

# JR EAST: DOMESTIC AND INTERNATIONAL PERSPECTIVES

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# JR EAST: DOMESTIC AND INTERNATIONAL PERSPECTIVES

## PEER GROUP COMPARISONS

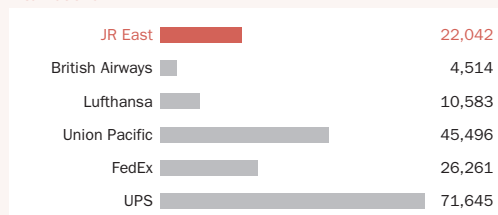
In this section, several key performance indicators illustrate how JR East compares with selected well-known companies.

In scale and profitability, JR East is not to be outdone by any of the world's renowned transportation companies. It is a benchmark among public utilities in Japan—including the power and telecommunications companies—of an overwhelming scale and earnings performance above all of the other domestic airway and private railway operators.

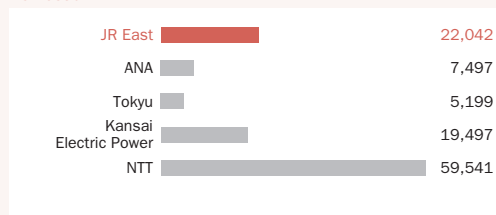
### Total Stock Market Value

Millions of U.S. Dollars

#### International



#### Domestic

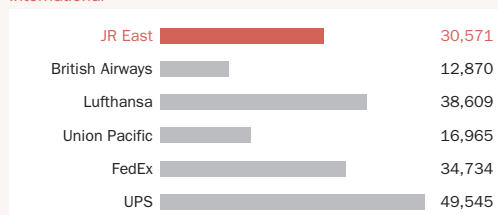


\* Data in these graphs have been computed from each company's share price and shares outstanding at the end of the previous fiscal year.

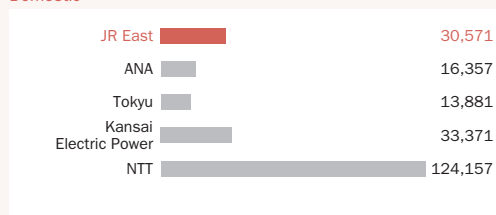
### Operating Revenues

Millions of U.S. Dollars

#### International



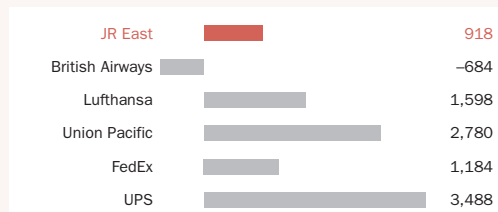
#### Domestic



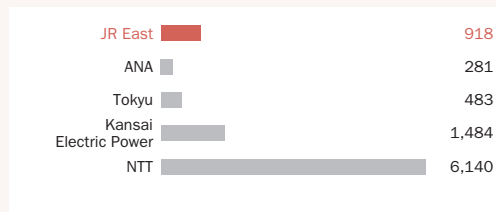
### Net Income (Loss)

Millions of U.S. Dollars

#### International



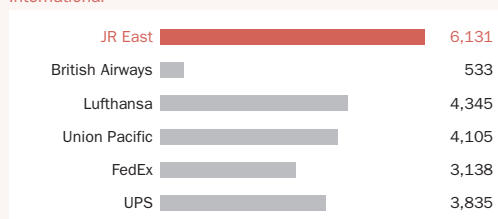
#### Domestic



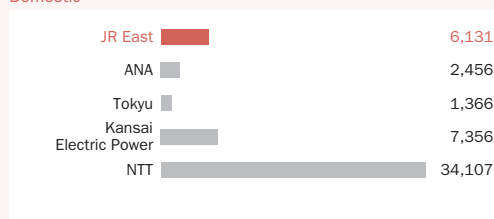
## Cash Flows from Operating Activities

Millions of U.S. Dollars

### International



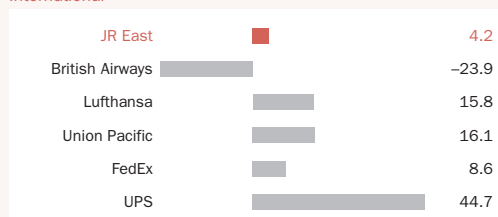
### Domestic



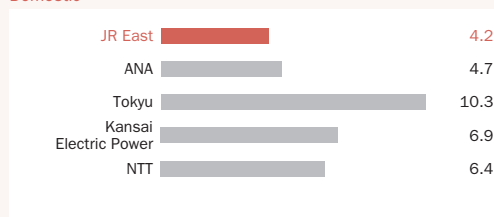
## Return on Average Equity (ROE)

%

### International



### Domestic

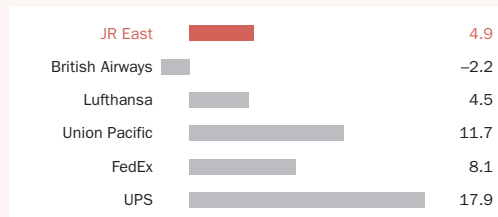


Average equity is the average of equity at the end of the previous and applicable fiscal years.

