

FY2012.3
Business Results Forecast
Presentation



August 4, 2011
East Japan Railway Company

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I. Progress in Restoration of Great East Japan Earthquake and Main Points of FY2012.3 First Quarter Financial Results

Progress in Restoration of Great East Japan Earthquake



■ Tohoku Shinkansen

		Slow down operation segment	The number of trains (comparison with that of before the earthquake)
April 29	Full-line operation restored	Nasushiobara - Morioka	86%
July 9	Slow down operation segment was shortened	Fukushima - Ichinoseki	96%
As of Autumn 2011	Completely restored (scheduled)	-	100%

■ Conventional Lines

【Main Lines】

Lines	Full-line operation restored
Tohoku Line	April 21
Ou Line	April 11
Uetsu Line	April 9

【Train Operations for Sanriku Coast Area】

Lines	Segment	Operation restored
Ishinomaki Line	(Furukawa -) Kogota - Ishinomaki	May 19
Ofunato Line	Ichinoseki - Kesenuma	April 18
Kamaishi Line	Hanamaki - Shin-Hanamaki - Kamaishi	April 12
Yamada Line	Morioka - Miyako	April 13

Trends after Great East Japan Earthquake



Revenue Trends

* Figures are based on a revenue before settlement (preliminary) and different from East Japan Railway Company's passenger revenues.

(YoY, %)

	Commuter Pass			Non-commuter Pass			Grand Total
	Shinkansen	Conventional Lines	Total	Short Distance	Mid to Long Distance	Total	
March	79.7	94.0	93.4	73.5	57.9	64.1	72.4
April	85.6	98.3	97.8	89.3	64.4	74.0	82.6
May	109.4	101.7	102.1	93.8	89.1	91.1	94.0
June	86.2	97.8	97.1	98.6	95.9	97.0	97.0
July (Preliminary)	97.4	97.4	97.4	97.9	97.7	97.7	97.6

Non-transportation Business (Revenues)

(YoY, %)

	Retails & Restaurants	Shopping Centers	Hotels
March	79.4	75.6	59.1
April	84.3	98.3	65.7
May	96.1	99.0	80.9
June	101.5	107.2	91.4

Main Points of FY2012.3 First Quarter Financial Results (consolidated)



(¥ billion, %)	2010.6		2011.6		2011.6/2010.6
Operating revenues	631.0		568.9		-62.1 (90.2%)
Operating income	115.7		78.1		-37.5 (67.6%)
Transportation	431.6	86.0	381.0	50.9	[Revenues and earnings down] Decrease in passenger revenues of JR East due to Great East Japan Earthquake
Station Space Utilization	98.6	8.8	90.5	6.5	[Revenues and earnings down] Consumers refrained from spending and engaging in leisure activities due to the Earthquake
Shopping Centers & Office Buildings	54.6	16.6	55.0	18.0	[Revenues and earnings up] The early commencement of bargain sales, revenue increases from the renewal of "atré Kichijoji"
Others	46.1	3.3	42.3	1.9	[Revenues and earnings down] Decrease in operating revenues of advertising operations and hotels (decrease in foreign travelers)
Adjustment		0.7		0.7	
Ordinary income	91.2		54.8		-36.3 (60.1%)
Net income	45.1		22.3		-22.7 (49.6%)

Main Points of FY2012.3 First Quarter Financial Results (non-consolidated)



(¥ billion, %)	2010.6	2011.6	2011.6/2010.6		Note
			Increase/ decrease	(%)	
Operating revenues	459.3	407.1	-52.1	88.6	
Passenger revenues	405.1	357.1	-48.0	88.1	Commuter passes: -3.7 Non-commuter passes: -44.3
Others	54.1	50.0	-4.1	92.4	Advertising: -1.2 Travel agency business: -0.9
Operating expenses	358.5	342.0	-16.4	95.4	
Personnel expenses	120.4	116.1	-4.3	96.4	
Non-personnel expenses	129.9	117.2	-12.6	90.3	
Energy	15.4	10.7	-4.7	69.4	
Maintenance	38.6	33.8	-4.7	87.6	
Others	75.7	72.6	-3.1	95.9	
Usage fees to JR TT, etc.	19.1	20.6	+1.5	108.2	Extension of Tohoku Shinkansen (Hachinohe - Shin-Aomori)
Taxes	21.0	19.5	-1.4	93.2	
Depreciation	68.0	68.3	+0.3	100.5	
Operating income	100.7	65.0	-35.7	64.6	
Ordinary income	77.2	44.4	-32.8	57.5	
Net income	40.8	18.4	-22.4	45.2	

Impact of Great East Japan Earthquake in FY2012.3 First Quarter



■ Impact on Profit/Loss (FY2012.3 First Quarter)

	<u>Non-consolidated</u>	<u>Consolidated</u>
【Operating revenues】	-¥52.0 billion	-¥62.0 billion
【Extraordinary losses】	¥9.2 billion	¥9.3 billion
┌ Earthquake-damage losses	¥0 billion	¥0.1 billion
└ Provision for allowance for earthquake-damage losses	¥9.2 billion	¥9.2 billion

* Earthquake Insurance (Civil Engineering Completed Risks Insurance and Earthquake Rider)

The insurance income has not been recorded because the amount and the schedule are not determined.

