

# **Achievements and future development of Station Renaissance**

February 2005

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Life-style Business Development Headquarters

East Japan Railway Company



# **I. Non-railway businesses of JR-EAST**

# Life-Style Business Development Headquarters

## 1. During the JNR age

Mainly railway business



## 2. 1987 ~privatization~

non-railway businesses=two sections

Business Development Headquarters

Affiliated Enterprise Headquarters

**integration**



## 3. 1997

**Life-style Business Development Headquarters**

## Environmental changes

1. Fewer children and rapidly ageing population
2. Severer competition with other transport media
3. Returning of residents to the center of Tokyo



***The decline is faster than we expected***

# Basic Approach to Business Development

- 1. Collaboration of railway and life-style service businesses  
=two inseparable elements of management**
- 2. Effective utilization of stations and other station-related assets**
- 3. Market to our 16 million passengers per day**
- 4. Enhancing Group company value and achieving higher profitability**

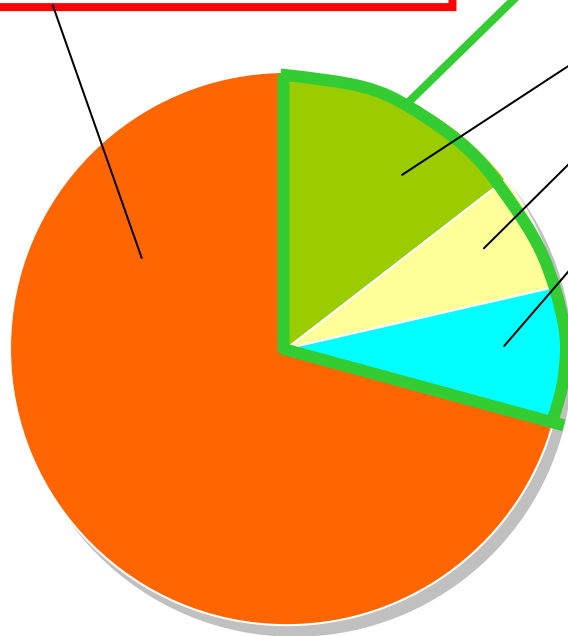
# Business composition of Life-style Services Business by segment

## Breakdown of operating turnover

Turnover : \2,542.1 billion

**Transportation : 71%**

**Life-style Services Business : 29%**



Station space-using business : 14%

Shopping/office business : 7%

Other business : 8%

**【Current status】**

### ■ Transportation

Turnover : \1,798.1 billion

### ■ Life-style Services Business

Turnover : \744.1 billion

Station Space Utilization : 366.4

Shopping centers  
& Office buildings : 175.2

Other business : 202.5

Year ending in

March 2004

# <Case> Tokyu Corporation

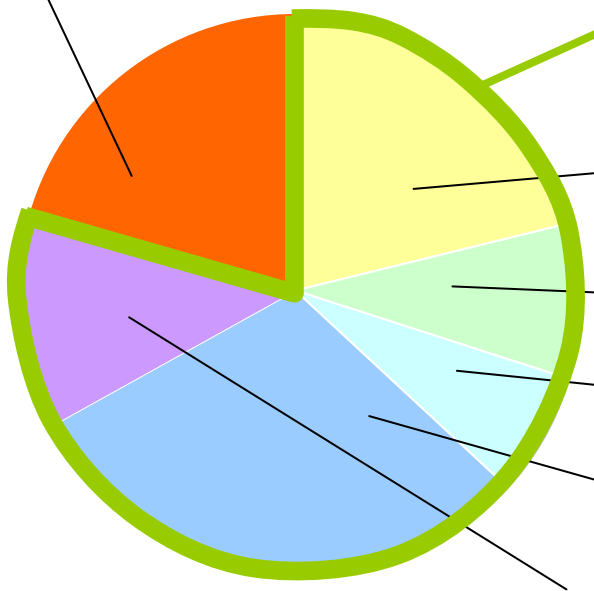
## Income from Non-railway Business (by segment)