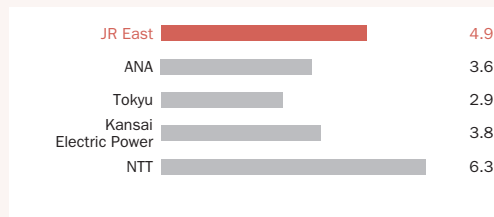
## Ratio of Operating Income to Average Assets (ROA)

%

### International



### Domestic



Average assets is the average of assets at the end of the previous and applicable fiscal years.

- Year ended March 31, 2011 (Year ended December 31, 2010, for Lufthansa, Union Pacific, and UPS, year ended May 31, 2010, for FedEx, year ended March 31, 2010, for British Airways)
- ANA: All Nippon Airways Co., Ltd.; Tokyu: Tokyu Corporation; NTT: Nippon Telegraph and Telephone Corporation
- Data in this section are based on consolidated figures from each company's annual report or financial press releases.
- The exchange rate used is the rate on March 31, 2011 (\$1=¥83, £1=\$1.61, €1=\$1.41).
- Share prices at the close of the respective previous fiscal years and computed using the above exchange rates are \$55.62 for JR East, \$3.91 for British Airways, \$23.12 for Lufthansa, \$92.66 for Union Pacific, \$83.49 for FedEx, \$72.58 for UPS, \$2.98 for ANA, \$4.15 for Tokyu, \$21.78 for Kansai Electric Power, and \$44.92 for NTT.

## INTERNATIONAL RAILWAY COMPARISONS

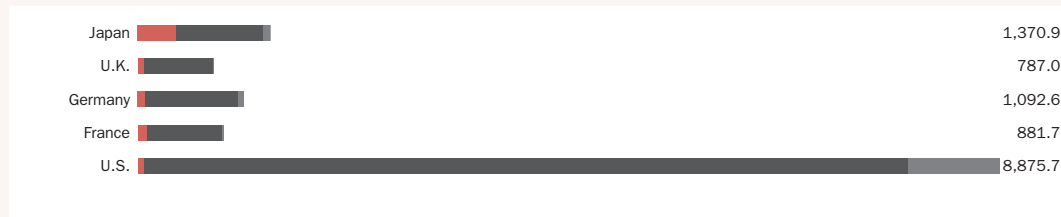
Japan's high reliance on railways due to the size of the economy and geographic characteristics affords railway companies an extremely large source of demand, especially in urban areas. In addition to being Japan's top railway company, JR East is one of the largest railway companies in the world.

## TRANSPORTATION MARKET

### Composition by Type of Transportation

Billions of Passenger Kilometers

■ Railways ■ Motor Vehicles ■ Airlines ■ Ships



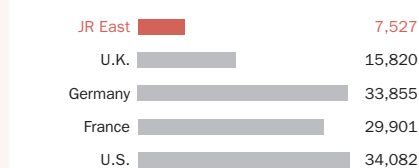
	Railways		Motor Vehicles				Airlines		Ships		Total			
	Billions	%	Billions	%	Billions	%	Billions	%	Billions	%	Billions	%		
			Buses	Cars	Total									
Japan	393.9	28.7%	87.4	6.4%	811.3	59.2%	898.7	65.6%	75.2	5.5%	3.1	0.2%	1,370.9	100.0%
U.K.	61.0	7.8%	39.0	5.0%	678.0	86.1%	717.0	91.1%	9.0	1.1%	N.A.	N.A.	787.0	100.0%
Germany	82.5	7.5%	79.7	7.3%	869.6	79.6%	949.3	86.9%	60.8	5.6%	N.A.	N.A.	1,092.6	100.0%
France	99.9	11.3%	48.5	5.5%	720.2	81.7%	768.7	87.2%	13.1	1.5%	N.A.	N.A.	881.7	100.0%
U.S.	61.7	0.7%	274.3	3.1%	7,600.5	85.6%	7,874.8	88.7%	939.1	10.6%	N.A.	N.A.	8,875.7	100.0%

• Respective figures are for the following years: Japan, year ended March 31, 2010; U.K., year ended March 31, 2008; Germany, France and U.S., year ended December 31, 2008.  
 • Railway figures for Japan include JR East passenger kilometers (127.0 billion, exclusive of Tokyo Monorail).

Sources: Japan: Ministry of Land, Infrastructure, Transport and Tourism; U.K.: Transport Statistics Great Britain 2010; Germany: Verkehr in Zahlen 2009/2010; France: Website of Ministry for Infrastructure, Transport, Housing, Tourism, and the Sea of France; U.S.: National Transportation Statistics 2009.

