

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

Fiscal 2017 (Year ending March 31, 2017)

"Second Quarter" means the six months from April 1 to September 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.

October 28, 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>
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Scheduled Date for Release of a Quarterly Report	November 9, 2016
Scheduled Date of Dividend Payment Commencement	November 22, 2016
Preparation of Supplementary Explanations of Quarterly Financial Results:	No
Quarterly Financial Results Presentation to Be Held:	Yes

#### 1. Consolidated Results for the Six-Month Period Ended September 30, 2016 (April 1, 2016—September 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, 2nd Quarter</b>	<b>1,435,158</b>	<b>1.0</b>	<b>277,644</b>	<b>(5.0)</b>	<b>244,957</b>	<b>(4.9)</b>	<b>164,787</b>	<b>(1.5)</b>
Fiscal 2016, 2nd Quarter	1,421,299	4.8	292,321	13.3	257,597	16.6	167,361	23.0

Note: Comprehensive income – Fiscal 2017, 2nd Quarter: 157,281 million yen (an increase of 2.3%), Fiscal 2016, 2nd Quarter: 153,759 million yen (an increase of 1.2%)

	Earnings per share —Basic	Earnings per share —Diluted
	Yen	Yen
<b>Fiscal 2017, 2nd Quarter</b>	<b>422.76</b>	—
Fiscal 2016, 2nd Quarter	426.82	—

##### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
<b>Fiscal 2017, 2nd Quarter</b>	<b>7,593,856</b>	<b>2,564,320</b>	<b>33.5</b>
Fiscal 2016	7,789,762	2,462,537	31.4

Reference: Shareholders' equity – Fiscal 2017, 2nd Quarter: 2,543,079 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>	—	<b>65.00</b>	—	—	—
(Forecast) Fiscal 2017	—	—	—	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
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 8 in the Attachments.

(4) Number of issued shares (common stock)

- i Issued shares at period-end (including treasury stock) 2nd Quarter, Fiscal 2017 389,407,900 shares Fiscal 2016 392,500,000 shares
- ii Treasury stock at period-end 2nd Quarter, Fiscal 2017 656,713 shares Fiscal 2016 655,903 shares
- iii Average number of shares during period 2nd Quarter, Fiscal 2017 389,790,994 shares 2nd Quarter, Fiscal 2016 392,115,384 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 Six-Month Period Ended September 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 5 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
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

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# 1. Qualitative Information on Quarterly Consolidated Financial Performance

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

## (1) Qualitative Information on Consolidated Operating Results

In the first six months of the fiscal year ending March 31, 2017 (from April 1, 2016, to September 30, 2016; the second quarter), the Japanese economy improved in such areas as employment and income conditions and continued to recover gradually. 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 of these initiatives, during the first six months of the fiscal year ending March 31, 2017, mainly due to growth in JR East’s transportation revenues, particularly in commuter pass revenues, operating revenues increased 1.0% year on year, to ¥1,435.1 billion. 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 5.0%, to ¥277.6 billion; ordinary income decreased 4.9%, to ¥244.9 billion; and profit attributable to owners of parent decreased 1.5%, to ¥164.7 billion.

To pursue its priority task of improving the safety and reliability of transportation, JR East is making rigorous efforts to prevent the recurrence of accidents and incidents that affect transportation as well as efforts to prevent the occurrence of such accidents and incidents by identifying risks and weaknesses. Specifically, JR East improved its facilities to address their weaknesses and sought to enhance employees’ safety awareness by conducting more practical education and training at training centers and skills training centers. JR East took measures to improve the technical capabilities of the Group as a whole by increasing personnel exchanges with Group companies and other organizations and by collaborating with partner companies to solidify safety management with respect to railway construction work. In addition, JR East made efforts to provide reliable transportation services. In particular, JR East advanced measures that minimize the impact of transportation service disruptions, resume operations following such disruptions as soon as possible, and communicate with customers rapidly at the time of such 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 serve such customers. Specifically, in April 2016 JR East launched the *Tokyo–Osaka Hokuriku Arch Pass*, which may be used for the Hokuriku Shinkansen Line, and *JR East-South Hokkaido Rail Pass*, which may be used for the Hokkaido Shinkansen Line. In August 2016 JR East launched a new product for the Tohoku area, *TOHOKU BUFFET*, and expanded and improved the lineup of travel products for visitors to Japan under the *JR East Railway Holiday* brand. 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. JR East began the phased introduction of station name signs in four languages and station numbering, which will eventually result in the combined display of station numbers and line numbers. With respect to *JR EAST Travel Service Centers*, JR East increased the number of assistance counters for visitors to Japan at Tokyo Station in June 2016, and prepared for the establishment of a center at Ikebukuro Station in October 2016. Other initiatives included commencement of the development near Kanda Station and other railway stations of inexpensive, long-term accommodation for visitors to Japan.

