

Fiscal 2008 Financial Results (Unaudited)

Fiscal 2008 (Year ended March 31, 2008)

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 non-consolidated basis.

English translation from the original Japanese-language document

April 28, 2008

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)

Scheduled date of Regular General Meeting of Shareholders

June 24, 2008

Scheduled date of Dividend Payment Commencement

June 25, 2008

Scheduled date for Release of a Term Report

June 24, 2008

1. Consolidated Results of Fiscal 2008 (Year ended March 31, 2008)

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

(1) Consolidated financial results (Percentages represent changes compared with the previous year.)

	Operating Revenues		Operating Income		Ordinary Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2008	2,703,563	1.7	445,159	4.0	336,573	12.2
Fiscal 2007	2,657,345	2.5	428,097	8.1	300,051	9.2

	Net Income		Earnings per share—basic	Earnings per share—diluted	Return on average equity	Ratio of ordinary income to average assets	Ratio of operating income to operating revenues
	Millions of yen	%	Yen	Yen	%	%	%
Fiscal 2008	189,672	7.8	47,463.57	—	12.3	4.8	16.5
Fiscal 2007	175,870	11.6	44,007.94	—	12.4	4.4	16.1

Reference: Equity in net income and losses of affiliated companies – Fiscal 2008: 90 million yen, Fiscal 2007: (1,978) million yen

(2) Consolidated financial position

	Total Assets		Net Assets	Equity ratio	Shareholders' equity per share
	Millions of yen		Millions of yen	%	Yen
Fiscal 2008	6,942,002		1,622,005	23.0	399,482.72
Fiscal 2007	6,968,031		1,513,104	21.4	372,492.84

Reference: Shareholders' equity – Fiscal 2008: 1,596,398 million yen, Fiscal 2007: 1,488,553 million yen

(3) Consolidated cash flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash used in financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2008	475,600	(400,789)	(80,407)	82,058
Fiscal 2007	541,850	(348,799)	(172,027)	86,980

2. Dividends (Years ended March 31, 2007 and 2008 and year ending March 31, 2009)

	Dividends per share			Total dividends (Annual)	Dividend pay-out ratio (Consolidated)	Dividend-to-net asset ratio (Consolidated)
	Interim	Year-end	Total annual			
	Yen	Yen	Yen	Millions of yen	%	%
Fiscal 2007	4,500	4,500	9,000	35,972	20.5	2.5
Fiscal 2008	5,000	5,000	10,000	39,969	21.1	2.6
(Forecast) Fiscal 2009	5,500	5,500	11,000	—	22.3	—

Note: Dividends per share and Dividend pay-out ratio (consolidated) for (Forecast) Fiscal 2009 do not reflect the stock split that JR East announced today. For further details, please see "(Reference) Forecast of Business Results and Dividends Reflecting Stock Split" on page 3.

3. Forecast for Fiscal 2009 (Year ending March 31, 2009)

(Percentages represent changes compared with the previous year.)

	Operating Revenues		Operating Income		Ordinary Income		Net Income		Earnings per share—basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six-month period Ending September 30, 2008	1,365,000	2.3	258,000	(0.5)	201,000	(0.0)	117,000	4.0	29,278.09
Fiscal 2009	2,753,000	1.8	456,000	2.4	343,000	1.9	197,000	3.9	49,297.29

Note: Forecast of earnings per share - basic for Fiscal 2009 do not reflect the stock split that JR East announced today. For further details, please see "(Reference) Forecast of Business Results and Dividends Reflecting Stock Split" on page 3.

4. Other

(1) Changes to principal subsidiaries during the fiscal year (status changes of specified subsidiaries due to changes in the scope of consolidation): No

(2) Number of outstanding shares (common stock)

i Outstanding shares at year-end

(including treasury stock)

Fiscal 2008

4,000,000 shares

Fiscal 2007

4,000,000 shares

ii Treasury stock at year-end

Fiscal 2008

3,837 shares

Fiscal 2007

3,806 shares

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.

(Reference) Forecast of Business Results and Dividends Reflecting Stock Split

In accordance with its announcement on April 28, 2008, JR East plans to implement a stock split at a ratio of 100 shares for each share of common stock with an effective date one day before the date on which the "Law Amending the Partial Revision of the Commercial Code Concerning Transfer of Bonds for Rationalization of Settlements Related to Trade such as Shares (Law No. 88 of 2004)" takes effect. If the said stock split had been implemented at the beginning of the period, forecast of business results and dividends for fiscal 2009 would be as follows.

1. Forecast of Business Results for Fiscal 2009 (Year ending March 31, 2009)

	Earnings per share— basic (Yen)
Six-month period ending September 30, 2008	292.78
Fiscal 2009	492.97

2. Forecast of Dividends for Fiscal 2009 (Year ending March 31, 2009)

	Dividends per share			Dividend pay-out ratio (Consolidated)
	Interim	Year-end	Total annual	
(Forecast) Fiscal 2009	Yen 55.00	Yen 55.00	Yen 110.00	% 22.3

Operating Results and Financial Position

(Unless otherwise stated, all comparisons are between the fiscal year under review and the previous fiscal year.)

