

Directors and Auditors

(As of July 2021)

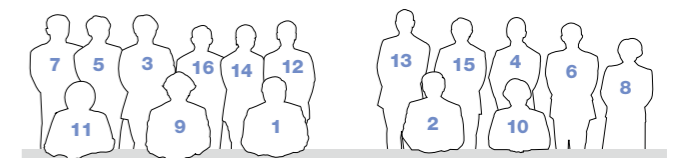


Directors

- | | | | |
|--------------------------------------------------|------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------------|
| 1 Chairman
Tetsuro Tomita | 4 Executive Vice President
Katsumi Ise | 7 Executive Director
Atsushi Ouchi | 10 Director (Outside Director)
Reiko Amano |
| 2 President and CEO
Yuji Fukasawa | 5 Executive Vice President
Totaro Ichikawa | 8 Executive Director
Atsuko Itoh | 11 Director (Outside Director)
Hiroko Kawamoto |
| 3 Executive Vice President
Yoichi Kise | 6 Executive Director
Kiwamu Sakai | 9 Director (Outside Director)
Motoshige Itoh | |

Auditors

- | | |
|------------------------------------------------------------------------------|----------------------------------------------------------------|
| 12 Full-time Corporate Auditor (Outside Auditor)
Keiji Takiguchi | 15 Corporate Auditor (Outside Auditor)
Kimitaka Mori |
| 13 Full-time Corporate Auditor (Outside Auditor)
Takashi Kinoshita | 16 Corporate Auditor
Nobuyuki Hashiguchi |
| 14 Corporate Auditor (Outside Auditor)
Seishi Kanetsuki | |



Directors' and Auditors' Biographies

Directors



Chairman
Tetsuro Tomita

1974 Entered Japanese National Railways
1987 Entered JR East
2000 Director and General Manager of Management Administration Department, Corporate Planning Headquarters
2003 Executive Director and Deputy Director General of Corporate Planning Headquarters
2008 Executive Vice President and Representative Director and Director General of Life-style Business Development Headquarters
2009 Executive Vice President and Representative Director and Director General of Corporate Planning Headquarters
2012 President and Representative Director
2018 Chairman and Representative Director (current position)



President and CEO
Yuji Fukasawa

1978 Entered Japanese National Railways
1987 Entered JR East
2003 General Manager of Investment Planning Department, Corporate Planning Headquarters
2006 Director and General Manager of Personnel Department and Director of JR East General Education Center
2008 Executive Director
2012 Executive Vice President and Representative Director
2018 President and CEO and Representative Director (current position)



Executive Vice President
Yoichi Kise

1989 Entered JR East
2014 General Manager of Personnel Department and Director of JR East General Education Center
2015 Executive Officer and General Manager of Personnel Department
2017 Executive Officer and General Manager of Management Planning Department, Corporate Planning Headquarters
2018 Executive Director and Director General of Corporate Planning Headquarters
2020 Executive Director and Director General of Life-style Business Development Headquarters
2021 Executive Vice President and Representative Director and Assistant to the President and Director General Life-style Business Development Headquarters; In charge of Shinagawa Development; In charge of Work & Welfare Strategies Department; In charge of Regional Revitalization (current position)



Executive Vice President
Katsumi Ise

1988 Entered JR East
2015 Executive Officer and General Manager of Investment Planning Department, Corporate Planning Headquarters
2016 Executive Officer and General Manager of Facilities Department, Railway Operations Headquarters
2018 Senior Executive Officer
2021 Executive Vice President and Representative Director and Assistant to President and Director General of Technology Innovation Headquarters (current position)



Executive Vice President
Totaro Ichikawa

1988 Entered JR East
2015 Life-style Business Development Headquarters (dispatched to JR East Logistics Co., Ltd.)
2017 Executive Officer and General Manager of Transport & Rolling Stock Department, Railway Operations Headquarters
2018 Senior Executive Officer
2021 Executive Vice President and Representative Director and Assistant to President and Director General of Railway Operations and Chief Safety Officer (current position)



Executive Director
Kiwamu Sakai

1985 Entered Japanese National Railways
1987 Entered JR East
2012 General Manager of Finance Department
2014 Executive Officer and General Manager of Management Planning Department, Corporate Planning Headquarters
2017 Executive Officer and General Manager of Sendai Branch Office
2020 Executive Director and Director General of Corporate Planning Headquarters; In charge of Customer Service Quality Reformation Department, Railway Operation Headquarters (current position)



