FINANCIAL HIGHLIGHTS

East Japan Railway Company and Subsidiaries Years ended March 31

	2003	2004	2005	2006	2007
Operating results					
Operating revenues	¥2,565,671	¥2,542,297	¥2,537,481	¥2,592,393	¥2,657,346
Operating expenses	2,222,576	2,190,877	2,178,946	2,196,293	2,229,248
Operating income	343,095	351,420	358,535	396,100	428,098
Net income	97,986	119,866	111,592	157,575	175,871
Comprehensive income (*1)	N/A	N/A	N/A	N/A	N/A
Segment information					
Operating revenues from outside customers:					
Transportation	1,800,434	1,798,132	1,781,776	1,805,406	1,825,387
Station space utilization	368,961	366,438	369,790	383,904	399,998
Shopping centers & office buildings	170,321	175,180	181,956	190,466	197,140
Other services	225,955	202,547	203,959	212,617	234,821
Total	2,565,671	2,542,297	2,537,481	2,592,393	2,657,346
Financial position					
Total assets	6,853,403	6,781,692	6,716,268	6,821,584	6,968,032
Interest-bearing debt	4,057,860	3,909,625	3,774,004	3,681,192	3,574,822
Shareholders' equity (*3)	981,856	1,100,176	1,183,546	1,357,359	1,488,554
Cash flows					
Cash flows from operating activities	433,304	387,061	407,737	447,722	541,850
Cash flows from investing activities	(196,422)	(234,591)	(214,948)	(309,489)	(348,800)
Cash flows from financing activities	(310,658)	(196,193)	(209,041)	(141,599)	(172,027)
Per share data (*4)					
Earnings	24,453	29,928	27,868	39,370	44,008
Shareholders' equity (*3)	245,463	275,052	296,106	339,599	372,493
Cash dividends (*5)	8,000	6,000	6,500	8,000	9,000
Ratios					
Net income as a percentage of revenues	3.8	4.7	4.4	6.1	6.6
Return on average equity (ROE)	10.2	11.5	9.8	12.4	12.4
Ratio of operating income to average assets (ROA)	4.9	5.2	5.3	5.9	6.2
Equity ratio	14.3	16.2	17.6	19.9	21.4
Interest-bearing debt to shareholders' equity	4.1	3.6	3.2	2.7	2.4
Interest coverage ratio	2.5	2.4	2.7	3.2	4.2
Interest-bearing debt / net cash provided by operating activities	9.4	10.1	9.3	8.2	6.6
Dividend payout ratio	32.7	20.0	23.3	20.3	20.5
Other data					
Depreciation	322,564	322,300	317,957	316,038	318,526
Capital expenditures (*6)	307,579	313,911	319,912	361,372	413,310
Interest expense	173,298	160,944	148,431	136,548	131,376
Number of consolidated subsidiaries (As of March 31)	101	98	92	86	85
Number of employees	78,760	77,009	74,923	72,802	71,316

*1 Accounting Standard for Presentation of Comprehensive Income was adopted beginning the year ended March 31, 2011.

*2 Long-term liabilities incurred for the purchase of the Tohoku and Joetsu Shinkansen facilities, the Akita hybrid Shinkansen facilities, and the Tokyo Monorail facilities.

*3 Shareholders' equity equals total net assets less minority interests beginning the year ended March 31, 2007 (as in the balance sheets).

*4 JR East implemented a stock split at a ratio of 100 shares for 1 share of common stock with an effective date of January 4, 2009. Per share data for Fiscal 2009 reflects the stock split.

*5 The total amount of dividends for the year ended March 31 comprises interim dividends for the interim period ended September 30 and year-end dividends for the year ended March 31, which were decided at the annual shareholders' meeting in June.

*6 These figures exclude expenditures funded by third parties, mainly governments and their agencies, which will benefit from the resulting facilities.

*7 Accounting Standards for Impairment of Fixed Assets were early adopted beginning the year ended March 31, 2005.