1. Analysis of Operating Results

(1) Summary

Overview

In the fiscal year under review, ended March 31, 2008, Japan's economy reached a plateau as a slowing U.S. economy and high crude oil prices weakened second-half corporate earnings, which counteracted a solid first-half performance driven by favorable exports. Amid those economic conditions, East Japan Railway Company, its consolidated subsidiaries, and equity-method affiliates (JR East), worked to increase revenues by improving transportation services and developing life-style businesses centered on railway stations. At the same time, in operations exploiting *Suica* JR East actively extended usage area and improved services.

As a result, all segments posted higher revenues, which led to a 1.7% increase in operating revenues, to ¥2,703.5 billion. Operating income increased 4.0%, to ¥445.1 billion. Further, decrease in losses for redemption of bonds and other factors resulted in increases of 12.2% in ordinary income, to ¥336.5 billion, and 7.8% in net income, to ¥189.6 billion.

Segment Information

Transportation

JR East focused efforts to further improve safety on railway operations. At the same time, JR East sought to increase usage and revenues for the Shinkansen network and the conventional line network of the Tokyo metropolitan area.

Specifically, JR East created tourist flows in regions by implementing campaigns for each season targeting specific regional destinations, such as the *North Tohoku Destination Campaign*, the *Sendai / Miyagi DC Pre Campaign*, and other campaigns. Also, for *Otona no Kyujitsu Club* JR East increased and improved services for members and sought to increase membership. Further, JR East promoted usage of the *Green Cars* (first-class cars) of local train services, increased train services during Golden Week period and the summer holiday season, and revised service schedules in March 2008, focusing mainly on Shinkansen services and the Tokyo metropolitan area. For *Suica* businesses, JR East introduced such services as the *Mobile Suica Limited Express Ticket* service enabling "ticketless" usage of JR East's Shinkansen services. In addition, JR East began mutual usage for *Suica* and *TOICA* of Central Japan Railway Company and began mutual usage for IC tickets on conventional lines with three companies, including *ICOCA* of West Japan Railway Company. In bus operations, faced with challenging business conditions, JR East strengthened operational foundations by launching new routes and reorganizing unprofitable routes. In monorail operations, JR East increased services of the *Haneda Express* nonstop service between Hamamatsu-cho Station and Haneda Airport Terminal 1 Station and encouraged passengers to use the service by highlighting its convenience.

As a result, railway network transportation volumes increased, and operating revenues rose 1.8%, to ¥1,916.6 billion. Operating income was up 4.0%, to ¥331.8 billion.

Station Space Utilization

JR East continued to advance its *Station Renaissance* program, creating new railway stations befitting the 21st century. Specifically, JR East began operations at Phase I of *ecute Tachikawa* (Tokyo), *GranSta* (Tokyo), and Phase I and Phase II of *Dila Mitaka* (Tokyo). Also, JR East increased the number of *NEWDAYS* convenience stores and remodeled and revitalized existing stores. Further, JR East developed and marketed *From AQUA* mineral water, which uses natural water from the Tanigawa mountain range.

As a result of such efforts and a favorable performance by *ecute Shinagawa* and other operations, operating revenues were up 1.5%, to ¥420.5 billion. Operating income advanced 9.2%, to ¥36.2 billion.

Shopping Centers and Office Buildings

In shopping center operations, JR East launched operations at *Beans Nishi-Kawaguchi* (Saitama) and *GranAge* (Tokyo) inside *Tokyo Station City*. Further, JR East remodeled such shopping facilities as *atré Kameido* (Tokyo) and actively introduced major tenants with the ability to attract customers. In order to strengthen sales capabilities and financial foundations, JR East reorganized Group companies through two mergers involving four shopping center management companies (The EKIBIRU Development Co. TOKYO and Kichijoji Lonlon Co., Ltd., and JR East Department Store Co., Ltd. and Kamata Station Building Co., Ltd.). In office buildings operations, JR East moved forward with the development of *Tokyo Station City*. Specifically, JR East began operations at the *Tokyo Station Conference* (Tokyo) inside *Sapia Tower* and began operations at Phase I of *GranTokyo North Tower* and *GranTokyo South Tower* (Tokyo).

Those initiatives and a favorable performance by LUMINE Co., Ltd., and other companies, resulted in increases of 4.0% in operating revenues, to ¥214.0 billion, and 2.0% in operating income, to ¥59.8 billion.

Other Services

In hotel operations, JR East launched operations at *Hotel Metropolitan Marunouchi* (Tokyo) inside *Sapia Tower* and continued to strengthen competitiveness by remodeling guest rooms and banquet halls. In advertising and publicity operations, JR East promoted sales of advertising within railcars such as the *Train Channel*. In other services, JR East remodeled *Jexer Fitness Club Oimachi* (Tokyo). Further, in credit card operations, JR East worked to increase members of various types of *View Card*, such as the *Otona no Kyujitsu Club Zipangu Card* and the *Otona no Kyujitsu Club Middle Card*. Moreover, JR East began issuing various types of affiliated credit cards with Toyota Finance Corporation Co., Ltd., and other companies. For *Suica* shopping services (electronic money), JR East continued aggressive efforts to develop affiliated stores. Through those efforts, there were approximately 44,200 *Suica* compatible stores as of the end of the

fiscal year. In addition, JR East introduced a *Suica Point* service, which enables customer to accumulate points by using *Suica* electronic money for shopping. Further, JR East began a service enabling the exchange of such points as with the “miles” of the ANA Mileage Club of All Nippon Airways Co., Ltd.

