

## Consolidated Financial Results for the Nine-Month Period Ended December 31, 2013 (Japanese GAAP) (Unaudited)

Fiscal 2014 (Year ending March 31, 2014)

"Third Quarter" means the nine months from April 1 to December 31.

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.

January 31, 2014

### East Japan Railway Company

Stock Exchange Listings

Tokyo and Nagoya

Securities Code

9020

URL

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

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Scheduled Date for Release of a Quarterly Report

February 13, 2014

Scheduled Date of Dividend Payment Commencement

Not applicable

Preparation of Supplementary Explanations of Quarterly Financial Results: No

Quarterly Financial Results Presentation to Be Held: No

#### 1. Consolidated Results for the Nine-Month Period Ended December 31, 2013 (April 1, 2013—December 31, 2013)

(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 corresponding period in the previous fiscal year.)

	Operating revenues		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
<b>Fiscal 2014, 3rd Quarter</b>	<b>2,031,681</b>	<b>1.5</b>	<b>376,462</b>	<b>2.2</b>	<b>314,776</b>	<b>3.4</b>	<b>194,522</b>	<b>7.9</b>
Fiscal 2013, 3rd Quarter	2,001,384	6.3	368,232	14.3	304,498	22.1	180,348	77.3

Note: Comprehensive income – Fiscal 2014, 3rd Quarter: 221,905 million yen (an increase of 17.2%), Fiscal 2013, 3rd Quarter: 189,398 million yen (an increase of 101.3%)

	Earnings per share —Basic	Earnings per share —Diluted
	Yen	Yen
<b>Fiscal 2014, 3rd Quarter</b>	<b>492.98</b>	—
Fiscal 2013, 3rd Quarter	456.31	—

##### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
<b>Fiscal 2014, 3rd Quarter</b>	<b>7,230,198</b>	<b>2,215,225</b>	<b>30.4</b>
Fiscal 2013	7,223,204	2,048,192	28.1

Reference: Shareholders' equity – Fiscal 2014, 3rd Quarter: 2,195,901 million yen, Fiscal 2013: 2,030,665 million yen

#### 2. Dividends (Year Ended March 31, 2013 and Year Ending March 31, 2014)

	Annual dividends				
	1st quarter end	2nd quarter end	3rd quarter end	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2013	—	60.00	—	60.00	120.00
<b>Fiscal 2014</b>	—	<b>60.00</b>	—	—	—
(Forecast) Fiscal 2014	—	—	—	60.00	120.00

Note: Revisions to the most recently disclosed dividend forecasts: No

### 3. Forecasts for Fiscal 2014 (Year Ending March 31, 2014)

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

	Operating revenues		Operating income		Ordinary income		Net income		Earnings per share—Basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal 2014	<b>2,703,000</b>	<b>1.2</b>	<b>401,000</b>	<b>0.9</b>	<b>323,000</b>	<b>1.7</b>	<b>192,000</b>	<b>9.5</b>	<b>486.85</b>

Note: Revisions to the most recently disclosed earnings forecasts: No

#### ※ Notes

(1) Changes to principal subsidiaries during the period: No  
(Indicates whether changes have occurred in specified subsidiaries in accordance with changes in the scope of consolidation)

Newly consolidated — excluded —

(2) Application of special accounting treatment in preparing the quarterly consolidated financial statements: No

(3) 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

(4) Number of issued shares (common stock)

- i Issued shares at period-end (including treasury stock) 3rd Quarter, Fiscal 2014 395,000,000 shares Fiscal 2013 396,000,000 shares
- ii Treasury stock at period-end 3rd Quarter, Fiscal 2014 628,888 shares Fiscal 2013 602,387 shares
- iii Average number of shares during period 3rd Quarter, Fiscal 2014 394,587,178 shares 3rd Quarter, Fiscal 2013 395,233,428 shares

#### Indication of quarterly review procedure implementation status

These quarterly financial results are not subject to the quarterly review requirements as provided in the Financial Instruments and Exchange Law. The review of quarterly consolidated financial statements as provided in the Financial Instruments and Exchange Law had not been completed as of the date of these Consolidated Financial Results for the Nine-Month Period Ended December 31, 2013.

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

The forecasts of business results and other forward-looking statements in this document are based on information available as of the date of this document and on certain assumptions that JR East viewed as reasonable as of the date of this document. Actual results may differ from such forward-looking statements for a variety of reasons.

Regarding the forecasts of business results, please refer to “Qualitative Information on Consolidated Performance Outlook” on page 4 in the Attachment. Further, the non-consolidated performance outlook is on the next page.

