

## Consolidated Financial Results for the Three-Month Period Ended June 30, 2016 (Japanese GAAP) (Unaudited)

Fiscal 2017 (Year ending March 31, 2017)

"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 non-consolidated basis.  
English translation from the original Japanese-language document.

July 29, 2016

### East Japan Railway Company

Stock Exchange Listing	Tokyo
Securities Code	9020
URL	<a href="http://www.jreast.co.jp/e">http://www.jreast.co.jp/e</a>
Representative	Tetsuro Tomita, President and CEO
Contact Person	Toru Ishida, General Manager, Public Relations Department (Tel. +81-3-5334-1300)
Scheduled Date for Release of a Quarterly Report	August 5, 2016
Scheduled Date of Dividend Payment Commencement	Not applicable
Preparation of Supplementary Explanations of Quarterly Financial Results:	No
Quarterly Financial Results Presentation to Be Held:	No

#### 1. Consolidated Results for the Three-Month Period Ended June 30, 2016 (April 1, 2016—June 30, 2016)

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

##### (1) Consolidated financial results

(Percentages represent percentage changes as compared with the corresponding period in the previous fiscal year.)

	Operating revenues		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
<b>Fiscal 2017, 1st Quarter</b>	<b>698,021</b>	<b>1.5</b>	<b>132,874</b>	<b>(3.0)</b>	<b>117,075</b>	<b>(2.9)</b>	<b>79,967</b>	<b>0.9</b>
Fiscal 2016, 1st Quarter	687,907	4.5	136,913	12.7	120,572	16.7	79,232	19.2

Note: Comprehensive income – Fiscal 2017, 1st Quarter: 66,568 million yen (a decrease of 25.1%), Fiscal 2016, 1st Quarter: 88,829 million yen (an increase of 20.6%)

	Earnings per share —Basic	Earnings per share —Diluted
	Yen	Yen
<b>Fiscal 2017, 1st Quarter</b>	<b>204.60</b>	—
Fiscal 2016, 1st Quarter	201.92	—

##### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
<b>Fiscal 2017, 1st Quarter</b>	<b>7,462,456</b>	<b>2,473,611</b>	<b>32.9</b>
Fiscal 2016	7,789,762	2,462,537	31.4

Reference: Shareholders' equity – Fiscal 2017, 1st Quarter: 2,452,886 million yen, Fiscal 2016: 2,442,128 million yen

#### 2. Dividends (Year Ended March 31, 2016 and Year Ending March 31, 2017)

	Annual dividends				
	1st quarter end	2nd quarter end	3rd quarter end	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2016	—	65.00	—	65.00	130.00
<b>Fiscal 2017</b>	—	—	—	—	—
(Forecast) Fiscal 2017	—	65.00	—	65.00	130.00

Note: Revisions to the most recently disclosed dividend forecasts: No

### 3. Forecasts for Fiscal 2017 (Year Ending March 31, 2017)

(Percentages represent percentage changes as compared with the corresponding period in the previous fiscal year.)

	Operating revenues		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share—Basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six-month period ending September 30, 2016	<b>1,432,000</b>	<b>0.8</b>	<b>272,000</b>	<b>(7.0)</b>	<b>238,000</b>	<b>(7.6)</b>	<b>158,000</b>	<b>(5.6)</b>	<b>406.43</b>
Fiscal 2017	<b>2,878,000</b>	<b>0.4</b>	<b>450,000</b>	<b>(7.8)</b>	<b>393,000</b>	<b>(8.4)</b>	<b>266,000</b>	<b>8.4</b>	<b>684.24</b>

Note: Revisions to the most recently disclosed earnings forecasts: No

#### Notes

(1) Changes to principal subsidiaries during the period : No  
(Indicates whether changes have occurred in specified subsidiaries in accordance with changes in the scope of consolidation)

Newly consolidated — excluded —

(2) Application of special accounting treatment in preparing the quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and restatement of revisions

- i Changes in accounting policies with revision of accounting standards : Yes
- ii Changes in accounting policies other than the above : No
- iii Changes in accounting estimates : No
- iv Restatement of revisions : No

Note: For details, please refer to “Changes in Accounting Policies, Changes in Accounting Estimates and Restatement of Revisions” on page 5 in the Attachments.

(4) Number of issued shares (common stock)

- i Issued shares at period-end (including treasury stock) 1st Quarter, Fiscal 2017 392,500,000 shares Fiscal 2016 392,500,000 shares
- ii Treasury stock at period-end 1st Quarter, Fiscal 2017 3,748,363 shares Fiscal 2016 655,903 shares
- iii Average number of shares during period 1st Quarter, Fiscal 2017 390,842,004 shares 1st Quarter, Fiscal 2016 392,387,753 shares

#### Indication of quarterly review procedure implementation status

These quarterly financial results are not subject to the quarterly review requirements as provided in the Financial Instruments and Exchange Law. The review of quarterly consolidated financial statements as provided in the Financial Instruments and Exchange Law had not been completed as of the date of these Consolidated Financial Results for the Three-Month Period Ended June 30, 2016.

