

Panel Session:  
What Will Come to be the New Normal in  
Transport Tech?

# JR Central's Challenge under New Normal

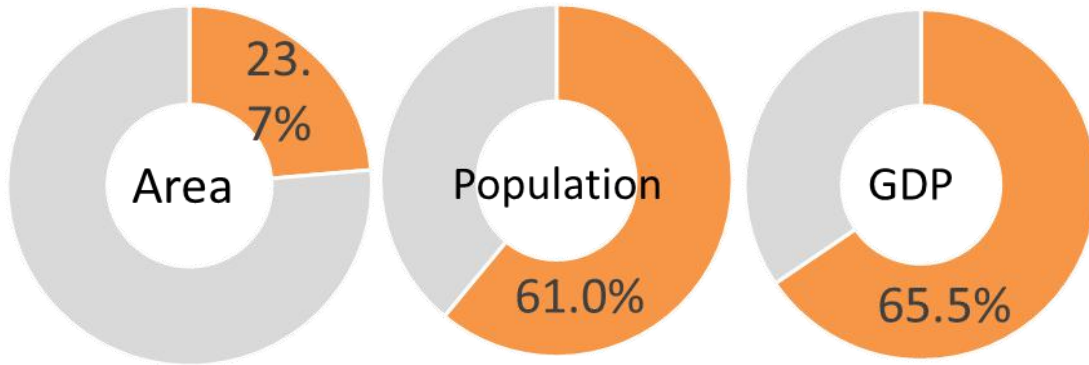
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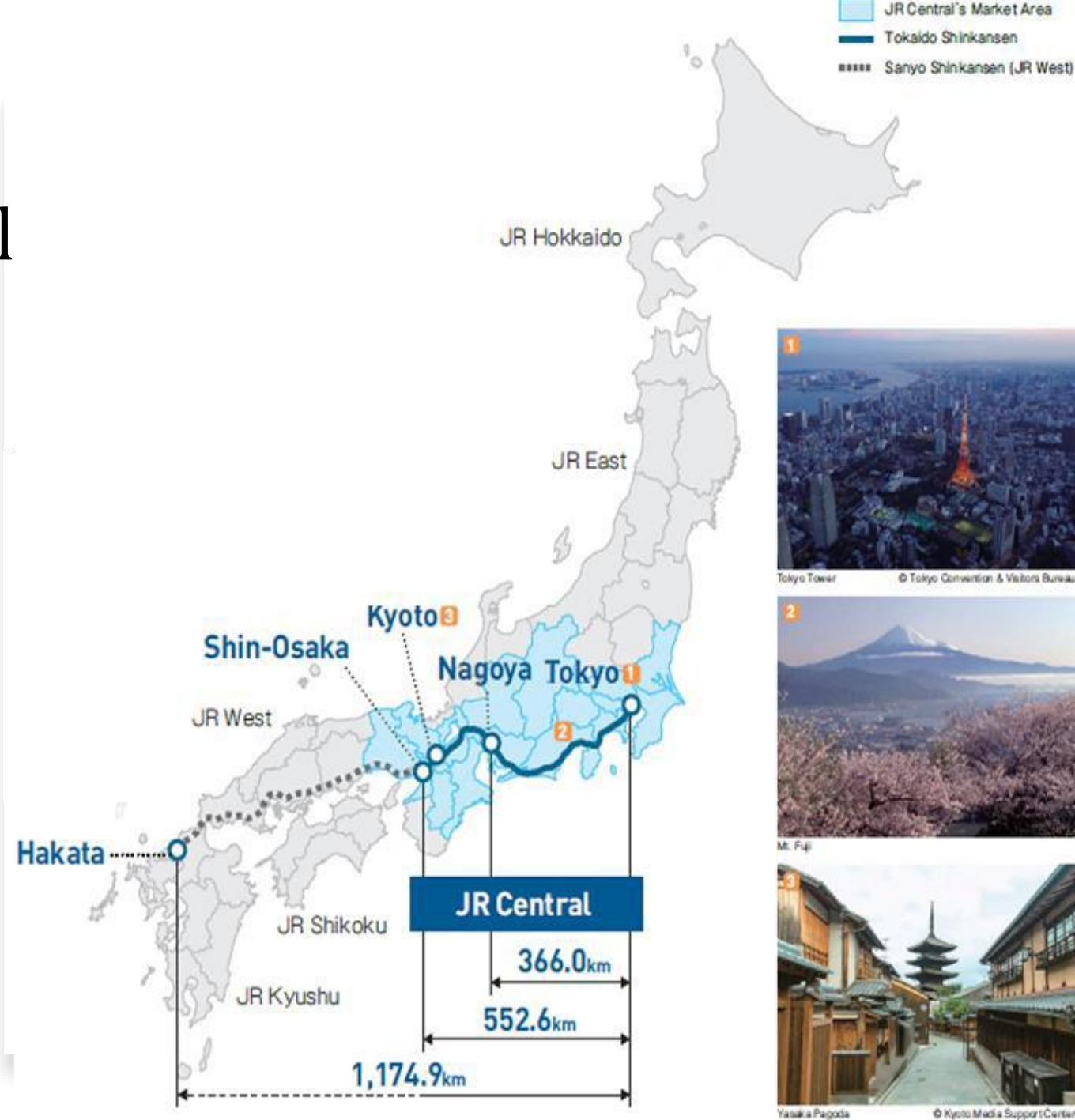


