



JR East Group Report 2023

INTEGRATED REPORT

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East Japan Railway Company

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JR East Group Report 2023 INTEGRATED REPORT



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Editorial Policy



Takashi Takaoka

Executive Officer
Department Director of Corporate Planning Department,
Corporate Strategies Headquarters

To provide new value to society and continue to grow, the JR East Group believes that it needs to respond to changes with agility while changing itself to stay at the front line of such changes.

The 2023 edition of the JR East Group Integrated Report, our fourth integrated report, begins by providing an in-depth description of our materiality and value creation model and then systematically shows how our sustainability initiatives relate to other initiatives and measures. The report focuses on human capital throughout, introducing the Group’s front-line employees who have been leading initiatives to create differentiated value across businesses and companies. Moreover, we show how such efforts are advancing Groupwide integration and collaboration. The report shows how the JR East Group will grow even further by pursuing business strategies that leverage its combined strengths and advantages with trust, its employees, and its networks.

During the COVID-19 pandemic in fiscal years 2021 and 2022, the Group recorded losses for the first time since its foundation. To achieve significant growth again, the Group will fundamentally change its operations.

This report also serves as the safety report that the JR East Group publishes under the Railway Business Act.

We sincerely hope our 2023 report will help further your understanding of our business model and approach to business management, while also facilitating communication with diverse stakeholders to support a virtuous cycle of continued local community development and corporate value enhancement.

Bodies Involved in Report Production



In producing the 2023 report, the Integrated Report Review Subcommittee was established under the Sustainability Strategy Committee (see page 62) to hold intensive discussions on a value creation story that reflects the Group’s materiality and value creation model. The subcommittee comprises the general managers of headquarters departments and other departments. Details of their discussions were reported to members of senior management, including directors, to improve the report using their feedback.

References

International Integrated Reporting Framework
(International Integrated Reporting Council)
Guidance for Collaborative Value Creation
(Ministry of Economy, Trade and Industry, Japan)
Environmental Reporting Guidelines 2018
(Ministry of the Environment, Japan)

Reporting Period

This report principally covers our activities for fiscal 2023, from April 1, 2022 to March 31, 2023, although some of the events presented here took place earlier or in the period between the end of March 2023 and the publication of this report in September 2023.

Boundary of Reporting

East Japan Railway Company
JR East Group, consolidated subsidiaries (69 companies)
Economic reporting: JR East, consolidated subsidiaries, and equity-method affiliates (11 companies)
Environmental reporting: JR East, consolidated Japanese subsidiaries (66 companies)
Social reporting: JR East, consolidated subsidiaries

Figures in This Report

Totals may not match the sum of individual figures due to rounding.

Corporate Website

Japanese
<https://www.jreast.co.jp/company/>

English
<https://www.jreast.co.jp/multi/en/>

Our Purpose

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 enriched lives.

Basic Principles

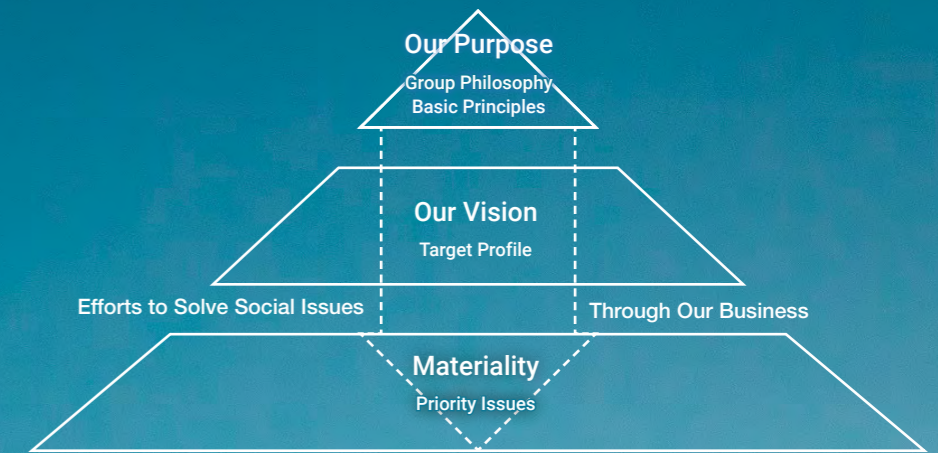
Pursuing safety	By pursuing ultimate safety levels, we will offer peace of mind to our customers.
Customer-oriented	We will offer quality services to rise to the expectations of our customers.
Close to regional society	By utilizing our network capabilities, we will contribute to the development of regional society.
Autonomous and self-standing	With a broad perspective and willingness to confront challenges, we will think and act on our own initiative.
JR East Group's development	By fulfilling our social responsibility, we will aim to achieve sustainable growth by the JR East Group.

Our Vision

Target Profile

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.

Note: In previous publications, JR East translated the phrase "kokoro yutakana seikatsu" as "affluent lives". We have revised this translation to "enriched lives", which we believe better reflects our goal of creating more than just material prosperity for society.



Materiality

To realize our purpose, we have defined the tasks below as our key material issues. The JR East Group widely connects with the daily life of its customers and operates businesses indispensable to local communities and society.

We have been working to solve social issues through our business and contribute to the sustainable development of local communities, thereby increasing the trust of our customers and local residents and leading to the sustainable growth of the Group.

Providing Society with Safe, Reliable Infrastructure

We will provide society with safe, reliable infrastructure by placing safety at the top of management.

Creating a Vibrant Society

We will provide quality services that are inclusive and convenient. We will work in partnership with local communities to develop vibrant towns.

Enriching the Global Environment

We will realize carbon neutrality and secure stable energy supplies, taking into account the effect of climate change on our businesses. We will lead efforts to realize a recycling-based society.

Providing Society with Innovative Technologies and Services

We will create new services and expedite their introduction to society by actively advancing new technologies and digital transformation in all of our businesses and by taking on ambitious initiatives that go beyond the boundaries of existing businesses.

Increasing the Engagement of All Group Employees

We will make our Group companies places where each of the Group's diverse employees can demonstrate their abilities in a challenging and rewarding environment.

Improving Confidence in Management

We will build a solid governance system that is resilient to changes to facilitate new challenges, while respecting human rights and conducting trustworthy corporate management.

🕒 **Materiality Identification: Approach and Process (page 62)**

Message from the President

We will promote new initiatives by making fundamental changes and transform our business model by expanding our networks to connect even more cities, regions, and people.

With safety remaining the top priority of its business management, the JR East Group will spare no effort in addressing social issues through environmental, social, and governance (ESG) management.



Yuji Fukasawa
President and CEO

Message from the President

Purpose and Target Profile

By fulfilling our responsibilities and benefiting society, we will become a sustainable entity.

Fiscal 2023, ended March 31, 2023, marked the 150th anniversary of the opening of Japan's first railway. Looking back over one and a half centuries of history, I am once again struck by the pivotal role that the railway business has played in supporting Japan's economic development and social transformation since the Meiji era. In connection with this role, we have received words of appreciation from the Emperor and a host of others—that is a great honor for us. I am thankful not only to JR East but to our predecessors and everyone else who has contributed to the development of railways.

At a juncture 150 years on, we have a mission to act with our sights set on the coming 100 years and even as far ahead as the next 150 years. Mindful of our weighty responsibility with respect to the future, we are more focused than ever on finding the best ways of coexisting with and benefiting society. To these ends, the JR East Group will clarify its target profile and transform its business model accordingly. In creating value sustainably, the stabilization of our management foundations is paramount. Until now, we have developed businesses centered on railways and railway stations and focused on improving their service levels. However, population decline is presenting Japan with a major challenge. For us, this decline means fewer customers and fewer workers. Another significant challenge is how to revitalize regions. Regional economic zones, which account for approximately 70% of Japan's GDP, are facing severe depopulation. Therefore, depopulation and regional revitalization are social issues that cannot be avoided by the JR East Group.

With many issues currently emerging in the wake of the COVID-19 pandemic, we will not be able to stabilize our management foundations unless we advance forward-looking business portfolio reform that is based on shifting from railway-focused to people-focused approaches. People-focused development of an array of businesses will further integration and collaboration, demonstrate the Group's combined strengths, and fulfill a commitment to helping customers and people in communities realize enriched lives. For this reason, we will change the ratio between businesses related to Mobility and those that provide Lifestyle Solutions to customers from 7:3 to 6:4, with 5:5 as the ultimate goal. For example, our focus on tourism helps address many different issues by growing the number of people engaging with

regions, developing core cities that support regional economies, and revitalizing local industries. Further, we need to promote local digital transformation that utilizes Mobility as a Service (MaaS) and Suica so that our range of initiatives helps develop local economies. Also, we are taking on the challenge of addressing regional medical issues by working with medical professionals to create Smart Healthcare Stations and other new approaches to medical care that combine face-to-face and remote services.

As it pursues ambitious initiatives to tackle various social issues through businesses, the Group will naturally develop an optimally balanced business portfolio. I believe that these initiatives will contribute to the development of both local economies and sustainable corporate management.

Review of Fiscal 2023

Revenues reflected employees' hard work, and we returned to profitability for the first time in three years.

Fiscal 2023 was truly a year of volatility, uncertainty, complexity, and ambiguity. Progress in containing the COVID-19 pandemic did not immediately trigger a surge in customer activity. As border controls were eased in the autumn, the number of visitors to Japan increased, and positive signs finally began to emerge. Meanwhile, we continued to experience extremely significant changes in fiscal 2023, such as greater-than-expected impacts on revenues and expenses due to yen depreciation and a hike in energy prices accompanying the situation in Russia and Ukraine.

Despite this challenging environment, we were able to achieve profitability for the first time in three years because revenues appropriately reflected the hard work of Group employees. To give one example, I was delighted to see frontline employees taking the initiative and using the concurrence of several Shinkansen anniversaries with the 150th anniversary of the opening of Japan's first railway as an opportunity to hold a range of events and promotional campaigns. Campaigns initiated by frontline employees throughout our service area generated a considerable amount of revenues and created interactions between customers and maintenance personnel and drivers, whose everyday duties rarely involve contact with customers. Inspired by the success of such campaigns, employees have begun considering further

cross-divisional initiatives that customers will love.

We have also made good progress in reducing costs over the past three fiscal years, which has helped return us to profitability. While moving forward with structural reforms, we have proceeded with construction and capital expenditures in accordance with existing plans. Thus, even in a volatile environment, we have been able to steadily implement numerous forward-looking initiatives.

Initiatives for Accelerating "Move Up"

With "Post-COVID-19" and "Visitors to Japan" as key themes, we are advancing new initiatives by realizing fundamental changes.

We are viewing fiscal 2024 as a year of fundamental changes. The Group began efforts aimed at promoting such changes with "Post-COVID-19" and "Visitors to Japan" as key themes. In response to the easing of restrictions following Japan's May 2023 downgrading of COVID-19 to a Class 5 contagion, we have proactively launched campaigns aimed at increasing passenger numbers in a post-COVID-19 era. As greater numbers of visitors to Japan are expected to increase railway usage, we are taking a range of measures, including revising and enhancing the JAPAN RAIL PASS for visitors to Japan. In addition, through the rollout of

smartphone-compatible services that are readily usable by most visitors to Japan, we will enable visitors to make reservations and access a wealth of information. We intend to step up such digital transformation efforts going forward.

Aiming to ease commuter train congestion and promote workstyle reform, in March 2023 we launched off-peak commuter passes, which are based on a completely different concept from that of conventional commuter passes. JR East has advocated for more flexibility in the highly regulated railway fares and charges system, and realizing off-peak commuter passes represents concrete progress in this regard. We will continue discussing reform of this system with a view to making it even more flexible.

As for other initiatives, JR East is steadily proceeding with preparations for the extension of the Hokuriku Shinkansen to Tsuruga, scheduled for spring 2024. In relation to the *Hako-byun* train-based freight transportation service, which has already established a favorable reputation, we will market new services after conducting a series of verification tests focused on realizing such transportation on an even larger scale.

Overseas, we are providing technical support for the India High-Speed Railway Project, which is progressing steadily with on-site construction work. In Singapore, meanwhile, we have conducted an M&A with a track construction company.



Message from the President

The Group is making steady progress with the TAKANAWA GATEWAY CITY town development project and with initiatives based on the Beyond Stations concept, which capitalize on railway station infrastructure.

The Beyond Stations concept was announced more than two years ago. To make even more effective use of railway station infrastructure, we are implementing measures that are transforming railway stations into lifestyle platforms. Our measures include the introduction of shared offices, JRE Station College, JRE Local Hub, and other services. In addition, the JR East Group has recently been promoting laborsaving measures enabled by robots and other devices, and it is currently developing self-service soba restaurants.

In other development initiatives beyond railway stations, we are promoting a real estate-based rotational business model. Under this model, properties developed or owned by the Group are incorporated into real estate funds, and the resulting capital is then reinvested into growth areas or used to acquire promising real estate around railway stations. Moreover, growing our real estate business in this way will help create appealing lifestyles for local residents.

Assuming that, due to major changes in workstyles, the number of customers commuting by railway will not return to pre-COVID-19 levels, we are attempting to broaden the popularity of "workations" and other new workstyles. For example, through tie-ups with railway companies that operate resorts, we plan to sell products that are usable in Karuizawa and other parts of our service area, thereby offering services previously unavailable.

Overseas, in 2022 we unveiled *ekinaka* stores (inside railway stations) in Singapore. In Taipei, we have opened a hotel, which has been well received. The same city saw the launch of our health improvement-focused gym in August 2023. The Group will continue actively pursuing overseas development of businesses in fields where it has particular competence.



The much-awaited opening of TAKANAWA GATEWAY CITY will take place in March 2025. At present, we are accelerating leasing activities, and our plan is to develop the town together with clients. The concept of the project is to develop a "Global Gateway" international hub that links people, nature, and technologies and which contributes to the creation of enriched lifestyles 100 years from now. As part of these efforts, our Flexible Space Project for new types of decentralized town development will make full use of innovative technologies to develop a Flexible Space Workplace Service, which is enabling new workstyles through the integration of real-world and virtual environments. We will also support local residents in holding events rooted in the area, such as summer festivals and Bon Festival dances. We plan to promote community development in partnership with those working in offices and commercial facilities as well as those living in residential areas. Through such joint activities, we want to make TAKANAWA GATEWAY CITY a testing ground for the future. In addition, the project will establish industry-academia collaborations, a co-creation lab incorporating universities, business incubation facilities, and the Center for Cultural Innovations. In other words, the new town will become a template for creating the Japan of tomorrow.

By building trust, we are expanding networks that connect cities, regions, and people.

In February 2023, we opened JRE Local Hub, which is a workplace for regional creation, in Tsubamesanjo Station, Niigata Prefecture. Based on the key concepts of "connecting regions" and "connecting generations," this initiative entails supporting business matching by working with municipal authorities and local companies to raise the profile of the area's history and technologies and link regions and cities. The focus of the Tsubamesanjo area's manufacturing industry has shifted from cutlery and Western tableware to automotive components, which are themselves now changing with the introduction of electric vehicles. Meanwhile, Tokyo's Shinagawa and Ota wards, which are close to TAKANAWA GATEWAY CITY, are home to many small- and medium-sized manufacturers. We are taking on the major challenge of creating a new network connecting these wards with the Tsubamesanjo area. In such ways, the Group is creating new networks that reflect changes in industry and thereby contributing to prosperity going forward.

I believe that in expanding the aforementioned new networks, trust is required. The most important thing is for all Group employees to think about how to further

enhance trust. Based on this trust, we can expand our networks even further by increasing contacts and deepening partnerships with start-ups, universities, and other companies. In promoting local digital transformation, our employees can earn trust and gain new insights by going directly to regional sites and interacting with local communities. We will actively encourage such in-person exchanges and continue to develop our approaches flexibly.

Keys to Realizing "Move Up"

The JR East Group will further advance integration and collaboration and accelerate business development.

We aim to further leverage railway stations and the many other types of infrastructure at our disposal. For example, we can use Shinkansen as infrastructure for the transportation of a variety of cargo. Through concerted initiatives that include railway station personnel, train crews, and the employees of affiliated companies, we can also create new services, new value, and reduce costs. The sharp decline in customers during the COVID-19 pandemic instilled a greater awareness of the need for integration and collaboration among Group employees, and individual employees have become increasingly focused on this area over the past several years. Compared with railways, tourism, and other businesses in which we have been engaged for many years, we do not yet have sufficient know-how in business fields where we have a short history. Therefore, we will further expand partnerships with outside companies. In such joint initiatives, we will develop unmanned stores and other ventures based on alliances with start-ups. Similarly, we will develop former Company housing sites in partnership with a real estate company. Speed will be key in these initiatives. With this in mind, we have been reorganizing to establish systems that enable and support decision-making and the implementation of specific measures close to customers and frontline operations. Under these systems, employees will think for themselves about improving service quality and resolving issues and take measures accordingly. Empowering employees in this way will increase their abilities and know-how, expedite the execution of work, and positively affect employee engagement.

The Group will also develop and implement measures to increase the lifetime value of customers from a people-focused perspective. We will not only offer generic

services but also expand personalized services tailored to the life stages of customers through the utilization of JRE POINT and JRE BANK.

As president, I myself will provide firm leadership and support so that employees can take on more and more challenges. I am taking various opportunities to directly communicate to employees that I, as their leader, will take responsibility for their initiatives.

The Group will provide organizational support for the advancement of bold initiatives.

When we formulated the JR East Group Management Vision "Move Up" 2027 in July 2018, we envisioned a future with a declining population and fewer customers. Due to the COVID-19 pandemic, this future became a reality sooner than expected, resulting in a greater willingness among our employees to try anything that might be an effective response. I am very pleased about this change in mindset. In facilitating the growing trend toward innovation among employees, we must reform various systems. As well as personnel and wage systems that have been rooted in the railway business, we need to revamp workstyles themselves. In the past, dual employment was prohibited in the railway business for safety reasons. However, safety issues should not arise if switchovers between work responsibilities are done properly. We will increase the adoption of workstyles whereby personnel concentrate on railways when engaged in railway duties and free up time for working on campaigns or gaining experience at other companies. The acquisition of such experience is sure to be a plus for employees. For instance, many employees are keen to take on the challenge of working in our international business. I think we need to think more about developing systems that reward employees who pursue career development.

We will work on the enhancement of safety as an unchanging task and the top priority of business management.

Safety is the top priority of our business management, and we have absolutely no intention of changing this commitment. The enhancement of safety is an ever-present task that we must continue focusing on and accomplishing. Moreover, this consistent effort garners trust for the JR East Group as a whole. Through the advancement of safety initiatives aimed at raising employees' safety awareness and incorporating new technologies, we will build systems that maintain and enhance safety and which establish prototypes for the

Message from the President

future. With safety and reliability as the watchwords of all business activities, we will forge ahead with ambitious initiatives aimed at realizing sustainable growth.

ESG Initiatives

Having revised our materiality-related tasks, we will strengthen initiatives to address social issues.

As railways have a small environmental footprint compared with other means of transportation, we can make a significant contribution to the global environment by encouraging as many people as possible to use our services. The JR East Group recently revised and reorganized its materiality-related tasks to clarify how it will realize ESG management, how it will view and address social issues, and the type of social contributions that are possible. This revision and clarification of the Group's overall goals is very significant.

In continuing to create value for society, we need to pursue an ideal business portfolio. To this end, we must visualize the current cash flow positions of each business area and then prepare strategies and set targets for future growth in each area. While ensuring that our stakeholders understand these initiatives, we will focus efforts on ensuring that each business can operate sustainably.

With "flexibility" as a key word, we will undertake wide-ranging reform of organizations, systems, and other aspects of operations that relate to human capital.

Human capital is becoming increasingly critical as society undergoes major changes. With "flexibility," in the sense of flexibly pursuing self-reform in response to various developments, as a key word, we will undertake wide-ranging reform of organizations, systems, and other aspects of operations pertaining to the management of human capital. Since about half of our customers are women, we will further increase the percentage of female employees. We also need more non-Japanese personnel so that we can continue overseas expansion. Although much lower than average, the percentage of our employees resigning for personal reasons is certainly higher than it used to be. One major reason for resignations is a mismatch between the career path sought by an employee and the career path offered by the Company. In the past, experience and taking time to learn jobs were emphasized. Today, however, the railway business itself is undergoing major systemic changes, while non-railway businesses are greatly extending their scope. In response to the broader spectrum of jobs, we have developed various career paths for employees. As well as commencing hiring aimed at job specific personnel management in the fields of data marketing, Suica services, and development and real estate, we will transfer labor to growth fields through the use of an open recruitment system and reskilling. Our concern is that, unless we offer a range of careers that promotes diversity, equity,

and inclusion, we will not be able to attract people.

As we broaden the scope of our business portfolio, having a diverse workforce and a wide range of systems will become more critical. Job satisfaction is very important, ranking in priority alongside generating profits and providing employees with compensation that reflects these profits. I see my role as the provision of a broad array of opportunities for employees to make major contributions.

While extending the scope of our business portfolio, we will formulate and execute rigorous intellectual property strategies and manage intellectual property appropriately. The Group will also focus on maximizing its resources by advancing technology development that leverages internal and external knowledge, and using digital transformation to create businesses and raise operational efficiency.

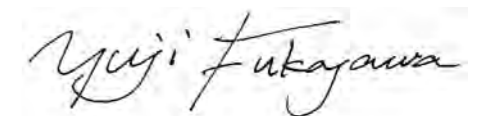
We will expedite decision-making and business execution and strengthen supervisory functions.

In June 2023, JR East changed its institutional design from a Company with a Board of Corporate Auditors to a Company with an Audit and Supervisory Committee corporate structure. With the exception of particularly important matters, the authority to make decisions on business execution has been delegated from the Board of Directors to executive directors. Through various measures, we will expedite decision-making and business execution. Further, Audit and Supervisory Committee members now participate in the Board of Directors as directors and vote on its resolutions. This strengthening of supervisory functions will enhance corporate governance. I believe we have put in place a corporate structure that will enable us to raise corporate value by realizing fundamental changes and appropriately adapting to changes in a volatile era.

solutions field. We hope that stakeholders will also take a long-term view of our efforts.

Further, our basic policy on and approach to shareholder returns has not changed. In accordance with "Move Up" 2027, we will stably increase dividends and flexibly purchase treasury stock with a view to achieving a total return ratio of 40% and a dividend payout ratio of 30% over the medium to long term. Based on this policy, in fiscal 2024 we plan to pay interim cash dividends per share of ¥55 and year-end cash dividends per share of ¥110. Meanwhile, no matter how challenging the business environment is, we will maintain an unwavering commitment to investment in growth and human capital. In our approach to management, these two types of investment are extremely important focuses, and we are determined to deliver results in both.

For the JR East Group, fiscal 2023 was a year of revival. We were able to return to profitability because employees took the lead and worked together to build a new JR East Group that is even more beneficial to society. Group employees will continue all-out efforts to create new value and services. In parallel, the senior management team will also work unstintingly to ensure the establishment of systems and organizations that support such efforts. Further, we will evolve into a corporate group that fulfills its social mission and realizes further growth. As we evolve, I would like to ask our stakeholders for their continued support. Please have high hopes for the JR East Group going forward.



Yuji Fukasawa
President and CEO
September 2023



To Our Stakeholders

We aim to conduct far-sighted management and evolve into a corporate group capable of further growth.

To encourage management based on a longer-term viewpoint, we recently announced new numerical targets for fiscal 2028. We are currently structurally reforming the railway business, and we plan to grow profits by ensuring that the benefits of these reforms are realized. At the same time, we will steadily grow the lifestyle

Our Value Creation: History and Future

From Railway Alone to Two Pillar Businesses—Mobility and Lifestyle Solutions

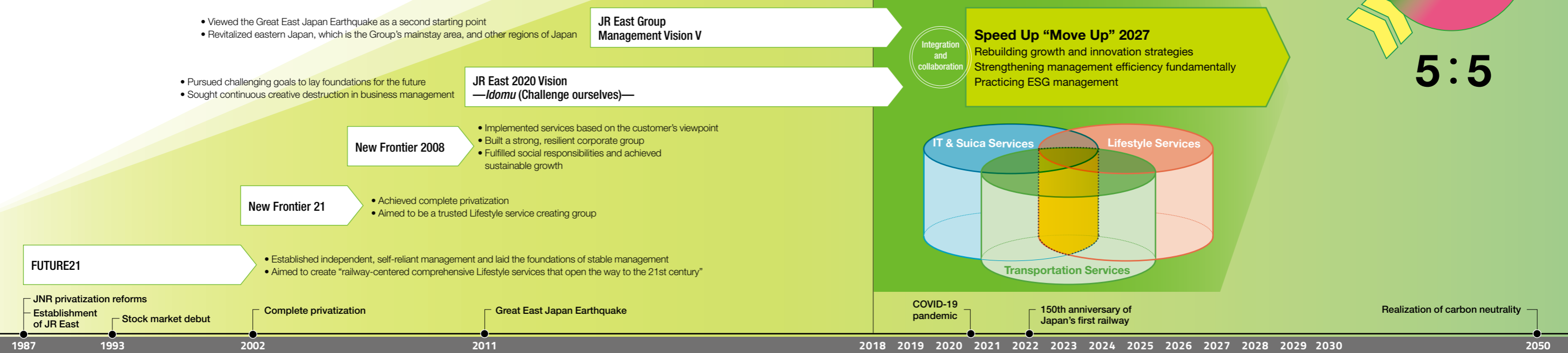
Since its establishment in 1987, JR East has been pursuing the rehabilitation and revitalization of railways. The Company has enhanced safety and service quality and expanded its railway network to increase ridership. At the same time, it has improved profitability by enhancing productivity.

With safety remaining the top priority of its business management, the Group enhance the trust of our customers and local communities by pursuing ultimate safety in mobility. At the same time, we will create new value and services focused on people by deepening integration and collaboration and taking on challenges in new areas.

The Group will work to solve social issues through its businesses and achieve sustainable growth based on the two pillars of Mobility and Lifestyle Solutions. At the same time, it aspires to be a corporate group that helps its customers, local communities, shareholders, and its employees and their families to lead enriched lives.

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 enriched lives.



Main Initiatives (Mobility, Lifestyle Solutions)

- | | | | | |
|--|--|--|---|--|
| <ul style="list-style-type: none"> 1988 Opening of the Seikan Tunnel and the sleeper train HOKUTOSEI 1991 Extension of the Tohoku and Joetsu Shinkansen to Tokyo Station 1992 Opening of the Yamagata Shinkansen to Yamagata 1993 Maximum speed of 425 km/h recorded by STAR21 on a test run 1997 Opening of the Akita Shinkansen and Nagano Shinkansen 1999 Opening of the Yamagata Shinkansen to Shinjo 2000 Launch of eki-net, online reservation service 2001 Commencement of operations on the Shonan-Shinjuku Line 2001 Start of Suica, contactless smart card fare service 1990 Opening of GALA Yuzawa Snow Resort 1990 Opening of atré Yotsuya, station building 1993 Start of ViewCard, own-brand credit card service 1996 Establishment of a nursery school near Kokubunji Station 2001 Launch of NewDays, own-brand convenience store | <ul style="list-style-type: none"> 2010 Introduction of automatic platform barriers at Eblisu Station on the Yamanote Line 2010 Extension of the Tohoku Shinkansen to Shin-Aomori 2011 Debut of the Series E5 Hayabusa Launch of Gran Class (first class services) 2004 Beginning of Suica e-money service 2005 Opening of ecute Omiya, an <i>ekinaka</i> (inside railway station) store 2006 Start of Mobile Suica service 2007 Start of interoperability between Suica and PASMO IC cards in the Tokyo metropolitan area 2007 Beginning of Suica reward program 2007 Opening of the Railway Museum | <ul style="list-style-type: none"> 2012 Commencement of the operation of Yotsuya Station as an ecoste (eco-station) 2012 Completion of the preservation and restoration of Marunouchi Station Building of Tokyo Station 2012 Start of the Kesenuma Line BRT (Bus Rapid Transit) service 2015 Opening of the Hokuriku Shinkansen to Kanazawa 2015 Opening of the Ueno-Tokyo Line 2016 Extension of the Hokkaido Shinkansen to Shin-Hakodate-Hokuto 2016 Opening of the Purple Line urban railway in Bangkok, Thailand 2017 Start of TRAIN SUITE SHIKI-SHIMA, deluxe cruise train 2012 Opening of the <i>nomono</i> Ueno, regional products store 2013 Establishment of the first COTONIOR, multipurpose care facility for children and senior citizens 2014 Start of JR East App service 2016 Start of JRE POINT service, reward program 2016 Launch of NEWoMan Shinjuku, a high-quality fashion and gastronomy complex 2017 Beginning of the Northern Station Gate Akita project | <ul style="list-style-type: none"> 2018 Start of Touch de Go! ticketless service for Shinkansen trains 2020 Start of Shinkansen e-ticket service 2020 Resumption of all Joban Line operations (end of service suspensions due to the Great East Japan Earthquake) 2020 Opening of Takanawa Gateway Station, symbolic of TAKANAWA GATEWAY CITY opening in 2025 2020 Facilitation of mobile phone use on all Shinkansen segments in the JR East service area 2022 Commencement of verification tests for a hydrogen hybrid railcar HYBARI 2023 Launch of off-peak commuter passes 2018 Opening of JRE MALL, an online shopping mall 2019 Start of STATION WORK, an office-sharing service 2020 Launch of the WATERS takeshiba complex 2021 Opening of the Hotel Metropolitan Premier Taipei in Taiwan 2021 Introduction of multifunctional IC cards for regional transit 2021 Launch of full-scale operations of <i>Hako-byun</i>, a train parcel service 2022 Start of TOHOKU MaaS 2023 Beginning of Suica services for railway lines in the Aomori, Morioka, and Akita areas | <ul style="list-style-type: none"> 2024 Introduction of the new E8 Series for the Yamagata Shinkansen 2024 Extension of the Hokuriku Shinkansen to Tsuruga 2025 Start of driver-only operation on the major lines in the Tokyo metropolitan area 2029 Launch of driverless forwarding of the Joetsu Shinkansen (GoA4) 2032 Launch of the Haneda Airport Access Line (tentative name) TBA Launch of driverless operation of the Joetsu Shinkansen (GoA3) 2025 Opening of TAKANAWA GATEWAY CITY Complex I 2026 Development of the Hiromachi area around Oimachi Station (tentative name) 2028 Opening of Shibuya Scramble Square (Central Wing and West Wing) 2028 Development of Nakano Station Station Building 2029 Development of Shinjuku Station Southwest Exit Area Plan 2030 Development of Hamamatsucho Station West Exit Area Plan |
|--|--|--|---|--|

Enhancing the Safety and Quality of Railway Services

JR East has improved railway safety through investment in safety and technology development. In the Tokyo metropolitan area, the Company has helped to reduce congestion by increasing the frequency of train services and adding trainsets. We have also contributed to expanding commuting distance by introducing direct services and fast commuter trains. Shortened travel times resulting from the Shinkansen network expansion have brought cities closer together, promoting tourism and regional development.

Creating New Services

We have effectively utilized management resources accumulated in the railway business to develop services catering to various day-to-day needs at *ekinaka* and other locations. The Company has transformed railway stations from transportation hubs into multifaceted service centers. Suica is no longer an alternative type of ticket, but has developed into a leading IC card that offers its customers new lifestyle solutions.

Achieving Post-Earthquake Restoration and Revitalization

The Great East Japan Earthquake forced the JR East Group to suspend operations for a long period of time. 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.

Seeking Further Dramatic Advances through Business Portfolio Transformation

The JR East Group has shifted from providing railway-centered services to creating people-focused value and services, thereby pursuing new growth strategies that depart from its previous ideas and measures. Although the impact of the COVID-19 pandemic was significant in 2020, we have been restoring the profitability of the Transportation service. At the same time, we have been creating new value by concentrating management resources on the Lifestyle services and the IT & Suica service while actively promoting integration and collaboration among the three services. As an entity whose strengths lie not only in the real-world railway networks but also in data and networks that connect to customers and local communities, the JR East Group aims to rapidly achieve a well-balanced business between Mobility and Lifestyle solutions by leveraging the Group's combined strengths.

Strengths We Have Built Up

Fostered and strengthened by our pursuit of ultimate safety levels, the trust of customers and local communities underpins all of the JR East Group's activities. In addition, the Group is supported by its employees, who consistently perform their day-to-day duties while striving for integration and collaboration in frontline operations Groupwide to create new value.

Our strengths are in real-world, multilayered, organic networks that link people (customers, local communities, our employees and their families, our business partners, and our shareholders and investors) and physical assets, which are essential elements of social infrastructure, and others that connect and expand everything in a borderless way, by focusing on technologies and information. This trust and the support of our employees develop and extend the power of these networks even further.

Trust



We hold "ultimate safety" as our top priority and operate our business in keeping with our five Basic Principles. The customer safety and community development created by our business forms the core of the Group's brand. The JR East Group's brand is proof of the trust of its customers and local communities and its greatest strength.



Employees



With a solid sense of mission, our employees steadily carry out their day-to-day duties to deliver safety and reliability to our customers. Every employee also has a strong sense of participation in management, improving the quality of their work and creating value and services focused on people by taking on ambitious challenges with originality and ingenuity. The power of each employee is the Group's greatest strength. We will increase employee engagement for the sustainable growth of our employees and the Group.



The JR East Group's networks link people and physical assets while incorporating digital technologies that broaden borderless connectivity.

Networks

Networks that connect regions, cities, and local communities, and extend worldwide

Connecting railway networks, sales networks, logistics networks, and human networks to create synergy

- We will strengthen area-wide links between the regions of eastern Japan and the Tokyo metropolitan market.
- We will extend business development to regions outside eastern Japan and to overseas cities.
- We will build a new business model particularly in Asia.

Tokyo metropolitan networks that are based on railways and railway stations

Establishing a revenue base in the Tokyo metropolitan market

- We will transform stations, the largest junction with customers in the Metropolitan area, where people, goods, money, and information meet, into a 'platform for daily life' to connect all with the customers.
- We will link our customers to services, digital technologies, and safety and security that support daily life to create connections among customers.

Networks that interlink people and connect the JR East Group to local communities

Creating a flow of people and vibrancy in communities through companionable development

- We will deepen our relationships with local residents even further and strengthen ties among them.
- We will work together to address local issues and create new value and services through co-creation that combines our assets and solutions with those of regions.

Digital Networks that utilize data to connect a wide range of businesses

Developing Suica into a shared infrastructure and expanding the living sphere covered by the JRE POINT reward program

- We will widely and finely increase digital and real-world contacts with customers and enhance customer experience.
- We will create value by integrating our services and building personalized relationships with customers that last a lifetime and cover a wide range of day-to-day needs.
- We will enhance lifetime value and help everyone accelerate lifestyle enrichment.

Capital That Supports Value Creation

Inheriting the 150-year history of the Japanese railway, we will continue to create new value by utilizing our strengths and multiplying the various capitals developed by the Group in the 36 years since the Company's foundation, in our strategies and businesses.

Human Capital



Employees who prioritize safety, creating trust and new value

Consolidated employees:	approx. 70,000
Percentage of new graduates who are female:	31.1
National Accredited Professional engineers:	710
First-class architects:	630
Type 1 chief electrical engineers:	110
First-class technical radio operators for on-the-ground services:	240
Certified General Travel Services Managers:	1,890
Certified Care-Fitters:	30,600

Systems that improve employees' capabilities

Systematic human resources development programs focused on the pursuit of ultimate safety

Training facilities located at all headquarters and branch offices for the improvement of safety awareness and skills

Average training hours per employee:

Participants in digital technology training:

External training programs for self-development:

Active personnel exchange with local governments and other companies

Systems that motivate employees

Distribution of tablet computers to all JR East employees

Number of employees using the Viva Engage employee interactive communication platform:

Challenge to address issues in areas and railway lines across divisions and organizations

Cross-organizational projects:

General management centers:

Applications received for the ON1000 new business creation program:

(Total number selected to be new businesses: 10)

Social and Relationship Capital



Contact with customers and customer base

Suica cards issued	95.64 million
Mobile Suica activations and installations:	20.31 million
Active ViewCard members:	5.59 million
JRE POINT reward program members:	13.79 million
Public transportation e-money compatible stores:	1.63 million
JR East App downloads:	approx. 8.10 million
Beds at JR Hospitals:	617

Strong, long-standing relationships and partnerships with local communities and municipal authorities that have been sustained through initiatives to increase tourism, develop towns, and exchange personnel

Comprehensive cooperation agreements concluded with municipal authorities:

Municipal authorities with *JRE MALL Furusato Nozei* (hometown tax donations) stores:

Investments contributing to regional revitalization:

New businesses

Accepted JR EAST STARTUP PROGRAM applications:

Intellectual Capital



Technology capabilities and operational know-how that have been accumulated during the 150 years of railway operations and that underpin safety

R&D and IT investment:

Safety systems for accident prevention and disaster prevention

Regulations, manuals, and training curricula

Patents, utility models, and design patents:

Manufactured Capital



Property, plant and equipment and wide-ranging business bases

Railway stations (including BRT):	1,681
Shinkansen:	1,194.2 operating km
Conventional lines (including BRT):	6,224.5 operating km
Land area	Transportation: 165,716,000 m² (¥1,610.7 billion)
	Real Estate & Hotels: 610,000 m² (¥446.7 billion)

Shinkansen vehicles:

Conventional line vehicles:

Bridges and viaducts:

Tunnels:

Shopping centers:

Hotel guest rooms:

Leasable office space:

Vehicle manufacturing sites:

Optical fiber cables:

Own power generation (thermal and hydro):

Renewable energy power development:

Natural Capital



Efficient utilization of diverse energy

Railway business energy use:

JR East water consumption:

Group company water consumption:

Railway forests:

Tourism resources based on rich nature in eastern Japan

Financial Capital



Capital expenditures based on medium- to long-term perspectives and a strong financial base that supports the expenditures

Equity ratio:

Total net assets:

Ratings: **R&I: AA+**

S&P: A+

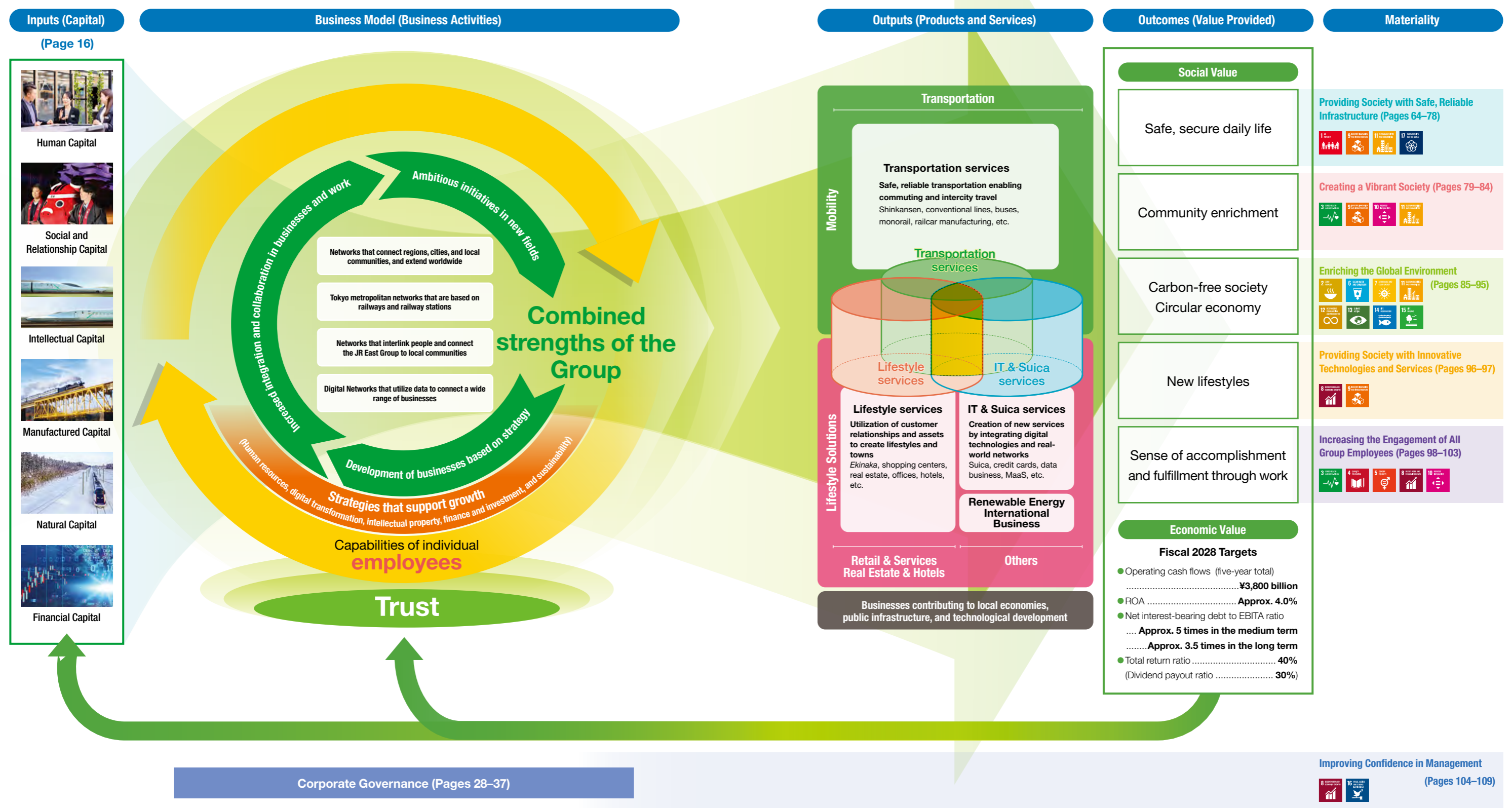
Moody's: A1

Capital expenditures:

Value Creation Model

Based on the trust of our customers and local communities, the Group has been developing a wide range of businesses: one related to Mobility and others leading to Lifestyle Solutions for our customers by utilizing our capital and strengths. Our business has three aspects: developing businesses based on strategy; increasing integration and collaboration in the Group's businesses and work; and undertaking ambitious initiatives in new fields. These three aspects contribute to the combined strengths of the Group and are incorporated into our three main services: Transportation, Lifestyle, and IT & Suica. The overlapping of the three services creates new and unique value for the Group.

Through this creation of value, the Group will work to solve social issues and achieve sustainable growth based on the two business pillars of Mobility and Lifestyle Solutions. At the same time, we will realize enriched lives for our customers, local communities, our shareholders and investors, and our employees and their families.



JR East Group Management Vision "Move Up" 2027

Social Environment Envisioned in 2027 When "Move Up" 2027 Was Formulated in 2018

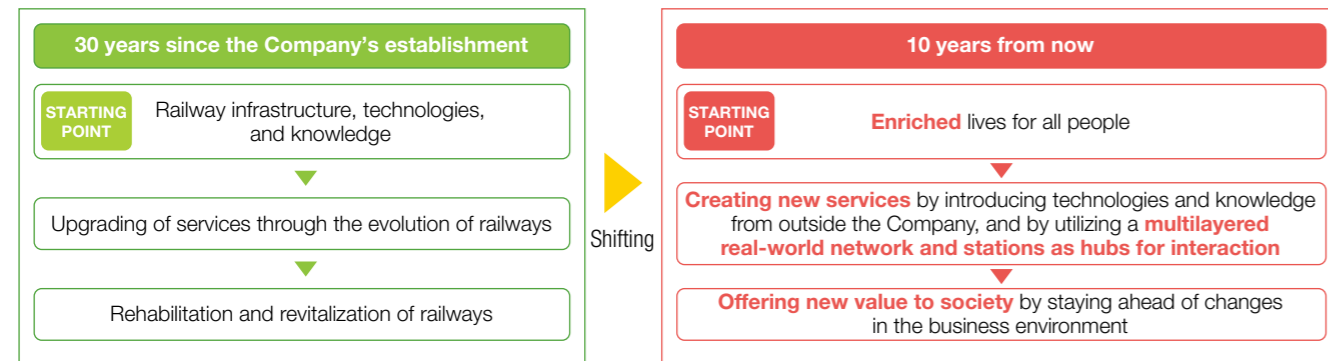
- (1) Drastic changes in social structures due to the decreasing birthrate and population and to the aging of the population
- (2) Changes and diversification in values related to work and wealth
- (3) Changes in our living environment due to technological innovations such as AI and IoT
- (4) Spread of new values through globalization of economy and society

COVID-19 pandemic

Transition from Railways-Focused to People-Focused Value Creation (Started in July 2018)

Basic Policies of "Move Up" 2027

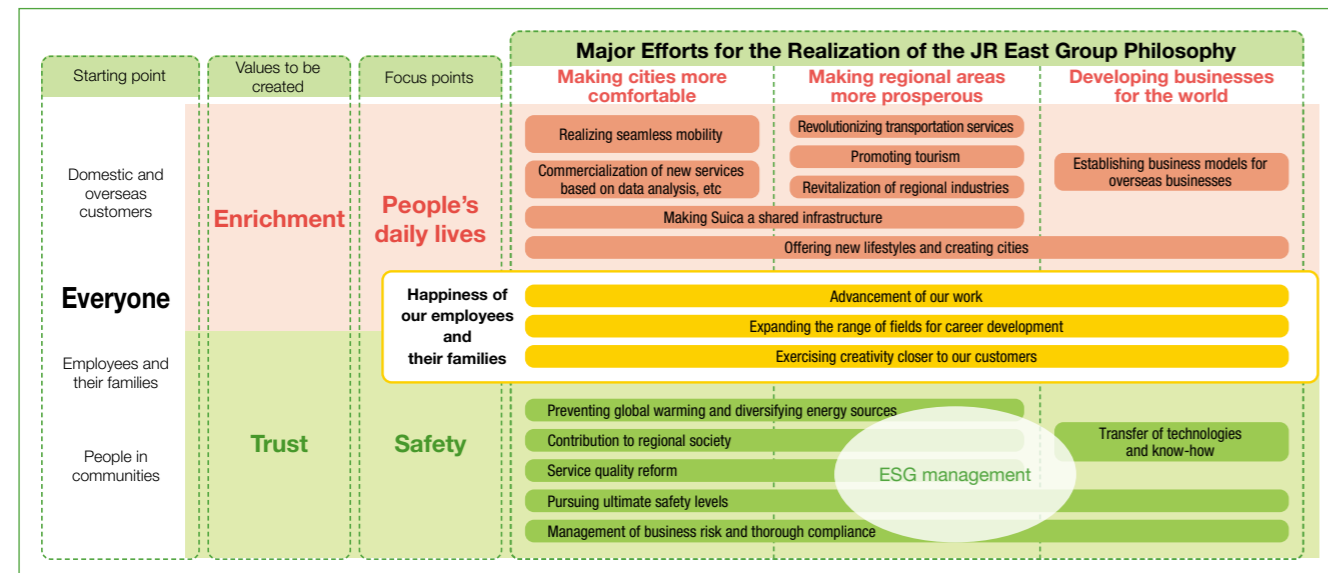
During the 30 years following its establishment, JR East developed a business model that generated revenues by encouraging many customers to use railway services and railway stations through the enhancement of their convenience. From now onwards, with the enrichment of everyone in their daily lives as 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.



Creating Value through Trust and Enrichment

Our Vision in "Move Up" 2027

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.



Social Environment Envisioned in 2027 Near at Hand

- (1) Drastic changes in and diversification of social structures due to the decreasing birthrate and population, the aging of the population, and **the COVID-19 pandemic**
- (2) **Rapid changes** in and diversification of values related to what it means to work and be wealthy as a result of the COVID-19 pandemic
- (3) Changes in **living environments combining real and digital elements** due to technological innovations such as AI and the IoT
- (4) Globalization of the economy and society going through **a major period of stagnation due to the COVID-19 pandemic**

Post-COVID-19

Speed Up "Move Up" 2027: Increasing the Pace and Level of Initiatives (Started in September 2020)

In response to the dramatic changes in the business environment caused by the COVID-19 pandemic, in September 2020 JR East developed Speed Up "Move Up" 2027. This sets out the priority strategies shown on the right with the aim of realizing "Move Up" 2027 by increasing the pace and level of initiatives.



Viewing change as an opportunity, rebuilding our growth and innovation strategies, and strengthening management efficiency fundamentally, our goal is to establish a sustainable corporate group that can continuously provide high-quality services going forward.

Through the daily efforts of Group employees, the JR East Group will fulfill its mission of providing safe, reliable services that are indispensable to everyone's lives across society. In addition, the Group will create new value through integration and collaboration between Transportation services, Lifestyle services, and IT & Suica services and the further evolution and maximization of its strengths.

Fundamental Change (Started in April 2023)

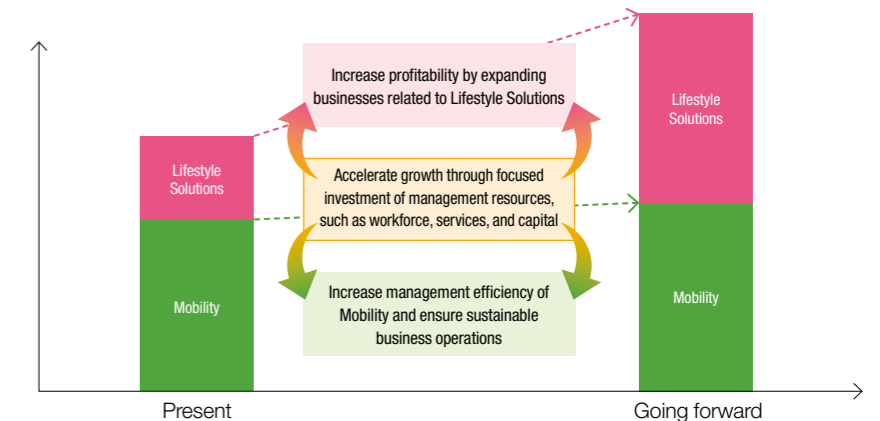


The Group's businesses are still facing risks associated with population decline and the COVID-19 pandemic. Moreover, the recent surge in resource prices, rising interest rates, and other developments are leading to uncertainty in the businesses. On the other hand, we see the recovery trend in tourism-related industries and the rapid return of visitors to Japan that have accompanied the easing of restrictions on movement as excellent opportunities to achieve fundamental change befitting a new era.

Toward a Business Portfolio Balanced between Mobility and Lifestyle Solutions

We will create new value through integration and collaboration aimed at the early realization of a business portfolio balanced between Mobility, based mainly on railways, and businesses that provide Lifestyle Solutions to customers.

Leveraging the strengths of each business as the basis of these business activities, we will strive to strengthen the management structure of Mobility, expand the Lifestyle Solutions business segment and increase the Group's profitability.



JR East Group Management Vision "Move Up" 2027

"Move Up" 2027 Numerical Targets

In light of the drastic changes and subsequent shifts in the business environment caused by the COVID-19 pandemic, we have set fiscal 2028 as the new target period for our numerical targets under "Move Up" 2027.

	Fiscal 2028 Targets	Fiscal 2023 Results	
Operating revenues	¥3,276.0 billion	¥2,405.5 billion	
Mobility	Transportation	¥2,019.0 billion	¥1,618.5 billion
Lifestyle Solutions	Retail & Services	¥654.0 billion	¥327.8 billion
	Real Estate & Hotels	¥507.0 billion	¥382.2 billion
	Others	¥96.0 billion	¥76.9 billion
Operating income	¥410.0 billion	¥140.6 billion	
Mobility	Transportation	¥178.0 billion	¥(24.0) billion
Lifestyle Solutions	Retail & Services	¥80.0 billion	¥35.2 billion
	Real Estate & Hotels	¥124.0 billion	¥111.5 billion
	Others	¥30.0 billion	¥17.2 billion
Adjustment	¥(2.0) billion	¥0.6 billion	
Consolidated operating cash flows	(Total amount for 5 years**) ¥3,800.0 billion	¥581.7 billion	
ROA	Approx. 4.0%	1.5%	
Net interest-bearing debt to EBITA ratio**	Approx. 5.0 times in the medium term Approx. 3.5 times in the long term	8.6 times	

*1 Total for fiscal 2024 through to fiscal 2028

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

Numerical Targets for Specific Measures

	Fiscal 2028 Targets	Fiscal 2023 Results
Mobility-Related Targets		
Accidents due to internal causes★	0 ^{*1}	0
Serious incidents★	0 ^{*1}	0
Railway accidents (compared with fiscal 2019)★	20.0% reduction ^{*1}	10.0% reduction ^{*2}
including passenger injuries on platforms (compared with fiscal 2019)★	30.0% reduction ^{*1}	17.0% reduction ^{*2}
Railway stations and tracks with automatic platform gates★	330 railway stations, 758 tracks ^{*3}	(99 railway stations, 197 tracks)
Transportation disruptions due to internal causes, conventional lines within 100 km of Tokyo (compared with fiscal 2019)★	55.0% reduction	9.0% reduction
Transportation disruptions due to internal causes, JR East Shinkansen (compared with fiscal 2019)★	75.0% reduction	38.0% reduction
Total delay time due to internal causes, conventional lines within 100 km of Tokyo (compared with fiscal 2019)★	70.0% reduction	20.0% reduction
Visitors to Japan: Railway Business revenues	¥56.0 billion	(¥10.3 billion)
Ticketless journey rate on JR East Shinkansen	75.0%	41.0%
Handling rate of eki-net online reservation service	65.0%	37.3%
5G coverage area	100 locations ^{*4} in total	21 locations in total
Kilometers of optical fiber cores leased★	400 km ^{*5} in total	(—)
Kilometers of in-place monitoring inspection on overhead wires	7,500 km in JR East service area	(5,500 km in JR East service area)
Countermeasures for major earthquakes (seismic reinforcement): Shinkansen viaduct columns (subject to ministerial ordinances, etc.)★	100.0% ^{*4}	(—)
Countermeasures for major earthquakes (seismic reinforcement): Conventional line rigid-frame bridge abutments (subject to ministerial ordinances, etc.)★	100.0%	(—)
Lifestyle Solutions-Related Targets		
Sales on JRE MALL, online shopping platform	¥300.0 billion	¥5.1 billion
Number of shared offices	1,400 locations in total	774 locations in total
Visitors to Japan: Lifestyle Solutions revenues	¥30.0 billion	(¥7.8 billion)
Asset management scale in real estate fund business	¥400.0 billion in total	(¥157.8 billion in total)
Housing developed	6,000 units in total	3,054 units in total
Childcare support facilities	175 locations in total	165 locations in total
JRE POINT reward program members★	30.0 million people	13.79 million people
E-payment via IC ticket systems, such as Suica	600.0 million transactions/month	263.0 million transactions/month
Mobile Suica cards issued	35.0 million	20.31 million
Transactions on the MaaS platform, Mobility Linkage Platform, provided by JR East★	100.0 million transactions/month	38.68 million transactions/month
Targets That Will Become the Foundations of Growth		
CO ₂ emissions of the entire JR East Group (compared with fiscal 2014)★	50.0% reduction ^{*6}	14.7% reduction
Development of renewable energy power sources★	700,000 kW ^{*6}	136,000 kW
Recycling rate for waste (PET bottles) generated at stations and on trains★	100.0% ^{*6}	(97%)
Recycling rate for waste (general/industrial) (compared with fiscal 2014)★	73.0% ^{*6}	(79%)
Assignment of personnel to key growth fields★	2,000 people or more in total ^{*5}	(—)
Percentage of managers who are female★	10.0%	(7.0%)
Percentage of employees with disabilities★	2.70%	(2.63%)
Acquisition rate of paternity leave★	85.0% or more	(43.7%)
Care-fitter qualification acquisition rate★	80.0%	(60.5%)
Fatal employee accidents including Group and partner companies★	0 ^{*1}	(1) ^{*2}
Percentage of patent and design applications related to digital transformation and services★	50.0%	(45.0%)
Penetration of initiatives related to human rights, the environment, and other issues among major suppliers (supply chain penetration percentage)★	100.0%	(55.6%)

*1 Targets for fiscal 2024 *2 Preliminary figures *3 Targets to be reached by the end of fiscal 2032, major conventional lines in the Tokyo metropolitan area by number of lines

*4 Fiscal 2026 targets *5 Cumulative targets from fiscal 2024 onward *6 Fiscal 2031 targets

(Figures in parentheses are the reference values for new targets) ★ Indicates materiality-based numerical targets (Page 63)

Financial and Investment Strategies



By pursuing consolidated cash flow management from a medium- to long-term perspective, we will achieve both sustainable growth and financial soundness, and further enhance our corporate value.

