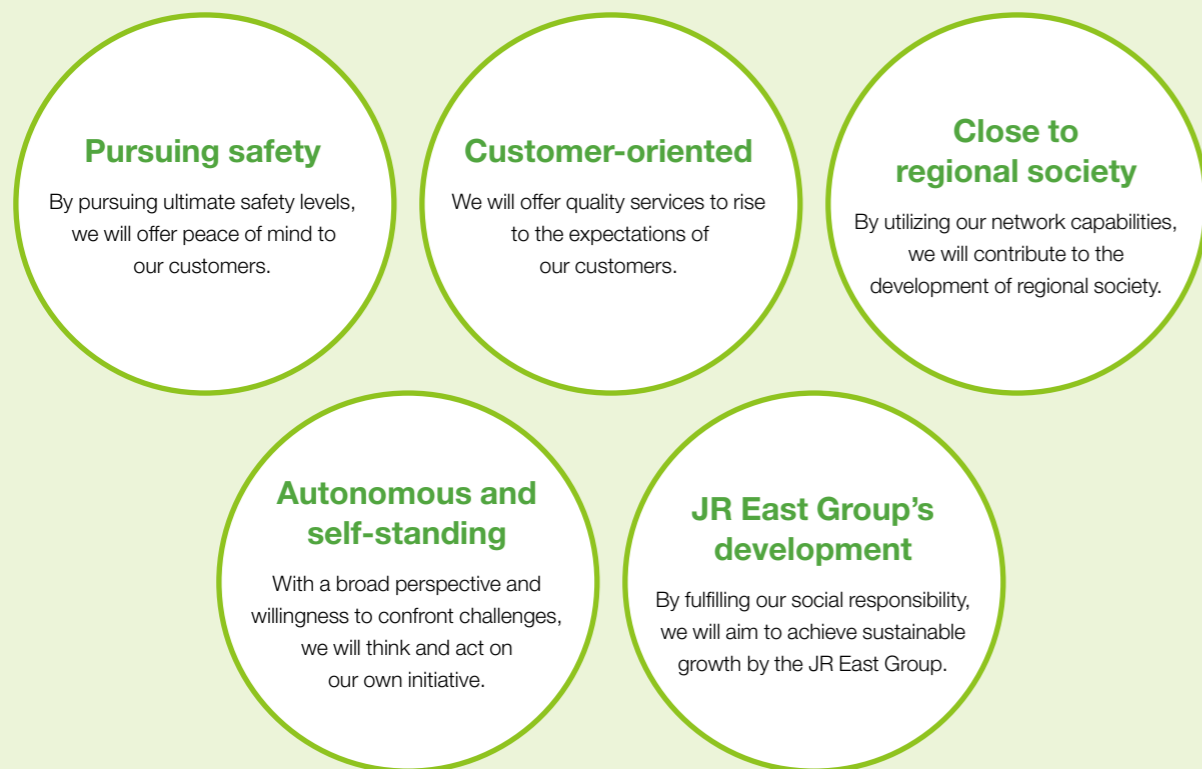


JR East Group Philosophy

We will earn the trust of our customers as a whole group by aiming for ultimate safety levels as our top priority. We will strengthen our network capabilities focusing on technologies and information, and we are committed to helping our customers and people in communities to realize affluent lives.

Basic Principles



Materiality

Viewing safety as the first priority of business management, the JR East Group will pursue ultimate safety levels. Further, through its businesses, the Group will help address social issues and develop local communities. In these ways, we will earn even greater trust from local communities and customers and continue to grow. To ensure the achievement of the aforementioned goals, we have identified our materiality as comprising the following tasks.

Safety	Environment	Society	Governance
<ul style="list-style-type: none"> Pursuing ultimate safety levels 	<ul style="list-style-type: none"> Realizing a carbon-free society Realizing a resource recycling-based society Preserving biodiversity 	<ul style="list-style-type: none"> Contributing to regional revitalization Promoting diversity Ensuring service quality Contributing to education and cultural development Enhancing quality of life (workstyles and lifestyles) 	<ul style="list-style-type: none"> Exercising internal control Conducting risk management Ensuring compliance
<p>Targeting all employees, the JR East Group will inculcate in them a shared awareness of safety as the first priority of business management and advance concrete Groupwide initiatives in pursuit of ultimate safety levels.</p>	<p>We will further increase the environmental advantage of railways over other forms of transportation and contribute to the realization of a sustainable society.</p>	<p>Through our businesses, we will contribute to the resolution of social issues, the development of local communities, and the achievement of the Sustainable Development Goals (SDGs.).</p>	<p>Based on transparent, fair, firm, and timely decisions and internal control that supports bold initiatives for growth, the JR East Group will sustain business growth and enhance corporate value over the medium to long term.</p>

Effect of Nonfinancial Activities on Corporate Value

We commissioned an analysis of the degree to which initiatives focused on priority issues affect corporate value using an analysis model*1 that clarifies the relationship between non-financial factors and the price-to-book ratio, based on the assumption that non-financial factors and financial factors, namely return on equity (ROE), affect corporate value in terms of the price-to-book ratio. In this analysis, ROE was added as a moderator variable, and the following correlations were detected.

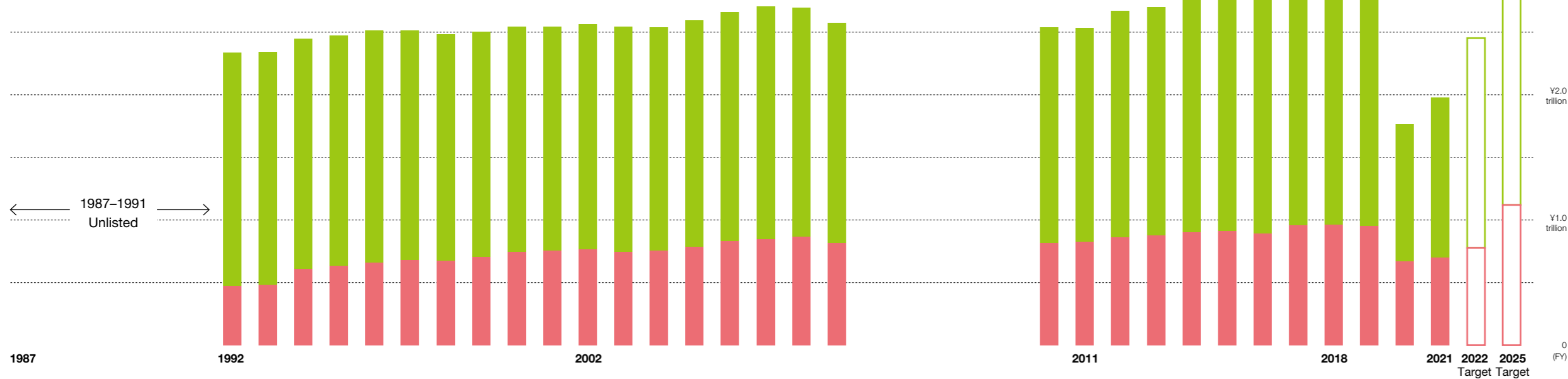
Realizing a carbon-free society	A 1.0% reduction in the CO ₂ emissions of the railway business improves the price-to-book ratio by 1.06% after three years.
Enhancing quality of life (workstyles and lifestyles)	A 1.0% increase in the average annual training hours per employee increases the price-to-book ratio by 0.54% in the same year.

*1 Model: CFO Policy, 2nd edition, Chuokeizai-sha Holdings, Inc., 2021, Ryohei Yanagi, 2020
Analysis implementation: ABeam Consulting Ltd., Digital ESG Platform

Value Creation History

Since its establishment, JR East has pursued the rehabilitation and revitalization of railways, expanded its railway network, and enhanced safety and service quality to increase usage of the Company's transportation services. With safety as the first priority of our business management, we will heighten trust and combine the advantages of real-world networks with digital technologies and *Suica* to propose new lifestyles and take on new business areas.

Consolidated Operating Revenues



1987~

Building Trust as a Private Railway Operator

JR East was established following the division and privatization of Japan National Railways (JNR). In the East Japan area, the Company established a Shinkansen network comprising five lines. After the extension of the Tohoku and Joetsu Shinkansen to Tokyo Station in 1991, the Yamagata Shinkansen, the Akita Shinkansen, and the Nagano Shinkansen were also opened.

Principal Initiatives: Transportation, Life-Style, and IT & Suica Services

- 1988 Opening of Seikan Tunnel
- 1992 Opening of Yamagata Shinkansen
- 1997 Opening of Akita Shinkansen and Nagano Shinkansen
- 1990 Opening of GALA YUZAWA SNOW RESORT
- 1999 Opening of GRANDUO Tachikawa
- 2001 Launch of NEWDAYS
- 1993 Start of ViewCard issuance
- 2000 Start of eki-net service
- 2001 Start of Suica service



2002~

Becoming Fully Privatized

In 2001, JR East launched *Suica*, an IC card-enabled fare collection system. Usage of the card increased rapidly as it offered the convenience of passing through automatic ticket gates with a simple touch of a card. In 2002, JR East was the first of the seven JR companies, comprising six passenger companies and a freight company, to become fully privatized.

- 2004 Introduction of Green Cars (first-class cars) to local train services (Shonan-Shinjuku, Utsunomiya, and Takasaki lines)
- 2006 Start of direct limited express services with TOBU RAILWAY CO., LTD.
- 2005 Opening of ecute Omiya and ecute Shinagawa
- 2007 Opening of the Railway Museum
- 2006 Start of Mobile Suica service
- 2007 Start of mutual use with PASMO



2011~

Focusing on Restoration and Revitalization after an Earthquake and Stepping Up the Pursuit of Ultimate Safety Levels

The Great East Japan Earthquake forced the JR East Group to suspend operations for a long period. In a concerted effort to overcome this challenge, the Group restored transportation services by introducing a range of transportation modes in step with town recovery initiatives.

- 2012 Start of Kesenuma Line BRT (Bus Rapid Transit) service
- 2015 Opening of Hokuriku Shinkansen to Kanazawa
- 2016 Opening of Purple Line urban railway in Bangkok, Thailand
- 2017 Start of TRAIN SUITE SHIKI-SHIMA operations
- 2014 Opening of nomono Akihabara store
- 2017 Opening of LUMINE SINGAPORE
- 2014 Start of JR East App service
- 2016 Start of JRE POINT service

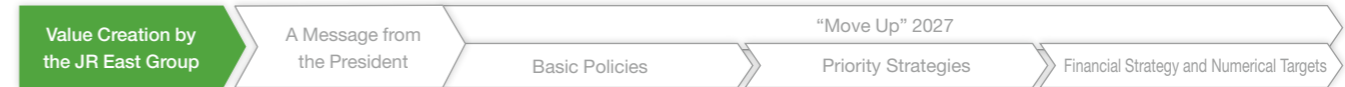


2018~

Seeking Further Dramatic Advances through Changes in Profit Structure

In 2018, we announced the JR East Group Management Vision "Move Up" 2027. With the affluence of everyone's daily lives as our starting point, we will create new services and provide them to society. Beginning from 2020, the business environment changed abruptly due to the COVID-19 pandemic. Restoring earning power in the railway business and focusing management resources on the further development of the Life-style services business and the IT & *Suica* services business, we are energetically integrating the three businesses to create new services and value.

