

Fiscal 2010 Financial Results (Unaudited)

Fiscal 2010 (Year ended March 31, 2010)

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 non-consolidated basis.

English translation from the original Japanese-language document.

April 27, 2010

East Japan Railway Company

Stock Exchange Listings

Securities Code

URL

Representative

Contact Person

Tokyo, Osaka and Nagoya

9020

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Scheduled Date of Ordinary General Meeting of Shareholders **June 23, 2010**

Scheduled Date of Dividend Payment Commencement **June 24, 2010**

Scheduled Date for Release of Annual Securities Report **June 23, 2010**

1. Consolidated Results for Fiscal 2010 (Year Ended March 31, 2010)

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

(1) Consolidated financial results

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

	Operating revenues		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2010	2,573,723	(4.6)	344,848	(20.3)	235,137	(28.6)	120,214	(35.8)
Fiscal 2009	2,696,999	(0.2)	432,554	(2.8)	329,512	(2.1)	187,291	(1.3)

	Earnings per share— Basic	Earnings per share— Diluted	Return on average equity	Ratio of ordinary income to average assets	Ratio of operating income to operating revenues
	Yen	Yen	%	%	%
Fiscal 2010	303.35	—	6.9	3.4	13.4
Fiscal 2009	468.68	—	11.3	4.7	16.0

Reference: Equity in net income and losses of affiliated companies – Fiscal 2010: (5,283) million yen, Fiscal 2009: 343 million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2010	6,995,494	1,807,547	25.5	4,501.30
Fiscal 2009	6,965,793	1,744,706	24.7	4,301.06

Reference: Shareholders' equity – Fiscal 2010: 1,780,584 million yen, Fiscal 2009: 1,718,586 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 year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2010	479,179	(391,682)	(115,327)	83,756
Fiscal 2009	584,359	(396,795)	(159,237)	110,871

2. Dividends (Year Ended March 31, 2009 and 2010 and Year Ending March 31, 2011)

(Record date)	Dividends per share					Total dividends (annual)	Dividend ratio (consolidated)	Ratio of dividends to shareholders' equity (consolidated)
	1st quarter end	2nd quarter end	3rd quarter end	Year end	Total annual			
Fiscal 2009	Yen —	Yen 5,500.00	Yen —	Yen 55.00	Yen —	Millions of yen 43,965	% 23.5	% 2.7
Fiscal 2010	—	55.00	—	55.00	110.00	43,525	36.3	2.5
(Forecast) Fiscal 2011	—	55.00	—	55.00	110.00	—	31.3	—

Dividends per share for the 2nd quarter of Fiscal 2009 do not reflect the stock split that went into effect on January 4, 2009. For further details, please see "(Reference) Retroactive Adjustment Reflecting Stock Split" on page 4.

3. Forecasts for Fiscal 2011 (Year Ending March 31, 2011)

(Percentages represent percentage changes as 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
Six-month period ending September 30, 2010	1,297,000	0.3	214,000	(0.9)	163,000	3.1	91,000	(3.7)	230.05
Fiscal 2011	2,585,000	0.4	352,000	2.1	255,000	8.4	139,000	15.6	351.39

4. Other

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

(2) Changes in the accounting treatment principles and procedures or presentation method in preparation of consolidated financial statements

i Changes based on revision of accounting standards: No

ii Changes other than the above: No

(3) Number of issued shares (common stock)

i Issued shares at period-end (including treasury stock) Fiscal 2010 400,000,000 shares Fiscal 2009 400,000,000 shares

ii Treasury stock at period-end Fiscal 2010 4,429,053 shares Fiscal 2009 427,240 shares

Please refer to "Per Share Information" on page 24 regarding the basis of calculation of earnings per share.

(Reference) Overview of the Non-consolidated Financial Results

1. Non-consolidated Results for Fiscal 2010 (Year Ended March 31, 2010)

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

(1) Non-consolidated financial results

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

	Operating revenues		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2010	1,882,552	(4.3)	282,624	(22.7)	178,361	(31.7)	100,079	(36.4)
Fiscal 2009	1,967,489	(0.6)	365,784	(1.8)	261,045	(1.2)	157,463	(3.5)

	Earnings per share— Basic	Earnings per share— Diluted
	Yen	Yen
Fiscal 2010	252.47	—
Fiscal 2009	393.96	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2010	6,519,260	1,566,915	24.0	3,959.98
Fiscal 2009	6,550,401	1,531,284	23.4	3,831.18

Reference: Shareholders' equity – Fiscal 2010: 1,566,915 million yen, Fiscal 2009: 1,531,284 million yen

2. Forecasts for Fiscal 2011 (Year Ending March 31, 2011)

(Percentages represent percentage changes as 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
Six-month period ending September 30, 2010	941,000	(1.5)	188,000	(0.2)	137,000	3.3	81,000	(3.1)	204.71
Fiscal 2011	1,865,000	(0.9)	294,000	4.0	197,000	10.4	117,000	16.9	295.69

Explanation of appropriate use of forecasts of business results; other important items

1) The forecasts of business results and other forward-looking statements in this report are based on certain assumptions that JR East views as currently reasonable. Please note that actual results may differ from such forward-looking statements for a variety of reasons. Regarding the forecasts of business results, please refer to "Fiscal 2011 performance Forecasts" on page 6.

2) JR East implemented a stock split at a ratio of 100 shares for 1 share of common stock with an effective date of January 4, 2009.

(Reference) Retroactive Adjustment Reflecting Stock Split

JR East implemented a stock split at a ratio of 100 shares for 1 share of common stock with an effective date of January 4, 2009. Based on the assumption that JR East implemented the stock split at the beginning of the fiscal year ended March 31, 2009 (Fiscal 2009), the dividends per share for Fiscal 2009 were as shown below.

	Dividends per share		
	2nd quarter end	Year end	Total
	Yen	Yen	Yen
Fiscal 2009	55.00	55.00	110.00

Operating Results and Financial Position

(Unless otherwise stated, all comparisons are between the fiscal year under review and the previous fiscal year.)

1. Analysis of Operating Results

(1) Summary

Overview

In the fiscal year under review, ended March 31, 2010, Japan's economy initially faced extremely uncertain conditions as the dramatic recession that began in the previous fiscal year continued. Although increased exports to Asia and benefits of the economic stimulus package implemented by the Japanese Government spurred a recovery during Fiscal 2010, the recovery was not self-sustaining; the conditions remained challenging, characterized by high levels of unemployment. In addition, railway network transportation volumes decreased due to the March 2009 cut in the maximum expressway toll to ¥1,000 on weekends and national holidays. Amid this business environment, East Japan Railway Company, its consolidated subsidiaries, and equity-method affiliated companies (JR East) worked to continue generating revenues by further improving services in railway operations and developing life-style businesses focused on railway stations. JR East also actively developed businesses that capitalize on *Suica*.

As a result, in the fiscal year under review, operating revenues decreased by 4.6%, to ¥2,573.7 billion, due to significantly lower operating revenues from JR East's Transportation segment, and operating income decreased by 20.3 %, to ¥344.8 billion, due to an increase of depreciation expenses and other factors. Further, ordinary income decreased by 28.6%, to ¥235.1 billion, and net income was down 35.8%, to ¥120.2 billion.

Segment Information

Transportation

In the **Transportation segment**, with railway operations as its core operations, JR East sought to further improve safety and stability while securing revenues by encouraging use of its Shinkansen network and the Tokyo metropolitan area network.

Specifically, JR East increased the number of train services and railcars with seats available for reservations to meet passenger demand. In addition, JR East worked to generate a greater volume of tourism in its service area by implementing tourism campaigns such as the *Yokohama Destination Campaign* and the *Niigata Destination Campaign* and launching a new travel product, *Tabi-Ichi*, which offers exciting local programs. Further, as countermeasures in response to decreased expressway tolls, JR East promoted railway usage by launching a *Two-Day Pass*, a *Weekend Day Trip Pass*, and *Furusato-Yuki-no Josha-ken* and implementing a campaign that combines train services and inexpensive rent-a-car services. For the *Otona no Kyujitsu Club*, JR East worked to expand and improve services for members and increase membership by launching tickets and travel products exclusively for members. Also, JR East improved comfort and convenience for passengers by introducing new types of railcar to Joban Line local train services and other lines, revising service schedules in March 2010, opening Musashi-Kosugi Station on the Yokosuka Line, and expanding Narita Express train services. For *Suica*, JR East began mutual use of conventional line IC tickets with Kyushu Railway Company's *SUGOCA*, Nishi-Nippon Railroad's *nimoca*, and Fukuoka City Transportation Bureau's *HAYAKAKEN* in March 2010. In bus operations, JR East worked to increase the competitiveness of express routes by expanding services on short-distance routes and setting fares flexibly. In monorail operations, JR East worked to promote usage through such efforts as selling the *Monorail and Yamanote Line Discount Ticket* for holiday use.

However, railway network transportation volumes decreased due to the effect of economic stagnation and decreased expressway tolls. As a result, the Transportation segment recorded a decrease of 4.3% in operating revenues, to ¥1,808.7 billion, and a decrease of 25.2% in operating income, to ¥231.3 billion.

Station Space Utilization

In the **Station Space Utilization segment**, JR East promoted its *Station Renaissance* program, which maximizes the value of spaces within railway stations. Specifically, JR East opened the fifth phase of *Dila Ofuna* (Kanagawa) and *SouthCourt* (Tokyo). Further, collaborating with the local community, JR East remodeled Echigo-Yuzawa Station to establish stores that highlight regional characteristics and opened *CoCoLo Yuzawa Gangi Dori* (Niigata).

Nevertheless, due to the effect of economic stagnation and transfer of certain operations to the Shopping Centers and Office Buildings segment pursuant to a reorganization of the Group companies, the Station Space Utilization segment recorded a decrease of 7.7% in operating revenues, to ¥399.9 billion, and a decrease of 12.7% in operating income, to ¥33.3 billion.

Shopping Centers and Office Buildings

In the **Shopping Centers and Office Buildings segment**, JR East began operations at *LUMINE MAN SHIBUYA* (Tokyo), *E'site Ageo* (Saitama), and *atr vie Sugamo* (Tokyo). Also, with AEON Mall Co., Ltd., JR East jointly remodeled *Tsuchiura Station Building*, which resumed operations as *perch Tsuchiura* (Ibaraki).

As a result of these initiatives and transfer of certain operations from the Station Space Utilization segment pursuant to a reorganization of the Group companies, the Shopping Centers and Office Buildings segment recorded an increase of 1.8% in operating revenues to ¥235.8 billion. However, due to the effect of economic stagnation, the Shopping Centers and Office Buildings segment posted a decrease of 1.0% in operating income, to ¥69.3 billion.

Other Services

In the **Other Services segment**, JR East continued to strengthen its competitiveness by opening *HOTEL METS Komagome* (Tokyo) and remodeling *Hotel Metropolitan Akita* (Akita). Further, as part of *Rediscovering the Region* projects, JR East remodeled *Folkloro Iwate Towa* (Iwate) and other facilities. Advertising and publicity operations included promotion of advertisement sales in railway stations, such as *Digital Posters*. In other services operations, JR East began operations at the

Jexer Fitness Club Higashi-Kanagawa (Kanagawa). Aiming to further strengthen credit card operations, in September 2009 JR East established Viewcard Co., Ltd., and spun off JR East's credit card operations to Viewcard in February 2010. With respect to its *Suica* shopping services (electronic money), JR East continued aggressively developing affiliated stores in urban shopping areas beyond railway stations and began mutual use of electronic money with *SUGOCA*, *nimoca*, *HAYAKAKEN*, and Central Japan Railway Company's *TOICA* from March 2010. As of the end of the fiscal year, *Suica* electronic money was usable at approximately 89,350 stores.

Nevertheless, due to lower revenues of advertising and publicity operations and lower sales of IC-compatible equipment, the Other Services segment recorded a decrease of 3.1% in operating revenues, to ¥528.1 billion, and a decrease of 21.8% in operating income, to ¥13.5 billion.

