

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.

INTERNATIONAL

Total Stock Market Value

Millions of U.S. Dollars

Company	Value (Millions of U.S. Dollars)
JR East	31,559
IAG	14,688
Lufthansa	6,938
Union Pacific	104,987
FedEx	41,147
UPS	100,335

Operating Revenues

Millions of U.S. Dollars

Company	Value (Millions of U.S. Dollars)
JR East	22,968
IAG	21,864
Lufthansa	32,532
Union Pacific	23,988
FedEx	45,567
UPS	58,232

Net Income (Loss)

Millions of U.S. Dollars

Company	Value (Millions of U.S. Dollars)
JR East	1,503
IAG	1,064
Lufthansa	60
Union Pacific	5,180
FedEx	2,097
UPS	3,032

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

Cash Flows from Operating Activities

Millions of U.S. Dollars

Company	Value (Millions of U.S. Dollars)
JR East	5,190
IAG	2,035
Lufthansa	2,143
Union Pacific	7,385
FedEx	4,264
UPS	5,726

Return on Average Equity (ROE)

%

Company	Value (%)
JR East	8.1
IAG	26.6
Lufthansa	1.1
Union Pacific	24.4
FedEx	12.8
UPS	70.4

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

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

%

Company	Value (%)
JR East	5.7
IAG	4.6
Lufthansa	2.6
Union Pacific	17.1
FedEx	10.3
UPS	13.9

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

DOMESTIC

Total Stock Market Value

Millions of U.S. Dollars

JR East	31,559
ANA	9,371
Tokyu	7,719
Kansai Electric Power	8,537
NTT	65,254

Operating Revenues

Millions of U.S. Dollars

JR East	22,968
ANA	14,279
Tokyu	8,892
Kansai Electric Power	28,384
NTT	92,461

Net Income (Loss)

Millions of U.S. Dollars

JR East	1,503
ANA	327
Tokyu	342
Kansai Electric Power	-1,236
NTT	4,317

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

Cash Flows from Operating Activities

Millions of U.S. Dollars

JR East	5,190
ANA	1,724
Tokyu	1,366
Kansai Electric Power	3,731
NTT	19,932

Return on Average Equity (ROE)

%

JR East	8.1
ANA	5.1
Tokyu	7.7
Kansai Electric Power	-13.3
NTT	6.0

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

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

%

JR East	5.7
ANA	4.1
Tokyu	3.6
Kansai Electric Power	-1.0
NTT	5.3

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

- In January 2011, British Airways and IBERIA underwent management integration to become IAG (International Airlines Group).
- Year ended March 31, 2015 (Year ended December 31, 2014, for IAG, Lufthansa, Union Pacific, and UPS and year ended May 31, 2014, for FedEx).
- ANA: ANA HOLDINGS INC.; 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, 2015 (U.S.\$1=¥120, £1=\$1.48, €1=\$1.08).
- Share prices at the close of the respective previous fiscal years and computed using the above exchange rates are \$80.33 for JR East, \$7.20 for IAG, \$14.99 for Lufthansa, \$119.13 for Union Pacific, \$144.16 for FedEx, \$111.17 for UPS, \$2.68 for ANA, \$6.20 for Tokyu, \$9.55 for Kansai Electric Power, and \$61.64 for NTT.

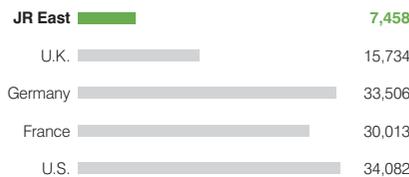
International Railway Comparisons

Japan relies on railways for around 30% of its transportation needs, a ratio much higher than in most other countries. This 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