Executive Director
Atsushi Ouchi

1988 Entered JR East
2014 General Manager of System Planning Department, Corporate Planning Headquarters
2016 Executive Officer and General Manager of Morioka Branch Office
2018 Senior Executive Officer and Deputy Director General of Technology Innovation Headquarters
2021 Executive Director, Deputy Director General of Technology Innovation Headquarters; In charge of Electrical & Signal Network System Department, Railway Operations Headquarters; In charge of Energy Strategies Department (current position)



Executive Director
Atsuko Itoh

1990 Entered JR East
2018 Executive Officer and General Manager of Finance Department
2020 Executive Officer and General Manager of Management Planning Department, Corporate Planning Headquarters
2021 Executive Director; In charge of Inquiry & Audit Department, Public Relations Department, Finance Department, and Corporate & Legal Strategies Department (current position)



Outside Director
Motoshige Itoh

Personnel Deliberation Committee member
Remuneration Deliberation Committee member
1993 Professor of the University of Tokyo, Faculty of Economics
1996 Professor of the University of Tokyo, Graduate School of Economics
2007 Dean of the University of Tokyo, Graduate School of Economics and Faculty of Economics
2015 Director of JR East (current position)
2016 Professor of Gakushuin University, Faculty of International Social Sciences (current position)



Outside Director
Reiko Amano

Personnel Deliberation Committee member
Remuneration Deliberation Committee member
1980 Entered Kajima Corporation
2005 Senior Manager of Technology Development Department Civil Engineering Management Division
2011 General Manager of Intellectual Property and License Department
2014 Advisor of Intellectual Property and License Department
Executive Director of Research Center for Reinforcement of Resilience Function, National Research Institute for Earth Science and Disaster Resilience
2015 Auditor of National Institute for Environmental Studies (current position)
2016 Executive Director of National Research Institute for Earth Science and Disaster Resilience
Director of JR East (current position)
2019 Auditor of the Japan Atomic Energy Agency (current position)



Outside Director
Hiroko Kawamoto

Personnel Deliberation Committee member
Remuneration Deliberation Committee member
1979 Entered All Nippon Airways (ANA)
2013 Director and Executive Officer; Deputy Director of Operating Division; General Manager of Inflight Services Center
2014 Executive Director and Executive Officer; In charge of Women's Promotion; Deputy Director of Operating Division; General Manager of Inflight Services Center
2015 Executive Director and Executive Officer; In charge of Women's Promotion; In charge of ANA Brand Inflight Services Division
2016 Director and Senior Executive Officer; In charge of Women's Promotion of ANA Group; Promotion Officer for the Tokyo Olympic and Paralympic Games
2017 Vice President and Representative Director of ANA Strategic Research Institute Co., Ltd.
2020 Chairman and Director of ANA Strategic Research Institute Co., Ltd. Director of JR East (current position)
2021 Adviser of ANA Strategic Research Institute Co., Ltd. (current position)

Auditors



Full-time Corporate Auditor
Keiji Takiguchi

1979 Entered Ministry of Transportation
2007 Director-General of Air Traffic Services Department, Civil Aviation Bureau, Ministry of Land, Infrastructure, Transport and Tourism (MLIT)
2008 Assistant Vice-Minister of Minister's Secretariat, MLIT
2010 Vice-Director-General of Policy Bureau, MLIT
2012 Director-General of Railway Bureau, MLIT
2014 Director-General of Policy Bureau, MLIT
2016 Ambassador Extraordinary and Plenipotentiary to Croatia
2019 Full-time Corporate Auditor, JR East (current position)



Full-time Corporate Auditor
Takashi Kinoshita

1985 Entered National Police Agency
2010 Director of Iwate Police Headquarters
2012 General Manager of Organized Crime Bureau, Tokyo Metropolitan Police Department
2013 Manager of Public Safety Division, Security Bureau, National Police Agency
2014 Manager of Security Planning Division, Security Bureau, National Police Agency
General Manager of Organized Crime Department, Criminal Investigation Bureau, National Police Agency
2016 Director of Fukuoka Police Headquarters
2017 General Manager of Criminal Investigation Bureau, National Police Agency
2019 Full-time Corporate Auditor, JR East (current position)