- 2019 Start of direct services between Saikyo and Sotetsu lines (Sagami Railway Co., Ltd.)
- 2020 Opening of Takanawa Gateway Station
- 2021 Launch of full-scale Hakobyun operations (train parcel service)
- 2019 Start of STATION WORK
- 2021 Announcement of Beyond Stations concept
- 2018 Start of Touch de Go! Shinkansen service
- 2020 Start of Shinkansen e-ticket service
- 2021 Start of TOHOKU MaaS



Accumulated Strengths

- 1 Technical capabilities that underpin safety
 - 2 Dynamic, real-world gathering places
 - 3 Relationships with and networks comprising local communities and municipal authorities
 - 4 Wide-ranging business development
 - 5 Abundant tangible and intangible assets (real estate, data, etc.)
- Fundamental trust supporting the whole JR East Group

Trust of customers and local communities

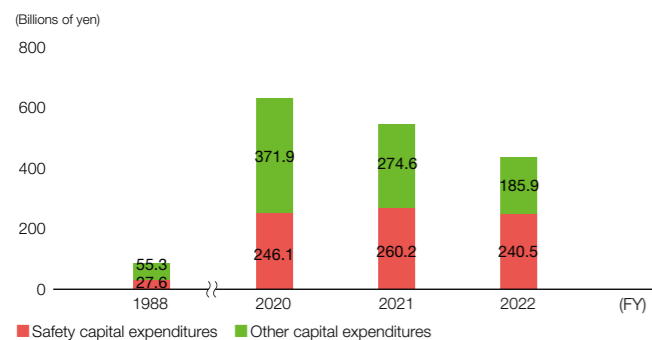
Strengths of the JR East Group

Our strengths lie in a multilayered real-world network, which supports social infrastructure, and in our railway stations (mainly in the Tokyo metropolitan area), which act as hubs for interaction and the exchange and gathering of people, products, money, and information. By leveraging these unique strengths together with technological innovation and data on transportation, shopping, and payment, JR East will create new value in the form of trust and affluence. Focusing on people and advancing initiatives in cities, regions, and the world at large, we will offer value by realizing safety, enhancing people's daily lives, and contributing to the happiness of our employees and their families.

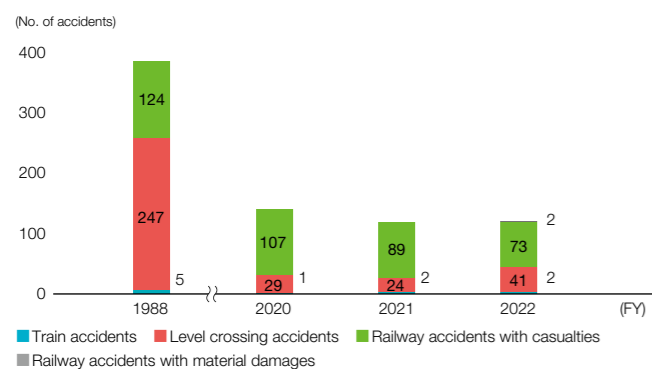
1 Technical Capabilities That Underpin Safety

Since its establishment, JR East has made safety the first priority of business management and continuously conducted Companywide initiatives to heighten safety even further. Also, we have always invested heavily in safety so that we can proactively incorporate leading-edge technologies and mitigate emerging risks.

Safety Capital Expenditures Included in Capital Expenditures (Nonconsolidated)

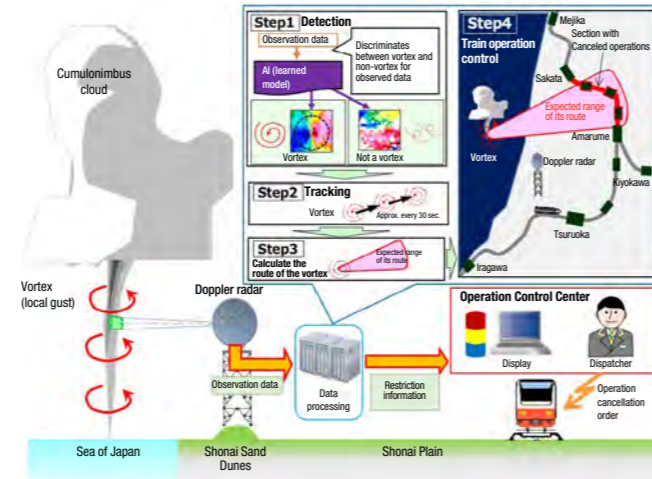


Number of Accidents



Doppler Radar-Enabled Operational Restrictions If Gusts Likely

We use a system that detects vortices—which cause gusts—by using Doppler radar to monitor the movement of raindrops in the air, and other, weather-related phenomena. The system then issues an alert if a train line lies in the predicted path of a vortex. Jointly developed by the Meteorological Research Institute of the Japan Meteorological Agency and JR East, the system was introduced on the Uetsu Main Line and a part of the Rikuu West Line in the winter of 2017. Since then, we have been increasing the areas where the system is used for the restriction of operations and using artificial intelligence (AI) to heighten the precision of vortex detection.



2 Dynamic, Real-World Gathering Places

Our infrastructure comprises a multilayered real-world railway network that spans eastern Japan and railway stations that are hubs for interaction. Moreover, this infrastructure provides a base on which to develop cities and lifestyles that are attractive to customers and local communities.



GRANSTA TOKYO

Average number of passengers per day Approx.	13.14 million	JR East shopping centers	191
Number of railway stations (Including BRT stations)	1,677	Hotel guest rooms	9,267
Operating kilometers (Including BRT line segments)	7,401.7 km	Leasable office space Approx.	560,000 m ²

3 Relationships with and Networks Comprising Local Communities and Municipal Authorities

JR East helps revitalize regions through initiatives such as town developments that reflect changes in railway stations. We also provide services that enrich the day-to-day lives of local communities and customers.

Regional Revitalization in Partnership with Municipal Authorities

The Group's first pick-it-yourself tourist farm, *JR Fruits Park Sendai Arahama*, opened in Arahama as part of a project to utilize areas of Sendai that have been repurposed in the wake of the Great East Japan Earthquake.



Multifunctional IC Cards for Regional Transit

By collaborating with local transportation operators to spread *Suica*-based multifunctional IC cards for regional transit, we are realizing seamless travel that encompasses bus services and other secondary modes of transportation.



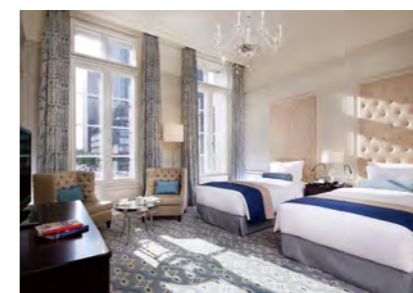
4 Wide-Ranging Business Development

The JR East Group is engaged in an array of different businesses. As well as conducting railway transportation-related businesses, we provide various Life-style and *Suica* services, partner with start-ups, and operate real estate businesses.

Railcar Manufacturing Businesses



Retail Services and Hotel Businesses



E-Money Business



5 Abundant Tangible and Intangible Assets (Real Estate, Data, etc.)

As well as leveraging *Suica* statistical information to enhance town development and revitalize local communities in other ways, we offer employees multifaceted support that covers childcare, nursing care, the creation of a comfortable working environment for individuals with disabilities, career development for non-Japanese personnel, and the needs of LGBTQ+ individuals.

Tangible Assets (Real Estate, etc.)



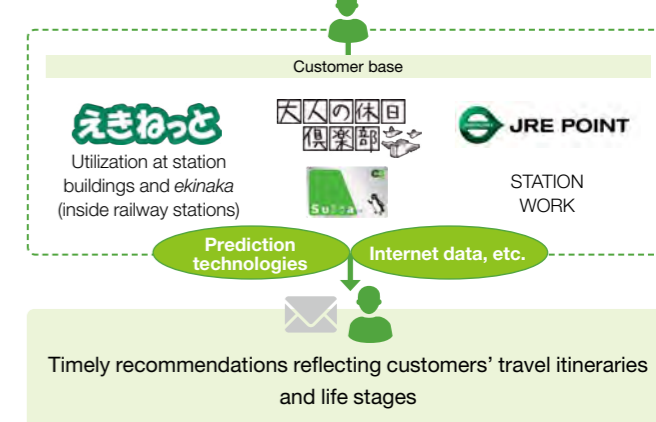
JR Minami Shinjuku Building

Realizing a Sustainable Growth Strategy by Building a Rotational Business

By incorporating its properties into real estate funds, the JR East Group will generate investment capital. We will then accelerate growth strategies by reinvesting this capital in growth areas of our businesses.

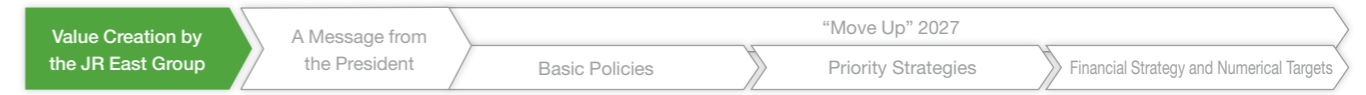
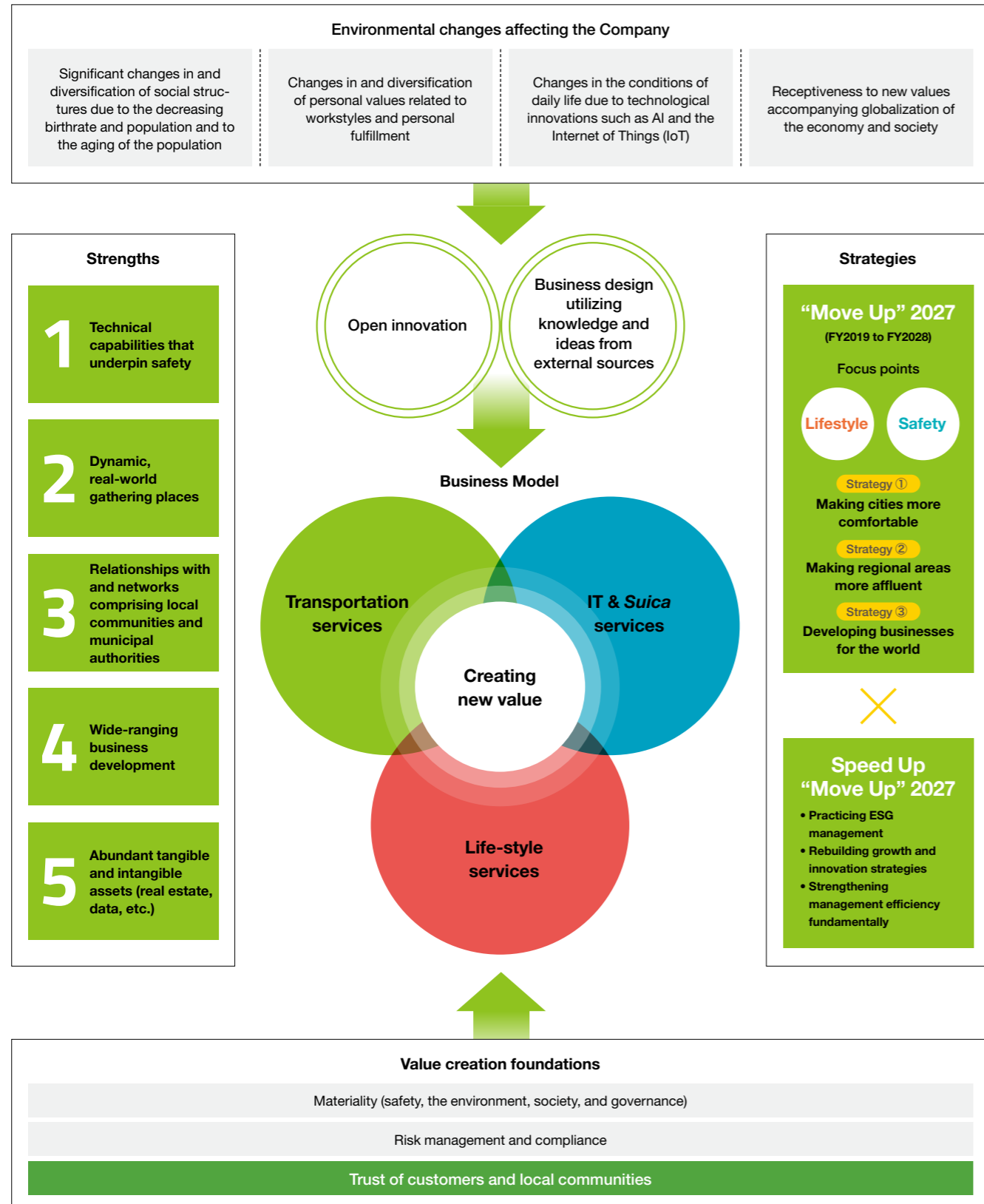
Intangible Assets (Data, etc.)

In new businesses and services, we will utilize the data we have collected and accumulated.