As a result, operating revenues increased 2.9%, to ¥541.7 billion. Operating income decreased 3.5%, to ¥17.3 billion, due to an increased allowance for the points system of credit card operations and other factors.

(2) Outlook for the Year Ending March 31, 2009

In the fiscal year under review, JR East took steps to reach the targets set out in its *New Frontier 2008* medium-term management plan. Because JR East has come within view of achieving those targets as a result of those efforts, it has prepared a new management plan—the *JR East 2020 Vision — Challenge —*. Making safety as its highest management priority, JR East will implement initiatives to realize growth that is even more sustainable.

Specifically, JR East will work to increase usage of *Mobile Suica* and *eki-net services*. At the same time, JR East will create railway station ticket counters that does not keep customers waiting by expanding the new *View Plaza* travel counters and increasing and improving vending machines such as automated reserved-seat ticket vending machines. In the Tokyo metropolitan area, JR East will continue to introduce new-model railcars to the Keihin-Tohoku Line and the Negishi Line in order to further increase convenience and comfort. Further in Shinkansen transportation, JR East will continue to expand and improve seating services by increasing specially scheduled extra train services and increasing the number of seats available for reservation. In life-style businesses, JR East will advance its *Station Renaissance* program through such initiatives as Phase II of *ecute Tachikawa* and invigorate *ekinaka* businesses. At the same time, JR East will steadily move forward with such large-scale projects as *Tokyo Station City*. In order to establish *Suica* operations as a third pillar of operations alongside railway operations and life-style businesses, JR East will further improve convenience and expand and improve services by expanding the *Suica* network for railway usage and increasing the number of stores affiliated with *Suica* electronic money.

JR East's current performance forecasts are as shown below.

Fiscal 2009 Performance Forecast

Full Fiscal Year

Operating Revenues:	¥2,753.0 billion (1.8% year-on-year increase)
Operating Income:	¥456.0 billion (2.4% year-on-year increase)
Ordinary Income:	¥343.0 billion (1.9% year-on-year increase)
Net Income:	¥197.0 billion (3.9% year-on-year increase)

Six-month period ending September 30, 2008

Operating Revenues:	¥1,365.0 billion (2.3% year-on-year increase)
Operating Income:	¥258.0 billion (0.5% year-on-year decrease)
Ordinary Income:	¥201.0 billion (0.0% year-on-year decrease)
Net Income:	¥117.0 billion (4.0% year-on-year increase)

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.

2. Analysis of Financial Position

Cash Flows

Net cash provided by operating activities decreased ¥66.2 billion, to ¥475.6 billion, which mainly resulted from an increase in payments of income taxes and an decrease in major payables.

Net cash used in investing activities was up ¥51.9 billion, to ¥400.7 billion, principally because of an increase in payments for purchases of fixed assets and a decrease in proceeds from sales of fixed assets.

Net cash used in financing activities decreased ¥91.6 billion, to ¥80.4 billion, mainly because although there was an increase in the reduction of total long-term debt, commercial paper did not decrease.

Cash and cash equivalents at end of year were down ¥4.9 billion from the previous fiscal year-end, to ¥82.0 billion.

Further, total long-term debt at fiscal year-end was ¥3,558.7 billion.

Trends in Cash Flow Indicators

	Fiscal 2006	Fiscal 2007	Fiscal 2008
Equity ratio	19.9	21.4	23.0
Equity ratio on market-value basis	51.1	52.6	47.7
Interest-bearing debt / net cash provided by operating activities.....	8.2	6.6	7.4
Interest coverage ratio	3.2	4.2	3.8

Notes: Equity ratio: Shareholders' equity / total assets

Equity ratio on market value basis: Aggregate market value of shares / total assets

Interest coverage ratio: Net cash provided by operating activities / payments of interest

1. Each indicator is based on consolidated financial statistics.

2. The aggregate market value of shares was calculated by multiplying the closing price at the end of each fiscal year by the total number of shares outstanding at the end of the fiscal year.

Dividend Policy

JR East's basic policy for the appropriation of earning is to steadily increase returns to shareholders in light of performance while securing retained earnings to ensure robust operational foundations for the future development of its business activities, which are centered on railway stations and railway services. JR East will increase dividends in stages, aiming for a consolidated dividend pay-out ratio of 30%. Further, JR East will take wide-ranging measures for returns to shareholders, including the flexible acquisition of treasury stock in light of net cash provided by operating activities.

Based on that policy, JR East plans to pay (payment scheduled to begin June 25) year-end cash dividends of ¥5,000 per share (up ¥500). Adding interim dividends of ¥5,000 per share (up ¥500) gives full-year cash dividends of ¥10,000 per share (up ¥1,000). Further, JR East does not plan to pay dividends other than dividends with record dates at end of the interim period or at the fiscal year-end of the year under review.

JR East will actively use retained earnings to implement capital expenditures aimed at developing significant future business successes. At the same time, JR East will use a portion of retained earnings to reduce total long-term debt, thereby further strengthening its financial position. JR East aims to improve business results continuously, further strengthen its operational foundations, and further increase returns to shareholders.

For the current fiscal year, ending March 2009, JR East plans to pay cash dividends of ¥11,000 per share (up ¥1,000), including interim dividends of ¥5,500 per share (up ¥500).

Note: Dividends per share for fiscal 2009 do not reflect the stock split that JR East announced today. For further details, please see "(Reference) Forecast of Business Results and Dividends Reflecting Stock Split" on page 3.

