1999

Semi-Annual Report

For the six months ended
September 30, 1999

EAST JAPAN RAILWAY COMPANY

Nonconsolidated Financial Highlights

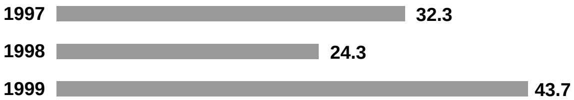
EAST JAPAN RAILWAY COMPANY
Six months ended September 30

	Millions of Yen (except for per share data)		
	1997	1998	1999
For the period:			
Operating revenues	¥ 974,371	¥ 962,977	¥ 949,586
Operating income	191,033	175,466	179,956
Net income	32,257	24,325	43,682
Net income per share of common stock (yen)	8,064.26	6,081.13	10,920.60
At September 30:			
Total assets	6,727,864	6,608,436	6,585,988
Total shareholders' equity	714,580	736,693	769,456
Ratios:			
Net income as a percentage of operating revenues (%)	3.3	2.5	4.6
Equity ratio (%)	10.6	11.1	11.7

Operating Revenues (Billions of Yen)

Operating Income (Billions of Yen)

Net Income (Billions of Yen)



Message From the Management

Since its inception in April 1987, East Japan Railway Company (JR East) has remained focused on the task of establishing an independent, self-reliant management base in accordance with the spirit of the Japanese National Railways (JNR) restructuring, thereby fulfilling its obligations to shareholders and investors. The Company will continue to concentrate all of its resources on achieving a strong management base that embodies stability and growth, one that can adapt to the rapid changes taking place in the operating environment as the new century dawns.

To this end, the Company will aggressively promote life-style businesses that hold the potential of future growth and will, of course, work to improve safety and services. JR East will also continuously implement steps to make operations more efficient and reduce total long-term debt to improve its financial position. Moreover, the Company will disclose information in a timely and appropriate manner and aim for management with a high degree of transparency for shareholders and investors.

Interim Results

Japan's economic downturn was brought to a halt by various actions by the national government. However, there were still no clear signs of a self-sustaining recovery in consumer spending or private-sector capital investment. Adverse economic conditions thus continued in Japan during the first half of the fiscal year ending March 31, 2000. In this environment, passenger volume at JR East declined compared with the same period a year earlier.

The decline in passenger volume caused railway operating revenues to decrease. Furthermore, the transfer of certain directly operated stores and restaurants to JR East's subsidiaries and other items brought down operating revenues in other operations. The result was a 1.4% decrease in total operating revenues to ¥949.6 billion ($8,875 million). Operating expenses decreased mainly due to efforts to reduce costs and a change in the method for recording maintenance expenses (see notes to nonconsolidated semi-annual financial statements). Other expense decreased as interest expense was lower. As a result, income before income taxes increased 12.4% to ¥75.1 billion ($702 million). These factors, along with the adoption of tax effect accounting practices, caused net income to rise 79.6% to ¥43.7 billion ($408 million). Interim cash dividends per share applicable to the period were maintained at ¥2,500 ($23.36).

In anticipation of the disclosure of consolidated interim results beginning with the fiscal year ending March 31, 2001, JR East is releasing a set of consolidated financial information for the current interim period (refer to supplementary information). Consolidated operating revenues for the first half of the fiscal year ending March 31, 2000 were ¥1,245.8 billion ($11,643 million), income before income taxes was ¥92.6 billion ($865 million) and net income was ¥51.4 billion ($480 million).

In Japan, companies will be required to accrue a shortfall of the amount of a liability calculated based on the present value of future payment upon retirement obligations beginning with the fiscal year ending March 31, 2001. Such shortfall could be ¥487 billion on a nonconsolidated basis and ¥517 billion on a consolidated basis in accordance with the present retirement system. This is calculated based on a discount rate of 3.0%. The Company will charge this shortfall to income over a period of 10 years.

Major Issues in the Future

Railway operations–In railway operations, now that certain public holidays will be shifted by law to create three-day weekends in 2000, we will continue to place emphasis on conducting campaigns that promote the benefits and attractiveness of rail travel. We will also further utilize our Shinkansen network, which now has a total of five routes including hybrid through service, and is even more competitive following the December 1999 extension of the Yamagata hybrid Shinkansen (see Corporate News).

Travel packages that link rail travel with reduced-rate rental cars and/or lodging facilities designed for multi-night stays represent another means of stimulating demand for trips using JR East trains. To serve the rising number of older passengers, we are investing in information boards, escalators and other facilities to make our stations more user friendly and make railway services more competitive against other forms of transportation. Additionally, we are taking rigorous measures to cut costs in railway operations by enhancing efficiency.