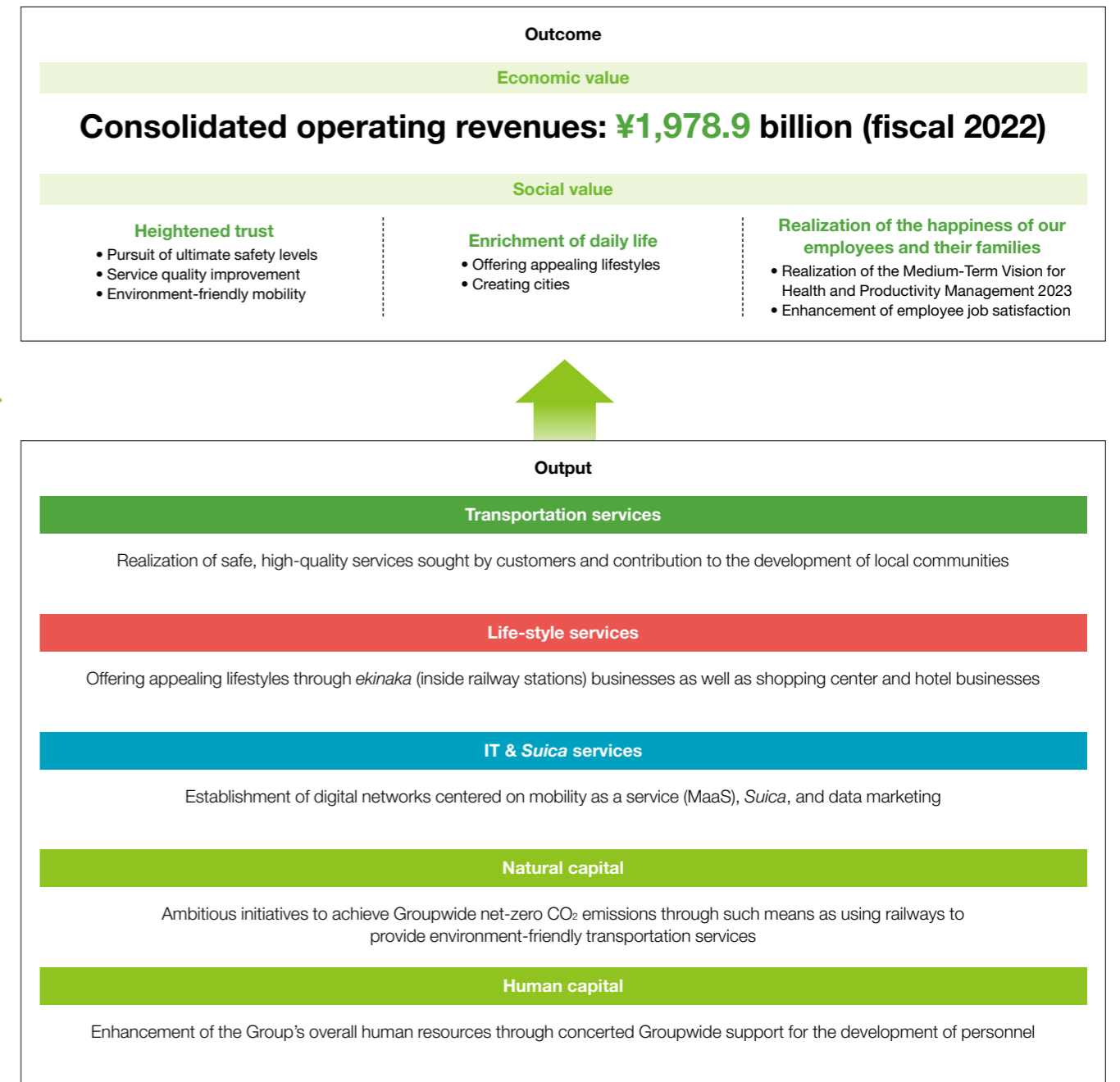


Value Creation Model

To date, the JR East Group has utilized its real-world networks to provide customers with an array of value. Going forward, the Group will offer new value to stakeholders through improvements in its real-world networks; the marketing of new products and services that integrate Transportation, Life-style, and IT & Suica services; and the creation of a business model that is not reliant on transportation. At the same time, we will contribute to the achievement of the SDGs.



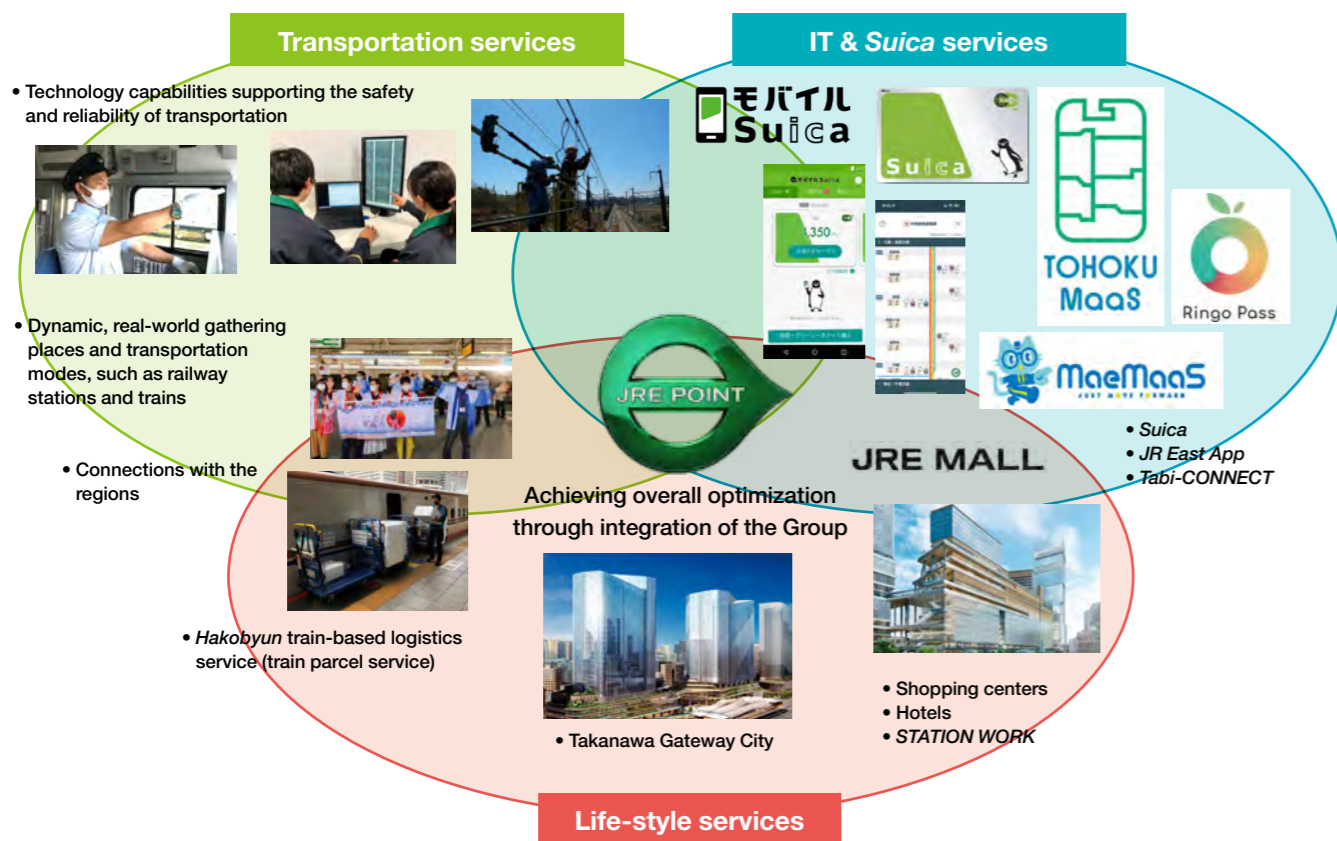
Contributing to the Achievement of the SDGs



Strengths-Based Business Development

While tackling near-term issues based on a *people-focused approach* and *coordination and collaboration*, the Group will maximize its capabilities and create new value by integrating Transportation, Life-style, and IT & Suica services.

Business Domains of the JR East Group



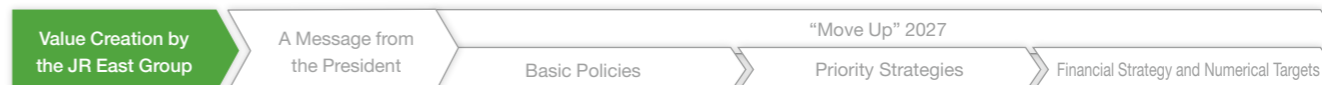
People-focused approach

Each Group employee playing a creative role
Thinking from the viewpoint of customers

Coordination and collaboration

Transcending the boundaries of companies,
systems, organizations, and jobs
Utilizing outside skills, technologies, and expertise

For Transportation segment operating revenues relative to those of other business segments, we aim to achieve a 6:4 ratio by fiscal 2026. The goal is to then reach a 5:5 ratio as soon as possible.



Business Segments

The JR East Group has three business domains—Transportation, Life-style, and IT & Suica services—which the Group advances through the four business segments shown below. By interlinking these business segments, we will realize and deliver value that meets our goals.

Transportation

This segment includes passenger transportation operations centered on railway operations as well as travel agency services, cleaning services, railway station operations, facilities maintenance operations, railcar manufacturing operations, and railcar maintenance operations.

Retail & Services

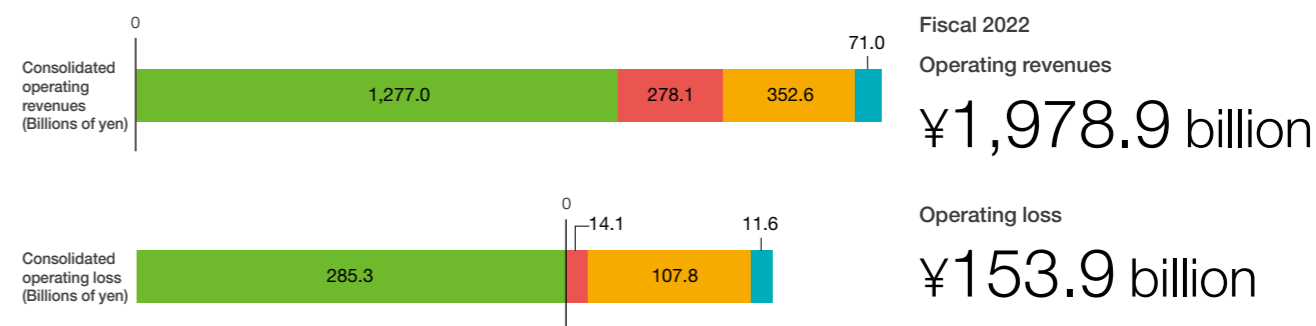
This segment comprises the part of JR East's Life-style service business that includes retail sales and restaurant operations, a wholesale business, a truck transportation business, and advertising and publicity.

Real Estate & Hotels

This segment comprises the part of JR East's Life-style service business that includes shopping center operations, the leasing of office buildings and other properties, and hotel operations.

Others

This segment comprises the IT & Suica business, which includes credit card operations, and information processing operations, among others.



Operating Revenues (Billions of yen)

(FY)	2017	2018	2019	2020	2021	2022	2023 (Plan)	2026 (Target)
Transportation	1,989.8	2,017.8	2,038.1	1,994.5	1,095.7	1,277.0	1,675.0	1,970.0
Retail & Services	502.4	514.9	521.8	502.0	318.0	278.1	353.0	550.0
Real Estate & Hotels	326.3	340.1	349.0	348.5	271.2	352.6	353.0	480.0
Others	62.2	77.1	92.9	101.5	79.5	71.0	72.0	90.0

* The forecast for FY2023 is the April 2022 target

A Message from the President

In transforming its railway-centric business model, the JR East Group will integrate its three business domains and create synergies among them to maximize earnings and make fiscal 2023 the JR East Group's revival year.

Despite being affected by the COVID-19 pandemic throughout the year, the JR East Group steadily laid the foundations of transformation.

A Year of Solid Progress toward a Recovery in Growth

Fiscal 2022, ended March 31, 2022, was a year of major upheavals, many of which stemmed from the continued impact of the COVID-19 pandemic and the emergence of geopolitical risks associated with the war in Ukraine. Significantly affected by the pandemic, we recorded a loss for the second consecutive fiscal year. Nonetheless, we fulfilled our social mission by delivering services that are critical to the day-to-day functioning of society. Moreover, without pausing in our drive toward achievement of the JR East Group Management Vision "Move Up" 2027, we have been improving profitability and reforming cost structures in line with our updated vision, Speed Up "Move Up" 2027, which was announced in September 2020.

