



SATOSHI SEINO
Chairman

TETSURO TOMITA
President and CEO

Group Philosophy

The JR East Group aims to contribute to the growth and prosperity of the East Japan area by providing quality leading-edge services, with train station and railway businesses at its core, to customers and communities.

We will continue to embrace the challenge of pursuing “extreme safety levels” and service quality reforms. Through technological innovation and globalization, we will strive to attain goals such as nurturing personnel with an expansive perspective, spurring the advancement of railways, and making line-side areas more attractive and convenient. To this end, JR East will continue to rigorously pursue its unlimited potential.

We aim to grow continuously while meeting our social responsibilities as a Trusted Life-Style Service Creating Group.

We would like to thank our shareholders and other investors sincerely for their remarkable support.

In the year ended March 31, 2016, the Japanese economy improved in such areas as employment and income conditions and continued to recover gradually. Under these conditions, and guided by "JR East Group Management Vision V—Ever Onward," the East Japan Railway Company and its consolidated subsidiaries and equity-method affiliated companies (JR East) steadily executed various initiatives centered around the railway and life-style service businesses, as well as *Suica* operations.

As a result, during the fiscal year under review, operating revenues increased 4.0%, to ¥2,867.2 billion, and operating income increased 14.1%, to ¥487.8 billion, mainly due to growth in JR East's transportation revenues primarily from Shinkansen revenues. Further, mainly due to a decrease in interest expense, and profit attributable to owners of parent increased 36.0%, to ¥245.3 billion.

As employment and income conditions continue improving, the Japanese economy is expected to trend toward gradual recovery, in part due to the effect of various government initiatives. Medium-to-long-term projections include further decreases in population and further aging of society, concentration of population on the Tokyo metropolitan area, technological innovation, advances in globalization, and a rise in demand from tourists visiting Japan.

Amid these economic conditions, as it approaches the 30th anniversary of its establishment, the JR East Group faces a range of different "change points," such as the transition to the next generation of employees, the increasingly flat division of work with respect to which the JR East Group and partner companies share responsibilities and roles, and the operation of trains at higher speeds and the introduction of the direct-through operation of trains accompanying changes in systems.

To respond appropriately to these changes, in October 2012 the JR East Group formulated a management vision entitled "JR East Group Management Vision V—Ever Onward" and set forth a management policy for "Thriving with Communities, Growing Globally." Based on this, the Group has made efforts to meet the expectations of customers and local communities by fulfilling its "Eternal Mission" and taking on the ongoing challenge of "Pursuing Unlimited Potential." Every year, JR East has reviewed the progress under "Priority Initiatives Going Forward" and updated its initiatives. These are initiatives that JR East will work particularly hard to advance in the future with a view to accelerating the realization of "JR East Group Management Vision V—Ever Onward." This year, JR East will focus on improving the safety and reliability of transportation.

We will do our utmost to realize sustainable growth and satisfy our shareholders and other investors in the medium-to-long term. As we pursue this management goal, we would like to ask our shareholders and other investors for their continued support and understanding.

August 2016



Chairman



President and CEO