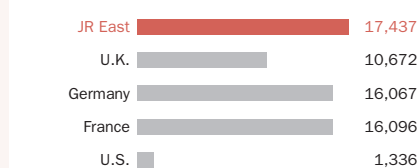
### Railway Line Networks

Kilometers



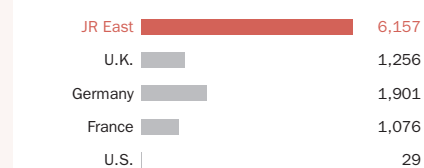
### Revenues from Railway Operations

Millions of U.S. Dollars

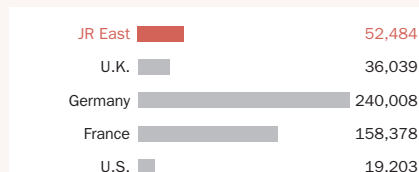


### Number of Passengers

Millions

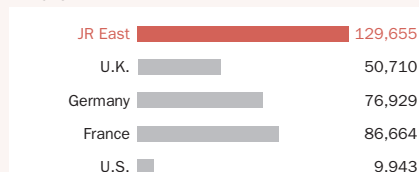


### Number of Employees



### Passenger Kilometers

Millions



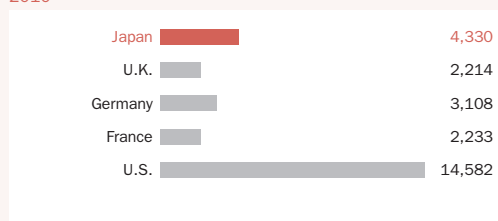
• As of December 31, 2008, except for the following: JR East, as of March 31, 2009  
 • U.K.: Association of Train Operating Companies (Railway tracks are owned by Network Rail Ltd.); Germany: Deutsche Bahn AG; France: Société Nationale des Chemins de fer Français (SNCF) (Railway tracks are owned by Réseau Ferré de France (RFF)); U.S.: National Railroad Passenger Corporation (Amtrak)  
 • Revenues from railway operations do not include freight and other service revenues.  
 • Figures for JR East do not include Tokyo Monorail.  
 • The exchange rate used is the rate for March 31, 2009 (\$1=¥98, £1=\$1.43, €=\$1.32).  
 Source: Statistiques Internationales des Chemins de Fer 2008, Union Internationale des Chemins de Fer

## FUNDAMENTALS

### Gross Domestic Product

Billions of U.S. Dollars

2010



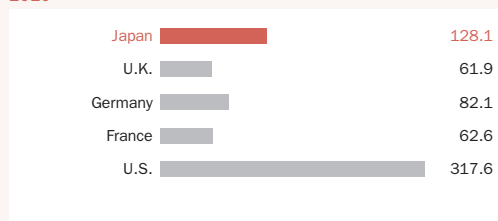
	2006	2007	2008	2009	2010
Japan	4,071	4,290	4,323	4,135	4,330
U.K.	2,119	2,178	2,261	2,173	2,214
Germany	2,777	2,931	3,053	2,975	3,108
France	2,000	2,124	2,196	2,173	2,233
U.S.	13,336	13,995	14,297	14,044	14,582

Source: Annual National Accounts database, OECD

### Population

Millions

2010



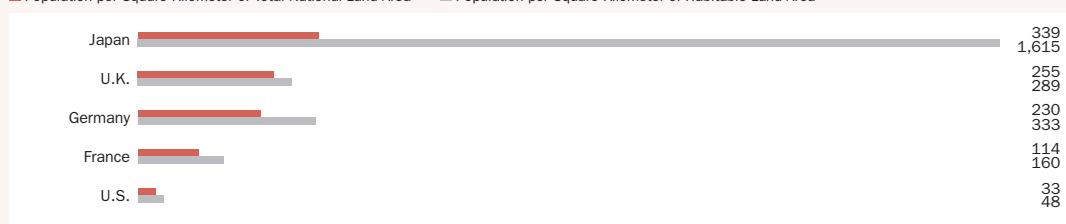
	2006	2007	2008	2009	2010
Japan	127.8	127.8	127.7	127.5	128.1
U.K.	59.8	60.0	61.0	61.6	61.9
Germany	82.7	82.7	82.5	82.2	82.1
France	60.7	60.9	61.9	62.3	62.6
U.S.	301.0	303.9	308.8	314.7	317.6

Sources: Japan: Current Population Estimates and Census, Ministry of Internal Affairs and Communications Statistics Bureau;  
Other countries: State of World Population, UNFPA

### Population Density

Per Square Kilometer

■ Population per Square Kilometer of Total National Land Area ■ Population per Square Kilometer of Habitable Land Area



	2006		2007		2008		2009		2010	
	Total National Land Area	Habitable Land Area	Total National Land Area	Habitable Land Area	Total National Land Area	Habitable Land Area	Total National Land Area	Habitable Land Area	Total National Land Area	Habitable Land Area
Japan	338	1,610	338	1,607	337	1,606	337	1,605	339	1,615
U.K.	246	274	247	274	254	284	254	287	255	289
Germany	232	342	232	336	230	335	230	334	230	333
France	110	152	110	154	113	156	113	157	114	160
U.S.	31	49	32	46	33	47	33	48	33	48

• JR East calculated these figures by using the following data and definition of each country's habitable land area.

Population

Japan: Current Population Estimates and Census (October 1, 2010), Ministry of Internal Affairs and Communications Statistics Bureau; Other countries: United Nations data

Habitable land area

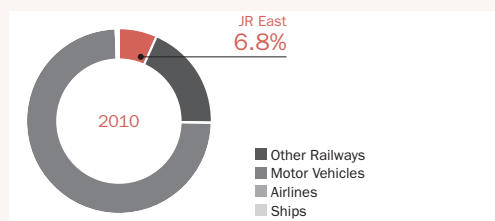
Japan: Land White Paper, Ministry of Land, Infrastructure, Transport and Tourism. Total area minus forests and woodland, barren land, area under inland water bodies, and other; Other countries: Global Forest Resources Assessment 2010, FAO

## RAILWAY OPERATIONS IN JAPAN

Railways play a vital role in Japan, a nation of limited landmass and high population density. Here, railways carry roughly 30% of the passenger volume in all modes of transportation, and JR East accounts for roughly 30% of the passenger volume in railways.