II. FY2012.3 Business Results Forecast Summary

FY2012.3 Business Results Forecast (consolidated)



(¥ billion)	FY2011.3 Results		FY2012.3 Plan		FY2012.3 / FY2011.3
Operating revenues	2,537.3		2,499.0		-38.3 (98.5%)
Operating expenses	2,192.2		2,192.0		-0.2 (100.0%)
Operating income	345.0		307.0		-38.0 (89.0%)
	<p>The chart shows a decrease in both operating revenues and operating income from FY2011.3 to the FY2012.3 Plan. Operating revenues fell by 38.3 billion yen, and operating income fell by 38.0 billion yen.</p>				
Transportation	1,721.9	227.1	1,686.0	204.0	[Revenues and earnings down] Decrease in passenger revenues of JR East
Station Space Utilization	385.8	31.3	393.0	33.0	[Revenues and earnings up] Launch of new operations leads to increase in revenues, increase in revenues of new operations launched in FY2011.3
Shopping Centers & Office Buildings	223.2	64.2	226.0	61.0	[Revenues up, earnings down] Launch of new operations leads to increase in revenues, shopping center closure for reconstruction, increase in business commencement expense
Others	206.2	23.0	194.0	10.0	[Revenues and earnings down] Year-on-year decrease in system-related sales and IC-related sales
Adjustment		-0.7		-1.0	
Ordinary income	254.5		214.0		-40.5 (84.1%)
Net income	76.2		105.0		+28.7 (137.8%)

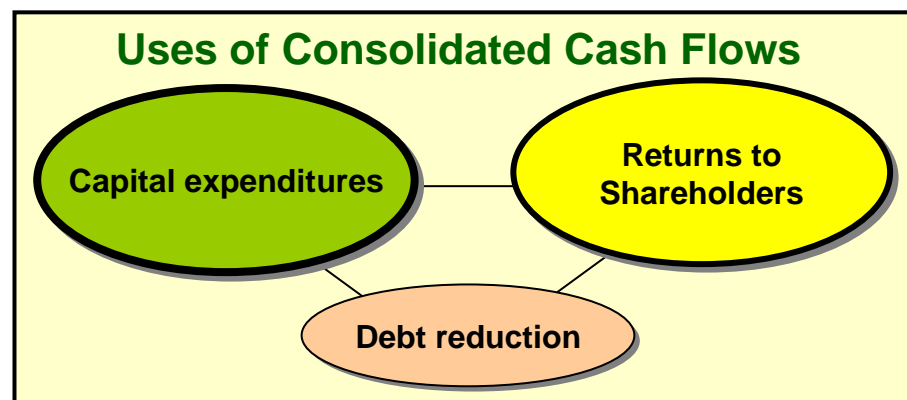
FY2012.3 Business Results Forecast (non-consolidated)



(¥ billion)	FY2011.3 Results	FY2012.3 Plan	FY2012.3 / FY2011.3
Operating revenues	1,830.2	1,797.0	-33.2 (98.2%)
Passenger revenues	1,609.2	1,579.0	-30.2 (98.1%)
Operating expenses	1,549.2	1,536.0	-13.2 (99.1%)
Operating income	281.0	261.0	-20.0 (92.9%)
	<p>The chart shows a comparison between FY2011.3 Results and FY2012.3 Plan. For Operating revenues, the value decreased from 1,830.2 to 1,797.0, a change of -33.2. For Operating income, the value decreased from 281.0 to 261.0, a change of -20.0. The bars are blue for revenues and green for income.</p>		
Ordinary income	195.0	172.0	-23.0 (88.2%)
Net income	59.4	88.0	+28.5 (148.1%)

Uses of Consolidated Cash Flows

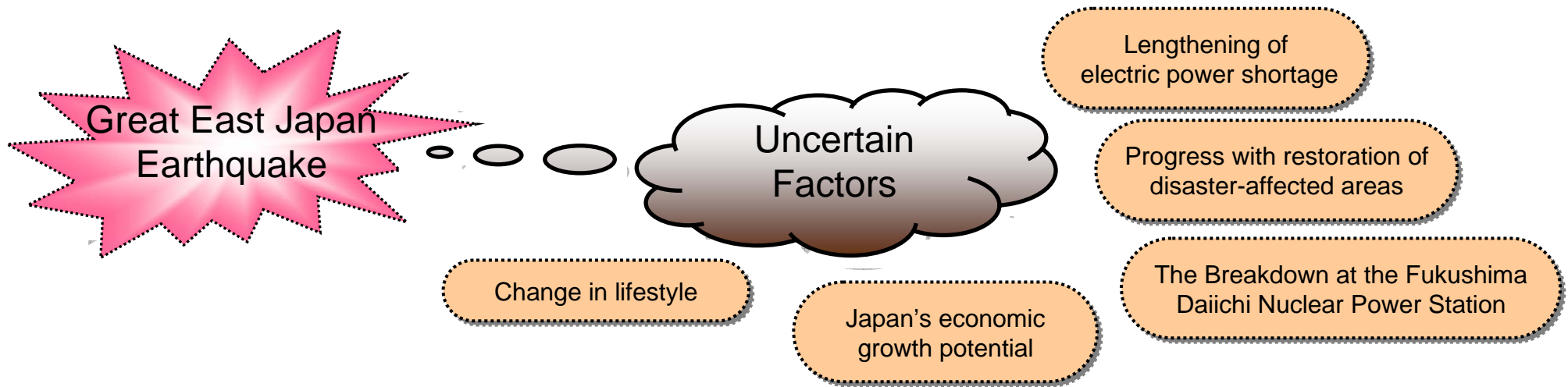
■ Basic Approach



■ Approaches in FY2012.3

Use	Approaches	FY2011.3 Results	FY2012.3 Plan
Capital expenditures [Growth investment]	Proceed with necessary investments Respond in light of cash flows	¥425.8 billion [¥133.3 billion]	¥366.0 billion [¥138.0 billion]
Returns to shareholders (Cash dividends, share buybacks etc.)	Forecast of revenues are unfavorable, but maintain FY2012.3 cash dividends at the same level as FY2011.3 (Targeting consolidated dividend payout ratio of 30% as a mid-term target)	Dividends per share: ¥110 (Consolidated dividend payout ratio: 57.1%)	Dividends per share: ¥110 (Consolidated dividend payout ratio: 41.4%)
	Share buybacks: closely monitor the circumstances	--	--
Debt reduction	Aim not to increase total long-term debt Respond in light of cash flows	¥26.5 billion	(not decided)

Three-year Numerical Targets Medium and Long-term Plan Achievement Scenario



■ Three-year numerical targets
➡ Under review

■ Medium and Long-term Plan
JR East 2020 Vision – idomu –
Achievements envisioned by FY2018.3
➡ Revise

JR East will maintain the basic policy of “JR East 2020 Vision”, and continuously progress with the planned projects.

