

(Translation)

December 18, 2013

To whom it may concern

Company Name: East Japan Railway Company
Name of Representative: Tetsuro Tomita
President and CEO
Securities Code: 9020
Tokyo Stock Exchange (First Section)
Nagoya Stock Exchange (First Section)
Contact Person: Shigeru Matsuki
General Manager, Public Relations Department
Tel: +81-3-5334-1300

Notice Regarding Transfer of Railcar Manufacturing Business to a Subsidiary via a Company Split

The Board of Directors of East Japan Railway Company (“the Company”) resolved at its meeting held on December 18, 2013 that the Company will transfer its rights and obligations relating to the railcar manufacturing business of its Niitsu Rolling Stock Plant to its wholly owned subsidiary, Japan Transport Engineering Company (“J-TREC”), with the succession to take effect from April 1, 2014 (planned) by means of a company split. Details of the company split are as follows.

Since the company split is to take place between the Company and a wholly owned subsidiary, some disclosure items and details have been omitted.

1. Objective of the company split

The Company has manufactured approximately 4,200 railcars at the Niitsu Rolling Stock Plant over the past 19 years, and has developed technologies for manufacturing stainless steel railcars for commuter trains to a high level. By bringing J-TREC into the JR East Group in April 2012, the Company has been aiming to capture synergies between J-TREC and the entire JR East Group, including Niitsu Rolling Stock Plant, in order to establish the railcar manufacturing business as the JR East Group's fourth business pillar.

This transfer of the Niitsu Rolling Stock Plant’s railcar manufacturing business to J-TREC will enhance the competitive strength of the JR East Group’s railcar manufacturing business.

2. Overview of company split

(1) Company split timeline

Decision by Board of Directors	December 18, 2013
Company split agreement concluded	January 31, 2014 (planned)
Date company split takes effect	April 1, 2014 (planned)

* General meeting of shareholders to approve company split:

No general meeting of shareholders will be held at either company, because for the Company, the planned

company split is a simple absorption-type company split as stipulated in Companies Act Article 784, Paragraph 3, and for J-TREC, it is a short-form absorption-type company split as stipulated in Companies Act Article 796, Paragraph 1.

(2) Form of company split

This will be a company split with the Company as the splitting company and J-TREC as the succeeding company.

(3) Company split allocation

Since a wholly owned subsidiary will be the succeeding company, J-TREC will not allocate shares to the Company or pay any other consideration for the company split.

(4) Handling of share warrants and warrant bonds option associated with the company split

Not applicable.

(5) Change in capital due to company split

There will be no change in the Company's capital as a result of the company split.

(6) Rights and obligations to which the succeeding company will succeed

Through the company split the Company will transfer to J-TREC the assets, liabilities, and rights and obligations relating to the railcar manufacturing business of the Niitsu Rolling Stock Plant (but excluding the employment agreements between the Company and employees at the Niitsu Rolling Stock Plant).

(7) Estimate of discharge of debt

We have determined that there will be no problem discharging the debts owed by the Company and J-TREC on or after the day the company split takes effect.

3. Overview of companies involved in the company split (as of September 30, 2013)

	Splitting company	Succeeding company
(1)Name	East Japan Railway Company	Japan Transport Engineering Company
(2)Address	2-2 Yoyogi 2-chome, Shibuya-ku, Tokyo	3-1 Okawa, Kanazawa-ku, Yokohama, Kanagawa Prefecture
(3)Title and name of representative	President and CEO Tetsuro Tomita	President and Representative Director Naoto Miyashita
(4) Business areas	Passenger rail service, etc.	Manufacture, repair and sales, of railcars, containers, rail, and railway junctions, etc.
(5)Capital	200 billion yen	3.1 billion yen
(6) Established	April 1, 1987	November 9, 2011
(7)Shares issued	395,000,000 shares	3 shares
(8)End of fiscal year	March 31	March 31
(9)Number of employees	74,792 persons (consolidated)	900 persons (non-consolidated)
(10)Major customers	General customers	<ul style="list-style-type: none"> • East Japan Railway Company • TOKYU CORPORATION • EAST JAPAN RAILWAY

		TRADING CO., LTD • Bureau of Transportation, Tokyo Metropolitan Government
(11)Major banks	<ul style="list-style-type: none"> • Mizuho Bank, Ltd. • The Bank of Tokyo-Mitsubishi UFJ, Ltd. • Sumitomo Mitsui Banking Corporation 	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
(12)Major shareholders and ownership ratios	<ul style="list-style-type: none"> • Mizuho Bank, Ltd. 5.0% • Japan Trustee Services Bank, Ltd. Trust Account 4.7% • The Master Trust Bank of Japan, Ltd. Trust Account 4.2% 	East Japan Railway Company 100.0%
(13)Financial results and condition	Year-ended March 31, 2013 (consolidated)	Year-ended March 31, 2013 (non-consolidated)
Net assets	2,048,192	5,046
Total assets	7,223,204	23,454
Net assets per share	5,135 yen	1,682
Net sales	2,671,822	21,429
Operating income	397,562	(3,616)
Ordinary income	317,487	(3,739)
Net income	175,384	(4,187)
Net income per share	443 yen	(1,395) yen
Dividend per share	120 yen	—

(Units: 1,000,000 yen, unless otherwise noted.)

[Overview of the business division being split off]

(1) Business of the division being split off

Railcar manufacturing business of Niitsu Rolling Stock Plant

(2) Financial results for the division being split off

Since the division being split off manufactures railcars for the Company, its business results are not recorded separately.

(3) Assets and liabilities being split off, and monetary values (as of September 30, 2013)

Assets		Liabilities	
Category	Book value	Category	Book value
Current assets	4,007	Current liabilities	3,215
Fixed assets	8,902	Long-term liabilities	—
Total	12,909	Total	3,215

(Units: 1,000,000 yen)

4. Status after company split

The company split will have no effect on the name, address, representative's title and name, business description, capital or fiscal period of both the Company and J-TREC.

5. Outlook

Because J-TREC, the succeeding company, is a wholly owned subsidiary, the company split will have no effect on consolidated financial results.

End

Reference:

Consolidated Financial Results Forecast (Announced October 29, 2013) and Previous Year's Consolidated Results

	Consolidated operating revenues	Consolidated operating income	Consolidated ordinary income	Consolidated net income
Outlook for fiscal year ending March 31, 2014	2,703,000	401,000	323,000	192,000
Financial results for fiscal year ended March 31, 2013	2,671,822	397,562	317,487	175,384

(Unit: 1,000,000 yen)