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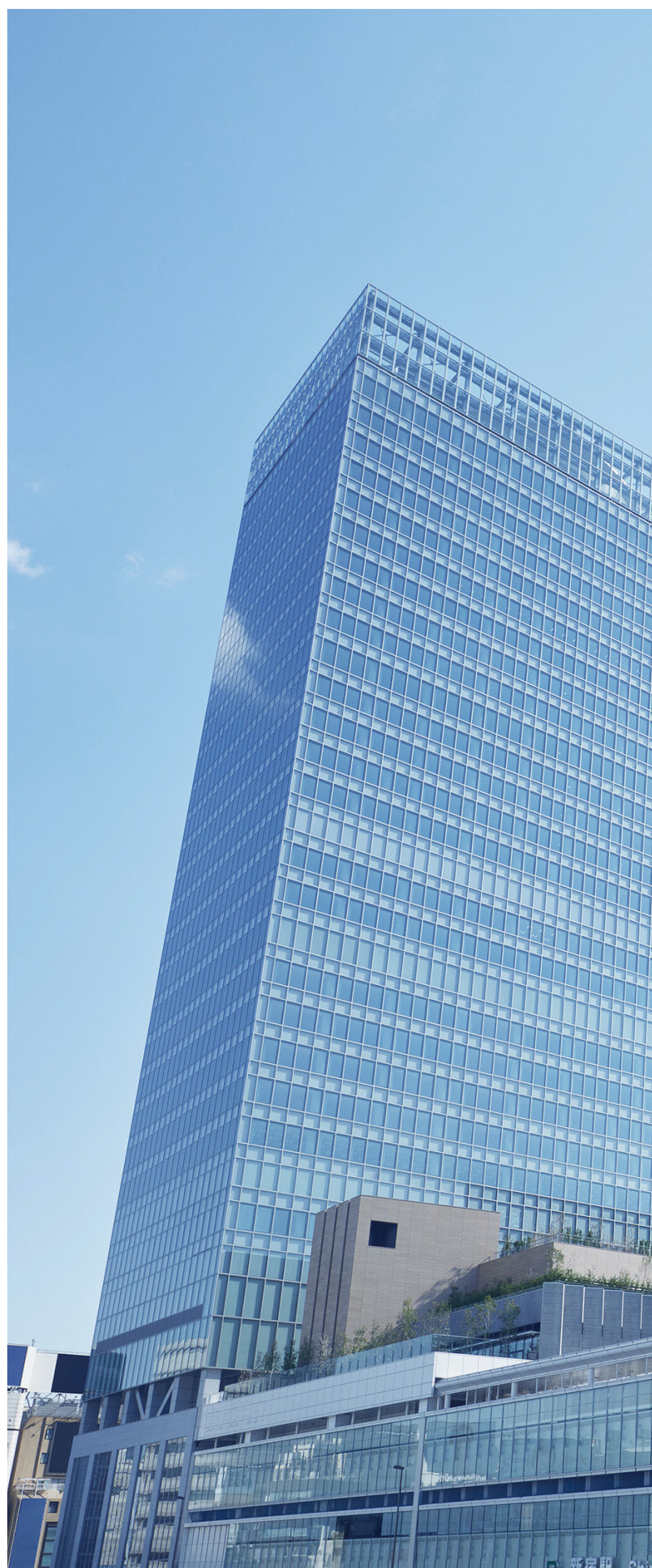
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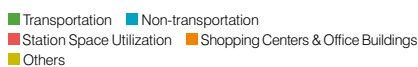
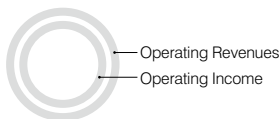
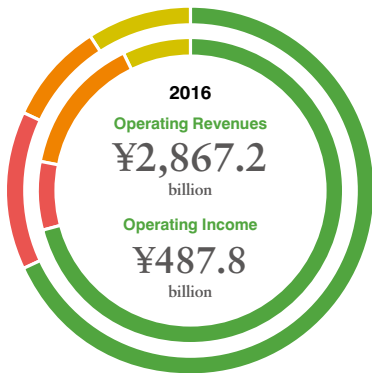
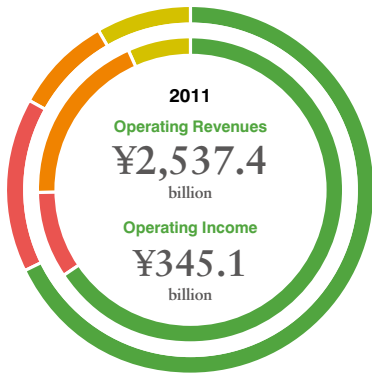
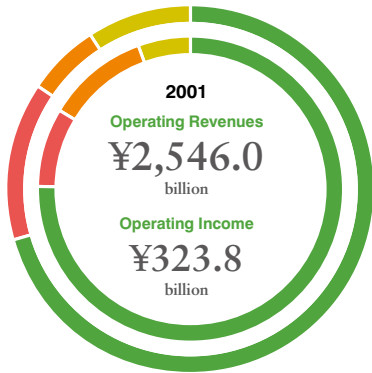
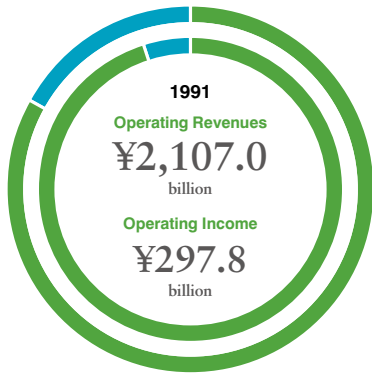


