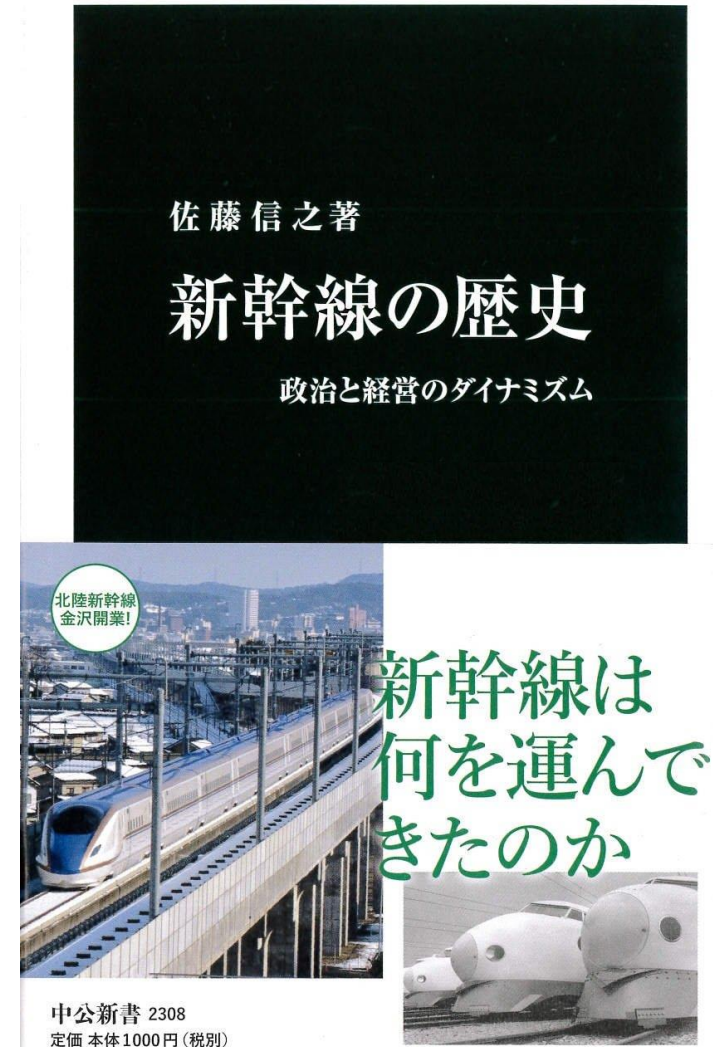


Urban and Regional Railway Transportation updated 2025

Ryoichi Imai

Issues

- Analysis of JR East.
- Analysis of JR Kyushu
- Shinkansen – past, present, future
 - SATO, Nobuyuki (2015)
“History of the Shinkansen”,
The Chuko Paperback
No.2308 (J)



Overviews

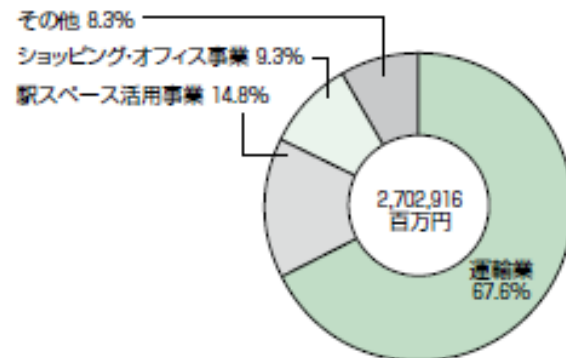
- Japan Railways, acquire revenues mostly from urban area and Shinkansen.
- Many commuting railways are operated in private sectors around major cities.
 - Keio, Odakyu, Tokyu, Seibu, Keikyu, Keisei, and Tobu for Tokyo
 - Meitetsu for Nagoya
 - Kintetsu, Hankyu, Hanshin, Keihan, Nankai for Osaka, Kyoto, and Kobe
 - Nishitetsu for Fukuoka
- Subways are operated by semi-governmental companies in Tokyo, while they are directly run by local municipals in other major cities.

