

Ever Onward

JR East will make all efforts to achieve concrete business results and make steady progress in pursuing its two management priorities, “Eternal Mission” and “Pursuing Unlimited Potential,” in accordance with the “JR East Group Management Vision V–Ever Onward.”

We would like to offer our heartfelt thanks to our shareholders and investors for all the remarkable support they have shown.

In the fiscal year ended March 31, 2013 (fiscal 2013), the Japanese economy gradually moved to a recovery track, supported by renewed expectations of the positive impacts of both the government's economic policies and monetary policies, which helped increase stock prices and improve consumer sentiment. This recovery, however, came up against a number of persistently challenging conditions that included a slowdown in the global economy. In this environment, the East Japan Railway Company and its consolidated subsidiaries and equity method affiliates (JR East) made efforts to continue generating revenue and improving services through the active implementation of various initiatives centered around the railway, life-style service businesses and *Suica* operations.

As a result, during the fiscal year under review, operating revenues increased 5.5% year-on-year to ¥2,671.8 billion, due to an increase in passenger revenue that was attributable mainly to a recovery from the slowdown experienced in fiscal 2012 as a result of the Great East Japan Earthquake. Operating income increased 10.4% to ¥397.6 billion. Because of an increase in insurance proceeds related to the earthquake and other factors, net income increased 61.3% to ¥175.4 billion.

In October 2012, JR East formulated a new management vision entitled “*JR East Group Management Vision V–Ever Onward.*” This was done in view of the major changes that had taken place, including the Great East Japan Earthquake, in the 25 years since the Group was established as a result of the reform and privatization of Japanese National Railways (JNR). Meanwhile, the Group celebrated the restoration of Tokyo Station *Marunouchi Building* with a grand opening in October 2012. The splendor of the building from the time it was built in the early Taisho era has been restored, after five years of painstaking preservation and restoration work that began in May 2007.

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In railway operations, JR East will make steady progress building a railway capable of withstanding natural disasters by being prepared for a possible earthquake directly beneath the Tokyo metropolitan area. Meanwhile, we will make necessary repairs and service-life upgrades for various railway facilities. These will include measures for preventing railway crossing accidents and the installation of automatic platform gates.

SATOSHI SEINO
Chairman



TETSURO TOMITA
President and CEO



Moreover, the Group will work together with the five other JR companies and local communities to assist their restoration efforts after the March 2011 earthquake and stimulate tourism demand. These efforts will include the launch of *Destination Campaigns* and other events. JR East will also introduce new-concept trains designed to serve people seeking the train ride itself. JR East will work together with local communities to develop tourism through the Hokuriku Marketing Center that was established in April 2013, in advance of the opening of the Hokuriku Shinkansen Line to Kanazawa.

By spring 2014, the Group also plans to raise the operating speed of *Hayate-Komachi* Shinkansens to 320 km/h to further enhance services on our intercity network. In addition, JR East will promote various aspects of its energy and environmental strategy. These will include the development of “*ecoste*” model stations, the launch of a catenary and battery-powered hybrid railcar train system, and the installation of a mega-solar photovoltaic electricity plant.

In the life-style service business, JR East will continue to make progress toward the completion of the *Tokyo Station City* project. The Group opened *HOTEL METS Niigata* in April 2013, and is also preparing to open the *JR Ōtsuka Minamiguchi Building* in fall 2013.

In *Suica* operations, convenience of this electronic money was enhanced by expanding its mutual usage network to the service area of the City of Sapporo Transportation Bureau's *SAPICA* card in June 2013.

On the global strategy front, JR East will actively develop its railway consulting business overseas in Asia and elsewhere. In the railcar manufacturing operations, the Group will work to win new projects and orders from around the world for our next-generation, stainless-steel *sustina* railcars.

Through such initiatives, we will do our utmost to realize sustainable growth and satisfy our shareholders and other investors in the medium- to long-term. As JR East pursues that management goal, we would like to ask our shareholders and other investors for their continued support and understanding.

July 2013

SATOSHI SEINO, Chairman

TETSURO TOMITA, President and CEO