



We would like to thank our shareholders and other investors sincerely for their remarkable support.

In fiscal 2015, the year ended March 31, 2015, the Japanese economy continued to recover gradually. This was partly because a recovery in the employment market counteracted a dip in demand at the beginning of the year, which resulted from the absence of the previous fiscal year's rush demand prior to a consumption tax rate increase. Under these conditions, and guided by "JR East Group Management Vision V—Ever Onward," the East Japan Railway Company and its consolidated subsidiaries and equity method affiliates (JR East) steadily executed various initiatives centered on the railway and life-style service businesses and *Suica* operations.

As a result, during the fiscal year under review, operating revenues increased 2.0% year on year, to ¥2,756.2 billion, mainly due to growth in JR East's transportation revenues centered on non-commuter pass revenues. Operating income increased 5.1%, to ¥427.5 billion. Furthermore, ordinary income rose 8.9%, to ¥362.0 billion, mainly due to a decline in interest expenses. Net income decreased 9.8%, to ¥180.4 billion, due to factors including the recognition of extraordinary losses associated with transfer of management of the section between Miyako and Kamaishi on the Yamada Line and an increase in "income taxes, deferred," resulting from a reversal of "deferred tax assets" that accompanied an amendment of Japan's Corporation Tax Act and other rules.

With the exception of residual weakness in some segments, economic conditions in Japan are expected to recover gradually as the employment market and personal income continue to improve, in part due to various government initiatives. Amid these conditions, in accordance with “JR East Group Management Vision V,” we will achieve tangible business results through concerted, companywide efforts based on the two pillars of our business management—“Eternal Mission” and “Pursuing Unlimited Potential.”

In railway operations, reflecting “JR East Group Safety Plan 2018,” JR East aims to realize “extreme safety levels” by developing the capabilities of each employee through the rigorous inculcation of safety awareness and the encouragement of safety in day-to-day behavior while mobilizing these capabilities through teamwork that transcends workplaces and organizational divisions. Also, based on its “Medium-term Vision for Service Quality Reforms 2017,” which began in 2015, JR East will promote a range of measures aimed at improving transportation quality and pursuing customer-friendly services. These measures will include enhancing information provided during transportation disruptions and identifying the needs of line-side areas. Through such measures, JR East aims to be “No. 1 for customer satisfaction in the Japanese railway industry” and thereby remain a company customers choose.

In the life-style service business, JR East will make steady progress in developing Shinjuku Station, Shibuya Station, Yokohama Station, and other large-scale stations. At the same time, the Group will implement measures to develop desirable line-side-area brands, including the *Chuo Line Mall Project*. In addition, JR East will collaborate with Group companies to take on the challenge of overseas development.

In *Suica* operations, preparations are under way to expand the mutual usage of *Suica* to include the Sendai City Transportation Bureau's *icsca* card in the spring of 2016. Moreover, JR East will continue increasing the number of participating stores and business establishments to enhance convenience and grow the number of settlements using *Suica*.

In railcar manufacturing operations, our fourth business pillar, we will fully leverage the April 2014 integration of Japan Transport Engineering Company with Niitsu Rolling Stock Plant to enhance the competitiveness of these operations. Further, JR East aims to win orders for projects in Japan and overseas by actively promoting its *sustina* stainless-steel railcars.

We will do our utmost to realize sustainable growth and satisfy our shareholders and other investors in the medium-to-long term. As we pursue this management goal, we would like to ask our shareholders and other investors for their continued support and understanding.

August 2015

*Satoshi Seino*

Chairman

*Tetsuro Tomita*

President and CEO