

Fiscal 2012 Financial Results (Japanese GAAP) (Unaudited)

Fiscal 2012 (Year ended March 31, 2012)

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 26, 2012

East Japan Railway Company

Stock Exchange Listings

Securities Code

URL

Representative

Contact Person

Tokyo, Osaka and Nagoya

9020

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

Tetsuro Tomita, President and CEO

Tadao Maekawa, General Manager,
Public Relations Department

(Tel. +81-3-5334-1300)

Scheduled Date of Ordinary General Meeting of Shareholders

June 22, 2012

Scheduled Date of Dividend Payment Commencement

June 25, 2012

Scheduled Date for Release of Annual Securities Report

June 22, 2012

Preparation of Supplementary Explanations of Financial Results:

No

Financial Results Presentation to Be Held:

Yes

1. Consolidated Results for Fiscal 2012 (Year Ended March 31, 2012)

(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 2012	2,532,173	(0.2)	360,024	4.3	272,182	6.9	108,737	42.7
Fiscal 2011	2,537,353	(1.4)	345,086	0.1	254,564	8.3	76,224	(36.6)

Note: Comprehensive income – Fiscal 2012: 109,304 million yen (an increase of 48.4%), Fiscal 2011: 73,643 million yen (a decrease of 43.5%)

	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 2012	274.89	—	5.9	3.9	14.2
Fiscal 2011	192.69	—	4.2	3.6	13.6

Reference: Equity in net income (losses) of affiliated companies – Fiscal 2012: 860 million yen, Fiscal 2011: (438) million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2012	7,060,409	1,890,633	26.5	4,738.51
Fiscal 2011	7,042,899	1,834,555	25.7	4,574.05

Reference: Shareholders' equity – Fiscal 2012: 1,874,404 million yen, Fiscal 2011: 1,809,355 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 2012	558,650	(370,684)	(152,428)	167,525
Fiscal 2011	508,846	(433,178)	(27,512)	131,929

2. Dividends (Year Ended March 31, 2011 and 2012 and Year Ending March 31, 2013)

(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 2011	Yen —	Yen 55.00	Yen —	Yen 55.00	Yen 110.00	Millions of yen 43,525	% 57.1	% 2.4
Fiscal 2012	—	55.00	—	55.00	110.00	43,525	40.0	2.4
(Forecast) Fiscal 2013	—	60.00	—	60.00	120.00	—	29.1	—

3. Forecasts for Fiscal 2013 (Year Ending March 31, 2013)

(Percentages represent percentage changes as compared with the previous corresponding fiscal period or fiscal year, as applicable.)

	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, 2012	1,308,000	6.9	214,000	8.4	168,000	13.5	81,000	13.5	204.77
Fiscal 2013	2,637,000	4.1	378,000	5.0	292,000	7.3	163,000	49.9	412.07

※ Notes

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

Newly consolidated — excluded —

(2) Changes in accounting policies, changes in accounting estimates, and restatement of revisions

- i Changes in accounting policies with revision of accounting standards : No
- ii Changes in accounting policies other than the above : No
- iii Changes in accounting estimates : No
- iv Restatement of revisions : No

(3) Number of issued shares (common stock)

- i Issued shares at period-end (including treasury stock) Fiscal 2012 400,000,000 shares Fiscal 2011 400,000,000 shares
- ii Treasury stock at period-end Fiscal 2012 4,431,763 shares Fiscal 2011 4,430,725 shares
- iii Average number of shares during period Fiscal 2012 395,568,845 shares Fiscal 2011 395,570,117 shares

(Reference) Overview of the Non-consolidated Financial Results

1. Non-consolidated Results for Fiscal 2012 (Year Ended March 31, 2012)

(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 2012	1,817,496	(0.7)	292,999	4.3	207,707	6.5	77,152	29.8
Fiscal 2011	1,830,289	(2.8)	281,037	(0.6)	195,005	9.3	59,434	(40.6)

	Earnings per share – Basic	Earnings per share – Diluted
	Yen	Yen
Fiscal 2012	194.98	—
Fiscal 2011	150.21	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2012	6,606,592	1,612,219	24.4	4,074.50
Fiscal 2011	6,575,260	1,579,517	24.0	3,991.84

Reference: Shareholders' equity – Fiscal 2012: 1,612,219 million yen, Fiscal 2011: 1,579,517 million yen

2. Forecasts for Fiscal 2013 (Year Ending March 31, 2013)

(Percentages represent percentage changes as compared with the previous corresponding fiscal period or fiscal year, as applicable.)

	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, 2012	944,000	6.8	187,000	11.5	144,000	18.9	73,000	25.7	184.49
Fiscal 2013	1,878,000	3.3	313,000	6.8	231,000	11.2	135,000	75.0	341.18

Applicability of audit requirements and completion of audit procedure

These financial results are not subject to audit requirements as provided in the Financial Instruments and Exchange Law. The audit procedures of financial statements as provided in the Financial Instruments and Exchange Law have yet to be completed as of the issue date of this report on financial results for the year ended March 31, 2012.

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

The forecasts of business results and other forward-looking statements in this report are based on information available as of the date of this report and on certain assumptions that JR East viewed as reasonable as of the date of this report. Actual results may differ from such forward-looking statements for a variety of reasons. Regarding the forecasts of business results, please refer to "Outlook for the Year Ending March 31, 2013" on page 7 of this document.

JR East is scheduled to hold an analysts' meeting on April 27, 2012, to present its operating results for Fiscal 2012. JR East plans to upload the presentation materials distributed at such meeting to its website as soon as the meeting is over.

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1. 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

(i) Summary of the Fiscal Year Ended March 31, 2012

Overview

In the year ended March 31, 2012, the Japanese economy was affected by the Great East Japan Earthquake on March 11, 2011, as well as the significant strengthening of the yen, rising oil prices and a financial crisis in Europe. Yet, the economy began to improve modestly in the second half as reconstruction demand since the Great East Japan Earthquake started contributing to a gradual recovery in the domestic market. Amid business conditions that remained challenging, East Japan Railway Company and its consolidated subsidiaries and equity-method affiliates (JR East) actively worked on initiatives to improve the quality of core transportation, life-style and *Suica* card services. These initiatives were also aimed at securing revenues amid business conditions that were challenged by factors such as the suspension of tolls on expressways, in addition to the Great East Japan Earthquake and tsunami.

As a result, during the fiscal year under review, operating revenues decreased 0.2% year-on-year to ¥2,532.1 billion, primarily reflecting a decline in transportation revenues at JR East due to the effects of the Great East Japan Earthquake. Operating income increased 4.3% to ¥360.0 billion mainly as a result of a decrease in JR East's non-personnel expenses. Furthermore, ordinary income increased 6.9% to ¥272.1 billion, due to such factors as a decline in interest expense. Net income increased 42.7% to ¥108.7 billion, due to such factors as a significant decrease in provision for allowance for earthquake-damage losses.

Recovery from the Great East Japan Earthquake is an issue of utmost priority for JR East in the fiscal year ended March 31, 2012, and various initiatives have been implemented to this end.

Service resumed on a normal time schedule on the Tohoku Shinkansen Line on September 23, 2011 upon completion of restoration work. JR East is coordinating its efforts to restore conventional lines along the northeastern Pacific coast that were severely damaged in the tsunami with other plans to rebuild the area as a whole and develop towns. To this end, the Group engaged in discussions with relevant national and local government authorities. Service also resumed along the entire Hachinohe Line and in sections of the Joban Line, Senseki Line and other lines. JR East has adopted a plan to construct new rails in rebuilding the Senseki Line between Takagimachi and Rikuzen-ono, the Joban Line between Soma and Watari, and the Ishinomaki Line between Watanoha and Urashuku. At the same time, in the interest of achieving an expeditious launch of safe transportation services, JR East has been negotiating a proposal to provisionally restore the Kesennuma Line with a BRT (Bus Rapid Transit) system, while considering various proposals for the Yamada Line and Ofunato Line, including provisional restoration with a BRT system. Meanwhile, in an effort to ensure local access to transportation, the Group has operated bus routes to cover for the lines that remain out of service.

JR East also made every effort to fulfill its social mission as a corporate group that conducts businesses throughout eastern Japan. Various initiatives to date for contributing to recovery include farmers' markets and produce fairs in support of areas affected by the disaster, as well as housing and increased hiring quotas for victims of the disaster. Measures the Group took in the wake of the disaster have also been reviewed. As a result, heavily traveled commuter lines and segments were prioritized for inspection, along with other emergency responses, to ensure the Group's readiness in promptly restoring services in the Tokyo metropolitan area. In addition, the Group designated stations within a 30 kilometer radius of Tokyo Station as temporary shelters for passengers unable to go home, and held talks with relevant municipal authorities on the procedure for evacuating such passengers to these shelters. At the same time, JR East took steps to stock its major railway terminals with drinking water, blankets and other emergency provisions.