# Quick glance of JR Central



## Management Philosophy

*"Contribute to the development of Japan's main transportation artery and social infrastructure"*





## Railway business

- Tokaido Shinkansen: Tokyo - Shin Osaka  
515km, 17 stations
- Conventional railway : Chubu region  
1,418.2km, 405 stations



# Tokaido Shinkansen

- Tokyo-Shin Osaka: **515km**
- Travel time: **2h 21min** \*fastest service
- Number of services: **378 services per day**  
**15 services per hour**
- Ridership: **167 million passengers/year**  
**458 thousand passengers/day**

Ref. Air Travel between KL-Singapore (2019)

**84 flights/day, 4 million/year**

# Other businesses

39 group companies, 16,000 employees

## Consolidated JR Central Group Company Sales:

FY 2022: 1,400 Billion JPY (≈ 10 Billion USD)

FY 2019: 1,878 Billion JPY (≈ 13.1 Billion USD)

Transport segment coverage: 70%

Maintenance work



Rolling stock manufacturing



Real estate



Hotel

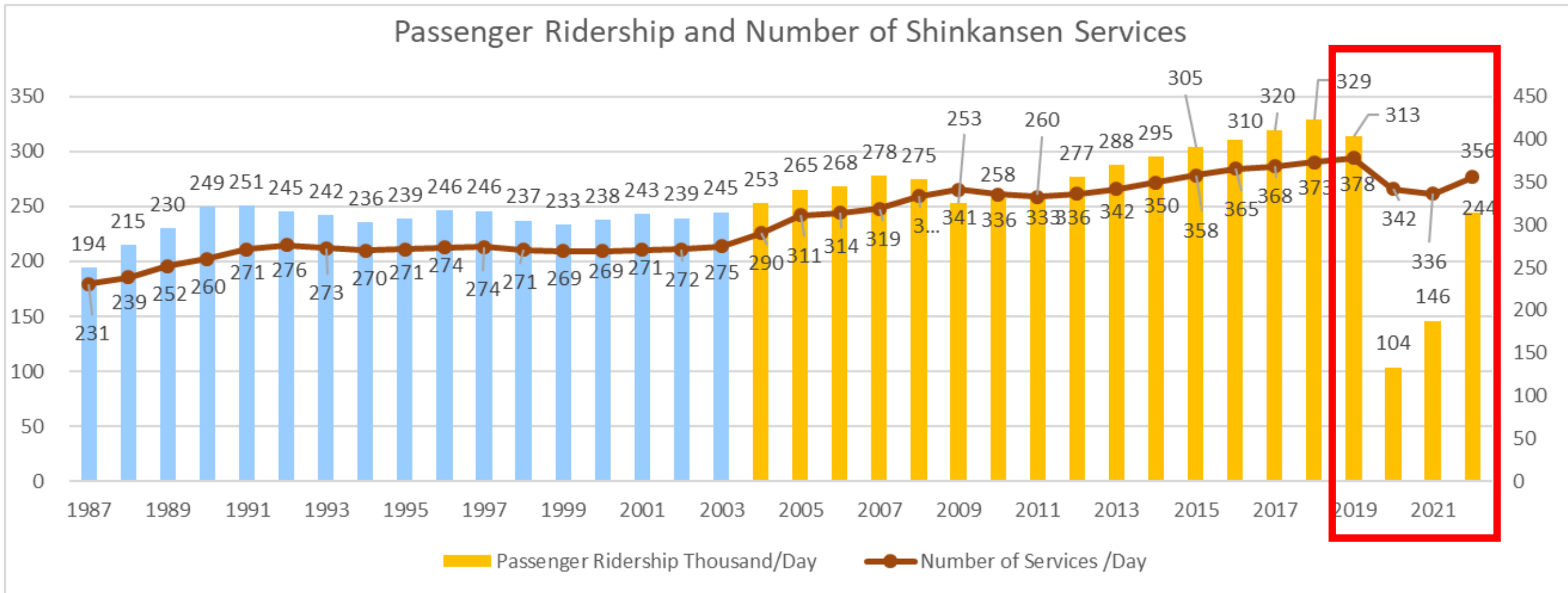


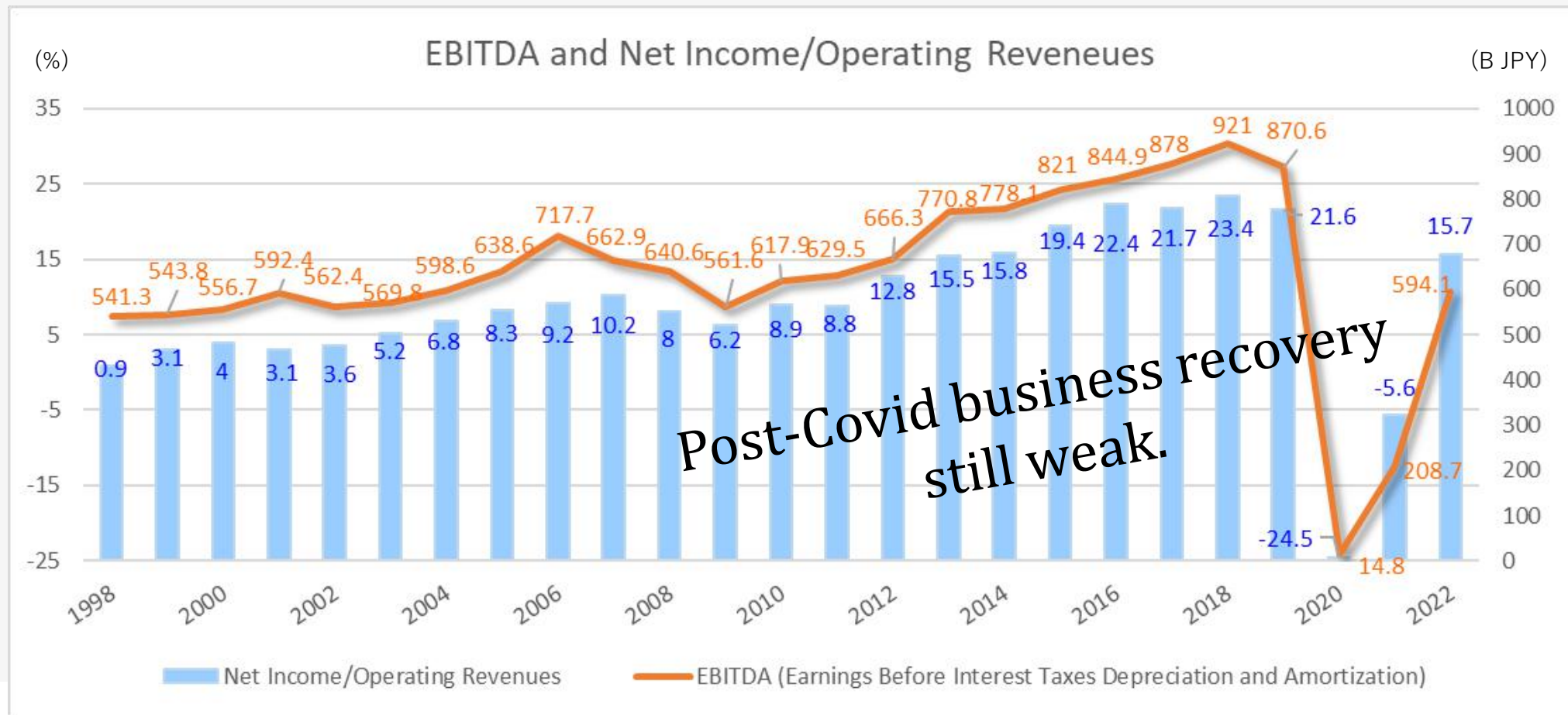
Retailing



# Evolution of the Tokaido Shinkansen and the impact of COVID-19 pandemic

Passenger Ridership and Number of Shinkansen Services





Need to break away from Shinkansen-dependent business model

- Shift to an integrated group business model
- Strengthen collaboration between group companies and create new businesses