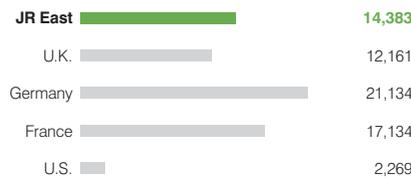
Railway Line Networks

Kilometers



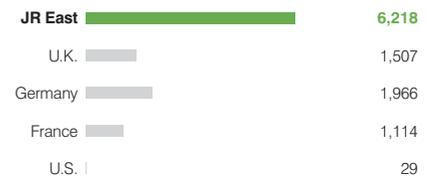
Revenues from Railway Operations

Millions of U.S. Dollars

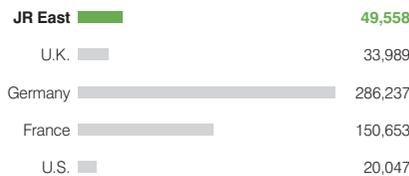


Number of Passengers

Millions

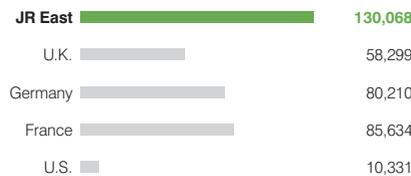


Number of Employees



Passenger Kilometers

Millions



- Figures are as of March 2015 for JR East, March 2013 for the U.K., December 2012 for France and Germany, and September 2010 for the U.S.

- 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)); and 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.

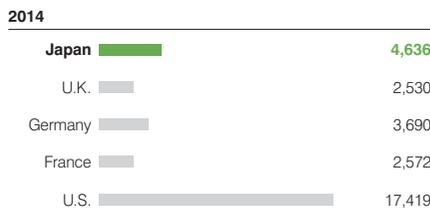
- The exchange rate used is U.S.\$1=¥120 as of March 2015 for JR East and €1=U.S.\$1.28 as of March 2013 for the others.

Source: International Railway Statistics 2012, Statistics Centre of the International Union of Railway, Sep. 2014.

FUNDAMENTALS

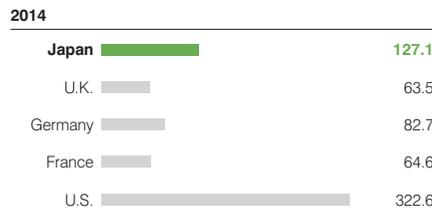
Gross Domestic Product

Billions of U.S. Dollars



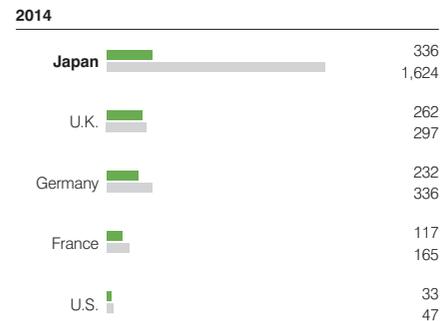
Population

Millions



Population Density

Per Square Kilometer



■ Population per square kilometer of total national land area

■ Population per square kilometer of habitable land area

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

Population

Japan: Current Population Estimates, 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.

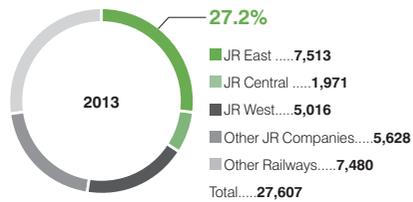
Railway Operations in Japan

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 RAILWAYS

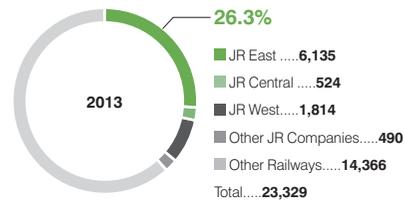
Passenger Line Network

km



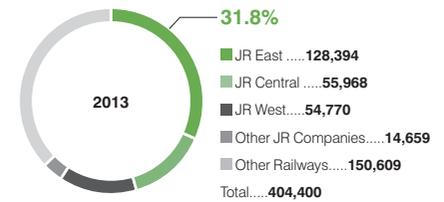
Number of Passengers

Millions



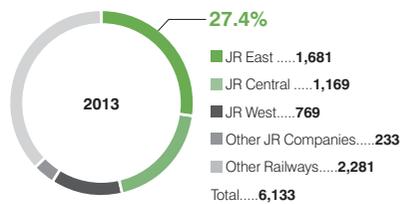
Passenger Kilometers

Millions



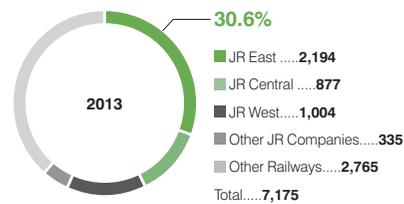
Revenues from Passenger Tickets

Billions of Yen



Rolling Stock Kilometers

Millions



As of March 31, 2013

- Figures for Passenger Line Network do not include freight traffic.
- Figures for Rolling Stock Kilometers do not include locomotives and freight cars.

