



# FY2015.3 Second Quarter Financial Results Presentation

October 29, 2014  
East Japan Railway Company



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# **I. JR East Group Management Vision - Ever Onward -**

## ***JR East Group Management Vision***

***- Ever Onward -***

(Announced on Oct. 30, 2012)

### **Eternal Mission**

Extreme safety levels

Service quality reforms

Strengthening  
collaboration with local  
communities

### **Pursuing Unlimited Potential**

Technological innovation

Tackling new business areas

Creating a corporate culture  
that maximizes  
human potential

**Sustained Growth**

Customers

Local Communities  
and Society

**The JR  
East Group**

Employees

Shareholders and  
Investors

**“ Thriving with Communities, Growing Globally ”**

# FY2017.3 Numerical Targets

(¥ billion,%)	2014.3 Results	2015.3 Plan	2017.3 Target	2017.3/2014.3	
				Increase / decrease	(%)
<b>Operating revenues</b>	2,702.9	2,741.0	2,791.0	+88.0	103.3
Transportation	1,827.4	1,841.0	1,873.0	+45.5	102.5
Station Space Utilization	400.9	400.0	403.0	+2.0	100.5
Shopping Centers & Office Buildings	251.0	254.0	281.0	+29.9	111.9
Others	223.4	246.0	234.0	+10.5	104.7
<b>Operating income</b>	406.7	407.0	412.0	+5.2	101.3
Transportation	267.3	272.0	272.0	+4.6	101.7
Station Space Utilization	36.0	34.0	34.0	-2.0	94.3
Shopping Centers & Office Buildings	72.0	73.0	78.0	+5.9	108.2
Others	32.6	29.0	29.0	-3.6	88.7
Adjustment	-1.3	-1.0	-1.0		

## Main assumptions

(For the three years ending FY2017.3)

- **Real GDP growth rate**  
approx. +1.0% per year
- **Basic growth rate for passenger revenues per year**  
Commuter passes:  
approx. +0.0% per year  
Non-commuter passes:  
approx. +0.8% per year

\* The impact by the New Shinkansen Lines which are under construction is not included.

**Consolidated ROA (at the end of FY2017.3)**  
(rate of operating income on total assets )

**5.4%**

**Consolidated ROE (at the end of FY2017.3)**  
(rate of net income on equity )

**8.9%**

The three-year targets will be reviewed annually, and will be revised to new targets for the next three years starting from the following fiscal year.

# Uses of Consolidated Cash Flows



	Targets	FY2015.3
<b>Consolidated operating cash flow</b>	Approx. <b>¥1.8</b> trillion (Three-year total to FY2017.3)	
<b>Capital expenditures</b>	Approx. <b>¥1.6</b> trillion (Three-year total to FY2017.3)	<b>¥525.0</b> billion*
Investment needed for the continuous operation of business (Safety practice and transportation stability)	Approx. <b>¥1,000.0</b> billion (Approx. ¥650.0 billion)	<b>¥329.0</b> billion
Growth investment	Approx. <b>¥600.0</b> billion	<b>¥196.0</b> billion
<b>Shareholder returns</b>	[Medium- to long-term target] <b>33%</b> total return ratio (to net income)	<b>¥120</b> /share dividend Share buybacks**
<b>Debt reduction</b>	(During the 2020s) <b>¥3,000.0</b> billion interest-bearing debt balance	Reduce interest-bearing debt Around <b>¥10.0</b> billion

\* In addition, priority budget allocation max. ¥30.0 billion from the deposit balance on Mar. 31, 2014 (capital expenditures of approx. ¥555.0 billion in total)

\*\* Share buybacks of 1.5 million shares for approx. ¥ 11.3billion executed in May. 2014(cancelled in Jul. 2014)

## **II. FY2015.3 Second Quarter Financial Results and FY2015.3 Plan**

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# FY2015.3 Second Quarter Financial Results (non-consolidated)

(¥ billion)	2013.9 <i>Results</i>	2014.9		2014.9/2013.9	
		Results	[Apr. plan]	Increase / decrease	(%)
Operating revenues	975.1	984.2	[980.0]	+9.0	100.9
Passenger revenues	860.3	869.7		+9.4	101.1
Others	114.8	114.5		-0.3	99.7
Operating expenses	751.6	758.2		+6.5	100.9
Personnel expenses	238.0	235.2		-2.8	98.8
Non-Personnel expenses	293.4	300.7		+7.3	102.5
Energy	33.2	33.2		-0.0	99.8
Maintenance	100.5	103.2		+2.7	102.7
Other	159.6	164.2		+4.6	102.9
Usage fees to JR TT, etc.	37.6	36.1		-1.4	96.2
Taxes	45.5	46.6		+1.1	102.4
Depreciation	136.9	139.3		+2.3	101.7
Operating income	223.5	226.0	[215.0]	+2.5	101.1
Ordinary income	193.5	205.0	[189.0]	+11.4	105.9
Net income	130.2	133.3	[125.0]	+3.0	102.4



# Passenger Revenues

## - 1<sup>st</sup> half Results and Main Positive and Negative Factors

(YoY, ¥ billion, %)	Increase / decrease	(%)	(YoY, ¥ billion)	Positive and Negative Factors	Increase / decrease
Passenger revenues	+9.4	101.1	Shinkansen (+5.3)	Operation of Shinkansen at higher speeds, etc.	+2.0
				Inbound tourism	+0.7
Absence of advance purchases in anticipation of consumption tax hike	-0.5				
Usage due to earthquake recovery, etc.	-1.5				
Basic Trend	+4.5				
Commuter passes (Seasonal tickets)	+1.2	100.5	Conventional Lines (+2.8)	Absence of typhoon, natural disaster, etc.	+1.0
Non-commuter passes (Ordinary tickets)	+8.1	101.3		Absence of advance purchases in anticipation of consumption tax hike	-0.5
				Basic Trend	+2.5
Shinkansen Network	+5.3	102.2	Non-commuter passes revenues (Ordinary Tickets)		+8.1
Kanto Area Network of Conventional Lines	+3.1	100.9	Commuter passes revenues (Seasonal Tickets)		+1.2
Passenger revenues					+9.4

# Passenger Revenues – FY2015.3 Plan

(YoY, ¥ billion,%)	Total		Main factors behind change	Trend
	1st half [Results]	2nd half		
Passenger revenues +23.4 billion	101.4%			100.8%
	100.7% [101.1%]	102.1%		
Commuter passes (Seasonal tickets) +4.6 billion	101.0%		· Change in estimation method : +6.0 · Increase in 6-month commuter passes : -1.0	100.0%
	99.5% [100.5%]	102.5%		
Non-commuter passes (Ordinary tickets) +18.8 billion	101.6%			101.2%
	101.1% [101.3%]	102.0%		
Shinkansen Network +10.7 billion	102.2%		· Operation of Shinkansen at higher speeds, etc.: +2.5 · Inbound tourism : +1.5 · Absence of typhoon, heavy snow, etc.: +0.5 · Absence of advance purchases in anticipation of consumption tax hike : -1.0	101.7%
	101.6% [102.2%]	102.8%		
Kanto Area Network of Conventional lines +8.5 billion	101.3%		· Absence of typhoon, heavy snow, etc.: +3.0 · Absence of advance purchases in anticipation of consumption tax hike : -1.0	100.8%
	101.0% [100.9%]	101.6%		