With respect to the area surrounding Shinagawa Station and Tamachi Station, JR East aims to develop an internationally attractive exchange hub, as some of the land used for the Shinagawa Depot railway yard will become available for other uses. 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 the process of pursuing development in cooperation with the Government of Japan, Tokyo Metropolitan Government, relevant wards, and other stakeholders. For example, JR East is proceeding with the design of Shinagawa New Station (provisional name) toward its interim opening scheduled in 2020.

In June 2016 JR East concluded an agreement with The Tokyo Organising Committee of the Olympic and Paralympic Games as an Official Passenger Rail Transportation Services Partner of the Tokyo 2020 Olympic and Paralympic Games and announced the “JR East 2020 Project,” which sets out JR East’s objectives. In light of this, JR East took measures to help ensure that the Games proceed without issues and contribute to the growing enthusiasm surrounding the event. At the same time, JR East considered “TICKET TO TOMORROW” as a slogan for the concerted efforts by the JR East Group to offer high-quality services.

With respect to regional revitalization, the JR East Group made progress in 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 accepted orders for travel products. As initiatives for the *sexic industrialization* of agriculture, fishing, and forestry, JR East shipped tomatoes produced by JR Tomato Land Iwaki Farm Co., Ltd., and JR Niigata Farm Co., Ltd. produced rice suitable for use as a raw material for sake. 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 commenced remodeling of the tourist center at Akita Station and rebuilding of its west exit parking garage in July 2016.

With respect to participation in overseas railway projects, in August 2016 the *Purple Line* (Bangkok, Thailand), an urban mass transit system, began operations, and *sustina* stainless-steel railcars manufactured by subsidiary Japan Transport

Engineering Company (J-TREC) began operations. Further, a local subsidiary established through a joint investment with other companies began maintenance operations for railway systems. In relation to high-speed railways in India, in March 2016 JR East's subsidiary, Japan International Consultants for Transportation Co., Ltd., received an order for "The Follow-up Study for Mumbai-Ahmedabad High Speed Railway Corridor" from the Japan International Cooperation Agency (JICA) and began providing consultation services for the establishment of technological standards for high-speed railways. In conjunction with these efforts, JR East took advantage of its experience as a Shinkansen operator to provide technological support. In addition, JR East promoted its "Global Human Resource Development Program – Ever Onward" to nurture personnel who can take on global business development.

## 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 commenced operation of automatic platform gates at Shinagawa Station on the Yamanote Line in August 2016 and began work to install automatic platform gates at six railway stations, including Akabane Station on the Keihin-Tohoku Line. To shorten construction periods and reducing costs, JR East prepared for the trial introduction of a new type of automatic platform gates at Machida Station on the Yokohama Line. Further, JR East took measures to prevent railway crossing accidents and 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." For the expansion of the direct service network, JR East took measures 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 2.13 million on a cumulative basis as of the end of the second quarter. 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, between Iwate-Numakunai and (before) Nihohe on the Tohoku Shinkansen Line, and between Tokyo and Shinagawa on the Yokosuka Line. In joint efforts with related companies and other organizations, JR East conducted a "Let's Hang On to the Handrail" campaign to promote the safe use of escalators and prepared for a "Let's Stop Viewing Smartphones while Walking" campaign. Other initiatives included the conducting of an assistance campaign in which personnel ask nearby customers whether they require assistance.

With respect to marketing and sales activities, JR East conducted such campaigns as the *Aomori Prefecture and Hakodate Destination Campaign* and the *Ikuze, Tohoku*. Campaign to increase inter-regional railway travel. In collaboration with West Japan Railway Company, JR East prepared for the *Oishisa Itsutsuboshi. Hokuriku Shinkansen Campaign* from October 2016 and the operation in November 2016 of a direct Shinkansen connecting Sendai and Kanazawa, which will be a dedicated service for a travel product. Since April 2016 JR East has been operating an art-cafe Shinkansen, the *GENBI SHINKANSEN*, between Echigo-Yuzawa and Niigata. JR East also collaborated with IZUKYU CORPORATION to commence operations of the resort train *IZU CRAILE* between Odawara and Izukyu-Shimoda in 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 proceeded with preparations to enable usage of the Apple Pay payment service via iPhone 7 and other devices. JR East also 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 61.44 million as of September 30, 2016.