Corporate Auditor
Seishi Kanetsuki

1969 Assistant Judge of the Tokyo District Court
1990 Judge of the Tokyo District Court (Presiding Judge)
1998 Director-General of Personnel Bureau, General Secretariat of the Supreme Court
2002 President of the Legal Training and Research Institute
2005 Chief Judge of the Tokyo District Court
2006 President of the Osaka High Court
2009 Justice of the Supreme Court
2015 Chairman of Japan Bar Association (current position)
2016 Corporate Auditor, JR East (current position)



Corporate Auditor
Kimitaka Mori

1980 Entered Shinwa Audit Corporation (currently KPMG AZSA LLC)
2000 Representative Partner of Asahi Audit Corporation (currently KPMG AZSA LLC)
2004 General Manager of Financial Service Headquarters of KPMG AZSA & Co. (currently KPMG AZSA LLC)
2006 Executive Board Member of KPMG AZSA & Co.
2011 Chairman of KPMG Financial Services Japan, KPMG AZSA LLC
2013 Chairman and President of The Japanese Institute of Certified Public Accountants
Established Mori Certified Public Accountant Office; Managing Partner (current position)
2016 Adviser of The Japanese Institute of Certified Public Accountants (current position)
2017 Corporate Auditor, JR East (current position)



Corporate Auditor
Nobuyuki Hashiguchi

1969 Entered Japanese National Railways
1987 Entered JR East
1992 General Manager of Health & Welfare Department
1996 Director and General Manager of Morioka Branch Office
1998 Director and General Manager of Construction Department
2000 Executive Director and General Manager of Sendai Branch Office
2002 Executive Director and Deputy Director General of Railway Operations Headquarters
2004 Executive Vice President and Representative Director and Director General of Railway Operations Headquarters
2008 President and Representative Director of Tekken Corporation
2014 Chairman and Representative Director of Tekken Corporation.
2016 Chairman and Director of Tekken Corporation.
2019 Corporate Auditor, JR East (current position)

Messages from an Outside Director and an Outside Auditor



Outside Director
Reiko Amano



Outside Auditor
Seishi Kanetsuki

About the Board of Directors

It has been five years since I was appointed an outside director of the Company. In discussions of management policies, investment projects, and various reports at meetings of the Board of Directors, executive directors make comments not only on their own areas of responsibility but also on related areas, and outside directors actively speak from their own professional perspectives. The chairperson of the meeting takes the lead in responding to the comments of each member, and my impression is that discussions have been becoming livelier every year.

I have worked as a researcher and research manager in the civil engineering field at a construction company. I participate in the social implementation of research and development results at several national research and development agencies specializing in disaster prevention, the environment, and energy. To realize a new JR East in line with "Move Up" 2027 in the midst of the critical situation caused by the COVID-19 pandemic and rapid changes in social trends, more precise and prompt decisions are needed, and the importance of the Board of Directors is greater than ever. At board meetings, I express my opinions based on the knowledge I have gained from my experience, with the mottoes of "speak frankly" and "don't waste opportunities."

JR East's Corporate Governance

I believe that we have an excellent system of governance from the standpoint of the railway business. In order to develop the business toward the realization of "Move Up" 2027, by utilizing the enormous amount and range of data that JR East possesses, collaboration across the entire group is vital, and our corporate governance is becoming more and more Groupwide in nature.

However, because the established governance system derives from the railway business, my perception is that we can hesitate to push forward with new businesses. To be able to compete in the post-COVID-19 era, we need quickly to establish a new business model based on JR East's version of "Society 5.0." And we need to build a corporate governance system centered on risk management. We must not be trapped by past successes, but eagerly absorb knowledge and take on new challenges.

Audit initiatives

The Board of Corporate Auditors is keenly aware of the importance of cooperation and information sharing with the internal audit division and auditing firms in order to constantly obtain a wide range of information when conducting auditing activities in a large corporate group such as ours.

As a lawyer, I believe that I have a responsibility to make full use of my expertise in the area of legal compliance, which is the foundation of corporate governance. In particular, I think that the perspective of "preventive law" is particularly important; that is, to anticipate potential legal problems and prevent them beforehand. While utilizing my legal experience in auditing, I strive to look at things from an objective perspective as an outside corporate auditor. On the other hand, to conduct audits based on the actual situation of the company, I try to get to know things on the front lines as much as possible and listen to the voices of the company's employees.

Now that the company is facing a severe business situation, having incurred the first loss in the company's history, I believe that improving the high ratio of fixed costs in the railway business is one of the major problems in establishing a profitable structure. I intend to keep a close watch to ensure, from an auditing perspective, that cost reductions are appropriately implemented while ensuring safety.

