

A Message from the President

We will realize each goal set out in “Move Up” 2027 and become a corporate group that is able to continue creating new value in a volatile era.

President and CEO

Yuji Fukasawa



The Significant Effects of Climate Change and COVID-19 in Fiscal 2020

July 2018 saw the announcement of the JR East Group Management Vision “Move Up” 2027. Based on this vision, we will transform into a corporate group capable of using the trust it has earned from customers and local communities as the basis for the continued creation of new value in the form of people-focused initiatives that provide reassurance and enrichment. Viewing fiscal 2020, ended March 31, 2020, as a period for full-fledged implementation, we steadily advanced the creation of new value aimed at achieving “Move Up” 2027. For example, we launched Shinkansen e-ticket service, increased the ways in which *JRE POINT* can be used, and conducted test runs of the ALFA-X next-generation Shinkansen.

As a result of Typhoon No. 19 in October 2019, however, the JR East Group’s operations suffered serious damage, including flood damage and the suspension of Shinkansen operations. Further, due to the spread of COVID-19 from February 2020 onward, there was a steep decrease in the number of customers using railway services. Similarly, in the life-style service business the usage of stores in railway stations, station buildings, and hotels was lower across the board. Thus, fiscal 2020 was a year of dramatic ups and downs, with first-half conditions differing completely from those in the second half.

The aforementioned volatility reinforced my belief in the critical importance of disaster preparedness. To put it another way, the word “unexpected” cannot be in our vocabulary. Constantly envisioning all types of disasters and taking precautions accordingly is our most important responsibility. Moreover, we must not forget that such disasters are no longer once-a-century events. Going forward, the threat of disaster will be constantly just under the surface of day-to-day life. For this reason, JR East has to continue returning value to society by strengthening its preparedness for all manner of disasters and by growing sustainably. Indeed, the paramount importance of sustainability has been etched into my mind by the experiences of fiscal 2020.

The Acceleration of “Move Up” 2027

Looking ahead 10 years, given the major changes in lifestyles that are predicted, our operating environment is likely to be extremely challenging. Simply continuing with our current business model would not lead to a bright future. In response to a changing operating environment, the JR East Group has formulated “Move Up” 2027, which sets out as a basic policy shifting “stories to create value” from the provision of services with railway infrastructure as the basis to the introduction of new value to society, focusing on the affluence of everyone in their daily lives.

A Message from the President

COVID-19 has brought a range of issues in Japan into sharp relief. Exactly the world that we were envisioning as being 10 years away has materialized before our eyes. If we view recent developments positively, they demonstrate that the strategic direction of “Move Up” 2027 is not mistaken. Furthermore, they clearly show that we need to step up the pace of efforts based on the vision.

Accordingly, we will accomplish our social mission, tackle issues that have emerged, accelerate reform, and steadily invest in growth and innovation. Further, JR East will overcome the challenging situation at present by promoting an early recovery in transportation demand.

The Construction of New Business Models

Currently, the Group has three business fields: transportation services, life-style services, and IT & *Suica* services, with mainstay transportation services generating stable cash flows. However, there are likely to be fewer travel opportunities as the population declines and telecommuting increases. Anticipating a downward trend in transportation services, “Move Up” 2027 calls for the allocation of a greater share of management resources to life-style services and IT & *Suica* services. As a result, in the allocation of management resources our goal is to change the ratio of transportation services to other businesses from 7:3 to 6:4. In addition, the linchpin enabling the three business fields to function as a single unit will be *Suica*, through which the Group has already established connections with numerous customers. At present, we are moving forward with the construction of common infrastructure that allows the use of *Suica* in a wide variety of situations.

One business model that the Group should pursue is a business that includes payment services and which forms the basis for the provision of new value through the seamless integration of an array of services. The Group has many points of contact with real-world activities. Therefore, we will cater to the future increase in e-commerce and digital marketing by establishing new infrastructure and advancing digital transformation initiatives. In these ways, we will extend the “virtual” presence of our real-world networks while catering to the needs of customers and local communities in a timely manner.

Another important business model is town development. Until now, we have focused on railways and making our services as comfortable as possible. To this end, we have concentrated on the development of railway stations and nearby facilities, including station buildings, hotels, and other commercial facilities. Going forward, however, we will take such initiatives a step farther and become involved in the development of towns themselves. By adopting a people-focused approach, we will create the people-friendly spaces needed for living and working in the coming era. Also, we will further enhance our earning power by increasing the development of shared offices and by extending the scope of our businesses through partnerships with start-ups. At present, we are developing Global Gateway Shinagawa around Takanawa Gateway Station, which opened in March 2020. The aim is to establish a model for the type of town development that we are uniquely qualified to realize. With this in mind, we are taking on the challenge of creating a design that integrates town and railway station and which caters to new values and functions. Through these efforts, we will develop a town that enables progressive companies and personnel from around the world to gather and continuously create new businesses and cultures.

Our Contribution to the Solution of Global Social Issues

Global development will be essential for the JR East Group’s growth going forward. By sharing with overseas companies the culture, expertise, and technologies that its railway business has developed during a 150-year history, the Group will not only help to address global issues but also grow significantly. For example, due to marked development in Southeast Asia traffic congestion has become a social and environmental issue in the region. This is precisely the type of issue that railways can help solve. Moreover, we are developing life-style services in Singapore, Taiwan, and Jakarta, and we will link such businesses with Global Gateway Shinagawa and other development projects.

I am certain of the major benefits that globalization accrues in terms of personnel development. As the railway business requires the performance of fixed duties and roles day in, day out, there is a tendency for employees to become inward-looking. Working overseas, on the other hand, promotes the growth of employees as the broader scope of work and the variety of tasks to be dealt with toughens them both professionally and personally. In particular, by assigning young personnel overseas, we will foster the leaders of the next generation. For about 10 years, we have been developing overseas businesses, and I have a real sense of how much the personnel of these businesses have grown. When employees who have worked overseas return to Japan, they are keen to take on new challenges, thereby creating a virtuous cycle that will greatly benefit the Group.

The Advancement of ESG Initiatives to Fulfill Our Social Mission

Since its establishment in 1987, the JR East Group has advanced initiatives aimed at developing local communities. Such initiatives reflect our belief that being regionally rooted and corporate social responsibility are at the core of business management. However, the severity of such social issues as population contraction, the aging of society, the decline of regional economies, and global environmental problems is reaching levels not seen before. For this reason, there is a greater than ever need for us to play our part as a member of society and realize environmental, social, and governance (ESG) management that addresses the issues of local communities through business activities. From the viewpoint of further strengthening the trust of local communities and customers, such management is indispensable for our long-term growth.

With respect to the environmental aspect of ESG management, railways have been attracting attention as a mode of transportation with an inherently low environmental burden. Nonetheless, our business activities use a lot of energy and emit CO₂. Mindful of these facts, in May 2020 we established Zero Carbon Challenge 2050 as the next step of our environmental initiatives. By pursuing this long-term environmental goal, we will heighten the environmental superiority of railways even further and contribute to the realization of a carbon-free, sustainable society. With the aim of reducing the CO₂ emissions of the railway business to “substantially zero” by fiscal 2051, we will advance energy management, diversify energy sources through such measures as verification tests of hybrid railcars that run on hydrogen, and actively pursue innovation with external partners.