Profit Resources for the 3 JRs

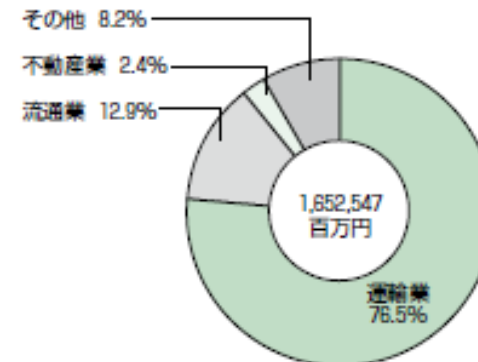
●主要運輸事業各社の連結セグメント別営業収益

出典: 各社決算短信(2014年3月期)

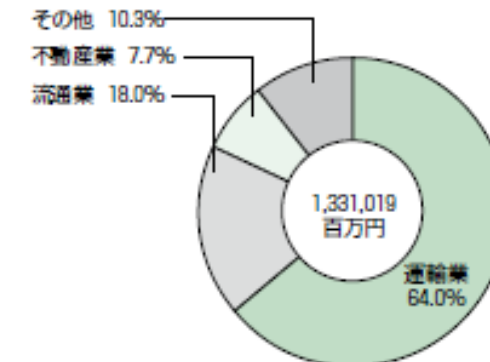
○JR東日本



○JR東海



○JR西日本



More than 2/3 of the profits was acquired from the transportation business.

モビリティ

運輸

営業収益
構成比 68%



めざす姿

「究極の安全」を追求し、JR東日本グループの基盤である「お客さま・地域の皆さまからの信頼」に応えます。また、安定した輸送と品質の高いサービスをすべての人へ提供し続けることで、活力ある社会に貢献します。

ビジネス

新幹線 在来線 バス 車両製造

グループ会社

ジェイアールバス関東(株)
ジェイアールバス東北(株)
東京モノレール(株)
(株)JR東日本びゅうツーリズム&セールス
JR東日本レンタリース(株)
(株)JR東日本ネットステーション
(株)JR東日本テクノハートTESSEI
(株)JR東日本運輸サービス
(株)JR東日本環境アクセス
(株)JR東日本ステーションサービス
JR高崎鉄道サービス(株)
JR水戸鉄道サービス(株)
JR千葉鉄道サービス(株)
(株)JR東日本テクノサービス
JR盛岡鉄道サービス(株)
JR秋田鉄道サービス(株)
JR新潟鉄道サービス(株)
JR長野鉄道サービス(株)
JR東日本リネン(株)
(株)JR東日本サービスクリエーション
(株)JR東日本建築設計
JR東日本ビルテック(株)
ユニオン建設(株)
(株)日本線路技術
(株)総合車両製作所
JR東日本テクノロジ(株)

流通・サービス

営業収益
構成比 14%



めざす姿

個別ニーズに応じた多様なサービスを提供します。また、JR東日本グループだからこそできる「地方創生」を推進していきます。

ビジネス

リテール 広告・出版 海外

グループ会社

(株)JR東日本クロスステーション
(株)紀ノ國屋
JR東日本東北総合サービス(株)
(株)JR東日本商事
(株)ジェイアール東日本物流
(株)JR東日本スマートロジスティクス
(株)ジェイアール東日本企画
JR東日本メディア(株)
(株)オレンジページ
台湾捷運東事業開発股份有限公司
捷福旅館管理顧問股份有限公司
台湾捷運東健康事業股份有限公司
JR East Business Development SEA Pte. Ltd.
JRE Business Development UK Ltd. (2024.6.21～)
Deconum Vending Ltd. (2024.7.22～)
JRE Ventures Pte. Ltd. (2024.4.1～)