III. FY2012.3 Business Results Forecast Non-consolidated

FY2012.3 Passenger Revenues – Plan



■ Plan

(¥ billion)		FY2012.3 Plan	
Passenger revenues		1,579.0 Year-on-year: -30.1 (98.1%)	1st half: 92.6% 2nd half: 104.0%
Main positive and negative factors	Leap year effect (one more extra operation day)	+3.0	
	Increase due to absence of Great East Japan Earthquake	+40.0	
	Trends and other factors	-73.1	[Other factors] - Decrease of revenues due to Great East Japan Earthquake - Termination of discounted or toll-free expressways (On weekend maximum ¥1,000, trial of the impact of toll-free expressways) - Increase of revenues due to the extension of Tohoku Shinkansen (Hachinohe - Shin-Aomori, in Dec. 2010) etc.
		[Not included] The new plan by the government about the toll-free expressways in Tohoku area	

FY2012.3 Passenger Revenues – Plan



■ Process during FY2012.3 (YoY, %)

	1st half			2nd Half (*1)	Full year
	1Q Results	2Q	1st half subtotal		
Commuter passes	97.0	97.9	97.5	99.9 (99.6)	98.7
Non-commuter passes	84.1	96.4	90.6	105.9 (97.9)	97.9
Kanto Area Network	89.6	97.6	93.6	106.8 (99.4)	99.9
Shinkansen Network	77.1	97.1	87.8	105.4 (96.1)	96.2
Total	88.1	96.9	92.6	104.0 (98.4)	98.1

[Reference]

Assumed effect of passenger revenues by “trends and the other factors” (*2)

Assuming that the revenues will be year-on-year around 100% in 4Q

Short-distance:

Assuming that the revenues will be year-on-year around 100% in 3Q

- Tohoku Shinkansen:

Assuming that the revenues will be year-on-year last half of 90% by March 2012

- Joetsu & Nagano Shinkansen:

Assuming that the revenues will be year-on-year around 100% in 3Q

[Uncertain factor]

The new plan by the government about the toll-free expressways in Tohoku area

(*1) The figures in () shows the assuming revenues without the leap year effect (+¥3.0 billion) and increase due to absence of Great East Japan Earthquake (+¥40.0 billion).

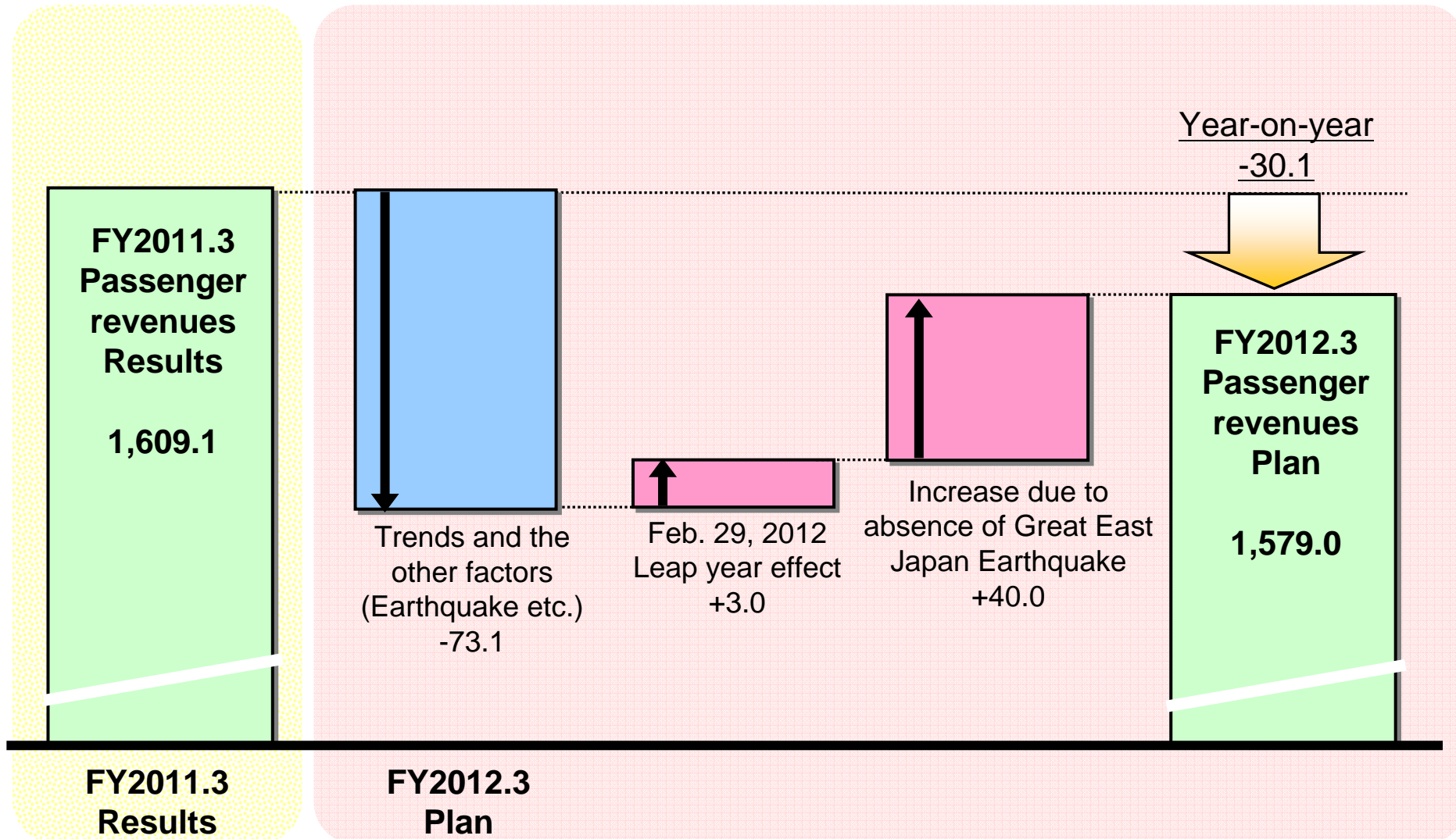
(*2) Not include the leap year effect and increase due to absence of Great East Japan Earthquake