Life-style services–JR East remains dedicated to making effective use of its greatest resource, our stations that serve more than 16 million passengers daily. JR East plans to continue to proceed aggressively with numerous developments at suitable stations, a program called The Sunflower Plan, primarily in the Tokyo area where the concentration of passengers is greatest, by using space opened by the alteration of station facility layouts. We also plan to continue to develop more shopping centers, hotels and other facilities. Due to the current uncertain economic outlook, we are focusing on projects where investments can be recovered over a short period of time and contribute to earnings.

Total long-term debt–Total long-term debt as of September 30, 1999 was ¥4.7 trillion (nearly ¥4.9 trillion on a consolidated basis). Since the Company was formed in 1987, nonconsolidated total long-term debt has fallen by ¥1.7 trillion. The Company will continue to focus on reducing total long-term debt. To achieve these reductions, JR East will continue to work to maximize cash flows. To ensure sufficient funds for debt reductions and other requirements, we intend to adhere to the policy of conducting capital expenditures efficiently within the bounds of depreciation.

As the total long-term debt reaches maturity periodically, we conduct an enormous volume of refinancing activities. Bond issues in Japan and overseas will continue to be a vital source of funds for the Company.

Full private-sector ownership–The greatest and most pressing issue for JR East's management is achieving full private-sector ownership, the final objective of the JNR restructuring, as soon as possible. This would enable the Company to gain complete freedom and adhere to a policy that prioritizes shareholder value in the years ahead. In August 1999, the second public sale of one million shares of JR East stock held by Japan Railway Construction Public Corporation (JRCC) was conducted. Following this sale, JRCC holds 500,000 shares, which is 12.5% of the 4 million issued and outstanding shares. JR East will strive to continue to provide safe and stable transportation and higher quality services as well as to improve operating results. In this manner, the Company will focus all its resources on achieving full private-sector ownership.

Year 2000 Readiness

All remedial measures and tests to confirm Year 2000 readiness have been completed for all of JR East's systems to ensure that this issue causes no annoyance to customers and does not disrupt any of our business operations. To further enhance our readiness, a contingency plan has been formulated to prepare for any unforeseen events.

Outlook

For the second half of the fiscal year, the outlook is for uncertainty about the direction of Japan's economy. Furthermore, the declining of birth rates and aging of Japan's population point to dramatic changes in the operating environment in the future. JR East is committed to offering safe and stable railway transportation service and aggressively expanding life-style services while enhancing efficiency by conducting an exhaustive cost containment program. Through these efforts, we will strive to make our operations more efficient and build an even more sound and stable management base.

December 1999

Masatake Matsuda
President and CEO

The Shinkansen Network Continues to Expand

JR East operates two hybrid Shinkansen routes, offering through service from Tokyo to Shinjo and Akita. JR East developed this unique method of running the same trains on both Shinkansen and conventional lines where rails have been widened. This system shortens travel times by eliminating the need to change trains and enabling trains to operate at higher speeds.

The Yamagata hybrid Shinkansen, which began running in July 1992, has increased capacity to keep pace with solid demand. In December 1999, the conventional line sector of this service was extended from Yamagata on to Shinjo, a distance of 61.5 kilometers and through service between Tokyo and Shinjo began. The average travel time between Tokyo and Shinjo is now 3 hours and 25 minutes, a reduction of roughly 30 minutes. The fastest train links these two cities in 3 hours and 5 minutes. Interest-free loans from an organization backed by local public-sector entities provided all of the funding for this project. In addition, local governments provided large-scale free parking areas ("park & ride" parking facilities) holding a total of about 2,800 cars at five stations. This is expected to attract more passengers by making it convenient to drive to a station.

Broad-Based Development of Life-Style Businesses

Opening of *Gran Duo*

In April 1999, a new type of shopping center named *Gran Duo* opened its doors in Tachikawa, a large city in Tokyo's western suburbs. Tachikawa Station serves 240,000 people daily. The subsidiary that operates *Gran Duo* receives support from Hankyu Department Stores, Inc., one of Japan's major department store companies. Situated in a prime location, *Gran Duo* attracts a large number of customers.

