

SECTION

2 AS A CORPORATE CITIZEN

The 'As a Corporate Citizen' section provides a broad introduction to the JR East Group's activities for realizing a sustainable society from the three aspects of safety, the environment and society.

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SAFETY

Since its founding, JR East has worked consistently to improve safety as its most important corporate mission. Also, *JR East 2020 Vision—idomu*—calls on JR East to maintain an unflinching commitment to pursuing “extreme safety levels.”

2013 Safety Vision

In fiscal 2010, JR East began advancing measures based on its latest five-year safety plan, *2013 Safety Vision*, JR East’s fifth such plan since its founding in 1987. Under *2013 Safety Vision*, JR East will make a concerted effort—from the front line to the Head Office—to tackle safety issues under the slogan “think and act for yourself,” pursuing a goal of “zero accidents involving passenger injuries or fatalities and zero accidents involving employee fatalities (including employees of Group companies and partner companies).” From the two perspectives of safety-related human resource development and system improvement, and not just working to prevent the recurrence of accidents after an accident has already happened, but also evaluating possible risks to prevent accidents before they occur, JR East is taking on the challenge of pursuing “extreme safety levels” supported by four

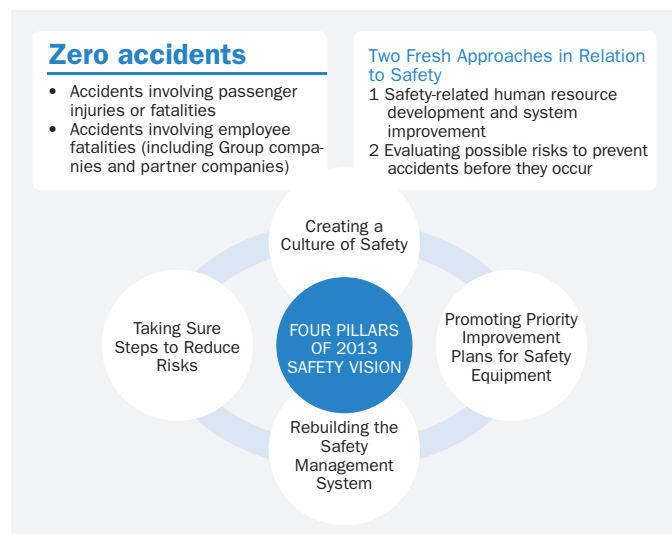
pillars: creating a culture of safety, rebuilding the safety management system, taking sure steps to reduce risks, and promoting priority improvement plans for safety equipment.

Promoting Priority Improvement Plans for Safety Equipment

JR East has invested approximately ¥2.7 trillion in safety since its founding in 1987 and we are planning to invest about ¥750 billion in safety for five years from fiscal 2010. In fiscal 2012, JR East invested approximately ¥134.9 billion in safety. Major safety initiatives included reconstructing facilities damaged in the Great East Japan Earthquake, installing more ATS (automatic train-stop systems) to prevent train collisions and derailments, and undertaking countermeasures for large-scale earthquakes such as aseismic reinforcement.

Results to Date

The incidence of railway accidents has decreased markedly since JR East’s founding. This has been a result of successive medium-term safety plans designed and implemented with a view to building and improving safety equipment, and enhancing the safety awareness and expertise of each and every employee.

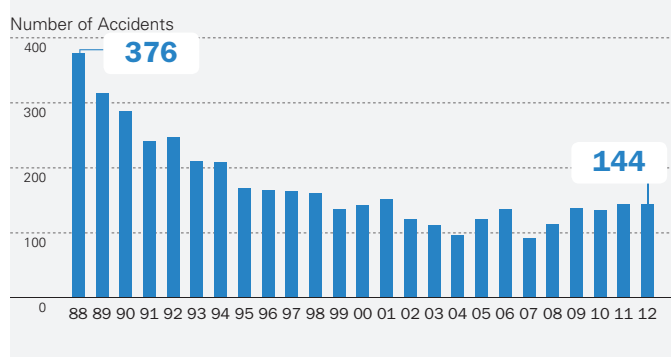


SAFETY-RELATED INVESTMENT (Years ended March 31)



Fiscal 2012: Total investment of ¥307.4 billion, including ¥134.9 billion in safety-related investment

LOOK-BACK ON RAILWAY ACCIDENT FREQUENCY (Years ended March 31)