#### Explanation of appropriate use of forecasts of business results; other important items

The forecasts of business results and other forward-looking statements in this document are based on information available as of the date of this document and on certain assumptions that JR East viewed as reasonable as of the date of this document. Actual results may differ from such forward-looking statements for a variety of reasons.

Regarding the forecasts of business results, please refer to “Qualitative Information on Consolidated Performance Outlook” on page 4 in the Attachments. Further, the non-consolidated performance outlook is on the next page.

## (Reference)

### Forecasts of the Non-consolidated Results for Fiscal 2017 (Year Ending March 31, 2017)

(Percentages represent percentage changes as compared with the corresponding period in the previous fiscal year.)

	Operating revenues		Operating income		Ordinary income		Profit		Earnings per share—Basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six-month period ending September 30, 2016	<b>1,039,000</b>	<b>0.1</b>	<b>238,000</b>	<b>(7.3)</b>	<b>214,000</b>	<b>(7.9)</b>	<b>148,000</b>	<b>(6.4)</b>	<b>380.38</b>
Fiscal 2017	<b>2,060,000</b>	<b>0.1</b>	<b>373,000</b>	<b>(9.0)</b>	<b>323,000</b>	<b>(10.1)</b>	<b>229,000</b>	<b>9.6</b>	<b>588.56</b>

Note: Revisions to the most recently disclosed earnings forecasts: No

## Contents of Attachments

1. Qualitative Information on Quarterly Consolidated Financial Performance .....	2
(1) Qualitative Information on Consolidated Operating Results .....	2
(2) Qualitative Information on Consolidated Performance Outlook.....	4
2. Matters Concerning Summary Information (Notes) .....	5
(1) Changes in Accounting Policies, Changes in Accounting Estimates and Restatement of Revisions .....	5
3. Quarterly Consolidated Financial Statements.....	6
(1) Consolidated Balance Sheets .....	6
(2) Consolidated Statements of Income and Comprehensive Income.....	8
(3) Notes to Quarterly Consolidated Financial Statements .....	10
(Notes on Going Concern Assumption).....	10
(Segment Information).....	10
(Notes on Significant Changes in the Value of Shareholders' Equity) .....	10
(Additional Information) .....	10
(Additional Information Regarding Operating Results) .....	11

# 1. Qualitative Information on Quarterly Consolidated Financial Performance

(Unless otherwise stated, all comparisons are between the three months from April 1, 2016, to June 30, 2016, and the three months from April 1, 2015, to June 30, 2015.)

## (1) Qualitative Information on Consolidated Operating Results

In the first three months of the fiscal year ending March 31, 2017 (from April 1, 2016, to June 30, 2016; the first quarter), the Japanese economy continued to recover gradually, in part due to a recovery in capital investment and a favorable employment market. Under these conditions, and guided by “JR East Group Management Vision V – Ever Onward,” the East Japan Railway Company and its consolidated subsidiaries and equity method affiliates (JR East) steadily executed various initiatives centered on the railway and life-style service businesses and *Suica* operations.

As a result, during the first quarter, operating revenues increased 1.5%, to ¥698.0 billion, mainly due to growth in JR East’s transportation revenues primarily from non-commuter pass revenues. However, due to an increase in operating expenses mainly arising from the recognition of a provision for large-scale renovation of Shinkansen infrastructure, operating income decreased 3.0%, to ¥132.8 billion, and ordinary income decreased 2.9%, to ¥117.0 billion. Furthermore, due to factors including an increase in insurance proceeds related to earthquake, profit attributable to owners of parent increased 0.9%, to ¥79.9 billion.

To execute its highest priority task of improving the safety and reliability of transportation, JR East is implementing rigorous efforts to prevent the recurrence of accidents and incidents that affect transportation and implementing efforts to prevent such accidents and incidents by identifying risks and weaknesses. Specifically, JR East strengthened relevant facilities and sought to enhance employees’ safety awareness by revising safety education and training to make it more practical. Further, JR East made efforts to improve the technical capabilities of the Group as a whole, increased personnel exchanges, and took other measures with Group companies and partner companies. In addition to its efforts to provide reliable transportation services, JR East strengthened its ability to respond to transportation service disruptions, including its ability to resume operations as soon as possible following disruptions, communicate with customers rapidly, and minimize the impact of transportation service disruptions.

With respect to strategies for visitors to Japan from overseas, the JR East Group as a whole took measures to increase the number of and improve products and develop capabilities to service such customers. Specifically, in April 2016 JR East launched the *Tokyo–Osaka Hokuriku Arch Pass*, which enables use of the Hokuriku Shinkansen Line, and *JR East-South Hokkaido Rail Pass*, which enables use of the Hokkaido Shinkansen Line. Further, JR East prepared for the November 2016 opening of *JAPAN RAIL CAFE* (Singapore), which will aim to distribute information and provide support in relation to travel to Japan. In addition, in June 2016 JR East expanded the *JR EAST Travel Service Center* in Tokyo Station and increased the number of assistance counters for visitors to Japan in the center. Also, JR East prepared for the introduction in stages starting in October 2016 station numbering and station name signs in four languages in the Tokyo metropolitan area.