## (Reference)

### Forecasts of the Non-consolidated Results for Fiscal 2014 (Year Ending March 31, 2014)

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

	Operating revenues		Operating income		Ordinary income		Net income		Earnings per share— Basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal 2014	<b>1,938,000</b>	<b>1.4</b>	<b>325,000</b>	<b>0.7</b>	<b>258,000</b>	<b>6.2</b>	<b>162,000</b>	<b>16.7</b>	<b>410.46</b>

Note: Revisions to the most recently disclosed earnings forecasts: No

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# 1. Qualitative Information on Quarterly Consolidated Financial Performance

(Unless otherwise stated, all comparisons are between the nine months from April 1, 2013, to December 31, 2013, and the nine months from April 1, 2012, to December 31, 2012.)

## (1) Qualitative Information on Consolidated Operating Results

In the first nine months of the fiscal year ending March 31, 2014 (from April 1, 2013, to December 31, 2013; the third quarter), the Japanese economy continued to gradually recover, with an upturn in consumer spending and corporate earnings. Under these conditions, and guided by “*JR East Group Management Vision V — Ever Onward*,” the East Japan Railway Company and its consolidated subsidiaries and equity method affiliates (JR East) made efforts to implement service quality reforms and generate revenues through steady execution of various initiatives centered around the railway and life-style service businesses, as well as *Suica* operations.

Consequently, during the nine months ended December 31, 2013, mainly due to higher passenger revenues, operating revenues increased 1.5% as compared to the corresponding period in the previous fiscal year to ¥2,031.6 billion, and operating income increased 2.2% to ¥376.4 billion. Furthermore, ordinary income increased 3.4% to ¥314.7 billion, mainly due to a decrease in interest expense. Because of an increase in insurance proceeds related to earthquake and other factors, net income increased 7.9% to ¥194.5 billion.

As of the first quarter of the fiscal year ending March 31, 2014, Japan Transport Engineering Company, which mainly manufactures railcars, was reclassified into the Transportation reporting segment from Others. This change reflects the plans that JR East implemented from this fiscal year to deepen cooperation in railway manufacturing operations between Japan Transport Engineering Company and its Niitsu Rolling Stock Plant, based on “*JR East Group Management Vision V*.”

As a result of this change, in the Segment Information section below, figures for the same period of the previous fiscal year have been restated to reflect the new reporting segment classification, and comparisons between the corresponding periods of this fiscal year and the previous fiscal year are based on restated figures.

### Segment Information

#### *Transportation*

In the Transportation segment, with railway operations as its core operations, JR East promoted the use of its Shinkansen and conventional line networks to secure revenues while ensuring safe and reliable transportation and enhancing customer satisfaction.

Specifically, aiming for “extreme safety levels,” JR East steadily promoted countermeasures in preparation for a major earthquake, such as seismic reinforcement work near the Chuo Line's Ochanomizu Station, in addition to steadily executing measures to prevent railway crossing accidents and extend the useful life of railway facilities. Furthermore, JR East continued to install automatic platform gates on the Yamanote Line and began using automatic platform gates at Shin-Okubo Station, Takadanobaba Station and other stations, bringing the cumulative number of stations that have installed automatic platform gates to 10 as of December 31, 2013. In response to a railcar derailment accident between Jinguji and Kariwano on the Ou Line in March 2013, JR East established a committee of experts to investigate the cause and discuss measures to prevent another derailment of *Komachi* railcars on the Ou Line. In November 2013, JR East decided on countermeasures for this winter, such as installation of snow fences and improvement in snow removal. In an effort to improve the reliability of transportation, JR East made progress with measures including introduction of new railcars to the Saikyo Line and installation of additional windbreaks along the Sobu, Keiyo and Joban lines, along with implementation of countermeasures against railroad switch malfunctions due to snowfall. In addition, to enhance its ability to respond swiftly to transportation disruptions and improve its service quality, JR East also began issuing all train crews with tablet computers. Furthermore, JR East took steps to ensure that all customers can utilize railway transportation comfortably and confidently. To this end, in addition to conducting trials of subtitled TV commercials from October 2013, JR East carried out the “Service Quality Improvement Project” on the Musashino, Saikyo and Yokohama lines to strengthen the management of JR East's services tailored to the need of each line.

