



FY2016.3 Financial Results Presentation



**April 28, 2016
East Japan Railway Company**

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I. JR East Group Management Vision V - Ever Onward - Current Situation and Foresight

JR East Group Management Vision V

- Ever Onward -

(Announced on Oct. 30, 2012)

Eternal Mission

Pursuing Unlimited Potential

Extreme safety levels

Technological innovation

Service quality reforms

Tackling new business areas

Strengthening collaboration with local communities

Creating a corporate culture that maximizes human potential

Sustained Growth



Local Communities and Society

The JR East Group

Employees

Customers

Shareholders and Investors

“ Thriving with Communities, Growing Globally ”

■ 30 years since the Company's establishment (1987 → 2016)

Safety is the most important task of business management.



Learning lessons from accidents,
we have taken numerous countermeasures.

■ Change points

Series of incidents that occurred in previous fiscal year

Changes in railway systems

Increasing horizontal division of duties

Rapidly advancing transition to next generation of employees

Background factors



Operation of Shinkansen at higher speeds



Work by partner companies

Strengthen ability to respond to emergencies

Revise safety education and training

Aiming to resolve issues

Enhance technological capabilities through collaboration with partner companies

Strengthen physical infrastructure



Example of practical safety training

Heighten the safety and reliability of transportation

Expand and Improve Railway Network

■ Hokkaido Shinkansen

(March 26, 2016: Opened to Shin-Hakodate Hokuto)

Increase passenger traffic among Tokyo metropolitan area - Tohoku - Hokkaido

Aomori Prefecture and Hakodate Destination Campaign (Jul. - Sep.)

■ Hokuriku Shinkansen

(March 14, 2015: Opened to Kanazawa)

Promote further use and revitalization of line-side areas



Series E7

Establish inter-regional sightseeing routes

Capture demand from inbound tourists

Establish strategic products

Increase passenger traffic



JR East-South Hokkaido Rail Pass (pamphlet)



Goryokaku Fortress



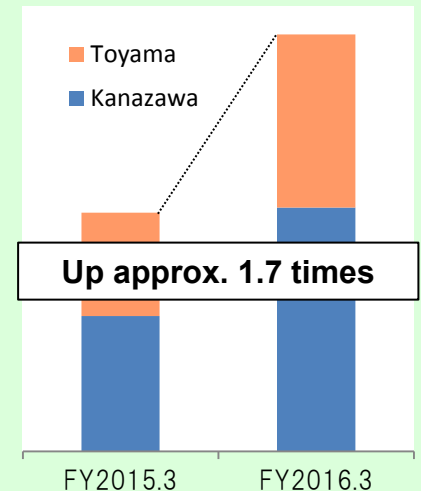
Hirosaki Castle



Aomori Prefecture and Hakodate Destination Campaign



Hokuriku Arch Pass (pamphlet)



Total passenger traffic between Tokyo metropolitan area - Kanazawa/Toyama (Comparison of Apr. - Jan. results, including air transportation)

■ Capturing demand on JR East Group basis

Establish *Golden Route for Travel in East Japan*

- Collaborate with Tohoku Tourism Promotion Organization
- Collaborate with Sendai Airport, which will be privatized

Establish environment that accommodates needs of inbound tourists and increase convenience

- Increase and enhance JR EAST Travel Service Centers
- Accelerate establishment of one-stop duty free counters

Strengthen sales capabilities overseas



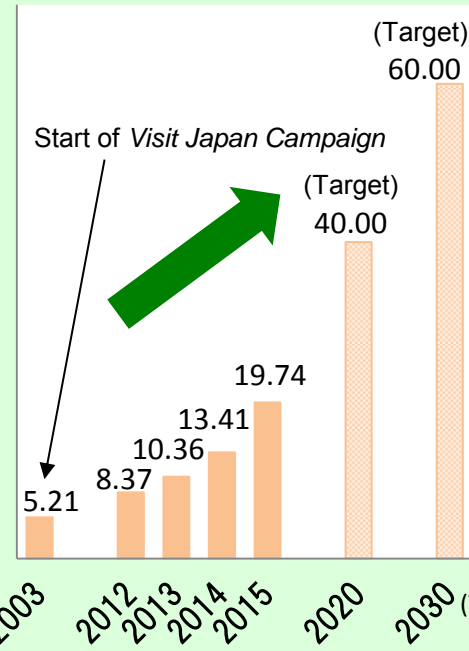
JR East Pass (pamphlet)



Symposium aimed at revitalizing Tohoku through tourism (Publicity drive involving Commissioner of Japan Tourism Agency and governors of Tohoku's six prefectures)

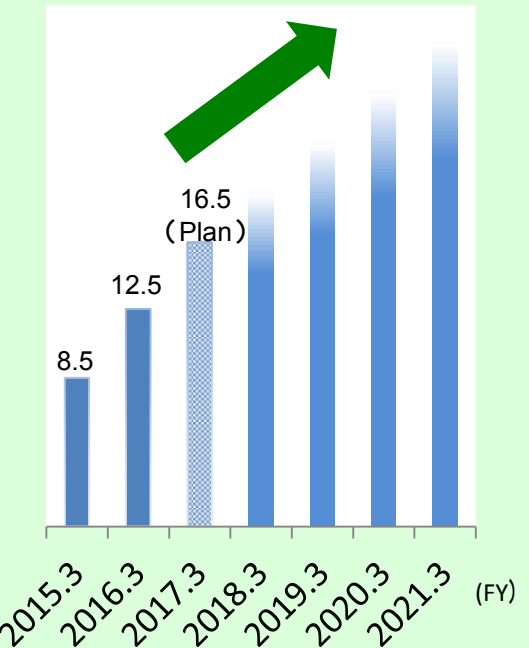
(Millions)

Visitors to Japan



Revenues from inbound tourism (projection)

(¥ Billion)

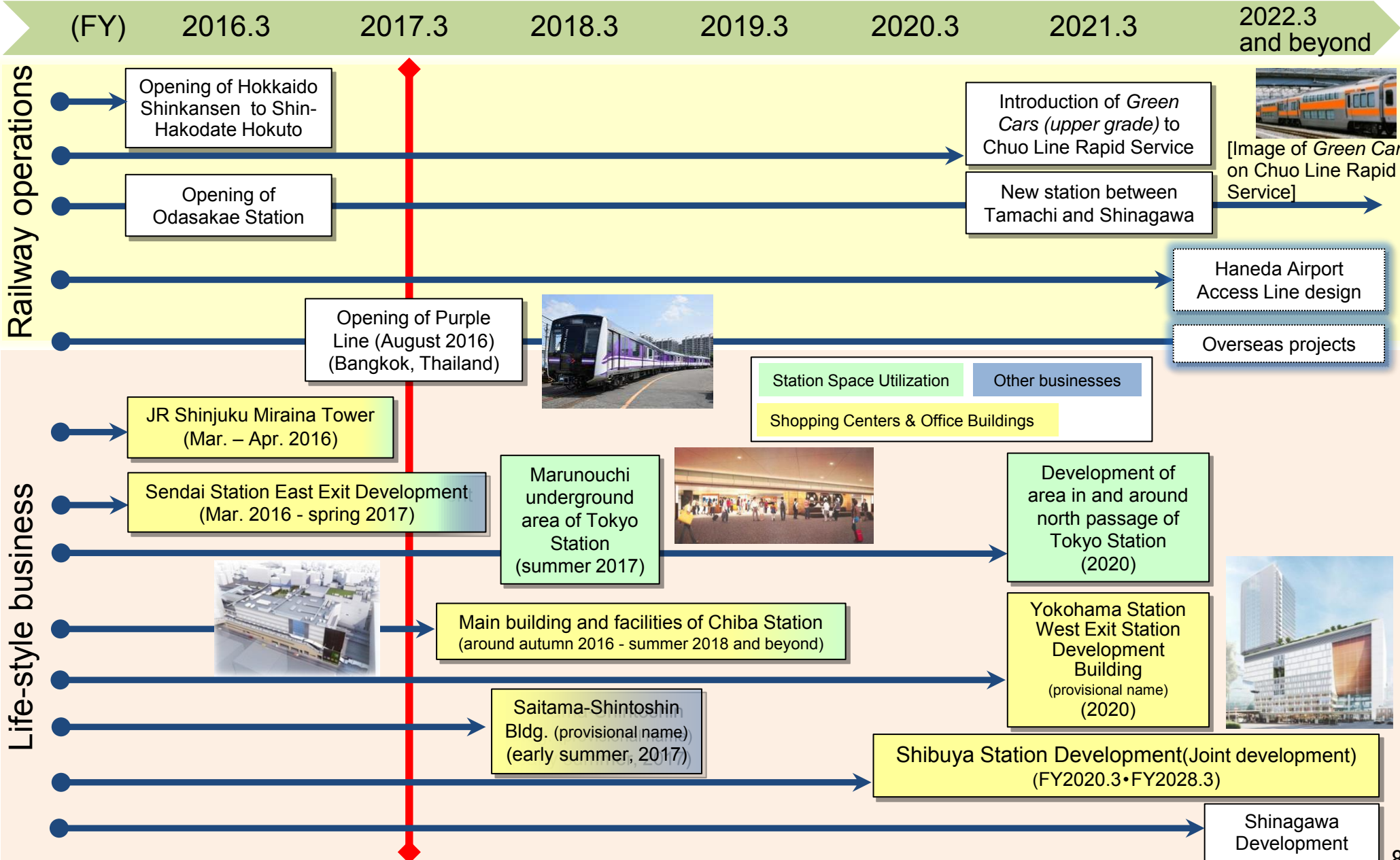


JR EAST Travel Service Center (Tokyo Station)

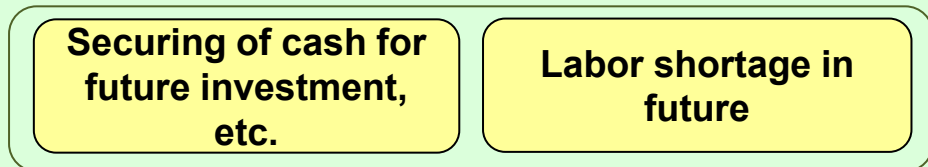


One-stop duty free counter (NEWoMan)

Major Projects Going Forward



Enhance operational efficiency and productivity

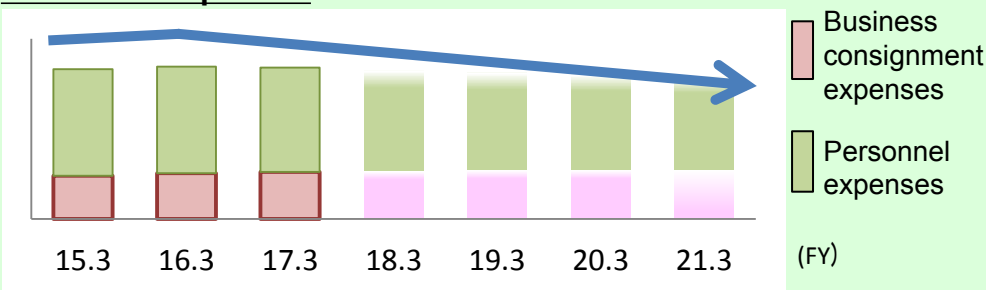


Enhancement of operational efficiency and productivity

- Reform of operations for onboard services
- Reform of cleaning frequency and work time
- Advancement of multi-skill development, etc.