In addition, in June 2016 JR East concluded an agreement with The Tokyo Organising Committee of the Olympic and Paralympic Games as a Tokyo 2020 Official Partner (Passenger Rail Transportation Services). In light of this, JR East announced the JR East 2020 Project, which sets out JR East’s objectives, such as helping to ensure that the Games proceed without issues and contributing to the growing enthusiasm surrounding the event.

With respect to regional revitalization, the JR East Group advanced such initiatives as promotion of tourism, revitalization of local industries, and town development centered on regional core railway stations. Specifically, JR East publicly announced the service schedule and route of the *TRAIN SUITE SHIKI-SHIMA* cruise train, which is due to begin operations in May 2017, and began accepting orders for travel products. Further, in light of the *sextic industrialization* of agriculture, fishing, and forestry, JR East began the cultivation of crops at JR Tomato Land Iwaki Farm Co., Ltd. and JR Niigata Farm Co., Ltd. Also, following JR East’s conclusion of a “Partnership Agreement in Relation to the Development of Compact Cities for Regional Revitalization” with Akita Prefecture and Akita City, JR East prepared for the commencement of remodeling of the tourist center at Akita Station and rebuilding of its west exit parking garage in July 2016.

With respect to the area surrounding Shinagawa Station and Tamachi Station, as some of the land used for the Shinagawa Depot railway yard will become available for other uses, JR East aims to develop an internationally attractive exchange hub. As the urban development plans for some of this land were approved in April 2016 for special treatment within the National Strategic Special Zone, JR East is continuing to implement procedures to conduct development in cooperation with the Government of Japan, Tokyo Metropolitan Government, relevant wards, and other stakeholders.

## Segment Information

### Transportation

In the Transportation segment, with railway operations as its core operations, JR East promoted the use of its railway networks to secure revenues while ensuring safe and reliable transportation and enhancing customer satisfaction.

With respect to safety, JR East steadily implemented measures based on its sixth five-year safety plan, “Group Safety Plan 2018.” JR East steadily implemented measures in preparation for a major earthquake, such as a possible earthquake directly beneath the Tokyo metropolitan area. JR East has earmarked a total of ¥300 billion for investment in such measures for a five-year intensive implementation period ending March 31, 2017. With respect to automatic platform gates, JR East prepared for the commencement of operation of automatic platform gates at Shinagawa Station on the

Yamanote Line in August 2016 and began work to install automatic platform gates at four railway stations on the Keihin-Tohoku Line, including Akabane Station. In addition to taking measures to prevent railway crossing accidents, JR East began using a train approach alarm system that utilizes GPS to improve the safety of personnel who perform maintenance work on the Hachiko Line and the Iiyama Line in April 2016.

With respect to service quality, the Group promoted measures aimed at becoming “No. 1 for customer satisfaction in the Japanese railway industry” based on the “Medium-term Vision for Service Quality Reforms 2017.” Given the expansion of the direct service network, JR East made efforts to improve the quality of transportation by expanding contingency shuttle operations when transportation services are disrupted. Further, JR East improved the display method for the *JR EAST APP* when large numbers of users access the app and for other times, and the number of application downloads reached approximately 1.99 million on a cumulative basis as of the end of the first quarter. Also, JR East made efforts jointly with other companies to eliminate areas in tunnels where mobile phone connection is poor and established environments that enable usage between Takasaki and Annakaharuna on the Hokuriku Shinkansen Line and between Tokyo and Shinagawa on the Yokosuka Line.

With respect to marketing and sales activities, JR East conducted such campaigns as the *1st ANNIVERSARY HOKURIKU SHINKANSEN Campaign* and the *Ikuze, Tohoku*. Campaign to increase inter-regional railway travel. Further, given the opening of the Hokkaido Shinkansen in March 2016, JR East prepared for the *Aomori Prefecture and Hakodate Destination Campaign* from July 2016. In addition, JR East commenced operations of an art-cafe Shinkansen in April 2016, the *GENBI SHINKANSEN*, which enables customers to enjoy the Niigata area. Also, JR East collaborated with IZUKYU CORPORATION to prepare for the commencement of operations of the resort train *IZU CRAILE* between Odawara and Izukyu-Shimoda from July 2016. In relation to the *JR East Dynamic Rail Pack*, a travel product that allows a customer to purchase a combined train-accommodation product based on his or her choice, JR East enabled individual customers to apply for the product from April 2016.

In *Suica* operations, JR East took measures to further increase usage of *Suica*, including the *10th Anniversary of Mobile Suica Campaign*. The number of *Suica* cards issued and outstanding was approximately 60.46 million as of June 30, 2016.

With respect to participation in overseas railway projects, JR East prepared for the commencement of maintenance operations for the *Purple Line* (Bangkok, Thailand), an urban mass transit system scheduled to enter service in August 2016. At the same time, JR East implemented procedures for the delivery of *sustina* stainless-steel railcars, which subsidiary Japan Transport Engineering Company (J-TREC) manufactured. JR East promoted its “Global Human Resource Development Program – Ever Onward” to nurture personnel who can take on global business development. This included continuation of overseas studies programs and on-the-job trainee programs in the overseas railway consulting business, among other assignments.