Thriving with Communities, Growing Globally

The Great East Japan Earthquake poignantly reminded us of the fact that companies cannot thrive without sound and vibrant communities. The East Japan area, our home ground, and Japan as a whole currently face a host of issues. As a corporate citizen, we are determined to fulfill our mission and execute businesses unique to the JR East Group in an effort to help solve those issues. The goal is to draw a blueprint for the future together with members of the community as we do our part to build vibrant communities.

However, taking root in communities does not mean becoming complacent by turning inward. To continue to fulfill our mission, we must constantly transform ourselves and achieve growth. We must look outward and step out into the world, while actively seeking knowledge and technology externally. We believe that doing so will provide fertile ground for capturing new growth opportunities. To unlock our full potential, we must boldly step out into the world.

Our History



April 1987

Establishment of JR East

July 1992

Launch of the Yamagata Shinkansen *Tsubasa* service

March 1997

Launch of the Akita Shinkansen *Komachi* service

November 2001

Launch of *Suica*

February 2002

Launch of the *Station Renaissance* program with the opening of *atré Ueno*

March 2004

Start of *Suica* electronic money service

March 2005

Opening of *ecute* Omiya

December 2010

Opening of the Tohoku Shinkansen Line to Shin-Aomori

October 2012

Grand reopening of the Tokyo Station Marunouchi Building

March 2015

Opening of the Hokuriku Shinkansen Line to Kanazawa
 Opening of the Ueno-Tokyo Line

March 2016

Opening of the Hokkaido Shinkansen Line to Shin-Hakodate Hokuto



Business Portfolio

-  Shinkansen (JR East)
-  Shinkansen (JR West)
-  Shinkansen (JR Hokkaido)
-  Conventional Lines (Kanto Area Network)
-  Conventional Lines (Other Network)

(As of June 2016)



Railway Transportation

- Railway Business, Bus Services, Railcar Manufacturing Operations

Growth drivers: Expansion and improvement of network, enhancement of transportation quality, and encouragement of tourism



Station Space Utilization

- Retailing, Restaurants in Stations

Growth drivers: Maximization of railway stations' value through creation of appealing commercial spaces and reinvigoration of regional industry



Shopping Centers & Office Buildings

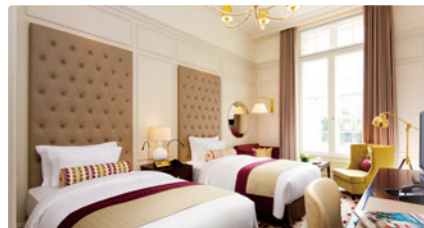
- Shopping Center Operation, Office Leasing

Growth drivers: Development of large terminal stations and development of desirable line-side area brands



Others

- Advertising, Hotel Operations, Credit Card Business, etc.



