

Fiscal 2008 Semi-Annual Consolidated Financial Results (Unaudited)

Fiscal 2008 (Year ending March 31, 2008)

All financial information has been prepared in accordance with accounting principles generally accepted in Japan.

"JR East" refers to East Japan Railway Company on a consolidated basis, or if the context so requires, on a nonconsolidated basis. This is an English-language translation from the original Japanese-language document.

October 30, 2007

East Japan Railway Company

Stock Exchange Listings

Tokyo, Osaka, and Nagoya

Securities Code

9020

URL

<http://www.jreast.co.jp/e>

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Scheduled date for release of half-term report

December 19, 2007

Scheduled date of dividend payment commencement

December 4, 2007

1. Consolidated Results of Fiscal 2008 Semi-Annual (April 1, 2007—September 30, 2007)

(Amounts less than one million yen, except for per share amounts, are omitted.)

(1) Consolidated financial results (Percentages represent changes compared with the previous period.)

	Operating revenues		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2008 semi-annual	1,334,640	1.1	259,241	4.6	201,083	1.5	112,463	(7.7)
Fiscal 2007 semi-annual	1,319,908	2.2	247,805	4.9	198,177	17.6	121,892	21.4
(Reference) Fiscal 2007	2,657,345	—	428,097	—	300,051	—	175,870	—

	Earnings per share —basic	Earnings per share —diluted
	Yen	Yen
Fiscal 2008 semi-annual	28,142.79	—
Fiscal 2007 semi-annual	30,501.84	—
(Reference) Fiscal 2007	44,007.94	—

Reference: Equity in net income (loss) of affiliated companies – Fiscal 2008 semi-annual: 347 million yen, Fiscal 2007 semi-annual: 536 million yen, Fiscal 2007: (1,978) million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2008 semi-annual	6,874,150	1,596,166	22.9	393,071.28
Fiscal 2007 semi-annual	6,799,928	1,479,294	21.4	364,220.88
(Reference) Fiscal 2007	6,968,031	1,513,104	21.4	372,492.84

Reference: Shareholders' equity – Fiscal 2008 semi-annual: 1,570,779 million yen, Fiscal 2007 semi-annual: 1,455,505 million yen, Fiscal 2007: 1,488,553 million yen

(3) Consolidated cash flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash used in financing activities	Cash and cash equivalents at end of the period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2008 semi-annual	203,820	(190,462)	(8,379)	92,632
Fiscal 2007 semi-annual	249,721	(171,064)	(57,515)	86,556
(Reference) Fiscal 2007	541,850	(348,799)	(172,027)	86,980

2. Dividends

	Dividends per share		
	Interim	Year-end	Total annual
	Yen	Yen	Yen
Fiscal 2007	4,500	4,500	9,000
(Actual) Fiscal 2008	5,000	—	10,000
(Forecast) Fiscal 2008	—	5,000	

3. Forecast for Fiscal 2008 (Year ending March 31, 2008)

(Percentages represent changes compared with the previous fiscal year.)

	Operating revenues		Operating income		Ordinary income		Net income		Earnings per share—basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal 2008	2,699,000	1.6	436,000	1.8	327,000	9.0	187,000	6.3	46,794.82

4. Other

(1) Changes to principal subsidiaries during the fiscal year (status changes of specified subsidiaries due to changes in the scope of consolidation) No

(2) Number of outstanding shares (common stock)

	Fiscal 2008 semi-annual	Fiscal 2007 semi-annual	Fiscal 2007
(i) Outstanding shares at period-end (including issued shares)	4,000,000 shares	4,000,000 shares	4,000,000 shares
(ii) Treasury stock at period-end	3,831 shares	3,784 shares	3,806 shares

Forward-Looking Statements

Statements contained in this report with respect to JR East's plans, strategies, and beliefs that are not historical facts are forward-looking statements about the future performance of JR East, which are based on management's assumptions and beliefs in light of the information currently available to it. These forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause JR East's actual results, performance, or achievements to differ materially from the expectations expressed herein. These factors include, without limitation, (i) JR East's ability to successfully maintain or increase current passenger levels on railway services, (ii) JR East's ability to improve the profitability of railway and other operations, (iii) JR East's ability to expand non-transportation operations, and (iv) general changes in economic conditions and laws, regulations, and government policies in Japan.

Operating Results and Financial Position

1. Analysis of Operating Results

(1) Summary

Overview

During the first half of the fiscal year ending March 31, 2008 (the interim period from April 1, 2007, through September 30, 2007), the Japanese economy sustained its overall trend of recovery, reflecting such positive factors as a rise in exports and continued improvement in personal consumption, although some trends of weakening were seen in capital investments and other areas. Amid these economic conditions, East Japan Railway Company and its consolidated subsidiaries as well as associated companies accounted for under the equity method (hereinafter, JR East) worked aggressively to further the development of their operations by upgrading transportation services and actively developing non-transportation activities centered on stations, while also proactively working to expand the usage scope and quality of services related to "Suica" electronic money card services.

As a consequence, factors including the strength of operations in the Transportation and the Shopping Centers & Office Buildings business segments brought an increase of 1.1% in total operating revenues from the interim period of the previous fiscal year, to ¥1,334.6 billion, and operating income expanded 4.6%, to ¥259.2 billion. Ordinary income grew 1.5%, to ¥201.0 billion, as a result of lower interest payments and other factors. Net income decreased 7.7%, to ¥112.4 billion, reflecting lower gains from the sale of fixed assets and other factors.