生活ソリューション

不動産・ホテル

営業収益
構成比 15%



めざす姿

日常生活における快適性や利便性をさらに高める「くらしづくり・まちづくり」を推進していきます。

ビジネス

不動産保有・活用 不動産回転 マネジメント

グループ会社

(株)アトレ
(株)ルミネ
(株)JR横浜湘南シティクリエイト
(株)JR中央線コミュニティデザイン
ジェイアール東日本商業開発(株)
(株)錦糸町ステーションビル
(株)千葉ステーションビル
(株)JR東日本青森商業開発
JR東日本新潟シティクリエイト(株)
(株)ステーションビルMIDORI
(株)JR東日本ビルディング
日本ホテル(株)
仙台タミナルビル(株)
盛岡タミナルビル(株)
秋田ステーションビル(株)
JR東日本スポーツ(株)
(株)ガーラ湯沢
(株)ジェイアール東日本都市開発
JR東日本不動産投資顧問(株)
JR東日本不動産(株)(2024.7.1～)

その他

営業収益
構成比 3%



めざす姿

日常生活における快適性や利便性をさらに高める「くらしづくり・まちづくり」を推進していきます。

ビジネス

Suica・金融 海外鉄道 エネルギー 建設

グループ会社

(株)JR東日本情報システム
(株)JR東日本マネジメントサービス
(株)JR東日本バーソネルサービス
(株)JR東日本グリーンパートナーズ
(株)ビューカード
JR東日本コンサルタンツ(株)
JR東日本メカトロニクス(株)
日本コンサルタンツ(株)
GATES PCM CONSTRUCTION LTD.
JR東日本エネルギー開発(株)
新南エナジーサービス(株)
(株)えきまちエナジークリエイト
JR東日本スタートアップ(株)

※2024年度よりJR東日本スポーツ(株)及び(株)ガーラ湯沢を「流通・サービス」から「不動産・ホテル」へ、捷福旅館管理顧問股份有限公司を「不動産・ホテル」から「流通・サービス」へセグメント変更

Revenues and Costs

旅客輸送量・鉄道運輸収入 および 主な費用（単体） 計画 参考資料



旅客輸送量・鉄道運輸収入

		旅客輸送量（百万人キロ）			鉄道運輸収入（億円）				
		2024.3 実績	2025.3 計画	対前年 %	2024.3 実績	2025.3 計画	対前年		主な増減要素
							増減	%	
新幹線		21,230	23,132	109.0	5,374	5,807	+432	108.1	
	定期	1,670	1,684	100.9	225	227	+1	100.7	
	定期外	19,560	21,447	109.6	5,148	5,580	+431	108.4	・鉄道利用の増：+340 ・北陸新幹線敦賀開業：+80 ・天候災害反動増：+20　・インバウンド：+15 ・うるう年反動：△10
在来線		98,470	100,588	102.2	11,391	11,743	+351	103.1	
	定期	60,237	60,577	100.6	3,953	3,953	△0	100.0	
	定期外	38,232	40,011	104.7	7,438	7,790	+351	104.7	・鉄道利用の増：+300 ・天候災害反動増：+35　・インバウンド：+30 ・うるう年反動：△25
合計		119,701	123,721	103.4	16,765	17,550	+784	104.7	
	定期	61,908	62,261	100.6	4,178	4,180	+1	100.0	
	定期外	57,792	61,459	106.3	12,587	13,370	+782	106.2	

主な費用（単体）

(単位：億円)	2024.3 実績	2025.3 計画	対前年		主な増減要素
			増減	%	
人件費	4,065	3,970	△95	97.6	[-] 社員数の減 [+] 賃金の上昇
物件費	8,122	8,670	+547	106.7	[+] 物価高騰影響、労務単価上昇影響 [+] コロナ禍に安全を担保した上で抑制した修繕の実施
減価償却費	3,214	3,280	+65	102.0	[+] 設備投資の増

14

1. Local transportation around Tokyo generates 60%, while Shinkansen yields 30%, of the transportation business that accounts for 68% of the total revenues of the company.
2. The company is so highly capitalized that the capital share including depreciation is higher than 80%.