### Breakdown of operating turnover

Turnover: \1,223 billion

**Transportation : 21%**

**Non-Railway Business : 79%**



**Other business : 21%**

**Hotel business : 9%**

**Leisure Services business : 7%**

**Retail business : 30%**

**Real estate business : 12%**

Year ending in  
March 2004

# Business composition of Life-style Services Business by segment

## Breakdown of operating turnover

Year ending in  
March 2004

Turnover: \2,542.1billion

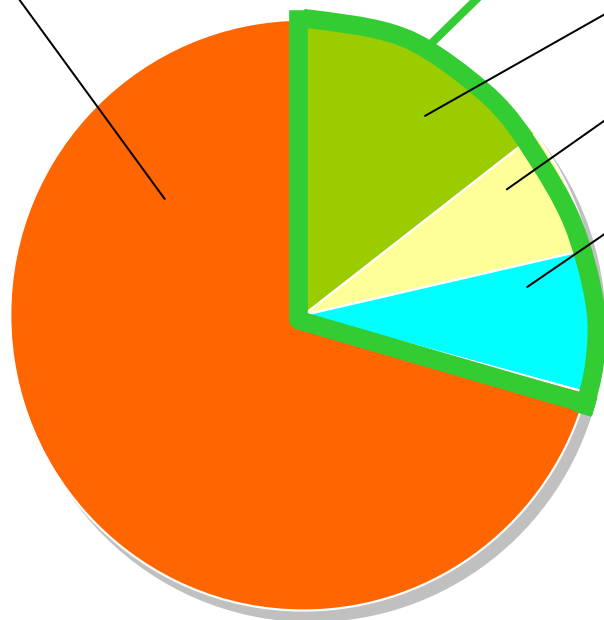
**Transportation 71%**

**Life-style Services Business :29%**

Station space-using business : 14%

Shopping/office business : 7%

Other business : 8%



We have to enhance this proportion to the level that is comparable with Tokyu corporation.



# Income from Life-style Services Business (by segment)

## Breakdown of operating turnover

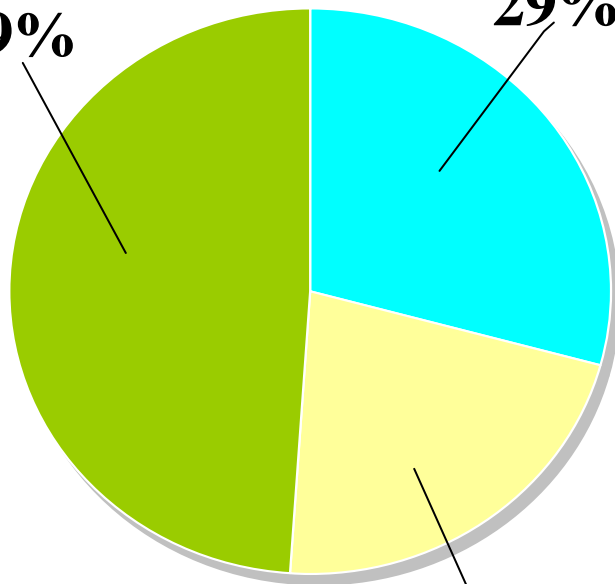
Turnover: ¥751.3 billion

Station space-using  
business :

49%

Other business :

29%



Year ending in  
March 2004

Shopping/office business :  
22%

## 【Current status】

### ■ Station space business

Turnover ¥366.4 billion

Retail sales, food & drink in  
station

### ■ Shopping/office business

Turnover ¥175.2 billion

Shopping centers : 119

(Tenant turnover ¥960 billion)

Office buildings : 15

(Rentable area : 104,579 m<sup>2</sup>)

### ■ Other business

Turnover ¥202.5 billion

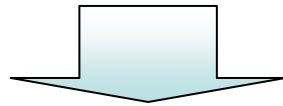
Hotels : 43 (5,284 rooms)

Advertising : ¥86.4 billion

# Station Space Using Business KIOSK, NRE, JEFB

- Turnover: \366.4 billion
- Operating profit/turnover rate 7.4% (March 2004)

## ■ Conventionally,



## ■ Currently,

### <Recent development>

- Convenience store : NEWDAYS(372)
- Mujirushi ryohin com KIOSK(18)
- Bookstore : BOOK GARDEN(18)
- Barber shop : QB HOUSE(28)
- Quick massage : Temomin(4)



Relaxation Space



ももみん

\* ( ) No. of shops

# Shopping and Office Business

## <Station Building>

- Sales by Tenants : 960 billion
- Operating profit/turnover rate : 26.4%

- 44 group companies
- (March 2004)

Conventionally,

One station building per station  
One station building per company

Currently,



- Flagship station building ⇒ Restructuring (Scrap&Build)
- Composite station building (Commercial facilities/offices)

【Recent development】

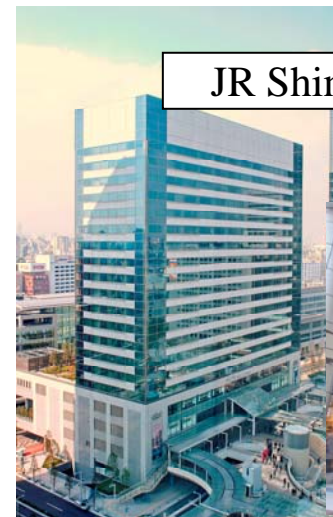
- ⇒ Flagship: Atré(9), LUMINE(13)
- ⇒ Complex(6): JR Shinagawa East Bldg.