Segment Information

Transportation

JR East worked to further enhance safety, focusing primarily on railway operations. At the same time, JR East worked to encourage rail travel and to increase revenues from its Shinkansen network and Tokyo metropolitan area network.

Specifically, JR East implemented campaigns to promote seasonal travel to various destinations—such as the "North Tohoku Destination Campaign" and the "*Furin Kazan* (TV Drama) Campaign"—which were aimed at promoting the flow of tourists to specific regions. In activities related to the "Otona no Kyujitsu Club," JR East strove to offer a wider spectrum of services and worked to expand the number of club members. Other initiatives included those to promote the greater usage of "Green Cars" (first-class cars) in ordinary trains and to increase the number of trains running during the "Golden Week" and summer vacation periods. In bus operations, operating conditions continued to be harsh, but JR East worked to strengthen the foundation for these operations by introducing new routes, closing unprofitable routes, and other initiatives. In monorail operations, JR East worked to promote the greater usage of the new "Airport Express" nonstop service between Hamamatsucho Station and Haneda Airport Terminal 1 Station that was initiated during the previous fiscal year.

As a result of these efforts, railway network transportation volumes increased to above their level in the interim period of the previous fiscal year, and operating revenues expanded 1.6%, to ¥959.5 billion. Operating income advanced 4.1%, to ¥203.3 billion.

Station Space Utilization

JR East proceeded with the implementation of its "Station Renaissance" program, which aims to create new station environments suited to the 21st century. Specific initiatives included the opening of the fourth phase of the "Dila Ofuna" project in Kanagawa Prefecture and "Dila Haijima" project in Tokyo. In addition, JR East increased the number of "NEWDAYS" convenience stores and undertook refurbishment and business stimulation promotion projects at existing stores in that chain. JR East also developed such new products as "From AQUA" mineral water products and worked to promote the sales of such products.

While factors including store closures by JR East Retail Net Co., Ltd., caused operating revenues to decline 0.7% below their level in the interim period of the previous fiscal year, to ¥206.8 billion, decreased personnel expenses and other factors supported a 14.6% rise in operating income, to ¥18.7 billion.

Shopping Centers & Office Buildings

In shopping center operations, JR East opened "Beans Nishi-Kawaguchi" in Saitama Prefecture and also refurbished "atré Ueno" in Tokyo and "LUMINE Machida" in Tokyo at these and other shopping centers as well as actively worked to recruit powerful tenants with the ability to attract customers.

Measures to restructure group companies and strengthen the group's marketing capabilities and financial position in this business included two mergers involving four shopping center management companies. (These were the merger of The EKIBIRU Development Co. TOKYO, with Kichjoji Lonlon Co., Ltd., and the merger of JR East Department Store Co., Ltd., with Kamata Station Building Co., Ltd.).

As a result of these initiatives and such factors as the strong performances of LUMINE Co., Ltd., and the opening of Sapia Tower in the previous fiscal year, operating revenues increased 2.6% above their level in the interim period of the previous fiscal year, to ¥104.1 billion, and operating income was up 8.8%, to ¥32.1 billion.

Other Services

In hotel operations, JR East opened "Hotel Metropolitan Marunouchi" in Tokyo and continued its program of activities to improve competitiveness through the refurbishment of guest rooms and banquet halls. In advertising and publicity operations, JR East moved forward with initiatives to expand sales of "Train Channel" and other in-car visual advertising. Among other services, JR East refurbished "Jexer Fitness Club Oimachi" in Tokyo. In credit card business, JR East strove to expand the number of holders of various kinds of "View Cards" and promote greater usage of those cards as well as to

increase the number of holders of "View Suica" cards who use the "Auto Charge" service (automatic charging while passing the ticket gate). Regarding "Suica" electronic money cards for shopping, JR East worked proactively to expand the number of affiliated urban stores. At the end of the interim period, the number of outlets accepting "Suica" IC cards, including those affiliated with the PASMO card, had risen to approximately 22,500. In addition, the "Suica Point Service" was launched as another means of promoting Suica card usage.

Accordingly, operating revenues of this segment rose 1.8% above their level in the interim period of the previous fiscal year, to ¥237.5 billion, although such factors as a rise in provisions for reserves associated with credit card business point systems caused operating income to decrease 28.0%, to ¥4.5 billion.

(2) Outlook for the Year Ending March 31, 2008

The current fiscal year is the third year of the "New Frontier 2008" medium-term management plan and is positioned as a year in which concrete results of the plan are to be evidenced. In accordance with the plan, JR East is steadily implementing various measures aimed at creating a "Trusted Life-Style Service Creating Group." In the latter half of the year, as part of "New Frontier 2008" strategies for transforming station complexes, JR East is smoothly creating a growing number of new "View Plaza" facilities that combine travel service counter and ticket sales area functions as well as reserved ticket vending machines that enable customers to purchase tickets quickly. To further improve the convenience and amenity of its Tokyo metropolitan area network, JR East will introduce new railcars for the Keihin-Tohoku Line, the Negishi Line, and other lines. Also, JR East will continue to raise the competitiveness of Shinkansen services by increasing the number of specially scheduled extra train runs while enhancing seating services by expanding the number of seats available for reservation. In non-transportation operations, JR East will hone its competitiveness by promoting "ecute Tachikawa" and other elements of the "Station Renaissance" program and increasing the dynamism of station space utilization business while also steadily advancing such large-scale projects as the "Tokyo Station City" plan. To cultivate "Suica" operations as the third pillar of its business, alongside railway and non-transportation operations, JR East is taking steps to enhance the lineup and convenience of "Suica" services by promoting the greater use of "Mobile Suica" services and expanding the number of stores accepting "Suica" usage.