# Operating Expenses (non-consolidated)

## – FY2015.3 Second Quarter Results

(¥ billion)	2013.9	2014.9	2014.9/2013.9		Main factors behind change
	Results	Results	Increase / decrease	(%)	
Operating expenses	751.6	758.2	+6.5	100.9	
Personnel expenses	238.0	235.2	-2.8	98.8	-Employees' severance and retirement benefit expenses : -3.1 -Bonus related : +2.3 -Difference in unit costs, etc.
Non-personnel expenses	293.4	300.7	+7.3	102.5	
Energy	33.2	33.2	-0.0	99.8	
Maintenance	100.5	103.2	+2.7	102.7	- Railcar maintenance expenses : +1.4 - General maintenance expenses : +1.3
Other	159.6	164.2	+4.6	102.9	- Outsourcing expenses : +2.7 - Sales commissions : +1.1
Usage fees to JR TT, etc.	37.6	36.1	-1.4	96.2	- Decrease due to end of leasing of some railway facilities
Taxes	45.5	46.6	+1.1	102.4	- Property taxes, etc. : +1.2
Depreciation	136.9	139.3	+2.3	101.7	- Increase due to capital expenditures

# FY2015.3 Financial Plan (non-consolidated)

(¥ billion)	2014.3	2015.3	2015.3/2014.3	
	<i>Results</i>	Apr. plan	Increase / decrease	(%)
Operating revenues	1,932.5	1,955.0	+22.4	101.2
Passenger revenues	1,696.5	1,720.0	+23.4	101.4
Others	236.0	235.0	-1.0	99.5
Operating expenses	1,604.7	1,624.0	+19.2	101.2
Personnel expenses	486.0	478.0	-8.0	98.3
Non-personnel expenses	674.3	692.0	+17.6	102.6
Energy	71.1	72.0	+0.8	101.1
Maintenance	243.9	249.0	+5.0	102.1
Other	359.2	371.0	+11.7	103.3
Usage fees to JR TT, etc.	74.7	74.0	-0.7	98.9
Taxes	84.5	85.0	+0.4	100.5
Depreciation	284.9	295.0	+10.0	103.5
Operating income	327.8	331.0	+3.1	101.0
Ordinary income	263.9	277.0	+13.0	105.0
Net income	169.8	174.0	+4.1	102.4

# FY2015.3 Second Quarter Financial Results (consolidated)



(¥ billion)	2013.9 <i>Results</i>	2014.9		2014.9/2013.9	
		Results	[Apr. plan]	Increase / decrease	(%)
<b>Operating revenues</b>	<b>1,345.2</b>	<b>1,356.2</b>	[1,350.0]	<b>+10.9</b>	100.8
Transportation	921.7	928.0		+6.3	100.7
Station Space Utilization	200.9	197.9		-2.9	98.5
Shopping Centers & Office Buildings	121.2	124.0		+2.8	102.3
Others	101.3	106.1		+4.8	104.8
<b>Operating income</b>	<b>259.5</b>	<b>257.8</b>	[242.0]	<b>-1.6</b>	99.3
Transportation	193.5	196.6		+3.0	101.6
Station Space Utilization	19.0	17.8		-1.2	93.3
Shopping Centers & Office Buildings	35.8	36.4		+0.6	101.7
Others	9.7	7.5		-2.2	77.0
Adjustment	1.3	-0.5		-1.8	-
<b>Ordinary income</b>	<b>217.2</b>	<b>220.9</b>	[199.0]	<b>+3.7</b>	101.7
<b>Net income</b>	<b>135.7</b>	<b>136.0</b>	[123.0]	<b>+0.2</b>	100.2

# Transportation - Results and Plan

(¥ billion)	2013.9	2014.9	2014.9/ 2013.9
Operating revenues	921.7	928.0	+6.3 100.7%
Operating income	193.5	196.6	+3.0 101.6%

2014.3	2015.3 Plan [Apr. plan]	2015.3/ 2014.3
1,827.4	1,841.0	+13.5 100.7%
267.3	272.0	+4.6 101.7%

## Operating revenues

- main positive and negative factors in 1st-half (FY2015.3)

JR East	+8.3	Increase in passenger revenues
J-TREC	-1.9	Decrease in sales to outside customers

## FY2015.3 Topics

- *Niigata Destination Campaign* (Apr. to Jun. 2014)
- *Yamagata Destination Campaign* (Jun. to Sep. 2014)
- Introduce more Series E7 railcars to Nagano Shinkansen (11 units)
- Open Hokuriku Shinkansen to Kanazawa (Mar. 14, 2015)
- Open Ueno-Tokyo Line (end of FY2015.3)



Series E7 Shinkansen

[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 - Results and Plan

(¥ billion)	2013.9	2014.9	2014.9/ 2013.9	2014.3	2015.3 Plan [Apr. plan]	2015.3/ 2014.3
Operating revenues	200.9	197.9	-2.9 98.5%	400.9	400.0	-0.9 99.8%
Operating income	19.0	17.8	-1.2 93.3%	36.0	34.0	-2.0 94.3%

## Operating revenues - main positive and negative factors in 1st-half (FY2015.3)

JR East Retail Net (J-Retail)	-1.0	Stores closed for construction, decline in reaction to consumption tax increase
JR East Tohoku Sogo Service	-0.6	Stores closed for construction, decline in existing store sales
Kinokuniya	-0.5	Closing of unprofitable stores
JR East Water Business	-0.5	Decline in vending machine sales

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

	Apr.	May	Jun.	Jul.	Aug.	Sep.	1st-half total
Retails & Restaurant Total	97.1	98.5	99.7	98.9	99.6	99.7	98.8
J-Retail (existing stores)	96.4	99.2	101.0	97.7	100.2	101.3	99.6
NRE (existing stores)*	98.4	98.6	101.5	98.7	101.2	101.3	100.0

\* For NRE, hotel operations revenues not included

[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 - Results and Plan

(¥ billion)	2013.9	2014.9	2014.9/ 2013.9	2014.3	2015.3 Plan [Apr. plan]	2015.3/ 2014.3
Operating revenues	121.2	124.0	+2.8 102.3%	251.0	254.0	+2.9 101.2%
Operating income	35.8	36.4	+0.6 101.7%	72.0	73.0	+0.9 101.3%

Operating revenues  
- main positive and negative factors in 1st-half (FY2015.3)

LUMINE	+1.3	Buoyant existing stores
JR East Building	+0.6	Increase in office building revenues
atré	+0.4	Opening of <i>atrévie Otsuka</i> , buoyant existing stores

FY2015.3 Topics  
(FY2014.3 openings are in italics)

- *GranRoof* (Completed in Sep. 2013)
- *JR Otsuka Minamiguchi Building* (Opened in Sep. 2013)
- CIAL Sakuragicho (Jul. 2014)
- New Nagano Station building (by end of FY2015.3)

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

	Apr.	May	Jun.	Jul.	Aug.	Sep.	1st-half total
Shopping Centers Total	98.1	101.8	99.6	100.2	104.3	104.5	101.4
LUMINE (existing stores)	102.0	105.7	100.3	98.8	105.5	107.1	103.2
atré (existing stores)	98.3	98.9	98.2	101.1	102.9	104.7	100.5

[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 - Results and Plan

(¥ billion)	2013.9	2014.9	2014.9/ 2013.9	2014.3	2015.3 Plan [Apr. plan]	2015.3/ 2014.3
Operating revenues	101.3	106.1	+4.8 104.8%	223.4	246.0	+22.5 110.1%
Operating income	9.7	7.5	-2.2 77.0%	32.6	29.0	-3.6 88.7%

## Operating revenues

- main positive and negative factors in 1st-half (FY2015.3)

