

SECTION 3

STATISTICAL PORTRAIT OF JR EAST

The 'Statistical Portrait of JR East' section presents data on the economic environment and geographical characteristics of JR East, and financial information on the Company such as business analysis and the consolidated financial statements and notes.

060 JR EAST: DOMESTIC AND INTERNATIONAL PERSPECTIVES

- 060 PEER GROUP COMPARISONS**
- 062 INTERNATIONAL RAILWAY COMPARISONS**
- 063 RAILWAY OPERATIONS IN JAPAN**
- 064 FINANCIAL OVERVIEW OF JR PASSENGER RAILWAY COMPANIES**
- 066 RAILWAY OPERATIONS IN TOKYO**
- 068 ANALYSIS OF JR EAST'S RAILWAY OPERATIONS**

071 FINANCIAL SECTION

- 071 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**
- 076 OPERATIONAL AND OTHER RISK INFORMATION**
- 082 CONSOLIDATED FINANCIAL STATEMENTS**
- 087 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
- 104 INDEPENDENT AUDITOR'S REPORT**
- 105 GLOSSARY**
- 106 CONSOLIDATED SUBSIDIARIES AND EQUITY-METHOD AFFILIATED COMPANIES**
- 108 CORPORATE DATA**
- 109 ORGANIZATION**
- 110 STOCK INFORMATION**

JR EAST: DOMESTIC AND INTERNATIONAL PERSPECTIVES

PEER GROUP COMPARISONS

In this section, several key performance indicators illustrate how JR East compares with selected well-known companies.

In scale and profitability, JR East is not to be outdone by any of the world's renowned transportation companies. It is a benchmark among public utilities in Japan—including the power and telecommunications companies—of an overwhelming scale and earnings performance above all of the other domestic airway and private railway operators.

TOTAL STOCK MARKET VALUE

Millions of U.S. Dollars

INTERNATIONAL

JR East	29,122
IAG	13,566
Lufthansa	9,783
Union Pacific	38,225
FedEx	30,500
UPS	96,979

DOMESTIC

JR East	29,122
ANA	7,554
Tokyu	7,702
Kansai Electric Power	9,187
NTT	60,557

* Data in these graphs have been computed from each company's share price and shares outstanding at the end of the previous fiscal year.

OPERATING REVENUES

Millions of U.S. Dollars

INTERNATIONAL

JR East	26,242
IAG	25,697
Lufthansa	41,319
Union Pacific	21,963
FedEx	44,287
UPS	55,438

DOMESTIC

JR East	26,242
ANA	15,544
Tokyu	10,515
Kansai Electric Power	32,306
NTT	106,070

NET INCOME (LOSS)

Millions of U.S. Dollars

INTERNATIONAL

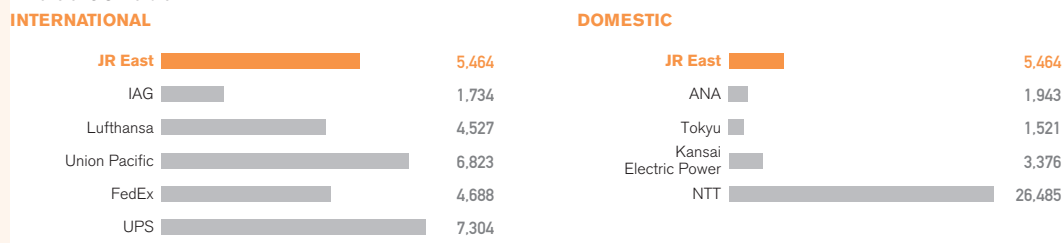
JR East	1,941
IAG	557
Lufthansa	431
Union Pacific	4,388
FedEx	1,561
UPS	4,372