Apart from these measures going forward, JR East sought to conserve energy in response to electric power shortages following the disaster. Among the measures the Group implemented to this end was a special train schedule for the summer of 2011 that was designed to address the Power Usage Limitation Order the government issued. For the duration of the special train schedule, the Group sought the understanding of its customers, and turned down or turned off lighting within stations and railcars, among other measures to conserve energy. In view of the ongoing tight balance between power supply and demand, JR East continued to review and implement necessary power conservation measures within stations, railcars and other facilities.

Segment Information

Transportation

In the Transportation segment, JR East sought to maintain revenues by introducing measures to encourage the use of its Shinkansen network and Tokyo metropolitan area network. These efforts were mainly directed at the railway operations, with the basic objective of further improving safety and customer satisfaction.

Specifically, with the aim of contributing to the recovery and stimulating tourism in the regions affected by the disaster, JR East implemented the *Aomori Destination Campaign* and the *Gunma Destination Campaign*, based on the theme "Be Strong Japan!," and sold discount train tickets such as *JR EAST PASS*. In an effort to support tourism demand that had fallen after the earthquake in these regions, the Group launched the "*Ikuze, Tohoku.*" Campaign to stimulate the flow of tourism traffic throughout Tohoku and contribute to the recovery of the region, in time for the first anniversary of service commencement along the entire Tohoku Shinkansen Line to Shin-Aomori Station, and showcase trains pulled by steam locomotives and other events. Further efforts were made to enhance the attraction of rail travel in response to a reduction in expressway tolls through the sale of special tickets such as the *Weekend Pass*, the *Three-day Pass* and the *Furusato-Yuki-no Josha-ken*, which is a round-trip passenger

ticket for people visiting their hometowns during the year-end to New Year period. With the revision of train schedules in March 2012, JR East rolled out more of the new Series E5 Shinkansen trains in service on the Tohoku Shinkansen Line and began operating a new series of conventional limited express trains on the Joban Line. Meanwhile, measures such as the opening of a new Yoshikawaminami Station on the Musashino Line and an increase in the frequency of trains on the Yokohama Line and Nambu Line were taken to further enhance the convenience of the "Tokyo Megaloop." Moreover, JR East continued to introduce new railcars to local service on the Joban Line and other lines, and commenced operations of its ATACS wireless railway car control system in October 2011 along the Aoba-dori and Higashi-Shiogama segment of the Senseki Line. In applying the lessons from the Great East Japan Earthquake, JR East began implementing aseismatic reinforcement measures to prepare for, among other catastrophes, an earthquake triggered by a fault directly beneath the Tokyo metropolitan area, by pushing forward the aseismatic reinforcement of structures such as viaduct columns and reinforcing embankments. In addition, the Group took steps such as the installation of more P-wave seismographs to enhance its seismic observation system. Furthermore, Yotsuya Station was renovated as the first "ecoste" model station incorporating technologies for preserving the environment. The upgraded facilities of this station went into operation in March 2012. To mark the tenth anniversary of *Suica* electronic money, in July 2011 the Group launched a smartphone version of its *Mobile Suica* service for Android™ handsets compatible with the *Osaifu-Keitai* service.*

JR East announced in March 2012 that it had decided to abandon restoring the Iwaizumi Line as a railway line, after operations along the entire line were suspended in July 2010 due to a train derailment caused by a landslide in a section of the line between Oshikado and Iwate-Okawa. The decision was reached due to the large costs and long-term work needed to ensure train safety, and the already very small number of passengers on the line that has recently been declining every year. JR East plans to continue using buses instead to fulfill its responsibility to offer transportation services to the region, and has begun talks with relevant parties in the region to ask for their understanding and cooperation.

Amid the continuation of challenging business conditions, efforts were made to ensure that the frequency of Highway Bus services was sufficient to meet passenger demand, as well as strengthen the competitiveness of the Group's bus operations by setting more attractive fares. In monorail operations, a discount round-trip ticket to Haneda Airport and other measures were introduced to further promote the line's usage.

Despite these initiatives, the Transportation segment posted operating revenues of ¥1,756.3 billion, a year-on-year decrease of 0.9%, due to a decline in traffic volume as a result of suspension in train services and a decreased number of trips taken by consumers following the earthquake, among other factors. Operating income was ¥236.6 billion, an increase of 4.2%, due mainly to a decrease in JR East's non-personnel expenses.

Note: *Osaifu-Keitai* is a registered trademark of NTT DOCOMO, INC., and Android™ is a trademark of Google Inc.

Station Space Utilization

In the Station Space Utilization segment, JR East made progress in its *Station Renaissance* program, which seeks to maximize the value of spaces within railway stations. Specifically, JR East fully opened *ecute Shinagawa South* (Tokyo) and *ecute Akabane* (Tokyo), and renovated its commercial facilities within Nishi-Funabashi Station and Asagaya Station.

The Station Space Utilization segment posted a 2.4% increase in operating revenues to ¥409.6 billion, as a result of these initiatives and other additional factors, such as the opening of *NorthCourt (GranSta Dining)* (Tokyo) in the year ended March 31, 2011, that contributed to the increase. Operating income increased 8.3%, to ¥33.9 billion.

Shopping Centers and Office Buildings

In the Shopping Centers and Office Buildings segment, JR East opened *LUMINE Yurakucho* (Tokyo), the Group's first full-scale shopping facility outside of a railway station, as well as other new facilities such as *excel MiNAMI* (Ibaraki). In addition, the segment renovated existing facilities, including *GRANDUO Tachikawa* (Tokyo) as well as *atré Kameido* (Tokyo) and *atré Yotsuya* (Tokyo), while it continued to reinvigorate existing shopping centers and promote the introduction of tenants with high levels of customer footfall. Furthermore, the segment proceeded with preparations to start the construction of *Shinjuku New South Exit Building*.

As a result of these initiatives and other additional factors, such as the renewal of *atré Kichijoji* (Tokyo) in the year ended March 31, 2011, the Shopping Centers and Office Buildings segment posted a 2.7% increase in operating revenues to ¥238.9 billion. Operating income increased 3.5%, to ¥66.5 billion.

Others

In hotel operations, JR East opened *Hotel R-Mets Utsunomiya* (Tochigi) and launched a new membership organization for *Suica* card holders named *EASTYLE MEMBERS*. In advertising and publicity services, JR East promoted sales of advertising on *J-AD Vision*, an advertising medium at stations that uses large LCD screens, and *Train Channel*, an advertising medium for showing video commercials in trains. The credit card operations received donations in support of disaster recovery efforts in the form of points accumulated by card members who participated in the *View Thanks Point* program, while implementing campaigns of its own tied to various events. In *Suica* shopping services (electronic money), JR East actively developed affiliated stores in markets beyond railway stations, including through the launch of *Suica* settlement of parcel delivery services at YAMATO TRANSPORT CO., LTD.'s direct sales bases and purchases at BOOKOFF CORPORATION LIMITED stores and SKYLARK GROUP restaurants within the Group's service area. As a result, *Suica* electronic money was accepted at approximately 177,630 stores as of March 31, 2012. In other service operations, JR East opened the *JeXer FITNESS CLUB & SPA Kameido* (Tokyo), among other facilities.

Despite these initiatives, Others posted a 3.6% decrease in operating revenues to ¥516.3 billion, which mainly reflected a decline in revenues in relation to systems development. Operating income was down 4.7%, to ¥21.9 billion.

Note: JR East applies the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (Accounting Standards Board of Japan Statement No.17, June 30, 2010) and the Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (Accounting Standards Board of Japan Guidance No.20, March 21, 2008). The operating income of each segment of JR East corresponds to the segment income under the said Accounting Standard and Guidance.

(ii) Outlook for the Year Ending March 31, 2013

Reconstruction of the areas affected in the disaster remains far from complete a year after the Great East Japan Earthquake. Moreover, the JR East continues to face challenging business conditions due to problems caused by this catastrophe, such as the accidents at the Fukushima Daiichi Nuclear Power Station and power shortages. Amid this environment, all employees of the Group are pooling their resources and making every effort to achieve “*Creative Reconstruction*” that goes beyond merely restoring services and facilities that were disrupted and damaged in the earthquake and tsunami.

