

## Consolidated Financial Results for the Three-Month Period Ended June 30, 2007 (Unaudited)

Fiscal 2008 (Year ending March 31, 2008)

"First Quarter" means the three months from April 1 to June 30.

All financial information has been prepared in accordance with accounting principles generally accepted in Japan.

"JR East" refers to East Japan Railway Company on a consolidated basis, or if the context so requires, on a nonconsolidated basis.

English translation from the original Japanese-language document

July 27, 2007

### East Japan Railway Company

Stock Exchange Listings

Tokyo, Osaka, and Nagoya

Securities Code

9020

URL

<http://www.jreast.co.jp/e>

Representative

Satoshi Seino, President and CEO

Contact Person

Osamu Kawanobe, General Manager,  
Public Relations Department  
(Tel. +81-3-5334-1300)

#### 1. Results for the Three-Month Period Ended June 30, 2007 (April 1, 2007—June 30, 2007)

(1) Consolidated financial results (Amounts less than one million yen, except for per share amounts, are omitted.)

	Operating revenues		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
<b>Fiscal 2008, 1st Quarter</b>	<b>652,850</b>	<b>1.9</b>	<b>123,196</b>	<b>11.9</b>	<b>94,884</b>	<b>2.9</b>	<b>54,947</b>	<b>0.3</b>
Fiscal 2007, 1st Quarter	640,494	2.1	110,068	(9.4)	92,232	2.8	54,800	(2.3)
(Reference) Fiscal 2007	2,657,345	—	428,097	—	300,051	—	175,870	—

	Earnings per share —basic	Earnings per share —diluted
	Yen	Yen
<b>Fiscal 2008, 1st Quarter</b>	<b>13,750.07</b>	—
Fiscal 2007, 1st Quarter	13,712.93	—
(Reference) Fiscal 2007	44,007.94	—

Notes: Percentages for operating revenues, operating income, ordinary income, and net income for the 1st quarter of fiscal 2008 represent change compared with the same period ended June 30, 2006. Percentages for operating revenues, operating income, ordinary income, and net income for the 1st quarter of fiscal 2007 represent change compared with the same period ended June 30, 2005.

(2) Consolidated financial position (Amounts less than one million yen, except for per share amounts, are omitted.)

	Total assets	Net assets	Equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
<b>Fiscal 2008, 1st Quarter</b>	<b>6,862,356</b>	<b>1,557,162</b>	<b>22.3</b>	<b>383,363.59</b>
Fiscal 2007, 1st Quarter	6,732,977	1,414,768	20.6	347,711.24
(Reference) Fiscal 2007	6,968,031	1,513,104	21.4	372,492.84

Notes: Shareholders' equity equals total net assets less minority interests.

(3) Consolidated cash flows (Amounts less than one million yen are omitted.)

	Net cash provided by operating activities	Net cash used in investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of the period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
<b>Fiscal 2008, 1st Quarter</b>	<b>55,873</b>	<b>(136,069)</b>	<b>69,874</b>	<b>77,331</b>
Fiscal 2007, 1st Quarter	75,645	(128,003)	47,007	59,969
(Reference) Fiscal 2007	541,850	(348,799)	(172,027)	86,980

## 2. Forecast for Fiscal 2008 (Year ending March 31, 2008)

	Operating revenues		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ending September 30, 2007	1,323,000	0.2	245,000	(1.1)	185,000	(6.6)	111,000	(8.9)
Fiscal 2008	2,678,000	0.8	428,000	(0.0)	312,000	4.0	185,000	5.2

	Earnings per share
	Yen
Six months ending September 30, 2007	27,776.51
Fiscal 2008	46,294.19

## 3. Other

*Changes to principal subsidiaries during the first quarter (status changes of specified subsidiaries due to changes in the scope of consolidation)* No

## Forward-Looking Statements

Statements contained in this report with respect to JR East's plans, strategies, and beliefs that are not historical facts are forward-looking statements about the future performance of JR East, which are based on management's assumptions and beliefs in light of the information currently available to it. These forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause JR East's actual results, performance, or achievements to differ materially from the expectations expressed herein. These factors include, without limitation, (i) JR East's ability to successfully maintain or increase current passenger levels on railway services, (ii) JR East's ability to improve the profitability of railway and other operations, (iii) JR East's ability to expand non-transportation operations, and (iv) general changes in economic conditions and laws, regulations, and government policies in Japan. For additional information regarding forecasts, see 3. *Qualitative Information on Consolidated Performance Outlook* on page 4.

# Qualitative Information and Financial Statements

## 1. Qualitative Information on Consolidated Operating Results

During the first quarter of the fiscal year ending March 31, 2008 (April 1, 2007, through June 30, 2007), the Japanese economy sustained its recovery, reflecting such factors as a further rise in private capital investment against the backdrop of strong corporate performance and an increase in personal consumption, which was positively affected by improvement in the employment situation.