(2) Outlook for the Year Ending March 31, 2011

In the next fiscal year, which is the third year of *JR East 2020 Vision—idomu—*, JR East will not be content with balanced contraction. Rather, even in challenging economic conditions, JR East will continue to take steps toward realizing sustainable growth. Moreover, by placing safety as its highest management goal and pursuing customer satisfaction, JR East aims to be a corporate group that gives customers a peace of mind through safety. Taking these adverse conditions as opportunities, JR East will seek a fundamental review of its cost structure and steady implementation of measures that will bear fruit in the future.

In railway operations, to coincide with the beginning of services to Shin-Aomori Station on the Tohoku Shinkansen Line in December 2010, JR East will collaborate with the local communities to develop tourism and create demand. Also, in the spring of 2011 JR East will introduce new high-speed Shinkansen railcars (E5 series) and start its operations at a speed of 300 km/h. Further, JR East will strengthen Internet based sales, such as *eki-net* and *Mobile Suica*. In the Tokyo metropolitan area network, in order to provide quality transportation services, JR East will continue introducing new types of railcar to Joban Line local train services and other lines and introduce new types of railcar to the Keiyo Line.

In life-style services businesses, JR East will promote its *Station Renaissance* program at Tokyo Station and other stations while preparing for the opening of *Hachioji Station South Exit Building* (tentative name), *Akihabara Denkigai-guchi Building* (tentative name), and *HOTEL METS Yokohama Tsurumi*. Also, JR East intends to advance large-scale developments at *Tokyo Station City* and terminal stations such as Shinjuku Station and Chiba Station.

In order to establish *Suica* operations as a third pillar of operations alongside railway operations and life-style services businesses, JR East will continue to expand the mutual-use network. At the same time, JR East intends to add stores, such as Circle K Sunkus stores within JR East's service area, in order to increase the number of electronic money affiliated stores.

Fiscal 2011 Performance Forecasts

Full fiscal year

Operating Revenues:	¥2,585.0 billion	(0.4% year-on-year increase)
Operating Income:	¥352.0 billion	(2.1% year-on-year increase)
Ordinary Income:	¥255.0 billion	(8.4% year-on-year increase)
Net Income:	¥139.0 billion	(15.6% year-on-year increase)

Six-month period ending September 30, 2010

Operating Revenues:	¥1,297.0 billion	(0.3% year-on-year increase)
Operating Income:	¥214.0 billion	(0.9% year-on-year decrease)
Ordinary Income:	¥163.0 billion	(3.1% year-on-year increase)
Net Income:	¥91.0 billion	(3.7% year-on-year decrease)

2. Analysis of Financial Position

Net cash provided by operating activities decreased by ¥105.1 billion to ¥479.1 billion; the decrease was principally attributable to a decrease in income before income taxes.

Net cash used in investing activities was down ¥5.1 billion to ¥391.6 billion, principally because of a decrease in payments for purchases of fixed assets.

Net cash used in financing activities was down ¥43.9 billion to ¥115.3 billion, mainly because of a decrease in payments of long-term loans.

Cash and cash equivalents at year-end decreased by ¥27.1 billion to ¥83.7 billion.

Further, total long-term debt at fiscal year-end was ¥3,443.8 billion.

Trends in cash flow indicators are as shown below.

	Fiscal 2008	Fiscal 2009	Fiscal 2010
Equity ratio	23.0	24.7	25.5
Equity ratio on market-value basis	47.7	29.4	36.8
Interest-bearing debt / net cash provided by operating activities	7.4	5.9	7.1
Interest coverage ratio	3.8	4.8	4.2

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 figures.

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

3. Dividend Policy

JR East's basic policy for disposal of the distribution of earnings is to steadily increase returns to shareholders in light of performance while securing adequate retained earnings to maintain robust operational foundations for the future development of its business activities, which are centered on railway stations and railway services. Regarding cash dividends, JR East is aiming for a consolidated dividend pay-out ratio of 30% as an immediate target. Further, JR East will take wide-ranging measures to generate returns to shareholders, including flexible use of share repurchases, depending on the net cash provided by operating activities.

Based on that policy, JR East plans to pay (payment scheduled to begin June 24, 2010) year-end cash dividends of ¥55 per share, which are in addition to the interim cash dividends of ¥55 per share, for full-year cash dividends of ¥110 per share. Further, JR East does not plan to pay dividends other than with respect to the record dates at the end of the second quarter or at the fiscal year-end.

JR East will actively use retained earnings to implement capital expenditures aimed at achieving significant future business successes. At the same time, JR East will use a portion of retained earnings to reduce total long-term debt, thereby further strengthening its financial position. JR East aims to improve its business results continuously, further strengthen its operational foundations, and further increase returns to shareholders.

For the current fiscal year, ending March 31, 2011, JR East plans to pay cash dividends of ¥110 per share, including interim dividends of ¥55 per share.

Status of the Group

The JR East Group (JR East, 73 consolidated subsidiaries, 3 equity-method affiliated companies (as of March 31, 2010)) conducts business operations in four segments: Transportation, Station Space Utilization, Shopping Centers & Office Buildings, and Other Services. The status of JR East and other related companies in those business operations is as shown below.

Further, the four segments below are classified using the same business segmentation as that in "Consolidated Financial Statements, 7. Notes to Consolidated Financial Statements, Segment Information."

(1) Transportation

Passenger transportation operations centered on railway operations. With a service area mainly covering Tokyo and the 16 prefectures of the Kanto region and the Tohoku region, JR East's railway operations comprise 1,705 railway stations, 6,473.9 operating kilometers of conventional lines, and 1,052.9 kilometers of Shinkansen lines, giving a total of 7,526.8 kilometers.

Main related companies: East Japan Railway Company JR Bus Kanto Co., Ltd.* Tokyo Monorail Co., Ltd.*

(2) Station Space Utilization

Targeting customers that use railway stations, this segment creates commercial spaces in railway stations and develops various types of business, including retail stores, restaurants, and convenience stores.

Main related companies: East Japan Railway Company (creating new commercial spaces)
JR East Retail Net Co., Ltd.* Nippon Restaurant Enterprise Co., Ltd.*

(3) Shopping Centers and Office Buildings

Targeting customers in and around railway stations, this segment develops railway stations and land near railway stations, manages shopping centers, and leases office buildings.

Main related companies: East Japan Railway Company (developing shopping centers and office buildings)
LUMINE Co., Ltd.* JR East Urban Development Corporation*
atré Co., Ltd.* JR East Building Co., Ltd.*

(4) Other Services

In addition to the above, JR East uses railway stations and areas near railway stations to develop hotel businesses and advertising and publicity businesses.

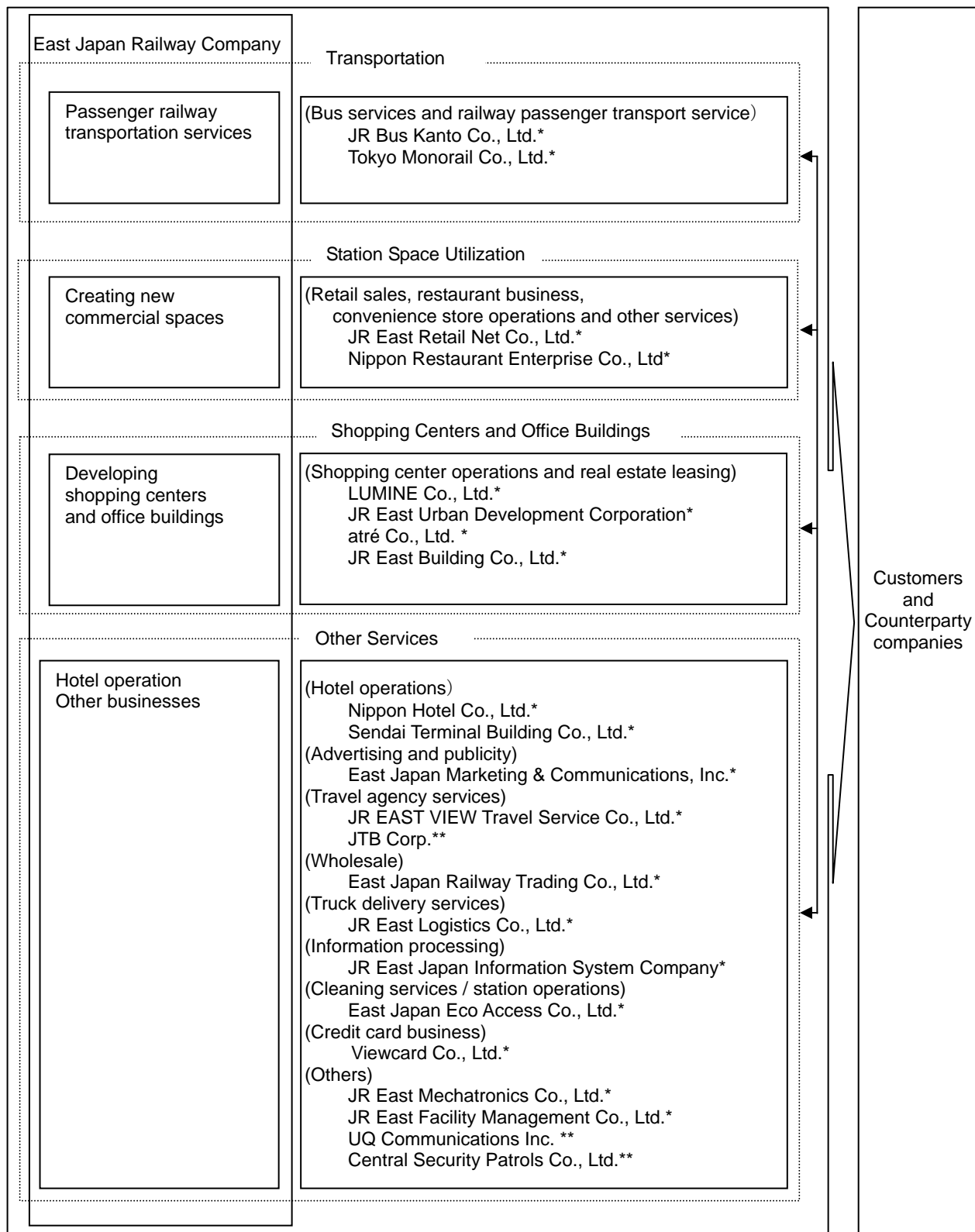
Main related companies:

(Hotel operations)
East Japan Railway Company Nippon Hotel Co., Ltd.*
Sendai Terminal Building Co., Ltd.*
(Advertising and publicity)
East Japan Marketing & Communications, Inc.*
(Travel agency services)
JR EAST VIEW Travel Service Co., Ltd.* JTB Corp.**
(Wholesale)
East Japan Railway Trading Co., Ltd.*
(Truck delivery services)
JR East Logistics Co., Ltd.*
(Information processing)
JR East Japan Information System Company*
(Cleaning services / station operations)
East Japan Eco Access Co., Ltd.*
(Credit card business)
Viewcard Co., Ltd.*
(Others)
East Japan Railway Company
JR East Mechatronics Co., Ltd.*
JR East Facility Management Co., Ltd.*
UQ Communications Inc.**
Central Security Patrols Co., Ltd.**

Notes; 1.* indicates a consolidated subsidiary, ** indicates an equity-method affiliated company.

2. Subsidiaries with operations in more than one segment are listed in the segment in which they are mainly involved.

Business segmentation is as follows.



- Notes: 1. * indicates a consolidated subsidiary, ** indicates an equity-method affiliated company.
 2. Subsidiaries with operations in more than one segment are listed in the segment in which they are mainly involved.
 3. Arrows show the flow of main transactions and offering of services.