Toward sustained growth of JR East Group

(reference) Image of business consignment expenses + Personnel expenses



FY2016.3 result: ¥675.9 billion (business consignment expenses: ¥202.6 billion, personnel expenses: ¥473.2 billion)
 FY2017.3 plan: ¥670.0 billion (business consignment expenses: ¥208.0 billion, personnel expenses: ¥462.0 billion)

Cost reduction through technological innovation

Reliability enhancement and cost reduction through streamlining of facilities

- ATACS: Saikyō Line (autumn 2017)

Optimization of facilities and equipment maintenance

- Practical application of Condition Based Maintenance (CBM)

Utilization of ICT to innovate operations

- Station remote control systems
- Expand and improve online sales (*JR East Dynamic Rail Pack*)

Establishment of lean, muscular, and agile management structure

Streamlining of facilities to reflect actual transportation situations

Integrated management of railway operations and lifestyle business



JR East Dynamic Rail Pack



nonowa Kunitachi

FY2019.3 Numerical Targets

(¥ billion,%)	2016.3 Results	2017.3 Plan	2019.3 Target	2019.3/2016.3	
				Increase / decrease	(%)
Operating revenues	2,867.1	2,878.0	2,967.0	+99.8	103.5
Transportation	1,954.5	1,951.0	1,979.0	+24.4	101.2
Station Space Utilization	399.9	402.0	427.0	+27.0	106.8
Shopping Centers & Office Buildings	255.9	274.0	296.0	+40.0	115.6
Others	256.6	251.0	265.0	+8.3	103.2
Operating income	487.8	450.0	498.0	+10.1	102.1
Transportation	348.5	308.0	342.0	-6.5	98.1
Station Space Utilization	35.0	33.0	37.0	+1.9	105.4
Shopping Centers & Office Buildings	71.6	75.0	84.0	+12.3	117.3
Others	35.0	35.0	36.0	+0.9	102.8
Adjustment	-2.4	-1.0	-1.0		

■ Main assumptions

(For the three years ending FY2019.3)

- Real GDP growth rate
approx. +0.7% per year
- Basic growth rate for passenger revenues per year
Commuter passes:
approx. +0.2% per year
Non-commuter passes:
approx. +0.4% per year

Consolidated ROA (at the end of FY2019.3)
(rate of operating income on total assets)

Around **6%**

Consolidated ROE (at the end of FY2019.3)
(rate of net income on equity)

Around **10%**

The three-year targets will be reviewed annually, and will be revised to new targets for the next three years starting from the following fiscal year.

Uses of Consolidated Cash Flows

	Targets	FY2017.3
Consolidated operating cash flow	Approx. ¥2.0 trillion (Three-year total to FY2019.3)	
Capital expenditures	Approx. ¥1.6 trillion (Three-year total to FY2019.3)	¥520.0 billion*
Investment needed for the continuous operation of business (Safety practice and transportation stability)	Approx. ¥1,000.0 billion (Approx. ¥600.0 billion)	¥342.0 billion
Growth investment	Approx. ¥600.0 billion	¥178.0 billion
Shareholder returns	[Medium- to long-term target] 33% total return ratio (to net income)	¥130 /share dividend Share buybacks**
Debt reduction	(During the 2020s) ¥3,000.0 billion interest-bearing debt balance	Reduce interest-bearing debt Around ¥30.0 billion

* In addition, priority budget allocation max. ¥30.0 billion from the deposit balance on Mar. 31, 2016 (capital expenditures of approx. ¥550.0 billion in total)

** Share buybacks of max. 3.3 million shares or ¥30.0 billion (Apr. 28 to Jul. 29, 2016)

II. FY2016.3 Financial Results and FY2017.3 Plan

FY2016.3 Financial Results and FY2017.3 Plan (non-consolidated)

(¥ billion)	2015.3	2016.3		2016.3/2015.3		2017.3	2017.3/2016.3	
	<i>Results</i>	Results	[Oct. plan]	Increase / Decrease	(%)	Plan	Increase / decrease	(%)
Operating revenues	1,966.0	2,057.3	[2,049.0]	+91.2	104.6	2,060.0	+2.6	100.1
Passenger revenues	1,725.9	1,805.0		+79.0	104.6	1,807.0	+1.9	100.1
Others	240.0	252.3		+12.2	105.1	253.0	+0.6	100.3
Operating expenses	1,613.3	1,647.3		+33.9	102.1	1,687.0	+39.6	102.4
Personnel expenses	472.3	473.2		+0.9	100.2	462.0	-11.2	97.6
Non-personnel expenses	690.3	702.6		+12.2	101.8	746.0	+43.3	106.2
Energy	71.5	60.3		-11.1	84.4	62.0	+1.6	102.7
Maintenance	248.3	256.3		+7.9	103.2	285.0	+28.6	111.2
Other	370.3	385.8		+15.5	104.2	399.0	+13.1	103.4
Usage fees to JR TT, etc.	73.9	86.9		+13.0	117.7	89.0	+2.0	102.3
Taxes	86.0	90.5		+4.5	105.2	96.0	+5.4	106.0
Depreciation	290.6	293.8		+3.2	101.1	294.0	+0.1	100.0
Operating income	352.6	409.9	[391.0]	+57.3	116.3	373.0	-36.9	91.0
Ordinary income	301.5	359.4	[339.0]	+57.9	119.2	323.0	-36.4	89.9
Profit	157.1	209.0	[220.0]	+51.9	133.0	229.0	+19.9	109.6

Passenger Revenues – FY2016.3 Results

(YoY, ¥ billion, %)	Total	
	Increase / decrease	(%)
Passenger revenues	+79.0	104.6
Commuter passes (Seasonal tickets)	+4.2	100.9
Non-commuter passes (Ordinary tickets)	+74.8	106.1
Shinkansen Network	+56.5	111.4
Kanto Area Network of Conventional Lines	+20.4	103.0

(YoY, ¥ billion)	Positive and Negative Factors	Increase / decrease
Shinkansen (+56.5)	Hokuriku Shinkansen	+48.5
	Inbound tourism	+4.0
	Holiday, etc. (“Silver Week”)	+1.0
	Leap-year	+1.0
	Basic Trend	+2.0
Conventional Lines (+18.2)	Holiday, etc. (“Golden Week”, “Silver Week”)	+4.5
	Ueno-Tokyo Line	+3.5
	Absence of Natural disaster, etc.	+3.0
	Leap-year	+2.0
	Absence of decrease in sales at the beginning of last FY	+1.0
	Separation of parallel conventional lines, etc.	-3.0
	Basic Trend	+7.0
Non-commuter passes revenues (Ordinary Tickets)		+74.8
Commuter passes revenues (Seasonal Tickets)		+4.2
Passenger revenues		+79.0

Passenger Revenues – FY2017.3 Plan

(YoY, ¥ billion,%)	Total		Main factors behind change	Trend
	1st half	2nd half		
Passenger revenues +1.9 billion	100.1%			100.3%
	100.2%	100.0%		
Commuter passes (Seasonal tickets) +1.4 billion	100.3%			100.3%
	100.3%	100.3%		
Non-commuter passes (Ordinary tickets) +0.5 billion	100.0%			100.3%
	100.2%	99.9%		
Shinkansen Network +6.3 billion	101.2%		<ul style="list-style-type: none"> •Hokkaido Shinkansen: +4.5 •Inbound tourism: +4.0 •Absence of Silver Week, etc.: -1.0 •Absence of Leap-year: -1.0 •Typhoon, snow, etc.: -1.0 •Hokuriku Shinkansen: -2.5 	100.6%
	101.3%	101.0%		
Kanto Area Network of Conventional lines -3.1 billion	99.6%		<ul style="list-style-type: none"> •Absence of Silver Week: -2.0 •Absence of Leap-year: -2.0 •Typhoon, snow, etc.: -1.5 •Advance purchases in anticipation of consumption tax hike: +1.0 	100.3%
	99.7%	99.4%		

Operating Expenses (non-consolidated) – FY2016.3 Results

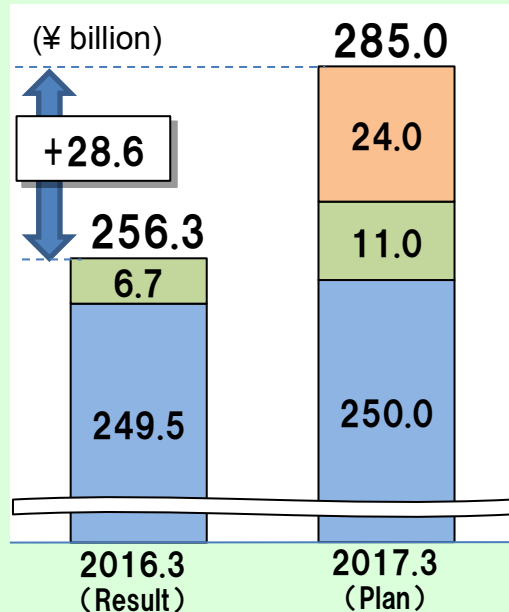
(¥ billion)	2015.3	2016.3	2016.3/2015.3		Main factors behind change
	Results	Results	Increase / Decrease	(%)	
Operating expenses	1,613.3	1,647.3	+33.9	102.1	
Personnel expenses	472.3	473.2	+0.9	100.2	<ul style="list-style-type: none"> • Bonus-related: +2.5 • Decrease in number of employees etc.
Non-personnel expenses	690.3	702.6	+12.2	101.8	
Energy	71.5	60.3	-11.1	84.4	• Decrease in fuel costs of thermal power plants, etc.: -12.8
Maintenance	248.3	256.3	+7.9	103.2	<ul style="list-style-type: none"> • General maintenance expenses: +6.8 • Railcar maintenance expenses: +1.1
Other	370.3	385.8	+15.5	104.2	<ul style="list-style-type: none"> • Railcar usage expenses: +6.4 • Sales commissions: +4.2 • Systems usage expenses: +4.0 • Outsourcing expenses: +4.0
Usage fees to JR TT, etc.	73.9	86.9	+13.0	117.7	• Leasing fee due to the opening of the Hokuriku Shinkansen
Taxes	86.0	90.5	+4.5	105.2	• Amendment of pro forma standard taxation
Depreciation	290.6	293.8	+3.2	101.1	• Increase due to capital expenditures