In railway operations, JR East will unveil the Tokyo Station *Marunouchi Building* with a grand opening in October 2012, and promote it worldwide as a new landmark for the capital city of Japan. Also, the Group will operate the *Hayabusa* service on the Tohoku Shinkansen Line at a maximum speed of 320 km/h, the fastest in Japan, by the end of Fiscal 2013. Furthermore, the Group will work in collaboration with local communities to generate more tourism through initiatives such as the *Iwate Destination Campaign*, which was launched in April 2012. Moreover, as part of an initiative aimed at building railways that are friendly to the global environment, JR East will redevelop Kaihimmakuhari Station and other stations into energy-efficient “*ecoste*” model stations.

In life-style services businesses, construction of *GranTokyo North Tower Phase II* (Tokyo) in the *Tokyo Station City Project* will reach completion in August 2012 and *The Tokyo Station Hotel* (Tokyo) is scheduled to open in October 2012. The office building business will be more competitive with the new opening of the *JR South Shinjuku Building* (Tokyo) and *Kanda Manseibashi Building* (provisional name). Moreover, the Group will continue promoting the large-scale development of terminal station buildings, including at Shibuya Station and Chiba Station.

In *Suica* operations, JR East will steadily work towards the establishment by the spring of 2013 of a mutual usage service network that ties together the ten regional transportation-company networks of IC cards currently in use in Japan.

In addition, to meet the challenge of cultivating new markets, JR East will develop an overseas railway consulting business around Japan International Consultants for Transportation Co., Ltd. that was established together with other railway companies in November 2011. In the railcar manufacturing business, JR East will capitalize on synergies between Japan Transport Engineering Company, which joined the Group in April 2012, and the Niitsu Rolling Stock Plant by taking advantage of the capabilities of the former for developing, designing and manufacturing Shinkansen and limited express railcars on conventional lines.

JR East’s consolidated performance outlook for the fiscal year ending March 31, 2013 as of the publication date of this document is as follows.

Fiscal 2013 Performance Forecasts

Full fiscal year

Operating Revenues: ¥2,637.0 billion (4.1% year-on-year increase)

Operating Income: ¥378.0 billion (5.0% year-on-year increase)

Ordinary Income: ¥292.0 billion (7.3% year-on-year increase)

Net Income: ¥163.0 billion (49.9% year-on-year increase)

Six-month period ending September 30, 2012

Operating Revenues: ¥1,308.0 billion (6.9% year-on-year increase)

Operating Income: ¥214.0 billion (8.4% year-on-year increase)

Ordinary Income: ¥168.0 billion (13.5% year-on-year increase)

Net Income: ¥81.0 billion (13.5% year-on-year increase)

(2) Analysis of Financial Position

In the fiscal year ended March 31, 2012, operating activities provided net cash of ¥558.6 billion, ¥49.8 billion more than in the previous fiscal year. This result was mainly due to a net increase in major payables.

Investing activities used net cash of ¥370.6 billion, ¥62.4 billion less than in the previous fiscal year. This result was mainly due to a decline in payments for purchases of fixed assets.

Financing activities used net cash of ¥152.4 billion, ¥124.9 billion more than in the previous fiscal year. This result was mainly due to a net redemption of commercial paper. Consequently, cash and cash equivalents as of March 31, 2012 were ¥167.5 billion, an increase of ¥35.5 billion from March 31, 2011.

In addition, total long-term debt was ¥3,385.4 billion as of March 31, 2012.

JR East's cash flow indicators are presented in the table below:

	Fiscal 2010	Fiscal 2011	Fiscal 2012
Equity ratio (%)	25.5	25.7	26.5
Equity ratio on market-value basis (%)	36.8	26.0	29.2
Interest-bearing debt / net cash provided by operating activities (times) ..	7.1	6.7	6.0
Interest coverage ratio (times)	4.2	4.8	5.5

Notes: Equity ratio: Shareholders' equity / Total assets

Equity ratio on market-value basis: Market capitalization / Total assets

Interest-bearing debt / net cash provided by operating activities: Interest-bearing debt / Net cash provided by operating activities

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

1. Indicators are derived from the consolidated financial statements.

2. Market capitalization is calculated by multiplying the closing share price at the fiscal year-end by the total number of shares issued (less treasury shares).

(3) Basic Dividend Policy and Dividends for Fiscal 2012 and Fiscal 2013

JR East's basic policy for the appropriation 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 level of net cash provided by operating activities.

Based on this policy, JR East plans to pay (payment scheduled to begin on June 25, 2012) 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 those 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 for 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 fiscal year ending March 31, 2013, JR East expects earnings to improve and plans to pay cash dividends of ¥120 per share (¥10 per share more than the previous fiscal year), including interim dividends of ¥60 per share (¥5 per share more than the previous fiscal year).

2. Status of the Group

The JR East Group consists of East Japan Railway Company, 72 consolidated subsidiaries, and 3 equity-method affiliated companies (as of March 31, 2012). The JR East Group has four business segments: Transportation, Station Space Utilization, Shopping Centers and Office Buildings, and Others. The relationship of East Japan Railway Company and other related companies to each business segment are as shown below.

The classification below is the same as the business segment classification presented in “4. Consolidated Financial Statements, (6) Notes to Consolidated Financial Statements, (i) Segment Information.”

(i) Transportation

This segment conducts passenger transportation operations centered on railway operations. With a service area mainly covering Tokyo and the combined 16 prefectures of the Kanto and Tohoku regions, JR East's railway operations comprise 1,689 railway stations, 6,377.9 operating kilometers of conventional lines, and 1,134.7 kilometers of Shinkansen lines, spanning a total of 7,512.6 kilometers.

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

(ii) Station Space Utilization

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

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

(iii) Shopping Centers and Office Buildings

Targeting customers in and around railway stations, this segment develops properties within or near railway stations, manages shopping centers and leases office buildings and other properties.

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

(iv) Others

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

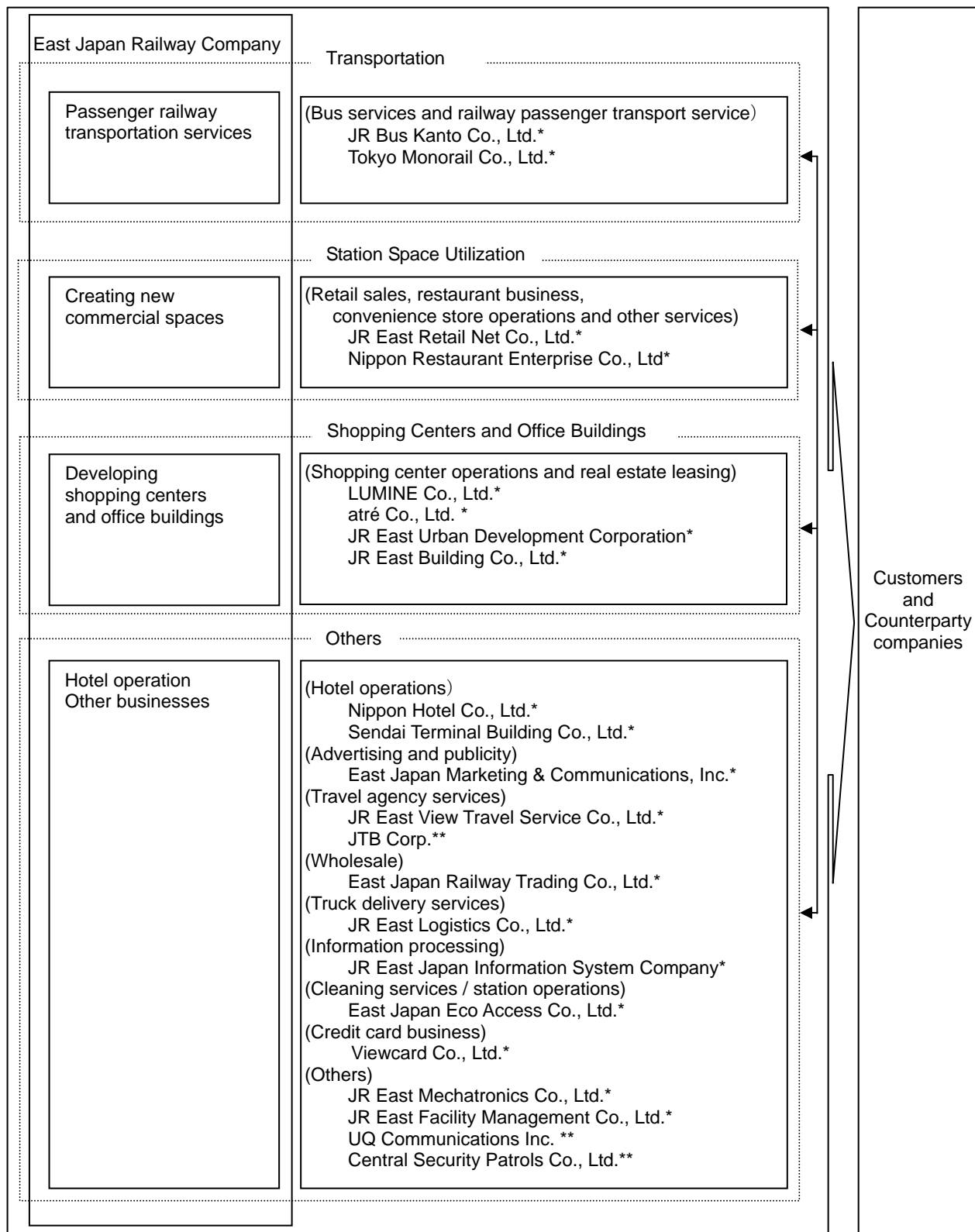
Main related companies:

(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.