Corporate governance of the company

We have an excellent tradition of good governance in safe and stable operations in our railway business. On the other hand, management risks in the Life-style services business, which we are aiming to expand, are quite different from those in the railway business. For example, we expect to generate high returns in the Real Estate & Hotels business, but that entails a high degree of risk. I think the problem is how to take risks while conducting appropriate risk assessment.

Through various measures taken to realize "Move Up" 2027, I believe that our corporate governance vision has become broader. However, people's attitudes are constantly changing. I believe that for governance to evolve effectively, each and every employee must hone his or her sensitivity to the ethics and other issues that the company should observe.

Corporate Governance

Basic corporate governance philosophy

To achieve sustained business growth and to improve its medium- to long-term corporate value, JR East pursues achievement of ultimate safety to enhance reliability for customers, and the creation of affluent lives for people as our business, so that the expectations of all our stakeholders including shareholders, customers, and local communities will be met by making transparent, fair, firm, and timely decisions.

JR East has set Corporate Governance Guidelines which were developed by the Board of Directors as the material which shows the basic concept of our corporate governance and its concrete activities and presents it on our corporate website.

Governance system

Our Board of Directors consists of 11 members including three outside directors (as of July 2021), and it generally meets monthly to decide statutory requirements and other key operational matters and to supervise overall operations. The Board of Directors has established an Executive Committee consisting of 8 directors and 12 senior executive officers. This Executive Committee generally meets once a week and deliberates on matters to be decided by the Board of Directors and other important management issues. In addition, the Group Strategy Formulation Committee consisting of 8 directors, 12 senior executive officers, and 3 executive officers was formed with the aim developing all JR East groups, and meets as required to discuss important group issues such as management strategies for each business field.

Before resolving agenda items to appoint or dismiss directors or the president and representative director, in the interests of objectivity, appropriateness, and transparency we consult first with the Personnel Deliberation Committee, which comprises independent outside directors and other directors.

When determining director compensation, we first consult with the Remuneration Deliberation Committee, which is made up of independent outside directors and other directors.

Directors

11 (Including **three** outside directors)



Auditors

5 (Including **four** outside auditors)



Reasons for adopting our current corporate governance system

We have established a Board of Directors due to the need to make decisions that reflect various types of expertise and experience in such areas as safety assurance in the railway business, which accounts for a majority of earnings, and from a medium- to long-term perspective. We also have in place a Board of Corporate Auditors, which is made up of corporate auditors and is independent from the Board of Directors.

Audits by corporate auditors, internal audits, and accounting audits

The Company has five corporate auditors, two full-time and three part-time (four of whom are outside corporate auditors). One of the part-time corporate auditors is qualified as a certified public accountant and has extensive experience related to finance and accounting. We assign around 10 dedicated staff members to assist the corporate auditors

In accordance with the policy determined by the Board of Corporate Auditors, the corporate auditors attend the Board of Directors and other important meetings, listen to reports on the status of execution of duties from directors and the Internal Audit Department, inspect important approval documents, audit the status of business and financial assets, listen to reports on the status of execution of duties from the accounting auditor, and discuss major audit matters with the accounting auditor. Furthermore, the corporate auditors communicate with and exchange information with directors and corporate auditors of Group companies, and obtain reports as needed on the operations of Group companies. In fiscal 2021, due to the COVID-19 pandemic, some audit activities were conducted online. The Company's representative directors and outside directors regularly exchange opinions.

For internal audits, JR East has assigned approximately 100 full-time employees at Inquiry & Audit Department (Head Office) and at Audit Divisions (branch offices). We have a system in place to evaluate and make recommendations on the status of business execution and risk control from the perspectives of effectiveness, efficiency, and legality, and conduct audits of the head office, managing organizations, branch offices, and in-field offices based on audit plans. If there is need for improvement, we ask for a report on the situation and provide advice. We also conduct audits of Group companies, and report the audit results to the president and representative directors approximately once a quarter.

There were no major violations of laws or regulations in the matters relating to products and service in fiscal 2021. KPMG AZSA LLC (an accounting auditor), which has an audit agreement in place with the Company, conducts audits during and at the end of the fiscal year.

As for the mutual cooperation between internal audits, audits by corporate auditors and accounting audits, regular liaison meetings are held between corporate auditors and officers in charge of the internal audit division and others. Corporate auditors listen to reports and discuss the status of the execution of duties by the accounting auditor, and corporate auditors, the internal audit division, and the accounting auditor exchange opinions.