In particular, taking on various ambitious initiatives in preparation for our next step has changed the mindset of personnel across the Group. Since fiscal 2022, I have observed that a general willingness to embrace ambitious initiatives is creating tremendous momentum at Group workplaces and companies. In terms of building up strength and solidifying foundations, we have made solid progress toward a recovery in growth.

Transformation towards a Less Railway-Centric Business Portfolio

The major changes in how customers work and live that have resulted from the COVID-19 pandemic are forcing our businesses to transform. Now that the lower number of customers using railway stations has made our vulnerability apparent, we are committed to transforming away from a business portfolio that concentrates resources on railways toward one better suited to the post-COVID-19 era. In these efforts, a key task will be flexibly managing our main Transportation services business including its cost structure. Another major task will be the broadening and strengthening of our businesses beyond Transportation services.



Yuji Fukasawa
President and CEO

A Message from the President

Realization of Profitability in Fiscal 2023

In fiscal 2023, the year ending March 31, 2023, the Group has embarked upon concerted initiatives fueled by a determination to return to profitability without fail. We will advance growth and innovation strategies aimed at improving profitability, premised on the number of customers using our railway services gradually approaching pre-COVID-19 levels. Specifically, we project that by the end of the current fiscal year, revenues will reach 95.0% of pre-COVID-19 levels for short-distance services, 90.0% for medium- and long-distance services, and 75.0% for commuter passes. In addition, we will continue implementing bold structural reforms to reduce the fixed costs of railway operations.

Our rebuilding of growth and innovation strategies will focus on efforts to *propose new lifestyle ideas and take on challenges in new fields*. We will fundamentally strengthen profitability by taking measures in the railway business to reduce operation costs and improve the efficiency of maintenance and construction work. Further, we will improve productivity by accelerating digital transformation through the utilization of new technologies that enable smart maintenance and smart project management. At the same time, we will continue forging ahead with three reforms aimed at increasing the job satisfaction of all Group employees: *work reform, workstyle reform, and workplace reform*.

With a century and a half having passed since railways began operating in Japan, we are viewing fiscal 2023 as a year for continuing the pursuit of challenges and transformation without fear of change.

With 2022 marking the 150th anniversary of Japan's first railway, the JR East Group has designated fiscal 2023 a year of revival in which the Group will consistently take on ambitious initiatives without fear of change. As well as being an opportune moment at which to remind stakeholders of the Group's indispensability to society, this milestone year provides a good vantage point from which to envision the coming century. As a first step on our new journey, we have undertaken a major reorganization of our headquarters to facilitate Groupwide reforms and to accelerate integration of our three business domains, namely, Transportation, Life-style, and IT & *Suica* services. Our goal is to achieve a 5:5 ratio for Transportation segment operating revenues relative to those of Life-style and IT & *Suica* services as soon as possible. The key to realizing this goal will lie in combining the advantages of our real-world networks with digital technologies and *Suica*. By incorporating digital technologies into existing businesses that have well-established real-world advantages, we will create new value and services.

We will deliver unprecedented value through initiatives that propose new lifestyle ideas and take on challenges in new fields.

Beyond Stations Concept

The Beyond Stations concept is an initiative to extend the JR East Group's business domains by utilizing the advantages of railway stations as real-world transportation hubs to create customer-driven services that the Group is uniquely qualified to provide. In this way, the Group will transform railway stations from places that sell tickets into business hubs. By linking services

Value Creation by the JR East Group

A Message from the President

Basic Policies

"Move Up" 2027

Priority Strategies

Financial Strategy and Numerical Targets

related to mobility, regions, digital technologies, safety, and reliability, we will help to enrich the day-to-day life of each of our customers. A good example of this approach is *STATION WORK*, a shared workspace business that takes advantage of our railway network and business bases. Also, inside railway stations we have established showroaming bases that encourage customers to visit the *JRE MALL* e-commerce website. As well as aligning with new workstyles and lifestyles and increasing our points of contact with customers, these bases promise to strengthen our regional collaborations.

In addition, we will make effective use of the infrastructure and human resources of the Transportation segment to create new businesses and deepen ties with local communities and line-side areas. For example, we will promote 5G infrastructure sharing, and we will actively participate in non-railway operations by enabling employees to work outside our traditional business fields. I am confident that each of the aforementioned initiatives is a seed that will grow and contribute to realization of the Beyond Stations concept.

Real Estate Asset Management

In achieving a 5:5 ratio for Transportation segment operating revenues relative to those of Life-style and IT & *Suica* services, the real estate business will play a crucial role. With this in mind, in April 2021 we established JR East Real Estate Asset Management Co., Ltd., and launched a rotational business model, which is designed to efficiently monetize our properties. Along with the creation of attractive investment opportunities, we will develop towns that maximize the value of real estate in investment target areas and contribute to the realization of a society that enriches day-to-day life in local communities.

***Suica*-Enabled Data Business**

In June 2022, the number of issued *Suica* cards surpassed 90 million. After deleting personal information, we utilized the vast amount of data associated with these cards to compile statistical information on each railway station, which allowed us to launch the *Eki Karte* analysis report service. In addition to using these analysis reports for the marketing activities of station buildings and the enhancement of its services, the Group has begun selling the report service to municipal authorities and other external entities. Also, we will further strengthen the connection between customers and the Group by increasing and enhancing the linkage between *Suica* usage and *JRE POINT* initiatives. Thus, the Group will use *Suica* as the basis for marketing activities. Going forward, we will continue to focus on using the data to develop products and services that create new value.

MaaS-Based Transportation Strategy

For six months beginning from April 2021, we held the *Tohoku Destination Campaign*, which encompassed the Tohoku region's six prefectures. With 10 years having elapsed since the Great East Japan Earthquake, we wanted to draw attention once again to the Tohoku region and thereby establish foundations for tourism-oriented Mobility as a Service (MaaS). At present, we are using the foundations laid by the *Tohoku Destination Campaign* to roll out tourism-oriented MaaS in other regions. We expect that these activities will give us a definite advantage in regional revitalization.

We will fundamentally revamp and strengthen management structures Groupwide to lay the foundations for growth.

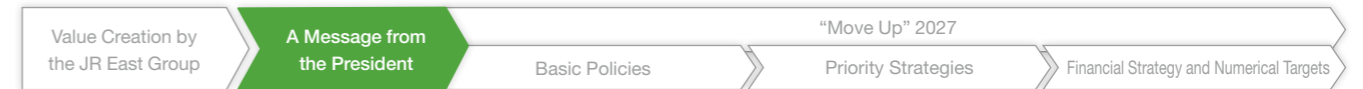
Reorganization Aimed at Optimizing Group Management

To cement the foundations for growth going forward, we are optimizing Group management. We aim to speed up decision-making, realize business management that is focused on consolidated cash flows, and create synergies through the integration of the three business domains. Mindful of these goals as well as the perspective of business execution and supervision, we are constantly reforming our decision-making processes, target management, and delegation of authority.

The reorganization implemented in June 2022 established the Marketing Headquarters, which spans existing organizations so that it can conduct customer-driven marketing in the Transportation, Life-style, and IT & *Suica* services business domains. The new headquarters will enable faster decision-making and service development and provide new value to customers. Further, integration of the three business domains will create and accelerate the development of new businesses. Another aim of the reorganization is to greatly increase the involvement of frontline offices in planning work. We are placing importance on empowering frontline personnel to create value and maximizing talent utilization and motivation. For example, the *Traveling in Kitashinano* project for regional tourism-oriented MaaS, which was implemented to coincide with Zenkoji Temple's special public exhibitions from April to June 2022, was conceived by frontline office personnel and realized through the combined efforts of the headquarters and branch offices. Further, the range of emerging initiatives includes energy-saving train operations that are achieved through analysis of power usage and railcar operation data conducted by Yamanote Line train crew members.

Reform of Work, Workstyles, and Workplaces

Since becoming president, I have advocated three reforms: *work reform*, *workstyle reform*, and *workplace reform*. The decreasing footfall that accompanied the COVID-19 pandemic over the past two years prompted all Group employees to begin considering how best to respond to new conditions. These discussions led us to reaffirm the importance of advancing the aforementioned three reforms while cultivating a mindset that empowers individual employees to think and take action to provide customers with new value.



For example, when focusing on the many maintenance tasks that we perform on platform equipment and other facilities, we decided to verify whether each piece of equipment and task was truly necessary. As a result of launching projects and holding discussions at frontline offices, we were able to set out road maps for simplifying and heightening the efficiency of an array of maintenance tasks. The cross-divisional deployment of such initiatives will dramatically reform workstyles and reduce costs Groupwide.

Furthermore, the management team must recognize this proactive mindset and use it to advance into the next phase of the Group's development. To give another example, the JR East Group needs to introduce a flexible human resource system. The Group has approximately 71,000 employees, each of whom has great potential. We must establish flexible management structures that realize more of this potential, thereby enabling us to enhance the value of our human capital and diversify our businesses.

ESG initiatives are the foundations of trust and indispensable to the Group's growth.

Positioned at the core of our business management, environmental, social, and governance (ESG) initiatives are essential for building trust and sustaining growth. By practicing ESG-oriented management, we will help address social issues through our businesses. In this way, the Group will contribute to the sustained development of local communities and advance initiatives aimed at achieving the Sustainable Development Goals (SDGs).

Realization of Zero Carbon Challenge 2050

With regard to the environment, we are implementing various measures to realize Zero Carbon Challenge 2050. Our goals are to halve CO₂ emissions by fiscal 2031 compared with those of fiscal 2014 and to achieve net-zero CO₂ emissions by fiscal 2051. To these ends, we are introducing energy-saving measures to all of our business bases, conducting verification tests of a hydrogen hybrid railcar, developing renewable energy sources, and studying the conversion of fuel for our thermal power plants to hydrogen fuel. Thus, by playing a leading role in Japan's national effort to achieve a carbon-free society, we will demonstrate our sincerity and high aspirations.

Emphasis on Regional Revitalization in Addressing Social Issues

We view regional revitalization as our social mission. As the populations of line-side areas decline, we will fulfill our social responsibility as a provider of regional mobility and continue contributing to regional revitalization through such initiatives as the utilization of MaaS. Railways are a labor-intensive undertaking in which a certain number of personnel are required to be assigned to respective business bases. Looking at the matter from a different perspective, however, such personnel have the potential to partner with local communities in the creation of initiatives that generate considerable impetus. With this in mind, we will consider town development, tourism, and other ways of revitalizing each region and then roll out initiatives differentiated by our unique capabilities. In conjunction with initiatives that contribute to the recovery from the Great East Japan Earthquake, on which we will continue to focus as one of our missions, we will pursue similar initiatives in other regions within our service area.



Accurate Identification of Risks and Further Enhancement of Risk Management

Corporate governance is the foundation upon which the JR East Group builds trust with its stakeholders. Given the changes in conditions in recent years, internal control and risk management initiatives have become more important than ever. As president, I have set myself the mission of providing a secure environment that is based on wide-ranging risk management guidelines and is conducive to growth. Since ambitious new initiatives accompany risks, we must rigorously analyze them. Meanwhile, we have zero tolerance for accidents or other incidents that would undermine the trust of local communities and our customers. Accordingly, we will pursue both conventional defensive and offensive risk management that facilitates risk taking. In a railway business, safety is paramount and we tend to adopt a conservative approach, inhibiting certain courses of action. Foraying into new business fields calls for different criteria. I want to communicate the message both internally and externally that among all the railway companies, JR East is pursuing the most proactive initiatives.

Advancement of Diversity and Inclusion Through Human Resource Development

By taking a variety of measures focused on human resource development, which is the key to our growth, we will promote diversity and inclusion and create a culture that welcomes new challenges. The key words are flexibility and diversity. The cumulative effect of consistently ensuring that women account for at least 30.0% of new hires has lifted the percentage of female employees in the Company as a whole to just under 20.0%. Further, we are progressing with the promotion of women to managerial positions. Initiatives for women are only one facet of our human resource development measures. We are also building a system that promotes diversity and inclusion by actively diversifying workforce composition through the increased hiring of non-Japanese personnel. Before the pandemic, we had been preparing for the distribution of Joi-Tab tablet computers to all employees as a way of encouraging a range of different workstyles. The resulting preparedness enabled a smooth transition to remote working during the pandemic. Building such systems that facilitate a variety of workstyles increases the flexibility and diversity of employees and contributes to their well-being.