# Post-COVID recovery and future strategy: Three key driving forces for group business growth

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Self-transformation



Local engagement  
and collaboration



DX: Business transformation  
for data-driven marketing

Our goal is to further enrich people's lives by enhancing "the value of transportation" and boost the value of cities and regions along the railway.



# Local engagement

Shifting railway users from "incidental demand" to "purposeful demand"  
Attract external investments by understanding/capturing regional characteristics and demands



Grocery build inside the station busy with evening shoppers    Office built under Shinkansen overhead structures

# Local engagement

Clarify user target and provide high-value-added service to customers.



Meeting the needs of affluent customers, opened largest domestic luxury watch-store

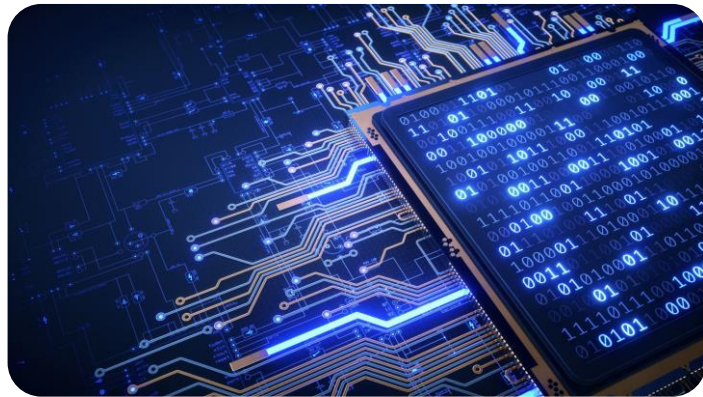


Utilizing the know-how of department store, JR Tokai Nagoya Takashimaya opened a new style store in an outside shopping mall, expanding its business zone

# DX: Business transformation for data-driven marketing

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Standardize disparate sales-systems across retailing companies for efficient sales and CRM



Consolidate 9 sales systems

Project duration: 4 years, to end Oct. 2023

Staffs involved: over 150

System transition: 9 times/years

System termination during transition:

5 hours/transition

By developing digital platform, shift to data-driven marketing to increase group business and create new demand

# Local engagement

By collaborating Real and Digital, introduce local specialty and attractiveness of the region.



Opened an EC site to promote the appeal of the area along the railway line through the sale of local products



Introduced tourist destinations through websites using drone videos

# DX: Business transformation for data-driven marketing

Strengthen CRM and enhance customer experience by introducing a new group loyalty program



Commence a new loyalty program for customers using JR Central Group's station building stores.

- App service commencement: Oct. 2023
- 34 facilities, over 900 stores to join the program
- 1p granted to every 110 JPY shopping (sales tax incl.)
- Collaboration with Tokaido Shinkansen EX Service

**TOKAI**  
Sta. P  
**STATION  
POINT**



Cf. EX Online Reservation Service Members: Over 10 million

# DX: Business transformation for data-driven marketing

Create new "Experience" and enhance the value of travel by collaborating Virtual and Real world



- Opened "Virtual Nagoya station" in the Metaverse (Virtual Market 2022 Winter)

- Created Virtual Nagoya Station and provided virtual travel experience of Tokaido Shinkansen and Linear Chuo Shinkansen (SCMAGLEV)

# Adapting to the new normal and transforming ourselves

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-As our core business, JR Central will focus on the Tokaido Shinkansen service and continue its transformation to fulfill our management philosophy.

***"Contribute to the development of Japan's main transportation artery and social infrastructure"***

-Utilizing three key driving forces for group business growth, we aim to generate group-wide demand by integrating railway data with related business data, ultimately enhancing the customer experience.