East Japan Marketing & Communications	+0.8	Increase in advertising production
JR East Mechatronics	+0.7	Increase in IC card sales
Union Construction	+0.5	Increase in government construction
Viewcard	+0.4	Increase in franchise fees
JR East Japan Information Systems	+0.4	Increase in systems contract revenues

## Hotel operating results 1st-half (FY2015.3)

Operating revenues : ¥23.6 billion (99.1%)  
(including revenues inside group)

Operating income : ¥1.7 billion (105.4%)

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

	Apr.	May	Jun.	Jul.	Aug.	Sep.	1st-half total
Hotel	98.3	102.1	96.0	99.6	101.9	94.8	99.0

[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

# Summary of Non-operating Income / Expenses and Extraordinary Gains / Losses (consolidated)

(¥ billion)	2013.9	2014.9	Increase/ decrease
<b>Operating income</b>	259.5	257.8	-1.6
<b>Non-operating income</b>	5.7	7.3	+1.5
Interest income	0.0	0.0	-0.0
Dividend income	1.7	2.1	+0.3
Equity in net income of affiliated companies	0.6	1.9	+1.3
Other	3.2	3.1	-0.1
<b>Non-operating expenses</b>	48.0	44.2	-3.8
Interest expense	45.0	41.8	-3.1
Other	3.0	2.3	-0.7
<b>Ordinary income</b>	217.2	220.9	+3.7
<b>Extraordinary gains</b>	17.0	6.7	-10.3
Construction grants received	5.7	5.8	+0.0
Insurance proceeds related to earthquake	9.6	-	-9.6
Other	1.7	0.8	-0.8
<b>Extraordinary losses</b>	11.9	15.5	+3.6
Losses on reduction entry for construction grants	5.5	5.5	+0.0
Impairment losses on fixed assets	3.7	6.2	+2.4
Other	2.6	3.7	+1.1
<b>Income before income taxes</b>	222.4	212.1	-10.3

Interest expense : 25.4 (-3.2)  
Bond interest : 16.3 (+0.0)

# FY2015.3 Financial Plan (consolidated)

(¥ billion)	2014.3	2015.3	2015.3/2014.3	
	<i>Results</i>	Apr. plan	Increase/ decrease	(%)
Operating revenues	2,702.9	2,741.0	+38.0	101.4
Transportation	1,827.4	1,841.0	+13.5	100.7
Station Space Utilization	400.9	400.0	-0.9	99.8
Shopping Centers & Office Buildings	251.0	254.0	+2.9	101.2
Others	223.4	246.0	+22.5	110.1
Operating income	406.7	407.0	+0.2	100.1
Transportation	267.3	272.0	+4.6	101.7
Station Space Utilization	36.0	34.0	-2.0	94.3
Shopping Centers & Office Buildings	72.0	73.0	+0.9	101.3
Others	32.6	29.0	-3.6	88.7
Adjustment	-1.3	-1.0	+0.3	74.2
Ordinary income	332.5	341.0	+8.4	102.6
Net income	199.9	204.0	+4.0	102.0

# Summary of Cash Flows (consolidated)

(¥ billion)	2013.9	2014.9	Increase/ decrease
	Decrease in payments of income taxes : +28.1		
<b>Cash Flows from Operating Activities (I)</b>	226.9	258.6	+31.7
	Increase of payments for purchases of fixed assets : -16.1		
<b>Cash Flows from Investing Activities (II)</b>	-206.2	-232.7	-26.5
<b>Free Cash Flows (I) + (II)</b>	20.7	25.9	+5.2
	Decrease in proceeds from procurements with interest-bearing debt : -37.4 Decrease in payments for redemptions of interest-bearing debt : +80.5		
<b>Cash Flows from Financing Activities (III)</b>	-113.2	-73.1	+40.0
<b>Net Change in Cash and Cash Equivalents (I) + (II) + (III)</b>	-92.5	-47.2	+45.2
<b>Cash and Cash Equivalents at Beginning of the Period</b>	189.2	186.0	-3.2
<b>Decrease in Subsidiaries from Consolidation</b>	-	-0.5	-0.5
<b>Increase in Cash and Cash Equivalents Resulting from Merger</b>	-	0.4	+0.4
<b>Cash and Cash Equivalents at End of the Period</b>	96.7	138.6	+41.9

# Change in Capital Expenditures (consolidated)

(¥ billion)		2011.3 (Results)	2012.3 (Results)	2013.3 (Results)	2014.3 (Results)	2014.9 (Results)	2015.3 (Plan)
<b>Transportation</b>	Growth investment	47.9	45.1	58.9	85.9	92.5	69.0
	Investment needed for the continuous operation of business	286.9	233.8	316.2	325.9		343.0
	<b>Total</b>	<b>334.7</b>	<b>278.9</b>	<b>375.1</b>	<b>411.9</b>		<b>412.0</b>
<b>Non-transportation</b>	Growth investment	85.4	85.0	99.4	107.6	38.2	127.0
	Investment needed for the continuous operation of business	5.6	6.2	6.1	6.1		16.0
	<b>Total</b>	<b>91.0</b>	<b>91.2</b>	<b>105.5</b>	<b>113.7</b>		<b>143.0</b>
	Growth investment	133.3	130.1	158.4	193.6	-	196.0
	Investment needed for the continuous operation of business	292.5	240.0	322.3	332.0	-	359.0
	(Depreciation)	366.4	358.7	346.8	348.0	169.3	360.0
<b>Total</b>	<b>425.8</b>	<b>370.1</b>	<b>480.7</b>	<b>525.7*</b>	<b>130.8</b>	<b>555.0*</b>	

\* Includes priority budget allocation (¥14.7 billion resulted in FY2014.3)

(¥30.0 billion planned in FY2015.3)

# Change in Consolidated Interest-bearing Debt Balance

(¥ billion)	2010.3 (Results)	2011.3 (Results)	2012.3 (Results)	2013.3 (Results)	2014.3 (Results)	2014.9 (Results)
Bonds	1,489.5 (2.02%)	1,560.0 (1.98%)	1,599.6 (1.97%)	1,659.7 (1.94%)	1,719.7 (1.90%)	1,724.8 (1.88%)
Long-term loans	719.3 (2.05%)	761.6 (1.92%)	815.9 (1.75%)	853.7 (1.57%)	899.8 (1.43%)	917.7 (1.39%)
Long-term liabilities incurred for purchase of railway facilities	1,177.7 (5.35%)	1,048.4 (5.40%)	923.8 (5.49%)	793.2 (5.63%)	666.4 (5.78%)	615.4 (5.84%)
Other interest-bearing debt	8.3 (1.10%)	62.8 (0.16%)	0.7 (0.82%)	0.8 (0.76%)	2.3 (1.27%)	0.2 (0.74%)
<b>Total</b>	<b>3,394.9</b> (3.18%)	<b>3,433.0</b> (2.98%)	<b>3,340.2</b> (2.89%)	<b>3,307.4</b> (2.73%)	<b>3,288.4</b> (2.56%)	<b>3,258.3</b> (2.49%)

Top : Balance  
Bottom : Average interest rate

## **III. Reference Materials**

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# FY2015.3 Traffic Volume and Passenger Revenues - Plan

Commuter Passes: Seasonal Tickets  
Non-commuter Passes: Ordinary Tickets

Shinkansen	Commuter Passes
	Non-commuter Passes
	Total
Conventional Lines	Kanto Area Network
	Commuter Passes
	Non-commuter Passes
	Total
	Other Network
	Commuter Passes
	Non-commuter Passes
	Total
	Total
Commuter Passes	
Non-commuter Passes	
Total	
Total	Commuter Passes
	Non-commuter Passes
	Total