## SHARE OF DOMESTIC TRANSPORTATION

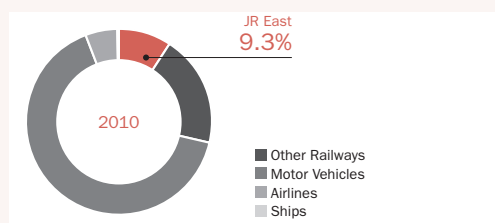
### Number of Passengers



Years ended March 31	2006		2007		2008		2009		2010	
	Millions	%	Millions	%	Millions	%	Millions	%	Millions	%
Railways	5,911	6.7%	5,991	6.8%	6,170	6.9%	6,157	6.9%	6,089	6.8%
Other railways	16,043	18.2%	16,253	18.4%	16,671	18.5%	16,819	18.7%	16,636	18.6%
Motor vehicles	65,947	74.9%	65,943	74.6%	66,909	74.4%	66,774	74.2%	66,600	74.4%
Airlines	94	0.1%	97	0.1%	95	0.1%	91	0.1%	84	0.1%
Ships	103	0.1%	99	0.1%	100	0.1%	99	0.1%	92	0.1%
Total	88,098	100.0%	88,383	100.0%	89,945	100.0%	89,940	100.0%	89,500	100.0%

Source: Summary of Transport Statistics, Ministry of Land, Infrastructure, Transport and Tourism

### Passenger Kilometers



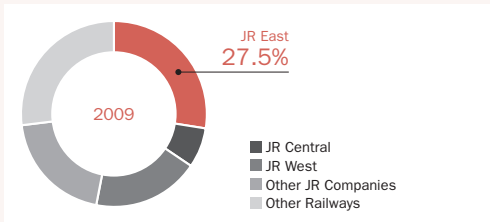
Years ended March 31	2006		2007		2008		2009		2010	
	Millions	%	Millions	%	Millions	%	Millions	%	Millions	%
Railways	126,142	8.9%	127,653	9.1%	130,558	9.2%	129,655	9.3%	126,960	9.3%
Other railways	265,004	18.8%	268,255	19.1%	274,986	19.5%	274,830	19.7%	266,943	19.5%
Motor vehicles	933,006	66.1%	917,938	65.4%	919,062	65.0%	905,907	64.9%	898,721	65.5%
Airlines	83,220	5.9%	85,752	6.1%	84,327	6.0%	80,931	5.8%	75,203	5.5%
Ships	4,025	0.3%	3,773	0.3%	3,834	0.3%	3,510	0.3%	3,073	0.2%
Total	1,411,397	100.0%	1,403,371	100.0%	1,412,767	100.0%	1,394,833	100.0%	1,370,900	100.0%

Source: Summary of Transport Statistics, Ministry of Land, Infrastructure, Transport and Tourism

• Figures for JR East on this page do not include Tokyo Monorail

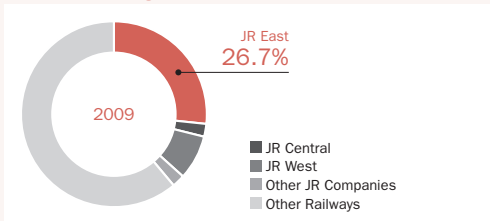
## Share of Domestic Railways

### Passenger Line Network



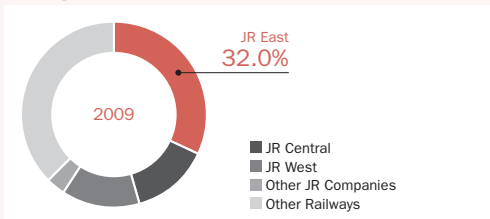
As of March 31, 2009	Km	%
JR East	7,527	27.5%
JR Central	1,971	7.2%
JR West	5,013	18.4%
Other JR Companies	5,477	20.0%
Other Railways	7,351	26.9%

### Number of Passengers



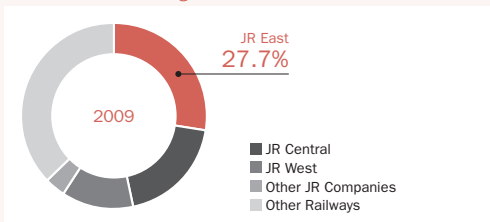
	Millions	%
JR East	6,157	26.7%
JR Central	529	2.3%
JR West	1,826	7.9%
Other JR Companies	472	2.0%
Other Railways	14,088	61.1%

### Passenger Kilometers



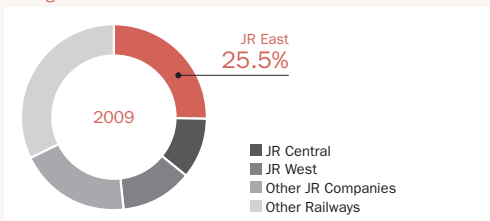
	Millions	%
JR East	129,655	32.0%
JR Central	55,318	13.7%
JR West	54,443	13.5%
Other JR Companies	14,140	3.5%
Other Railways	150,882	37.3%

### Revenues from Passenger Tickets



	Billions of Yen	%
JR East	1,709	27.7%
JR Central	1,170	19.0%
JR West	773	12.5%
Other JR Companies	219	3.6%
Other Railways	2,295	37.2%

### Rolling Stock Kilometers



	Millions	%
JR East	2,233	25.5%
JR Central	926	10.6%
JR West	1,088	12.4%
Other JR Companies	1,713	19.5%
Other Railways	2,808	32.0%