DOMESTIC

JR East	1,941
ANA	183
Tokyu	549
Kansai Electric Power	-946
NTT	5,684

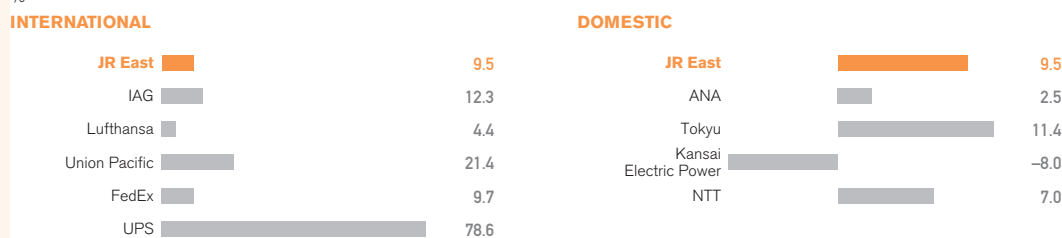
CASH FLOWS FROM OPERATING ACTIVITIES

Millions of U.S. Dollars



RETURN ON AVERAGE EQUITY (ROE)

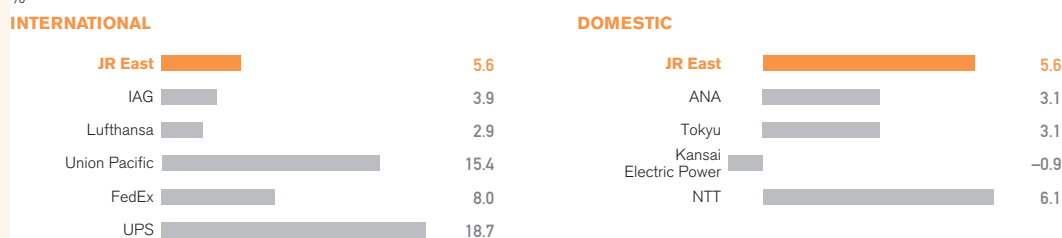
%



Average equity is the average of equity at the end of the previous and applicable fiscal years.

RATIO OF OPERATING INCOME (LOSS) TO AVERAGE ASSETS (ROA)

%



Average assets is the average of assets at the end of the previous and applicable fiscal years.

- In January 2011, British Airways and IBERIA underwent management integration to become the IAG (International Airlines Group).
- Year ended March 31, 2014 (Year ended December 31, 2013 for IAG, Lufthansa, Union Pacific, and UPS and year ended May 31, 2013 for FedEx).
- ANA: ANA HOLDINGS INC.; Tokyu: Tokyu Corporation; NTT: Nippon Telegraph and Telephone Corporation
- Data in this section are based on consolidated figures from each company's annual report or financial press releases.
- The exchange rate used is the rate on March 31, 2014 (\$1=¥103, £1=\$1.66, €1=\$1.38).
- Share prices at the close of the respective previous fiscal years and computed using the above exchange rates are \$73.84 for JR East, \$6.68 for IAG, \$21.22 for Lufthansa, \$84.00 for Union Pacific, \$96.34 for FedEx, \$105.08 for UPS, \$2.17 for ANA, \$6.13 for Tokyu, \$10.28 for Kansai Electric Power, and \$54.55 for NTT.

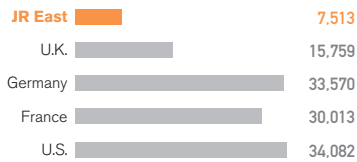
INTERNATIONAL RAILWAY COMPARISONS

Japan relies on railways for around 30% of its transportation needs, a ratio much higher than in most other countries. This high reliance on railways due to the size of the economy and geographic characteristics affords railway companies an extremely large source of demand, especially in urban areas. In addition to being Japan's top railway company, JR East is one of the largest railway companies in the world.