The following is a schematic of JR East's business network.



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.

3. Management Policies

(1) Basic Management Policies

JR East aims to become a dynamic corporate group that provides 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

(i) 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 across divisions and systems and through provision of high-quality services supported by diligent work. Through these efforts, JR East aims to reassure customers that they can feel at ease relying on 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 remain 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 in which JR East and local communities both fulfill their own roles. In addition, JR East will establish numerical targets to address global environmental problems, which it sees as issues 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.

(ii) Key Challenges Over the Next Three Years (April 1, 2012-March 31, 2015)

JR East's responsibility to provide railway services as social infrastructure has become increasingly important in this period of major change following the Great East Japan Earthquake. JR East must meet society's great expectations for its services and strive to achieve sustaining growth. To this end, JR East has chosen five key challenges to address over the next three years.

The first challenge is the pursuit of "extreme safety." Our first step is to build a railway capable of withstanding natural disasters. Physical and non-physical measures to prepare for an earthquake caused by a fault directly beneath the Tokyo metropolitan area, as well as measures for assisting people who have difficulty returning home after a disaster, among others, will be implemented expeditiously. In addition, JR East will institute measures to prepare for extreme weather conditions such as intense rainfall and sudden gusts of wind.

The second challenge is the realization of "service quality reform" through teamwork. Based on our Medium-term Vision for Service Quality Reforms, JR East will work steadily to improve the quality of transportation in terms of reliability and comfort, as well as strive to provide passengers with more information. At the same time the Group will endeavor to enhance and expand its Tokyo metropolitan area and intercity transportation network.

For its third challenge, JR East will strengthen collaboration with local communities. While restoring damaged railway segments, the Group will stimulate tourism to help revive communities affected by the Great East Japan Earthquake, as part of its effort to

contribute to local communities.

The fourth challenge is technological innovation. Under this challenge, JR East will forge strategies for conserving energy in light of the ongoing electricity shortage after the Great East Japan Earthquake, make active use of information and communication technology (ICT), and promote the operation of trains at faster speeds on its Shinkansen network.

For its fifth challenge, JR East will seek to globalize itself. The Group aspires to participate in railway projects around the world, working primarily through Japan International Consultants for Transportation Co., Ltd. Furthermore, JR East will establish railcar manufacturing operations as a fourth business pillar centered around Japan Transport Engineering Company and endeavor to develop it both domestically and overseas.

The Group's operating environment has changed as a result of the Great East Japan Earthquake and in various other ways unforeseen when the JR East 2020 Vision-*idomu*- was drawn up in 2008. Now that 25 years have past since JR East was established, following the division and privatization of JNR, the Company has begun work on a new management vision for the Group in view of the next 25 years. This new vision is scheduled for release sometime in the fall of 2012.

(3) Progress in Management Framework and Management Benchmarks

JR East had withdrawn its numerical targets, announced in April 2010, for the three years covering the period from April 1, 2010 through March 31, 2013, in light of the impact of the Great East Japan Earthquake and other considerations. The Company was planning to establish a new set of targets after monitoring changes in the business environment. JR East hereby announces its new set of numerical targets for the three years ending March 31, 2015.

New Numerical Targets

	(Reference) Actual result for year ended March 31, 2012	Target for year ending March 31, 2015
Consolidated operating revenues	¥2,532.1 billion	¥2,725.0 billion
Transportation	¥1,705.7 billion	¥1,776.0 billion
Station Space Utilization	¥396.1 billion	¥430.0 billion
Shopping Centers & Office Buildings	¥229.6 billion	¥261.0 billion
Others	¥200.5 billion	¥258.0 billion
Consolidated operating income	¥360.0 billion	¥402.0 billion
Transportation	¥236.6 billion	¥264.0 billion
Station Space Utilization	¥33.9 billion	¥41.0 billion
Shopping Centers & Office Buildings	¥66.5 billion	¥71.0 billion
Others	¥21.9 billion	¥27.0 billion
Adjustment	¥0.9 billion	(¥1.0 billion)
Consolidated cash flows from operating activities*	¥558.6 billion	(Three-year total) ¥1,650.0 billion
Consolidated ROA	5.1%	5.5%
Consolidated ROE	5.9%	9.0%

Note: The target for consolidated cash flows from operating activities represents the accumulative cash provided during the three year period ending March 31, 2015.

JR East's consolidated capital expenditures over the course of the three years ending March 31, 2015 are estimated as follows.

Estimated Capital Expenditures

	(Reference) Actual result for year ended March 31, 2012	Estimate for three years ending March 31, 2015
Consolidated	¥370.1 billion	¥1,400.0 billion
[Non-consolidated]	[¥307.4 billion]	[¥1,200.0 billion]

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

	Millions of Yen	
	Fiscal 2011	Fiscal 2012
ASSETS		
Current Assets	¥ 571,312	¥ 677,980
Cash and time deposits	132,247	105,722
Notes and accounts receivable-trade	270,289	321,735
Fares receivable	23,543	31,791
Short-term loans receivable	11,554	71,465
Securities	—	50
Real estate for sale	1,864	1,514
Inventories	44,017	51,936
Deferred income taxes	41,168	43,022
Other	49,259	53,076
Allowance for doubtful accounts	(2,631)	(2,335)
Fixed Assets	6,471,370	6,382,296
Property, plant and equipment, net of accumulated depreciation ..	5,903,285	5,864,070
Buildings and fixtures (net)	2,961,982	2,907,110
Machinery, rolling stock and vehicles (net)	636,413	620,392
Land	2,006,184	2,012,107
Construction in progress	253,730	284,740
Other (net)	44,974	39,719
Intangible assets	98,064	87,712
Investments and other assets	470,020	430,513
Investments in securities	143,042	140,204
Long-term loans receivable	2,028	3,646
Long-term deferred income taxes	268,407	241,965
Other	57,654	45,998
Allowance for doubtful accounts	(1,112)	(1,301)
Deferred Assets	216	132
Deferred business commencement expenses	173	103
Deferred development expenses	43	29
Total Assets	¥7,042,899	¥7,060,409

Note: Amounts less than one million yen are omitted.

	Millions of Yen	
	Fiscal 2011	Fiscal 2012
LIABILITIES		
Current Liabilities	¥1,229,090	¥1,230,240
Notes and accounts payable—trade	36,006	50,853
Short-term loans and current portion of long-term loans	126,584	134,618
Current portion of bonds	110,180	89,998
Current portion of long-term liabilities		
incurred for purchase of railway facilities	124,382	129,838
Payables	331,646	347,343
Accrued consumption taxes	9,950	13,554
Accrued income taxes	13,275	70,571
Fare deposits received with regard to railway connecting services ...	17,881	22,079
Prepaid railway fares received	79,566	84,256
Allowance for bonuses to employees	66,074	64,131
Allowance for earthquake-damage losses	56,937	11,546
Other	256,603	211,449
Long-Term Liabilities	3,979,254	3,939,534
Bonds	1,449,845	1,509,664
Long-term loans	688,799	728,110
Long-term liabilities incurred for purchase of railway facilities	924,096	794,014
Long-term deferred tax liabilities	3,431	3,219
Employees' severance and retirement benefits	658,371	643,400
Allowance for earthquake-damage losses	—	8,356
Other	254,711	252,769
Total Liabilities	¥5,208,344	¥5,169,775
NET ASSETS		
Shareholders' Equity	¥1,805,231	¥1,870,569
Common stock	200,000	200,000
Capital surplus	96,732	96,732
Retained earnings	1,534,339	1,599,683
Treasury stock, at cost	(25,841)	(25,846)
Accumulated Other Comprehensive Income	4,124	3,834
Net unrealized holding gains (losses) on securities	4,903	3,909
Net deferred gains (losses) on derivatives under		
hedge accounting	(779)	(74)
Minority Interests	25,199	16,229
Total Net Assets	1,834,555	1,890,633
Total Liabilities and Net Assets	¥7,042,899	¥7,060,409

Note: Amounts less than one million yen are omitted.