As a result, operating revenues in the Transportation segment increased 0.9%, to ¥491.7 billion, mainly due to an increase in JR East’s transportation revenues primarily from non-commuter pass revenues. However, due to an increase in operating expenses, mainly arising from the recognition of a provision for large-scale renovation of Shinkansen infrastructure, operating income decreased 4.8%, to ¥99.4 billion.

To restore line segments on the Pacific coast severely damaged by the Great East Japan Earthquake, JR East is working in close collaboration with the national government and relevant local authorities to formulate and advance plans for developing towns and rebuilding the area as a whole. JR East proceeded with restoration work on the line segment between Miyako and Kamaishi on the Yamada Line to integrate operation of the line segment with that of the North and South Rias Lines by Sanriku Railway Company. Following the conclusion of an agreement with the heads of all municipal authorities of the line-side areas to undertake full-scale restoration through the use of Bus Rapid Transit (“BRT”) systems with respect to the provisional BRT systems on the Kesennuma Line and the Ofunato Line, JR East held talks about future improvement of services and others. In addition, JR East conducted restoration work with a view to resume operations between Soma and Hamayoshida on the Joban Line in December 2016.

JR East’s policy for areas within a 20-kilometer radius of the Fukushima Daiichi Nuclear Power Station is to prepare to resume operations in the areas designated as “areas to which evacuation orders are ready to be lifted,” through the cooperation of the national government and local authorities that are working to decontaminate line-side areas and returning residents to their homes. Based on this policy, JR East conducted restoration work and took other measures with a view to resume operations between Odaka and Haranomachi on the Joban Line by July 2016, between Namie and Odaka by the spring of 2017, and between Tatsuta and Tomioka by the end of 2017. Further, in the areas designated as “areas where it is expected that the residents will have difficulties in returning for a long time,” JR East aims to open lines after the restoration of damaged facilities, the completion of decontamination work required for opening lines, and the implementation of measures to ensure the safety of users in emergencies, with the support and cooperation of the national government and local authorities. JR East proceeded with restoration work with a view to resume operations between Tomioka and Namie on the Joban Line by March 31, 2020.

### **Station Space Utilization**

In the Station Space Utilization segment, JR East opened phase 2 of *NEWoMan* (Tokyo) at the JR Shinjuku Station New South Exit in April 2016. Further, JR East prepared for the July 2016 opening of phase 1 in relation to *GranSta Marunouchi* (Tokyo), which will be newly established in the Marunouchi underground area of Tokyo Station, and an area that will increase the floor space of *GranSta* (Tokyo). Also, JR East continued introducing stores with new designs for *NewDays* (convenience stores) and introducing *NewDays KIOSK* which is the new-type *KIOSK* store. In addition, JR East launched

the new series of *LuckyDrop*, which are capsule figures that recreate famous places and things from around Japan. Other initiatives included preparations for the opening of phase 1 of Chiba Station and its station buildings in November 2016.

As a result of these initiatives, although sales of stores in Sendai Station and other stations were favorable, because of factors including store closures due to obstruction caused by work, operating revenues of the Station Space Utilization segment decreased 0.1%, to ¥101.6 billion, and operating income decreased 8.3%, to ¥7.8 billion.

### **Shopping Centers & Office Buildings**

In the Shopping Centers & Office Buildings segment, JR East proceeded with preparations to extend in stages from September 2016 onward the common Group-wide service *JRE POINT* to 25 station buildings in the Tokyo metropolitan area and environs, Nagano, Matsumoto, and the Tohoku area. Further, JR East opened *atré Ebisu West Building* (Tokyo) and *nonowa Kunitachi WEST* (Tokyo) in April 2016 and *nonowa Musashisakai EAST* (Tokyo) in June 2016. In addition, JR East proceeded with the construction of *JEBL Akihabara Square* (Tokyo), which is scheduled for completion in August 2016; *LUSCA Atami* (Shizuoka), which is scheduled for completion in November 2016; phase 1 of the *Shibuya Station Area Development Plan* (East Bldg.), which is scheduled for completion in the fiscal year ending March 31, 2020; and the *Yokohama Station West Exit Station Building Plan* (provisional name), which is scheduled to open in 2020.

As a result of these initiatives, as well as factors including higher revenues due to the opening of *JR SHINJUKU MIRAINA TOWER* (Tokyo), phase 1 of *NEWoMan* (Tokyo), and *S-PAL Sendai East Building* (Miyagi), operating revenues of the Shopping Centers & Office Buildings segment increased 3.8%, to ¥67.6 billion, and operating income increased 1.4%, to ¥19.8 billion.

### **Others**

In hotel operations, JR East prepared for the December 2016 renewal and opening of *HOTEL METS Shibuya* (Tokyo) to increase the competitiveness of existing hotels. In advertising and publicity services, JR East installed *J-AD Vision*, an advertising medium at stations that uses large LCD screens, in Sendai Station and made efforts to promote advertising sales for *AD Train*, which gives exclusive use of the advertising space inside all of the railcars of one train.