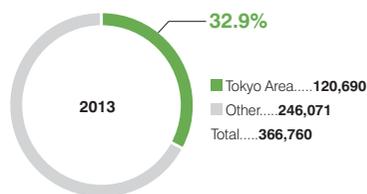
- Figures for Tokyo Monorail are included in other railways.

Source: Statistics of Railways 2012, Ministry of Land, Infrastructure, Transport and Tourism.

FUNDAMENTALS

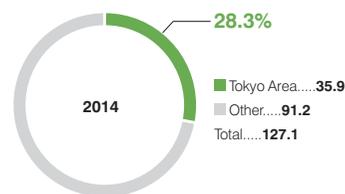
Net Domestic Product

Billions of Yen



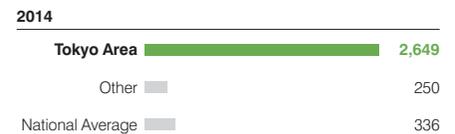
Population

Millions



Population Density

Per Square Kilometer



Year ended March 31, 2013

Source: Annual Report on Prefectural Economies, Cabinet Office.

As of October 1, 2014

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

As of October 1, 2014

- 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 the 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.

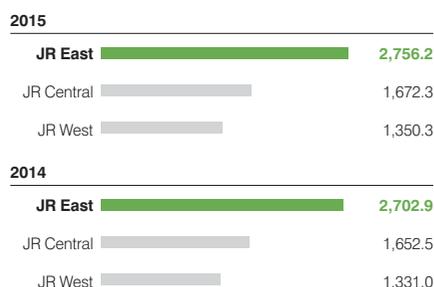


Financial Overview of JR Passenger Railway Companies

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

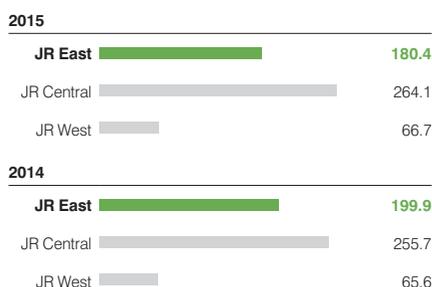
Billions of Yen



Years ended March 31	Millions of Yen	
	2014	2015
JR East	2,702,917	2,756,165
JR Central	1,652,547	1,672,295
JR West	1,331,019	1,350,336

Net Income

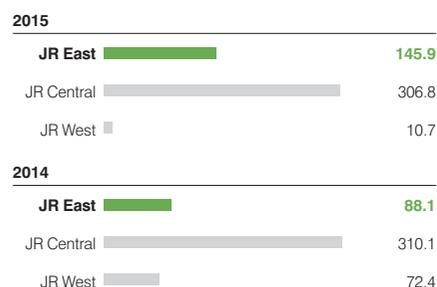
Billions of Yen



Years ended March 31	Millions of Yen	
	2014	2015
JR East	199,940	180,398
JR Central	255,686	264,134
JR West	65,640	66,712

Free Cash Flows

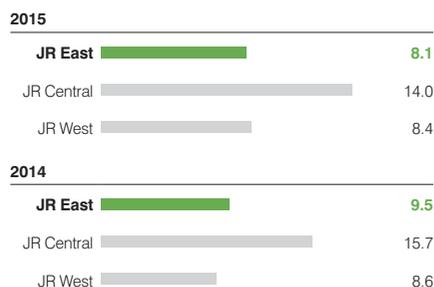
Billions of Yen



Years ended March 31	Millions of Yen	
	2014	2015
JR East	88,066	145,918
JR Central	310,103	306,836
JR West	72,377	10,701