Atsuko Itoh

Executive Director

Director General of Corporate Strategies Headquarters

Q. It has been more than three years since the outbreak of the COVID-19 pandemic. Could you give us an overview of this period and your policies for fiscal 2024 and beyond?

A. Over the three years from fiscal 2021 to fiscal 2023, all Group employees have united in taking rigorous measures to recover profitability and achieve structural reforms.

First of all, to recover profitability, we did everything in our power to boost revenue in existing businesses. In addition, as a new growth strategy, we have expanded our real estate fund business by launching a private real estate investment trust (REIT). We also implemented the "rotational business model" in the real estate business, under which we sell our own properties to private REITs and funds to promptly secure development profits, and we then reinvest the resulting capital in areas with high growth potential.

In structural reforms, we are in the process of shifting to a lean cost structure through means such as reducing the number of trains by spreading out peak demand and revising train schedules commensurate with the degree of usage, running the last trains of the day earlier and the first trains later, expanding driver-only operations, and using condition based maintenance (CBM) for more efficient maintenance. We also expect to reduce operation costs in the railway business by ¥100.0 billion compared to fiscal 2020 by fiscal 2028 and, as of the end of fiscal 2023, we have achieved ¥74.0 billion of that figure.

As a result, whereas we recorded a loss attributable to owners of parent of ¥577.9 billion in fiscal 2021, our largest ever, in fiscal 2023, we returned to profitability for the first time in three years and recorded a profit of ¥99.2 billion. In addition, our operating cash flow, which was negative ¥189.9 billion in fiscal 2021, turned positive and bounced back to ¥581.7 billion in fiscal 2023. We also achieved positive free cash flow in fiscal 2023 for the first time in four years.

Our financial condition is also recovering, after having suffered under the COVID-19 pandemic. 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. Our net interest-bearing debt to EBITDA ratio in fiscal 2023 was reduced to 8.6 times, from 19.0 times in fiscal 2022.

As we move on to the post-COVID-19 society, we will make a fundamental change in our financial and investment strategies, spearheaded by pursuing consolidated cash flow management from a

medium- to long-term perspective. Until now, when it comes to Group performance management, we have focused on single-year revenues and profits

at individual Group companies, but from now on we will refocus on medium- to long-term cash flows on a consolidated segment basis. We are also promoting delegation of authority to accelerate decision-making and enhancing performance tracing. Furthermore, we will implement cash flow management optimized for business characteristics.

Q. What is the purpose of "cash flow management optimized for business characteristics?" What direction will you take and what policies will you implement for the respective businesses?

A. We run a wide range of businesses, including Transportation, Retail & Services, Real Estate & Hotels, IT & Suica, Renewable Energy, and International business. To achieve the policies of the JR East Group Management Vision "Move Up" 2027 at a higher level and at a faster pace, we need to refine the strengths of each business, integrate the businesses and coordinate between them. In addition, we need to restructure our growth strategies for the post-COVID-19 phase. The method for achieving this is cash flow management optimized for business characteristics. Specifically, we will optimally allocate business resources and manage performance, investments, and profits and losses with consideration for the respective characteristics of Mobility and Lifestyle Solutions.

Mobility is positioned as a sustainable business that requires stability and evolution. With the assumption that we will not see any rebound in railway usage to pre-COVID levels, we will carry out a radical structural reform to secure sustainable cash flows. We will strategically accelerate profitability improvement and structural reform by linking operating cash flow with capital investment. Our financial policy will be to aim to continuously reduce the net interest-bearing debt to EBITDA ratio.

Lifestyle Solutions are growth businesses that anticipate change with speed. We will identify growth drivers within each business and generate more cash flows. In terms of financial policy, we will focus on EBITDA growth to secure the kind of investment capacity that will lead to a stronger earnings base. In the real estate business in particular, in addition to our traditional long-term holdings business, we will expand rotational and management business operations to accelerate business speed and acquire new earnings.

Financial and Investment Strategies

Cash Flow Management Optimized for Business Characteristics

Segments	Mobility	Lifestyle Solutions
Business characteristics	Sustainable business that requires stability and evolution	Growth business that anticipates change with speed
Targeted business operations	Sustainable business operations within the confines of its cash flow	Acceleration of growth without missing opportunities through flexible financing and rotational business in the real estate business, etc.
Financial policies	Focus on controlling net interest-bearing debt to EBITDA ratio (Aiming for continuous reduction of our net interest-bearing debt to EBITDA ratio)	Focus on EBITDA growth in order to secure investment capacity that will lead to a stronger earnings base

Q. What is your position on the newly announced numerical targets for fiscal 2028 and the usages of cash from fiscal 2024 to fiscal 2028?

A. The numerical targets for fiscal 2026, which were set in January 2021, were determined based on certain assumptions at a time when there was no clear end in sight to the COVID-19 pandemic. Since it is anticipated that post-COVID normality will finally be reached by the end of fiscal 2024, we have decided to set new numerical targets for fiscal 2028, the concluding year of "Move Up" 2027. To further increase operating revenues, operating income, and operating cash flow, in Mobility, we will capture new post-COVID-19 needs and inbound demand and we will also work to reduce operation costs. In Lifestyle Solutions, in addition to refining existing businesses, we will strategically roll out our real estate business as well.

In the post-COVID-19 era, we will promote transformation of our business portfolio to build a strong management foundation that is resilient to changes in the external environment and capable of sustainably creating value. To that end, over the next five years we plan to invest approximately ¥3.9 trillion, given operating cash flow of approximately ¥3.8 trillion. As part of this, we will practice thorough selection and concentration in investment needed for the continuous operation

of business, while we will accelerate growth investment for the opening of TAKANAWA GATEWAY CITY and the Oimachi Development project from fiscal 2025 to fiscal 2026. Growth investments in Lifestyle Solutions will constitute approximately 70% of all growth investments. In the Real Estate & Hotel business in particular, in addition to these developments, we will continue to drive numerous large-scale development projects, including those that will contribute to earnings from fiscal 2029 onwards.

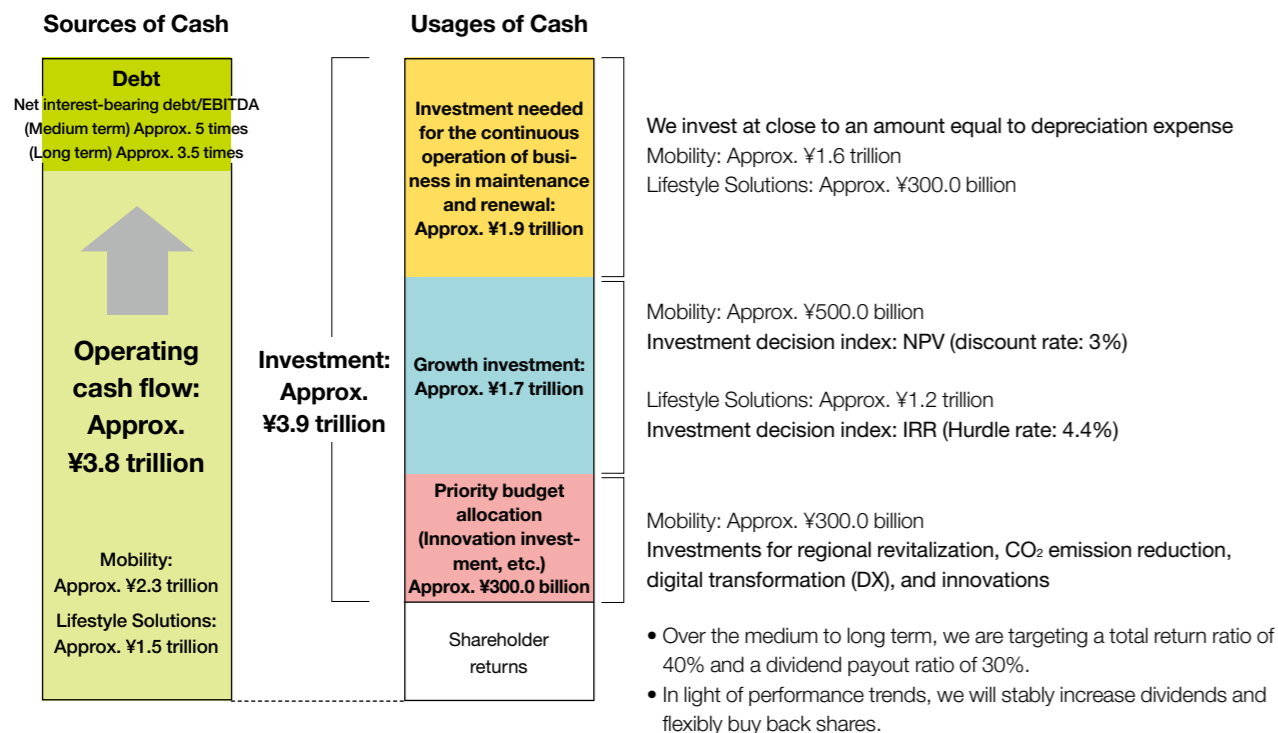
With regard to shareholder returns, over the medium to long term, we are targeting a total return ratio of 40% and a dividend payout ratio of 30%. In light of performance trends, we will stably increase dividends and flexibly buy back shares.

Q. JR East has continued to implement aggressive levels of capital investment. How will you maintain investment discipline and ensure financial soundness?

A. We will manage investment needed for the continuous operation of business using the level of depreciation expense as a yardstick.

We implement growth investments after assessing rates of return based on investment judgment criteria. Specifically, we make decisions based on Internal rate of return (IRR) for Lifestyle Solutions, and set the

Usages of Cash from Fiscal 2024 to Fiscal 2028



Major Future Growth Investments

Names (including tentative names)	2024 2025 2026 2027 2028 2029 2030 2031 ~ (FY)										Assumed revenues during stable operations	Assumed investment amount	
Mobility	Introduction of Green Cars to Chuo Rapid Line	[Bar chart showing investment from 2024 to 2027]										Approx. ¥120.0 billion	Approx. ¥1,400.0 billion
	Haneda Airport Access Line (tentative name)	[Bar chart showing investment from 2024 to 2027]											
Lifestyle Solutions	Shin-Koiwa Station South Gate station building (tentative name)	[Bar chart showing investment from 2024 to 2027]											
	TAKANAWA GATEWAY CITY	[Bar chart showing investment from 2024 to 2027]											
	Development of the Hiromachi area around Oimachi Station (tentative name)	[Bar chart showing investment from 2024 to 2027]											
	Funabashi Ichiba-cho Project (tentative name)	[Bar chart showing investment from 2024 to 2027]											
	Shibuya Scramble Square (Central Wing and West Wing)	[Bar chart showing investment from 2024 to 2027]											
	Station building development at Nakano Station	[Bar chart showing investment from 2024 to 2027]											
	Redevelopment project around Itabashi Station (Itabashi Gate District 1 Urban Area)	[Bar chart showing investment from 2024 to 2027]											
	Development project around Nakano Station New North Entrance	[Bar chart showing investment from 2024 to 2027]											
	Development project around Shinjuku Station Southwest Gate Area	[Bar chart showing investment from 2024 to 2027]											
	Development project around Hamamatsucho Station West Gate Area	[Bar chart showing investment from 2024 to 2027]											
	Shibaura Project	[Bar chart showing investment from 2024 to 2027]											
	Tokyo Institute of Technology Tamachi Campus redevelopment project	[Bar chart showing investment from 2024 to 2027]											
Improvement around Shinagawa Station North Gate and maintenance of station building	[Bar chart showing investment from 2024 to 2027]												

hurdle rate at 4.4% for the foreseeable future based on weighted average cost of capital (WACC). In addition, in Mobility we make decisions based on net present value (NPV) with a discount rate of 3%.

Furthermore, for important growth investments of a certain size threshold, investments that contribute to functional improvement, and projects in which we take a stake, the tracing committee that I chair regularly traces KPIs, etc. to confirm the expected effects. The thrust of the tracing work is reported to the Board members, and if necessary, radical improvement measures are considered.

Over the next five years, operating cash flow is expected to exceed pre-COVID-19 levels by a wide margin and is expected to continue increasing in fiscal 2029 and beyond. Although free cash flow was positive in fiscal 2023, we expect negative free cash flow from fiscal 2024 onwards as we plan to maintain high levels of capital investment centered on growth investment. We expect another positive turnaround in fiscal 2027. Even given these circumstances, we will steadily restore financial soundness by controlling interest-bearing debt in accordance with cash flow. Our policy is to reduce our net interest-bearing debt to EBITDA ratio to approximately 5 times in the medium term and to approximately 3.5 times in the long term.

In addition, we will work to achieve our consolidated return on assets (ROA) target of 4.0% in fiscal 2028 in order to advance capital investment while improving asset efficiency.

Q. What specific measures will you take to achieve your ROA target?

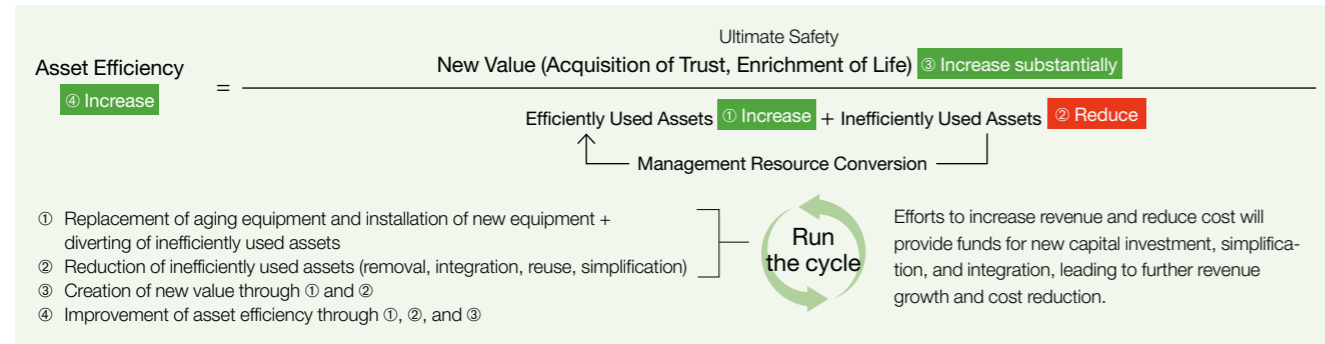
A. We will create new value and improve asset efficiency by increasing efficiently used assets and reducing inefficiently used assets. For example, we will expand efficiently used assets by repurposing company housing sites for commercial and residential purposes, and by connecting local areas and goods through the *Hako-byun* train-based freight transportation service. We will also reduce inefficiently used assets through asset removal, integration, reuse, and simplification. In the process, we will make additional streamlining of facilities using profits generated by increased revenue and cost reduction, then establish a cycle that leads to further revenue growth and cost reduction.

For ROA target achievement, we will communicate the meaning of the components of ROA as well as their respective vectors to our employees in an intuitive way, thereby providing a visual representation of the relationship between the concept of asset efficiency improvement—thus creating "Move Up" Drivers—and our daily operations. Through this, we will clarify challenges and action plans, and promote awareness and implementation so that all employees can unite to grow revenue, reduce costs, and use assets effectively.

Message from the President	Our Value Creation: History and Future	Strengths We Have Built Up	Capital That Supports Value Creation	Value Creation Model	JR East Group Management Vision "Move Up" 2027	Financial and Investment Strategies	Foundations for Value Creation (Corporate Governance)	Outside Directors' Roundtable Talks
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Financial and Investment Strategies

Approach to Asset Efficiency Improvement ("Move Up" Drivers)



Diverting of Inefficiently Used Assets Example 1:
 Redevelopment of former company housing sites — Funabashi Ichiba-cho Project (tentative name)



Diverting of Inefficiently Used Assets Example 2:
 Effective use of existing assets such as lines on which operations are suspended in the construction of the Haneda Airport Access Line (tentative name) (improvement section in the Tokyo Freight Terminal)



Streamlining Inefficiently Used Facilities Example: Removal of internal illumination from station premises signage

* In light of the brightness of station premises, we removed internally illuminated information signs and replaced them with new sheet-type information sign panels (approx. 380 cases in fiscal 2023).



Q. What is your message to JR East shareholders and investors?

A. We have accelerated our response to change, since the future that we anticipated when we first formulated "Move Up" 2027 materialized unexpectedly early due to the COVID-19 pandemic. With the pandemic finally winding down, we are going back on the offensive.

Our financial and investment strategies have also changed significantly. Acknowledging that there is unlikely to be any rebound in railway usage to pre-COVID-19 levels, we have reformulated our growth strategy, implemented a range of structural reforms, and introduced cash flow management optimized for business characteristics.

It will become even more important to engage in dialogue with our

shareholders and investors so that they can understand how our Group has changed in this way. To date, we have deepened dialogue through various forums, such as financial results briefings, individual meetings, and shareholder-oriented events. We are also strengthening two-way communication. Since fiscal 2022, we have been holding IR Day, a combination of meetings focused on themes of strong interest to investors, such as our real estate and hotel businesses, and dialogue with outside officers, and in fiscal 2023 we started holding shareholders' roundtable meetings for individual shareholders.

Through these efforts, we will work to earn the long-term trust of our shareholders and investors. We also live up to the mandate they have given us by pursuing longer-term enhancement of corporate value.

Environmental Investment and ESG Bond Issuance

The JR East Group places paramount importance on practicing ESG management, and we plan to invest approximately ¥130.0 billion in such initiatives over the five years from fiscal 2024 to fiscal 2028. For JR East, environmental investment means decarbonization investment that contributes primarily to the reduction of CO₂ emissions. Specifically, it includes the introduction of high environmental performance rolling stock, LED lighting in stations, the installation of "ecoste" (eco-stations) and the development of high-efficiency air-conditioning.

In addition, since January 2020, we have issued four sustainability bonds*¹ in Japan and one green bond*² overseas. Funds procured from the sustainability bonds in January 2023 will be allocated to E235 series trains (Yokosuka/Sobu Rapid Line) and KAWASAKI DELTA.

*¹ Sustainability bonds: The proceeds of these bonds are used for projects that contribute to the resolution of both environmental and social issues

*² Green bonds: The proceeds of these bonds are used for projects that contribute to solutions to environmental problems



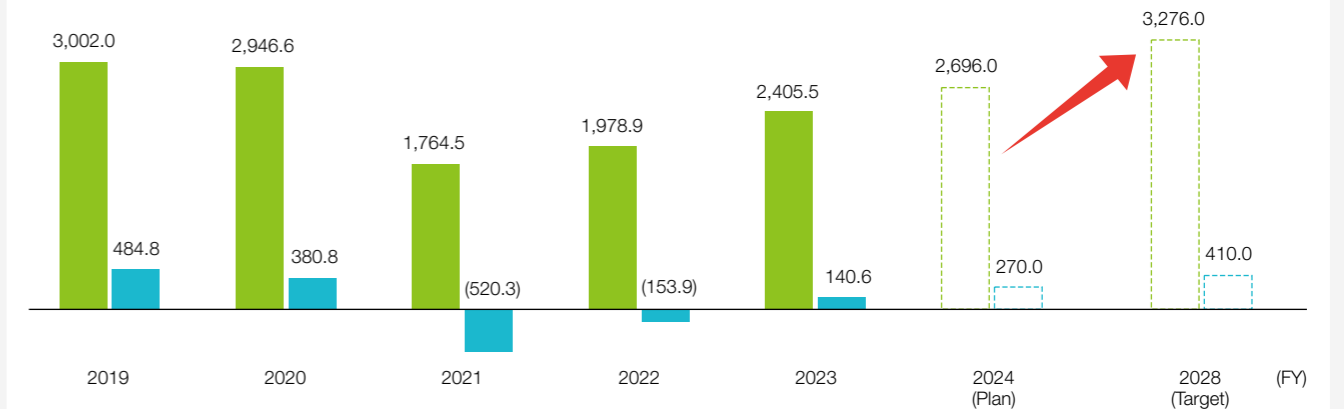
E235 series railcars (using proceeds from January 2023 sustainability bonds) feature characteristics such as energy-saving trains (environment) and barrier-free facilities (social).

Business Results and Targets

Operating revenues Operating income

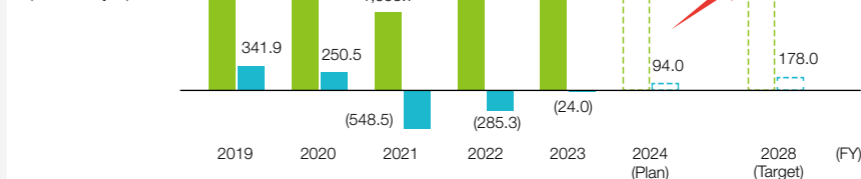
Consolidated Operating Revenues & Operating Income

(Billions of yen)



Mobility

Transportation (Billions of yen)

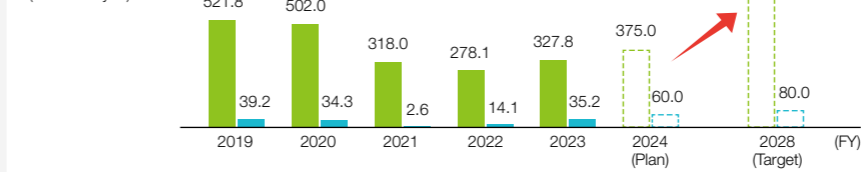


Major Initiatives Going Forward

- Capturing inbound demand, introduction of Green Cars on the Chuo Rapid Line, sales measures (yield management)
- Overseas rolling stock sales (railcar manufacturing business)

Lifestyle Solutions

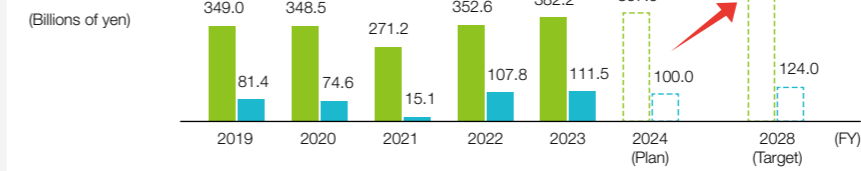
Retail & Services (Billions of yen)



Major Initiatives Going Forward

- Growth of existing stores, JRE MALL, STATION WORK (shared office), and Hako-byun (train-based freight transportation service)

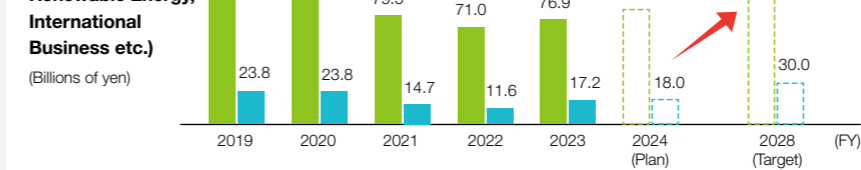
Real Estate & Hotels (Billions of yen)



Major Initiatives Going Forward

- Growth of existing shopping centers, office buildings, and hotels, TAKANAWA GATEWAY CITY, Oimachi Development Project, and opening of new hotels

Others (IT & Suica, Renewable Energy, International Business etc.) (Billions of yen)



Major Initiatives Going Forward

- Growth of the Suica e-money and credit card business, advancement of renewable energy power generation business

Foundations for Value Creation (Corporate Governance)

Basic Corporate Governance Philosophy

JR East pursues the achievement of ultimate safety to enhance reliability for customers and the creation of enriched lives for people as its business. To that end, it works to make transparent, fair, firm, and timely decisions. At the same time, the Company strives for genuine collaboration with its stakeholders, including shareholders, customers, local communities, business partners, creditors, and employees who work for the Group, and it aims to achieve sustained business growth and improve its medium- to long-term corporate value.

The Company's Corporate Governance Guidelines, developed by the Board of Directors, set out its basic approach and concrete activities and are published on its corporate website.

<https://www.jreast.co.jp/e/aboutus/>

Transition to Company with Audit and Supervisory Committee

Since June 2022, the Company has been reforming its organization so that it can flexibly respond to the rapidly changing business environment and strengthen its management structure. In June 2023, it transitioned to the Company with Audit and Supervisory Committee system of governance. In so doing, the Company aims to further accelerate decision-making and business execution by delegating decision-making authority on important business execution from the Board of Directors to executive directors. The Company also intends to enhance corporate governance by strengthening the supervisory functions of the Board of Directors and further elevate corporate value.

Composition of the Board of Directors and Other Governing Bodies

JR East's Board of Directors consists of 15 members, including seven outside directors. It generally meets monthly to deliberate on statutory requirements, other basic business policies and strategies for the entire Group, important matters for Group management, and other key operational matters and to supervise overall business operations.

The Board of Directors has established a Corporate Planning Committee consisting of seven directors (excluding outside directors and Audit and Supervisory Committee members) and 11 senior executive officers. The committee generally meets once a week to deliberate and report on matters to be decided by the Board of Directors and other important Group management issues.

In addition, the Group Strategy Planning Committee, chaired by the president, was formed to develop strategy across the entire Group and, with membership including directors and senior executive officers, it meets as required to discuss issues pertaining to the formulation and implementation of Group business strategies.

Number of Members of the Board of Directors



Method for Ensuring the Effectiveness of the Board of Directors

Every year, we perform an analysis and assessment of the effectiveness of the Board of Directors, 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.
- Regarding the assessment method, all directors independently evaluate the Board of Directors' effectiveness. The results of this evaluation are analyzed, outside directors are consulted on their opinions, and the Board of Directors' methods of operations may be revised, if necessary.

Results of the Analysis and Assessment of the Board of Directors' Effectiveness

The results of the self-assessment at the Board of Directors meeting on May 15, 2023, 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, JR East determined that the Board of Directors is sufficiently fulfilling its roles and responsibilities and judged it as being effective.

Reflecting the opinions of outside directors, to further enhance the effectiveness of the Board of Directors, JR East will continue to provide training for directors, which includes the hosting of on-site visits for outside directors and lectures by outside experts. We also aim to expedite management decision-making and enhance monitoring functions in line with our transition to the Company with Audit and Supervisory Committee system of corporate governance and accelerate discussions to clarify the vision and direction of each business unit.

Provision of Information to Outside Directors

To boost the effectiveness of its Board of Directors, JR East is working to enhance opportunities for information sharing by having outside directors conduct inspections and engage with employees in each area of operation at on-site visits. In fiscal 2023, it implemented the following.

- Inspection of Shinanogawa Power Station (October to November)
- Inspection of hydrogen hybrid train HYBARI (October)
- Participation in "Move Up" Chat Forums* (December)
- Inspection of measures in Taiwan (January)
- Visit to JR East General Training Center Accident History Exhibition Hall (March)
- Mitaka cross-organizational project visit (March)

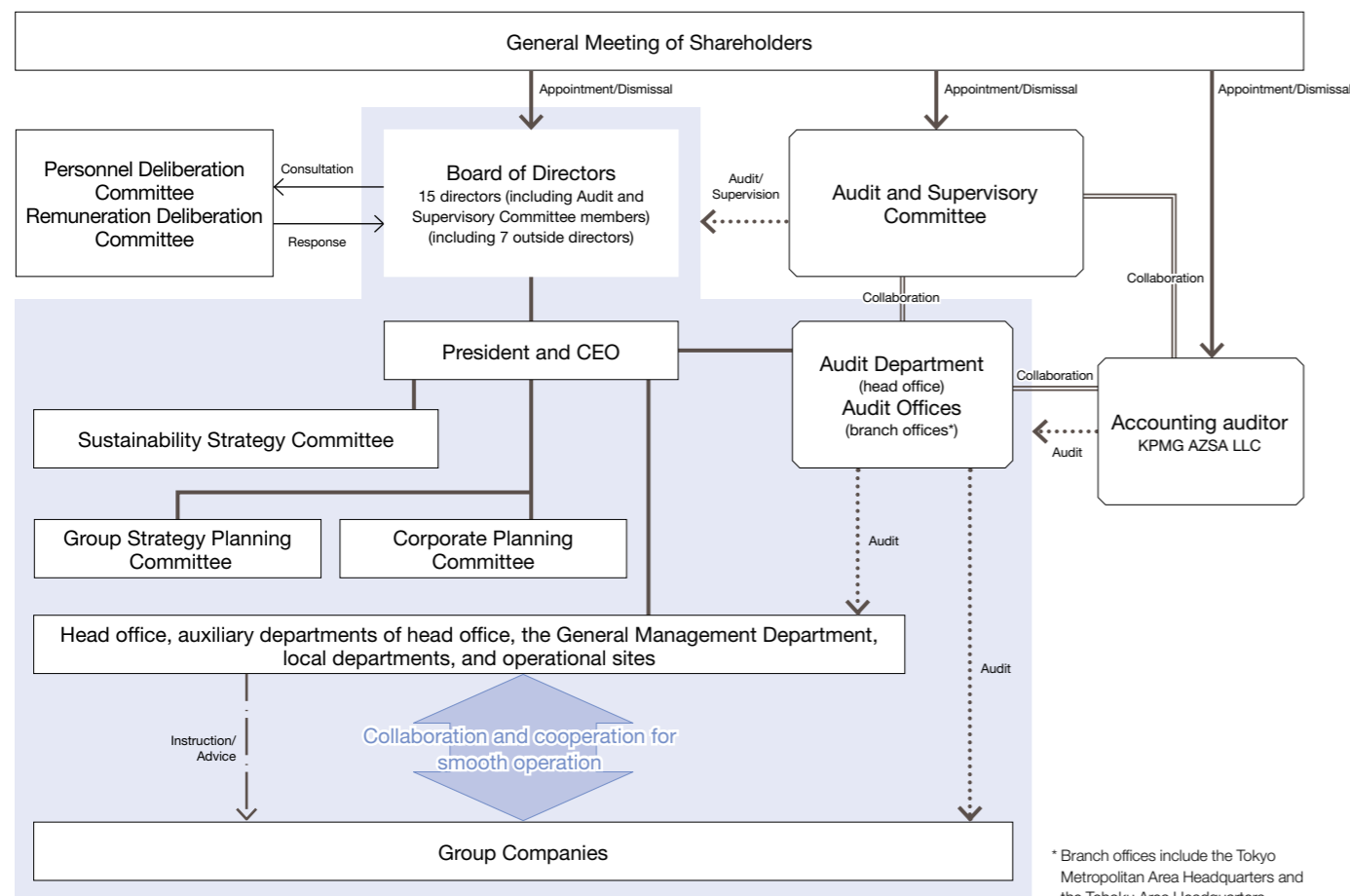


* A forum for dialogue between executives and employees in individual areas of operation, with the aim of instilling the Group management vision "Move Up" 2027 and encouraging Group employees to proactively take on challenges and implement innovations

Personnel Deliberation Committee

When it comes to resolutions on the appointment and dismissal of directors (excluding Audit and Supervisory Committee members) and on the appointment and dismissal of the president, as a means of ensuring objectivity, timeliness, and transparency, the Company consults in advance with the Personnel Deliberation Committee, which consists of outside directors and other directors (excluding Audit and Supervisory Committee members).

Corporate Governance Report (As of July 2023)



* Branch offices include the Tokyo Metropolitan Area Headquarters and the Tohoku Area Headquarters.

Approach to Evaluating the Effectiveness of the Board of Directors

Analysis and Assessment of the Board of Directors' Effectiveness in Fiscal 2023	
Item	Highly Rated Items
Decision-making related to business execution	<ul style="list-style-type: none"> • Discussions have been held regarding future strategies. • A forum for decision-making has been established in addition to the Board of Directors.
Supervision of the execution of duties by directors	<ul style="list-style-type: none"> • A sense of unity is taking shape in the system responsible for internal governance.
Management of the Board of Directors	<ul style="list-style-type: none"> • Support for outside directors has been improving, including through on-site visits and advance explanations of Board meeting agendas. • Executive study sessions with external lecturers, executive "workations," and on-site visits are an effective part of director training.
Item	Items For Improvement
Decision-making related to business execution	<ul style="list-style-type: none"> • Ongoing discussions will be held by the Board of Directors on the progress of "Move Up" 2027 and the direction of the Company. • In conjunction with the transition to the Company with Audit and Supervisory Committee governance system, the delegation of business execution will speed up management and the enhancement of monitoring functions will be achieved by reporting on delegated matters.
Supervision of the execution of duties by directors	<ul style="list-style-type: none"> • There is a need to enhance reporting methods that facilitate the provision of clear analysis of progress toward goals, with easily understandable results.
Management of the Board of Directors	<ul style="list-style-type: none"> • Thoroughgoing materials preparation and explanations that make clear the issues and information necessary for decision-making are required. • For more complex agenda items, efforts will be made to explain them more clearly, by providing comprehensive explanations of their history and background, both when preparing materials and when providing explanatory notes in advance.

Foundations for Value Creation (Corporate Governance)

Remuneration Deliberation Committee

When it comes to determining the remuneration of directors (excluding Audit and Supervisory Committee members), as a means of ensuring the transparency and fairness of procedures, the Company consults in advance with the Remuneration Deliberation Committee, which consists of outside directors and other directors (excluding Audit and Supervisory Committee members).

Executive Remuneration

The Company pays directors (excluding outside directors and Audit and Supervisory Committee members) base remuneration based on their roles in consideration of their everyday business execution, within the scope of the remuneration amount resolved at the General Meeting of Shareholders. In addition, said directors receive performance-linked remuneration based on management performance, shareholder dividends, their degree of contribution to operating performance and the achievement of our Group Management Vision, and ESG-related initiatives during the fiscal year.

In consideration of their job responsibilities, outside directors (excluding Audit and Supervisory Committee members) receive no performance-linked remuneration. They receive base remuneration for business execution within the scope of the remuneration amount resolved at the General Meeting of Shareholders.

Details of the Company's executive remuneration for fiscal 2023 prior to its transition to the Company with Audit and Supervisory Committee system of governance are shown in the table below.

	People	Total Amount
Directors (excluding outside directors)	9	¥464 million (Base remuneration: ¥351 million)
Corporate auditors (excluding outside auditors)	1	¥12 million (Base remuneration: ¥12 million)
Outside executives	9	¥144 million (Base remuneration: ¥144 million)
Total	19	¥620 million (Base remuneration: ¥507 million)

Notes: (1) The figures above include remuneration paid to one director and one corporate auditor who stepped down at the close of the 35th Ordinary General Meeting of Shareholders on June 22, 2022.

(2) In response to the impact of the COVID-19 pandemic on JR East's business performance, directors (excluding outside directors) voluntarily returned 10% or 20% of their base remuneration from April 2022 to July 2022. In addition, full-time corporate auditors received a 10% reduction in base remuneration as decided by the Board of Corporate Auditors. The amounts of base remuneration for directors and corporate auditors in the table above include the amount of remuneration voluntarily returned and the remuneration reductions.

Ratio of Base Remuneration to Performance-Linked Remuneration

The ratio of base remuneration to performance-linked remuneration for directors (excluding outside directors and Audit and Supervisory Committee members) has typically been around 4:1, excluding the variable portion for an individual director's performance, so that performance-linked remuneration accounts for a certain percentage of total remuneration. We are now raising that ratio to 3:2 to further increase incentives for medium- to long-term corporate value enhancement and sustained growth through achievement of our Group Management Vision. In addition, until now, the variable portion for individual directors' performance-linked remuneration has been added to or subtracted from the basic amount for each position within the range of +30% to -40%, but that range has been revised to +40% to -40%. Further reductions may be made after considering circumstances related to the Company's management, including business results for the current fiscal year and the business forecast for the next fiscal year.

Indices for Performance-Linked Remuneration and the Reason for Their Selection

In addition to their performance during the year, success for directors (excluding outside directors and Audit and Supervisory Committee members) during a given business year is measured through an overall assessment of indices including consolidated operating results such as operating revenues and operating income during the year and shareholder returns (business characteristics strongly associated with cooperation among business departments); 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); and ESG efforts (in light of the importance of fulfilling the social responsibilities expected of a corporation). To assess performance during the year, the level of contribution, and ESG efforts, the president and CEO conducts goal-setting and tracing interviews with individual directors regarding the level of achievement of annual business plans and "Move Up" 2027. Performance-linked remuneration is paid as cash remuneration at a fixed time each year. In fiscal 2023, however, evaluations of corporate earnings were impacted by the fact that, although the Company achieved profitability in fiscal 2023 (our 36th term), earnings fell short of targets. This and other criteria including individual directors' degree of contribution to the achievement of "Move Up" 2027 were factored into overall assessments upon which additions or subtractions to performance-linked remuneration were implemented.

No non-monetary remuneration is paid.

Succession Plans

JR East has in place a performance evaluation system for inside directors (excluding Audit and Supervisory Committee members) that sets and traces targets. The Company also has a target management system that sets and traces targets for managers and other employees who are candidates for executive positions, and it considers these systems to constitute succession plans for the president and CEO and other such officers. The Personnel Deliberation Committee, which is an advisory body to the Board of Directors, deliberates on succession plans for the president and CEO and reports to the Board of Directors, so that the committee will be proactively involved in the formulation and implementation of those plans while at the same time appropriately supervising the development of successor candidates in a systematic manner. The Board of Directors also supervises whether successor training for the president and CEO is being conducted appropriately by obtaining reports on succession plans and reviewing the status of efforts to achieve management targets such as the Group Management Vision and annual plans to ascertain the details of succession plans and the accomplishments of directors and executives.

Auditing

JR East conducts Audit and Supervisory Committee audits, internal audits, and accounting audits. The Company endeavors to conduct mutually efficient and effective audit activities through structured information sharing. Such information sharing includes regular liaison meetings held about once a month between the internal audit department and the Audit and Supervisory Committee, as well as reports obtained by the Audit and Supervisory Committee from the accounting auditor on quarterly review results, annual audit results, and audit-related information. JR East also implements regularly scheduled exchanges of opinion between the Audit and Supervisory Committee, the internal audit department, and the accounting auditor.

Audits by the Audit and Supervisory Committee

JR East's Audit and Supervisory Committee consists of a total of four members: two full-time members and two part-time members (three of the four are outside members). In addition, Director Kimitaka Mori, who is an Audit and Supervisory Committee member, is a certified public accountant and has considerable knowledge of finance and accounting. The Company assigns around 10 dedicated staff members to assist the Audit and Supervisory Committee.

In accordance with the policies determined by the Audit and Supervisory Committee, each committee member attends meetings of the Board of Directors and other important meetings, listens to reports on the status of the execution of duties from directors and the internal audit department, inspects important approval documents, audits the status of business and financial assets, and listens to reports on the status of execution of duties from the accounting auditor, with whom they also discuss major auditing matters. In addition, the committee works to communicate and exchange information with Group company directors and corporate auditors and obtains reports as needed on the operations of Group companies. Moreover, the committee holds regular discussions with JR East's representative directors and outside directors (excluding those who are Audit and Supervisory Committee members).

Internal Audits

Internal audits are conducted by a dedicated team of staff in the Audit Department at head office and in Audit Offices at each branch office to evaluate and make recommendations on the status of business execution, risk control, and management of measures to realize the JR East Group Management Vision "Move Up" 2027 from the perspectives of effectiveness, efficiency, legality, and adequacy. Guided by an audit plan, the dedicated staff audit the head office, branch offices, and operational sites. Where there is need for improvement, the team asks for a report on the situation and provides advice.

In addition, Group companies assign internal audit staff to conduct audits, and the parent company also conducts audits on a regular basis.

The results of these audits are reported to the president and CEO approximately once a quarter and to the Board of Directors and the Audit and Supervisory Committee once every half year.

Details of Audits by the Internal Audit Department

1. Audits of Management

Under the theme of initiatives pertaining to "Growth strategies for achieving "Move Up" 2027" and "Fundamental strengthening of management foundation," the internal audit department conducts audits of the state of management from the perspectives of effectiveness, efficiency, and adequacy, and we aim to provide support for the achievement of these goals as well as present issues that need resolving.

2. Audits of Operation Risk Control

We conduct audits on the status of risk identification by the business execution departments of the Company and its Group companies, risk prioritization policy, and risk response status, and we assess the effectiveness of internal control by auditing the status of management, such as whether the PDCA cycle is functioning effectively to reduce risks.

3. Audits of Legal and Regulatory Compliance

These audits are aimed at confirming the status of compliance with laws and regulations in the execution of business by JR East and its Group companies and the status of their system security measures (compliance status). We also make recommendations related to internal control based on event risks and causes.

Policy on Shareholdings in Selected Companies

The Company will hold shares in selected companies that will contribute to its corporate value, in order to maintain and strengthen stable business relationships and close cooperative relationships with such companies over the medium to long term. The Company will exercise its rights as a shareholder of a company by examining the details of proposals for each general meeting of shareholders of said company and requesting any explanation therefor, as necessary, in consideration of whether the proposal contributes to the medium- to long-term corporate value of said company and whether the proposal is in accordance with the objectives for such shareholdings. When a selected company proposes to dispose of Company shares, the Company will take no action to inhibit such disposal, including by suggesting that such disposition would reduce business with the Company.

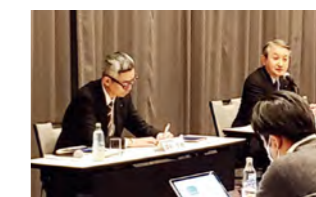
In addition, the Company will examine the medium- to long-term economic rationale and outlook of its shareholdings in each of the selected companies in light of their operating results (operating revenues and operating income for the most recent fiscal year as well as the following fiscal year) and capital cost (comparison with internal rate of return). Based on such examination and objectives for said shareholdings, the Company will consider whether it is necessary to dispose of its shareholding in any company upon discussion with said company where it is determined that the rationale for such a shareholding may have ceased to exist. Regarding shares in selected companies held as of fiscal 2023 year-end, the Company individually examined those shareholdings at the Board of Directors meeting held on June 14, 2023, and resolved to continue to hold only those stocks whose rationality for holding has been confirmed.

Policy on Dialogue with Shareholders and Investors

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.

By building long-term relationships of trust, we aim to achieve sustainable business growth and enhance our corporate value over the medium to long term.

<https://www.jreast.co.jp/e/investor/>



IR Day



Small meeting for analysts and institutional investors



Shareholder gathering



Shareholder event in Sendai (vehicle tour)

Accounting Audits

Accounting auditor KPMG AZSA LLC, which has an audit agreement in place with the Company, conducts audits during and at the end of the fiscal year.

Message from the President	Our Value Creation: History and Future	Strengths We Have Built Up	Capital That Supports Value Creation	Value Creation Model	JR East Group Management Vision "Move Up" 2027	Financial and Investment Strategies	Foundations for Value Creation (Corporate Governance)	Outside Directors' Roundtable Talks
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Foundations for Value Creation (Corporate Governance)

Organization (As of July 2023)

Directors

Ⓟ: Personnel Deliberation Committee member Ⓡ: Remuneration Deliberation Committee member ①: Number of years in office ②: Attendance at meetings of the Board of Directors in fiscal 2023



Chairman of the Board of Directors

Tetsuro Tomita

① 24 years
② 16/16



President and CEO

Yuji Fukasawa

Ⓟ Ⓡ
① 18 years
② 16/16



Executive Vice President

Yoichi Kise

Ⓟ Ⓡ
① Six years
② 16/16



Executive Vice President

Katsumi Ise

① Three years
② 16/16



Executive Vice President

Chiharu Watari

① Two years
② 12/12



Executive Director

Atsuko Itoh

① Three years
② 16/16



Executive Director

Hitoshi Suzuki

① One year



Outside Director

Motoshige Itoh

Ⓟ Ⓡ
① Nine years
② 16/16



Outside Director

Reiko Amano

Ⓟ Ⓡ
① Eight years
② 16/16



Outside Director

Hiroko Kawamoto

Ⓟ Ⓡ
① Four years
② 15/16



Outside Director

Toshio Iwamoto

Ⓟ Ⓡ
① Two years
② 12/12

Directors and Audit and Supervisory Committee Members

①: Number of years in office (including years served as Corporate Auditors) ②: Attendance at the meetings of the Board of Directors in fiscal 2023
③: Attendance at meetings of the Board of Corporate Auditors in fiscal 2023



Director, Full-Time Member of the Audit and Supervisory Committee (Outside Director)

Takashi Kinoshita

① Five years
② 16/16
③ 19/19



Director, Full-Time Member of the Audit and Supervisory Committee

Masaki Ogata

① One year



Director, Member of the Audit and Supervisory Committee (Outside Director)

Kimitaka Mori

① Seven years
② 15/16
③ 18/19



Director, Member of the Audit and Supervisory Committee (Outside Director)

Hiroshi Koike

① Two years
② 12/12
③ 13/13

Directors' Skills Matrix

Name	Position and Responsibilities Other Noteworthy Information	Corporate Management and Business Strategy	Realization of an Inclusive Society and Promotion of ESG Management	Finance and Accounting	Human Resource Development and Job Satisfaction	Compliance and Risk Management	Legal	Technology Innovation and Digital Transformation	Global Business	Transportation Services and Safety	Lifestyle Services / Community Development / Lifestyle Development	IT & Suica Services, MaaS	Regional Development
Tetsuro Tomita	Chairman of the Board of Directors	●	●	●	●	●			●	●	●	●	●
Yuji Fukasawa	President and CEO Representative Director	●	●	●	●	●			●	●	●	●	●
Yoichi Kise	Executive Vice President Representative Director Assistant to the President Director General of Marketing Headquarters; In charge of Shinagawa Development; In charge of Regional Revitalization	●	●	●	●	●			●		●	●	●
Katsumi Ise	Executive Vice President Representative Director Assistant to President Director General of Innovation Strategy Headquarters	●		●	●	●		●	●	●		●	
Chiharu Watari	Executive Vice President Representative Director Assistant to President Director General of Railway Business Headquarters Chief Safety Officer	●	●	●	●	●		●		●			●
Atsuko Itoh	Executive Director Director General of Corporate Strategies Headquarters	●	●	●	●	●							●
Hitoshi Suzuki	Executive Director Deputy Director General of Railway Business Headquarters (Safety and Transport & Rolling Stock)	●			●	●		●		●			
Motoshige Itoh	Outside Director Has held professorships at the University of Tokyo and Gakushuin University	●	●	●	●	●		●	●		●		
Reiko Amano	Outside Director Has held important positions at Kajima Corporation, National Research Institute for Earth Science and Disaster Resilience, National Institute for Environmental Studies, and Japan Atomic Energy Agency	●	●		●	●		●		●			
Hiroko Kawamoto	Outside Director Has held important positions at All Nippon Airways Co., Ltd., and ANA Strategic Research Institute Co., Ltd.	●	●		●	●				●			
Toshio Iwamoto	Outside Director Served as president and CEO, representative director of NTT DATA Corporation	●	●	●	●	●		●	●			●	
Takashi Kinoshita	Director, Full-Time Member of the Audit and Supervisory Committee (Outside Director) Has held important posts in the National Police Agency		●		●	●				●			
Masaki Ogata	Director, Full-Time Member of the Audit and Supervisory Committee Has held important posts in the Company's Railway Business Division and has also served as chairman of the International Association of Public Transport, in addition to serving as vice chairman of the Board of Directors of JR East	●	●		●	●		●	●	●		●	●
Kimitaka Mori	Director, Member of the Audit and Supervisory Committee (Outside Director) Certified public accountant Has previously served as president of the Japanese Institute of Certified Public Accountants	●	●	●	●	●							
Hiroshi Koike	Director, Member of the Audit and Supervisory Committee (Outside Director) Has served as a judge of the Supreme Court of Japan		●	●	●	●	●						

Note: The above list does not represent the entire expertise and experience of each director.

Outside Directors' Roundtable Talks



Toshio Iwamoto
Outside Director

Tetsuro Tomita
Chairman of the Board of Directors

Hiroshi Koike
Outside Director (Audit and Supervisory Committee Member)

In June 2023, JR East changed its institutional design to a Company with Audit and Supervisory Committee corporate governance structure to strengthen governance functions even further. Governance and the effectiveness of the Board of Directors were discussed by two outside directors and the chairman of the Board of Directors.

From a Company with a Board of Corporate Auditors to a Company with Audit and Supervisory Committee

Tomita In June 2023, a determination was made to change JR East's institutional design from a Company with a Board of Corporate Auditors to a Company with an Audit and Supervisory Committee corporate governance structure. Based on a medium- to long-term perspective, this determination was made after reconsidering the role and governance of the Group in relation to the advancement of the JR East Group Management Vision "Move Up" 2027 in a new post-COVID-19 era. The delegation from the Board of Directors to executive directors of the authority to make important business decisions will further expedite decisions and business execution. In addition, Audit and Supervisory Committee members now participate on the Board of Directors as directors and vote on its resolutions, thereby strengthening supervisory functions. I believe that this change in institutional design will realize faster management decision-making and strengthen the supervisory functions, which in turn will contribute to the enhancement of corporate value.

Iwamoto Since fiscal 2023 was my first year serving in this position, I have been carefully observing the Group's governance. In my opinion, governance was strong even before the change in institutional design. Recently, companies have become subject to considerable social pressure to separate their supervisory and executive functions by shifting to corporate structures that include supervisory boards. Therefore, I believe that the change in institutional design to a Company with Audit and Supervisory Committee corporate governance structure will have the effect of demonstrating to the outside world the importance that JR East places on governance.

Koike Like Mr. Iwamoto, I believe that the governance structure of the Group was robust when it had a Company with a Board of Corporate Auditors corporate structure. In particular, a broad approach was taken to the concept of internal control, and such control functioned effectively in various situations. As a Company with Audit and Supervisory Committee corporate governance structure will enable even faster decision-making and business execution, I believe that the new institutional design is highly compatible with the Group, which has long focused on strengthening governance.

Iwamoto Prior to the change in institutional design, the Board of Directors discussed the extent to which the authority to make business execution decisions should be delegated to the executive side. Although the rules now allow delegation of authority to the executive side for matters that are extremely important to the management of the Group, such as major M&A proposals and asset sales, I believe that certain important matters should continue to be referred to the Board of Directors.

Incorporation of Objective Viewpoints into the Company

Iwamoto Inside directors have a wealth of knowledge about the Group's businesses. What is required of an outside director such as me, then, is to introduce objective viewpoints into the Company.

I have served as president and chief executive officer of NTT DATA Corporation. My comments and actions based on the experience and knowledge acquired in my former position should be useful in strengthening the governance and corporate management of the Group. For example, cyber security and large-scale overseas M&A are my fields of expertise. I would like to use my professional background to contribute to the sustainable growth of the Group and, by extension, to the enhancement of corporate value over the medium to long term.

Koike Prior to assuming this position, I served in the legal profession as a judge, including a period as a supreme court justice. Although I have never been directly involved in corporate management, there are similarities between business management and lawsuits. Litigation is categorized into accident-related and contract-related cases. Both types of cases are caused by inadequate risk management. Trials that retrospectively review incidents also clarify the root causes of problems. Consequently, the importance of risk management has been instilled in me. I also have experience in managing organizations. When I was in charge of justice system reform, the precise suggestions received from outside experts gave me a real sense of the need for objective viewpoints.

Although inside directors have a variety of knowledge based on their experience, they tend to have an inward-looking perspective. Outside directors who have had long careers outside the Group can survey it from a certain distance and give objective opinions on business management. With the Group making a major shift in course toward a people-focused approach, now is precisely the time when an objective viewpoint is critical. I would like to contribute to the further growth of the Group by focusing on stating opinions that reflect the experience and knowledge I have garnered.

Tomita I look for objectivity, fairness, and foresight from outside directors. The Company is a huge organization that has played a central role in 150 years of railway history. As a result, we have a tendency to fall back on in-house logic, and I believe our corporate culture makes the incorporation of outside opinions challenging. Nonetheless, as society and customers are constantly changing, we must never manage the Company based solely on our own values and logic. In a rapidly evolving society, only referring to in-house viewpoints when thinking about what to incorporate into business management and how to do so is sometimes insufficient. I expect our outside directors, who have a wealth of experience and knowledge, to provide us with uncompromising opinions based on a variety of considerations, including medium- to long-term perspectives and social perspectives.

Features of the JR East Group's Governance

Iwamoto What particularly surprised me about the Group's governance is the high quality of internal audits. In general, internal audits focus on whether there are any violations of laws, regulations, or the Articles of Incorporation. In addition to auditing these areas, the Group conducts management audits, whereby the Audit Department audits the management status of measures with respect to effectiveness, efficiency, and appropriateness. With the aim of achieving goals in these regards, the department provides support and flags issues that need to be resolved. For example, the department evaluates the penetration of "Move Up" 2027 initiatives, such as the creation of an open workplace culture and enhancement of employee engagement. In general, the Corporate Planning Department would be responsible for this role. However, this would mean that the department in charge of setting targets also monitors progress in achieving them, which would make appropriate evaluations challenging.