Management Policies

1. Basic Management Policies

JR East is aiming to become a dynamic corporate group providing quality cutting-edge services, with railway businesses at its core, to fulfill its obligations to its shareholders. To that end, each person working for the Group will make efforts to respect the customers' points of view by providing safe, reliable transportation and convenient high-quality products and services. At the same time, Group employees will continue raising the levels of services and technologies to further earn the trust and confidence of customers. JR East will grow continuously and advance in harmony with customers by generating earnings while meeting social responsibilities as a *Trusted Life-Style Service Creating Group*.

2. Medium- to Long-Term Management Strategies and Tasks

JR East 2020 Vision — idomu —

Guided by its philosophy of aiming to become a *Trusted Life-Style Service Creating Group*, JR East is eager to forge ahead and committed to take on new challenging goals. Specifically, the *JR East 2020 Vision — idomu —* positions “*pursuing safety and customer satisfaction rigorously*,” “*sustaining growth and pursuing initiatives for the next era*,” “*meeting corporate social responsibilities*,” and “*building organizational strength and developing human resources*” as basic management policies and calls on JR East to further increase its corporate value from a long-term perspective.

Pursuing safety and customer satisfaction rigorously

Positioning safety as its first management priority, JR East aims for “extreme safety levels.” Further, in its efforts to ensure the reliability of transportation and provide customer services, among other things, JR East aims to improve customer satisfaction through collaboration that extends beyond divisions and systems and through provision of high-quality services supported by diligent work. Through these efforts, JR East aims to give customers a peace of mind regarding its railway and other operations.

Sustaining growth and pursuing initiatives for the next era

Rather than accepting steady contraction due to Japan's shrinking population, JR East will secure its competitive advantages and target sustainable growth while taking on the challenge of creating new businesses. Also, in order to foster its capabilities in science and technology that support its growth, JR East will give priority to investing management resources in research and development. Moreover, we will draw on such technological capabilities and personnel, which are our strengths, to move into new areas.

Meeting corporate social responsibilities

JR East aims to continue being a company that contributes to local people and communities and to Japanese society as a whole through its business activities. Through its operations, JR East aims to step up efforts to resolve pressing local and social problems while building alliances with local communities pursuant to which JR East and local communities both have their own roles. In addition, JR East will establish numerical targets to address global environmental problems as problems that must be solved for the future.

Building organizational strength and developing human resources

JR East aims to enable employees seeking opportunities for self-development to achieve self-realization and gain a sense of fulfillment through work. To that end, JR East will reform personnel, wage, and training systems while responding to the aspirations of each employee. Further, aiming to increase organizational strength and thereby accelerate the development of operations and various measures, JR East will review its organizational structure and divisions of authority and responsibility as part of its efforts to improve management.

In light of its misconduct at the Shinanogawa Power Plant, consisting of the Senju, Ojiya and Shin-Ojiya power plants located in Ojiya and Tokamachi cities, Niigata Prefecture, JR East will promote compliance-oriented business management aimed at preventing recurrence while working in good faith to live together with local communities.

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

JR East set out numerical targets for the fiscal year ending March 31, 2011 as management benchmarks in the *JR East 2020 Vision — idomu* —. However, the dramatic changes in business conditions have made reaching those targets extremely difficult. Accordingly, JR East has set out new numerical targets covering the three-year period from the fiscal year ending March 31, 2011 through to the fiscal year ending March 31, 2013.

New numerical targets under *JR East 2020 Vision — idomu* —

	(Reference) Fiscal 2010 (Actual)	Fiscal 2013 Targets
Consolidated Operating Revenues	¥2,573.7 billion	¥2,697.0 billion
Transportation	¥1,757.9 billion	¥1,782.0 billion
Station Space Utilization	¥387.1 billion	¥446.0 billion
Shopping Centers & Office Buildings	¥226.9 billion	¥241.0 billion
Other Services	¥201.6 billion	¥228.0 billion
Consolidated Operating Income	¥344.8 billion	¥410.0 billion
Transportation	¥231.3 billion	¥281.0 billion
Station Space Utilization	¥33.3 billion	¥40.0 billion
Shopping Centers & Office Buildings	¥69.3 billion	¥70.0 billion
Other Services	¥13.5 billion	¥20.0 billion
Elimination and/or Corporate	(¥2.6 billion)	(¥1.0 billion)
Consolidated Cash Flows from Operating Activities	¥479.1 billion	¥1,700.0 billion
Consolidated ROA (%)	4.9%	6.0%

The numerical target for consolidated cash flows from operating activities (Fiscal 2013 targets) is the cumulative total for the period commencing from the fiscal year ending March 31, 2011.

Consolidated Financial Statements
1. Consolidated Balance Sheets (Unaudited)
EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES

	Millions of Yen	
	Fiscal 2009	Fiscal 2010
ASSETS		
Current Assets	¥ 558,827	¥ 537,654
Cash and time deposits	70,080	64,935
Notes and accounts receivable-trade	260,561	275,152
Fares receivable	32,645	27,253
Short-term loans receivable	18,699	14,982
Securities	41,220	19,139
Real estate for sale	3,756	2,666
Inventories	36,494	45,100
Deferred income taxes	50,114	46,567
Other	48,075	44,149
Allowance for doubtful accounts	(2,819)	(2,293)
Fixed Assets	6,406,898	6,457,617
Property, plant and equipment, net of accumulated depreciation ..	5,838,197	5,878,266
Buildings and fixtures (net)	2,964,414	2,970,272
Machinery, rolling stock and vehicles (net)	628,472	634,207
Land	2,007,490	2,008,435
Construction in progress	195,978	221,987
Other (net)	41,841	43,363
Intangible assets	120,184	110,238
Investments and other assets	448,516	469,112
Investments in securities	138,685	147,492
Long-term loans receivable	1,565	1,884
Long-term deferred income taxes	256,755	263,207
Other	53,700	57,652
Allowance for doubtful accounts	(2,190)	(1,124)
Deferred Assets	67	222
Deferred business commencement expenses	—	175
Deferred development expenses	67	46
Total Assets	¥6,965,793	¥6,995,494

Note: Amounts less than one million yen are omitted.

	Millions of Yen	
	Fiscal 2009	Fiscal 2010
LIABILITIES		
Current Liabilities	¥1,181,208	¥1,155,865
Notes and accounts payable—trade	45,302	46,210
Short-term loans and current portion of long-term loans	88,878	138,403
Current portion of bonds	120,000	60,000
Current portion of long-term liabilities		
incurred for purchase of railway facilities	137,925	128,842
Payables	329,857	365,666
Accrued consumption tax	13,523	4,658
Accrued income taxes	74,717	35,057
Fare deposits received with regard to railway connecting services ...	15,910	19,111
Prepaid railway fares received	87,649	86,636
Allowance for bonuses to employees	70,711	67,281
Other	196,732	203,998
Long-Term Liabilities	4,039,878	4,032,081
Bonds	1,299,456	1,429,525
Long-term loans	664,205	646,449
Long-term liabilities incurred for purchase of railway facilities	1,178,781	1,048,951
Long-term deferred tax liabilities	1,641	1,863
Employees' severance and retirement benefits	644,467	671,512
Other	251,325	233,780
Total Liabilities	¥5,221,087	¥5,187,947
NET ASSETS		
Shareholders' Equity	¥1,718,593	¥1,772,537
Common stock	200,000	200,000
Capital surplus	96,732	96,732
Retained earnings	1,424,738	1,501,637
Treasury stock, at cost	(2,878)	(25,831)
Valuation and Translation Adjustments	(6)	8,046
Net unrealized holding gains on securities	63	8,656
Net deferred losses on derivatives under hedge accounting	(70)	(610)
Minority Interests	26,119	26,963
Total Net Assets	1,744,706	1,807,547
Total Liabilities and Net Assets	¥6,965,793	¥6,995,494

Note: Amounts less than one million yen are omitted.

2. Consolidated Statements of Income (Unaudited)

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES

	Millions of Yen	
	Fiscal 2009	Fiscal 2010
Operating Revenues	¥2,696,999	¥2,573,723
Operating Expenses	2,264,444	2,228,874
Transportation, other services and cost of sales	1,749,261	1,720,973
Selling, general and administrative expenses	515,182	507,901
Operating Income	432,554	344,848
Non-Operating Income	21,097	15,894
Interest income	663	120
Dividend income	3,103	2,497
Gains on sales of equipment	2,307	1,905
Insurance proceeds and dividends	8,238	7,292
Equity in net income of affiliated companies	343	—
Other	6,440	4,078
Non-Operating Expenses	124,139	125,606
Interest expense	120,395	112,595
Losses on sales of equipment	786	341
Equity in net losses of affiliated companies	—	5,283
Other	2,957	7,386
Ordinary Income	329,512	235,137
Extraordinary Gains	81,047	79,207
Gains on sales of fixed assets	16,908	2,086
Evaluation on railway facilities as received property	9	80
Construction grants received	60,042	58,124
Gain on sales of transferable development air rights	—	16,891
Other	4,088	2,023
Extraordinary Losses	88,076	99,470
Losses on sales of fixed assets	3,417	2,033
Losses from disposition of fixed assets	5,516	6,250
Losses on reduction entry for construction grants	49,620	55,781
Impairment losses on fixed assets	946	5,800
Losses on revaluation of investments in securities	10,794	—
Environmental conservation costs	3,696	6,484
Other	14,084	23,120
Income before Income Taxes	322,484	214,873
Income Taxes	133,129	92,485
Current	134,637	100,190
Deferred	(1,507)	(7,705)
Minority Interests in Net Income of Consolidated Subsidiaries	2,063	2,174
Net Income	¥ 187,291	¥ 120,214

Note: Amounts less than one million yen are omitted.

3. Consolidated Statements of Changes in Net Assets (Unaudited)

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES

	Millions of Yen	
	Fiscal 2009	Fiscal 2010
Shareholders' Equity		
Common Stock		
Balance at the previous fiscal year end.....	200,000	200,000
Changes of items during the fiscal year	—	—
Balance at the fiscal year end	200,000	200,000
Capital Surplus		
Balance at the previous fiscal year end.....	96,728	96,732
Changes of items during the fiscal year		
Disposal of treasury stock.....	4	(0)
Total changes of items during the fiscal year	4	(0)
Balance at the fiscal year end	96,732	96,732
Retained Earnings		
Balance at the previous fiscal year end.....	1,278,942	1,424,738
Changes of items during the fiscal year		
Cash dividends.....	(41,967)	(43,745)
Net income.....	187,291	120,214
Increase due to addition of consolidated subsidiaries and other..	472	737
Change of scope of consolidation	—	654
Change of scope of equity method.....	—	(962)
Total changes of items during the fiscal year	145,796	76,898
Balance at the fiscal year end	1,424,738	1,501,637
Treasury Stock, at Cost		
Balance at the previous fiscal year end.....	(2,630)	(2,878)
Changes of items during the fiscal year		
Purchase of treasury stock	(276)	(22,956)
Disposal of treasury stock.....	28	2
Total changes of items during the fiscal year	(247)	(22,953)
Balance at the fiscal year end	(2,878)	(25,831)
Total Shareholders' Equity		
Balance at the previous fiscal year end.....	1,573,039	1,718,593
Changes of items during the fiscal year		
Cash dividends.....	(41,967)	(43,745)
Net income.....	187,291	120,214
Increase due to addition of consolidated subsidiaries and other..	472	737
Change of scope of consolidation	—	654
Change of scope of equity method.....	—	(962)
Purchase of treasury stock	(276)	(22,956)
Disposal of treasury stock.....	33	2
Total changes of items during the fiscal year	145,553	53,944
Balance at the fiscal year end	1,718,593	1,772,537

Note: Amounts less than one million yen are omitted.