Management Policies

1. Basic Management Policies

JR East will fulfill its obligations to shareholders by aiming to function as a dynamic corporate group providing quality leading-edge services, with railway businesses at its core. To that end, each person working for the Group will reflect the viewpoints of customers by providing safe, reliable transportation and high-quality, convenient products and services. At the same time, Group employees will continue raising the levels of services and technologies to earn the further trust and confidence of customers. JR East will grow continuously and advance in harmony with customers by generating earnings while meeting social responsibilities as a *Trusted Life-Style Service Creating Group*.

2. Medium-Term Management Strategies and Tasks

JR East 2020 Vision — Challenge —

Guided by its philosophy of aiming to become a *Trusted Life-Style Service Creating Group*, JR East is eager to forge ahead and committed to continuing taking on the challenge of new goals. The *JR East 2020 Vision — Challenge —* sets out numerical management targets for the three years from fiscal 2009 and outlines the achievements that JR East envisions in ten years. Specifically, the *JR East 2020 Vision — Challenge —* positions “*pursuing safety and customer satisfaction rigorously,*” “*sustaining growth and pursuing initiatives for the next era,*” “*meeting corporate social responsibilities,*” and “*building organizational strength and developing human resources*” as basic management policies and calls on JR East to further increase corporate value from a long-term perspective.

Pursuing safety and customer satisfaction rigorously

Positioning safety as its first management priority, JR East aims for “extreme safety levels.” Further, in areas ranging from ensuring the reliability of transportation to customer services, JR East aims to heighten customer satisfaction through teamwork extending beyond divisions and systems and by providing high-quality services underpinned by diligent work. Through those efforts, JR East aims to give customers peace of mind regarding its railway operations and all other operations.

Sustaining growth and pursuing initiatives for the next era

Rather than accepting steady contraction due to Japan’s shrinking population, JR East will secure competitive advantages and target sustainable growth while taking on the challenge of creating new businesses. Also, in order to foster the capabilities in science and technology that support its growth, JR East will give priority to investing management resources in research and development. Moreover, we will draw on such management resources as our technological capabilities and personnel to make forays into new areas.

Meeting corporate social responsibilities

JR East aims to continue being a company that contributes to local communities, regions, and Japanese society as a whole through its business activities. Through its operations, JR East aims to step up efforts to resolve pressing regional and social problems while building alliances with regions in which both parties shoulder their roles. In addition, viewing forward-looking responses to solve global environmental problems as a pressing issue, JR East will take steps based on numerical targets.

Building organizational strength and developing human resources

JR East aims to enable those employees seeking opportunities for self development to achieve self-realization through work and gain a sense of fulfillment. To that end, JR East will reform personnel, wage, and training systems while responding to the aspirations of each employee. Further, aiming to heighten organizational strength and thereby accelerate the development of operations and measures, JR East will reform such foundations of management as organizational formats, authority, and responsibility.

3. Medium-Term Management Strategy— Progress and Targeted Management Benchmarks

JR East has set out numerical targets as management benchmarks in the *JR East 2020 Vision — Challenge* —. Progress toward those targets is shown below.

Numerical targets of *JR East 2020 Vision — Challenge* —

Numerical Targets	(Reference) Fiscal 2008 Actual	Fiscal 2011 Target
Consolidated Operating Revenue	¥2,703.5 billion	¥2,781.0 billion
Transportation.....	¥1,857.7 billion	¥1,888.0 billion
Station Space Utilization	¥404.0 billion	¥432.0 billion
Shopping Centers & Office Buildings.....	¥205.3 billion	¥224.0 billion
Other Services.....	¥236.4 billion	¥237.0 billion
Consolidated Operating Income	¥445.1 billion	¥518.0 billion
Transportation.....	¥331.8 billion	¥392.0 billion
Station Space Utilization	¥36.2 billion	¥41.0 billion
Shopping Centers & Office Buildings.....	¥59.8 billion	¥70.0 billion
Other Services.....	¥17.3 billion	¥16.0 billion
Elimination and/or corporate.....	¥(0.0 billion)	¥(1.0 billion)
Consolidated Operating Cash Flows	¥475.6 billion	¥1,800.0 billion*
Consolidated ROA	6.4%	7.0%

* The fiscal 2011 target for consolidated net cash provided by operating activities is the cumulative total from fiscal 2009.

(Reference) Numerical targets of *New Frontier 2008*

Numerical Targets	Fiscal 2008 Actual	Fiscal 2009 Target
Consolidated Operating Cash Flows.....	¥1,465.1 billion*	¥2,000.0 billion*
Ratio of total long-term debt to shareholders' equity (Consolidated)	2.2 times	Approx. 2 times
Consolidated ROA	6.4%	6.0%

* The result and target for consolidated net cash provided by operating activities are cumulative totals from fiscal 2006

Consolidated Balance Sheets (Unaudited)