In credit card operations, JR East began the *first Anniversary Campaign for View Gold Plus Card* in May 2016. In *Suica* shopping services (electronic money), JR East continued to develop the network of participating stores and business establishments actively through efforts that included introduction of *Suica* electronic money to chain stores with wide operating areas. As a result of these measures, *Suica* electronic money was usable at approximately 350,000 stores and other business establishments as of June 30, 2016. In addition, JR East prepared for the distribution of the *Suica Point App* in July 2016 with a view to enhancing the convenience of the *Suica Point Club* service.

In other initiatives, as part of the *HAPPY CHILD PROJECT*, JR East opened a multi-purpose child-rearing-support and senior-citizen-care facility, *COTONIOR Nishi-Funabashi* (Chiba), in April 2016. Further, JR East proceeded with the development of childcare support facilities inside station buildings and other buildings, giving it a total of 93 facilities as of June 30, 2016.

As a result of these initiatives, as well as higher revenues from work related to the Hokkaido Shinkansen Line, advertising and publicity services, and credit card operations, operating revenues from Others increased 4.2%, to ¥133.6 billion, and operating income increased 35.7%, to ¥5.1 billion.

Note: JR East applies the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (Accounting Standards Board of Japan Statement No.17, June 30, 2010) and the Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (Accounting Standards Board of Japan Guidance No.20, March 21, 2008). The operating income of each segment of JR East corresponds to the segment income under the said Accounting Standard and Guidance.

## **(2) Qualitative Information on Consolidated Performance Outlook**

Amid a favorable employment market and continuing improvement in income conditions in Japan, economic conditions in Japan are expected to move toward gradual recovery, in part as a result of various government initiatives. Amid these conditions, JR East will contribute to local communities through the provision of safe and high-quality services and continue to fulfill its “Eternal Mission” while focusing on the advancement of technological innovation, globalization, and the provision of more opportunities for motivated employees and “Pursuing Unlimited Potential” in accordance with the “JR East Group Management Vision V.” Through action and teamwork on the part of each of its employees that transcends workplaces and organizational divisions, the Group aims to realize its commitment to “Thriving with Communities, Growing Globally.”

After reviewing the operating results for the first quarter ended June 30, 2016, JR East has maintained its consolidated first-half and full-term business forecasts for the fiscal year ending March 31, 2017, which it announced on April 27, 2016.

## **2. Matters Concerning Summary Information (Notes)**

### **(1) Changes in Accounting Policies, Changes in Accounting Estimates and Restatement of Revisions**

#### **(i) Changes in Accounting Policies**

In accordance with an amendment of Japan's Corporation Tax Act, the Company has applied the "Practical Solution on a change in depreciation method due to Tax Reform 2016" (Practical Issues Task Force No.32 issued on June 17, 2016) beginning with the first quarter of fiscal 2017 and has changed its depreciation method for facilities attached to buildings and structures acquired on or after April 1, 2016, from the declining balance method to the straight-line method. The effect of this change on consolidated financial statements for the first quarter is negligible.



### 3. Quarterly Consolidated Financial Statements

#### (1) Consolidated Balance Sheets (Unaudited)

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES

Millions of Yen

	Fiscal 2016 (As of March 31, 2016)	Fiscal 2017, 1st Quarter (As of June 30, 2016)
<b>ASSETS</b>		
<b>Current Assets</b> .....	¥ 934,518	¥ 668,143
Cash and time deposits .....	239,477	59,482
Notes and accounts receivable-trade .....	439,443	397,462
Fares receivable .....	38,489	27,312
Short-term loans receivable .....	6,427	6,262
Securities .....	68,500	39,000
Real estate for sale .....	903	821
Inventories .....	47,834	54,396
Deferred tax assets .....	49,188	35,294
Other .....	45,826	49,638
Allowance for doubtful accounts .....	(1,572)	(1,527)
<b>Fixed Assets</b> .....	6,855,243	6,794,301
Property, plant and equipment, net of accumulated depreciation .....	6,233,542	6,196,877
Buildings and fixtures (net) .....	3,128,743	3,113,017
Machinery, rolling stock and vehicles (net) .....	726,591	702,333
Land .....	2,002,529	2,002,551
Construction in progress .....	306,398	312,982
Other (net) .....	69,279	65,991
Intangible assets .....	127,859	121,905
Investments and other assets .....	493,841	475,518
Investments in securities .....	210,377	192,331
Long-term loans receivable .....	2,833	2,667
Long-term deferred tax assets .....	217,256	218,520
Net defined benefit assets .....	112	224
Other .....	63,976	62,497
Allowance for doubtful accounts .....	(713)	(722)
<b>Deferred Assets</b> .....	—	11
<b>Total Assets</b> .....	¥7,789,762	¥7,462,456

Note: Amounts less than one million yen are omitted.