JR East also conducted the *Sendai-Miyagi Destination Campaign*, the *Akita Destination Campaign* and the “*Ikuze, Tohoku*.” *Campaign* to encourage tourism and leverage it to help the Tohoku region recover from the March 2011 earthquake. In October 2013, JR East launched the *Tohoku Emotion* restaurant train for operation. Together with the *POKEMON with YOU train* on the Ofunato Line, ridership has remained strong. Efforts were also made to increase the use of railway services. Measures included encouraging more use of the *Super Komachi* service that began operation on the Akita Shinkansen Line in March 2013, and conducting an intensive advertising campaign designed to stimulate tourism and strengthen travel product sales in the Tokyo metropolitan area. In addition, JR East designed a product brand for travelers to Japan named “*JR East Railway Holiday*” in Taiwan and Hong Kong, and developed travel products featuring the World Heritage Site Mt. Fuji, as part of the Group's initiative to improve the overseas transmission of travel information and increase the number of international travelers visiting Japan. Meanwhile JR East established the Hokuriku Marketing Center in April 2013 to generate more tourism in preparation for the extension of the Hokuriku Shinkansen Line to Kanazawa at the end of fiscal 2015. In *Suica* operations, services became even more convenient in June 2013 when the mutual usage network was expanded to include the area serviced by the City of Sapporo Transportation Bureau's *SAPICA* card. In addition, the renovation of Kaihimmakuhari Station was completed in September 2013 on the Keiyo Line as part of JR East's “*ecoste*” model station initiative to incorporate an array of technologies for preserving the environment into railway stations.

With regard to overseas railway projects, JR East obtained approval in November 2013 for participation in railcar and ground facility maintenance services for the Purple Line, an urban mass transit railway line in Bangkok, Thailand, which is scheduled to enter service around 2016. Additionally, in railcar manufacturing operations, JR East made further efforts to win new projects and increase the number of orders worldwide. Notably, JR East received an order to supply railcars to the Purple Line.

As a result of the above, JR East's railway traffic volume increased compared to the same period of the previous fiscal year, and operating revenues in the Transportation segment increased by 1.6% to ¥1,425.8 billion. Operating income increased 2.1% to ¥273.9 billion.

JR East is holding discussions with the national government, local governments and other parties to coordinate the restoration of train lines along the northeastern Pacific coast that were damaged by the tsunami in the Great East Japan Earthquake. There are plans to rebuild the area as a whole and develop individual towns. With respect to railway routes (segments) for which restoration of railway services has been approved, JR East has continued to hold discussions on restoration work between Takagimachi and Rikuzen-Ono on the Senseki Line and acquisition of land between Soma and Hamayoshida on the Joban Line. The Group also proceeded with the restoration of a segment of the Joban Line between Hirono and Tatsuta, including a section inside the 20-kilometer radius of the Fukushima Daiichi Nuclear Power Station, that would enable operations to resume if municipalities along the line make the decision to allow evacuated residents to return in the spring of 2014. Furthermore, JR East has decided to begin restoration work on the segment of the Ishinomaki Line between Urashuku and Onagawa in the spring of 2014, with operations scheduled to resume in the spring of 2015. With respect to services with a provisional BRT (Bus Rapid Transit) system, the Group made efforts to further enhance passenger convenience, mainly by extending BRT roads on the Kesenuma Line and Ofunato Line in April and September 2013 and introducing *odeca* IC cards for boarding the BRT in August 2013. The Group remains in discussions with local authorities on how to move forward with the restoration of the Yamada Line. In the meantime, as part of its efforts to support recovery of the areas along the lines, JR East began construction of the Senseki-Tohoku Connecting Line in September 2013 to improve passenger convenience by shortening travel times between Sendai and Ishinomaki.

In March 2012, JR East announced that it had decided to abandon its restoration of the Iwaizumi Line as a railway line, and declared its policy of securing transportation for the region with buses. The Group has been negotiating and seeking mutual understanding with the affected municipalities and other related parties. As a result, the Group reached an agreement with the related parties on the alternative transportation and other terms for abolishing the Iwaizumi Line. Accordingly, JR East filed a notice concerning termination of operations on this line with the Minister of Land, Infrastructure, Transport and Tourism in November 2013. Subsequently, after receiving a notice in January 2014 allowing the date of termination of operations to be accelerated to April 1, 2014, the Company filed a notification to accelerate the date of termination of operations. JR East will take the initial steps to start an alternative bus transportation service from the date of termination of operations.

### **Station Space Utilization**

In the Station Space Utilization segment, JR East opened *Perie KaihinMakuhari* (Chiba) and *mAAch ecute Kanda Manseibashi* (Tokyo). In addition, JR East made efforts to strengthen its competitiveness by developing attractive stores and continuing the renovation of station space commercial facilities centered in the Tokyo metropolitan area, such as *ecute Tokyo* (Tokyo). Moreover, as part of the *Rediscovering the Region Projects*, JR East held farmers' markets at Ueno, Omiya, and other stations in an effort to highlight the appeal of various areas in Eastern Japan.

Despite these initiatives, as well as an increase in revenues from Tokyo Station's *CentralStreet* (Tokyo) that opened in the last fiscal year and other additional positive factors, operating revenues for the Station Space Utilization segment decreased by 0.9% to ¥315.3 billion due to the weak performance of existing stores, and operating income declined 3.9% to ¥29.2 billion.