Atré Ebisu



LUMINE Shinjuku



JR Shinagawa East Building



Atré Shinagawa

# Hotel Business (Others business)

- **Turnover : \43.8 billion**
- **19 group companies**

(March 2004)

\* ( ) No. of hotels

- **City Hotel type(11)**  
Hotel Metropolitan , Tokyo Station Hotel,  
Hotel Edmont , etc

- **Business Hotel type (15)**  
Hotel Mets chain

- **Others(17)**  
Hotel Dream Gate Maihama  
Folklore  
Familio

etc.

\* No. of member hotels / 43

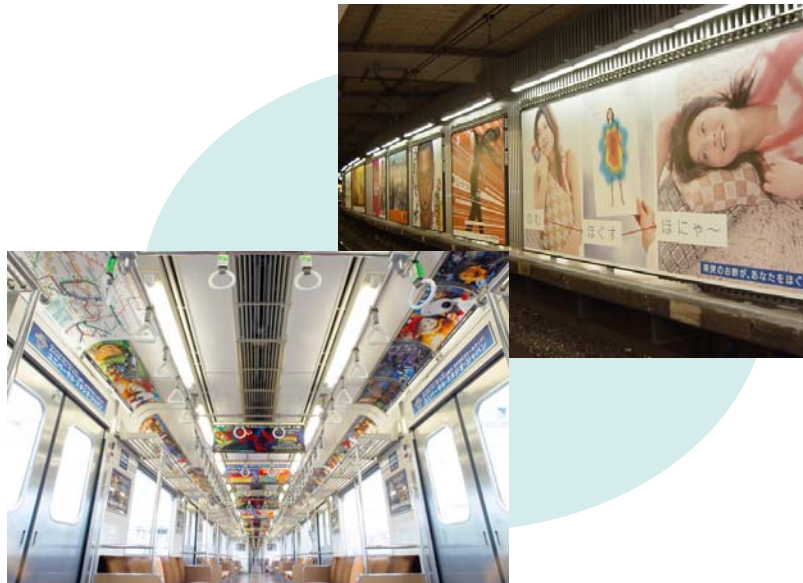
Total no. of guest rooms / 5284



# Advertising and publicity (Other business)

- **Turnover: ¥86.4 billion** (March 2004)
- **1 operating company and 1 working company**
- **Traditionally, we have developed posters in stations and railcars, and signboard advertisements**
- **Currently, we are developing new advertisement media including railcar body advertising, moving-image advertisements in railcars (E231 series) and stickers on automatic ticket gates.**

*Traditional media*



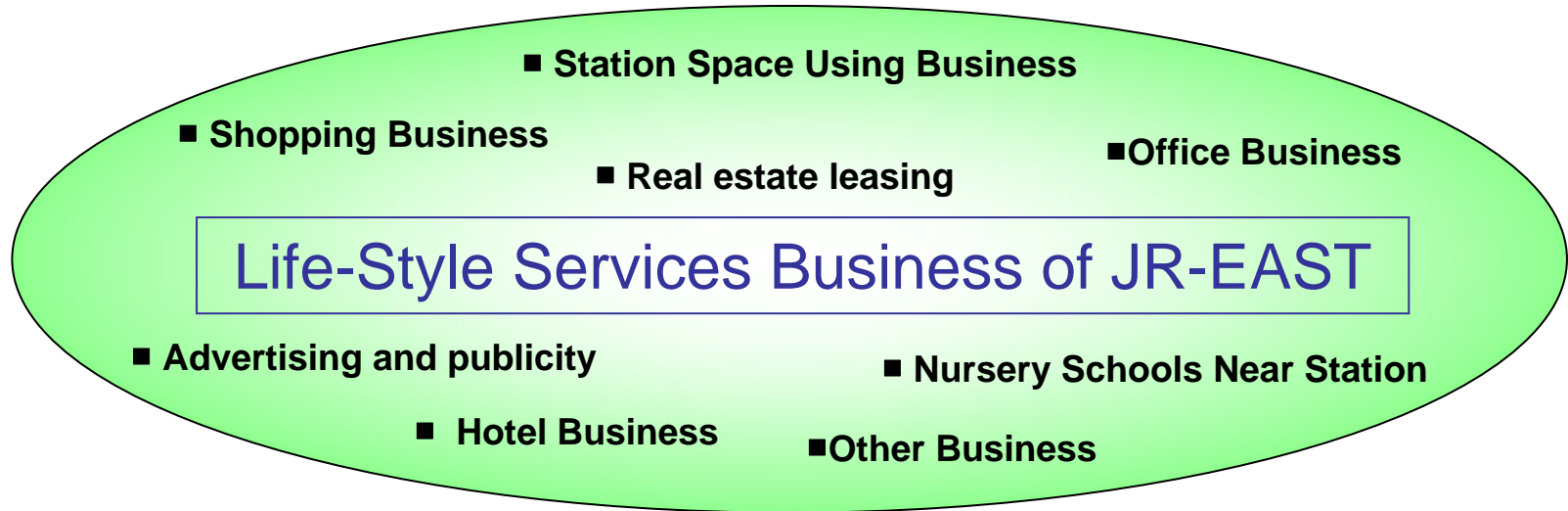
*Current media*



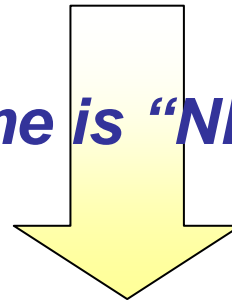
## **II. Realization of “NEXT STATION”**