Operating Expenses (non-consolidated) – FY2017.3 Plan

(¥ billion)	2016.3	2017.3	2017.3/2016.3		Main factors behind change
	Results	Plan	Increase / Decrease	(%)	
Operating expenses	1,647.3	1,687.0	+39.6	102.4	
Personnel expenses	473.2	462.0	-11.2	97.6	•Decrease in number of employees etc.
Non-personnel expenses	702.6	746.0	+43.3	106.2	
Energy	60.3	62.0	+1.6	102.7	
Maintenance	256.3	285.0	+28.6	111.2	•Provision for Large-Scale Renovation of Shinkansen Infrastructure: +24.0 •Safety countermeasures in response to accidents, etc. : +4.2
Other	385.8	399.0	+13.1	103.4	•Systems usage expenses: +3.0 •Railcar usage expenses: +2.3 •Outsourcing expenses: +1.7
Usage fees to JR TT, etc.	86.9	89.0	+2.0	102.3	•Leasing fee due to the opening of the Hokkaido Shinkansen
Taxes	90.5	96.0	+5.4	106.0	•Pro forma standard taxation: +3.0
Depreciation	293.8	294.0	+0.1	100.0	•Increase due to capital expenditures •Decrease due to the amendment of the rules regarding depreciation

(Topics) Maintenance Plan and Provision for Large-Scale Renovation of Shinkansen Infrastructure

■ Maintenance Plan



Provision for Large-Scale Renovation of Shinkansen Infrastructure
 Provision to ensure reliability of Shinkansen transportation going forward

Safety countermeasures in response to accidents, etc.

Countermeasures for objects falling from undersides of railway viaducts, measures to prevent rail track pads from slipping out, strengthening of electric facilities in Tokyo metropolitan area, etc.

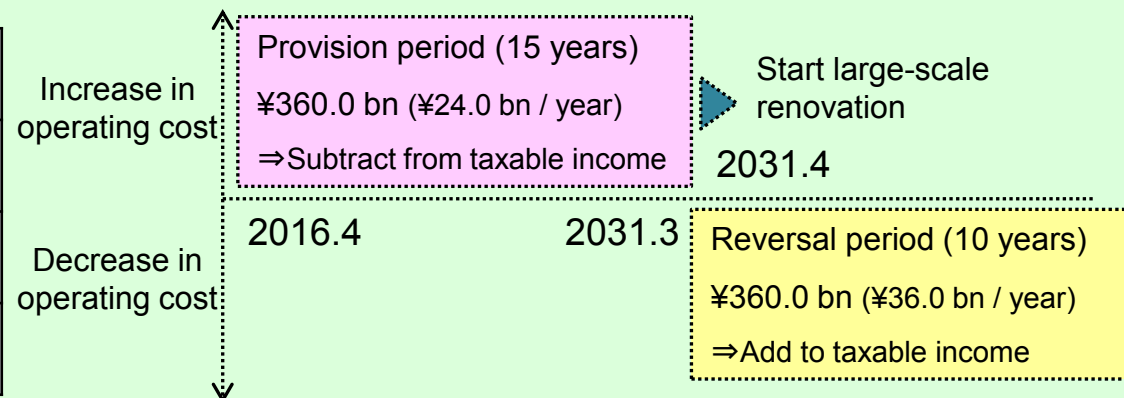
* Fiscal 2016.3 includes accident prevention measures in light of results of emergency general safety inspections.

Includes maintenance of various types of facilities based on laws and regulations and cycles, etc.

■ Provision for Large-Scale Renovation of Shinkansen Infrastructure

[Details of allowance provision plan]

Large-scale renovation	Period	Apr. 2031 ~ Mar. 2041 (10 years)
	Total amount of expenses	¥ 1,040.6 billion
Allowance	Provision period	Apr. 2016 ~ Mar. 2031 (15 years)
	Total amount of provision	¥ 360.0 billion



FY2016.3 Financial Results and FY2017.3 Plan (consolidated)



(¥ billion)	2015.3	2016.3		2016.3/2015.3		2017.3	2017.3/2016.3	
	Results	Results	[Oct. plan]	Increase / decrease	(%)	Plan	Increase / decrease	(%)
Operating revenues	2,756.1	2,867.1	[2,841.0]	+111.0	104.0	2,878.0	+10.8	100.4
Transportation	1,852.0	1,954.5		+102.5	105.5	1,951.0	-3.5	99.8
Station Space Utilization	396.3	399.9		+3.5	100.9	402.0	+2.0	100.5
Shopping Centers & Office Buildings	254.9	255.9		+0.9	100.4	274.0	+18.0	107.0
Others	252.7	256.6		+3.9	101.5	251.0	-5.6	97.8
Operating income	427.5	487.8	[463.0]	+60.2	114.1	450.0	-37.8	92.2
Transportation	294.6	348.5		+53.9	118.3	308.0	-40.5	88.4
Station Space Utilization	34.5	35.0		+0.5	101.6	33.0	-2.0	94.0
Shopping Centers & Office Buildings	72.3	71.6		-0.7	99.0	75.0	+3.3	104.7
Others	27.4	35.0		+7.5	127.4	35.0	-0.0	99.9
Adjustment	-1.4	-2.4		-1.0	173.1	-1.0	+1.4	40.1
Ordinary income	361.9	428.9	[402.0]	+66.9	118.5	393.0	-35.9	91.6
Profit attributable to owners of parent	180.3	245.3	[253.0]	+64.9	136.0	266.0	+20.6	108.4

[Note] In results for fiscal 2015.3, the figure for profit attributable to owners of parent is the figure for net income before the adoption of the "Accounting Standard for Business Combinations."

Transportation - Results and Plan

(¥ billion)	2015.3	2016.3	2016.3/2015.3	2017.3 Plan	2017.3/2016.3
Operating revenues	1,852.0	1,954.5	+102.5 105.5%	1,951.0	-3.5 99.8%
Operating income	294.6	348.5	+53.9 118.3%	308.0	-40.5 88.4%

Operating revenues
- main positive and negative factors
(FY2016.3) (¥ billion)

JR East	+89.4	Increase in passenger revenues
J-TREC	+12.7	Increase in sales to outside customers

FY2017.3 Topics

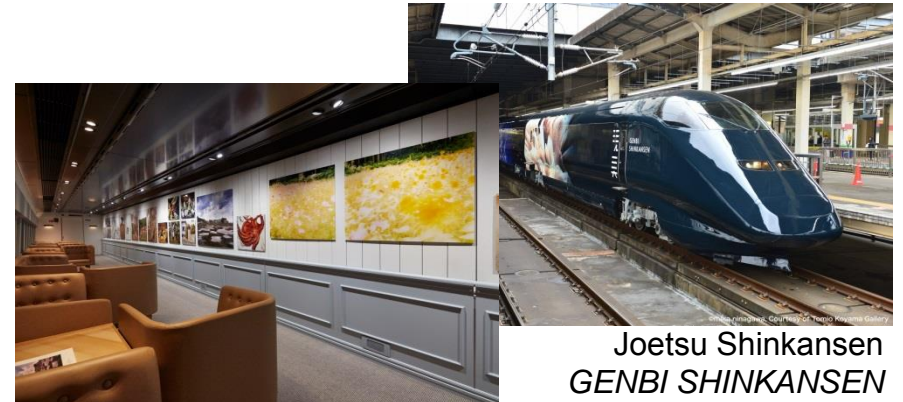
- Campaign marking first anniversary of opening of Hokuriku Shinkansen (Mar. - Sep.)
- Beginning of operations of GENBI SHINKANSEN on Joetsu Shinkansen (29 Apr. 2016)
- Aomori Prefecture and Hakodate Destination Campaign (Jul. - Sep.)



Poster advertising opening of Hokkaido Shinkansen



IZU CRAILE



Joetsu Shinkansen
GENBI SHINKANSEN

[Notes] Operating revenues: operating revenues from outside customers

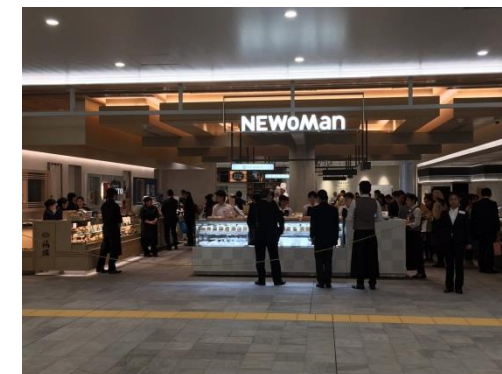
Operating income: operating revenues from outside customers + operating revenues inside group - purchases from outside suppliers - purchases inside group

Station Space Utilization - Results and Plan

(¥ billion)	2015.3	2016.3	2016.3/2015.3	2017.3 Plan	2017.3/2016.3
Operating revenues	396.3	399.9	+3.5 100.9%	402.0	+2.0 100.5%
Operating income	34.5	35.0	+0.5 101.6%	33.0	-2.0 94.0%

Operating revenues - main positive and negative factors (FY2016.3) (¥ billion)

Tetsudo Kaikan	+1.8	Increase in sales of Tokyo Station (<i>GranSta</i>)
JR East Water Business	+0.8	Vending Machine sales Increase
NRE	+0.7	Increase in sales of boxed lunches



NEWoMan (inside station)

[Reference] Monthly trends (comparison with same month of previous year, %)