Diversifying the *Kiosk* Network

Kiosk, a station-based retail chain selling newspapers, magazines, snacks and other items, is aggressively developing new formats. Examples include book stores, CD shops and drug stores. As part of this program, *Kiosk* formed a tie-up in April 1999 with Pia Corp., a major Japanese ticket distributor, and subsequently opened a *Ticket Pia Kiosk* shop. An October 1999 agreement with Ryohin Keikaku Co., Ltd., which sells a diverse line of No Brand products that is especially popular among young people, led to the opening of *Mujirushi-Ryohin COM KIOSK*, a *Kiosk* selling these items.

HOTEL METS Open in Kitakami and Nagaoka

Occupancy rates of *HOTEL METS* have been consistently high. Supporting this performance are locations at or near stations and a strategy of offering the quality accommodations of a full-service urban hotel at lower prices. Two more of these hotels opened in July 1999 in Kitakami and Nagaoka. Both are located in growing regional cities with Shinkansen stations. These additions increased the *HOTEL METS* network to ten locations with 952 rooms as of December 1999.

The *View Card* Becomes Still More Useful

JR East's *View Card* had attracted about 1.75 million customers as of the end of November 1999 on the basis of applications received. From April 2000, *View Cards* will be honored at any VISA-affiliated merchant worldwide, dramatically boosting the convenience of these cards.

More Emphasis on Consolidated Management

Nonconsolidated financial statements, prepared in accordance with the Securities and Exchange Law of Japan, generally have been regarded as the primary means of financial disclosure in Japan. Consolidated figures were provided only in a secondary role. This system is set to change in the fiscal year ending March 31, 2000 to one in which consolidated results take precedence. To lay the groundwork for this move, JR East established a subsidiary to conduct accounting, consulting and other related services in April 1998. A committee headed by the Company president was formed to create strategies and management plans on a group-wide basis.

In anticipation of the disclosure of consolidated interim financial statements beginning in the fiscal year ending March 31, 2001, JR East released a set of consolidated financial information including segment information for the current interim period (refer to supplementary information).

Nonconsolidated Semi-Annual Balance Sheets

EAST JAPAN RAILWAY COMPANY
September 30, 1998 and 1999

Assets

Current Assets:
- Cash and cash equivalents
- Receivables:
  - Accounts receivable – trade
  - Allowance for doubtful accounts (Note 2)
- Inventories and real estate for sale
- Deferred income taxes
- Other current assets
  - Total current assets

Investments:
- Subsidiaries and affiliated companies (Note 5)
- Other securities (Note 5)

Property, Plant and Equipment:
- Railway
- Other operations
- Construction in progress
- Less accumulated depreciation
  - Net property, plant and equipment

Other Assets:
- Long-term deferred income taxes
- Other

Liabilities and Shareholders' Equity

Current Liabilities:
- Commercial paper
- Current portion of long-term debt
- Current portion of long-term liabilities incurred for purchase of
- Prepaid railway fares received
- Other payables
- Accrued income taxes
- Accrued and other current liabilities
  - Total current liabilities

Long-Term Debt

Long-Term Liabilities Incurred for Purchase of Railway Facilities

Accrued Severance and Retirement Benefits

Other Long-Term Liabilities

Contingent Liabilities (Note 4)

Shareholders' Equity:
- Common stock, ¥50,000 par value:
  - Authorized – 16,000,000 shares; issued and outstanding –
- Additional paid-in capital
- Legal reserve
- Retained earnings
  - Total shareholders' equity

See accompanying notes.

(Unaudited)

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	1998	1999	1999
	¥ 100,037	¥ 139,833	$ 1,307
	110,265	103,784	970
	(312)	(8,587)	(80)
	109,953	95,197	890
	61,303	66,145	618
	–	15,648	146
	22,404	15,837	148
	293,697	332,660	3,109
	131,148	144,658	1,352
	124,248	121,992	1,140
	255,396	266,650	2,492
	8,563,403	8,627,149	80,628
	1,196,269	1,239,237	11,582
	195,451	200,865	1,877
	9,955,123	10,067,251	94,087
	4,009,340	4,190,848	39,167
	5,945,783	5,876,403	54,920
	–	18,899	177
	113,560	91,376	853
	113,560	110,275	1,030
	¥6,608,436	¥ 6,585,988	$61,551
	¥ 30,000	¥ –	$ –
	111,373	202,433	1,892
railway facilities	104,604	113,935	1,065
	120,968	120,862	1,130
	242,492	268,153	2,506
	41,688	43,642	408
	201,772	150,210	1,403
	852,897	899,235	8,404
	1,924,194	1,930,897	18,046
	2,572,093	2,458,414	22,976
	428,854	422,278	3,947
	93,705	105,708	987
4,000,000 shares	200,000	200,000	1,869
	96,600	96,600	903
	16,128	18,138	169
	423,965	454,718	4,250
	736,693	769,456	7,191
	¥6,608,436	¥ 6,585,988	$61,551