TRANSPORTATION MARKET

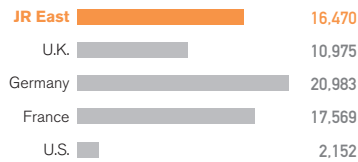
RAILWAY LINE NETWORKS

Kilometers



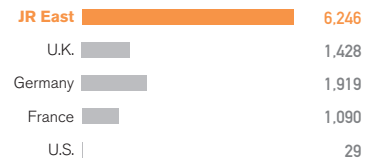
REVENUES FROM RAILWAY OPERATIONS

Millions of U.S. Dollars

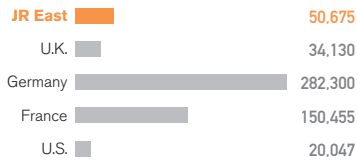


NUMBER OF PASSENGERS

Millions

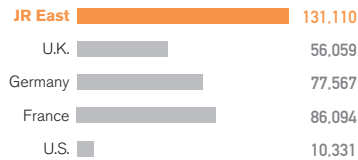


NUMBER OF EMPLOYEES



PASSENGER KILOMETERS

Millions



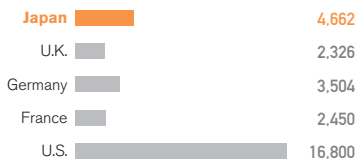
- Figures are as of March 2014 for JR East, March 2012 for the U.K., December 2011 for France and Germany, and September 2010 for the U.S.
 - U.K.: Association of Train Operating Companies (Railway tracks are owned by Network Rail Ltd.); Germany: Deutsche Bahn AG; France: Société Nationale des Chemins de fer Français (SNCF) (Railway tracks are owned by Réseau Ferré de France (RFF)); and U.S.: National Railroad Passenger Corporation (Amtrak).
 - Revenues from railway operations do not include freight and other service revenues.
 - Figures for JR East do not include Tokyo Monorail.
 - The exchange rate used is \$1=¥103 as of March 2014 for JR East and €1=\$1.34 as of March 2012 for the others.
- Source: International Railway Statistics 2011, Statistics Centre of the International Union of Railway, Sep. 2013.

FUNDAMENTALS

GROSS DOMESTIC PRODUCT

Billions of U.S. Dollars

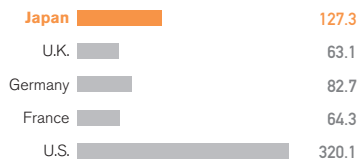
2013



POPULATION

Millions

2013



POPULATION DENSITY

Per Square Kilometer

2013



■ Population per Square Kilometer of Total National Land Area ■ Population per Square Kilometer of Habitable Land Area

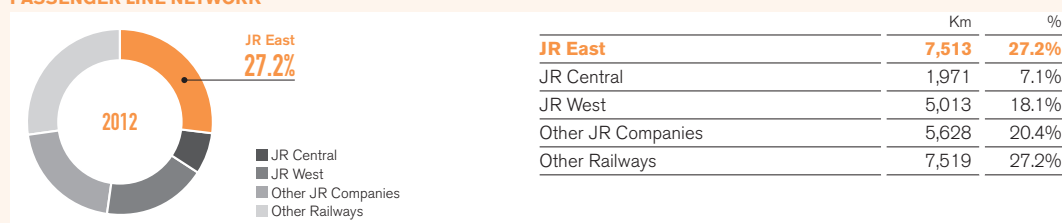
- JR East calculated these figures by using the following data and definition of each country's habitable land area.
Population
Japan: Current Population Estimates, Ministry of Internal Affairs and Communications Statistics Bureau; Other countries: United Nations data.
Habitable land area
Japan: Land White Paper, Ministry of Land, Infrastructure, Transport and Tourism. Total area minus forests and woodland, barren land, area under inland water bodies, and other; Other countries: Global Forest Resources Assessment 2010, FAO.

RAILWAY OPERATIONS IN JAPAN

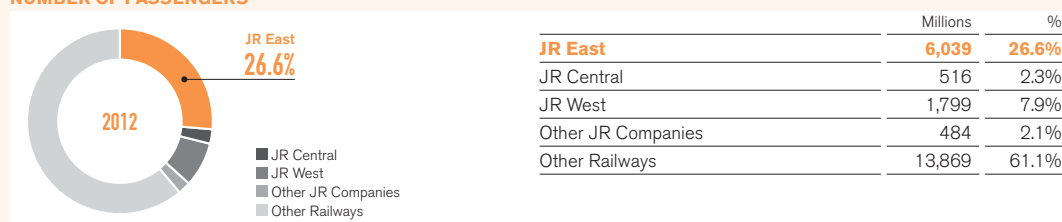
Railways play a vital role in Japan, a nation of limited landmass and high population density. Here, railways carry roughly 30% of the passenger volume in all modes of transportation, and JR East accounts for roughly 30% of the passenger volume in railways.