	Millions of Yen	
	Fiscal 2016, (As of March 31, 2016)	Fiscal 2017, 1st Quarter (As of June 30, 2016)
<b>LIABILITIES</b>		
<b>Current Liabilities</b> .....	¥1,404,960	¥1,083,859
Notes and accounts payable-trade .....	48,803	35,338
Short-term loans and current portion of long-term loans .....	107,107	106,330
Current portion of bonds .....	79,999	99,999
Current portion of long-term liabilities		
incurred for purchase of railway facilities .....	97,251	97,251
Payables .....	494,778	206,349
Accrued consumption taxes .....	23,955	32,129
Accrued income taxes .....	83,238	18,433
Fare deposits received with regard to railway connecting services .....	20,848	17,631
Prepaid railway fares received .....	102,493	111,273
Allowance for bonuses to employees .....	73,092	42,495
Allowance for earthquake-damage losses .....	11,587	11,407
Other .....	261,804	305,220
<b>Long-Term Liabilities</b> .....	3,922,264	3,904,985
Bonds .....	1,729,914	1,709,929
Long-term loans .....	908,422	907,094
Long-term liabilities incurred for purchase of railway facilities .....	341,074	341,074
Long-term deferred tax liabilities .....	3,361	2,986
Provision for large-scale renovation		
of Shinkansen infrastructure .....	—	6,000
Allowance for earthquake-damage losses .....	14,672	14,544
Allowance for partial transfer costs of railway operation .....	19,087	18,795
Net defined benefit liabilities .....	675,783	667,343
Other .....	229,948	237,216
<b>Total Liabilities</b> .....	¥5,327,225	¥4,988,845
<b>NET ASSETS</b>		
<b>Shareholders' Equity</b> .....	¥2,393,361	¥2,417,834
Common stock .....	200,000	200,000
Capital surplus .....	96,811	96,811
Retained earnings .....	2,101,844	2,156,320
Treasury stock, at cost .....	(5,295)	(35,297)
<b>Accumulated Other Comprehensive Income</b> .....	48,767	35,051
Net unrealized holding gains (losses) on securities .....	43,771	31,223
Net deferred gains (losses) on derivatives under		
hedge accounting .....	473	(1,024)
Revaluation reserve for land .....	(473)	(473)
Remeasurements of defined benefit plans .....	4,996	5,325
<b>Non-Controlling Interests</b> .....	20,408	20,725
<b>Total Net Assets</b> .....	2,462,537	2,473,611
<b>Total Liabilities and Net Assets</b> .....	¥7,789,762	¥7,462,456

Note: Amounts less than one million yen are omitted.

## (2) Consolidated Statements of Income and Comprehensive Income (Unaudited)

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES

### (i) Consolidated Statements of Income

	Millions of Yen	
	Fiscal 2016, 1st Quarter (Three months ended June 30, 2015)	Fiscal 2017, 1st Quarter (Three months ended June 30, 2016)
<b>Operating Revenues</b> .....	¥687,907	¥698,021
<b>Operating Expenses</b> .....	550,994	565,147
Transportation, other services and cost of sales .....	422,209	431,160
Selling, general and administrative expenses .....	128,784	133,986
<b>Operating Income</b> .....	136,913	132,874
<b>Non-Operating Income</b> .....	4,950	3,938
Interest income .....	29	6
Dividend income .....	2,299	2,325
Equity in net income of affiliated companies .....	799	192
Other .....	1,821	1,414
<b>Non-Operating Expenses</b> .....	21,292	19,738
Interest expense .....	19,362	18,025
Other .....	1,929	1,713
<b>Ordinary Income</b> .....	120,572	117,075
<b>Extraordinary Gains</b> .....	2,646	5,308
Construction grants received .....	2,535	2,279
Insurance proceeds related to earthquake .....	—	2,575
Other .....	110	452
<b>Extraordinary Losses</b> .....	5,874	6,939
Losses on reduction entry for construction grants .....	2,155	2,265
Losses on revaluation of investments in securities .....	1	1,840
Intensive seismic reinforcement costs .....	899	1,828
Other .....	2,816	1,006
<b>Income before Income Taxes</b> .....	117,344	115,444
<b>Income Taxes</b> .....	37,825	35,154
Current .....	22,147	17,889
Deferred .....	15,677	17,265
<b>Profit</b> .....	79,519	80,289
<b>Profit Attributable to Non-Controlling Interests</b> .....	287	321
<b>Profit Attributable to Owners of Parent</b> .....	¥ 79,232	¥ 79,967

Note: Amounts less than one million yen are omitted.

**(ii) Consolidated Statements of Comprehensive Income**

	Millions of Yen	
	Fiscal 2016, 1st Quarter (Three months ended June 30, 2015)	Fiscal 2017, 1st Quarter (Three months ended June 30, 2016)
<b>Profit</b> .....	¥79,519	¥80,289
<b>Other Comprehensive Income</b> .....	9,310	(13,720)
Net unrealized holding gains (losses) on securities .....	8,297	(12,056)
Net deferred gains (losses) on derivatives under hedge accounting .....	(23)	(525)
Remeasurements of defined benefit plans .....	157	84
Share of other comprehensive income of associates accounted for using equity method .....	879	(1,223)
<b>Comprehensive Income</b> .....	¥88,829	¥66,568
<b>Comprehensive Income attributable to</b>		
Comprehensive income attributable to owners of the parent .....	¥88,539	¥66,251
Comprehensive income attributable to non-controlling interests .....	¥ 290	¥ 316

Note: Amounts less than one million yen are omitted.