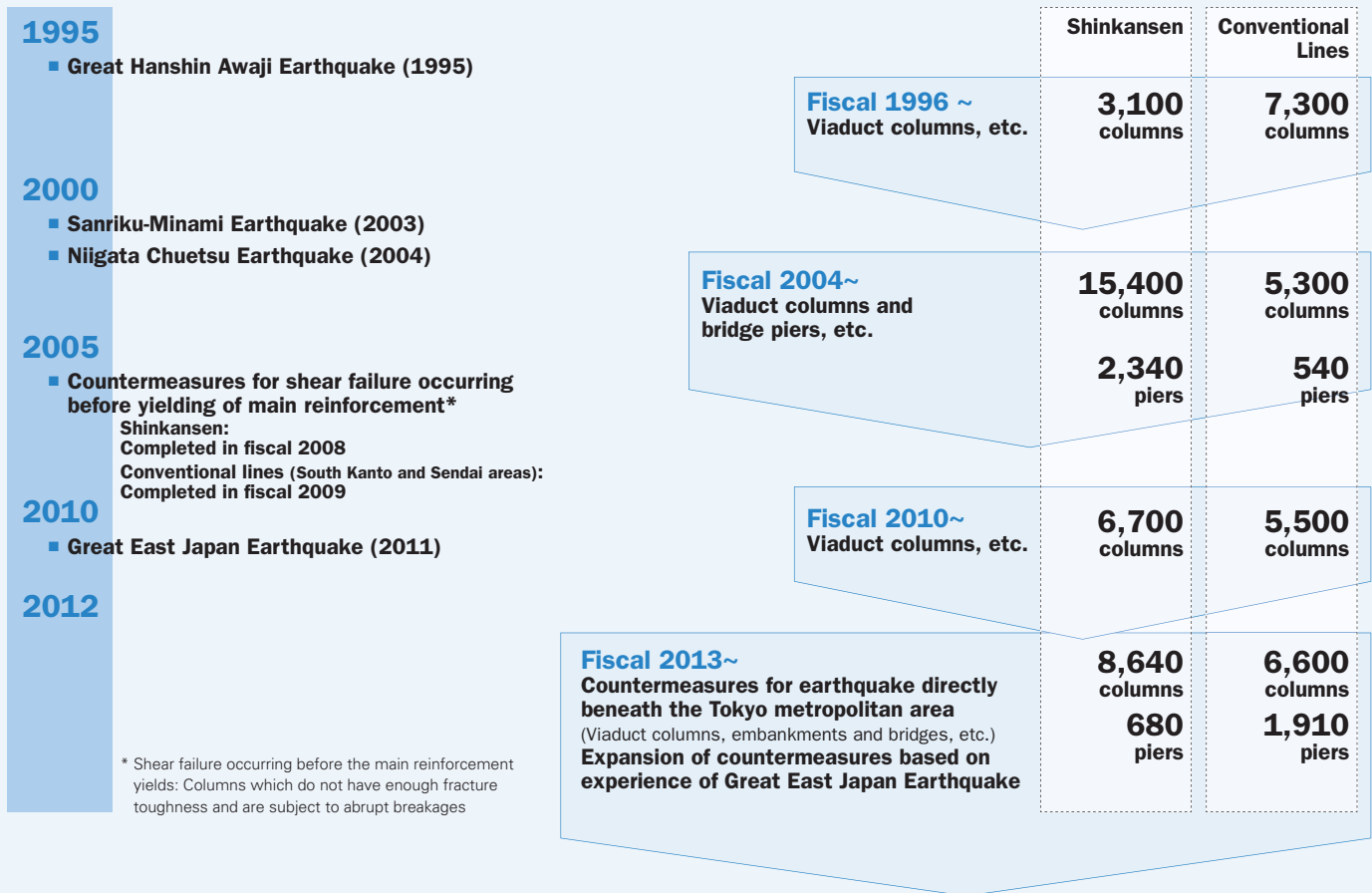
Further Enhancement of Aseismatic Reinforcement and Other Countermeasures for Earthquakes

In light of major earthquakes in the past, JR East has been aseismatically reinforcing its viaduct columns, bridge piers, tunnels, station buildings and other infrastructure in successive stages. The Group has systematically implemented countermeasures by prioritizing aseismatic reinforcement of the least earthquake-resistant viaduct columns, among other structures.

JR East is presently making progress applying aseismatic reinforcements to viaduct columns and taking other initiatives as part of an expansion in scope since fiscal 2010 of its second aseismatic reinforcement plan. In addition, the Group will implement measures in preparedness of an earthquake directly beneath the Tokyo metropolitan area and expand its countermeasures in view of the Great East Japan Earthquake, among other initiatives.

ASEISMATIC REINFORCEMENT OF VIADUCT COLUMNS AND BRIDGE PIERS

Implementation of planned countermeasures for seismically vulnerable viaduct columns, etc., on a priority basis.



Viaduct columns



Example of damage

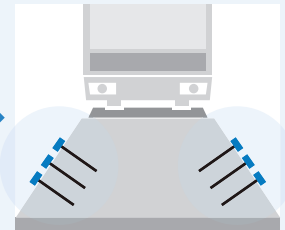


Reinforcement image

Embankments



Example of damage



Reinforcement image

ENVIRONMENTAL ISSUES

JR East has developed a wide range of environmental initiatives that reflect its basic philosophy of promoting ecological activities—diligently striving to balance environmental protection with business activities.

JR East will continue disclosing environmental information based on feedback from stakeholders, expanding and improving environmental preservation initiatives, and making railways even more environmentally friendly. Moreover, JR East will spare no effort to realize fully the environmental advantages of railways over other forms of transportation by making railways even easier to use.

Railways' Environmental Advantages

Train travel accounts for around 29% of domestic travel in Japan, yet its share of overall energy consumption is only around 4%. This is a clear indication of railways' advantage over cars and other forms of transport in terms of energy efficiency per unit of transport volume.

Such figures indicate that in comparison with other modes of transport, railways have lower energy consumption per unit of transport volume. Rail can therefore be described as an environmentally-friendly form of transport, with limited impact on the environment.