Amid these circumstances, East Japan Railway Company and its consolidated subsidiaries as well as associated companies accounted for under the equity method (hereinafter, JR East) made relentless efforts to increase its revenues by optimizing the utilization of management resources and continued working to increase operational efficiency.

Such factors as the strong performances of transportation business and shopping centers & office building business brought an increase of 1.9% in total operating revenues from the same period of the previous fiscal year, to ¥652.8 billion, and such factors as a decrease in personnel expense caused operating income to expand 11.9%, to ¥123.1 billion. As a result of the reduction of interest expense, ordinary income advanced 2.9% from the same period of the previous fiscal year, to ¥94.8 billion. Such factors as an increase in gains from sales of fixed assets caused a 0.3% rise in net income, to ¥54.9 billion.

### **Business Segment Information**

- In the **Transportation** segment, JR East increased the number of Shinkansen trains and reserved seating cars during Japan's "Golden Week" holiday period. JR East also implemented campaigns to promote seasonal travel to various destinations, augment services provided through the "Otona no Kyujitsu Club," and otherwise promote greater use of railway transportation services.

In addition, JR East recorded strong performance regarding usage of "Green Cars" (first-class cars) in trains on the Joban Line and other ordinary train lines and derived benefits from a timetable revision implemented in the previous fiscal year.

As a result of these efforts, railway network transportation volumes increased, and operating revenues expanded 2.3 %, to ¥467.5 billion. Operating income advanced 12.6%, to ¥96.2 billion.

- In the **Station Space Utilization** segment, JR East proceeded with the implementation of its "Station Renaissance" program, which aims to create new station environments suited to the 21st century. Specific initiatives included the opening of the fourth phase of the "Dila Ofuna" project in Kanagawa Prefecture as well as various measures to open new stores and reinvigorate existing stores within stations.

Reflecting such factors as the closure of some KIOSK outlets operated by East Japan Kiosk Co., Ltd.,\* operating revenues declined 0.8%, to ¥101.5 billion. However, such measures as those to reduce personnel expenses supported a 15.7% surge in operating income, to ¥8.8 billion.

\* East Japan Kiosk Co., Ltd., changed its name to JR East Retail Net Co., Ltd., on July 1, 2007.

- Regarding the **Shopping Centers & Office Buildings** segment, in shopping center operations, JR East opened "Beans Nishi-Kawaguchi" in Saitama Prefecture, reorganized four shopping center management companies by consolidating the operations of those companies within two companies, and worked to strengthen its marketing power and financial base.

As a result of these initiatives and such factors as the strong performances of LUMINE Co., Ltd. and the opening of Sapia Tower in the previous fiscal year, operating revenues increased 4.2%, to ¥52.0 billion, and operating income was up 11.6%, to ¥16.6 billion.

- Regarding the **Other Services** segment, in hotel operations, JR East opened Hotel Metropolitan Marunouchi in Tokyo. In advertising and publicity operations, JR East moved forward with initiatives to expand sales of transportation-related media focusing on in-car visual advertising.

Accordingly, operating revenues of this segment rose 2.4%, to ¥115.5 billion. Reflecting such factors as the provision of reserves associated with credit card bonus point systems, however, operating income decreased 20.7%, to ¥1.4 billion.

## 2. Qualitative Information on Consolidated Financial Position

Regarding cash flows during the quarterly period under review, a rise in cash flow from operating activities due to an increase in income before income taxes was offset by such factors as an increase in income taxes paid. Thus, net cash provided by operating activities totaled ¥55.8 billion, down ¥19.7 billion from the same period in the previous fiscal year.

Net cash used in investing activities totaled ¥136.0 billion, up ¥8.0 billion from the same period in the previous fiscal year, as growth in construction grants received was more than offset by such factors as a rise in fixed asset acquisition expense.

Net cash provided by financing activities amounted to ¥69.8 billion, up ¥22.8 billion from the same period in the previous fiscal year, as a decline in proceeds from commercial paper issuance was more than offset by such factors as a rise in proceeds from bond issuance.

As a result of the above, cash and cash equivalents at quarterly fiscal period-end totaled ¥77.3 billion, down ¥9.6 billion from the end of the previous fiscal year.

At quarterly fiscal period-end, total long-term debt amounted to ¥3,725.9 billion.

### **3. Qualitative Information on Consolidated Performance Outlook**

Regarding current forecasts of consolidated performance, JR East has not made changes to the performance forecasts for the interim fiscal period and the full fiscal year that were initially announced on April 27, 2007.