Ensuring effectiveness of the Board of Directors

Once each year, an analysis and assessment of effectiveness of the Board of Directors is performed, as described below.

- The effectiveness of the Board of Directors is assessed from the perspective of the Board's roles and responsibilities, including transparent, fair, quick, and decisive decision-making.
- As to the assessment method, all directors independently evaluate the Board of Directors' effectiveness. These results are analyzed, independent outside directors are asked for their opinions, and the Board of Directors' method of operations may be revised, if necessary.

Results of the analysis and assessment of Board of Directors' effectiveness at the Board of Directors meeting on May 14, 2021

The results of the self-assessment confirmed that the Board of Directors appropriately considers matters for deliberation, conducts sufficient reporting to fulfill its role in supervising business execution, and that it has a compliance system in place. On the basis of these results, the Company determined that its Board of Directors is sufficiently fulfilling its roles and responsibilities, and judged the Board as being effective.

Reflecting the opinions of the independent outside directors, to further enhance the effectiveness of the Board of Directors we have

Changes in the number of directors (up to the introduction of the Corporate Governance Code)



Approach to evaluating the effectiveness of the Board of Directors

Analysis and assessment of Board of Directors' effectiveness in FY2021	
Item	Highly evaluated aspects
Decision-making relating to business execution	<ul style="list-style-type: none"> • Discussions are taking place in accordance with "Move Up" 2027 • Outside directors are becoming more forthright in expressing their opinions
Supervision of the execution of duties by directors	<ul style="list-style-type: none"> • Compliance and risk management levels are improving • Increasing transparency in procedures for executive nomination and remuneration
Management of the Board of Directors	<ul style="list-style-type: none"> • Improving support for outside directors, including site visits and advance explanations of board meeting agendas.
Item	Areas for improvement
Decision-making relating to business execution	<ul style="list-style-type: none"> • Deeper discussions on management strategies in light of the COVID-19 pandemic • Formulation of strategies that further emphasize synergies between businesses
Supervision of the execution of duties by directors	<ul style="list-style-type: none"> • Balance of reporting between the railway business and other businesses • Further improvement of risk management in businesses other than the railway business
Management of the Board of Directors	<ul style="list-style-type: none"> • Improvement of board meeting materials • Further enhancement of director training

Corporate Governance

augmented director training through such measures as holding site visits for independent outside directors and hosting lectures by outside experts. In addition, we have worked to strengthen the reporting of the status of progress toward realizing the Group's management vision "Move Up" 2027 and to accelerate discussions on business direction and strategy beyond the COVID-19 pandemic.

Executive compensation

The Company pays directors who are not outside directors base compensation based on their roles as consideration for their everyday business execution, within the scope of compensation amount resolved at the General Meeting of Shareholders. In addition, these directors receive performance-linked compensation based on management performance, shareholder dividends, and their degree of contribution to operating performance and the achievement of the Company's medium-term management vision during that fiscal year.

In consideration of their job responsibilities, outside directors and corporate auditors receive no performance-linked compensation.

They receive base compensation as consideration for business execution within the scope of the compensation amount resolved at the General Meeting of Shareholders.

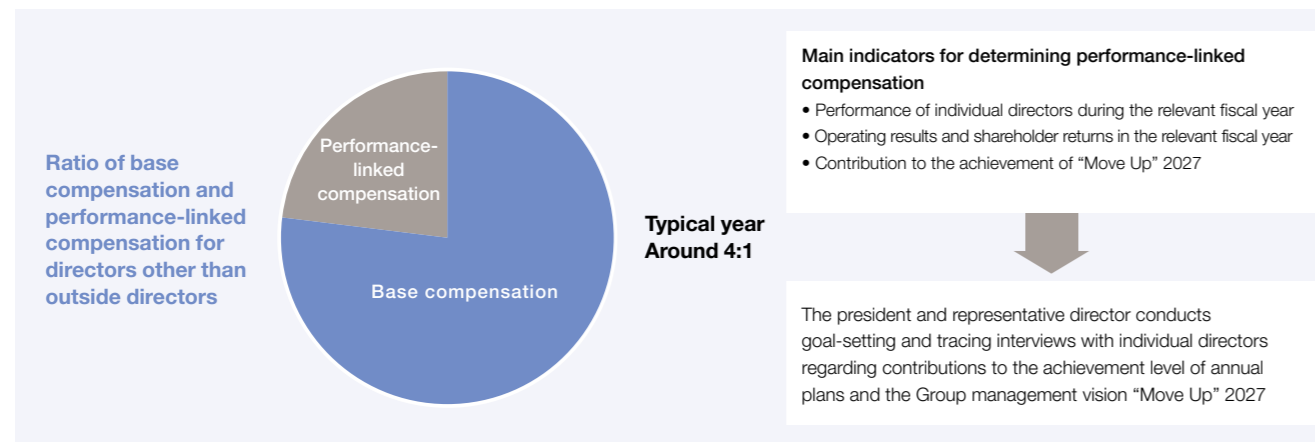
Details of the Company's executive compensation for fiscal 2021 are shown in the table below.