As a result of these initiatives, JR East's number of passengers for railway operations increased year on year, and operating revenues in the Transportation segment increased 0.4%, to ¥1,015.0 billion. 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 6.3%, to ¥209.9 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 Kesenuma 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 resumed operations between Odaka and Haranomachi on the Joban Line in July 2016 and conducted restoration work and took other measures with a view to resuming operations between Namie and Odaka by the spring of 2017 and between Tatsuta and Tomioka by the end of 2017. 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. In July 2016 JR East opened phase 1 of each of *GranSta Marunouchi* (Tokyo) in the Marunouchi underground area of Tokyo Station and *GranSta* (Tokyo) with respect to the newly added area. JR East continued introducing stores with new designs for *NewDays* (convenience stores) and introducing *NewDays KIOSK*, a new type of *KIOSK* store. JR East launched the new series of *LuckyDrop*, vending machine-dispensed capsule figures featuring popular sightseeing spots and local specialties in Japan. Other initiatives included construction work in preparation for the opening of *PERIE CHIBA EKINAKA (IN-STATION)* (Chiba) 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 0.3%, to ¥208.8 billion, and operating income decreased 10.7%, to ¥16.9 billion.

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

In the Shopping Centers & Office Buildings segment, JR East expanded in stages the common Group-wide service *JRE POINT* to 40 station buildings mainly in the Tokyo metropolitan area. For example, JR East made this service usable at *LUSCA Chigasaki* (Kanagawa) in September 2016. JR East opened *atré Ebisu West Building* (Tokyo) and *nonowa Kunitachi WEST* (Tokyo) in April 2016, *nonowa Musashisakai EAST* (Tokyo) in June 2016, and *JEBL Akihabara Square* (Tokyo) in September 2016. In addition, JR East proceeded with the construction of *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 3.9%, to ¥135.8 billion. However, operating income decreased 0.1%, to ¥38.3 billion, mainly due to an increase in expenses accompanying the opening of facilities.

### **Others**

In hotel operations, JR East proceeded with construction work on *Hotel Metropolitan Sendai East* (Miyagi) and *Hotel Dream Gate Maihama Annex* (provisional name). Also, to increase the competitiveness of existing hotels, JR East renewed *HOTEL METS Shibuya* (Tokyo) with a view to opening it in December 2016. In advertising and publicity services, JR East made efforts to promote advertising sales for *11 Tokyo Metropolitan Area Railway Operators Nakazuri (Hanging Posters) Dream Network Set*, which enables the simultaneous posting of advertisements that hang inside railcars on all target lines, including those of other railway operators.

In credit card operations, JR East began installing cash dispensers exclusively for credit cards issued overseas at eight railway stations in the Tokyo metropolitan area and in September 2016 began these cash dispenser services at Shinjuku Station and Ueno Station. In *Suica* shopping services (electronic money), JR East began providing downloads of the *Suica Point App* in July 2016 to enhance the convenience of the *Suica Point Club* service. 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 360,000 stores and other business establishments as of September 30, 2016.

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. JR East proceeded with the development of childcare support facilities inside station buildings and other buildings, giving it a total of 96 facilities as of September 30, 2016.

As a result of these initiatives, as well as higher revenues from advertising and publicity services and credit card operations, operating revenues from Others increased 3.4%, to ¥277.5 billion, and operating income increased 15.7%, to ¥11.7 billion.

- Notes:1. 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. Apple Pay and iPhone are registered trademarks of Apple Inc.

## (2) Qualitative Information on Consolidated Financial Position

In the six months ended September 30, 2016, net cash provided by operating activities was ¥281.2 billion, a decrease of ¥16.9 billion compared to the same period of the previous fiscal year. This was mainly due to an increase in payments of income taxes.

Net cash used in investing activities was ¥302.0 billion, an increase of ¥27.8 billion compared to the same period of the previous fiscal year. This was mainly due to an increase in payments for purchases of fixed assets.

Net cash used in financing activities was ¥70.2 billion, a decrease of ¥5.1 billion compared to the same period of the previous fiscal year.

Consequently, cash and cash equivalents at end of the period, September 30, 2016, were ¥216.6 billion, a decrease of ¥91.1 billion from March 31, 2016.

In addition, the balance of consolidated interest-bearing debt was ¥3,231.6 billion as of September 30, 2016.