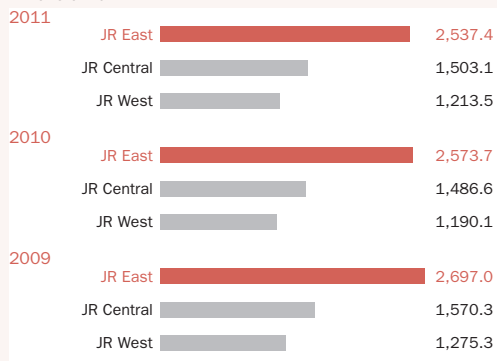
- Figures for Passenger Line Network do not include freight traffic.
  - Figures for Rolling Stock Kilometers do not include locomotives and freight cars.
  - Figures for Tokyo Monorail are included in other railways.
- Source: Statistics of Railways 2008, Ministry of Land, Infrastructure, Transport and Tourism

## FINANCIAL OVERVIEW OF JR PASSENGER RAILWAY COMPANIES

JR East accounts for about 50% of the total operating revenues of the three largest JR passenger railway companies. JR East's immense and stable operating base contributes to large and consistent earnings and cash flows.

### Operating Revenues

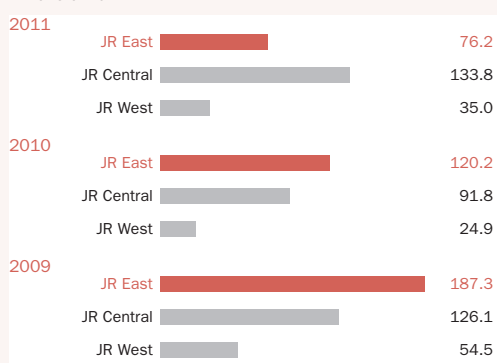
Billions of Yen



Years ended March 31	Millions of Yen		
	2009	2010	2011
JR East	2,697,000	2,573,724	2,537,353
JR Central	1,570,253	1,486,632	1,503,083
JR West	1,275,308	1,190,135	1,213,506

### Net Income

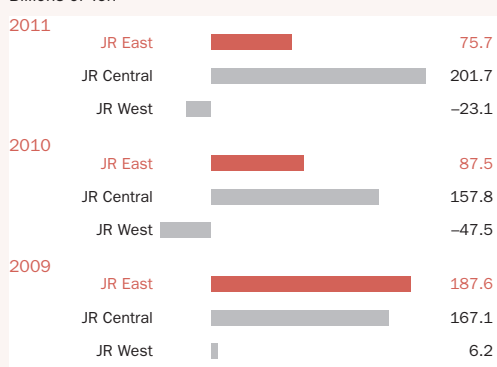
Billions of Yen



Years ended March 31	Millions of Yen		
	2009	2010	2011
JR East	187,291	120,214	76,224
JR Central	126,052	91,764	133,807
JR West	54,529	24,858	34,983

### Free Cash Flows

Billions of Yen

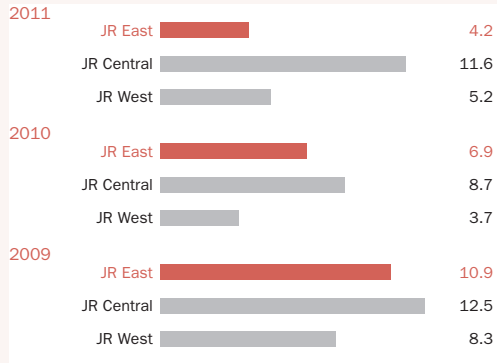


Years ended March 31	Millions of Yen		
	2009	2010	2011
JR East	187,564	87,498	75,667
JR Central	167,086	157,818	201,719
JR West	6,189	(47,473)	(23,072)



### Return on Average Equity (ROE)

%

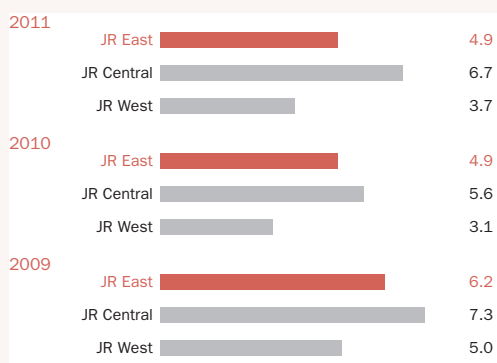


Years ended March 31	2009	2010	2011
JR East	10.9%	6.9%	4.2%
JR Central	12.5%	8.7%	11.6%
JR West	8.3%	3.7%	5.2%

• Average equity is the average of equity at the end of the previous and applicable fiscal years.

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

%

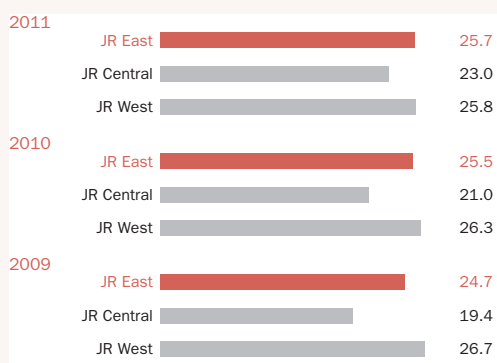


Years ended March 31	2009	2010	2011
JR East	6.2%	4.9%	4.9%
JR Central	7.3%	5.6%	6.7%
JR West	5.0%	3.1%	3.7%

• Average assets is the average of assets at the end of the previous and applicable fiscal years.