	Millions of Yen	
	Fiscal 2009	Fiscal 2010
Valuation and Translation Adjustments		
Net Unrealized Holding Gains (Losses) on Securities		
Balance at the previous fiscal year end.....	24,372	63
Changes of items during the fiscal year		
Net changes of items other than shareholders' equity .	(24,309)	8,593
Total changes of items during the fiscal year	(24,309)	8,593
Balance at the fiscal year end	63	8,656
Net Deferred Gains (Losses) on Derivatives under Hedge Accounting		
Balance at the previous fiscal year end.....	(1,014)	(70)
Changes of items during the fiscal year		
Net changes of items other than shareholders' equity .	944	(540)
Total changes of items during the fiscal year	944	(540)
Balance at the fiscal year end	(70)	(610)
Total Valuation and Translation Adjustments		
Balance at the previous fiscal year end	23,358	(6)
Changes of items during the fiscal year		
Net changes of items other than shareholders' equity .	(23,365)	8,053
Total changes of items during the fiscal year	(23,365)	8,053
Balance at the fiscal year end	(6)	8,046
Minority Interests		
Balance at the previous fiscal year end.....	25,607	26,119
Changes of items during the fiscal year		
Net changes of items other than shareholders' equity .	511	843
Total changes of items during the fiscal year	511	843
Balance at the fiscal year end	26,119	26,963
Total net assets		
Balance at the previous fiscal year end	1,622,005	1,744,706
Changes of items during the fiscal year		
Cash dividends	(41,967)	(43,745)
Net income	187,291	120,214
Increase due to addition of consolidated subsidiaries and other..	472	737
Change of scope of consolidation.....	—	654
Change of scope of equity method	—	(962)
Purchase of treasury stock.....	(276)	(22,956)
Disposal of treasury stock	33	2
Net changes of items other than shareholders' equity .	(22,853)	8,896
Total changes of items during the fiscal year	122,700	62,841
Balance at the fiscal year end	1,744,706	1,807,547

Note: Amounts less than one million yen are omitted.

4. Consolidated Statements of Cash Flows (Unaudited)

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES

Millions of Yen

	Fiscal 2009	Fiscal 2010
Cash Flows from Operating Activities		
Income before income taxes	¥322,484	¥214,873
Depreciation.....	343,101	356,364
Impairment losses on fixed assets	946	5,800
Amortization of long-term prepaid expense.....	5,614	6,269
Net change in employees' severance and retirement benefits	27,377	27,112
Interest and dividend income	(3,766)	(2,618)
Interest expense	120,396	112,595
Construction grants received.....	(60,042)	(58,124)
Losses from disposition of fixed assets.....	30,628	28,075
Losses from provision for cost reduction of fixed assets.....	49,620	55,781
Net change in major receivables	(10,673)	(10,408)
Net change in major payables.....	(8,111)	8,893
Other	5,208	(13,839)
Sub-total.....	822,783	730,775
Proceeds from interest and dividends	3,969	2,823
Payments of interest	(120,977)	(113,428)
Payments of earthquake-damage losses.....	(1,470)	(418)
Payments of income taxes.....	(119,943)	(140,571)
Net cash provided by operating activities	584,359	479,179
Cash Flows from Investing Activities		
Payments for purchases of fixed assets.....	(460,503)	(446,232)
Proceeds from sales of fixed assets	27,221	5,833
Proceeds from construction grants.....	55,382	45,331
Proceeds from sales of transferable development air rights	—	13,673
Payments for purchases of investments in securities.....	(15,451)	(6,999)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation.....	—	485
Other	(3,443)	(3,774)
Net cash used in investing activities	(396,795)	(391,682)
Cash Flows from Financing Activities		
Proceeds from long-term loans.....	130,000	112,300
Payments of long-term loans	(134,629)	(88,713)
Proceeds from issuance of bonds	174,982	190,000
Payments for redemption of bonds	(100,000)	(120,000)
Payments of liabilities incurred for purchase of railway facilities	(140,652)	(138,914)
Payments for acquisition of treasury stock	(57)	(22,956)
Cash dividends paid.....	(41,967)	(43,745)
Other	(46,912)	(3,295)
Net cash used in financing activities	(159,237)	(115,327)
Net Change in Cash and Cash Equivalents.....	28,326	(27,829)
Cash and Cash Equivalents at Beginning of the Year	82,058	110,871
Increase in Cash and Cash Equivalents due to		
Merger with Unconsolidated Subsidiaries.....	487	806
Decrease in Cash and Cash Equivalents due to		
Corporate Division	—	(92)
Cash and Cash Equivalents at End of the Year.....	¥110,871	¥ 83,756

Note: Amounts less than one million yen are omitted.

5. Notes to Going Concern Assumption (Unaudited)

None

6. Important Items that Form Basis for Preparing Consolidated Financial Statements (Unaudited)

Disclosure is omitted because there are no significant changes from the most recent Annual Securities Report (filed June 23, 2009).

7. Notes to Consolidated Financial Statements (Unaudited)

(1) Notes to consolidated balance sheets, consolidated statements of income, consolidated statements of changes in net assets, and consolidated statements of cash flows (Unaudited)

i) Notes to consolidated balance sheets

(a) Non-consolidated subsidiaries and affiliates

Investments in securities (stock)	Fiscal 2009 ¥33,970 million	Fiscal 2010 ¥32,164 million
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(b) Accumulated depreciation of property, plant and equipment

	Fiscal 2009 ¥6,182,345 million	Fiscal 2010 ¥6,399,377 million
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(c) Accumulated amount of construction grants directly deducted from acquisition cost of fixed assets

	Fiscal 2009 ¥717,611 million	Fiscal 2010 ¥754,156 million
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(d) Contingent liabilities

Original debt under debt assumption agreements for bonds	Fiscal 2009 ¥170,000 million	Fiscal 2010 ¥170,000 million
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(e) Pledged assets

i) According to Article 7 of the Supplementary Provisions of the Law to Amend Part of the Law for Passenger Railway Companies and Japan Freight Railway Company (Law No. 61 of 2001), all of the Company's assets are pledged as collateral for bonds in the total amount of ¥239,900 million and are subject to a general mortgage.

In addition, all of the Company's assets are also pledged as collateral for the original debt under certain debt assumption agreements for the bonds in the amount of ¥170,000 million listed in "(d) Contingent liabilities" above.

ii) Pledged assets are as follows:

Buildings and fixtures (net)	Fiscal 2009 ¥27,544 million	Fiscal 2010 ¥26,615 million
Others	¥ 245 million	¥ 1,021 million
Total	¥27,789 million	¥27,637 million

Liabilities corresponding to the above are as follows:

Long-term loans	Fiscal 2009 ¥2,877 million	Fiscal 2010 ¥2,718 million
Others	¥ 521 million	¥ 541 million
Total	¥3,398 million	¥3,260 million

iii) Assets subject to foundation mortgages (railway foundation) are as follows:

Buildings and fixtures (net)	Fiscal 2009 ¥49,480 million	Fiscal 2010 ¥47,403 million
Others	¥ 7,397 million	¥ 7,099 million
Total	¥56,877 million	¥54,502 million

Liabilities corresponding to the above are as follows:

	Fiscal 2009	Fiscal 2010
Long-term liabilities incurred for purchase of railway facilities	¥8,565 million	¥6,895 million

(f) Inventory

	Fiscal 2009	Fiscal 2010
Merchandise products	¥ 7,936 million	¥ 7,277 million
Work in progress	¥ 6,075 million	¥15,495 million
Materials and goods	¥22,481 million	¥22,326 million

ii) Notes to consolidated statements of income

(a) Selling, general and administrative expenses

	Fiscal 2009	Fiscal 2010
Personnel expenses	¥261,005 million	¥253,241 million
Other expenses	¥180,256 million	¥179,682 million
Taxes	¥ 18,910 million	¥ 20,153 million
Depreciation	¥ 55,010 million	¥ 54,824 million
Total	¥515,182 million	¥507,901 million

(b) Research and development expenses accompanying operating expenses

	Fiscal 2009	Fiscal 2010
	¥16,402 million	¥16,486 million

iii) Notes to consolidated statements of changes in net assets

Fiscal 2009 (April 1, 2008, to March 31, 2009)

(a) Class of shares and total number of shares issued and class and number of treasury shares

	Number of shares at end of Fiscal 2008 (shares)	Increase in number of shares in Fiscal 2009 (shares)	Decrease in number of shares in Fiscal 2009 (shares)	Number of shares at end of Fiscal 2009 (shares)
Issued and outstanding shares				
Common stock	4,000,000.00	396,000,000.00	—	400,000,000
Total	4,000,000.00	396,000,000.00	—	400,000,000
Treasury stock				
Common stock	3,836.99	424,161.07	758.06	427,240
Total	3,836.99	424,161.07	758.06	427,240

Notes: 1. As announced on April 28 2008, JR East adopted a unit share system under which 1 trading unit comprises 100 shares, and implemented a stock split of 100 shares for 1 share of common stock with an effective date of January 4, 2009.

2. The increase of 396,000,000.00 in the number of issued and outstanding shares of common stock in Fiscal 2009 was due to a stock split.

3. The increase of 424,161.07 in the number of shares of common stock was due to an increase of 382,527.09 shares resulting from a stock split, an increase of 64.98 shares resulting from the purchase of odd lot shares before the adoption of a unit share system, an increase of 1,106 shares resulting from the purchase of odd lot shares after the adoption of a unit share system, and the return of 40,463 shares of treasury stock (JR East shares) that an equity-method affiliated company had acquired.

4. The decrease of 758.06 in the number of shares of common stock was due to a decrease of 38.06 shares resulting from sale before the adoption of a unit share system and a decrease of 720 shares resulting from the purchase of odd lot shares after the adoption of a unit share system.

(b) Items concerning dividend payment

Amount of dividends paid

Resolution	Class of stock	Total amount of dividend (million yen)	Dividend per share (yen)	Record date	Payment commencement date
Ordinary General Meeting of Shareholders held on June 24, 2008	Common stock	19,984	5,000	March 31, 2008	June 25, 2008
Meeting of Board of Directors held on October 29, 2008	Common stock	21,982	5,500	September 30, 2008	December 2, 2008

Dividends having the record date within Fiscal 2009 and the payment commencement date within Fiscal 2010

Resolution	Class of stock	Total amount of dividend (million yen)	Dividend source	Dividend per share (yen)	Record date	Payment commencement date
Ordinary General Meeting of Shareholders held on June 23, 2009	Common stock	21,982	Retained earnings	55	March 31, 2009	June 24, 2009

Notes: The dividend per share approved by the Ordinary General Meeting of Shareholders held on June 23, 2009, reflects the stock split announced on April 28, 2008.

Fiscal 2010 (April 1, 2009, to March 31, 2010)

(a) Class of shares and total number of shares issued and class and number of treasury shares

	Number of shares at end of Fiscal 2009 (shares)	Increase in number of shares in Fiscal 2010 (shares)	Decrease in number of shares in Fiscal 2010 (shares)	Number of shares at end of Fiscal 2010 (shares)
Issued and outstanding shares				
Common stock	400,000,000	—	—	400,000,000
Total	400,000,000	—	—	400,000,000
Treasury stock				
Common stock	427,240	4,002,313	500	4,429,053
Total	427,240	4,002,313	500	4,429,053

Notes: 1. The increase of 4,002,313 shares in treasury stock (common stock) was due to repurchases of 4,000,000 shares during the period from April 30, 2009, to May 22, 2009, through purchase orders on the Tokyo Stock Exchange, pursuant to a resolution adopted by the Board of Directors at a meeting held on April 27, 2009, and an increase of 2,313 shares resulting from the purchase of odd lot shares.