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES
March 31, 2007 and 2008

	Millions of Yen		
	2007	2008	Increase (Decrease)
ASSETS			
Current Assets	¥ 513,114	¥ 507,958	¥ (5,156)
Cash and time deposits.....	87,154	82,267	(4,887)
Notes and accounts receivable—trade	239,203	248,059	8,856
Fares receivable.....	36,366	31,798	(4,567)
Short-term loans receivable	19,273	20,641	1,367
Securities	262	89	(172)
Real estate for sale	6,527	5,508	(1,018)
Inventories	36,792	35,003	(1,789)
Deferred income taxes	59,809	54,328	(5,480)
Other.....	30,135	32,756	2,620
Allowance for doubtful accounts.....	(2,410)	(2,495)	(84)
Fixed Assets	6,454,836	6,433,931	(20,905)
Property, plant and equipment, net of accumulated depreciation ·	5,832,507	5,838,014	5,507
Buildings and fixtures	2,918,953	2,963,402	44,449
Machinery, rolling stock and vehicles.....	632,088	638,261	6,173
Land.....	2,012,665	2,012,448	(217)
Construction in progress	222,964	176,956	(46,008)
Other.....	45,834	46,946	1,111
Intangible assets	124,746	131,231	6,484
Intangibles	124,746	131,231	6,484
Investments and other assets.....	497,582	464,685	(32,897)
Investment in securities	236,072	175,928	(60,143)
Long-term loans receivable.....	1,560	1,560	(0)
Long-term deferred income taxes	210,463	235,416	24,952
Other.....	50,963	53,215	2,251
Allowance for doubtful accounts.....	(1,477)	(1,435)	42
Deferred Assets	81	113	32
Total Assets	¥6,968,031	¥6,942,002	¥(26,028)

Note: Amounts less than one million yen are omitted.

Consolidated Balance Sheets (Unaudited)

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES
March 31, 2007 and 2008

	Millions of Yen		
	2007	2008	Increase (Decrease)
LIABILITIES			
Current Liabilities	¥1,337,925	¥1,260,493	¥ (77,432)
Notes and accounts payable—trade	67,150	48,287	(18,863)
Short-term loans and current portion of long-term loans.....	202,432	171,801	(30,631)
Current portion of long-term bonds.....	40,000	100,000	60,000
Current portion of long-term liabilities			
incurred for purchase of railway facilities.....	144,128	139,698	(4,430)
Payables	369,388	337,699	(31,688)
Accrued consumption tax	15,708	4,616	(11,092)
Accrued income taxes	81,571	59,992	(21,579)
Fare deposits received with regard to railway connecting services....	23,740	16,100	(7,640)
Prepaid railway fares received.....	90,864	89,400	(1,464)
Allowance for bonuses to employees.....	74,868	73,910	(957)
Other.....	228,071	218,985	(9,085)
Long-Term Liabilities	4,117,001	4,059,503	(57,497)
Bonds	1,206,023	1,244,404	38,380
Long-term loans.....	586,762	622,588	35,825
Long-term liabilities incurred for purchase of railway facilities	1,457,516	1,317,661	(139,855)
Long-term deferred tax liabilities	2,679	2,010	(669)
Employees' severance and retirement benefits.....	600,228	617,085	16,857
Other.....	263,789	255,752	(8,036)
Total Liabilities	¥5,454,926	¥5,319,996	¥(134,929)
NET ASSETS			
Shareholders' Equity	¥1,421,360	¥1,573,039	¥ 151,679
Common stock.....	200,000	200,000	—
Capital surplus.....	96,721	96,728	6
Retained earnings.....	1,127,234	1,278,942	151,708
Treasury stock, at cost.....	(2,594)	(2,630)	(36)
Valuation and Translation Adjustments	67,192	23,358	(43,834)
Net unrealized holding gains on securities.....	66,968	24,372	(42,595)
Net deferred gains (losses) on derivatives under hedge accounting ...	224	(1,014)	(1,238)
Minority Interests	24,551	25,607	1,056
Total Net Assets	1,513,104	1,622,005	108,901
Total Liabilities and Net Assets	¥6,968,031	¥6,942,002	¥ (26,028)

Note: Amounts less than one million yen are omitted.

Consolidated Statements of Income (Unaudited)

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES
Years ended March 31, 2007 and 2008

	Millions of Yen		
	2007	2008	Increase (Decrease)
Operating Revenues	¥2,657,345	¥2,703,563	¥46,217
Operating Expenses	2,229,247	2,258,403	29,155
Transportation, other services and cost of sales.....	1,718,576	1,748,293	29,716
Selling, general and administrative expenses.....	510,671	510,110	(561)
Operating Income	428,097	445,159	17,062
Non-Operating Income	30,224	22,607	(7,617)
Interest and dividend income.....	1,954	3,069	1,114
Equity in net income of affiliated companies.....	—	90	90
Other.....	28,269	19,447	(8,822)
Non-Operating Expenses	158,270	131,193	(27,077)
Interest expense.....	131,376	126,047	(5,328)
Equity in net losses of affiliated companies.....	1,978	—	(1,978)
Other.....	24,915	5,145	(19,770)
Ordinary Income	300,051	336,573	36,522
Extraordinary Gains	113,865	117,294	3,429
Gain on sales of fixed assets.....	35,488	10,448	(25,040)
Construction grants received.....	65,451	97,556	32,104
Other.....	12,925	9,290	(3,634)
Extraordinary Losses	107,237	125,756	18,519
Loss on sales of fixed assets.....	650	2,820	2,169
Losses on reduction entry for construction grants.....	61,002	84,715	23,712
Impairment losses on fixed assets.....	3,506	11,711	8,205
Environmental conservation costs.....	13,884	1,576	(12,307)
Other.....	28,193	24,932	(3,260)
Income before Income Taxes	306,680	328,112	21,431
Income Taxes			
Current.....	140,555	127,224	(13,331)
Deferred.....	(12,135)	9,373	21,509
Minority Interests in Net Income of Consolidated Subsidiaries	2,388	1,841	(547)
Net Income	¥ 175,870	¥ 189,672	¥13,801

Note: Amounts less than one million yen are omitted.

