New Frontier 2008

Key Targets

Management Targets

Concrete Management Targets—**Three Benchmarks**

1 **To attain a total consolidated operating cash flow of**

¥2 trillion for four years

JR East is simultaneously seeking to steadily reduce debt to increase the soundness of the Group's financial base and thereby enhance the Group's ability to achieve sustained business growth, proactively make capital investments to generate major business benefits in the future, and increase shareholder returns.

2 **To lower the ratio of long-term debt to shareholders' equity to approximately 2:1**

To further increase the soundness of its financial base, JR East is proactively reducing debt, with the target of lowering the level of long-term debt to approximately two by fiscal 2009.

3 **To achieve a consolidated return on assets (ROA) of 6%**

To promote the JR East Group's continued growth, JR East will work to make the most of its assets, with the target of raising ROA to 6% by fiscal 2009.

Environmental Targets

Concrete Environmental Targets—**Three Benchmarks**

JR East revised its environmental targets to coincide with the unveiling of *New Frontier 2008,* raising the bar for several targets that were reached ahead of the original March 2006 deadline. In addition, JR East set out new environmental targets for the Group as a whole.

Key targets for fiscal 2009 are shown below.

1 **Total CO_2 emissions from general business activities**

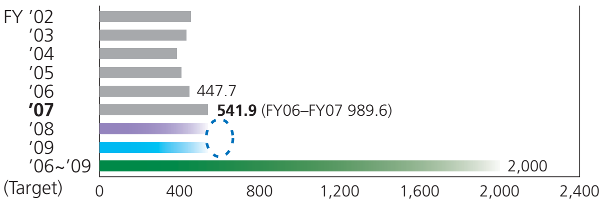
22% reduction compared with FY91

2 **Energy-saving railcars as a percentage of total rolling stock 82%**

3 **Recycling rate for waste generated at stations and on trains 45%**

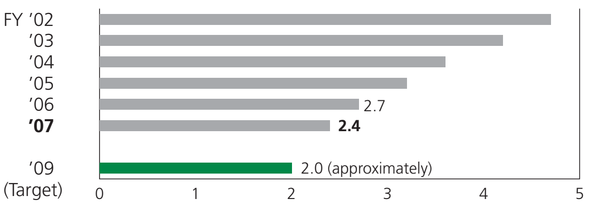
Progress

Cash Flows from Operating Activities (Billions of yen)



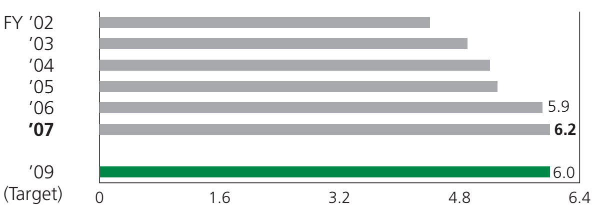
Improved performance in transportation operations, the *Station Renaissance* program, and other factors have increased revenues, and JR East has moved steadily ahead with cost-cutting measures. As a result, consolidated cash flow from operating activities is growing smoothly in line with plans, amounting to ¥541.9 billion in fiscal 2007.

Ratio of Total Long-Term Debt to Shareholders' Equity (Times)



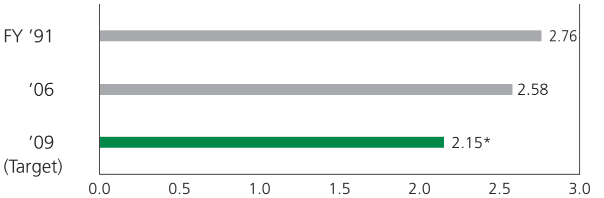
Sustained efforts to reduce debt—along with a higher level of profitability than originally projected, which led to additional growth in shareholders' equity—enabled JR East to lower its ratio of total long-term debt to shareholders' equity to 2.4. This represents a significant and steady strengthening of the financial base in line with JR East's plans.

Ratio of Operating Income to Average Assets (ROA) (%)



JR East's assiduous efforts to increase the effectiveness of its asset employment raised ROA to 6.2% in fiscal 2007.

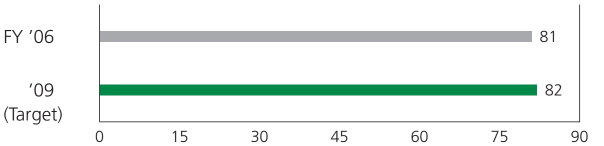
Total CO_2 Emissions from General Business Activities (Million tons-CO_2)



*22% reduction compared with FY91

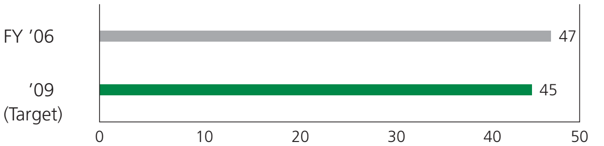
The introduction of energy-saving railcars and the promotion of comprehensive intermodal management for freight shipments have reduced CO_2 emissions related to electric power consumption. In this and other ways, JR East is relentlessly striving to reduce its CO_2 emissions.

Energy-Saving Railcars as a Percentage of Total Rolling Stock (%)



At the end of fiscal 2006, JR East had introduced 9,944 energy-saving railcars and increased the share of such cars to 81%. Plans call for continuing to steadily introduce additional energy-saving railcars and thereby reduce the environmental impact of JR East's operations.

Recycling Rate for Waste Generated at Stations and on Trains (%)



The installation of separate trash receptacles for different types of trash and the creation of recycling centers have enabled JR East to be increasingly thorough in separating the trash it collects. In this way, JR East is earnestly working to make effective use of natural resources.