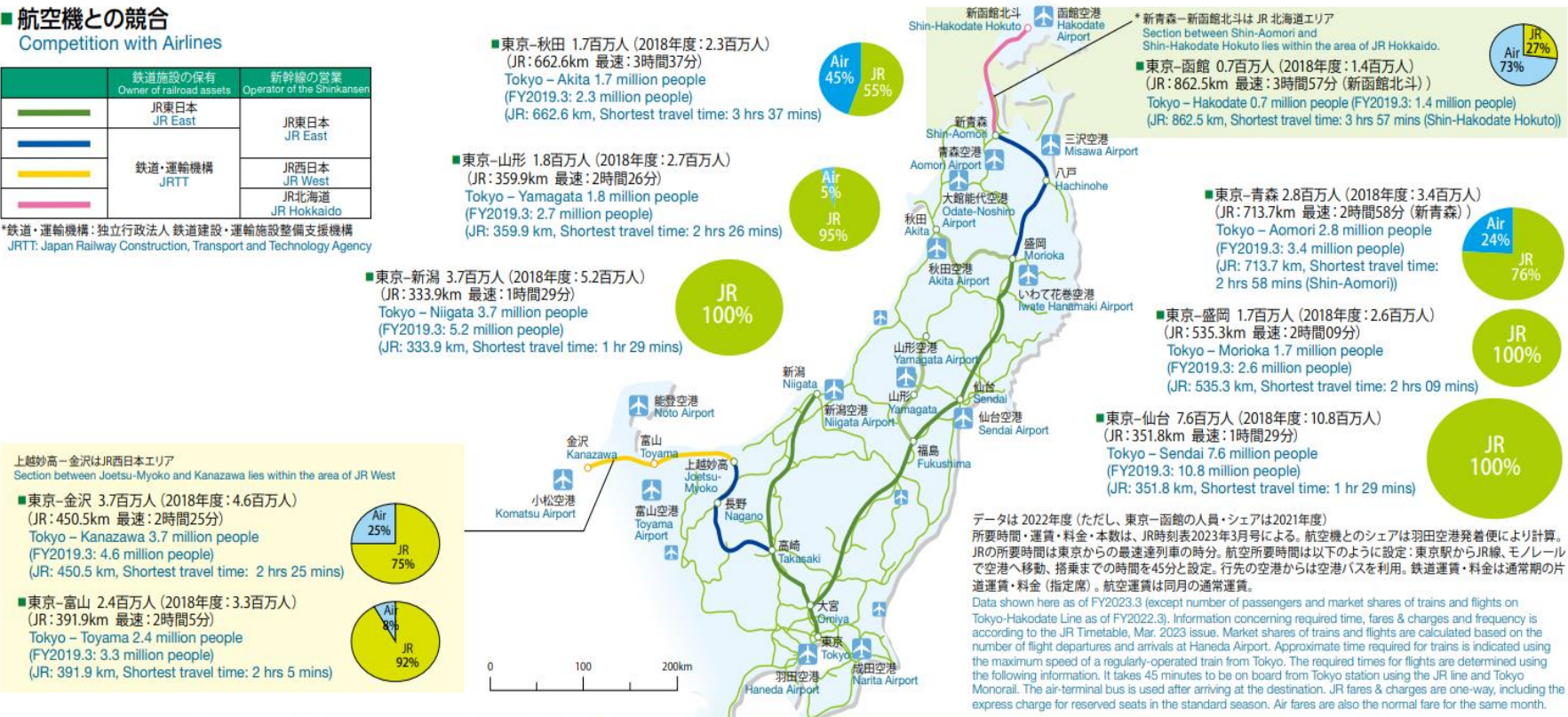
<https://www.jreast.co.jp/investor/guide/pdf/202412guide1.pdf>

Share of JR-east in the Tohoku Region 2018

■ 航空機との競争 Competition with Airlines

	鉄道施設の保有 Owner of railroad assets	新幹線の営業 Operator of the Shinkansen
	JR東日本 JR East	JR東日本 JR East
	鉄道・運輸機構 JRTT	JR西日本 JR West
		JR北海道 JR Hokkaido
		