	People	Total Amount
Directors (excluding outside directors)	11	¥364 million (base compensation: ¥364 million)
Corporate auditors (excluding outside auditors)	1	¥12 million (base compensation: ¥12 million)
Outside executives	9	¥142 million (base compensation: ¥142 million)
Total	21	¥518 million (base compensation: ¥518 million)

(Notes)

- These figures include compensation paid to four directors who stepped down at the close of the 33rd Ordinary General Meeting of Shareholders on June 23, 2020.
- In response to the impact of COVID-19 on our business performance, directors (excluding outside directors) voluntarily returned 10% or 20% of their base compensation from May 2020 to March 2021. The amount of base compensation for directors in the above table includes the amount of compensation voluntarily returned.

Executive compensation



Indices for performance-linked compensation and the reason for their selection

In addition to "a director's performance during the year," a director's success during a given business year is measured through an overall assessment of indices including "operating results including operating income and profit attributable to owners of parent during the year" and "shareholder returns" (business characteristics strongly associated with cooperation among business departments) and "level of contribution to 'Move Up' 2027" (business characteristics associated with a long span of time from the planning stage to the appearance of results). To assess performance during the year and the level of contribution, the President and Representative Director conducts goal-setting and tracing interviews with individual directors regarding the achievement level of annual plans and "Move Up" 2027. Performance-linked compensation is paid as cash remuneration at a fixed time each year. In fiscal 2021, however, we decided not to pay performance-linked compensation in view of the impact of the

COVID-19 pandemic on business performance both in fiscal 2021 and fiscal 2022.

No non-monetary remuneration is paid.

Ratio of base compensation and compensation linked to performance

The ratio of base compensation to performance-linked compensation for directors who are not outside directors is typically around 4:1, excluding the variable portion for individual director's performance so that performance-linked compensation accounts for a certain percentage of total compensation. Of this amount, performance-linked compensation will be added to or subtracted from the basic amount for each position within the range of 30% to 40%, depending on the performance of each director. Further reductions may be made taking into account circumstances related to the Company's management, including the business results for the current fiscal year and the business forecast for the next fiscal year.

Internal Control System

Basic concept of internal control system

In the midst of a drastically changing environment surrounding our Group, in order to speed up our transformation and steadily achieve "Move Up" 2027, it is essential to develop and properly operate an internal control system that is appropriate for our management and business environment.

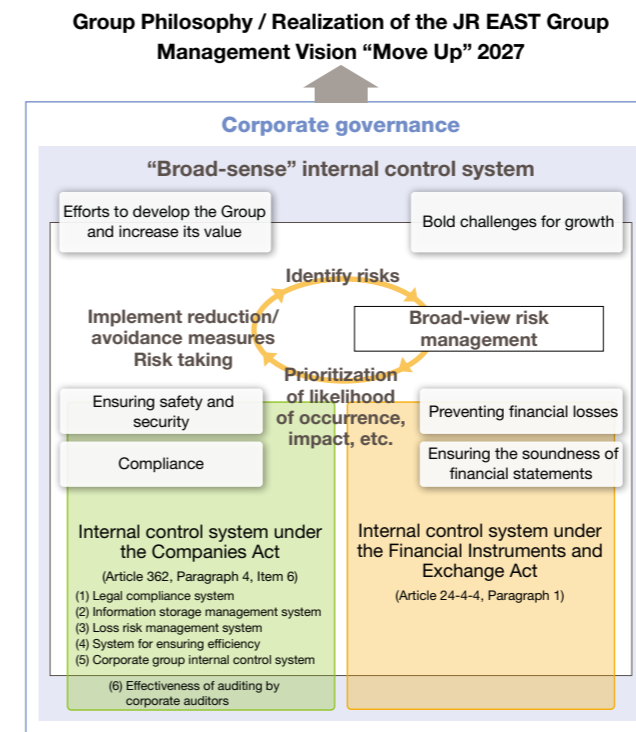
The Group considers its internal control system to be the combination of efforts by all Group employees to realize the Group's philosophy and the Group's management vision in an appropriate and efficient manner. In addition to compliance, ensuring safety and security, preventing financial losses, and making sure of the soundness of financial statements, the Group is working on risk management from the perspective of expanding into new business fields, with the aim of developing the Group and increasing its value. The internal control system also motivates employees and supports staff in taking on new challenges that will lead to the Group's growth and structural reforms. We view it as a broad concept that includes systems to ensure the appropriateness of business operations based on the Companies Act and systems to ensure the appropriateness of financial information, based on the Financial Instruments and Exchange Act.