Even as the business portfolio transforms, safety will always be our first priority and core principle.

Safety has been the first priority and basic premise of business activities since our founding. Even as our business portfolio changes, continuing to pursue ultimate safety levels will remain our mission. We rigorously ensure each Group employee understands that the commitment to safety is the source and foundation of trust in the Group. Moreover, this safety and trust are integral to our brand, and are major assets when expanding into new business fields. Safety, however, gradually deteriorates if it is not actively promoted. So, through training centers, the Accident History Exhibition Hall, and other initiatives, we will record and recall past accidents and continue inculcating in our executives and employees a philosophy that focuses on the critical importance of safety and which sets out ultimate safety levels as our first priority.



We remain committed to meeting our responsibilities to all of our stakeholders.

As I mentioned at the outset, fiscal 2023 will be a year of revival for the JR East Group. Group employees will boldly take on the challenge of integrating our three business domains and creating new value and services. I would like employees to play leading roles so that together we can create a new JR East Group that benefits society. Therefore, the senior management team will spare no effort in establishing systems that encourage employees to become more proactive.

Further, we will continue fulfilling our social responsibilities with respect to local communities and customers. As we will provide services in a wide spectrum of fields, including the proposal of new ideas for lifestyles, please look forward to the JR East Group's future from a similarly broad perspective. As for local lines, we will meet our responsibilities as an operator that provides forward-looking, sustainable regional mobility. At the same time, we will work with local communities to address tasks such as the revitalization of local communities through initiatives to develop lifestyle services and to realize local digital transformation.

In closing, I would like to take this opportunity to apologize to our shareholders and other investors for the inconvenience and concern caused by two consecutive fiscal years of losses. In fiscal 2023, we will achieve profitability and realize further growth by steadily forging ahead with growth strategies and structural reforms. Our strengths and value creation model are based on the trust of stakeholders. To continue providing them with value, we are determined to develop our strengths and value creation model even further. As we transform, I would like to ask our stakeholders to continue supporting the JR East Group and looking forward to its future.

August 2022
President and CEO

Business Management Strategy

JR East Group Management Vision “Move Up” 2027

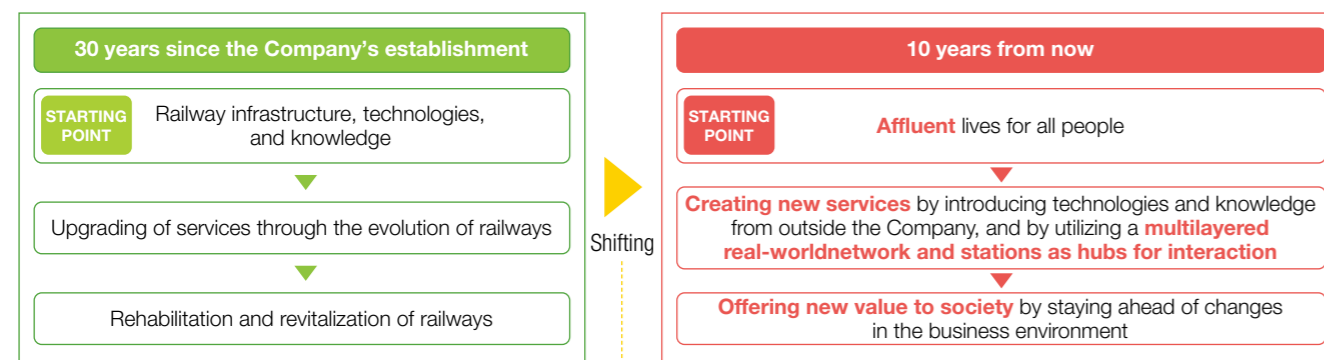
Providing services that match customers’ new ways of working and living, and transforming into a social infrastructure company in the post-COVID-19 era

Changes in the Business Environment

Economic conditions in Japan have been greatly affected by the COVID-19 pandemic. For some time to come, the JR East Group is likely to continue to experience a very challenging environment due to a decline in demand for transportation and other factors. Over the medium to long term, a transformation of the business environment is likely to result from the further decline and aging of the population, technological innovations such as autonomous driving technology, and changes in the nature of globalization. Further, as the Group was established over 30 years ago, it must address various tasks arising from changes to railway systems and the rapid transition to the next generation of employees.

Basic Policies of “Move Up” 2027

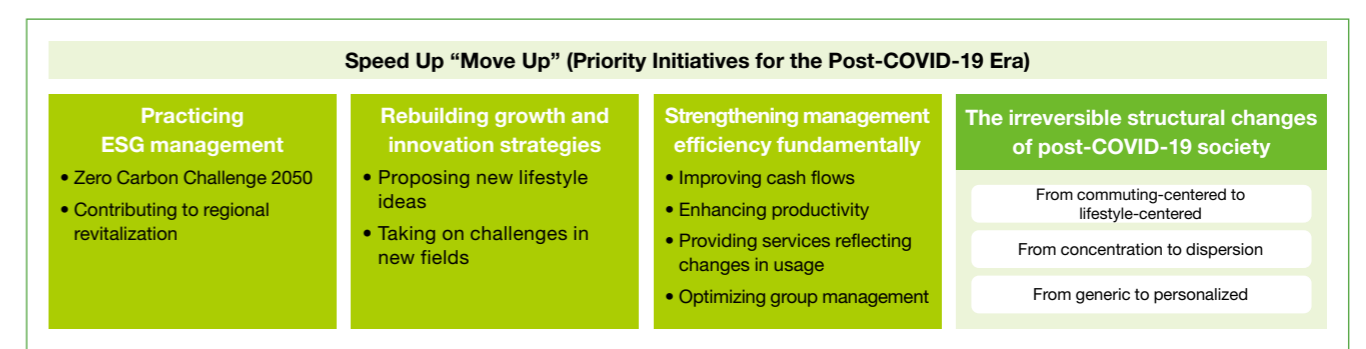
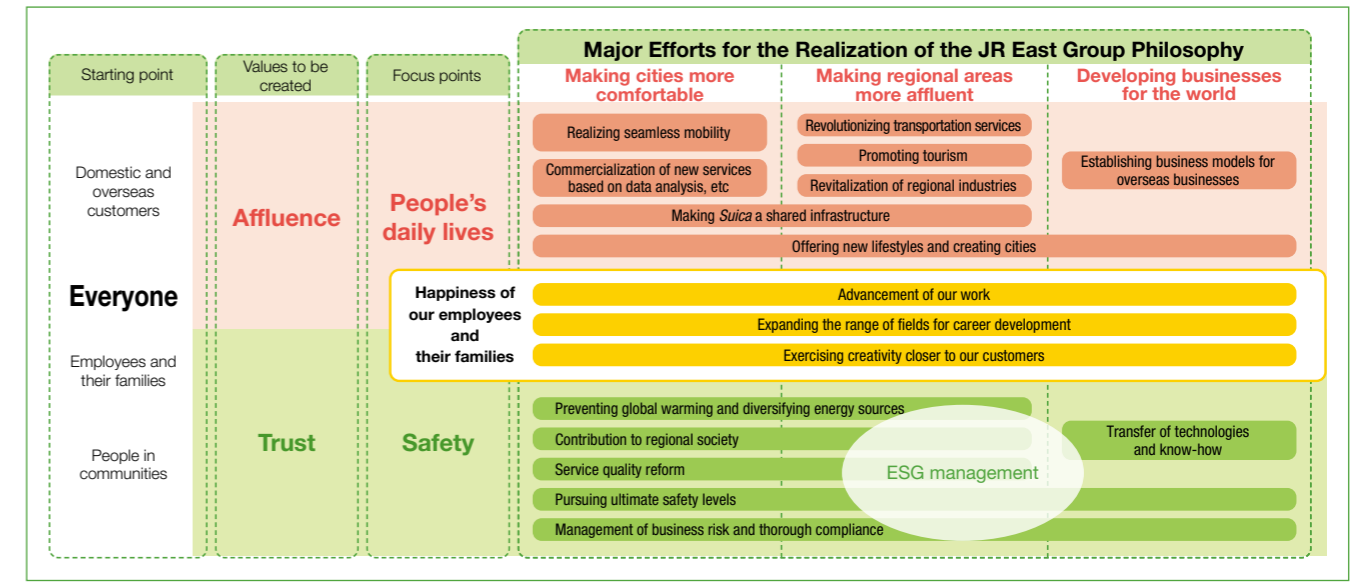
During the 30 years following its establishment, JR East developed a business model that generated profits by encouraging many customers to use railway services and railway stations through the enhancement of their convenience. With the affluence of everyone in their daily lives as our starting point,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



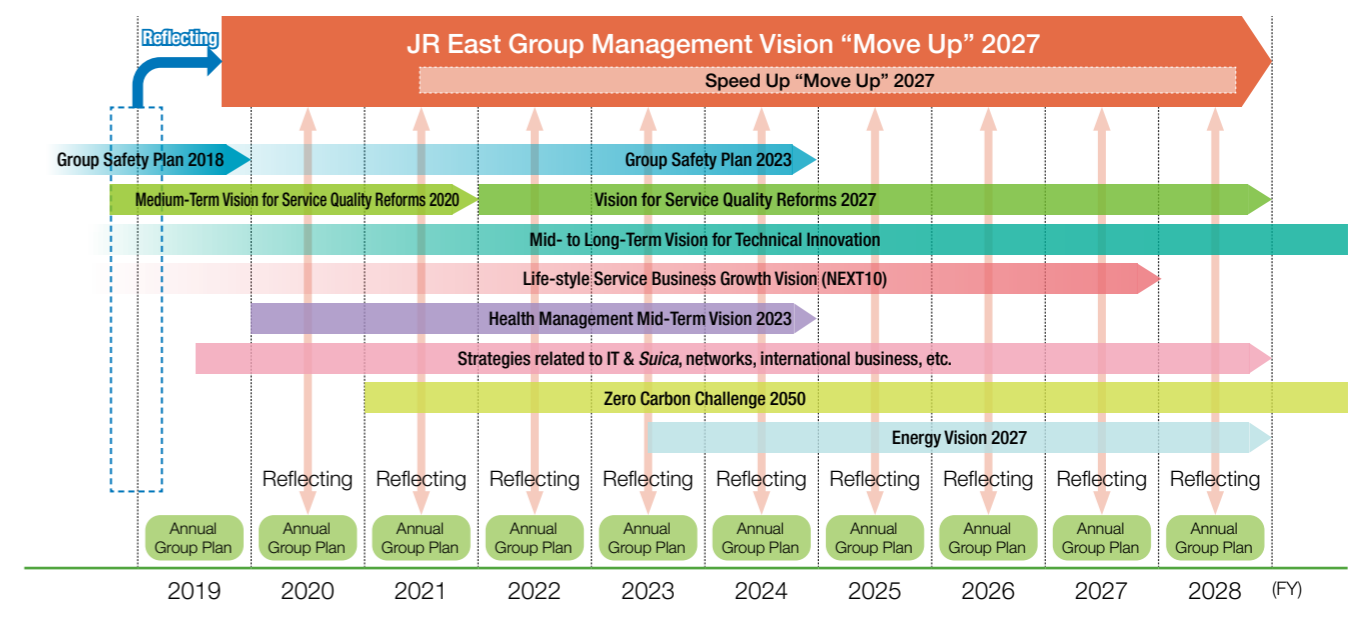
1. Drastic changes in social structures due to the decreasing birthrate and population and to the aging of the population
2. Changes in values related to what it means to work and be affluent
3. Changes in our living environment due to technological innovations such as AI and the IoT
4. Spread of new values through globalization of economy and society



Overview of “Move Up” 2027



Business Plans for Achieving “Move Up” 2027



“Move Up” 2027 Specific Measures—Targets and Progress

Values to Create	Focus Points		Numerical Targets for Specific Actions FY2022 Results	New Targets for the Fiscal Year Ending March 31, 2026 (Announced in January 2021)
Affluence	People's daily lives	Ticketless service usage rate for JR East Shinkansen	38.9% The highest number: February 2022	70.0%
		Handling percentage of eki-net	35.0% The highest number: December 2021	60.0%
		Mobile Suica cards issued	16.62 million	25.0 million
		Number of transactions for usage of the services of the MaaS platform, Mobility Linkage Platform, provided by JR East	0.46 million transactions/month The highest number: March 2022	75 million transactions/month
		E-money usage, such as Suica	250 million transactions/month The highest number: December 2019	500 million transactions/month
		Value of transactions on JRE MALL	¥2.5 billion	¥130 billion
		Number of JRE POINT members	12.59 million people	25 million people
		Number of shared offices	503 locations in total	1,200 locations in total
		Number of childcare support facilities	158 locations in total	170 locations in total
		Number of homes	1,909 homes in total	3,800 homes in total
		5G installation locations	16 places in total	100 places in total
Trust	Safety	Accidents due to internal causes	0	0
		Serious incidents	0	0
		Railway accidents	23.0% reduction*3	20.0% reduction (from FY2019 level)*1
		Of which accidents on platforms involving personal injuries	55.0% reduction*3	30.0% reduction (from FY2019 level)*1
		Transport disruptions due to internal causes		
		Conventional lines within 100 km of Tokyo	55.0% reduction*3	70.0% reduction (from FY2019 level)
		JR East Shinkansen	56.0% reduction*3	75.0% reduction (from FY2019 level)
		Total delay time for conventional lines within 100 km of Tokyo	190.0% increase*3	70.0% reduction (from FY2019 level)
		CO ₂ emissions of the entire JR East Group	11.2% reduction	50.0% reduction (from FY2014 level)*2
		Development of renewable energy power sources	130,500 kW	700,000kW*2

*1 Targets for FY2024 *2 Targets for FY2031 *3 Preliminary figures



Fiscal 2022 Progress

Fiscal 2022 Strategy

Positioning safety as the unchanging first priority of business management, we will improve profitability, implement structural reform, and practice ESG management.

