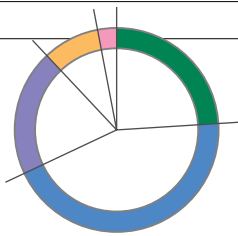


NONCONSOLIDATED BUSINESS OVERVIEW

NONCONSOLIDATED OPERATING REVENUES 1999



- 24% Shinkansen Bullet Train Network
- 44% Tokyo Metropolitan Area Network
- 20% Intercity and Regional Networks
- 9% Other Railway Business Activities
- 3% Related Businesses

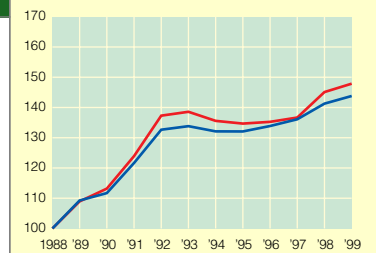
BUSINESS RESULTS (1988=100)

- Passenger-kilometers
- Operating revenues

SHINKANSEN BULLET TRAIN NETWORK

The Shinkansen network provides high-speed rail service between Tokyo and major cities. The 535.3-kilometer Tohoku Shinkansen runs to Morioka, the 303.6-kilometer Joetsu Shinkansen to Niigata and the 117.4-kilometer Nagano Shinkansen to Nagano. JR East takes full advantage of the speed and convenience of these trains to attract more passengers.

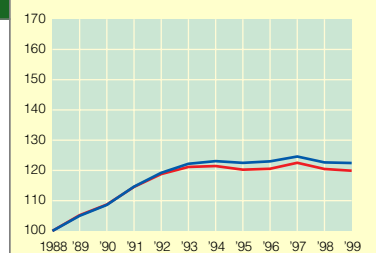
Higher speeds, through service to conventional lines, such as for Yamagata and Akita, and added capacity within about 100 kilometers of Tokyo are notable areas of progress. Additionally, the Shinkansen commuting market continues to grow. Shinkansen bullet train network revenues were ¥461.1 billion (\$3,811 million) for the year ended March 31, 1999.



TOKYO METROPOLITAN AREA NETWORK

The 1,117.4 kilometers of track in the Tokyo metropolitan area network represent lines administered by the Tokyo Branch Office, Yokohama Branch Office and Hachioji Branch Office. Most of these lines are within a radius of about 100 kilometers from Tokyo Station. About 33 million people inhabit the region in and around the nation's capital. This cre-

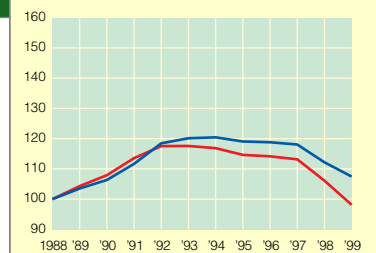
ates an enormous demand for transportation services, primarily from commuters. JR East is upgrading services through such actions as increasing train frequency, making trains longer and raising speeds. Tokyo metropolitan area network revenues were ¥842.2 billion (\$6,960 million) for the year ended March 31, 1999.



INTERCITY AND REGIONAL NETWORKS

JR East's intercity and regional networks consist of 5,464.5 kilometers of rail lines. These networks include all non-Shinkansen intercity lines and regional lines outside the Tokyo metropolitan area network. Intercity lines are a vital complement to the Shinkansen, linking major cities in JR East's service area. Revenues from hybrid Shinkansen

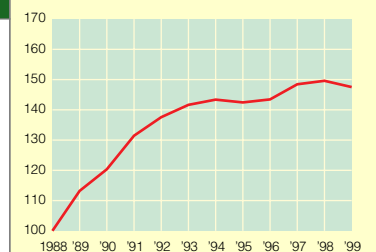
trains running on conventional lines (Fukushima to Yamagata and Morioka to Akita) are included in this sector. Measures to stimulate demand focus on introducing new types of rolling stock and raising speeds. Intercity and regional networks revenues were ¥380.1 billion (\$3,141 million) for the year ended March 31, 1999.



OTHER RAILWAY BUSINESS ACTIVITIES

Revenues in this sector are closely tied to railway activities and derived chiefly from fee-based operations such as advertising, retail businesses within train stations, travel-agency services, and fees from Japan Freight Railway Company (JR Freight) for use of JR East lines. The definition of Other Railway Business Activities is based on Railway Business Accounting

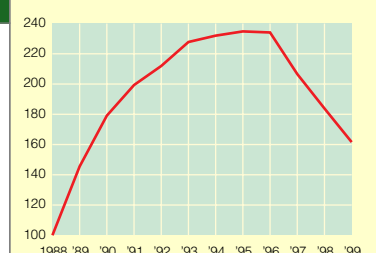
Regulations. JR East's operating base, which includes Tokyo and its densely packed, highly mobile population, is ideally suited to the development of these business activities. Other railway business activities revenues were ¥169.5 billion (\$1,401 million) for the year ended March 31, 1999.



RELATED BUSINESSES

This sector includes real estate businesses, credit cards, directly owned and operated restaurants and retail stores, and a variety of other activities. With a wealth of space in stations, under elevated lines and elsewhere—particularly in the Tokyo area—there are many growth opportunities to pursue. JR East is transferring retailing operations to subsid-

aries, closing underperforming outlets, and taking other steps to boost the performance of retailing activities. Related businesses revenues were ¥56.5 billion (\$467 million) for the year ended March 31, 1999.



Note: Service on the extension of the Yamagata hybrid Shinkansen from Yamagata to Shinjo is expected to begin in December 1999.