Group, prioritizing them based on their likelihood of occurrence and impact, and implementing the PDCA (Plan-Do-Check-Act) cycle to consider and implement measures to avoid or reduce them, in an effort to curb the occurrence of risks and minimize their impact if they do occur.

Nevertheless, in order for the Group to improve profitability and undertake structural reforms to speed up "Move Up" 2027, we recognize the importance of broad-based risk management from the perspective of proactively increasing the value of the Group, including risk-taking, in addition to considering risks from the perspective of reducing negative factors such as avoiding losses. In addition to ensuring stable and appropriate business operations, the Group's risk management is designed to support and encourage all Group employees to boldly take on challenges toward growth.

* These include not only risks related to compliance, safety assurance, and natural disasters, but also those related to market changes, competitor trends, social and economic conditions in Japan and overseas, and management decisions related to new businesses.

JR East Group's basic approach to its internal control system



Risk management

In addition to the development and operation of the Company's System for Ensuring the Appropriateness of Business Operations based on the Companies Act and the System for Ensuring the Appropriateness of Financial Information based on the Financial Instruments and Exchange Act, we have also been striving to improve our risk management system by identifying various risks* faced by the

From risk reduction to increased willingness to take up challenges

To realize "Move Up" 2027, it is essential to establish and properly operate an internal control system that responds to changes in the environment. To achieve sustainable growth as a provider of a wide range of services, while avoiding and minimizing risks, the JR East Group continuously identifies, analyzes, and evaluates risks. Also, we clarify priorities, and take measures with a strong awareness of the importance of initial responses and collaboration.

In addition, to increase the value of the Group, it is important that these efforts promote reforms that are compatible with the business environment and consistent with internal controls and governance. We also need to identify risks in challenges to growth and to promote broad risk management that embraces risk-taking. The key here is the initiative of our employees and I believe that it is important to encourage their engagement from a bottom-up perspective.

To respond flexibly to various changes in the business environment, we need to promote and deepen cooperation between corporate planning, audit, and other divisions, and to put in place systems that facilitate the reduction of risk in each unit. We are also trying to develop risk management.



Risk Management Unit
Corporate & Legal Strategies
Department

Internal Control System

Basic concept of compliance

JR East positions Compliance as a basic policy of the corporate management to build a better relationship of trust with regional communities and society. We adopted the Policy on Legal and Regulatory Compliance and Corporate Ethics as the Group's corporate activity guidelines, and we comply with all related laws including the Railway Business Act in our various business fields such as Transportation services, Life-style services and the IT & Suica services, and we thus conduct business in accordance with corporate ethics.

Overview of compliance at the JR East Group



Policy on Legal and Regulatory Compliance and Corporate Ethics

We uphold regulatory compliance and corporate ethics in accordance with the Group's philosophy and principles. To improve the efficacy of this policy, we have distributed the Compliance Action Plan Handbook to all members of the Group. This handbook outlines the actions expected of every employee. It is revised periodically to reflect changes in laws and the social environment.

Furthermore, in conjunction with the development of overseas business, we formulated and announced the "Basic Policy for the Prevention of Bribery Relating to Foreign Public Officials."



Compliance Action Plan Handbook

Promoting compliance

We conduct compliance education for all staff each year, to help all Group employees better understand the importance of compliance. In fiscal 2021, we used e-learning to deepen understanding of how to tackle power harassment. In addition to deepening employee understanding of violations that have occurred at other companies, we worked to instill knowledge and awareness by discussing these issues in relation to our own workplaces.

In addition, we hold annual compliance seminars to consider compliance from a broad perspective, and talks are given by outside lecturers to provide an alternative perspective, which will be useful for future business operations.