FY2012.3 Passenger Revenues – Plan



■ Analysis of Main Positive and Negative Factors

(¥ billion)



Non-consolidated Operating Expenses

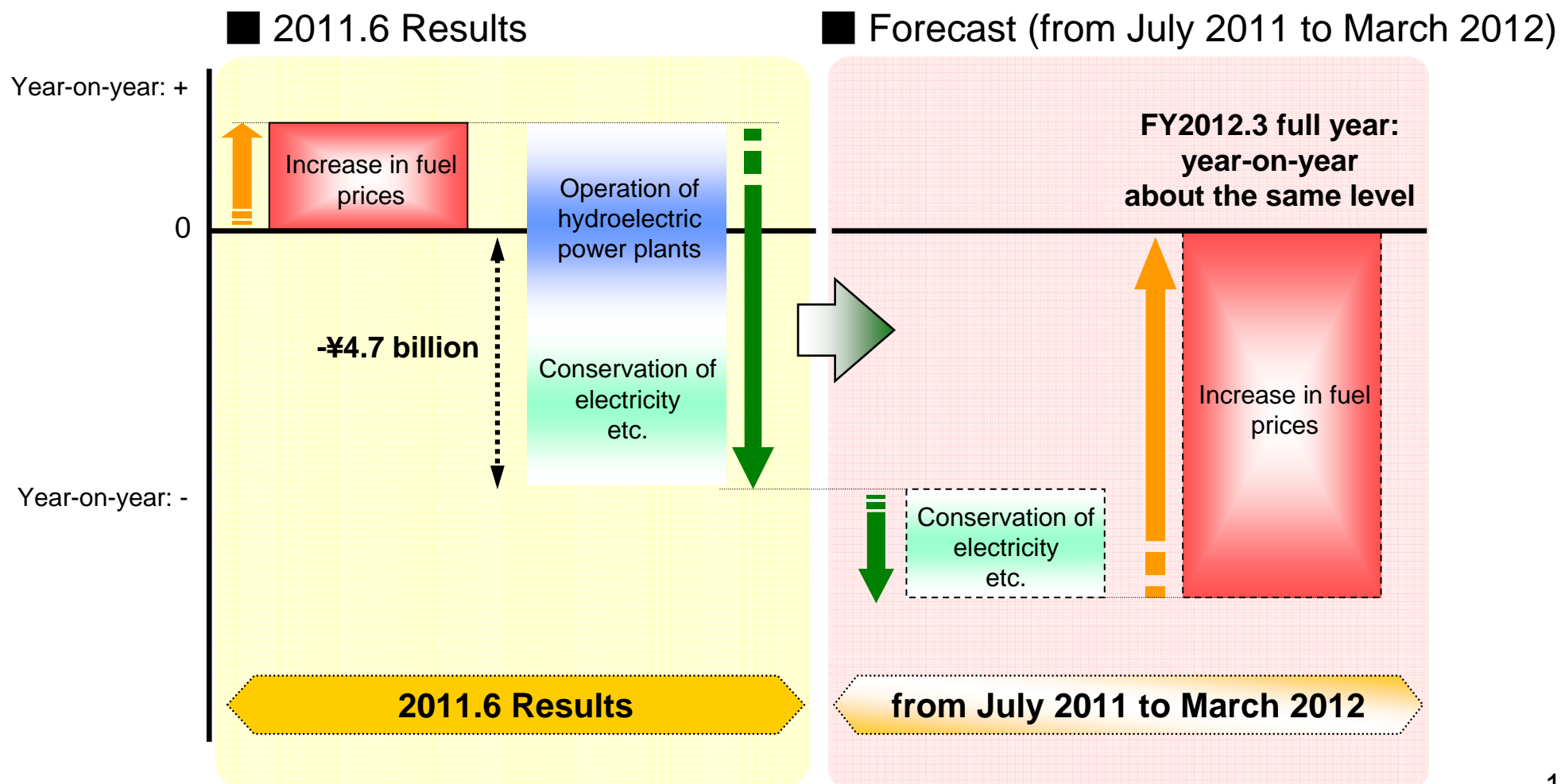
- Actual Results of FY2011.3 and FY2012.3 Plan



(¥ billion)	FY2011.3 Results	FY2012.3 Plan	FY12.3 / FY11.3		Main causes
			Increase / decrease	(%)	
Operating expenses	1,549.2	1,536.0	-13.2	99.1	
Personnel expenses	479.5	464.0	-15.5	96.8	- Decrease in employees - Decrease in the bonus in Jun. 2011 - Decrease in projected benefit obligation
Non-personnel expenses	621.1	606.0	-15.1	97.6	
Energy	61.0	61.0	-0.0	99.9	- Decrease in train services suspension due to the Earthquake - Decrease due to conserving energy in response to electric power shortage - Increase in fuel prices
Maintenance	214.3	207.0	-7.3	96.6	- Increase in the carry-over maintenance planned in FY2011.3 - Decrease in postponement of maintenance
Others	345.7	338.0	-7.7	97.7	- Increase in temporary bus service instead of the train suspended - Decrease in the information processing cost
Usage fees to JR TT, etc.	78.5	84.0	+5.4	106.9	- Increase due to the extension of Tohoku Shinkansen (Hachinohe – Shin-Aomori)
Taxes	81.1	84.0	+2.8	103.5	- Fixed assets tax revaluation
Depreciation	288.8	298.0	+9.1	103.2	- Increase in fixed assets