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income (Unaudited)

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES

(i) Consolidated Statements of Income

	Millions of Yen	
	Fiscal 2011	Fiscal 2012
Operating Revenues	¥2,537,353	¥2,532,173
Operating Expenses	2,192,266	2,172,148
Transportation, other services and cost of sales	1,734,356	1,710,614
Selling, general and administrative expenses	457,909	461,534
Operating Income	345,086	360,024
Non-Operating Income	19,686	19,359
Interest income	108	155
Dividend income	3,450	2,792
Gains on sales of equipment	2,383	2,033
Insurance proceeds and dividends	7,793	9,445
Equity in net income of affiliated companies	—	860
Other	5,950	4,071
Non-Operating Expenses	110,208	107,201
Interest expense	105,918	101,072
Losses on sales of equipment	297	488
Equity in net losses of affiliated companies	438	—
Other	3,554	5,639
Ordinary Income	254,564	272,182
Extraordinary Gains	49,470	70,778
Gains on sales of fixed assets	4,916	5,113
Construction grants received	42,302	59,527
Other	2,251	6,136
Extraordinary Losses	156,604	109,061
Losses on sales of fixed assets	2,856	1,343
Losses from disposition of fixed assets	8,798	4,332
Losses on reduction entry for construction grants	39,217	56,127
Impairment losses on fixed assets	13,622	9,160
Environmental conservation costs	9,148	11,523
Provision for allowance for earthquake-damage losses ..	56,937	16,179
Other	26,025	10,394
Income before Income Taxes	147,430	233,899
Income Taxes	69,857	124,308
Current	66,451	98,954
Deferred	3,405	25,354
Income before Minority Interests	77,573	109,590
Minority Interests in Net Income of Consolidated Subsidiaries ..	1,349	853
Net Income	¥ 76,224	¥ 108,737

Note: Amounts less than one million yen are omitted.

(ii) Consolidated Statements of Comprehensive Income

	Millions of Yen	
	Fiscal 2011	Fiscal 2012
Income before Minority Interests	¥ 77,573	¥ 109,590
Other Comprehensive Income	(3,929)	(286)
Net unrealized holding gains (losses) on securities.....	(3,489)	(1,191)
Net deferred gains (losses) on derivatives under hedge accounting	(289)	598
Share of other comprehensive income of associates accounted for using equity method	(151)	306
Comprehensive Income	¥ 73,643	¥ 109,304
Comprehensive Income attributable to		
Comprehensive income attributable to owners of the parent	¥ 72,301	¥ 108,448
Comprehensive income attributable to minority interests	1,342	856

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 2011	Fiscal 2012
Shareholders' Equity		
Common Stock		
Balance at the fiscal year start	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 fiscal year start	96,732	96,732
Changes of items during the fiscal year		
Disposal of treasury stock	(0)	(0)
Total changes of items during the fiscal year	(0)	(0)
Balance at the fiscal year end	96,732	96,732
Retained Earnings		
Balance at the fiscal year start	1,501,637	1,534,339
Changes of items during the fiscal year		
Cash dividends	(43,525)	(43,525)
Net income	76,224	108,737
Increase due to addition of consolidated subsidiaries and other ..	4	131
Total changes of items during the fiscal year	32,702	65,343
Balance at the fiscal year end	1,534,339	1,599,683
Treasury Stock, at Cost		
Balance at the fiscal year start	(25,831)	(25,841)
Changes of items during the fiscal year		
Purchase of treasury stock	(10)	(5)
Disposal of treasury stock	1	0
Total changes of items during the fiscal year	(9)	(4)
Balance at the fiscal year end	(25,841)	(25,846)
Total Shareholders' Equity		
Balance at the fiscal year start	1,772,537	1,805,231
Changes of items during the fiscal year		
Cash dividends	(43,525)	(43,525)
Net income	76,224	108,737
Increase due to addition of consolidated subsidiaries and other ..	4	131
Purchase of treasury stock	(10)	(5)
Disposal of treasury stock	1	0
Total changes of items during the fiscal year	32,693	65,338
Balance at the fiscal year end	1,805,231	1,870,569

Note: Amounts less than one million yen are omitted.

	Millions of Yen	
	Fiscal 2011	Fiscal 2012
Accumulated Other Comprehensive Income		
Net Unrealized Holding Gains (Losses) on Securities		
Balance at the fiscal year start	8,656	4,903
Changes of items during the fiscal year		
Net changes of items other than shareholders' equity ..	(3,752)	(994)
Total changes of items during the fiscal year	(3,752)	(994)
Balance at the fiscal year end	4,903	3,909
Net Deferred Gains (Losses) on Derivatives under Hedge Accounting		
Balance at the fiscal year start	(610)	(779)
Changes of items during the fiscal year		
Net changes of items other than shareholders' equity ..	(169)	704
Total changes of items during the fiscal year	(169)	704
Balance at the fiscal year end	(779)	(74)
Total Accumulated Other Comprehensive Income		
Balance at the fiscal year start	8,046	4,124
Changes of items during the fiscal year		
Net changes of items other than shareholders' equity ..	(3,922)	(289)
Total changes of items during the fiscal year	(3,922)	(289)
Balance at the fiscal year end	4,124	3,834
Minority Interests		
Balance at the fiscal year start	26,963	25,199
Changes of items during the fiscal year		
Net changes of items other than shareholders' equity ..	(1,763)	(8,970)
Total changes of items during the fiscal year	(1,763)	(8,970)
Balance at the fiscal year end	25,199	16,229
Total net assets		
Balance at the fiscal year start	1,807,547	1,834,555
Changes of items during the fiscal year		
Cash dividends	(43,525)	(43,525)
Net income	76,224	108,737
Increase due to addition of consolidated subsidiaries and other..	4	131
Purchase of treasury stock	(10)	(5)
Disposal of treasury stock	1	0
Net changes of items other than shareholders' equity ..	(5,685)	(9,259)
Total changes of items during the fiscal year	27,007	56,078
Balance at the fiscal year end	1,834,555	1,890,633

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 2011	Fiscal 2012
Cash Flows from Operating Activities		
Income before income taxes	¥147,430	¥233,899
Depreciation.....	366,414	358,704
Impairment losses on fixed assets	13,622	9,160
Amortization of long-term prepaid expense	6,460	6,332
Net change in employees' severance and retirement benefits	(14,419)	(14,970)
Interest and dividend income	(3,558)	(2,947)
Interest expense	105,918	101,072
Construction grants received.....	(42,302)	(59,527)
Losses from disposition of fixed assets	32,218	27,097
Losses from provision for cost reduction of fixed assets.....	39,217	56,127
Provision for allowance for earthquake-damage losses.....	56,937	16,179
Net change in major receivables	9,545	(54,835)
Net change in major payables.....	(34,009)	53,343
Other	15,442	8,131
Sub-total	698,918	737,769
Proceeds from interest and dividends	3,763	3,147
Payments of interest	(106,577)	(101,270)
Payments of earthquake-damage losses.....	(184)	(38,563)
Payments of income taxes.....	(87,073)	(42,432)
Net cash provided by operating activities	508,846	558,650
Cash Flows from Investing Activities		
Payments for purchases of fixed assets.....	(488,918)	(407,622)
Proceeds from sales of fixed assets	20,692	8,865
Proceeds from construction grants.....	50,224	50,696
Payments for purchases of investments in securities.....	(9,644)	(7,015)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation.....	470	—
Other	(6,001)	(15,608)
Net cash used in investing activities	(433,178)	(370,684)
Cash Flows from Financing Activities		
Net change in commercial paper	61,000	(61,000)
Proceeds from long-term loans.....	165,020	174,300
Payments of long-term loans	(131,878)	(125,869)
Proceeds from issuance of bonds	130,000	150,000
Payments for redemption of bonds	(60,380)	(110,430)
Payments of liabilities incurred for purchase of railway facilities.....	(129,314)	(124,625)
Cash dividends paid.....	(43,525)	(43,525)
Other	(18,433)	(11,277)
Net cash used in financing activities	(27,512)	(152,428)
Net Change in Cash and Cash Equivalents	48,155	35,537
Cash and Cash Equivalents at Beginning of the Year	83,756	131,929
Increase in Cash and Cash Equivalents due to		
Merger with Unconsolidated Subsidiaries	24	58
Decrease in Cash and Cash Equivalents due to		
Corporate Division	(7)	—
Cash and Cash Equivalents at End of the Year	¥131,929	¥167,525

Note: Amounts less than one million yen are omitted.