2008	2009	2010	2011	2012	2013	2013/2012	2013
		Millions of Yen (except for Per share data, Ratios, Number of consolidated subsidiaries, and Number of employees)				YoY Change %	Millions of U.S. Dollars[*9] (except for Per share data)
¥2,703,564	¥2,697,000	¥2,573,724	¥2,537,353	¥2,532,174	**¥2,671,823**	5.5%	**$28,424**
2,258,404	2,264,445	2,228,875	2,192,266	2,172,149	**2,274,260**	4.7%	**24,195**
445,160	432,555	344,849	345,087	360,025	**397,563**	10.4%	**4,229**
189,673	187,291	120,214	76,224	108,738	**175,385**	61.3%	**1,866**
N/A	N/A	N/A	73,644	109,304	**197,740**	80.9%	**2,104**
1,857,756	1,831,933	1,757,994	1,721,922	1,705,794	**1,795,125**	5.2%	**19,097**
404,006	415,020	387,104	385,891	396,168	**404,207**	2.0%	**4,300**
205,347	222,628	226,932	223,293	229,637	**238,945**	4.1%	**2,542**
236,455	227,419	201,694	206,247	200,575	**233,546**	16.4%	**2,485**
2,703,564	2,697,000	2,573,724	2,537,353	2,532,174	**2,671,823**	5.5%	**28,424**
6,942,003	6,965,793	6,995,494	7,042,900	7,060,409	**7,223,205**	2.3%	**76,843**
3,535,343	3,429,871	3,394,970	3,433,010	3,340,233	**3,307,483**	−1.0%	**35,186**
1,596,398	1,718,587	1,780,584	1,809,355	1,874,404	**2,030,666**	8.3%	**21,603**
475,601	584,360	479,180	508,846	558,650	**588,529**	5.3%	**6,261**
(400,789)	(396,796)	(391,682)	(433,179)	(370,685)	**(465,952)**	−25.7%	**(4,957)**
(80,407)	(159,238)	(115,327)	(27,512)	(152,428)	**(101,151)**	33.6%	**(1,076)**
47,464	469	303	193	275	**444**	61.5%	**5**
399,483	4,301	4,501	4,574	4,739	**5,136**	8.4%	**55**
10,000	110	110	110	110	**120**	9.1%	**1**
7.0	6.9	4.7	3.0	4.3	**6.6**		
12.3	11.3	6.9	4.2	5.9	**9.0**		
6.4	6.2	4.9	4.9	5.1	**5.6**		
23.0	24.7	25.5	25.7	26.5	**28.1**		
2.2	2.0	1.9	1.9	1.8	**1.6**		
3.8	4.8	4.2	4.8	5.5	**6.2**		
7.4	5.9	7.1	6.7	6.0	**5.6**		
21.1	23.5	36.3	57.1	40.0	**27.0**		
335,587	343,101	356,365	366,415	358,704	**346,808**	−3.3%	**3,689**
417,144	402,582	434,754	425,835	370,199	**480,717**	29.9%	**5,114**
126,047	120,395	112,596	105,918	101,073	**95,312**	−5.7%	**1,014**
82	82	73	75	72	**72**		
72,214	72,550	71,854	71,749	71,729	**73,017**		

*8 Pursuant to an amendment of the Japanese Tax Law, from the fiscal year ended March 31, 2008, a depreciation method based on the amended Japanese Tax Law has been used for property, plant and equipment acquired on or after April 1, 2007. Further, for property, plant and equipment acquired on or before March 31, 2007, from the fiscal year following the fiscal year in which assets reach 5% of acquisition cost through the application of a depreciation method based on the Japanese Tax Law prior to amendment, the difference between the amount equivalent to 5% of the acquisition cost and the memorandum value (residual value under the amended Japanese Tax Law) is depreciated evenly over a five-year period and recognized in depreciation.

*9 Yen figures have been translated into U.S. dollars at the rate of ¥94 to U.S. $1 as of March 31, 2013, solely for the convenience of readers.

OVERVIEW

In the year ended March 31, 2013, the Japanese economy recovered as a result of the government's economic and monetary stimulus, despite the global economy slowing. In this environment, East Japan Railway Company and its consolidated subsidiaries and equity-method affiliates (JR East) concentrated on improving services and leveraging this to generate revenue.