JR East's current performance forecasts for the full fiscal year are as shown in the following table. Compared with the previous forecasts, which were announced on April 27, 2007, the current operating revenues, operating income, ordinary income, and net income forecasts have been revised upward.

Fiscal 2008 Performance Forecast

Full Fiscal Year

Operating revenues: ¥2,699.0 billion (1.6% year-on-year increase)

Operating income: ¥436.0 billion (1.8% year-on-year increase)

Ordinary income: ¥327.0 billion (9.0% year-on-year increase)

Net income: ¥187.0 billion (6.3% year-on-year increase)

Forward-Looking Statements

Statements contained in this report with respect to JR East's plans, strategies, and beliefs that are not historical facts are forward-looking statements about the future performance of JR East, which are based on management's assumptions and beliefs in light of the information currently available to it. These forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause JR East's actual results, performance, or achievements to differ materially from the expectations expressed herein.

These factors include, without limitation, (i) JR East's ability to successfully maintain or increase current passenger levels on railway services, (ii) JR East's ability to improve the profitability of railway and other operations, (iii) JR East's ability to expand non-transportation operations, and (iv) general changes in economic conditions and laws, regulations, and government policies in Japan.

2. Analysis of Financial Position

Cash Flows

Net cash provided by operating activities decreased ¥45.9 billion from the level in the interim period of the previous fiscal year, to ¥203.8 billion, which was attributable to a decrease in income before income taxes, a rise in income taxes paid, and other factors.

Net cash used in investing activities rose ¥19.3 billion from the level in the interim period of the previous fiscal year, to ¥190.4 billion, due to factors including higher payments for purchases of fixed assets, which more than offset by an increase in cash inflows associated with contributions for construction grants and other factors.

Net cash used in financing activities decreased ¥49.1 billion from the level in the interim period of the previous fiscal year, to ¥8.3 billion, owing to factors including payments made to repay long-term debt, which more than offset an increase in cash inflows related to such factors as the issuance of bonds.

As a result, cash and cash equivalents at interim period-end increased ¥5.6 billion from the end of the previous fiscal year, to ¥92.6 billion.

Further, total long-term debt at interim period-end was ¥3,648.1 billion.

Trends in Cash Flow Indicators

	Fiscal 2005	Fiscal 2006	Fiscal 2007	Fiscal 2008 Semi-Annual
Equity ratio.....	17.6	19.9	21.4	22.9
Equity ratio on market-value basis.....	34.3	51.1	52.6	52.7
Interest-bearing debt /Net cash provided by operating activities	9.3	8.2	6.6	—
Interest coverage ratio.....	2.7	3.2	4.2	3.3

Notes: Equity ratio: Shareholders' equity/Total assets

Equity ratio on market value basis: Aggregate market value of shares/Total assets

Interest coverage ratio: Net cash provided by operating activities/Payments of interest

1. Each indicator is based on consolidated financial statistics.

2. The aggregate market value of shares was calculated by multiplying the closing price at the end of each period by the total number of shares outstanding at the end of the period.

Dividend Policy

JR East's basic policy regarding the appropriation of earnings is to steadily augment returns to shareholders in light of performance trends while securing retained earnings to ensure a robust operating base for the future development of its business activities, which are centered on stations and railway services.

In line with this policy, on October 30, 2007, JR East's Board of Directors approved a resolution to pay an interim dividend of ¥5,000 per share (a ¥500 increase) beginning from December 4, 2007. JR East does not plan to issue dividends with basis dates other than the current basis dates of the year-end and interim period-end dates.

Retained earnings generated during the period will be used to reduce total long-term debt to improve JR East's financial position and for actively making capital investments that will make major contributions to management performance going forward. JR East will continue to work to improve its business performance and to build an even more robust operating base. At the same time, JR East will aim to augment returns to shareholders.

Management Policies

1. Basic Management Policies

JR East's mission is to be a vital company that fulfills its obligations to shareholders by providing high-quality, advanced services centered on station and railway operations. To that end, every employee of JR East endeavors to approach operations from the viewpoints of customers and provide safe, punctual transportation; to supply user-friendly, high-quality products and services; and to take on the challenge of improving the standard of services and raising the level of technology to earn the confidence and trust of customers. As a "Trusted Life-Style Service Creating Group," JR East aims to develop with customers and to achieve sustained growth by fulfilling its social responsibilities while generating profit.

2. Medium-Term Management Strategies and Tasks

Medium-Term Management Plan—"New Frontier 2008"

JR East's medium-term management plan, "New Frontier 2008," reaffirms JR East's ongoing commitment to becoming a "Trusted Life-Style Service Creating Group," looks to the realization of sustained, long-term growth, and indicates various goals to be attained by the end of fiscal 2009. Specifically, "New Frontier 2008" identifies three key management policies: "Service Implementation from the Perspective of the Customer," "Construction of a Robust Corporate Group," and "Fulfillment of Social Responsibilities and Realization of Sustained Growth." Based on those policies, JR East aims to achieve significant growth over the long term.