## (3) Qualitative Information on Consolidated Performance Outlook

As employment and income conditions continue improving, the Japanese economy is expected to trend toward gradual recovery, in part due to the effect of various government initiatives. Medium-to-long-term projections include further decreases in population and further aging of society, concentration of population on the Tokyo metropolitan area, technological innovation, advances in globalization, and a rise in demand from tourists visiting Japan.

Further, as it approaches the 30th anniversary of its establishment, the JR East Group faces various changes, including the transition to the next generation of employees and the expansion of railway networks.

To respond appropriately to these changes in business conditions, in October 2012 the JR East Group formulated a management vision entitled “JR East Group Management Vision V — Ever Onward” and set forth a management policy for “Thriving with Communities, Growing Globally.” Based on this, the Group has made efforts to meet the expectations of customers and local communities by fulfilling its “Eternal Mission” and taking on the ongoing challenge of pursuing its “Unlimited Potential.” Every year, JR East has reviewed the progress under “Priority Initiatives Going Forward” and then updated its initiatives. These are initiatives that JR East will work particularly hard to advance in future with a view to accelerating the realization of “JR East Group Management Vision V.” Recently, JR East established three priority Groupwide tasks, which are stated below.

### ◆ Improve the safety and reliability of transportation

In light of the time of change that it faces, with change in its railway systems, its increasingly flat division of work, and the rapid transition to the next generation of employees, the JR East Group will proactively solve issues by strengthening related equipment and facilities and revising safety education and training.

### ◆ Take on the challenge of enhancing profitability

Given the realization of such projects as the opening of the Hokkaido Shinkansen Line to expand the railway network as well as the completion of *JR SHINJUKU MIRAINA TOWER*, the JR East Group will heighten the added value that it provides customers to take on the challenge of maximizing operating revenues.

### ◆ Advance “TICKET TO TOMORROW” initiatives

JR East will steadily advance the “JR East 2020 Project” with a view to the Tokyo 2020 Olympic and Paralympic Games. Based on the “TICKET TO TOMORROW” slogan, the JR East Group will advance concerted initiatives aimed at providing high-quality services to meet customers’ expectations and creating a legacy for society beyond 2020.

After reviewing the operating results for the second quarter ended September 30, 2016, JR East has decided to maintain its consolidated full-term business forecasts for the fiscal year ending March 31, 2017, which it announced on April 27, 2016.

## (4) Medium- to Long-Term Management Strategies

### (i) Medium- to Long-Term Management Strategies “JR East Group Management Vision V — Ever Onward”

With continued fulfillment of “Eternal Mission” including the safety and reliability transportation, and sustaining growth by “Pursuing Unlimited Potential” positioned as the two important management pillars of the Group, JR East has set out the six basic policies below.

[Eternal Mission]

A. Pursuing “extreme safety levels”



B. Service quality reforms

C. Strengthening collaboration with local communities

[Pursuing Unlimited Potential]

A. Technological innovation

B. Tackling new business areas

C. Developing employees and creating a corporate culture that maximizes human potential

## (ii) Formulation of “Priority Initiatives Going Forward”

With a view to accelerating the realization of “JR East Group Management Vision V” and in light of the three priority Groupwide tasks, JR East updated “Priority Initiatives Going Forward” in accordance with six basic policies.

[Eternal Mission]

A. *KIWAMERU* (Excel): Pursuing “extreme safety levels”

- Advance “Group Safety Plan 2018”

- Advance prevention by implementing rigorous measures for the prevention of reoccurrence and identifying weaknesses
- Revise safety education and training to be more practical
- Improve technical capabilities as a Group in collaboration with partner companies
- Strengthen Shinkansen facilities and railcars and electrical equipment in the Tokyo Metropolitan area
- Advance safety measures related to platforms through the proactive installation of automatic platform gates and other measures

- Build a resilient railway

- Expect to complete approximately 80% of the planned seismic reinforcements by the end of fiscal 2017
- Properly renew aging facilities, including large-scale renovation of Shinkansen infrastructure and rail replacement on the Tohoku Shinkansen Line

B. *MIGAKU* (Improve): Service quality reforms

- Advance the “Medium-term Vision for Service Quality Reforms 2017”

- Prevent transportation service disruptions including through the advancement of countermeasures for natural disasters and the prevention of equipment failure
- Minimize the impact of transportation service disruptions, respond to customers rapidly, and resume operations as soon as possible following disruptions
- Enhance information provision and support through such measures as conducting an assistance campaign in which personnel ask nearby customers whether they require assistance
- Advance the “JR East 2020 Project” by upgrading railway stations through such measures as developing barrier-free environments