Nonconsolidated Semi-Annual Statements of

EAST JAPAN RAILWAY COMPANY
Six months ended September 30, 1997, 1998 and 1999

Operating Revenues	
Operating Expenses	
Operating Income	
Other Income (Expense):	
Interest expense	
Interest and dividend income	
Other, net	
Income Before Income Taxes	
Income Taxes:	
Current	
Deferred	
Net Income	
Retained Earnings at Beginning of the Period	
Cumulative Effect of Adopting Tax Effect Accounting	
Reversal of Reserve for Cost Reduction of Fixed Assets due to Adoption of Tax Effect Accounting	
Appropriations:	
Cash dividends paid (¥2,500 per share)	
Bonuses to directors and corporate auditors	
Transfer to legal reserve	
Retained Earnings at End of the Period	
Net Income per Share of Common Stock (Note 3)	

See accompanying notes.

Notes to Nonconsolidated Semi-Annual Finan

1. Significant Accounting Policies

Basis of presentation of financial statements – The accompanying nonconsolidated semi-annual financial statements should be read in conjunction with the financial statements and related notes included in the Annual Report of EAST JAPAN RAILWAY COMPANY (the “Company”) for the year ended March 31, 1999.

The Company, a Japanese Corporation, maintains its accounting records in Japanese yen. The accompanying nonconsolidated financial statements in English are prepared in accordance with accounting principles generally accepted in Japan and Railway Business Accounting Regulations, and are based on the financial statements prepared in Japanese yen and for Securities and Exchange Law of Japan purposes, which are different from the accounting and disclosure requirements of International Accounting Standards.

The financial statements are stated in Japanese yen. The translations of the Japanese yen amounts into U.S. dollars are included solely for the convenience of the reader, using the prevailing exchange rate at September 30, 1999, which was ¥107 to U.S.$1.00. The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

Income and Retained Earnings (Unaudited)

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	1997	1998	1999	1999
	¥ 974,371	¥ 962,977	¥ 949,586	$ 8,875
	783,338	787,511	769,630	7,193
	191,033	175,466	179,956	1,682
	(119,250)	(115,852)	(109,634)	(1,025)
	2,064	1,957	1,679	16
	(5,282)	5,202	3,065	29
	(122,468)	(108,693)	(104,890)	(980)
	68,565	66,773	75,066	702
	36,308	42,448	44,320	415
	–	–	(12,936)	(121)
	32,257	24,325	43,682	408
	382,837	410,844	390,590	3,650
	–	–	21,611	202
	–	–	9,937	93
	(10,000)	(10,000)	(10,000)	(93)
	(204)	(185)	(93)	(1)
	(1,020)	(1,019)	(1,009)	(9)
	¥ 403,870	¥ 423,965	¥ 454,718	$ 4,250

	Yen			U.S. Dollars (Note 1)
	¥8,064.26	¥6,081.13	¥10,920.60	$102.06

cial Statements (Unaudited)

Property, plant and equipment – Property, plant and equipment are substantially stated at cost. To comply with the regulations, contributions received in connection with construction of certain railway improvements are deducted from the cost of acquired assets. Depreciation is determined primarily by the declining balance method based on the estimated useful lives of the assets as prescribed by the Japanese Tax Law.

Depreciation for structures related to Shinkansen (bullet express trains) railway fixtures, excluding assets subject to the replacement method noted below, is determined by the declining balance method beginning with the fiscal year ended March 31, 1999. The straight-line method was applied until the year ended March 31, 1998. This revision was made due to changes in the economic and functional conditions of these structures caused by the increase in the number of Shinkansen trains and the operation of these trains at higher speeds. As a result of this revision, depreciation for the interim period ended September 30, 1998 was ¥17,685 million more than if the previous depreciation method had been applied, reducing operating income and income before income taxes by the same amount.

Regarding the replacement method for certain railway fixtures, the initial acquisition costs are depreciated to 50% of the costs under the condition that subsequent replacement costs are charged to income.

In accordance with amendments to the Japanese Tax Law, the estimated useful life of buildings for the purpose of calculating depreciation was shortened beginning with the year ended March 31, 1999. As a result of this change, building depreciation for the interim period ended September 30, 1998 increased operating expenses by ¥1,808 million more than if the previous estimated useful life had been applied, reducing operating income and income before income taxes by the same amount.