However, while railways have a small environmental impact in relative terms, JR East has a large rail network that each year emits some 2.15 million tons of CO₂ (actual figure for fiscal 2011). Rather than feeling complacent about the environmental advantages of rail transport, JR East will continue making

strenuous efforts to tackle environmental issues, and set consistently high goals.

Note: Energy consumption and CO₂ emissions have in principle been calculated on an unconsolidated basis for JR East. Beginning with fiscal 2011, however, energy consumed and CO₂ emitted by companies contracted to operate stations and other transportation-related operations were included in JR East's calculation. On the other hand, the energy consumed and CO₂ emitted by in-station stores and services Group companies operate were excluded from the unconsolidated calculation as of fiscal 2011. Based on the categorization and boundaries used previously to calculate energy consumption, JR East's CO₂ emissions in fiscal 2011 amounted to 2.26 million t-CO₂.

Environmental Preservation Initiatives

Measures to Prevent Global Warming

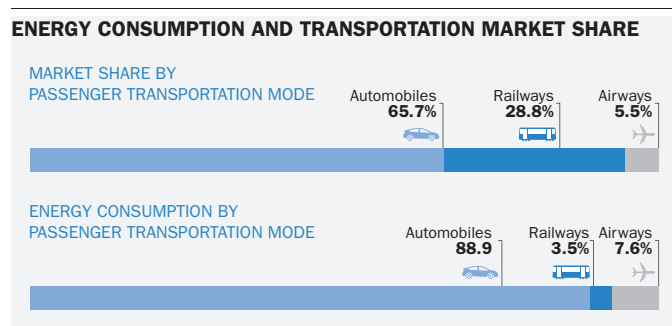
1) Reduction of energy used in train operations

Energy used by its railway operations accounts for approximately 70% of the total energy consumed by JR East. By the end of fiscal 2011, 88% of JR East's total rolling stock, or 10,993 railcars, were energy-efficient railcars.

2) Energy saving at railway stations and offices

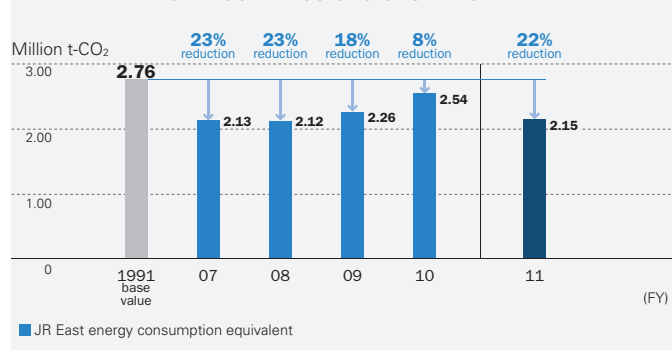
JR East is introducing greenery on the rooftop of its railway stations and office buildings in order to mitigate the "heat island" phenomenon and curb the energy it uses for air-conditioning.

JR East is also promoting the use of renewable energy. To this end, it has installed solar panels above the Shinkansen platforms at Tokyo Station and Takasaki Station, while in February 2011, it began using solar panels installed above the platform serving Tokaido Line tracks No. 9 and 10 at Tokyo Station.



Source: Compiled based on data from The Energy Conservation Center, Japan's Handbook of Energy & Economic Statistics in Japan

TREND IN THE TOTAL CO₂ EMISSIONS OF JR EAST



Photovoltaic Panels on Tokyo Station's Tokaido Line Platform (Tracks No. 9 and 10)

TOPIC 1: ECOSTE

Environment Earth Conscious Station of East Japan Railway

Starting March 2012, JR East began work on improving the Chuo Line's Yotsuya Station as the first model station under "ecoste: Environment Earth Conscious Station of East Japan Railway Company," an initiative to equip railway stations with a variety of "Eco-Menu" environmental conservation technologies (energy conservation, renewable energy, etc.) as called for in *JR East 2020 Vision—idomu—*. Work has also commenced at the Tohoku Line's Hiraizumi Station, and over time other model stations will progressively be introduced.

"ecoste" will advance eco-friendly initiatives in four pillars.

1) Energy Conservation: Promoting more advanced energy conservation

Initiatives that contribute directly to a reduction in energy use, such as high-efficiency lighting and air conditioning

2) Energy Creation: Actively implementing renewable energy

Initiatives to create energy without depending on fossil fuels (e.g., with solar energy)

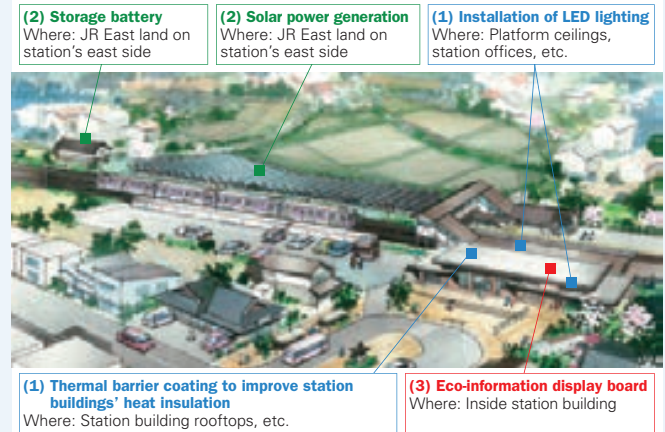
3) Eco-Awareness: Building facilities that make users eco-aware

Initiatives that give people eco-awareness, such as natural ventilation systems

4) Environmental Harmonization: Creating vitality by harmonizing people with their environment

Initiatives that emphasize the relationship between nature and the local area, through green spaces on station buildings, etc.