The Creation of New Value for Customers

JR East will create new value for customers through the pinpoint marketing of satisfying products and services. Specifically, JR East will continue to tackle the perennial challenge of providing safe, reliable transportation while further enhancing the appeal and convenience of stations—its largest management resource. Further, JR East intends to enhance the convenience and comfort offered by its railway operations and to make concerted efforts as a corporate group to expand non-transportation services further. Also, JR East will aggressively develop new services that use "Suica" IC cards and pursue research and development that underpins the group's technological capabilities.

Realization of the Corporate Group's Collective Strength

Based on continued adherence to its policies of "self-reliance and alliance" and "selection and focus," JR East aims to develop the group as a whole based on each group company's pursuit of its particular mission. While removing barriers within the group to facilitate closer collaboration, JR East will work to reduce costs and to further improve operational efficiency. JR East is committed to remaining a corporate group that merits the trust of shareholders and other stakeholders by implementing highly transparent management based on uncompromising ethical standards and by actively tackling such issues as compliance and protection of the Earth's natural environment.

3. Medium-Term Management Strategy—Implementation Progress and Targeted Management Benchmarks

The first two-and-a-half years covered by the "New Frontier 2008" medium-term management plan have passed, and the implementation of the plan is proceeding smoothly. Within "New Frontier 2008," the JR East Group has established three numerical targets as management benchmarks. Progress toward the attainment of these benchmarks is shown in the following chart.

	(Reference) Fiscal 2007 Semi-Annual Actual	(Reference) Fiscal 2007 Actual	Fiscal 2008 Semi-Annual Actual	Fiscal 2009 Target
Numerical Targets				
Consolidated operating cash flows (Cumulative total for the four years through fiscal 2009).....	¥697.4 billion (Cumulative total for the one-and-one-half years through September 30, 2006)	¥989.5 billion (Cumulative total for the two years through March 31, 2007)	¥1,193.3 billion (Cumulative total for the two-and-one-half years through September 30, 2007)	¥2,000.0 billion (Cumulative total for the four years through fiscal 2009)
Ratio of total long-term debt to shareholders' equity (Consolidated)...	2.5 times	2.4 times	2.3 times	Approx. 2 times
Consolidated ROA.....	3.6 %	6.2 %	3.7%	6.0%

Consolidated Balance Sheets (Unaudited)

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES

	Millions of Yen			
	Fiscal 2007 (As of March 31, 2007)	Fiscal 2008 semi-annual (As of September 30, 2007)	Increase (Decrease)	Fiscal 2007 semi-annual (As of September 30, 2006)
ASSETS				
Current Assets	¥ 513,114	¥ 493,405	¥(19,708)	¥ 461,319
Cash and time deposits.....	87,154	87,915	761	86,728
Notes and accounts receivable—trade.....	239,203	198,911	(40,292)	175,051
Fares receivable.....	36,366	37,103	737	41,632
Short-term loans receivable.....	19,273	25,892	6,618	20,412
Securities.....	262	78	(183)	229
Real estate for sale.....	6,527	6,290	(236)	7,980
Inventories.....	36,792	52,010	15,217	46,344
Deferred income taxes.....	59,809	59,796	(12)	59,003
Other.....	30,135	27,728	(2,407)	25,900
Allowance for doubtful accounts.....	(2,410)	(2,321)	89	(1,964)
Fixed Assets	6,454,836	6,380,681	(74,154)	6,338,502
Property, plant and equipment, net of accumulated depreciation.....	5,832,507	5,763,122	(69,384)	5,734,420
Buildings and fixtures.....	2,918,953	2,875,893	(43,060)	2,875,368
Machinery, rolling stock and vehicles.....	632,088	617,384	(14,704)	602,626
Land.....	2,012,665	2,010,760	(1,904)	2,012,470
Construction in progress.....	222,964	213,662	(9,302)	199,591
Other.....	45,834	45,422	(412)	44,363
Intangible assets.....	124,746	127,248	2,502	119,894
Intangibles.....	124,746	127,248	2,502	119,894
Investments and other assets.....	497,582	490,310	(7,272)	484,186
Investment in securities.....	236,072	221,059	(15,012)	239,440
Long-term loans receivable.....	1,560	1,587	26	2,519
Long-term deferred income taxes.....	210,463	220,100	9,637	203,224
Other.....	50,963	49,003	(1,960)	40,335
Allowance for doubtful accounts.....	(1,477)	(1,441)	36	(1,331)
Deferred Assets	81	62	(18)	106
Total Assets	¥6,968,031	¥6,874,150	¥(93,881)	¥6,799,928

Note: Amounts less than one million yen are omitted.

Consolidated Balance Sheets (Unaudited)