As a result, during the consolidated fiscal year under review, operating revenues increased 5.5% year-on-year to ¥2,671.8 billion ($28,424 million) and operating income increased 10.4% to ¥397.6 billion ($4,229 million). Because of an increase in insurance proceeds from the March 2011 earthquake and other factors, net income increased 61.3% year on year to ¥175.4 billion ($1,866 million).

SEGMENT INFORMATION

TRANSPORTATION

In the Transportation segment, JR East maintained revenues by promoting the use of its Shinkansen and Tokyo metropolitan area network. Efforts were directed at railway operations, with the objective of further improving safety and customer satisfaction.

As a result, the Transportation segment posted operating revenues of ¥1,848.6 billion ($19,666 million), a year-on-year increase of 5.3%. Operating income increased 12.6% year on year to ¥266.4 billion ($2,835 million).

Operating income 12.6% up

SHOPPING CENTERS & OFFICE BUILDINGS

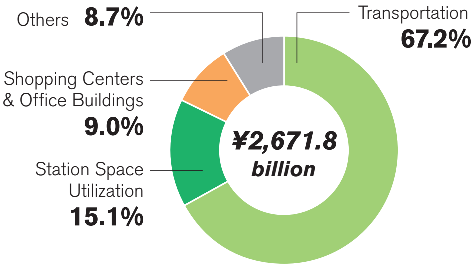
In the Shopping Centers & Office Buildings segment, JR East opened facilities such as *atrévie Higashi-Nakano* (Tokyo), *CELEO Hachioji North Wing* (Tokyo), and *CIAL Tsurumi* (Kanagawa).

Those openings and a boost in revenues from the launch of *LUMINE Yurakucho* (Tokyo) enabled the segment to post a 4.3% increase year on year in operating revenues to ¥249.2 billion ($2,651 million). Operating income increased 2.5% to ¥68.2 billion ($725 million).

Operating income 2.5% up

OPERATING REVENUES

For the year ended March 31, 2013



STATION SPACE UTILIZATION

In the Station Space Utilization segment, JR East leveraged the *Station Renaissance* program to maximize the value of spaces within railway stations.

The Station Space Utilization segment posted a 2.1% year on year increase in operating revenues to ¥418.4 billion ($4,451 million) as a result of this program and an increase in revenues from *GranSta* (Tokyo) within Tokyo Station. Operating income increased 10.6% year on year to ¥37.6 billion ($399 million).

Operating income 10.6% up

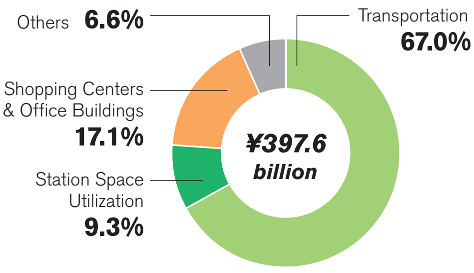
OTHERS

As a result of initiatives in hotel operations, *Suica* shopping services (electronic money) and railcar manufacturing operations to improve revenue, and an increase in sales in advertising and publicity services, Others posted a 12.1% increase year on year in operating revenues to ¥578.6 billion ($6,155 million). Operating income was up 22.2% to ¥26.9 billion ($285 million).

Operating income 22.2% up

OPERATING INCOME

For the year ended March 31, 2013



CREDIT RATINGS

Moody's — Aa2 [Stable]

[Basic Opinion]

- The railway industry enjoys a favorable business environment, and a high degree of business stability compared with other regulated industries such as the electric power and communications industries.
- The strategic importance and economic strength of the Tokyo metropolitan area will continue to solidify JR East's business base.
- Business risk in the non-transportation businesses is limited because JR East has effectively utilized existing assets and facilities.
- Given that capital expenditures have been kept within the scope of operating cash flows, JR East should be able to continue reducing debt going forward.
- In September 2011, Moody's downgraded JR East's credit rating from Aa1 to Aa2. This action reflected concerns about the possibility that JR East may be unable to maintain the same cash flow generation capacity as before due to stagnant economic conditions in Japan. Another concern is that the stagnant economic conditions may slow the company's improvement of its financial position compared with the previous pace.