*鉄道・運輸機構：独立行政法人 鉄道建設・運輸施設整備支援機構
JRTT: Japan Railway Construction, Transport and Technology Agency



	東京-青森 Tokyo - Aomori		東京-秋田 Tokyo - Akita		東京-富山 Tokyo - Toyama		東京-金沢 Tokyo - Kanazawa		東京-函館 Tokyo - Hakodate	
	JR (新青森) (Shin-Aomori)	Air	JR	Air	JR	Air	JR	Air (小松空港) (Komatsu Airport)	JR (新函館北斗) (Shin-Hakodate Hokuto)	Air
所要時間 Time Required	2:58 2 hrs 58 mins	2:50 2 hrs 50 mins	3:37 3 hrs 37 mins	2:45 2 hrs 45 mins	2:05 2 hrs 05 mins	2:20 2 hrs 20 mins	2:25 2 hrs 25 mins	2:40 2 hrs 40 mins	3:57 3 hrs 57 mins	2:40 2 hrs 40 mins
運賃・料金 Fares & Charges	¥ 17,670	¥ 37,150	¥ 18,020	¥ 28,400	¥ 12,960	¥ 25,500	¥ 14,380	¥ 25,500	¥ 23,430	¥ 36,600
1日当たり本数 Trains per Day	17	6	14	9	22	3	22	10	10	8

The passengers of JR account for the total passengers in the Tohoku Region by

- 76% for Aomori
- 55% for Akita
- 100% for Morioka
- 95% for Yamagata

Shinkansen share versus Flights in the JR West area 2022

山陽新幹線・航空機との競合

各年3月期(3月31日に終了した1年間)

シェアの推移



- Kansai-Fukuoka: 84%
- Tokyo-Hiroshima: 61%
- Tokyo-Fukuoka: 7%
- Aichi-Fukuoka: 48%
- Kansai-Kumamoto: 61%
- Kansai-Kagoshima: 55%

Q1: How much is the share of the bullet train between Paris and Lyon?

Q2: How much is the share of the Amtrak between New York and Washington DC?

Shinkansen

- History
 - Tokaido (Tokyo – Osaka, 1964)
 - Sanyo (Osaka – Hakata, 1975)
 - Joetsu (Tokyo- Niigata, 1982)
 - Nagano (Tokyo – Nagano, 1997)
 - Tohoku (Tokyo – Morioka, 1982 – Aomori, 2010)
 - Kyushu (Hakata – Kagoshima, 2011)
 - Hokuriku (Nagano – Kanazawa 2015, Tsuruga 2024)
 - Hokkaido (Aomori-Hakodate, 2016)
 - West Kyushu (Takeo-Nagasaki 2022)

新幹線路線図(2016年3月現在)

—— 営業中
..... 建設中・予定



Shinkansen Map

<https://www.nippon.com/ja/features/h00077/>

History of JR

- JR was originally a government-own company, providing railway train services for all over Japan.
- In 1987, JR was privatized and divided into
 - JR Hokkaido
 - JR East (listed on TSE 2002)
 - JR Tokai (listed on TSE 2006)
 - JR West (listed on TSE 2004)
 - JR Shikoku
 - JR Kyushu (listed on TSE 2016)

The three-Island companies

- When JR was privatized, the 3 JRs in Hokkaido, Shikoku, and Kyushu, were projected to suffer deficits, due to low local demands for train transportation.
- Then the government founded the Stabilizing Management Fund (SMF), a special fund to financially support the three companies.
- Among the three island companies, the shares of JR Kyushu were listed on TSE in 2016, which means that the company was fully privatized.

Shinkansen under privatization

- Right after the privatization of JRs, Shinkansen was held by the Shinkansen-owning Organization, which leases the shinkansen to each area company.
- The initial rents (1987) were set as 416 (billion yen) for Tokaido, 94 for Sanyo, 134 for Tohoku, and 64 for Johetsu.
- However in 1991, they were sold to each company at a price 5.1 (trillion yen)for Tokaido, 1 for Sanyo, 3.1 for Johetsu and Tohoku , reflecting the profitability of each shinkansen line.

