

## Consolidated Semi-Annual Statements of Cash Flows (Unaudited)

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES  
Six months ended September 30, 2000, 2001 and 2002

Millions of Yen

Millions of U.S. Dollars  
(Note 1)

	2000	2001	2002	2002
<b>Cash Flows from Operating Activities:</b>				
Income before income taxes . . . . .	¥ 67,421	¥ 51,791	¥111,647	\$ 908
Depreciation . . . . .	160,733	157,691	157,687	1,282
Amortization of long-term prepaid expense . . . . .	9,711	9,761	2,119	17
Increase in accrued severance and retirement benefits . . . . .	22,946	28,602	23,863	194
Interest and dividend income . . . . .	(1,598)	(1,031)	(1,429)	(12)
Interest expense . . . . .	104,561	95,959	87,933	715
Construction grants received . . . . .	(59,043)	(6,789)	(7,447)	(61)
Devaluation loss on investment securities . . . . .	—	38,640	—	—
Loss from disposition and provision for cost reduction of fixed assets . . . . .	65,084	13,805	15,603	127
Decrease in major receivables . . . . .	7,007	25,218	31,644	257
Decrease in major payables . . . . .	(1,034)	(23,159)	(76,674)	(623)
Other . . . . .	10,058	(5,117)	(11,637)	(94)
Sub-total . . . . .	385,846	385,371	333,309	2,710
Proceeds from interest and dividends . . . . .	1,998	1,448	1,541	13
Payments of interest . . . . .	(102,580)	(93,505)	(85,268)	(693)
Payments of income taxes . . . . .	(64,798)	(56,140)	(63,781)	(519)
Net cash provided by operating activities . . . . .	220,466	237,174	185,801	1,511
<b>Cash Flows from Investing Activities:</b>				
Payments for purchases of fixed assets . . . . .	(176,681)	(166,423)	(179,798)	(1,462)
Proceeds from sales of fixed assets . . . . .	5,586	2,190	7,844	64
Proceeds from construction grants . . . . .	25,742	36,724	34,155	278
Payments for purchases of investments in securities . . . . .	(5,254)	(2,405)	(783)	(6)
Other . . . . .	8,375	2,308	4,961	40
Net cash used in investing activities . . . . .	(142,232)	(127,606)	(133,621)	(1,086)
<b>Cash Flows from Financing Activities:</b>				
Proceeds from long-term loans . . . . .	57,000	35,538	170	1
Payments of long-term loans . . . . .	(96,438)	(121,461)	(82,212)	(668)
Proceeds from issuance of bonds . . . . .	50,000	—	50,000	407
Payments for redemption of bonds . . . . .	(47,010)	—	—	—
Payments of liabilities incurred for purchase of railway facilities . . . . .	(40,302)	(42,123)	(57,690)	(469)
Cash dividends paid . . . . .	(10,000)	(10,000)	(10,000)	(81)
Other . . . . .	(15,308)	(25,781)	(6,610)	(55)
Net cash used in financing activities . . . . .	(102,058)	(163,827)	(106,342)	(865)
Net Decrease in Cash and Cash Equivalents . . . . .	(23,824)	(54,259)	(54,162)	(440)
Cash and Cash Equivalents at Beginning of the Period . . . . .	255,775	283,817	200,022	1,626
Increase due to Addition of Consolidated Subsidiaries, and Other . . . . .	—	301	232	2
Cash and Cash Equivalents at End of the Period . . . . .	¥231,951	¥229,859	¥146,092	\$1,188

See accompanying notes.