Business Assets and Attributes

The JR East Group has many assets and attributes with significant potential as growth drivers. Our railway network is approximately 7,500 km in length and has roughly 1,700 railway stations. Further, our life-style service business operates stores and restaurants, and we boast many attractive line-side areas. Also, we operate safe, reliable train services every day and have the technology, expertise, experience, and other management resources needed to offer customers traveling on our network an array of everyday services. Further, since its launch in 2001 *Suica* has become an integral part of society's infrastructure. It is indispensable not only when using train services but also in a host of different day-to-day situations.

Risks and Opportunities

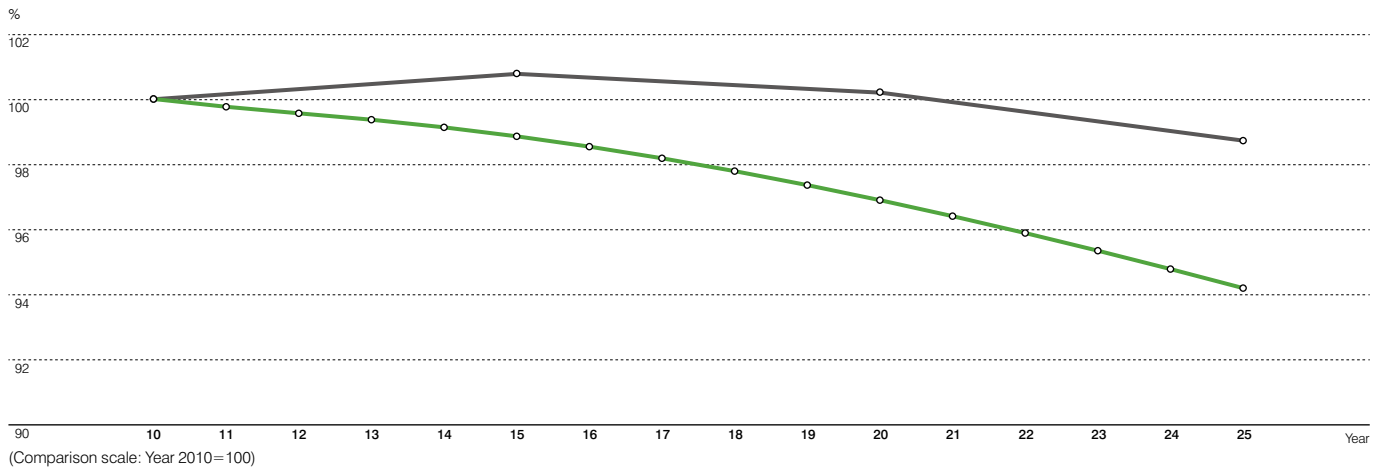
Changes in Business Conditions

In Japan, economic conditions promise to recover modestly as the employment market and personal income continue to improve and the benefits of government policies emerge. Over the medium-to-long term, Japan's population is expected to decline, age, and concentrate in cities at an accelerated pace. At the same time, technological innovation, globalization, and demand from visitors to Japan are likely to increase.

Japan's Demographics

In Japan, population decline and the population's concentration in cities will advance. Further, in eastern Japan the working-age population is decreasing. By 2020, the elderly will account for approximately 30% of Japan's population. These trends will significantly affect the businesses of the JR East Group, particularly its railway business.