**~ Station Renaissance ~**

# Today's theme



*Today's theme is "NEXT STATION"*



<Focus of presentation>

**STATION RENAISSANCE OF JR-EAST**

# Station Renaissance

■ **Station Renaissance is**

■ **Large-scale development**



~ Development Case ~

# Ueno Station Renaissance

# Ueno Station

## 1. History

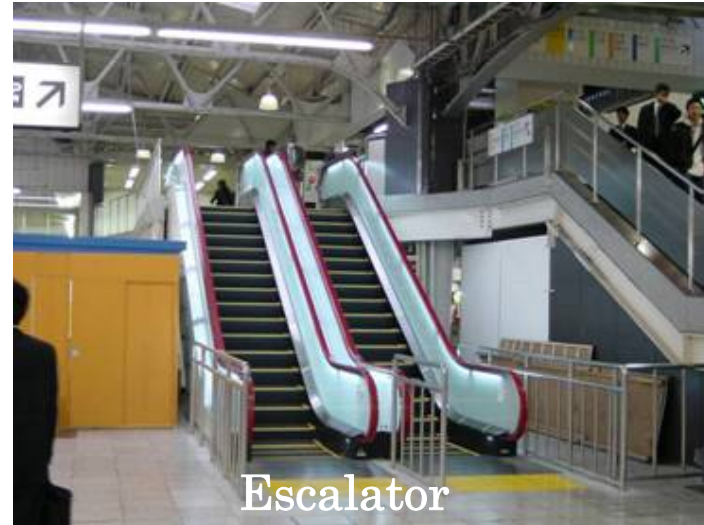
- **Jury 1883** : Operation commenced between Ueno and Kumagaya
- **September 1923**: Station building burned down during the Great Kanto Earthquake
- **April 1932** : New station building (current building) completed
- **March 1985** : Operation of Tohoku Shinkansen started between Ueno and Morioka
- **June 1992** : Tohoku Shinkansen extended from Ueno to Tokyo

## 2. Issues

With the exception of Shinkansen facilities, most facilities were constructed between the 1920s and the 1930s – after the Great Kanto Earthquake of 1923.

- **Complicated and inconvenient old station facilities**
- **Overall deterioration and out-dated facilities, with some inefficiently managed**
- **No fire or earthquake disaster prevention facilities**

# Station Renaissance –Development Case (Ueno Station)



⇒ Making a customer- friendly station

# Station Renaissance –Development Case (Ueno Station)



Information



Neighborhood information signs



Guide signs

⇒Creating a customer – friendly station

= *Creating an easy-to-use station*

# Station Renaissance –Development Case (Ueno Station)

## Before refurbishment: Front entrance (outside)



# Station Renaissance –Development Case (Ueno Station)

## After refurbishment: Front entrance (outside)



*⇒Renovation station appropriate for the region*

# Station Renaissance –Development Case (Ueno Station)

Before refurbishment:  
Concourse outside the central ticket gate



The concourse  $\Rightarrow$  *gloomy and cluttered*

# Station Renaissance –Development Case (Ueno Station)

After refurbishment:  
Outside the central ticket gate (Grand Concourse)



⇒ *We named the area “Grand Concourse”*



# Station Renaissance –Development Case (Ueno Station)

## Before refurbishment : Shinobazu exit underpass



*underpass ⇒ gloomy and cluttered*

# Station Renaissance –Development Case (Ueno Station)

After refurbishment : Shinobazu exit underpass



# Station Renaissance –Development Case (Ueno Station)

## Refurbishment of Front entrance (inside)



# Station Renaissance –Development Case (Ueno Station)

## Information services space “Break”



⇒ We established the “Break” information services space

# Station Renaissance –Development Case (Ueno Station)

A station with a cultural flavor



■Enjoying time in the station①

# Station Renaissance –Development Case (Ueno Station)

## Concert of Tokyo National University of Fine Arts and Music



- Enjoying time in the station②

# Birth of the shopping street “*atré Ueno*”

– Development Case (Ueno Station)

## ■ Development concept

“Fusion of the station and the community; synergy with the community”

■ Retail area : 6,000m<sup>2</sup> (retail: 4,000m<sup>2</sup>; food and beverages: 2,000m<sup>2</sup>)

■ No. of tenants : 54 (8 of which are local tenants)