### Equity Ratio

%



Years ended March 31	2009	2010	2011
JR East	24.7%	25.5%	25.7%
JR Central	19.4%	21.0%	23.0%
JR West	26.7%	26.3%	25.8%

• Equity ratio = shareholders' equity / total assets

• Data in this section has been calculated by JR East based on figures in JR Central's and JR West's financial press releases.

## RAILWAY OPERATIONS IN TOKYO

The Tokyo metropolitan area accounts for roughly 30% of the population and economic base in Japan and has a population density far higher than any other region in the country. JR East alone provides nearly half of the huge volume of railway transportation in the Tokyo metropolitan area, where railways account for roughly 50% of all transportation.

## TRANSPORTATION IN THE TOKYO AREA

Major Railways in the Tokyo Area

	Passenger Line Network <sup>1</sup>		Passenger Kilometers <sup>2</sup>		Revenues from Passenger Tickets <sup>2</sup>	
	km	%	Millions	%	Billions of Yen	%
JR East	1,106.1	42.4%	80,058	47.9%	885.5	43.7%
Tobu Railway	463.3	17.8%	12,389	7.4%	140.9	7.0%
Tokyo Metro	195.1	7.5%	18,518	11.1%	295.3	14.6%
Seibu Railway	176.6	6.8%	8,753	5.3%	95.1	4.7%
Toei (Tokyo Metropolitan Government)	131.2	5.0%	6,131	3.7%	128.7	6.4%
Odakyu Electric Railway	120.5	4.6%	11,084	6.6%	115.3	5.7%
Tokyu Corporation	104.9	4.0%	10,202	6.1%	129.1	6.4%
Keisei Electric Railway	102.4	3.9%	3,583	2.2%	49.8	2.5%
Keihin Electric Express Railway	87.0	3.3%	6,223	3.7%	74.5	3.7%
Keio Electric Railway	84.7	3.3%	7,471	4.5%	79.2	3.9%
Sagami Railway	35.9	1.4%	2,586	1.5%	31.4	1.4%
Total	2,607.7	100.0%	166,999	100.0%	2,024.7	100.0%

<sup>1</sup> As of March 31, 2010

<sup>2</sup> For the year ended March 31, 2010

• Figures do not include freight lines.

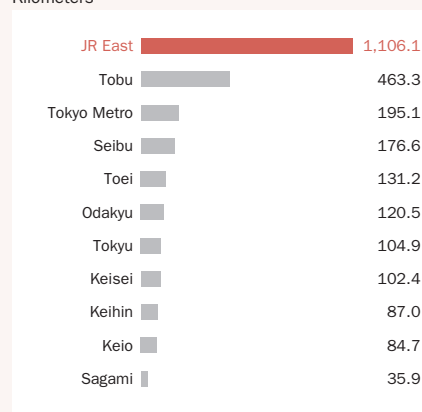
• Data used for JR East is that of the Tokyo Metropolitan Area Network and do not include Tokyo Monorail.

Sources:

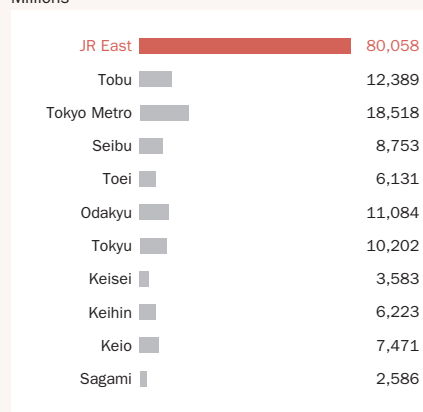
• Toei (Tokyo Metropolitan Government): Figures from the website of the Transportation Bureau of the Tokyo Metropolitan Government. Passenger kilometers are from Statistics of Railways 2008, Ministry of Land, Infrastructure, Transport and Tourism.

• Other: Website of the Association of Japanese Private Railways. Revenues from passenger tickets are based on figures from the financial press releases of each company.