Koike I agree, and I think JR East's internal control and management audits are not formal procedures but rather emphasize substance. During on-site audits, I felt that the Company is seeking the widespread establishment of internal control that is practical, which differs from the kind of the internal control described in the literature.

Tomita We have had a range of discussions about internal control over the past three or four years. Railway companies had a culture that strongly emphasized compliance with regulations and precise execution of instructions. However, such an approach is no longer appropriate in this day and age. Encouraging employees themselves to think about what the issues are, make discoveries, come up with measures, and take the initiative to act on their own revitalizes entire organizations. In the Company, we must firmly establish a culture of acting spontaneously and independently. For audits to only check predetermined items is not enough. With this in mind, we have established a system enabling audits that are more substantive. Going forward, the auditing function will be expected to find and address unseen issues. Mindful of these expectations, the Company's corporate auditors had been advancing reforms.

Koike I believe that the building of a practical system has been made possible by the effective role that the Board of Directors plays. When I first assumed this position, I was very surprised by the liveliness of discussions at Board meetings. Not only inside directors but also outside directors take an active part in discussions. Based on their experience and expertise, directors make many incisive comments, and everyone engages in the discussions. I think a sound cycle has been established whereby inconclusive discussions are left for individual directors to mull over in the interim and then resumed at the next Board meeting.

Iwamoto While I also give the Board of Directors high marks for effectiveness, I believe there are issues pertaining to its management of risk. In my view, risk management is the main issue that the Board should focus on. Some companies have risk management departments. Rather than identifying, analyzing, and prioritizing risks, formulating specific countermeasures for risks and then preventing them, risk must be managed in practical ways.

Outside Directors' Roundtable Talks

Toward Further Strengthening of Governance Functions

Tomita Established in July 2018, the JR East Group Management Vision "Move Up" 2027 calls for a major change in the fundamental approach that underpins business management. Accordingly, we aim to transition from providing railway-centered services to creating people-focused value and services. "People" refers to our customers, local residents, employees, business partners, and shareholders. I believe the key going forward will be to adopt a multi-stakeholder approach that conducts business management in a well-balanced manner taking into consideration the interests of everyone. For this reason, the construction of a people-focused governance system will also be necessary.

In governance, we tend to focus on formal requirements such as institutional design, but the actions taken under a governance system are more important. The performance of the Group's work is largely dependent on the feelings of the employees who carry it out. Each daily task that our employees perform changes according to their state of mind. I call this "mental and emotional productivity." We must discuss governance with a focus on how to manage the emotions and engagement of our employees. By thinking about governance in a people-focused manner and utilizing the initiative and ingenuity of our employees in business management, we will increase their mental and emotional productivity. In further strengthening the governance of the Group, I believe that such mental and emotional productivity is important.

Iwamoto The JR East Group experienced a significant drop in transportation revenues due to the COVID-19 pandemic. Although revenues are currently trending toward recovery, I am concerned that they will never fully return to pre-COVID-19 levels. To achieve sustainable growth in this situation, transformation into a corporate group that aims for growth in two core areas—Mobility and Lifestyle Solutions—makes sense. In transforming into a new corporate entity, a high level of employee engagement is essential. By setting out a vision and proactively communicating to employees the roles expected of them, JR East will improve employee engagement. For its 70,000 Group employees, the JR East Group must become an "umbrella" that provides them with emotional support.

Koike The JR East Group has begun to head toward realizing a business portfolio that is well balanced between Mobility and Lifestyle Solutions. In other words, the Group is breaking away from the business management style that it has developed in the railway business and is promoting a strategy that has been established by backcasting from management goals, which reflect the Group's target profile and market environment. More than ever before, management and employees must have a common understanding and push forward to realize these management goals. I believe that the Group's employees have the ability to take action and head toward the management goals that have been set. In fiscal 2023, I visited about 20 locations, including branch offices, frontline offices, and subsidiaries. Everyone I met shared the Group's philosophy and target profile and was proud to be an employee of the Group. Aligning the aspirations of management and employees is very important.



For Sustainable Growth of the JR East Group

Tomita A major role of the JR East Group, which is centered on the railway business, is to bring vitality to towns and communities and to create a vibrant society. To this end, we need to transform into a company that does not have inward-looking tendencies and which is capable of people-focused thinking. Moreover, the cultivation of employee autonomy will become even more important. The key to developing such a corporate culture is collaboration among people with different values. As we seek regional revitalization through regional digital transformation that is enabled by Suica and Mobility as a Service (MaaS), we are currently working with local residents to solve problems, which is leading to the creation of mold-breaking initiatives and services. I believe that collaborating with outside stakeholders in this way will transform the mindset of employees, which in turn will change the Company's corporate culture.

Iwamoto The essence of ESG management is the provision of products and services that address social issues. By providing the value sought by society, corporate groups become viewed as necessary and, as a result, earn profits. However, we must not forget that the value sought by society changes with the times. Therefore, we should always monitor trends and change the form of the value that we provide accordingly. As social issues change, the Group must also change. The mission of the Group is to continue offering products and services that help solve social issues, and it should always remain focused on addressing these issues. While maintaining an unshakable management base, the Group must also be flexible enough to respond to an evolving social environment.

Koike In response to changes in social issues, simply catching up with trends is not enough. The Group has to analyze the background to changes and develop a substantive understanding of why they are occurring. For example, when promoting diversity, rather than simply being satisfied with increasing the percentage of female employees, we should think about why diversity is required and how the empowerment of women will change society. I believe that young people have a heightened awareness of ESG factors. If the outlooks of young employees can be incorporated into business management, engagement will increase. The establishment of governance and corporate management that reflect diverse opinions will lead to higher corporate value.

Tomita Being able to discern the real point of initiatives is crucial. To take workstyle reform as an example, the real point is not simply to reduce working hours but to change the quality of work. We must advance reform in the true sense of the word so that employees feel that they are working of their own volition rather than being compelled to work.

In Conclusion

Iwamoto Outside directors do not have as much information about the Company as inside directors. As an outside director, I would like to rectify this disparity by adhering to the Three Actualities Principle (actual locations, actual objects, and actual people) and visiting more frontline offices to find clues to the solutions for issues. At meetings of the Board of Directors, I intend to freely offer my experience and knowledge and give particular emphasis to risk management, as I have already mentioned.



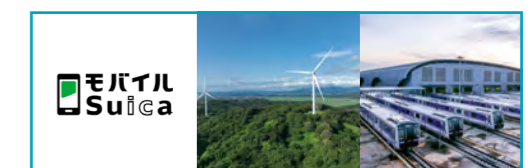
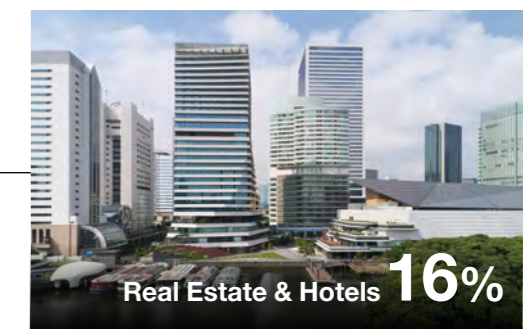
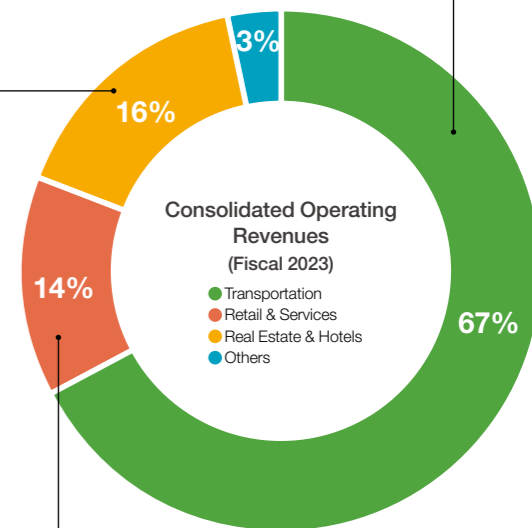
Koike The pace of the "Move Up" that the JR East Group is undertaking is extremely fast, and problems could arise on occasion. In my opinion, the harder people try, the likelier they are to develop tunnel vision and reach conclusions that are exclusively based on their own logic, which can sometimes result in inappropriate outcomes. Whenever I feel something is not quite right, I believe my responsibility is to analyze the matter based on the experience and knowledge I have accumulated over the years and provide objective opinions. By continuing to visit frontline offices to develop an understanding of the thoughts and opinions of employees working in frontline operations and by explaining my viewpoint, I would like to contribute to the sustainable growth of the JR East Group.

Tomita To achieve sustainable growth, I think the Board of Directors must continue tackling challenges head-on. This roundtable discussion has reconfirmed to me the importance of risk management-centered governance capabilities and adaptability to social changes. We will continue to engage in such discussions at Board meetings and analyze a range of issues while providing support to the executive side.

Lastly, the form that governance takes depends on the characteristics of a company and the type of business in which it is engaged. Rather than being satisfied with the establishment of a generic form of governance, we should pursue the optimal form of governance for the JR East Group. We will communicate our philosophy to society with a view to gaining the understanding of our shareholders and other stakeholders.

Business Segments of the JR East Group

	Strategies (Strengths)	Market Recognition (Risks and Opportunities)
Transportation Target Profile The JR East Group will pursue ultimate safety levels and continue to earn the trust of customers and local communities, which is the Group's foundation. In addition, we will provide everyone with reliable, high-quality services and help create a vibrant society. Shinkansen / Conventional Lines / Buses / Monorail / Facilities / Electrical Network / Construction	Since its establishment, the JR East Group has made safety its top management priority and endeavored to maintain and further improve safety levels through the development of both tangible and intangible measures. Our real-world networks provide safe, reliable transportation to customers and encompass various transportation modes. JR East's service area includes the Tokyo metropolitan area, while the Company's Shinkansen network connects cities in eastern Japan. Also, our conventional lines, buses, and monorail provide local transportation. JR East's strengths are advanced technological capabilities and operational expertise accumulated over the 150-year history of Japan's railways, service quality, and collaboration with local communities to promote and expand tourism, as well as the personnel who enable the realization of these strengths. We are also forging ahead with various technological innovations, such as ambitious initiatives for the development of next-generation Shinkansen and driverless operations and measures aimed at raising the efficiency of maintenance through condition-based maintenance (CBM).	In 2018, when the JR East Group Management Vision "Move Up" 2027 was formulated, it was expected that railway usage would decline due to Japan's shrinking population as well as more intense competition on the transportation market as a result of the expansion and enhancement of the highway network and the practical application of self-driving cars and buses. In addition, the COVID-19 pandemic has wrought dramatic changes in people's way of life as well as prompted various technological innovations, resulting in the widespread adoption of telecommuting, and there is therefore a risk that the decline in mobility demand may not return to pre-pandemic levels. While acknowledging that railway usage may never return to previous levels, with COVID-19 being downgraded to a Class 5 contagion and restrictions on movement being relaxed, the need for mobility is likely to rise, and we anticipate renewed demand for travel as well as rising inbound demand. Mobility demand that reflects increasingly diverse lifestyles, such as living in two residences, is also expected to emerge.
Retail & Services Target Profile The JR East Group will provide a variety of services that meet specific needs and promote forms of regional revitalization that the Group is uniquely qualified to provide. Ekinaka Development / E-Commerce / Retail / Restaurants / Advertising / Sports / Leisure / Logistics / Wholesale	To maximize the appeal of railway stations that are used by 12.0 million people every day, we engage in <i>ekinaka</i> development, which entails designing and developing stores and restaurants sought by customers as well as entire spaces inside railway stations, and we operate businesses that complement these stores and restaurants. Also, aiming to better meet the individual needs of customers, we are adding a range of functions to railway stations to connect them with customers. At the same time, under its Beyond Stations concept, the JR East Group is linking customers with railway stations in new ways by transforming the concept of the station, transcending its role as a mere transportation access point, and adding a range of new functions. Further, the Group will leverage its relationships with local communities to introduce quality regional products and services to other regions, and encourage customers to rediscover the appeal of regions, thereby promoting regional revitalization.	As many Group stores specialize in railway station locations, the Group's business performance is linked to railway usage. Therefore, we face the task of increasing earnings as much as possible despite the fact that railway usage is unlikely to return to pre-COVID-19 levels due to the spread of telecommuting and other factors. In addition, a further decline in consumer confidence resulting from a continuous increase in the prices of goods and services could cause a decrease in revenues. Labor shortages are also a serious challenge. On the other hand, the containment of the COVID-19 pandemic has led to a recovery in travel demand and a recovery in the number of visitors to Japan. We expect these recoveries to be accompanied by consumer behavior and spending that is more focused on real-world experiences. In addition, advances in digital technologies are enabling us to address labor shortages while providing highly convenient operations.
Real Estate & Hotels Target Profile The JR East Group will promote the development of towns and lifestyles that heighten the comfort and convenience of daily life. Shopping Centers / Offices / Hotels / Housing / Asset Management / Tokyo Metropolis Project	In addition to developing offices, hotels, and shopping centers that leverage the advantages of direct connections to railway stations, we are engaged in the housing business. We will advance TAKANAWA GATEWAY CITY and other town development projects as well as terminal station development and hotel enhancement and expansion. Based on the reaffirmation of real estate near railway stations as the focal point of towns, the Group will promote lifestyle development by expanding and improving business formats and services that meet the needs of those living near railway stations or in line-side areas. Further, we will advance the rotational business, which sells (liquidates) properties owned or developed by JR East to investment funds and reinvests the acquired capital in the expansion of growth fields. In these ways, we will constantly provide customers and residents with new value that contributes to the further development of towns and lifestyles.	Various factors could significantly affect business management, including the rise in telecommuting triggered by the COVID-19 pandemic; a further shift away from brick-and-mortar stores as e-commerce websites become even more popular; changes in real estate market conditions stemming from upward pressure on interest rates and future growth in office supply, particularly in downtown Tokyo; and increases in energy and material procurement costs. Meanwhile, the containment of the COVID-19 pandemic has led to a reassessment of the value of experiences, such as meeting in person and seeing and actually touching real things. This reevaluation has increased demand for real-world visits and shopping, and increased opportunities for going out are driving an upward trend in purchases of apparel, accessories, and other personal items. In addition, demand for hotel accommodation and shopping promises to strengthen in step with a pickup in the number of visitors to Japan and further yen depreciation.
IT & Suica, Renewable Energy, and International Business See page 54		



Transportation

Chiharu Watari

Executive Vice President
Director General of Railway Business
Headquarters
Chief Safety Officer



(From left to right)

- Hitoshi Suzuki** Executive Director, Deputy Director General of Railway Business Headquarters (Safety and Transport & Rolling Stock)
- Hirohiko Ikeda** Senior Executive Officer, Director General of Shinkansen General Management Department, Deputy Director General of Railway Business Headquarters
- Osamu Kato** Senior Executive Officer, Deputy Director General of Railway Business Headquarters (Electricity)
- Harumi Nakagawa** Senior Executive Officer, Deputy Director General of Railway Business Headquarters (Station Operation and Service Quality)
- Takehiro Tamagawa** Senior Executive Officer, Deputy Director General of Railway Business Headquarters (Facilities)
- Hiroshi Oyama** Senior Executive Officer (in charge of the Construction Department)

Safety is the top management priority of the JR East Group. The mission of the Transportation segment is to strengthen the foundations of safety by ensuring the safety awareness of each Group employee while providing high-quality transportation services that satisfy customers. The greatest strength of the segment is its railway network, which covers the Tokyo metropolitan area, links the area to major regional cities, and enables high-speed mass transportation. We will further evolve this real-world network to connect people, increase inter-regional railway travel, and help invigorate regions.

In addition, we will pursue robust, sustainable operational management to address population decline and other pressing social issues and survive in the post-COVID-19 era. The Group will transform its operations by shifting to new workstyles and utilizing new technologies. We are improving the efficiency of transportation operations by increasing driver-only services and introducing driverless operations, which do not require crew members to be qualified drivers. Also, to improve the efficiency of maintenance operations, we are introducing new monitoring technologies enabled by image recognition and sensors. JR East's efforts to strengthen railway network functions include introducing a new type of railcar to increase the speed of Shinkansen services and advancing the construction of the Haneda Airport Access Line to boost Tokyo's international competitiveness.

By organically integrating diverse management resources, third-party capabilities, and the considerable cumulative power of employees who are allowed to shine, we will provide safer and more comfortable transportation services that bring smiles to customers' faces.

* For more information on safety, please see pages 64–78.

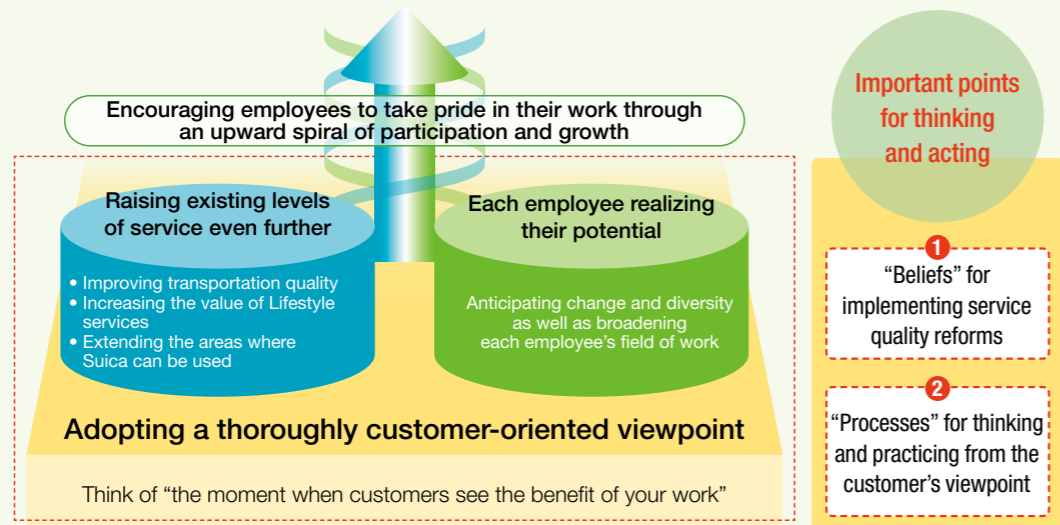
Advancement of Service Quality Reforms 2027

Since the establishment of the JR East Group, all of its employees have made concerted efforts to reform transportation operations and service quality. Meanwhile, primarily due to the COVID-19 pandemic, the future envisioned in our Group Management Vision "Move Up" 2027 has suddenly arrived, increasing the complexity and diversity of our business environment.

Guided by our Vision for Service Quality Reforms 2027 in our response to these changes, we are building systems that encourage all employees to "think and act" from a customer perspective and work effectively across a wide range of fields. Moreover, we will advance integration and collaboration among Transportation services, Lifestyle services, and IT & Suica services to realize overall optimization and service quality reforms.

By thinking and acting in ways that enable the provision of high-quality services, we will continue meeting customer expectations and contributing to society as a trusted corporate group.

Realizing "Move Up" 2027



Shinkansen

Business Development

JR East's five Shinkansen link Tokyo Station with five regional areas: Tohoku, Yamagata, Akita, Joetsu, and Hokuriku. Our Shinkansen network spans 1,470.1 operating kilometers, including the Yamagata Shinkansen and Akita Shinkansen, which have trains that are operable on both Shinkansen and conventional lines. As of April 2023, 324 scheduled Shinkansen services operate per day.

Growth Strategy

Since the Tohoku Shinkansen and Joetsu Shinkansen opened in 1982, JR East has established a track record of safe, reliable transportation, earning the confidence and trust of customers and local communities. With this trust as our foundation, we are developing the technologies, people, and teamwork that support Shinkansen operations, enhancing transportation networks, providing services that meet diverse customer needs, and reforming the structure of operational and maintenance work. Through these initiatives, we aim to achieve "speedy, smart, and sustainable" operational management.

Shinkansen Network Enhancement: Evolving More Convenient and Comfortable Shinkansen Services

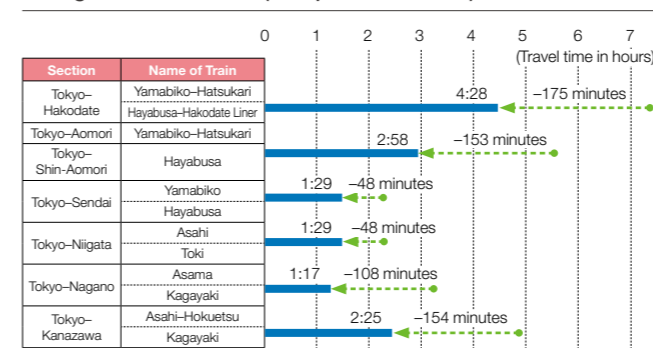
JR East has greatly increased the convenience of Shinkansen services for customers compared with the services available when the Company was established in 1987. In our service area, we have reduced the travel times between major cities by extending Shinkansen, introducing trains that are operable on both Shinkansen and conventional lines, and increasing the operating speeds of services. At the same time, we have increased the number of Shinkansen services in operation. JR East's March 2023 timetable revision enabled an increase in the maximum speed of the Joetsu Shinkansen from 240 km/h to 275 km/h, shortening the travel time between Tokyo and Niigata by up to seven minutes.

Currently, we are preparing for the introduction of the new-model Series E8 Shinkansen to the Yamagata Shinkansen and the opening of the Tsuruga extension of the Hokuriku Shinkansen, both of which are scheduled for Spring 2024. Also, we are upgrading the Shinkansen network with our sights set on operations beyond spring next year, and we are proceeding with studies focused on realizing automated operations of Shinkansen services.



The new-model Series E8 Shinkansen for the Yamagata Shinkansen

Changes in Travel Times (Compared with 1987)



* Tokyo to Hakodate segment's top line (Yamabiko-Hatsukari) shows time required after schedules were revised in March 1988 (when the Seikan Tunnel was opened)

New Ideas for Shinkansen Excursions and Onboard Activities

Due to an accelerating shift toward workstyles and lifestyles that are unconstrained by time and location, passengers are spending their time on board Shinkansen train in increasingly diverse ways. In November 2021, JR East introduced Shinkansen Office Railcars, designed for passengers who wanted to work or study while traveling. In March 2023, we revamped these railcars and began marketing them as TRAINDESK Railcars, catering not only to customers who want to work or study but also to the diverse needs of customers who want to use their travel time as "me time."

In addition, in December 2022, we launched *Dokokani Byun!*, a new style of Shinkansen trip based on the use of JRE POINT. JRE POINT can be earned through day-to-day activities such as shopping at station buildings or *ekinaka* stores. For 6,000 JRE POINT, customers can make a round trip to one of four randomly selected railway stations. The service allows customers to enjoy new encounters and experiences, or in other words serendipity, by traveling to unexpected destinations.



Initiatives to Develop Technologies, People, and Teamwork



Yoko Ishiyama

Shinkansen Facilities Department
Shinkansen General Management Department

Since the JR East's establishment, the Shinkansen network has undergone many technological advances and changes, including network expansion, a progressive increase in operating speed to 320 km/h, a rise in the number of train services in operation, and the enlargement and enhancement of various systems.

To ensure safe, reliable Shinkansen transportation services, further enhance the quality of services, and realize sustainable operations, we are implementing initiatives to develop technologies, people, and teamwork. For example, we are studying the introduction of leading-edge technologies, honing technological skills through competitions, and promoting mutual understanding among employees through study groups and round table discussions.



A technical skills competition

Transportation

Conventional Lines, Buses, and Monorail

Business Development

In our real-world network—which comprises 6,224.5 operating kilometers and 1,681 railway stations (on conventional lines), including BRT (Bus Rapid Transit), as well as buses and a monorail—we are pursuing transportation services that meet customer needs and address local community issues.

Growth Strategy

We are catering to customers' seating needs by expanding new seating services on limited express trains and introducing Green Cars to the Chuo Rapid Line. With the aim of achieving sustainable railway operations, we are increasing the number of driver-only services and advancing driverless operation technology.



Introduction of Green Cars on the Chuo Rapid Line



Verification of automatic train operation (ATO) on the Yamanote Line

Launch of Off-Peak Commuter Passes

In March 2023, we began marketing off-peak commuter passes, a new type of commuter pass. Given the greater emphasis on easing congestion and avoiding closed spaces, crowded places, and close-contact settings in the wake of the COVID-19 pandemic, the new commuter passes can be used at anytime excluding peak hours on weekday mornings in the Tokyo metropolitan area and cost approximately 10.0% less than regular commuter passes. By promoting initiatives throughout society to shift or mitigate peak travel periods with the understanding and cooperation of customers and companies, the JR East Group aims to benefit customers, society, and the Group.

オフピーク通勤による新しいライフスタイルを提案します。

オフピーク定期券 3.18 START!

お客さま
●混雑緩和による負担軽減

企業・団体等
●従業員の働き方改革、生産性向上
●通勤手当ての圧縮

JR東日本
●列車ダイヤを柔軟に設定
●サステナブルな事業運営

Joyful Trains



Tomotaka Ikeda
Mobility Service Department
Railway Business Headquarters

We are creating attractive trains that make the train ride itself an objective.

Many customers use the 14 Joyful Trains that have been in operation as of March 2023. Brimming with regional appeal, these trains include the KAIRI and Resort Shirakami hybrid trains as well as steam locomotives. Our plans for debuting new sightseeing trains include the launches of HINABI for the north Tohoku area in the winter of 2023 and SATONO for the south Tohoku area in the spring of 2024.

Working in partnership with local communities, we will create trains that are enjoyed by both customers and line-side area residents and symbolize tourism promotion that enriches regions.



Challenge of Driverless Operations on Conventional Lines and Shinkansen

In addition to general automated operations (grade of automation 2), which assist train drivers, we are aiming to realize driverless operations (grade of automation 3: automated operations with a crew member in attendance), in which a system automatically performs all train operations, such as starting, stopping, accelerating, and decelerating, without a driver being on board.

On conventional lines, beginning from October 2022, we used a Series E235 two-railcar commercial train to conduct a two-month verification of automatic train operation (ATO) on the Yamanote Line and realized improved energy-saving performance and riding comfort. As for Shinkansen, we used the Series E7 to conduct demonstration tests in 2021. Our goals are to introduce driverless operations for detour trains on the Joetsu Shinkansen between Niigata Station and Niigata Shinkansen Rolling Stock Center by the end of the 2020s and on commercial trains between Tokyo Station and Niigata Station by the middle of the 2030s.

JR East is also engaged in research and development of forward obstacle detection devices and other equipment necessary for driverless operations.



Verification test of the driverless operation of a Shinkansen

Realization of Smart Maintenance: Advancing Railcar CBM

For Series E235 rolling stock, which has railcar equipment with condition monitoring functions installed, JR East has taken a new approach to maintenance—the utilization of condition monitoring data. Since June 2018, some scheduled inspections have been replaced with mid-operation data-driven functional verifications. In September 2022, we partially transitioned scheduled inspections to data-based analysis of degradation and service life, whereby the scheduling of equipment inspections is determined by the findings of condition analysis. In addition to Series E235 rolling stock, for other rolling stock compatible with the acquisition of condition monitoring data, we will

advance data utilization in the analysis of equipment failure and degradation condition and steadily move forward with measures to further enhance rolling stock quality and realize smart maintenance.



Scheduling inspections with reference to condition monitoring data

Facilities, Electrical Network, and Construction

Business Development

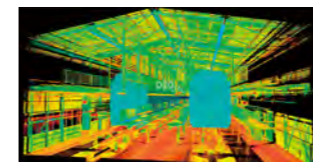
JR East Group is responsible for ensuring safe, reliable transportation through the improvement and maintenance of tracks, bridges, and other structures and electrical equipment. The Group is also engaged in construction projects aimed at improving railway stations and transportation services.

Growth Strategy

In relation to construction projects, we are conducting R&D and technological innovation aimed at safely carrying out projects while shortening construction periods, reducing costs, and accelerating value creation.

In addition, to improve productivity and reduce costs even further, we will make use of new technologies such as monitoring, drones, point group data, and digital transformation (DX), and assemble a sustainable system by streamlining inspections, gauging, and supervision operations.

To ensure the reliability of Shinkansen transportation services going forward, we are planning to start infrastructure renovation project on the Tohoku and Joetsu Shinkansen from fiscal 2032. JR East is utilizing mock-ups of infrastructure facilities in the advancement of technological development focused on mechanization that will save labor and reduce costs.



Utilizing point group data for the remote measurement of clearance limits



Mock-up of Shinkansen infrastructure facilities

Promotion of a 5G Infrastructure Sharing Business

Aiming to take on challenges in new fields and improve convenience for customers who use railway stations and trains, we are developing an infrastructure sharing business based on a new business model that will entail developing 5G zones in line-side areas, including railway stations and the areas between them.

As an infrastructure sharing business operator, JR East will develop 5G antennas and other necessary facilities, which will serve as infrastructure enabling mobile carriers to provide 5G services. Mobile carriers' use of these facilities will optimize infrastructure investment in society as a whole and expedite the establishment of 5G zones.



Promotion of Haneda Airport Access Line (Tentative Name)

We are proceeding with the plan for the Haneda Airport Access Line (tentative name), which will provide direct access to Haneda Airport from many directions by utilizing the existing JR East railway network.

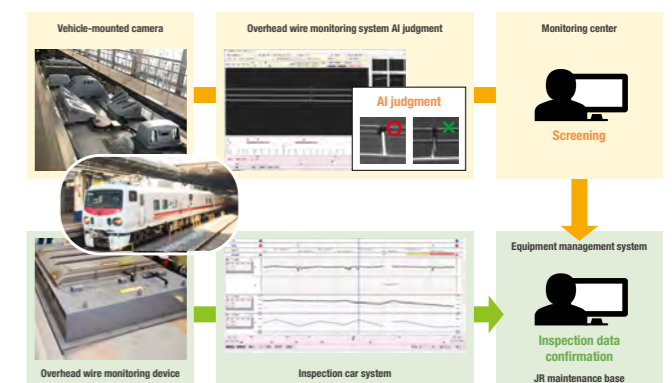


Advancement of the Haneda Airport Access Line (tentative name)

Sustainable Maintenance System

To mitigate the risk associated with increasingly severe natural disasters, JR East is strengthening the regulation of train operations based on weather radar-detected rainfall volumes. Also, we are increasing the resilience of facilities through seismic reinforcement and measures to prevent rainfall disasters. Further, we are reducing the maintenance and management costs of aboveground facilities by streamlining them in accordance with customer usage.

The integrity of overhead wires that supply electricity to trains is confirmed through visual inspections at night after train services have stopped. JR East is taking steps to replace these visual inspections—which account for more than half of the inspection workload—with overhead wire monitoring, an inspection method that utilizes cameras and sensors mounted on inspection cars. By replacing the visual inspections, we will promote labor savings in maintenance work, improve quality, and promote workstyle reform.



Labor saving in maintenance work via monitoring of overhead wires

Retail & Services

Yoichi Kise

Executive Vice President
Director General of
Marketing Headquarters



(From left to right)

Hiroyuki Takeshima

Executive Officer
Deputy Director General of
Marketing Headquarters

Yuichiro Tokunaga

Executive Officer
In charge of Marketing
Headquarters (MaaS)

In June 2022, JR East launched the Marketing Headquarters to create new value and convenience and maximize the value of the entire Group by integrating three of its strengths: Transportation services, Lifestyle services, and IT & Suica services.

The JR East Group will link its diverse services through JRE POINT, which is based on a seamless, stress-free transportation platform and a payment platform comprising Suica e-money and ViewCard. By making maximum use of the vast amount of data and information that we accumulate through our various services, we will forge ahead with the creation of highly convenient, enriched lifestyle spaces for customers and local communities. In addition, mindful of the JR East Group Management Vision "Move Up" 2027 goal of enriching regional areas, we will work with local residents to create vibrant, dynamic, local communities. In parallel with these efforts, the Group will leverage know-how cultivated in Japan to take on the challenge of developing its international business, particularly in Southeast Asia.

The Marketing Headquarters will decisively pursue new growth strategies aimed at increasing the Group's earnings by developing lifestyle solutions that enable the businesses incorporated into them to become a mainstay of the JR East Group alongside the Transportation segment.

Ekinaka Development

Business Development

Based on its integrated Beyond Stations concept, the JR East Group will offer an extensive range of products and services in *ekinaka* spaces (inside railway stations), thereby going beyond the existing role of railway stations as transportation hubs and into "platforms for daily life" to connect all with the customers.

Growth Strategy

Viewing work reform initiatives at railway stations as an opportunity, we will further streamline railway business facilities in railway stations and utilize the space created to carry out development aimed at creating high-value customer contact points suited to the age of digitalization. Further, under the Beyond Stations concept, we will develop new *ekinaka* spaces through means such as the integrated development of advertising media and stores, the introduction of multi-channel marketing approaches that utilize real-world spaces and websites, and commercial deployment of Japan's Society 5.0 model, which entails collaboration with the government, postal services, and financial institutions.

Showrooming Store Demonstration Tests

The JR East Group conducted demonstration tests of &found, a showrooming store at Ueno Station and Tokyo Station. Not engaged in selling products but instead specializing in collecting marketing data by inviting customers to experience products, the stores have been well received by our business partners.



Showrooming store &found

Services Aimed at Increasing Store Usage in Areas Inside Ticket Gates

For the *Touch de Ekinaka* service, which allows customers to use Suica as an admission ticket to areas inside ticket gates, we added a service that refunds customers a JRE POINT amount equivalent to the admission ticket price if they spend more than ¥1,000 (including tax) at a store inside the ticket gates. We continue to offer our *Touch de Ekinaka* service as it is encouraging customers to rediscover the appeal of stores in areas inside ticket gates.



JRE POINT refunds of *Touch de Ekinaka* admission tickets

Creation of Bustling New Areas

In the first half of fiscal 2023, we revamped the area outside Tokyo Station's Yaesu North Exit ticket gates and reopened it as Gransta Yaekita. As well as a multinational zone featuring cuisine from many different countries, the area offers new value through a variety of business formats, including a stylish bar and an inexpensive eating place.

March 2023 saw the reopening of a larger tekute SENDAI with additional floor space. As well as extending tekute SENDAI into an area on the north side of Sendai Station with the introduction of a variety of business formats suited to day-to-day use, we have improved the railway station's pedestrian flows and convenience by constructing a passageway that runs through the station building. We plan to further develop the north side of the railway station to create a bustling new area.



Gransta Yaekita



tekute SENDAI

Expansion of STATION WORK



Satoshi Kaku

Lifestyle Creation & Community Vitalization Department
Marketing Headquarters

Based on the concept of making every second count for office and other workers, JR East's STATION WORK shared offices have grown into a network comprising more than 800 locations nationwide.



As the person in charge of the system underpinning the STATION WORK business, I improve usability and develop and update system functions in line with business expansion. Also, I concurrently work as a train driver on the Yokohama Line. In addition to rigorously ensuring safe, reliable transportation as a train crew member, I try to offer creative ideas and insights that can only come from someone who works in both frontline operations and a planning department.

E-Commerce

Business Development

The JRE MALL e-commerce website, which celebrated its fifth anniversary in March 2023, is centered on the JRE POINT service and is one of the core components of the Group's digital strategy. The website not only conducts regular e-commerce but also continuously expands and enhances its service lineup to offer such programs as *JRE MALL Furusato Nozei* (hometown tax donations).

Growth Strategy

Given the number of well-established online shopping websites, JRE MALL partners with municipal authorities in the JR East service area to offer differentiated products and services, such as *JRE MALL Furusato Nozei*. As part of our efforts to increase customer satisfaction and profitability through differentiated e-commerce, we will continue improving user experience, enhance recommendation functions, and redesign the customer journey, including real-world contact points.

JRE MALL

Retail

Business Development

To meet the needs of railway passengers, we operate approximately 900 stores, including KIOSK, NewDays, and other convenience stores as well as souvenir and apparel stores, most of which are *ekinaka* stores. Based on thorough marketing, we provide merchandise that reflects customer demand.

Growth Strategy

The Marketing Headquarters aims to build differentiated interfaces for customers, who are increasingly engaged with digital technologies, pursue enhanced customer value, and grow the Group's businesses. To these ends, we will leverage the traditional advantage of railway station locations while implementing three main strategies: obtaining and analyzing diverse data on movement, purchases, and payments in railway stations; reaching customers through the various media they encounter in daily life; and facilitating synergies among a range of Group businesses through JRE POINT.

Further Improvement of Products and Stores

To meet customer needs that are increasingly diverse, segmented, and sophisticated, JR East Cross Station Co., Ltd., will collaborate with external companies (Chateraise Co., Ltd., etc.) to further develop "mini business formats" through the utilization of space freed up by streamlining and improving the efficiency of railway station facilities and equipment. In addition, with a view to opening new stores and marketing products outside eastern Japan, KINOKUNIYA Co., Ltd., will develop private brand products that are highly attuned to current trends.



Chateraisé Store at JR Saitama-Shintoshin Station

Viewing the growth in online shopping and consumer-to-consumer transactions as an opportunity, we will transform our locker business from a package storage business to a platform business for the delivery and exchange of a variety of goods. We also plan to install self-checkout counters and develop unmanned stores.

Restaurants

Business Development

Our approximately 350 restaurants cater to the needs of customers inside railway stations. The Group's six main restaurant formats focus on six categories of food and beverages: soba, coffee, curry, rice balls, ramen, and bakery products. We also operate businesses that produce and sell boxed lunches. The Group rigorously ensures the safety and reliability of its food and provides value that customers can trust.

Growth Strategy

With customers exhibiting ever more sophisticated preferences toward dining out, we will offer customers enjoyment through seasonal menus and qualitative improvements in regular menus while assuring them of our high standards of restaurant hygiene. Moreover, as important forms of value, we will focus on developing restaurants with interior designs that create comfortable environments—particularly valuable in busy railway stations—and ensuring the congeniality of restaurant personnel. Precisely because customers visit railway stations frequently, we aim to create enjoyable restaurants that give customers a wide range of reasons to visit by offering menus that feature locally sourced produce or dishes with social significance—for example, game dishes or dishes linked to support for disaster-stricken areas—and seasonal menus created with a variety of partners.

Retail & Services / Real Estate & Hotels

Pursuit of Profitability and Efficiency

The restaurant industry is seeing customer preferences diversify and new market entrants emerge rapidly. With this in mind, we will avoid complacency about our railway station locations and implement a range of measures to earn greater customer endorsement. Specifically, we will revamp our central kitchen systems, including factory reorganization; reassess methods of revising and eliminating menu items; control food costs; and create dishes that are even more delicious.

In addition, we will strengthen the competitiveness of our six main restaurant formats and open more restaurants outside railway stations by deploying *ekinaka* stores and restaurants to more closely reflect customer needs. For example, we will integrate convenience stores and cafes.

Also, in response to the restaurant industry's particularly pronounced labor shortages, we will improve the employee satisfaction of our personnel working at restaurants in railway stations, adopt digitalized ordering, and introduce the use of robots to food preparation and production processes.



Rendering of NewDays and Beck's Coffee Shop integrated store

Advertising

Business Development

The JR East Group's advertising and publicity initiatives fully utilize the abundance of media in railway stations and trains and the advantages of being able to directly reach a large number of customers, especially in the Tokyo metropolitan area.

Growth Strategy

The advertising industry's environment is changing dramatically as media transitions from real-world to digital platforms and clients seek visualization of cost-effectiveness. In adapting to this environment, real-world transportation media—especially railway station media and other media seen by numerous customers—will remain our fundamental advantage. However, we will replace existing media with new media that enable leading-edge digital representation and advance a three-pronged approach integrating media, showrooming spaces, and brick-and-mortar stores. In these ways, we will cater to diverse, evolving needs and become clients' media provider of choice.

AD Train and JR East App Collaboration

We conduct advertising campaigns that take advantage of our assets' unique characteristics. For example, to commemorate the 150th anniversary of Japan's first railway, we launched an AD train that shows client corporate logos against a chic black background reminiscent of the locomotive liveries used when railways began operating. We are also strengthening digital integration through such measures as providing AD train location information via the JR East App.

Stepped-Up Installation of Large-Scale Media

In line with initiatives to realize the Beyond Stations concept, we will sequentially open immersive media spaces at Ueno, Akihabara, and Shinjuku stations, among others, beginning from winter 2023.

With the shift in advertising media away from the traditional four mass media toward internet-enabled media, we will rebuild and heighten the competitiveness of our transportation advertising by developing media that establish a strong presence through dynamically interlinked rollouts. Specific plans call for the installation of a large outdoor curved sign of approximately 50 square meters and platform media approximately 100 meters long at Ueno Station, a large sign of approximately 60 square meters and a showrooming area with a total floor space of approximately 150 square meters at Akihabara Station, and 48 pillar signs and a ceiling sign approximately 60 meters long at Shinjuku Station.



Rendering of the plaza in front of Ueno Station's Hirokoji Exit

Sports and Leisure

Business Development

Sports Business Our sports business is focused on the fitness business, which runs 43 fitness clubs under the JEXER brand. We will continue to contribute to the physical and mental well-being of our customers and to the creation of communities.

Leisure Business We operate GALA Yuzawa, an unparalleled year-round resort directly connected to Joetsu Shinkansen.

Growth Strategy

As well as the principal advantage of the convenience afforded by proximity to railway stations, our fitness clubs feature state-of-the-art gym equipment, a wide selection of training programs, and a full range of spas, saunas, and other facilities. By leveraging these advantages while integrating gym development with the development of railway stations and their surrounding areas—mainly in the Tokyo metropolitan area—we will increase the number of facilities and customer usage and heighten profitability.

Our leisure business aims to increase the number of GALA Yuzawa customers by further capturing demand from the growing number of visitors to Japan from Southeast Asian countries. To this end, we will conduct overseas advertising campaigns in collaboration with our overseas offices while capitalizing on local tourism resources and the high level of convenience associated with direct connection to Shinkansen. At the same time, we will improve service quality to increase the average spend per customer.



Fitness brand JEXER



GALA Yuzawa

Logistics and Wholesale

Business Development

Through the *Hako-byun* goods transportation service, which utilizes our railway infrastructure, we transport extremely fresh, local specialty produce from regions. Sales of these products promote the appeal of regional areas and contribute to their revitalization.

Growth Strategy

While continuing to transport food products to destinations inside and outside store of railway stations, we will expand our service lineup by taking advantage of the regularity and reliability of train services to transport medical supplies and machine components and to provide same-day delivery. Moreover, through the expansion of our goods transportation network, we will help address social issues, such as labor shortages and CO₂ emissions of the logistics industry.

Hako-byun service for the transportation of goods by train



Koshiro Ueda

Lifestyle Creation & Community Vitalization Department
Marketing Headquarters

To deliver new value to as many people as possible, the JR East Group is making a concerted effort to advance its *Hako-byun* service, which leverages the advantages of its railway infrastructure. Through integration and collaboration that transcend the boundaries of business segments, we aim to simultaneously realize transport passengers and provide services that satisfy the diverse needs of shippers.



Specifically, we are establishing operations and designing services that meet the needs of passengers and shippers who use railways, and improving operational productivity through the development and deployment of carry carts and other logistics equipment. The *Hako-byun* team will continue making effective use of railways as a management resource, promoting regional revitalization, and ensuring steady, continuous realization of profits for the JR East Group.

Development of Lifestyle Solutions Overseas

By utilizing experience and competence gained in Japan, the JR East Group is developing its international business. In Taiwan, we operate the One&Co Taipei coworking space for business creation and own and operate Hotel Metropolitan Premier Taipei. In Singapore, since 2016 we have been developing and operating JAPAN RAIL CAFE, LUMINE SINGAPORE, One&Co Singapore, and the commercial zones of railway stations on the Thomson–East Coast Line. Marking the first development of multiple *ekinaka* spaces of an overseas railway line by a Japanese railway company, the latter initiative affords railway users

greater convenience and contributes to the development of line-side areas.



Hotel Metropolitan Premier Taipei



One&Co Taipei

Shopping Centers

Business Development

We operate approximately 190 shopping centers to make the railway stations that our customers use on a daily basis even more convenient. As well as providing customers with value in the form of time-saving convenience, our shopping centers continually offer new lifestyle ideas, add color to everyday life, and provide enrichment.

Growth Strategy

The JR East Group aims to evolve its shopping center business into an entity that unflinchingly realizes epoch-making projects. These innovative projects will generate growth and earnings, led by LUMINE Co., Ltd., which will take on an unprecedented initiative aimed at showcasing Japanese quality to the world in TAKANAWA GATEWAY CITY, and atré Co., Ltd., which aims to create the Group's first outshopping center in a project tasked with the Development of the Hiromachi area around Oimachi Station (tentative name).



LUMINE



atré

Enhancement of the Appeal of Brick-and-Mortar Stores Using Digital Technologies

Aiming to develop shopping centers into destinations, we will leverage digital tools and technologies to enhance the value of brick-and-mortar stores and provide differentiated, real-world shopping experiences.

For example, through the PERIE Online JRE MALL Store e-commerce website, Chiba Station Building Co., Ltd., is attracting customers by selling e-coupons that they can use to receive discounts at selected stores. Meanwhile, LUMINE is strengthening digital technology enabled customer interfaces by disseminating information through the ONE LUMINE app. Also, the company has developed a service that allows customers to order products on the i LUMINE e-commerce website and collect them in stores.



Real Estate & Hotels

Goals of PERIE Online JRE MALL Store



Issei Kanei
Marketing Department
Chiba Station Building Co., Ltd.

This is a commercial facility based in Chiba Prefecture, which boasts an abundance of regional cuisine and resources. In March 2021, we capitalized on its strengths to launch the PERIE Online JRE MALL Store, which focuses on “quality products from Chiba” and “quality products from PERIE.” The e-commerce website currently carries approximately 800 items, including products from businesses in Chiba Prefecture.



By offering a selection of JRE MALL products in the special event sales campaigns of PERIE Online JRE MALL Store and e-coupons that can be used at PERIE and other physical stores in Chiba Prefecture, we will integrate online and offline commercial activities to create synergies that increase referrals of online customers to PERIE and other physical stores in Chiba Prefecture and contribute to the development of all concerned.

Offices

Business Development

The JR East Group operates 47 office buildings, including large-scale buildings that benefit from such competitive advantages as floor plate size, outstanding facilities, and high business continuity plan-related standards that help enhance office quality, as well as the unmatched accessibility of locations near Tokyo Station and other railway stations.

Growth Strategy

The environment faced by our office business has been changing drastically since the COVID-19 pandemic entrenched remote working. In response, the business will ensure its continued advancement and competitive superiority by going beyond office rental operations to develop services that solve corporate issues. In these efforts, we



JR SHINJUKU MIRAINA TOWER

will develop iconic S-class office buildings in prime central Tokyo locations, which are conducive to high levels of employee engagement; STATION BOOTH workspaces that facilitate improved office worker productivity and workstyle reform; and “workations” that can be used for team building or as opportunities to generate corporate innovation.

Environment Friendliness and Enhanced Services

As companies shift to business activities driven by a strong awareness of the Sustainable Development Goals (SDGs), JR East Group will promote the supply of power derived from substantially renewable energy sources and the acquisition of non-fossil certificates for its office buildings. In addition, the office business will utilize shopping centers, fitness clubs, and other facilities in the Group’s broad business portfolio to enhance services for various tenant companies, thereby strengthening relationships with them and remaining their preferred office building provider.

Hotels

Business Development

The JR East Group’s 58 hotels have a total of 9,693 guest rooms and range from hotels that are located near railway stations and offer a comprehensive lineup of services through to hotels where guests can relax amid natural surroundings. We will pursue high levels of customer satisfaction by utilizing our railway network to provide unrivaled convenience, creating comfortable accommodation environments, and offering services tailored to varied customer needs.

Growth Strategy

The hotel business operates a network of hotels that includes Hotel Metropolitan-brand hotels, which add value to town development around railway stations, including The Tokyo Station Hotel, which boasts a history of more than 100 years and is endorsed by domestic and foreign customers; JR-EAST HOTEL METS-brand hotels, which provide convenient and comfortable accommodation for both business and leisure travelers; and HOTEL FAMILIO / FOLKLORO-brand hotels, which help to revitalize regional tourism.

In conjunction with projects aimed at enhancing customer convenience and expanding the hotel network through new development, we will develop *Wa-no-i* hotels and other types of accommodation that offer the rich culture and attractions of Japan, in light of the upturn in the number of visitors to Japan. Furthermore, we will develop hotels—such as HOTEL B4T IWAKI, HOTEL B4T AKABANE, and HOTEL B4T TABATA—with labor-saving operations and improved productivity to address the shortage of human resources in the tourism industry.



HOTEL B4T



Suica Smart Lock

Hotel Metropolitan Haneda: Taking Off in Autumn 2023!



Masaaki Kobayashi
Hotel Metropolitan Haneda
Nippon Hotel Co., Ltd.

Hotel Metropolitan Haneda will open in Haneda Innovation City, Japan’s first smart airport town, located at the international gateway to the Tokyo economic zone.



Our new hotel will play a part in new town development through a public-private partnership that is actively focused on SDG initiatives and the exploration of digital transformation. Themed on hospitality catering to customers on their journeys, we aim to create a hotel that is like a “perch” where travelers can take a break on the way to their destinations, recuperate, and set off again feeling refreshed. The 15th Hotel Metropolitan and the Group’s first hotel in the Haneda area, Hotel Metropolitan Haneda has a promising future.

Housing

Business Development

With the aim of building long-term, wide-ranging relationships with customers through the development of line-side areas that offer attractive living environments, we develop rental housing and housing for sale. To date, we have developed approximately 3,000 homes.

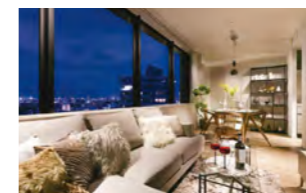
Growth Strategy

As a new core business format in town development that centers on railway stations, we will develop a greater variety of rental housing with a view to offering ideas for and catering to a range of lifestyles. For example, we will develop housing in downtown areas and housing that includes common areas suitable for telecommuting. In addition, a comprehensive business alliance concluded between JR East and Tokyu Fudosan Holdings Corporation in February 2023 will bring together the expertise of both companies, facilitating the development of a highly profitable, fast-paced housing sales business.

Development of the Group’s First Luxury Rental Housing: MEGURO MARC Residence Tower

MEGURO MARC Residence Tower comprises 194 luxury rental housing units, ranging in size from one- to three-bedroom apartments.

Based on the concept of lifestyle-enabling apartments with a focus on personal comfort, the apartments feature a variety of common areas, such as coworking spaces and private lounges. In addition, as the tenants are expected to include non-Japanese businesspersons, relocation services will be offered by our specialized personnel. Also, we have introduced a service whereby tenants who pay their monthly rent and guarantee fee with ViewCard receive JRE POINT.



Rendering of MEGURO MARC Residence Tower

Asset Management

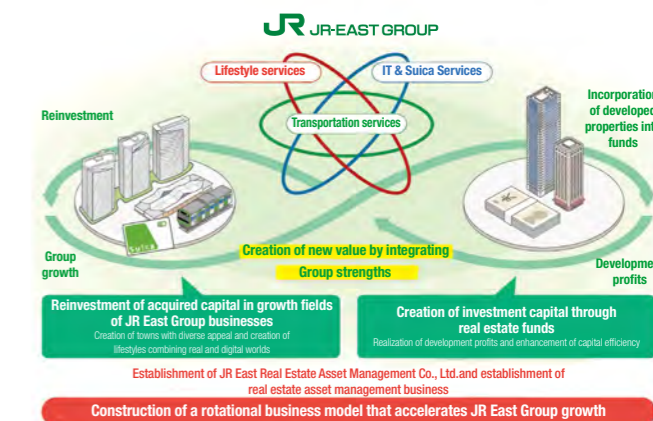
Business Development

By implementing a rotational business model that fully leverages the Group’s real estate assets while retaining facility operation, the Group will rapidly realize development profits and raise capital while also securing business revenues through facility management.

Growth Strategy

Through a rotational business model based on private real estate funds and real estate investment trusts (REITs) formed by JR East Real Estate Asset Management Co., Ltd., which was established in fiscal 2022, the JR East Group will raise funds for growth investments, including large-scale development projects in the Tokyo metropolitan area. These projects will extend the fields in which the Group’s shopping center, office, hotel, housing, and other businesses operate, thereby growing the Group’s earnings. Further, JR East Real Estate Asset Management Co., Ltd., will steadily expand its asset management business, aiming to have approximately ¥300.0 billion in assets under management by the end of fiscal 2026 and ¥400.0 billion yen by the end of fiscal 2028.

Rotational Business Model That Utilizes Real Estate Funds



Rotational Business

The JR East Group will sell its real estate to private real estate funds and private REITs to expedite the realization of development profits and reinvest the acquired capital to expand areas of business growth. For example, the reinvestment of acquired capital in TAKANAWA GATEWAY CITY and other projects will enable us to develop towns with diverse appeal, while the reinvestment of this capital in regional development projects will enable us to contribute to regional revitalization. Through the integration of such town development with various services that leverage its strengths, the JR East Group aims to achieve further growth.



JR Otsuka Minamiguchi Building

Real Estate & Hotels

Tokyo Metropolis Project

Business Development

As we advance town renewal projects in the Tokyo metropolitan area, we will enrich towns and make them more convenient while addressing tasks such as improving disaster preparedness and reducing environmental impact. These development projects will enhance the value of railway station areas and establish revenue bases for the JR East Group.

Growth Strategy

The possibilities for the JR East Group to build revenue bases through development projects are limitless given that it has assets in the form of railway stations that draw large numbers of customers from throughout the Tokyo metropolitan area, which is unparalleled in the world in terms of economic scale and urban activity. The Tokyo Metropolis Project aims to build such revenue bases, renew Tokyo to make it one of the most convenient and attractive cities in the world, and to dramatically advance the Group's businesses.