(5) Notes on Going Concern Assumption (Unaudited)

None

(6) Notes to Consolidated Financial Statements (Unaudited)

(i) Segment Information (Unaudited)

i) Segment Information

a General information about reportable segments

Transportation, Station Space Utilization, and Shopping Centers and Office Buildings comprise JR East's three reportable segments. Each reportable segment is in turn comprised of business units within the Group with respect to which separate financial information is obtainable. These reportable segments are reviewed periodically by JR East's Board of Directors and form the basis on which to evaluate business performance and decide on how to allocate management resources of the Company.

Transportation segment is primarily engaged in passenger transportation mainly on passenger railway. Station Space Utilization segment creates commercial spaces in railway stations and develops various types of businesses, including retail sales, food and convenience stores, targeting customers that use railway stations. Shopping Centers and Office Buildings segment develops

railway stations and land near railway stations, operates shopping centers, and leases office buildings, etc., targeting customers in and around railway stations.

b Basis of measurement about reportable segment operating revenues, segment income or loss, segment assets, and other material items

The accounting treatment for each reportable segment is largely the same as that set forth in the "Important Items that Form the Basis for Preparing Consolidated Financial Statements" in the recent Annual Securities Report released on June 23, 2011. Moreover, intersegment transactions are between consolidated subsidiaries and based on market prices and other fair values.

c Information about reportable segment operating revenues, segment income or loss, segment assets, and other material items

Millions of Yen

Fiscal 2011 (Year ended March 31, 2011)	Transportation	Station Space Utilization	Shopping Centers & Office Buildings	Others (Note 2)	Total	Adjustment (Note 3)	Consolidated (Note 4)
Operating Revenues							
Outside customers	¥1,721,921	¥385,891	¥223,293	¥206,247	¥2,537,353	¥ —	¥2,537,353
Inside group	50,571	14,010	9,472	329,186	403,241	(403,241)	—
Total	1,772,493	399,901	232,766	535,433	2,940,594	(403,241)	2,537,353
Segment Income	¥ 227,150	¥ 31,358	¥ 64,240	¥ 23,072	¥ 345,821	¥ (734)	¥ 345,086
Segment Assets	¥5,782,741	¥187,135	¥876,453	¥858,253	¥7,704,585	¥(661,685)	¥7,042,899
Depreciation	276,918	11,596	30,869	47,030	366,414	—	366,414
Increase in fixed assets (Note 6)	378,565	13,866	50,242	26,944	469,619	—	469,619

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

2. "Others" represent categories of business that are not included in reportable segments and include hotel operation, and advertising and publicity services.
3. The ¥734 million downward adjustment to segment income includes a ¥(1,752) million elimination of unrealized holding gains (losses) on fixed assets and inventory assets and a ¥1,015 million elimination for intersegment transactions. Moreover, the ¥661,685 million downward adjustment to segment assets includes a ¥(794,846) million elimination of intersegment claims and obligations, offset by ¥133,161 million in corporate assets not allocated to each reporting segment.
4. Segment income is adjusted to ensure consistency with the operating income set forth in the consolidated statements of income.
5. Segment information on liabilities was omitted from record, as it is not a metric used in deciding the allocation of management resources or evaluating earnings performance.
6. Increase in fixed assets includes a portion contributed mainly by national and local governments.

Fiscal 2012 (Year ended March 31, 2012)	Millions of Yen						Consolidated (Note 4)
	Transportation	Station Space Utilization	Shopping Centers & Office Buildings	Others (Note 2)	Total	Adjustment (Note 3)	
Operating Revenues							
Outside customers	¥1,705,793	¥396,168	¥229,636	¥200,575	¥2,532,173	¥ —	¥2,532,173
Inside group	50,528	13,530	9,345	315,806	389,210	(389,210)	—
Total	1,756,322	409,698	238,981	516,381	2,921,384	(389,210)	2,532,173
Segment Income	¥ 236,632	¥ 33,965	¥ 66,509	¥ 21,991	¥ 359,098	¥ 926	¥ 360,024
Segment Assets	¥5,745,011	¥199,080	¥903,772	¥904,612	¥7,752,477	¥(692,068)	¥7,060,409
Depreciation	273,888	11,822	30,613	42,379	358,704	—	358,704
Increase in fixed assets (Note 6)	310,764	8,135	57,062	26,091	402,054	—	402,054

- Notes: 1. Amounts less than one million yen are omitted.
2. "Others" represent categories of business that are not included in reportable segments and include hotel operation, and advertising and publicity services.
3. The ¥926 million upward adjustment to segment income includes a ¥588 million elimination for intersegment transactions and a ¥351 million elimination of unrealized holding gains (losses) on fixed assets and inventory assets. Moreover, the ¥692,068 million downward adjustment to segment assets includes a ¥(883,889) million elimination of intersegment claims and obligations, offset by ¥191,821 million in corporate assets not allocated to each reporting segment.
4. Segment income is adjusted to ensure consistency with the operating income set forth in the consolidated statements of income.
5. Segment information on liabilities was omitted from record, as it is not a metric used in deciding the allocation of management resources or evaluating earnings performance.
6. Increase in fixed assets includes a portion contributed mainly by national and local governments.

ii) Relevant Information

a Information about products and services

Information about products and services is omitted as the Company classifies such segments in the same way as it does its reportable segments.

b Information about geographic areas

i. Operating Revenues

Information about geographic areas is omitted as operating revenues attributable to outside customers in Japan exceed 90% of the operating revenues reported in the Consolidated Statements of Income.

ii. Property, plant and equipment

Information about geographic areas is omitted as property, plant and equipment in Japan exceed 90% of the property, plant and equipment reported in the Consolidated Balance Sheets.

c Information about major customers

Information about major customers is omitted as no single outside customer contributes 10% or more to operating revenues in the Consolidated Statements of Income.

iii) Information about impairment loss on fixed assets in reportable segments

Fiscal 2011 (Year ended March 31, 2011)	Millions of Yen				
	Transportation	Station Space Utilization	Shopping Centers & Office Buildings	Others (Note)	Total
Impairment losses on fixed assets	8,848	667	3,511	595	13,622

Note: The amount under "Others" represents amounts from business segments and other units excluded from the reportable segments

Fiscal 2012 (Year ended March 31, 2012)	Millions of Yen				
	Transportation	Station Space Utilization	Shopping Centers & Office Buildings	Others (Note)	Total
Impairment losses on fixed assets	255	4,081	4,432	390	9,160

Note: The amount under "Others" represents amounts from business segments and other units excluded from the reportable segments

iv) Information about amortized amount of goodwill and unamortized balance of goodwill by reportable segments

Information about amortized amount of goodwill and unamortized balance of goodwill by reportable segments is omitted as the amount was insignificant.

v) Information about gain on negative goodwill by reportable segments

Information about gain on negative goodwill by reportable segments is omitted as the amount was insignificant.