SHARE OF DOMESTIC RAILWAYS

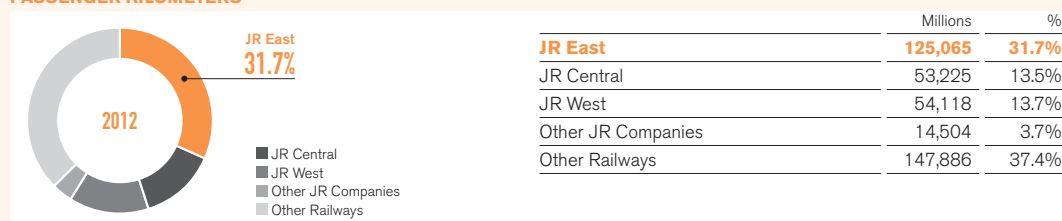
PASSENGER LINE NETWORK



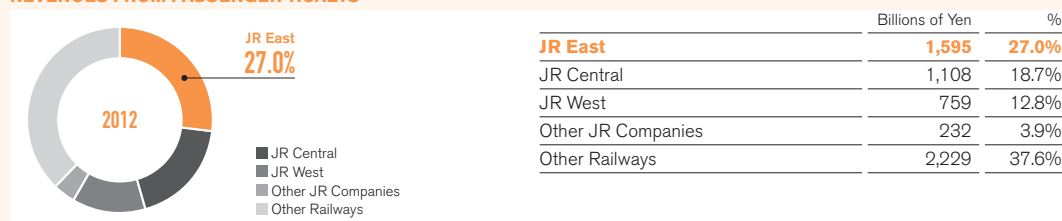
NUMBER OF PASSENGERS



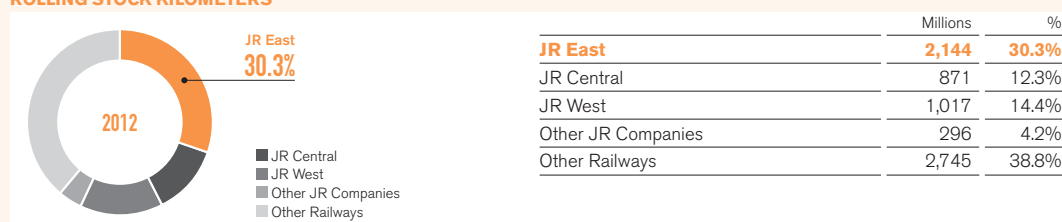
PASSENGER KILOMETERS



REVENUES FROM PASSENGER TICKETS



ROLLING STOCK KILOMETERS



As of March 31, 2012

- Figures for Passenger Line Network do not include freight traffic.
- Figures for Rolling Stock Kilometers do not include locomotives and freight cars.
- Figures for Tokyo Monorail are included in other railways.

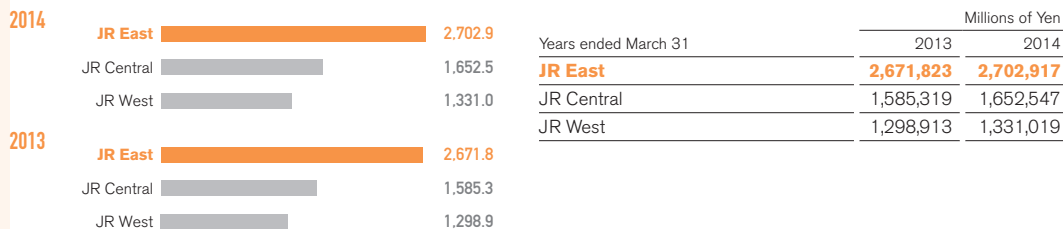
Source: Statistics of Railways 2011, Ministry of Land, Infrastructure, Transport and Tourism.

FINANCIAL OVERVIEW OF JR PASSENGER RAILWAY COMPANIES

JR East accounts for about 50% of the total operating revenues of the three largest JR passenger railway companies. JR East's immense and stable operating base contributes to large and consistent earnings and cash flows.