Return on Average Equity (ROE)

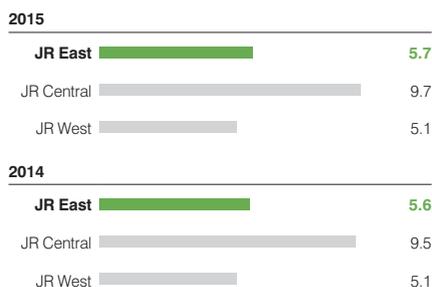
%



Years ended March 31	%	
	2014	2015
JR East	9.5	8.1
JR Central	15.7	14.0
JR West	8.6	8.4

Ratio of Operating Income to Average Assets (ROA)

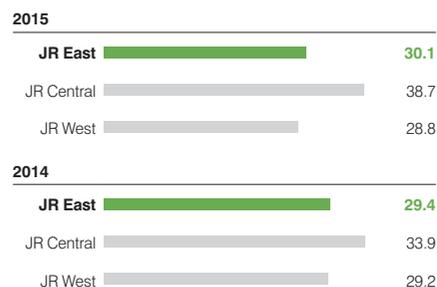
%



Years ended March 31	%	
	2014	2015
JR East	5.6	5.7
JR Central	9.5	9.7
JR West	5.1	5.1

Equity Ratio

%



Years ended March 31	%	
	2014	2015
JR East	29.4	30.1
JR Central	33.9	38.7
JR West	29.2	28.8

- 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.

Passenger Line Networks

Kilometers

JR East	1,106.1
Tobu	463.3
Tokyo Metro	195.1
Seibu	176.6
Keisei	152.3
Toei	131.2
Odakyu	120.5
Tokyu	104.9
Keikyu	87.0
Keio	84.7
Sagami	35.9

Passenger Kilometers

Millions

JR East	81,060
Tobu	12,623
Tokyo Metro	19,769
Seibu	8,675
Keisei	3,780
Toei	6,253
Odakyu	11,477
Tokyu	10,711
Keikyu	6,277
Keio	7,433
Sagami	2,555

Revenues from Passenger Tickets

Billions of Yen

JR East	868.6
Tobu	143.5
Tokyo Metro	312.3
Seibu	95.6
Keisei	56.4
Toei	140.7
Odakyu	117.9
Tokyu	133.6
Keikyu	76.1
Keio	78.3
Sagami	30.9

	Passenger Line Networks ¹		Passenger Kilometers ²		Revenues from Passenger Tickets ²	
	km	%	Millions	%	Billions of Yen	%
JR East	1,106.1	41.6	81,060	47.5	868.6	42.3
Tobu Railway	463.3	17.4	12,623	7.4	143.5	7.0
Tokyo Metro	195.1	7.3	19,769	11.6	312.3	15.2
Seibu Railway	176.6	6.7	8,675	5.1	95.6	4.7
Keisei Electric Railway	152.3	5.7	3,780	2.2	56.4	2.7
Toei (Tokyo Metropolitan Government)	131.2	4.9	6,253	3.7	140.7	6.9
Odakyu Electric Railway	120.5	4.5	11,477	6.7	117.9	5.7
Tokyu Corporation	104.9	4.0	10,711	6.3	133.6	6.5
Keikyu Corporation	87.0	3.3	6,277	3.7	76.1	3.7
Keio Electric Railway	84.7	3.2	7,433	4.3	78.3	3.8
Sagami Railway	35.9	1.4	2,555	1.5	30.9	1.5
Total	2,657.6	100.0	170,613	100.0	2,053.8	100.0

1 As of March 31, 2014.

2 For the year ended March 31, 2014.

- Figures do not include freight lines.

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

Sources:

- Toei (Tokyo Metropolitan Government): Figures are from the website of the Transportation Bureau of the Tokyo Metropolitan Government. Passenger kilometers are from Statistics of Railways 2014, 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.