Traffic Volume (million passenger kilometers)			
2014.3 Results	2015.3 Plan	Increase / decrease	(%)
1,731	1,697	-33	98.0
19,131	19,325	+194	101.0
20,863	21,023	+160	100.8
69,670	68,325	-1,344	98.1
34,554	34,890	+335	101.0
104,225	103,216	-1,009	99.0
3,225	3,143	-81	97.5
2,796	2,763	-33	98.8
6,022	5,907	-114	98.1
72,896	71,469	-1,426	98.0
37,351	37,653	+302	100.8
110,247	109,123	-1,124	99.0
74,628	73,167	-1,460	98.0
56,482	56,979	+496	100.9
131,110	130,147	-963	99.3

Passenger Revenues (¥ billion)			
2014.3 Results	2015.3 Plan	Increase / decrease	(%)
22.8	23.1	+0.3	101.4
484.3	495.1	+10.7	102.2
507.1	518.2	+11.0	102.2
439.2	443.4	+4.1	100.9
676.0	684.5	+8.5	101.3
1,115.3	1,128.0	+12.7	101.1
18.6	18.7	+0.1	100.8
55.2	54.8	-0.4	99.1
73.9	73.6	-0.3	99.6
457.9	462.2	+4.3	100.9
731.3	739.3	+8.0	101.1
1,189.2	1,201.6	+12.3	101.0
480.7	485.4	+4.6	101.0
1,215.6	1,234.5	+18.8	101.6
1,696.4	1,719.9	+23.4	101.4



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

Current number of suspended railway segments: 6 segments, 237.2 km

Discuss in conjunction with  
community development plans

Area surrounding the Fukushima  
Daiichi Nuclear Power Station

46.0km

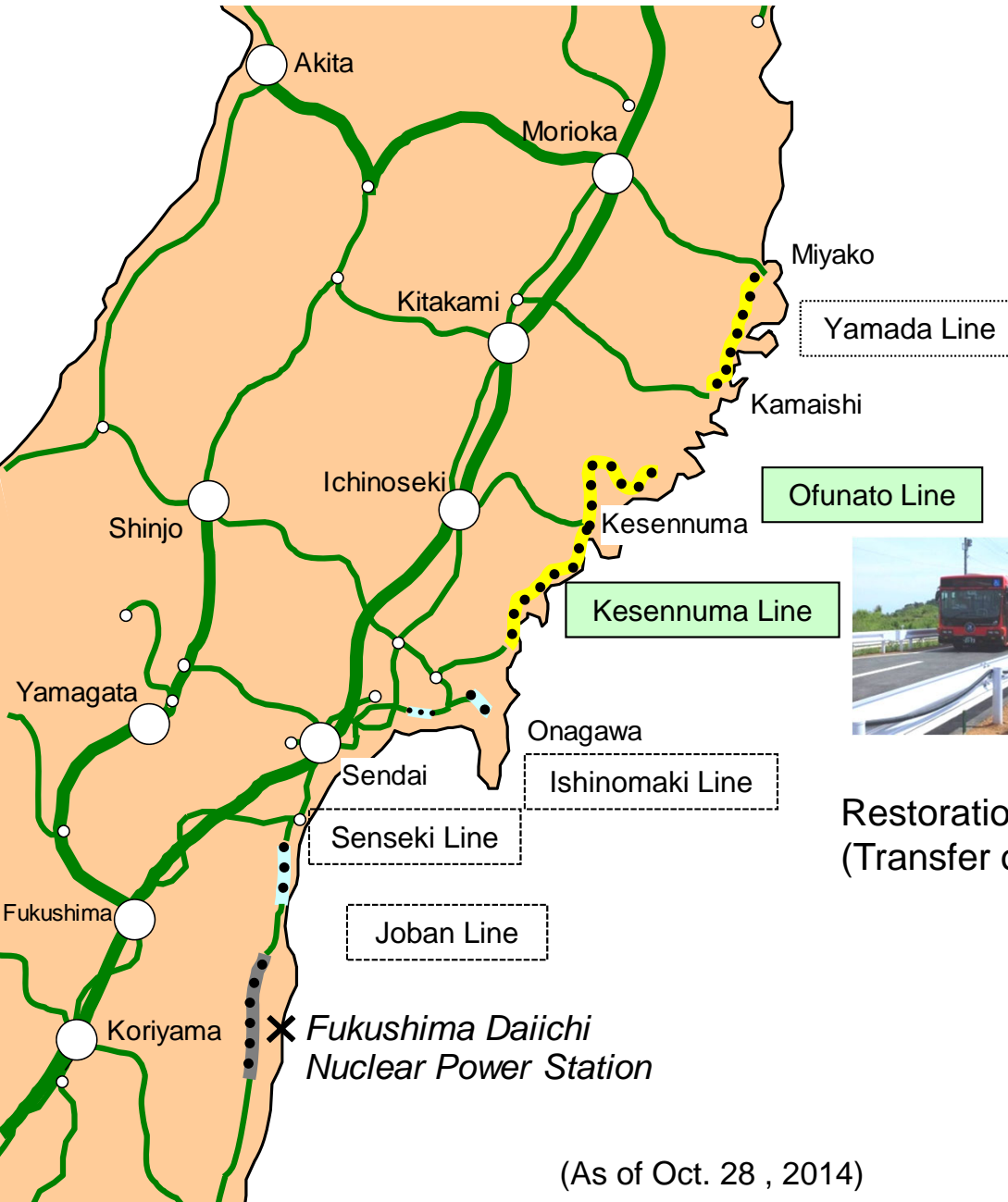
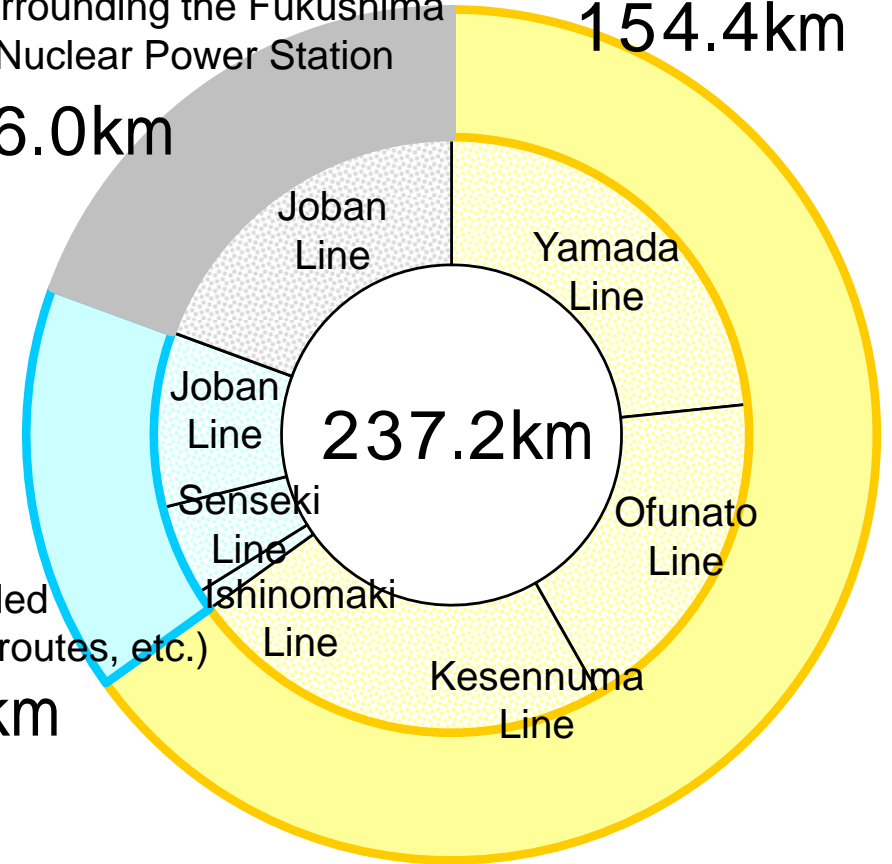
154.4km

237.2km



Restoration scheduled  
(Transfer of certain routes, etc.)