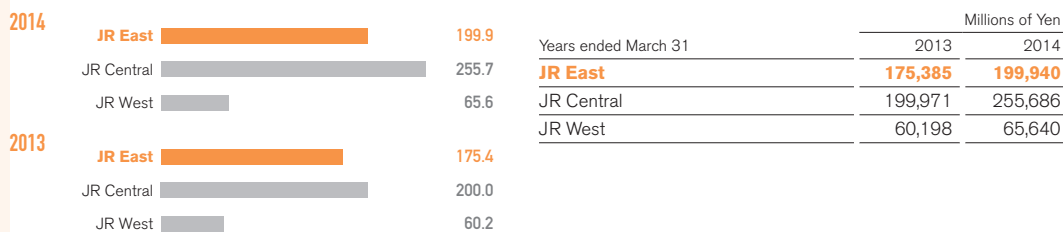
OPERATING REVENUES

Billions of Yen



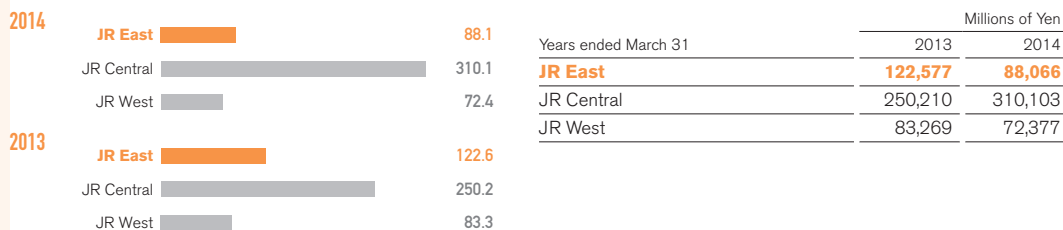
NET INCOME

Billions of Yen



FREE CASH FLOWS

Billions of Yen



RETURN ON AVERAGE EQUITY (ROE)

%

		Years ended March 31		
		2013	2014	
2014	JR East	9.5	9.0%	9.5%
	JR Central	16.6	14.1%	16.6%
	JR West	8.8	8.3%	8.8%
2013	JR East	9.0		
	JR Central	14.1		
	JR West	8.3		

• Average equity is the average of equity at the end of the previous and applicable fiscal years.

RATIO OF OPERATING INCOME TO AVERAGE ASSETS (ROA)

%

		Years ended March 31		
		2013	2014	
2014	JR East	5.6	5.6%	5.6%
	JR Central	9.5	8.2%	9.5%
	JR West	5.1	4.9%	5.1%
2013	JR East	5.6		
	JR Central	8.2		
	JR West	4.9		

• Average assets is the average of assets at the end of the previous and applicable fiscal years.

EQUITY RATIO

%

		Years ended March 31		
		2013	2014	
2014	JR East	29.4	28.1%	29.4%
	JR Central	33.9	28.9%	33.9%
	JR West	29.2	28.5%	29.2%
2013	JR East	28.1		
	JR Central	28.9		
	JR West	28.5		

• Equity ratio = shareholders' equity / total assets

• Data in this section has been calculated by JR East based on figures in JR Central's and JR West's financial press releases.

RAILWAY OPERATIONS IN TOKYO

The Tokyo metropolitan area accounts for roughly 30% of the population and economic base in Japan and has a population density far higher than any other region in the country. JR East alone provides nearly half of the huge volume of railway transportation in the Tokyo metropolitan area, where railways account for roughly 50% of all transportation.

TRANSPORTATION IN THE TOKYO AREA

MAJOR RAILWAYS IN THE TOKYO AREA

	Passenger Line Network ¹		Passenger Kilometers ²		Revenues from Passenger Tickets ²	
	km	%	Millions	%	Billions of Yen	%
JR East	1,106.1	41.6%	79,681	47.7%	870.9	43.0%
Tobu Railway	463.3	17.4%	12,471	7.5%	141.8	7.0%
Tokyo Metro	195.1	7.3%	18,905	11.3%	298.7	14.8%
Seibu Railway	176.6	6.7%	8,561	5.1%	94.1	4.7%
Keisei Electric Railway	152.3	5.7%	3,693	2.2%	54.8	2.7%
Toei (Tokyo Metropolitan Government)	131.2	4.9%	6,060	3.6%	136.4	6.7%
Odakyu Electric Railway	120.5	4.5%	11,246	6.7%	116.2	5.7%
Tokyu Corporation	104.9	4.0%	10,417	6.3%	131.0	6.5%
Keikyu Corporation	87.0	3.3%	6,116	3.7%	73.7	3.6%
Keio Electric Railway	84.7	3.2%	7,328	4.4%	77.7	3.8%
Sagami Railway	35.9	1.4%	2,535	1.5%	30.7	1.5%
Total	2,657.6	100.0%	167,013	100.0%	2,026.1	100.0%

1 As of March 31, 2013.

2 For the year ended March 31, 2013.

• Figures do not include freight lines.
• Data used for JR East is that of the Tokyo Metropolitan Area Network and do not include Tokyo Monorail.