(ii) Per Share Information (Unaudited)

Fiscal 2011

Shareholders' equity per share: ¥4,574.05

Earnings per share—basic: ¥192.69

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

Fiscal 2012

Shareholders' equity per share: ¥4,738.51

Earnings per share—basic: ¥274.89

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

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

Fiscal 2011

Net income: ¥76,224million

Amount not attributable to common stockholders: —

Net income related to common stock: ¥76,224million

Average number of common shares: 395,570,117

Fiscal 2012

Net income: ¥108,737 million

Amount not attributable to common stockholders: —

Net income related to common stock: ¥108,737 million

Average number of common shares: 395,568,845

(iii) Subsequent Events (Unaudited)

None

5. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets (Unaudited)

EAST JAPAN RAILWAY COMPANY

Millions of Yen

	Fiscal 2011	Fiscal 2012
ASSETS		
Current Assets	¥ 414,912	¥ 524,957
Cash and time deposits	58,925	69,135
Fares receivable	134,857	166,831
Accounts receivable-trade	64,050	71,685
Short-term loans receivable	—	62,176
Short-term loans to affiliated companies receivable	88,816	80,594
Real estate for sale	1,716	1,503
Inventories	15,901	17,424
Prepaid expenses	5,410	5,116
Deferred income taxes	32,417	33,944
Other	15,015	16,668
Allowance for doubtful accounts	(2,198)	(124)
Fixed Assets	6,160,348	6,081,635
Fixed assets for railway operations	4,507,647	4,474,675
Property, plant and equipment	9,801,225	9,916,877
Accumulated depreciation	(5,322,724)	(5,472,557)
Intangible assets	29,146	30,355
Fixed assets for other operations	446,600	436,670
Property, plant and equipment	562,581	560,003
Accumulated depreciation	(116,416)	(123,825)
Intangible assets	435	492
Fixed assets relating to both operations	292,028	278,788
Property, plant and equipment	760,996	763,433
Accumulated depreciation	(471,561)	(486,888)
Intangible assets	2,593	2,242
Construction in progress	250,002	279,320
Railway operations	205,705	217,025
Other operations	31,001	43,946
Relating to both operations	13,295	18,348
Investments and other assets	664,069	612,181
Investments in securities	107,986	103,706
Stocks of subsidiaries and affiliated companies	190,584	189,616
Long-term loans to affiliated companies receivable	87,085	77,664
Long-term prepaid expenses	18,698	16,759
Long-term deferred income taxes	241,628	215,787
Other investment and other assets	18,443	8,957
Allowance for doubtful accounts	(357)	(310)
Total Assets	¥6,575,260	¥6,606,592

Note: Amounts less than one million yen are omitted.

Millions of Yen

	Fiscal 2011	Fiscal 2012
LIABILITIES		
Current Liabilities	¥1,172,197	¥1,213,013
Short-term loans.....	1,000	—
Short-term loans from affiliated companies.....	88,000	163,100
Current portion of bonds.....	110,000	89,998
Current portion of long-term loans.....	123,600	133,289
Current portion of long-term liabilities		
incurred for purchase of railway facilities.....	123,865	129,336
Lease obligation.....	5,254	6,006
Payables.....	320,755	324,870
Accrued expenses.....	29,328	30,113
Accrued consumption taxes.....	7,433	9,933
Accrued income taxes.....	693	55,252
Fare deposits received with regard to railway connecting services ...	18,263	22,433
Deposits received.....	19,510	23,917
Prepaid railway fares received.....	79,138	83,838
Advances received.....	58,230	60,341
Prepaid contribution for construction.....	8,731	5,061
Allowance for bonuses to employees.....	54,965	53,119
Allowance for bonuses to directors and corporate auditors.....	102	106
Allowance for earthquake-damage losses.....	54,722	11,328
Asset retirement obligations.....	1,755	897
Other.....	66,846	10,069
Long-Term Liabilities	3,823,546	3,781,360
Bonds.....	1,449,695	1,509,764
Long-term loans.....	685,218	726,229
Long-term loans from affiliated companies.....	35,600	30,660
Long-term liabilities incurred for purchase of railway facilities.....	918,794	789,511
Lease obligation.....	16,251	14,558
Long-term deferred contribution for construction.....	55,300	47,031
Employees' severance and retirement benefits.....	618,788	602,510
Allowance for earthquake-damage losses.....	—	8,356
Allowance for environmental conservation costs.....	—	11,483
Asset retirement obligations.....	8,184	8,487
Other.....	35,713	32,765
Total Liabilities	¥4,995,743	¥4,994,373

Note: Amounts less than one million yen are omitted.

Millions of Yen

	Fiscal 2011	Fiscal 2012
NET ASSETS		
Shareholders' Equity	¥1,576,210	¥1,609,832
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.....	1,304,518	1,338,145
Legal reserve	22,173	22,173
Other retained earnings		
Reserve for special depreciation.....	2,733	3,171
Reserve for deferred gain of fixed assets.....	46,674	50,166
General reserve.....	990,000	990,000
Retained earnings carried forward.....	242,937	272,632
Treasury stock, at cost.....	(24,920)	(24,925)
Valuation and Translation Adjustment	3,306	2,386
Net unrealized holding gains (losses) on securities	4,285	2,767
Net deferred gains (losses) on derivatives under hedge accounting	(979)	(381)
Total Net Assets	1,579,517	1,612,219
Total Liabilities and Net Assets	<u>¥6,575,260</u>	<u>¥6,606,592</u>

Note: Amounts less than one million yen are omitted.

(2) Non-consolidated Statements of Income (Unaudited)

EAST JAPAN RAILWAY COMPANY

	Millions of Yen	
	Fiscal 2011	Fiscal 2012
Railway Operations		
Operating Revenues	¥1,766,594	¥1,752,250
Passenger transportation	1,609,232	1,595,366
Trackage revenue	7,212	7,069
Miscellaneous income of transportation	150,149	149,814
Operating Expenses	1,521,491	1,497,161
Transportation expenses	959,928	942,872
General and administrative expenses	208,644	203,542
Taxes	74,315	74,951
Depreciation	278,602	275,795
Operating Income from Railway Operations	245,103	255,088
 Other Operations		
Operating Revenues	63,694	65,246
Revenue from real estate lease	59,609	60,619
Miscellaneous revenue	4,084	4,626
Operating Expenses	27,760	27,335
Cost of sales	339	212
Selling, general and administrative expenses	10,354	9,998
Taxes	6,822	7,268
Depreciation	10,244	9,855
Operating Income from Other Operations	35,934	37,910
Total Operating Income	281,037	292,999
 Non-Operating Income	23,865	21,965
Interest income	2,209	1,890
Dividend income	7,120	6,540
Gains on sales of equipment	2,318	2,001
Insurance proceeds and dividends	7,498	9,240
Other	4,717	2,292
 Non-Operating Expenses	109,896	107,258
Interest expense	76,390	70,401
Interest on bonds	30,442	31,770
Cost of issuance of bonds	526	566
Losses on sales of equipment	270	471
Other	2,266	4,047
Ordinary Income	195,005	207,707

Note: Amounts less than one million yen are omitted.

	Millions of Yen	
	Fiscal 2011	Fiscal 2012
Extraordinary Gains	47,243	65,230
Gains on sales of fixed assets	4,844	6,707
Construction grants received.....	42,211	58,472
Other	187	50
 Extraordinary Losses	 136,815	 97,321
Losses on sales of fixed assets	2,801	1,270
Losses on reduction entry for construction grants.....	39,126	55,076
Impairment losses on fixed assets	13,893	4,771
Environmental conservation costs.....	9,148	11,523
Provision for allowance for earthquake-damage losses..	54,722	16,101
Other	17,123	8,577
Income before Income Taxes	105,433	175,616
 Income Taxes	 45,998	 98,463
Current.....	43,106	73,218
Deferred.....	2,891	25,245
 Net Income	 ¥ 59,434	 ¥ 77,152

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 2011	Fiscal 2012
Shareholders' Equity		
Common Stock		
Balance at the fiscal year start	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 fiscal year start	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 fiscal year start	13	13
Changes of items during the fiscal year		
Disposal of treasury stock	(0)	(0)
Total changes of items during the fiscal year	(0)	(0)
Balance at the fiscal year end	13	13
Total Capital Surplus		
Balance at the fiscal year start	96,613	96,613
Changes of items during the fiscal year		
Disposal of treasury stock	(0)	(0)
Total changes of items during the fiscal year	(0)	(0)
Balance at the fiscal year end	96,613	96,613
Retained Earnings		
Legal Reserve		
Balance at the fiscal year start	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 fiscal year start	2,269	2,733
Changes of items during the fiscal year		
Provision of reserve for special depreciation	860	962
Disposal of reserve for special depreciation	(396)	(524)
Total changes of items during the fiscal year	463	438
Balance at the fiscal year end	2,733	3,171
Reserve for Deferred Gain of Fixed Assets		
Balance at the fiscal year start	47,119	46,674
Changes of items during the fiscal year		
Provision of reserve for deferred gain of fixed assets...	981	4,822
Disposal of reserve for deferred gain of fixed assets...	(1,426)	(1,330)
Total changes of items during the fiscal year	(445)	3,492
Balance at the fiscal year end	46,674	50,166

Note: Amounts less than one million yen are omitted.