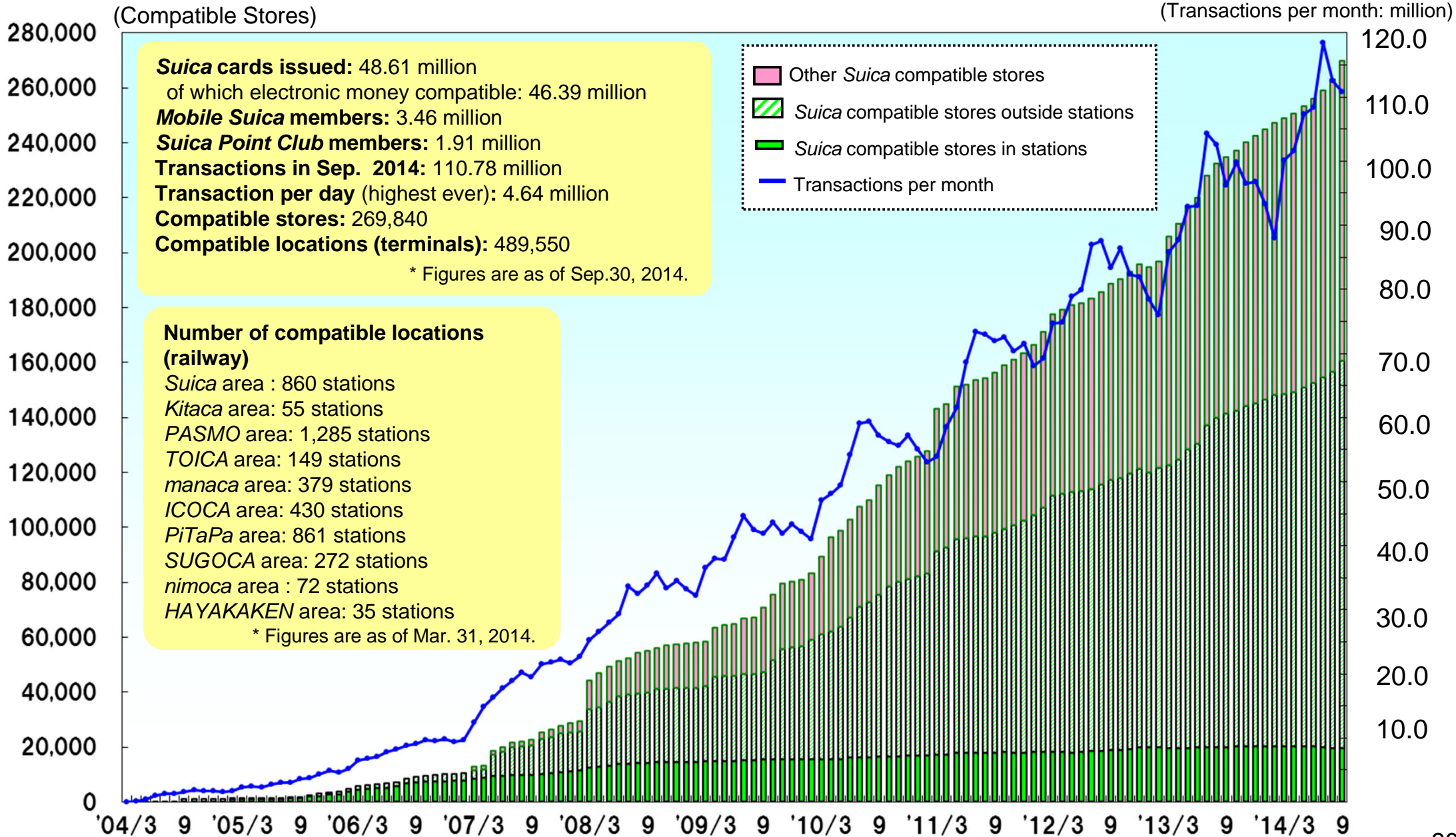
36.8km



(As of Oct. 28 , 2014)

## Suica Electronic Money - Transactions and Compatible Stores

\* Figures include results of other affiliated stores.



# Development of **ecute**

	Omiya	Shinagawa	Tachikawa	Nippori	Tokyo	Ueno	Shinagawa South	Akabane
Beginning of operations	Mar. 2005	Oct. 2005	Oct. 2007 (phase I) Oct. 2008 (phase II)	Mar. 2008 Jun. 2009 (floor space increase)	Mar. 2010	Dec. 2010 (phase I) Mar. 2011 (phase II)	Dec. 2010 (phase I) Feb. 2011 (phase II) Apr. 2011 (phase III) May 2011 (phase IV)	Mar. 2011 (phase I) Jul. 2011 (phase II) Aug. 2011 (phase III) Sep. 2011 (phase IV)
Store space	Approx. 2,300 m <sup>2</sup>	Approx. 1,600 m <sup>2</sup>	Approx. 4,300 m <sup>2</sup>	Approx. 380 m <sup>2</sup>	Approx. 730 m <sup>2</sup>	Approx. 4,800 m <sup>2</sup>	Approx. 1,800 m <sup>2</sup>	Approx. 1,600 m <sup>2</sup>
Number of shops	78	52	90	18	32	76	39	53
FY2014.9 Results (YoY, %)	¥ 4.7 billion (98.3%)	¥ 3.1 billion (105.5%)	¥ 2.8 billion (100.9%)	¥ 0.8 billion (98.4%)	¥ 2.2 billion (110.1%)	¥ 5.4 billion (103.0%)	¥ 5.1 billion (105.4%)	¥ 2.5 billion (104.9%)

# Hotel Operations - Overview

## *Metropolitan Hotels (10 hotels, 3,028 guest rooms)*

*Hotel Metropolitan (Ikebukuro), Edmont (Iidabashi), Takasaki, Nagano, Sendai, Morioka, Morioka New Wing, Akita, Yamagata and Marunouchi*

Operating revenues\* : ¥ 15.9 billion (FY2014.9)      Occupancy rate: 82.7%

## *HOTEL METS chain (23 hotels, 2,683 guest rooms)*

*Kumegawa, Musashisakai, Kokubunji, Urawa, Mito, Kawasaki, Tabata, Tsudanuma, Kitakami, Nagaoka, Mizonokuchi (Musashi-Mizonokuchi), Shibuya, Kamakura Ofuna (Ofuna), Hachinohe, Mejiro, Akabane, Fukushima, Koenji, Tachikawa, Komagome, Yokohama Tsurumi (Tsurumi), Hotel R-Mets Utsunomiya, Niigata*

Operating revenues\* : ¥ 4.3 billion (FY2014.9)      Occupancy rate: 84.3%

*The Tokyo Station Hotel (150 guest rooms)*

*Familio, Folkloro (8 hotels, 249 guest rooms)*

*Hotel Dream Gate Maihama (80 guest rooms)*

*Seaside Hotel Shiba Yayoi (155 guest rooms)*

*Hotel New Grand (249 guest rooms)*

(As of Sep. 30, 2014)

\* Simple sum of operating revenues from each hotel.