The range of useful lives is mainly as follows:

	Six months ended September 30	
	1997	1998 and 1999
Buildings	3 to 65 years	3 to 50 years
Railway fixtures	3 to 60 years	3 to 60 years
Rolling stock	3 to 20 years	3 to 20 years
Machinery and equipment	3 to 20 years	3 to 20 years

Maintenance Expenses – In previous semi-annual periods, half of estimates of total maintenance expenses likely to occur during the fiscal year have been allocated to the first half of the fiscal year. Under this method, expenses that were not paid prior to the first half of the fiscal year for which they were allocated were recorded as accrued expenses. For the works that extend beyond September 30, 1999, the Company allocated maintenance expenses based on the ratio of the work period within the semi-annual period to the contract work period. As a result of this revision, accrued expenses included in accrued and other current liabilities for the interim period were ¥9,249 million ($86 million) less than if the previous method had been applied, increasing operating income and income before income taxes by the same amount.

Reserve for accrued severance and retirement benefits – All employees of the Company are generally entitled to receive lump-sum severance and retirement benefits under an unfunded plan. The amounts of the severance and retirement benefits are generally determined by the length of service and basic salary at the time of severance or retirement of the employees. The Company accrues a liability for such benefits equal to 40% of the amount required if eligible employees voluntarily severed employment at the balance sheet date. No severance or retirement benefits have been funded.

Because of amendments to the Japanese Tax Law that apply beginning with the fiscal year ended March 31, 1999, methods for tax accounting for accrued retirement allowances have been revised. Companies are allowed to accrue a liability of up to 20% of the voluntary retirement obligations mentioned above, half of the previous 40% limit. This reduction, however, is implemented in stages beginning with a 37% limit in the year ended on March 31, 1999 and a 33% limit in 2000.

Payment for transfer to Welfare Pension (national pension) – In accordance with the enforcement of revision of the Welfare Pension Law and the related regulations in 1996 (1996 Law No. 82), a shortage of the assets to be transferred to the Welfare Pension from Japan Railways Group Mutual Aid Association was shared by Japanese National Railways Settlement Corporation (JNRSC) and JR Group Companies. The portion shared by JR East amounting to ¥77,566 million was paid in a lump sum. This is accounted for as a long-term prepaid expense included in other assets and is charged to income for the five years from the year ended March 31, 1998 on a straight-line basis. The balance of long-term prepaid expense at September 30, 1999 amounted to ¥38,783 million ($362 million).

Tax effect accounting – Due to a revision in Regulations concerning Terminology, Forms and Method of Presentation of Semi-Annual Financial Statements, the Company has used tax effect accounting beginning with the interim period ended September 30, 1999. As a result of this revision, net income was ¥12,936 million ($121 million) and retained earnings at the end of the interim period was ¥44,484 million ($416 million) more than if the Company had not adopted tax effect accounting.

2. Allowance for Doubtful Accounts

Joh-Shin-Etsu Highlands Development Co., Ltd., a consolidated subsidiary, was to be dissolved no later than the end of December 1999. The Company expected to recognize losses due to advances to this subsidiary of ¥8,400 million ($79 million) and investments in securities of ¥777 million ($7 million) involving this subsidiary.

3. Net Income per Share of Common Stock

Net income per share of common stock has been computed based on the average number of shares of common stock issued and outstanding during each fiscal period.

4. Contingent Liabilities

a) On April 1, 1987, Japanese National Railways (JNR) was privatized into the JR Group Companies. JNR Bonds issued by JNR were assumed separately by four (including the Company) of the JR Group Companies, Shinkansen Holding Corporation and JNRSC. Each of those companies was liable jointly and severally with the others for the total JNR Bonds assumed. The amount of such joint and several liability of the Company was ¥101,300 million at September 30, 1998. However, the Company's responsibility for the above joint and several liability was terminated on October 22, 1998 in accordance with the enactment of the Law for Disposal of Debts and Liabilities of the Japanese National Railways Settlement Corporation (1998 Law No. 136).

b) The outstanding amounts contingently liable under debt assumption agreements and cross currency swap agreement at September 30, 1999 were ¥142,792 million ($1,335 million) and $600 million, respectively.