# Consolidated Balance Sheets (Unaudited)

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES

	Millions of Yen			
	Fiscal 2007 (As of March 31, 2007)	Fiscal 2008, 1st Quarter (As of June 30, 2007)	Increase (Decrease)	Fiscal 2007, 1st Quarter (As of June 30, 2006)
<b>ASSETS</b>				
<b>Current Assets</b> .....	¥ 513,114	¥ <b>433,106</b>	¥ (80,008)	¥ 381,241
Cash and time deposits.....	87,154	<b>77,581</b>	(9,573)	60,138
Notes and accounts receivable—trade.....	239,203	<b>191,872</b>	(47,330)	157,187
Fares receivable.....	36,366	<b>28,308</b>	(8,057)	30,561
Short-term loans receivable.....	19,273	<b>20,275</b>	1,002	20,145
Securities.....	262	<b>192</b>	(69)	80
Real estate for sale.....	6,527	<b>6,478</b>	(48)	8,680
Inventories.....	36,792	<b>46,327</b>	9,534	45,017
Deferred income taxes.....	59,809	<b>39,963</b>	(19,845)	37,689
Other.....	30,135	<b>24,441</b>	(5,694)	23,520
Allowance for doubtful accounts.....	(2,410)	<b>(2,336)</b>	74	(1,779)
<b>Fixed Assets</b> .....	6,454,836	<b>6,429,178</b>	(25,657)	6,350,667
Property, plant and equipment, net of accumulated depreciation.....	5,832,507	<b>5,799,221</b>	(33,285)	5,755,029
Buildings and fixtures.....	2,918,953	<b>2,894,993</b>	(23,959)	2,901,646
Machinery, rolling stock and vehicles.....	632,088	<b>619,777</b>	(12,311)	609,785
Land.....	2,012,665	<b>2,011,086</b>	(1,578)	2,014,800
Construction in progress.....	222,964	<b>228,032</b>	5,067	184,845
Other.....	45,834	<b>45,331</b>	(503)	43,950
Intangible assets.....	124,746	<b>123,770</b>	(976)	115,708
Intangibles.....	124,746	<b>123,770</b>	(976)	115,708
Investments and other assets.....	497,582	<b>506,186</b>	8,603	479,929
Investment in securities.....	236,072	<b>249,429</b>	13,357	236,634
Long-term loans receivable.....	1,560	<b>1,620</b>	59	2,636
Long-term deferred income taxes.....	210,463	<b>207,239</b>	(3,224)	200,691
Other.....	50,963	<b>49,353</b>	(1,610)	41,237
Allowance for doubtful accounts.....	(1,477)	<b>(1,456)</b>	21	(1,270)
<b>Deferred Assets</b> .....	81	<b>71</b>	(9)	1,068
<b>Total Assets</b> .....	<b>¥6,968,031</b>	<b>¥6,862,356</b>	<b>¥(105,675)</b>	<b>¥6,732,977</b>

Note: Amounts less than one million yen are omitted.

# Consolidated Balance Sheets (Unaudited)

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES

	Millions of Yen			
	Fiscal 2007 (As of March 31, 2007)	Fiscal 2008, 1st Quarter (As of June 30, 2007)	Increase (Decrease)	Fiscal 2007, 1st Quarter (As of June 30, 2006)
<b>LIABILITIES</b>				
<b>Current Liabilities</b> .....	¥1,337,925	<b>¥1,088,761</b>	¥(249,164)	¥ 954,896
Notes and accounts payable—trade .....	67,150	<b>52,846</b>	(14,304)	42,554
Short-term loans and current portion of long-term loans .....	202,432	<b>201,579</b>	(852)	114,837
Current portion of long-term debt .....	40,000	<b>40,000</b>	—	—
Current portion of long-term liabilities incurred for purchase of railway facilities	144,128	<b>144,138</b>	9	141,211
Payables .....	369,388	<b>156,248</b>	(213,140)	146,402
Accrued consumption tax .....	15,708	<b>6,492</b>	(9,216)	7,341
Accrued income taxes .....	81,571	<b>20,950</b>	(60,620)	22,073
Fare deposits received with regard to railway connecting services	23,740	<b>23,447</b>	(293)	9,058
Prepaid railway fares received.....	90,864	<b>100,218</b>	9,353	99,272
Allowance for bonuses to employees .....	74,868	<b>40,749</b>	(34,118)	41,940
Other.....	228,071	<b>302,090</b>	74,019	330,204
<b>Long-Term Liabilities</b> .....	4,117,001	<b>4,216,432</b>	99,431	4,363,312
Bonds .....	1,206,023	<b>1,304,368</b>	98,344	1,218,810
Long-term loans.....	586,762	<b>579,763</b>	(6,999)	671,004
Long-term liabilities incurred for purchase of railway facilities	1,457,516	<b>1,457,507</b>	(9)	1,602,445
Long-term deferred tax liabilities .....	2,679	<b>2,650</b>	(29)	2,355
Employees' severance and retirement benefits.....	600,228	<b>606,273</b>	6,045	604,206
Other.....	263,789	<b>265,869</b>	2,080	264,491
<b>Total Liabilities</b> .....	¥5,454,926	<b>¥5,305,194</b>	¥(149,732)	¥5,318,209
<b>NET ASSETS</b>				
<b>Shareholders' Equity</b> .....	¥1,421,360	<b>¥1,458,317</b>	¥ 36,956	¥1,317,805
Common stock.....	200,000	<b>200,000</b>	—	200,000
Capital surplus .....	96,721	<b>96,721</b>	0	96,600
Retained earnings.....	1,127,234	<b>1,164,202</b>	36,968	1,023,516
Treasury stock .....	(2,594)	<b>(2,606)</b>	(11)	(2,312)
<b>Valuation and Translation Adjustments</b> .....	67,192	<b>73,673</b>	6,480	71,728
Net unrealized holding gains on securities.....	66,968	<b>72,830</b>	5,861	71,599
Net deferred gains on derivatives under hedge accounting ...	224	<b>843</b>	618	128
<b>Minority Interests</b> .....	24,551	<b>25,171</b>	620	25,233
<b>Total Net Assets</b> .....	1,513,104	<b>1,557,162</b>	44,057	1,414,768
<b>Total Liabilities and Total Net Assets</b> .....	¥6,968,031	<b>¥6,862,356</b>	¥(105,675)	¥6,732,977