Analysis of JR East's Railway Operations

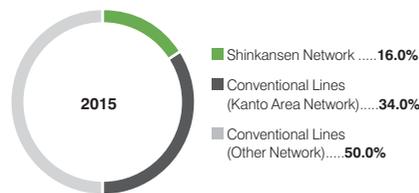
The fact that two-thirds of its transportation revenues come from Tokyo and the Kanto region, where most of the population and economic base in Japan resides, shows the solidness of JR East's management platform.

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.

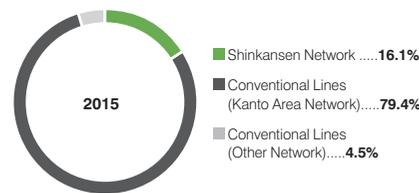
More than half of the electricity JR East consumes is self-generated in the hydro- and thermal-electric power plants it owns.

COMPOSITION BY OPERATING AREA

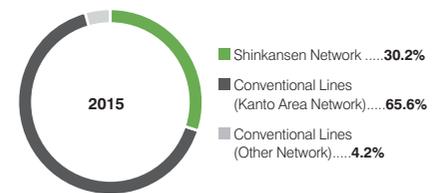
Passenger Line Network



Passenger Kilometers



Revenues from Passenger Tickets



	Passenger Line Network ¹		Passenger Kilometers ²		Revenues from Passenger Tickets ²	
	km	%	Millions	%	Millions of Yen	%
Shinkansen Network	1,194.2	16.0	20,914	16.1	521,229	30.2
Conventional Lines (Kanto Area Network)	2,535.9	34.0	103,310	79.4	1,131,705	65.6
Conventional Lines (Other Network)	3,728.1	50.0	5,844	4.5	72,967	4.2
Total	7,458.2	100.0	130,068	100.0	1,725,902	100.0

1. As of March 31, 2015

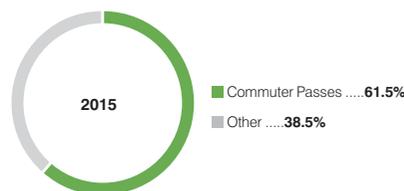
2. Year ended March 31, 2015

- Revenues from the conventional line segments of hybrid Shinkansen services are included in Conventional Lines (Other Network).

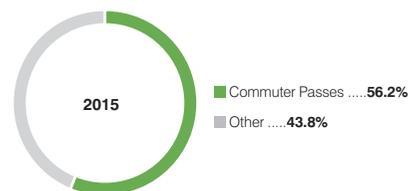
- Figures do not include Tokyo Monorail.

COMPOSITION OF COMMUTER PASSES

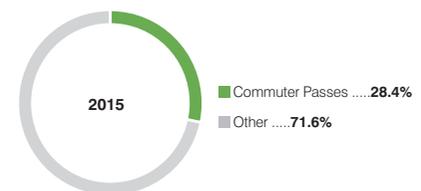
Number of Passengers



Passenger Kilometers



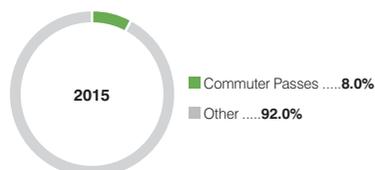
Revenues from Passenger Tickets



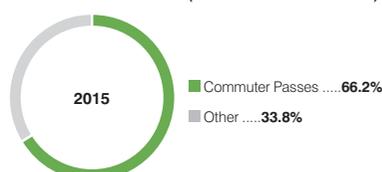
	Number of Passengers		Passenger Kilometers ²		Revenues from Passenger Tickets ²	
	Millions	%	Millions	%	Millions of Yen	%
Commuter Passes	3,827	61.5	73,119	56.2	490,217	28.4
Other	2,392	38.5	56,949	43.8	1,235,685	71.6
Total	6,219	100.0	130,068	100.0	1,725,902	100.0

PASSENGER KILOMETERS

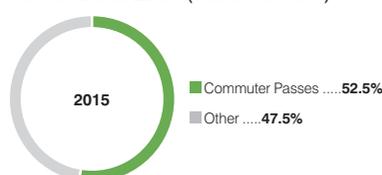
Shinkansen Network



Conventional Lines (Kanto Area Network)