5. Market Value Information for Securities

Book value, market value and net unrealized gains (losses) of quoted securities at September 30, 1998 and 1999 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	1998	**1999**	**1999**
Non-current:			
Book value	¥126,241	**¥126,903**	**$1,186**
Market value	112,302	**320,234**	**2,993**
Net unrealized gains (losses)	¥ (13,939)	**¥193,331**	**$1,807**

At September 30, 1998 and 1999, there were no quoted securities belonging to the current assets.

6. Subsequent Events

See Message From the Management.

Supplementary Information

Consolidated Semi-Annual Balance Sheet

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES
September 30, 1999

Assets

Current Assets:

Cash and cash equivalents

Receivables

Inventories and real estate for sale

Other current assets

Total current assets

Investments

Property, Plant and Equipment

Other Assets

Liabilities and Shareholders' Equity

Current Liabilities:

Short-term bank loans

Current portion of long-term debt

Current portion of long-term liabilities incurred for purchase of

Prepaid railway fares received

Other payables

Accrued income taxes

Accrued and other current liabilities

Total current liabilities

Long-Term Debt

Long-Term Liabilities Incurred for Purchase of Railway Facilities

Accrued Severance and Retirement Benefits

Other Long-Term Liabilities

Minority Interests

Shareholders' Equity:

Common stock, ¥50,000 par value:

Authorized – 16,000,000 shares; issued and outstanding –

Additional paid-in capital

Retained earnings

Total shareholders' equity

See accompanying notes.

Consolidated Semi-Annual Statement of Inco

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES
Six months ended September 30, 1999

Operating Revenues

Operating Expenses

Operating Income

Other Expense

Income Before Income Taxes

Income Taxes:

Current

Deferred

Minority Interests in Net Income of Consolidated Subsidiaries

Net Income

See accompanying notes.

(Unaudited)

	Millions of Yen	Millions of U.S. Dollars (Note 2)
	1999	1999
	¥ 224,786	$ 2,101
	126,390	1,181
	100,013	935
	49,997	467
	501,186	4,684
	244,903	2,289
	6,345,899	59,307
	181,245	1,694
	¥7,273,233	$67,974
	¥ 20,861	$ 195
	225,120	2,104
railway facilities	113,935	1,065
	120,862	1,130
	245,697	2,296
	50,238	470
	274,174	2,561
	1,050,887	9,821
	2,073,250	19,376
	2,458,414	22,976
	441,501	4,126
	371,413	3,472
	25,608	239
4,000,000 shares	200,000	1,869
	96,600	903
	555,560	5,192
	852,160	7,964
	¥7,273,233	$67,974

me (Unaudited)

	Millions of Yen	Millions of U.S. Dollars (Note 2)
	1999	1999
	¥1,245,824	$11,643
	1,055,225	9,862
	190,599	1,781
	(98,012)	(916)
	92,587	865
	50,821	475
	(10,333)	(97)
	742	7
	¥ 51,357	$ 480

Consolidated Semi-Annual Statement of Shar

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES
Six months ended September 30, 1999

Balance at March 31, 1999 . . . .
Cumulative effect of adopting tax effect accounting . . . .
Addition of consolidated subsidiaries . . . .
Addition of an equity-method affiliated company . . . .
Increase of equity in an equity-method affiliated company . . . . .
Net income . . . .
Cash dividends (¥2,500 per share) . . . .
Bonuses to directors and corporate auditors . . . .

Balance at September 30, 1999 . . . .

Balance at March 31, 1999 . . . .
Cumulative effect of adopting tax effect accounting . . . .
Addition of consolidated subsidiaries . . . .
Addition of an equity-method affiliated company . . . .
Increase of equity in an equity-method affiliated company . . . . .
Net income . . . .
Cash dividends ($23.36 per share) . . . .
Bonuses to directors and corporate auditors . . . .

Balance at September 30, 1999 . . . .

See accompanying notes.

Consolidated Semi-Annual Statement of Cas

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES
Six months ended September 30, 1999

Cash Flows From Operating Activities:
Income before income taxes . . . .
Depreciation . . . .
Interest expense . . . .
Construction grants received . . . .
Loss from disposition and provision for cost reduction of fixed
Decrease in receivables . . . .
Decrease in payables . . . .
Other . . . .
Sub-total . . . .
Payments of interest . . . .
Payments of income taxes . . . .
Net cash provided by operating activities . . . .

Cash Flows From Investing Activities:
Payments for purchases of fixed assets . . . .
Proceeds from construction grants . . . .
Other . . . .
Net cash used in investing activities . . . .