### **Shopping Centers & Office Buildings**

In the Shopping Centers & Office Buildings segment, JR East opened *nonowa Musashisakai* (Tokyo), *atrévie Otsuka* (Tokyo) and other facilities. After completing the preservation and restoration of the Tokyo Station *Marunouchi Building* in 2012, in September 2013 JR East completed the *GranRoof* covered walkway above the Yaesu Entrance to Tokyo Station connecting the two office towers to the north and south of the station. Furthermore, JR East renovated *atré Kichijoji* (Tokyo), *LUMINE Yurakucho* (Tokyo), *atré Shinagawa* (Tokyo), and other facilities while continuing to reinvigorate existing stores and introduce tenants that can generate customer traffic. In other initiatives, JR East began construction of the *Shinjuku New South Exit Building* (provisional name) and a new building at Nagano Station.

As a result of these initiatives, as well as an increase in revenues from the opening of *KITTE GRANCHÉ* (Tokyo) in the *JP Tower* in the fiscal year ended March 31, 2013, operating revenues of the Shopping Centers & Office Buildings segment increased by 5.0% to ¥194.0 billion and operating income increased 4.9% to ¥55.5 billion.

### **Others**

In hotel operations, JR East worked to improve its competitive strength further by opening *HOTEL METS Niigata* (Niigata) in April 2013 and through other measures including renovation of guest rooms and banquet halls at existing hotels. In advertising and publicity services, JR East made efforts to promote advertising sales for *J-AD Vision*, an advertising medium at stations that uses large LCD screens, and *Train Channel*, an advertising medium used to show video commercials in trains.

In credit card operations, the Group conducted, among other activities, a campaign commemorating the 20th anniversary of the *View Card*, and succeeded in further promoting the card's usage and increasing the number of card

members. In *Suica* shopping services (electronic money), JR East worked to actively expand its affiliated store network in markets other than railway stations. These efforts included the introduction of card settlements in taxis operated by HINOMARU Kotsu, Tokyo Musen and Checker Cab in the Tokyo metropolitan areas, along with the launch of settlement services at all Cocokara fine stores (drugstores) and TOYOTA Rent a Car shops nationwide. As a result, *Suica* electronic money was usable at approximately 242,480 stores as of December 31, 2013.

Meanwhile, in the overseas railway business, JR East continued to develop a consulting business promoting construction plans for urban railway networks and high-speed railways in Asia and elsewhere. In the sports business, JR East opened *JeXer FITNESS & SPA Otsuka* (Tokyo) in September 2013, followed by the October 2013 opening of *JEXER Platina Gym Minami Urawa* (Saitama), the first gym in its nursing care prevention business.

As a result of these initiatives, as well as a revenue increase from the opening of *The Tokyo Station Hotel* (Tokyo) in the fiscal year ended March 31, 2013 and other factors such as an increase in sales in IC card-related equipment, operating revenues from Others increased by 3.3% to ¥385.6 billion. Operating income increased 9.0% to ¥16.9 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.

## (2) Qualitative Information on Consolidated Performance Outlook

Japan's economy is steadily improving. Going forward, it is essential for the country to make efforts to solidify this economic recovery for future growth in the real economy. JR East can also contribute to these efforts by achieving concrete business results and steady progress in pursuing its two management priorities, "Eternal Mission" ("extreme safety levels," service quality reforms and strengthening collaboration with local communities) and "Pursuing Unlimited Potential" (technological innovation, globalization, corporate culture reforms) in accordance with the "*JR East Group Management Vision V*."

In railway operations, JR East will continue to move forward with measures to address foreseeable risks, including countermeasures for major earthquakes and natural disasters, and safety measures to prevent railway crossing accidents. Aiming for "extreme safety levels," JR East will continue internal discussions for the formulation of its next five-year safety enhancement plan, as well as a second-phase development plan for extending automatic platform gates to lines other than the Yamanote Line, with the aim of formulating those plans by the end of fiscal 2014. Meanwhile, the Group will continue supporting the Tohoku region's recovery and helping to reinvigorate regional communities through the power of tourism. In addition, JR East will continue working to revitalize winter leisure activities and promote Japan as a tourism-driven nation by conducting the *JR SKISKI* campaign and other events both at home and abroad. Furthermore, with the revision of timetables in March 2014, JR East will raise the maximum operating speed of all *Hayabusa* and *Komachi* services to 320 km/h, which will complete the Tohoku Shinkansen Line high-speed transportation network. In advance of the opening of the Hokuriku Shinkansen Line to Kanazawa, JR East will begin commercial operation of the brand new Series E7 railcars. With conventional lines, JR East plans to introduce the *Swallow Service*, a new seating service for commuting, on the Takasaki Line Limited Express Service, along with measures to enhance the convenience of the *Tokyo MegaLoop*, such as extension of the operating segment for the Nambu Line Rapid Service. Furthermore, as JR East is scheduled to increase passenger fares in response to the increase in Japan's consumption tax rate when it takes effect in April 2014. Ordinary passenger fares will be revised in increments of ¥1 when passengers use their IC cards. For this reason, the Group will use its best efforts to upgrade its systems and issue clear notices to customers. JR East will also promote its energy and environmental strategy by introducing the *ACCUM* storage-battery railcars for service on the Karasuyama Line in March 2014. The Group will also open a new overseas office in London in spring 2014, in an effort to strengthen its ability to gather information on projects for developing high-speed railways and urban railway networks and to serve as local contacts.