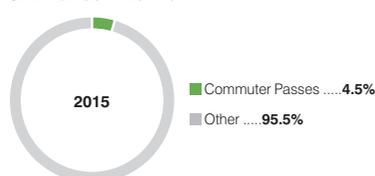


Conventional Lines (Other Network)

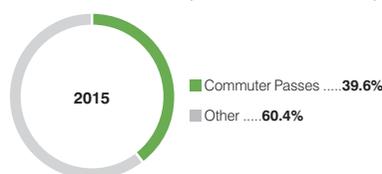


REVENUES FROM PASSENGER TICKETS

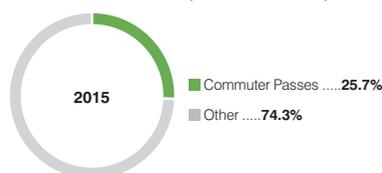
Shinkansen Network



Conventional Lines (Kanto Area Network)



Conventional Lines (Other Network)



		Millions		%
		2014	2015	2015 / 2014
Shinkansen Network	Commuter Passes	1,731	1,675	96.7
	Other	19,131	19,238	100.6
	Total	20,863	20,914	100.2
Conventional Lines Total	Commuter Passes	72,896	71,444	98.0
	Other	37,351	37,710	101.0
	Total	110,247	109,154	99.0
Kanto Area Network	Commuter Passes	69,670	68,375	98.1
	Other	34,554	34,935	101.1
	Total	104,225	103,310	99.1
Other Network	Commuter Passes	3,225	3,068	95.1
	Other	2,796	2,775	99.2
	Total	6,022	5,844	97.0
Total	Commuter Passes	74,628	73,119	98.0
	Other	56,482	56,949	100.8
	Total	131,110	130,068	99.2

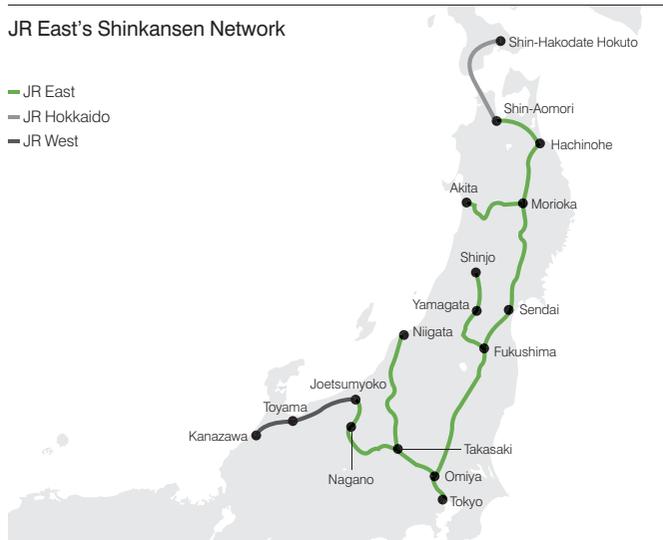
		Millions of Yen		%
		2014	2015	2015 / 2014
Shinkansen Network	Commuter Passes	22,857	23,232	101.6
	Other	484,331	497,997	102.8
	Total	507,189	521,229	102.8
Conventional Lines Total	Commuter Passes	457,929	466,985	102.0
	Other	731,329	737,687	100.9
	Total	1,189,259	1,204,672	101.3
Kanto Area Network	Commuter Passes	439,289	448,259	102.0
	Other	676,035	683,445	101.1
	Total	1,115,325	1,131,705	101.5
Other Network	Commuter Passes	18,639	18,725	100.5
	Other	55,294	54,241	98.1
	Total	73,934	72,967	98.7
Total	Commuter Passes	480,787	490,217	102.0
	Other	1,215,661	1,235,685	101.6
	Total	1,696,449	1,725,902	101.7

- Percentages represent revenues from passenger tickets attributable to commuter passes for each segment.
- Revenues from the conventional line segments of hybrid Shinkansen services are credited to Conventional Lines (Other Network).
- Passenger kilometers and revenues from the conventional line segments of hybrid Shinkansen services are credited to Conventional Lines (Other Network).
- 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.