Development Project around Shinjuku Station Southwest Gate Area

In conjunction with a Tokyo Metropolitan Government project for the land readjustment of areas adjacent to Shinjuku Station and with other development projects in the Shinjuku Station area, the JR East Group aims to revitalize the Shinjuku area as a whole



Rendering of JR East urban development sector

through multifaceted development initiatives. These initiatives include the establishment of a multilevel pedestrian network that extends north, south, east, and west and links Shinjuku Grand Terminal with the surrounding town and that incorporates highly visible vertical flow lines connecting basement, ground, and deck floors. In addition, our initiatives will integrate indoor and outdoor spaces that encourage pedestrians to linger or pass through. We will also establish a tourism hub by creating features that attract tourists and introducing tourist information, experiential, and accommodation services. Other initiatives will entail improving the area's disaster preparedness and introducing new energy-saving technologies to reduce environmental impact.

In preparation for completion of the plan in fiscal 2029, we began the demolition of existing buildings in the south block in April 2023.

Development of the Hiromachi Area around Oimachi Station (Tentative Name)

With the aim of improving Tokyo's international competitiveness, attracting a variety of people from Japan and overseas, and promoting exchanges among them, JR East is advancing town development in the Tokyo south area, which extends from Hamamatsucho Station to Oimachi Station and centers on TAKANAWA GATEWAY CITY. One of the important pillars of this project is the Development of the Hiromachi area around Oimachi Station (tentative name).



Rendering of the blocks to be developed by JR East

In cooperation with Shinagawa Ward, the surrounding community, and businesses, we will improve the pedestrian network, develop a traffic square, upgrade Oimachi Station, and reinvigorate the Hiromachi area and enhance its pedestrian flows. In addition, we aim to create a disaster-resistant and environment-friendly town by establishing

facilities to receive people who have difficulty returning to their homes and a plaza that will serve as a wide-area evacuation site, and by implementing environment-friendly measures.

With a view to opening by the end of fiscal 2026, we are proceeding with the construction of a complex directly connected to Oimachi Station. The complex will have a total floor area of approximately 260,000 square meters and consist of offices, commercial facilities, a hotel, and rental housing.

TAKANAWA GATEWAY CITY, an Experimental Playground for Future Virtual and Real-World Spaces

The gateway to Edo (old Tokyo) and the site of Japan's first railway line, Takanawa has a history of innovation. With our sights set on enriched lifestyles a century from now, we will build a town that continues to create new businesses and culture.

Our ambition is to realize an international hub, or a "Global Gateway," that connects people, nature, and technologies, becomes one of the world's most dynamic areas, and continuously advances co-creation. With this in mind, we will partner with KDDI CORPORATION and a variety of other partners to build a testing ground for the integration of virtual and real-world spaces. We will address global social issues and heighten the profile of related initiatives throughout Japan and around the world based on the priority themes of "Undertaking the challenge for zero carbon sustainability," "Realizing an autonomous decentralized society," and "Implementing next generation mobility".



Rendering of the blocks to be developed

In 2021, we formulated a preservation and utilization plan for the Takanawa Embankment Site, which was designated a national historic site, based on the Law for the Protection of Cultural Properties, and received approval from the Commissioner for Cultural Affairs in May 2023. We aim to open the site to the public in fiscal 2027 so that local residents and customers in Japan and overseas can realize the significance of the Takanawa Embankment as a railway facility that supported the modernization of Japan. To pass on the historical value of the Takanawa embankment and the memory of Japan's first railway as a place of innovation, we will utilize it in urban development and pass it on through the next 100 years.

Complex Building I and the area around Takanawa Gateway Station will open in March 2025, while the other buildings (Complex Building II, Center for Cultural Innovations, and Residence Building) and areas around the buildings will open during fiscal 2026.



The gateway to Edo (old Tokyo) and the site of Japan's first railway line, Takanawa has a history of innovation. With our sights set on enriched lifestyles a century from now, we will build a town that continues to create new businesses and culture.



Rendering of the view of the Takanawa Embankment remains



Rendering of the Center for Cultural Innovations

Yoshiya Amanai

Manager
Community Development
Coordination Department
Marketing Headquarters
East Japan Railway Company

Maholo Uchida

Project head of the Center for Cultural Innovations at TAKANAWA GATEWAY CITY of East Japan Railway Foundation for Cultural Innovations

Special Feature: Value Creation in TAKANAWA GATEWAY CITY

Joined JR East in 2001. After being engaged in the management of commercial facilities, marketing, and renewal operations, studied in the United States at Washington University in St. Louis and obtained an MBA. After returning to Japan, was given responsibility for station area development in the Tokyo metropolitan area in 2010. Has worked on the Shinagawa Development Project since its conceptualization phase, which was more than 10 years ago, with duties including involvement in the concept development and planning of Takanawa Gateway Station.

Planning Director for Osaka/Kansai Expo, Future of Life Pavilion. Specialized in the combined field of art, technology, and design, worked at the Miraikan National Museum of Emerging Science and Innovation, and curated several exhibitions. Has participated in various museums, and awards as co-curator, jury, and advisor such as MoMA, Barbican Center, and Good Design Award.

Two of the JR East Group's project managers share their aspirations with respect to Value Creation in TAKANAWA GATEWAY CITY, a project being advanced through a Groupwide effort.

Amanai I joined JR East in 2001 and have been involved in the Shinagawa Development Project since 2010, when I became a member of the development section of the Lifestyle Business Development Headquarters, now the Marketing Headquarters. At that time, I was the only manager of the Lifestyle Business Development Headquarters. While making preparations aimed at beginning commercial operations in March 2025, we began considering how we should utilize the former site of the Shinagawa Depot railway yard to benefit society. As TAKANAWA GATEWAY CITY includes the creation of new businesses and collaboration with a variety of partners, the scope of the project is broader than that of general town development projects. Currently, the Shinagawa Community Development Division of the Marketing Headquarters alone accounts for more than 50 personnel. At any given time, many different personnel are busy working on their particular tasks. Therefore, my main role is to keep in mind the overall picture and ensure that each task is seamlessly linked to the others.

Uchida I am primarily a curator who plans exhibitions. In 2017, I began working on this development project as an external advisor and joined JR East in 2020. For a year and a half, I worked in the Lifestyle Business Development Headquarters. I am now project head of the Center for Cultural Innovations Project in TAKANAWA GATEWAY CITY, at the East Japan Railway Foundation for Cultural Innovations, where I am engaged in the establishment of the activity policies and the organizational development of the Center for Cultural Innovations. Given that the rapid realization of profitability by culture-related projects is difficult to guarantee, the foundation's establishment has enabled us to conduct management based on a longer-term perspective. Rather than developing cultural activities at the Center for Cultural Innovations on a stand-alone basis, we are considering the kinds of value we can create in the town as a whole and collaborating with all related parties to develop foundations that will facilitate such value creation.

An Experimental Playground for Enriched Lives a Century from Now

Amanai With "Global Gateway" as the development concept, we want TAKANAWA GATEWAY CITY to become "an experimental playground for enriched lives a century from now." The Takanawa area is home to famous symbols of Edo Tokyo culture, such as Sengakuji Temple and the Ruins of Takanawa Okido Gate. Above all, it is the birthplace of Japan's railways. Being able to undertake such a development in Takanawa, where the Company has its roots, truly feels like destiny. In 2022, we celebrated the 150th anniversary of the opening of Japan's first railway, which was made possible thanks to a series of ambitious technological innovations undertaken by engineers. The anniversary reminded me that today's convenient, comfortable lifestyles rest on such past endeavors. While respecting the history of the area, we are working with the local community to take on a range of bold initiatives aimed at developing a town that serves as a bridge to society 100 years from now. Of course, we cannot predict what the world will be like a century from now. Nonetheless, we would like to tackle town development together with like-minded parties who share our commitment to making society better through the continuation of current initiatives.

Uchida The East Japan Railway Foundation for Cultural Innovations is also advancing initiatives based on a mission of "transporting culture for the next hundred years." As Mr. Amanai mentioned, technological innovations have without a doubt enriched our lives. On the other hand, no matter how much technology advances or time elapses, various problems of human origin, such as the wars and discrimination that are occurring all over the world, have yet to be resolved. In this sense, now that humanity has attained a certain level of living



Special Feature: Value Creation in TAKANAWA GATEWAY CITY

standards, I believe that the power of culture will be essential when considering what we should focus on and pursue next. JR East supports infrastructure and possesses advanced technological capabilities. It is highly significant for such a company to embark upon the full-fledged development of a forward-looking culture that creates connections with future generations.

Economic Value to Be Created by TAKANAWA GATEWAY CITY

Amanai The JR East Group Management Vision “Move Up” 2027 calls on the Group to enrich lifestyles by adopting a people-focused approach. TAKANAWA GATEWAY CITY can realize town development that helps enrich lifestyles, thereby significantly contributing to the achievement of “Move Up” 2027. Also, I am confident that the project will accelerate profitability improvement and Groupwide structural reforms in accordance with Speed Up “Move Up” 2027. As TAKANAWA GATEWAY CITY will be directly linked to a Yamanote Line railway station, an expected increase in the number of visitors to the Takanawa area will lead to more station users, creating a virtuous cycle. We are also considering new methods of value creation focused on MICE events, in other words meetings, incentives, conferences, and exhibitions. Conferences themselves may not generate much revenue, but the use of facilities and stores by attendees will generate economic benefits. To create such a revenue-generating town, we are partnering with nearby hotels and other facilities to provide attractive venues. The project’s ambitions are not limited to TAKANAWA GATEWAY CITY. We will cooperate with local residents and business partners to develop a town that breaks the mold, is full of energy, and symbolizes the dawning of a new era. In this way, we will heighten the profile of the Takanawa area as an international brand.

Town Developed by the JR East Group

Amanai Unlike conventional real estate investment and development projects, TAKANAWA GATEWAY CITY is being developed in combination with a railway station, which calls for business development based on medium- to long-term viewpoints. Worldwide, business development methods that leverage synergies between town development and railway stations are rare. By using Takanawa Gateway Station as a hub, we will make effective use of our Shinkansen network—which provides connections to five regional areas—to develop businesses that are suited to each regional area and to pursue initiatives that incorporate and give global exposure to regional cultures. These will be unique initiatives that only JR East can realize. One of our major missions is to use Takanawa’s location in the Tokyo metropolitan area to convey to the general public the charms of regional areas such as Tohoku, where a great deal of Japan’s traditional lifestyle, culture, and scenery remains.

Uchida One of the most important features and strengths of TAKANAWA GATEWAY CITY is that the entire town is privately owned by a single company. As a result, despite the large scale of the project, almost no restrictions that could hinder the advancement of the project are being imposed by other parties. I believe that this feature and strength will prove to be important in the creation of exciting cultural presentations. Another advantage is that the town is connected to the rest of Japan by railways, providing an environment that facilitates the external dissemination of activities.



Amanai In terms of JR East’s strengths, brand power based on trust is also indispensable in moving forward with town development. When talking with people from various businesses, both in Japan and overseas, I sense their high regard for JR East as a company that operates its business with the aim of providing a public service. Furthermore, the safety and punctuality of Japan’s railway system has earned it a lot of trust overseas. It would not be an exaggeration to say that railways are a part of Japanese culture. In this connection, we have received many kind words of encouragement from our business associates to the effect that they want to improve society as a whole by pursuing long-term partnerships with a company that has the railway business in its DNA. The JR East Group’s strength lies in its involvement in both railways and town development. However, I have a renewed appreciation of the fact that these two business areas are founded on the social trust that we have cultivated over the years.

Uchida On the other hand, I feel railway companies are generally taken for granted by the public. I believe that, by serving as a platform for communication about social and cultural contributions, the development of TAKANAWA GATEWAY CITY will provide a good opportunity for the public to reassess the JR East Group’s purpose favorably.

Networks Linked to Regions

Uchida In “handing over tradition,” which is one of the concepts of the East Japan Railway Foundation for Cultural Innovations, we must collaborate with stakeholders not only in Tokyo but also in regions. To this end, we are preparing plans focused on actively promoting regional appeal through TAKANAWA GATEWAY CITY. We envision people visiting the town, encountering regional charms there, and then traveling by train to experience them firsthand. In this way, people will learn from traditional culture and be inspired to invent new forms of culture. I believe that such chains of activities will naturally become part of the town. And I am convinced that JR East is the only company that can offer packages including all of these elements.

Amanai I am from Aomori Prefecture, so from an early age I was receptive to the unique attractions of regional culture. By communicating the valuable attractions of regions, I would like not only visitors to Japan but also visitors from Japan to gain a more multifaceted, less one-dimensional appreciation of the country. Our business bases in regional areas are one of the most important assets that we have.

Uchida Indeed, from a cultural perspective, Japan’s regions are full of outstanding attractions. Many attractions are unavailable in Tokyo and can only be experienced in regions, such as traditional crafts and

local cuisine. In offering products and services that combine the communication of attractions with the provision of transportation, we have the advantage of possessing business bases both in Tokyo and in regional areas. We should focus particular efforts on this type of initiative now that restrictions related to the COVID-19 pandemic have been lifted and the tourism industry is regaining vitality.

Requirements for New Value Creation in Businesses and Culture

Uchida Culture comprises the activities in film, music, the performing arts, and other fields of a variety of artists, many of whom are not directly related to businesses. Such artists who have little connection with the business world will gather in the Center for Cultural Innovations, and, through interaction with the town’s business community, they will rapidly create new value. I believe that the Center for Cultural Innovations will become the engine of such value creation. For example, I have heard that sometimes innovators who want to conduct demonstration trials in cities are forced to give up because they cannot obtain permission. Given its stated goal of becoming a testing ground for the future, TAKANAWA GATEWAY CITY will help creators who want to conduct such trials. We are tilling the soil in preparation for innovation that produces something where once there was nothing, and the Center for Cultural Innovations will play a central role in this process. Also, we are taking advanced measures to promote diversity. Conventionally, facilities designed to promote the inclusion of people with disabilities tend to concentrate on the development of features that provide access to the viewing of performances and exhibitions. However, inclusion in terms of being able to perform on stage remains a challenge. I hope that, by achieving true diversity and discovering a wide range of artists, the Center for Cultural Innovations and TAKANAWA GATEWAY CITY will become symbols of diversity.

Amanai Through town development, I would like to foster an image of TAKANAWA GATEWAY CITY as a place that is always tackling new challenges and where people encounter novelty when they visit. By constantly taking on ambitious initiatives that have an eye on the world 100 years from now and by having everyone involved in town development give concrete form to such initiatives, we want to evolve into an entity that motivates businesses engaged in new value creation to partner with JR East and advance their operations in Takanawa.

Toward the March 2025 Opening

Amanai Having progressed through conceptualization, design, and construction phases, the project is now in its final phase—preparation for the opening of TAKANAWA GATEWAY CITY. We have a clear idea of what needs to be done, and we will spare no effort in preparing for its opening. Looking back, strong teamwork among personnel from many different departments and fields throughout the Company and the Group has enabled us to overcome many difficulties and advance bold measures in accordance with precise plans. Such a large-scale project is progressing smoothly thanks to the collaborative efforts of project members. With this in mind, we will place an even greater emphasis on teamwork.

Uchida We are now forging ahead with a very challenging project while making full use of our imagination. For example, when building a cultural facility, the usual process is to first establish an organization, then plan and build the facility. In this case, however, we are simultaneously building both the organization and the facility from scratch. Our goal with respect to the Center for Cultural Innovations is not to create a traditional art gallery but rather a completely new type of venue that will allow visitors to experience culture in a broader sense. In addition, one of the roles of the Center for Cultural Innovations will be to record culture. To connect culture across eras, we must not only create new culture but also learn from the records of past culture. The oldest record for us is the Takanawa Embankment. The 150-year-old legacy of this location will underpin the birth of a new town and the creation of new value. We are responsible for carefully recording this legacy as well as the new legacy we are creating and for passing on both to future generations. As our mission is to help enrich lifestyles 100 years from now through cultural creation, we do not see the opening of the facility as our ultimate goal. Instead, the real work will begin after the opening. That said, we will continue steadily proceeding with preparations to ensure that the facility opens successfully and offers programs that surprise and delight visitors. We want TAKANAWA GATEWAY CITY’s activities to help people fully understand the importance of culture and to provide new opportunities for those involved in Japan’s culture and cultural policy to create businesses as well as for culture itself to inspire business creation.

Amanai JR East is at a major turning point. For more than 150 years, the Company has concentrated on the railway business, pursuing safety and reliability. Now, it is becoming an organization engaged in lifestyle creation. Upon completing this project, we will use the experience to develop new initiatives both in Japan and overseas with a view to giving all stakeholders a real sense of the benefits that our lifestyles and towns offer. Dreaming of a future in which visitors flock to TAKANAWA GATEWAY CITY, I will remain focused on preparing thoroughly for the town’s opening and on making this dream a reality.

IT & Suica, Renewable Energy, and International Business

IT & Suica

Business Development

JR East launched Suica in 2001 as an IC ticket, and approximately 95.0 million Suica cards have been issued, including 20.0 million Mobile Suica cards, as of March 31, 2023. Nationwide, Suica can be used at approximately 5,000 railway stations. We are also developing a Suica-based electronic money (e-money) business.

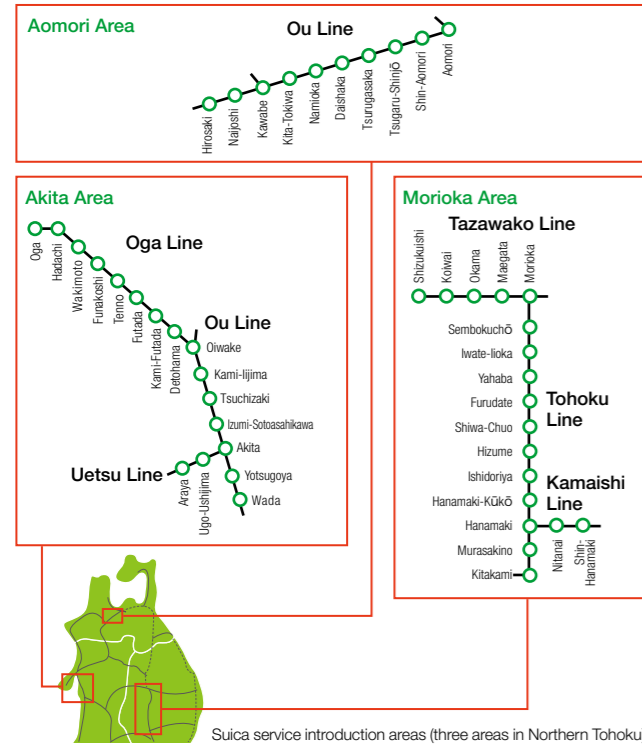
Growth Strategy

The JR East Group will expand the transportation services covered by Suica through collaborations with various transportation operators and an increase in the regions where Suica is usable. At the same time, we will improve the functionality of Suica as a means of payment by promoting a shift from physical cards to Mobile Suica and linking Suica with other companies' payment methods, and we will utilize the authentication function of Suica to increase the variety of situations in which it is used. In these ways, the Group will make Suica a shared infrastructure and expand its payment and finance businesses.

Suica Usage Area Expansion and Multifunctional IC Cards for Regional Transit

To improve customer convenience, in May 2023 we added railway lines in Aomori, Morioka, and Akita areas where Suica can be used. Further, plans call for making Suica usable on railway lines in Yamagata Prefecture beginning from spring 2024.

In addition, as of March 31, 2023, JR East increased to 12 the number of areas compatible with multifunctional IC cards for regional transit, which allow customers to use a single card for region-specific services such as bus commuter passes and a range of discounts as well as Suica services, including train tickets and electronic money.



Expansion of the Suica Electronic Money Business

With respect to the Suica e-money business, the number of stores where Suica can be used is increasing not only among *ekinaka* stores but also at in-town stores.

Stores where Suica cards can be used:

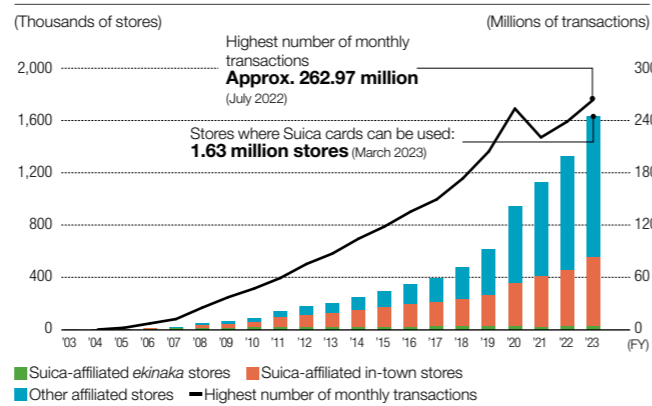
1.63 million stores nationwide
(including approximately **550,000** Suica member stores)

In addition, we will expand the use of Suica by developing campaigns in cooperation with affiliated stores and reciprocal use businesses and conducting JRE POINT-based campaigns with Group companies.

Monthly transactions of e-money:

Approximately **262.97** million

Public Transportation E-Money Compatible Stores and Monthly Transactions (Highest Number in Each Fiscal Year)



Preparation for the Establishment of JRE BANK



Hiroshi Oi
Strategies & Business Platform Department
Marketing Headquarter

In spring 2024, we will launch a digital financial service, JRE BANK.

Under the concept of "bringing experience to life", this service will not only provide value to customers by helping them increase their assets in the manner of general financial institutions but also utilize the JR East Group's business fields to offer benefits to customers who deposit financial assets.

As part of the business platform set forth in the JR East Group Management Vision "Move Up" 2027, we will promote tie-ups between JRE BANK and a range of services to expand the scope of JRE POINT. In conjunction with these measures, we will help enrich people's lifestyles by improving daily convenience for customers and offering experiences that give color to life.

Note: Commencement of the aforementioned service is contingent on obtaining permission to engage in bank agency business in relation to ViewCard, with Rakuten Bank, Ltd., as the principal bank.

Renewable Energy

Business Development

In addition to installing solar panels on platforms and roofs of station buildings and inside rolling stock centers to generate power for use on-site, JR East is developing large-scale renewable energy sources together with JR East Energy Development Co., Ltd. By the end of fiscal 2023, we had developed renewable energy sources with a generation capacity of 136,000 kW. In fiscal 2023, we generated approximately 179 million kWh.



Osamu Kato
Senior Executive Officer
(In charge of Energy Strategies)

Growth Strategy

We will continue to actively introduce renewable energy from multiple sources such as wind power, solar power, and geothermal power in various locations, particularly in the Tohoku area.

To achieve Zero Carbon Challenge 2050, we aim to develop renewable energy sources with a generation capacity of 700,000 kW by fiscal 2031 and 1 million kW by fiscal 2051.

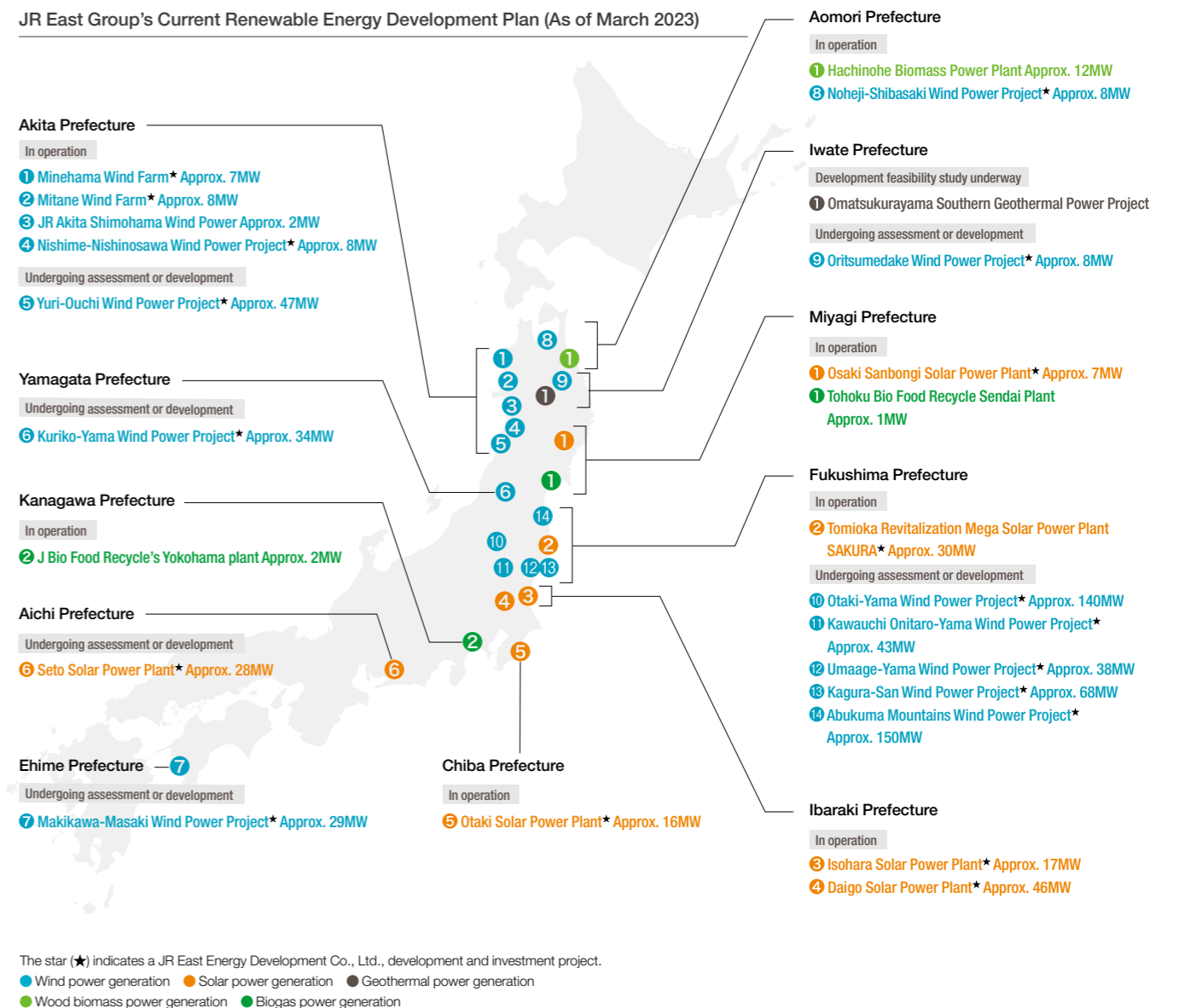
Utilization of Renewable Energy Sources to Realize a CO₂-Free Tohoku Area

To supply CO₂-free electricity in the Tohoku area and achieve net zero CO₂ emissions from electricity consumption for train operations in the area by fiscal 2031, JR East will utilize the renewable energy value derived from in-house developed renewable energy sources. In fiscal 2024, the Company will introduce the renewable energy value derived from the Daigo Solar Power Plant in Ibaraki Prefecture to the Senseki Line in Miyagi Prefecture, which is expected to result in an 11,000-ton reduction in CO₂ emissions per year.



Daigo Solar Power Plant in Ibaraki Prefecture

JR East Group's Current Renewable Energy Development Plan (As of March 2023)



IT & Suica, Renewable Energy, and International Business

Shunzo Miyake
Senior Executive Officer
Director General of
International Affairs
Headquarters



We have established three main goals for the advancement of our international business: developing human resources and enhancing the technological capabilities of the JR East Group by taking on ambitious overseas projects; building a business model for our international business that mobilizes and integrates the Group's strengths; and pursuing management for the long-term sustainability of our international business.

We have gained a variety of experience and expertise through our involvement in the overseas projects shown on page 57, and we will continue to evolve and accelerate these initiatives. In realizing the aforementioned three goals, we must acquire and boldly take on overseas projects and expand our international business without fear of failure.

As well as developing human resources and enhancing the technological capabilities of the JR East Group, our international business conducts various types of training overseas and operates overseas study and assignment programs that give employees firsthand experience of leading-edge research and businesses overseas. The aim of these activities is to foster internationally minded personnel who have broader horizons. Also, in 2022 we began widely disseminating our expertise and know-how internally and externally through such initiatives as the release of Railway Business English—a book focusing on English used in the railway business overseas—and the launch of the JR East Global Academy e-learning program, which enables systematic, practical study of overseas railway projects.

We will continue contributing to the overseas development of Japan's railway business. With a focus on Asia, our international business will offer value in the form of enriched lifestyles.

Ikuju Asami

Senior Executive Officer
Deputy Director General of
International Affairs Headquarters



International Business

Business Development

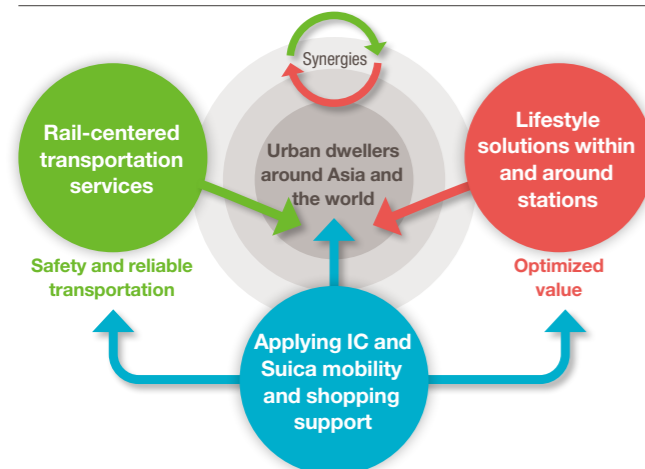
The JR East Group is developing a variety of businesses overseas, primarily in Asia, such as by supporting the opening of the India High-Speed Railway, providing rolling stock and maintenance services for the MRT Purple Line in Thailand, and providing technical support to a railway operator in Indonesia.

Growth Strategy

By taking advantage of its combined strength in the mobility and lifestyle solutions fields, the JR East Group will build a business model for its international business—which develops railway infrastructure systems that have high levels of quality and efficiency—and propose lifestyle-enriching solutions mainly in Asia but also in other regions.

Through overseas projects, we are also developing human resources and enhancing technological capabilities. Moreover, JR East's domestic operations benefit from the skills and experience acquired overseas.

JR East Group International Business Concept



Participation in Railway Projects and Technical Support Overseas

Primarily in Asia, the JR East Group is engaged in maintenance work and rolling stock transfer. In Bangkok, Thailand, we contribute to the provision of reliable railway transportation services. We supply rolling stock to Bangkok's MRT Purple Line urban railway line, while local company Japan Transportation Technology (Thailand) Co., Ltd. (JTT) is responsible for the maintenance of rolling stock and ground equipment.

Meanwhile, Japan International Consultants for Transportation Co., Ltd. (JIC) provides consulting services including design and construction supervision, operation and maintenance support, and human resources development for various phases of railway projects in countries such as Indonesia, Vietnam, Bangladesh and Egypt, both new railway lines and the upgrading of existing lines. JIC is also extending the scope of the JR East Group's service lineup by conducting surveys on transit-oriented development, and digital transformation, etc.



Purple Line rail yard (JTT)



Preparation for the opening of Ho Chi Minh City Metro Line 1

Support for the Opening of the India High-Speed Railway

In the India High-Speed Railway Project, JR East supports Japan-India intergovernmental consultations, while JIC implements detailed design, prepares tender documents and tender assistance, and also assists in human resources development, including training visits to Japan. In fiscal 2023, we trained prospective operations and

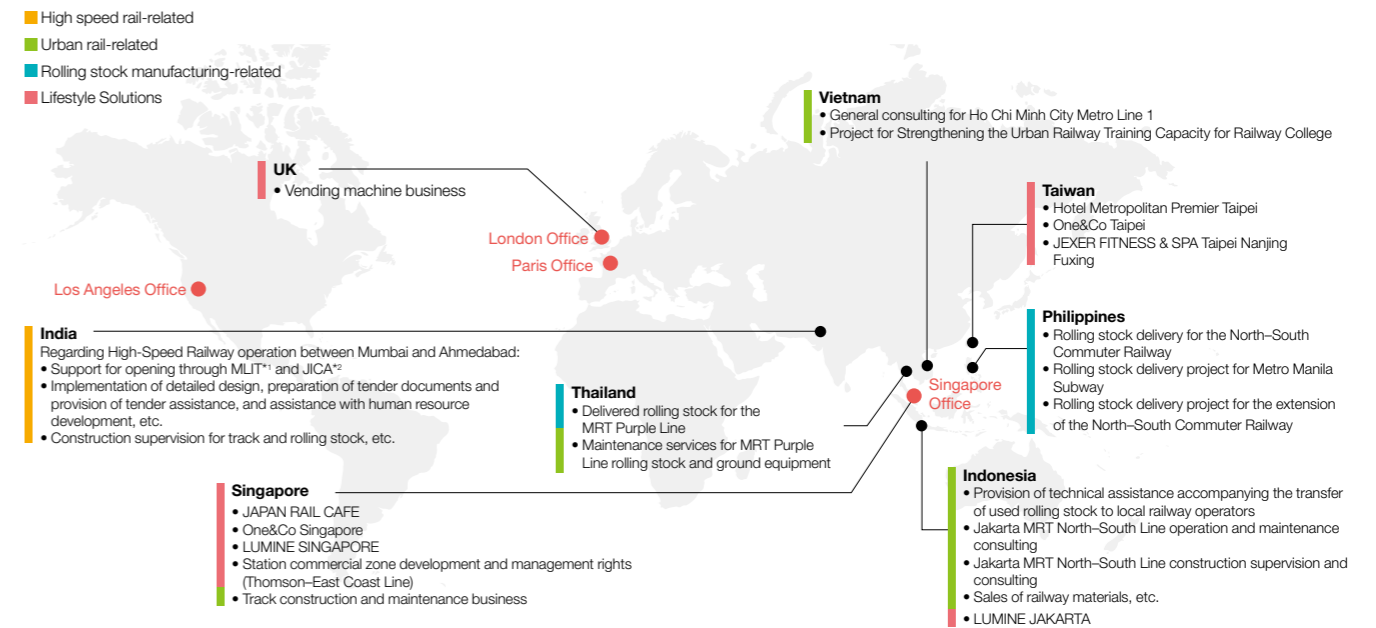


Personnel training in Japan for NHSRCL



Construction of Surat Station

JR East Overseas Offices and International Railway Projects



*1 MLIT: Ministry of Land, Infrastructure, Transport and Tourism

*2 JICA: Japan International Cooperation Agency

Note: Please see page 47 for Lifestyle Solutions.

maintenance managers sent from National High Speed Rail Corporation Limited (NHSRCL) of India. In addition, JICC*3 has received an order from NHSRCL for construction supervision for track and rolling stock and has begun operations in India. The JR East Group will be One Team and contribute to the project.

*3 JICC: JIC Consortium, consisting of JIC, Nippon Koei Co., Ltd., and Oriental Consultants Global Co., Ltd.

International Standardization Initiatives

To facilitate our international business development, we have been working with the national government and related organizations to incorporate Japan's technologies into international and industry standards related to railways or to make Japan's technologies conform to international standards. At the same time, we have been studying businesses based on an "open-close strategy"*4 with the related organizations to clarify our strengths, such as our technologies, and develop our competitive advantages in the business.

We will continue to spread Japan's railway technologies and expand business opportunities for our Group's international business through our strategic efforts in international standardization.

*4 Protecting core fields through "closed" strategies while implementing "open" strategies in other fields to create markets

Development of Professionals Capable of Working in Our International Business

With a view to developing personnel and enhancing technological capabilities, the JR East Group is fostering professionals who can contribute to the overseas railway business in such fields as international standardization, commercial affairs, and project management.

We will develop professionals by giving our personnel practical experience in many different overseas projects.



Project manager who works overseas (courtesy of MRT Jakarta)

International Exchange Initiatives



Keita Matsumoto

Planning & International Relations Department
International Affairs Headquarters

We promote mutual understanding with railway company personnel from around the world, by inviting them to tour our facilities and participate in discussion and by engaging in personal exchange with relevant parties from overseas railway operating companies.

As a means of acquiring new knowledge and heightening its profile internationally, JR East also pro-actively gathers and provides information at international conferences and events held by organizations to which the company belongs, such as the International Union of Railways (UIC) and the International Association of Public Transport (UITP).



Human Resources Strategies

Shingo Amemiya
Senior Executive Officer
In charge of
Work & Welfare Strategies
Department



Developing Employee Capabilities to Achieve Equal Allocation between Mobility and Lifestyle Solutions

Human resources are the source of the JR East Group's sustainable growth. The JR East Group Management Vision "Move Up" 2027 calls on us to provide people-focused value and services. In this vision, the happiness of our employees and their families is central to our efforts to offer new value to society. By enabling employees to realize their potential, we will develop personnel capable of boldly tackling challenging tasks. In addition, we will establish flexible organizations and systems to increase employee engagement and enhance the value of our human capital.

Recently, we have reformed our personnel and wages systems to enable diverse, flexible workstyles. Moreover, to realize flexible workstyles that are not bound by previous divisions of roles and to create new value, we have delegated authority and transferred operations from the head office to branch offices, and from branch offices to field sites, while integrating field sites and planning departments. For example, we are advancing initiatives that transcend the boundaries of divisions and Group companies by having station personnel engage in such activities as onboard ticket inspection and onboard sales, product sales outside the business hours of Midori no Madoguchi ticket offices, and the promotion of travel product campaigns developed in collaboration with Group companies. These initiatives are steadily producing results.

The JR East Group will continue to create job satisfaction that is derived from a sense of accomplishment and fulfillment in work, make working conditions more employee friendly, and encourage all employees to play important roles. In this way, the Group and its employees will build relationships that allow both to continue growing sustainably.



Toshiki Saito
Executive Officer
In charge of Work & Welfare Strategies
Department Business Renovation Project

Basic Approach

We are enhancing job satisfaction by creating an environment in which all Group employees can play important roles. At the same time, human resources are being managed so that employee growth becomes a driving force for the Group's sustained growth.

In particular, to fundamentally transform our operations in the post-COVID-19 era, we will accelerate workstyle reform and other reforms, building on past reform initiatives.

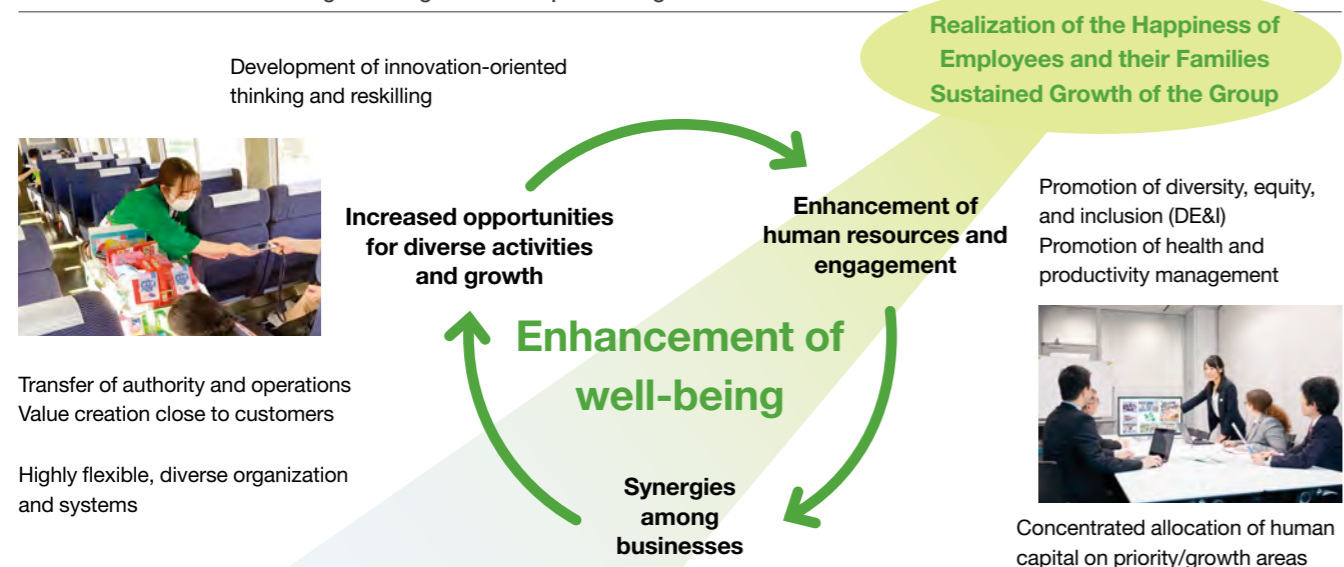
By providing more opportunities for employees to play active roles, enhancing job satisfaction, and heightening the value of human capital, we aim to become an organization that can adapt flexibly and promptly to dramatic changes in the environment.

Further, the Group will advance initiatives that integrate top-down and bottom-up management approaches to give each employee a greater sense of participation in management. Specifically, we will

transfer authority through organizational reform and promote integration among organizations so that we can rapidly create value and solve problems in locations close to our customers. In these ways, we will expand the scope of all employees' activities and enable workstyle flexibility and career development. The Group will increase employee engagement through the creation of opportunities for employees to boldly take on challenges and pursue personal growth. By giving employees a real sense that they are growing through their work, we will also enhance employee well-being. Through the aforementioned initiatives, the JR East Group will realize the sustained growth of the Group and all its employees.

* Please see pages 98-103 for details on the promotion of diversity, equity, and inclusion (DE&I); human resource development; the promotion of health and productivity management; and occupational safety.

Acceleration of Business Strategies through Human Capital Management



Challenges of Achieving Equal Allocation between Mobility and Lifestyle Solutions

To ensure its sustainable growth, the JR East Group aims to achieve equal allocation between businesses related to mobility and businesses offering customers lifestyle solutions, rather than focusing mainly on railway operations. In achieving this goal, the main human capital-related challenges are as follows.

Human Resources Diversification

Aiming to maximize synergy benefits among businesses, the Group will increase the diversity of its employees and provide them with more opportunities to realize their individual talents in a wide range of business fields and to achieve personal growth through such work.

Human Resources for Priority Growth Fields

Until now, we have undertaken personnel assignment primarily with railway operations in mind. However, fundamental structural reform of our businesses aimed at achieving equal allocation between Mobility and Lifestyle Solutions is creating an urgent need for personnel who can work in priority growth fields. Accordingly, we will build a training system that effectively fosters new approaches, expertise, and skills. At the same time, we will ensure that opportunities are not missed by promptly assigning personnel to priority growth fields and advancing innovation.

Human Resources Systems and Wage Systems Suited to New Business Fields

Given the increasing mobility of human resources, the JR East Group will secure and retain personnel through the establishment of human resources systems and wage systems that are compatible with new business fields.

Acceleration of Business Strategies through Human Capital Management

We are establishing a human resources strategy that will place greater emphasis on human capital in the realization of management strategies. The JR East Group will accelerate human capital management by building and implementing this human resources strategy based on three priorities: the enhancement of Groupwide personnel capabilities; the concentration of human resources in priority growth fields; and the creation of systems that encourage ambition and achievement.

Enhancement of Groupwide Personnel Capabilities

Reskilling Employees

The Group will focus on developing mindsets and skill sets that empower employees to work in priority growth fields and create new value beyond railway operations. Specifically, we will expand group training (off-the-job training) and self-development programs, provide outside learning opportunities for the development of innovation-oriented thinking and capabilities, and offer more online training to enhance its effectiveness and efficiency.



Creation of Support Systems for Ambitious Employees

Reforming Systems

We have reformed systems through various measures, such as the expansion of the flextime system to include frontline offices, the introduction of "workations," and the side jobs work experience initiative, which began including non-Group companies in April 2023. With a view to further strengthening growth strategies, the Group will enhance workplace environments and systems that allow diverse employees to demonstrate their talents and take on ambitious goals.

Concentration of Human Resources in Priority Growth Fields Utilizing Internal Human Resources

Using an in-house job posting system, the Group will allocate human resources to priority growth fields that have high levels of productivity. By fostering personnel who can work in areas straddling Mobility and Lifestyle Solutions, we will maximize the benefits of synergies among businesses.

Securing External Human Resources

The JR East Group will actively and flexibly hire personnel with extensive experience of and expertise in priority growth fields. Specifically, we will newly establish quotas for the hiring of personnel for priority growth fields, introduce year-round hiring of experienced personnel, and advance job-based recruitment that allows personnel to develop careers within specific business fields.

We are also implementing "welcome back" hiring, whereby personnel who left us to advance their careers can help us achieve new growth by capitalizing on experience acquired and approaches learned in other organizations.

Taking on the Challenge of Side Job Work Experience at a Non-Group Company



Ryo Takayanagi
Nagano General Management Center
Nagano Branch Office

Normally, I am in charge of ticket gates and transportation operations at the Nagano General Management Center (Sakudaira Station). I work at a local railway station, and my desire to publicize and encourage people to rediscover the appeal of Saku led me to take on the challenge of gaining side job work experience at a non-Group company. My side job is at Plaza Saku, Sakushi Shinkoukousha, General Inc. Association, where I sell local specialties, serve customers, and provide tourist information. By talking with customers and paying attention to the products they purchase, I am learning more each day about the things that make visitors want to come back to Saku. Further, in my side job duties I am able to use the knowledge I have garnered through my duties at the railway station, such as helping travelers by providing them with information. In the future, I will utilize the connections I have made in my side job to implement initiatives in cooperation with Plaza Saku that invigorate the local community even further.



Digital Transformation and Intellectual Property Strategies



Accelerating Value Creation through Digital Transformation

The JR East Group's business environment is evolving rapidly due to COVID-19 pandemic-related lifestyle changes, a declining population, and an aging society. In addition, AI, data analysis, and other digital technologies are advancing faster than expected.

Against this backdrop, we urgently need to accelerate the creation of new value by combining digital technologies with our existing strengths in real-world networks.

Accordingly, the JR East Group will pursue digital transformation that enhances corporate value by utilizing digital technologies to accelerate business innovation based on the needs of customers, society, and employees and to provide customers with new value.

We will combine our infrastructure and assets with the technologies and know-how of outside organizations and companies to transform how employees work and to offer customers quality services that are enabled by digital technologies.

Further, intellectual property strategies are essential for innovation. Through appropriate management of intellectual property and the integration of intellectual property strategies and business strategies, the Group will create value in the form of trust and enrichment.

Realizing Cross-Divisional Work Reforms through the Development of an App That Films and Shares Train Videos



Tomoya Sato
Railway Operations Department
Tohoku Area Headquarters

To sustainably realize safe, reliable transportation, overall optimization of coordination and work among divisions dedicated to such operational areas as transportation, rolling stock, facilities, and electric power is critical.

The Akita Branch Office has developed an app that films videos from train drivers' cabs and shares the videos with various in-house divisions. In deciding on the concept and specifications of the app, numerous discussions were held with representatives from many different fields, which has resulted in an app that is being used in driving, maintenance, and a wide range of other operations. Moreover, the app has promoted network creation and mutual understanding of each other's work across divisions.

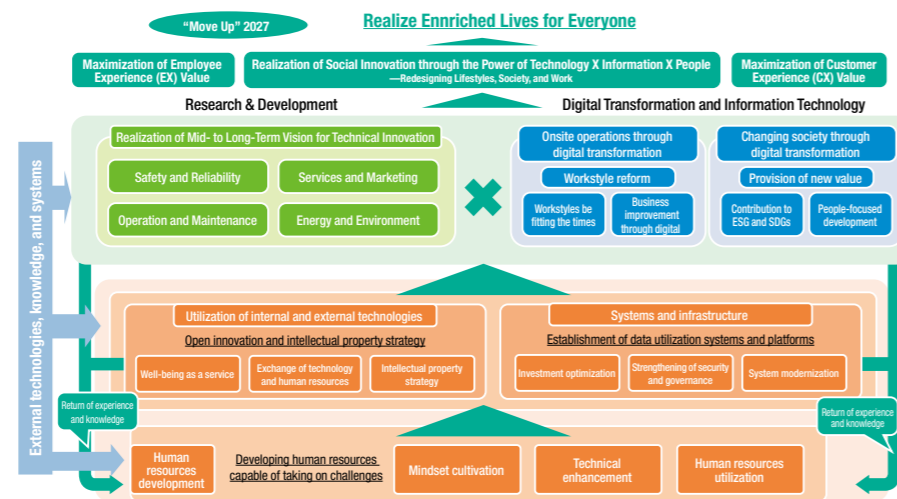
This initiative will help with the overall optimization of various railway operation systems. For this reason, JR East will continue evolving the initiative with the aim of achieving work reform in railway systems.

Digital Transformation Strategy

Setting Out a Medium- to Long-Term Vision

In fiscal 2024, the Innovation Strategy Headquarters set out its target profile in the form of a medium- to long-term plan.

As foundations for the promotion of innovation, the headquarters will develop employees with digital technology skills, establish and enhance systems and data infrastructure, and advance intellectual property strategies that complement open, innovation-enabled external collaborations and business strategies. Based on these foundations, the Group will enhance service quality and work efficiency to enrich day-to-day life for everyone.



* For details on the JR East Group's innovations, please see pages 96-97.

Development of Employees with Digital Technology Skills

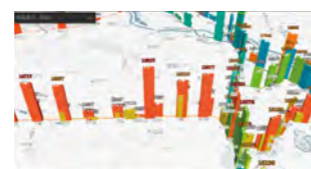
In promoting digital transformation, we are fostering personnel who have the skills to use digital technologies to resolve work issues and thereby advance work reform. Aiming to develop personnel capable of leading digital transformation initiatives and to improve the digital literacy of all employees, we are fostering a mindset that is open to and comfortable with digital technologies and enhancing employee skills by conducting a range of training, such as design thinking workshops and training on data analysis and utilization.



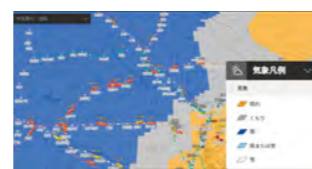
Data analysis training

Data-Enabled Promotion of Digital Transformation

To utilize data for the promotion of digital transformation, we have built a platform that enables us to collect in-house data, integrate systems, and visualize and analyze data. This platform can be used by all employees and contributes to the improvement of work practices and the creation of new ideas. For example, we have built a digital twin platform that allows us to superimpose in-house data about the status of train services, external weather data, and various other types of data onto maps, which is useful for operations in the event of transportation disruptions or disasters.



Visualization of train locations and passenger congestion (Congestion shown by train heights)



Weather data superimposed on train locations

Intellectual Property Strategy

Basic Approach to Intellectual Property Activities

In order to sustainably grow the Group's businesses, the appropriate management of intellectual property and the execution of intellectual property strategies that are linked to business strategies are important.

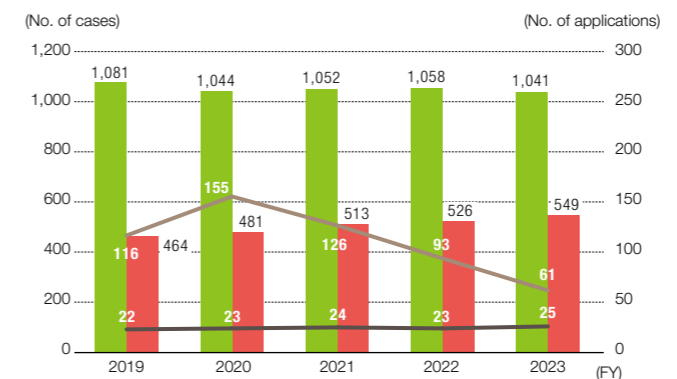
Intellectual properties are important intangible assets integral to the creation of businesses and value. The JR East Group's basic policy is to manage them appropriately and on an integrated Groupwide basis, and to promote intellectual property activities.

Specifically, we are supporting the utilization of information (data), technology, and brands in initiatives aimed at enhancing the power of our network and thereby enabling innovation and the offering of new lifestyles to our customers. Also, by respecting the intellectual properties (intangible assets) of third parties, we earn the trust of all stakeholders, local communities, and the international community.

Intellectual Property Management Structure

The Intellectual Property Center of the R&D Unit, Innovation Strategy Headquarters, which is in charge of patents, designs, and technical information, and the Legal Division of the Corporate & Legal Strategies Department, which is in charge of trademarks and copyrights, work together to acquire and utilize intellectual property rights, and formulate and implement intellectual property strategies for the purpose of business co-creation and other activities.

Number of Intellectual Property Rights Held and Applications Filed



Left: ■ No. of patents, utility models, and designs held ■ No. of trademarks held
Right: — No. of applications (patents, utility models, designs) — No. of applications (trademarks)

Specific Intellectual Property Activities

In businesses related to Mobility and Lifestyle Solutions, the Intellectual Property Center and the Legal Division are engaged in activities such as intellectual property education and training, the building of intellectual property portfolios (groups of strategically managed intellectual properties) through the acquisition of patent rights and trademarks, and the development of personnel involved in intellectual property activities.

In terms of education and training on intellectual property, we aim to improve the intellectual property literacy of each and every employee through regular training sessions and the use of educational materials and manuals based on past inappropriate events to ensure that all employees are aware of the proper handling of intellectual property.

In building intellectual property portfolios, the Company determines whether or not to apply for and keep patents and other rights based on its policy of enhancing the quality of patents and other rights. Representative examples of intellectual property rights that JR East has acquired in the process of building portfolios are given below.

Examples of Intellectual Property Acquisition:

JR East App Real-Time Route Search

- Technology for searching routes based on the status of train operation: Japanese Patent number 7146203
- Device, information terminal, and computer program for analyzing the operational status of transit vehicles
- Screen design for displaying route search results in an easy-to-understand manner: Japanese Design Right number 1661710
- Electronic computer with route search function



In building intellectual property portfolios, we will advance intellectual property activities with the aim of increasing the percentage of patents and other intangible assets that are related to digital transformation and services, pursuant with our goal of achieving equal allocation between Mobility and Lifestyle Solutions.

Sustainability Strategies, Promotion Structure, and Our Sustainability Goals

Sustainability Strategies

The JR East Group's businesses fulfill a wide range of important functions in the daily lives of customers and are indispensable to local communities and society. While ensuring appropriate profits, we will practice environmental, social, and governance (ESG) management that implements necessary measures from a medium- to long-term perspective, and aim to contribute to the sustainable development of local communities, achieve the Sustainable Development Goals (SDGs), earn even more trust from customers and local residents, enhance corporate value, and grow sustainably as a group.

The following summarizes our view of the risks and opportunities associated with materiality that may affect management policies and strategies over the medium to long term.

Providing Society with Safe, Reliable Infrastructure

We will provide society with safe, reliable infrastructure by placing safety at the top of management.