Consolidated Statements of Changes in Net Assets (Unaudited)

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES
Years ended March 31, 2007 and 2008

Fiscal 2007

(Millions of yen)

	Shareholders' Equity					Valuation and Translation Adjustments			Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gains (losses) on securities	Net deferred gains (losses) 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 fiscal year										
Cash dividends (Note2)			(33,974)		(33,974)					(33,974)
Bonuses to directors and corporate auditors (Note2)			(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

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

2. This figure was presented to the Regular General Meeting of Shareholders, held in June 2006, as an item in appropriation of retained earnings. In addition, within dividends from retained earnings, ¥ 15,987 million is a profit appropriation item and the remainder corresponds to interim dividend payments.

Fiscal 2008

(Millions of yen)

	Shareholders' Equity					Valuation and Translation Adjustments			Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gains (losses) on securities	Net deferred gains (losses) 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 fiscal year										
Cash dividends			(37,970)		(37,970)					(37,970)
Net income			189,672		189,672					189,672
Increase due to addition of consolidated subsidiaries and other			6		6					6
Purchase of treasury stock				(51)	(51)					(51)
Disposal of treasury stock		6		15	22					22
Net changes of items other than shareholders' equity						(42,595)	(1,238)	(43,834)	1,056	(42,777)
Total changes of items during the fiscal year	-	6	151,708	(36)	151,679	(42,595)	(1,238)	(43,834)	1,056	108,901
Balance at March 31, 2008	¥200,000	¥96,728	¥1,278,942	¥(2,630)	¥1,573,039	¥24,372	¥(1,014)	¥23,358	¥25,607	¥1,622,005

Note: Amounts less than one million yen are omitted.

Consolidated Statements of Cash Flows (Unaudited)

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES
Years ended March 31, 2007 and 2008

	Millions of Yen	
	2007	2008
Cash Flows from Operating Activities		
Income before income taxes	¥306,680	¥328,112
Depreciation	318,525	335,586
Impairment losses on fixed assets	3,506	11,711
Amortization of long-term prepaid expense	5,079	5,377
Net change in employees' severance and retirement benefits	2,050	15,664
Interest and dividend income	(1,954)	(3,069)
Interest expense	131,376	126,047
Construction grants received	(65,451)	(97,556)
Loss from disposition and provision for cost reduction of fixed assets	93,654	111,765
Net change in major receivables	(52,546)	(26,289)
Net change in major payables	68,643	(41,824)
Other	(14,654)	(16,872)
Sub-total	794,909	748,653
Proceeds from interest and dividends	2,158	3,282
Payments of interest	(130,114)	(124,887)
Payments of earthquake-damage losses	(6,291)	(2,848)
Payments of income taxes	(118,813)	(148,599)
Net cash provided by operating activities	541,850	475,600
Cash Flows from Investing Activities		
Payments for purchases of fixed assets	(458,096)	(488,210)
Proceeds from sales of fixed assets	39,667	16,290
Proceeds from construction grants	69,834	67,985
Payments for purchases of investment in securities	(12,237)	(17,069)
Other	12,032	20,215
Net cash used in investing activities	(348,799)	(400,789)
Cash Flows from Financing Activities		
Net change in commercial paper	(40,000)	—
Proceeds from long-term loans	109,161	170,500
Proceeds from issuance of bonds	180,081	138,313
Payments of long-term liabilities	(358,258)	(386,285)
Payments for acquisition of treasury stock	(39)	(51)
Cash dividends paid	(33,974)	(37,970)
Other	(28,997)	35,087
Net cash used in financing activities	(172,027)	(80,407)
Net Change in Cash and Cash Equivalents	21,022	(5,595)
Cash and Cash Equivalents at Beginning of Year	64,373	86,980
Increase due to Addition of Consolidated Subsidiaries and Other	1,584	673
Cash and Cash Equivalents at End of Year	¥ 86,980	¥ 82,058

Note: Amounts less than one million yen are omitted.

Segment Information (Unaudited)

Segment Information by Business Activities

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)	—	
Total	1,882,948	414,317	205,925	526,315	3,029,507	(372,161)	2,657,345	
Costs and Expenses	1,563,906	381,099	147,280	508,382	2,600,667	(371,419)	2,229,247	
Operating Income	¥ 319,042	¥ 33,218	¥ 58,644	¥ 17,933	¥ 428,839	¥ (741)	¥ 428,097	
Identifiable Assets	¥5,597,031	¥185,956	¥778,709	¥751,938	¥7,313,635	¥(345,604)	¥6,968,031	
Depreciation	236,887	9,121	27,702	44,814	318,525	—	318,525	
Capital Investments	343,825	9,166	52,607	69,117	474,716	—	474,716	