Cash Flows From Financing Activities:
Proceeds from long-term debt . . . .
Payments of long-term debt and liabilities incurred for purchase
Cash dividends paid by the Company . . . .
Other . . . .
Net cash used in financing activities . . . .

Net Decrease in Cash and Cash Equivalents . . . .
Cash and Cash Equivalents at Beginning of Year . . . .
Net Increase due to Addition of Consolidated Subsidiaries . . . . .

Cash and Cash Equivalents on September 30 . . . .

See accompanying notes.

eholders' Equity (Unaudited)

	Numbers of Shares of Common Stock (Thousands)	Millions of Yen		
		Common Stock	Additional Paid-in Capital	Retained Earnings
. .	4,000	¥200,000	¥96,600	¥470,280
. .				21,647
. .				9,180
. .				944
. .				12,580
. .				51,357
. .				(10,000)
. .				(428)
. .	**4,000**	**¥200,000**	**¥96,600**	**¥555,560**

	Millions of U.S. Dollars (Note 2)		
	Common Stock	Additional Paid-in Capital	Retained Earnings
. . . .	$1,869	$903	$4,395
. . . .			202
. . . .			86
. . . .			9
. . . .			117
. . . .			480
. . . .			(93)
. . . .			(4)
. . . .	**$1,869**	**$903**	**$5,192**

h Flows (Unaudited)

	Millions of Yen	Millions of U.S. Dollars (Note 2)
	1999	1999
. . . .	¥ 92,587	$ 865
. . . .	161,012	1,505
. . . .	111,651	1,043
. . . .	(17,519)	(164)
assets	11,993	112
. . . .	19,771	185
. . . .	(44,248)	(414)
. . . .	2,967	29
. . . .	338,214	3,161
. . . .	(109,273)	(1,021)
. . . .	(2,952)	(28)
. . . .	225,989	2,112
. . . .	(167,599)	(1,566)
. . . .	26,852	251
. . . .	(3,745)	(35)
. . . .	(144,492)	(1,350)
. . . .	39,718	371
of railway facilities	(100,312)	(937)
. . . .	(10,000)	(93)
. . . .	(27,748)	(260)
. . . .	(98,342)	(919)
. . . .	(16,845)	(157)
. . . .	237,860	2,223
. . . .	3,771	35
. . . .	¥ 224,786	$ 2,101

Segment Information (Unaudited)

Six months ended September 30, 1999

	Transportation	Merchandise sales
Operating revenues:		
Outside customers	¥901,339	¥191,030
Inside group	31,739	27,262
	933,078	218,292
Costs and expenses	763,646	215,896
Operating income	¥169,432	¥ 2,396

	Transportation	Merchandise sales
Operating revenues:		
Outside customers	$8,424	$1,785
Inside group	296	255
	8,720	2,040
Costs and expenses	7,137	2,018
Operating income	$1,583	$ 22

See accompanying notes.

Notes to Consolidated Semi-Annual Financial

1. Disclosure of Consolidated Financial Information

The accounting standards to be used by companies to which the Securities and Exchange Law is applicable are to be significantly revised beginning with the fiscal year ending March 31, 2000. East Japan Railway Company (the “Company”) is required to produce consolidated financial statements including consolidated statements of cash flows in accordance with the revised accounting standards mentioned above. Consolidated interim financial statements are required to be disclosed beginning with the fiscal year ending March 31, 2001. In advance of this requirement, the Company disclosed consolidated interim financial information for the current interim period. Excluding certain items, this consolidated interim financial information was produced in accordance with the revised accounting standards. (Refer to nonconsolidated semi-annual financial statements, the related notes, the consolidated financial statements and the related notes included in the Annual Report of the Company for the year ended March 31, 1999.)

2. Basis of the Consolidated Financial Statements

The Company and its consolidated subsidiaries (together the “Companies”) maintain their books of account in accordance with the Japanese Commercial Code and accounting principles generally accepted in Japan, which are different from the accounting and disclosure requirements of International Accounting Standards.