### (3) Notes to Quarterly Consolidated Financial Statements (Unaudited)

#### (Notes on Going Concern Assumption (Unaudited))

None

#### (Segment Information (Unaudited))

Fiscal 2016, 1st Quarter (Three months ended June 30, 2015)	Millions of Yen						Quarterly Consolidated Statements of Income (Note 3)
	Transportation	Station Space Utilization	Shopping Centers & Office Buildings	Others (Note 1)	Total	Adjustment (Note 2)	
Operating Revenues							
Outside customers .....	¥474,027	¥ 97,878	¥62,353	¥ 53,648	¥687,907	¥ —	¥687,907
Inside group .....	13,235	3,822	2,781	74,607	94,446	(94,446)	—
Total .....	487,263	101,700	65,135	128,255	782,354	(94,446)	687,907
Segment income .....	¥104,530	¥ 8,529	¥19,559	¥ 3,769	¥136,388	¥ 525	¥136,913

- Notes: 1. "Others" represents categories of business that are not included in reportable segments and includes hotel operations and advertising and publicity services.
2. The ¥525 million adjustment to segment income includes a ¥551 million elimination of unrealized holding gains (losses) on fixed assets and inventory assets and a ¥(17) million elimination for intersegment transactions.
3. Segment income is adjusted to ensure consistency with the operating income set forth in the quarterly consolidated statements of income.

Fiscal 2017, 1st Quarter (Three months ended June 30, 2016)	Millions of Yen						Quarterly Consolidated Statements of Income (Note 3)
	Transportation	Station Space Utilization	Shopping Centers & Office Buildings	Others (Note 1)	Total	Adjustment (Note 2)	
Operating Revenues							
Outside customers .....	¥478,800	¥ 97,587	¥64,620	¥ 57,013	¥698,021	¥ —	¥698,021
Inside group .....	12,904	4,052	3,002	76,596	96,556	(96,556)	—
Total .....	491,705	101,640	67,622	133,609	794,578	(96,556)	698,021
Segment income .....	¥ 99,469	¥ 7,821	¥19,831	¥ 5,113	¥132,234	¥ 639	¥132,874

- Notes: 1. "Others" represents categories of business that are not included in reportable segments and includes hotel operations and advertising and publicity services.
2. The ¥639 million adjustment to segment income includes a ¥663 million elimination of unrealized holding gains (losses) on fixed assets and inventory assets and a ¥(23) million elimination for intersegment transactions.
3. Segment income is adjusted to ensure consistency with the operating income set forth in the quarterly consolidated statements of income.

#### (Notes on Significant Changes in the Value of Shareholders' Equity (Unaudited))

The balance of treasury stock as of June 30, 2016 was ¥35,297 million, an increase of ¥30,002 million from March 31, 2016. This was mainly due to the Company's acquisition of 3,092,100 shares of its common stock for ¥29,999 million on the Tokyo Stock Exchange from May 2 through June 16, 2016, in accordance with a resolution of the Board of Directors on April 27, 2016.

#### (Additional Information (Unaudited))

(Recognition of a Provision for Large-Scale Renovation of Shinkansen Infrastructure)

This has been recognized based on Article 17 of the Nationwide Shinkansen Railway Development Act (Act No. 71 of 1970).

On March 29, 2016, the Company received approval for a Plan for Provision for Large-Scale Renovation of Shinkansen Infrastructure from the Minister of Land, Infrastructure, Transport and Tourism based on Article 16, Paragraph 1 of the Nationwide Shinkansen Railway Development Act. As a result, from the fiscal year ending March 31, 2017, until the fiscal year ending March 31, 2031, a provision of ¥24,000 million (total: ¥360,000 million) will be implemented each fiscal year, and from the fiscal year ending March 31, 2032, until the fiscal year ending March 31, 2041, a reversal of ¥36,000 million (total: ¥360,000 million) will be implemented each fiscal year.

## (Additional Information Regarding Operating Results)

### Consolidated Principal Indicators

	Fiscal 2016, 1st Quarter (Three months ended June 30, 2015)	Fiscal 2016 (Year ended March 31, 2016)	Fiscal 2017, 1st Quarter (Three months ended June 30, 2016)	Increase (Decrease)
	(A)	(B)	(C)	(C)-(A)
Ratio of operating income to average assets (ROA) (%) ..	1.8	6.3	1.7	(0.1)
Return on average equity (ROE) (%) .....	3.4	10.4	3.3	(0.2)