Energy Cost (non-consolidated) Forecast

2011.6 Results: -¥4.7 billion (year-on-year)
 >>> FY2012.3 full year: about the same level as FY2011.3

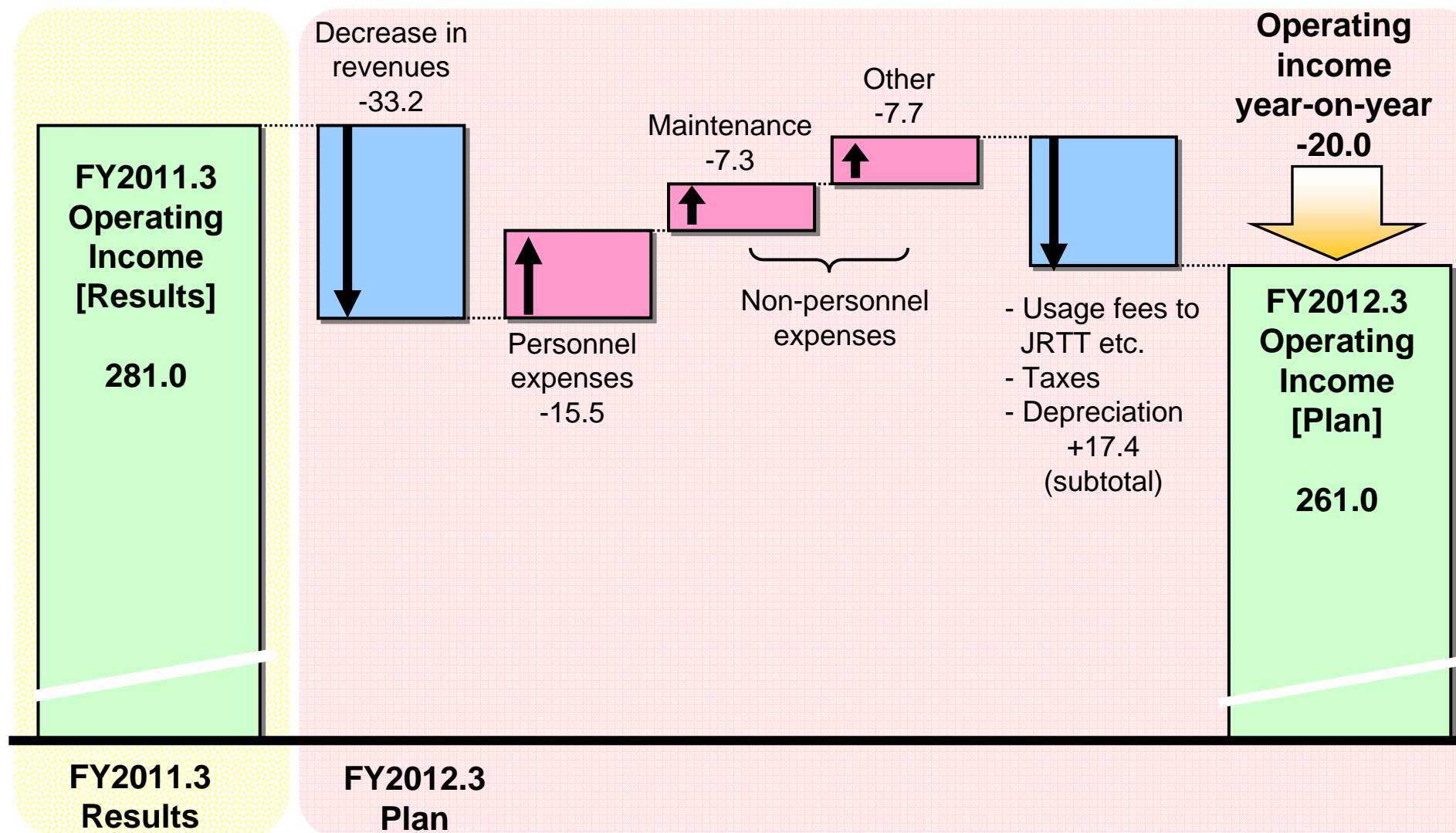


[Reference] WTI: during FY2011.3 average = \$83 per barrel, during FY 2012.3 first quarter average = \$103 per barrel
 during FY2012.3 average (assumption for the Forecast) = \$95 per barrel

Operating Income (non-consolidated) Forecast

■ Analysis of the Main Positive and Negative Factors

(¥ billion)



IV. FY2012.3 Business Results Forecast Consolidated

Transportation – Actual Results and Targets



(¥ billion)	2010.6	2011.6	11.6/10.6	FY2012.3 Plan	FY12.3 / FY11.3
Operating revenues	431.6	381.0	-50.6 88.3%	1,686.0	-35.9 97.9%
Operating income	86.0	50.9	-35.1 59.2%	204.0	-23.1 89.8%

Operating revenues

- main positive and negative factors (FY2012.3 first quarter)

JR East	-50.1	Great East Japan Earthquake
JR Bus Tohoku	-0.2	Great East Japan Earthquake

Decrease in revenues due to Great East Japan Earthquake:
Around ¥52.0 billion

FY2012.3 Topics

- Aomori Destination Campaign (April - July 2011)
- Gunma Destination Campaign (July - September 2011)
- Extension of Tohoku Shinkansen (Hachinohe - Shin-Aomori, on Dec. 4, 2010)
- Hiraizumi (registered as a World Heritage Site)

[Notes] Operating revenues: operating revenues from outside customers

Operating income: operating revenues from outside customers + operating revenues inside group - purchases from outside suppliers - purchases inside group

Station Space Utilization – Actual Results and Targets



(¥ billion)	2010.6	2011.6	11.6/10.6	FY2012.3 Plan	FY12.3 / FY11.3
Operating revenues	98.6	90.5	-8.0 91.8%	393.0	+7.1 101.8%
Operating income	8.8	6.5	-2.3 73.7%	33.0	+1.6 105.2%