A Message from the President

As for ESG management's social component, since the Great East Japan Earthquake in 2011 the manner in which we should help with restoration efforts has been a significant topic. In March 2020, JR East fully resumed operations on segments of the Joban Line on which operations had been suspended due to earthquake damage. As a result, operations have resumed on all line segments damaged by the Great East Japan Earthquake. In the second phase of efforts, we will continue examining ways of contributing to restoration, such as helping with the revitalization of disaster-hit areas through support for initiatives aimed at building a renewable energy-based society and through support for the tourism industry.

Given the JR East Group's numerous networks linking regional cities, another important task is regional revitalization. Accordingly, we will work in close collaboration with regional communities to develop cyclical systems or "ecosystems" that enable such communities to grow continuously and become self-supporting. More specifically, based on earned trust, we will invest in regional businesses and create employment and encourage new companies to establish operations in regions. For example, we are working in close partnership with regional communities to advance *sextic industrialization* of agriculture. As part of these efforts, the Group has leased from the city of Sendai the former sites of homes vacated due to tsunami damage and is creating orchards on the land. We will create business systems that, rather than simply producing and then selling things, incorporate such additional value as agritourism to generate profit continuously and cyclically.

Regarding the governance part of ESG management, the Group must ensure the aforementioned initiatives are as sustainable as possible. In addition, we must continue reducing risk with a view to realizing ultimate safety levels, which is our top priority in business management; strengthening compliance structures; and building governance structures that ensure the "safety" of business management itself. Moreover, we will thoroughly review our position in light of expectations relating to corporate governance, such as a higher percentage of outside directors and the establishment of one-year terms of office for directors.



Through ongoing concerted efforts to implement ESG management and help address social issues through its businesses, the JR East Group will contribute to the development of local communities and to the achievement of the Sustainable Development Goals (SDGs).

The Need for Strong Leadership of the Group in Challenging Times

In fiscal 2020, we faced events that shook our values to the core. Nonetheless, our fundamental approach remains unchanged. While responding rapidly to issues as they arise, we will continue advancing farsighted initiatives. Although preparing for near-term risk is important, it cannot be our sole focus. Therefore, setting our sights on the future we will accurately identify important tasks, further accelerate reform, implement necessary investments, and realize innovation.

Of course, our near-term strategy will reflect current challenges in terms of our performance and financial position. Specifically, we will make decisions on individual investments based on the prioritization of measures. For example, with the maintenance of safety as a prerequisite, we will examine reducing or postponing investment needed for the continuous operation of business. As coexistence with the threat of COVID-19 is the new normal, reassurance and cleanliness are essential. With the maintenance of safety and quality as a major premise, we will focus on providing reassuring environments for customers by rigorously ensuring the wearing of masks, disinfection, ventilation, and social distancing. Also, anticipating a scenario in which medium- to long-term customer usage does not return to the level it was at before the spread of COVID-19, we will consider the approaches toward fares and timetables that would be needed to sustain the provision of highly safe and convenient services going forward. In an uncertain market environment, we will continue reform aimed at increasing our resilience so that we can make change into a positive factor. That said, in all our endeavors we will remain mindful of creating value that helps society develop sustainably. Accordingly, we would be grateful for the ongoing trust and endorsement of all of our stakeholders.

In closing, JR East Group Report 2020 marks the issuance of the Group's inaugural integrated report. With a view to furthering understanding of the Group's value creation over the medium-to-long term, the report employs a readily understandable format to present the vision of "Move Up" 2027 together with the initiatives that will realize the vision and thereby enhance corporate value. Consequently, we hope this report facilitates dialogue with and garners the continued support and understanding of our shareholders, investors, and other stakeholders.

August 2020

President and CEO

Yuji Fukayama

JR East Group Management Vision “Move Up” 2027

From the provision of services with railway infrastructure as the basis to the introduction of new value to society, focusing on the affluence of everyone in their daily lives

With its sights set on likely changes in the business environment by around 2027, JR East announced the JR East Group Management Vision “Move Up” 2027 in July 2018. The Group will shift “stories to create value” from the provision of services with railway infrastructure as the basis to the introduction of new value to society—focusing on the affluence of everyone in their daily lives—and advance new growth strategies in cities, regions, and the world at large.

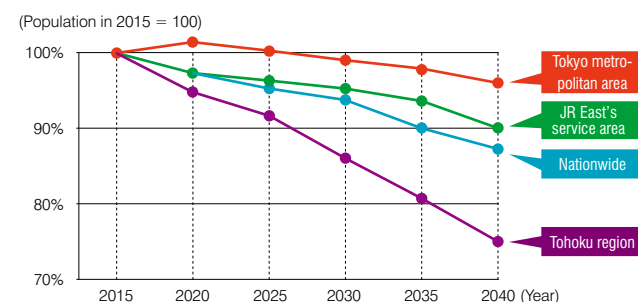
1 Changes in the Business Environment

In the Tohoku region, the population is declining more rapidly than the national average. From fiscal 2026 onward, the population of the Tokyo metropolitan area is expected to begin decreasing.

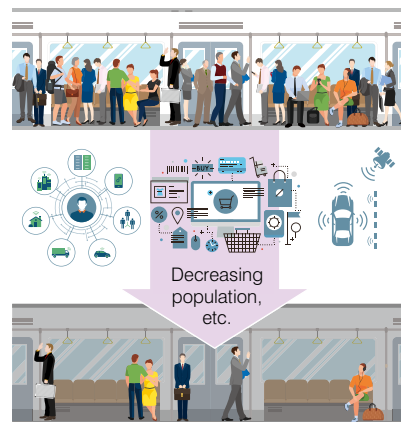
Also, when we announced “Move Up” 2027 in 2018, we expected that the need for railway transportation would decline significantly in 10 years due to changes in work styles, development of the Internet society, and practical applications of autonomous driving technologies.

Due to the epidemic of the new coronavirus (COVID-19) infections, the environment is changing faster than expected, such as a significant decrease in customers, spread of telecommuting and expansion of e-commerce. With this in mind, we must accelerate the pace of “Move Up” 2027.