Sources:

• Toei (Tokyo Metropolitan Government): Figures from the website of the Transportation Bureau of the Tokyo Metropolitan Government. Passenger kilometers are from Statistics of Railways 2013, Ministry of Land, Infrastructure, Transport and Tourism.

• Other: Website of the Association of Japanese Private Railways. Revenues from passenger tickets are based on figures from the financial press releases of each company.

PASSENGER LINE NETWORKS

Kilometers

JR East	1,106.1
Tobu	463.3
Tokyo Metro	195.1
Seibu	176.6
Keisei	152.3
Toei	131.2
Odakyu	120.5
Tokyu	104.9
Keikyu	87.0
Keio	84.7
Sagami	35.9

PASSENGER KILOMETERS

Millions

JR East	79,681
Tobu	12,471
Tokyo Metro	18,905
Seibu	8,561
Keisei	3,693
Toei	6,060
Odakyu	11,246
Tokyu	10,417
Keikyu	6,116
Keio	7,328
Sagami	2,535

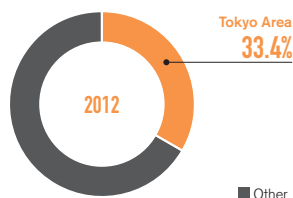
REVENUES FROM PASSENGER TICKETS

Billions of Yen

JR East	870.9
Tobu	141.8
Tokyo Metro	298.7
Seibu	94.1
Keisei	54.8
Toei	136.4
Odakyu	116.2
Tokyu	131.0
Keikyu	73.7
Keio	77.7
Sagami	30.7

FUNDAMENTALS

NET DOMESTIC PRODUCT

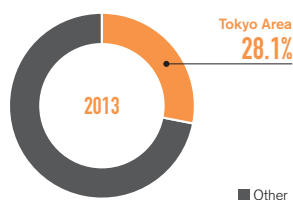


	2012	
	Billions of Yen	%
Tokyo Area	120,868	33.4%
Other	241,130	66.6%
Total	361,998	100.0%

Year ended March 31

Source: Annual Report on Prefectural Economies, Cabinet Office.

POPULATION



	2013	
	Millions	%
Tokyo Area	35.8	28.1%
Other	91.5	71.9%
Total	127.3	100.0%

As of October 1

Source: Current Population Estimates and Census, Ministry of Internal Affairs and Communications.

POPULATION DENSITY



	2013
	Per Square Kilometer
Tokyo Area	2,677
Other	251
National Average	337

As of October 1

• JR East calculated these figures by using data from the following sources: Current Population Estimates and Census, Ministry of Internal Affairs and Communications; statistics from the Geographical Survey Institute.

• The statistics on this page are based on governmental boundaries and do not strictly correspond with JR East's operating area segments.

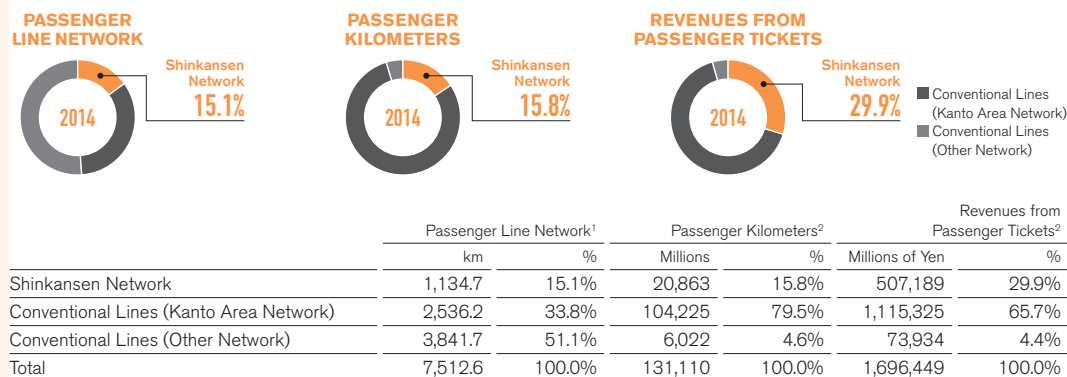
ANALYSIS OF JR EAST'S RAILWAY OPERATIONS