Operating revenues - main positive and negative factors (FY2012.3 first quarter)	FY2012.3 Topics	
JR East Retail Net (J-Retail)	-2.7	Great East Japan Earthquake
Nippon Restaurant Enterprise (NRE)	-2.3	Great East Japan Earthquake, closure of stores
JR East Food Business	-1.3	Closure of stores
JR East Station Retailing	-0.8	Great East Japan Earthquake
<div style="border: 1px solid black; border-radius: 15px; padding: 5px; background-color: #FFD700; display: inline-block;"> Decrease in revenues due to Great East Japan Earthquake: Around ¥6.0 billion </div>		
		- Tokyo Station “NorthCourt” (Dec. 4, 2010) - Remodeling the commercial facilities within the stations - Tokyo Station “Keiyo Street” (Mar. 20, 2011) - ecute Ueno (Mar. 31, 2011) - ecute Shinagawa South (May 16, 2011) - ecute Akabane (Sep. 23, 2011, scheduled)

[Reference] Monthly trends of existing stores (comparison with same month of previous year, %)

	Apr.	May	Jun.
J-Retail	82.2	94.6	100.2
NRE (*)	71.9	89.9	97.0

(*) NRE: not include the hotel business revenues

[Notes] Operating revenues: operating revenues from outside customers

Operating income: operating revenues from outside customers + operating revenues inside group - purchases from outside suppliers - purchases inside group

Shopping Centers & Office Buildings

– Actual Results and Targets



(¥ billion)	2010.6	2011.6	11.6/10.6	FY2012.3 Plan	FY12.3 / FY11.3
Operating revenues	54.6	55.0	+0.4 100.7%	226.0	+2.7 101.2%
Operating income	16.6	18.0	+1.3 108.0%	61.0	-3.2 95.0%

Operating revenues - main positive and negative factors (FY2012.3 first quarter)

LUMINE	+1.2	Early commencement of bargain sales
atré	+0.5	Renewal of “atré Kichijoji”
Chiba Station Building	-0.3	Closure for reconstruction
Yokohama Station Building	-0.9	Closure for reconstruction

FY2012.3 Topics

- Launch of new operations in FY2011.3
atré Kichijoji, CELEO Hachioji, atré Akihabara 1
- EXCEL Minami (Mito) (Jun. 23, 2011)
- LUMINE Yurakucho (late October 2011, scheduled)
- Shopping Center closure for reconstruction
Chiba (Jan. 31, 2011), Yokohama (Mar. 27, 2011)

[Reference] Monthly trends of existing stores (comparison with same month of previous year, %)

	Apr.	May	Jun.
LUMINE	105.1	100.3	118.6
atré	109.2	108.9	114.2

[Notes] Operating revenues: operating revenues from outside customers

Operating income: operating revenues from outside customers + operating revenues inside group - purchases from outside suppliers - purchases inside group

Others – Actual Results and Targets

(¥ billion)	2010.6	2011.6	11.6/10.6	FY2012.3 Plan	FY12.3 / FY11.3
Operating revenues	46.1	42.3	-3.8 91.7%	194.0	-12.2 94.1%
Operating income	3.3	1.9	-1.3 58.7%	10.0	-13.0 43.3%

Operating revenues

- main positive and negative factors (FY2012.3 first quarter)

East Japan Marketing & Communications	-1.5	Great East Japan Earthquake
Nippon Hotel	-1.2	Great East Japan Earthquake
JR East Mechatronics	-0.9	Year-on-year decrease in IC-related sales
Sendai Terminal Building	-0.5	Great East Japan Earthquake