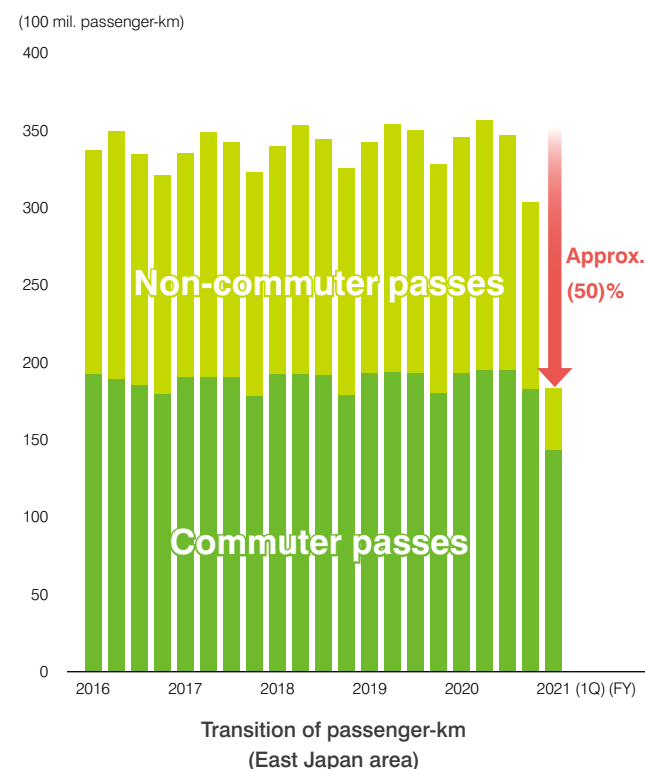
Decreases in Population and the Need for Railway Transportation Demand



Source: IPSS (National Institute of Population and Social Security Research) Population Projections by Prefecture (2018)

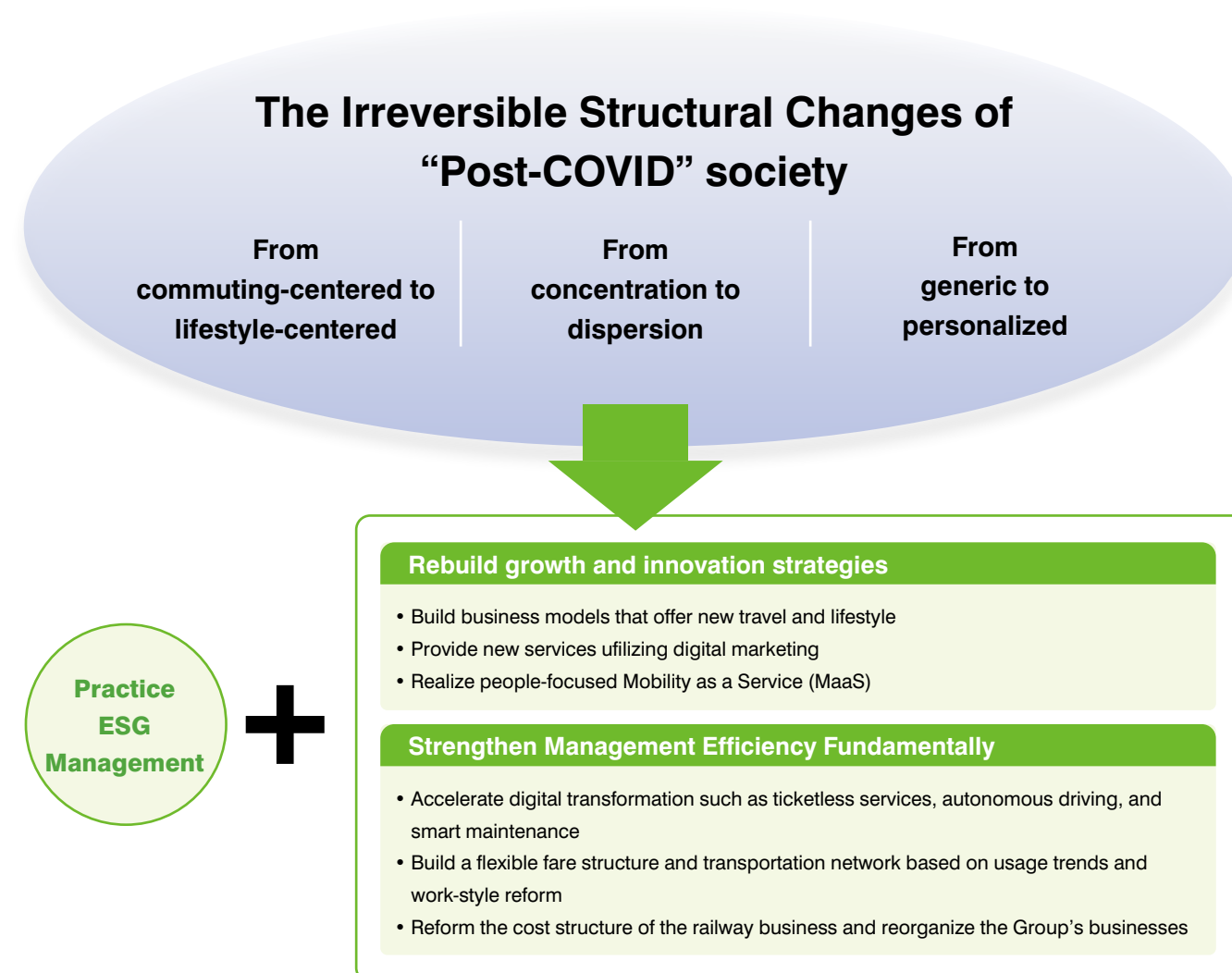
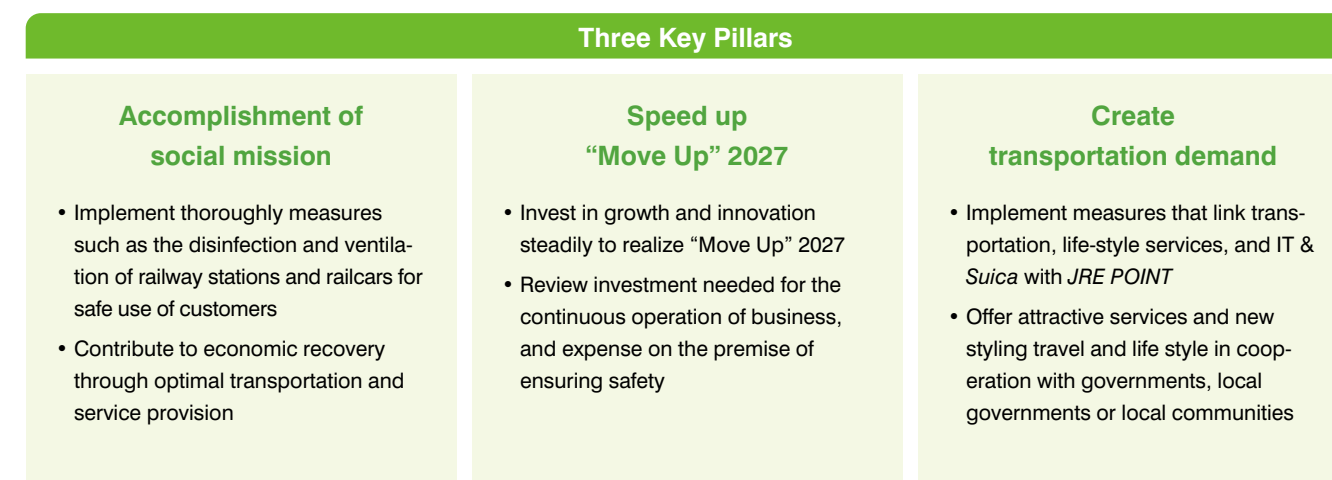