Speed Up “Move Up” 2027

Enhancing Profitability (Restructuring Our Growth and Innovation Strategies)

Reforming the Corporate Structure (Fundamental Strengthening of Management Foundation)

Practicing ESG Management

Safety Is Our Top Priority

Priority Strategies

Enhancing Profitability (Restructuring Our Growth and Innovation Strategies)

Proposing New Lifestyles

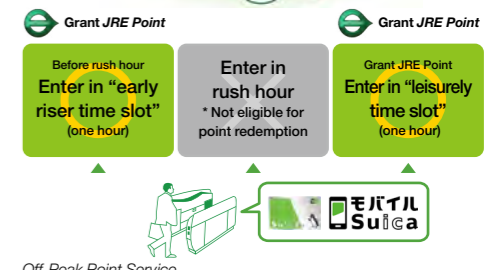
Beyond Stations concept

- Going beyond existing role of railway stations as transportation hubs where people pass through and gather and transforming railway stations into lifestyle platforms designed to connect people, things, and experiences
- Respecting and utilizing as a strength the value created by railway stations as real-world transportation hubs while realizing the type of fulfilling lifestyles that only we can provide



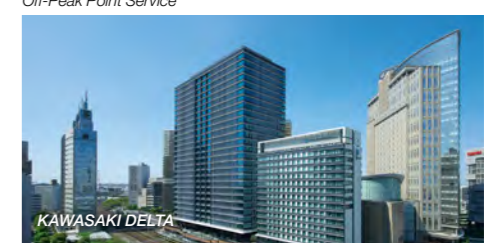
New JRE POINT-enabled services

- Catering to diversifying commuting styles by offering Repeater Point Service and Off-Peak Point Service
- Integrating eki-net points and JRE POINT
- Advancing comprehensive, cohesive customer strategies among our three business domains through data-enabled cross marketing



Town development and creation of appealing lifestyles

- Expanding STATION WORK and other shared office businesses
- Promoting KAWASAKI DELTA and JR Kawasaki Tower



New ways of taking trips

- Ticketless, smartphone-friendly services
- Expansion of MaaS

Taking on Challenges in New Fields

5G infrastructure installation

- Installing shared devices and antennas for 5G inside railway stations and in line-side areas and implementing a new business based on leasing to telecommunications carriers

Business alliances with start-ups

- Partnering with SATOYUME CO., LTD., to develop Ensen Marugoto Hotel microtourism that uses unstaffed railway stations as starting points



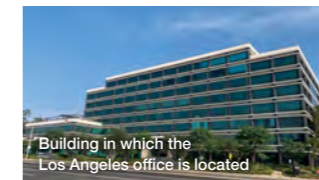
Train-based logistics services

- Transporting specialty products from various regions with high freshness by Shinkansen and other trains and selling them at ekinaka outlets (shops inside stations) to promote regional appeal



Advancement of sustainable overseas businesses that utilize our comprehensive strength

- Generating profits and developing globally competent personnel
- Steadily advancing the Indian High Speed Rail Project
- Opening the Los Angeles office in March 2022 to attract more visitors to Japan and strengthen business incubation capabilities
- Expanding the Life-style service business in Asia



Priority Strategies

Reforming the Corporate Structure:
Fundamental Strengthening of Management Foundation

Improvement of cash flows

- Making rigorous efforts to increase revenues
- Reducing fixed costs
- Implementing capital expenditures that reflect changes in the business environment (revising investment needed for the continuous operation of business)

Productivity enhancement

- Reforming railway station operations (Plus Value)
- Increasing driver-only services
- Advancing smart maintenance and smart project management

Provision of services reflecting changes in usage

- Reforming transportation modes in regions
- Revising fundamental components of operations (timetables, flexible fares, and charges, etc.)
- Streamlining facilities

Increasing Driver-Only Services



Series E131 operating line segments: Driver-only services have begun on the Utsunomiya, Nikko, and Sagami lines. Line segments with driver-only services have been increased on certain other lines.

Advancing Smart Maintenance



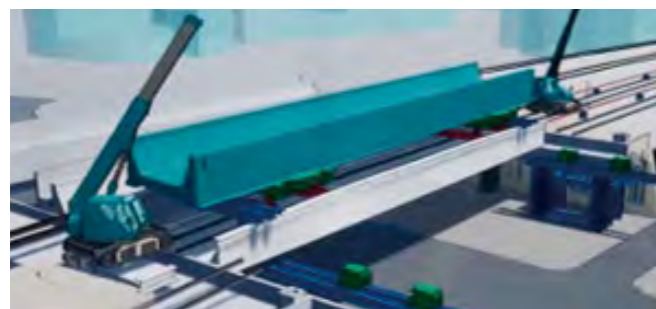
East-i is an electricity and track general inspection railcar equipped with overhead wire equipment monitoring systems.



SMART-i is a dedicated maintenance railcar equipped with Shinkansen track equipment monitoring systems.



Advancing Smart Project Management



Construction plan for Shibuya Station improvement work: We use digital technologies such as building information modeling and point cloud data in construction work.



For inaccessible areas of sites, we use small drones specially designed for restricted spaces to acquire images and point cloud data.

Practicing ESG Management

Realizing a Carbon-Free Society

Zero Carbon Challenge 2050

- Advancing Groupwide efforts to achieve net-zero CO₂ emissions by fiscal 2051
- Realizing net-zero CO₂ emissions in all phases, from the production of energy through to its consumption



Verification test of the hydrogen hybrid railcar HYBARI



Fuel cell bus operation (JR Takeshiba Hydrogen Shuttle Bus)



Kawasaki Thermal Power Station

Contributing to Regional Revitalization

Collaborative initiatives with many different stakeholders, including the government, municipal authorities, and destination marketing organizations

- Facilitating farmer's markets, retail, train parcel services, multiple-residence lifestyles, etc.
- Utilizing unstaffed railway stations, traditional Japanese-style homes, and other regional resources effectively

Tohoku Destination Campaign (April–September 2021)

- Marking the 10th anniversary of the Great East Japan Earthquake by continuing to build a legacy that will help attract customers to and invigorate the Tohoku region
- Moving forward with *TOHOKU MaaS*, the introduction of cashless transactions, and other digitalization initiatives
- Operating the pick-it-yourself tourist farm, *JR Fruits Park Sendai Arahama*
- Creating a new Tohoku brand by advancing the *TOHOKU MONO project*



Development of towns focused on railway stations

- Promoting the newly opened *Hotel Metropolitan Akita North Wing*
- Advancing the Iwaki Station South Entrance and Aomori Station East Entrance development projects



Hotel Metropolitan Akita North Wing

Introduction of multifunction IC cards for regional transit

Utilization of *JRE POINT* in developing partnerships with regions



JRE MALL Furusato Nozei (Hometown tax donations)



Aomori Station East Entrance



Iwaki Station South Entrance

Priority Strategies

TOPIC: Investing in Future Growth

Development of Takanawa Gateway City

Global Gateway Development Concept

In the first phase of the Shinagawa Development Project, the JR East Group is advancing the development of Takanawa Gateway City. “Global Gateway” has been chosen as a development concept to reflect the history of Shinagawa, which was a gateway to Edo (Tokyo’s previous name) and associated with such innovations as Japan’s first railway, as well as to reflect the present-day characteristics of the area, which offers excellent access to Tokyo International Airport (Haneda Airport). Based on this concept, we will create a city that continuously creates new cultures and businesses, thereby providing a testing ground for enriched lifestyles a century from now. Further, the Takanawa Embankment—designated as a national historic site—will be preserved at the location and integrated into the development.



Takanawa Gateway City: Layout drawing of buildings to be developed



A Testing Ground for Enriched Lifestyles a Century from Now

Facilitating demonstration tests through the provision of a range of open spaces

We will establish a range of open spaces that people can use in different ways. Approximately 3.5 hectares of linked public space beginning from the automatic ticket gates of Takanawa Gateway Station as well as a plaza space with a total area of approximately 20,000 square meters will provide a testing ground for supporting initiatives that create the future.

Supporting demonstration tests that create, foster, and popularize new paradigms

In preparation for the opening of Takanawa Gateway City, we are conducting tests aimed at realizing the Global Gateway development concept. Once the city opens, by bringing together relevant experts and co-creation partners at such locations as business creation facilities and the Culture Creation Building, we will support demonstration experiments throughout the city and form value-creating virtuous cycles, or ecosystems, that create, foster, and popularize new paradigms.

Initiatives to Realize a Global Gateway

Establishment of a preparatory organization for operating the Culture Creation Building, the East Japan Railway Foundation for Cultural Innovations

The Culture Creation Building will become a symbol of the city. Mahoro Uchida, who is active both in Japan and overseas, has been appointed head of a preparatory office for the building, and we have established an organization tasked with planning and preparing for operation of the building. With all of its planning and operation directly managed by JR East-related organizations, the building will be a facility that presents new cultural formats to the world, thereby acting as a bridge to culture 100 years from now.

Establishment of an area management organization, Takanawa Gateway Area Management

Aiming to further enhance the appeal and value of the area around Takanawa Gateway Station, we have established an area management organization. By utilizing open spaces and advancing area management activities in partnership with the surrounding community, the organization will develop a city that is safe, secure, vibrant, and attractive.