Risks and Opportunities

- The occurrence of an accident or other incident is a risk that could have a serious impact on business management.
- Safety inspires and increases trust, which is the foundation of all our businesses.

Creating a Vibrant Society

We will provide quality services that are inclusive and convenient.

We will work in partnership with the local communities to develop vibrant towns.

Risks and Opportunities

- Given the risk of continued decline in Japan's population and other factors, we will work with local communities to increase usage of our transportation services by growing the number of people engaging with regions.
- We will increase usage and help create vibrant communities by promoting understanding of diversity, equity, and inclusion (DE&I); enhancing accessibility; and catering to demand for convenient, contactless services.

Enriching the Global Environment

We will realize carbon neutrality and secure stable energy supplies, taking into account the effect of climate change on our businesses.

We will lead efforts to realize a recycling-based society.

Risks and Opportunities

- Mindful of the risks posed to railway operations and businesses by climate change, we will reduce energy consumption, ensure stable supplies of energy, enhance our environmental advantages, and continue to provide services that are the preferred choice of customers.

Providing Society with Innovative Technologies and Services

We will create new services and expedite their introduction to society by actively advancing new technologies and digital transformation in all of our businesses and by taking on ambitious initiatives that go beyond the boundaries of existing businesses.

Risks and Opportunities

- In addition to providing solutions that improve our responses to disasters and accidents, we will improve labor saving and efficiency.
- While improving services and adding value in all our businesses, we will secure earnings and maintain levels of employment through business creation.

Increasing the Engagement of All Group Employees

We will make our Group companies places where each of the Groups' diverse employees can demonstrate their abilities in a challenging and rewarding environment.

Risks and Opportunities

- We will attract personnel who have diverse values and can think flexibly.
- We will fundamentally reform businesses through integration and collaboration; realize innovation; and heighten productivity through the upgrading of work practices.

Improving Confidence in Management

We will build a solid governance system that is resilient to changes to facilitate new challenges, while respecting human rights and conducting trustworthy corporate management.

Risks and Opportunities

- We will transform into a corporate group that gives each employee a sense of participation in management and which realizes bottom-up, people-focused value creation.
- We will distribute the added value that we create to a wide range of stakeholders, thereby increasing corporate value.
- We will build an effective management structure and create a corporate culture that supports and heightens trust.

Promotion Structure

With respect to the management system for implementing sustainability strategies, the Sustainability Strategy Committee, which is chaired by the president and CEO, has been established to set and promote the Group's basic policies and other measures with a view to addressing various social issues and realizing a sustainable society.

Promotion Structure



Materiality Identification: Approach and Process

Aiming to realize fundamental change in the post-COVID-19 era and become a corporate group that grows sustainably over the long term, in 2023 we reanalyzed and discussed the impact of various factors on corporate value enhancement and business foundations. We then backcast from specific goals that reflect our purpose and vision and revised the materiality-related tasks of business management. In revising the materiality-related tasks, the Integrated Report Review

Subcommittee, which has been established under the Sustainability Strategy Committee, held discussions on materiality revision; the senior management team fully discussed the subcommittee's proposals in light of stakeholder opinions; and the Sustainability Strategy Committee made the final decision. Important targets have been incorporated into the numerical targets for specific measures under "Move Up" 2027, and additional measures will be implemented accordingly.

Materiality, Sub-Materiality, Goals, and KPIs

Materiality	Sub-Materiality	Goals	KPIs (Fiscal 2028 numerical targets)
Providing Society with Safe, Reliable Infrastructure For business foundations		Provision of safe, reliable transportation, products, and services	<ul style="list-style-type: none"> • Accidents due to internal causes...0^{*1} • Serious incidents...0^{*1} • Railway accidents (compared with fiscal 2019)...20.0% reduction^{*1} • Including passenger injuries on platforms (compared with fiscal 2019)...30.0% reduction^{*1} <hr/> <ul style="list-style-type: none"> • Transportation disruptions due to internal causes • Conventional lines within 100 km of Tokyo...55.0% reduction (compared with fiscal 2019) • JR East Shinkansen...75.0% reduction (compared with fiscal 2019) • Total delay time due to internal causes, conventional lines within 100 km of Tokyo...70.0% reduction (compared with fiscal 2019) <hr/> <ul style="list-style-type: none"> • Countermeasures for major earthquakes (seismic reinforcement): Shinkansen viaduct columns (subject to ministerial ordinances, etc.)...100.0%^{*2} • Countermeasures for major earthquakes (seismic reinforcement): Conventional line rigid-frame bridge abutments (subject to ministerial ordinances, etc.)...100.0% • Railway stations and tracks with automatic platform gates...330 railway stations, 758 tracks^{*3}
	Creating a Vibrant Society For future corporate value	Regional Revitalization Comfortable Cities Inclusive Society	Growth in the number of people engaging with eastern Japan Promotion of regional economic revitalization One-stop provision of various high-value-added services Realization of seamless, stress-free travel Creation of diversely appealing towns with consideration for the environment, disaster prevention, and communities Development of hospitality-minded employees Improvement in service quality through dialogues with people with disabilities Promotion of understanding of an inclusive society through parasports experience and support activities
Enriching the Global Environment For future corporate value	Carbon Neutrality	Zero Carbon Challenge 2050 Utilization of diverse energy	<ul style="list-style-type: none"> • CO₂ emissions (for all Group companies)...50.0% reduction^{*5}(compared with fiscal 2014) • Development of renewable energy-based power sources...700,000 kW^{*5} For target details, see section beginning on page 85
	Circular Economy	Promotion of 3Rs	<ul style="list-style-type: none"> • Recycling rate for waste (PET bottles) generated at stations and on trains...100.0%^{*5} • Recycling rate for waste (general/industrial) (for all Group companies)...73.0%^{*5}(compared with fiscal 2014) For target details, see section beginning on page 93
Providing Society with Innovative Technologies and Services For future corporate value	Technology Innovation	Provision of operational management solutions and realization of social innovation through continuous technology innovation based on utilizing external technologies and digital transformation Development and empowerment of employees with digital technology skills	<ul style="list-style-type: none"> • Percentage of patent and design applications related to digital transformation and services...50.0% • Participants in digital technology training...30,000 or more in total^{*6}
	New Fields	Provision of new services and proposal of new lifestyles	<ul style="list-style-type: none"> • Kilometers of optical fiber cores leased...400 km in total^{*4}
Increasing the Engagement of All Group Employees For business foundations	Promotion of Diversity, Equity, and Inclusion (DE&I)	Empowerment of diverse personnel	<ul style="list-style-type: none"> • Percentage of managers who are female...10.0% • Percentage of directors who are female...30.0% • Percentage of managers hired as experienced personnel...20.0% • Percentage of employees with disabilities...2.70% • Establishment of facilities suitable for diverse personnel (LGBTQ, etc.)...100.0% (at the time of new construction or major renovations) • Acquisition rate of paternity leave...85.0% or more
	Human Resource Development	Cultivation of innovation-oriented thinking and diverse career development Expansion of fields of activity	<ul style="list-style-type: none"> • No. of participants in self-development courses on new value creation...10,000 in total^{*4} • Assignment of personnel to key growth fields...2,000 or more in total^{*4}
	Health and Productivity Management	Promotion of employee health	<ul style="list-style-type: none"> • Percentage of employees receiving regular health checkups...100.0% • Percentage of employees receiving stress checks...95.0% or more
	Occupational Safety	Accident-free, safe workplaces	<ul style="list-style-type: none"> • Fatal employee accidents (for all Group and partner companies)...0^{*1}
Improving Confidence in Management For business foundations	Internal Control That Promotes the Undertaking of Bold Challenges	Risk management that supports ambitious new initiatives Ensuring stable, appropriate operational management Business management in compliance with laws and regulations and corporate ethics, and ensuring information security	<ul style="list-style-type: none"> • Implementation percentage for compliance and information security training sessions (for all Group employees)...100.0%
	Respect for Human Rights	Instilling of respect for human rights Sustainable procurement	<ul style="list-style-type: none"> • Implementation percentage for seminars on human rights (for all Group companies)...100.0% • Penetration of initiatives related to human rights, the environment, and other issues into major suppliers (supply chain penetration percentage)...100.0%

*1 Targets for fiscal 2024 *2 Targets for fiscal 2026 *3 Target for approximately fiscal 2032 *4 Cumulative targets from fiscal 2024 onward *5 Targets for fiscal 2031

*6 Cumulative targets from fiscal 2022 onward

Providing Society with Safe, Reliable Infrastructure



We will provide society with safe, reliable infrastructure by placing safety at the top of management.

Goal • Provision of safe, reliable transportation, products, and services

Fundamental Concept

Since the establishment of JR East, safety has been our first priority of business management, and we have worked relentlessly to heighten our levels of safety. Earnest efforts to learn from unfortunate accidents in the past have enabled JR East to further the prevention of future accidents through its continued development of both tangible and intangible measures. JR East is committed to steadily improving tangible countermeasures as well as to ensuring that each one of its employees takes all possible intangible measures. Furthermore, by pursuing ultimate safety levels, we will steadily reduce the risk of accidents and thereby build trust, which is the foundation of all business, and provide society with safe, reliable infrastructure.

Our Fundamental Concept of Safety

General Principles of Safety

JR East has prescribed General Principles of Safety in the Code of Conduct for its safety-related employees.

General Principles of Safety

- I. Safety is the most important mission in transportation.
- II. Ensuring safety is based on exact observance of rules and procedures, and is achieved through constant practice.
- III. Enforcement of confirmation and complete contact is most important for ensuring safety.
- IV. For ensuring safety, we should cooperate together and go beyond our official responsibility.
- V. When we have questions or must choose among several options, we should remain calm, think by ourselves, and take the safest course after thorough consideration.

Group Safety Plan 2023

Since its establishment, JR East has been implementing a series of five-year safety plans. In November 2018, we formulated Group Safety Plan 2023, which is our seventh safety plan. JR East Group companies, partner companies, and affiliated companies will together aim for ultimate safety levels starting with the safety actions of each person.

Group Safety Plan 2023 consists of two building blocks, "Evolution" and "Move Up," which are based on three pillars: (1) Evolution and enhancement of each person's safety actions (2) Evolution and enhancement of safety management (3) Maintenance of safety equipment by actively utilizing new technologies.

In consideration of rapid environmental changes both within and outside the Group, we will take specific measures to respond properly to these changes. Fiscal 2024 will be the final year of Group Safety Plan 2023, and we are currently formulating the next safety plan, which will be our eighth such plan.

Further Evolution of Our Safety Culture

The safety culture, upon which JR East Group has continually placed great value, including the Five Cultures, the CS (Challenge Safety) Activity, and the Three Actualities Principle, is the foundation of various safety initiatives.

Stop the Train When It Is Unsafe to Proceed

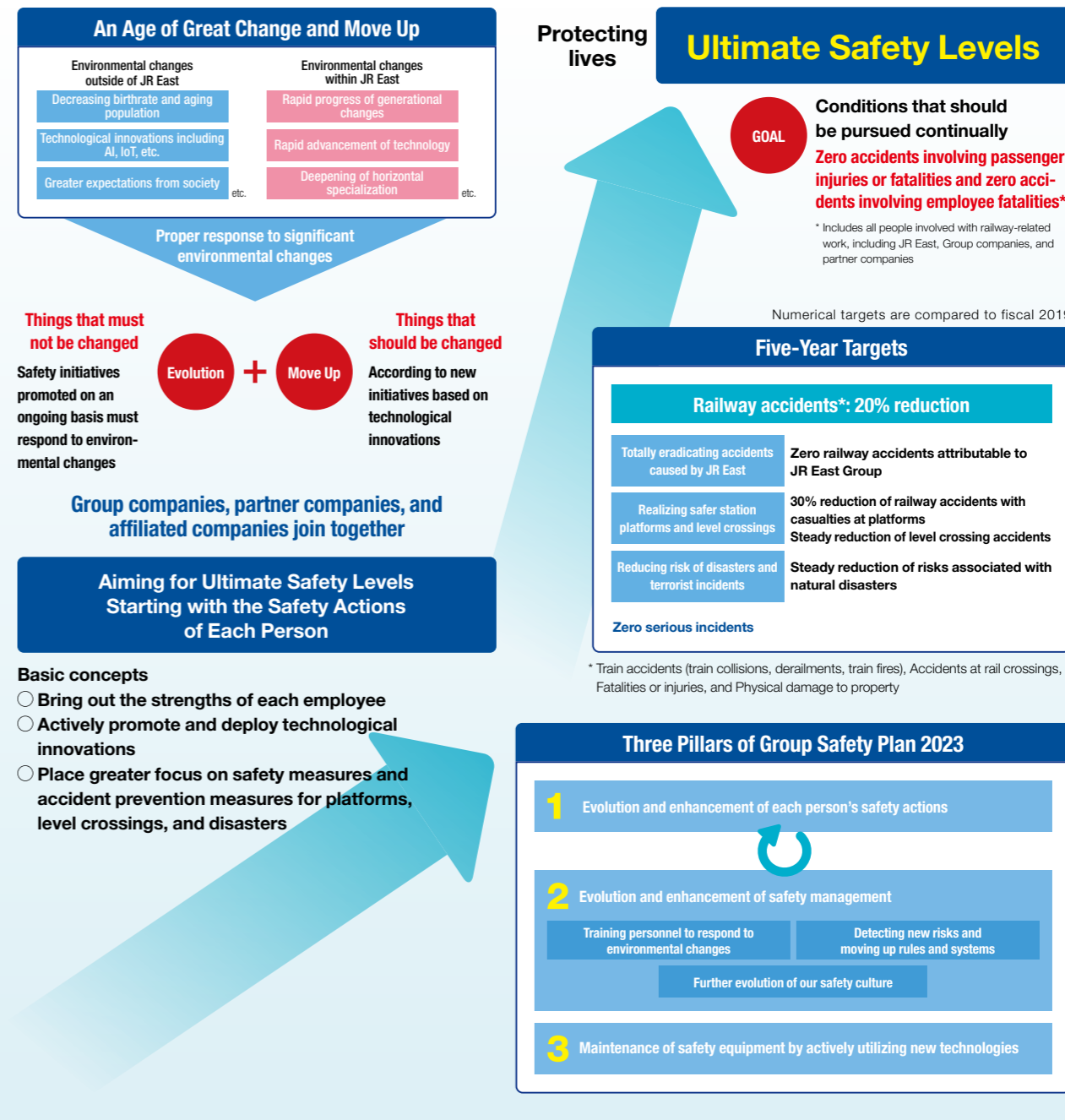
Safe and stable transportation is important for our railways. Safety means protecting lives, while stability means ensuring the on-time operation of our trains. However, although stable transportation is important for us, safety comes first. Trying too hard to keep to schedules sometimes results in not properly following safety confirmation procedures, which leads to placing the safety of train operations at risk.

To secure the safety of our railway operations, the whole JR East Group will always follow our firm Code of Conduct to stop the train when it is unsafe to proceed.

Further Ingraining the Five Cultures

- A culture of proper reporting** The prompt and proper reporting of accidents and incidents, and the prevention of the recurrence of accidents
- A culture of awareness** The recognition and sharing of information regarding the potential sources of accidents in order to prevent accidents and incidents
- A culture of direct confrontation and debate** The open and frank discussion and exchange of opinions in investigating the causes of accidents and incidents in order to identify the causes of accidents and to take truly effective countermeasures against their recurrence
- A culture of learning** The continuous awareness of others; learning from accidents and incidents that occur in all places of work, not just in one's own workplace; and the implementation of appropriate countermeasures
- A culture of action** Safety can be ensured only by taking safe actions. Think and act by yourself. This is at the core of our safety

Overview of Group Safety Plan 2023



CS (Challenge Safety) Activity

We encourage all employees to use their initiative in taking charge of safety, and we encourage them to participate in safety-related deliberation in the workplace.

Through our CS Activity, we aim to change our emphasis from reactive safety to proactive safety, such that each employee thinks about safety and addresses the related issues. We cultivate a culture of ongoing efforts to enhance safety, where individual employees are aware of safety and where field sites, branches and offices, and the head office are united in the process of discussing safety and formulating safety measures.

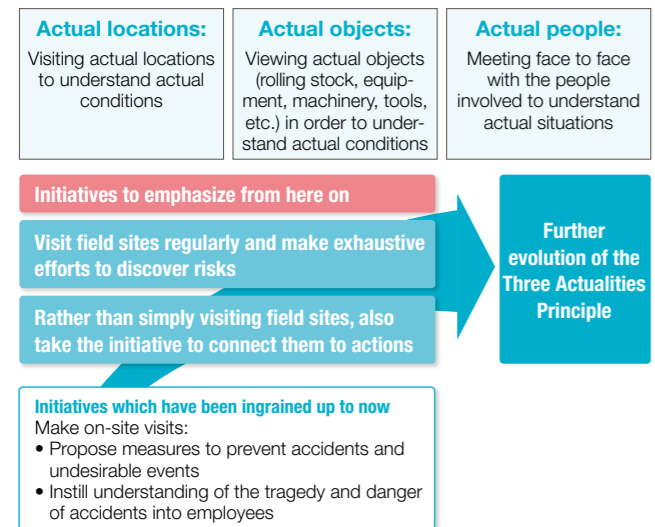
To share information useful to these activities, we periodically publish a safety newsletter, Challenge Safety *Aoshingo*.

Providing Society with Safe, Reliable Infrastructure

The Three Actualities Principle

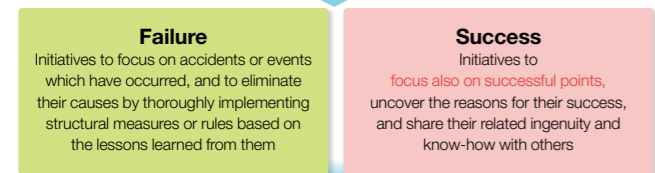
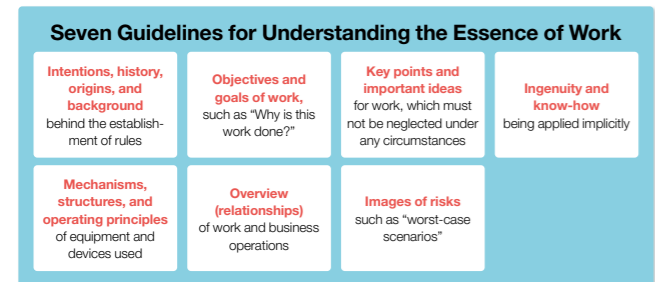
Accidents and incidents always occur at the *Genba*.^{*} This means that the sources of accident prevention can also be found at the *Genba*. JR East Group continues to search for answers which cannot be found on paper, using on the Three Actualities Principle as its standard for action—actual locations, actual objects, and actual people.

^{*} *Genba* refers to the actual locations, objects, and people directly related to the safety of our operations, including points of contact with our customers, and fields or workplaces of transport or services.



Facilitating Understanding of the Essence of Work

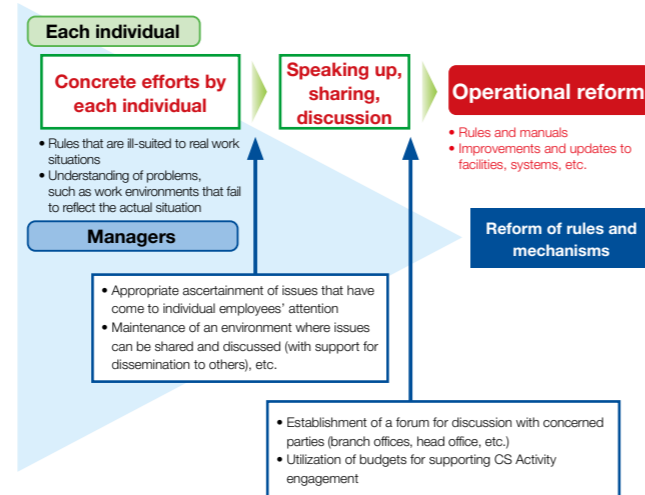
To properly respond to significant environmental changes, rather than merely learning the procedures and methods of work, we must be conscious of the Seven Guidelines, which include the purposes of work, the origins of rules, and the operating principles of equipment, to deepen our understanding of the essence of work.



Complementary effects of both sides
Promote initiatives to not only learn from failures but also focus on successful points

Moving Up Rules and Mechanisms

As the environment changes dramatically, the mechanisms of work change significantly as well, and by extension the risks of accidents and other events also change and new risks emerge. In order to comprehend changes in the environment and respond to new risks, our efforts start at the individual level, from which we work to obtain an accurate grasp of the actual situation on the front line and push through reforms to rules and mechanisms to suit real work situations.



How We Organize Safety Management

Safety Management Regulations

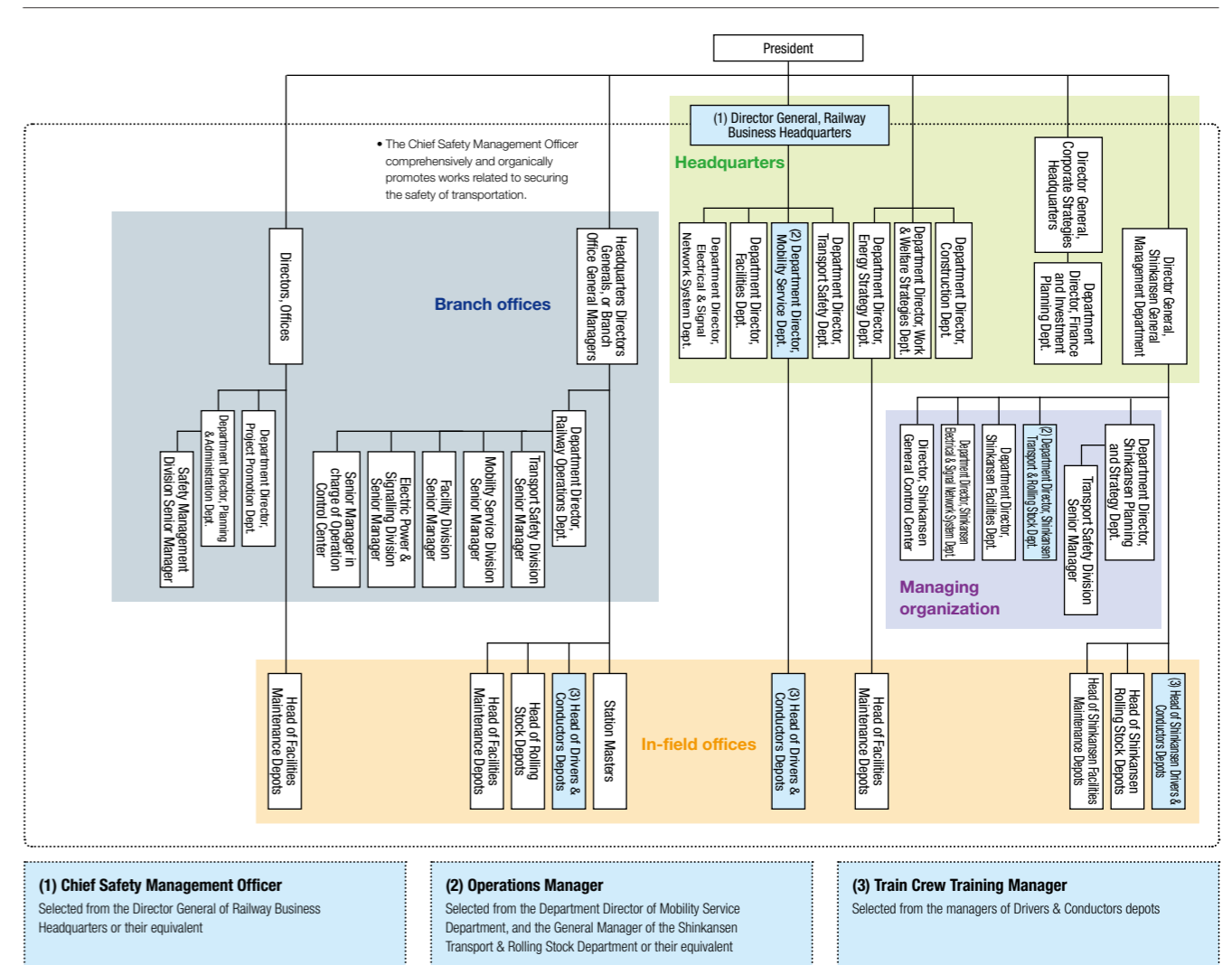
In response to a revision of the Railway Business Act, JR East formulated its safety management regulations in October 2006. These stipulate various safety management-related matters such as the responsibilities of top management executives in ensuring the safety of operations and in organizational matters and the selection of chief safety management officer, operation managers, and train crew training managers. To ensure transportation safety, we have built a system to promote operations centered on safety management officers and involving executives responsible for safety through to front line staff.

Structures to Promote Safety Measures

In 1987, we established the Railway Safety Promotion Committee, chaired by the director general of the Railway Operations Headquarters, at head office. This committee aims to enhance railway safety and prevent accidents by elucidating the causes of major accidents, formulating measures to prevent recurrence, and determining and promoting measures for safety-related equipment and rolling stock.

We also have Regional Safety Promotion Committees, which are chaired by the heads of branch offices. These committees enhance railway safety at branch offices and seek to prevent accidents. They also liaise with the Railway Safety Promotion Committee to implement specific measures.

Management Structure for Transportation Safety



Rules for Reporting Accidents and Incidents

We endeavor to accurately understand accidents and incidents, analyze their causes, and implement measures to prevent them from occurring and recurring. To this end, we work to further enhance safety through accident reporting and the establishment of rules pertaining to classes of accidents.



Investment in Safety Facilities

JR East has invested more than ¥5.2 trillion in safety since its establishment. In its Group Safety Plan 2023, JR East undertook to invest approximately ¥1.2 trillion in safety measures during the five years from fiscal 2020 to fiscal 2024. We will continue to focus on putting safety facilities in place. At the same time, we will actively embrace new technologies and respond to new risks.

Trends in Safety Investment



Providing Society with Safe, Reliable Infrastructure

Efforts to Further Improve Safety Levels

Fostering Safety-Oriented Personnel

Safety Education and Training

To heighten safety awareness among employees by prioritizing safety education and training, JR East is offering education training opportunities to its employees at the JR East General Education Center in Shirakawa City, Fukushima Prefecture, at general training centers at its branch offices, and through on-the-job training in each workplace.

The JR East General Education Center offers group training for personnel development and the improvement of knowledge and skills, fostering the development of new train crew members while providing the necessary training for job transfers.



JR East General Education Center



Practical drills on training tracks

Accident History Exhibition Hall

In November 2002, we established the Accident History Exhibition Hall within the JR East General Education Center. This facility provides opportunities for all employees to learn about and reflect on the tragedies of past accidents and the major social responsibility borne by railways. In October 2018, we expanded the Accident History Exhibition Hall and displayed the rolling stock from a 2014 accident involving a derailed Keihin-Tohoku Line train at Kawasaki Station and the construction vehicle that collided with the train. We also opened the Interactive Learning Hall to encourage people to think about train derailment accidents from various perspectives.



Accident History Exhibition Hall

Promoting the Use of Education and Training Facilities

As one aspect of its efforts to train personnel to respond to environmental change, JR East is promoting the establishment of education and training facilities to cultivate an understanding of the essence of work.

By the end of 2019, we had installed crew training simulators at all transportation-related workplaces.

We also opened the Shinkansen Education and Training Center to teach staff about the specific rules and mechanisms of the Shinkansen through the use of related equipment.



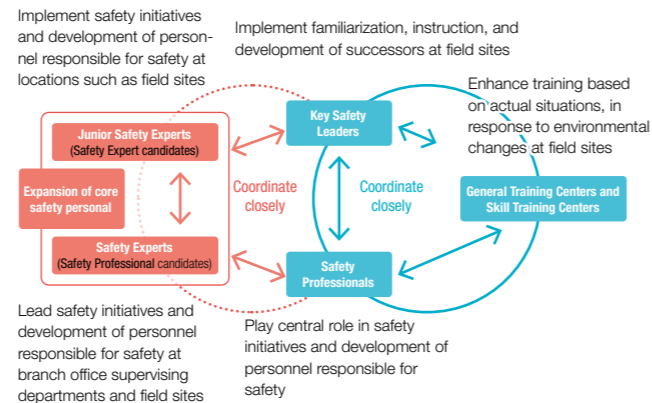
A simulator brings the crew-member training experience to life using actual video footage



Kokku Benrei Sha Safety Learning Center, Takasaki Branch Office

Development of Personnel Responsible for Safety

We are responding to the rapid transition to the next generation of employees by advancing a variety of initiatives that emphasize the cultivation of employees that treat safety as a core value.



Safety Storytellers (Narrators of Oral History)

To educate employees who can share and pass on safety-related knowledge, leadership, and technological capabilities within the Company, we have appointed highly experienced and technologically capable personnel in various specialized fields as safety storytellers, or narrators of oral history.

In addition, our headquarters, branch offices, and front offices also benefit from an environment that encourages employees to voluntarily discuss their experiences. Efforts are expanding to learn lessons from accidents and other events, to gain experience and knowledge, and to pass on such understanding to future generations.



Safety storytellers swearing-in ceremony



Otsuki accident lecture

The Railway Safety Symposium

To further enhance railway safety, each year we hold the Railway Safety Symposium. We strive to gain knowledge through discussion among local experts and share examples of good practice at workplaces.

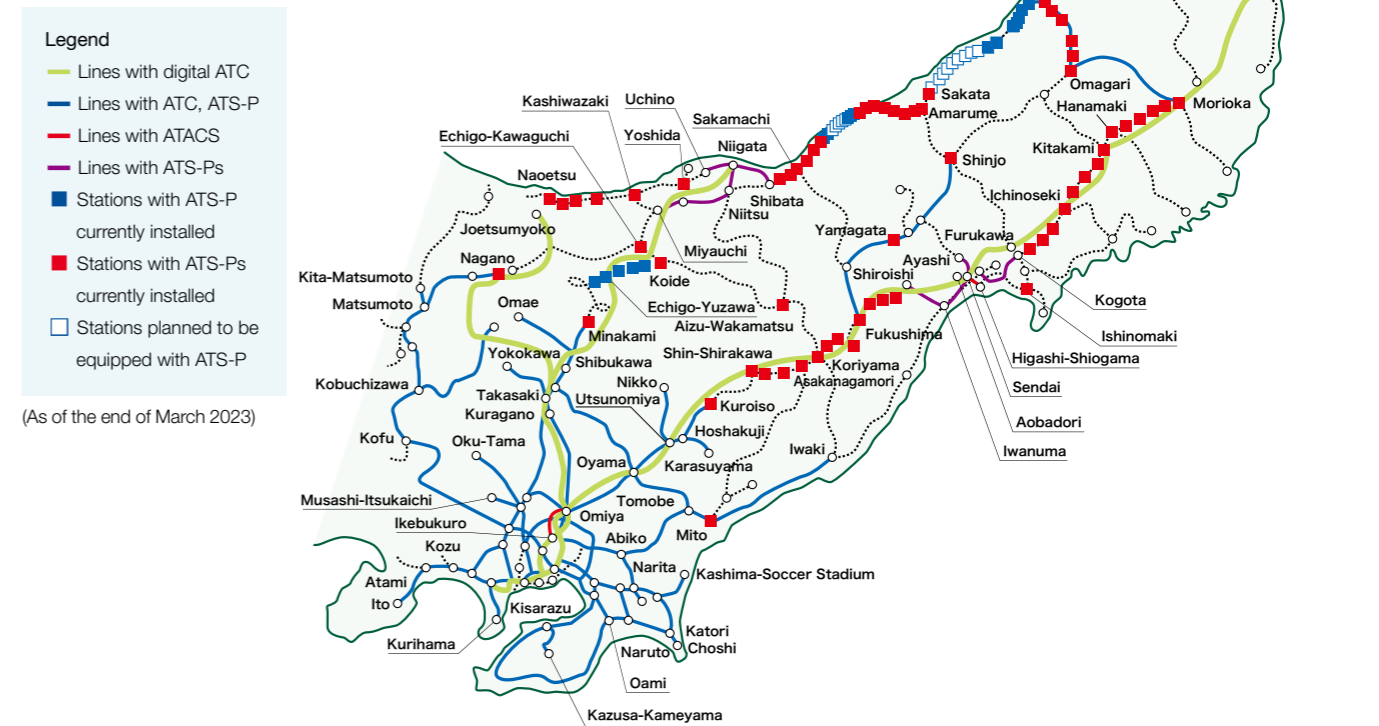


Railway Safety Symposium

Safety Measures for Train Operation and Maintenance Work

Measures to Prevent Train Collisions

ATS and ATC
To prevent collisions between trains, JR East has installed ATS (Automatic Train Stop) and ATC (Automatic Train Control) systems for its conventional lines and ATC systems for Shinkansen throughout its railway network.



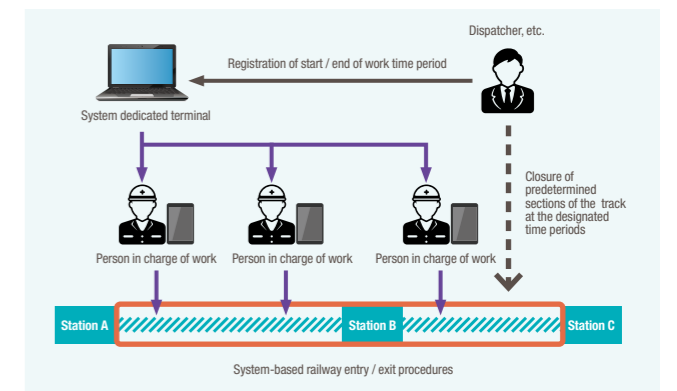
Maintenance Status

	Installation Status as of the End of Fiscal 2023
ATC	Now equipped on all Shinkansen, the Yamanote Line, the Keihin-Tohoku/Negishi Line, and the Joban Local Line
ATACS	Now equipped on the Senseki Line (Aobadori-Higashi Shiogama) and the Saikyo Line (Ikebukuro-Omiya)
ATS-P system	Completed installation in 25 major stations and railway sections for 2,484.7 km
ATS-Ps system	Completed installation in 71 major stations and railway sections for 210.8 km

Improving the Safety of Maintenance Work

During track maintenance work, we ensure the safety of workers by using a track closure procedure, which prevents trains from entering the area while the work is taking place. This involves meetings between the person in charge of the work and the person in charge of managing train operations. Recognizing the possibility of human error in communication between people, from December 2020 we introduced a system that closes the track in advance in a predetermined section for a particular period of time. Staff working on the track enter and leave using the system. This eliminates the need for meetings on the day of work, reduces human error during communications, and eliminates complicated procedures to improve safety.

System-Based Railway Entry/Exit Procedures

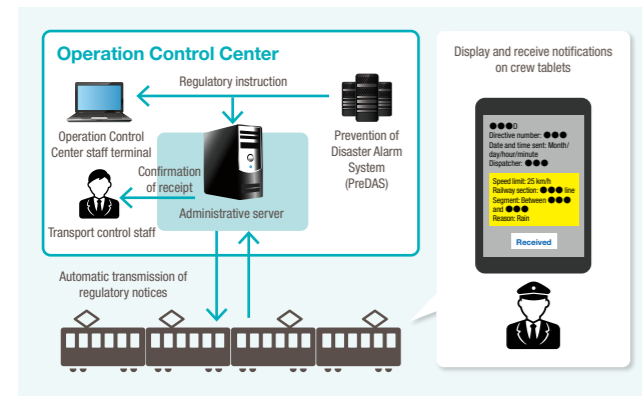


Providing Society with Safe, Reliable Infrastructure

Driving Restriction Notification System

If observed values exceed specified limits at times of heavy rain or strong winds, train speeds are restricted to ensure safety. In the past, the dispatcher transmitted the restrictions to the driver by wireless, but in September 2019, we introduced an automated notification system to help prevent human error.

How the Driving Notification System Works



Safety Initiatives for BRT Services

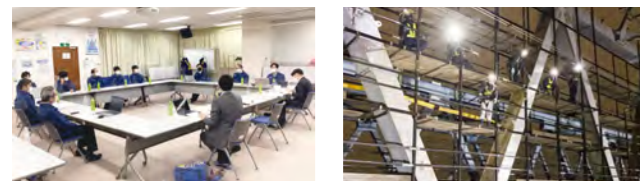
In the Kesenuma Line/Ofunato Line BRT service, we are working to ensure safety in cooperation with our two subcontractors, Miyako Bus Co., Ltd., and Iwate Kotsu Co., Ltd. In addition to various training using actual vehicles and joint information exchange meetings between the three companies, we also share and solve issues as well as work to strengthen collaboration through BRT Safety Meetings, where safety officers exchange opinions on site.



Tsunami evacuation drills

Safety Activities at JR East and Group Companies

The division of work continues between JR East and Group companies. In order to improve safety, however, we must have the same sense of values. We built JR East Safety Network (JES-Net), and 40 companies have now joined it. JES-Net carries out checks to ensure that safety works have been carried out correctly, facilitates discussions, and works to solve problems and improve safety levels across JES-Net.



Confirmation of work by JES-Net

CS General Meetings Conducted by All Office Employees



Mamoru Sugawara

Shinjo Office
JR East Techno Service Co., Ltd.

In response to the string of events that occurred in fiscal 2020, JR East Techno Service Co., Ltd., now holds quarterly CS general meetings for all employees with the aim of raising safety awareness and improving communication skills in the workplace.

Safety meetings tend to be rather formal as accidents and other such matters are discussed. At CS general meetings at the Shinjo office, however, we create an atmosphere that encourages people to feel free to attend and speak in a relaxed manner, and we take up topics of broad interest and promote lively discussions.

By encouraging the participation of all office employees in these CS general meetings, we have raised our level of safety awareness. For example, employees now raise concerns with each other more frequently when they sense that a dangerous incident may occur.



CS general meetings

Preparedness Against Natural Disaster

Natural disasters have been intensifying throughout Japan. For example, in March 2022, the Tohoku Shinkansen derailed due to the 7.4-magnitude earthquake off the coast of Fukushima Prefecture, and Hokuriku Shinkansen carriages were submerged at the Nagano Shinkansen Rolling Stock Center when the Chikuma River flooded during Typhoon No. 19 in 2019. We are therefore implementing a range of measures and initiatives to prepare for such intensifying natural disasters.

Our Measures Against Earthquakes

Seismic Reinforcement Measures

Since 1993, we have been enacting measures to prevent bridge collapses and to seismically reinforce elevated railway track pillars and bridge piers. Since fiscal 2013, following the Great East Japan Earthquake, we have proceeded with measures on sections identified as high priority. Based on knowledge gained from leading-edge earthquake research, in fiscal 2018 we expanded the countermeasure area and began new reinforcement measures targeting Shinkansen girder seams. The earthquakes off the shore of Fukushima Prefecture in February 2021 and March 2022 caused considerable damage to Shinkansen viaducts such as the sinking of girders as well as damage to Shinkansen utility poles. In response, in addition to reviewing the order of priority for all countermeasures, we are expanding our reinforcement plans and working to further improve safety.



Seismic reinforcement of elevated railway tracks

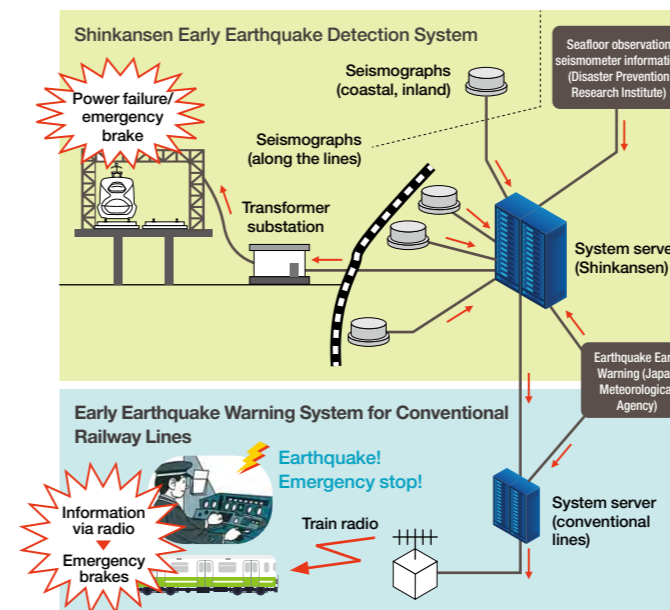
Structural reinforcement of utility poles

Measures for Emergency Stopping of Trains

We are constructing systems to ensure that high-speed trains can stop as quickly as possible in the event of an earthquake. For the Shinkansen, we have installed seismographs along our railway lines, in coastal areas and inland, to provide early warnings of even minor movements. In addition, we employ Earthquake Early Warnings from the Japan Meteorological Agency and underwater seismograph information from the Disaster Prevention Research Institute in our Shinkansen early earthquake detection system.

Using the seismic information provided by this Shinkansen system, we have also installed an early earthquake warning system on conventional lines to provide emergency stop notification if large-scale earthquakes are observed.

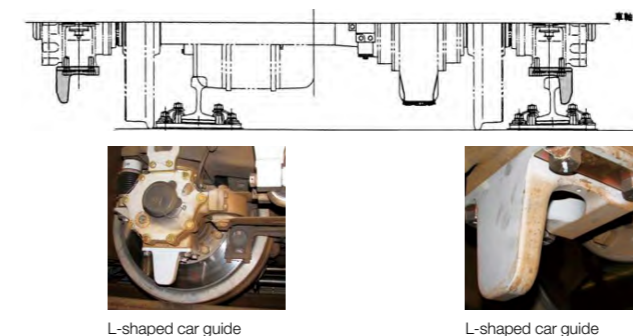
Shinkansen Early Earthquake Detection System



Measures to Prevent Derailment on Shinkansen

We have measures in place to prevent Shinkansen trains from deviating too far from the track even in the event of derailment due to an earthquake.

L-Shaped Car Guide



L-shaped car guide

L-shaped car guide

Preventing Breaks at Glued Insulated Joints



General Emergency Drills

Every year, we conduct a comprehensive disaster-preparedness drill, assuming an earthquake has struck. As part of our training during fiscal 2023, we conducted practical drills simulating an earthquake with an epicenter directly beneath Tokyo causing multiple simultaneous derailments on various line sections in the Tokyo metropolitan area as well as injuries to many passengers and others, with a focus on rescue and first aid. We also conducted drills simulating flooding at stations that are prone to such risk.



On-site disaster countermeasure headquarters operational drill



Firefighter drill for rescuing passengers

Implementation of Rescue and First Aid Drills and Preparation of Kits

In the wake of the Great East Japan Earthquake, JR East conducts rescue and first aid training courses with the aim of ensuring passenger safety and teaching our employees first aid to administer as first responders in the event of a major earthquake. We also prepare kits to meet various rescue needs.



JR East rescue/lifesaving course



Rescue kits

Measures Against Tsunamis

Before the Great East Japan Earthquake, we had set operational restriction methods and tsunami danger zones for each location, prepared manuals, and were holding study sessions and conducting drills on guiding passengers to alight from trains for evacuation. We believe that these efforts led to the prompt evacuation of passengers away from tsunami danger zones at the time of the earthquake.



Tsunami evacuation manual



Drill to guide passengers in alighting from a train in an evacuation

Providing Society with Safe, Reliable Infrastructure

Formulating Action Guidelines for Evacuation to Avoid Tsunamis
To prepare for a situation where there is limited time to act before the arrival of a tsunami, JR East in January 2012 formulated action guidelines for evacuation during tsunamis for each of its employees to follow.

Action Guidelines for Evacuation to Avoid Tsunamis

- (1) At the time of a large earthquake, be prepared for tsunamis. Gather information by yourselves and if communication lines are disconnected, make your own decisions for evacuation. (Do not hesitate because you are worried about evacuating and then later realizing that a tsunami has not in fact occurred.)
- (2) Having decided to evacuate, judge the conditions of passengers, and promptly guide passengers to evacuate.
- (3) In alighting from trains, evacuating, and gathering information, ask passengers and local people to cooperate.
- (4) Even after evacuation, keep moving toward higher places without assuming that you are high enough to be safe.
- (5) Stay evacuated with customers and do not return to field offices or trains while tsunami warnings are still being issued.

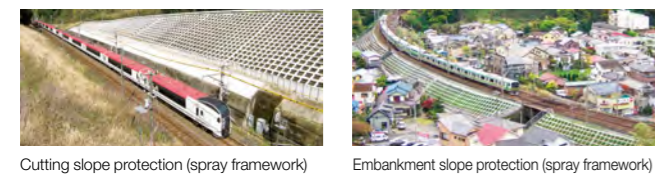
Tsunami Evacuation Navigation System

Learning from the tsunami evacuation at the time of the Great East Japan Earthquake, we have developed and introduced tools to help crew on trains in operation to guide passenger evacuations in unfamiliar locations.



Measures for Rainfall

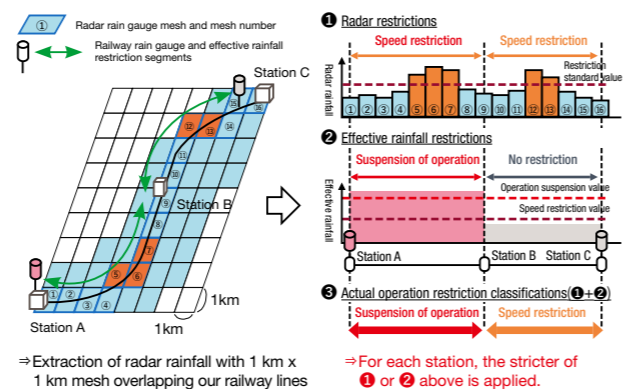
To prevent landslides due to rainfall, we are systematically implementing disaster prevention measures along slopes and other areas throughout the railway network.



In recent years, rainfall disasters have become more severe as well as more frequent, and localized heavy rains are on the rise. In response, in June 2023, we introduced new operational regulations using precipitation radar on conventional lines. On Shinkansen as well, to prepare for the increased risk of disasters due to record-breaking rainfall and other future anticipated events, since fiscal 2022 we have been proceeding with rainfall disaster prevention work. In addition, in 2020, we introduced new regulations requiring comprehensive assessment

of rainfall volumes using weather radar and the temporary suspension of Shinkansen operations in the event of heavy rain to confirm safety.

Conceptualization of Train Operation Restrictions Using Precipitation Radar on Conventional Lines

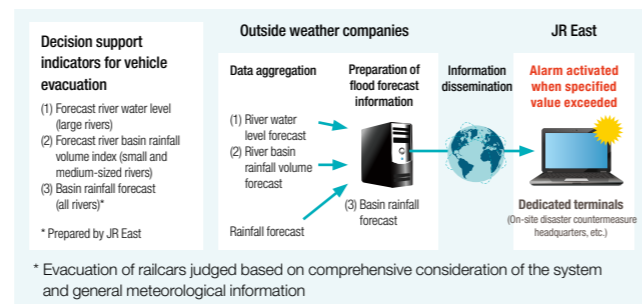


Initiatives to Address Flooding

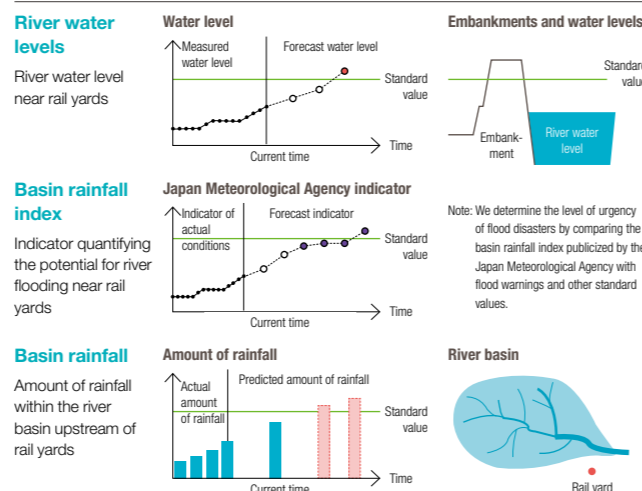
We have been working to enhance flood-response measures, having suffered significant damage from Typhoon No. 19 in October 2019, when overflowing rivers caused damage to railcars on the Hokuriku Shinkansen.

For railway facilities, we have been setting priorities for each facility and implementing hardware measures. In addition, utilizing hazard maps, we have introduced a Vehicle Evacuation Judgment Support System at rail yards where there is a risk of flooding, to promptly evacuate vehicles in the event of a disaster. With this system, we have developed indicators to support decisions on vehicle evacuation, and when each indicator reaches the set value, an alarm sounds to notify the people concerned.

Vehicle Evacuation Judgment Support System



Indicators to Aid Decisions About Evacuating Railcars



Note: In addition to these indicators, we use general meteorological information to make a comprehensive decision on railcar evacuation.

Protecting Against Strong Winds and Gusts

Since a train accident on the Uetsu Main Line in December 2005, we have introduced the major wind-related initiatives described below.

Increased Number of Anemometers (Wind Meters)

We typically install multiple anemometers on sections where wind-based operating restrictions are in effect. We have also increased the number of anemometers in locations where windbreaks have been installed. To ensure accuracy, we are also moving toward the installation of dual anemometers.

Installation of Windbreak Fences

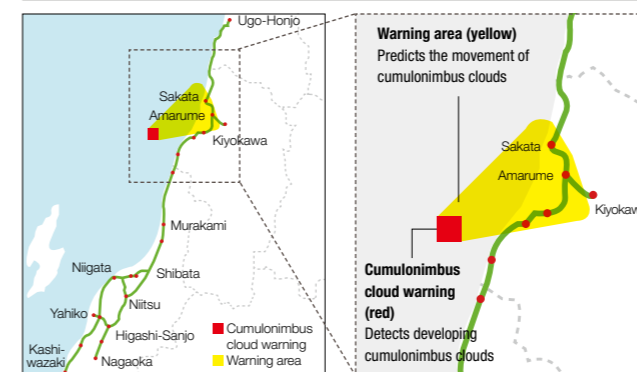
We install windbreaks to protect railcars from the wind.



Utilizing Meteorological Information for Operation Control

We have developed a method to restrict operations using meteorological information, such as rain intensity measured by the Japan Meteorological Agency's weather radar and the agency's "nowcasts" on the likelihood of tornadoes, to predict gusts of wind that could be generated by cumulonimbus clouds. We are currently using this system along sections on the Sea of Japan in winter.

Display Image of Operation Control Area Using Meteorological Information

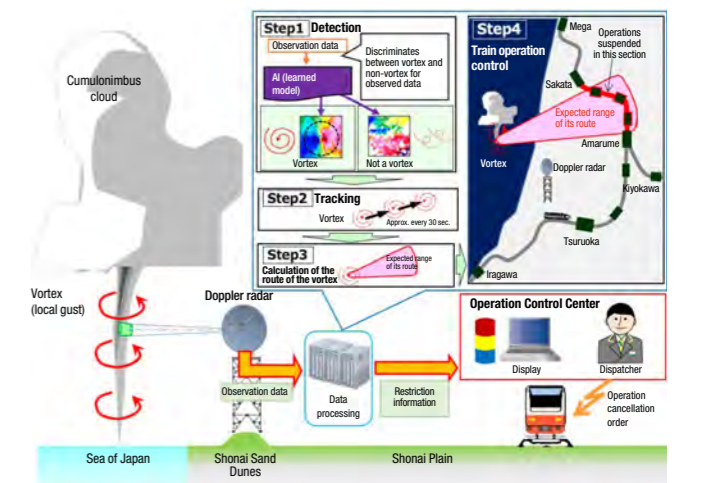


Operation Control Method Against Wind Gusts Using Doppler Radar

The system uses Doppler radar to detect vortices that cause wind gusts by observing the movement of raindrops and other objects in the sky, and it issues an alarm when a train track is located within the predicted path of the vortex. This system was jointly developed with the Japan Meteorological Agency's Meteorological Research Institute and has been in operation on the Uetsu Main Line and in some sections of the Rikuu West Line since winter 2017. Since then, we have continued to expand the scope of train operation regulations and to improve the accuracy of vortex detection using AI.



Operation Control Method against Wind Gusts Using Doppler Radar



Initiatives for Volcanic Eruptions

The main characteristics of volcanic disasters are the impacts of volcanic mudflows and ash fall, and in particular even a small amount of volcanic ash fall can potentially impact train operations. JR East uses volcanic hazard maps issued by local governments to identify those railway lines and sections that will likely be affected, and, if there is a risk of a volcanic eruption, we set up a countermeasures headquarters to determine whether train operations can continue and whether evacuation is necessary.

Safety Measures at Level Crossings

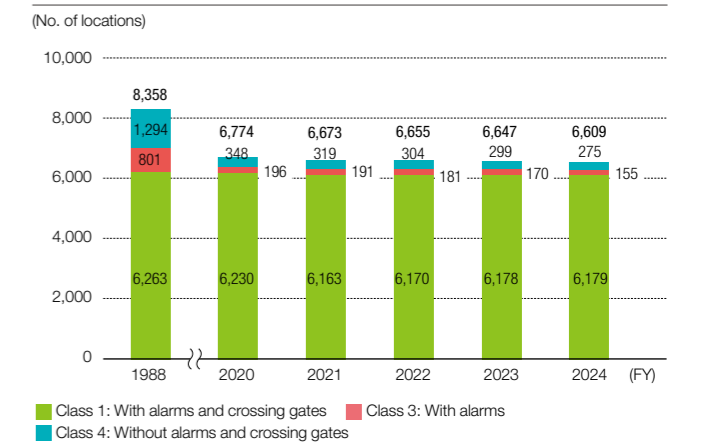
Our Efforts to Eliminate Level Crossings

Our principal measure for preventing accidents at level crossings is to eliminate such crossings. We are working with people in local communities to elevate, consolidate, and eliminate level crossings. Where it is difficult to eliminate Class 3 and Class 4 crossings, we are converting them to Class 1 crossings.