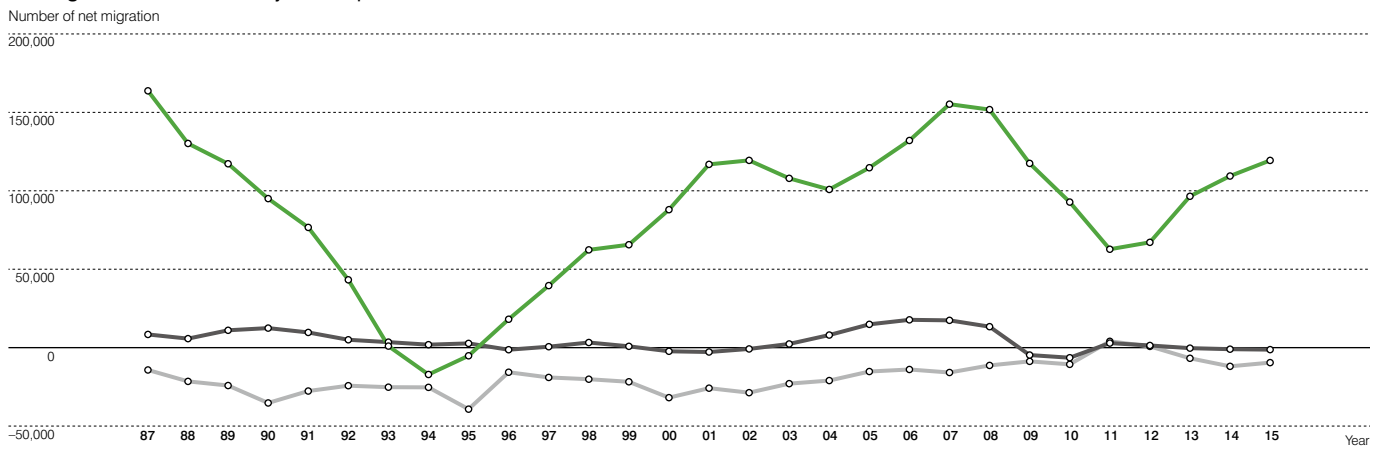
Total Population of Japan



Source: Population projection for Japan, National Institute of Population and Social Security Research, Jan. 2012.
Population projection for prefectures, National Institute of Population and Social Security Research, Mar. 2013.

— Nationwide (2012 estimate) — Tokyo metropolitan area (2013 estimate)