2. The decrease of 500 shares in treasury stock (common stock) was due to the sale of odd lot shares.

(b) Items concerning dividend payment
Amount of dividends paid

Resolution	Class of stock	Total amount of dividend (million yen)	Dividend per share (yen)	Record date	Payment commencement date
Ordinary General Meeting of Shareholders held on June 23, 2009	Common stock	21,982	55	March 31, 2009	June 24, 2009
Meeting of Board of Directors held on October 28, 2009	Common stock	21,762	55	September 30, 2009	December 1, 2009

Dividends having the record date within Fiscal 2010 and the payment commencement date within Fiscal 2011

Resolution (scheduled)	Class of stock	Total amount of dividend (million yen)	Dividend source	Dividend per share (yen)	Record date	Payment commencement date
Ordinary General Meeting of Shareholders held on June 23, 2010	Common stock	21,762	Retained earnings	55	March 31, 2010	June 24, 2010

iv) Notes to consolidated statements of cash flows

Reconciliation between "Cash and cash equivalent" in the consolidated statements of cash flows and those in the consolidated balance sheets

	Fiscal 2009	Fiscal 2010
Cash and time deposit	¥ 70,080 million	¥64,935 million
Time deposit exceeding 3 months	(¥ 208 million)	(¥ 178 million)
Negotiable certificates of deposit included in securities	¥ 41,000 million	¥19,000 million
Cash and cash equivalent	¥110,871 million	¥83,756 million

(2) Segment Information (Unaudited)
i) Segment Information by Business Activities

Millions of Yen

Fiscal 2009 (Year ended March 31, 2009)	Transportation	Station Space Utilization	Shopping Centers & Office Buildings	Other Services	Total	Elimination and/or Corporate	Consolidated
Operating Revenues							
Outside customers	¥1,831,932	¥415,019	¥222,628	¥227,418	¥2,696,999	¥ —	¥2,696,999
Inside group	57,094	18,075	8,992	317,680	401,843	(401,843)	—
Total	1,889,027	433,095	231,621	545,099	3,098,843	(401,843)	2,696,999
Costs and Expenses	1,579,808	394,936	161,583	527,838	2,664,166	(399,721)	2,264,444
Operating Income	¥ 309,219	¥ 38,158	¥ 70,037	¥ 17,261	¥ 434,676	¥ (2,121)	¥ 432,554
Identifiable Assets	¥5,580,550	¥181,510	¥826,778	¥815,577	¥7,404,417	¥(438,624)	¥6,965,793
Depreciation	254,320	10,138	30,922	47,719	343,101	—	343,101
Capital Investments	359,174	10,994	41,267	38,594	450,031	—	450,031

Millions of Yen

Fiscal 2010 (Year ended March 31, 2010)	Transportation	Station Space Utilization	Shopping Centers & Office Buildings	Other Services	Total	Elimination and/or Corporate	Consolidated
Operating Revenues							
Outside customers	¥1,757,993	¥387,103	¥226,932	¥201,693	¥2,573,723	¥ —	¥2,573,723
Inside group	50,710	12,853	8,915	326,438	398,917	(398,917)	—
Total	1,808,704	399,957	235,847	528,132	2,972,641	(398,917)	2,573,723
Costs and Expenses	1,577,378	366,627	166,538	514,626	2,625,170	(396,295)	2,228,874
Operating Income	¥ 231,326	¥ 33,330	¥ 69,308	¥ 13,505	¥ 347,470	¥ (2,621)	¥ 344,848
Identifiable Assets	¥5,717,136	¥178,573	¥858,828	¥826,924	¥7,581,462	¥(585,968)	¥6,995,494
Depreciation	267,108	10,542	30,548	48,164	356,364	—	356,364
Capital Investments	396,360	14,865	38,795	29,145	479,166	—	479,166

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 purposes so that the actual conditions of JR East's business diversification are clearly and appropriately disclosed.

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

Transportation:	Passenger transportation mainly on 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:	Hotel operations, advertising and publicity, wholesales, truck delivery, information processing, cleaning services / station operations, cleaning, credit card business, and other services

4. Major items of corporate assets

Identifiable assets in the elimination and/or corporate column mainly comprise non-current securities held by JR East.

Fiscal 2009: 170,714 million yen

Fiscal 2010: 156,416 million yen

5. Capital investments include a portion contributed mainly by national and local governments.

ii) Geographic Segment Information

Geographic segment information is not shown since JR East has no overseas consolidated subsidiaries.

iii) Overseas Sales

Information for overseas sales is not shown due to there being no overseas sales.

(3) Notes to financial instruments (Unaudited)

i) Items relating to the status of financial instruments

(a) Policy in relation to financial instruments

If surplus funds arise, JR East and its consolidated subsidiaries use only financial assets with high degrees of safety for the management of funds. JR East and its consolidated subsidiaries principally use bond issuances and bank loans in order to raise funds. Further, JR East and its consolidated subsidiaries use derivatives to reduce risk, as described below, and do not conduct speculative trading.

(b) Details of financial instruments and related risk

Trade receivables—notes and accounts receivable-trade, and fares receivable—are exposed to credit risk in relation to customers, transportation operators with connecting railway services, and other parties. Further, short-term loans receivable, which principally comprise loans receivable as a result of credit card cashing services, are exposed to credit risk in relation to customers. Regarding the said risk, pursuant to the internal regulations of JR East and its consolidated subsidiaries, due dates and balances are managed appropriately for each counterparty.

Securities and investments in securities are exposed to market price fluctuation risk.

Substantially all of trade payables—notes and accounts payable-trade, payables, fare deposits received with regard to railway connecting services, accrued consumption tax, and accrued income taxes —have payment due dates within one year.

Bonds and loans are exposed to risk associated with inability to make payments on due dates because of unforeseen decreases in free cash flow. Further, certain bonds and loans are exposed to market price fluctuation risk (foreign exchange / interest rates).

Long-term liabilities incurred for purchase of railway facilities are liabilities with regard to the Japan Railway Construction, Transport and Technology Agency and, pursuant to the Law Related to the Transference of Shinkansen Railway Facilities, comprise principally of (interest-bearing) debts related to JR East's purchase of Shinkansen railway facilities for a total purchase price of ¥3,106,969 million from the Shinkansen Holding Corporation on October 1, 1991. JR East pays such purchase price, based on regulations pursuant to the Law Related to the Transference of Shinkansen Railway Facilities, enacted in 1991, and other laws, in semiannual installments calculated using the equal payment method, whereby interest and principal are paid in equal amounts semiannually, based on interest rates approved by the Minister of Land, Infrastructure, Transport and Tourism (at the time of enactment). Long-term liabilities incurred for purchase of railway facilities are exposed to risk associated with inability to make payments on due dates because of a decrease in free cash flow for unforeseen reasons. Further, certain long-term liabilities incurred for purchase of railway facilities are exposed to market price fluctuation risk (interest rates).

(c) Risk management system for financial instruments

JR East and its consolidated subsidiaries use forward exchange contract transactions, currency swap transactions, and interest rate swap transactions with the aim of avoiding risk (market risk) related to fluctuation in future market prices (foreign exchange / interest rates) in relation to, among others, bonds and loans. Further, commodity swap transactions are used with the aim of avoiding product price fluctuation risk related to fuel purchasing, and natural disaster derivatives are used with the aim of avoiding revenue expenditure fluctuation risk due to natural disasters.

Because all of the derivative transaction contracts that JR East and its consolidated subsidiaries enter into are transactions whose counterparties are financial institutions that have high creditworthiness, JR East and its consolidated subsidiaries believe that there is nearly no risk of parties to contracts defaulting on obligations.

Under the basic policy approved by the Board of Directors, with the aim of appropriately executing transactions and risk management, financial departments in the relevant companies process those derivative transactions following appropriate internal procedures or approval of the Board of Directors, based on relevant internal regulations.

(d) Supplementary explanation of items relating to the fair values of financial instruments

The fair values of financial instruments include market prices or reasonably estimated values if there are no market prices. Because estimation of fair values incorporates variable factors, adopting different assumptions can change the values.

ii) Items relating to the fair values of financial instruments

Amounts recognized for selective items in the consolidated balance sheet as of March 31, 2010, fair values of such items, and the differences between such amounts and values is shown below. Further, items for which fair values are extremely difficult to establish are not included in the following table.

	Consolidated balance sheet amount (million yen)	Fair value (million yen)	Difference (million yen)
a Cash and time deposits	64,935	64,935	—
b Notes and accounts receivable-trade	275,152	275,152	—
c Fares receivable	27,253	27,253	—
d Short-term loans receivable	14,982	14,982	—
e Securities and investments in securities			
Held-to-maturity debt securities	159	160	0
Available-for-sale securities	126,972	126,972	—
Assets	509,456	509,456	0
a Notes and accounts payable-trade	46,210	46,210	—
b Short-term loans	8,301	8,301	—
c Payables	365,666	365,666	—
d Accrued consumption tax	4,658	4,658	—
e Accrued income taxes	35,057	35,057	—
f Fare deposits received with regard to railway connecting services	19,111	19,111	—
g Bonds	1,489,525	1,558,196	68,670
h Long-term loans	776,551	788,611	12,060
i Long-term liabilities incurred for purchase of railway facilities	1,177,793	1,593,612	415,819
Liabilities	3,922,875	4,419,425	496,549
Derivative transactions			
a Hedge accounting not applied	1,851	1,851	—
b Hedge accounting applied	(1,159)	(1,159)	—

Net receivables / payables arising from derivatives are shown. Items that are net payables are shown in parenthesis.

Notes: 1. Items relating to securities, derivatives transactions, and method of estimating the fair values of financial instruments

Assets

- a. Cash and time deposits
- b. Notes and accounts receivable-trade
- c. Fares receivable
- d. Short-term loans receivable

Because these loans receivable are settled over short terms, fair values and book values are nearly equivalent. Therefore, relevant book values are used.

- e. Securities and investments in securities

The fair values of these securities are based mainly on market prices.

Liabilities

- a. Notes and accounts payable-trade
- b. Short-term loans
- c. Payables
- d. Accrued consumption tax
- e. Accrued income taxes
- f. Fare deposits received with regard to railway connecting services

Because these fare deposits are settled over short terms, fair values and book values are nearly equivalent. Therefore, relevant book values are used.

- g. Bonds

The fair values of domestic bonds are based on market prices.

The fair values of foreign currency denominated bonds, which are subject to treatment using foreign currency swaps, are estimated by discounting the foreign currency swaps and future cash flows treated in combination with them based on estimated interest rates if similar domestic bonds were newly issued.

- h. Long-term loans

The fair values of long-term loans are principally estimated by discounting future cash flows based on estimated interest rates if similar new loans were implemented. Further, the fair values of certain long-term loans, which are subject to treatment using foreign currency swaps or interest rate swaps, are estimated by discounting the foreign currency swaps or interest rate swaps and future cash flows treated in combination with them based on estimated interest rates if similar new loans were implemented.

- i. Long-term liabilities incurred for purchase of railway facilities

Because these liabilities are special monetary liabilities that are subject to constraints pursuant to laws and statutory regulations and not based exclusively on free agreement between contracting parties in accordance with market principles, and because repeating fund raising using similar methods would be difficult, as stated in "i) Items relating to the status of financial instruments, b. Details of financial instruments and related risk," the fair values of long-term liabilities incurred for purchase of railway facilities are estimated by assuming that future cash flows were raised through bonds, JR East's basic method of fund raising, and discounting them based on estimated interest rates if similar domestic bonds were newly issued. Further, certain long-term liabilities incurred for purchase of railway facilities with variable interest rates are estimated based on the most recent interest rates, notification of which is provided by the Japan Railway Construction, Transport and Technology Agency.

Derivative transactions

The fair values of derivative transactions are based on the prices and so on presented by counterparty financial institutions.

However, certain derivative transactions that meet certain hedging criteria, regarding forward exchange contracts, foreign currency swaps, or interest rate swaps, are treated in combination with bonds or long-term loans, the fair values of these derivatives are included in the fair values of these bonds or long-term loans.

2. Financial instruments whose fair values are extremely difficult to determine

Classification	Consolidated balance sheet amount (million yen)
Unlisted equity securities	6,336
Preferred equity securities	999

Because the fair values of these financial instruments are extremely difficult to determine, given that they do not have market prices and future cash flows cannot be estimated, they are not included in "e Securities and investments in securities -- Available-for-sale securities."

3. The amounts recognized in the consolidated balance sheet and fair values related to bonds, long-term loans, and long-term liabilities incurred for purchase of railway facilities include, respectively, the current portion of bonds, the current portion of long-term loans, and the current portion of long-term liabilities incurred for purchase of railway facilities.