HIRAIZUMI STATION ON THE TOHOKU LINE: AN ECOSTE MODEL STATION



Legend

(1) Energy Conservation: Promoting more advanced energy conservation

(2) Energy Creation: Actively implementing renewable energy

(3) Eco-Awareness: Building facilities that make users eco-aware

*Zero-emission station

The combination of solar power generation and storage batteries will supply all electricity and eliminate CO₂ emissions of a station on sunny days

TOPIC 2: PROGRESS IN DEVELOPMENT OF ENVIRONMENTAL TECHNOLOGIES

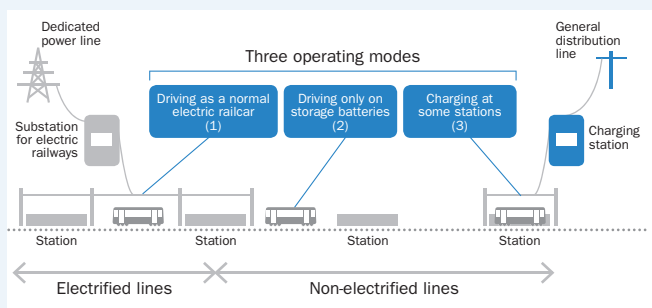
Development of a Storage-Battery Train System

To reduce environmental impact in non-electrified railway sections, JR East is developing a storage-battery train system. Using the experimental railcar, *NE Train Smart Denchi Kun*, which is equipped with this system, JR East is now running tests for further verification.



NE Train Smart Denchi Kun

CONFIGURATION OF A STORAGE-BATTERY TRAIN SYSTEM



Use of Smart Grid Technology to Power Trains

JR East has introduced a number of new technologies in the energy field, renewing in-house power generation systems and experimenting with a storage battery train system. As part of this program, and with a view to achieving more efficient energy consumption, the Company is looking at adopting smart grid technology.

JR East's smart grid technology combines its information and communication technology (ICT) system with power system technology. It allows unused electricity to be stored or distributed to other locations, thereby enabling the Company to use energy more efficiently and effectively. More specifically, JR East is adopting smart grid technology to make effective use of the regenerative electricity released when trains brake and of the solar power equipment that could potentially be installed at many railway-related facilities.

1. Employing energy storage systems to facilitate effective use of regenerative electricity

To make more effective use of the regenerative power produced when trains brake, the Company is installing storage systems that will enable it to save this power, as well as interchange systems that will feed the power to electrical circuits serving other trains.

2. Harnessing solar power and other natural energy to greater effect

JR East sees huge possibilities in the use of trackside land to harness renewable energy. With an eye to full-scale adoption at some point in the future, the Company will continue to explore storage and transmission technologies for effectively using renewable energy.

3. Plan to conserve energy automatically through equipment such as smart meters

As a business entity involved in every step from generating to consuming power, JR East believes it is important to minimize consumption when needed. As a step in that direction, the Company will experiment with the use of smart meters and other technology for conserving energy automatically, starting with the newly operational Chiba Branch Office building in fiscal 2013.

FOR SOCIETY

JR East's core railway operations have extremely strong ties with society at large as well as with local communities. Consequently, in tandem with the development of its operations, JR East has fostered a corporate culture of meeting social responsibilities and benefiting society through its business activities.

JR East's Group Philosophy includes a social mission that requires it to "grow continuously and advance in harmony with customers by generating earnings while meeting social responsibilities as a Trusted Life-style Service Creating Group." Accordingly, JR East will continue to meet the expectations of society and justify the trust of its stakeholders.

Rediscovering the Region Projects

JR East invigorates regions through a strategy of strengthening collaboration with local communities in order to facilitate joint efforts to come up with ideas. These efforts entail bringing to light local products and such tourism resources as traditional culture and festivals while leveraging the unique characteristics of railways and the advantages of sales channels in the Tokyo metropolitan area.

JR East takes concrete initiatives to activate resources and generate new employment in local communities. For instance, in January 2012 the Group opened *NOMONO*, a shop that primarily features locally processed foods and fresh farm products, in Ueno Station as part of this cooperative effort with regional authorities and producers. Other partnerships with local communities include *Sanchoku-Ichi* (farmers' markets), which have been a venue for the Group to cultivate markets for traditional arts and crafts, and help develop businesses in locally processed agricultural products. Moreover, JR East helps create human interaction, including travel, between Tokyo and the outlying regions by sponsoring events and transmitting regional information.