In the life-style service business, JR East will improve customer convenience and enhance its competitiveness, mainly by renovating its shopping centers, as well as by opening *nonowa Higashi-Koganei* (Tokyo) in January 2014. The Group will also promote the "*NOMONO 1-2-3*" project, which aims to revitalize local economies by transforming the agriculture, forestry and fishery industries into a "sextiary industry," while opening in March 2014 a second permanent *NOMONO* shop for selling local produce in Akihabara Station.

In *Suica* operations, JR East will generate additional demand and improve the convenience of *Suica* electronic money by continuing to expand the number of participating stores and business establishments. In addition, JR East will move forward with preparations for the expansion in the number of locations where *Suica* can be used (33 stations on 12 lines), which is planned for April 2014.

In railcar manufacturing operations, the Group aims to strengthen the brand power of *sustina* railcars and to continue to win new projects and orders for these railcars from around the world. The Group will also steadily advance preparations to integrate Japan Transport Engineering Company and JR East's Niitsu Rolling Stock Plant, which is scheduled to be implemented in April 2014.

Having reviewed the operating results for the nine months ended December 31, 2013, JR East has decided not to revise its consolidated forecasts for the fiscal year ending March 31, 2014, previously announced on October 29, 2013.

## 2. Quarterly Consolidated Financial Statements

### (1) Consolidated Balance Sheets (Unaudited)

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES

	Millions of Yen	
	Fiscal 2013 (As of March 31, 2013)	Fiscal 2014, 3rd Quarter (As of December 31, 2013)
<b>ASSETS</b>		
<b>Current Assets</b> .....	¥ 738,159	¥ 719,348
Cash and time deposits .....	96,439	134,890
Notes and accounts receivable-trade .....	343,798	347,409
Fares receivable .....	34,408	29,210
Short-term loans receivable .....	21,915	46,290
Securities .....	80,000	—
Real estate for sale .....	1,330	1,302
Inventories .....	62,933	83,076
Deferred income taxes .....	49,927	31,516
Other .....	49,733	48,181
Allowance for doubtful accounts .....	(2,327)	(2,529)
<b>Fixed Assets</b> .....	6,484,964	6,510,801
Property, plant and equipment, net of accumulated depreciation ..	5,926,221	5,913,790
Buildings and fixtures (net) .....	2,957,772	2,943,741
Machinery, rolling stock and vehicles (net) .....	660,821	678,110
Land .....	1,986,873	1,987,987
Construction in progress .....	276,370	256,564
Other (net) .....	44,384	47,386
Intangible assets .....	90,888	96,355
Investments and other assets .....	467,854	500,655
Investments in securities .....	182,224	223,361
Long-term loans receivable .....	4,390	4,252
Long-term deferred income taxes .....	231,067	215,351
Other .....	51,052	58,491
Allowance for doubtful accounts .....	(880)	(800)
<b>Deferred Assets</b> .....	80	47
<b>Total Assets</b> .....	¥7,223,204	¥7,230,198

Note: Amounts less than one million yen are omitted.