- Promote usage of railway networks (create tourism demand by conducting campaigns and other measures)

C. *TOMO NI IKIRU* (Together): Strengthening collaboration with local communities

- Steadily promote the three approaches to town development

- Improve the convenience and establish the brand power of large-scale stations through such measures as the establishment of Shinagawa New Station (provisional name) and the advancement of town development centered on Shinagawa Station
- Increase added value through such measures as the renewal of existing stores
- Promote the line-side brand appeal of railway lines including through promotion of the *HAPPY CHILD PROJECT*
- Develop towns around Akita and other core railway stations in regional areas in collaboration with local municipal authorities and other bodies

- Revitalize local industries (advance *sextic industrialization* and other measures)

- Initiatives to promote Japan as a tourism-oriented nation (capture demand from visitors to Japan and other measures)

[Pursuing Unlimited Potential]

A. *HIRAKU* (Pioneer): Technological innovation

- Promote technological innovation
  - Minimize risk in the safety and reliability field by conducting trials of a maintenance vehicle location system and developing a local gust detection system
  - Provide innovative services in the services and marketing field by realizing practical usage of communication signage and conducting research and development for next-generation Shinkansen
  - Reform cost structures in the operations and maintenance field by advancing smart maintenance for railcars, railway tracks, and electrical equipment and developing automated driving technology and assistive technology for train crew members
  - Establish railway energy management in the energy and the environment field by developing power-saving operational styles with a view to automatic power-saving train control
  - Build a cloud system platform to advance technological innovation in the four fields mentioned above
- Promote environmental strategies (initiatives aimed at reaching fiscal 2031 environmental targets and other measures)

B. *NOBIRU* (Grow): Tackling new business areas

- Take on the challenge of overseas projects
  - Make progress in projects for high-speed railways in India
  - Step up efforts aimed at participation in franchises in U.K.
  - Provide high-quality maintenance services for the *Purple Line* (Bangkok, Thailand)
  - Increase level of technological support provided to and other measures for railway operators in Indonesia
- Develop life-style services business overseas (open *JAPAN RAIL CAFE* (Singapore) and other measures)

C. *HABATAKU* (Empower): Developing employees and creating a corporate culture that maximizes human potential

- Provide further growth opportunities to motivate employees
  - Enhance open-application programs for personnel transfer and training
  - Globalize corporate culture through the continued development of a diverse overseas assignment program
  - Promote diversity
- Promote cohesive Group management
  - Entrench “Group Stretch Targets”
  - Develop employee-friendly environments with a focus on Group companies
- Strengthen business management capabilities (pursue a compact and more highly efficient business execution framework and other measures)

## **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 second 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, 2nd Quarter (As of September 30, 2016)
<b>ASSETS</b>		
<b>Current Assets</b> .....	¥ 934,518	¥ 810,493
Cash and time deposits .....	239,477	156,868
Notes and accounts receivable-trade .....	439,443	393,755
Fares receivable.....	38,489	37,800
Short-term loans receivable .....	6,427	5,900
Securities .....	68,500	60,000
Real estate for sale .....	903	821
Inventories .....	47,834	57,812
Deferred tax assets .....	49,188	50,373
Other .....	45,826	48,639
Allowance for doubtful accounts.....	(1,572)	(1,477)
<b>Fixed Assets</b> .....	6,855,243	6,783,327
Property, plant and equipment, net of accumulated depreciation .....	6,233,542	6,186,428
Buildings and fixtures (net) .....	3,128,743	3,104,562
Machinery, rolling stock and vehicles (net) .....	726,591	691,602
Land .....	2,002,529	2,003,388
Construction in progress .....	306,398	322,507
Other (net) .....	69,279	64,366
Intangible assets.....	127,859	118,618
Investments and other assets .....	493,841	478,280
Investments in securities .....	210,377	200,235
Long-term loans receivable .....	2,833	2,647
Long-term deferred tax assets .....	217,256	213,737
Net defined benefit assets .....	112	212
Other .....	63,976	62,165
Allowance for doubtful accounts .....	(713)	(718)
<b>Deferred Assets</b> .....	—	35
<b>Total Assets</b> .....	¥7,789,762	¥7,593,856

Note: Amounts less than one million yen are omitted.