# Major Subsidiaries - Results and Plan

(¥ billion)		2013.9 <i>Results</i>	2014.9 <i>Results</i>	2014.9/ 2013.9	2015.3 <i>Plan</i>	2015.3/ 2014.3
JR East Retail Net (J-Retail)	Operating revenues	101.4	98.5	97.2%	198.4	98.1%
	Operating income	2.8	1.8	66.8%	2.7	63.5%
Nippon Restaurant Enterprise (NRE)	Operating revenues	30.5	30.4	99.7%	61.0	99.6%
	Operating income	0.7	0.9	115.7%	1.4	103.4%
LUMINE	Operating revenues	30.5	31.9	104.5%	67.0	102.1%
	Operating income	5.5	5.7	102.5%	13.2	105.2%
East Japan Marketing & Communications	Operating revenues	45.3	46.1	101.8%	103.3	101.3%
	Operating income	0.9	0.8	95.2%	2.2	75.5%

\* Non-consolidated operating revenues / operating income

# Major Projects of the Life-style Business Going Forward

	Opening	Total floor space (m <sup>2</sup> )			
		Office (m <sup>2</sup> )	Commercial (m <sup>2</sup> )	Hotel (rooms)	
Shinjuku New South Exit Building	Spring 2016	Approx. 111,000	Approx. 77,200	Approx. 9,400	-
Main building and facilities of Chiba Station	Spring 2018 (full opening)	Approx. 73,800	-	Approx. 57,400	-
Sendai Station East Exit Development	Spring 2016	Approx. 43,000	-	Approx. 41,000	-
	Spring 2017	Approx. 14,000	-	-	Approx. 280
Shibuya Station Development (Co-development)	(East Tower) 2020 (Central & West Tower) 2027	Approx. 270,000	(Leased floor) Approx. 70,000	(Store space) Approx. 70,000	-
		(East Tower) Approx. 174,000	(East Tower) Approx. 70,000	(East Tower) Approx. 30,000	
Yokohama Station West Exit Station Building Plan	2020	Approx. 118,000	Approx. 28,000	Approx. 66,000	-
Shinagawa Development Project	Area for development : Approx. 130,000 m <sup>2</sup>				

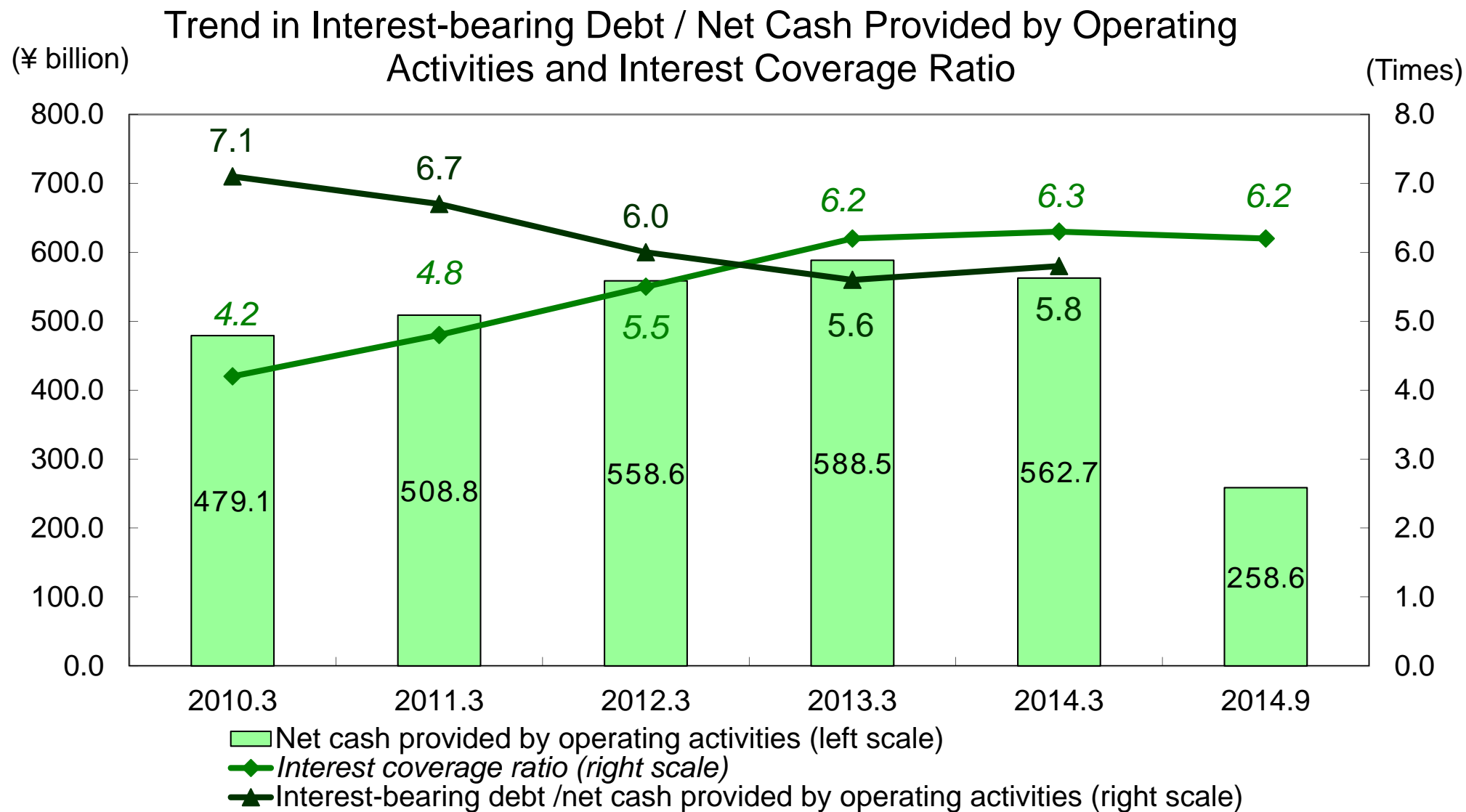
# Breakdown of Shinkansen and Conventional Lines FY2014.3 Operating Performance

(¥ billion)	Shinkansen			Conventional Lines		
	2013.3	2014.3	2014.3/2013.3 (%)	2013.3	2014.3	2014.3/2013.3 (%)
Operating kilometers (km)	1,134	1,134	100.0	6,377	6,377	100.0
Passenger kilometers (million)	20,118	20,863	103.7	108,275	110,247	101.8
Operating revenues A	502.5	518.5	103.2	1,309.4	1,312.1	100.2
Operating expenses	314.8	325.4	103.4	1,211.3	1,214.5	100.3
Operating income B	187.6	193.0	102.9	98.0	97.6	99.5
Fixed assets C	2,052.0	2,073.9	101.1	2,443.0	2,501.9	102.4
Depreciation	81.1	84.3	104.0	189.0	187.9	99.4
B / A	37.3%	37.2%	-	7.5%	7.4%	-
B / C	9.1%	9.3%	-	4.0%	3.9%	-