Millions of Yen

	Fiscal 2013 (As of March 31, 2013)	Fiscal 2014, 3rd Quarter (As of December 31, 2013)
<b>LIABILITIES</b>		
<b>Current Liabilities</b> .....	¥1,274,164	¥1,157,225
Notes and accounts payable-trade .....	59,940	56,335
Short-term loans and current portion of long-term loans .....	143,758	141,918
Current portion of bonds .....	79,999	94,999
Current portion of long-term liabilities incurred for purchase of railway facilities .....	126,119	125,348
Payables .....	352,191	251,738
Accrued consumption taxes .....	12,243	7,837
Accrued income taxes .....	86,916	37,362
Fare deposits received with regard to railway connecting services ..	18,913	17,210
Prepaid railway fares received .....	88,580	95,383
Allowance for bonuses to employees .....	72,022	35,624
Allowance for earthquake-damage losses .....	4,839	3,791
Other .....	228,639	289,675
<b>Long-Term Liabilities</b> .....	3,900,847	3,857,747
Bonds .....	1,579,730	1,594,777
Long-term loans .....	750,654	728,730
Long-term liabilities incurred for purchase of railway facilities .....	667,111	615,653
Long-term deferred tax liabilities .....	4,424	4,592
Employees' severance and retirement benefits .....	648,381	645,146
Allowance for earthquake-damage losses .....	3,037	3,037
Other .....	247,508	265,809
<b>Total Liabilities</b> .....	¥5,175,011	¥5,014,973
<b>NET ASSETS</b>		
<b>Shareholders' Equity</b> .....	¥2,006,272	¥2,145,057
Common stock .....	200,000	200,000
Capital surplus .....	96,790	96,790
Retained earnings .....	1,713,025	1,852,590
Treasury stock, at cost .....	(3,544)	(4,324)
<b>Accumulated Other Comprehensive Income</b> .....	24,393	50,844
Net unrealized holding gains (losses) on securities .....	22,996	49,006
Net deferred gains (losses) on derivatives under hedge accounting .....	1,900	2,341
Revaluation reserve for land .....	(503)	(503)
<b>Minority Interests</b> .....	17,527	19,323
<b>Total Net Assets</b> .....	2,048,192	2,215,225
<b>Total Liabilities and Net Assets</b> .....	¥7,223,204	¥7,230,198

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 2013, 3rd Quarter (Nine months ended December 31, 2012)	Fiscal 2014, 3rd Quarter (Nine months ended December 31, 2013)
<b>Operating Revenues</b> .....	¥2,001,384	¥2,031,681
<b>Operating Expenses</b> .....	1,633,151	1,655,219
Transportation, other services and cost of sales .....	1,284,824	1,293,108
Selling, general and administrative expenses .....	348,327	362,110
<b>Operating Income</b> .....	368,232	376,462
<b>Non-Operating Income</b> .....	11,102	9,025
Interest income .....	155	115
Dividend income .....	2,348	2,796
Equity in net income of affiliated companies .....	3,792	936
Other .....	4,805	5,177
<b>Non-Operating Expenses</b> .....	74,837	70,711
Interest expense .....	71,979	66,701
Other .....	2,858	4,009
<b>Ordinary Income</b> .....	304,498	314,776
<b>Extraordinary Gains</b> .....	21,701	26,629
Construction grants received .....	18,296	14,693
Insurance proceeds related to earthquake .....	—	9,624
Other .....	3,405	2,311
<b>Extraordinary Losses</b> .....	33,257	24,638
Losses on reduction entry for construction grants .....	18,030	14,307
Losses on revaluation of investments in securities .....	7,158	—
Other .....	8,068	10,330
<b>Income before Income Taxes</b> .....	292,942	316,768
<b>Income Taxes</b> .....	111,636	121,316
Current .....	96,634	100,336
Deferred .....	15,002	20,979
<b>Income before Minority Interests</b> .....	181,305	195,452
<b>Minority Interests in Net Income of Consolidated Subsidiaries</b> .....	957	929
<b>Net Income</b> .....	¥ 180,348	¥ 194,522

Note: Amounts less than one million yen are omitted.

## (ii) Consolidated Statements of Comprehensive Income

	Millions of Yen	
	Fiscal 2013, 3rd Quarter (Nine months ended December 31, 2012)	Fiscal 2014, 3rd Quarter (Nine months ended December 31, 2013)
<b>Income before Minority Interests</b> .....	¥181,305	¥195,452
<b>Other Comprehensive Income</b> .....	8,093	26,453
Net unrealized holding gains (losses) on securities .....	6,565	25,246
Net deferred gains (losses) on derivatives under hedge accounting .....	601	376
Share of other comprehensive income of associates accounted for using equity method .....	926	830
<b>Comprehensive Income</b> .....	¥189,398	¥221,905
<b>Comprehensive Income attributable to</b>		
Comprehensive income attributable to owners of the parent .....	¥188,441	¥220,973
Comprehensive income attributable to minority interests .....	¥ 956	¥ 932

Note: Amounts less than one million yen are omitted.

### (3) Notes on Going Concern Assumption (Unaudited)

None

### (4) Segment Information (Unaudited)

Fiscal 2013, 3rd Quarter (Nine months ended December 31, 2012)	Millions of Yen						Quarterly Consolidated Statements of Income (Note 3)
	Transportation	Station Space Utilization	Shopping Centers & Office Buildings	Others (Note 1)	Total	Adjustment (Note 2)	
Operating Revenues							
Outside customers .....	¥1,363,298	¥ 307,380	¥ 177,198	¥ 153,506	¥2,001,384	¥ —	¥2,001,384
Inside group .....	39,634	10,746	7,668	219,967	278,017	(278,017)	—
Total .....	1,402,933	318,126	184,866	373,473	2,279,401	(278,017)	2,001,384
Segment income .....	¥ 268,396	¥ 30,421	¥ 52,894	¥ 15,584	¥ 367,297	¥ 935	¥ 368,232

- Notes: 1. "Others" represent categories of business that are not included in reportable segments and include hotel operations and advertising and publicity services.
2. The ¥935 million adjustment to segment income includes a ¥477 million elimination of unrealized holding gains (losses) on fixed assets and inventory assets and a ¥454 million elimination for intersegment transactions.
3. Segment income is adjusted to ensure consistency with the operating income set forth in the quarterly consolidated statements of income.