Note: Amounts less than one million yen are omitted.

# Consolidated Statements of Income (Unaudited)

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES

	Millions of Yen			
	Fiscal 2007, 1st Quarter (Three months ended June 30, 2006)	Fiscal 2008, 1st Quarter (Three months ended June 30, 2007)	Increase (Decrease)	Fiscal 2007  (Year ended March 31, 2007)
<b>Operating Revenues</b> .....	¥640,494	<b>¥652,850</b>	¥12,355	¥2,657,345
<b>Operating Expenses</b> .....	530,425	<b>529,653</b>	(771)	2,229,247
Transportation, other services and cost of sales.....	408,695	<b>409,026</b>	330	1,718,576
Selling, general and administrative expenses .....	121,729	<b>120,627</b>	(1,102)	510,671
<b>Operating Income</b> .....	110,068	<b>123,196</b>	13,127	428,097
<b>Non-Operating Income</b> .....	16,453	<b>4,250</b>	(12,202)	30,224
Interest and dividend income .....	1,269	<b>1,911</b>	641	1,954
Equity in net income of affiliated companies.....	250	<b>275</b>	25	—
Other.....	14,933	<b>2,064</b>	(12,868)	28,269
<b>Non-Operating Expenses</b> .....	34,289	<b>32,562</b>	(1,726)	158,270
Interest expense.....	32,940	<b>31,657</b>	(1,283)	131,376
Other.....	1,349	<b>905</b>	(443)	26,893
<b>Ordinary Income</b> .....	92,232	<b>94,884</b>	2,652	300,051
<b>Extraordinary Gains</b> .....	9,457	<b>6,617</b>	(2,840)	113,865
Construction grants received .....	8,557	<b>3,944</b>	(4,613)	65,451
Other.....	899	<b>2,672</b>	1,773	48,414
<b>Extraordinary Losses</b> .....	8,637	<b>6,616</b>	(2,021)	107,237
Loss on reduction entry for construction grants.....	7,469	<b>3,939</b>	(3,530)	61,002
Other.....	1,167	<b>2,677</b>	1,509	46,234
<b>Income before Income Taxes</b> .....	93,052	<b>94,886</b>	1,833	306,680
<b>Income Taxes</b>				
Current .....	21,420	<b>19,794</b>	(1,626)	140,555
Deferred .....	16,179	<b>19,578</b>	3,399	(12,135)
<b>Minority Interests in Net Income of Consolidated Subsidiaries</b> ....	652	<b>565</b>	(87)	2,388
<b>Net Income</b> .....	¥ 54,800	<b>¥ 54,947</b>	¥ 147	¥ 175,870

Note: Amounts less than one million yen are omitted.

# Consolidated Statements of Changes in Net Assets(Unaudited)

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES

Fiscal 2007, 1st Quarter (Three months ended June 30, 2006)

Millions of yen

	Shareholders' Equity					Valuation and Translation Adjustments			Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized holding gains on securities	Net deferred gains on derivatives under hedge accounting	Total valuations and translation adjustments		
Balance at March 31, 2006	¥200,000	¥96,600	¥ 984,525	¥(2,308)	¥1,278,816	¥78,542	¥ —	¥78,542	¥25,021	¥1,382,380
Changes of items during the period										
Cash dividends			(15,987)		(15,987)					(15,987)
Bonuses to directors and corporate auditors			(242)		(242)					(242)
Net income			54,800		54,800					54,800
Increase due to addition of consolidated subsidiaries and other			422		422					422
Purchase of treasury stock				(4)	(4)					(4)
Disposal of treasury stock		0		1	2					2
Net changes of items other than shareholders' equity						(6,942)	128	(6,813)	211	(6,601)
Total changes of items during the period	—	0	38,991	(3)	38,989	(6,942)	128	(6,813)	211	32,387
Balance at June 30, 2006	¥200,000	¥96,600	¥1,023,516	¥(2,312)	¥1,317,805	¥71,599	¥128	¥71,728	¥25,233	¥1,414,768

Note: Amounts less than one million yen are omitted.

