

Economic Performance of JR East Group

Operating revenues, profits and net income all hit record highs in consolidated accounting at the end of FY 2002. JR East Group's strengths include the ability to generate a strong cash flow through safe and reliable railway operations coupled with value-added life-style services that make use of its resources. JR East Group will continue to improve profit levels while meeting its responsibilities as a good corporate citizen.

Relationships with stakeholders

Cash flow is directed as appropriate, not only for payments to creditors and dividends to shareholders, but for compensation to employees and directors, tax payments to public agencies, capital investment and R&D expenditures for better services and facilities.

Relationship with Stakeholders



IR (Investor Relations)

The IR section provides shareholders and investors with accurate information on business results and conditions, our long-term vision and future outlook — all in a timely manner. At JR East, top management is directly responsible for IR and proactively communicating with shareholders and investors.

A special IR section was established when JR East listed its stock on the market in 1993. Since then the IR section has overseen a comprehensive disclosure system aimed at maintaining the confidence of capital markets by not only publicly disclosing legal matters but also releasing accounting details at special seminars, preparing annual reports and other IR tools, disclosing corporate information via our website, and other methods. Moreover, to accommodate our many shareholders abroad, we hold annual briefings for investors in Europe, the United States and elsewhere.

Financial highlights

Item	Billions of yen		Percent change	Billions of U.S. dollars ¹
	2002	2003	2003/2002	2003
For the year ended March 31				US\$
Operating revenue	2,543.3	2,565.6	+0.9%	21.3
Operating income	316.3	343.0	+8.5%	2.8
Net income	47.5	97.9	+106.1%	0.8
EBITDA ²	655.3	733.7	+12.0%	6.1
At March 31				US\$
Total assets	7,022.2	6,853.4	▲2.4%	57.1
Total long-term debt	4,379.8	4,117.5	▲6.0%	34.3
Total shareholders' equity	930.7	981.8	+5.5%	8.1
Ratio				
Net income as a percentage of revenues	1.9%	3.8%		
Return on average equity (ROE)	5.1%	10.2%		
Ratio of operating income to average assets (ROA)	4.4%	4.9%		
Interest coverage ratio ³	2.4 times	2.5 times		

¹ U.S. dollar

Converted into U.S. dollars at rate of ¥120 to U.S. \$1 (effective rate at the end of March 2003)

² EBITDA

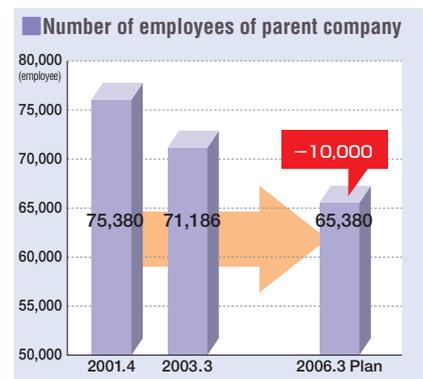
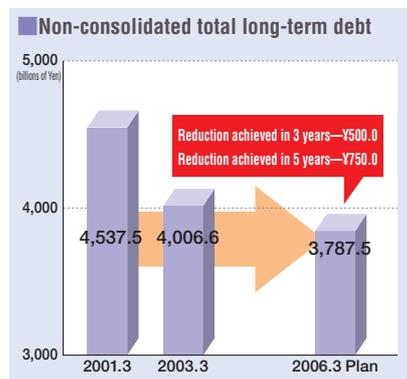
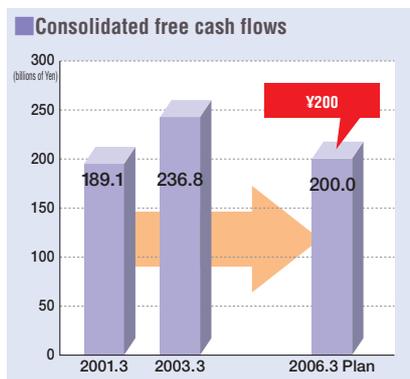
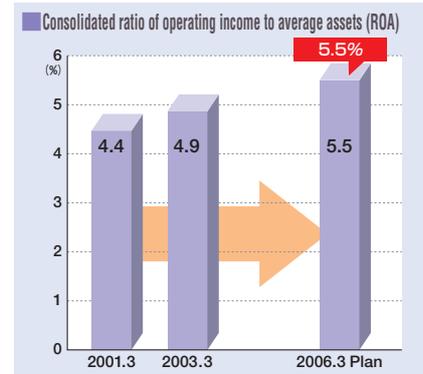
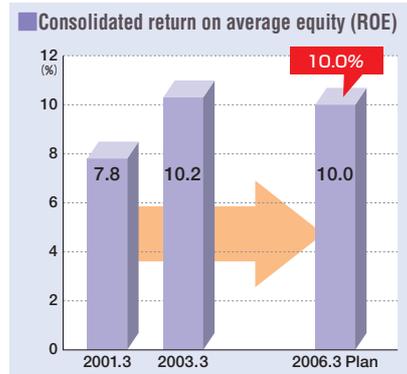
Net income + interest payable (after deducting interest receivable and dividends) + corporate income taxes etc. + depreciation