(Additional information)

From the fiscal year under review, JR East adopted *Accounting Standard for Financial Instruments* (Accounting Standards Board of Japan Statement No.10) (March 10, 2008) and *Guidance on Disclosures about Fair Value of Financial Instruments* (Accounting Standards Board of Japan Guidance No.19) (March 10, 2008).

(4) Notes to investment and rental property (Unaudited)

JR East and certain of its consolidated subsidiaries own rental office buildings and rental commercial facilities (hereafter "investment and rental property") principally within JR East's service area.

The amounts recognized in the consolidated balance sheet and fair values related to investment and rental property are as follows.

Consolidated balance sheet amount (million yen)	Fair value (million yen)
514,144	1,396,132

Notes: 1. The consolidated balance sheet amount is the amount after accumulated depreciation on fixed assets has been deducted from acquisition cost.

2. Regarding fair values at the end of the fiscal year under review, the amount for significant properties is based on real-estate appraisals prepared by external real-estate appraisers, and the amount for other properties is estimated by JR East based on indicators that reflect certain appraisal values or appropriate market prices.

3. Because fair values are extremely difficult to determine, this table does not include property that is being constructed or developed for future use as investment property

(Additional information)

From the fiscal year under review, JR East adopted *Accounting Standard for Disclosures about Fair Value of Investment and Rental Property* (Accounting Standards Board of Japan Statement No.20) (November 28, 2008) and *Guidance on Accounting Standard for Disclosures about Fair Value of Investment and Rental Property* (Accounting Standards Board of Japan Guidance No.23) (November 28, 2008).

(5) Per Share Information (Unaudited)

Fiscal 2009

Shareholders' equity per share: ¥4,301.06

Earnings per share—basic: ¥468.68

Earnings per share—diluted: Not shown because there are no residual securities

Fiscal 2010

Shareholders' equity per share: ¥4,501.30

Earnings per share—basic: ¥303.35

Earnings per share—diluted: Not shown because there are no residual securities

Note: The basis of calculation of earnings per share is as shown below.

Fiscal 2009

Net income: ¥187,291 million

Amount not attributable to common stockholders: —

Net income related to common stock: ¥187,291 million

Average number of common shares: 399,611,248

Fiscal 2010

Net income: ¥120,214 million

Amount not attributable to common stockholders: —

Net income related to common stock: ¥120,214 million

Average number of common shares: 396,284,205

Note: In accordance with the *Accounting Standard for Earnings Per Share* (Accounting Standards Board of Japan Statement No. 2, revised January 31, 2006) and the *Guidance on Accounting Standard for Earnings Per Share* (Accounting Standards Board of Japan Guidance No. 4, revised January 31, 2006), the average number of common shares has been calculated based on the supposition that the stock split was implemented at the beginning of the previous year.

(6) Subsequent Events (Unaudited)

None

(Omission of disclosure)

Disclosure is omitted for the notes to deferred taxation, securities, derivatives, retirement benefits, and business combination etc. because such items are not sufficiently important to warrant disclosure in the release of Financial Results.

Non-consolidated Financial Statements

1. Non-consolidated Balance Sheets (Unaudited)

EAST JAPAN RAILWAY COMPANY

Millions of Yen

	Fiscal 2009	Fiscal 2010
ASSETS		
Current Assets	¥ 481,999	¥ 376,564
Cash and time deposits	46,770	40,254
Fares receivable	31,938	143,043
Accounts receivable-trade	225,435	59,274
Short-term loans receivable	16,873	—
Short-term loans to affiliated companies receivable	38,827	44,117
Securities	41,000	19,139
Real estate for sale	2,658	2,055
Inventories	15,705	15,679
Prepaid expenses	5,009	4,953
Deferred income taxes	41,410	37,135
Other	20,448	12,874
Allowance for doubtful accounts	(4,079)	(1,965)
Fixed Assets	6,068,401	6,142,695
Fixed assets for railway operations	4,486,823	4,521,332
Property, plant and equipment	9,466,486	9,671,546
Accumulated depreciation	(5,007,358)	(5,178,687)
Intangible assets	27,695	28,473
Fixed assets for other operations	442,275	446,194
Property, plant and equipment	540,401	552,972
Accumulated depreciation	(98,416)	(107,040)
Intangible assets	290	262
Fixed assets relating to both operations	297,660	290,407
Property, plant and equipment	734,482	741,184
Accumulated depreciation	(438,817)	(453,699)
Intangible assets	1,995	2,922
Construction in progress	190,765	213,413
Railway operations	166,955	180,736
Other operations	14,306	21,271
Relating to both operations	9,502	11,404
Investments and other assets	650,877	671,348
Investments in securities	101,123	110,997
Stocks of subsidiaries and affiliated companies	181,674	187,776
Long-term loans to affiliated companies receivable	106,800	98,361
Long-term prepaid expenses	19,723	19,567
Long-term deferred income taxes	231,033	237,560
Other investment and other assets	11,186	17,476
Allowance for doubtful accounts	(664)	(391)
Total Assets	¥6,550,401	¥6,519,260

Note: Amounts less than one million yen are omitted.

	Millions of Yen	
	Fiscal 2009	Fiscal 2010
LIABILITIES		
Current Liabilities	¥1,171,731	¥1,090,060
Short-term loans.....	—	7,400
Short-term loans from affiliated companies.....	118,000	94,000
Current portion of bonds.....	120,000	60,000
Current portion of long-term loans	86,865	129,199
Current portion of long-term liabilities		
incurred for purchase of railway facilities	137,296	128,288
Lease obligation	1,760	3,853
Payables	350,476	351,525
Accrued expenses	27,642	27,533
Accrued consumption tax	9,873	1,967
Accrued income taxes.....	61,017	23,572
Fare deposits received with regard to railway connecting services ...	16,447	19,637
Deposits received	20,099	20,706
Prepaid railway fares received	87,187	86,181
Advances received	50,377	52,612
Prepaid contribution for construction.....	9,592	12,354
Allowance for bonuses to employees.....	59,058	55,854
Allowance for bonuses to directors and corporate auditors.....	181	159
Allowance for environmental conservation costs	6,273	8,991
Allowance for “thanks point” costs	2,816	—
Other	6,763	6,221
Long-Term Liabilities	3,847,385	3,862,284
Bonds	1,299,556	1,429,625
Long-term loans	660,718	643,819
Long-term loans from affiliated companies	14,000	24,000
Long-term liabilities incurred for purchase of railway facilities	1,170,845	1,042,608
Lease obligation	7,764	14,538
Long-term deferred contribution for construction	56,891	45,209
Employees' severance and retirement benefits	609,096	634,674
Other	28,513	27,808
Total Liabilities	¥5,019,116	¥4,952,344

Note: Amounts less than one million yen are omitted.

	Millions of Yen	
	Fiscal 2009	Fiscal 2010
NET ASSETS		
Shareholders' Equity	¥1,531,831	¥1,560,311
Common stock.....	200,000	200,000
Capital surplus.....	96,613	96,613
Additional paid-in capital	96,600	96,600
Other capital surplus.....	13	13
Retained Earnings	1,237,175	1,288,609
Legal reserve	22,173	22,173
Other retained earnings		
Reserve for special depreciation	1,542	2,269
Reserve for deferred gain of fixed assets.....	49,222	47,119
General reserve.....	870,000	930,000
Retained earnings carried forward.....	294,237	287,046
Treasury Stock, at Cost	(1,958)	(24,911)
Valuation and Translation Adjustment	(546)	6,604
Net unrealized holding gains (losses) on securities	(293)	7,294
Net deferred losses on derivatives under hedge accounting.....	(253)	(690)
Total Net Assets	1,531,284	1,566,915
Total Liabilities and Net Assets	¥6,550,401	¥6,519,260

Note: Amounts less than one million yen are omitted.

2. Non-consolidated Statements of Income (Unaudited)

EAST JAPAN RAILWAY COMPANY

	Millions of Yen	
	Fiscal 2009	Fiscal 2010
Railway Operations		
Operating Revenues	¥1,882,520	¥1,802,695
Passenger transportation	1,709,095	1,640,861
Trackage revenue	8,563	8,175
Miscellaneous income of transportation	164,861	153,658
Operating Expenses	1,553,762	1,552,510
Transportation expenses	964,670	954,436
General and administrative expenses	264,545	260,746
Taxes	71,197	72,320
Depreciation	253,349	265,008
Operating Income from Railway Operations	328,758	250,184
Other Operations		
Operating Revenues	84,968	79,857
Revenue from real estate lease	61,050	61,187
Revenue from card business	19,065	17,118
Miscellaneous revenue	4,852	1,551
Operating Expenses	47,942	47,417
Cost of sales	1,007	620
Selling, general and administrative expenses	31,075	29,444
Taxes	5,533	7,167
Depreciation	10,326	10,185
Operating Income from Other Operations	37,026	32,439
Total Operating Income	365,784	282,624
Non-Operating Income	20,527	15,898
Interest income	2,413	2,219
Dividend income	2,824	2,443
Gains on sales of equipment	2,274	1,832
Insurance proceeds and dividends	8,003	7,004
Other	5,011	2,397
Non-Operating Expenses	125,265	120,160
Interest expense	89,633	82,658
Interest on bonds	31,496	30,649
Cost of issuance of bonds	681	669
Losses on sales of equipment	736	271
Other	2,717	5,911
Ordinary Income	261,045	178,361

Note: Amounts less than one million yen are omitted.

	Millions of Yen	
	Fiscal 2009	Fiscal 2010
Extraordinary Gains	78,626	76,961
Gains on sales of fixed assets	16,712	1,903
Evaluation on railway facilities as received property.....	9	80
Construction grants received.....	59,697	58,080
Gain on sales of transferable development air rights	—	16,891
Other	2,207	6
 Extraordinary Losses	 75,044	 86,355
Losses on sales of fixed assets	3,344	1,883
Losses on reduction entry for construction grants.....	49,276	55,737
Impairment losses on fixed assets	71	5,121
Losses on revaluation of investments in securities	10,772	—
Environmental conservation costs.....	3,696	6,254
Other	7,882	17,358
Income before Income Taxes	264,628	168,967
 Income Taxes	 107,165	 68,888
Current.....	109,208	77,831
Deferred.....	(2,043)	(8,942)
 Net Income	 ¥ 157,463	 ¥ 100,079

Note: Amounts less than one million yen are omitted.

3. Non-consolidated Statements of Changes in Net Assets (Unaudited)

EAST JAPAN RAILWAY COMPANY

	Millions of Yen	
	Fiscal 2009	Fiscal 2010
Shareholders' Equity		
Common Stock		
Balance at the previous fiscal year end.....	200,000	200,000
Changes of items during the fiscal year	—	—
Balance at the fiscal year end	200,000	200,000
Capital Surplus		
Additional Paid-in Capital		
Balance at the previous fiscal year end.....	96,600	96,600
Changes of items during the fiscal year.....	—	—
Balance at the fiscal year end	96,600	96,600
Other Capital Surplus		
Balance at the previous fiscal year end.....	8	13
Changes of items during the fiscal year		
Disposal of treasury stock.....	4	(0)
Total changes of items during the fiscal year	4	(0)
Balance at the fiscal year end	13	13
Total Capital Surplus		
Balance at the previous fiscal year end.....	96,608	96,613
Changes of items during the fiscal year		
Disposal of treasury stock.....	4	(0)
Total changes of items during the fiscal year	4	(0)
Balance at the fiscal year end	96,613	96,613
Retained Earnings		
Legal Reserve		
Balance at the previous fiscal year end.....	22,173	22,173
Changes of items during the fiscal year.....	—	—
Balance at the fiscal year end	22,173	22,173
Other Retained Earnings		
Reserve for Special Depreciation		
Balance at the previous fiscal year end.....	494	1,542
Changes of items during the fiscal year		
Provision of reserve for special depreciation.....	1,123	976
Disposal of reserve for special depreciation.....	(75)	(248)
Total changes of items during the fiscal year	1,047	727
Balance at the fiscal year end	1,542	2,269
Reserve for Deferred Gain of Fixed Assets		
Balance at the previous fiscal year end.....	45,943	49,222
Changes of items during the fiscal year		
Provision of reserve for deferred gain of fixed assets...	4,743	—
Disposal of reserve for deferred gain of fixed assets....	(1,464)	(2,102)
Total changes of items during the fiscal year	3,278	(2,102)
Balance at the fiscal year end	49,222	47,119

Note: Amounts less than one million yen are omitted.