NOMONO



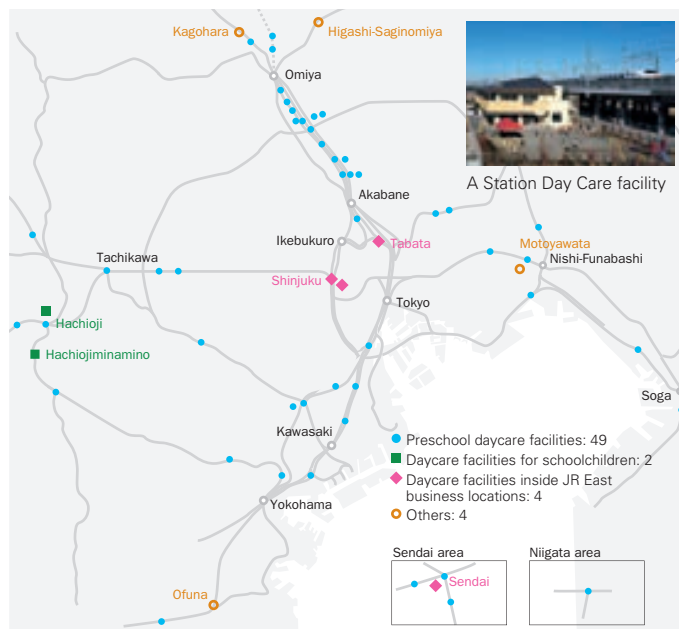
Sanchoku-Ichi (farmers' markets)

Happy Child Project Childcare Business

—CHILDCARE SUPPORT FOR WORKING PARENTS

As part of its initiatives to develop towns in partnership with local communities, JR East supports working parents by developing *Station Day Care* and other childcare facilities, most of which are within five minutes walk of a JR East railway station. Since 1996, JR East has developed 59 daycare facilities, as of April 2012, and aims to expand the franchise to 70 facilities by April 2014. JR East's *Station Day Care* facilities allow parents to drop off and pick up their preschool children on the way to and from work. At *Station Day Care* facilities, fathers bringing their children to the facilities is a common sight. In this way, the facilities are helping fathers take part in childcare. JR East benefits local communities and makes line-side areas even more attractive and convenient through its active involvement in developing a broader range of support beyond the realm of preschool day care, including daycare facilities for schoolchildren and parent-child community cafes.

JR EAST'S STATION DAY CARE FRANCHISE AS OF APRIL 2012



BOARD OF DIRECTORS AND CORPORATE AUDITORS

As of July 18, 2012



SATOSHI SEINO
Chairman



MASAKI OGATA
*Vice Chairman
Technology and Overseas Related Affairs*



TETSURO TOMITA*1
President and CEO



TSUGIO SEKIJI*1
*Executive Vice President
Assistant to President*



YUJI FUKASAWA*1
*Executive Vice President
Assistant to President*

EXECUTIVE DIRECTORS

YASUO HAYASHI
Deputy Director General of Railway Operations Headquarters; In charge of Reconstruction Planning Department, Corporate Planning Headquarters; In charge of Shinanogawa Power Station Improvement Department, Railway Operations Headquarters; In charge of Construction Department

YOSHITAKA TAURA
Director General of IT & Suica Business Development Headquarters; In charge of Public Relations Department; In charge of Legal Department; In charge of General Affairs Department

NAOMICHI YAGISHITA
Director General of Railway Operations Headquarters

YUJI MORIMOTO
Director General of Life-style Business Development Headquarters; In charge of Personnel Department; In charge of Health & Welfare Department

TSUKASA HARAGUCHI
Deputy Director General of Railway Operations Headquarters; General Manager of Marketing Department, Railway Operations Headquarters; Tourism Promotion

OSAMU KAWANOBE
Deputy Director General of Railway Operations Headquarters; In charge of Transport Safety Department, Railway Operations Headquarters; In charge of Transport & Rolling Stock Department, Railway Operations Headquarters

TOSHIRO ICHINOSE
Director General of Corporate Planning Headquarters; In charge of Inquiry & Audit Department; In charge of Finance Department

TAKASHI SAWAMOTO
Deputy Director General of Railway Operations Headquarters; General Manager of Technology Planning Department, Corporate Planning Headquarters; Director of Research & Development Center of JR East Group; In charge of Information Systems Planning Department, Corporate Planning Headquarters; In charge of Customer Service Quality Reformation Department, Railway Operations Headquarters

HIDEMI DEGUCHI
General Manager of Tokyo Branch Office

DIRECTORS

MASAYUKI SATOMI
General Manager of Sendai Branch Office

YASUYOSHI UMEHARA
Stationmaster of Tokyo Station, Tokyo Branch Office

MAKOTO TAKAHASHI
General Manager of Management Planning Department, Corporate Planning Headquarters

TAKESHI SASAKI*2
TOMOKAZU HAMAGUCHI*2

FULL-TIME CORPORATE AUDITORS

SHIGEO HOSHINO*3
HAJIME HIGASHIKAWA*3

CORPORATE AUDITORS

TOSHIAKI YAMAGUCHI*3
(Certified Public Accountant)
MUTSUO NITTA*3
(Attorney)
YOSHIO ISHIDA

*1 Representative director
*2 Outside corporate director
*3 Outside corporate auditor

CORPORATE GOVERNANCE

JR East's Basic Corporate Governance Philosophy

To continue to be a company trusted by its shareholders and all other groups of stakeholders, JR East has made the strengthening of its corporate governance a top-priority management task.

Specifically, with a view to augmenting the soundness, effectiveness and transparency of management, JR East is creating appropriate systems for management decision making, operational execution and auditing, Group management, information disclosure, and other important matters while also implementing the various measures required in connection with those systems.