# Topics : Building a New Station Between Tamachi and Shinagawa Station







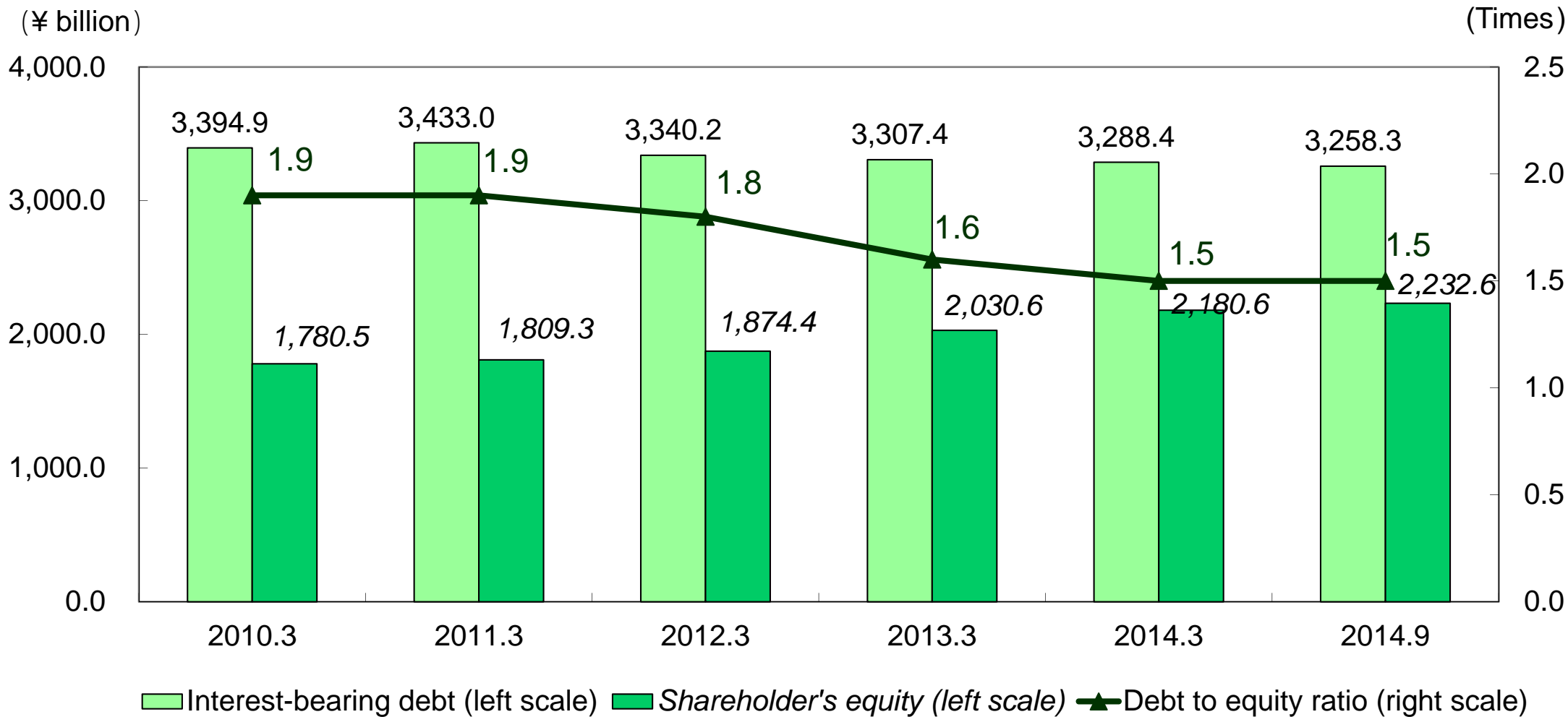
[Note] Interest coverage ratio = Net cash provided by operating activities / payments of interest

# Key Financial Indicators(2)

Additional Information for bond Investors



## Trend in Debt to Equity Ratio



# Breakdown of Interest-bearing Debt

Additional information for bond investors



## Breakdown of consolidated interest-bearing debt (As of Sep. 30, 2014)

	Balance (¥ billion)	Breakdown	Average interest rate	Average maturity
Bonds	1,724.8	52.9%	1.88%	10.01 years
Long-term loans	917.7	28.2%	1.39%	6.49 years
Long-term liabilities incurred for purchase of railway facilities	615.4	18.9%	5.84%	14.63 years
Other interest-bearing debt	0.2	0.0%	0.74%	0.14 years
<b>Total</b>	<b>3,258.3</b>	<b>100.0%</b>	<b>2.49%</b>	<b>9.89 years</b>

## Breakdown of long-term liabilities incurred for purchase of railway facilities (As of Sep. 30, 2014)

Category of liabilities	Principal (¥ billion)	Balance (¥ billion)	Interest		Payment	Period	Use of proceeds by recipient **
			Variable /fixed	Rate			
Number 1*	2,101.8	148.4	Variable	4.13%	Principal and interest equal repayment	1991.10 ~ 2017.3	Fund for repayment of debt borne by JR TT
Number 2*	638.5	115.9	Fixed	6.35%	Principal and interest equal repayment	1991.10 ~ 2017.3	Construction of conventional lines, etc.
Number 3*	366.5	339.9	Fixed	6.55%	Principal and interest equal repayment	1991.10 ~ 2051.9	Construction of Shinkansen lines
Sub-total	3,106.9	604.2		5.92%			
Akita Shinkansen	27.9	8.5	Variable	1.67%	Principal and interest equal repayment	1997.3 ~ 2022.3	
Tokyo Monorail	36.7	2.6	Variable	2.84%	Principal and interest equal repayment	(2002.3) ~ 2029.11	
<b>Total</b>		<b>615.4</b>		<b>5.84%</b>			

\* The names of the liabilities are commonly known as Number 1 through 3 in accordance with the definition under law.

\*\* Japan Railway Construction, Transport and Technology Agency (JR TT)

## Long-term Funding

- Constraining the risks of rising interest rates by raising long-term fund at fixed interest rates and smoothing redemption ladder

### Long-term credit ratings

Rating agency	Rating
Moody's	Aa2 (Stable)
Standard & Poor's (S&P)	AA- (Stable)
Rating and Investment Information (R&I)	AA+ (Stable)