	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	2nd-half total	Full year
Retails & Restaurant Total	100.2	99.8	99.4	100.3	101.3	98.4	100.0	100.6
J-Retail (existing stores)	98.9	98.5	97.0	98.4	100.2	99.5	98.7	99.5
NRE (existing stores)*	104.0	104.0	101.2	101.3	99.8	99.0	101.6	103.2

[Notes] Operating revenues: operating revenues from outside customers

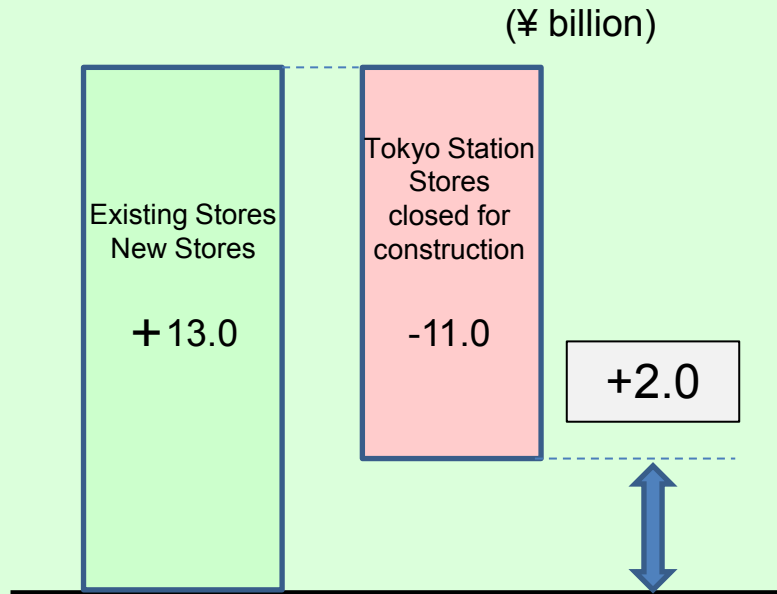
Operating income: operating revenues from outside customers + operating revenues inside group - purchases from outside suppliers - purchases inside group

* For NRE, hotel operations revenues not included

(Topics) Station Space Utilization - FY2017.3 Plan

Operating revenues from outside customers Increase

[2016.3] [2017.3]
 ¥399.9 bn ⇒ ¥402.0 bn (¥ +2.0 bn)

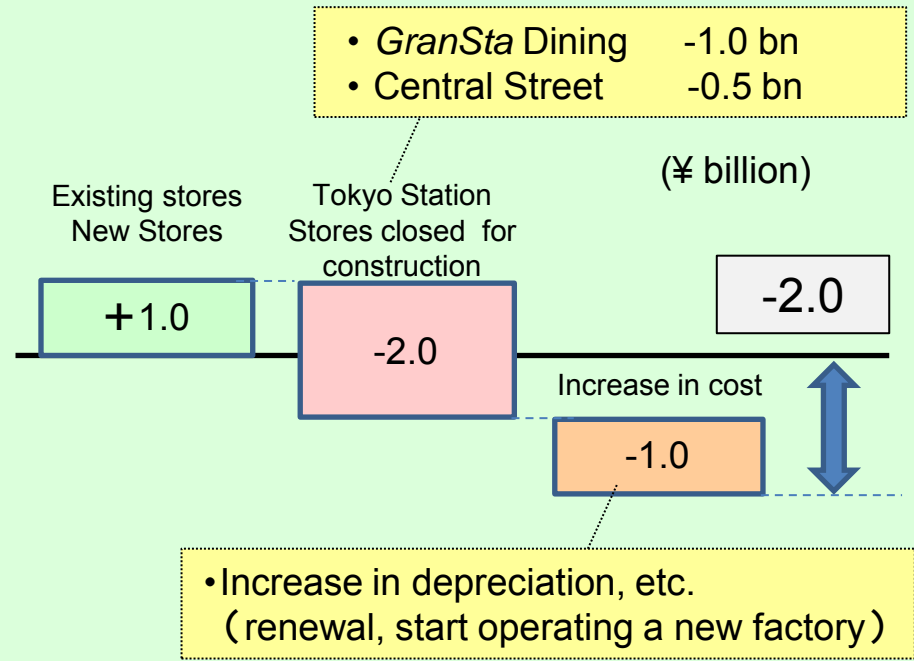


Major new stores (Existing Stores)

- Shinjuku LUMINE *NEWoMan* [inside station]
- Sendai inside station, etc.

Operating income Decrease

[2016.3] [2017.3]
 ¥35.0 bn ⇒ ¥33.0 bn (¥ -2.0 bn)



Shopping Centers & Office Buildings - Results and Plan

(¥ billion)	2015.3	2016.3	2016.3/2015.3	2017.3 Plan	2017.3/2016.3
Operating revenues	254.9	255.9	+0.9 100.4%	274.0	+18.0 107.0%
Operating income	72.3	71.6	-0.7 99.0%	75.0	+3.3 104.7%

Operating revenues - main positive and negative factors (FY2016.3) (¥ billion)

FY2017.3 Topics

atré	+7.9	Reorganization of company buildings near stations in north Kanto area and favorable performance of existing stores and Urawa.
LUMINE	+1.9	Existing stores' favorable performance and increase in <i>i Lumine</i>
MIDORI	+1.0	<i>MIDORI Nagano</i> (fully opened in Mar. 2015)
3 companies in north Kanto area	-9.8	Reorganization of company buildings near stations in north Kanto area

• *atré Ebisu west building*
(15 Apr. 2016 Opened)

[Reference] Monthly trends (comparison with same month of previous year, %)

	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	2nd-half total	Full year
Shopping Centers Total	103.6	101.1	102.5	101.2	103.0	101.0	101.0	102.8
LUMINE (existing stores)	105.0	99.7	100.6	97.2	105.8	101.1	101.1	101.2
atré (existing stores)	103.8	100.3	100.5	101.4	98.1	96.9	100.2	101.8

[Notes] Operating revenues: operating revenues from outside customers

Operating income: operating revenues from outside customers + operating revenues inside group - purchases from outside suppliers - purchases inside group

Others - Results and Plan

(¥ billion)	2015.3	2016.3	2016.3/2015.3	2017.3 Plan	2017.3/2016.3
Operating revenues	252.7	256.6	+3.9 101.5%	251.0	-5.6 97.8%
Operating income	27.4	35.0	+7.5 127.4%	35.0	-0.0 99.9%

Operating revenues

- main positive and negative factors (FY2016.3) (¥ billion)

JR East Rail Car Technology & Maintenance	+4.6	Construction work related to Hokkaido Shinkansen
East Japan Marketing & Communications	+2.9	Increase in advertising materials
Nippon Hotel	+1.9	Increase in accommodation
Viewcard	+1.2	Increase in franchise fees
JR East Information Systems	-10.1	Decrease in systems contract revenues regarding Hokuriku Shinkansen

FY2016.3 Hotel operating results

Operating revenues: ¥50.9 billion
(104.7%)
(including revenues inside group)
Operating income: ¥4.1 billion
(127.5%)

[Reference] Monthly trends (comparison with same month of previous year, %)

	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	2nd-half total	Full year
Hotel	108.8	96.4	105.1	104.8	106.1	103.5	104.0	104.5

[Notes] Operating revenues: operating revenues from outside customers

Operating income: operating revenues from outside customers + operating revenues inside group - purchases from outside suppliers - purchases inside group

Major Projects of the Life-style Business Going Forward

	Opening	Total floor space (m ²)			
		Office (m ²)	Commercial (m ²)	Hotel (rooms)	
JR Shinjuku Miraina Tower	Mar. & Apr. 2016	Approx. 111,000	Approx. 75,600	Approx. 11,000	-
Sendai Station East Exit Development	Mar. 2016	Approx. 43,000	-	Approx. 41,000	-
	Spring 2017	Approx. 14,000	-	-	Approx. 280
Marunouchi underground area of Tokyo Station	Summer 2017	Approx. 19,000	-	Approx. 4,100	-
Main building and facilities of Chiba Station	around autumn 2016 - summer 2018 and beyond	Approx. 73,800	-	Approx. 57,400	-
Shibuya Station Development (Joint development)	(East Tower) FY2020.3 (Central & West Tower) FY2028.3	Approx. 276,000	(Leased floor) Approx. 73,000	(Store space) Approx. 70,000	-
		(East Tower) Approx. 181,000	(East Tower) Approx. 73,000	(East Tower) Approx. 30,000	
Development of area in and around north passage of Tokyo Station	2020	Approx. 8,900	-	Approx. 6,300	-
Yokohama Station West Exit Station Development Building	2020	Approx. 122,000	Approx. 28,000	Approx. 70,000	-
Shinagawa Development Project	Area for development : Approx. 130,000 m ²				

Summary of Non-operating Income / Expenses and Extraordinary Gains / Losses (consolidated)

(¥ billion)	2015.3	2016.3	Increase/ decrease
Operating income	427.5	487.8	+60.2
Non-operating income	20.8	21.6	+0.7
Dividend income	3.6	3.7	+0.1
Equity in net income of affiliated companies	3.1	2.5	-0.5
Other	14.1	15.3	+1.2
Non-operating expenses	86.4	80.5	-5.8
Interest expense	81.9	76.3	-5.6
Other	4.4	4.2	-0.2
Ordinary income	361.9	428.9	+66.9
Extraordinary gains	66.7	36.7	-29.9
Construction grants received	59.2	24.4	-34.7
Gains on sales of investment in securities	1.2	4.4	+3.2
Other	6.2	7.7	+1.5
Extraordinary losses	113.3	80.7	-32.6
Losses on reduction entry for construction grants	54.2	18.3	-35.9
Impairment losses on fixed assets	12.7	12.2	-0.4
Provision for allowance for earthquake-damage losses	1.3	25.0	+23.7
Other	45.0	25.0	-20.0
Income before income taxes	315.3	384.8	+69.5

Interest expense: 43.3 (-6.0)
Bond interest : 32.9 (+0.4)

2015.3:
Joban Line
(Odaka - Haranomachi) 1.3

2016.3:
Joban Line
(Namie - Odaka,
Tatsuta - Namie) 25.0

Decrease in provision for
allowance for partial transfer
cost of railway operation
(Yamada Line) (-13.5)

Summary of Cash Flows (consolidated)