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES

	Millions of Yen			
	Fiscal 2007 (As of March 31, 2007)	Fiscal 2008 semi-annual (As of September 30, 2007)	Increase (Decrease)	Fiscal 2007 semi-annual (As of September 30, 2006)
LIABILITIES				
Current Liabilities	¥1,337,925	¥1,139,855	¥(198,070)	¥1,029,478
Notes and accounts payable—trade	67,150	52,961	(14,188)	54,096
Short-term loans and current portion of long-term loans	202,432	197,493	(4,939)	159,254
Current portion of long-term debt.....	40,000	40,000	—	—
Current portion of long-term liabilities incurred for purchase of railway facilities..	144,128	144,508	379	141,903
Payables	369,388	177,111	(192,276)	161,640
Accrued consumption tax	15,708	7,858	(7,849)	9,424
Accrued income taxes	81,571	83,928	2,357	93,659
Fare deposits received with regard to railway connecting services..	23,740	16,720	(7,019)	20,408
Prepaid railway fares received.....	90,864	100,787	9,923	99,523
Allowance for bonuses to employees.....	74,868	76,611	1,742	79,082
Allowance for earthquake-damage losses.....	—	—	—	1,592
Other.....	228,071	241,872	13,801	208,893
Long-Term Liabilities	4,117,001	4,138,128	21,127	4,291,155
Bonds	1,206,023	1,304,384	98,360	1,237,865
Long-term loans.....	586,762	555,732	(31,029)	617,109
Long-term liabilities incurred for purchase of railway facilities..	1,457,516	1,407,087	(50,429)	1,551,991
Long-term deferred tax liabilities	2,679	2,528	(150)	2,414
Employees' severance and retirement benefits.....	600,228	611,384	11,155	606,215
Other.....	263,789	257,010	(6,778)	275,559
Total Liabilities	¥5,454,926	¥5,277,983	¥(176,942)	¥5,320,634
NET ASSETS				
Shareholders' Equity	¥1,421,360	¥1,515,821	¥ 94,460	¥1,384,918
Common stock.....	200,000	200,000	—	200,000
Capital surplus.....	96,721	96,721	0	96,601
Retained earnings.....	1,127,234	1,221,718	94,483	1,090,642
Treasury stock, at cost.....	(2,594)	(2,618)	(24)	(2,325)
Valuation and Translation Adjustments	67,192	54,958	(12,234)	70,586
Net unrealized holding gains on securities.....	66,968	54,996	(11,972)	70,231
Net deferred gains (losses) on derivatives under hedge accounting .	224	(37)	(262)	355
Minority Interests	24,551	25,387	835	23,788
Total Net Assets	1,513,104	1,596,166	83,061	1,479,294
Total Liabilities and Net Assets	¥6,968,031	¥6,874,150	¥ (93,881)	¥6,799,928

Note: Amounts less than one million yen are omitted.

Consolidated Statements of Income (Unaudited)

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES

	Millions of Yen			
	Fiscal 2007 semi-annual (Six months ended September 30, 2006)	Fiscal 2008 semi-annual (Six months ended September 30, 2007)	Increase (Decrease)	Fiscal 2007 (Year ended March 31, 2007)
Operating Revenues	¥1,319,908	¥1,334,640	¥14,731	¥2,657,345
Operating Expenses	1,072,102	1,075,398	3,295	2,229,247
Transportation, other services and cost of sales.....	827,342	833,641	6,299	1,718,576
Selling, general and administrative expenses	244,760	241,757	(3,003)	510,671
Operating Income	247,805	259,241	11,435	428,097
Non-Operating Income	18,726	6,841	(11,884)	30,224
Interest and dividend income	1,318	2,040	722	1,954
Equity in net income of affiliated companies.....	536	347	(189)	—
Other.....	16,871	4,453	(12,418)	28,269
Non-Operating Expenses	68,355	65,000	(3,355)	158,270
Interest expense.....	66,254	63,455	(2,798)	131,376
Other.....	2,101	1,544	(556)	26,893
Ordinary Income	198,177	201,083	2,906	300,051
Extraordinary Gains	29,859	29,731	(128)	113,865
Construction grants received	15,479	25,682	10,203	65,451
Other.....	14,380	4,048	(10,331)	48,414
Extraordinary Losses	20,949	37,517	16,568	107,237
Losses on reduction entry for construction grants	14,232	25,528	11,296	61,002
Impairment losses on fixed assets.....	1,347	2,069	722	3,506
Other.....	5,369	9,919	4,549	42,727
Income before Income Taxes	207,087	193,296	(13,790)	306,680
Income Taxes				
Current	90,486	81,041	(9,444)	140,555
Deferred	(6,498)	(1,008)	5,489	(12,135)
Minority Interests in Net Income of Consolidated Subsidiaries	1,207	800	(406)	2,388
Net Income	¥ 121,892	¥ 112,463	¥(9,428)	¥ 175,870

Note: Amounts less than one million yen are omitted.

Consolidated Statements of Changes in Net Assets (Unaudited)

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES

Fiscal 2007 semi-annual (Six months ended September 30, 2006)

(Millions of yen)

	Shareholders' Equity					Valuation and Translation Adjustments			Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gains (losses) on securities	Net deferred gains (losses) on derivatives under hedge accounting	Total valuations and translation adjustments		
Balance at March 31, 2006	¥200,000	¥96,600	¥ 984,525	¥(2,308)	¥1,278,816	¥78,542	¥ —	¥78,542	¥25,021	¥1,382,380
Changes of items during the period										
Cash dividends			(15,987)		(15,987)					(15,987)
Bonuses to directors and corporate auditors			(242)		(242)					(242)
Net income			121,892		121,892					121,892
Increase due to addition of consolidated subsidiaries and other			456		456					456
Purchase of treasury stock				(17)	(17)					(17)
Disposal of treasury stock		0		1	2					2
Net changes of items other than shareholders' equity						(8,311)	355	(7,956)	(1,232)	(9,189)
Total changes of items during the period	—	0	106,117	(16)	106,102	(8,311)	355	(7,956)	(1,232)	96,913
Balance at September 30, 2006	¥200,000	¥96,601	¥1,090,642	¥(2,325)	¥1,384,918	¥70,231	¥ 355	¥70,586	¥23,788	¥1,479,294

Note: Amounts less than one million yen are omitted.