The fact that two-thirds of its transportation revenue comes from Tokyo and the Kanto region where most of the population and economic base in Japan resides, shows the solidness of JR East's management platform.

As another strength, the Company is largely immune to economic fluctuations, as commuter passes account for a third of transportation revenues overall, and 40% of those revenues are from the Kanto region.

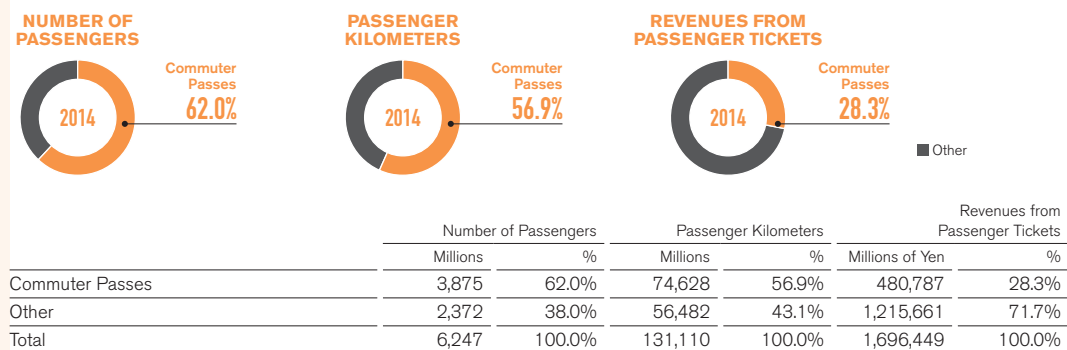
More than half of the electricity JR East consumes is self-generated in the hydro- and thermal-electric power plants it owns.

COMPOSITION BY OPERATING AREA

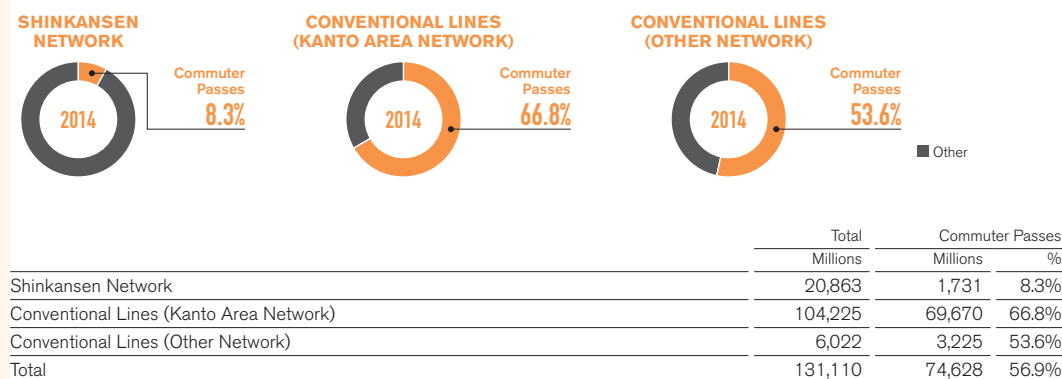


- As of March 31, 2014.
 - Year ended March 31, 2014.
- Revenues from the conventional line segments of hybrid Shinkansen services are credited to Conventional Lines (Other Network).
 - Figures do not include Tokyo Monorail.