(¥ billion)	2015.3	2016.3	Increase/ decrease
Cash Flows from Operating Activities (I)	622.7	673.1	+50.3
Cash Flows from Investing Activities (II)	-476.8	-499.5	-22.7
<i>Free Cash Flows (I) + (II)</i>	145.9	173.5	+27.6
Cash Flows from Financing Activities (III)	-86.6	-110.2	-23.6
Net Change in Cash and Cash Equivalents (I) + (II) + (III)	59.2	63.2	+3.9
Cash and Cash Equivalents at Beginning of the Period	186.0	245.1	+59.1
Decrease in Cash and Cash Equivalents Resulting from Exclusion of Subsidiaries from Consolidation	-0.5	-0.6	-0.0
Increase in Cash and Cash Equivalents due to Merger	0.4	—	-0.4
Cash and Cash Equivalents at End of the Period	245.1	307.8	+62.6

Change in Capital Expenditures (consolidated)

(¥ billion)		2013.3 (Results)	2014.3 (Results)	2015.3 (Results)	2016.3 (Results)	2017.3 (Plan)
Transportation	Growth investment	58.9	85.9	65.2	47.0	40.0
	Investment needed for the continuous operation of business	316.2	325.9	336.5	345.2	353.0
	Total	375.1	411.9	401.8	392.2	393.0
Non-transportation	Growth investment	99.4	107.6	111.9	136.4	138.0
	Investment needed for the continuous operation of business	6.1	6.1	8.3	13.3	19.0
	Total	105.5	113.7	120.2	149.7	157.0
	Growth investment	158.4	193.6	177.1	183.4	178.0
	Investment needed for the continuous operation of business	322.3	332.0	344.9	358.5	372.0
	(Depreciation)	346.8	348.0	353.2	359.5	372.0
	Total	480.7	525.7*	522.1*	541.9*	550.0*

* Includes priority budget allocation (¥14.7 billion resulted in FY2014.3)
(¥16.6 billion resulted in FY2015.3)

(¥18.1 billion resulted in FY2016.3)
(¥30.0 billion planned in FY2017.3)

Main Capital Expenditures in FY2017.3

Consolidated ¥520.0 billion

Non-consolidated ¥420.0 billion

**Subsidiaries
¥100.0 billion**

Safety practice, transportation stability

Large-scale earthquake countermeasures
Approx. ¥98.0 billion

Replacement of aging ground facilities

- Installation of automatic platform gates

Rolling stock investment Approx. ¥60.0 billion

- TRAIN SUITE SHIKI-SHIMA cruise train
- Series E5, etc.

Life-style business
Approx. ¥66.0 billion

- Main building and facilities of Chiba Station
- Sendai Station East Exit Development
- Saitama-Shintoshin Bldg. (provisional name), etc.

- Develop elevators and other facilities
- Renewable energy facilities
- Introduction of 12-car trains to Chuo Line, etc.

**FY2017.3
Operating cash flow**



**FY2016.3
Deposit balance**



Priority budget

allocation: ¥30.0 billion

Safety and reliability of transportation, service quality reforms, tourism and regional revitalization, technological innovation, global business development (including investments, M&As)

Change in Interest-bearing Debt Balance (consolidated)

(¥ billion)	2012.3 (Results)	2013.3 (Results)	2014.3 (Results)	2015.3 (Results)	2016.3 (Results)
Bonds	1,599.6 (1.97%)	1,659.7 (1.94%)	1,719.7 (1.90%)	1,764.8 (1.84%)	1,809.9 (1.83%)
Long-term loans	815.9 (1.75%)	853.7 (1.57%)	899.8 (1.43%)	965.4 (1.30%)	993.7 (1.23%)
Long-term liabilities incurred for purchase of railway facilities	923.8 (5.49%)	793.2 (5.63%)	666.4 (5.78%)	545.2 (5.97%)	438.3 (6.18%)
Other interest-bearing debt	0.7 (0.82%)	0.8 (0.76%)	2.3 (1.27%)	—	—
Total	3,340.2 (2.89%)	3,307.4 (2.73%)	3,288.4 (2.56%)	3,275.5 (2.37%)	3,241.9 (2.23%)

Top : Balance
Bottom: Average interest rate

III. Reference Materials

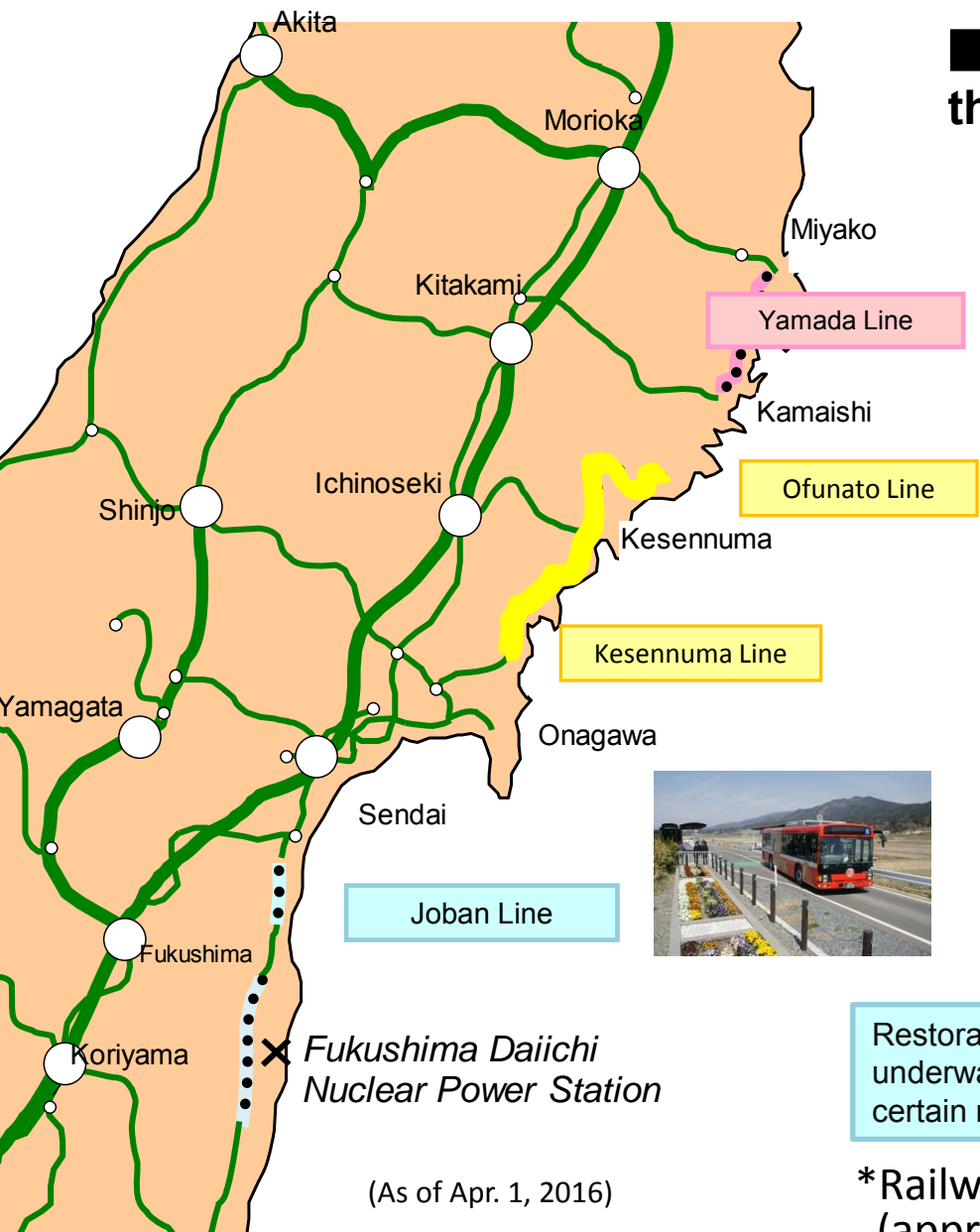
FY2017.3 Traffic Volume and Passenger Revenues - Plan

Commuter Passes: Seasonal Tickets Non-commuter Passes: Ordinary Tickets		
Shinkansen	Commuter Passes	
	Non-commuter Passes	
	Total	
Conventional Lines	Kanto Area Network	Commuter Passes
		Non-commuter Passes
		Total
	Other Network	Commuter Passes
		Non-commuter Passes
		Total
	Total	Commuter Passes
		Non-commuter Passes
		Total
Total	Commuter Passes	
	Non-commuter Passes	
	Total	

Traffic Volume (million passenger kilometers)			
2016.3 Results	2017.3 Plan	Increase / decrease	(%)
1,740	1,745	+5	100.3
21,108	21,358	+250	101.2
22,848	23,104	+255	101.1
69,908	70,118	+209	100.3
35,966	35,815	-150	99.6
105,875	105,933	+58	100.1
3,083	3,092	+9	100.3
2,621	2,494	-126	95.2
5,704	5,587	-117	97.9
72,992	73,210	+218	100.3
38,587	38,310	-277	99.3
111,579	111,520	-58	99.9
74,732	74,956	+223	100.3
59,695	59,668	-26	100.0
134,428	134,625	+196	100.1

Passenger Revenues (¥ billion)			
2016.3 Results	2017.3 Plan	Increase / decrease	(%)
23.6	23.6	+0.0	100.3
554.5	560.9	+6.3	101.2
578.2	584.6	+6.4	101.1
452.3	453.6	+1.3	100.3
703.8	700.7	-3.1	99.6
1,156.1	1,154.3	-1.7	99.8
18.4	18.5	+0.0	100.3
52.0	49.3	-2.7	94.8
70.5	67.8	-2.6	96.2
470.8	472.2	+1.4	100.3
755.8	750.0	-5.8	99.2
1,226.7	1,222.2	-4.4	99.6
494.4	495.9	+1.4	100.3
1,310.4	1,311.0	+0.5	100.0
1,804.9	1,806.9	+1.9	100.1

Operation Suspended Lines and Segments Damaged by Tsunami during Great East Japan Earthquake