Fiscal 2008 semi-annual (Six months ended September 30, 2007)

(Millions of yen)

	Shareholders' Equity					Valuation and Translation Adjustments			Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gains (losses) on securities	Net deferred gains (losses) on derivatives under hedge accounting	Total valuations and translation adjustments		
Balance at March 31, 2007	¥200,000	¥96,721	¥ 1,127,234	¥(2,594)	¥1,421,360	¥66,968	¥224	¥67,192	¥24,551	¥1,513,104
Changes of items during the period										
Cash dividends			(17,986)		(17,986)					(17,986)
Net income			112,463		112,463					112,463
Increase due to addition of consolidated subsidiaries and other			6		6					6
Purchase of treasury stock				(26)	(26)					(26)
Disposal of treasury stock		0		1	2					2
Net changes of items other than shareholders' equity						(11,972)	(262)	(12,234)	835	(11,398)
Total changes of items during the period	—	0	94,483	(24)	94,460	(11,972)	(262)	(12,234)	835	83,061
Balance at September 30, 2007	¥200,000	¥96,721	¥1,221,718	¥(2,618)	¥1,515,821	¥54,996	¥ (37)	¥54,958	¥25,387	¥1,596,166

Note: Amounts less than one million yen are omitted.

Fiscal 2007 (Year ended March 31, 2007)

(Millions of yen)

	Shareholders' Equity					Valuation and Translation Adjustments			Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gains (losses) on securities	Net deferred gains (losses) on derivatives under hedge accounting	Total valuations and translation adjustments		
Balance at March 31, 2006	¥200,000	¥96,600	¥ 984,525	¥(2,308)	¥1,278,816	¥78,542	¥ -	¥78,542	¥25,021	¥1,382,380
Changes of items during the fiscal year										
Cash dividends			(33,974)		(33,974)					(33,974)
Bonuses to directors and corporate auditors			(242)		(242)					(242)
Net income			175,870		175,870					175,870
Increase due to addition of consolidated subsidiaries and other			1,055		1,055					1,055
Purchase of treasury stock				(740)	(740)					(740)
Disposal of treasury stock		120		455	576					576
Net changes of items other than shareholders' equity						(11,574)	224	(11,349)	(470)	(11,820)
Total changes of items during the fiscal year	—	120	142,708	(285)	142,544	(11,574)	224	(11,349)	(470)	130,723
Balance at March 31, 2007	¥200,000	¥96,721	¥1,127,234	¥(2,594)	¥1,421,360	¥66,968	¥224	¥67,192	¥24,551	¥1,513,104

Note: Amounts less than one million yen are omitted.

Consolidated Statements of Cash Flows (Unaudited)

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES

	Millions of Yen		
	Fiscal 2007 semi-annual (Six months ended September 30, 2006)	Fiscal 2008 semi-annual (Six months ended September 30, 2007)	Fiscal 2007 (Year ended March 31, 2007)
Cash Flows from Operating Activities			
Income before income taxes	¥207,087	¥193,296	¥306,680
Depreciation	155,565	161,867	318,525
Impairment losses on fixed assets	1,347	2,069	3,506
Amortization of long-term prepaid expense	1,957	2,458	5,079
Net change in employees' severance and retirement benefits	8,038	9,963	2,050
Interest and dividend income	(1,318)	(2,040)	(1,954)
Interest expense	66,254	63,455	131,376
Construction grants received	(15,479)	(25,682)	(65,451)
Loss from disposition and provision for cost reduction of fixed assets	21,043	33,359	93,654
Net change in major receivables	(6,846)	13,655	(52,546)
Net change in major payables	(33,185)	(90,527)	68,643
Other	(29,206)	(19,652)	(14,654)
Sub-total	375,258	342,223	794,909
Proceeds from interest and dividends	1,496	2,205	2,158
Payments of interest	(64,823)	(61,813)	(130,114)
Payments of earthquake-damage losses	(5,480)	(127)	(6,291)
Payments of income taxes	(56,729)	(78,665)	(118,813)
Net cash provided by operating activities	249,721	203,820	541,850
Cash Flows from Investing Activities			
Payments for purchases of fixed assets	(225,031)	(243,308)	(458,096)
Proceeds from sales of fixed assets	15,644	5,554	39,667
Proceeds from construction grants	34,605	40,011	69,834
Payments for purchases of investment in securities	(6,934)	(5,346)	(12,237)
Other	10,652	12,625	12,032
Net cash used in investing activities	(171,064)	(190,462)	(348,799)
Cash Flows from Financing Activities			
Net change in commercial paper	(40,000)	—	(40,000)
Proceeds from long-term loans	27,700	54,000	109,161
Proceeds from issuance of bonds	71,947	98,327	180,081
Payments of long-term liabilities	(97,508)	(140,394)	(358,258)
Payments for acquisition of treasury stock	(17)	(26)	(39)
Cash dividends paid	(15,987)	(17,986)	(33,974)
Other	(3,648)	(2,300)	(28,997)
Net cash used in financing activities	(57,515)	(8,379)	(172,027)
Net Change in Cash and Cash Equivalents	21,142	4,979	21,022
Cash and Cash Equivalents at Beginning of the Period	64,373	86,980	64,373
Increase due to Addition of Consolidated			
Subsidiaries and Other	1,040	673	1,584
Cash and Cash Equivalents at End of the Period	¥ 86,556	¥ 92,632	¥ 86,980

Note: Amounts less than one million yen are omitted.