Fiscal 2008, 1st Quarter (Three months ended June 30, 2007)

Millions of yen

	Shareholders' Equity					Valuation and Translation Adjustments			Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized holding gains on securities	Net deferred gains on derivatives under hedge accounting	Total valuations and translation adjustments		
Balance at March 31, 2007	¥200,000	¥96,721	¥1,127,234	¥(2,594)	¥1,421,360	¥66,968	¥224	¥67,192	¥24,551	¥1,513,104
Changes of items during the period										
Cash dividends			(17,986)		(17,986)					(17,986)
Net income			54,947		54,947					54,947
Increase due to addition of consolidated subsidiaries and other			6		6					6
Purchase of treasury stock				(12)	(12)					(12)
Disposal of treasury stock		0		0	0					0
Net changes of items other than shareholders' equity						5,861	618	6,480	620	7,100
Total changes of items during the period	—	0	36,968	(11)	36,956	5,861	618	6,480	620	44,057
Balance at June 30, 2007	¥200,000	¥96,721	¥1,164,202	¥(2,606)	¥1,458,317	¥72,830	¥843	¥73,673	¥25,171	¥1,557,162

Note: Amounts less than one million yen are omitted.



## Fiscal 2007 (Year ended March 31, 2007)

Millions of yen

	Shareholders' Equity					Valuation and Translation Adjustments			Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized holding gains on securities	Net deferred gains on derivatives under hedge accounting	Total valuations and translation adjustments		
Balance at March 31, 2006	¥200,000	¥96,600	¥ 984,525	¥(2,308)	¥1,278,816	¥78,542	¥ —	¥78,542	¥25,021	¥1,382,380
Changes of items during the period										
Cash dividends			(33,974)		(33,974)					(33,974)
Bonuses to directors and corporate auditors			(242)		(242)					(242)
Net income			175,870		175,870					175,870
Increase due to addition of consolidated subsidiaries and other			1,055		1,055					1,055
Purchase of treasury stock				(740)	(740)					(740)
Disposal of treasury stock		120		455	576					576
Net changes of items other than shareholders' equity						(11,574)	224	(11,349)	(470)	(11,820)
Total changes of items during the fiscal year	—	120	142,708	(285)	142,544	(11,574)	224	(11,349)	(470)	130,723
Balance at March 31, 2007	¥200,000	¥96,721	¥1,127,234	¥(2,594)	¥1,421,360	¥66,968	¥224	¥67,192	¥24,551	¥1,513,104

Note: Amounts less than one million yen are omitted.

# Consolidated Statements of Cash Flows (Unaudited)

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES

	Millions of Yen		
	Fiscal 2007, 1st Quarter (Three months ended June 30, 2006)	<b>Fiscal 2008, 1st Quarter (Three months ended June 30, 2007)</b>	Fiscal 2007 (Year ended March 31, 2007)
<b>Cash Flows from Operating Activities</b>			
Income before income taxes .....	¥ 93,052	¥ <b>94,886</b>	¥306,680
Depreciation .....	77,311	<b>79,982</b>	318,525
Amortization of long-term prepaid expense.....	946	<b>1,200</b>	5,079
Net change in employees' severance and retirement benefits.....	6,040	<b>4,852</b>	2,050
Interest and dividend income .....	(1,269)	<b>(1,911)</b>	(1,954)
Interest expense .....	32,940	<b>31,657</b>	131,376
Construction grants received .....	(8,557)	<b>(3,944)</b>	(65,451)
Loss from disposition and provision for cost reduction of fixed assets.....	10,646	<b>7,414</b>	93,654
Net change in major receivables .....	22,632	<b>28,615</b>	(52,546)
Net change in major payables .....	(61,876)	<b>(75,880)</b>	68,643
Other.....	(31,683)	<b>(29,399)</b>	(11,148)
Subtotal .....	140,183	<b>137,472</b>	794,909
Proceeds from interest and dividends .....	1,448	<b>2,076</b>	2,158
Payments of interest .....	(3,439)	<b>(4,850)</b>	(130,114)
Payments of earthquake-damage losses .....	(4,905)	—	(6,291)
Payments of income taxes .....	(57,640)	<b>(78,825)</b>	(118,813)
<b>Net cash provided by operating activities.....</b>	<b>75,645</b>	<b>55,873</b>	541,850
<b>Cash Flows from Investing Activities</b>			
Payments for purchases of fixed assets .....	(158,049)	<b>(178,769)</b>	(458,096)
Proceeds from sales of fixed assets.....	696	<b>4,252</b>	39,667
Proceeds from construction grants .....	18,253	<b>27,701</b>	69,834
Payments for purchases of investments in securities .....	(226)	<b>(3,092)</b>	(12,237)
Other.....	11,321	<b>13,838</b>	12,032
<b>Net cash used in investing activities .....</b>	<b>(128,003)</b>	<b>(136,069)</b>	(348,799)
<b>Cash Flows from Financing Activities</b>			
Net change in commercial paper.....	25,000	—	(40,000)
Proceeds from issuance of bonds.....	51,953	<b>98,327</b>	180,081
Payments of long-term liabilities.....	(11,184)	<b>(8,631)</b>	(358,258)
Payments for acquisition of treasury stock.....	(4)	<b>(12)</b>	(39)
Cash dividends paid .....	(15,987)	<b>(17,986)</b>	(33,974)
Other.....	(2,769)	<b>(1,822)</b>	80,164
<b>Net cash provided by (used in) financing activities .....</b>	<b>47,007</b>	<b>69,874</b>	(172,027)
<b>Net Change in Cash and Cash Equivalents .....</b>	<b>(5,350)</b>	<b>(10,321)</b>	21,022
<b>Cash and Cash Equivalents at Beginning of Period .....</b>	<b>64,373</b>	<b>86,980</b>	64,373
<b>Increase Due to Addition of Consolidated Subsidiaries and Other.....</b>			
	947	<b>673</b>	1,584
<b>Cash and Cash Equivalents at End of Period.....</b>	<b>¥ 59,969</b>	<b>¥ 77,331</b>	¥ 86,980