	Millions of Yen	
	Fiscal 2011	Fiscal 2012
General Reserve		
Balance at the fiscal year start.....	930,000	990,000
Changes of items during the fiscal year		
Provision of reserve for general reserve.....	60,000	—
Total changes of items during the fiscal year	60,000	—
Balance at the fiscal year end	990,000	990,000
Retained Earnings Carried Forward		
Balance at the fiscal year start	287,046	242,937
Changes of items during the fiscal year		
Provision of reserve for special depreciation.....	(860)	(962)
Disposal of reserve for special depreciation.....	396	524
Provision of reserve for deferred gain of fixed assets...	(981)	(4,822)
Disposal of reserve for deferred gain of fixed assets....	1,426	1,330
Provision of reserve for general reserve	(60,000)	—
Dividends	(43,525)	(43,525)
Net income.....	59,434	77,152
Total changes of items during the fiscal year	(44,109)	29,695
Balance at the fiscal year end	242,937	272,632
Total Retained Earnings		
Balance at the fiscal year start	1,288,609	1,304,518
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	(43,525)	(43,525)
Net income.....	59,434	77,152
Total changes of items during the fiscal year	15,909	33,626
Balance at the fiscal year end	1,304,518	1,338,145
Treasury Stock, at Cost		
Balance at the fiscal year start.....	(24,911)	(24,920)
Changes of items during the fiscal year		
Purchase of treasury stock	(10)	(5)
Disposal of treasury stock.....	1	0
Total changes of items during the fiscal year	(9)	(4)
Balance at the fiscal year end	(24,920)	(24,925)

Note: Amounts less than one million yen are omitted.

Millions of Yen

	Fiscal 2011	Fiscal 2012
Total Shareholders' Equity		
Balance at the fiscal year start	1,560,311	1,576,210
Changes of items during the fiscal year		
Dividends	(43,525)	(43,525)
Net income	59,434	77,152
Acquisition of treasury stock	(10)	(5)
Disposal of treasury stock	1	0
Total changes of items during the fiscal year	15,899	33,621
Balance at the fiscal year end	1,576,210	1,609,832
Valuation and Translation Adjustments		
Net Unrealized Holding Gains (Losses) on Securities		
Balance at the fiscal year start	7,294	4,285
Changes of items during the fiscal year		
Net changes of items other than shareholders' equity ..	(3,008)	(1,517)
Total changes of items during the fiscal year	(3,008)	(1,517)
Balance at the fiscal year end	4,285	2,767
Net Deferred Gains (Losses) on Derivatives under Hedge Accounting		
Balance at the fiscal year start	(690)	(979)
Changes of items during the fiscal year		
Net changes of items other than shareholders' equity ..	(289)	598
Total changes of items during the fiscal year	(289)	598
Balance at the fiscal year end	(979)	(381)
Total Valuation and Translation Adjustments		
Balance at the fiscal year start	6,604	3,306
Changes of items during the fiscal year		
Net changes of items other than shareholders' equity ..	(3,297)	(919)
Total changes of items during the fiscal year	(3,297)	(919)
Balance at the fiscal year end	3,306	2,386
Total net assets		
Balance at the fiscal year start	1,566,915	1,579,517
Changes of items during the fiscal year		
Cash dividends	(43,525)	(43,525)
Net income	59,434	77,152
Purchase of treasury stock	(10)	(5)
Disposal of treasury stock	1	0
Net changes of items other than shareholders' equity ..	(3,297)	(919)
Total changes of items during the fiscal year	12,601	32,702
Balance at the fiscal year end	1,579,517	1,612,219

Note: Amounts less than one million yen are omitted.

(Additional Information Regarding Operating Results)

Consolidated Principal Indicators

	Fiscal 2011 (A)	Fiscal 2012 (B)	Increase (Decrease) (B)-(A)	Fiscal 2015 Targets
Cash flows from operating activities (billions of yen)	508.8	558.6	49.8	1,650.0
Ratio of operating income to average assets (ROA) (%)	4.9	5.1	0.2	5.5
Return on average equity (ROE) (%)	4.2	5.9	1.7	9.0
Equity ratio (%)	25.7	26.5	0.9	—
Shareholders' equity (billions of yen)	1,809.3	1,874.4	65.0	—
Total long-term debt (billions of yen)	3,422.0	3,385.4	(36.5)	—
Average interest rates (%)	2.99	2.85	(0.14)	—
Net interest expense (billions of yen)	(102.3)	(98.1)	4.2	—
Earnings per share (yen)	192.69	274.89	82.20	—
Shareholders' equity per share (yen)	4,574.05	4,738.51	164.46	—
Free cash flows (FCF) (billions of yen)	75.6	187.9	112.2	—
Capital expenditures (billions of yen)	425.8	370.1	(55.6)	—
Transportation	334.7	278.9	(55.8)	—
Non-transportation	91.0	91.2	0.2	—

Notes: Cash flows from operating activities (Fiscal 2015 Targets) are over three years from Fiscal 2013.

Consolidated Business Forecasts for Fiscal 2013

Billions of Yen

	Actual Fiscal 2012 (A)	Forecast Fiscal 2013 (B)	Change		Fiscal 2015 Targets
			Increase (Decrease) (B)-(A)	% (B)/(A)x100	
Operating Revenues	2,532.1	2,637.0	104.8	104.1	2,725.0
Transportation	1,705.7	1,764.0	58.2	103.4	1,776.0
Station Space Utilization	396.1	406.0	9.8	102.5	430.0
Shopping Centers & Office Buildings	229.6	238.0	8.3	103.6	261.0
Others	200.5	229.0	28.4	114.2	258.0
Operating Income	360.0	378.0	17.9	105.0	402.0
Transportation	236.6	255.0	18.3	107.8	264.0
Station Space Utilization	33.9	35.0	1.0	103.0	41.0
Shopping Centers & Office Buildings	66.5	67.0	0.4	100.7	71.0
Others	21.9	22.0	0.0	100.0	27.0
Elimination and/or corporate	0.9	(1.0)	(1.9)	—	(1.0)
Ordinary Income	272.1	292.0	19.8	107.3	—
Net Income	108.7	163.0	54.2	149.9	—

Reference: Earnings per share forecast for Fiscal 2013: ¥412.07

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 2013

	Billions of Yen			
	Actual Fiscal 2012	Plans for Fiscal 2013	Change	
			Increase (Decrease) (B)-(A)	% (B)/(A)x100
(A)	(B)	(B)-(A)	(B)/(A)x100	
Capital Expenditures	370.1	480.0	109.8	129.7
Transportation	278.9	347.0	68.0	124.4
Non-transportation.....	91.2	133.0	41.7	145.7

Passenger Kilometers and Passenger Revenues of Parent Company

	Passenger Kilometers				Revenues from Passenger Tickets			
	Millions		%		Billions of yen		%	
	Fiscal 2011	Fiscal 2012	Change		Fiscal 2011	Fiscal 2012	Change	
(A)	(B)	Increase (Decrease) (B)-(A)	(B)/(A)x100	(C)	(D)	Increase (Decrease) (D)-(C)	(D)/(C)x100	
Shinkansen Network								
Commuter Passes	1,659	1,647	(11)	99.3	22.7	22.4	(0.3)	98.6
Other.....	15,991	16,776	785	104.9	408.8	417.2	8.4	102.1
Total	17,650	18,424	773	104.4	431.5	439.6	8.1	101.9
Conventional Lines								
<i>Kanto Area Network</i>								
Commuter Passes	68,782	68,381	(401)	99.4	448.8	441.7	(7.0)	98.4
Other.....	32,850	32,586	(264)	99.2	652.1	645.2	(6.9)	98.9
Total	101,633	100,967	(666)	99.3	1,100.9	1,086.9	(13.9)	98.7
<i>Other Network</i>								
Commuter Passes	3,295	3,113	(181)	94.5	19.5	18.4	(1.1)	94.2
Other.....	2,954	2,558	(395)	86.6	57.0	50.2	(6.8)	88.0
Total	6,249	5,672	(577)	90.8	76.6	68.6	(7.9)	89.6
<i>Total</i>								
Commuter Passes	72,078	71,495	(582)	99.2	468.3	460.1	(8.2)	98.2
Other.....	35,804	35,144	(660)	98.2	709.1	695.4	(13.7)	98.1
Total	107,882	106,639	(1,243)	98.8	1,177.5	1,155.6	(21.9)	98.1
Total								
Commuter Passes	73,737	73,143	(594)	99.2	491.1	482.5	(8.5)	98.3
Other.....	51,795	51,921	125	100.2	1,118.0	1,112.7	(5.3)	99.5
Total	125,533	125,064	(469)	99.6	1,609.1	1,595.2	(13.8)	99.1

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.

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.