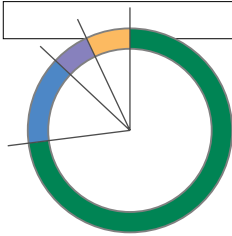


# CONSOLIDATED BUSINESS OVERVIEW

## CONSOLIDATED OPERATING REVENUES 1999



- 73% Transportation
- 14% Merchandise Sales
- 6% Real Estate Leasing
- 7% Other Services

### BUSINESS RESULTS (1991=100)

— Operating revenues

#### TRANSPORTATION

JR East's 7,538.2-kilometer rail network covers the eastern half of Honshu, including the Tokyo area. This immense network represents most of transportation revenues. In the fiscal year ended March 31, 1999, transportation operating revenues were ¥1,808.9 billion (\$14,950 million). Major components of the transportation segment are as follows:

##### Shinkansen Bullet Train Network

High-speed trains linking Tokyo with major cities

##### Tokyo Metropolitan Area Network

Trains serving the huge Tokyo area transportation market

##### Intercity and Regional Networks

Intercity transportation other than the Shinkansen and

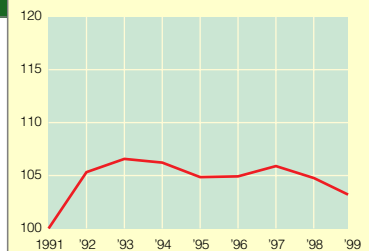
regional transportation outside the Tokyo metropolitan area network

##### Travel Agency Services

View Plaza (travel centers) and other outlets offering domestic and overseas travel services

##### Bus Services

Bus services are conducted in addition to railway operations



#### MERCHANDISE SALES

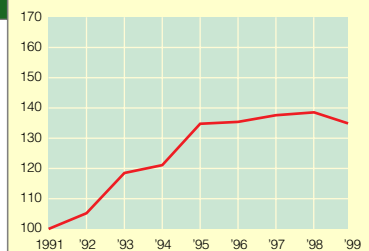
More than 16 million passengers embark at JR East's stations every day. Retailing operations are closely attuned to the needs of this massive customer base. Retail outlets are located in or near stations, providing a valuable competitive advantage. Merchandise sales revenues were ¥356.3 billion (\$2,944 million) for the year ended March 31, 1999. Major components of the merchandise sales segment are as follows:

##### Retailing

Retailing activities such as Kiosk outlets and convenience stores, both at stations, and sales of food, drinks and other goods on trains

##### Restaurants

Restaurants, mainly at or near stations

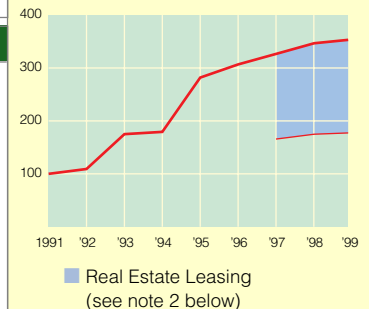


#### REAL ESTATE LEASING

Real estate leasing activities include shopping centers and office buildings in and around the Company's railway stations, which handle an immense volume of passengers daily. Real estate leasing revenues were ¥158.5 billion (\$1,310 million) for the year ended March 31, 1999. Major components of this segment are as follows:

##### Shopping Centers

Shopping centers located at or near stations



#### OTHER SERVICES

JR East holds a large volume of assets with much potential for future development. Among these are stations, including space underneath elevated lines, particularly in the Tokyo area. The utilization of these assets is mutually beneficial for activities in the other services segment and for railway operations. For the year ended March 31, 1999, other services revenues amounted to ¥159.9 billion (\$1,322 million). Major components of this segment are as follows:

##### Hotel Operations

There are three types of hotels: *Metropolitan Hotels*, *HOTEL METS*, and *Folkloro* and *Familio*.

##### Advertising and Publicity

Advertising in stations and inside trains and publicity

##### Information Processing

Information processing outsourcing, development and sale of computer software, and related activities

##### Card Business

The *View Card*, a house card that is honored mainly at stations, stores at stations, hotels and shopping centers

##### Housing Development and Sales

Primarily the development and sale of housing sites, houses and condominiums at locations along JR East's rail lines

##### Others

Construction, car rentals and other businesses

Notes: 1. Segment information is only available from fiscal 1991, the year ended March 31, 1991, onwards.

2. Real estate leasing was separated from other services beginning with the fiscal year ended March 31, 1998 (see page 50).

3. There were 7 consolidated subsidiaries in the fiscal years ended March 31, 1991 and 1992, 12 in 1993 and 1994, 69 in 1995, 72 in 1996, 73 in 1997, 80 in 1998 and 81 in 1999.