Decrease in revenues due to Great East Japan Earthquake:
Around ¥4.0 billion

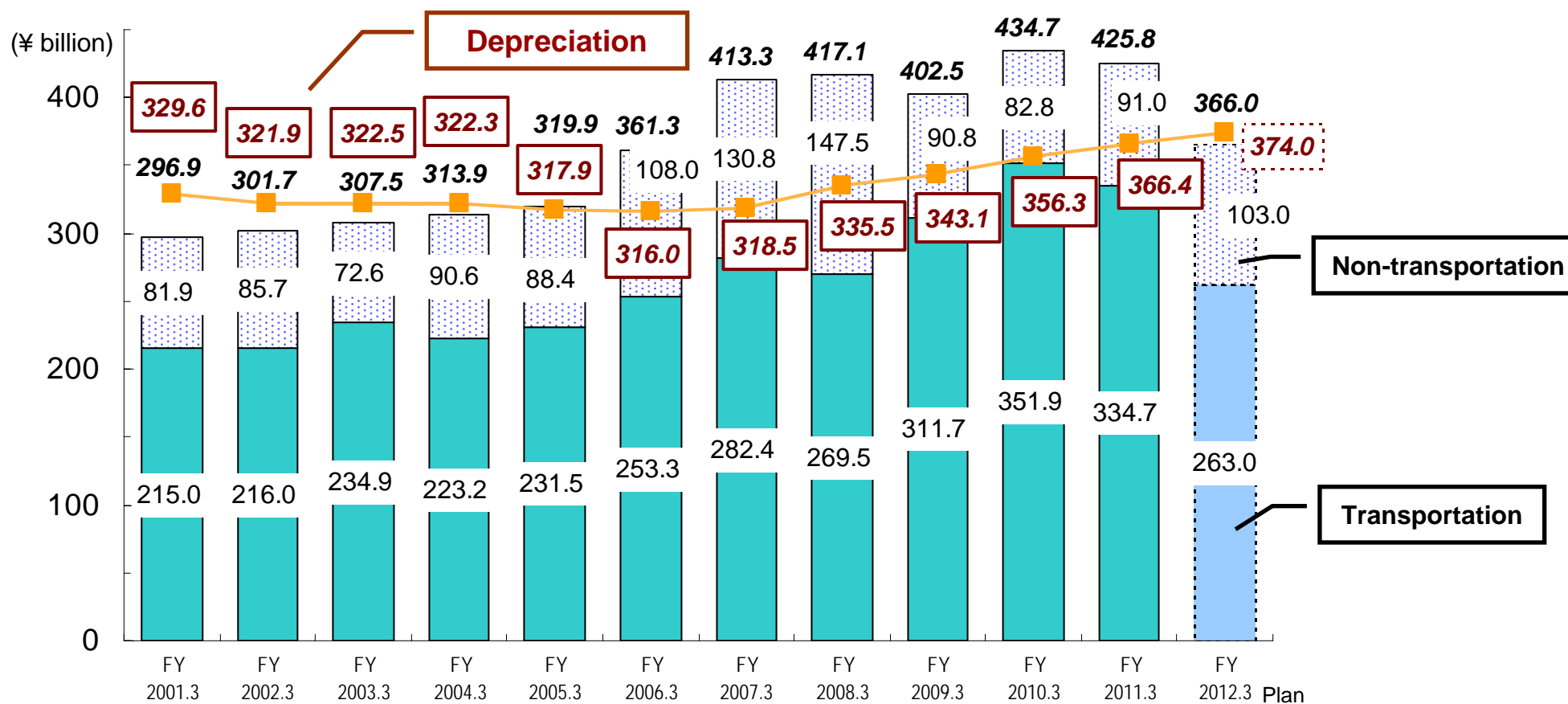
FY2012.3 Topics

- HOTEL METS Yokohama Tsurumi (Oct. 22, 2010)
- Decrease in revenues due to absence of special sales in FY2011.3

[Notes] Operating revenues: operating revenues from outside customers

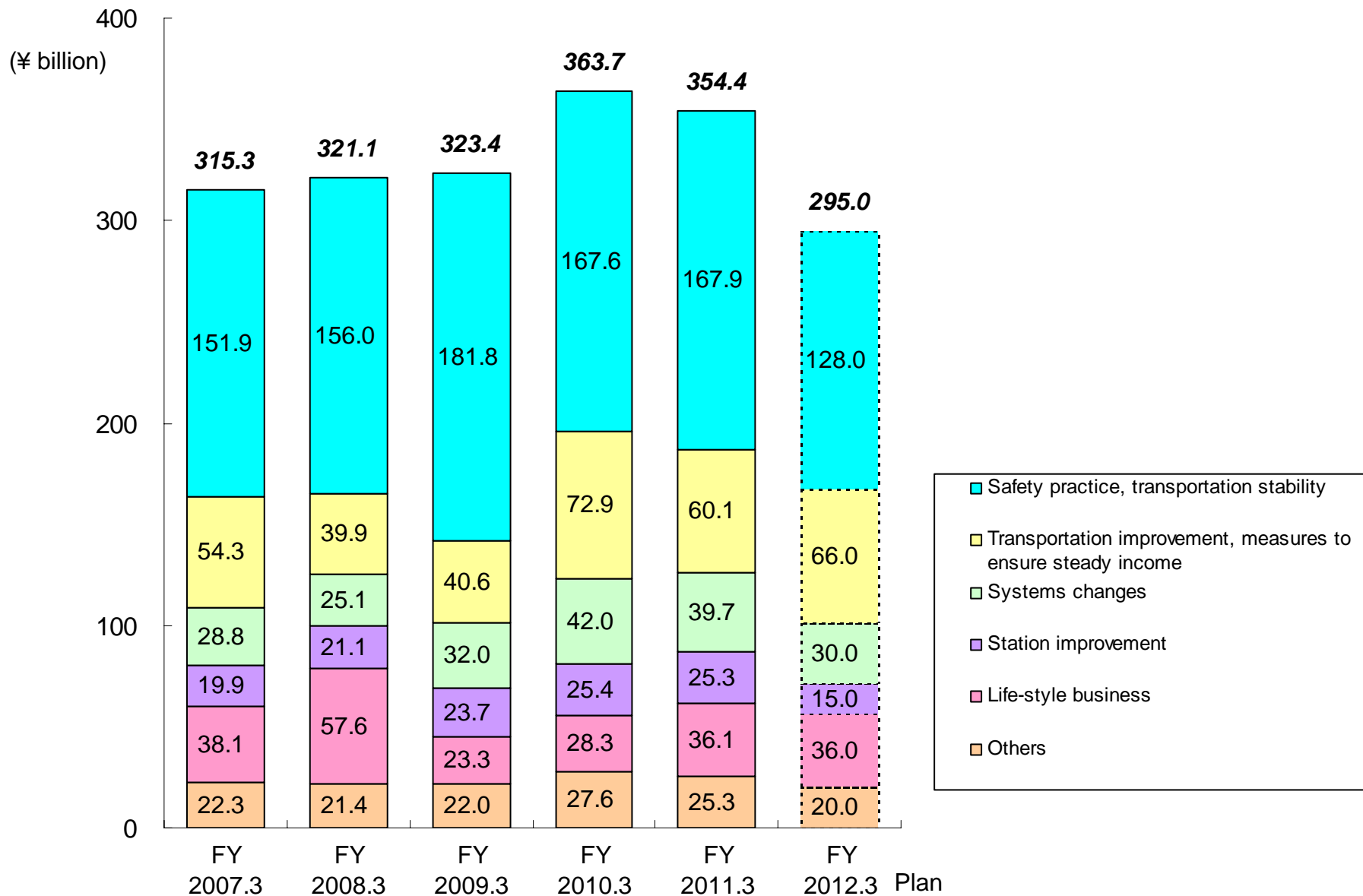
Operating income: operating revenues from outside customers + operating revenues inside group - purchases from outside suppliers - purchases inside group

Capital Expenditures - Trends (consolidated)



	FY2011.3 Results			FY2012.3 Plan		
	Transportation	Non-transportation	Total	Transportation	Non-transportation	Total
Growth Investment	47.9	85.4	133.3	43.0	95.0	138.0
Investment needed for the continuous operation of businesses	286.9	5.6	292.5	220.0	8.0	228.0
Total	334.7	91.0	425.8	263.0	103.0	366.0