Segment Information (Unaudited)

Segment Information by Business Activities

Six months ended September 30, 2006 and 2007	Millions of Yen						Elimination and/or corporate	Consolidated
	Transportation	Station Space Utilization	Shopping Centers & Office Buildings	Other Services	Total			
Fiscal 2007 semi-annual								
Operating revenues								
Outside customers	¥ 915,642	¥ 201,372	¥ 96,911	¥ 105,982	¥ 1,319,908	¥ —	¥ 1,319,908	
Inside group	28,528	6,974	4,585	127,360	167,448	(167,448)	—	
Total	944,170	208,346	101,496	233,343	1,487,357	(167,448)	1,319,908	
Costs and expenses	748,857	192,022	71,968	227,079	1,239,927	(167,825)	1,072,102	
Operating income.....	¥ 195,313	¥ 16,324	¥ 29,527	¥ 6,264	¥ 247,429	¥ 376	¥ 247,805	
Fiscal 2008 semi-annual								
Operating revenues								
Outside customers	¥ 930,353	¥ 198,852	¥ 99,518	¥ 105,916	¥ 1,334,640	¥ —	¥ 1,334,640	
Inside group	29,209	8,014	4,602	131,624	173,450	(173,450)	—	
Total	959,562	206,867	104,120	237,540	1,508,090	(173,450)	1,334,640	
Costs and expenses	756,203	188,164	71,990	233,028	1,249,387	(173,988)	1,075,398	
Operating income.....	¥ 203,358	¥ 18,702	¥ 32,130	¥ 4,512	¥ 258,703	¥ 538	¥ 259,241	

Fiscal 2007 (Year ended March 31, 2007)	Millions of Yen						Elimination and/or corporate	Consolidated
	Transportation	Station Space Utilization	Shopping Centers & Office Buildings	Other Services	Total			
Operating revenues								
Outside customers	¥ 1,825,387	¥ 399,998	¥ 197,139	¥ 234,820	¥ 2,657,345	¥ —	¥ 2,657,345	
Inside group	57,561	14,319	8,785	291,495	372,161	(372,161)	—	
Total	1,882,948	414,317	205,925	526,315	3,029,507	(372,161)	2,657,345	
Costs and expenses	1,563,906	381,099	147,280	508,382	2,600,667	(371,419)	2,229,247	
Operating income.....	¥ 319,042	¥ 33,218	¥ 58,644	¥ 17,933	¥ 428,839	¥ (741)	¥ 428,097	

Notes: 1. Amounts less than one million yen are omitted.

2. Classification of business

JR East's businesses are classified by the segmentation used for management purpose so that the actual situation of JR East's business diversification is clearly and appropriately disclosed.

3. The main activities of each business segment are as follows:

Transportation:	Passenger transportation mainly by passenger railway
Station Space Utilization:	Retail sales, food and convenience stores, etc., which utilize space at the stations
Shopping Centers & Office Buildings:	Operation of shopping centers other than Station Space Utilization business and leasing of office buildings, etc.
Other Services:	Advertising and publicity, hotel operations, wholesale, truck delivery, cleaning, information processing, credit card business, and other services

Geographic segment information is not shown since JR East has no overseas consolidated subsidiaries. Information for overseas sales is not shown due to there being no overseas sales.

Subsequent Event

Issuance of bonds

JR East issued the following straight bonds.

1. Straight bonds, 50th issue, East Japan Railway Company

- (1) Issue date: October 26, 2007
- (2) Amount: ¥20,000 million
- (3) Issue price: ¥99.99 per ¥100
- (4) Coupon rate: 1.86% per annum
- (5) Maturity date: September 20, 2017
- (6) Use of proceeds: the repayment of long-term debt

2. Straight bonds, 51st issue, East Japan Railway Company

- (1) Issue date: October 26, 2007
- (2) Amount: ¥20,000 million
- (3) Issue price: ¥99.94 per ¥100
- (4) Coupon rate: 2.39% per annum
- (5) Maturity date: September 17, 2027
- (6) Use of proceeds: the repayment of long-term debt

[REFERENCE]

Consolidated Principal Indicators

	Fiscal 2007, semi-annual (Six months ended September 30, 2006)	Fiscal 2007 (Year ended March 31, 2007)	Fiscal 2008, semi-annual (Six months ended September 30, 2007)	Increase (Decrease)		Fiscal 2009 (Year ending March 31, 2009)
	(A)	(B)	(C)	(C)-(A)	(C)-(B)	Note 1
Cash flows from operating activities [Billions of yen]	249.7	541.8	203.8	(45.9)		Note 2
Ratio of total long-term debt to shareholders' equity [Times]	2.5	2.4	2.3	(0.2)	(0.1)	Note 3, 4
Ratio of operating income to average assets (ROA) [%]	3.6	6.2	3.7	0.1		6.0
Return on average equity (ROE) [%]	8.7	12.4	7.4	(1.3)		
Equity ratio [%]	21.4	21.4	22.9	1.5	1.5	
Shareholders' equity [Billions of yen]	1,455.5	1,488.5	1,570.7	115.2	82.2	Note 4
Total long-term debt [Billions of yen]	3,707.3	3,636.2	3,648.1	(59.1)	11.9	
Average interest rates [%]	3.51	3.45	3.41	(0.10)	(0.03)	
Net interest expense [Billions of yen]	(64.9)	(129.4)	(61.4)	3.5		
Earnings per share [Yen]	30,501.84	44,007.94	28,142.79	(2,359.04)		
Shareholders' equity per share [Yen]	364,220.88	372,492.84	393,071.28	28,850.40	20,578.44	Note 4
Free cash flows (FCF) [Billions of yen]	78.6	193.0	13.3	(65.2)		
Capital expenditures [Billions of yen]	114.7	413.3	118.9	4.1		
Transportation	63.7	282.4	75.5	11.8		
Non-transportation	51.0	130.8	43.4	(7.6)		