Net Migration in the Three Major Metropolitan Areas

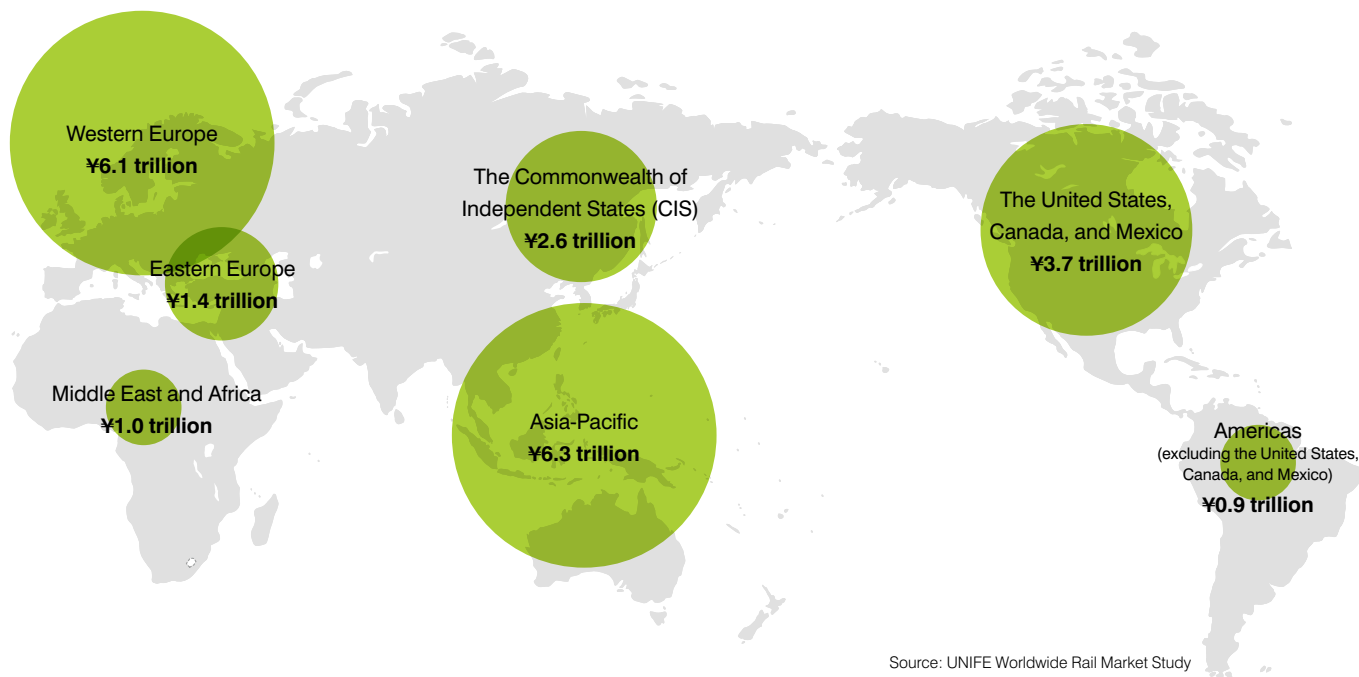


Source: Report on Internal Migration in Japan, Ministry of Internal Affairs and Communications, Apr. 2016.

— Tokyo metropolitan area — Nagoya metropolitan area — Osaka metropolitan area

Expansion of the Overseas Railway Market

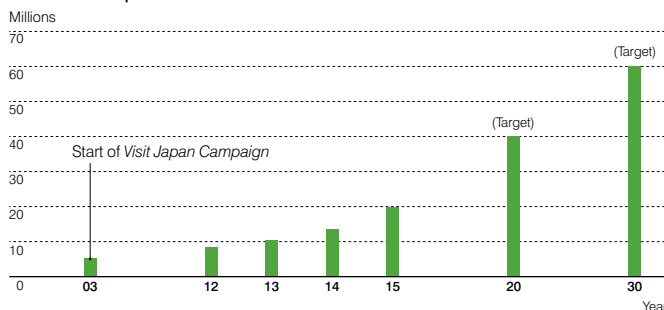
The overseas railway market is expected to see average annual growth of 2.5% and account for revenues ¥22 trillion by 2020.



Increase in Tourists Visiting Japan

In 2015, 19.7 million tourists visited Japan, up 47% year on year. Further, the government's "Council for the Development of a Tourism Vision to Support the Future of Japan" has set out as targets for the number of tourists visiting Japan of 40 million by 2020 and 60 million by 2030. Also, the council aims to increase spending by such tourists to ¥8 trillion by 2020 and ¥15 trillion by 2030.

Visitors to Japan



Competition with Other Companies

The JR East's railway business competes with other railway operators and other modes of transportation, such as aircraft, automobiles, and buses. Intensified competition in the transportation market arising from the advancement of large-scale improvement work by other companies in the Tokyo metropolitan area, an increase in low-cost airlines' routes, or lower expressway tolls could affect the earnings of the JR East's railway business.

Competition with Airlines

	Distance from Tokyo km	Time Required	JR Share %
Aomori	713.7	2:59	78
Akita	662.6	3:37	60
Morioka	535.3	2:10	100
Sendai	351.8	1:30	100
Yamagata	359.9	2:26	97
Niigata	333.9	1:37	100
Kanazawa	450.5	2:28	76

Note: Data shown here is as of March 31, 2016. Information concerning required time is according to the JR Time Table, June 2016 issue. Market shares of trains and flights are calculated based on the number of flight departures and arrivals at Haneda Airport. Approximate time required for trains is indicated using the maximum speed of a regularly-operated train from Tokyo.

Through the experience of the Great East Japan Earthquake, gained a real sense of our ties to local communities and the expectations of society

Eternal Mission

Pursuing “extreme safety levels”

Building a railway capable of withstanding natural disasters

Service quality reforms

Enhancing railway transportation networks and other measures

Strengthening collaboration with local communities

Supporting earthquake recovery, stimulating tourism, and revitalizing communities



Local
Communities
and Society

Customers

The JR

Thriving with Communities,

Our slogan for sustaining growth amid the volatility since the Great East Japan Earthquake

Pursuing Unlimited Potential

Technological innovation

Forging strategies for conserving energy and the environment, utilizing ICT (information and communication technology), and operating Shinkansen at faster speeds

Tackling new business areas

Globalization

Developing employees and creating a corporate culture that maximizes human potential

Sustained Growth



Shareholders and Investors

Employees

East Group

Growing Globally