Initiatives to Address Social Issues

- Promotion of the creation of a progressive, sustainable, environment-friendly city that has net-zero CO₂ emissions
- Acquisition of LEED environmental certification for green buildings (Acquisition of LEED v4 ND*1 Plan gold certification for the entire city, acquisition of LEED v4 BD + C: CS*2 gold preliminary certification for Complex Building I, and acquisition of LEED v4 BD + C: CS silver preliminary certification for Complex Building II)
- Development of an urban operating system that integrates various kinds of data about the city and consideration of utilization of the system to improve operational efficiency and introduce new services

*1 Neighborhood Development
*2 Building Construction and Design: Core and Shell



The above logo is a registered trademark of the U.S. Green Building Council®

Plans for Respective Buildings

Complex Building I (North and South)	Complex Building II	Culture Creation Building	Residence Building
Schedule	Opening at the end of fiscal 2025 (March 2025)		
Main Facilities		Main Facilities	
Offices, hotel, commercial facilities, convention facilities, conference facilities, and child-rearing support facilities	Offices, commercial facilities, gym, clinics, and child-rearing support facilities	Exhibition spaces, halls, and restaurants	Housing and international school
Features		Features	
High-quality offices, convention and conference facilities designed to attract international conferences, high-end hotel, rooftop restaurants, and commercial facilities on lower floors	Energy center and district heating and cooling facilities that support the resilience of the city, supply of environment-friendly energy to the entire city, and assured supplies of power and heat even in a disaster	Plan for integration of lower floors with a park and expression of Japan's four seasons throughout the building through a spiral formed by greenery and trees	International school and residences including high-rise premium-quality rental housing and terraced housing that is compliant with international standards and suitable for non-Japanese business people

Priority Strategies

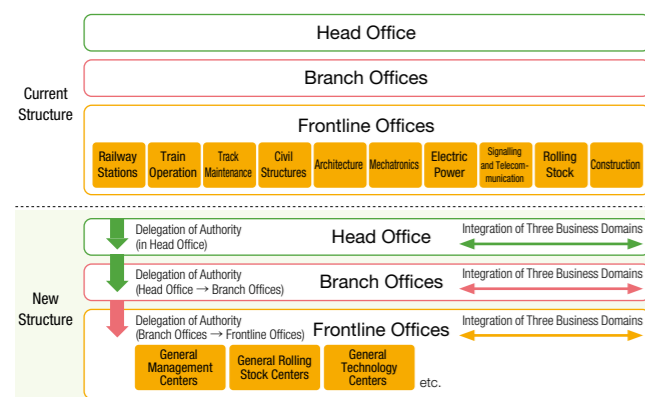
TOPIC: Organizational Reform

Reforming Workstyles and Organizations to Ensure Sustainable Growth

We are reforming workstyles and organizations to enhance the job satisfaction and productivity of each employee, thereby increasing management efficiency. Moreover, these reforms will enable us to adapt flexibly to changing times and realize the JR East Group Management Vision “Move Up” 2027.

Reform Strategies and Goals

- ▶ With the aims of achieving a 5:5 ratio for Transportation segment operating revenues relative to those of other business segments and improving profitability, we will realize synergies among our three business domains: Transportation, Life-style, and IT & Suica services. In this way, we will further promote our updated vision Speed Up “Move Up”2027.
- ▶ We will create new systems that enable us to operate railways sustainably while maintaining the highest levels of safety and strong connections with regions.
- ▶ To provide customers with rapid, local value creation and issue resolution, we will delegate authority, integrate systems, merge frontline offices and planning departments, extend the scope of all employees’ activities, and increase the flexibility of workstyles and career development.

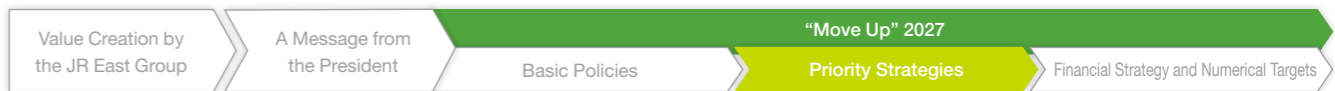


	Fiscal 2022		Fiscal 2023		Fiscal 2024
	4th quarter	First half	Second half	First half	First half
Head Office		<ul style="list-style-type: none"> June: Reorganization 			
Branch Offices		<ul style="list-style-type: none"> June: Reorganization of construction offices 	<ul style="list-style-type: none"> October: Establishment of the Tokyo Metropolitan Area Headquarters and Tohoku Area Headquarters 	<ul style="list-style-type: none"> June: Completion 	
Frontline Offices		<ul style="list-style-type: none"> Establishment of general management centers 	<ul style="list-style-type: none"> October: Commencement 	<ul style="list-style-type: none"> June: Completion 	

Head Office

The head office has been reorganized into five headquarters and five departments. The five headquarters include the Corporate Strategies Headquarters, Marketing Headquarters, and Innovation Strategy Headquarters. This reorganization will enable adaptable, expedited business management and strengthen strategy-focused work, such as the formulation of the Group’s management strategies and target profile and the creation of new businesses.

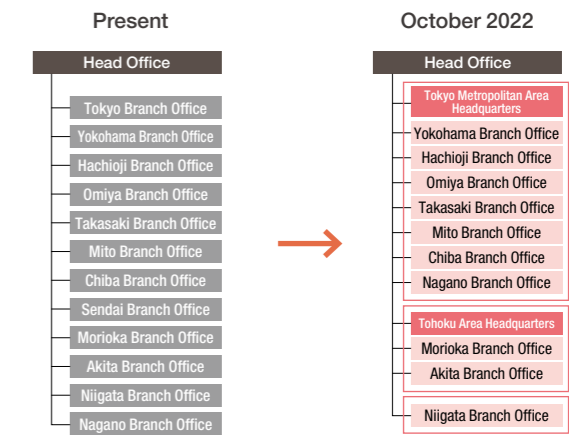
Present	June 2022
Corporate Auditors Office	Corporate Auditors Office
External Relations Office	Corporate Planning Dept.
Corporate Planning Headquarters	Finance & Investment Planning Dept.
Shinagawa & Large-scale Developments Dept.	Shinagawa & Large Scale Developments Dept.
Management Planning Dept.	Corporate Communications Dept.
Investment Planning Dept.	Strategies & Business Platform Dept.
Technology Innovation Headquarters	Lifestyle Creation & Community Vitalization Dept.
MaaS & Suica Headquarters	Community Development Coordination Dept.
International Affairs Headquarters	Innovation Strategy Headquarters
Inquiry & Audit Dept.	Transport Safety Dept.
Railway Operations Headquarters	Customer Service Quality Reformation Dept.
Transport Safety Dept.	Marketing Dept.
Customer Service Quality Reformation Dept.	Transport & Rolling Stock Dept.
Marketing Dept.	Facilities Dept.
Transport & Rolling Stock Dept.	Electrical & Signal Network System Dept.
Facilities Dept.	Life-style Business Development Headquarters
Electrical & Signal Network System Dept.	Construction Dept.
Life-style Business Development Headquarters	Energy Strategies Dept.
Construction Dept.	Public Relations Dept.
Energy Strategies Dept.	Finance Dept.
Public Relations Dept.	Work & Welfare Strategies Dept.
Finance Dept.	Corporate & Legal Strategies Dept.
Work & Welfare Strategies Dept.	
Corporate & Legal Strategies Dept.	



Branch Offices, etc.

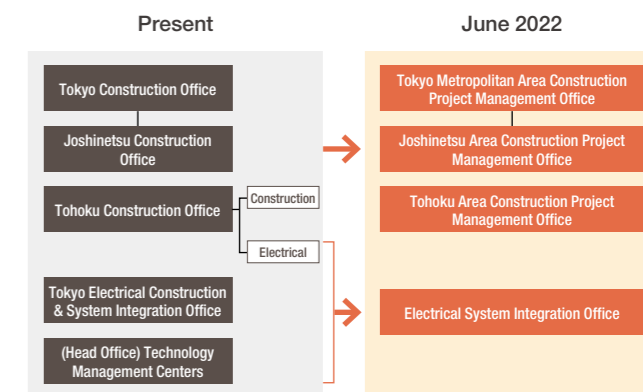
Branch offices

The Company’s 12 branch offices will be divided into three areas: the Tokyo metropolitan area, Tohoku, and Niigata, with the Tokyo Branch Office becoming the Tokyo Metropolitan Area Headquarters and the Sendai Branch Office becoming the Tohoku Area Headquarters. Starting with readily transferrable operations, branch office operations in each area will then be steadily consolidated at their respective headquarters. This reorganization will allow us to maintain the paramount importance of safety and our strong connections with regions while realizing timely business management that matches the needs of each region and line segment. At the same time, the consolidation of technologies, skills, and expertise will elevate our technical competence even further.



Construction offices

Construction offices have been renamed “construction project management offices.” In addition, the electrical operations of the Tohoku Construction Office have been merged with the operations of the Tokyo Electrical Construction & System Integration Office to form a new organization: the Electrical System Integration Office. Under this revamped structure, we will be able to enhance technologies, skills, and expertise as well as increase the safety and efficiency with which we realize projects for the creation of next-generation services that meet customer needs.



Frontline Offices

Certain planning work will be transferred to and conducted under a new management system. As for rolling stock, rolling stock centers and general rolling stock centers will become the frontline offices of the Tokyo Metropolitan Area Headquarters, the Tohoku Area Headquarters, and the Niigata Branch Office. With respect to facilities, general technology centers will be established in each system. Since the timetable revision of March 2022, we have been establishing general management centers, integrating railway station and train crew systems, and merging frontline offices and planning departments. We will continue steadily expanding these activities.

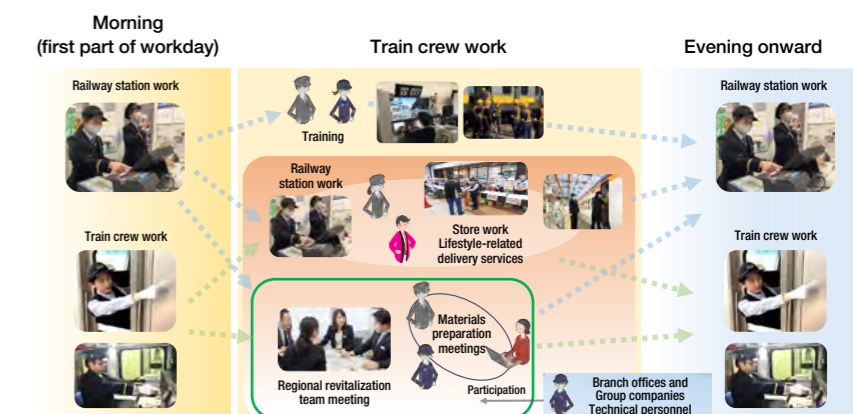
General technology centers:

In each facilities system and electrical system, merging technology centers and sections previously under the management of branch offices; responsible for operations from planning work through to maintenance and construction supervision

General management centers:

Establishing shared workplaces for railway station personnel and train crews; responsible for railway station work, train crew work, and planning work

Workstyles at General Management Centers



Priority Strategies

A Message from the Director General of the Corporate Strategies Headquarters



While paying due attention to financial stability, the JR East Group will implement investments that encourage synergies among its three business domains and help enrich the lives of customers and local communities.

Chiharu Watari
Executive Director

In fiscal 2022, ended March 31, 2022, although revenues increased year on year due to an easing of COVID-19-related restrictions compared with those of fiscal 2021 and the recognition of sales in real estate businesses thanks to the introduction of a rotational business model, business performance did not return to pre-COVID-19 levels. Consequently, at the end of fiscal 2022 the Group recorded the second lowest operating revenues in its history. Further, the Group recognized an operating loss for the second consecutive fiscal year, incurring an operating loss of ¥153.9 billion.

As for fiscal 2023, ending March 31, 2023, we expect mitigation of the pandemic-related downward pressure on revenues because overall passenger revenues are already nearing 90% of pre-COVID-19 levels—the steady post-COVID-19 state we previously thought likely to be reached by the end of fiscal 2023. Nonetheless, given the continuing high level of investment in the Shinagawa Development Project and other projects, interest-bearing debt is expected to increase in fiscal 2023, and the realization of positive free cash flows is likely to be in fiscal 2024.

Regarding the capital expenditures plan, the JR East Group will implement investments that encourage synergies among the three business domains of Transportation, Life-style, and IT & Suica services, thereby creating new value for customers and society and helping enrich the lives of customers and local communities in accordance with the Group Philosophy. Specifically, with steady investment in countermeasures for major earthquakes and other safety enhancement measures as a given, we will not miss opportunities to

implement investments that improve profitability. Also, we will advance investment aimed at contributing to regional revitalization and the realization of a decarbonized society and at accelerating business reforms.

To offset the risk of deterioration in financing conditions, we will pursue a policy of procuring early, abundant, long-term funding. In addition, while carefully analyzing revenue trends going forward, we will flexibly procure funds and repay debt. In conjunction with these measures, we will extend the terms of short-term debt and ensure financial stability.

Mindful of facilitating communication with rating agencies, we use as a debt management indicator the ratio of net interest-bearing debt to EBITDA (earnings before interest, taxes, depreciation, and amortization), which is calculated by using net interest-bearing debt to show the actual balance of debt and EBITDA to show earning capacity in cash terms. We aim to reduce the ratio of net interest-bearing debt to EBITDA to five times or less by fiscal 2026 through efforts to increase revenues, reduce costs, revise capital expenditures, and accelerate development of the rotational business, a new core business that utilizes real estate funds. After fiscal 2026, we will continue to ensure financial soundness and pursue further improvements.