Lower Transportation Volume due to COVID-19



2 Measures for “Post-COVID” Society

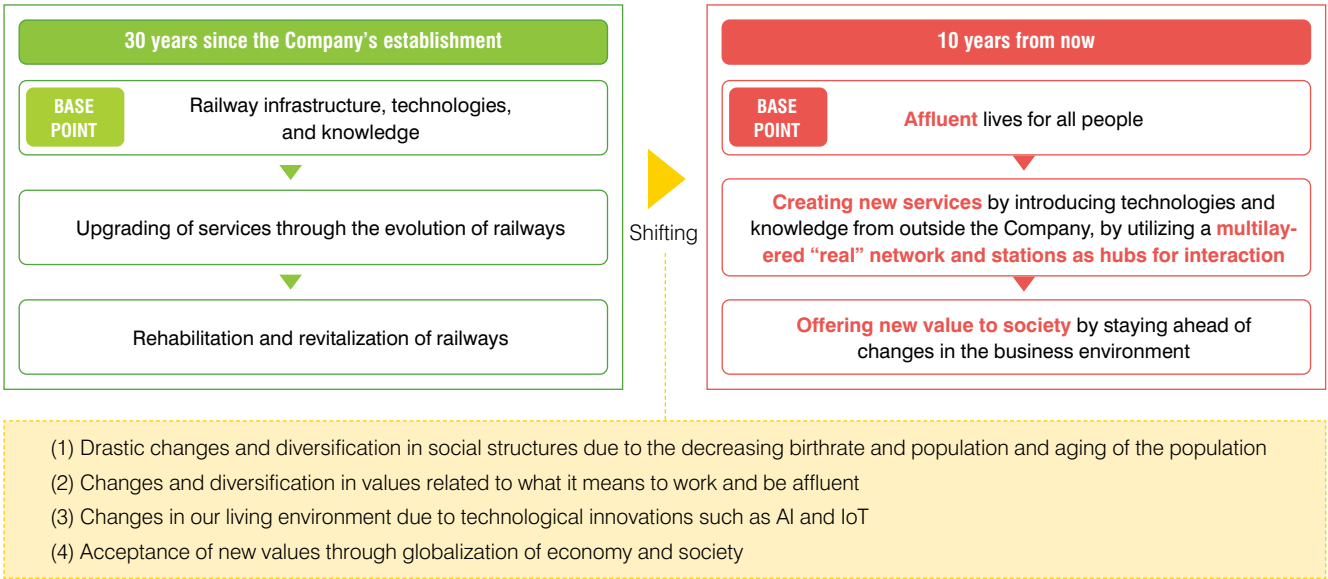
As measures for the epidemic of COVID-19, we have set out three key pillars. Also, anticipating a completely different “post-COVID” society, we will accelerate efforts to realize “Move Up” 2027. The JR East Group will rebuild its growth strategies and create new value in line with changes in customers’ behavior and values.



JR East Group Management Vision “Move Up” 2027

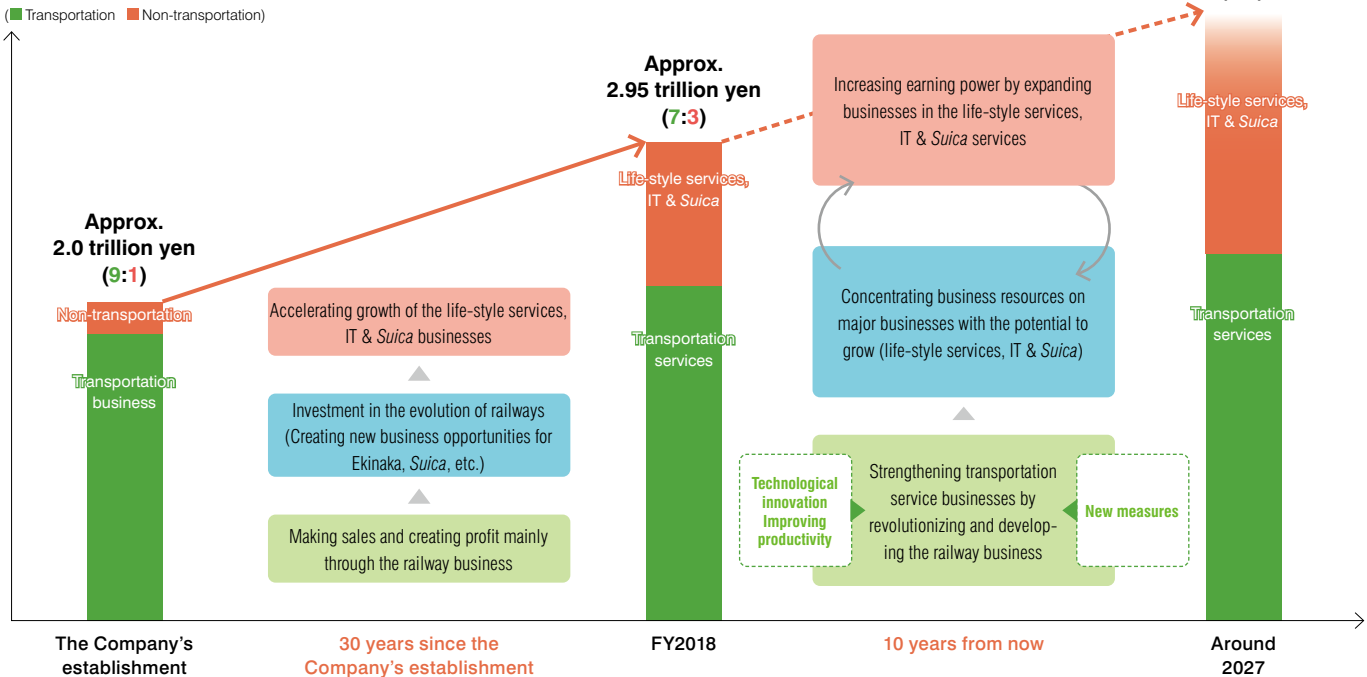
3 The Basic Policy of “Move Up” 2027

During the 30 years following its establishment, JR East developed a business model that generated profits by encouraging many customers to use railway services and railway stations through the enhancement of their convenience. With the affluence of everyone in their daily lives as our basepoint, we will create new services and provide society with them by utilizing “real” networks and introducing technologies and knowledge from outside the Company.