	Millions of Yen	
	Fiscal 2009	Fiscal 2010
General Reserve		
Balance at the previous fiscal year end	760,000	870,000
Changes of items during the fiscal year		
Provision of reserve for general reserve.....	110,000	60,000
Total changes of items during the fiscal year	110,000	60,000
Balance at the fiscal year end	870,000	930,000
Retained Earnings Carried Forward		
Balance at the previous fiscal year end	293,068	294,237
Changes of items during the fiscal year		
Provision of reserve for special depreciation.....	(1,123)	(976)
Disposal of reserve for special depreciation.....	75	248
Provision of reserve for deferred gain of fixed assets...	(4,743)	—
Disposal of reserve for deferred gain of fixed assets....	1,464	2,102
Provision of reserve for general reserve	(110,000)	(60,000)
Dividends	(41,967)	(43,745)
Net income.....	157,463	100,079
Decrease by corporate division.....	—	(4,900)
Total changes of items during the fiscal year	1,169	(7,190)
Balance at the fiscal year end	294,237	287,046
Total Retained Earnings		
Balance at the previous fiscal year end	1,121,680	1,237,175
Changes of items during the fiscal year		
Provision of reserve for special depreciation.....	—	—
Disposal of reserve for special depreciation.....	—	—
Provision of reserve for deferred gain of fixed assets...	—	—
Disposal of reserve for deferred gain of fixed assets....	—	—
Provision of reserve for general reserve	—	—
Dividends	(41,967)	(43,745)
Net income.....	157,463	100,079
Decrease by corporate division.....	—	(4,900)
Total changes of items during the fiscal year	115,495	51,433
Balance at the fiscal year end	1,237,175	1,288,609
Treasury Stock, at Cost		
Balance at the previous fiscal year end.....	(1,929)	(1,958)
Changes of items during the fiscal year		
Purchase of treasury stock	(57)	(22,956)
Disposal of treasury stock.....	28	2
Total changes of items during the fiscal year	(28)	(22,953)
Balance at the fiscal year end	(1,958)	(24,911)

Note: Amounts less than one million yen are omitted.

Millions of Yen

	Fiscal 2009	Fiscal 2010
Total Shareholders' Equity		
Balance at the previous fiscal year end.....	1,416,359	1,531,831
Changes of items during the fiscal year		
Dividends	(41,967)	(43,745)
Net income.....	157,463	100,079
Acquisition of treasury stock.....	(57)	(22,956)
Disposal of treasury stock.....	33	2
Decrease by corporate division.....	—	(4,900)
Total changes of items during the fiscal year	115,471	28,479
Balance at the fiscal year end	1,531,831	1,560,311
Valuation and Translation Adjustments		
Net Unrealized Holding Gains (Losses) on Securities		
Balance at the previous fiscal year end.....	21,991	(293)
Changes of items during the fiscal year		
Net changes of items other than shareholders' equity ..	(22,285)	7,588
Total changes of items during the fiscal year	(22,285)	7,588
Balance at the fiscal year end	(293)	7,294
Net Deferred Gains (Losses) on Derivatives under Hedge Accounting		
Balance at the previous fiscal year end.....	(313)	(253)
Changes of items during the fiscal year		
Net changes of items other than shareholders' equity ..	60	(437)
Total changes of items during the fiscal year	60	(437)
Balance at the fiscal year end	(253)	(690)
Total Valuation and Translation Adjustments		
Balance at the previous fiscal year end.....	21,678	(546)
Changes of items during the fiscal year		
Net changes of items other than shareholders' equity ..	(22,224)	7,150
Total changes of items during the fiscal year	(22,224)	7,150
Balance at the fiscal year end	(546)	6,604
Total net assets		
Balance at the previous fiscal year end.....	1,438,037	1,531,284
Changes of items during the fiscal year		
Cash dividends.....	(41,967)	(43,745)
Net income.....	157,463	100,079
Purchase of treasury stock	(57)	(22,956)
Disposal of treasury stock.....	33	2
Decrease by corporate division.....	—	(4,900)
Net changes of items other than shareholders' equity ..	(22,224)	7,150
Total changes of items during the fiscal year	93,246	35,630
Balance at the fiscal year end	1,531,284	1,566,915

Note: Amounts less than one million yen are omitted.

4. Notes to Going Concern Assumption (Unaudited)

None

Other

1. Changes to Directors

At the meeting of the Board of Directors held today, Director candidates to be proposed for election at the 23rd Ordinary General Meeting of Shareholders to be held on June 23, 2010 were determined. The candidates are current Directors excluding those who will retire at the conclusion of such Ordinary General Meeting of Shareholders, and new Director candidates named below.

(1) New Director Candidates

Naoto Miyashita	(currently Executive Officer, General Manager of Transport Safety Department, Railway Operations Headquarters)
Tadami Tsuchiya	(currently Executive Officer, General Manager of Mito Branch Office)
Yasuyoshi Umehara	(currently Executive Officer, General Manager of Chiba Branch Office)
Tomokazu Hamaguchi	(currently Advisor to NTT Data Corporation)

Mr. Tomokazu Hamaguchi meets the requirements for a candidate for an outside Director position under Article 2, Item 15 of the Business Corporation Law.

(2) Retiring Directors

Executive Director	Seiichiro Oi (to serve as President and Representative Director of JR East Facility Management Co., Ltd.)
Director	Isao Iwasaki (to serve as President and Representative Director of JR East Sports Co., Ltd.)
Director	Takeshi Inoo

(Note) After this election, the number of Directors (currently 25) will be 26.

In addition, each of the following persons is scheduled to be elected as Representative Director or executive director at the meeting of the Board of Directors to be held after the aforementioned General Meeting of Shareholders.

1. Chairman (Director) scheduled to be elected

Mutsutake Otsuka (currently Chairman (Director))

2. Vice Chairman (Director) scheduled to be elected

Yoshio Ishida (currently Vice Chairman (Director))

3. President and CEO (Representative Director) scheduled to be elected

Satoshi Seino (currently President and CEO (Representative Director))

4. Executive Vice Presidents (Representative Directors) scheduled to be elected

Tetsuro Tomita	(currently Executive Vice President (Representative Director))
Masaki Ogata	(currently Executive Vice President (Representative Director))
Yoshiaki Arai	(currently Executive Vice President (Representative Director))
Tsugio Sekiji	(currently Executive Director)

5. Executive Directors scheduled to be elected

Yoichi Minami	(currently Executive Director)
Toru Owada	(currently Executive Director)
Yuji Fukasawa	(currently Executive Director)
Yasuo Hayashi	(currently Executive Director)
Shigeru Tanabe	(currently Executive Director)
Shinichiro Kamada	(currently Executive Director)
Yoshitaka Taura	(currently Director)
Naomichi Yagishita	(currently Director)
Naoto Miyashita	(currently Executive Officer, General Manager of Transport Safety Department, Railway Operations Headquarters)

Additionally, the following persons will be elected or retire as Executive Officers, in addition to Messrs. Naoto Miyashita, Tadami Tsuchiya and Yasuyoshi Umehara, who are new Director candidates.

(New Executive Officers) as of June 23

Hidemi Deguchi	(currently General Manager of IT & Suica Business Development Headquarters (Planning))
Masao Hino	(currently General Manager of Life-style Business Development Headquarters)
Koji Uchida	(currently General Manager of Facilities Department, Railway Operations Headquarters)
Yoshihiro Kumamoto	(currently General Manager of Tokyo Construction Office)
Fumihisa Nishino	(currently General Manager of Investment Planning Department, Corporate Planning Headquarters)
Takashi Akiyama	(currently General Manager of Transport & Rolling Stock Department, Railway Operations Headquarters)
Hiroshi Tsubaki	(currently General Manager of General Affairs Department)

(Retiring Executive Officers) as of June 22

General Manager of Yokohama Branch Office	Kenji Hamada (to serve as President and Representative Director of Yokohama Station Building Co., Ltd.)
General Manager of Hachioji Branch Office	Yuichi Takano (to serve as President and Representative Director of Union Construction Co., Ltd.)

(Reference material)

Work Responsibilities of Directors

East Japan Railway Company
As of June 23, 2010 (scheduled)

New position	Name	Previous position
Chairman (Director)	Mutsutake Otsuka	Chairman (Director)
Vice Chairman (Director) Technology and Overseas Related Affairs	Yoshio Ishida	Vice Chairman (Director) Technology and Overseas Related Affairs
President and CEO (Representative Director)	Satoshi Seino	President and CEO (Representative Director)
Executive Vice President (Representative Director) Assistant to President; Director General of Corporate Planning Headquarters	Tetsuro Tomita	Executive Vice President (Representative Director) Assistant to President; Director General of Corporate Planning Headquarters
Executive Vice President (Representative Director) Assistant to President; IT, Service Quality and Overseas Related Affairs	Masaki Ogata	Executive Vice President (Representative Director) Assistant to President; Director General of Railway Operations Headquarters
Executive Vice President (Representative Director) Assistant to President; Director General of Life-Style Business Development Headquarters	Yoshiaki Arai	Executive Vice President (Representative Director) Assistant to President; Director General of Life-Style Business Development Headquarters
Executive Vice President (Representative Director) Assistant to President; Director General of Railway Operations Headquarters	Tsugio Sekiji	Executive Director Director General of IT & Suica Business Development Headquarters; 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;
Executive Director Deputy Director General of Railway Operations Headquarters; In charge of Marketing Department, Railway Operations Headquarters; In charge of Customer Service Department, Railway Operations Headquarters	Yoichi Minami	Executive Director Deputy Director General of Railway Operations Headquarters; In charge of Marketing Department, Railway Operations Headquarters; In charge of Customer Service Department, Railway Operations Headquarters
Executive Director Deputy Director General of Corporate Planning Headquarters; In charge of Inquiry & Audit Department; In charge of Finance Department	Toru Owada	Executive Director Deputy Director General of Corporate Planning Headquarters; In charge of Inquiry & Audit Department; In charge of Finance Department
Executive Director In charge of Public Relations Department; In charge of Personnel Department; In charge of Health & Welfare Department; In charge of Legal Department; In charge of General Affairs Department	Yuji Fukasawa	Executive Director In charge of Public Relations Department; In charge of Personnel Department; In charge of Health & Welfare Department; In charge of Legal Department; In charge of General Affairs Department
Executive Director Deputy Director General of Railway Operations Headquarters; In charge of Technology Planning Department, Corporate Planning Headquarters; In charge of Shinanogawa Power Station Improvement Department, Railway Operations Headquarters; In charge of Construction Department; In charge of Research & Development Center of JR East Group	Yasuo Hayashi	Executive Director Deputy Director General of Railway Operations Headquarters; In charge of Shinanogawa Power Station Improvement Department, Railway Operations Headquarters; In charge of Construction Department
Executive Director General Manager of Tokyo Branch Office	Shigeru Tanabe	Executive Director General Manager of Tokyo Branch Office
Executive Director	Shinichiro Kamada	Executive Director

