

Relations with stakeholders seen from the economic aspect

In JR East Group business operations we relate with many stakeholders. Provided here is information concerning aspects in our Sustainability Report from the perspective of economic relations with all our stakeholders.

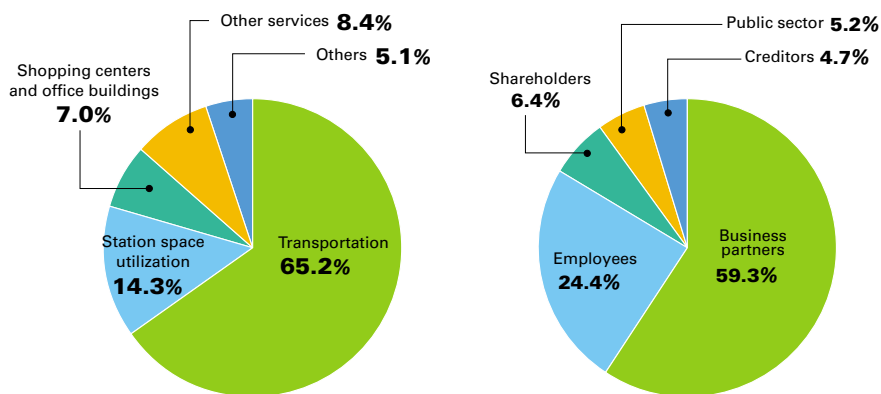
Economic relations with stakeholders

Transportation including railway operations, which accounts for approximately 70% of our revenue, is the core business of the JR East Group. The remaining 30% of revenue is earned from our lifestyle businesses such as the operation of shopping centers, hotels, retail shops, and other businesses.

These business activities create economic relations with a large variety of stakeholders.

This section presents a breakdown of our expenses by stakeholder and other data, in order to show these relations in an easy-to-understand manner. The stakeholders covered here include business partners, employees, shareholders, the public sector (governments), and creditors.

Breakdown of JR East Group revenues
Breakdown of expenses and others by stakeholder



* "Others" in the breakdown of JR East Group revenues is the sum of non-operating income and extraordinary income.
* To ensure objectivity of data, all calculations were made based on consolidated financial statements.

Consolidated financial statements and breakdown of expenses and others by stakeholder

Consolidated statement of income		billion yen	
Operating revenues		2,657.3	
Transportation, other services and cost of sales		1,718.5	(1)
Selling, general and administrative expenses	Personnel expenses	261.4	(2)
	Taxes	18.7	(3)
	Other	230.4	(4)
	Subtotal	510.6	
Operating income		428.0	
Non-operating income and extraordinary income		144.0	
Non-operating expenses and extraordinary expenses	Interest expense	131.3	(5)
	Other	134.1	(6)
	Subtotal	265.5	
Income before income taxes		306.6	
Income taxes-current		140.5	(7)
Income taxes-deferred		(12.1)	(8)
Minority interests in net income of consolidated subsidiaries		2.3	(9)
Net income		175.8	(10)

*Figures may not add to totals due to rounding.

*For figures that require modifications, rounded figures in the Financial Statement are used.

Breakdown of expenses and others by stakeholder	billion yen	
Business partners	1,661.9	(1) - ★ + (4) + (6)
Employees	682.6	(2) + ★
Shareholders	178.2	(9) + (10)
Public sector	147.1	(3) + (7) + (8)
Creditors	131.3	(5)

★Personnel expenses recorded in transportation operating expenses in the non-consolidated statement of income: 421.2

Method of calculating "breakdown of expenses and others by stakeholder"

Note: Since personnel expenses in the transportation business are recorded in "transportation, other services and cost of sales" in the consolidated statement of income, personnel expenses are calculated by adding "personnel expenses in the transportation operating expenses" in the non-consolidated statement of income to obtain a more accurate figure.

Business partners The figure is the sum of (A) "transportation, other services and cost of sales" minus "personnel expenses" in the transportation operating expenses in the non-consolidated statement of income, (B) "selling, general and administrative expenses" minus "personnel expenses" and "taxes," (C) "non-operating expenses" minus "interest expense," and (D) "extraordinary expenses."

Employees The figure is the sum of (A) "personnel expenses" in selling, general and administrative expenses, and (B) "personnel expenses" in the transportation operating expenses in the non-consolidated statement of income.

Shareholders The figure is the sum of (A) "net income" and (B) "minority interests in net income of consolidated subsidiaries."

Public sector The figure is the sum of (A) "taxes" in selling, general and administrative expenses, (B) "income taxes-current," and (C) "income taxes-deferred."

Creditors The figure is "interest expense" in non-operating expenses.