■ Target group : All station users

⇒ Strategically targeting females in their 20s and 30s living in the Tokyo metropolitan area

## ■ Features

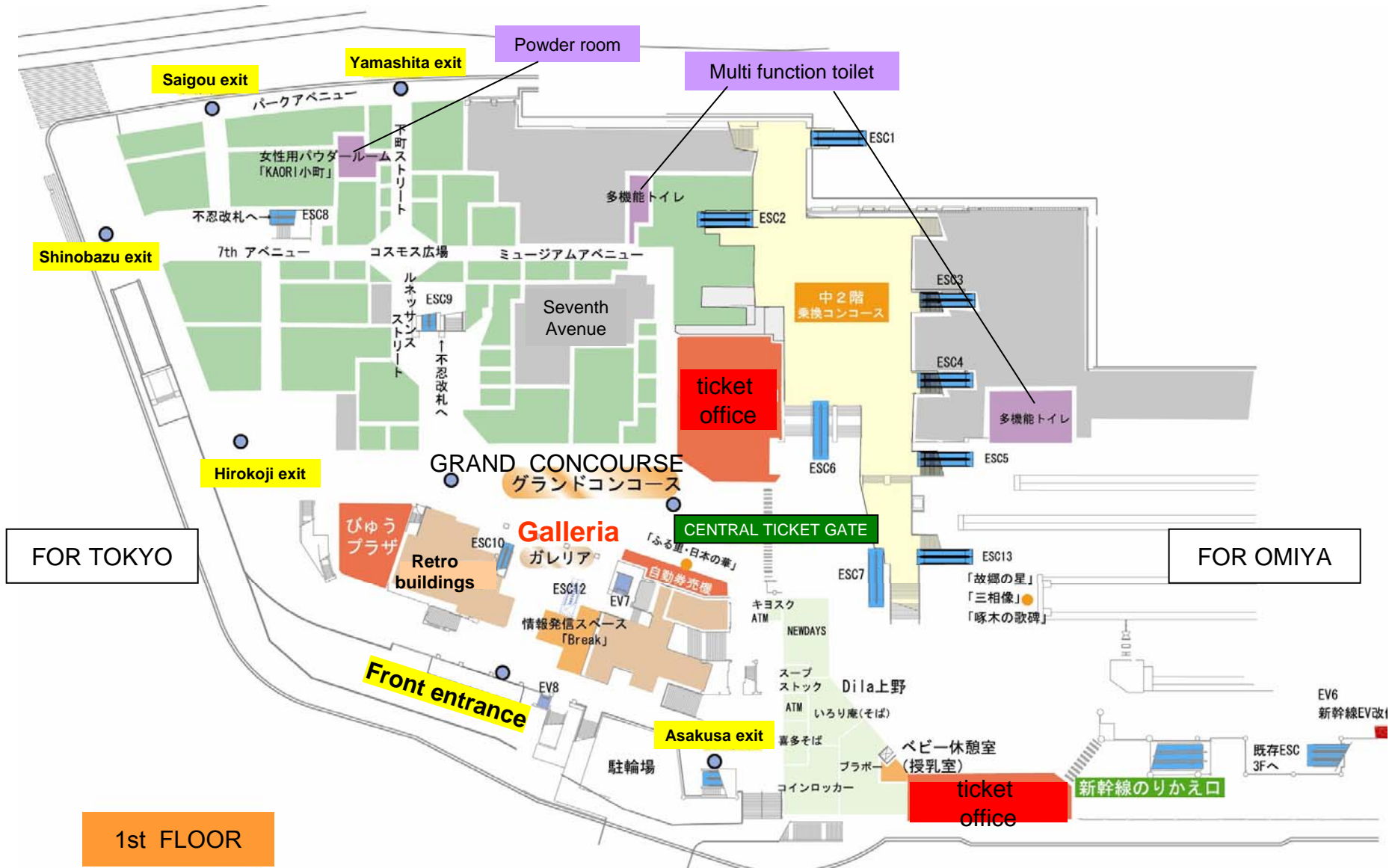
○ Nanabangai (Seventh Avenue) — Shopping zone combining the atmospheres of both the new and old towns

○ Retro Building — Food and beverage zone fully utilizing the atmosphere of the classic station building

■ *Operating company : The EKIBIRU Development Co., TOKYO*

*(Wholly JR East-owned subsidiary)*

# Station Renaissance — Development Case (Ueno Station)





# Birth of the shopping street “atré Ueno”

– Development Case (Ueno Station)



Fashion shops



Snack shops



Drug stores

## ■ Nanabangai (Seventh Avenue)

- Retail sales
- Foods & cafe

**atré Ueno**

# Birth of the shopping street “atré Ueno”

– Development Case (Ueno Station)