The head of each workplace regularly checks operational appropriateness using questionnaires. We use the Confirmation Support Sheet of Basic Issues, which summarizes fundamental compliance-related matters, for ongoing checking and confirmation. To ascertain potential compliance risks inherent in customization activities, we distribute questionnaires to all Group employees in an effort to detect any early signs of major scandals.

Compliance hotline

We have established consultation desks both internally and outside the Group to facilitate consultation and reporting related to compliance. We accept consultations and reports from business partners and retirees and publish how we respond to them on our website. To enhance the effectiveness of our internal reporting system, we have registered for certification with Japan's Whistleblowing Compliance Management System (WCMS), through the program's "self-declaration of conformity" process.

In fiscal 2021, we received 249 consultations and messages on a wide range of issues from the handling of laws and regulations to problems in human relations including harassment, and we responded to them properly and respectfully.

Ensuring information security

JR East has designed and introduced an information security management system outlined by the JR East Group's Basic Policy for Information Security and led by the Chief Information Security Officer (CISO).

We strive to minimize information security risks by promoting security measures based on the following basic concepts: in-depth defense with multiple security measures, development of a system to promptly detect and respond to cyber attacks, timely software upgrades to address vulnerabilities, and Groupwide deployment of security measures. In addition, we continuously conduct information security education to raise employee awareness of cybersecurity and undertake training to confirm initial responses in the event of a security incident.

(Specific initiatives)

- Detection of fraudulent communications by the Security Operations Center (SOC)
- Vulnerability assessment and countermeasures for business PCs and systems
- CSIRT (Computer Security Incident Response Team) training on the assumption of cyber attacks
- Thorough familiarization of all employees with "10 Points on Information Security" (rules for using information equipment)
- Annual security training for all employees and periodic targeted email training, etc.



10 Points on Information Security

Personal data protection

Pursuant to applicable laws and regulations including the "Act on the Protection of Personal Information", JR East Group has published its "Basic Policy for Personal Information Handling" and formulated the "Regulations for the Management of Personal Information", and we improve our handling of personal information in tandem with legal revisions. In addition, we are revising our rules to reinforce our personal information management system and



Leaflet entitled "Points of Caution" the Handling of Personal Information"

reduce the risk of information leaks. We have also appointed chief privacy officers who have the responsibility of strictly protecting personal data. Furthermore, as one of several measures responding to the European Union's General Data Protection Regulation (GDPR), which came into force in May 2018, we have now published an English-language version of our privacy policy and other materials on our website.

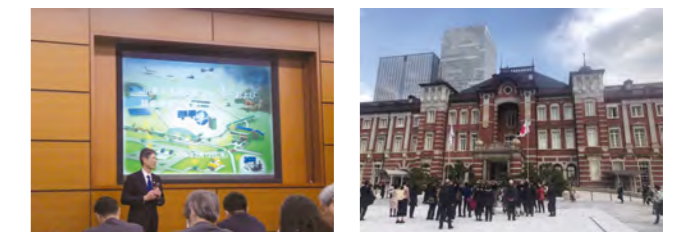
Through leaflets for raising employee awareness, articles in our internal magazines, and compliance education, we are also working to ensure that all employees remain fully aware of the need for the strict handling and management of personal data. Furthermore, in order to ensure proper control of personal data, the Group conducts periodical internal workplace audits.

Dialogue with investors and shareholders

We create opportunities for constructive dialogue with shareholders and investors to deepen their understanding of the JR East Group's businesses and to build long-term, trust-based relationships. As a result, we strive to ensure sustainable business growth and build corporate value over the medium to long term.

(Specific initiatives)

- Financial results briefings, individual meetings, overseas investor relations, meetings on themes of particularly high interest and site visits to facilities
- Shareholder-only events (examples include night-time visits to the Railway Museum, special tours of a Shinkansen General Rolling Stock Center, and tours of the Marunouchi Station Building at Tokyo Station)



Communication with employees

Through on-site visits and other means, executives and other senior staff at the head office and branch offices actively communicate with JR East employees. In fiscal 2019, we began holding "Move Up" 2027 Discussion, in which executives and head office management share opinions and hold discussions with employees in each area, to embed "Move Up" 2027 in each workplace and encourage Group employees to take on challenges and make changes through their own initiatives. In fiscal 2021, in response to the COVID-19 pandemic and other factors, executives and head office management hosted around 50 online discussions with employees, as well as visiting each area in person.