	Millions of Yen	
	Fiscal 2016, (As of March 31, 2016)	Fiscal 2017, 2nd Quarter (As of September 30, 2016)
<b>LIABILITIES</b>		
<b>Current Liabilities</b> .....	¥1,404,960	¥1,106,424
Notes and accounts payable-trade .....	48,803	36,729
Short-term loans and current portion of long-term loans .....	107,107	91,149
Current portion of bonds .....	79,999	129,999
Current portion of long-term liabilities incurred for purchase of railway facilities .....	97,251	51,427
Payables .....	494,778	213,156
Accrued consumption taxes .....	23,955	30,959
Accrued income taxes .....	83,238	72,883
Fare deposits received with regard to railway connecting services .....	20,848	20,254
Prepaid railway fares received .....	102,493	109,182
Allowance for bonuses to employees .....	73,092	78,755
Allowance for earthquake-damage losses .....	11,587	10,679
Other .....	261,804	261,247
<b>Long-Term Liabilities</b> .....	3,922,264	3,923,111
Bonds .....	1,729,914	1,699,945
Long-term loans .....	908,422	939,164
Long-term liabilities incurred for purchase of railway facilities .....	341,074	338,849
Long-term deferred tax liabilities .....	3,361	2,927
Provision for large-scale renovation of Shinkansen infrastructure .....	—	12,000
Allowance for earthquake-damage losses .....	14,672	14,552
Allowance for partial transfer costs of railway operation .....	19,087	18,644
Net defined benefit liabilities .....	675,783	660,483
Other .....	229,948	236,544
<b>Total Liabilities</b> .....	¥5,327,225	¥5,029,536
<b>NET ASSETS</b>		
<b>Shareholders' Equity</b> .....	¥2,393,361	¥2,502,650
Common stock .....	200,000	200,000
Capital surplus .....	96,811	96,811
Retained earnings .....	2,101,844	2,210,991
Treasury stock, at cost .....	(5,295)	(5,152)
<b>Accumulated Other Comprehensive Income</b> .....	48,767	40,428
Net unrealized holding gains (losses) on securities .....	43,771	35,576
Net deferred gains (losses) on derivatives under hedge accounting .....	473	(343)
Revaluation reserve for land .....	(473)	(473)
Remeasurements of defined benefit plans .....	4,996	5,668
<b>Non-Controlling Interests</b> .....	20,408	21,241
<b>Total Net Assets</b> .....	2,462,537	2,564,320
<b>Total Liabilities and Net Assets</b> .....	¥7,789,762	¥7,593,856

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, 2nd Quarter (Six months ended September 30, 2015)	Fiscal 2017, 2nd Quarter (Six months ended September 30, 2016)
<b>Operating Revenues</b> .....	¥1,421,299	¥1,435,158
<b>Operating Expenses</b> .....	1,128,977	1,157,513
Transportation, other services and cost of sales .....	873,242	888,678
Selling, general and administrative expenses .....	255,735	268,835
<b>Operating Income</b> .....	292,321	277,644
<b>Non-Operating Income</b> .....	6,919	5,987
Interest income .....	101	31
Dividend income .....	2,325	2,415
Equity in net income of affiliated companies .....	1,433	805
Other .....	3,058	2,734
<b>Non-Operating Expenses</b> .....	41,643	38,675
Interest expense .....	38,875	36,137
Other .....	2,768	2,537
<b>Ordinary Income</b> .....	257,597	244,957
<b>Extraordinary Gains</b> .....	7,247	9,761
Construction grants received .....	3,249	6,559
Insurance proceeds related to earthquake .....	3,624	2,575
Other .....	373	626
<b>Extraordinary Losses</b> .....	14,855	16,201
Losses on reduction entry for construction grants .....	2,777	6,534
Intensive seismic reinforcement costs .....	3,583	4,352
Provision for allowance for partial transfer costs of railway operation .....	3,097	—
Other .....	5,397	5,313
<b>Income before Income Taxes</b> .....	249,990	238,516
<b>Income Taxes</b> .....	81,957	72,892
Current .....	85,855	68,206
Deferred .....	(3,897)	4,686
<b>Profit</b> .....	168,032	165,624
<b>Profit Attributable to Non-Controlling Interests</b> .....	670	836
<b>Profit Attributable to Owners of Parent</b> .....	¥ 167,361	¥ 164,787

Note: Amounts less than one million yen are omitted.

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

	Millions of Yen	
	Fiscal 2016, 2nd Quarter (Six months ended September 30, 2015)	Fiscal 2017, 2nd Quarter (Six months ended September 30, 2016)
<b>Profit</b> .....	¥168,032	¥165,624
<b>Other Comprehensive Income</b> .....	(14,272)	(8,342)
Net unrealized holding gains (losses) on securities .....	(13,851)	(7,405)
Net deferred gains (losses) on derivatives under hedge accounting .....	(271)	(477)
Remeasurements of defined benefit plans .....	312	181
Share of other comprehensive income of associates accounted for using equity method .....	(461)	(640)
<b>Comprehensive Income</b> .....	¥153,759	¥157,281
<b>Comprehensive Income attributable to</b>		
Comprehensive income attributable to owners of the parent .....	¥153,090	¥156,448
Comprehensive income attributable to non-controlling interests .....	¥ 669	¥ 832

Note: Amounts less than one million yen are omitted.