Deputy Director General of Life-Style Business Development Headquarters		Deputy Director General of Life-Style Business Development Headquarters
Executive Director Director General of IT & Suica Business Development Headquarters	Yoshitaka Taura	Director General Manager of Sendai Branch Office
Executive Director Deputy Director General of Railway Operations Headquarters; In charge of Facilities Department, Railway Operations Headquarters; In charge of Electrical & Signal Network System Department, Railway Operations Headquarters	Naomichi Yagishita	Director General Manager of Facilities Department, Railway Operations Headquarters
Executive Director 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	Naoto Miyashita	Executive Officer General Manager of Transport Safety Department, Railway Operations Headquarters
Director General Manager of Personnel Department; Director of JR East General Education Center	Yuji Morimoto	Director General Manager of Personnel Department; Director of JR East General Education Center
Director General Manager of General Affairs Department	Osamu Kawanobe	Director General Manager of Transport & Rolling Stock Department, Railway Operations Headquarters
Director General Manager of Management Planning Department, Corporate Planning Headquarters	Toshiro Ichinose	Director General Manager of Management Planning Department, Corporate Planning Headquarters
Director General Manager of Sendai Branch Office	Masayuki Satomi	Director General Manager of General Affairs Department
Director Deputy Director General of Life-Style Business Development Headquarters; General Manager of Life-Style Business Development Headquarters (Management Strategy)	Kimio Shimizu	Director Deputy Director General of Life-Style Business Development Headquarters; General Manager of Life-Style Business Development Headquarters (Management Strategy)
Director General Manager of Marketing Department, Railway Operations Headquarters	Tsukasa Haraguchi	Director General Manager of Marketing Department, Railway Operations Headquarters
Director General Manager of Electrical & Signal Network System Department, Railway Operations Headquarters	Tadami Tsuchiya	Executive Officer General Manager of Mito Branch Office
Director Stationmaster of Tokyo Station, Tokyo Branch Office	Yasuyoshi Umehara	Executive Officer General Manager of Chiba Branch Office
Director	Takeshi Sasaki	Director
Director	Tomokazu Hamaguchi	Advisor to NTT Data Corporation

(Reference)**Work Responsibilities of Executive Officers**

East Japan Railway Company
As of June 23, 2010 (scheduled)

New position	Name	Previous position
Executive Officer General Manager, Station Development Planning Department, Corporate Planning Headquarters	Takashi Yamasaki	Executive Officer General Manager, Station Development Planning Department, Corporate Planning Headquarters
Executive Officer General Manager of Technology Planning Department, Corporate Planning Headquarters; Director of Research & Development Center of JR East Group	Minoru Arai	Executive Officer General Manager of Technology Planning Department, Corporate Planning Headquarters; Director of Research & Development Center of JR East Group
Executive Officer General Manager of Transport Safety Department, Railway Operations Headquarters	Fumihisa Nishino	General Manager of Investment Planning Department, Corporate Planning Headquarters
Executive Officer General Manager of Customer Service Department, Railway Operations Headquarters	Takashi Sawamoto	Executive Officer General Manager of Electrical & Signal Network System Department, Railway Operations Headquarters
Executive Officer General Manager of Transport & Rolling Stock Department, Railway Operations Headquarters	Takashi Akiyama	General Manager of Transport & Rolling Stock Department, Railway Operations Headquarters
Executive Officer General Manager of Facilities Department, Railway Operations Headquarters	Koji Uchida	General Manager of Facilities Department, Railway Operations Headquarters
Executive Officer General Manager of Electrical & Signal Network System Department, Railway Operations Headquarters; Director of Signalling System Management Center	Masayuki Matsumoto	Executive Officer General Manager of Electrical & Signal Network System Department, Railway Operations Headquarters; Director of Signalling System Management Center
Executive Officer General Manager of Shinanogawa Power Station Improvement Department, Railway Operations Headquarters	Masahiko Nakai	Executive Officer General Manager of Shinanogawa Power Station Improvement Department, Railway Operations Headquarters
Executive Officer Deputy Director General of IT & Suica Business Development Headquarters	Akio Shiibashi	Executive Officer Deputy Director General of IT & Suica Business Development Headquarters
Executive Officer General Manager of Construction Department	Yasushi Ito	Executive Officer General Manager of Construction Department
Executive Officer General Manager of Construction Department; Director of Structural Engineering Center	Tadayoshi Ishibashi	Executive Officer General Manager of Construction Department; Director of Structural Engineering Center
Executive Officer General Manager of Finance Department	Yasukazu Yokoyama	Executive Officer General Manager of Finance Department
Executive Officer General Manager of Legal Department	Yoshiyuki Kajima	Executive Officer General Manager of Legal Department
Executive Officer General Manager of Yokohama Branch Office	Masao Hino	General Manager of Life-style Business Development Headquarters
Executive Officer General Manager of Hachioji Branch Office	Hidemi Deguchi	General Manager of IT & Suica Business Development Headquarters (Planning)
Executive Officer General Manager of Omiya Branch Office	Shoji Tanabe	Executive Officer General Manager of Omiya Branch Office
Executive Officer General Manager of Takasaki Branch Office	Yoshimichi Ito	Executive Officer General Manager of Takasaki Branch Office
Executive Officer General Manager of Mito Branch Office	Yoshihiro Kumamoto	General Manager of Tokyo Construction Office
Executive Officer General Manager of Chiba Branch Office	Hiroshi Tsubaki	General Manager of General Affairs Department

Executive Officer General Manager of Morioka Branch Office	Yasushi Fukuda	Executive Officer General Manager of Morioka Branch Office
Executive Officer General Manager of Akita Branch Office	Koichi Kawano	Executive Officer General Manager of Akita Branch Office
Executive Officer General Manager of Niigata Branch Office	Kotofusa Takagi	Executive Officer General Manager of Niigata Branch Office
Executive Officer General Manager of Nagano Branch Office	Minoru Kubota	Executive Officer General Manager of Nagano Branch Office
Executive Officer General Manager of Shinkansen Transport Department	Akiyoshi Hosokawa	Executive Officer General Manager of Shinkansen Transport Department

(Note) In addition, the following changes to the work responsibilities of a Director and an Executive Officer are scheduled to take place due to an organizational change to go into effect as of July 1, 2010.

New position	Name	Previous position
Executive Director Deputy Director General of Railway Operations Headquarters; In charge of Marketing Department, Railway Operations Headquarters; In charge of Customer Service Quality Reformation Department, Railway Operations Headquarters	Yoichi Minami	Executive Director Deputy Director General of Railway Operations Headquarters; In charge of Marketing Department, Railway Operations Headquarters; In charge of Customer Service Department, Railway Operations Headquarters
Executive Officer General Manager of Customer Service Quality Reformation Department, Railway Operations Headquarters	Takashi Sawamoto	Executive Officer General Manager of Customer Service Department, Railway Operations Headquarters

(Additional Information Regarding Operating Results)

Consolidated Principal Indicators

	Fiscal 2009 (A)	Fiscal 2010 (B)	Increase (Decrease) (B)-(A)	Fiscal 2013 Targets
Cash flows from operating activities (billions of yen)	584.3	479.1	(105.1)	1,700.0
Ratio of operating income to average assets (ROA) (%)	6.2	4.9	(1.3)	6.0
Return on average equity (ROE) (%)	11.3	6.9	(4.4)	—
Equity ratio (%)	24.7	25.5	0.8	—
Shareholders' equity (billions of yen)	1,718.5	1,780.5	61.9	—
Total long-term debt (billions of yen)	3,488.5	3,443.8	(44.6)	—
Average interest rates (%)	3.30	3.13	(0.17)	—
Net interest expense (billions of yen)	(116.6)	(110.0)	6.6	—
Earnings per share (yen)	468.68	303.35	(165.33)	—
Shareholders' equity per share (yen)	4,301.06	4,501.30	200.24	—
Free cash flows (FCF) (billions of yen)	187.5	87.4	(100.0)	—
Capital expenditures (billions of yen)	402.5	434.7	32.1	—
Transportation	311.7	351.9	40.2	—
Non-transportation	90.8	82.8	(8.0)	—

Notes: Cash flows from operating activities (Fiscal 2013 Targets) are over three years from Fiscal 2011.

Consolidated Business Forecasts for Fiscal 2011

	Billions of Yen				
	Actual Fiscal 2010 (A)	Forecast Fiscal 2011 (B)	Change		Fiscal 2013 Targets
			Increase (Decrease) (B)-(A)	% (B)/(A)x100	
Operating Revenues	2,573.7	2,585.0	11.2	100.4	2,697.0
Transportation	1,757.9	1,757.0	(0.9)	99.9	1,782.0
Station Space Utilization	387.1	399.0	11.8	103.1	446.0
Shopping Centers & Office Buildings	226.9	228.0	1.0	100.5	241.0
Other Services	201.6	201.0	(0.6)	99.7	228.0
Operating Income	344.8	352.0	7.1	102.1	410.0
Transportation	231.3	240.0	8.6	103.7	281.0
Station Space Utilization	33.3	32.0	(1.3)	96.0	40.0
Shopping Centers & Office Buildings	69.3	66.0	(3.3)	95.2	70.0
Other Services	13.5	15.0	1.4	111.1	20.0
Elimination and/or corporate	(2.6)	(1.0)	1.6	38.1	(1.0)
Ordinary Income	235.1	255.0	19.8	108.4	—
Net Income	120.2	139.0	18.7	115.6	—

Reference: Earnings per share forecast for Fiscal 2011: ¥351.39

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.

Consolidated Capital Expenditure Plans for Fiscal 2011

	Billions of Yen			
	Actual Fiscal 2010	Plans for Fiscal 2011	Change	
			Increase (Decrease)	%
(A)	(B)	(B)-(A)	(B)/(A)x100	
Capital Expenditures	434.7	472.0	37.2	108.6
Transportation	351.9	350.0	(1.9)	99.4
Non-transportation.....	82.8	122.0	39.1	147.3

Passenger Kilometers and Passenger Revenues of Parent Company

	Passenger Kilometers				Revenues from Passenger Tickets			
	Millions		%		Billions of yen		%	
	Fiscal 2009	Fiscal 2010	Change	%	Fiscal 2009	Fiscal 2010	Change	%
(A)	(B)	Increase (Decrease) (B)-(A)	(B)/(A)x100	(C)	(D)	Increase (Decrease) (D)-(C)	(D)/(C)x100	
Shinkansen Network								
Commuter Passes	1,678	1,665	(12)	99.2	22.9	22.7	(0.1)	99.2
Other	17,623	16,486	(1,137)	93.5	451.9	416.7	(35.2)	92.2
Total	19,302	18,152	(1,150)	94.0	474.8	439.5	(35.3)	92.5
Conventional Lines								
<i>Kanto Area Network</i>								
Commuter Passes	69,081	68,693	(387)	99.4	453.6	449.1	(4.4)	99.0
Other	34,619	33,653	(965)	97.2	695.7	671.5	(24.2)	96.5
Total	103,700	102,346	(1,353)	98.7	1,149.3	1,120.6	(28.7)	97.5
<i>Other Network</i>								
Commuter Passes	3,336	3,318	(18)	99.4	19.9	19.7	(0.2)	99.0
Other	3,316	3,143	(173)	94.8	64.6	60.6	(3.9)	94.0
Total	6,652	6,461	(191)	97.1	84.5	80.4	(4.1)	95.1
<i>Total</i>								
Commuter Passes	72,417	72,011	(406)	99.4	473.6	468.9	(4.6)	99.0
Other	37,935	36,796	(1,138)	97.0	760.3	732.2	(28.1)	96.3
Total	110,353	108,807	(1,545)	98.6	1,233.9	1,201.1	(32.8)	97.3
Total								
Commuter Passes	74,096	73,677	(419)	99.4	496.5	491.7	(4.8)	99.0
Other	55,559	53,282	(2,276)	95.9	1,212.3	1,148.9	(63.3)	94.8
Total	129,655	126,959	(2,695)	97.9	1,708.8	1,640.6	(68.2)	96.0

- Notes: 1. Amounts less than one million passenger kilometers and 100 million yen are omitted.
2. The Kanto Area Network includes the areas covered by Tokyo Branch Office, Yokohama Branch Office, Hachioji Branch Office, Omiya Branch Office, Takasaki Branch Office, Mito Branch Office, and Chiba Branch Office.

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