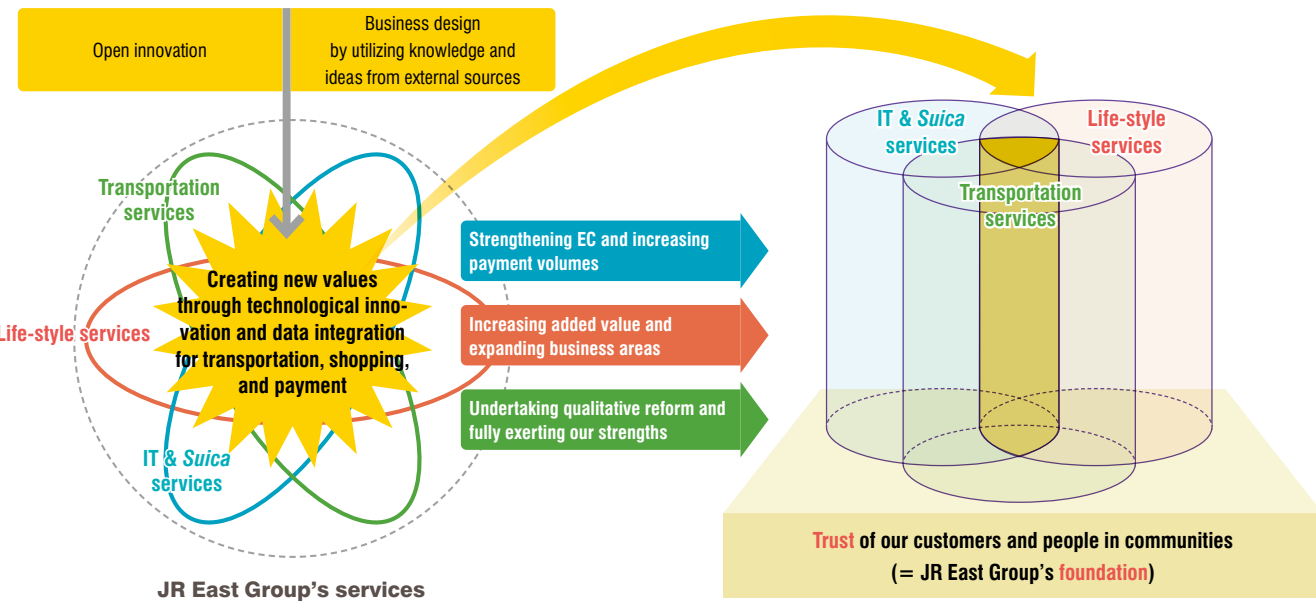
Going forward, in addition to qualitative reform, we allocate management resources to life-style services and IT & Suica businesses further, developing them as our new growth engines.

Consolidated Operating Revenues



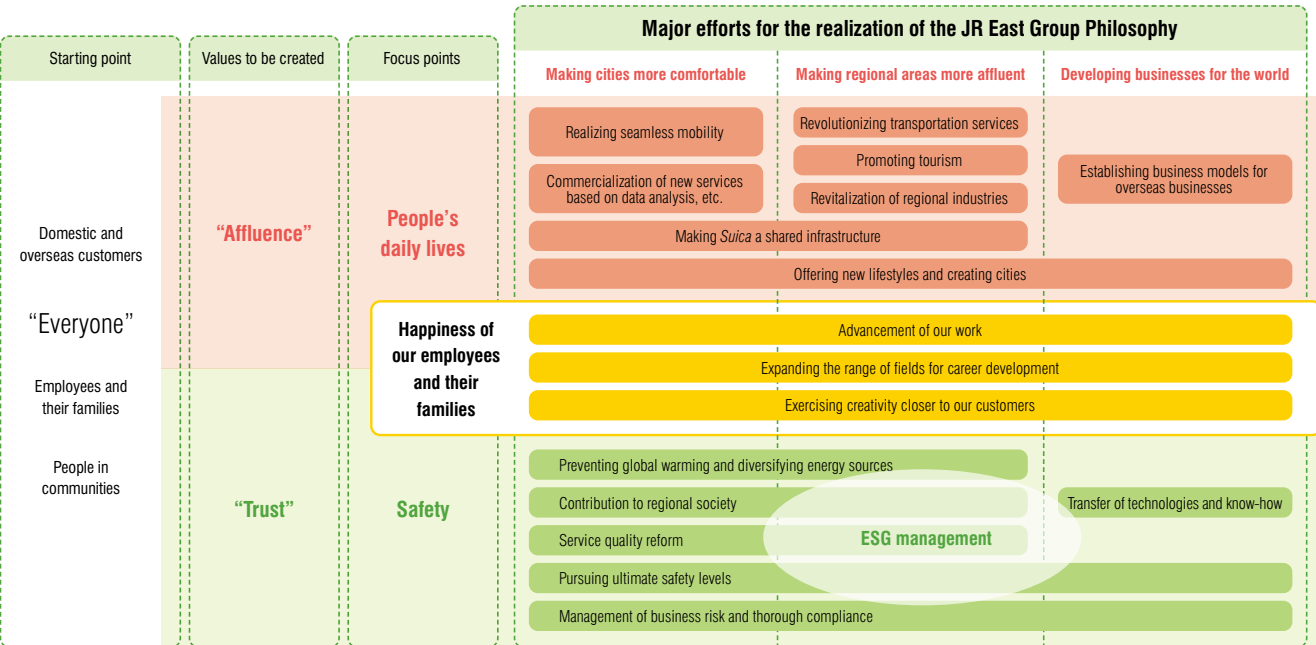
4 The JR East Group's Strengths

JR East Group's strengths lie in its multilayered “real” network that supports life infrastructure with a brand that is founded on trust and in its stations that act as hubs for interaction mainly in the Tokyo metropolitan area where people, products, money, and information are exchanged and gathered. While utilizing JR East Group's strengths, we will continue to create new values through technological innovation and data integration for transportation, shopping and payment.



5 Overview of “Move Up” 2027

With people (“everyone”) as our base point, and with “Safety,” “People's daily lives,” and “Happiness of our employees and their families” as keywords, we will continue to create values of “Trust” and “Affluence” in cities, regional areas, and around the world.



6 Toward Achievement of the SDGs

The JR East Group will implement environmental, social, and governance (ESG) management and solve social issues through our businesses to contribute to the development of local communities and the achievement of the Sustainable Development Goals (SDGs).

Specifically, safety is the top priority of JR East Group’s management. This philosophy needs to be shared thoroughly with all of our employees. Premised on this commitment, while deepening the trust of shareholders in all our businesses and continuing to meet our daily challenges by introducing new value to society, focusing on the affluence of everyone in their daily lives. Through these efforts, the Group will grow continuously and help realize a sustainable society.

With respect to the 17 SDGs, while creating value under “Move Up” 2027, the JR East Group will concentrate efforts on the realization of 9. Industry, Innovation and Infrastructure; 11. Sustainable Cities and Communities; 7. Affordable and Clean Energy; 8. Decent Work and Economic Growth; 5. Gender Equality; 12. Responsible Consumption and Production; and 17. Partnerships for the Goals.



7 Progress Report

Value to Be Created under “Move Up” 2027 to Achieve the SDGs

Deepening Trust by Pursuing Ultimate Safety Levels

Numerical targets	FY2023 target	FY2020 result
Accidents due to internal causes	0	0
Serious incidents	0	0
Railway accidents	20% reduction (from FY2018 level)	137 (17 fewer than in FY2019)
Of which accidents on platforms involving personal injuries	30% reduction (from FY2018 level)	70 (5 more than in FY2019)



JR East Group Management Vision “Move Up” 2027

Deepening Trust by Realizing Service Quality Reforms



Target Profile

Based on the “Medium-term Vision for Service Quality Reforms 2020,” all Group employees will make a concerted effort to tackle five main tasks, which include preventing transportation disruption and realizing railway services customers can use comfortably. Through these efforts, we will become No. 1 for customer satisfaction in the railway industry.