Capital Expenditures Plan (non-consolidated)

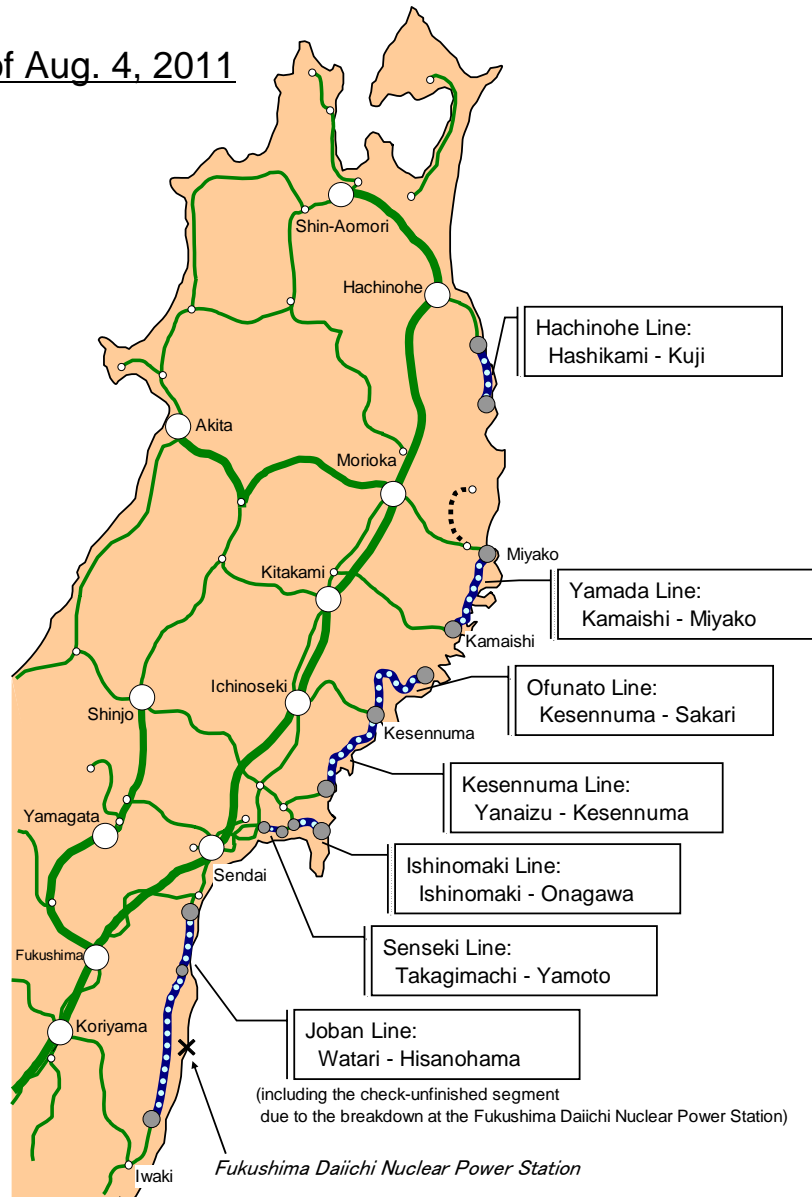


V. Coastline Sections Damaged by Tsunami during Great East Japan Earthquake

Operation Suspended Lines and Segments Damaged by Tsunami during Great East Japan Earthquake



As of Aug. 4, 2011



■ Operation Suspended

- Hachinohe Line (*)
- Yamada Line
- Ofunato Line
- Kesenuma Line
- Ishinomaki Line
- Senseki Line
- Joban Line

Total:
7 segments
335.3 km

(*) Hachinohe Line – Operation will be resumed (scheduled)

Hashikami - Taneichi: Aug. 8, 2011

Taneichi - Kuji: at the beginning of FY2013.3

[Reference] Iwaizumi Line (Moichi - Iwaizumi, 38.4km)
Operation cancelled due to landslide
(instead of train service, temporary bus service)

Operation Suspended Lines and Segments Damaged by Tsunami during Great East Japan Earthquake



As of Aug. 4, 2011

Line	Segment	Distance	At present	Notes
Joban Line	Hisanohama - Haranomachi	62.9	Temporary bus service (Hisanohama - Hirono only)	Near the Fukushima Daiichi Nuclear Power Station: - No-entry zone (20km) etc.
	Haranomachi - Watari	47.7	Temporary bus service	
Senseki Line	Takagimachi - Yamoto	15.9	Temporary bus service	“Disaster Reconstruction Liaison Conference” has started in each area with national and local governments, and other organizations (including JR East).
Ishinomaki Line	Ishinomaki - Onagawa	17.0	Temporary bus service	
Kesennuma Line	Yanaizu - Kesennuma	55.3	Temporary bus service	
Ofunato Line	Kesennuma - Sakari	43.7	Temporary bus service	
Yamada Line	Miyako - Kamaishi	55.4	Temporary bus service	
Hachinohe Line	Hashikami - Taneichi	6.7	Temporary bus service	Train operation will be resumed. (scheduled)
	Taneichi - Kuji	30.7	Temporary bus service	

Restoration of Coastline Sections Damaged by Tsunami during Great East Japan Earthquake



■ Basic Approach

JR East requires to integrate restoration with planning for the revival of the entire area and community development, pursuing restoration while cooperating with national and local governments.

■ Petition for the government

(JR East submitted the petition regarding restoration of coastline sections to the Minister of Land, Infrastructure, Transport and Tourism on 30 April 2011.)

1. Establishment of a restoration plan as an integral part of community development

(JR East is eager to take an active part in the discussion.)

2. Support for acquisition of land

(in case the railway line routes are changed)

3. Public support for restoration

(a new funding scheme, support in investigating restoration procedures that use new technologies)

These materials can be downloaded from the JR East's web site.

JR East web site, IR (Investor Relations) >> Financial Information
http://www.jreast.co.jp/e/investor/index_year.html

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.