Fiscal 2014, 3rd Quarter (Nine months ended December 31, 2013)	Millions of Yen						Quarterly Consolidated Statements of Income (Note 3)
	Transportation	Station Space Utilization	Shopping Centers & Office Buildings	Others (Note 1)	Total	Adjustment (Note 2)	
Operating Revenues							
Outside customers .....	¥1,384,669	¥ 304,169	¥ 186,012	¥ 156,831	¥2,031,681	¥ —	¥2,031,681
Inside group .....	41,167	11,146	8,048	228,847	289,211	(289,211)	—
Total .....	1,425,836	315,315	194,061	385,678	2,320,892	(289,211)	2,031,681
Segment income .....	¥ 273,911	¥ 29,232	¥ 55,506	¥ 16,993	¥ 375,643	¥ 818	¥ 376,462

- Notes: 1. "Others" represent categories of business that are not included in reportable segments and include hotel operations and advertising and publicity services.
2. The ¥818 million adjustment to segment income includes a ¥733 million elimination of unrealized holding gains (losses) on fixed assets and inventory assets and an ¥86 million elimination for intersegment transactions.
3. Segment income is adjusted to ensure consistency with the operating income set forth in the quarterly consolidated statements of income.

#### Matters Concerning Changes in Reporting Segments, etc.

As of the first quarter of the fiscal year ending March 31, 2014, Japan Transport Engineering Company, which mainly manufactures railcars, was reclassified as part of the Transportation segment from Others in reporting segments. This change reflects JR East's plans to further strengthen cooperation between Japan Transport Engineering Company and the Company's Niitsu Rolling Stock Plant in railcar manufacturing operations from the fiscal year ending March 31, 2014, based on "JR East Group Management Vision V — Ever Onward."

As a result of this change, figures for the same period of the previous fiscal year have been restated and presented based on the new reporting segment classification.

### (5) Notes on Significant Changes in the Value of Shareholders' Equity (Unaudited)

In accordance with a resolution of the Board of Directors on April 30, 2013, JR East purchased 1,000,000 of its own shares at market on the Tokyo Stock Exchange for ¥8,375 million from May 8 through May 23, 2013, and converted those shares to treasury stock. Moreover, in accordance with a resolution of the Board of Directors on July 18, 2013, JR East canceled 1,000,000 shares of treasury stock, eliminating the ¥7,751 million book value by reducing retained earnings.

## (Additional Information Regarding Operating Results)

### Consolidated Principal Indicators

	Fiscal 2013, 3rd Quarter (Nine months ended December 31, 2012)	Fiscal 2013 (Year ended March 31, 2013)	Fiscal 2014, 3rd Quarter (Nine months ended December 31, 2013)	Increase (Decrease)	Fiscal 2016 Targets
	(A)	(B)	(C)	(C)-(A)	
Ratio of operating income to average assets (ROA) (%)	5.2	5.6	<b>5.2</b>	0.0	5.5
Return on average equity (ROE) (%)	9.3	9.0	<b>9.2</b>	(0.1)	8.9
Capital expenditures (billions of yen)	267.5	480.7	<b>279.6</b>	12.1	—
Transportation	204.6	375.1	<b>209.0</b>	4.3	—
Non-transportation	62.8	105.5	<b>70.6</b>	7.7	—

	Fiscal 2013 (As of March 31, 2013)	Fiscal 2014, 3rd Quarter (As of December 31, 2013)	Increase (Decrease)
	(A)	(B)	(B)-(A)
Total interest-bearing debt (billions of yen)	3,307.4	<b>3,265.5</b>	(41.9)
Average interest rates (%)	2.73	<b>2.66</b>	(0.07)