### (3) Consolidated Statements of Cash Flows (Unaudited)

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES

	Millions of Yen	
	Fiscal 2016, 2nd Quarter (Six months ended September 30, 2015)	Fiscal 2017, 2nd Quarter (Six months ended September 30, 2016)
<b>Cash Flows from Operating Activities</b>		
Income before income taxes	¥249,990	¥238,516
Depreciation	172,796	176,529
Amortization of long-term prepaid expense	4,154	3,826
Net change in provision for large-scale renovation of Shinkansen infrastructure	—	12,000
Net change in net defined benefit liabilities	(11,004)	(15,017)
Interest and dividend income	(2,427)	(2,447)
Interest expense	38,875	36,137
Construction grants received	(3,249)	(6,559)
Insurance proceeds related to earthquake	(3,624)	(2,575)
Losses from disposition of fixed assets	10,159	10,647
Losses from provision for cost reduction of fixed assets	2,777	6,534
Provision for allowance for partial transfer costs of railway operation	3,097	—
Net change in major receivables	31,242	41,804
Net change in major payables	(96,706)	(100,273)
Other	(23,836)	(3,236)
Sub-total	372,244	395,887
Proceeds from interest and dividends	2,846	2,946
Payments of interest	(38,663)	(36,044)
Insurance proceeds related to earthquake	14,688	2,575
Payments of earthquake-damage losses	(434)	(2,917)
Payments of partial transfer costs of railway operation	(143)	(541)
Payments of income taxes	(52,299)	(80,643)
<b>Net cash provided by operating activities</b>	<b>298,239</b>	<b>281,262</b>
<b>Cash Flows from Investing Activities</b>		
Payments for purchases of fixed assets	(306,630)	(322,636)
Proceeds from sales of fixed assets	10,474	1,416
Proceeds from construction grants	23,538	25,810
Payments for purchases of investments in securities	(241)	(2,161)
Other	(1,377)	(4,523)
<b>Net cash used in investing activities</b>	<b>(274,236)</b>	<b>(302,093)</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from long-term loans	32,600	68,400
Payments of long-term loans	(29,645)	(53,616)
Proceeds from issuance of bonds	50,000	60,000
Payments for redemption of bonds	(35,000)	(40,000)
Payments of liabilities incurred for purchase of railway facilities	(49,121)	(48,049)
Payments of acquisition of treasury stock	(11,072)	(30,007)
Cash dividends paid	(23,590)	(25,491)
Other	(9,595)	(1,515)
<b>Net cash used in financing activities</b>	<b>(75,425)</b>	<b>(70,280)</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(51,422)</b>	<b>(91,110)</b>
<b>Cash and Cash Equivalents at Beginning of the Period</b>	<b>245,170</b>	<b>307,809</b>
<b>Decrease in Cash and Cash Equivalents Resulting from Exclusion of Subsidiaries from Consolidation</b>	<b>(630)</b>	<b>—</b>
<b>Cash and Cash Equivalents at End of the Period</b>	<b>¥193,117</b>	<b>¥216,698</b>

Note: Amounts less than one million yen are omitted.



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

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

None

##### (Segment Information (Unaudited))

Fiscal 2016, 2nd Quarter (Six months ended September 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	¥ 984,107	¥ 201,562	¥ 125,024	¥ 110,605	¥1,421,299	¥ —	¥1,421,299
Inside group	26,518	7,975	5,746	157,896	198,136	(198,136)	—
Total	1,010,625	209,538	130,770	268,501	1,619,436	(198,136)	1,421,299
Segment income	¥ 224,044	¥ 18,956	¥ 38,377	¥ 10,151	¥ 291,529	¥ 792	¥ 292,321

- 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 ¥792 million adjustment to segment income includes a ¥777 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.

