock Series L0.**
- Making efforts to improve Superconducting Maglev technology and reduce costs for construction, operation and maintenance.



New vehicle, Series L0

[Note] • Yamanashi Maglev Test Line : Running tests using new facilities will be started by the end of 2013

• The Series L0: Manufacturing 14 cars  
2 leading cars and 3 middle cars were introduced in November 2012.  
The other 9 cars will be gradually introduced by FY2015.

# Enhancing Marketing Initiatives

( Capital Investment : 11 billion yen )

- We will proactively develop marketing initiatives to increase revenue.
- Making efforts to **expand use of and increase the number of “Express Reservation” service members and “PLUS EX” service members.**
- Proactively developing **various marketing campaigns utilizing tourism resources such as the Grand Shrine of Ise, where a special ceremony is held, as well as Kyoto, Nara and other destinations,** as well as developing travel products for inbound tourists.
- Making efforts to penetrate a new service, nation-wide mutual use of TOICA with IC cards of other transport operators, and to promote TOICA usage for railways and electric money.
- Increasing passenger volume through local cooperation, such as the Sawayama Walking event.



PLUS EX Card



Poster for “Visit Ise and Shima” marketing campaign

[Note] • Express reservation membership: 2.13 million (as of the end of February, 2013)  
• PLUS EX service membership: 20 thousand (as of the end of February, 2013)

• Mutual use of TOICA with IC cards of 10 transport operators:  
Beginning March 2013

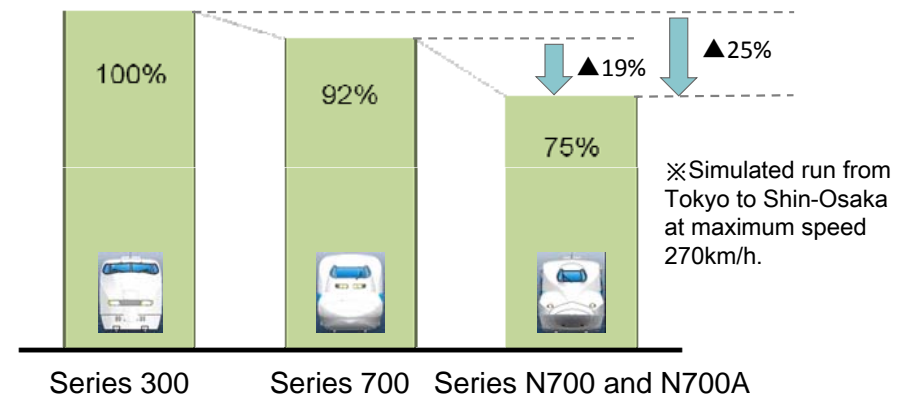
# Strengthening Technological Capability, Pursuing Overseas Projects & Preserving the Global Environment

( Capital Investment : 1 billion yen )

- We will continuously strive to enhance our technological capabilities, which are the foundation of railway management and development as well as to pursue overseas projects using the high-speed railway and superconducting maglev systems, and to preserve the global environment.
- Promoting **research and development for practical technologies** such as those for maintenance and reinforcement of civil engineering structures, enhancement of transportation services, and countermeasures for natural disasters
- Engaging in marketing activities in regions and corridors that have been selected as viable targets for overseas projects using the high-speed railway or superconducting maglev systems by leveraging our comprehensive technological capabilities
- Promoting measures to contribute to conservation of the global environment such as replacing old rolling stock with energy-saving rolling stock



Truss Bridge (for tests)



Electric Power Consumption by Tokaido Shinkansen Rolling Stock Type

# Developing Affiliated Businesses

(Capital Investment: 34 billion yen)

\*Including 23 billion yen to be invested by consolidated subsidiaries

- We will steadily move ahead with the Nagoya Station New Building Project as we strive to increase competitiveness and revenue of our existing business.
- Promoting construction of the **Nagoya Station New Building**, scheduled to be completed at the end of 2015, as well as actively promoting tenant leases.
- Increasing revenue by invigorating commercial facilities in the station building and stimulating merchandise businesses.
- Making continuous efforts to develop our agriculture business to provide safer and more reliable food products



Illustration of “Nagoya Station New Building” (tentative name)



Shin-Yokohama Gourmet Street

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[Note] · Nagoya Station New Building (tentative name)  
Scheduled for completion at the end of 2015  
Total floor area: approx.260,000m<sup>2</sup>, height approx.220m, 46 floors (above-ground)