

(Translation)

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To whom it may concern:

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Announcement of New Numerical Targets over the Next Three Years (FY2018 through FY2020)

In accordance with “JR East Group Management Vision V – Ever Onward” announced on October 30, 2012, we establish numerical targets that we seek to achieve over a three-year period. We review these three-year targets annually to reflect as appropriate any changes in the management environment or other developments, and update them each year to cover the next three-year period.

Based on such policy, we hereby announce numerical targets for the fiscal year ending March 31, 2020 (FY2020) as described in the Attachment.

(Attachment)

Numerical Targets for the Fiscal Year Ending March 31, 2020

		Targets for the fiscal year ending March 31, 2020	(Reference) Results for the fiscal year ended March 31, 2017
Consolidated operating revenues		3,021.0 billion yen	2,880.8 billion yen
Segment	Transportation	2,028.0 billion yen	1,989.8 billion yen
	Retail & Services	542.0 billion yen	502.4 billion yen
	Real Estate & Hotels	362.0 billion yen	326.3 billion yen
	Others	89.0 billion yen	62.2 billion yen
Consolidated operating income		499.0 billion yen	466.3 billion yen
Segment	Transportation	350.0 billion yen	334.2 billion yen
	Retail & Services	41.0 billion yen	36.8 billion yen
	Real Estate & Hotels	89.0 billion yen	80.3 billion yen
	Others	20.0 billion yen	16.5 billion yen
	Adjustment	(1.0) billion yen	(1.6) billion yen
Consolidated cash flows from operating activities		(Total over three years*) 2,100.0 billion yen	652.9 billion yen
Consolidated ROA		Around 6 %	5.9 %
Consolidated ROE		Around 10 %	10.9 %

* Total amount covering three years from the fiscal year ending March 31, 2018 to the fiscal year ending March 31, 2020.

Planned Consolidated Capital Expenditures

		Total over three years*	(Reference) Results for the fiscal year ended March 31, 2017
Capital Expenditures	Investments for maintenance and upgrade (of which for safety)	1,000.0 billion yen (600.0 billion yen)	336.7 billion yen (235.7 billion yen)
	Growth investments	700.0 billion yen	169.9 billion yen
	Total	1,700.0 billion yen	506.7 billion yen

* Total amount covering three years from the fiscal year ending March 31, 2018 to the fiscal year ending March 31, 2020.

Note: From the fiscal year ending March 31, 2018, JR East revised its reportable segment classifications to focus on operational headquarters in order to better enforce its management approach based on

segments that carry out managerial decision-making. The summary of each reportable segment is as follows.

- **Transportation:** The Transportation segment includes passenger transportation operations centered on railway operations, as well as travel agency services, cleaning services, station operations, facilities maintenance operations, railcar manufacturing operations and railcar maintenance operations.
- **Retail & Services:** The Retail & Services segment consists of the part of our life-style service business that includes retail sales and restaurant operations, wholesale business, truck transportation business and advertising and publicity.
- **Real Estate & Hotels:** The Real Estate & Hotels segment consists of the part of our life-style service business that includes shopping center operations, leasing of office buildings and other properties, and hotel operations.
- **Others:** In addition to the above, we conduct IT & Suica business including credit card business, information processing and certain other businesses.

The breakdown of financial results for the fiscal year ended March 31, 2017 is shown based on these revised segment classifications.