(April 2013)

S&P — AA− [Negative]

[Basic Opinion]

- JR East is expected to retain stable profitability in its core railway business.
- Non-transportation businesses also remain highly competitive backed by operational advantages such as attractive locations.
- Although JR East's medium and long routes are susceptible to the economic downturn and Japan's aging population as well as low birthrate will reduce passenger demand, S&P expects its transportation business will likely continue to generate stable profits.
- JR East generates stable cash flow and has strong interest coverage.
- Although JR East has large debt, S&P expects gradual but sustainable improvement in capital structure.

(June 2013)

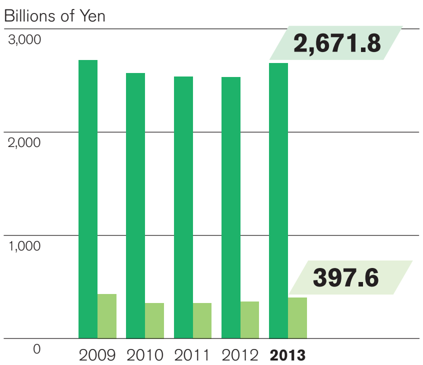
R&I — AA+ [Stable]

[Basic Opinion]

- JR East restored revenues in the core Kanto Area and Shinkansen in a short space of time, although a full recovery of all railway lines from the Great East Japan Earthquake has yet to be achieved.
- JR East should be able to maintain its ability to secure a high level of earnings and cash flows, given that its transportation business based on core railway operations has an extremely strong business foundation centered on the Tokyo metropolitan area, and it has steadily bolstered its foundations in related businesses centered on railway terminals.
- JR East will continue making large capital expenditures in redevelopment and safety measures. It also plans to enhance shareholder returns. Moreover, considering its strong capacity to generate cash flows, concerns about a possible deterioration in its favorable equity-debt structure as a railway company are limited.
- JR East has considerable capacity to withstand an increase in interest rates, given that it has made progress repaying high-interest debt, and has substantial long-term, fixed-interest debt.

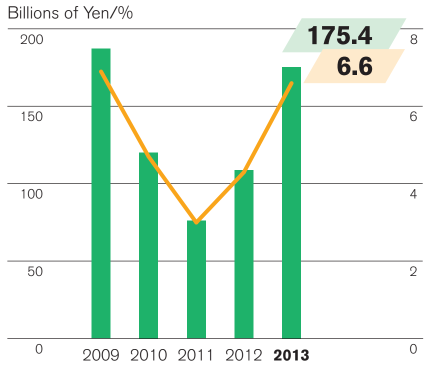
(March 2013)

OPERATING REVENUES AND OPERATING INCOME



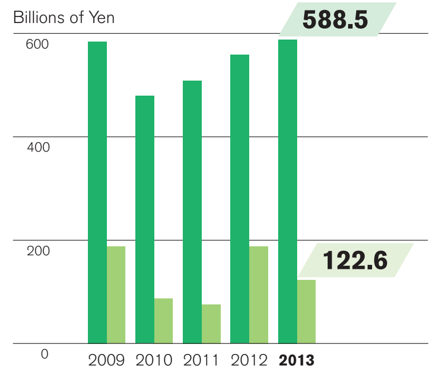
Operating Revenues
Operating Income

NET INCOME AND NET INCOME AS A PERCENTAGE OF REVENUES



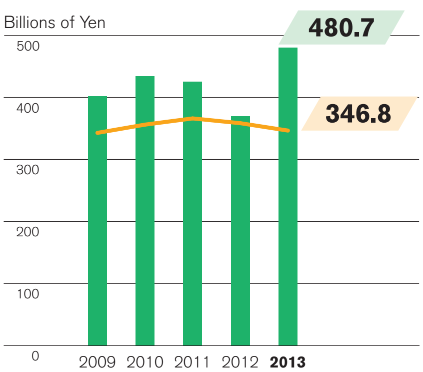
Net Income (left scale)
Net Income as a Percentage of Revenues (right scale)