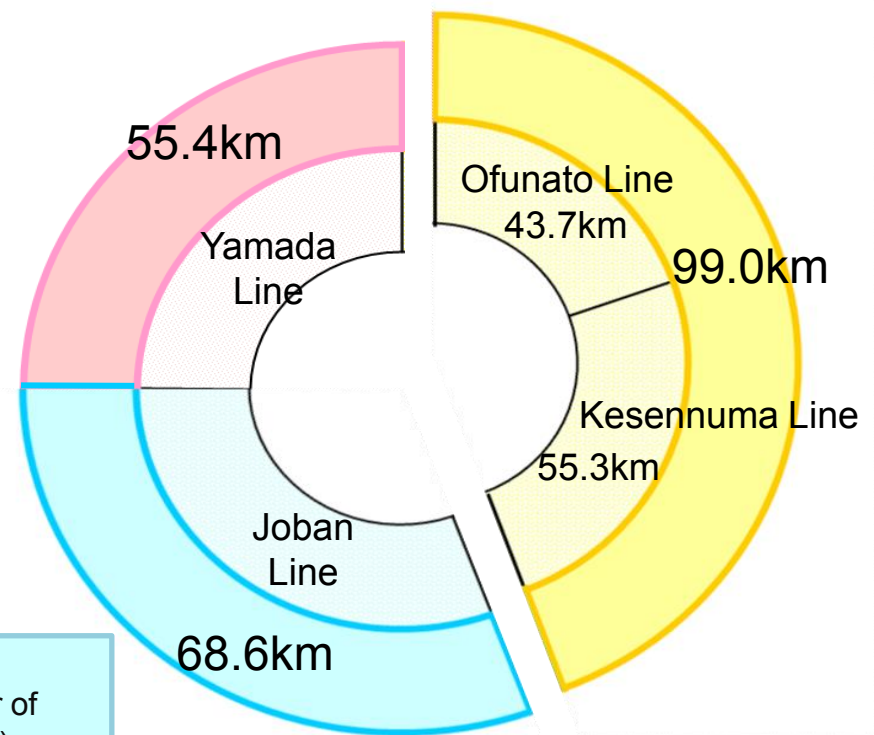


(As of Apr. 1, 2016)

Current status of conventional lines along the Pacific coast damaged by tsunami

Restoration work underway (transfer of management of section scheduled)

Bus Rapid Transit (BRT) systems operating (agreement reached on full-scale restoration)



Restoration work underway (transfer of certain routes, etc.)

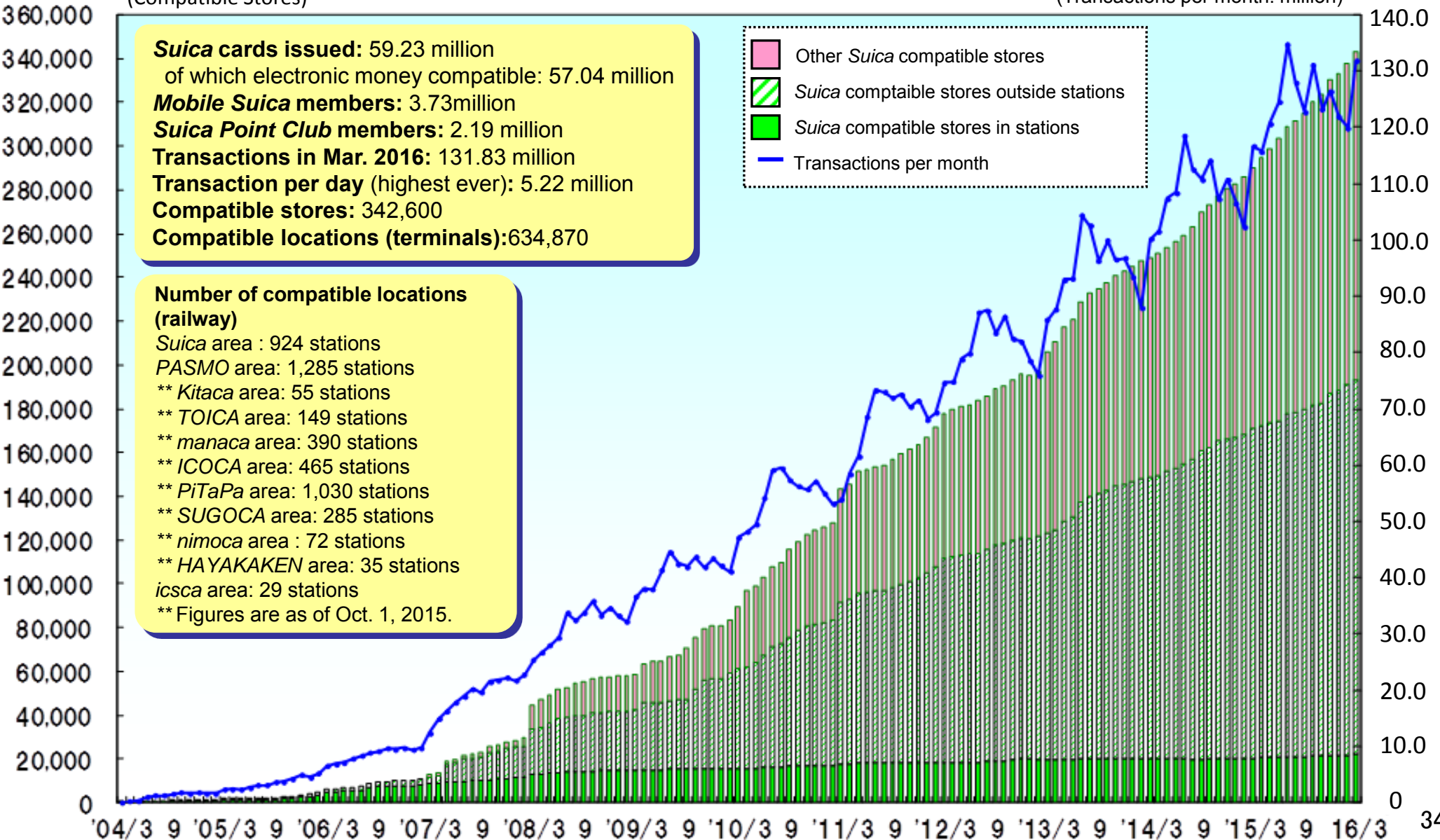
*Railway services have been restored on other line segments (approx. 177 km).

Suica Electronic Money - Transactions and Compatible Stores

* Figures are as of Mar. 31, 2016.

* Figures include results of other affiliated stores.
(Transactions per month: million)

(Compatible Stores)



Development of **ecute**

	Omiya	Shinagawa	Tachikawa	Nippori	Tokyo	Ueno	Shinagawa South	Akabane
Beginning of operations	Mar. 2005	Oct. 2005	Oct. 2007 (phase I) Oct. 2008 (phase II)	Mar. 2008 Jun. 2009 (floor space increase)	Mar. 2010	Dec. 2010 (phase I) Mar. 2011 (phase II)	Dec. 2010 (phase I) Feb. 2011 (phase II) Apr. 2011 (phase III) May 2011 (phase IV)	Mar. 2011 (phase I) Jul. 2011 (phase II) Aug. 2011 (phase III) Sep. 2011 (phase IV)
Store space	Approx. 2,300 m ²	Approx. 1,600 m ²	Approx. 4,300 m ²	Approx. 380 m ²	Approx. 730 m ²	Approx. 4,800 m ²	Approx. 1,800 m ²	Approx. 1,600 m ²
Number of shops	76	52	78	18	32	76	39	51
FY2016.3 Results (YoY, %)	¥ 9.6 billion (99.4%)	¥ 6.8 billion (103.4%)	¥ 5.7 billion (96.5%)	¥ 1.8 billion (101.6%)	¥ 5.0 billion (105.5%)	¥ 9.6 billion (88.2%)	¥ 11.1 billion (105.8%)	¥ 5.3 billion (100.5%)

Hotel Operations - Overview

■ Metropolitan Hotels (10 hotels, 3,032 guest rooms)

Hotel Metropolitan (Ikebukuro), Edmont (Iidabashi), Takasaki, Nagano, Sendai, Morioka, Morioka New Wing, Akita, Yamagata and Marunouchi

Operating revenues* : ¥ 34.4 billion (FY2016.3) Occupancy rate: 82.5%

■ HOTEL METS chain (23 hotels, 2,686 guest rooms)

Kumegawa, Musashisakai, Kokubunji, Urawa, Mito, Kawasaki, Tabata, Tsudanuma, Kitakami, Nagaoka, Mizonokuchi (Musashi-Mizonokuchi), Shibuya, Kamakura Ofuna (Ofuna), Hachinohe, Mejiro, Akabane, Fukushima, Koenji, Tachikawa, Komagome, Yokohama Tsurumi (Tsurumi), Hotel R-Mets Utsunomiya and Niigata

Operating revenues* : ¥ 8.9 billion (FY2016.3) Occupancy rate: 82.6%

■ The Tokyo Station Hotel (150 guest rooms)

■ Familio, Folkloro (8 hotels, 344 guest rooms)

■ Hotel Dream Gate Maihama (80 guest rooms)

■ Seaside Hotel Shiba Yayoi (155 guest rooms)

■ Hotel New Grand (240 guest rooms)

(As of Mar. 31, 2016)

* Simple sum of operating revenues from each hotel.

Major Subsidiaries - Results and Plan

(¥ billion)		2015.3 Results	2016.3 Results	2016.3/ 2015.3	2017.3 Plan	2017.3/ 2016.3
JR East Retail Net (J-Retail)	Operating revenues	196.9	196.5	99.8%	190.1	96.8%
	Operating income	2.9	2.6	89.6%	0.5	19.4%
Nippon Restaurant Enterprise (NRE)	Operating revenues	61.4	62.2	101.4%	61.2	98.3%
	Operating income	1.6	1.6	101.9%	0.8	48.4%
LUMINE	Operating revenues	67.7	69.6	102.7%	76.7	110.2%
	Operating income	12.4	12.3	99.4%	12.9	104.6%
East Japan Marketing & Communications	Operating revenues	105.2	109.0	103.6%	110.1	101.0%
	Operating income	3.4	3.8	112.8%	3.3	85.1%

* Non-consolidated operating revenues / operating income

Shinagawa Development Project

Schedule for the Formation of an International Exchange Hub

Town able to continue growing

• We aim to create a town that can continue growing as an international exchange hub through interim use with a view to the 2020 Tokyo Summer Olympic and Paralympic Games and the subsequent opening of the town.