Because of the special characteristics of JR East's mainstay railway transportation operations, JR East emphasizes the making of management decisions based on a long-term perspective. Accordingly, JR East believes the most appropriate course is to enhance corporate governance based on its current auditor system of governance.

Current Status of Corporate Governance Systems

Reason for Adopting Current Corporate Governance System

Railway operations, JR East's principal business, require judgments that are based on a range of knowledge and experience about safety and other areas as well as decision making that reflects long-term perspectives. Accordingly, decisions on important management matters are reached through consultation among multiple directors. Further, JR East adopts a system in which audits are conducted by corporate auditors who are independent from the Board of Directors and have terms of service of four years.

Overview of Corporate Governance Units

JR East's Board of Directors comprised 20 directors, including two outside corporate directors as of June 22, 2012. Meeting once a month in principle, the Board of Directors decides on key operational issues relating to statutory requirements and other matters and supervises overall operations. Created by the Board of Directors, the Executive Committee includes all directors with executive functions. Meeting once a week in principle, the Executive Committee deliberates on matters to be decided by the Board of Directors and other important management issues. In addition, the Group Strategy Formulation Committee, which mainly consists of directors with executive functions, convenes as required and considers management strategy for respective operational areas and other significant Group issues with a view to developing the JR East Group as a whole.

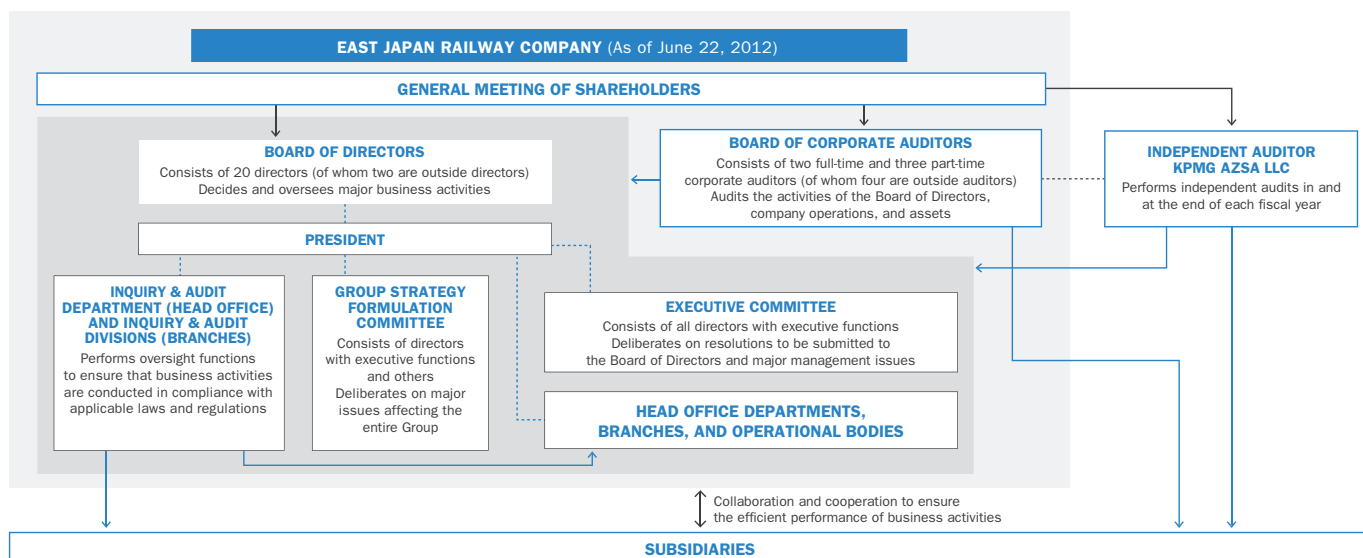
The Board of Corporate Auditors comprises five corporate auditors, including two full-time and three part-time corporate auditors, of whom four are outside auditors. In accordance with guidelines established by the Board of Corporate Auditors, the corporate auditors supervise the directors' implementation of operations by attending meetings of the Board of Directors, the Executive Committee, and other committees as well as by making inquiries regarding JR East's operations and assets.

Basic Internal Control Policy for Financial Reports

JR East's basic internal control policy for financial reports is as follows:

- 1) JR East will establish and operate systems required to ensure the appropriateness of documents relating to the financial statements and other information.
- 2) Regarding the establishment and operation of the systems indicated in the previous item, JR East will adhere to generally accepted standards for the evaluation of internal controls in relation to financial reports and evaluate internal controls each fiscal year.

CONCEPTUAL DIAGRAM OF CORPORATE GOVERNANCE



Current State of Risk Management Systems

JR East has established the Transportation Operations Center, which operates 24 hours a day and has the task of ensuring rapid and appropriate responses in the event of an accident or disaster affecting railway operations. JR East has also established two specialized internal committees, the Railway Safety Promotion Committee and the Committee for Improving Transport Reliability, focused on maintaining safety and improving reliability, respectively.