³ Interest coverage ratio

Cash flow from operating activities/interest payable

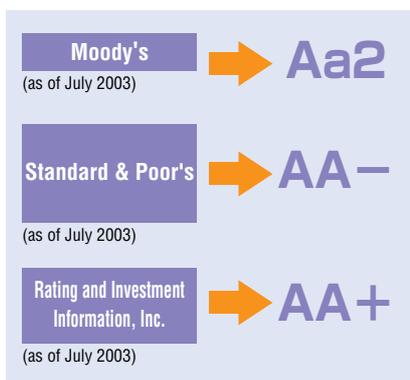
Target figures for New Frontier 21

JR East Group has adopted New Frontier 21, our medium-term group business plan for FY 2001-2005. Working as a group we aim for goals and are preparing to take the next steps. Raising shareholder value is an important goal outlined in New Frontier 21. To accomplish this, we're focusing on maximizing group value and improving consolidated performance.



Corporate bond ratings

The JR East management structure is considered stable by domestic and overseas rating companies.



Evaluation of JR East's social and environmental activities

Thanks to our social and environmental activities, JR East is receiving high marks for SRI (Socially Responsible Investment) by domestic research agencies and institutional investors, as well as by domestic and overseas rating agencies. Since the Dow-Jones Sustainability Indexes (DJSI World)¹ were established in 1999, JR East has been repeatedly identified as a stock conforming to the DJSI World standards. It has also been selected for the FTSE4Good Index². JR East stock appears in the portfolios of various SRI funds³ and Eco-funds⁴.



Donating to NGOs and other organizations

In addition to contributing to society by engaging in activities of our own, JR East Group provides financial support to citizens' groups and others making meaningful social contributions.

Investment for the future

In order to provide better services to current and future customers at home and around the world, we aggressively conduct capital investment and R&D activities and are prepared to transfer our technology to wherever it may be needed.

1 Dow Jones Sustainability Indexes

As of June 30, 2003, the Dow Jones (US) and Switzerland's SAM organization have recognized a total of 307 companies in 23 countries (including 37 from Japan) for demonstrating an excellent balance of economic, environmental and perspectives.

2 FTSE4Good Index

Britain's FTSE began its SRI index in 2001. The FTSE4Good Index measures a corporation's performance on environmental issues, employment, and labor and human rights, and issues a comprehensive evaluation.

3 SRI Funds

Investment trusts that carefully consider the social and ethical aspects of an investment option, in addition to the standard investment criteria based on traditional financial analyses.

4 Eco-funds

Investment trusts that place considerable emphasis on corporate environmental practices and activities when selecting stocks for a portfolio; a type of SRI fund.