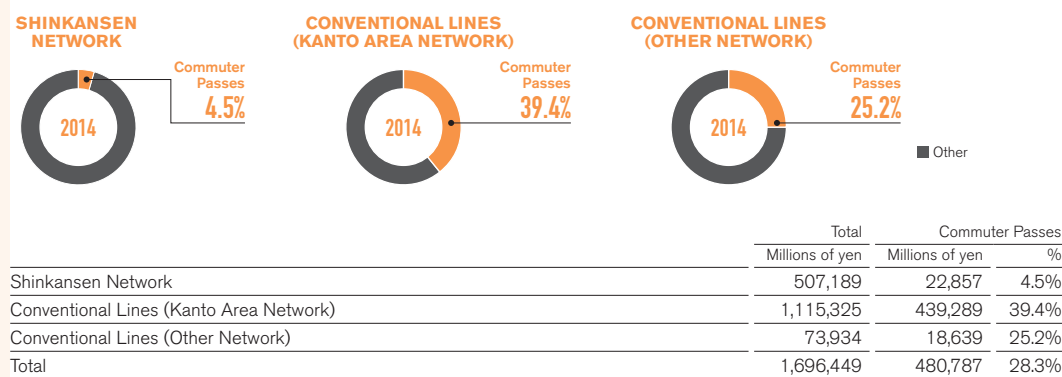
COMPOSITION OF COMMUTER PASSES—OVERALL



COMPOSITION OF COMMUTER PASSES—BY PASSENGER KILOMETERS



COMPOSITION OF COMMUTER PASSES—BY REVENUES FROM PASSENGER TICKETS



- Percentages represent passenger kilometers and revenues from passenger tickets attributable to commuter passes for each segment.
- Revenues from the conventional line segments of hybrid Shinkansen services are credited to Conventional Lines (Other Network).
- Figures do not include Tokyo Monorail.

PASSENGER KILOMETERS

Millions

Years ended March 31

		2013	2014	2014/2013	
Shinkansen Network	Commuter Passes	1,670	1,731	103.7%	
	Other	18,448	19,131	103.7%	
	Total	20,118	20,863	103.7%	
Conventional Lines	Total	Commuter Passes	71,657	72,896	101.7%
		Other	36,618	37,351	102.0%
		Total	108,275	110,247	101.8%
	Kanto Area Network	Commuter Passes	68,513	69,670	101.7%
		Other	33,907	34,554	101.9%
		Total	102,420	104,225	101.8%
	Other Network	Commuter Passes	3,143	3,225	102.6%
		Other	2,710	2,796	103.2%
		Total	5,854	6,022	102.9%
Total	Commuter Passes	73,327	74,628	101.8%	
	Other	55,066	56,482	102.6%	
	Total	128,394	131,110	102.1%	

REVENUES FROM PASSENGER TICKETS

Millions of Yen

Years ended March 31

		2013	2014	2014/2013	
Shinkansen Network	Commuter Passes	22,731	22,857	100.6%	
	Other	469,302	484,331	103.2%	
	Total	492,034	507,189	103.1%	
Conventional Lines	Total	Commuter Passes	464,600	457,929	98.6%
		Other	724,861	731,329	100.9%
		Total	1,189,462	1,189,259	100.0%
	Kanto Area Network	Commuter Passes	445,786	439,289	98.5%
		Other	671,292	676,035	100.7%
		Total	1,117,079	1,115,325	99.8%
	Other Network	Commuter Passes	18,813	18,639	99.1%
		Other	53,569	55,294	103.2%
		Total	72,383	73,934	102.1%
Total	Commuter Passes	487,332	480,787	98.7%	
	Other	1,194,164	1,215,661	101.8%	
	Total	1,681,496	1,696,449	100.9%	

• Passenger kilometers and revenues from the conventional line segments of hybrid Shinkansen services are credited to Conventional Lines (Other Network).

• Figures do not include Tokyo Monorail.

• The Kanto Area Network encompasses the area encompassed under the previous classification of the Tokyo Metropolitan Area Network (Tokyo Branch Office, Yokohama Branch Office, Hachioji Branch Office, and Omiya Branch Office) and the areas covered by Takasaki Branch Office, Mito Branch Office, and Chiba Branch Office.

ELECTRIC POWER

Year ended March 31, 2014	Billions of kWh	%
Thermal Generation	20.9	35.7%
Hydroelectric Generation	12.2	20.8%
Independent	33.1	56.5%
Purchased	25.5	43.5%
Total	58.6	100.0%