With regard to the risk of a significant adverse influence on corporate operations due to such incidents as external offenses or internal misconduct and legal violations in JR East and subsidiaries, all JR East departments undertake risk management activities. In addition, JR East has established the Crisis Management Headquarters based around departments responsible for risk management, as well as implemented crisis management-related internal regulations. In the event of a problem, JR East's crisis management system calls for top management to participate in the immediate establishment of a preliminary task force that rapidly undertakes such actions as gathering the relevant information and implementing countermeasures.

Overview of Limited Liability Agreements

Pursuant to article 427, paragraph 1 of the Company Law, JR East concludes agreements limiting liability as stated in article 423, paragraph 1 of the Company Law with outside directors and outside corporate auditors. The liability limit amount based on the said agreements is pursuant to the Company Law.

Current State of Internal Audits, Corporate Audits, and Accounting Audits (Systems for Internal Audits, Corporate Audits, and Accounting Audits)

Regarding internal audits, JR East has established an internal auditing system involving approximately 100 full-time employees in the Inquiry & Audit Department at the Head Office and Inquiry & Audit divisions at branch offices, and together they work to ensure that corporate operations are executed lawfully and efficiently. Audits of the business execution status of the Head Office, Branch Office, Operational Body and other entities are performed according to an audit plan, and requests are made for the submission of progress updates for items requiring improvement. The audit results are reported to representative directors twice each fiscal year, at the end of the first and second half, and at other times deemed necessary. In addition, the Inquiry & Audit Department audits subsidiaries.

Regarding corporate audits, corporate auditors exchange information at monthly meetings of the Board of Corporate Auditors, and they also exchange auditing information with corporate auditors of subsidiaries at liaison meetings held at regular intervals. The audits of corporate auditors are supported by approximately 10 specialized staff. The system for the oversight of the implementation of operations by directors, carried out in accordance with the rules established by the Board of Corporate Auditors, centers on full-time corporate auditors who attend meetings of

the Board of Directors, the Executive Committee, and other important in-house meetings as well as investigate financial situations and other items. Further, corporate auditor Toshiaki Yamaguchi is a certified public accountant and has extensive expertise with regard to finance and accounting.

Regarding accounting audits, the consolidated accounts of JR East are audited under contract by an independent auditor (accounting auditor), KPMG AZSA LLC, in and at the end of each fiscal year. The following is a breakdown of the certified public accountants (CPAs) who conducted accounting audits in the fiscal year under review as well as their auditing assistants.

- Designated certified public accountants:
Teruo Suzuki, Teruhiko Tanaka and Kazuhiko Azami
- Breakdown of auditing assistants:

certified public accountants	14
other	23

JR East facilitates coordination and information sharing to promote efficient and effective auditing. For example, full-time corporate auditors and the director responsible for internal auditing units hold liaison meetings, and full-time corporate auditors receive regular updates on audit implementation from the accounting auditor five times a year and at any other time deemed necessary.

Outside Directors and Outside Corporate Auditors

JR East has two outside directors. Also, JR East has four outside corporate auditors.

Outside directors and outside corporate auditors do not have any business relationship with JR East.

JR East elects outside directors in order to take advantage of extensive knowledge and experience garnered outside JR East in its management and with a view to strengthening corporate governance systems through oversight of business management from independent standpoints.

JR East elects outside corporate auditors in order to take advantage of extensive knowledge and experience garnered outside JR East in audit operations and with a view to strengthening corporate governance systems through auditing of directors' implementation of duties from independent standpoints.

JR East has no standards or policies in particular in regard to the independence of the outside directors and outside corporate auditors it elects. But because JR East's outside directors and outside corporate auditors do not originate from principal business partners of JR East, JR East is of the view that they are sufficiently independent and that there is no concern over possible conflict of interests with general shareholders.

Furthermore, two of JR East's outside corporate auditors perform duties as full-time corporate auditors. Coordination between outside corporate auditors and audit divisions and departments is as stated in "Current State of Internal Audits, Corporate Audits, and Accounting Audits (Systems for Internal Audits, Corporate Audits, and Accounting Audits)."

Principal Activities of Outside Directors and Outside Corporate Auditors in Fiscal 2012

Title	Name	Principal activities
Outside Director	TAKESHI SASAKI	Attended 15 meetings out of all 16 meetings of the Board of Directors during this fiscal year (attendance rate 94%) and spoke on the Company's management issues based on his wide experience as an expert.
Outside Director	TOMOKAZU HAMAGUCHI	Attended 14 meetings out of all 16 meetings of the Board of Directors during this fiscal year (attendance rate 88%) and spoke on the Company's management issues based on his wide experience as a top executive.
Outside Corporate Auditor	SHIGEO HOSHINO	Attended 11 meetings out of all 12 meetings of the Board of Directors held while in office during this fiscal year (attendance rate 92%) and 13 meetings out of all 14 meetings of the Board of Corporate Auditors held while in office during this fiscal year (attendance rate 93%) and spoke on the Company's management issues based on his wide experience in the government.
Outside Corporate Auditor	HAJIME HIGASHIKAWA	Attended all 12 meetings of the Board of Directors held while in office during this fiscal year (attendance rate 100%) and all 14 meetings of the Board of Corporate Auditors held while in office during this fiscal year (attendance rate 100%) and spoke on the Company's management issues based on his wide experience in the government.
Outside Corporate Auditor	TOSHIAKI YAMAGUCHI	Attended all 16 meetings of the Board of Directors during this fiscal year (attendance rate 100%) and all 20 meetings of the Board of Corporate Auditors during this fiscal year (attendance rate 100%) and spoke on the Company's management issues based on his wide experience as a certified public accountant.
Outside Corporate Auditor	MUTSUO NITTA	Attended 14 meetings out of all 16 meetings of the Board of Directors during this fiscal year (attendance rate 88%) and 18 meetings out of all 20 meetings of the Board of Corporate Auditors during this fiscal year (attendance rate 90%) and spoke on the Company's management issues based on his wide experience as an attorney-at-law.