Numerical targets	FY2023 target	FY2020 result
Conventional lines within 100 km of Tokyo (versus fiscal 2018)*1	50% reduction	15% reduction*2
JR East Shinkansen (versus fiscal 2018)*1	70% reduction	50% reduction*2
Total delay time for conventional lines in the Tokyo metropolitan area (versus fiscal 2018)	25% reduction	21% reduction*2

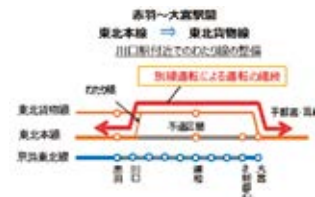
*1 Transportation service disruptions due to internal causes *2 Preliminary figure

Preventing transportation disruption

- We are strengthening the electrical facilities of conventional lines in the Tokyo metropolitan area.
- We are replacing railcar components as a countermeasure for railcar failure and updating control unit programs as a countermeasure for substation issues.

Minimizing the effects of disruptions on customers

- We are giving first priority to assisting customers. Employees go to disruption-affected sites as soon as possible and use various means to assist customers.
- We are minimizing damage that results from typhoons through the earlier provision of information on planned suspensions of train operations. Also, we are strengthening the safety confirmation system so that we can resume operations promptly.
- We are further developing shuttle operations and alternative line operations.



Providing customer services that cater precisely to customers' needs

- We are encouraging employees to acquire service assistant qualifications.
- We conduct an assistance campaign year-round.
- We began application-enabled message transmission between attendants at Nambu Line railway stations in March 2020 to ensure that customers requiring assistance can board trains without hindrance.



Realizing railway services passengers can use comfortably

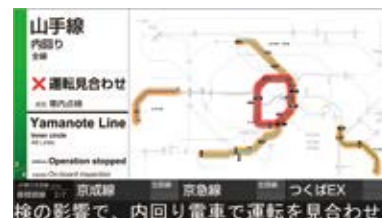
- Aiming to reform the onboard services of trains, JR East Service Creation Co., Ltd., began operations in July 2019.
- We are installing comb-shaped parts to reduce the gap between railcars and platforms.



- We completed the installation of free spaces onboard Yamanote Line railcars.

Providing information during emergencies

- We disseminate information in multiple languages via displays for providing information on transportation service disruptions and via the Shinkansen passenger information system.
- We began disseminating information on train operations in English via Twitter in December 2019.



Deepening Trust by Implementing ESG Management



Target Profile

By implementing ESG management and addressing social issues through our businesses, we will contribute to the continuous growth of local communities as well as the achievement of the SDGs.

Numerical targets	FY2023 target	FY2020 result
Energy consumption (versus FY2014)	40% reduction*	7.2% reduction
Child-rearing support facilities (cumulative total)	150	139

* Fiscal 2031 target

Environmental (E)

- We converted Nobeyama Station and Maebashi Station into “ecoste” model stations.
- We began using CO₂-free electricity at Oga Station on the Oga Line in July 2019.
- We are developing hybrid test railcars that use fuel cells.
- We established the Energy Strategy Section in June 2020 with the aims of helping realize a carbon-free society and diversifying energy sources.



Social (S)

- We are advancing the establishment of child-rearing support facilities. We had established a cumulative total of 144 child-rearing-support facilities as of July 2020.
- We issued Sustainability Bonds in January 2020.
- We operated *SDGs Wrapping Trains* on the Yamanote Line from October 2019 until January 31, 2020.
- We are developing international railway personnel by accepting trainees from Asia, and we are accepting technical interns.



- We are contributing to regional health care through directly managed hospitals.
- We are advancing infectious disease countermeasures.



Governance (G)

- We are expanding and enhancing our whistle-blowing system.
- We are enhancing risk management.
- We are expanding and enhancing highly effective audits that reflect the importance of risks.
- We are analyzing and using information system data.

Heightening Trust by Supporting the Tokyo 2020 Olympic and Paralympic Games

Target Profile

As an Official Passenger and Rail Transportation Services Partner of the Tokyo 2020 Olympic and Paralympic Games, we will do our part to ensure the success of the event by providing high-quality services. The experience acquired and the personal growth attained by our employees as a result of the events will become our legacy.

Contributing to the success of the events

—Ensuring all spectators are happy and enjoy the events—

- We are upgrading railway stations near stadiums.
- We are preparing a transportation plan that reflects the events' schedule.
- We are advancing transportation demand management with a view to easing congestion on early-morning trains.
- We are installing more security cameras to strengthen security.
- We are strengthening coordination among certain railway stations and medical institutions.
- We enhanced transportation capacity and reinforced our information systems during the holding of Rugby World Cup 2019 in Japan.



Realizing an inclusive society

—Toward a society where everyone can live and work with vitality—

- We are holding seminars aimed at furthering understanding of Paralympic sports, and we are extending the scope of our support.
- We are implementing prosthetic leg experiences and other activities at various events to further understanding of an inclusive society.



Publicizing the appeal of eastern Japan to attract visitors

- We are advancing preparations to encourage travel from the Tokyo metropolitan area to Tohoku, Shinetsu, and other areas.

* JR East is an Official Passenger and Rail Transportation Services Partner of the Tokyo 2020 Olympic and Paralympic Games.

JR East Group Management Vision “Move Up” 2027

9 INDUSTRY INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Achieving Affluent Lifestyles by Revolutionizing Transportation Services

Target Profile

We will increase inter-regional railway travel and profits by creating objectives for trips and moving forward with strategies to attract overseas visitors to Japan. In conjunction with these efforts, we will reform transportation service quality by pursuing autonomous driving, developing next-generation Shinkansen, and accelerating preparations for the Haneda Airport Access Line (provisional name).

Numerical targets	FY2023 target	FY2020 result
Transportation operating revenues	¥2,100.0 billion	¥1,994.5 billion
Revenues from visitors to Japan (transportation)	¥38.0 billion	¥25.0 billion

Improving and enhancing the appeal of our transportation

- We began test runs of ALFA-X, a test railcar aimed at realizing the next generation of Shinkansen, in May 2019.
- We began direct services between Ebina Station on the Sotetsu Line and Shinjuku Station on the Saikyo Line in November 2019.
- We began operations of the *SAPHIR ODORIKO* limited express service for tourists, which is helping publicize the real charm of the Izu area, in March 2020.



Contributing to the restoration of disaster-hit areas

- We resumed operations between Tomioka and Namie stations on the Joban Line in March 2020.
- We opened five new bus stations on bus rapid transit (BRT) routes along the Kesennuma and Ofunato lines in March 2020.



Upgrading and improving the functions of railway stations

- We introduced, on a trial basis, station service equipment enabled by the latest technologies to Takanawa Gateway Station, which opened in March 2020.
- Commercializing *TOUCH TO GO* unmanned stores with AI-enabled payment



A railway station guidance robot



TOUCH TO GO

9 INDUSTRY INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

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12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Achieving Affluent Lifestyles by Offering New Lifestyles and Creating Cities

Target Profile

We will increase profits by advancing the Shinagawa Development Project and other town development projects, developing terminal stations, and expanding and improving hotels.
We will use completely novel ideas to extend the scope of our businesses. As part of these efforts, we will roll out more shared offices and form partnerships with start-ups.