Note: Amounts less than one million yen are omitted.

## Segment Information (Unaudited)

### Segment Information by Business Activities

Three months ended June 30, 2006 and 2007	Millions of Yen						Elimination and/or corporate	Consolidated
	Transportation	Station space utilization	Shopping centers & office buildings	Other services	Total			
<b>Fiscal 2007, 1st Quarter</b>								
Operating revenues								
Outside customers .....	¥442,517	¥ 99,095	¥47,763	¥ 51,118	¥640,494	¥ —	¥640,494	
Inside group.....	14,446	3,319	2,173	61,734	81,675	(81,675)	—	
<b>Total .....</b>	<b>456,964</b>	<b>102,415</b>	<b>49,937</b>	<b>112,853</b>	<b>722,169</b>	<b>(81,675)</b>	<b>640,494</b>	
Costs and expenses .....	371,536	94,775	35,029	111,044	612,385	(81,960)	530,425	
<b>Operating income.....</b>	<b>¥ 85,427</b>	<b>¥ 7,639</b>	<b>¥14,908</b>	<b>¥ 1,808</b>	<b>¥109,784</b>	<b>¥ 284</b>	<b>¥110,068</b>	

### Fiscal 2008, 1st Quarter

#### Operating revenues

Outside customers.....	¥453,023	¥ 97,596	¥49,967	¥ 52,263	¥652,850	¥ —	¥652,850
Inside group.....	14,536	3,966	2,049	63,307	83,860	(83,860)	—
<b>Total .....</b>	<b>467,559</b>	<b>101,563</b>	<b>52,017</b>	<b>115,570</b>	<b>736,711</b>	<b>(83,860)</b>	<b>652,850</b>
Costs and expenses .....	371,338	92,725	35,375	114,135	613,575	(83,921)	529,653
<b>Operating income .....</b>	<b>¥ 96,221</b>	<b>¥ 8,837</b>	<b>¥16,641</b>	<b>¥ 1,434</b>	<b>¥123,135</b>	<b>¥ 60</b>	<b>¥123,196</b>

Fiscal 2007 (Year ended March 31, 2007)	Millions of Yen						Elimination and/or corporate	Consolidated
	Transportation	Station space utilization	Shopping centers & office buildings	Other services	Total			
Operating revenues								
Outside customers .....	¥1,825,387	¥ 399,998	¥ 197,139	¥ 234,820	¥2,657,345	¥ —	¥2,657,345	
Inside group .....	57,561	14,319	8,785	291,495	372,161	(372,161)	—	
<b>Total .....</b>	<b>1,882,948</b>	<b>414,317</b>	<b>205,925</b>	<b>526,315</b>	<b>3,029,507</b>	<b>(372,161)</b>	<b>2,657,345</b>	
Costs and expenses .....	1,563,906	381,099	147,280	508,382	2,600,667	(371,419)	2,229,247	
<b>Operating income.....</b>	<b>¥ 319,042</b>	<b>¥ 33,218</b>	<b>¥ 58,644</b>	<b>¥ 17,933</b>	<b>¥ 428,839</b>	<b>¥ (741)</b>	<b>¥ 428,097</b>	

Notes: 1. Amounts less than one million yen are omitted.