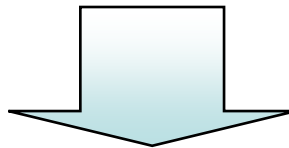
## ■ Retro Building

- Restaurant zone ( food and beverages )
- Hard Rock Cafe opened an outlet for the first time in a station

atré Ueno

# Effects of Ueno Station Development

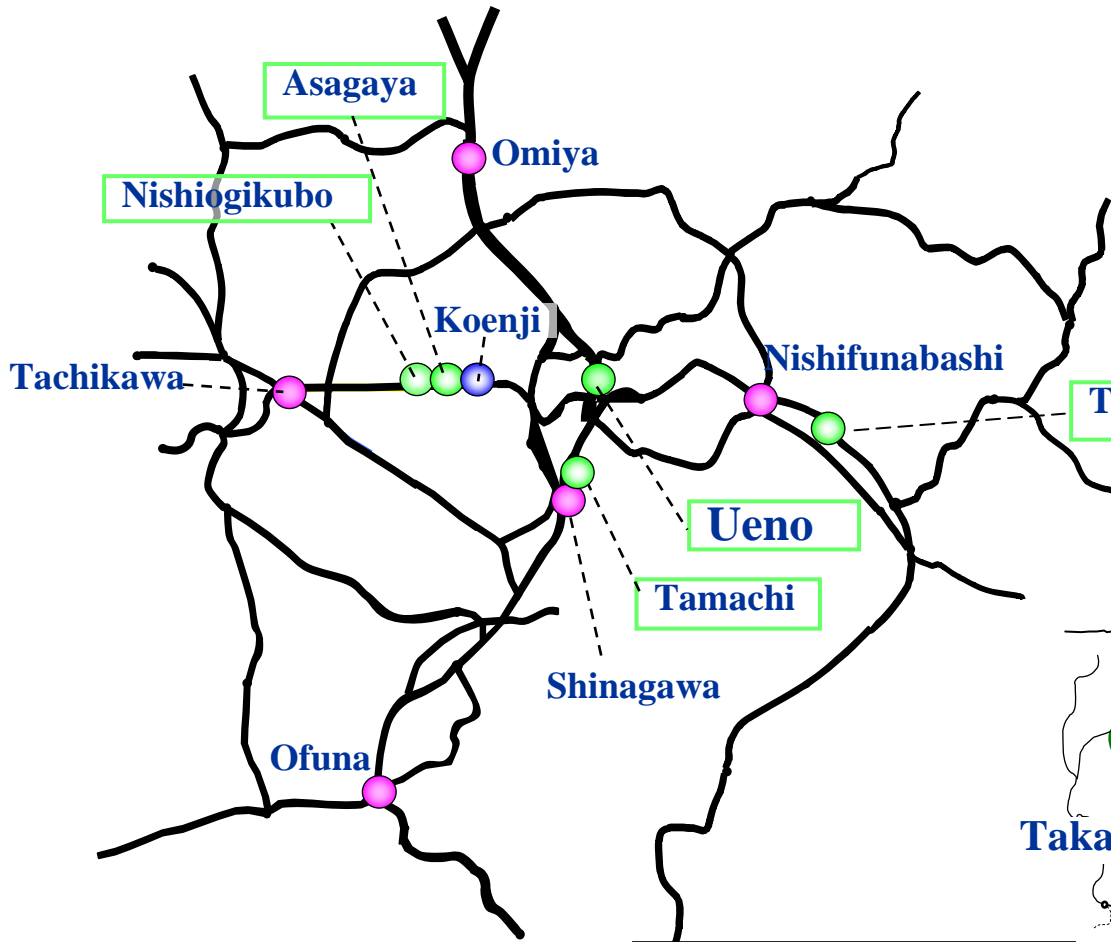
1. Increase in railway users
2. atré Ueno breaking estimated sales
3. More people shopping and sightseeing in areas around Ueno Station ⇒ shower effect
4. Area revitalization through collaboration with the local community