Number of Level Crossings Eliminated over Past Five Years (Including Those Transferred to Third-Sector Operators)

FY	2019	2020	2021	2022	2023
Reduction	67	101	18	8	38

Changes to the Number of Level Crossings (As of April 1)



Providing Society with Safe, Reliable Infrastructure

Installation of Obstacle Detectors

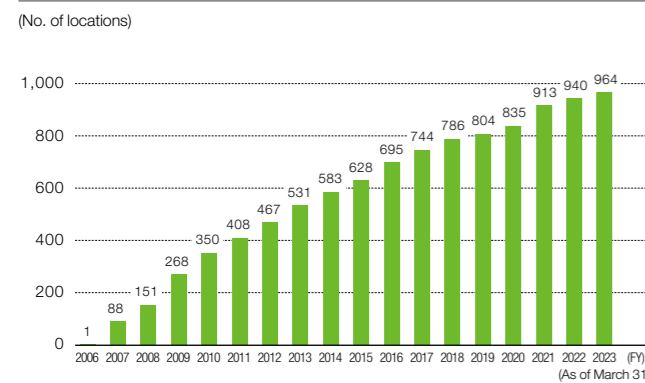
To prevent train derailments due to collisions with vehicles of all sizes, we are installing equipment to detect vehicles stuck at level crossings where trains will be passing through.

Our obstacle detectors use 3D laser radar that covers the overall level crossing area and goes beyond conventional functionality, with newly developed features that set higher standards for detection performance and reduce false positives caused by falling particles such as rain and snow. We began installing these devices in fiscal 2020 and are steadily increasing their number.



3D laser radar obstacle detectors

Number of Locations of 3D Laser Radar Obstacle Detectors



Installation of Level Crossing Obstacle Alarm Devices (Emergency Buttons)

We are installing emergency buttons to notify train operators of danger in the event that a vehicle gets stuck at a level crossing. So far, we have completed the installation of these devices at all level crossings within a 100 km radius of Tokyo where vehicles pass, as well as at level crossings susceptible to tsunami damage. In fiscal 2018, we also improved the visibility of all emergency buttons and standardized guide signs.

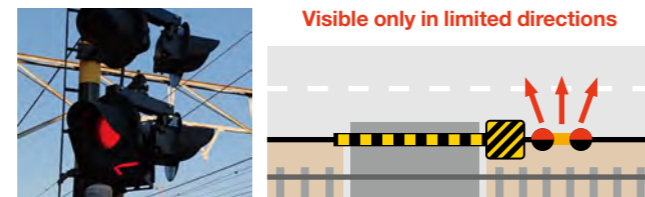


Level crossing obstacle alarm device (emergency buttons)

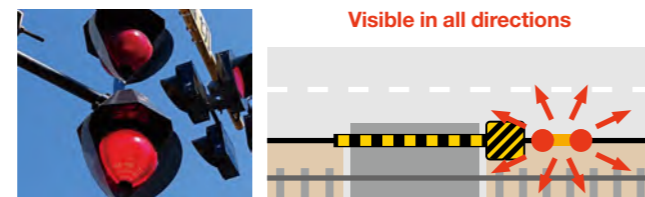
Installing Omnidirectional Warning Lights

Regarding level crossing warning lights to notify the approaching of a train, we are replacing conventional warning lights with omnidirectional warning lights so that they can be easily seen by elderly people with lower sight lines and automobile drivers who enter level crossings from roads.

Conventional Warning Light



Omnidirectional Warning Light



Level Crossings for Easier Passage

Based on the Act on Promotion of Level Crossings, we are elevating and widening roads at level crossings designated for improvement. In addition, where necessary, we are using colored pavements or adopting other approaches for roads that cross railways such as building pedestrian overpasses, and making improvements as dictated by local conditions.



In cooperation with road administrators, we are increasing the width of level crossings and separating crossings for pedestrians from those for automobiles by making the roads and walkways different colors.

Initiatives Involving Class 4 Level Crossings

Class 4 level crossings are not equipped with alarms or crossing gates. We are working with local communities to eliminate such crossings or upgrade them to Class 1 level crossings. In addition, as another measure to prevent accidents at level crossings, we are erecting signs calling for caution and erecting whistle boards to warn people at crossings of approaching trains.



Class 4 level crossing

Campaigns and Other Activities Aimed at People Using Railway Level Crossings

We collaborate with police and other relevant organizations to encourage accident prevention at level crossings and schools. In addition, every year we carry out campaigns such as broadcasting accident-prevention videos and broadcasting radio commercials in cooperation with other railway operators.



Campaigns and other activities at level crossings

Platform Safety Measures

We are working to improve the safety of our platforms from both tangible and intangible perspectives so that passengers can rest assured when using our stations.

CP (Color Psychology) Lines



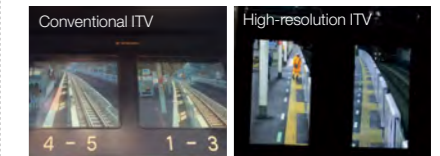
These lines use colors that people associate with danger to encourage a visual and psychological connection between danger and the platform edge.

Braille Blocks That Indicate Which Direction Is Away from The Edge of the Platform

We have designed linear protrusions on the insides of platforms and put in place blocks that make it easy to distinguish the inside of the platform from the platform edge.



Installation of High-Resolution ITVs



We have installed high-resolution ITVs for station staff and conductors to monitor the platforms and tracks.



Fall Detection Mat



A mat placed on the tracks along the platform detects whether a person has fallen onto the tracks and notifies incoming trains to stop.

Emergency Stop Buttons on Platforms



We have installed emergency stop buttons on platform pillars so that people can notify drivers, conductors, and station staff of danger.

Platform Doors

We are installing platform doors to prevent people from coming into contact with trains or falling onto tracks.



Smart Platform Door®

Platform Door Installation

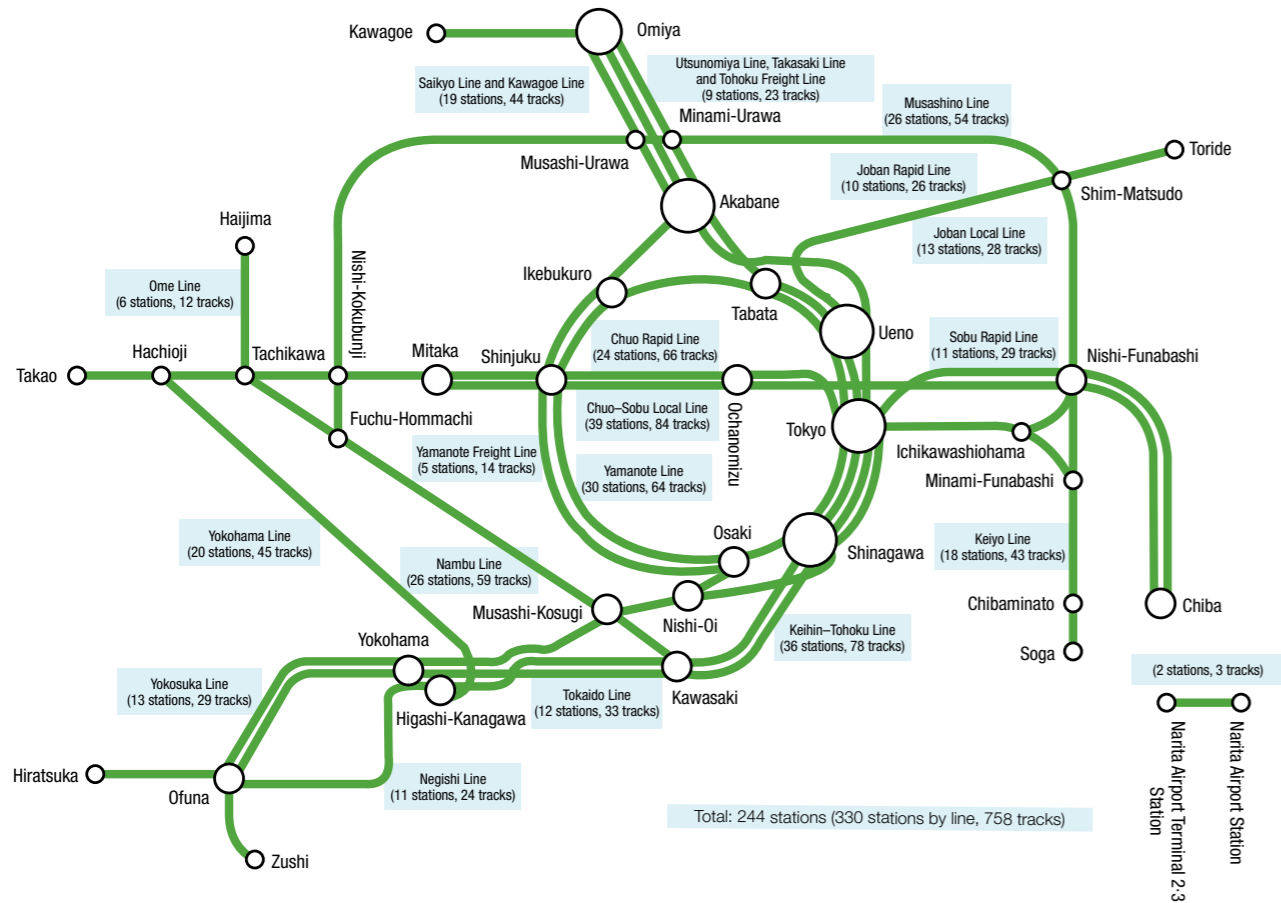
To prevent accidents involving customers falling from platforms or coming into contact with trains, we are installing platform doors. By the end of fiscal 2023, we had completed the installation of platform doors at 86 stations (a total of 99 stations* by line) on 197 tracks, mainly on the Yamanote, Keihin-Tohoku, and Negishi lines.

Thus far, we have given priority to platform door construction work on about 660 major tracks, with the goal of installing platform doors at 243 stations (330 stations by line) on major conventional lines in the Tokyo metropolitan area by the end of fiscal 2033. To achieve even faster construction, we will expand the scope of construction to 244 stations (330 stations by line) on 758 tracks of conventional lines in the Tokyo metropolitan area, including passing sidings. We aim to complete construction by the end of fiscal 2032, one year earlier than previously planned, by introducing lightweight Smart Platform Doors® and reducing the construction period through a review of design loads.

* The number of stations is counted by line, e.g., Yurakucho Station is counted as two stations, one on the Yamanote Line and one on the Keihin-Tohoku Line.

Providing Society with Safe, Reliable Infrastructure

Railway Lines Where Platform Doors are Scheduled for Installation by the End of Fiscal 2032 (Announced in April 2022)



Campaigns and Other Activities for Customers Using Our Railways

In addition to customer care and assistance carried out by station staff and guidance provided through station broadcasts, we conduct the year-round Assistance and Support campaign, which solicits the cooperation of not only JR East employees and JR East Group employees but also general customers using our rail services to assist customers in need, including those with visual impairments.

In addition, we are jointly implementing campaigns such as Zero Platform Accidents, and Stop Using Smartphones While Walking.



Accident prevention posters

Preventing Transportation Disruptions

We are working to prevent transportation disruptions by focusing on and analyzing the causes of such occurrences, identifying priority issues that need to be addressed, and taking action to prevent disruptions.

Rolling Stock

- Introduction of new rolling stock, such as the Series E235, with enhanced reliability through backup systems for major equipment
- Upgrading of rolling stock equipment

Equipment

- Promotion of condition-based maintenance (CBM) using monitoring data
- Simplification and integration of electrical facilities (simple overhead wire configuration)

Other

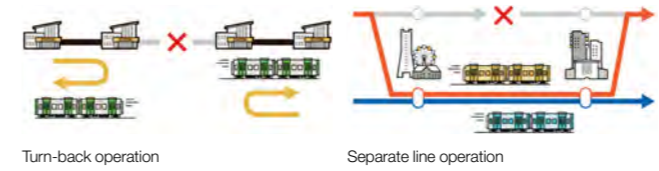
- To deal with the problem of fallen trees during typhoon season and before snow season, we use orderly logging to help prevent transportation disruptions due to fallen trees and long-term stoppages between stations.
- As part of our suicide prevention efforts, our station employees call out to people at stations. We have also been using former employees to patrol stations as well as station displays and social media to publicize counseling services.
- To prevent collisions between animals and trains, we have been spraying animal repellents around railways and introducing repellent devices that use laser light and sound.

Minimizing the Effects of Disruptions on Customers

We make our customers our top priority and seek to minimize the impact of any incident on them by considering the best way to resume operations as quickly as possible.

Prompt Resumption of Train Operations After Transportation Disruptions and Efforts to Minimize Impact on Passengers

With our customers our top priority, we work to come up with optimal measures to resume operations as soon as possible after any disruption, to minimize the extent of impact, and to provide assistance to our passengers. We strive to minimize the extent of any suspension of operations by implementing turn-back operations at stations along operable line segments, where possible. In addition, in certain sections where lines run parallel to each other, we make arrangements to minimize the impact of transportation disruptions by switching to separate lines with no interference to operation.



Customer Rescue Initiatives

We make ongoing efforts to improve our ability to provide customer relief after transportation disruptions through training that simulates equipment failures and other large-scale disruptions. In addition, we conduct drills using rescue ladders to help passengers off trains, simulating passengers who require consideration, including persons with disabilities, pregnant women, and small children. Furthermore, when trains are forced to stop between stations, we work to rescue and transport customers using all options available, including not only buses and cabs but also commercial and maintenance vehicles.



Announcement of Train Service Resumption Times During Disruptions

We aim to announce the anticipated time at which operations should resume within about 30 minutes of the occurrence of a transportation disruption, and within 15 minutes in the case of accidents resulting in casualties. The rate of announcements meeting this criteria was 96% in fiscal 2023. We will continue to provide information promptly to help customers make decisions on their next moves at times of unexpected disruption.

Planned Suspension of Operations

Planned suspensions are implemented to minimize damage and transportation disruptions by adjusting the number of trains in operation in advance, when weather conditions and other factors are expected to have a significant impact on passengers due to prolonged suspensions or major delays. In the case of typhoons, we make comprehensive assessments of a typhoon's path and magnitude, and we provide information to customers and employees from an early stage using a variety of media (JR-East website, social media, etc.) to help them decide what to do. Once inspections and restoration work are completed, we review the specific operation resumption plan and announce the operation schedule to customers.



Gono Line operation suspended due to heavy rain

Providing Information During Unusual Situations

Seeing things from our customers' point of view, we provide information to help people make quick and appropriate decisions about transportation.

Information Enhancement

We share details about train operation and other useful information with our customers through various media.

Guidance Displays in Emergency Situations, LCDs in Trains

In addition to providing information on services in the event of transportation disruptions, such as suspended operations, we also provide passengers with details of other lines to which they can transfer (available in Japanese, English, Chinese, and Korean).



Detail of an LCD guidance display for emergency situations

DOKOTORE website

DOKOTORE Website

This website provides information on train delays and the location of trains (available in Japanese and English), especially in regional areas.

JR-East Website

We provide information on the operation and suspension of Shinkansen trains and limited express trains on conventional lines in the event of transportation disruptions and other problems on our website (available in Japanese, English, Chinese, and Korean).

JR East App

Our JR East App allows customers to check the operation status of each line in the event of a transportation disruption (available in Japanese only).

Social Media

We use social media platforms X (formerly Twitter) (Japanese and English) and Weibo to provide real-time information on the status of damage caused by natural disasters as well as information on operations and operation plans.

Notice of Special Arrangements and Initiatives Concerning Train Operations

In order to provide customers with easy-to-understand information on how to respond to natural disasters and other emergencies that have a large impact on train operations, such as strong winds, typhoons, and heavy snow, as well as questions about train operations, we have assembled and made available on our website the JR East *Naruhodo* Q&A Guide and related videos. The guide includes the following information.

Passenger Safety and Comfort

- Emergencies (items prohibited on board, how to evacuate safely from trains)
- Consideration for others (priority seating and free space for wheelchair users and stroller users, assisting and supporting others, walking while using a smartphone)



Naruhodo Q&A Guide: Emergencies

Efforts to Address Natural Disasters

- Our approach to addressing wind, rain, typhoons, snow, earthquakes, and volcanic eruptions

Initiatives for Safe and Stable Transportation

- Addressing transportation disruptions (turn-back operation, separate line operation, transfer operation, etc.)
- Providing information (various information provision tools such as the JR East App)

Providing Society with Safe, Reliable Infrastructure

Safety and Security On Board Trains

In collaboration with police, Group companies, and other organizations, we regularly conduct training on how to respond to abnormal situations such as dangerous behavior in train carriages. With growing social interest in train security in recent years, we are enhancing our ability to respond by continuing our efforts to ensure that our customers can rest assured when using our rail services.



Suspicious activity response training on Shinkansen train carriages

Current Safety Record of JR East

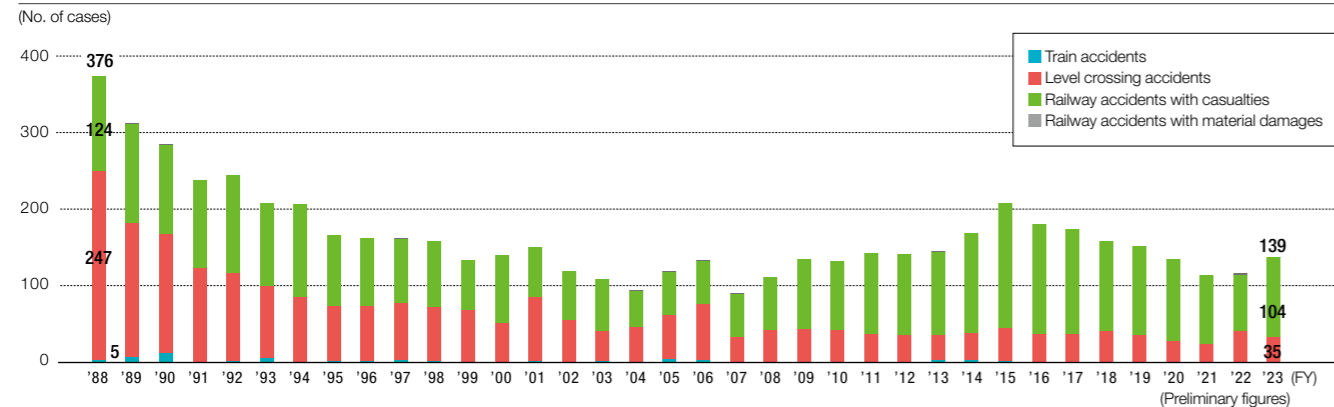
Railway Accidents

In fiscal 2023, JR East recorded 139 railway accidents, down significantly from the level at the Company's foundation. Railway accidents with casualties accounted for approximately 70% of the total number of railway accidents. There were zero train accidents and railway accidents with material damages in the year under review.

Train accidents	Train collisions, derailments, and train fires
Level crossing accidents	People or vehicles being hit by trains
Railway accidents with casualties	People killed or injured by train operation excluding suicide
Railway accidents with material damages	Railway accidents with material damages

Occurrences of Railway Accidents

* From the third quarter of FY2014, incidents which cannot be determined as suicides are classified as level crossing accidents or railway accidents with casualties.



Incidents

In fiscal 2023, there was one incident recorded.

- A barrier failed to close while a train running between Ayaori Station and Tono Station on the Kamaishi Line passed through. The incident was due to the relay being fused by a lightning strike and the circuit improperly configured.

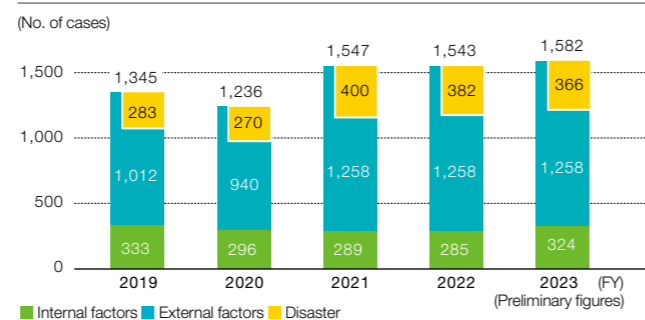
Incidents A situation that could lead to a railway accident. The definitions of incidents are stipulated by the rules and regulations for railway accidents that require reporting.

Transportation Disruptions

JR East recorded 1,582 cases of transportation disruption in fiscal 2023. Compared with fiscal 2022, there was a noticeable increase in natural disasters and collisions with animals.

Transportation disruption	Excepting railway accidents, transportation disruptions encompass train service cancellations due to failures of trains or facilities, mishandling by employees, or disasters, and delays to passenger trains by over 30 minutes or other trains by over an hour.
Disaster	Natural phenomena such as powerful storms, heavy rainfall, heavy snowfall, flooding, high tides, earthquakes, tsunamis, etc.
External causes	External causes such as trespassing or suicide
Internal causes	Internal causes such as those related to staff, trains, or facilities

Number of Transportation Disruptions



	FY2019 Results	Targets for FY2023	FY2023 Results
Transportation disruptions due to internal causes on conventional lines within 100 km of Tokyo	99 incidents	(from FY2019 level) 70% reduction No more than 31 incidents	9.1% reduction 90 incidents
Transportation disruptions due to internal factors on JR East Shinkansen	13 incidents	(from FY2019 level) 75% reduction No more than 3 incidents	38% reduction 8 incidents
Total delay time due to internal causes, conventional lines within 100 km of Tokyo	50.3 thousand minutes	(from FY2019 level) 70% reduction No more than 18.0 thousand minutes	20% reduction 40.0 thousand minutes

Creating a Vibrant Society

We will provide quality services that are inclusive and convenient.
We will work in partnership with local communities to develop vibrant towns.



1 Regional Revitalization

- Growth in the number of people engaging with eastern Japan
- Promotion of regional economic revitalization

2 Comfortable Cities

- One-stop provision of various high-value-added services
- Realization of seamless, stress-free travel
- Creation of diversely appealing towns with consideration for the environment, disaster prevention, and communities

3 Inclusive Society

- Development of hospitality-minded employees
- Improvement in service quality through dialogues with people with disabilities
- Promotion of understanding of an inclusive society through parasports experience and support activities

Basic Concept

Since the JR East Group provides regional mobility and operate businesses with close ties to local communities, a vibrant society is truly the foundation of its business operations.

In rural areas, the JR East Group will increase the number of visitors and revitalize regional economies in eastern Japan through the kind of regional revitalization that only the Group can provide.

In urban areas, the JR East Group will link its various services and promote the development of comfortable and attractive cities by providing new value.

In addition, the JR East Group will pursue the achievement of both tangible and intangible barrier-free living to achieve an inclusive society where all people can live together in harmony.

1 Regional Revitalization

One of the pillars of "Move Up" 2027 is "Making regional areas more prosperous," and the entire JR East Group will contribute to regional revitalization in the way that only the Group can.

Until now, we have worked on regional revitalization in the fields of mobility and tourism with an emphasis primarily on railways. Going forward, though, we will aim to revitalize and enhance the attractiveness of local communities in a wide range of fields such as lifestyle services, and IT & Suica services. To that end, we will collaborate with external networks and local governments to uncover attractive local resources, as well as fuse digital with real-world strengths unique to our Group to provide value that focuses on each customer in line with changes in lifestyles and workstyles.

Companiable Community Development

By combining the assets of the JR East Group to create new value that addresses the various issues regional communities face, we will pursue "companionable community development" with the aim of working with communities to increase human interaction, visitor numbers, and the size of their resident populations.

We will contribute to the development of sustainable local communities by prompting our employees at our stations or general management centers to take the lead in collaborating with enthusiastic local residents to ascertain regional issues and steadily implement proposals and initiatives that leverage the comprehensive strengths of the JR East Group.



Rendering of collaborative community building

Efforts for Sustained Community Building



Mai Matsuzaki
Kisarazu General Management Center
Chiba Branch Office

Working in partnership with Chiba University, tourism complex The Fish, and a winery based at an abandoned mine cave in Mount Nokogiri, we have created the



Mt. Nokogiri Wine brand as a tourism asset. Up through fiscal 2023, I was in charge of planning a tour using Shinjuku Sazanami trains and rolling out thank you gifts from Futtsu City for JRE MALL Furusato Nozei (hometown tax donations). Before that, I had only been involved in typical station work so everything was a continuous learning process, but seeing the smiles of the customers and local residents who participated in the tour that day gave me a great sense of accomplishment.

In the months and years ahead, we will continue to work with the local community to further refine the Mt. Nokogiri Wine brand and concept, revitalize the region by making the most of its attractive tourism resources, and work for sustainable town development.

In fiscal 2023, we collaborated with the region on 10 initiatives for tourism promotion and regional revitalization as a means of increasing visitor numbers and revitalizing local economies in eastern Japan. We aim to implement a total of 150 such initiatives by the end of fiscal 2028.

Creating a Vibrant Society

Our MaaS Solution, Tabi-CONNECT

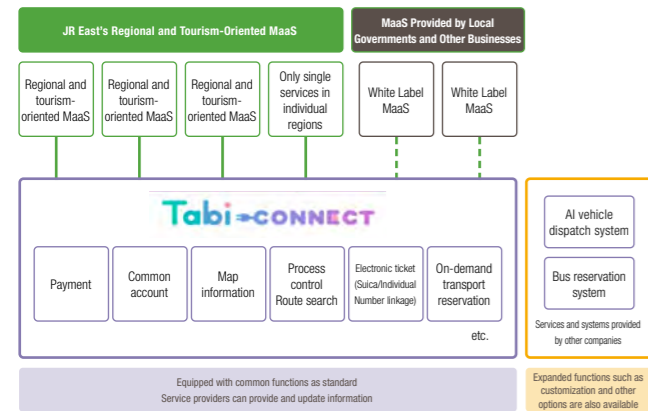
Since 2017, we have been assembling Mobility Linkage Platform (MLP), which provides customers with all-in-one information, purchasing, and payment for mobility, to offer them seamless mobility and support stress-free travel.

Since 2021, we have been offering Tabi-CONNECT, which brings together common functions of regional and tourism-oriented Mobility as a Service (MaaS) from MLP in a single package and can be provided to external organizations.

Regional and Tourism-Oriented MaaS

Utilizing Tabi-CONNECT, we deploy regional and tourism-oriented MaaS that allows local residents and tourists to enjoy more convenient and comfortable transportation.

We provide services that allow users to make reservations and payments for on-demand transportation smoothly using just a smartphone, with a function that allows customers to use Suica for services for specific areas and specific age groups by linking their Individual Number Card to their Suica ID number.



Service Name	Deployment Area	Details
TOHOKU MaaS	6 prefectures and 8 areas in Japan's Tohoku northeast region	<ul style="list-style-type: none"> Provided by JR East Launched April 2022
Tabisuru Kitashinano	Northern Shinano area, Nagano Prefecture	<ul style="list-style-type: none"> Provided by JR East Launched April 2023
Hitachinokuni Kiko	Ibaraki Prefecture, central area	<ul style="list-style-type: none"> Provided by JR East Trial run commenced in October 2022
Kaiyu Karuzawa	Nagano Prefecture, Karuzawa area	<ul style="list-style-type: none"> Provided in collaboration with other businesses Trial run commenced in January 2022
Izu navi	Shizuoka Prefecture, Izu area	<ul style="list-style-type: none"> Provided in collaboration with other businesses Launched in November 2022
MaeMaaS → GunMaas	Gunma Prefecture, Maebashi and other areas	<ul style="list-style-type: none"> Provided by local government Launched in November 2022 and expanded to Gunma Prefecture MaaS (GunMaas)

Digital Yorozu Consultation Desks

JR East cooperates with the government's efforts to realize their mission of "Human-friendly digitalization: No one left behind," and is operating temporary digital consultation desks at its train stations lead by employees registered as "Digital Supporters." At the desk, we provide information not only about our own services such as *eki-net* and JRE POINT, but also how to apply for an Individual Number Card and how to use the Mynportal.

We introduced Digital Yorozu Consultation Desks in various places, including in conjunction with the G7 Digital and Tech Ministers' Meeting in Takasaki, Gunma, and we are planning to continue to introduce them.



Digital Yorozu Consultation Desks at Hachioji Station

Regional and Tourism-Oriented MaaS Tabisuru Kitashinano

Shumpei Koizumi
Mitsuki Shimizu
Nagano General Management Center
Nagano Branch Office

Tabisuru Kitashinano started as an idea from employees at Nagano Station. In order to increase the number of stores handling electronic tickets, worksite employees seek out facilities on their own and visit them to negotiate contracts. Taking the initiative with such proposals is challenging, but we find it highly rewarding. Another notable feature is that the local government covers the cost of publicity and collaborates with developing it.

We launched the initiative in April 2023, and are promoting it with the local community through efforts such as supporting inbound business.

Town Development in Regional Hub Cities

Aiming for sustained town development even as Japan's population declines, we are pursuing regional revitalization together with local governments and communities.

At Iwaki Station, Hotel B4T Iwaki and shopping center S-PAL Iwaki opened in January 2023 as integral parts of the station, and we are working in partnership with Iwaki City and other entities to revitalize the station vicinity. In addition, at Niigata Station, we are proceeding with development beneath the elevated railway tracks at the station and working to create vibrant communities in collaboration with local residents from areas including Furumachi and Bandai. At Aomori Station as well, we are developing station buildings that will include hotels and administrative facilities, and we are working with local governments to develop attractive towns.



Development beneath elevated railway tracks at Niigata Station

JRE Local Hub Regional Revitalization Workplaces

Based on the key concepts of "connecting regions" and "connecting generations," our JRE Local Hubs provide regional revitalization workplaces that connect technologies and people across areas and generations. We opened one at Tsubamesanjo Station in February 2023 and one at Hotel Familio Tateyama in March 2023.

We aim to achieve new regional revitalization by connecting people and services outside the area by positioning local stations as hubs and developing local industries and human resources. In addition, through community-based training programs, we aim to develop a new generation of problem-solvers.



JRE Local Hub, Tsubamesanjo Station

* The Tsubamesanjo and Tateyama projects have both been selected as eligible projects for the "Digital Garden City National Plan Promotion Grant (Regional Revitalization Telework Type)" promoted by Japan's Cabinet Office.

Co-creation with Local Startup Businesses

JR East Start UP Co., Ltd., which promotes investment and collaboration with start-up businesses, established JR East Local Startup LLC in April 2023 to carry out regionally specialized investment and collaboration to accelerate co-creation activities with local start-up companies that conduct locally rooted business.

Thus far, through open innovation activities such as the JR East Startup Program and Future Innovation Partnership Program, we have provided growth support for solving social issues and expanding the businesses of start-up companies. Using this knowledge and expertise, JR East Local Start-up will contribute to the further revitalization of local communities and the achievement of enriched lives by specializing in individual regions, solving local issues, and supporting the sustained growth of local start-up companies.



Rendering of second business founded by a local manager

Relocation of Kesenuma Line BRT Shizugawa Station to Roadside Station Sansan Minamisanriku

After restoring sections of the line that were severely damaged by the Great East Japan Earthquake, not only to reestablish transportation services but also to contribute to the revitalization of the region in various ways, we have continued to maintain ties with the local community. We have resuscitated the Kesenuma and Ofunato lines as BRT lines, which we are working to make more convenient by establishing new stations, relocating existing stations, and developing dedicated roads in response to requests from residents along those lines. We are also working to revitalize the area through tourism in collaboration with local communities.

To facilitate customer patronage, we relocated the functions of Kesenuma Line BRT Shizugawa Station to Roadside Station Sansan Minamisanriku in Shizugawa, Minamisanriku Town when it opened in October 2022 and updated the services routes as well. We also installed a sales counter and a BRT location system in the roadside station.

The roadside station features the Minamisanriku 311 Memorial earthquake history center, and a public transportation terminal on the north side of it. The entire roadside station including the rotary section was designed by Kengo Kuma and Associates, an architectural practice commissioned by Minamisanriku Town.

We will continue to work with local governments to make BRT operations more accessible to local residents.



Sansan Minamisanriku Roadside Station opening ceremony

Operation Resumed on the Tadami Line (between Aizu-Kawaguchi and Tadami Stations) Damaged by the Niigata-Fukushima Torrential Rains in July 2011

In response to requests from Fukushima Prefecture and local governments along the railway line, we reached an agreement with Fukushima Prefecture in June 2017 to restore the railway by separating infrastructure and operation. We have now completed the restoration work, and operations were resumed on all lines on October 1, 2022.

A commemorative ceremony was held on the day operations were resumed, and many customers used the train service to see the autumn leaves in the fall. In addition, the local government has formulated a Tadami Line Utilization Plan, and efforts to promote the use of the Tadami Line are being spearheaded by the local community.



All Tadami Line operations resumed (No. 8 Tadami River Bridge)

Building a Sustainable Public Transportation System for Local Lines

Since the establishment of the Company, local line use has decreased significantly, and it is expected that usage will decrease further in the future due to population decline. Going forward, we will continue to streamline operations by slimming down our facilities and simplifying train operations, while also contributing to the revitalization of areas along our railway lines by leveraging our group's strengths in tourism and Lifestyle services.

On the other hand, for lines with low usage, where the average number of passengers is less than 2,000 people per day, we reported the revenues and expenditures by line in July and November 2022 so that local residents can understand the actual state of the business. We will continue to seek the understanding and cooperation of people along our lines, and partner with local governments to work out what is the most suitable transportation system for the region and build a sustainable transportation system.

Promoting Recovery Tourism in Tohoku

Twelve years on from the Great East Japan Earthquake, we will promote "recovery tourism" in the Tohoku region in cooperation with local residents, taking advantage of the preparation of facilities to tell the story of the earthquake disaster around the Tohoku region.



Taro district earthquake study session

In addition to promoting these earthquake history centers that raise awareness about disaster prevention and mitigation, we will communicate the appeal of the diverse charms of the Tohoku region to young people in particular, by creating opportunities for repeat visits, cultivating a non-resident population, accelerating the recovery of disaster hit areas, and helping revitalize the region.

With the establishment of the Tohoku Reconstruction Tourism Promotion Network and participation from local governments, companies, and others, we will refine the Tohoku tour model itinerary, promote the creation of travel products by matching travel agencies with the region, and roll out activities to attract educational tours.

Creating a Vibrant Society

2 Comfortable Cities

To enable customers to seamlessly use services such as transportation, purchases, and payments by combining the most suitable means in a full range of lifestyle settings, we will deliver a variety of high-value-added services in a one-stop manner and provide seamless and stress-free transportation. We will also promote diverse and attractive town development that takes into consideration the environment, disaster prevention, and communities.

Beyond Stations Concept

We are looking to redefine railway stations as sources of richness in people's lives. Going beyond the role of stations as transportation hubs, we will transform them into lifestyle platforms that connect people, products, and services.

Specifically, we have opened the JRE Station College, a learning center for developing leaders who can identify issues and create sustainable businesses, that uses stations, which are regional hubs, as a "campus". We have promoted the full-scale development of JRE Passport, a subscription service for all Suica customers to use mainly at *ekinaka* outlets and other stores, and opened a Smart Healthcare Station. Through such initiatives, we aim to provide enriched lives for every customer, by leveraging the strengths of train stations as physical hubs for interaction to link together transportation, communities, digital technologies, and safe and reliable services.

Smart Healthcare Station

In April 2022, we opened a hybrid clinic on the platform of Nishi-Kokubunji Station that combines in-person and online services. Operating from a train station, an everyday physical point of contact, as well as online, our accessible services enable customers to receive their usual medical care whenever they have time.

Going forward, we will address the issue of healthcare disparity between urban and other areas by using the JR East Group's network to expand smart healthcare stations to include rural areas where there are few treatment options, thus providing advanced urban medical care throughout Japan.



Smart Healthcare Station (Nishi-Kokubunji Station)



Online healthcare consultation

JRE Station College

Miki Ogata
Lifestyle Creation & Community Vitalization Department
Marketing Headquarters

In November 2021, we opened JRE Station College, a learning center for developing leaders who can identify issues and create sustainable businesses, that uses stations, which are regional hubs, as its "campus". Opportunities for input consist of lectures on sustainable business and lectures by guest speakers, where working people from different industries and fields gather at train stations. Opportunities for output take the form of seminar activities for individual teams. In this way, JRE Station College has become a forum for earnest efforts toward business creation. We are currently accepting students for the fourth semester.

In addition, starting fiscal 2024, we began collaborating on programs aimed at business creation on the theme of regional issues in three locations: Sanjo City, Niigata Prefecture, Kouri Town, Nagano Prefecture, and Kumamoto Prefecture, in the area around Kumamoto Airport. We consider these efforts to be local versions of JRE Station College.

Town Development That Considers the Environment, Disaster Prevention, and Communities

We will remake Tokyo into a world-class, cutting-edge, and attractive city and establish a profit base for the JR East Group. In our approach to urban redevelopment, we will pursue sustainable town development by addressing various social issues, using electricity from renewable energy sources, introducing energy sources with high environmental performance, constructing facilities for people who are unable to return home due to a disaster, and promoting town management.

Development of Comfortable and Attractive Towns through the Building of Station-Front Squares and Seismic Reinforcement of Surrounding Roads

At Ochanomizu Station, we are constructing an artificial ground above the tracks, installing elevators, and working with Chiyoda Ward to develop the station-front square at the Hijiri-bashi Exit. In addition, in response to a request from the Tokyo Metropolitan Government and Chiyoda Ward, we are making effective use of the construction yard on the Kanda River, which is necessary for the above construction, and are also partnering on upgrades and seismic reinforcement work on the east-west road bridges that access the station.

In 2019, we installed new elevators connecting to the Ochanomizu Exit side, and going forward, we will proceed with the development of a more user-friendly station and surrounding neighborhood by implementing functional improvement work on the Hijiri-bashi Exit station building and the station-front square.



Rendering of new Ochanomizu station frontage

Providing Two MaaS Apps Using Mobility Linkage Platform (MLP)* JR East App

The JR East App provides optimal transportation options to our customers, including buses, airplanes, taxis, shared bicycles, and walking, such as by providing train location and operation information in cooperation with other railway companies, featuring a real-time route search function that takes into account train delays. In addition, in February 2023, we built a real-time data linkage platform that aggregates and manages real-time data, with which we aim to improve traffic guidance services.

Ringo Pass

Ringo Pass is a service that provides one-stop secondary modes of transportation based on the concept of "from current location to station" and "from station to destination". By registering their Suica and credit card in advance, users can arrange and pay for multiple mobility services with a single app.

In cycle sharing, users can make use of the two major services of DOCOMO BIKESHARE and HELLO CYCLING in one app, and we are expanding partners for secondary modes of transportation services such as taxis and buses.

In fiscal 2023, MLP services were used approximately 38 million times a month. With the aim of increasing this figure to 100 million times a month by fiscal 2028, we will continue to expand the functions and services offered and increase the number of users.



Real-time route search on the JR East App (Search results are displayed with delays taken into account.)

* For more details about Mobility Linkage Platform, please see page 80.

JRE POINT

JRE POINT, the Group's shared reward program, connects customers with various services of the JR East Group. It has over 13.79 million members and represents an important customer base for the JR East Group.

Through Groupwide campaigns, such as those promoting the use of accumulated points within the Group, we are implementing various measures to encourage a virtuous cycle of point accumulation and use, thereby promoting customer usage of the products and services of the entire Group and enhancing the attractiveness of JRE POINT.



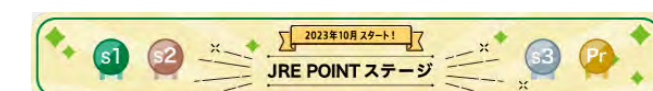
JRE POINT connects and provides one-stop access to a wide range of services across the JR East Group

JRE POINT STAGE

To further enhance the attractiveness of JRE POINT, we are launching JRE POINT STAGE, a membership tiered program in October, 2023. Members will be offered rewards and benefits corresponding to their tiers, which are determined by numbers of points earned and used in a certain term.

Through this service, we will offer a wide range of rewards and benefits from JR East Group, such as the following:

- "Premium" members who have achieved the highest tier will be offered a preferential rate for *Dokokani Byun!*, and limited-time campaigns for getting extra points.
- Members who achieve the "Premium" tier for two consecutive terms will be offered priority in application for the cruise train TRAINSUITE SHIKI-SHIMA.



TRAINSUITE SHIKI-SHIMA



Dokokani Byun!

3 Inclusive Society

To achieve our Group Philosophy of "helping our customers and people in communities to realize enriched lives," we aim to create an ideal, inclusive society where people of all backgrounds can live without discrimination, and we will pursue barrier-free services in both tangible and intangible aspects. In addition to systematically developing facilities that are accessible to as many people as possible, we endeavor to transcend the boundaries of companies and regions to interact with people with disabilities. Acknowledging that people have a wide range of different needs, we will promote mutual understanding to solve as many problems for as many of our customers as possible. In addition, by supporting paraspots, we will collaborate with local residents to foster barrier-free attitudes as well.

Cultivation of a Hospitality-Oriented Mindset Among Employees

We encourage our staff to acquire service care-fitter qualifications aligned with the "spirit of hospitality and assistance skills" to enhance customer care and ensure that people can use our services with peace of mind. As of the end of March 2023, more than 27,082 employees (60.5% of JR East employees) had acquired the certification, using the skills and mindsets they have cultivated as a foundation to guide our customers.

In addition, at each workplace, we hold study sessions on how to assist customers with physical disabilities as well as simulated elderly experience sessions.

Through such efforts, we are working to maintain and improve the guidance skills acquired by our employees through their qualifications and foster a mindset for achieving an inclusive society.



Simulated elderly experience sessions

Creating a Vibrant Society

Train Crew Assistance for Wheelchair Passengers Boarding and Disembarking from Our Trains

In an example of frontline initiatives, at train stations where station staff are absent either all or some of the time, train crew members use portable ramps to help wheelchair passengers board and disembark from our trains. This service was introduced in parts of the Miyagi, Fukushima, Yamagata and Nagano areas and expanded to include parts of the Tokyo metropolitan area.



Demonstration of assistance provided (Ome Line)

We will continue to contribute to the achievement of an inclusive society to provide all our customers with more convenient and comfortable transportation and living.

Improving Service Quality through Dialogue with Customers with Disabilities

In cooperation with customers with disabilities and related organizations, we hold events on an ongoing basis to promote dialogue and foster understanding of how customers with disabilities experience the use of railway facilities. Through interaction, we are working to create an environment in which all customers can use railways safely,



Railway facility experience sessions for visually impaired customers

comfortably, and with peace of mind, so that they can participate more fully in society. We will continue to drive participation in society for as many people as possible and achieve an inclusive society by increasing opportunities for “participation-type interaction through dialogue with persons with disabilities” so that we can learn in collaboration with customers with disabilities how to address the problems they face.

Making Takasaki Station Safe for Visually Impaired Customers as Well



Yuusuke Takeuchi

Takasaki General Management Center
Takasaki Branch Office

Since I myself have a visual impairment, I have a particularly strong desire to make it possible for visually impaired passengers to use stations and trains more safely and with greater peace of mind. We partnered with the Gunma Prefecture Welfare Association for the Visually Impaired to plan and hold a safety workshop using actual railcars.



Based on what participating customers had to say, we discovered that we needed to improve awareness of braille blocks and review passenger information broadcasts. We will continue to hold safety seminars and work to improve the quality of our services so that all customers can use our stations with peace of mind.

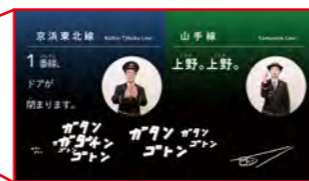
Development of Ekimatopeia to Visualize Train Station Sounds

By providing a comfortable experience for hearing-impaired passengers and other passengers using our stations, we aim to achieve safer and more secure railway use and promote mutual understanding of diversity, equity, and inclusion. To that end, we have been collaborating with Fujitsu Co., Ltd., and Dai Nippon Printing Co., Ltd., to develop *Ekimatopeia*, a device that visually expresses environmental sounds such as station broadcasts and train arrivals and departures using text and sign language. We conducted demonstration trials at Sugamo Station in September 2021 and at Ueno Station in June 2022.

The *Ekimatopeia* initiative won the semi-grand prix at the Digital Signage Award 2023, which was held by the Digital Signage Consortium.



Demonstration trials at Ueno Station



Display screen rendering

Support for Parasports

We promote and support parasports such as boccia to realize an inclusive society in which everyone can play an active role regardless of whether they have disabilities. In August 2020, we established a Gold Partner agreement with the Japan Boccia Association to support athletes by providing training facilities to promote the sport.

In addition, we continue to hold the JR East Group Boccia Championship and promote efforts through parasports to deepen understanding for an inclusive society throughout the Group. We are also working toward regional revitalization through parasports in cooperation with individual local governments.



The Morioka Rolling Stock Center Team that participated in the 2023 Boccia Tokyo Cup as representatives of a sponsor company



National Team at training camp at JR East General Education Center



Collaboration with the Sendai City Boccia Championship (Tohoku Area Headquarters)

Enriching the Global Environment

We will realize carbon neutrality and secure stable energy supplies, taking into account the effect of climate change on our businesses. We will lead efforts to realize a recycling-based society.



1 Carbon Neutrality

- Goals
- Zero Carbon Challenge 2050
- Utilization of diverse energy

2 Circular Economy

- Goal
- Promotion of 3Rs

Basic Concept

For the JR East Group, given its strong relationships with so many customers and communities, environmental problems are social issues that cannot be avoided. As such, by tackling environmental issues from various different angles, we will gain further trust from our customers and local communities, which will lead to sustained growth for the entire Group. Looking ahead, through our environmental efforts, we aim to realize a decarbonized, recycling-based society.

1 Carbon Neutrality

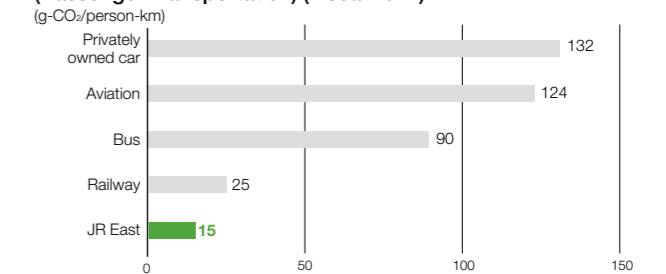
In 2020, we formulated Zero Carbon Challenge 2050 and declared our goal to achieve Groupwide net zero CO₂ emissions by fiscal 2051. In 2022, we formulated Energy Vision 2027—Connect, which presents our energy strategy to realize a sustainable society and contribute to local communities and society. The JR East Group possesses an energy network that integrates generation, transmission and storage, and consumption, and it will steadily carry out initiatives toward realizing decarbonization across all phases of that network. In January 2020, we announced our support for the recommendations of the Task Force on



Energy Vision 2027—Connect

Climate-related Financial Disclosures (TCFD), and we will continue to disclose results of our quantitative evaluation of the financial impact of future climate change on our Transportation services business.

CO₂ Emissions per Transportation Volume (Passenger Transportation) (Fiscal 2022)



Source: Adapted from the website of the Ministry of Land, Infrastructure, Transport and Tourism

Targets for Reducing CO₂ Emissions and Energy Consumption by Fiscal 2031

Performance Indicators		Base Value (Baseline Fiscal Year)	FY2031 Target	FY2023 Result
Total reduction	JR East Group CO ₂ emissions (10 thousand t-CO ₂)	265 (FY2014)	133 (50% reduction)	226* (14.7% reduction)
	Railway business CO ₂ emissions (10 thousand t-CO ₂)	215 (FY2014)	108 (50% reduction)	184* (14.4% reduction)
Reduction in energy consumption intensity	Electricity consumption for train operation (Shinkansen) (kWh/car-km)	2.31 (FY2021)	2.09 (9.6% reduction)	2.42* (4.4% increase)
	Electricity consumption for train operation (conventional lines) (kWh/car-km)	1.47 (FY2021)	1.33 (9.6% reduction)	1.49* (1.2% increase)
	Energy consumption at branch offices, etc. (kL/m ²)	0.0354 (FY2021)	0.032 (9.6% reduction)	0.0359* (1.4% increase)

Performance Indicators		Numerical Targets	FY2023 Result
Reduction in energy consumption intensity	Reduction rate of energy consumption intensity of each JR East subsidiary	1% annual reduction (5-year average)	1.7% reduction (5-year average)

* Indicates targets for JR East Group companies

Other Targets for Reducing Energy Consumption by Fiscal 2031

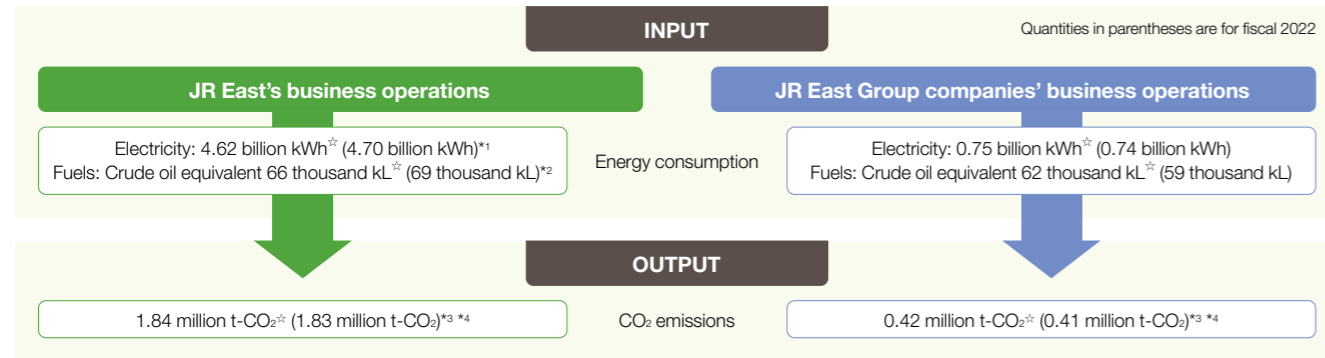
Performance Indicators		FY2031 Target	FY2023 Result
Details of initiative	Switching platform and concourse lighting to LEDs	Total of 415,000 units	Total of 127,000 units
	Improving efficiency of large-scale air-conditioning systems	Total of 38 locations	Total of 23 locations
	Improving efficiency of small-scale air-conditioning systems	3,300 units	984 units
	Developing renewable energy-based power sources	700 MW	136MW

Note: External Assurance on Environmental Performance

KPMG AZSA Sustainability Co., Ltd., has been engaged in providing external assurance on a set of selected environmental performance indicators (see pages 85–95) so that the reliability of the data in this report is ensured. The particular indicators that have been assured are marked with a star (☆) for clarity.

Enriching the Global Environment

Energy Consumption and CO₂ Emissions of the Entire JR East Group: Fiscal 2023 Results



^{☆1} Electricity: Both electricity generated in JR East's power plants for internal use and electricity purchased from electric companies are included. For details regarding electricity generation and use please refer to the JR East Energy Flow Map below.

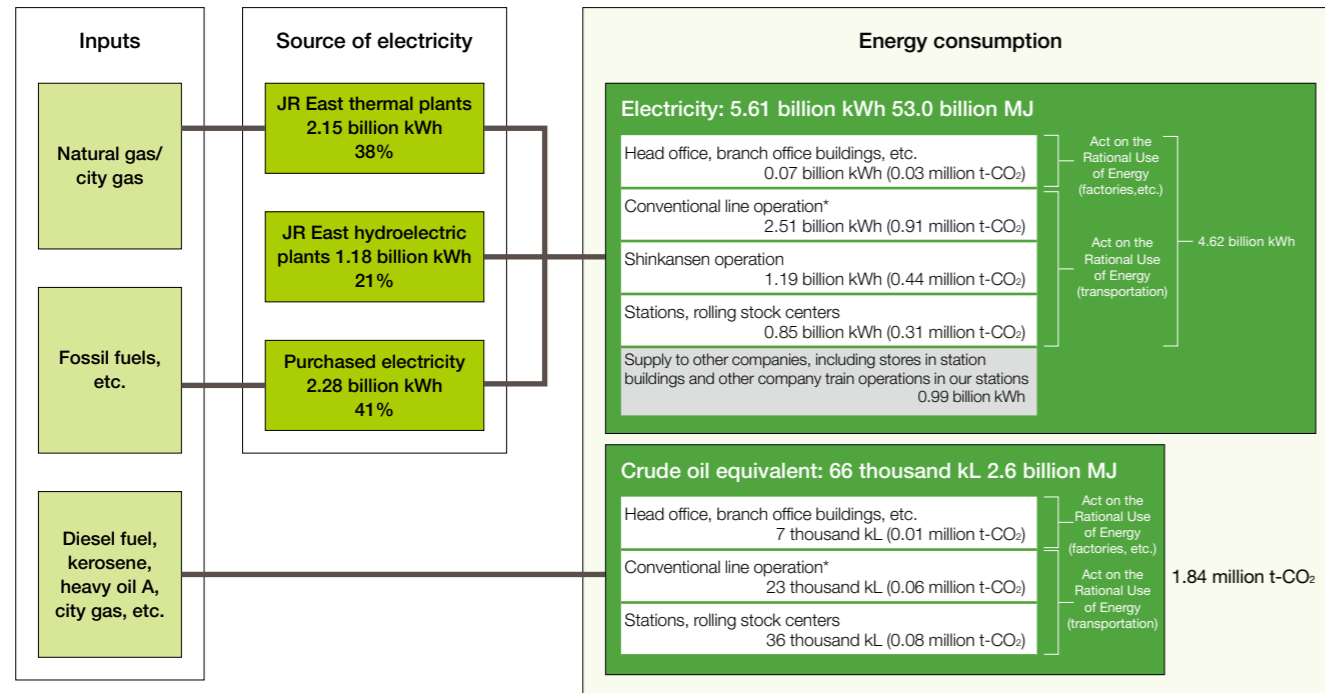
^{☆2} Fuels: Natural gas and other fuels used for generating electricity in JR East's thermal power plants are not included.

^{☆3} CO₂ emissions by Scope: Scope 1 emissions of the entire Group are 1.52 million t-CO₂[☆] and Scope 2 emissions are 1.27 million t-CO₂[☆].

^{☆4} CO₂ emissions attributable to electricity purchased from external suppliers are calculated based on adjusted emission factors.

JR East Energy Flow Map[☆]

This shows the flow of energy at the company from input to consumption. Power supplied by our own power plants and electric companies is used for train operation, station, office lighting, and air-conditioning. Diesel fuel and kerosene, etc. are also used to operate diesel trains, stations, and office air-conditioning.