### Consolidated Business Forecasts for Fiscal 2014

	Billions of Yen				Fiscal 2016 Targets
	Actual Fiscal 2013	Forecast Fiscal 2014	Change		
			Increase (Decrease)	%	
(A)	(B)	(B)-(A)	(B)/(A)x100		
<b>Operating Revenues</b>	2,671.8	<b>2,703.0</b>	31.1	101.2	2,788.0
Transportation	1,809.5	<b>1,831.0</b>	21.4	101.2	1,857.0
Station Space Utilization	404.2	<b>406.0</b>	1.7	100.4	437.0
Shopping Centers & Office Buildings	238.9	<b>250.0</b>	11.0	104.6	261.0
Others	219.1	<b>216.0</b>	(3.1)	98.6	233.0
<b>Operating Income</b>	397.5	<b>401.0</b>	3.4	100.9	418.0
Transportation	264.3	<b>269.0</b>	4.6	101.8	278.0
Station Space Utilization	37.5	<b>37.0</b>	(0.5)	98.5	42.0
Shopping Centers & Office Buildings	68.1	<b>69.0</b>	0.8	101.2	72.0
Others	29.0	<b>27.0</b>	(2.0)	93.0	27.0
Adjustment	(1.5)	<b>(1.0)</b>	0.5	63.5	(1.0)
<b>Ordinary Income</b>	317.4	<b>323.0</b>	5.5	101.7	—
<b>Net Income</b>	175.3	<b>192.0</b>	16.6	109.5	—

Reference: Earnings per share forecast for Fiscal 2014: ¥486.85

### Consolidated Capital Expenditure Plans for Fiscal 2014

	Billions of Yen			
	Actual Fiscal 2013	Plans for Fiscal 2014	Change	
			Increase (Decrease)	%
(A)	(B)	(B)-(A)	(B)/(A)x100	
<b>Capital Expenditures</b>	480.7	<b>540.0</b>	59.2	112.3
Transportation	375.1	<b>405.0</b>	29.8	107.9
Non-transportation	105.5	<b>135.0</b>	29.4	127.9

Note: As of the first quarter of the fiscal year ending March 31, 2014, Japan Transport Engineering Company, which mainly manufactures railcars, was reclassified to the Transportation segment from Others in reporting segments. In line with this change, the capital expenditures of Japan Transport Engineering Company, which were hitherto included in the Non-transportation segment, were reclassified to the Transportation segment. The Segment Information and capital expenditures figures for the same period of the previous fiscal year have been restated and presented based on the new reporting segment classification.

### Forward-looking Statements

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

## Passenger Kilometers and Passenger Revenues of Parent Company

	Passenger Kilometers				Revenues from Passenger Tickets			
	Millions		%		Billions of yen		%	
	Fiscal 2013, 3rd Quarter (Nine months ended December 31, 2012) (A)	Fiscal 2014, 3rd Quarter (Nine months ended December 31, 2013) (B)	Change Increase (Decrease) (B)-(A)	(B)/(A)x100	Fiscal 2013, 3rd Quarter (Nine months ended December 31, 2012) (C)	Fiscal 2014, 3rd Quarter (Nine months ended December 31, 2013) (D)	Change Increase (Decrease) (D)-(C)	(D)/(C)x100
<b>Shinkansen Network</b>								
Commuter Passes .....	1,261	<b>1,275</b>	14	101.1	17.1	<b>17.4</b>	0.2	101.5
Other .....	14,133	<b>14,450</b>	316	102.2	356.2	<b>367.4</b>	11.1	103.1
Total .....	15,395	<b>15,725</b>	330	102.1	373.4	<b>384.8</b>	11.4	103.1
<b>Conventional Lines</b>								
<i>Kanto Area Network</i>								
Commuter Passes .....	52,208	<b>52,211</b>	3	100.0	337.4	<b>337.1</b>	(0.2)	99.9
Other .....	25,561	<b>26,043</b>	481	101.9	505.5	<b>509.8</b>	4.2	100.8
Total .....	77,769	<b>78,254</b>	484	100.6	842.9	<b>847.0</b>	4.0	100.5
<i>Other Network</i>								
Commuter Passes .....	2,461	<b>2,452</b>	(8)	99.6	14.4	<b>14.4</b>	(0.0)	99.6
Other .....	2,085	<b>2,130</b>	45	102.2	40.9	<b>42.0</b>	1.1	102.8
Total .....	4,546	<b>4,583</b>	36	100.8	55.4	<b>56.5</b>	1.1	102.0
<i>Total</i>								
Commuter Passes .....	54,669	<b>54,663</b>	(5)	100.0	351.9	<b>351.5</b>	(0.3)	99.9
Other .....	27,647	<b>28,173</b>	526	101.9	546.4	<b>551.9</b>	5.4	101.0
Total .....	82,316	<b>82,837</b>	521	100.6	898.3	<b>903.5</b>	5.1	100.6
<b>Total</b>								
Commuter Passes .....	55,930	<b>55,938</b>	8	100.0	369.0	<b>369.0</b>	(0.0)	100.0
Other .....	41,780	<b>42,624</b>	843	102.0	902.7	<b>919.3</b>	16.5	101.8
Total .....	97,711	<b>98,563</b>	851	100.9	1,271.8	<b>1,288.3</b>	16.5	101.3

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.