Numerical targets	FY2023 target	FY2020 result
Life-style service business consolidated operating revenues	¥1,100.0 billion	¥870.8 billion
Establishment of shared offices (cumulative)	30	8
Hotel guest rooms (cumulative)	10,000	7,900

Advancing town development

- We decided on a town plan for phase 1 of the Shinagawa Development Project in April 2019. We are proceeding with the plan and aim to open the town in fiscal 2025 as scheduled.



Expanding business area

- We will establish shared offices at 18 locations inside railway stations through the shared-office business *STATION WORK*.



STATION WORK

9 INDUSTRY INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Achieving Affluent Lifestyles by Making *Suica* a Shared Infrastructure Advancing MaaS

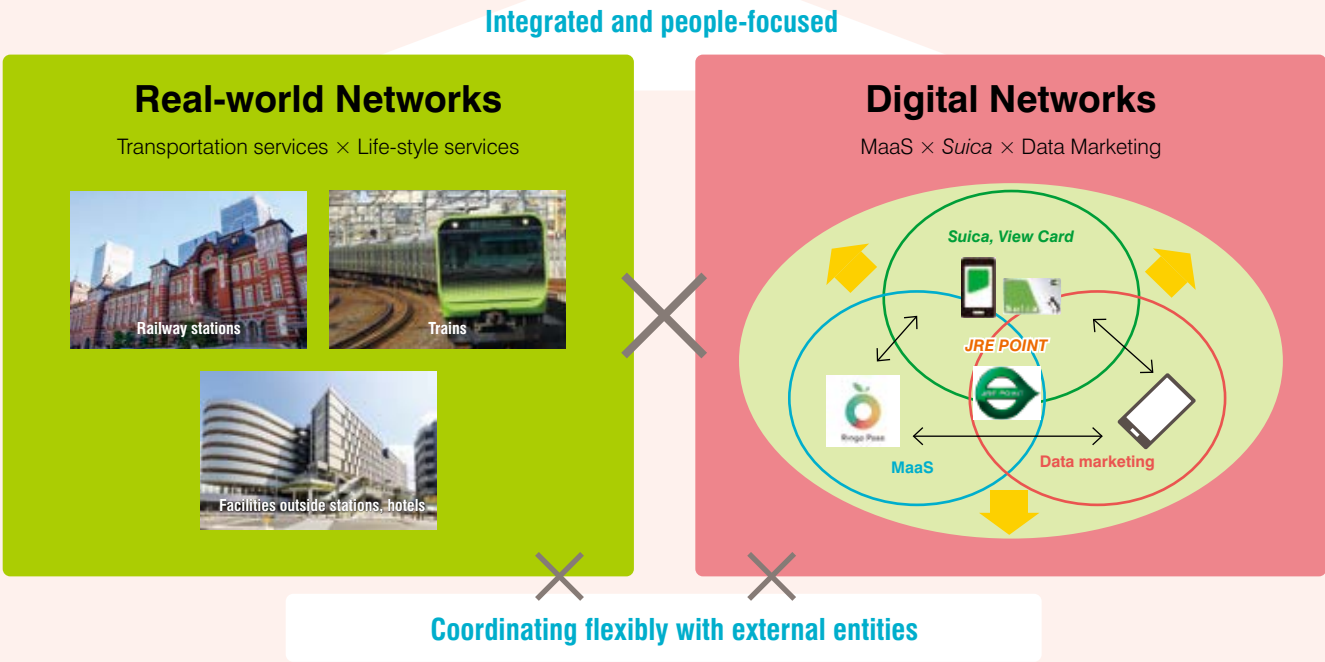
Target Profile

We will realize services that allow customers to combine optimal ways of traveling, purchasing, and paying in all kinds of day-to-day situations.
Based on sustainable social infrastructure that facilitates lively interaction, we will offer services enabling everyone to lead affluent lifestyles.

Numerical targets	FY2023 target	FY2020 result
Monthly transactions for Mobility Linkage Platform service usage	30 million	4,000
Monthly transactions for <i>Suica</i> and other public transportation electronic money	300 million	250 million
Ticketless service usage percentage for JR East Shinkansen	50%	17.1%
<i>JRE MALL</i> members	700,000	260,000
<i>JRE POINT</i> members	16 million	12.05 million

Providing new value to customers and local communities

- We are using Mobility as a Service (MaaS), *Suica*, and data marketing to build digital networks.
- We are embedding digital networks into the real-world networks of our transportation services and life-style services, which are our strengths. In this way, we are increasing usage of our services and realizing smarter management of operations.



Establishing a common *Suica* infrastructure

- We launched *Shinkansen e-ticket Service* in March 2020.
- We marketed *Welcome Suica*, a new IC card for overseas visitors to Japan, in September 2019.
- We are preparing to enable the issuance of *Suica* via the Rakuten Pay app.



Realizing seamless, stress-free mobility

- We renewed the services and design of the JR EAST App in September 2019.
- We are conducting verification tests of tourism-type MaaS. We conducted the “*Niigata MaaS Trial*” between October and December 2019 and the “*TOHOKU MaaS Sendai Trial*” in February 2020.
- We released *Ringo Pass*, a smartphone app that enables the use of taxis and shared bicycles, in January 2020.



Increasing *JRE POINT* membership

- We began a service in October 2019 enabling customers to accumulate *JRE POINT* credits by using *Suica* for JR East railway services.



We established the MaaS and *Suica* Headquarters, which is tasked with cohesively advancing *Suica*, MaaS, and data marketing, in June 2020.

JR East Group Management Vision “Move Up” 2027

Realizing Affluent Lifestyles by Advancing Overseas Businesses

9

INDUSTRY INNOVATION AND INFRASTRUCTURE

11

SUSTAINABLE CITIES AND COMMUNITIES

4

QUALITY EDUCATION

8

DECENT WORK AND ECONOMIC GROWTH

10

REDUCED INEQUALITIES

12

RESPONSIBLE CONSUMPTION AND PRODUCTION

Target Profile

Aiming to establish business models for overseas businesses, the JR East Group will consolidate its technologies and know-how to further develop businesses beyond Japan, particularly in Asia. At the same time, by assigning personnel to work in our overseas businesses and by conducting various types of training, we will increase our ability to develop globally competent personnel.

Establishing business models

- We are forming projects in which we can take advantage of our strengths and know-how.
- We are taking measures in response to the international standardization of railway technologies.

Developing globally competent personnel

- We conduct various types of training overseas and operate overseas study and assignment programs that give employees firsthand experience of leading-edge research and businesses overseas. The aim of these activities is to foster internationally minded personnel who have broader horizons.



Enhancing transportation services



We are advancing a high-speed railway project in India.



We are advancing and improving operations of railway businesses in Thailand, Indonesia, and the United Kingdom.

Increasing life-style services

- We are preparing to open *Hotel Metropolitan Premier Taipei*.
- We opened *One&Co*, an interactive platform designed for Japanese companies located in Singapore, in August 2019.