Boundary of Data

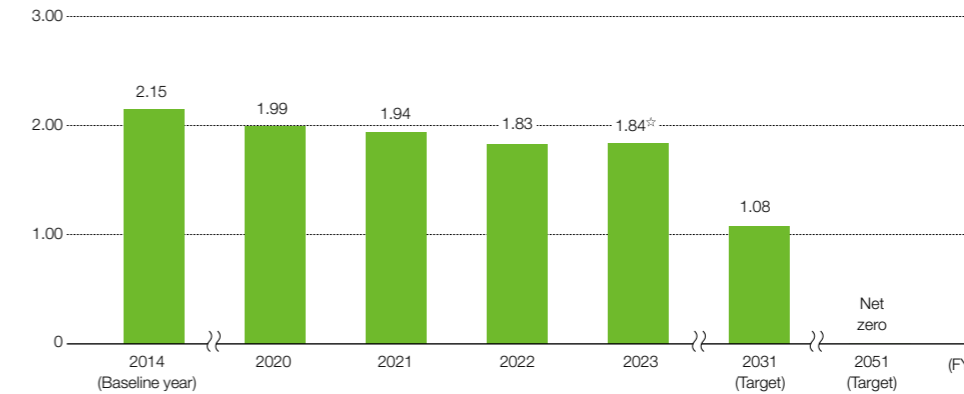
Although in principle the boundary for energy consumption is only JR East, it includes energy consumption for the applicable operations of the companies to which we entrust station operations. On the other hand, the energy consumption of shops on station premises which are operated by JR East Group companies is not included in the boundary. We match the boundary for the energy consumption for the entire JR East business with that of transportation, plants, and others defined by the Act on the Rational Use of Energy (the Energy Saving Act)

Calculation Method

Energy consumption was calculated by the method defined by the Energy Saving Act. Also, CO₂ emissions attributable to electricity purchased from external suppliers are calculated based on adjusted emission factors.

CO₂ Emissions from Railway Business

(Million t-CO₂)



Boundary of Data

The boundary of CO₂ emissions is the same as the boundary of energy consumption described on page 86.

Calculation Methods

Our calculation of CO₂ emissions is based on the methods set forth in the Act on Promotion of Global Warming Countermeasures. However, for CO₂ emissions for energy provided from external sources and used as electric power in railway transportation, our calculations use adjusted emission factors for each electric power company. Using basic emission factors, CO₂ emissions for fiscal 2023 were 1.87 million t-CO₂[☆] (increase of 0.01 million t-CO₂ year on year).

CO₂ Emissions by Scope (Non-Consolidated)

Item	Scope 1 [☆]	Scope 2 [☆]	Scope 3
CO ₂ emissions in FY2023 (non-consolidated)	1.41 million t-CO ₂	1.07 million t-CO ₂	3.73 million t-CO ₂

Scope 1: All CO₂ emissions directly attributable to fuel consumed in the operation of diesel railcars, operation of JR East thermal electric power plant, etc.

Scope 2: CO₂ emissions indirectly emitted from the use of electricity purchased from electric companies

Scope 3: CO₂ emitted by other companies which are related to our business activities

Note 1: The sum of Scope 1 and Scope 2 emissions and the total CO₂ emissions do not match, since the former includes emissions associated with the production of electricity supplied to other companies.

Note 2: Scope 3 emissions include 0.91 million t-CO₂[☆] (0.82 million t-CO₂) for Category 1, 2.07 million t-CO₂[☆] (1.94 million t-CO₂) for Category 2, 0.47 million t-CO₂[☆] (0.48 million t-CO₂) for Category 3, and 0.27 million t-CO₂[☆] (0.29 million t-CO₂) for Category 13. Figures in parentheses are values for fiscal 2022.

Calculation Standards

Calculation standards for each category are as follows.

Category 1: Calculated by multiplying the amount spent on the purchase of products and services (JR East only) in relation to repairs or for system use by the emission factor^{☆1} for each product and service

Category 2: Calculated by multiplying the amount of capital expenditure (JR East only) by the emission factor^{☆2} per unit price of capital goods in the railway transport department. For items that have been constructed and manufactured over multiple years, only capital expenditure for the fiscal year in question is recorded

Category 3: Calculated by multiplying purchased fuel, electricity, and heat used (JR East only) by the emission factor^{☆2} for each type of energy by amount used

Category 13: Calculated by multiplying the total floor area of buildings owned by JR East by the emission factor^{☆2} per unit area for each type of building

^{☆1} Uses emission factor data from the Embodied Energy and Emission Intensity Data for Japan Using Input-Output Tables (3EID) (2005 edition) and multiplies by 1.05 to take sales tax into account.

^{☆2} (Fiscal 2023): Uses emission factor data from the Emission Intensity Database for the Calculation of an Organization's Greenhouse Gas Emissions Generated by the Supply Chain, Ministry of the Environment. Uses the basic unit data of Database (Ver. 3.3) (March 2023) (Emission Intensity Database V3.3). For calculations of Category 13 for multipurpose facilities, the emission factor of the application with the largest percentage is used as a representative value.

(Fiscal 2022): Uses emission factor data from the Emission Intensity Database for the Calculation of an Organization's Greenhouse Gas Emissions Generated by the Supply Chain, Ministry of the Environment. Uses the basic unit data of Database (Ver. 3.2) (March 2022) (Emission Intensity Database V3.2). For calculations of Category 13 for multipurpose facilities, the emission factor data per unit area by restaurant building use is uniformly applied.

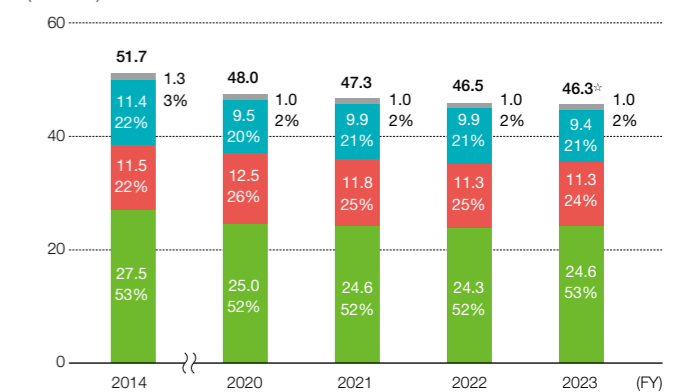
^{☆3} (Fiscal 2023): For fuel, uses IDEA (Inventory Database for Environmental Analysis). Emission Intensity Database for the Calculation of an Organization's Greenhouse Gas Emissions Generated by the Supply Chain (Ver. 2.3) (December 27, 2019); for electricity and heat, uses emission factor data from Emission Intensity Database (V3.3). (Fiscal 2022): For fuel, uses IDEA (Inventory Database for Environmental Analysis). Emission Intensity Database for the Calculation of an Organization's Greenhouse Gas Emissions Generated by the Supply Chain (Ver.2.3) (December 27, 2019); for electricity and heat, uses emission factor data from Emission Intensity Database (V3.2)

Energy Consumption

This chart shows the energy consumption of the railway business and its breakdown. Train operation accounts for approximately 80% of the total energy consumption, and the remaining 20% is used at stations, rolling stock centers, and head office and branch office buildings. The amount of energy consumed in fiscal 2023 was 46.3 billion MJ, a reduction of 5.4 billion MJ compared to fiscal 2014.

Energy Consumption in Railway Business Activities

(Billion MJ)



■ Head office, branch office buildings, etc. ■ Stations, rolling stock centers
■ Shinkansen operations ■ Conventional line operations

Hydraulic power generated by JR East

The energy consumption outlined above is calculated based on the Energy Saving Act, but hydraulic power generated by JR East is calculated by multiplying JR East hydraulic power generation by 9.76MJ/kWh. In the reports required by the Energy Saving Act, we report hydraulic power as OMJ.

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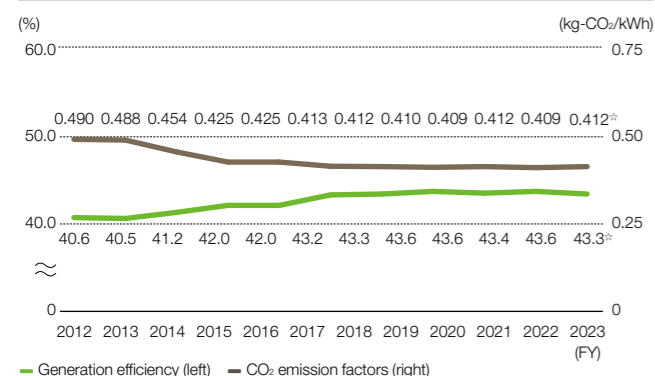
Create

Electricity Generated by JR East's Power Plants

JR East operates a thermal power plant in Kawasaki City, Kanagawa Prefecture, with a total output of 809,000 kW, fueled by city gas and natural gas. We will continue to promote higher efficiency in our power generation facilities and consider the use of hydrogen power generation and carbon capture, usage, and storage (CCUS) technology in order to reduce CO₂ emissions.

Our hydroelectric power plants (in Tokamachi City and Ojiya City, Niigata Prefecture) have a total output of 449,000 kW and support our rail transportation as a clean energy source that does not emit CO₂. We also aim to coexist with the local community and harmonize with the river environment through the development of fishways and the release of salmon fry.

CO₂ Emission Factors and Power Generation Efficiency at JR East's Thermal Power Plant



Calculation Method
CO₂ emission factors for JR East's thermal power plant are based on the Act on Promotion of Global Warming Countermeasures, and power generation efficiency is based on the method stipulated in the Energy Saving Act.

CO₂ Emission Factor of Electricity Generated by JR East (Thermal Power and Hydroelectric Power)
The adjusted emission factor in Fiscal 2023 was 0.288 (kg-CO₂/kWh).

Deliver / Store

Superconducting Flywheel Energy Storage System

In order to effectively utilize the regenerative electric energy generated during train braking, we are adopting various storage media, including a flywheel energy storage system that utilizes superconducting technology, which we are working to develop. We have completed a test facility at the Anayama Substation on the Chuo Main Line, and in June 2022 we commenced the world's first demonstration test of a superconducting flywheel power storage system for railways.

We are improving maintenance by making the bearings non-contact through the use of superconductivity technology. Furthermore, the system's performance does not deteriorate with repeated charging and discharging and the structure contains no harmful substances, making it environment-friendly as well.

By running further demonstration tests, we will verify the charging and discharging characteristics of the system as well as its effectiveness, and we aim to put it into service in the near future.



Superconducting flywheel energy storage system

Use

Utilization of Hydrogen Energy

In March 2022, we started trials of hybrid fuel cell test trains (hydrogen-hybrid advanced rail vehicles for innovation, nicknamed HYBARI) on the Tsurumi and the Nambu lines, and will promote their adoption in the future based on the outcome of the trials.

In May 2022, we signed a partnership agreement with ENEOS Co., Ltd. to conduct joint studies on expanding the use of CO₂-free hydrogen as a means of railway decarbonization. On that note, we are studying the feasibility of comprehensive hydrogen stations to supply CO₂-free hydrogen to HYBARI and various other kinds of fuel cell (FC) mobility as well as to facilities within the train station vicinities. We will continue to diversify our energy sources and promote a variety of initiatives based on the resources we have at our stations as well as our rail lines to realize a hydrogen society and prepare for increased



Hydrogen-hybrid train FV-E991 (HYBARI)

Converting to Effectively Renewable Energy to Power Offices at Buildings Owned by JR East

In response to the growing needs of office tenants promoting efforts to realize a decarbonized society, from fiscal 2024 we are switching over to effectively renewable energy sources of electricity for use by office tenants in buildings owned by JR East. Total CO₂ reduction at the 14 converted properties is expected to be approximately 18,000 tons annually.

Introduction of Fuel Cell Buses in Fukushima City



Tomoki Sato
JR Bus Tohoku Co., Ltd.

In April 2023, JR Bus Tohoku Co., Ltd., began operating a hydrogen fuel cell bus service connecting Fukushima City and the town of Kawamata. Although the fuel cell buses are the same as those already seen all over Japan, there are few examples of their use on routes with continuous inclines and declines or in cold regions. In preparing to put the buses into service, we had to clear issue after issue, and these efforts involved conducting local test runs in collaboration with the manufacturers and having discussions with other companies already using them. The buses are quite an eye-catching sight along the route and are attracting more and more attention to our bus services among customers. I hope this introduction of fuel cell buses will help us widely publicize the environmental efforts of the JR East Group.

TCFD Recommendation-Related Initiatives

Since the adoption of the Paris Agreement, countries and governments around the world have made major shifts toward decarbonization. Companies must now ascertain the financial impact of climate change-related risks and disclose relevant information to their stakeholders. In January 2020, JR East announced its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Using objective data, JR East undertakes a quantitative evaluation of the financial impact of future climate change on its Transportation services business. This business is vulnerable to weather and other natural disasters, which have been worsening as climate change progresses.

Overview of TCFD Recommendation-Based Information Disclosure^{*1}

Recommendations	JR East's Initiatives
Governance	The Sustainability Strategy Committee, chaired by the president and CEO, oversees and makes decisions mainly regarding the establishment and progress of climate change targets and the management of risks and opportunities. The committee includes the Company's vice presidents and executive directors as well as full-time Audit and Supervisory Committee members and outside directors also attend its meetings. The Sustainability Strategy Committee meets twice a year, and the Zero Carbon Working Group and the Hydrogen Working Group report and discuss the progress of CO ₂ emissions reductions and hydrogen utilization. A schematic of our promotion structure is presented on page 62.
Strategy	In JR East Group Management Vision "Move Up" 2027, we have committed to practicing ESG management, with the prevention of global warming and energy diversification as our guiding principles. To achieve these goals, we identify and assess the key risks and opportunities that climate change poses to our business activities and verify the appropriateness of our business strategies. In this disclosure, we identify physical risks related to natural disasters as important risks and conduct scenario analysis using elaborate methods based on hazard information and other information published by the government.
Risk management	Within the framework of risk management, each department identifies risks influenced by climate change and specific measures are taken to avoid or reduce these risks. With regard to climate change mitigation, at least once every six months we compile and conduct a detailed analysis of energy consumption, CO ₂ emissions, chlorofluorocarbon (CFC) leakage, and financial status for each business. We also identify, specify, and assess risks based on revisions to laws and regulations and other important changes in the external environment. With regard to adaptation to climate change, we are strengthening and promoting efforts to reduce physical risks in the Transportation services business due to acute and chronic weather-related disasters.
Metrics and targets	We have set Zero Carbon Challenge 2050 as a goal for the entire JR East Group, aiming to reduce CO ₂ emissions by 50% by fiscal 2031 (compared to fiscal 2014) and to achieve net zero CO ₂ emissions in fiscal 2051. In addition to regularly monitoring progress towards these targets, we are promoting Groupwide initiatives to further ensure our contribution to the realization of a decarbonized society. Please refer to pages 85–87 for the scope of our targets and progress toward achieving them.

^{*1} Please visit the following URL for details of the JR East Group's information disclosure based on the TCFD recommendations (Japanese only): <https://www.jreast.co.jp/eco/pdf/taskforce.pdf>

Details of Strategies

(1) Awareness of Risks and Opportunities

We recognize that there are two kinds of risk and opportunity associated with climate change. One is physical, for example, the intensification of weather-related disasters caused by global warming. The other is a transition in the social environment, for example, the strengthening of regulations and technological progress aimed at mitigating climate change. The main risks and opportunities that we have identified are as follows.

Main Risks and Opportunities		Business Impact ^{*2}	Timing of Manifestation ^{*3}
Physical risks	Damage to railway facilities and equipment, and suspension of operations due to windstorms, floods, etc.	Large	Short term
	Decrease in passenger volume due to extreme weather (heavy rain, heat)	Small	Long term
Transition risks	Increased costs due to the introduction and strengthening of the carbon pricing system	Not rated	Medium term
	Decrease in passenger volume due to competition from other modes of transportation, such as electric vehicles	Large	Long term
	Decrease in passenger volume due to damage or change in tourism resources	Not rated	Long term

^{*2} Scale of business impact: Large: Events with a financial impact of ¥500 million or more in revenues and expenses

^{*3} Timing of manifestation—scale of time: Short term: Within one year; Medium term: More than one year but within five years; Long term: more than five years

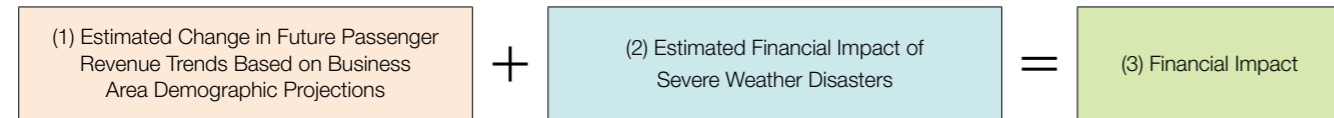
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(2) Details of Scenario Analysis (Physical Risks)

As a baseline for the analysis, passenger revenue is estimated based on future demographics, and a scenario analysis is conducted for the Transportation services business.

In the Transportation services business, future passenger volume is expected to decrease due to Japan's declining birthrate and aging population, and the impact is expected to be particularly significant in rural areas. In order to ascertain the financial impact of these factors and to verify the appropriateness of our business and environmental strategies, we conducted the following scenario analysis for fiscal 2051.

Scenario Analysis Methodology (Overview)



(1) Estimated Change in Future Passenger Revenue Trends Based on Business Area Demographic Projections

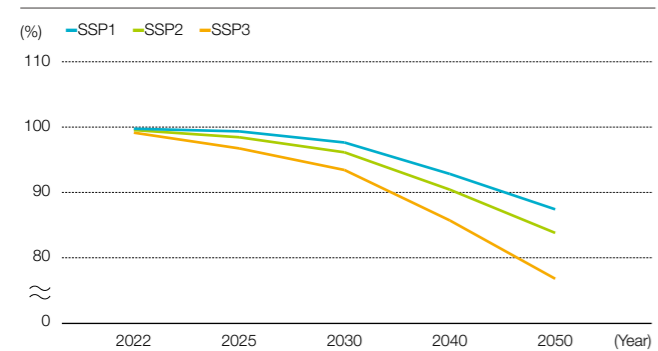
We estimated changes in passenger revenue up to fiscal 2051 based on data such as the Japan Shared Socioeconomic Pathways (SSPs)^{*4} data on population and gross domestic product (GDP)^{*5}, which are used across a range of fields in climate change research (Graph 1). As for changes introduced in fiscal 2023, we now use the second version of the Japanese SSP population scenario (published in July 2021), and we have updated the outlook for the level of recovery in railway transportation revenue following the end of the COVID-19 pandemic.

There was approximately an 11% difference in the population estimate for fiscal 2051 between the scenario of Sustainability (SSP1), which is our goal, and the opposing scenario of Regional Rivalry (SSP3), and a ¥380.0 billion difference in estimated passenger revenue (Graph 2).

Shared Socioeconomic Pathways (SSPs)

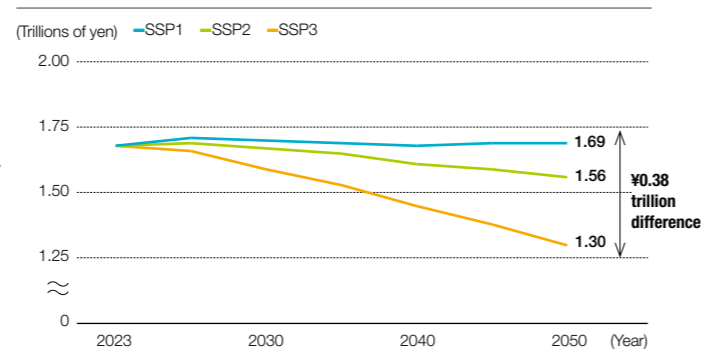
Scenario	State of Japanese Society	Birth Rate	Mortality Rate
SSP1 (2°C)	Sustainability: Development of renewable energy and environmental technology, urban concentration, compact development with robust networks	High	Moderate
SSP2 (Middle)	Middle of the Road: Maintain the status quo, current trends progress relatively unchanged	Moderate	Moderate
SSP3 (4°C)	Regional Rivalry: Uniform population decline, depopulation of regional areas	Low	Moderate

Graph 1: Estimated Population of Our Business Areas by Scenario



Estimates of future population in our business areas based on Japanese SSP population estimates by municipality, GDP, and other data

Graph 2: Trends in Passenger Revenue by Scenario



Estimated future passenger revenues by SSP based on future population estimates within our business areas

^{*4} Socioeconomic scenarios
^{*5} Population data source: Japanese SSP Population Estimates by City, Town, and Village, National Institute for Environmental Studies (NIES)
 GDP data source: International Institute for Applied Systems Analysis (IIASA)

(2) Estimated Financial Impact of Severe Weather Disasters

Since most of our major railway assets and lines with large passenger revenues are concentrated in and around the Tokyo metropolitan area, a widespread disaster in this area would have a significant financial impact. We therefore selected flooding caused by the overflow of Class A rivers flowing through the Kanto region (due to projected rainfall) as a specific disaster event for scenario analysis.

We conducted a quantitative assessment of the financial impact of this scenario using the inundation assumptions published by the government, the asset value of major lines, and passenger revenue trends.

The procedure for quantitative evaluation is as follows.

Step 1: Baseline Assessment

For each of the rivers selected for evaluation, the financial impact is quantitatively evaluated in terms of the loss of passenger revenue due to planned service suspensions and the time required for restoration, as well as the cost of restoring railway assets such as stations and tracks, in the event of flooding due to projected rainfall.

Step 2: Assessment of Climate Change Impact

Based on the results of the baseline assessment, the financial impact of climate change up to fiscal 2051 is estimated by taking into account future changes in the probability of flooding under multiple climate change scenarios.^{*6}

Step 3: Verification of Effectiveness of Flood Control Measures

Based on planned rainfall, JR East is taking disaster countermeasures, both in terms of physical facilities and human responses, such as raising the height of electrical equipment considered of critical importance to operations and installing water stop plates at building openings, in accordance with the degree of importance of the facilities. In addition, we developed a decision support system on railcar evacuation and prepared a vehicle evacuation manual (see "Initiatives to Address Flooding" on page 72). We intend to verify the effectiveness of these measures by estimating the financial impact of climate change in each case with and without the measures, thereby assessing the loss reduction effect of the implementation of the measures.

To begin with, regarding the estimated financial impact for flooding of the Arakawa, Tonegawa, Edogawa, and Tamagawa rivers, the assessments of which were presented in our Integrated Report 2022, we reviewed and refined the asset data used for quantitative evaluation. There was no major change in trends of the evaluation results, and the financial impact of climate change was found to be slightly smaller in the RCP^{*7} 2.6 (2°C increase) scenario than in the RCP8.5 (4°C increase) scenario, which was common to all rivers in the time of fiscal 2051. Further, we found that flooding of the Arakawa River, which has the greatest financial impact, is expected to cause a total loss of approximately ¥33.8 billion from 2021 to 2050 without inundation measures. On the other hand, we found inundation measures yielded an approximately ¥19.9 billion loss reduction effect, and that loss reductions due to vehicle evacuation are significant.

^{*6} Yukiko Hirabayashi et al. (2013). Global flood risk under climate change. Nature
^{*7} RCP: Representative Concentration Pathways scenario

Estimated Financial Impact for Flooding of the Arakawa, Tonegawa, Edogawa, and Tamagawa Rivers^{*8}
 (Updated Values for the Calculation Results in Our Integrated Report 2022)

Climate Change Scenarios	Flood Control Measures (Physical Facilities and Human Responses)	Arakawa River		Tonegawa River		Edogawa River		Tamagawa River	
		Increase in Financial Impact (Loss) (Billions of Yen)		Increase in Financial Impact (Loss) (Billions of Yen)		Increase in Financial Impact (Loss) (Billions of Yen)		Increase in Financial Impact (Loss) (Billions of Yen)	
		FY2051	FY2022-FY2051 Cumulative Total	FY2051	FY2022-FY2051 Cumulative Total	FY2051	FY2022-FY2051 Cumulative Total	FY2051	FY2022-FY2051 Cumulative Total
RCP2.6 (2°C increase)	No countermeasures	2.3	33.8	0.2	3.1	0.4	6.1	0.3	5.1
	With countermeasures	0.9	13.9	0.2	2.9	0.1	2.1	0.2	3.7
	Loss reduction effects of countermeasures	(1.3)	(19.9)	0.0	(0.2)	(0.3)	(4.0)	(0.1)	(1.4)
RCP8.5 (4°C increase)	No countermeasures	2.3	34.4	0.2	3.3	0.5	7.0	0.4	6.1
	With countermeasures	1.0	14.8	0.2	3.1	0.2	2.4	0.3	4.4
	Loss reduction effects of countermeasures	(1.3)	(19.5)	0.0	(0.2)	(0.3)	(4.6)	(0.1)	(1.7)

* "0.0" in the table indicates that the amount of the increase in loss is insignificant (less than ¥50.0 million).

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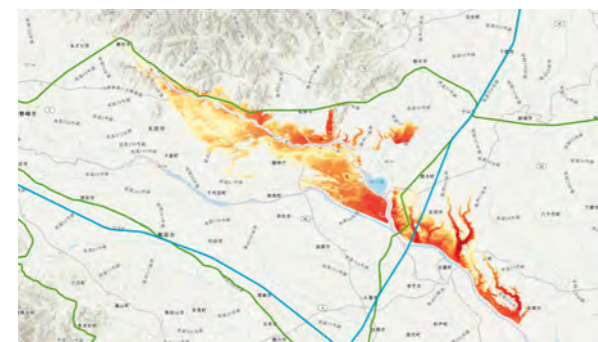
Next, we conducted similar new financial impact assessments for five Kanto region first-class rivers: the Watarasegawa, Kinugawa, Nakagawa, Tsurumigawa, and Sagamigawa rivers. The results indicated that the financial impact of climate change was found to be slightly smaller in the RCP 2.6 (2°C increase) scenario than in the RCP8.5 (4°C increase) scenario, which was common to all rivers in the time of fiscal 2051. On the other hand, in the case of flooding of these five rivers, we found that the amount of financial impact was generally small compared with that of the four rivers mentioned earlier, largely because rail yards were not assumed to be flooded.

Based on the results of these assessments of the financial impact of climate change, we will continue to implement natural disaster countermeasures from both tangible and intangible perspectives as mentioned above in accordance with the degree of importance of facilities, mainly in flooding areas that are susceptible to heavy impacts.

Estimated Financial Impact of Flooding of the Watarasegawa, Kinugawa, Nakagawa, Tsurumigawa, and Sagamigawa Rivers (New Assessment)

Climate Change Scenarios	Watarasegawa River		Kinugawa River		Nakagawa River		Tsurumigawa River		Sagamigawa River	
	Increase in Financial Impact (Loss) (Billions of Yen)		Increase in Financial Impact (Loss) (Billions of Yen)		Increase in Financial Impact (Loss) (Billions of Yen)		Increase in Financial Impact (Loss) (Billions of Yen)		Increase in Financial Impact (Loss) (Billions of Yen)	
	FY2051	FY2022-FY2051 Cumulative Total	FY2051	FY2022-FY2051 Cumulative Total	FY2051	FY2022-FY2051 Cumulative Total	FY2051	FY2022-FY2051 Cumulative Total	FY2051	FY2022-FY2051 Cumulative Total
RCP2.6 (2°C increase)	0.03	0.47	0.00	0.00	0.00	0.02	0.03	0.46	0.01	0.09
RCP8.5 (4°C increase)	0.04	0.53	0.00	0.01	0.00	0.03	0.05	0.76	0.01	0.10

* "0.00" in the table indicates that the amount of the increase in loss is insignificant (less than ¥5 million).



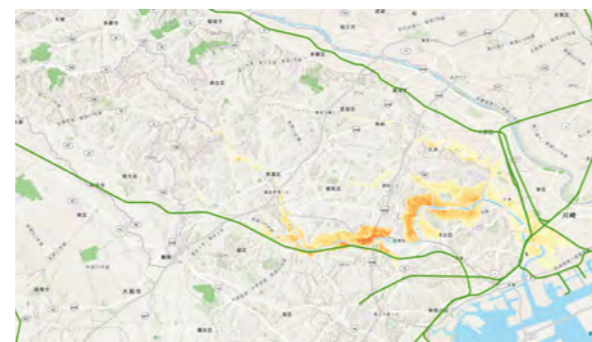
Watarasegawa River^a



Kinugawa River^a



Nakagawa River^a



Tsurumigawa River^a

^a Map of flooded areas (yellow to red) caused by projected rainfall on rivers expected to flood and our operating lines (blue: Shinkansen, green: conventional lines)



Sagamigawa River^a

SBT Certification Efforts

The JR East Group has committed to acquiring science-based targets (SBTs), greenhouse gas emission reduction targets that are scientifically consistent with the goals of the Paris Agreement. Going forward, we will review our Group greenhouse gas reduction targets based on scientific evidence and work to acquire certification from the Science Based Targets initiative.

2 Circular Economy

The business activities of the JR East Group have wide-ranging impacts on the environment, such as the discharge of general waste from daily station and train operations, industrial waste from general rolling stock centers, wastewater from vehicle washing, kitchen waste from restaurant operations, and general waste from retail sales in the Lifestyle services business.

We will implement initiatives aimed at transitioning to a circular economy for the entire Group, such as 3R (Reduce, Reuse, Recycle) initiatives for reducing waste and boosting recycling, as well as forestation for the purpose of biodiversity and the effective utilization of lumber generated from the maintenance of railway protection forests.



Resource Recycling Targets by Fiscal 2031

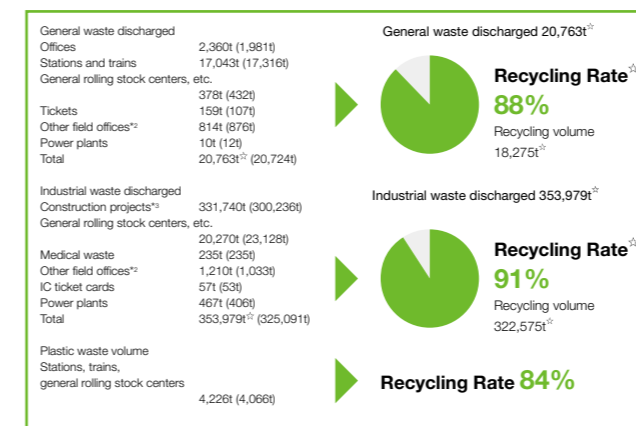
Performance Indicators			FY2031 Target (%)	FY2023 Result (%)
Raise recycling ratios (per fiscal year)	Recycling rate for waste generated at stations and on trains		94	91
	Recycling rate for PET bottles in waste generated at stations and on trains		100	97
	Recycling rate for waste generated at general rolling stock centers, etc.		96	93
	Recycling rate for waste generated in facility construction projects		96	91
Reduce emission intensity (FY2021 standard)	Provided by B2C (Business to consumer)	Reduction in single use plastics	25	80
		Switching from single use plastic containers and packaging to renewable materials	60	3
		Reduction rate of final disposal amount of food waste	50	45
Reduce emission intensity (FY2014 standard)	Waste (general/industrial) reduction rate and recycling rate ^{*1}	Reduction ratio ^{*2}	32	47
		Recycling rate ^{*2}	73	79

■ Indicates targets for JR East Group companies
^{*1} Excludes overseas JR East Group companies
^{*2} Excludes companies that do not generate waste

Groupwide Waste Generation, Amount Recycled, Recycling Rate: Fiscal 2023 Results

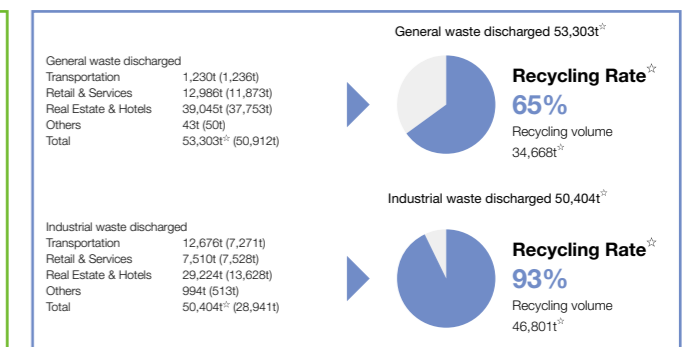
Data in parentheses is for fiscal 2022

JR East Waste Generation, Amount Recycled, Recycling Rate^{*1}



^{*1} Waste includes salable waste
^{*2} Other field offices: Technical centers, equipment maintenance centers, and other locations such as train crew offices
^{*3} Construction projects: Waste generated by our construction projects, but for which contractors legally become the waste-discharging entities, is included in industrial waste.

JR East Group Companies' Waste Generation, Amount Recycled, Recycling Rate^{*1}

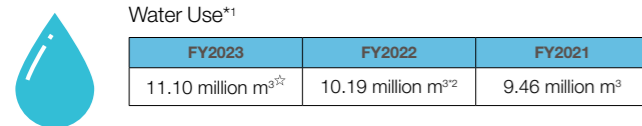


Recycling includes thermal recycling^{*} where general waste is treated at incineration plants, etc. and industrial waste is incinerated as intermediate treatment for heat recovery.
^{*} Thermal recycling: A recycling method that recovers waste heat from burning waste to produce steam and hot water to be used for power generation, hot water supply, etc.

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Water and Office Paper Usage by the Entire Group

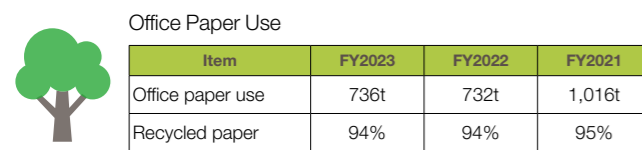
JR East Usage Volume



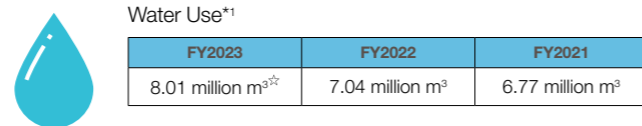
In addition to tap water, industrial water, and groundwater, we actively promote the use of gray water[☆] in our business activities, and we reuse rainwater and hand-washing water for toilet flushing. Specifically, our rolling stock centers use industrial water for vehicle-body washing and our station offices and toilets use and discharge tap water, rainwater, groundwater, and gray water. JR East appropriately manages water quality based on laws, ordinances, and agreements with local governments and works to conserve water resources.

[☆]1 Water use comprises the total of tap water, industrial water, and groundwater consumption
^{☆☆}2 FY2022 water use figures corrected from 9.63 million m³ to 10.19 million m³ due to an oversight in recording 560 thousand m³ of water use
^{☆☆☆}3 Use of water defined as between tap water and sewage. Such water is recycled and used for limited purposes.

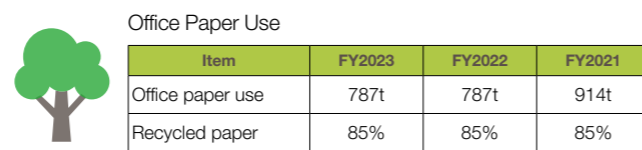
JR East Usage Volume



JR East Group Companies Usage Volumes



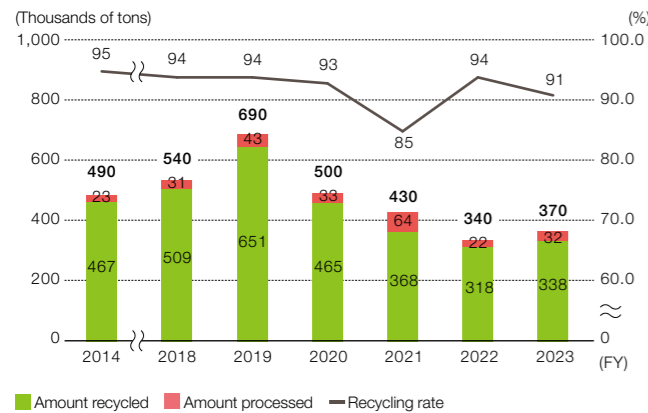
JR East Group Companies' Usage Volumes



Collecting and Reusing Waste from Stations and Trains

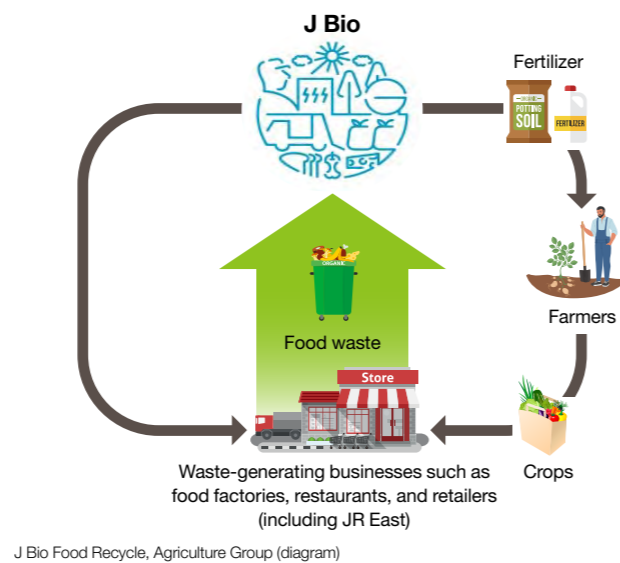
The recycling rate of waste generated from stations and trains is being improved through thorough sorting of waste by people and machines at the JR East Tokyo Resource Recycling Center (operated by JR East Environmental Access Co., Ltd.) and other facilities. Magazines and newspapers are recycled into office paper, etc., all used tickets are recycled into toilet paper, etc., and all used Suica cards are recycled into RPF solid fuel.

Waste from Stations, Trains, General Rolling Stock Centers, and Construction Projects



Utilization of J Bio Food Recycle's Power Generation Residue as Fertilizer

At J Bio Food Recycle's Yokohama plant, food waste brought in from the JR East Group and the city of Yokohama is fermented with microorganisms, and the methane gas generated is used as fuel for power generation. In September 2022, we took the fermentation residue, which we had conventionally incinerated, and registered it as a fertilizer, which then went into use in agriculture. Specifically, this enables the full-circle recycling of resources by encouraging agricultural business operators to use fermentation residue fertilizer to produce crops. Those crops are then used other businesses and any food waste they generate is then recycled again. Going forward, we will aim for resource recycling at the JR East Group.



Installation of Recycling Stations and New Trash Boxes

We have commenced demonstration experiments on new collection methods for recyclables at train stations. Up till now, waste disposed of at stations included magazines, newspapers, cans, bottles, and PET bottles that could be collected as resources if they were sorted. Now, with our attention focused on waste plastic, we have set up dedicated recycling stations for the collection of such waste at three train stations—Tokyo, Osaki, and Kawasaki—and we are currently verifying waste sorting results. At Osaki Station, we have also adopted a new design for trash boxes next to vending machines to improve recycling rates. We will continue to work on demonstration experiments and pursue further resource recycling.



Newly installed recycling station (Tokyo Station)

Biodiversity Initiatives

We have been running the Hometown Forest Planting program, an activity to plant native trees and regenerate forests to protect the richness of the land, since fiscal 2005. In October 2022, we held the *Shima Furusato no Mori-Zukuri* forestation event, in which 300 attendees took part and 2,500 trees were planted. To date, we have planted a total of approximately 170,000 trees in four locations in our tree planting areas.



Fiscal 2023 forestation



Adatara Hometown Forestation growth (19 years after tree planting)

In addition, in an effort to protect ocean diversity, we are working at Takeshiba tideland, which is adjacent to the WATERS takeshiba development, to revitalize the environment of Tokyo Bay Edomae and create a place for learning.

In fiscal 2023, we held monthly Tidal Flats Open Days, where participants were able to experience making sea urchin lamps and Christmas shell wreaths at marine-life workshops, try goby fishing, and take outdoor disaster prevention courses using tidal flats. These events enable many people to experience the role of tidal flats in biodiversity. We hosted a total of 24 such event days with approximately 840 participants.



Tidal Flats Open Day

Installation of Recycling Stations



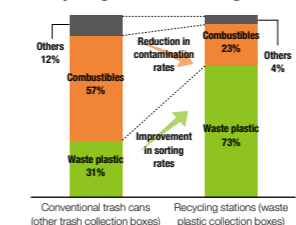
Morihiko Yoneyama
JR East Environmental Access Co., Ltd.

We take a portion of the waste plastic collected and sorted from trains and sort it to 80% purity for hydrogenation via chemical recycling. However, there were problems with separation rates since waste plastic collected in conventional trash cans at stations had just 31% purity. In response, we have begun installing recycling stations that focus on meeting three criteria: achieving more advanced recycling, including waste plastic; reducing costs by shortening the flow of waste collection; and clamping down on the disposal of household waste. As a result, the average sorting rate at the three stations with the newly installed waste plastic collection boxes rose to 73%, and waste plastic collected at Kawasaki Station was hydrogenated and partially used in the HYBARI hydrogen-hybrid train. In addition, the newly installed PET bottle collection boxes enable us to expand bottle-to-bottle horizontal recycling.

We owe the realization of this initiative to the cooperation of everyone involved, including the understanding of the station personnel and their coordination of collection work as well as the understanding and cooperation of customers using the stations.

That said, there are still issues to resolve. By analyzing the layout and usage of train station premises, we aim to further improve sorting rates and build a recycling loop that goes from waste to the energy that drives our railways.

Recycling Stations Sorting Rates



Others

Chemical Substance Management

Reduction and Substitution of Ozone-Depleting Substances
 We endeavor to reduce the use of substances specified as controlled in compliance with the Act on the Protection of the Ozone Layer Through the Control of Specified Substances and Other Measures and to adopt substitutes that have less impact on the environment. Under the Act on Rational Use and Appropriate Management of Fluorocarbons, we reported a leakage amount of four thousand t-CO₂^e for fiscal 2023.

Chemical Substance Management and Reduction

The Company is classified as a business operator handling over a certain amount of specified chemical substances under Japan's pollutant release and transfer register (PRTR) system.* Accordingly, 11 of our sites reported emissions and transfer amounts to the relevant local government bodies in fiscal 2023.

Also, considering the impact on ecosystems, we are working to reduce and substitute chemical substances, for example, by introducing stainless steel railcars that do not require painting.

* This is a system whereby companies notify their releases and transfers of chemical substances as required by the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof. It encourages the monitoring and control of toxic chemical substances emitted into the environment and measures to prevent negative impacts on the environment.

Providing Society with Innovative Technologies and Services

We will create new services and expedite their introduction to society by actively advancing new technologies and digital transformation in all of our businesses and by taking on ambitious initiatives that go beyond the boundaries of existing businesses.

1 Technology Innovation

Goals

- Provision of operational management solutions and realization of social innovation through continuous technology innovation based on utilizing external technologies and digital transformation
- Development and empowerment of employees with digital technology skills

2 New Fields

Goal

- Provision of new services and proposal of new lifestyles

Basic Concept

We will offer new services and new lifestyle ideas to our customers by actively utilizing external technologies via open innovation and the pursuit of digital transformation. Using the knowledge and expertise we obtain through these activities, we will contribute to social innovation by providing business management solutions outside the Company.

In addition, we will utilize the technologies and expertise we have cultivated in the fields of Mobility and Lifestyle Solutions and summon the collective strength of the Group to provide enriched lives at a global level.

* For details on our Digital Transformation Strategy and Intellectual Property Strategy, please see pages 60-61.

1 Technology Innovation

In the four fields of safety and security, service and marketing, operation and maintenance, and energy and the environment set forth in our Mid-to-Long-Term Vision for Technical Innovation, we will leverage such tools as IoT, big data, and AI to aim for pioneering technological innovation and thereby create new value.

WaaS Co-Creation Consortium and the Pursuit of Open Innovation

We formed the Mobility Innovations Consortium in 2017 as a forum for fostering mobility through open innovation. Over the past five years, we have conducted various demonstration experiments and implementations with the participation of more than 160 companies and organizations. Leveraging this knowledge and expertise, in April 2023, we formed a new Well-being as a Service (WaaS) Co-Creation Consortium as a forum for enhancing the value of mobility and space. Through open innovation, we will work to solve social issues in a wider range of areas than we could address on our own, and achieve well-being in society.



Diagram of the WaaS Co-Creation Consortium undertakings

Development of Next-Generation Shinkansen Trains

We launched the ALFA-X train as a testing platform in May 2019. The train runs mainly on the Tohoku Shinkansen between Sendai and Shin-Aomori, and we have used it to confirm the performance of each prototype item to improve safety, stability, comfort, environmental performance, and maintainability. In fiscal 2023, we conducted test runs mainly during the operating hours of commercial trains to confirm the durability of various prototype products.



ALFA-X

Use of Digital Transformation by On-Site Employees for Work Improvement



Akira Kawai
Ryota Amano
(Current position:
Omiya Conductors Depot)
Urawa Higashi General
Management Center
Omiya Branch Office

JR East leverages the latest IT technology to improve the efficiency of station operations. At Urawa Station, we use in-house deployed low-code tools to create an app that supports station poster display and management work. In creating the app, we emphasized ease of operation and maintenance, and, through a continual process of trial and error, we completed the app about a month after the work-related issues were first brought to light. To date, the app has been horizontally deployed at more than 50 stations within our jurisdiction, contributing greatly to the efficiency of station operations. We will continue to create various apps that solve workplace issues and lead to further operational reforms such as streamlining station work and improving service quality.



Example of an app created on-site

Achievement of BRT Automated Driving Level 4 and Extension of Automated Driving Sections

Amid the shortage of local bus drivers due to Japan's declining birth-rate and aging population, we have been working on proving trials for automated driving since fiscal 2018, as a way to sustain public transportation services.

In December 2022, we commenced practical application of Level 2 driving automation on the Kesenuma Line BRT between Yanaizu and Rikuzen-Yokoyama. We will further improve the safety and reliability of automated driving buses, aiming to raise them to Level 4, and extend the automated driving section of the bus route from Rikuzen Yokoyama to the dedicated road leading to Shizugawa (Mizushirigawa approach).



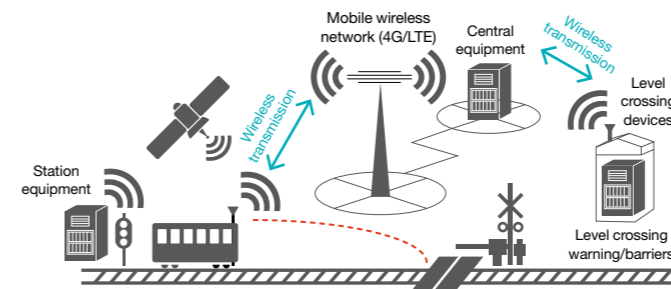
Automated driving bus for BRT

GNSS Wireless Railway Crossing Control System

With the aim of deploying it on local lines, we are developing a new global navigation satellite system (GNSS) wireless level crossing control system that uses satellite positioning technology to determine the location of a train and utilizes mobile communication networks to transmit data between the train and the wayside equipment to provide level crossing warnings and control train speed.

We have developed and tested level-crossing warning control functions and will continue to develop and test wireless automatic train protection (ATP) function to further simplify the wayside equipment.

This system is expected to improve safety and streamline level crossing equipment, including cables for information transmission, thereby reducing equipment maintenance costs.



Systems Human Resource Development Program (JEIS University)



Takako Ishii
JEIS University first-year class
Innovation Strategy Headquarters
(seconded to JEIS, previous post: Tabata Station)

In fiscal 2023, JR East established a systems human resource development program, through which we are working to develop human resources who will play a central role in the development and operation of core systems.

I applied for this program and am currently involved in the development and operation of *eki-net*. Up until now, I had been just an individual user of the service. I learned that when it comes to actual development, *eki-net* is a solid, process-based system that has been carefully created and maintained based on lessons learned from previous challenges. As a person with an understanding of both business and systems, I aim to contribute from the systems side of things to enable our customers to use optimal services in every aspect of their lives.

2 New Fields

By actively engaging in new technologies and digital transformation and taking on challenges beyond the framework of existing domestic businesses, we aim to create new services and fast track our implementation. We will offer new services and new lifestyle ideas by actively utilizing external technologies via open innovation, and we will use the knowledge and expertise we gain through these activities to provide business management solutions outside the Company.

Objectives of Virtual AKIBA World: "Fusion of Real and Virtual"

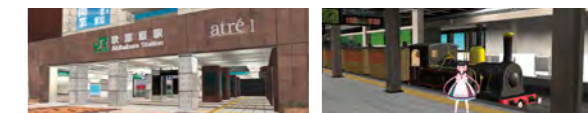


Ryo Murakami
JR East Cross Station Co., Ltd.

Virtual AKIBA World, opened in March 2022, is JR East's own original Metaverse space, a virtual reproduction of the Akihabara train station and town. Under the Beyond Stations concept, which aims to transform stations into hubs of business creation as platforms for "connected lifestyles", we aim to develop new businesses through the "fusion of real and virtual" by including links in virtual spaces to real stations and trains.

To date, we have developed new services in both real and virtual environments through collaboration with our existing businesses and co-creation with external companies, including a virtual reproduction of the first locomotive in commemoration of the 150th anniversary of the launch of railway services in Japan.

Going forward, we will continue to combine real assets and services with extended reality (XR) technology to create synergies with existing businesses and create new value.



Business Co-creation with Start-Up Companies

Through collaboration with start-up companies launched by JR East Start UP Co., Ltd., we are working to accelerate open innovation and enhance the value of the JR East Group. When it comes to collaboration, after conducting proving trials with start-up companies, we then form capital and business alliances based on comprehensive assessment of business synergies, social value creation, and future business potential. Furthermore, where there is potential for business acceleration, we establish joint ventures and take other such measures to help new businesses establish themselves and take root.



Taking the International Business to the Next Phase through Cross-Border M&As

We have acquired shares in GATES PCM CONSTRUCTION LTD., which is engaged in track construction and maintenance business mainly in Singapore, making it a JR East Group company. We will combine the technical capabilities of JR East and Gates to develop business in railway-related projects in Singapore and its surrounding areas.

Increasing the Engagement of All Group Employees



We will make our Group companies places where each of the Group's diverse employees can demonstrate their abilities in a challenging and rewarding environment.

1 Promotion of Diversity, Equity, and Inclusion (DE&I)

- Goals**
- Empowerment of diverse personnel
 - Realization of flexible workstyles

2 Human Resource Development

- Goals**
- Cultivation of innovation-oriented thinking and diverse career development
 - Expansion of fields of activity

3 Health and Productivity Management

- Goal**
- Promotion of employee health

4 Occupational Safety

- Goal**
- Accident-free, safe workplaces

Basic Concept

Recognizing that our strength lies in the diversity of perspectives and differences in values that reflect the attributes, knowledge, and skills of our Group employees, such as work experience, age, and gender, we aim to be a corporate group where diverse human resources can exercise their abilities to the fullest extent by expanding the fields in which our employees can play an active role. In order for employees to make maximum use of their abilities, it is essential that they are physically and mentally healthy. We will promote the health of our employees and create safe, comfortable, and accident-free workplaces.

* For details on Human Resources Strategies, please see pages 58–59.

1 Promotion of Diversity, Equity, and Inclusion (DE&I)

A diverse range of customers uses the Group's services, so it is essential for us to constantly consider diversity in the provision of our services. In addition, since the Group brings together employees across a wide range of roles, such as station, crew, maintenance, Lifestyle Solutions, and IT & Suica, the Group truly embodies diversity.

We recognize that the JR East Group's strength lies in the various perspectives and differences in values that reflect the diversity of employees working in the Group. We secure human resources with diverse personalities and skills so that we can understand the diverse needs of our customers and create new value. In addition, we will continue to promote the creation of an environment in which diverse human resources can exercise their abilities to the fullest extent.

Empowering Women and the General Business Owner Action Plan

In the railway business, there have been legal restrictions such as those on late-night work, and opportunities for women to play an active role have been limited, but since our inception we have been doing all we can to promote the activities of female employees by creating an environment in which women can work comfortably. As a result, women are employed in every area of the Company and the average length of their employment is increasing. Under our Second General Business Owner Action Plan, covering the five years starting in 2019, we continue to implement initiatives to promote the employment of women, lengthen their average years of service, strengthen our cultivation of female human resources, and encourage their promotion to more senior positions. Furthermore, by fiscal 2028, we will increase the ratio of women in managerial positions to 10%, from approximately 7% currently.

Second General Business Owner Action Plan (Fiscal 2020–Fiscal 2024)

- (1) Aim for at least 30% of new graduate employees to be women.
- (2) Promote the establishment of women's facilities in workplaces and create an environment in which women can actively participate at all workplaces.
- (3) Improve the convenience of on-site daycare centers at workplaces and give ample support to employees who are working while engaged in childcare or nursing care.
- (4) Accommodate a range of workstyles and create an environment in which all employees can happily continue to work for the Company.
- (5) Have women fill at least 10% of management positions.*

* In the General Business Owner Action Plan, "management positions" include supervisors in charge of management of field organizations.

Initiatives to Promote Understanding of LGBTQ+ Employees

The JR East Group recognizes the acceptance of members of the LGBTQ+ community as an important part of its diversity efforts and considers it the Group's duty to create comfortable, discrimination-free workplaces for LGBTQ+ employees. Thus far, we have expanded the scope of our human resources and benefits systems to include same-sex partners. As well as creating an accepting environment for LGBTQ+ employees to work in, we are building awareness and understanding among all of our employees through universal compliance training. In 2021, we formulated a policy for improving in-house facilities that takes into consideration the needs of diverse human resources, including LGBTQ+ employees. In accordance with this policy, we have installed multi-functional toilets and other such facilities during new construction and large-scale renovations of JR East facilities. Further, for six consecutive years the Company has received a Gold rating (the highest) on the PRIDE Index, which evaluates companies' LGBTQ+ initiatives.



Promoting Foreign Employees

We strive to employ the best candidates regardless of nationality. As of April 2023, we employ approximately 90 foreign nationals in a wide range of areas including at stations and as train crew members, as well as in the planning department and other areas. We are working to create an environment where employees can use their abilities regardless of their nationality. We regularly set up opportunities for dialogue with foreign employees, such as foreign employee networking meetings.

Employing Older Employees

In fiscal 2009, we introduced a reemployment system—the Elder Employees System—for people between the ages of 60 and 65, so that employees nearing retirement age can count on a stable income before they become eligible to draw their national pension. The system, which has been extended to include JR East and its Group companies, is also designed to ensure personnel training and the passing on of technical knowledge throughout the Group as large numbers of the employees of Japan's national railways retire at once. As of April 2023, approximately 9,150 employees are enrolled and active as Elder Employees at JR East and Group companies.

Employing People with Disabilities

We will continue to create an environment in which employees with disabilities can work actively in various positions, and we will maintain an active recruitment policy. As of June 2023, we have approximately 800 employees with disabilities and an employment rate of 2.69%, which is above the statutory rate of 2.3%. We will continue our efforts to create a comfortable work environment for all employees.