	Millions of Yen			
	Real estate leasing	Other services	Elimination and/or corporate	Consolidated
	¥71,213	¥ 82,242	¥ –	¥1,245,824
	5,441	68,467	(132,909)	–
	76,654	150,709	(132,909)	1,245,824
	60,616	148,131	(133,064)	1,055,225
	¥16,038	¥ 2,578	¥ 155	¥ 190,599

	Millions of U.S. Dollars (Note 2)			
	Real estate leasing	Other services	Elimination and/or corporate	Consolidated
	$666	$ 768	$ –	$11,643
	50	640	(1,241)	–
	716	1,408	(1,241)	11,643
	566	1,384	(1,243)	9,862
	$150	$ 24	$ 2	$ 1,781

Statements (Unaudited)

The consolidated semi-annual financial statements are stated in Japanese yen. The translations of the Japanese yen amounts into U.S. dollars are included solely for the convenience of the reader, using the prevailing exchange rate at September 30, 1999, which was ¥107 to U.S. $1.00. The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

3. Consolidation

The number of consolidated subsidiaries was 95, 14 more than in the prior fiscal year. The number of equity-method affiliated companies was 2, 1 more than in the prior fiscal year. This increase resulted from the adoption of the "effective control and influence standard" which is applicable to determine consolidated subsidiaries beginning with the fiscal year ending March 31, 2000.

4. Tax Effect Accounting

The Companies have adopted tax effect accounting beginning with the interim period ended September 30, 1999. (Refer to the notes to the nonconsolidated semi-annual financial statements.)

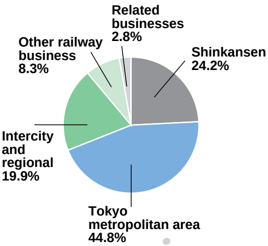
5. Statement of Cash Flows

The consolidated semi-annual statement of cash flows was prepared in accordance with the revised accounting standards mentioned above. These forms and method of presentation differ from those of the consolidated statements of cash flows which had been disclosed in the Annual Report of the Company.

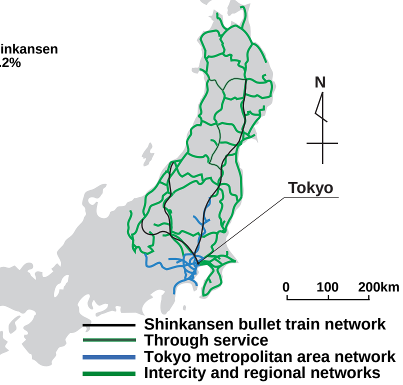
JR East in Profile and Corporate Data

Japan's largest railway company, JR East has a network in the Tokyo area and eastern Honshu, and serves more than 16 million passengers daily. Together with subsidiaries and affiliates, the Company is also involved in merchandise sales, shopping centers, hotels and other activities that are mutually beneficial with railway operations. JR East is working toward becoming a comprehensive life-style services organization centered around reliable railway services, thereby establishing a sound base for growth and prosperity in the 21st century.

Nonconsolidated Operating Revenue Composition



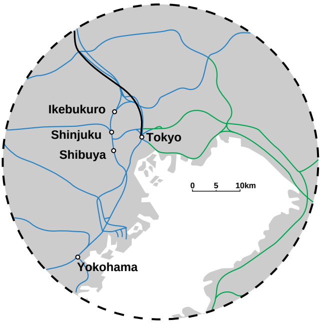
(Six months ended September 30, 1999)



Five Busiest JR East Stations (avg. embarking passengers daily)

1. Shinjuku	756,549
2. Ikebukuro	576,990
3. Shibuya	420,394
4. Yokohama	396,732
5. Tokyo	382,129

(Year ended March 1999)



Head Office
2-2, Yoyogi 2-chome, Shibuya-ku, Tokyo 151-8578, Japan
Phone: (03) 5334-1310 Facsimile: (03) 5334-1297

New York Office
One Rockefeller Plaza, New York, N.Y. 10020, U.S.A.
Phone: (212) 332-8686 Facsimile: (212) 332-8690

Paris Office
24-26, rue de la Pépinière, 75008 Paris, France
Phone: (1) 45-22-60-48 Facsimile: (1) 43-87-82-87

JR East on the Internet
http://www.jreast.co.jp

E-mail
ir@jreast.co.jp bond@jreast.co.jp

- ***Total Number of Shares Issued:*** 4,000,000
- ***Number of Shareholders:*** 443,498
- ***Stock Exchange Listings:*** Tokyo, Osaka, Nagoya, Niigata
- ***Number of Employees:*** 77,033 (94,371 on a consolidated basis)
- ***Number of Stations:*** 1,707
- ***Number of Rolling Stock:*** 13,530
- ***Average Daily Train Runs:*** 12,000 (approx.)
- ***Passenger Line Network:*** 7,538.2 kilometers
- ***Passengers Served Daily:*** 16.2 million (approx.)
- ***Population of Operating Area:*** 59 million (approx.)

(As of September 30, 1999)

Printed in Japan