Opened *One&Co* in Singapore



Preparing to open *Hotel Metropolitan Premier Taipei*

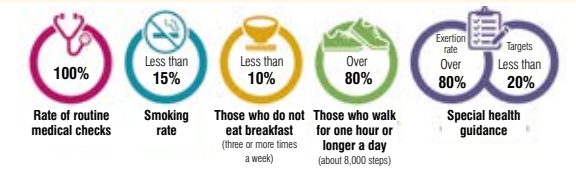
Focusing on the Happiness of Our Employees and Their Families

Target Profile

We will reform work, work styles, and workplaces to increase employees' range of opportunities. Each employee will set out their own “Move Up story” and take on the challenge of realizing their story by accelerating a cycle of participation and growth. As a result, employees and the Group will develop and grow simultaneously.

Promoting Three Reforms

- We aim to provide safer, higher-quality services on the Shinkansen by integrating operations in a centralized, specialized manner through the Shinkansen General Management Department, established in April 2019.
- We are focusing on improving the health and vitality of each employee based on the “Medium-term Vision for Health and Productivity Management 2023,” formulated in April 2019.



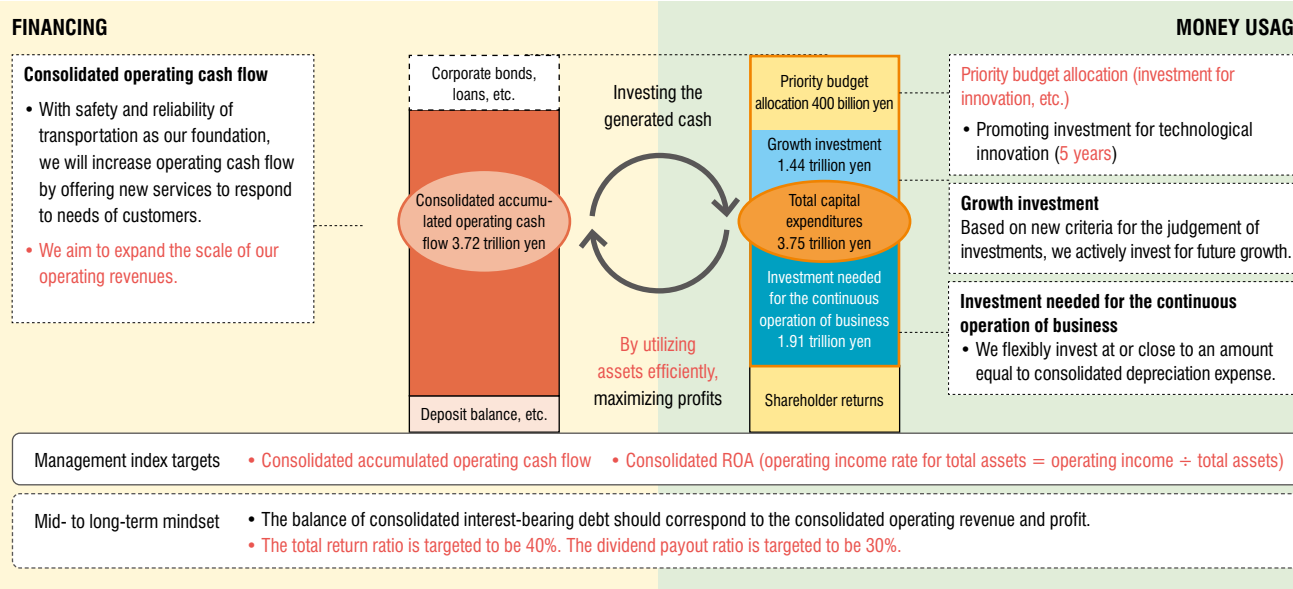
- We are advancing digital transformation.

- We are empowering women in our workplaces and helping employees balance work and child-rearing commitments. As part of these efforts, we are establishing facilities for women so that they can be assigned to all workplaces. These measures are in accordance with the “General Employer Action Plan,” formulated in April 2019.
- We launched “Cross-Organizational Projects” at 13 locations. These projects transcend job categories and comprise employees who work at facilities in the field.
- We began a new job rotation system in April 2020. The aim is to help employees grow by catering flexibly to their diverse ambitions through the provision of more opportunities to contribute in a range of different business fields.



8 “Move Up” 2027 Numerical Targets

While increasing operating cash flows, we use them for returns to shareholders and invest for future growth, using these cash flows for returns to shareholders and to implement forward-looking capital expenditures. Further, to achieve our reform in the coming 10 years, we have set numerical targets for fiscal 2023, i.e. for the first half of the period.



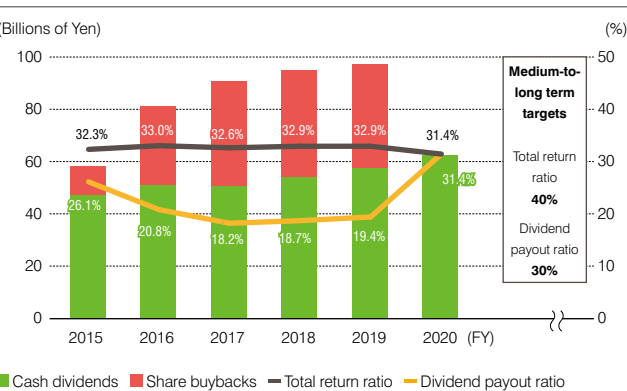
FY2023 consolidated management targets		FY2023				
Operating revenue	¥3,295.0 billion	Operating revenues	Transportation	Retail & Services	Real Estate & Hotels	Others (includes IT & Suica services)
Operating income	¥520.0 billion	Operating income	¥2,100.0 billion	¥660.0 billion	¥440.0 billion	¥95.0 billion
Consolidated accumulated operating cash flow	¥3,720.0 billion		¥330.0 billion	¥56.0 billion	¥109.0 billion	¥26.0 billion
ROA	6.0%					

9 Medium-to-Long-Term Financial Strategy

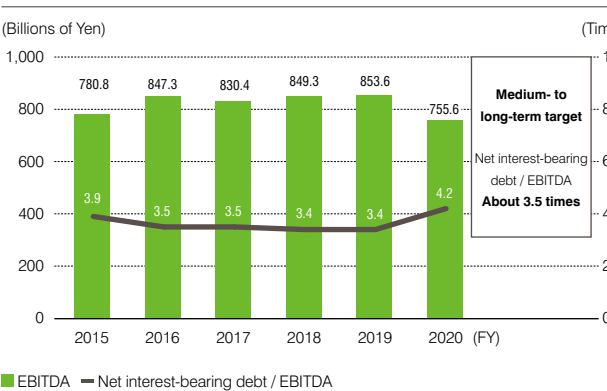
With our sights set on realizing total return ratio target of 40% and dividend payout ratio of 30%, we will stably increase a dividend and flexibly buy back our shares consistently with trends in our business results.

Considering ability to repay debt, the balance of consolidated interest-bearing debt should correspond to the consolidated operating revenue and profit. Also, net interest-bearing debt / EBITDA should be about 3.5 times.

Transition of shareholder returns



Transition of net interest-bearing debt / EBITDA



* Net interest-bearing debt = Balance of consolidated interest-bearing debt – Balance of consolidated cash and cash equivalents
EBITDA = Consolidated operating income + Consolidated depreciation expense