- Notes: 1. Goals in the medium-term management plan ("New Frontier 2008")
2. Cumulative total of ¥2,000.0 billion for the four-year period through March 31, 2009
3. Approximately 2 times
4. Shareholders' equity equals total net assets less minority interests.

Consolidated Business Forecast for Fiscal 2008

	Billions of Yen						
	Actual Fiscal 2007	Forecast Fiscal 2008 (Announced in April 2007)	Forecast Fiscal 2008	Change			
	(A)	(B)	(C)	Increase (Decrease) (C)-(B)	% (C)/(B) x100	Increase (Decrease) (C)-(A)	% (C)/(A) x100
Operating Revenues	2,657.3	2,678.0	2,699.0	21.0	100.8	41.6	101.6
Transportation	1,825.3	1,843.0	1,855.0	12.0	100.7	29.6	101.6
Station Space Utilization	399.9	402.0	408.0	6.0	101.5	8.0	102.0
Shopping Centers & Office Buildings	197.1	206.0	206.0	—	100.0	8.8	104.5
Other Services	234.8	227.0	230.0	3.0	101.3	(4.8)	97.9
Operating Income	428.0	428.0	436.0	8.0	101.9	7.9	101.8
Transportation	319.0	321.0	326.0	5.0	101.6	6.9	102.2
Station Space Utilization	33.2	34.0	37.0	3.0	108.8	3.7	111.4
Shopping Centers & Office Buildings	58.6	60.0	60.0	—	100.0	1.3	102.3
Other Services	17.9	14.0	14.0	—	100.0	(3.9)	78.1
Elimination and/or corporate	(0.7)	(1.0)	(1.0)	—	100.0	(0.2)	134.8
Ordinary Income	300.0	312.0	327.0	15.0	104.8	26.9	109.0
Net Income	175.8	185.0	187.0	2.0	101.1	11.1	106.3

(Reference) Earnings per share for fiscal 2008: 46,794.82 yen

Forward-Looking Statements

Statements contained in this report with respect to JR East's plans, strategies, and beliefs that are not historical facts are forward-looking statements about the future performance of JR East, which are based on management's assumptions and beliefs in light of the information currently available to it. These forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause JR East's actual results, performance, or achievements to differ materially from the expectations expressed herein. These factors include, without limitation, (i) JR East's ability to successfully maintain or increase current passenger levels on railway services, (ii) JR East's ability to improve the profitability of railway and other operations, (iii) JR East's ability to expand non-transportation operations, and (iv) general changes in economic conditions and laws, regulations, and government policies in Japan.

Passenger Kilometers and Passenger Revenues of Parent Company

	Passenger Kilometers				Revenues from Passenger Tickets			
	Millions		%		Billions of yen		%	
	Fiscal 2007 semi-annual (Six months ended September 30, 2006) (A)	Fiscal 2008, semi-annual (Six months ended September 30, 2007) (B)	Change Increase (Decrease) (B)-(A)	(B)/(A)x100	Fiscal 2007 semi-annual (Six months ended September 30, 2006) (C)	Fiscal 2008, semi-annual (Six months ended September 30, 2007) (D)	Change Increase (Decrease) (D)-(C)	(D)/(C)x100
Shinkansen Network								
Commuter Passes	847	853	5	100.7	11.4	11.5	0.0	100.5
Other	9,068	9,316	248	102.7	231.2	236.6	5.4	102.3
Total	9,915	10,169	253	102.6	242.7	248.1	5.4	102.3
Conventional Lines								
<i>Tokyo Metropolitan Area Network</i>								
Commuter Passes	26,590	27,192	601	102.3	175.1	177.9	2.8	101.6
Other	12,936	13,518	582	104.5	262.3	268.5	6.2	102.4
Total	39,526	40,710	1,184	103.0	437.4	446.5	9.0	102.1
<i>Intercity and Regional Network</i>								
Commuter Passes	9,865	9,908	42	100.4	60.3	60.3	(0.0)	99.9
Other	5,653	5,688	34	100.6	117.4	117.8	0.3	100.3
Total	15,519	15,596	77	100.5	177.8	178.1	0.2	100.1
<i>Total</i>								
Commuter Passes	36,455	37,100	644	101.8	235.5	238.2	2.7	101.2
Other	18,590	19,207	617	103.3	379.8	386.3	6.5	101.7
Total	55,045	56,307	1,261	102.3	615.3	624.6	9.3	101.5
Total								
Commuter Passes	37,303	37,953	650	101.7	247.0	249.8	2.7	101.1
Other	27,658	28,523	865	103.1	611.0	623.0	12.0	102.0
Total	64,961	66,477	1,515	102.3	858.0	872.8	14.8	101.7

Note: Amounts less than one million passenger kilometers and 100 million yen are omitted.