2. Classification of business

JR East's businesses are classified by the segmentation used for management purpose so that the actual situation of JR East's business diversification is clearly and appropriately disclosed.

3. The main activities of each business segment are as follows:

Transportation:	Passenger transportation mainly by passenger railway
Station space utilization:	Retail sales, food and convenience stores, etc., which utilize space at the stations
Shopping centers & office buildings:	Operation of shopping centers other than Station space utilization business, and leasing of office buildings, etc.
Other services:	Advertising and publicity, hotel operations, wholesale, truck delivery, cleaning, information processing, credit card business, and other services

## [REFERENCE]

### Consolidated Principal Indicators

	Fiscal 2007, 1st Quarter (Three months ended June 30, 2006) (A)	Fiscal 2007 (Year ended March 31, 2007) (B)	Fiscal 2008, 1st Quarter (Three months ended June 30, 2007) (C)	Increase (Decrease)		Fiscal 2009 (Year ending March 31, 2009) Note 1
				(C)-(A)	(C)-(B)	
Cash flows from operating activities (Billions of yen).....	75.6	541.8	<b>55.8</b>	(19.7)	—	Note 2
Ratio of total long-term debt to shareholders' equity [Times].....	2.7	2.4	<b>2.4</b>	(0.3)	(0.0)	Note 3, 4
Ratio of operating income to average assets (ROA) [%].....	1.6	6.2	<b>1.8</b>	0.2	—	6.0
Return on average equity (ROE) [%].....	4.0	12.4	<b>3.6</b>	(0.4)	—	
Equity ratio [%].....	20.6	21.4	<b>22.3</b>	1.7	1.0	
Shareholders' equity [Billions of yen].....	1,389.5	1,488.5	<b>1,531.9</b>	142.4	43.4	Note 4
Total long-term debt [Billions of yen].....	3,746.9	3,636.2	<b>3,725.9</b>	(21.0)	89.7	
Average interest rates [%].....	3.53	3.45	<b>3.41</b>	(0.12)	(0.04)	
Net interest expense [Billions of yen].....	(31.6)	(129.4)	<b>(29.7)</b>	1.9	—	
Earnings per share [Yen].....	13,712.93	44,007.94	<b>13,750.07</b>	37.14	—	
Shareholders' equity per share [Yen].....	347,711.24	372,492.84	<b>383,363.59</b>	35,652.35	10,870.76	Note 4
Free cash flows (FCF) [Billions of yen].....	(52.3)	193.0	<b>(80.1)</b>	(27.8)	—	
Capital expenditures [Billions of yen].....	44.3	413.3	<b>45.6</b>	1.3	—	
Transportation.....	27.9	282.4	<b>27.2</b>	(0.6)	—	
Non-transportation.....	16.4	130.8	<b>18.4</b>	2.0	—	

Notes: 1. Goals in the medium-term business plan ("New Frontier 2008")

2. Cumulative total of ¥2,000.0 billion for the four-year period through March 31, 2009

3. Approximately 2 times

4. Shareholders' equity equals total net assets less minority interests.

### Forward-Looking Statements

Statements contained in this report with respect to JR East's plans, strategies, and beliefs that are not historical facts are forward-looking statements about the future performance of JR East, which are based on management's assumptions and beliefs in light of the information currently available to it. These forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause JR East's actual results, performance, or achievements to differ materially from the expectations expressed herein. These factors include, without limitation, (i) JR East's ability to successfully maintain or increase current passenger levels on railway services, (ii) JR East's ability to improve the profitability of railway and other operations, (iii) JR East's ability to expand non-transportation operations, and (iv) general changes in economic conditions and laws, regulations, and government policies in Japan.

## Consolidated Business Forecast for Fiscal 2008 Semi-Annual

	Billions of Yen			%
	Actual	Forecast	Change	
	Fiscal 2007 Semi-Annual (Six months ended September 30, 2006) (A)	Fiscal 2008 Semi-Annual (Six months ending September 30, 2007) (B)		
			Increase (Decrease) (B)-(A)	(B)/(A)x100
Operating revenues .....	¥ 1,319.9	¥ 1,323.0	¥ 3.0	100.2
Operating income.....	247.8	245.0	(2.8)	98.9
Ordinary income.....	198.1	185.0	(13.1)	93.4
Net income.....	121.8	111.0	(10.8)	91.1