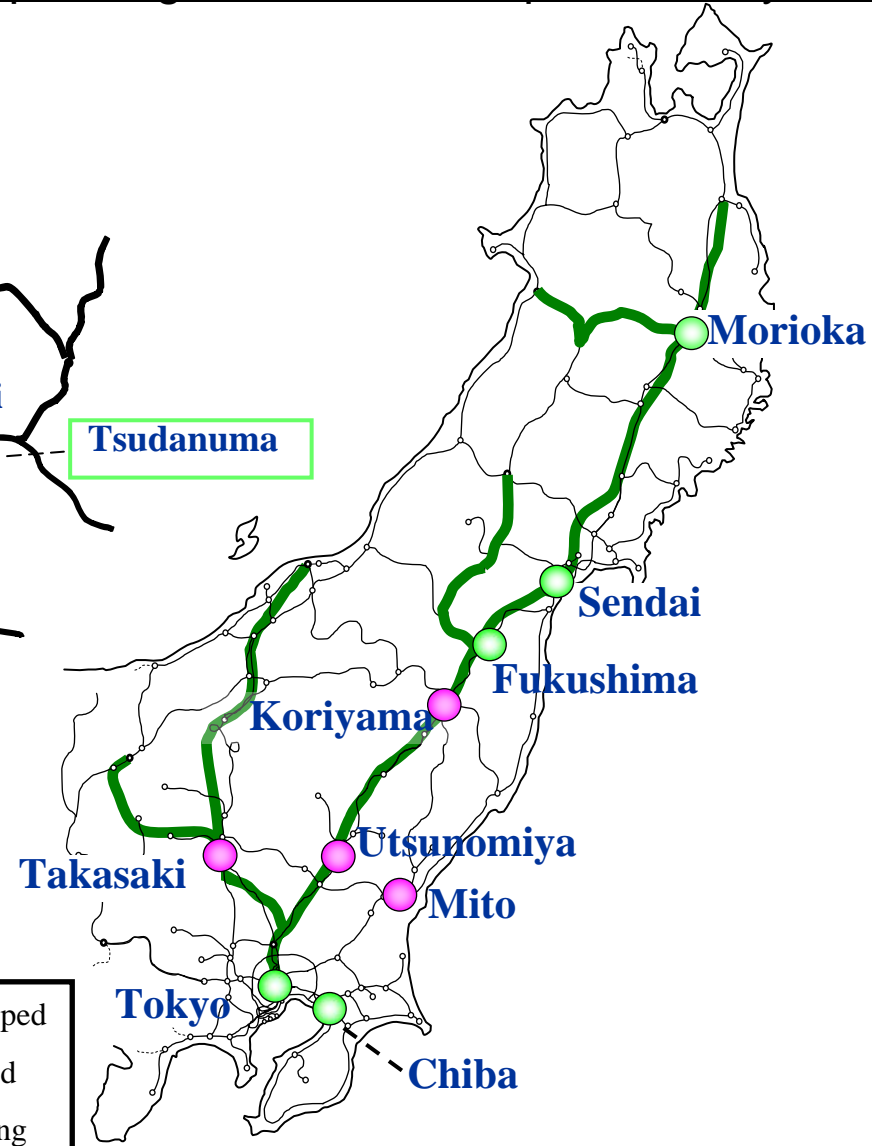
**Co-existence and co-prosperity with local communities and stations to form a harmonious city**

# Spreading Station Renaissance

Tokyo Metropolitan Area



Operating Area of East Japan Railway Co.