## Liquidity

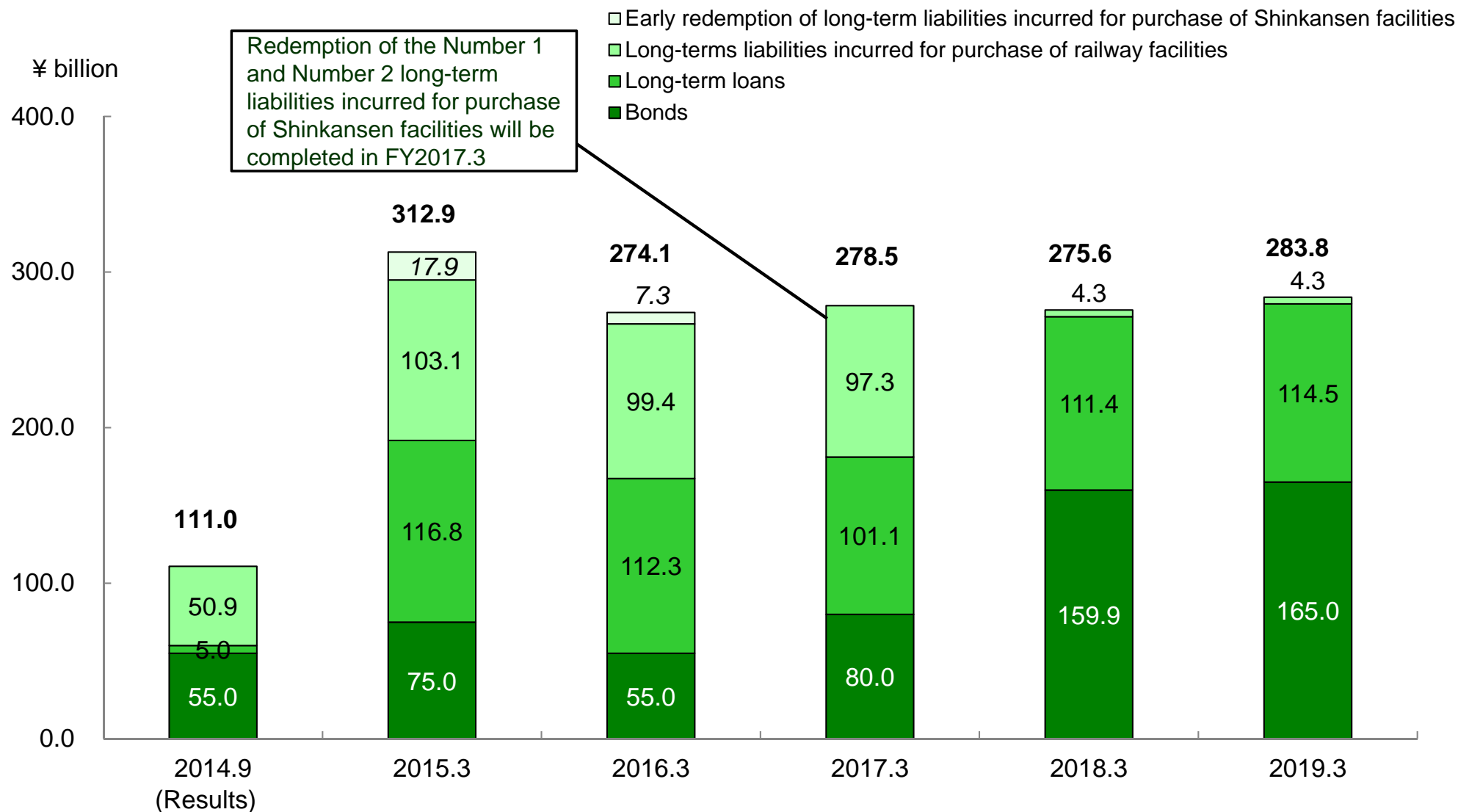
- Daily cash revenues from railway operations (Passenger revenues were approx. ¥ 5.0 billion/day in FY2014.3)
- CP issuance facility: ¥ 150.0 billion

### Short-term credit ratings

Rating agency	Rating
Moody's	P-1
Rating and Investment Information (R&I)	a-1+

- Bank overdraft facility: ¥ 330.0 billion

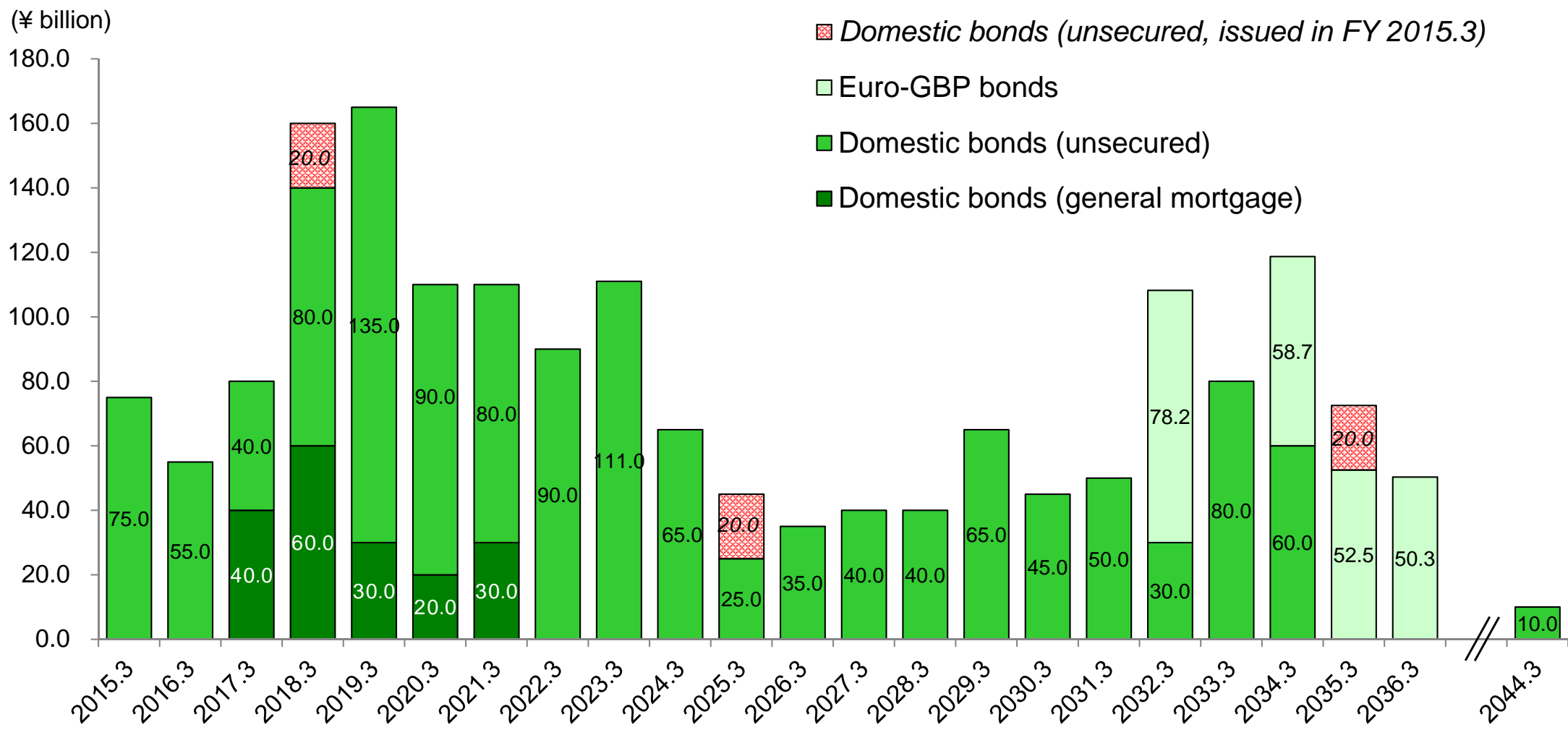
## Redemption ladder of interest-bearing debt (consolidated, excluding short-term debt)



[Notes]

- 1) Outlook as of Sep. 30, 2014.
- 2) Early redemption of long-term liabilities incurred for purchase of Shinkansen facilities is a planned amount.
- 3) Bond redemptions are at face value.

## Redemption ladder of bonds(non-consolidated)



[Notes]

- 1) Outlook as of Sep. 30, 2014.
- 2) Redemptions are at face value.

# Bonds Issuance in FY2015.3

Additional Information for bond Investors



Series	Tenor	Total amount of issue	Coupon	Issue price	Reoffer yield	JGB spread	Issue date	Maturity date
101	3	¥ 20.0 billion	0.126%	¥100	0.126%	+4bp	2014.7.25	2017.7.25
102	10	¥ 20.0 billion	0.630%	¥100	0.630%	+7bp	2014.7.25	2024.7.25
103	20	¥ 20.0 billion	1.502%	¥100	1.502%	+7bp	2014.7.25	2034.7.25

These materials and the video of the presentation can be viewed  
at the JR East's web site.

JR East Web site, IR (Investor Relations)  
<http://www.jreast.co.jp/e/investor/index.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.