Fiscal 2017, 2nd Quarter (Six months ended September 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	¥ 989,218	¥ 200,569	¥ 129,585	¥ 115,784	¥1,435,158	¥ —	¥1,435,158
Inside group	25,863	8,253	6,229	161,794	202,140	(202,140)	—
Total	1,015,081	208,822	135,815	277,579	1,637,299	(202,140)	1,435,158
Segment income	¥ 209,914	¥ 16,927	¥ 38,325	¥ 11,744	¥ 276,913	¥ 731	¥ 277,644

- 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 ¥731 million adjustment to segment income includes a ¥891 million elimination of unrealized holding gains (losses) on fixed assets and inventory assets and a ¥(158) 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))

In accordance with a resolution of the Board of Directors on April 27, 2016, JR East purchased 3,092,100 of its own shares at market on the Tokyo Stock Exchange for ¥29,999 million from May 2 through June 16, 2016, and converted those shares to treasury stock. Moreover, in accordance with a resolution of the Board of Directors on July 20, 2016, JR East canceled 3,092,100 shares of treasury stock on July 26, 2016, reducing retained earnings by the ¥30,149 million book value of that treasury stock.

##### (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, 2nd Quarter (Six months ended September 30, 2015)	Fiscal 2016 (Year ended March 31, 2016)	Fiscal 2017, 2nd Quarter, (Six months ended September 30, 2016)	Increase (Decrease)
	(A)	(B)	(C)	(C)-(A)
Cash flows from operating activities (billions of yen) .....	298.2	673.1	<b>281.2</b>	(16.9)
Ratio of operating income to average assets (ROA) (%) .....	3.9	6.3	<b>3.6</b>	(0.3)
Return on average equity (ROE) (%) .....	7.1	10.4	<b>6.6</b>	(0.5)

### 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, 2nd Quarter (Six months ended September 30, 2015)	Actual Fiscal 2017, 2nd Quarter (Six months ended September 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> ..	142.0	<b>133.7</b>	(8.2)	94.2	<b>550.0</b>	8.0
Transportation .....	91.4	<b>86.8</b>	(4.6)	94.9	<b>393.0</b>	0.7
Non-transportation .....	50.5	<b>46.9</b>	(3.6)	92.9	<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, 2nd Quarter (Six months ended September 30, 2015) (A)	Fiscal 2017, 2nd Quarter (Six months ended September 30, 2016) (B)	Change Increase (Decrease) (B)-(A)	(B)/(A)x100	Fiscal 2016, 2nd Quarter (Six months ended September 30, 2015) (C)	Fiscal 2017, 2nd Quarter (Six months ended September 30, 2016) (D)	Change Increase (Decrease) (D)-(C)	(D)/(C)x100
<b>Shinkansen Network</b>								
Commuter Passes .....	883	<b>887</b>	4	100.5	11.9	<b>12.0</b>	0.1	100.9
Other .....	10,966	<b>10,879</b>	(86)	99.2	283.7	<b>281.6</b>	(2.1)	99.3
Total .....	11,850	<b>11,767</b>	(82)	99.3	295.7	<b>293.7</b>	(2.0)	99.3
<b>Conventional Lines</b>								
<i>Kanto Area Network</i>								
Commuter Passes .....	35,730	<b>35,654</b>	(75)	99.8	228.9	<b>230.5</b>	1.6	100.7
Other .....	18,153	<b>18,131</b>	(22)	99.9	354.2	<b>357.9</b>	3.7	101.1
Total .....	53,883	<b>53,785</b>	(98)	99.8	583.1	<b>588.5</b>	5.3	100.9
<i>Other Network</i>								
Commuter Passes .....	1,627	<b>1,590</b>	(37)	97.7	9.4	<b>9.4</b>	0.0	100.1
Other .....	1,421	<b>1,319</b>	(102)	92.8	27.2	<b>26.1</b>	(1.0)	96.0
Total .....	3,048	<b>2,909</b>	(139)	95.4	36.7	<b>35.6</b>	(1.0)	97.0
<i>Total</i>								
Commuter Passes .....	37,357	<b>37,244</b>	(113)	99.7	238.4	<b>240.0</b>	1.6	100.7
Other .....	19,574	<b>19,450</b>	(124)	99.4	381.4	<b>384.0</b>	2.6	100.7
Total .....	56,932	<b>56,694</b>	(237)	99.6	619.8	<b>624.1</b>	4.2	100.7
<b>Total</b>								
Commuter Passes .....	38,240	<b>38,131</b>	(108)	99.7	250.3	<b>252.1</b>	1.7	100.7
Other .....	30,541	<b>30,330</b>	(211)	99.3	665.2	<b>665.7</b>	0.5	100.1
Total .....	68,782	<b>68,462</b>	(320)	99.5	915.6	<b>917.8</b>	2.2	100.2

- 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.