Other Data

JR East owns many stations with high potential that are used by numerous customers. JR East is carrying out its life-style service business utilizing these stations to enhance customer convenience and comfort and to raise profitability.

JR East's Shinkansen Network



Competition with Airlines

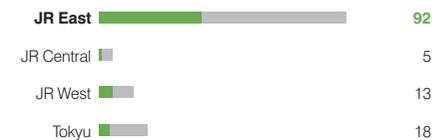
	Distance from Tokyo km	Time Required	JR Share %
Aomori	713.7	2:59	79
Akita	662.6	3:37	60
Morioka	535.3	2:11	100
Sendai	351.8	1:31	100
Yamagata	359.9	2:26	97
Niigata	333.9	1:37	100
Kanazawa	450.5	2:28	42

Note: Data shown here is as of March 31, 2015. Information concerning required time is according to the JR Time Table, June 2015 issue. Market shares of trains and flights are calculated based on the number of flight departures and arrivals at Haneda Airport. Approximate time required for trains is indicated using the maximum speed of a regularly-operated train from Tokyo. Opening of Hokuriku Shinkansen between Nagano and Kanazawa in March 2015 (Data for share is for fiscal 2015).

Number of Busy Stations

Stations

2015



■ More than 200,000 passengers per day
 ■ More than 100,000 passengers per day

	More than 200,000 passengers per day	More than 100,000 passengers per day
JR East	38	92
JR Central	1	5
JR West	5	13
Tokyu	4	18

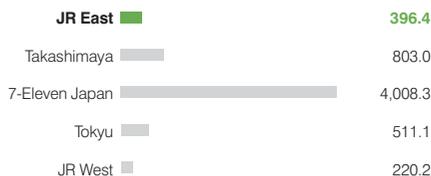
Notes:

- Tokyu = Tokyu Corporation
- Year ended March 31, 2014, for JR Central and JR West, year ended March 31, 2015, for JR East and Tokyu.
- Data is based on figures from JR Central, JR West, and Tokyu.
- The number of station users at stations of JR East, JR Central, and JR West represents twice the number of passengers embarking.

Comparison of Major Department Stores, Retail Sales, and Convenience Stores

Billions of Yen

Operating Revenues



	Millions of Yen
JR East	396,368
Takashimaya	802,956
7-Eleven Japan	4,008,261
Tokyu	511,106
JR West	220,180

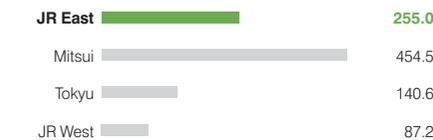
Notes:

- Takashimaya = Takashimaya Company, Limited;
- 7-Eleven Japan = Seven-Eleven Japan Co., Ltd.;
- Tokyu = Tokyu Corporation
- Year ended March 31, 2015 (year ended February 28, 2015, for Takashimaya and 7-Eleven Japan)
- Data is based on figures from the financial press releases of each company.
- The following figures are used as operating revenues:
 JR East: Station space utilization, segment revenues from outside customers; Takashimaya: Department store business, segment revenues from outside customers; 7-Eleven Japan: Total store sales (nonconsolidated); Tokyu: Retail operating revenues; and JR West: Sales of goods and food services business, segment revenues from third parties.

Comparison of Real Estate Leasing to Retailers and Other Tenants

Billions of Yen

Operating Revenues



	Millions of Yen
JR East	254,997
Mitsui	454,511
Tokyu	140,617
JR West	87,207

Notes:

- Mitsui = Mitsui Fudosan Co., Ltd.
- Tokyu = Tokyu Corporation
- Year ended March 31, 2015
- Data is based on figures from the financial press releases of each company.
- The following figures are used as operating revenues:
 JR East: Shopping centers & office buildings, segment revenues from outside customers
 Mitsui: Office buildings and commercial facilities revenues in leasing segment, outside customers
 Tokyu: Real estate business, segment revenues from outside customers
 JR West: Real estate business, segment revenues from third parties