## Consolidated Business Forecast for Fiscal 2008

	Billions of Yen			%
	Actual	Forecast	Change	
	Fiscal 2007 (A)	Fiscal 2008 (B)		
			Increase (Decrease) (B)-(A)	(B)/(A)x100
<b>Operating Revenues</b> .....	¥ 2,657.3	¥ 2,678.0	¥ 20.6	100.8
Transportation.....	1,825.3	1,843.0	17.6	101.0
Station space utilization .....	399.9	402.0	2.0	100.5
Shopping centers & office buildings.....	197.1	206.0	8.8	104.5
Other services.....	234.8	227.0	(7.8)	96.7
<b>Operating Income</b> .....	428.0	428.0	(0.0)	100.0
Transportation.....	319.0	321.0	1.9	100.6
Station space utilization .....	33.2	34.0	0.7	102.4
Shopping centers & office buildings.....	58.6	60.0	1.3	102.3
Other services.....	17.9	14.0	(3.9)	78.1
Elimination and/or corporate.....	(0.7)	(1.0)	(0.2)	134.8
<b>Ordinary Income</b> .....	300.0	312.0	11.9	104.0
<b>Net Income</b> .....	175.8	185.0	9.1	105.2

(Reference) Earnings per share for fiscal 2008: ¥46,294.19

## Consolidated Capital Expenditures Plan for Fiscal 2008

	Billions of Yen			%
	Actual	Plans for	Change	
	Fiscal 2007 (A)	Fiscal 2008 (B)		
			Increase (Decrease) (B)-(A)	(B)/(A)x100
<b>Capital Expenditures</b> .....	413.3	422.0	8.6	102.1
Transportation.....	282.4	265.0	(17.4)	93.8
Non-transportation .....	130.8	157.0	26.1	119.9

### Forward-Looking Statements

Statements contained in this report with respect to JR East's plans, strategies, and beliefs that are not historical facts are forward-looking statements about the future performance of JR East, which are based on management's assumptions and beliefs in light of the information currently available to it. These forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause JR East's actual results, performance, or achievements to differ materially from the expectations expressed herein. These factors include, without limitation, (i) JR East's ability to successfully maintain or increase current passenger levels on railway services, (ii) JR East's ability to improve the profitability of railway and other operations, (iii) JR East's ability to expand non-transportation operations, and (iv) general changes in economic conditions and laws, regulations, and government policies in Japan.

## Passenger Kilometers and Passenger Revenues of Parent Company

	Passenger Kilometers				Revenues from Passenger Tickets			
	Millions		%		Billions of yen		%	
	Fiscal 2007, 1st Quarter (Three months ended June 30, 2006)	Fiscal 2008, 1st Quarter (Three months ended June 30, 2007)	Change Increase (Decrease)	(B)/(A)x100	Fiscal 2007, 1st Quarter (Three months ended June 30, 2006)	Fiscal 2008, 1st Quarter (Three months ended June 30, 2007)	Change Increase (Decrease)	(D)/(C)x100
(A)	(B)	(B)-(A)	(B)/(A)x100	(C)	(D)	(D)-(C)	(D)/(C)x100	
<b>Shinkansen Network</b>								
Commuter Passes .....	428	<b>430</b>	2	100.5	5.7	<b>5.7</b>	0.0	100.5
Other .....	4,220	<b>4,352</b>	131	103.1	108.0	<b>110.5</b>	2.4	102.3
Total .....	4,648	<b>4,782</b>	134	102.9	113.8	<b>116.3</b>	2.5	102.2
<b>Conventional Lines</b>								
<i>Tokyo Metropolitan Area Network</i>								
Commuter Passes	13,486	<b>13,814</b>	328	102.4	88.0	<b>89.5</b>	1.5	101.7
Other .....	6,311	<b>6,624</b>	313	105.0	128.3	<b>132.6</b>	4.2	103.3
Total .....	19,797	<b>20,439</b>	642	103.2	216.4	<b>222.2</b>	5.7	102.7
<i>Intercity and Regional Network</i>								
Commuter Passes .....	5,042	<b>5,058</b>	15	100.3	30.3	<b>30.2</b>	(0.0)	99.7
Other .....	2,648	<b>2,729</b>	81	103.1	55.5	<b>56.7</b>	1.1	102.2
Total .....	7,690	<b>7,787</b>	97	101.3	85.8	<b>86.9</b>	1.0	101.3
<i>Total</i>								
Commuter Passes .....	18,528	<b>18,872</b>	344	101.9	118.4	<b>119.8</b>	1.4	101.2
Other .....	8,959	<b>9,354</b>	394	104.4	183.8	<b>189.3</b>	5.4	103.0
Total .....	27,487	<b>28,227</b>	739	102.7	302.2	<b>309.1</b>	6.8	102.3
<b>Total</b>								
Commuter Passes .....	18,956	<b>19,303</b>	346	101.8	124.1	<b>125.6</b>	1.4	101.2
Other .....	13,179	<b>13,706</b>	526	104.0	291.8	<b>299.8</b>	7.9	102.7
Total .....	32,136	<b>33,009</b>	873	102.7	416.0	<b>425.4</b>	9.4	102.3

Note: Amounts less than one million passenger kilometers and 100 million yen are omitted.