With regard to shareholder returns, over the medium to long term we are targeting a total return ratio of 40% and a dividend payout ratio of 30%. In light of performance trends, we will stably increase dividends and flexibly buy back shares.

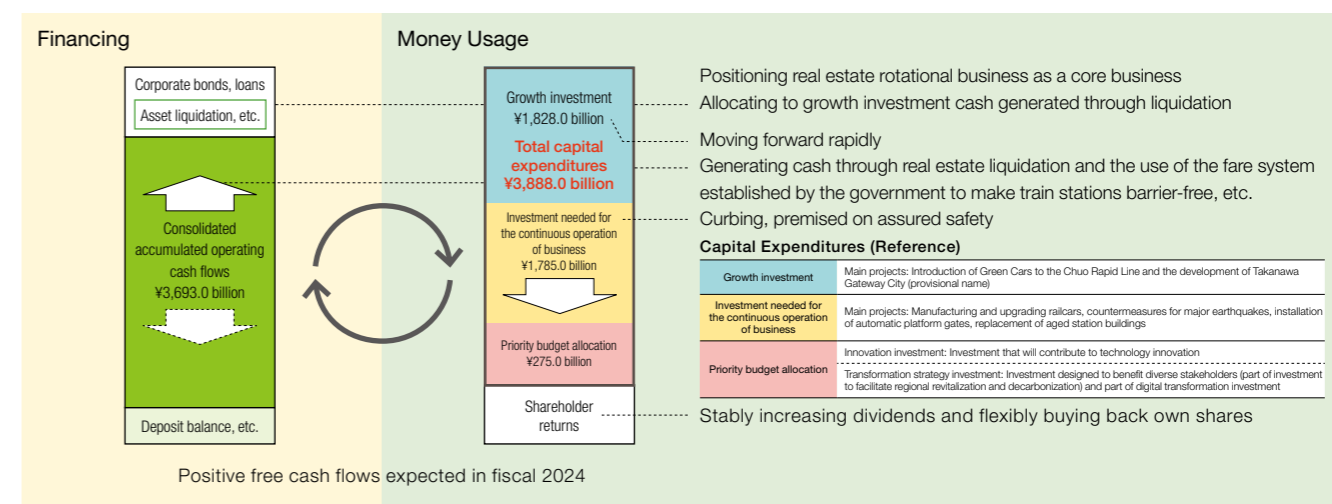
“Move Up” 2027 Numerical Targets

Given dramatic changes in the business environment stemming from the COVID-19 pandemic, we have moved the target year for the numerical targets of the JR East Group Management Vision “Move Up” 2027 from fiscal 2023 to fiscal 2026.

Consolidated Management Targets	Fiscal 2026 Targets (Announced in January 2021)
Operating revenues	¥3,090.0 billion (¥3,325.0 billion)*1
Operating income	¥450.0 billion
Operating cash flows	¥3,693.0 billion*2
ROA*3	Around 4.5%
Net interest-bearing debt to EBITA ratio*4	5 times or less

*1 Numbers in parentheses are reference values that exclude the effect of the application of the Accounting Standard for Revenue Recognition and other factors.
 *2 Total for fiscal 2022 through fiscal 2026
 *3 ROA = Operating income ÷ Total assets
 *4 Net interest-bearing debt = Balance of interest-bearing debt - Balance of cash and cash equivalents
 EBITDA = Operating income + Depreciation

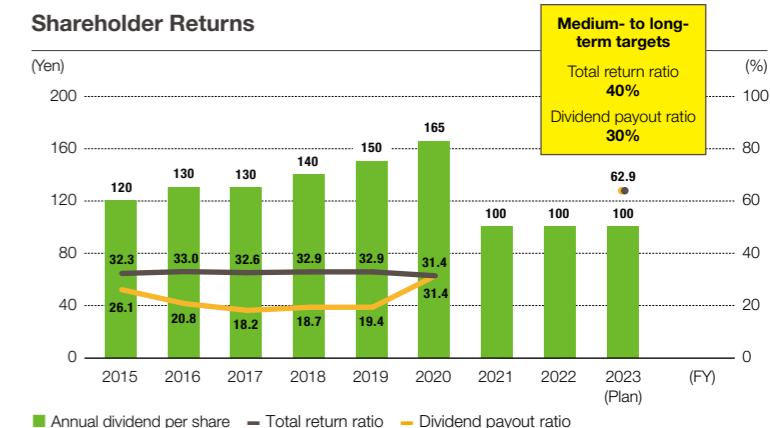
Financing and Money Usage (Fiscal 2022–Fiscal 2026)



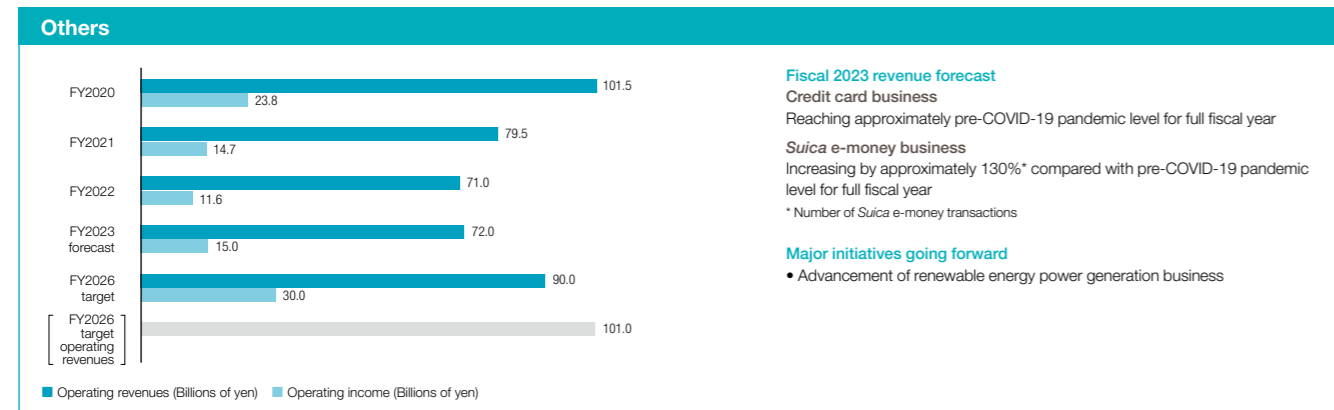
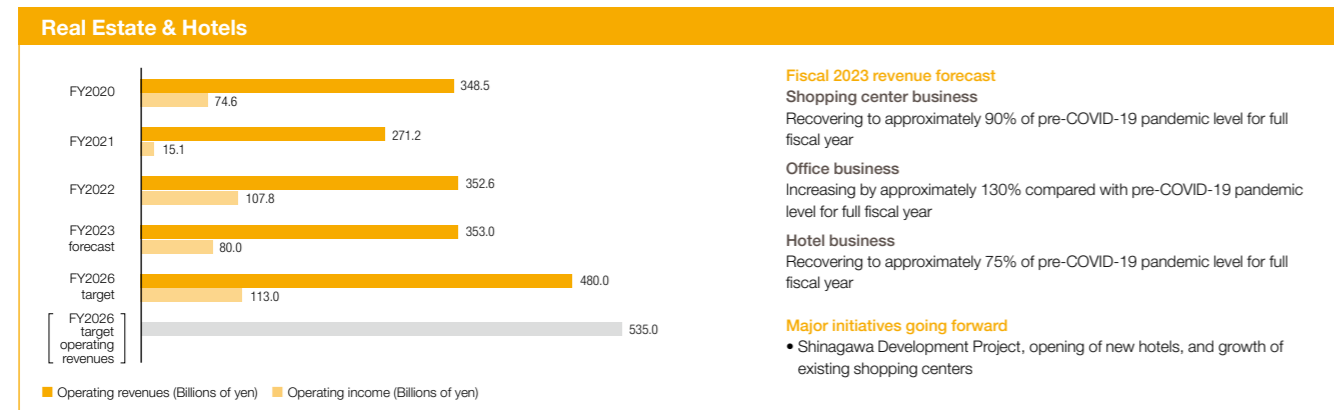
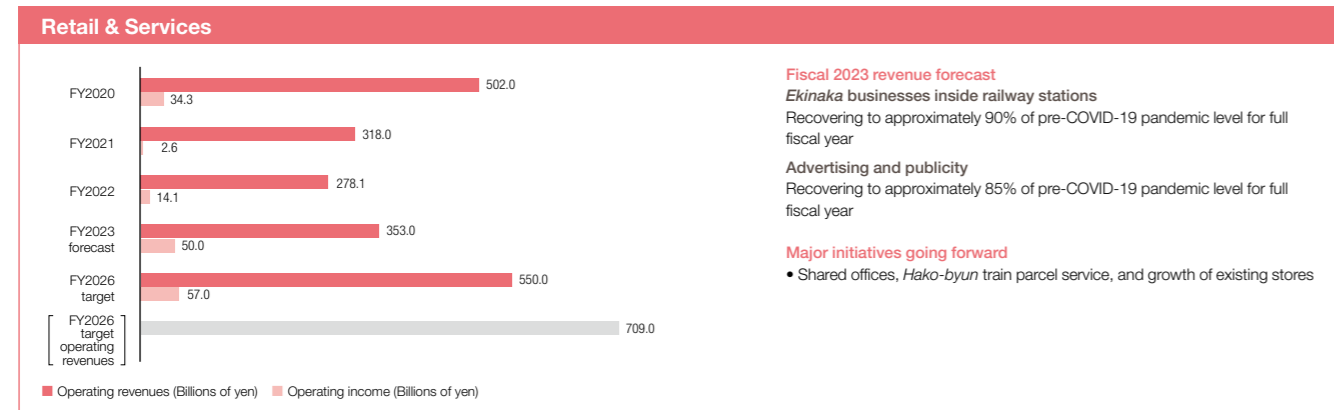
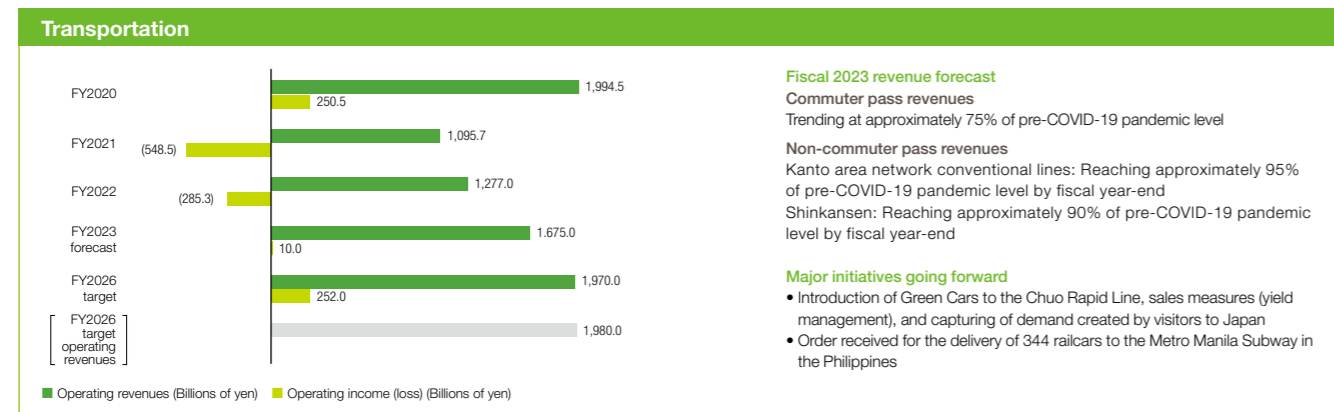
Shareholder Returns

• Over the medium to long term, we are targeting a total return ratio of 40% and a dividend payout ratio of 30%.

• In light of performance trends, we will stably increase dividends and flexibly buy back shares.



Business Segment Results and Targets



- Accounting Standard for Revenue Recognition has been applied since FY2022.
- Number in brackets for consolidated operating revenue is a reference value excluding an effect of application of Accounting Standard for Revenue Recognition and other standards.
- The forecast for FY2023 is the April 2022 target.
- The target for FY2026 was announced in January 2021.
- The breakdown by segment for fiscal 2021 is based on the classification of reporting segments after the change in the Company's advertising and publicity.