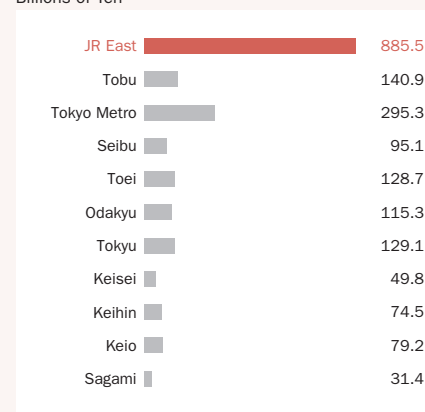
Passenger Line Networks  
Kilometers



Passenger Kilometers  
Millions

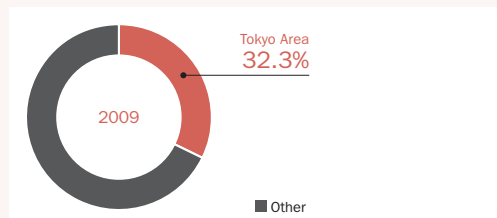


Revenues from Passenger Tickets  
Billions of Yen



## FUNDAMENTALS

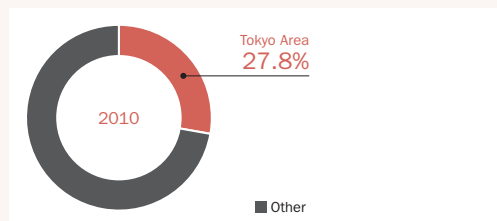
### Net Domestic Product



Years ended March 31	2005		2006		2007		2008		2009	
	Billions of Yen	%	Billions of Yen	%	Billions of Yen	%	Billions of Yen	%	Billions of Yen	%
Tokyo area	117,439	31.7%	120,445	32.0%	120,532	31.9%	120,128	31.9%	116,832	32.3%
Other	253,207	68.3%	256,173	68.0%	257,530	68.1%	256,517	68.1%	245,084	67.7%
Total	370,646	100.0%	376,618	100.0%	378,062	100.0%	376,645	100.0%	361,916	100.0%

Source: Annual Report on Prefectural Economies, Cabinet Office

### Population

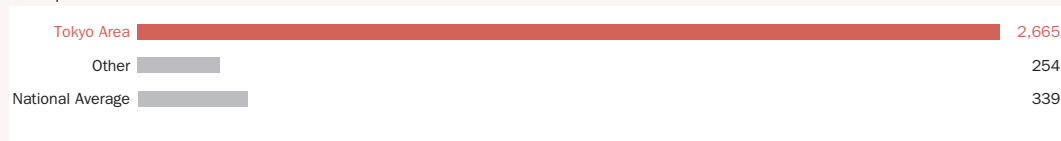


As of October 1	2006		2007		2008		2009		2010	
	Millions	%	Millions	%	Millions	%	Millions	%	Millions	%
Tokyo area	34.6	27.1%	34.8	27.3%	35.0	27.4%	35.1	27.5%	35.6	27.8%
Other	93.2	72.9%	93.0	72.7%	92.7	72.6%	92.4	72.5%	92.4	72.2%
Total	127.8	100.0%	127.8	100.0%	127.7	100.0%	127.5	100.0%	128.1	100.0%

Source: Current Population Estimates and Census, Ministry of Internal Affairs and Communications

### Population Density

Per Square Kilometer



As of October 1	2006	2007	2008	2009	2010
Tokyo area	2,591	2,605	2,617	2,624	2,665
Other	255	255	254	254	254
Total	338	338	338	337	339

- JR East calculated these figures by using data from the following sources: Current Population Estimates and Census, Ministry of Internal Affairs and Communications; statistics from Geographical Survey Institute
- The statistics on this page are based on governmental boundaries and do not strictly correspond with JR East's operating area segments.

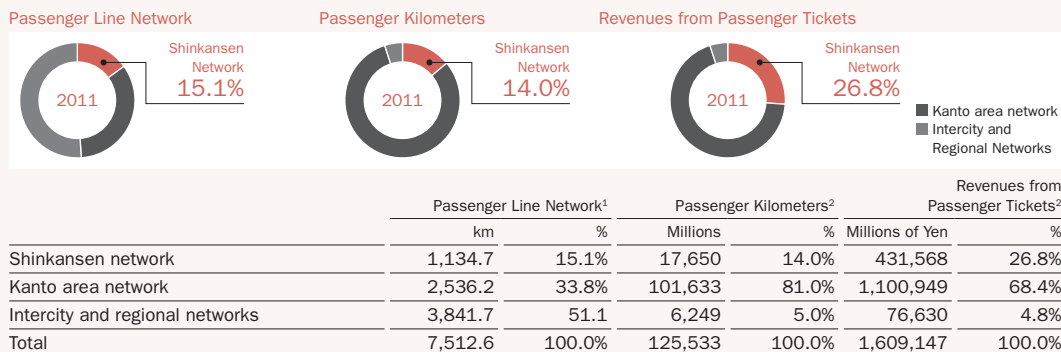
## ANALYSIS OF JR EAST'S RAILWAY OPERATIONS

The fact that two-thirds of its transportation revenue comes from Tokyo and the Kanto region where most of the population and economic base in Japan resides, shows the solidness of JR East's management platform.

As another strength, the Company is largely immune to economic fluctuations, as commuter passes account for a third of transportation revenues overall, and 40% of those revenues are from the Kanto region.

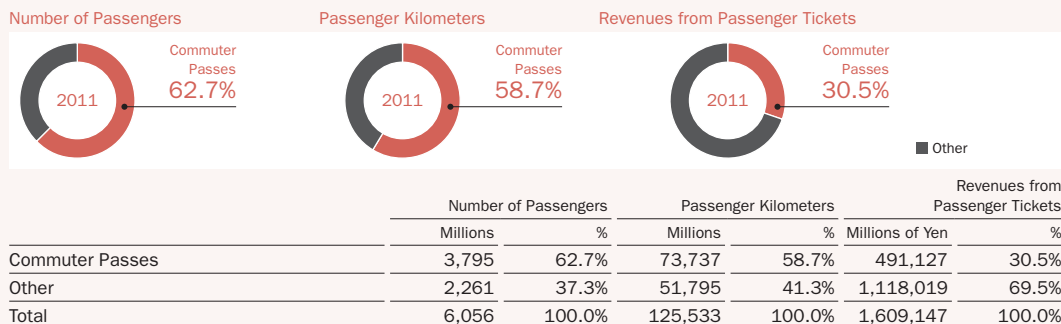
More than half of the electricity JR East consumes is self-generated in the hydro- and thermal-electric power plants it owns.