Establishing future image for town development and developing infrastructure in advance

- District Planning
- Land readjustment project
- City planning road

Publicize Japan's appeal

Promote new town



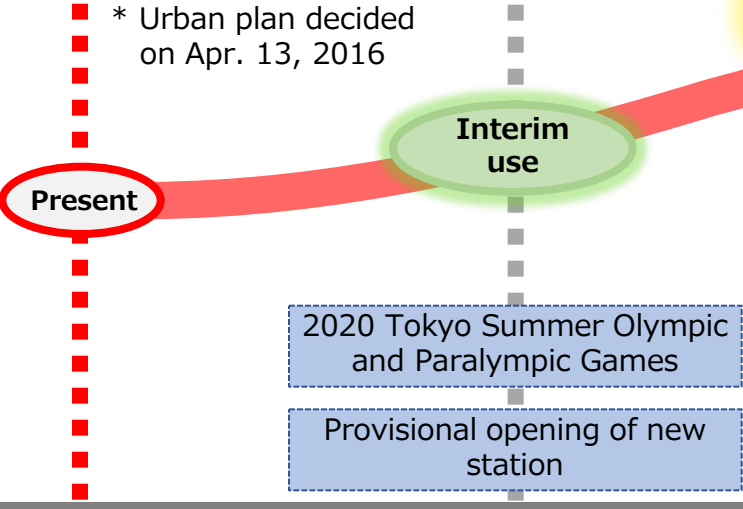
«Fusing a train station building with the surrounding neighborhood»
* Rendered image

Continuing growth as international exchange hub «new international town»

Opening of town (partial opening)

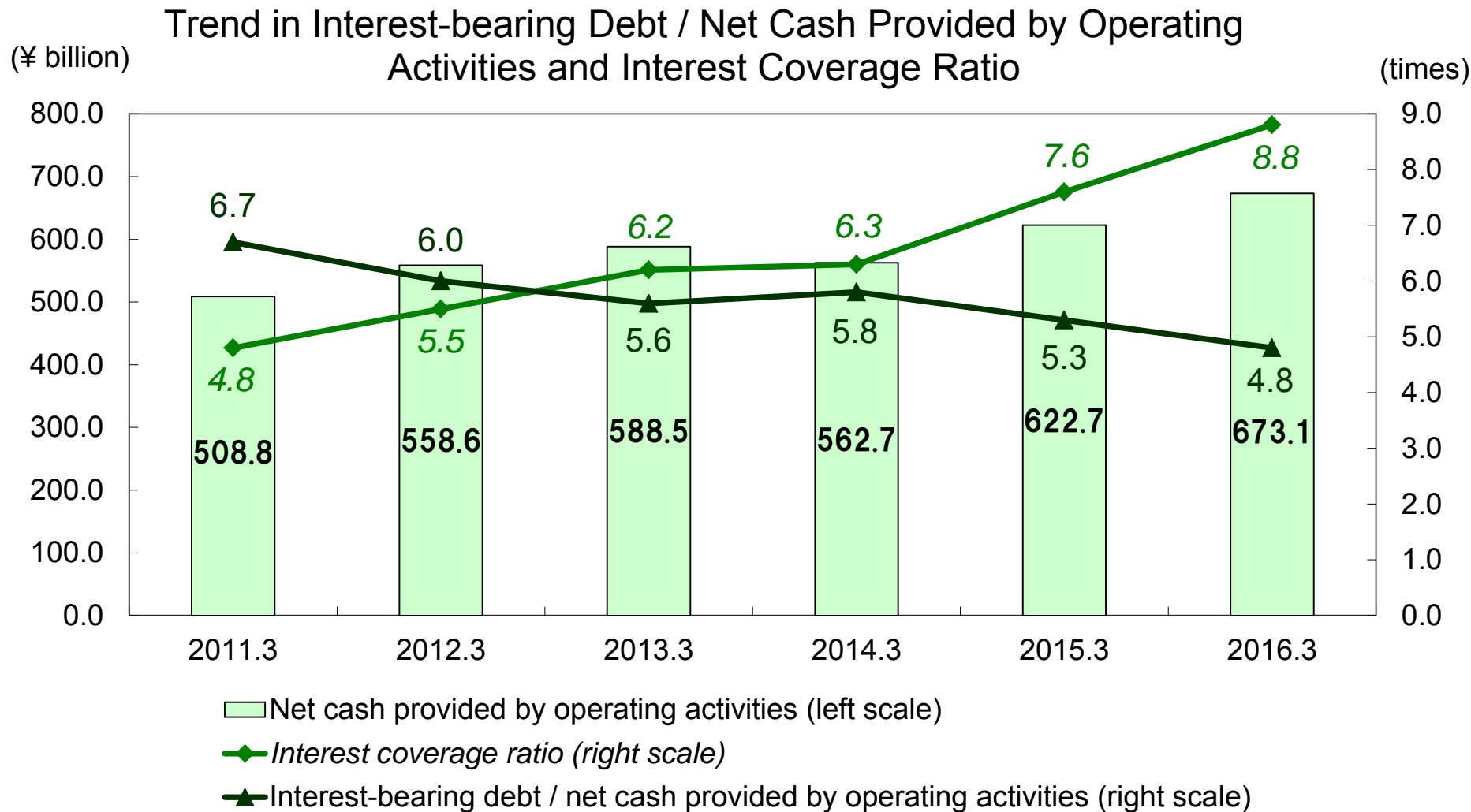


«Street-based urban design» * Rendered image



Key Financial Indicators(1)

Additional Information for bond Investors



[Notes]

1) Interest coverage ratio = Net cash provided by operating activities / payments of interest

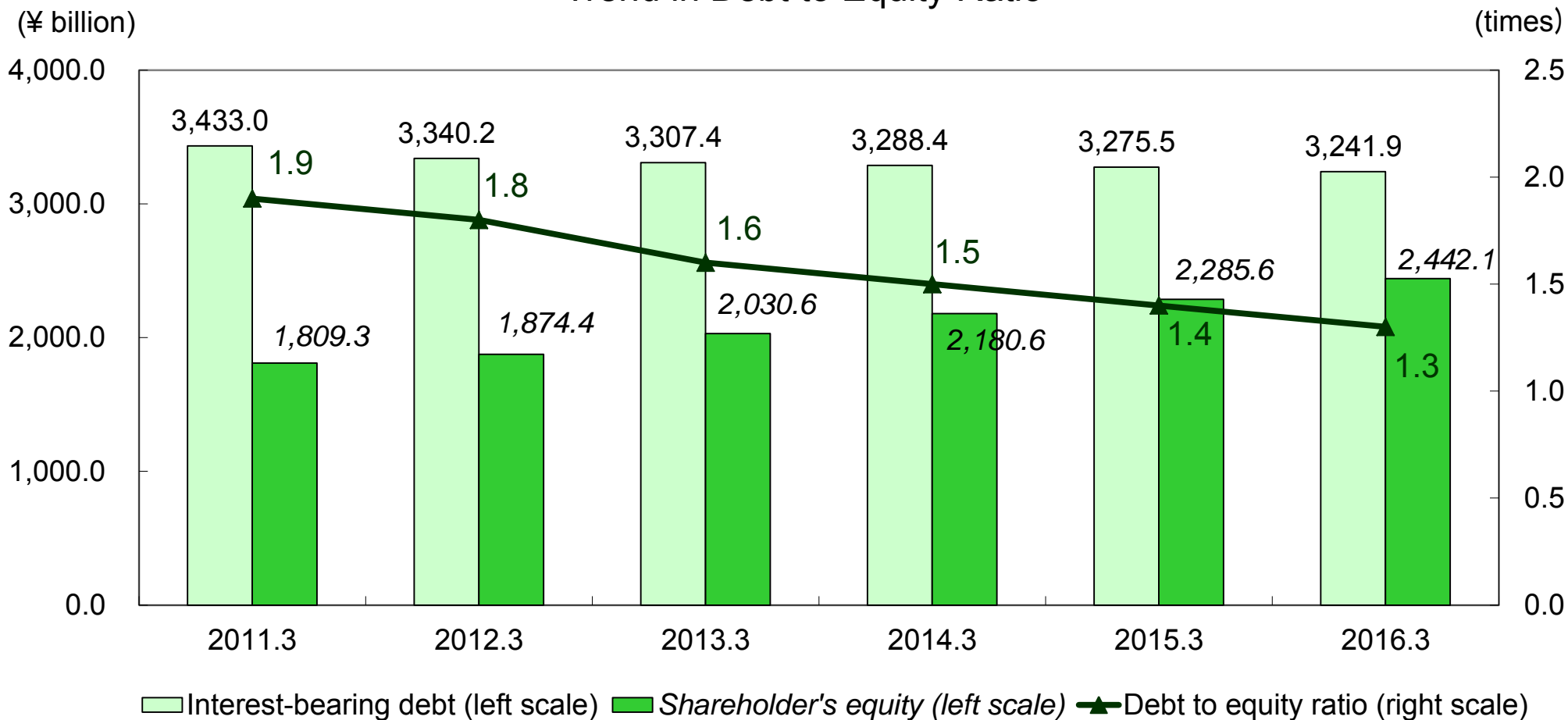
2) Interest-bearing debt / Net cash provided by operating activities = Interest-bearing debt / Net cash provided by operating activities

Key Financial Indicators(2)

Additional Information for bond Investors



Trend in Debt to Equity Ratio



Note : Debt to Equity Ratio = Interest-bearing debt / Shareholder's equity

Breakdown of Interest-bearing Debt

Additional Information for bond Investors



Breakdown of consolidated interest-bearing debt (As of Mar. 31, 2016)

	Balance (¥ billion)	Breakdown	Average interest rate	Average maturity
Bonds	1,809.9	55.8%	1.83%	9.64 years
Long-term loans	993.7	30.7%	1.23%	7.57 years
Long-term liabilities incurred for purchase of railway facilities	438.3	13.5%	6.18%	18.70 years
Total	3,241.9	100.0%	2.23%	10.23 years

Breakdown of long-term liabilities incurred for purchase of railway facilities (As of Mar. 31, 2016)

Category of liabilities	Principal (¥ billion)	Balance (¥ billion)	Interest		Payment	Period	Use of proceeds by recipient **
			Variable /fixed	Rate			
Number 1*	2,101.8	44.5	Variable	4.13%	Principal and interest equal repayment	1991.10~2017.3	Fund for repayment of debt borne by JR TT
Number 2*	638.5	48.5	Fixed	6.35%	Principal and interest equal repayment	1991.10~2017.3	Construction of conventional lines, etc.
Number 3*	366.5	336.4	Fixed	6.55%	Principal and interest equal repayment	1991.10~2051.9	Construction of Shinkansen lines
Sub-total	3,106.9	429.5		6.28%			
Akita Shinkansen	27.9	6.8	Variable	1.52%	Principal and interest equal repayment	1997.3~2022.3	
Tokyo Monorail	36.7	1.9	Variable	2.32%	Principal and interest equal repayment	(2002.3)~2029.11	
Total		438.3		6.18%			

* The names of the liabilities are commonly known as Number 1 through 3 in accordance with the definition under law.