Fiscal 2008 (Year ended March 31, 2008)	Millions of Yen						Elimination and/or corporate	Consolidated
	Transportation	Station Space Utilization	Shopping Centers & Office Buildings	Other Services	Total			
Operating Revenues								
Outside customers	¥1,857,756	¥404,005	¥205,347	¥236,454	¥2,703,563	¥ —	¥2,703,563	
Inside group	58,911	16,583	8,714	305,311	389,520	(389,520)	—	
Total	1,916,668	420,588	214,061	541,766	3,093,084	(389,520)	2,703,563	
Costs and Expenses	1,584,850	384,322	154,240	524,452	2,647,866	(389,462)	2,258,403	
Operating Income	¥ 331,817	¥ 36,266	¥ 59,820	¥ 17,313	¥ 445,218	¥ (58)	¥ 445,159	
Identifiable Assets	¥5,555,426	¥180,588	¥813,834	¥789,503	¥7,339,353	¥(397,350)	¥6,942,002	
Depreciation	249,713	9,706	29,081	47,086	335,586	—	335,586	
Impairment losses on fixed assets ..	2,572	556	6,869	1,713	11,711	—	11,711	
Capital Investments	325,348	16,148	64,868	66,561	472,927	—	472,927	

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, wholesales, truck delivery, cleaning, information processing, credit card business, and other services

4. Major items of corporate assets

Identifiable assets in the elimination and/or corporate column mainly comprise non-current securities held by JR East.

Fiscal 2007: 222,366 million yen

Fiscal 2008: 164,442 million yen

5. Capital investments include a portion contributed mainly by national and local governments.

Geographic segment information is not shown since JR East has no overseas consolidated subsidiaries. Information for overseas sales is not shown due to there being no overseas sales.

Subsequent Events

Issuance of Bonds

JR East issued the following straight bonds.

1. Unsecured straight bonds, 52nd issue, East Japan Railway Company

- (1) Issue date: April 22, 2008
- (2) Amount: ¥30,000 million
- (3) Issue price: ¥99.94 per ¥100
- (4) Coupon rate: 1.62% per annum
- (5) Maturity date: April 20, 2018
- (6) Use of proceeds: the repayment of long-term debt

2. Unsecured straight bonds, 53rd issue, East Japan Railway Company

- (1) Issue date: April 22, 2008
- (2) Amount: ¥20,000 million
- (3) Issue price: ¥100 per ¥100
- (4) Coupon rate: 2.35% per annum
- (5) Maturity date: April 21, 2028
- (6) Use of proceeds: the repayment of long-term debt

Stock Split and Adoption of the Trading Lot System

With enactment of the “Law Amending the Partial Revision of the Commercial Code Concerning Transfer of Bonds for Rationalization of Settlements Related to Trade such as Shares (Law No. 88 of 2004, hereafter referred to as the Settlement Rationalization Law),” which is scheduled to take effect in January 2009, a transition will be made to the stock transfer system (the electronic share certificate system).

In order to clear up odd lot shares not covered by the stock transfer system, a meeting of the Board Directors convened on April 28, 2008, approved—contingent upon a proposed amendment to the Articles of Incorporation being approved by the 21st Regular General Meeting of Shareholders, scheduled to be held on June 24, 2008—the implementation of a stock split, at a ratio of 100 shares for each share of common stock, and the adoption of a trading lot system, establishing a trading lot of 100 shares, with an effective date one day before the date on which Settlement Rationalization Law takes effect.

If the said stock split had been implemented at the beginning of the previous period or if it had been implemented at the beginning of the period under review, respective per share information for the previous fiscal year and the fiscal year under review would be as follows.

Previous fiscal year

Net assets per share: ¥3,724.93

Earnings per share—basic: ¥440.08

Earnings per share—diluted: Not shown because there are no residual securities

Fiscal year under review

Net assets per share: ¥3,994.83

Earnings per share—basic: ¥474.64

Earnings per share—diluted: Not shown because there are no residual securities

[REFERENCE]

Consolidated Principal Indicators

	Fiscal 2007 (A)	Fiscal 2008 (B)	Increase (Decrease) (B)-(A)	Fiscal 2009 (Year ending March 31, 2009) Note 1	Fiscal 2011 (Year ending March 31, 2011) Note 2
Cash flows from operating activities [Billions of yen]	541.8	475.6	(66.2)	Note 3	Note 4
Ratio of total long-term debt to shareholders' equity [Times]	2.4	2.2	(0.2)	Notes 5, 6	
Ratio of operating income to average assets (ROA) [%]	6.2	6.4	0.2	6.0	7.0
Return on average equity (ROE) [%]	12.4	12.3	(0.1)		
Equity ratio [%]	21.4	23.0	1.6		
Shareholders' equity [Billions of yen]	1,488.5	1,596.3	107.8	Note 6	
Total long-term debt [Billions of yen]	3,636.2	3,558.7	(77.4)		
Average interest rates [%]	3.45	3.41	(0.03)		
Net interest expense [Billions of yen]	(129.4)	(122.9)	6.4		
Earnings per share [Yen]	44,007.94	47,463.57	3,455.63		
Shareholders' equity per share [Yen]	372,492.84	399,482.72	26,989.88	Note 6	
Free cash flows (FCF) [Billions of yen]	193.0	74.8	(118.2)		
Capital expenditures [Billions of yen]	413.3	417.1	3.8		
Transportation	282.4	269.5	(12.8)		
Non-transportation	130.8	147.5	16.6		