Appointment Status of Outside Directors (as of July 2012)

Name	Positions at other entities	Reasons for election
TAKESHI SASAKI	<i>Professor, Department of Political Studies, Faculty of Law, Gakushuin University, Outside Director, ORIX Corporation, Outside Director, Toshiba Corporation</i>	Mr. Sasaki is elected on the basis of his vast experience and expertise as a former Dean of the Faculty of Law, University of Tokyo and a former President of the University of Tokyo.
TOMOKAZU HAMAGUCHI	<i>Adviser, NTT DATA CORPORATION Outside Director, IHI Corporation</i>	Mr. Hamaguchi is elected on the basis of his vast experience and expertise as a former President and CEO of NTT DATA CORPORATION.

Appointment Status of Outside Corporate Auditors (as of July 2012)

Name	Positions at other entities	Reasons for election
SHIGEO HOSHINO	—	Mr. Hoshino is elected on the basis of his vast experience and expertise in major posts at the Ministry of Land, Infrastructure, Transport and Tourism.
HAJIME HIGASHIKAWA	—	Mr. Higashikawa is elected on the basis of his vast experience and expertise in major posts at the National Police Agency.
TOSHIAKI YAMAGUCHI	<i>Certified Public Accountant</i>	Mr. Yamaguchi is elected on the basis of his vast experience and expertise as a certified public accountant.
MUTSUO NITTA	<i>Attorney, Outside Corporate Auditor, Sumitomo Corporation</i>	Mr. Nitta is elected on the basis of his vast experience and expertise as a judge and attorney-at-law.

Compensation of Directors and Corporate Auditors

JR East's Total Remuneration of Directors and Corporate Auditors by Classification, Total Remuneration by Type, and Number of Directors and Corporate Auditors Receiving Remuneration

Position	Total Amount of Remuneration (¥ Million)	Total Amount of Remuneration by Type (¥ Million)		Number of Recipients
		Basic Remuneration	Bonuses	
Directors (not including outside directors)	914	819	95	25
Corporate auditors (not including outside corporate auditors)	9	8	0	1
Outside directors and outside corporate auditors	98	88	9	8
Total	1,022	916	106	34

Notes

- The amount of remuneration, etc., includes the amount paid to one director and two corporate auditors who retired at the conclusion of the 24th Ordinary General Meeting of Shareholders held on June 23, 2011.
- The Company's retirement benefit scheme for directors and corporate auditors was abolished at the conclusion of the 17th Ordinary General Meeting of Shareholders held on June 23, 2004. It was approved at the meeting that vested retirement benefits would be paid out to each director or corporate auditor who was reappointed or was in the middle of his or her term of office at such meeting, based on the Company's regulations. In accordance with such approval, retirement benefits in the amount of ¥18 million were paid to two outside corporate auditors who retired during this fiscal year in addition to the above remuneration.

Total Consolidated Remuneration of JR East's Directors

Not included because no individual receives total consolidated remuneration of ¥100 million or more.

Policy Regarding the Determination of the Amount and Calculation Method of Remuneration of Directors and Corporate Auditors

JR East remunerates directors and corporate auditors within the scope of the remuneration system approved by the Ordinary General Meeting of Shareholders and in light of evaluation of performance of routine duties and consideration of position and work record. Further, JR East pays bonuses to directors and corporate auditors in light of consideration of its business results, cash dividends paid to shareholders, and the performances of respective directors and corporate auditors.

Number of Directors

JR East's articles of incorporation stipulate that the number of JR East's directors shall be 25 or less.

Conditions for Determining the Selection of Directors

The conditions stipulated by JR East's articles of incorporation for resolutions are a quorum of shareholders with one-third or more voting rights and the approval of the resolution by shareholders with more than half of those voting rights. In addition, the articles of incorporation also stipulate that no cumulative voting shall be used for the selection of directors.

Remuneration for Auditing Services

Remuneration for Independent Auditors

Classification	Fiscal 2011		Fiscal 2012	
	Remuneration for auditing services	Remuneration for non-auditing services	Remuneration for auditing services	Remuneration for non-auditing services
JR East	250	9	245	24
Consolidated subsidiaries	446	—	442	9
Total	696	9	687	34

Other Important Remunerations

No items to report.

Non-auditing Services Provided by Independent Auditors, etc.

JR East's remuneration of independent auditors for non-auditing services include services rendered examining financial due diligence, consultation and advisory services with regard to international financial reporting standards, and services rendered writing the comfort letter.

Policy Regarding the Determination of the Amount of Remuneration of Independent Auditors

There are no applicable policies. However, decisions take factors such as the hours spent auditing into consideration.

ORGANIZATION

As of July 2012