CASH FLOWS FROM OPERATING ACTIVITIES AND FREE CASH FLOWS



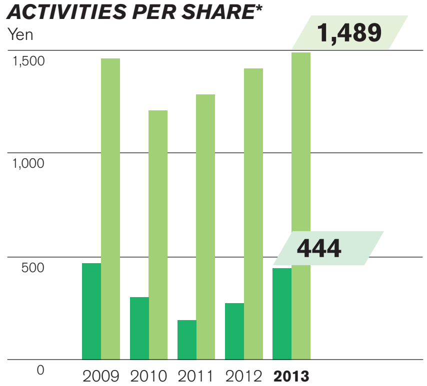
Cash Flows from Operating Activities
Free Cash Flows

CAPITAL EXPENDITURES AND DEPRECIATION



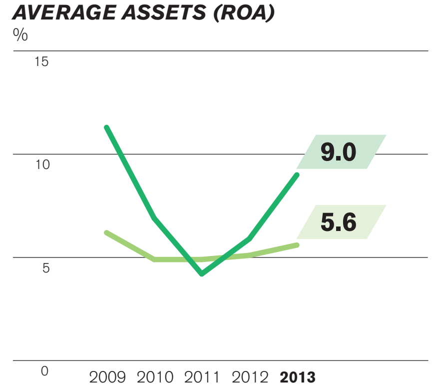
Capital Expenditures
Depreciation

EARNINGS PER SHARE AND CASH FLOWS FROM OPERATING ACTIVITIES PER SHARE*



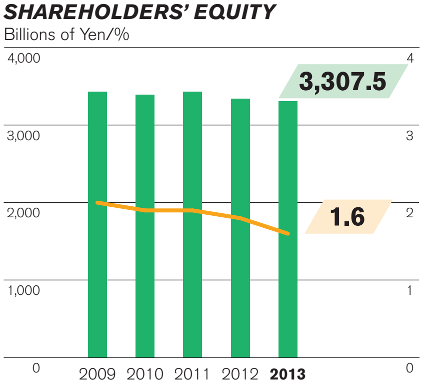
Earnings per Share
Cash Flows from Operating Activities per Share

RETURN ON AVERAGE EQUITY (ROE) AND RATIO OF OPERATING INCOME TO AVERAGE ASSETS (ROA)



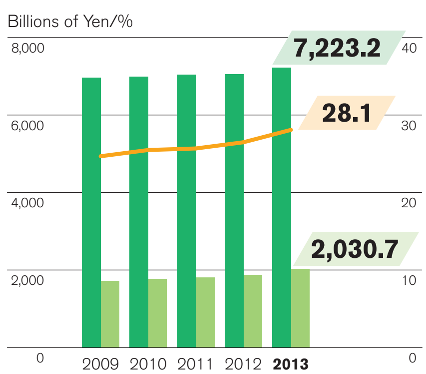
ROE
ROA

INTEREST-BEARING DEBT AND INTEREST-BEARING DEBT TO SHAREHOLDERS' EQUITY



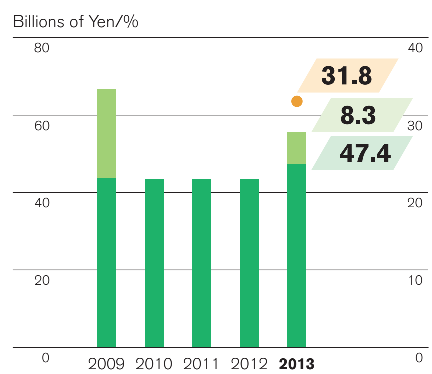
Interest-Bearing Debt (left scale)
Interest-Bearing Debt to Shareholders' Equity (right scale)

TOTAL ASSETS, SHAREHOLDERS' EQUITY AND EQUITY RATIO



Total Assets (left scale)
Shareholders' Equity (left scale)
Equity Ratio (right scale)

CASH DIVIDEND AND SHARE BUYBACKS AND TOTAL RETURN RATIO



Cash Dividend (left scale)
Share Buybacks (left scale)
Total Return Ratio (right scale)

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