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

2. Goals in the group management vision ("JR East 2020 Vision — Challenge —")

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

4. Cumulative total of ¥1,800.0 billion for the three-year period from April 1, 2008 to March 31, 2011

5. Approximately 2 times

6. 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 Six-month period ending September 30, 2008

	Billions of Yen			
	Actual Fiscal 2008 semi-annual (Six-month ended September 30, 2007) (A)	Forecast Six-month period ending September 30, 2008 (B)	Change	
			Increase (Decrease) (B)-(A)	% (B)/(A)x100
Operating Revenues	1,334.6	1,365.0	30.3	102.3
Operating Income	259.2	258.0	(1.2)	99.5
Ordinary Income	201.0	201.0	(0.0)	100.0
Net Income	112.4	117.0	4.5	104.0

Consolidated Business Forecast for Fiscal 2009

	Billions of Yen			
	Actual Fiscal 2008 (A)	Forecast Fiscal 2009 (B)	Change	
			Increase (Decrease) (B)-(A)	% (B)/(A)x100
Operating Revenues	2,703.5	2,753.0	49.4	101.8
Transportation	1,857.7	1,872.0	14.2	100.8
Station Space Utilization	404.0	421.0	16.9	104.2
Shopping Centers & Office Buildings	205.3	224.0	18.6	109.1
Other Services	236.4	236.0	(0.4)	99.8
Operating Income	445.1	456.0	10.8	102.4
Transportation	331.8	335.0	3.1	101.0
Station Space Utilization	36.2	39.0	2.7	107.5
Shopping Centers & Office Buildings	59.8	66.0	6.1	110.3
Other Services	17.3	17.0	(0.3)	98.2
Elimination and/or corporate	(0.0)	(1.0)	(0.9)	1,710.1
Ordinary Income	336.5	343.0	6.4	101.9
Net Income	189.6	197.0	7.3	103.9

Reference: Earnings per share – Fiscal 2009: 49,297.29 yen

Consolidated Capital Expenditures Plan for Fiscal 2009

	Billions of Yen			
	Actual Fiscal 2008 (A)	Plans for Fiscal 2009 (B)	Change	
			Increase (Decrease) (B)-(A)	% (B)/(A)x100
Capital Expenditures	417.1	444.0	26.8	106.4
Transportation	269.5	315.0	45.4	116.9
Non-transportation	147.5	129.0	(18.5)	87.4

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	Fiscal 2008	Change		Fiscal 2007	Fiscal 2008	Change	
(A)	(B)	Increase (Decrease) (B)-(A)	(B)/(A)x100	(C)	(D)	Increase (Decrease) (D)-(C)	(D)/(C)x100	
Shinkansen Network								
Commuter Passes.....	1,656	1,670	14	100.9	22.6	22.7	0.1	100.5
Other	17,718	18,253	535	103.0	456.6	468.1	11.4	102.5
Total	19,374	19,924	550	102.8	479.3	490.9	11.5	102.4
Conventional Lines								
Commuter Passes.....	71,201	72,421	1,219	101.7	465.1	470.9	5.8	101.2
Other	37,076	38,211	1,135	103.1	758.1	770.4	12.2	101.6
Total	108,278	110,633	2,354	102.2	1,223.3	1,241.3	18.0	101.5
Total								
Commuter Passes.....	72,858	74,092	1,234	101.7	487.8	493.7	5.9	101.2
Other	54,795	56,465	1,670	103.0	1,214.8	1,238.5	23.7	102.0
Total	127,653	130,558	2,904	102.3	1,702.6	1,732.3	29.6	101.7

Breakdown of Conventional Lines

	Passenger Kilometers				Revenues from Passenger Tickets			
	Millions		%		Billions of yen		%	
	Fiscal 2007	Fiscal 2008	Change		Fiscal 2007	Fiscal 2008	Change	
(A)	(B)	Increase (Decrease) (B)-(A)	(B)/(A)x100	(C)	(D)	Increase (Decrease) (D)-(C)	(D)/(C)x100	
New Classification								
Kanto Area Network								
Commuter Passes.....	67,860	69,092	1,232	101.8	445.3	451.2	5.8	101.3
Other	33,616	34,808	1,192	103.5	691.2	704.1	12.8	101.9
Total	101,476	103,901	2,424	102.4	1,136.6	1,155.3	18.7	101.6
Other Network								
Commuter Passes.....	3,341	3,328	(12)	99.6	19.8	19.7	(0.0)	99.7
Other	3,460	3,403	(57)	98.3	66.8	66.2	(0.5)	99.1
Total	6,801	6,732	(69)	99.0	86.6	86.0	(0.6)	99.3
Previous Classification								
Tokyo Metropolitan Area Network								
Commuter Passes.....	52,134	53,213	1,078	102.1	346.5	351.9	5.3	101.6
Other	25,900	26,962	1,062	104.1	525.2	536.5	11.3	102.2
Total	78,034	80,175	2,141	102.7	871.8	888.5	16.6	101.9
Intercity and Regional Network								
Commuter Passes.....	19,067	19,208	140	100.7	118.6	119.0	0.4	100.4
Other	11,176	11,249	72	100.7	232.8	233.8	0.9	100.4
Total	30,244	30,457	213	100.7	351.4	352.8	1.3	100.4

Notes:1. Amounts less than one million passenger kilometers and 100 million yen are omitted.

2. Under its new classification, 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. From fiscal 2009, Conventional Lines will comprise the Kanto Area Network and the Other Network.