### Numerical Targets for the Fiscal Year Ending March 31, 2019

	Billions of Yen				
	Actual Fiscal 2016	Forecast Fiscal 2017	Fiscal 2019 Targets	Change	
	(A)	(B)	(C)	Increase (Decrease) (C)-(A)	% (C)/(A)x100
<b>Operating Revenues</b> .....	2,867.1	2,878.0	<b>2,967.0</b>	99.8	103.5
Transportation .....	1,954.5	1,951.0	<b>1,979.0</b>	24.4	101.2
Station Space Utilization .....	399.9	402.0	<b>427.0</b>	27.0	106.8
Shopping Centers & Office Buildings .....	255.9	274.0	<b>296.0</b>	40.0	115.6
Others .....	256.6	251.0	<b>265.0</b>	8.3	103.2
<b>Operating Income</b> .....	487.8	450.0	<b>498.0</b>	10.1	102.1
Transportation .....	348.5	308.0	<b>342.0</b>	(6.5)	98.1
Station Space Utilization .....	35.0	33.0	<b>37.0</b>	1.9	105.4
Shopping Centers & Office Buildings .....	71.6	75.0	<b>84.0</b>	12.3	117.3
Others .....	35.0	35.0	<b>36.0</b>	0.9	102.8
Elimination and/or corporate .....	(2.4)	(1.0)	<b>(1.0)</b>	1.4	40.1

Note: The breakdown of operating revenues by business segment show sales to outside customers.

### Consolidated Capital Expenditures

	Billions of Yen					
	Actual Fiscal 2016, 1st Quarter (Three months ended June 30, 2015)	Actual Fiscal 2017, 1st Quarter (Three months ended June 30, 2016)	Change		Plans for Fiscal 2017	Change
	(A)	(B)	Increase (Decrease) (B)-(A)	% (B)/(A)x100		Increase (Decrease) year on year
<b>Capital expenditures</b> ..	49.8	<b>50.7</b>	0.9	101.9	<b>550.0</b>	8.0
Transportation .....	35.2	<b>26.8</b>	(8.3)	76.4	<b>393.0</b>	0.7
Non-transportation .....	14.5	<b>23.8</b>	9.2	163.4	<b>157.0</b>	7.2

### 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 2016, 1st Quarter (Three months ended June 30, 2015) (A)	Fiscal 2017, 1st Quarter (Three months ended June 30, 2016) (B)	Change Increase (Decrease) (B)-(A)	(B)/(A)x100	Fiscal 2016, 1st Quarter (Three months ended June 30, 2015) (C)	Fiscal 2017, 1st Quarter (Three months ended June 30, 2016) (D)	Change Increase (Decrease) (D)-(C)	(D)/(C)x100
<b>Shinkansen Network</b>								
Commuter Passes .....	439	<b>442</b>	2	100.5	6.0	<b>6.1</b>	0.0	101.2
Other .....	5,034	<b>5,019</b>	(15)	99.7	130.1	<b>130.7</b>	0.5	100.4
Total .....	5,474	<b>5,461</b>	(12)	99.8	136.1	<b>136.8</b>	0.6	100.4
<b>Conventional Lines</b>								
<i>Kanto Area Network</i>								
Commuter Passes .....	18,007	<b>17,820</b>	(187)	99.0	114.9	<b>115.7</b>	0.7	100.7
Other .....	8,815	<b>8,868</b>	53	100.6	173.0	<b>175.3</b>	2.2	101.3
Total .....	26,822	<b>26,689</b>	(133)	99.5	288.0	<b>291.0</b>	3.0	101.0
<i>Other Network</i>								
Commuter Passes .....	828	<b>790</b>	(37)	95.4	4.7	<b>4.7</b>	0.0	100.2
Other .....	648	<b>600</b>	(47)	92.7	12.5	<b>12.0</b>	(0.5)	95.9
Total .....	1,476	<b>1,391</b>	(85)	94.2	17.3	<b>16.8</b>	(0.5)	97.1
<i>Total</i>								
Commuter Passes .....	18,836	<b>18,611</b>	(225)	98.8	119.6	<b>120.4</b>	0.7	100.6
Other .....	9,463	<b>9,469</b>	6	100.1	185.6	<b>187.4</b>	1.7	100.9
Total .....	28,299	<b>28,080</b>	(218)	99.2	305.3	<b>307.8</b>	2.5	100.8
<b>Total</b>								
Commuter Passes .....	19,276	<b>19,053</b>	(222)	98.8	125.7	<b>126.5</b>	0.8	100.7
Other .....	14,498	<b>14,488</b>	(9)	99.9	315.8	<b>318.1</b>	2.2	100.7
Total .....	33,774	<b>33,542</b>	(231)	99.3	441.5	<b>444.6</b>	3.1	100.7

- Notes:1. Amounts less than one million passenger kilometers and 100 million yen are omitted.  
2. Passenger Kilometers was previously calculated based on the date of sale. However, from the fiscal year ending March 31, 2017, the Company has changed to a calculation method based on the effective start date.  
3. The Kanto Area Network includes the areas covered by Tokyo Branch Office, Yokohama Branch Office, Hachioji Branch Office, Omiya Branch Office, Takasaki Branch Office, Mito Branch Office, and Chiba Branch Office.