** Japan Railway Construction, Transport and Technology Agency (JR TT)

■ Long-term Funding

- Constraining the risks of rising interest rates by raising long-term fund at fixed interest rates and smoothing redemption ladder

Long-term credit ratings

Rating agency	Rating
Moody's	Aa3 (Stable)
Standard & Poor's (S&P)	AA- (Stable)
Rating and Investment Information (R&I)	AA+ (Stable)

■ Liquidity

- Daily cash revenues from railway operations
(Passenger revenues were approx. ¥ 5.0 billion / day in FY2016.3)
- CP issuance facility: ¥ 150.0 billion

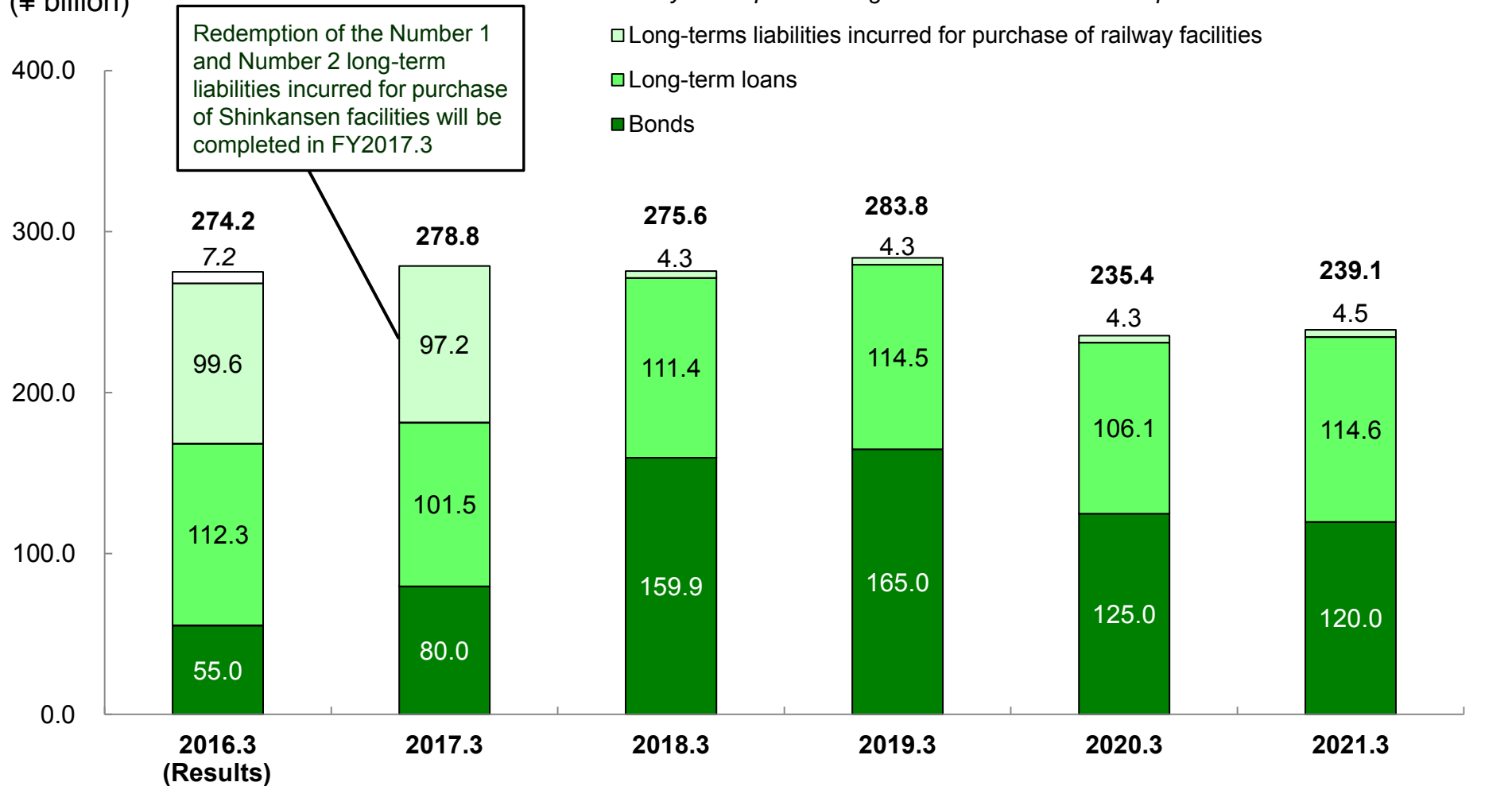
Short-term credit ratings

Rating agency	Rating
Moody's	P-1
Rating and Investment Information (R&I)	a-1+

- Bank overdraft facility: ¥ 330.0 billion
- Earthquake-response commitment line: ¥60.0 billion

Redemption ladder of interest-bearing debt (consolidated, excluding short-term debt)

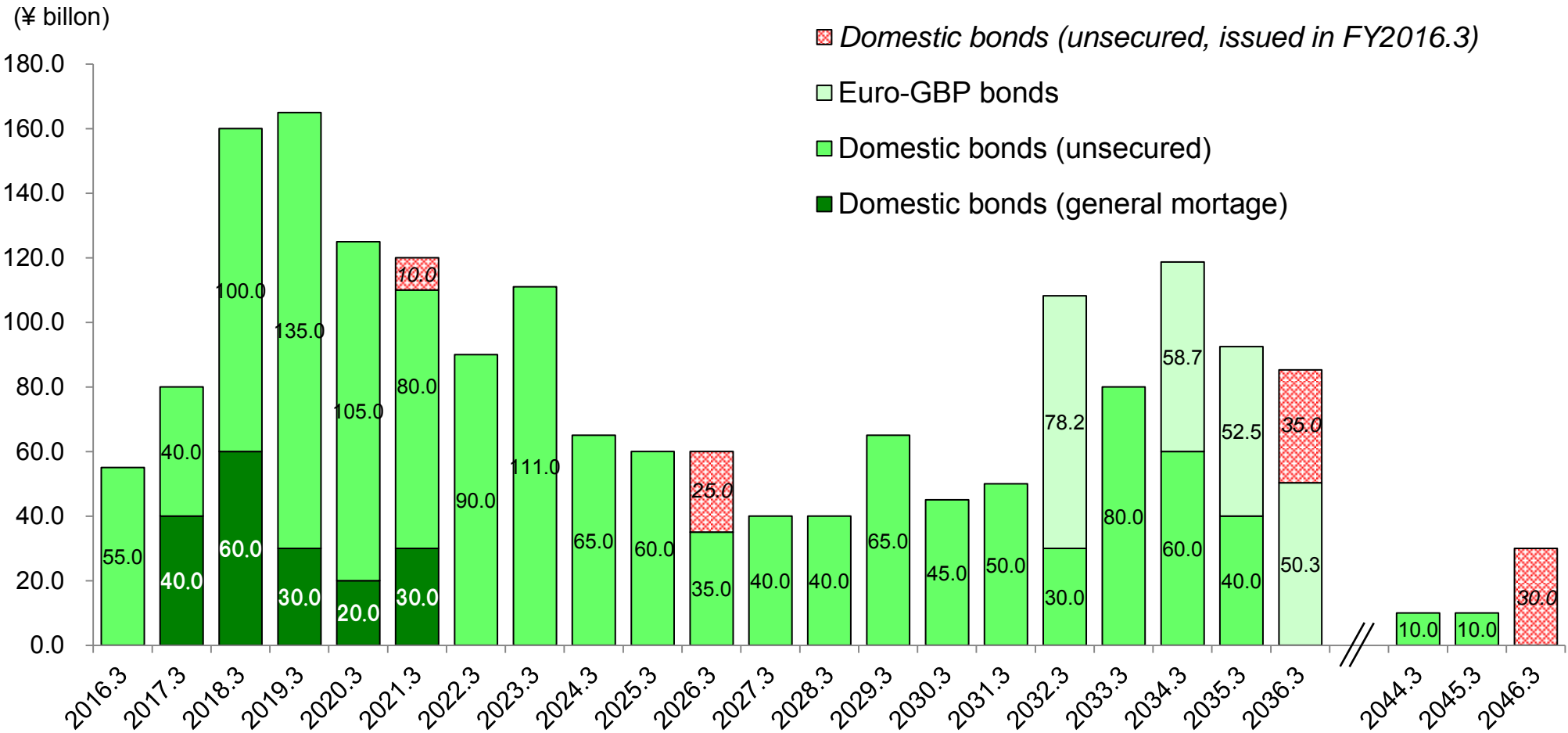
(¥ billion)



[Notes]

- 1) Outlook as of Mar. 31, 2016.
- 2) Bond redemptions are at face value.

Redemption ladder of bonds(non-consolidated)



[Notes]

- 1) Outlook as of Mar. 31, 2016.
- 2) Redemptions are at face value.

Bonds Issuance in FY2016.3

Additional Information for bond Investors



Bonds totaling ¥100.0 billion issued

Series	Tenor	Total amount of issue	Coupon	Issue price	Reoffer yield	JGB spread	Issue date	Maturity date
108	10	¥ 10.0 billion	0.588%	¥100	0.588%	+13bp	2015.7.28	2025.7.28
109	20	¥ 20.0 billion	1.283%	¥100	1.283%	+6.5bp	2015.7.28	2035.7.27
110	30	¥ 20.0 billion	1.760%	¥100	1.760%	+29bp	2015.7.28	2045.7.28
111	5	¥ 10.0 billion	0.160%	¥100	0.160%	+14bp	2016.1.28	2021.1.28
112	10	¥ 15.0 billion	0.410%	¥100	0.410%	+17bp	2016.1.28	2026.1.28
113	20	¥ 15.0 billion	1.037%	¥100	1.037%	+6.5bp	2016.1.28	2036.1.28
114	30	¥ 10.0 billion	1.577%	¥100	1.577%	+30bp	2016.1.28	2046.1.26

These materials and the video of the presentation can be viewed
at the JR East's web site.

JR East Web site, IR (Investor Relations)
<http://www.jreast.co.jp/e/investor/index.html>

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.