### Composition by Operating Area

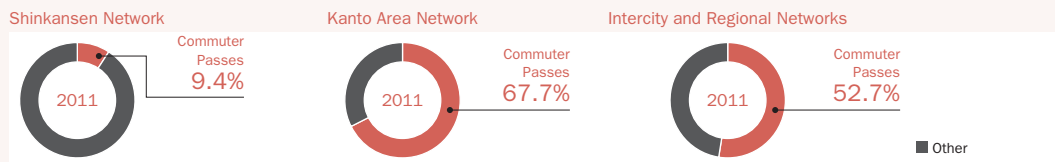


- As of March 31, 2011
  - Year ended March 31, 2011
- Revenues from the conventional line segments of hybrid Shinkansen services are credited to Intercity and Regional Networks.
  - Figures do not include Tokyo Monorail.

### Composition of Commuter Passes—Overall

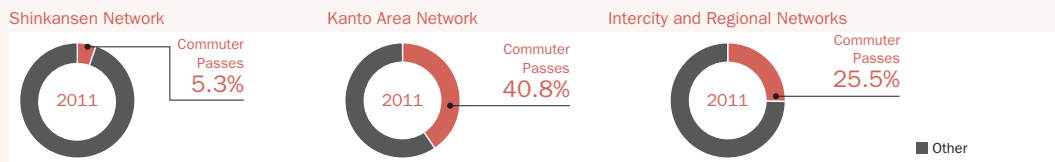


### Composition of Commuter Passes—By Passenger Kilometers



	Total	Commuter Passes	
	Millions	Millions	%
Shinkansen network	17,650	1,659	9.4%
Kanto area network	101,633	68,782	67.7%
Intercity and regional networks	6,249	3,295	52.7%
Total	125,533	73,737	58.7%

### Composition of Commuter Passes—By Revenues from Passenger Tickets



	Total	Commuter Passes	
	Millions of yen	Millions of yen	%
Shinkansen network	431,568	22,730	5.3%
Kanto area network	1,100,949	448,829	40.8%
Intercity and regional networks	76,630	19,567	25.5%
Total	1,609,147	491,127	30.5%

- Percentages represent passenger kilometers and revenues from passenger tickets attributable to commuter passes for each segment.
- Revenues from the conventional line segments of hybrid Shinkansen services are credited to Intercity and Regional Networks.
- Figures do not include Tokyo Monorail.

## Passenger Kilometers

Millions

Years ended March 31		2009	2010	2011	2011/2010
Shinkansen network	Commuter Passes	1,678	1,665	1,659	99.6%
	Other	17,624	16,486	15,991	97.0%
	Total	19,302	18,152	17,650	97.2%
Conventional lines	Total				
	Commuter Passes	72,418	72,011	72,078	100.1%
	Other	37,935	36,796	35,804	97.3%
	Total	110,353	108,807	107,882	99.2%
Kanto area network	Commuter Passes	69,081	68,693	68,782	100.1%
	Other	34,619	33,653	32,850	97.6%
	Total	103,700	102,346	101,633	99.3%
Intercity and regional networks	Commuter Passes	3,337	3,318	3,295	99.3%
	Other	3,316	3,143	2,954	94.0%
	Total	6,653	6,461	6,249	96.7%
Total	Commuter Passes	74,096	73,677	73,737	100.1%
	Other	55,559	53,282	51,795	97.2%
	Total	129,655	126,959	125,533	98.9%

## Revenues from Passenger Tickets

Millions of Yen

Years ended March 31		2009	2010	2011	2011/2010
Shinkansen network	Commuter Passes	22,949	22,774	22,730	99.8%
	Other	451,943	416,729	408,837	98.1%
	Total	474,892	439,504	431,568	98.2%
Conventional lines	Total				
	Commuter Passes	473,603	468,934	468,397	99.9%
	Other	760,379	732,222	709,182	96.9%
	Total	1,233,982	1,201,157	1,177,579	98.0%
Kanto area network	Commuter Passes	453,613	449,152	448,829	99.9%
	Other	695,778	671,522	652,119	97.1%
	Total	1,149,391	1,120,674	1,100,949	98.2%
Intercity and regional networks	Commuter Passes	19,990	19,782	19,567	98.9%
	Other	64,601	60,699	57,062	94.0%
	Total	84,591	80,482	76,630	95.2%
Total	Commuter Passes	496,552	491,709	491,127	99.9%
	Other	1,212,322	1,148,951	1,118,019	97.3%
	Total	1,708,874	1,640,661	1,609,147	98.1%

- Passenger kilometers and revenues from the conventional line segments of hybrid Shinkansen services are credited to Intercity and Regional Networks.
- Conventional Lines: Total of Kanto Area Network and Intercity and Regional Networks
- Figures do not include Tokyo Monorail.
- The Kanto Area Network encompasses the area encompassed under the previous classification of the Tokyo Metropolitan Area Network (Tokyo Branch Office, Yokohama Branch Office, Hachioji Branch Office, and Omiya Branch Office) and the areas covered by Takasaki Branch Office, Mito Branch Office, and Chiba Branch Office.

## Electric Power

Year ended March 31, 2011	Billions of kWh	%
Thermal generation	2.66	43.6%
Hydroelectric generation	0.81	13.3%
Independent	3.47	56.9%
Purchased	2.63	43.1%
Total	6.10	100.0%

