Materiality (material aspects) of the JR East Group

In alignment with "Move UP 2027," with people ("everyone") as our starting point, we will continue to create the values of "trust" and "affluence" at the urban, regional, and global levels by focusing on "safety," "people's daily lives," and the "happiness of our employees and their families.

Based on the expectations of our various stakeholders, we have identified and established key business issues and specified key matters that the JR East Group should address (materiality aspects).

This document will report on the materiality aspects identified based on the steps outlined below as well as the extent of their impact (boundaries).

Step 1: Identification of relevant topics and boundaries

- We broadly selected topics in light of their relevance to the economic, environmental, and social factors indicated in the GRI Standards and to the JR East Group's business (business areas, business flow) as well as their relevance to the management vision.
- In order to identify the boundaries of the relevant topics, we considered their relevance to our business flow and relationship with stakeholders and the extent of their impact on both inside and outside the organization.
- In identifying topics, with the future in mind, we have also taken the sustainability context into account, including social and environmental trends in our business territories, in Japan, and overseas.

Step 2: Prioritization of relevant topics

- We identified high-priority topics (material aspects) by considering various factors, such as key stakeholders' concerns, matters and information essential to decision-making, the extent of the impact on society and the environment, and topics and targets (KPIs) that are a focus of the management vision and business of JR East.
- The management vision takes into account not just improving safety and services, which are fundamental to the railway business, but also issues such as revitalization of the regional economy and addressing climate change and other environmental problems.
- In addition, with regard to overseas business expansion, it includes involvement in projects in view of the future development of regions where railways are deemed necessary from an economic, social, and environmental perspective, and takes into account the sustainability context, both domestically and internationally.

Step 3: Defining and verifying validity

- We double-checked the validity of the identified material aspects in terms of their scope (scope of aspects covered in the report), aspect boundaries (the description of where impacts occur for each material aspect), and time (the completeness of selected information with respect to the reporting period). At this stage, we considered not only stakeholders' expectations and needs but also looked at the future needs of society, the impact on society, and the company's social responsibilities as well as a wide range of business areas, and we also took into account the completeness of material aspects by verifying that no matters had been overlooked.
- At the same time as this step in the process, the identified materiality aspects were discussed and approved by a committee made up of executive directors and other members.

Step 4: Review

- In order to prepare the report for the next fiscal year, we will evaluate the validity of this report's content, taking into account feedback obtained from stakeholders in the meantime and the sustainability environment (based on social trends, etc.), and this evaluation result will be reflected in the identification of material aspects as necessary.

Identified Materiality (Material Topics)

<table>
<thead>
<tr>
<th>Material Topics</th>
<th>GRI Indicators</th>
<th>Name of GRI Standards Item</th>
<th>JR East’s KPI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indirect Economic Impacts</td>
<td>GRI 203</td>
<td>Infrastructure investments and services supported</td>
<td>Investments relating to railway safety and environmental conservation.</td>
</tr>
<tr>
<td></td>
<td>GRI 302</td>
<td>Energy consumption within the organization</td>
<td>Consumption by energy type, purchased-wedge power amount.</td>
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<tr>
<td></td>
<td>GRI 302</td>
<td>Energy intensity</td>
<td>Energy consumption per unit of floor area at branch offices, etc.</td>
</tr>
<tr>
<td></td>
<td>GRI 302</td>
<td>Reduction of energy consumption</td>
<td>Reduction Rate of Energy Consumption Intensity Established by each JR East Group Company.</td>
</tr>
<tr>
<td></td>
<td>GRI 302</td>
<td>Reductions in energy requirements of products and services</td>
<td>Changes in amount of energy consumed over time.</td>
</tr>
<tr>
<td></td>
<td>GRI 305</td>
<td>Direct (Scope 1) gas emissions</td>
<td>Energy consumption efficiency of rolling stock manufactured by JR East.</td>
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<tr>
<td></td>
<td>GRI 306</td>
<td>Total weight of waste by type and disposal method</td>
<td>Amount of waste generated by source (station/ train waste, general rolling stock centers.</td>
</tr>
<tr>
<td></td>
<td>GRI 401</td>
<td>Total number and rates of new employee hires and employee turnover by age group/gender and region.</td>
<td>Total number of hires and employee turnover by region.</td>
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<tr>
<td></td>
<td>GRI 402</td>
<td>Type of injury and rates of injury, occupational illnesses, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.</td>
<td>Total number of occupational accidents, fatal accidents, and lost-time injuries and leave frequency rate.</td>
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<td></td>
<td>GRI 408</td>
<td>Average hours of training that the organization's employees have undertaken, by gender, and by employee category.</td>
<td>Average hours of training per year per employee by gender, and by employee category.</td>
</tr>
<tr>
<td></td>
<td>GRI 409</td>
<td>Composition of governance bodies and breakdown of employees by employee category according to gender, age group, minority group membership, and other indicators of diversity.</td>
<td>Number of female executives (ratio) and number of female managers (ratio) in each department.</td>
</tr>
<tr>
<td></td>
<td>GRI 413</td>
<td>Operations with local community engagement, impact assessments, and development programs.</td>
<td>Overview of projects contributing to the promotion of tourism and regional revitalization (through initiatives such as destination campaigns), overview of projects contributing to urban planning and network enhancement (including urban planning and network enhancement projects and railway development projects).</td>
</tr>
<tr>
<td></td>
<td>GRI 416</td>
<td>Percentage of significant product and service categories for which health and safety impacts are assessable for improvement.</td>
<td>Measures for improving safety in various aspects, etc.</td>
</tr>
<tr>
<td></td>
<td>GRI 417</td>
<td>Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services, and total number of occurrences.</td>
<td>Total number of accidents, fatal accidents, and other accidents.</td>
</tr>
<tr>
<td></td>
<td>GRI 307</td>
<td>Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations.</td>
<td>Status of non-compliance, administrative guidance, etc.</td>
</tr>
<tr>
<td></td>
<td>GRI 307</td>
<td>Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area.</td>
<td>Status of non-compliance, administrative guidance, etc.</td>
</tr>
</tbody>
</table>
Materiality (material aspects) of JR East has been identified based on the procedure of Step 1 to Step 4. The material topics identified include:

- **GRI 103: Management Approach 2016**
  - A statement of the purpose of the management approach.
  - A description of the following, if the management approach includes that component.
- **GRI 203: Indirect Economic Impacts 2016**
  - An explanation of how the organization evaluates the management approach.
- **GRI 305: Emissions 2016**
  - An explanation of how the organization manages the topic.
  - A description of the following, if the management approach includes that component.

For each material aspect, report the Aspect Boundary within the organization, as follows:

- **P3. Top message**
  - An explanation of how the organization manages the topic.
  - A description of the following, if the management approach includes that component.

- **P7. Strengthening Collaboration with Communities**
  - An explanation of how the organization evaluates the management approach.
- **P8. Environmental Management Indicators**
  - An explanation of how the organization evaluates the management approach.
- **P10. Internal environmental audits**
  - An explanation of how the organization manages the topic.
  - A description of the following, if the management approach includes that component.

When reporting on GHG emissions targets, the reporting organization shall explain whether offsets were used to meet the targets, including the type, amount, criteria or scheme of which the offsets are part.
103-3 An explanation of how the organization evaluates the management approach.

419-1 Incidents of non-compliance with laws and regulations

P116

For each material aspect, report the Aspect Boundary within the organization, as follows:
• Report whether the Aspect is material within the organization.
• Report any specific limitation regarding the Aspect Boundary within the organization.

P103　management approach 2016

103-1 For each material aspect, report the Aspect Boundary within the organization, as follows:
• Report whether the Aspect is material within the organization.
• Report any specific limitation regarding the Aspect Boundary within the organization.

P86(Promotion of Diversity Management)

103-2 An explanation of how the organization manages the topic:
• A statement of the purpose of the management approach.
• A description of the following, if the management approach includes that component.

P86(−90)(Promotion of Diversity Management)

103-3 An explanation of how the organization evaluates the management approach.

P91(−50) in order to enhance the power of human resources.

P86(Promotion of Diversity Management)

GRI 103: Management Approach 2016

416-1 Assessment of the health and safety impacts of product and service categories.

GRI 416: Customer Health and Safety 2016

404-1 Average hours of training per year per employee

GRI 404: Training and Education 2016

413-1 Percentage of operations with implemented local community engagement, impact assessments, and/or development programs.

P95(Promoting Involvement of Female Employees)

405-1 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.

P93(Promoting Involvement of Female Employees)

675(−17)(Promotion of Diversity Management)

JR East Stakeholders

• Because our railway and non-railway businesses are conducted with fees and compensations from our customers, we have defined our customers as stakeholders. Stations provide specific venues for customers who use them to interact with the JR East Group, and they also serve as reporting points for the company to provide customers with a wide range of services and information. Furthermore, the trains on which customers travel and non-railway service provision locations both inside and outside stations also serve as key contact points which complement each other.

• As a group whose main focus is the railway business, JR East has a close relationship to regions and communities. Indeed, without local communities, our business could not exist. Accordingly, we have defined them as stakeholders. We are connected to regions and communities every day through our railway lines and especially our stations. We also maintain contact with these stakeholders by providing information via various media.

• Needless to say, as a stock company, our shareholders play an essential role, and investors are also key stakeholders for the purpose of maintaining our business. We communicate with all our shareholders and investors via IR activities conducted both in Japan and overseas, such as our general shareholder meeting held once a year, and provide shareholders with financial information and so forth on our website.

• In the railway business, which is considered a labor-intensive industry, employees play an indispensable role in running the business, and they are defined as stakeholders. We are able to interact with employees in various ways, including daily communication in the workplace and various types of on-the-job and off-the-job education and training, based on contractual relationships aligned with labor regulations and other rules.

• We work on the improvement of service quality through the widespread gathering of customers’ opinions through our front-line employees and call centers and understanding the needs of the community and society.

• Through our general shareholders meeting and other IR activities, we listen to the diverse opinions and requests of our various stakeholders and do what we can as a company to address them, and when it comes to matters relating to safe, convenient transportation in particular, we promote concrete measures such as making proactive investments in order to pursue extreme safety levels.