How to finance construction

- Originally, all the shinkansen were built as public investments, financed by issuing debts and being paid back from their operation revenues.
 - For the original Tokaido shinkansen, the construction was largely financed by the borrowing from IMF.
- Today, Shinkansens are built partly at the expense by the local governments.



JR Kyushu

- Today, JR Kyushu is quite steadily managed.
- Kyushu shinkansen is a quite successful investment, because the population along the shinkansen is large enough not to separate local lines.
- The company was renowned for its sight-seeing train services, symbolized by the success of the *Seven Stars in Kyushu*.
- However, its benefit/cost margin is still low, reflecting the deficits of most of the local lines.
- The company's equity ratio is around 70%, while it is accounted by the value of the Stabilizing Management Fund (SMF) by 40%.
- The average annual rate of return of the SMF is 3%, higher than the JGBs, meaning that the company is subsidized by the government.

Shinkansen in the Future

- The following shinkansens are now under construction.
 - Hokuriku (Tsuruga - Osaka) not yet
 - Kyushu West (Tosu - Takeo)
- These Shinkansens are expected to yield limited gains for the company and the local people.

Some Shinkansen plans are strongly opposed by local people

- High construction costs
 - local governments need to pay 1/3 of the construction costs.
- Separation of local lines from JR
 - After shinkansen is built, local alternative trains will be separated from the area JR company and be operated by 3rd sector companies sponsored by the local government.
 - In most cases, the new company charges higher fees for the commuters.

Costs and Benefits of building a new Shinkansen

- A new shinkansen creates gains for passengers (traveling faster and quicker).
- Then JR can charge higher prices for Shinkansen passengers to acquire higher profits.
- However, shinkansen often deprives local trains and flights of their customers.
- Construction itself creates a huge profit for developers and construction companies, which may not be balanced with the loss associated by demand shifts.

Case 1: Kyushu West shinkansen

- Kyushu shinkansen is scheduled to be extended to cover service for Nagasaki in the next few decades.
- The extension is expected to bring a large gain for people and companies located in Nagasaki prefecture, while it benefits Saga prefecture a little.
- However, the extension runs more through Saga than through Nagasaki, and the construction costs will be charged more to Saga than to Nagasaki prefectures.
- Therefore, people in Saga are reluctant to approve the plan.

Case 2: Hokkaido Shinkansen

- In March 2016, JR Hokkaido started the Shinkansen service for passengers between Aomori and Hakodate.
- The service will be extended to Sapporo in 20 years.
- The Hokkaido Shinkansen is expected to yield deficits because the expected number of passengers are too small to cover its operation costs.
 - Other shinkansens create substantial surplus to offset the deficits run by the existing local services.
 - Tokaido and Sanyo shinkansens create large surplus for JR Tokai and JR West.
 - Visitors to Kanazawa and Toyama have shifted from flights to shinkansens, while visitors to Hokkaido won't.
 - The situation is expected to be only slightly improved by the extension to Sapporo.

The Linear Chuo Shinkansen

- JR Tokai has developed a new technology to let shinkansen run faster than 500km/h.
- The company has been testing it in the test course built in Yamanashi prefecture.
- The service is scheduled to start in 2025.
- It connects Nagoya to Tokyo only for 40 minutes!
- It will be extended to Osaka in 2045.

Why *Linear*?

- Economic impacts of the linear Chuo shinkansen are huge.
 - Wealthy people can live in Nagoya and commute to Tokyo to work.
 - The cities along the Chuo shinkansen will be developed as residential and commercial areas, comparable to major Tokyo cities.
 - For example, Kofu of Yamanashi prefecture can be reached in 15 minutes from Shinagawa, although it takes more than 90 minutes from Shinjuku now.
- This is the reason why JR Tokai has decided to pay all the construction costs expected to reach 10 trillion yen by itself, while a part of the construction costs will be subsidized by the government.