## ■ Cost reduction

- **We have to consider how to reduce infrastructure development costs**

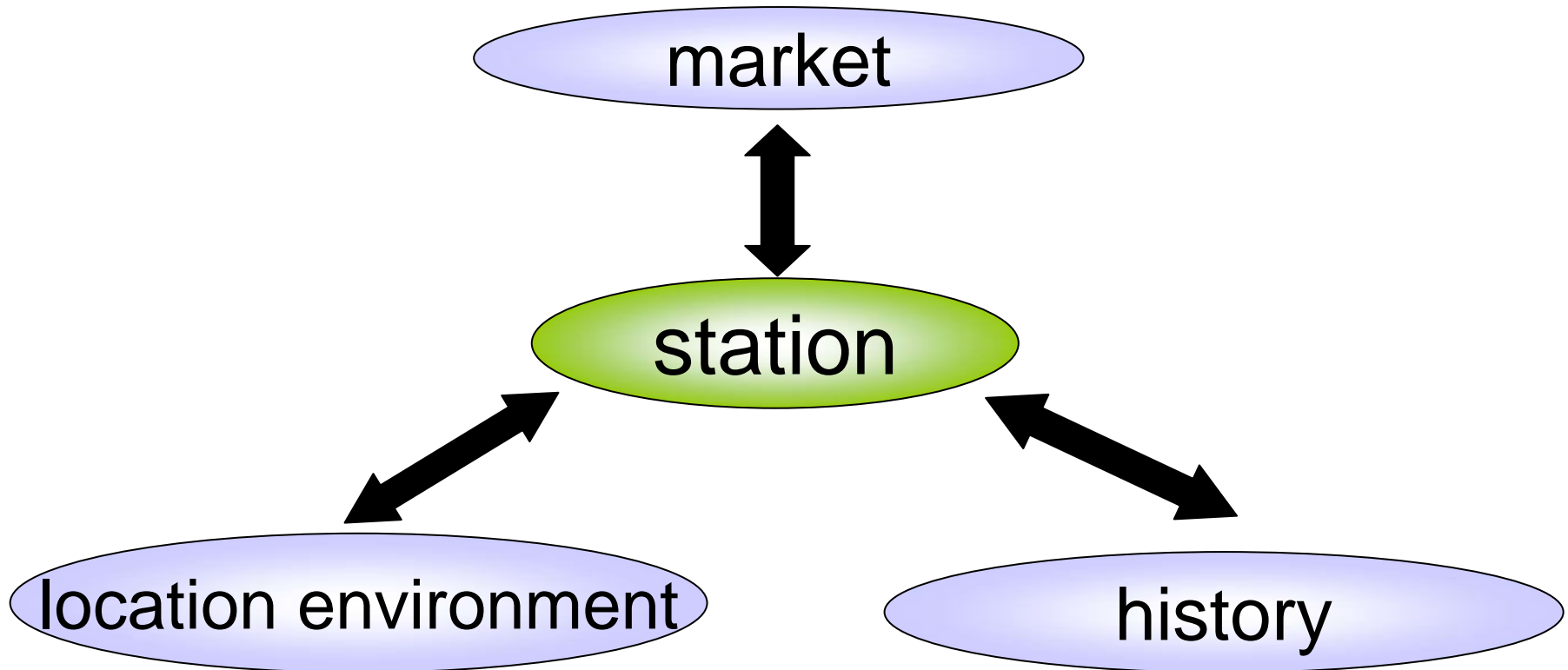
review of how to order

review of construction method

shortening of construction schedule

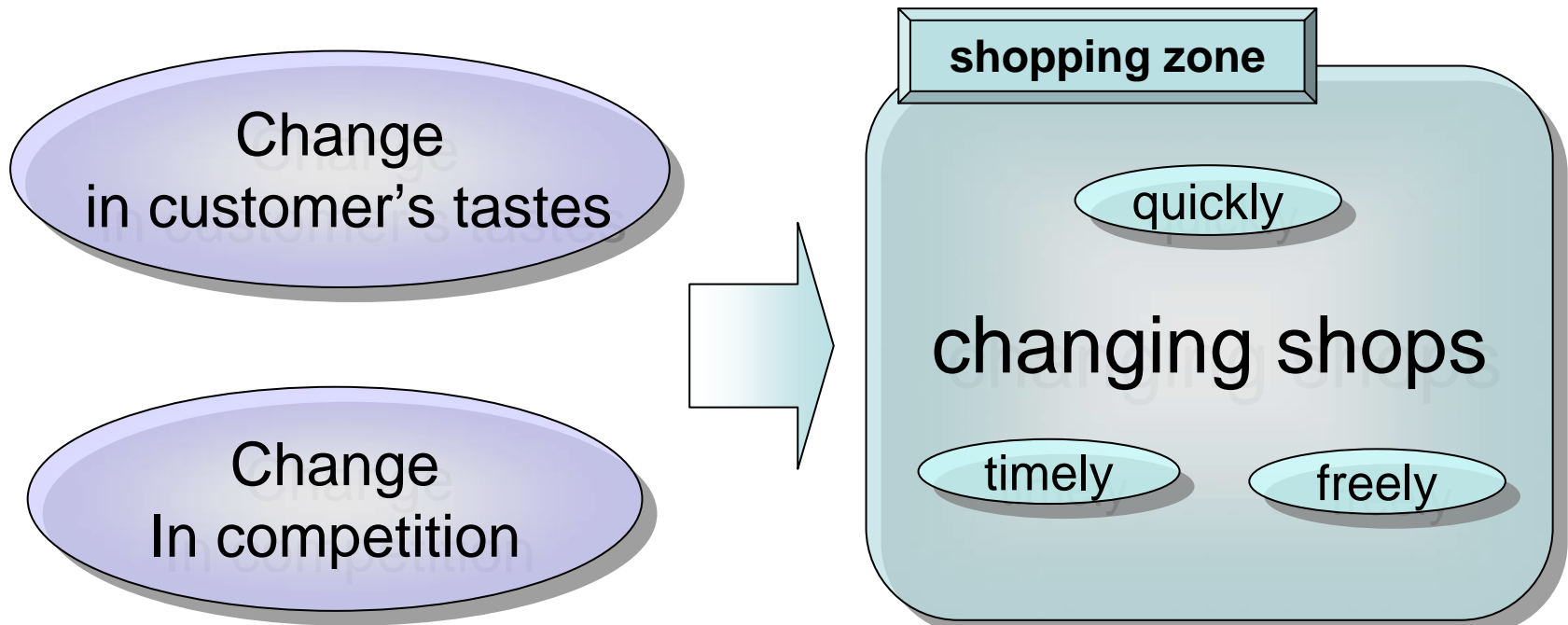
# Problems of Station Renaissance ②

## ■ Maximizing the special features of each station



# Problems of Station Renaissance ③

- Ensuring the flexibility of shop change in the shopping space of each station



# Problems of Station Renaissance

Overcoming the above problems is needed for . . .

changing from

*stations where people  
simply pass through*

to

*stations where  
people gather*

and for

***Maximizing our business resources***



Thank you very much for your kind attention