Active Participation by Group Employees with Disabilities



Ayano Kojima
JR East Green Partners Co., Ltd.

Established in April 2009 as a special subsidiary of JR East, JR East Green Partners Co., Ltd., aims to promote employment for people with disabilities and provide them with stable, long-term employment at the JR East Group. It is mainly responsible for managing JR East uniforms.



Recently, the subsidiary has been managing amenities for TRAIN SUITE SHIKI-SHIMA and producing wooden straws made from thinned wood and business cards made from a new material, LIMEX.

Supporting Employees with Childcare or Nursing Care Responsibilities

JR East has in place a system that surpasses the support required by law, and includes options for employees to take time off, work shorter hours, and work fewer days in order to balance work with childcare or nursing care. In addition, in April 2022, we established a new "career design leave" system, which allows employees to take leave for fertility treatment. We have also established on-site nurseries in all areas, which provide 24-hour childcare and other support for employees who work irregular hours.

In addition, in April 2022, we implemented systemic changes to encourage male employees to take childcare leave, such as establishing a postnatal fathers' leave system and relaxing the procedures for taking childcare leave. Our male employees are taking childcare and other such leave at a steadily increasing rate, rising from 12.2% in fiscal 2020 to 43.7% in fiscal 2023. We implement training and seminars to promote understanding when it comes to employees balancing work with childcare or nursing care. We also sponsor programs to provide information about juggling work with childcare or nursing care responsibilities.



Poppo Land daycare service within JR East offices

Further Expanding Support for Child-Rearing and Related Needs

To further promote support for balancing work and childcare, and to empower diverse contributions from every employee, we will implement a new maternity gift system and increase the dependent allowance for children.

We will also implement a system that allows employees who are raising children with intractable diseases and disabilities to work more flexibly, by extending the period for which they can work shorter hours and shorter days, allowing them to take childcare leave throughout the child's compulsory education period, and increasing the amount of dependent allowance.

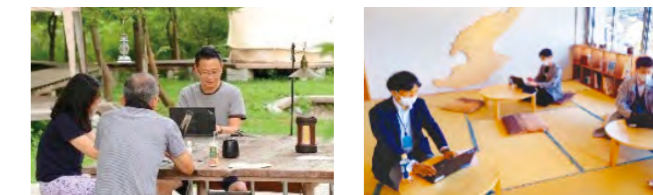
Launching Welcome Back Recruitment and Year-Round Recruiting and Hiring for Experienced Personnel

In 2023, we redefined and enhanced our re-employment support system and launched Welcome Back recruitment. With Welcome Back recruitment, in order to make it easier for those who have left the Company to advance their careers to come back and rejoin us, we have adopted a new method for calculating starting salaries, based on the compensation employees were receiving when they left, plus additional portions to reflect their additional work history, skills, and other such criteria.

In fiscal 2024, we introduced the year-round recruiting and hiring of experienced personnel to attract people with a wide range of work histories and skills to play an active role in the Company. In addition, we are steadily appointing experienced employees to managerial positions so that they can make the most of the skills they have cultivated, and we aim to increase the percentage of managers with external experience to 20% by fiscal 2028, up from approximately 18% currently.

Introducing Remote Working and Expanding Flextime

Since 2019, JR East has offered certain employees a flexible workstyle, allowing them to work remotely from anywhere. In 1997, we introduced a flextime system for departments such as Corporate Planning, and we subsequently upgraded it to a flextime system without a core time alongside the rollout of remote work. We have since expanded our flextime system to on-site workplaces including construction offices, general rolling stock centers, power plants, and other worksites, and in 2022 we began applying it to all field offices, including workplaces with night shifts. We have since shortened core time at certain on-site workplaces. In addition, we have named remote working at travel destinations using our own travel products Workation@JRE, which we have been promoting since 2021.



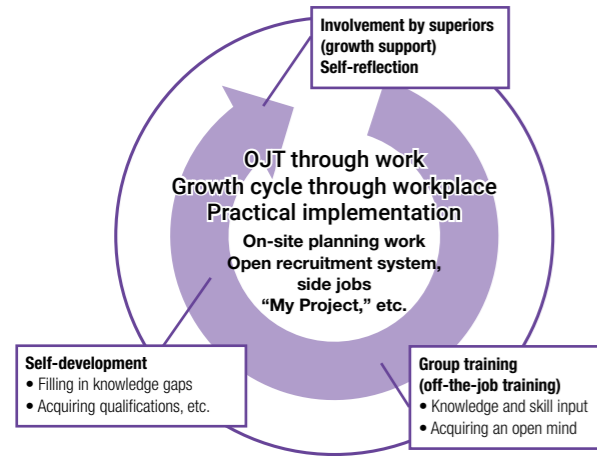
Remoteworking at travel destinations via Workation@JRE

Increasing the Engagement of All Group Employees

② Human Resource Development

The happiness of our employees and their families is a focus point of JR East Group Management Vision “Move Up” 2027. As we pursue three major reforms—work reform, workstyle reform, and workplace reform—we are working to expand the range of fields for our employees’ career development and taking other such measures to improve job satisfaction so that all our employees can play leading roles in their own right. Furthermore, in addition to the operational duties necessary to run our railway business, we are undertaking reskilling for the acquisition of the knowledge and skills to create new value, and we will cultivate employees who are active not only in existing businesses but also in priority and growth fields.

Basic Approach to Human Resource Development



On-the-Job Human Resource Development

We position on-the-job-training (OJT) as the foundation of human resource development. The workplace is not only a place to acquire knowledge and skills for railway operation work but also a place to acquire and practice knowledge to create new value. It is also a place for employee development through work, such as by plotting out a career vision and taking on challenges to live up to one’s potential.

Group Training (Off-the-Job Training)

The Company conducts group training using facilities such as the JR East General Education Center. In addition to courses for acquiring and improving the knowledge and skills necessary for railway operations, we conduct courses such as leadership training to vigorously promote structural reforms. We will provide more efficient and effective training by using online courses and providing on-demand teaching materials.

Self-Development

We provide support for self-development to encourage employees to learn and grow on their own initiative. In addition to providing several in-house correspondence training sessions focused on our business and external correspondence courses for improving business skills, we are enhancing self-development courses to foster an innovative mindset that creates new value, and we aim to have a cumulative total of 10,000 or more participants by fiscal 2028.

Expanding the Range of Fields for Employee Career Development

Internal Open Recruitment System

We offer an open recruitment system, giving employees the opportunity to challenge themselves and consider their own career paths. In fiscal 2023, we recruited people for positions in Lifestyle Solutions, International business, Mobility as a Service (MaaS), start-ups, and real estate, and approximately 200 of our existing employees have started new career paths with us. We will continue to actively use this internal open recruitment system to allocate human resources to priority and growth areas.



Secondments to Group companies in the Lifestyle Solutions business

Planning Work at Frontline Offices

We are reviewing our organizational structure and the delegation of authority to give employees at frontline offices the freedom to use their originality and ingenuity in places with closer customer contact. As a result, employees at our frontline offices now carry out a variety of planning work in addition to conventional operations.

Through such work experience, our employees are developing the ability to come up with ideas for new value creation and acquiring new business skills.

Expanding Opportunities for Work Experience (Side Jobs)

JR East has adopted a system that allows our employees to have side jobs to provide them with opportunities for growth through diverse work experiences outside the Company and to create new services and added value through the insights gained from these experiences. We also host meetings for employees who have worked in side jobs and distribute the content of these discussions online as part of our efforts to disseminate such information widely throughout the Company. Since April 2023, we have expanded the range of side work destinations to organizations outside the Group to facilitate the growth and experience of our diverse employees through contributions to local communities.

As of April 2023, approximately 140 employees were engaged in side jobs at Group companies.

Operation of NewDays KIOSK by Management Center Staff



Chiharu Shiroto

Higashi-Noshiro General Management Center
Akita Branch Office

In February 2022, in a first for directly managed locations, we were entrusted with NewDays KIOSK store operations from JR East Cross Station Co., Ltd. We handle opening and closing stores, confirming product delivery, and stocking products. Because the job entails the handling of food, we faced various challenges, such as obtaining food sanitation supervisor qualifications and taking time to check product availability and expiry dates, but we have made improvements throughout the process.

After the Higashi-Noshiro Regional Center was established in March 2022 (Higashi-Noshiro Station and Higashi-Noshiro Transportation District were merged), store development has become a group effort, as we found ourselves liberated from our previous job descriptions, and employees engaged in crew and signal work have also gotten involved.

Supporting Independent Career Development

Domestic University Enrollment Program

Our Domestic University Enrollment Program enables employees to study for a four-year bachelor’s degree at a Japanese university while continuing to work, allowing them to acquire the necessary knowledge for their future careers. Approximately 500 graduates have used this system so far and they are active in various workplaces. Participants may enroll at Tokyo Denki University, Tokai University, or Chuo University.



Domestic university enrollment system graduation reporting session

Domestic & Overseas Graduate School Study Abroad Program

Our Domestic & Overseas Graduate School Study Abroad Program enables employees to attend graduate schools in Japan or overseas at Company expense to obtain a master’s or doctoral degree. Participants have attended universities including Stanford University (United States), National University of Singapore, and Keio University (Japan).

Career Development Support Program

We have introduced a Career Design Leave system to expand the range of career options for each of our employees and support self-advancement and career development. We also provide institutional support, allowing students to use the system to study at universities in Japan or overseas at their own expense or to undertake practical training in order to gain qualifications.

Creating Opportunities for Communication with Employees

Enhancing communication between supervisors and their teams is essential for the independent career development of our employees. Priorities are set at the beginning of the fiscal year through dialogue between employees and their supervisors, who then provide employees with feedback both during and at the end of the fiscal year to confirm their future career goals and assess their growth.

In addition, at our head office and other locations, we hold one-on-one meetings to further enhance dialogue with employees. Through these one-on-one meetings, we aim to help establish career visions, promote employee growth through self-reflection, ensure psychological safety in the workplace, and improve engagement.

Evolution of Learning Forums

Expanding the Use of Online Training

JR East provides an environment where employees can study anywhere and anytime. We aim to enable diverse and flexible workstyles using digital tools to expand online training.

We are expanding learning opportunities by providing hybrid training that combines group and online courses and is available online to employees who would find it difficult to participate in long-term training courses due to their domestic circumstances.



Online training sessions

Expanding the Use of On-Demand Learning Materials

In addition to conventional group training, we are working to create programs that allow learning anytime, anywhere, by expanding on-demand learning materials and utilizing tablets and other digital devices. We offer an environment where employees can use learning materials on various topics, including content on basic technologies in the field of mobility, and business and management skills improvement, which can be used for self-development and for education in the workplace.

Supporting Employee-Initiated Growth

JR East’s My Project program encourages employees to work on improving operations, solving problems, and creating new value on their own initiative. My Project activities provide opportunities for human resource development and form part of our efforts to develop employees who can use their discretion to take action.

In addition, we also focus on training for individual workplaces, to enhance the performance of our frontline offices. By encouraging our employees to plan and manage their own training programs, we are enhancing their motivation to pursue personal growth as well as their capacity for self-directed learning in addition to conventional training.

JR East Group “Move Up” Forum

The JR East Group “Move up” Forum is a program for sharing My Project endeavors at JR East and other improvement activities at Group companies. Through discussions about various activities and employee growth, we aim to further promote integration and collaboration across our organization and operations and come together as a Group to accomplish the goals of our “Move Up” 2027 vision.

Increasing the Engagement of All Group Employees

③ Health and Productivity Management

The JR East Group aims to ensure the physical and mental health of all of its employees. We have been implementing Health Management Mid-Term Vision 2023, a plan spanning the five-year period from fiscal 2020 to fiscal 2024, to promote employee health improvements so that our employees can work to the best of their ability with maximum energy and enthusiasm.

In addition, senior management has issued the following Health Management Declaration as a philosophy for health management throughout the Group, demonstrating its stance of actively promoting health management.

Health Management Declaration

The health and vitality of each employee is paramount for the JR East Group to realize “Our Ideal Future” set forth in the management vision “Move Up” 2027 as employees assume the leading role in realizing this vision.

We aim to become a Group that takes the lead for the health and longevity of Japanese society by realizing enriched lives for all people through the practice of health management.

Yuji Fukasawa
President and CEO
East Japan Railway Company

Promoting Employee Health

We recommend employees at every workplace to undergo regular health checkups if they have not yet done so, and in fiscal 2023 we achieved a checkup rate of 100%. We will continue to recommend employees to undergo regular checkups and maintain our 100% record.

We hold study sessions for managers to help improve their workplaces, based on analysis of the results of their team’s stress checks. In fiscal 2023, we conducted surveys on work engagement and employee engagement for the first time, and we aim to achieve a stress check participation rate of 95% or higher by fiscal 2028.

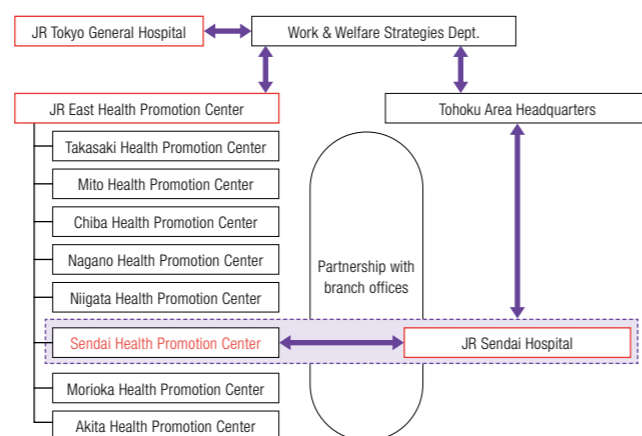
Health Management Promotion Structure

To promote health management, we have established dedicated departments at our head office, headquarters, and branch offices, as well as the JR East Health Promotion Center, and eight railway health promotion centers, which are staffed by occupational health professionals. In addition, health management personnel such as deputy managers and health officer are assigned to each location.



Artist's rendering of the exterior of the rebuilt new JR Tokyo General Hospital building

JR Tokyo General Hospital and JR Sendai Hospital, both of which are directly operated by JR East, support the health of our employees and contribute to regional medical care. Currently, JR Tokyo General Hospital is undergoing reconstruction to improve various functions of the hospital, such as improving measures against infectious diseases and offering more wide-ranging medical checkups.



Health Management Initiatives

The four pillars of our efforts are disease prevention, mental health, health promotion initiatives, and the improvement of health literacy throughout the Group. In terms of the third pillar, we promote health in the workplace and give internal awards for outstanding initiatives, details of which are published on Group portal sites and disseminated throughout the Company. We also give similar awards to Group companies.

To encourage better physical fitness habits among our employees, we have set up a video channel, *Undo de Kaizen*, on our corporate intranet. We also support Company-certified club activities to encourage participation in athletics. As a result of these efforts, JR East has been certified as a Sports Yell Company 2023 by the Japan Sports Agency.

Certification as a Health and Productivity Management Excellent Corporation

JR East has obtained Health and Productivity Management Excellent Corporation 2023 (Large Enterprise Category) certification. Among our Group companies, JR East Sports Corporation was certified as a White 500 Health and Productivity Management Organization 2023 (Large Enterprise Category), JR East Urban Development Co., Ltd., and JR East Management Service Co., Ltd., obtained Health and Productivity Management Organization 2023 (Large Enterprise Category) certification, and Union-Kensetsu Co., Ltd., obtained Health and Productivity Management Excellent Corporation 2023 (SME category) certification.

Health Management Initiatives in the Workplace

The most familiar health promotion event at JR East workplaces is the semi-annual team walking event *Minna de Arukatsu* (Everyone Walks Together). Workplace recreational activities are one of the various measures we use in each workplace to encourage people to take part in the event, and by the spring of 2023, we had increased the employee participation rate to 70%. Rather than merely competing for the greatest number of steps walked each time, we also conduct internal awards based on participation rates and percentages of employees walking 8,000 steps or more per day at all of our workplaces, to help employees encourage each other and establish the physical fitness habit of walking 8,000 steps a day.



Health Checkup Report

At JR East, the results of each employee’s regular health checkup for the previous fiscal year are displayed in an easy-to-understand health checkup report with a score out of 100 for each numerical target of our medium-term vision. Each employee’s health checkup report is available for output on their own internal web terminal. By setting individual health goals based on this report, employees can make concrete behavioral changes to improve numerical values in time for their next health checkup.



Health Support Tailored to Employees



Emi Ogawa
JR East Health Promotion Center

In line with the implementation of our Health Management Mid-Term Vision 2023, we have created useful materials for the workplace on topics such as walking activities and specific health guidance, which the respective public health nurses distribute every month to administrators and health management personnel in their areas of jurisdiction. These materials have been used to inform discussions at health and safety committees and other such bodies as well as for proactive health promotion in the workplace, and they have had encouraging effects such as increasing employee participation levels in health-related initiatives. The most recently produced materials can be viewed on our internal website for health management personnel. Going forward, we plan to roll this initiative out horizontally to all JR East branches.

In addition to providing health support tailored to each individual employee, we will continue to support the improvement of health literacy at every workplace.



④ Occupational Safety

The JR East Group has set a goal of zero fatal accidents for employees (including those of the Company, group companies, and partner companies, etc.), and we are focusing on maintaining safe and comfortable work environments. In addition to complying with laws and regulations and fulfilling our responsibility as a business operator to protect the safety of our employees, every employee takes the initiative to improve workplace safety and improve work environments in response to changes both inside and outside the company. We will contribute to the achievement of a sustainable society by striving to prevent work-related accidents and achieve job satisfaction through the creation of workplaces where everyone can use their abilities with peace of mind.

Employee Accident Status

In fiscal 2023, there was one fatal traffic accident (one person) in our railway operations, and 166 accidents that required time off from work.



Efforts to Prevent Occupational Accidents

At the JR East Group, we regard struck-by accidents, crashes, and electrocution as serious occupational accidents, and we take a range of measures to prevent such accidents.

We introduced a TC-type wireless train approach warning system (TC warning) in 1998 to notify workers of approaching trains by voice, an initiative that has been highly effective in preventing struck-by accidents. Thanks to adherence to the rules as well as the use of the TC warning system, since 1998, we have had no fatal struck-by accidents during maintenance work using the system.

We also leverage new technologies in our efforts to prevent occupational accidents. In recent years, we have been using drones for track surveys and equipment inspections following heavy rains or earthquakes, thus eliminating the need for workers to enter hazardous areas and reducing the risk of falls when working at heights.



Evacuation using the TC warning system (diagram)



Ascertaining damage using drones

Improving Confidence in Management

We will build a solid governance system that is resilient to changes to facilitate new challenges, while respecting human rights and conducting trustworthy corporate management.



1 Internal Control That Promotes the Undertaking of Bold Challenges

Goals

- Risk management that supports ambitious new initiatives
- Ensuring stable, appropriate operational management
- Business management in compliance with laws and regulations and corporate ethics, and ensuring information security

2 Respect for Human Rights

Goals

- Instilling of respect for human rights
- Sustainable procurement

Basic Concept

To accelerate our transformation and steadily achieve the JR East Group Management Vision “Move Up” 2027 amid a drastically changing business environment, it is essential to put effective governance frameworks in place to take on new challenges.

In addition, as a “network company,” we are committed to providing the JR East Group’s services to as many customers and residents as possible in different ways, and to earning the trust of all our stakeholders. We will establish a corporate culture that includes respect for human rights.

1 Internal Control That Promotes the Undertaking of Bold Challenges

The JR East Group views internal control 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. We consider internal control 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 way.

Specifically, we are working on risk management from the perspective of expanding into new business fields, etc., in addition to the perspective of compliance, ensuring safety and security, preventing financial losses, and ensuring the soundness of financial statements.

Internal control is also a mechanism that supports growth and structural reforms for the Group by promoting initiative and motivation on the part of our employees to take on new challenges. The Group aims to develop itself and increase its value by supporting and promoting the bold undertakings of Group employees.

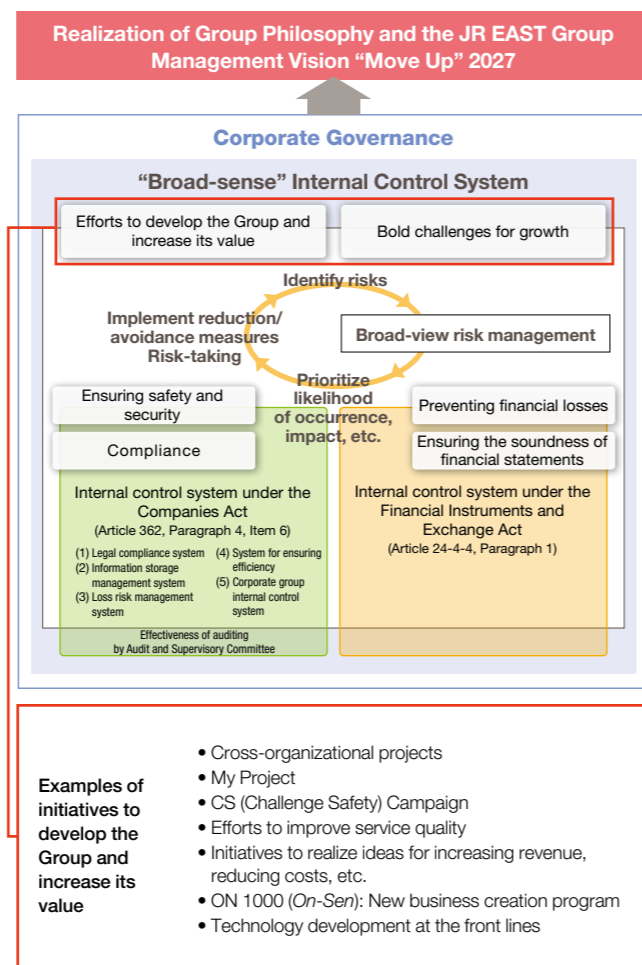
A System That Encourages Group Employees to Boldly Take on New Challenges

We are using communication tools, such as a portal site where Group employees can view and post information and in-house social networks, to encourage the sharing of ideas and the deployment of best practice across workplaces.

In addition, to promote “Move Up” 2027, we hold “Move Up” Chat Forums where directors share opinions and hold discussions with employees in individual locations (implemented in 52 locations within JR East and 41 group/partner companies in fiscal 2023). Such on-site visits stimulate active communication between directors and planning department staff and front-line employees and provide an opportunity to improve operations and take on new challenges.

We have created various opportunities to bring these endeavors to fruition, including the promotion of activities that improve and revitalize the workplace, the establishment of a system to support the generation and horizontal deployment of ideas, and the timely presentation of awards. Through these initiatives, we support and encourage Group employees to undertake bold challenges for the sake of growth.

JR East Group’s Basic Approach to Its Internal Control System



Let’s Complete Makuharitoyosuna Station Together! Roman Letter Station Sign Installation Experience Project



Tokyo Metropolitan Area Construction Project Management Office
Keiyo Bayside Line Project Secretariat
Chiba Branch Office

We planned and managed an event in which employees in charge of station construction and frontline employees working to revitalize the areas along the Keiyo Line collaborated to give customers the opportunity to install the roman letters on the sign for Makuharitoyosuna Station in Chiba (opening in March 2023).

Participating customers were able to experience the installation under the instruction of our employees, and also enjoyed features such as an overview of the work and a tour of the station building currently under construction. They were also given a replica of the installed roman letters as a souvenir to take home.

The project offered customers the unforgettable premium experience of working together to build a railway station, and in collaboration with Chiba City, it was treated as an original *JRE MALL Furusato Nozei* (hometown tax donation) gift.

Group Collaboration to Reduce Ticket Vending Machine Breakdowns



JR East Mechatronics Co., Ltd.
Hachioji Mechatronics Technology Center
Hachioji Branch Office

When it comes to the maintenance of ticket vending machines and other such equipment, we have traditionally adopted measures focused on stations with a high frequency of breakdowns. Taking the opposite approach, however, we switched to focusing on equipment maintenance methods at stations with the fewest breakdowns.

After analyzing the data on breakdowns, we got together to exchange views with employees at these stations (general management centers), and found that cleaning regimens and careful handling lead to fewer equipment breakdowns.

Using this knowledge, we have devised user-friendly cleaning kits and distributed them to each station. We have also made educational videos about how to clean ticket vending machines, which we are deploying horizontally through our portal site and in-house social networks. We will work to further reduce breakdowns through engagement with the station employees who use the equipment.

Risk Management

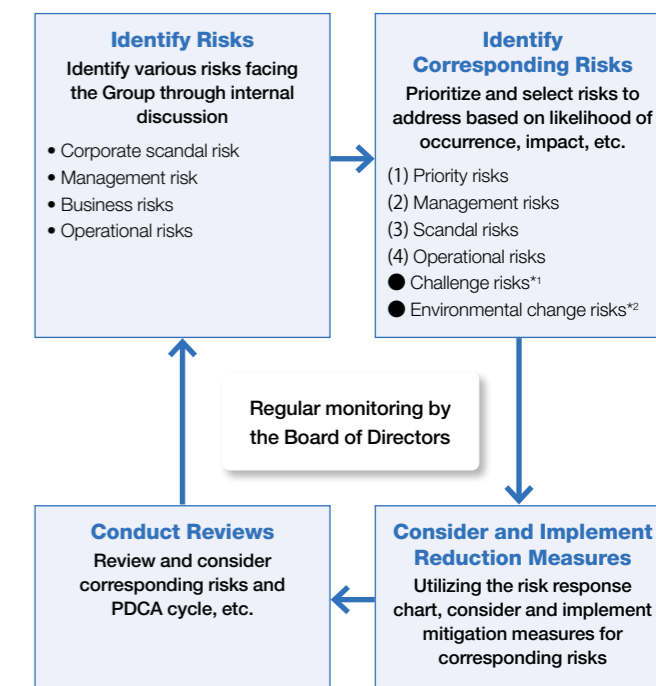
Basic Approach to Risk Management

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 been working to improve our risk management system. Specifically, we strive to identify various risks* faced by the Group, prioritizing them by likelihood of occurrence and level of impact. We implement a plan-do-check-act (PDCA) cycle to consider and implement measures to avoid or reduce risks and minimize their impact should they occur.

Nevertheless, 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 that considers risk not only from the perspective of reducing negative factors such as avoiding losses but also from the perspective of proactively increasing the value of the Group. In addition to ensuring stable and appropriate business operations, the Group’s risk management is designed to support and encourage all Group employees to undertake bold challenges for the sake of growth.

* These include not only risks related to daily business operation such as 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.

Risk Management Initiatives



*1 Challenge risks are risks that should be considered when implementing new measures or entering new businesses.

*2 Environmental change risks are risks that increase in importance with changes in the business environment.

Improving Confidence in Management

Compliance

Basic Concept of Compliance

JR East positions compliance as a basic policy of 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 Mobility services and Lifestyle Solutions services, and we conduct business in accordance with our 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 updated periodically to reflect changes in laws and the social environment and was revised to its fifth edition in April 2022. Furthermore, in conjunction with the development of our international business, we formulated and announced the Basic Policy for the Prevention of Bribery Relating to Foreign Public Officials.

Promoting Compliance

We conduct training for all staff each year, to help every Group employee better understand the importance of compliance. In fiscal 2023, we discussed the importance of adhering to rules and regulations by systematically highlighting inappropriate events that have occurred within the Company in the past, in an effort to raise awareness.

We are also working to further strengthen compliance awareness through video messages from directors and training for managers.

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

The head of each workplace continuously checks operational appropriateness. We use the Basic Items Confirmation Support Sheet, which summarizes fundamental compliance-related matters, for continual checking and confirmation.

"All Employee Compliance Training Concept"



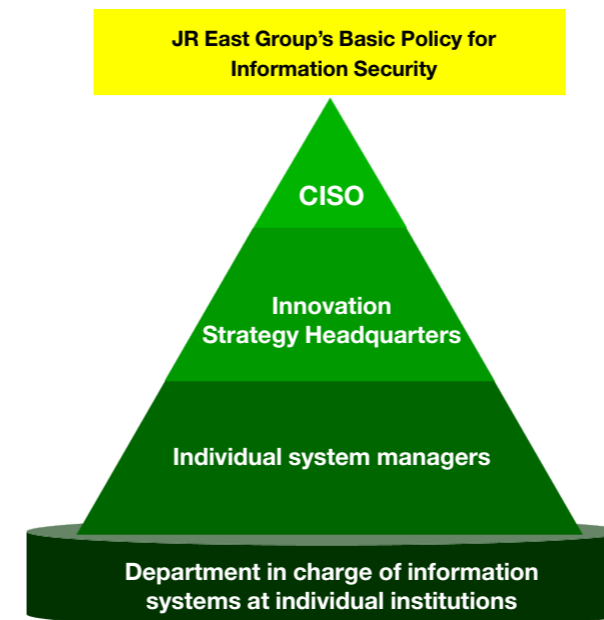
Compliance Hotline

We have established consultation desks both internally and outside the Group to facilitate compliance-related consultation and reporting. We accept consultations and reports from business partners and retirees and publish our responses to them on our website. To enhance the effectiveness of our internal reporting system, we registered for certification with Japan's Whistleblowing Compliance Management System (WCMS) in May 2021, through the program's self-declaration of conformity, in response to the revisions to Japan's Whistleblower Protection Act.

In fiscal 2023, we received about 250 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 appropriately and respectfully.

Framework and Basic Policy for Information Security

JR East has designed and introduced an information security management system outlined in the JR East Group's Basic Policy for Information Security and led by the general manager of the Innovation Strategy Headquarters as 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 cyberattacks, timely software upgrades to address vulnerabilities, and Groupwide deployment of security measures.



Information Security Initiatives

We continuously conduct information security education to raise employee awareness of cybersecurity and conduct drills to confirm initial responses in the event of a security incident.

In addition, in fiscal 2012, we introduced The 10 Principles of Information Security, a set of rules that every employee must observe. In fiscal 2023, we completely revised the content to respond to current circumstances both within and outside the company, such as the spread of remote working and the expanded use of cloud services, and we implemented training and other programs to ensure that our employees are thoroughly informed.

Specific Initiatives

- Detecting of fraudulent communications by the Security Operations Center (SOC)
- Implementing vulnerability assessments and countermeasures for business personal computers and systems
- Providing Computer Security Incident Response Team (CSIRT) training on the assumption of cyberattacks
- Providing annual security training for all employees and periodic targeted email training



The 10 Principles of 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, as well as improving 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 reduce the risk of data breaches. Furthermore, regarding overseas personal information protection laws, as one of several measures responding to the EU General Data Protection Regulation (EU GDPR), the UK General Data Protection Regulation (UK GDPR), and the California Consumer Privacy Act, we have published an English-language version of our privacy policy and other relevant 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, the Group conducts periodic internal workplace audits to ensure proper management of personal data.

CSIRT training



Naofumi Sugaya

Innovation Strategy Headquarters

We have established JRE-CSIRT as a response system in the event of information security problems caused by a cyberattack. When an information security problem occurs, the entire organization must promptly take appropriate measures, such as identifying and containing the damage, continuing business operations, and sharing information with relevant departments and external organizations. For this reason, since 2016, JRE-CSIRT has been conducting training sessions, including for management, in anticipation of a cyber-attack. The sessions cover a series of topics, from the initial response to recovery.



Improving Confidence in Management

② Respect for Human Rights

A key element of the JR East Group Philosophy is to help our customers and community members live enriched lives. To that end, as a corporate group responsible for social infrastructure and as a member of the local community, we will strive to achieve a sustainable society, not only by complying with domestic and international laws and regulations but also by conducting our business activities in a way that respects human rights while giving due consideration to the various local cultures and the global environment.



Norio Kimura
Senior Executive Officer (in charge of Corporate & Legal Strategies Department)

Promoting Respect for Human Rights

In recent years, there has been a growing interest in promoting respect for human rights in our corporate activities. Recognizing that the human rights of all people related to our business even beyond the Group should be respected, we have formulated a new JR East Group Policy on Human Rights. We aim to disseminate this basic policy and spread understanding of human

rights through various educational activities, including human rights due diligence by the Human Rights Awareness Promotion Committee, human rights seminars, and human rights awareness slogans, as well as promoting other initiatives for the respect of human rights.

Policy on Human Rights

In March 2023, the JR East Group formulated the JR East Group Basic Policy on Human Rights to promote respect for the human rights of all people, including customers, local residents, business partners, and employees, based on international human rights norms. The policy has been widely disseminated both within and outside the Group.

JR East Group Policy on Human Rights

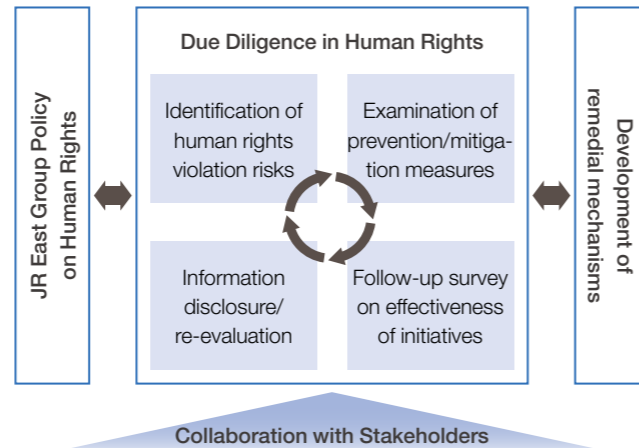
<https://www.jreast.co.jp/e/human-rights/>

Putting Human Rights Due Diligence into Practice

In order to promote respect for human rights, our Human Rights Awareness Promotion Committee adopts a risk management approach to identifying human rights violation risks that require priority management. The committee then looks into the implementation of prevention and mitigation measures and prepares for future monitoring.

Human Rights Awareness Promotion Committee

Chairperson	Director or executive officer in charge
Committee member	Head of department at headquarters
Frequency of meetings	Twice annually in principle and as needed
Agenda items	Sharing awareness of changes in the circumstances related to respect for and awareness of human rights, the status of initiatives and issues at individual Group companies, consideration of countermeasures, etc.



The human rights due diligence process at the JR East Group

Spreading Respect for Human Rights

In order to respect human rights and prevent infringements of rights or unjust discrimination, we aim to improve awareness of respect for human rights among our employees through various educational activities to spread understanding of human rights. We also strive to create an open and comfortable workplace and environment.

Concrete measures

- Implementing human rights seminars and study conferences
- Implementing rank-based training
- Implementing measures to increase consideration of respect for human rights (company reports, creation of a human rights awareness slogan)
- Exchanging information with other corporate members of the Industrial Federation for Human Rights, Tokyo, to increase mutual awareness



Lectures on compliance and human rights



Fiscal 2023 Human Rights Awareness Slogan Awards Ceremony

Sustainable Procurement

The JR East Group has established a procurement policy as a standard of conduct for procurement that takes into account human rights and the environment throughout the supply chain.

JR East Group Procurement Policy

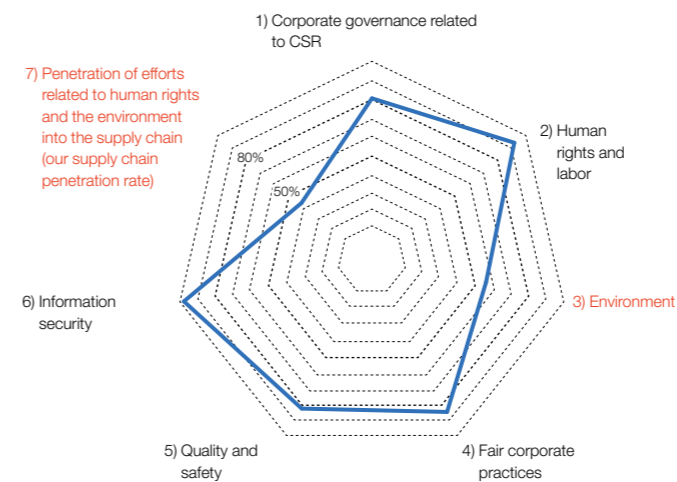
https://www.jreast.co.jp/e/order/procurement/procurement_policy.html

Sustainable Procurement

From fiscal 2022 to fiscal 2023, we revamped our corporate social responsibility (CSR) survey, which we send to our business partners, and asked them to respond to a total of 57 questions under the seven sections set out in the diagram below.

The results for five of the seven sections of the survey indicated that over 80% of our business partners have an internal framework for managing sustainability initiatives. At the same time, however, results for item 7, "Penetration of efforts related to human rights and the environment into the supply chain (our supply chain penetration rate)," was 45.3%.

Going forward, we will continue to engage in dialogue with our business partners on the challenges they face, work together to resolve them, and improve our supply chain penetration rate.



Communicating with Business Partners

Communicating on Management Challenges

In fiscal 2023, we visited 30 business partners and engaged in dialogue on sustainability-related initiatives such as human rights and the environment, as well as supply chains. We will continue to communicate with them on management challenges, with the aim of achieving a sustainable society.

Communicating about Quality Control

Every year, we visit between 10 and 20 manufacturing sites to check quality control and share ideas. We will continue to engage with our suppliers on quality control to ensure that our customers can use our trains safely and securely.

Declaration of Partnership Building

As a supporter of the Declaration of Partnership Building promoted by the government and the business community, JR East aims to build new partnerships and promote cooperation, coexistence, and co-prosperity with our supply chain partners and other value-creating businesses.



Business Continuity Planning (BCP)

To ensure that we can immediately procure necessary supplies in the event of an emergency, we communicate with our suppliers on a regular basis and we have an emergency communication system in place that allows us to assess damage in the event of a disaster.



Communication on management issues

JR East Group Procurement Representatives' Conference

We hold liaison meetings among procurement managers from each Group company to share information related to procurement. The meeting is designed to share information on quality control, BCP, human rights, the environment, and other issues, as well as to promote Group-wide socially responsible procurement.



JR East Group Procurement Representatives' Conference

Group Companies at a Glance

Transportation

JR BUS KANTO Co., Ltd.
 JR Bus Tohoku Co., Ltd.
 Tokyo Monorail Co., Ltd.
 JR EAST VIEW TOURISM AND SALES COMPANY LIMITED
 JR East Rental & Lease Co., Ltd.
 JR East Net Station Co., Ltd.
 JR East TESSEI Co., Ltd.
 JR East Transportation Services Co., Ltd.
 JR East Environment Access Co., Ltd.
 JR East Station Service Co., Ltd.
 JR Takasaki Railway Services Co., Ltd.
 JR Mito Railway Services Co., Ltd.
 JR Chiba Railway Services Co., Ltd.
 JR East Techno Service Co., Ltd.
 JR Morioka Railway Service Co., Ltd.
 JR Akita Railway Services Co., Ltd.
 JR Niigata Railway Services Co., Ltd.
 JR Nagano Railway Services Co., Ltd.
 JR East Linen Co., Ltd.
 JR East Service Creation Co., Ltd.
 JR East Design Corporation
 JR East Facility Management Co., Ltd.
 Union Construction Co., Ltd.
 Japan Railway Track Consultants Co., Ltd.
 Japan Transport Engineering Company
 JR East Rail Car Technology & Maintenance Co., Ltd.

Retail & Services

JR East Cross Station Co., Ltd.
 KINOKUNIYA Co., Ltd.
 JR East TOHOKU SOUGOU SERVICE Co., Ltd.
 East Japan Railway Trading Co., Ltd.
 JR East Logistics Co., Ltd.
 JR EAST Smart Logistics Co., Ltd. (from July 3, 2023)
 JR East Sports Co., Ltd.
 GALA YUZAWA Co., Ltd.
 JR East Marketing & Communications, Inc.
 JR East Media Co., Ltd.
 The Orangepage, Inc.
 JR East Business Development Taiwan, Inc.
 JRE Sports Taiwan Co., Ltd. (from August 1, 2023)
 JR East Business Development SEA Pte. Ltd.

Real Estate & Hotels

atré Co., Ltd.
 LUMINE Co., Ltd.
 Yokohama Station Building Co., Ltd.
 Shonan Station Building Co., Ltd.
 JR Chuo Line Community Design Co., Ltd.
 JR East Department Store Co., Ltd.
 Kinshicho Station Building Co., Ltd.
 Chiba Station Building Co., Ltd.
 JR East Aomori Business-Development Company Co., Ltd.
 JR East Niigata City Create Inc.
 Station Building MIDORI Co., Ltd.
 JR East Building Co., Ltd.
 Nippon Hotel Co., Ltd.
 Sendai Terminal Building Co., Ltd.
 Morioka Terminal Building Co., Ltd.
 Akita Station Building Co., Ltd.
 JR East Urban Development Corporation
 JR East Real Estate Asset Management Co., Ltd.
 JREFU Hotel Management & Consulting Co., Ltd.

Others

JR East Information Systems Company
 JR East Management Service Co., Ltd.
 JR East Personnel Service Co., Ltd.
 JR East Green Partners Co., Ltd.
 Viewcard Co., Ltd.
 JR East Consultants Company
 JR East Mechatronics Co., Ltd.
 Japan International Consultants for Transportation Co., Ltd.
 GATES PCM CONSTRUCTION LTD. (from July 5, 2023)
 JR East Energy Development Co., Ltd.
 Shinjuku South Energy Service Co., Ltd.
 Station City Energy Create Co., Ltd.
 JR East Start UP Co., Ltd.

Non-Financial Information Highlights

Environment	FY2019	FY2020	FY2021	FY2022	FY2023
Scope 1 emissions	1.33 million t-CO ₂	1.40 million t-CO ₂	1.44 million t-CO ₂	1.51 million t-CO ₂	1.52 million t-CO ₂
Scope 2 emissions	1.56 million t-CO ₂	1.48 million t-CO ₂	1.39 million t-CO ₂	1.25 million t-CO ₂	1.27 million t-CO ₂
Scope 3 emissions (non-consolidated)	—	4.74 million t-CO ₂	4.09 million t-CO ₂	3.52 million t-CO ₂	3.73 million t-CO ₂
General waste	124,586 tons	119,527 tons	72,406 tons	71,636 tons	74,066 tons
Industrial waste	698,337 tons	509,967 tons	450,632 tons	354,032 tons	404,383 tons
Number of trees planted in the Hometown Forest Planting program	6,000	5,004	2,500	Cancelled	2,500

Society	FY2019	FY2020	FY2021	FY2022	FY2023
Number of employees	46,019	44,830	44,137	43,013	41,147
	<72,402>	<71,812>	<71,973>	<71,240>	<69,235>
Percentage of female employees	14.8*	16.2*	17.3*	18.0*	18.6*
					<23.9>
Percentage of female hires	30.4	29.7	31.1	29.9	29.5
					<37.5>
Percentage of managers who are female	5.0	5.7	6.4	6.6	7.0
					<13.6>
Wage gap between male and female employees	—	—	—	—	88.3
					<77.2>
Acquisition rate of paternity leave	6.0	12.2	18.7	24.0	43.7
					<46.9>
Number of foreign employees	66*	95*	91*	89*	94*
Percentage of employees with disabilities (including specified subsidiaries)	2.56	2.55	2.58	2.59	2.63
Average age	39.4	38.8	38.2	38.2	38.3
Average length of service	16.5	16.0	15.6	15.6	15.7
Average overtime hours	159:12	168:27	153:52	166:09	175:14
Percentage of employees using the employee stock ownership plan (employees/full-time workers)	91.6	92.6	93.8	93.2	93.8
Care-fitter qualification acquisition rate	28.0	37.3	48.2	56.4	60.5

Numbers in angle brackets are consolidated figures
 Note: Figures as of April 1st of the following year

Governance	July 2019	July 2020	July 2021	July 2022	July 2023
Number of directors	13	12	12	12	15
					Of which, 4 are Audit and Supervisory Committee members
Number of outside directors (percentage)	3 (23.1)	4 (33.3)	4 (33.3)	4 (33.3)	7 (46.7)
Number of female directors (percentage)	1 (7.7)	2 (16.7)	3 (25.0)	3 (25.0)	3 (20.0)
Number of auditors	5	5	5	5	—
Number of outside auditors (percentage)	4 (80)	4 (80)	4 (80)	4 (80)	—

Consolidated 11-Year Financial Summary

	FY2013	FY2014	FY2015	FY2016
Operating Results				
Operating Revenues	¥2,671,823	¥2,702,917	¥2,756,165	¥2,867,200
Operating Expenses	2,274,260	2,296,123	2,328,643	2,379,379
Operating Income (Loss)	397,563	406,794	427,522	487,821
Profit (Loss) Attributable to Owners of Parent	175,385	199,940	180,398	245,310
Comprehensive Income	197,740	214,632	229,293	217,419
Operating Revenues by Segment**				
Transportation	¥1,809,554	¥1,827,467	¥1,852,040	¥1,954,588
Retail & Services	404,207	400,948	396,368	399,960
Real Estate & Hotels	238,945	251,070	254,997	255,979
Others	219,117	223,432	252,760	256,673
Total	2,671,823	2,702,917	2,756,165	2,867,200
Operating Income (Loss) by Segment**				
Transportation	¥ 264,324	¥ 267,336	¥ 294,607	¥ 348,576
Retail & Services	37,575	36,062	34,539	35,100
Real Estate & Hotels	68,198	72,058	72,324	71,611
Others	29,042	32,686	27,490	35,025
Adjustment	(1,576)	(1,348)	(1,438)	(2,491)
Total	397,563	406,794	427,522	487,821
Financial Position				
Total Assets	¥7,223,205	¥7,428,304	¥7,605,690	¥7,789,762
Interest-Bearing Debt	3,307,483	3,288,401	3,275,523	3,241,979
Shareholders' Equity	2,030,666	2,180,633	2,285,658	2,442,129
Cash Flows				
Cash Flows from Operating Activities	¥ 588,529	¥ 562,764	¥ 622,762	¥ 673,110
Cash Flows from Investing Activities	(465,952)	(474,698)	(476,844)	(499,575)
Cash Flows from Financing Activities	(101,151)	(91,367)	(86,636)	(110,266)
Per Share Information / Stock Price Indices				
Earnings per Share (EPS)	¥ 444	¥ 507	¥ 459	¥ 626
Book Value per Share (BPS)	5,136	5,529	5,818	6,232
Cash Dividends per Share*2	120	120	120	130
Price-to-Book Ratio (PBR)	1.5	1.4	1.7	1.6
Financial Indicators				
Return on Assets (ROA) (%)	5.6	5.6	5.7	6.3
Return on Equity (ROE) (%)	9.0	9.5	8.1	10.4
Profit (Loss) Attributable to Owners of Parent as a Percentage of Revenues	6.6	7.4	6.5	8.6
Net Interest Bearing Debt / EBITDA Ratio (times)*3	4.2	4.1	3.9	3.5
Interest Coverage Ratio (times)*4	6.2	6.3	7.6	8.8
Debt to Equity Ratio (times)*5	1.6	1.5	1.4	1.3
Equity Ratio (%)	28.1	29.4	30.1	31.4
Total Return Ratio (%)	31.8	29.3	32.3	33.0
Others				
Depreciation	¥ 346,808	¥ 348,042	¥ 353,251	¥ 359,515
Capital Expenditures*6	480,717	525,708	522,127	541,949
Interest Expenses	95,312	88,279	81,962	76,332

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Millions of Yen							
Operating Revenues	¥2,880,802	¥2,950,157	¥3,002,043	¥2,946,639	¥1,764,585	¥1,978,967	¥2,405,538
Operating Expenses	2,414,492	2,468,861	2,517,182	2,565,798	2,284,943	2,132,906	2,264,909
Operating Income (Loss)	466,310	481,296	484,861	380,841	(520,358)	(153,939)	140,629
Profit (Loss) Attributable to Owners of Parent	277,925	288,957	295,216	198,429	(577,900)	(94,949)	99,232
Comprehensive Income	293,471	300,647	295,928	173,329	(565,771)	(100,543)	96,459
Operating Revenues by Segment**							
Transportation	¥1,989,839	¥2,017,877	¥2,038,195	¥1,994,523	¥1,095,730	¥1,277,036	¥1,618,552
Retail & Services	502,414	514,963	521,878	502,075	318,076	278,186	327,860
Real Estate & Hotels	326,312	340,144	349,014	348,521	271,248	352,672	382,217
Others	62,237	77,173	92,956	101,520	79,531	71,073	76,909
Total	2,880,802	2,950,157	3,002,043	2,946,639	1,764,585	1,978,967	2,405,538
Operating Income (Loss) by Segment**							
Transportation	¥ 334,215	¥ 340,413	¥ 341,946	¥ 250,576	¥ (548,529)	¥ (285,346)	¥ (24,097)
Retail & Services	36,842	38,998	39,231	34,387	2,612	14,116	35,282
Real Estate & Hotels	80,362	80,986	81,421	74,603	15,156	107,807	111,577
Others	16,578	22,589	23,807	23,877	14,761	11,642	17,222
Adjustment	(1,687)	(1,690)	(1,544)	(2,602)	(4,358)	(2,158)	645
Total	466,310	481,296	484,861	380,841	(520,358)	(153,939)	140,629
Financial Position							
Total Assets	¥7,911,115	¥8,147,676	¥8,359,676	¥8,537,060	¥8,916,420	¥9,091,425	¥9,351,900
Interest-Bearing Debt	3,211,074	3,179,660	3,163,731	3,312,344	4,350,250	4,703,739	4,774,887
Shareholders' Equity	2,653,419	2,859,330	3,067,174	3,146,196	2,535,027	2,394,928	2,473,251
Cash Flows							
Cash Flows from Operating Activities	¥ 652,907	¥ 704,194	¥ 663,801	¥ 548,693	¥ (189,968)	¥ 190,507	¥ 581,756
Cash Flows from Investing Activities	(557,539)	(541,857)	(594,426)	(701,601)	(749,397)	(526,358)	(565,511)
Cash Flows from Financing Activities	(116,280)	(135,100)	(120,693)	43,410	983,386	304,642	26,831
Yen							
Earnings per Share (EPS)	¥ 714	¥ 749	¥ 773	¥ 525	¥ (1,532)	¥ (252)	¥ 263
Book Value per Share (BPS)	6,826	7,427	8,047	8,340	6,720	6,349	6,567
Cash Dividends per Share*2	130	140	150	165	100	100	100
Price-to-Book Ratio (PBR)	1.4	1.3	1.3	1.0	1.2	1.1	1.1
Financial Indicators							
Return on Assets (ROA) (%)	5.9	6.0	5.9	4.5	(6.0)	(1.7)	1.5
Return on Equity (ROE) (%)	10.9	10.5	10.0	6.4	(20.3)	(3.9)	4.1
Profit (Loss) Attributable to Owners of Parent as a Percentage of Revenues	9.6	9.8	9.8	6.7	(32.7)	(4.8)	4.1
Net Interest Bearing Debt / EBITDA Ratio (times)*3	3.5	3.4	3.4	4.2	—	19.0	8.6
Interest Coverage Ratio (times)*4	9.2	10.9	10.5	9.0	—	3.1	9.4
Debt to Equity Ratio (times)*5	1.2	1.1	1.0	1.1	1.7	2.0	1.9
Equity Ratio (%)	33.5	35.1	36.7	36.9	28.4	26.3	26.4
Total Return Ratio (%)	32.6	32.9	32.9	31.4	—	—	38.0
Millions of Yen							
Depreciation	¥ 364,129	¥ 367,998	¥ 368,723	¥ 374,743	¥ 388,828	¥ 392,626	¥ 389,885
Capital Expenditures*6	506,727	550,478	629,925	740,648	692,250	520,018	554,714
Interest Expenses	70,258	64,733	62,545	60,786	60,663	62,158	63,755

*1 Due to a change in the reporting segment classification from fiscal 2018, figures for fiscal 2017 onward have been reclassified to reflect the new segment classification.

The JR advertisement business has been reclassified from the Transportation business to the Retail & Service business since fiscal 2022.

*2 The total amount of dividends for each fiscal year consists of interim dividends and year-end dividends.

*3 Net Interest Bearing Debt = Balance of Consolidated Interest-Bearing Debt - Balance of Consolidated Cash and Cash Equivalents. EBITDA = Consolidated Operating Income + Consolidated Depreciation

*4 Interest Coverage Ratio = Net Cash Provided by Operating Activities / Payments of Interest

*5 Debt to Equity Ratio = Interest-Bearing Debt / Shareholders' Equity

*6 Total Capital Expenditures do not include expenditures funded by the government or other third parties.

Consolidated Balance Sheets

East Japan Railway Company and Subsidiaries
March 31, 2022 and 2023

	Millions of Yen		Millions of U.S. Dollars	
	2022	2023	2022	2023
Assets				
Current Assets:				
Cash and cash equivalents	¥ 171,023	¥ 215,000	\$ 1,604	
Receivables:				
Accounts receivable—trade	542,996	619,375	4,622	
Contract assets	4,202	2,584	19	
Unconsolidated subsidiaries and affiliated companies	9,954	13,156	98	
Other	6,949	6,509	49	
Allowance for doubtful accounts	(2,802)	(3,106)	(23)	
	561,299	638,518	4,765	
Inventories	94,214	90,491	675	
Real estate for sale	18,006	45,177	337	
Other current assets	62,459	63,599	476	
Total current assets	907,001	1,052,785	7,857	
Investments:				
Unconsolidated subsidiaries and affiliated companies	91,194	152,590	1,139	
Other	212,565	207,413	1,548	
	303,759	360,003	2,687	
Property, Plant and Equipment:				
Buildings	3,261,492	3,285,914	24,522	
Structures	6,515,476	6,618,453	49,391	
Machinery, rolling stock and vehicles	3,016,675	3,037,657	22,669	
Land	2,164,997	2,185,869	16,312	
Construction in progress	334,610	399,205	2,979	
Other	308,269	309,913	2,314	
	15,601,519	15,837,011	118,187	
Less accumulated depreciation	8,423,663	8,622,449	64,347	
Net property, plant and equipment	7,177,856	7,214,562	53,840	
Other Assets:				
Deferred tax assets	442,562	432,011	3,224	
Other	260,247	292,539	2,182	
	702,809	724,550	5,406	
	¥ 9,091,425	¥ 9,351,900	\$ 69,790	

	Millions of Yen		Millions of U.S. Dollars	
	2022	2023	2022	2023
Liabilities and Net Assets				
Current Liabilities:				
Short-term borrowings	¥ 60,749	¥ —	\$ —	
Current portion of long-term debt	252,500	365,000	2,724	
Current portion of long-term liabilities incurred for purchase of railway facilities	3,806	4,065	30	
Prepaid railway fares received	69,599	78,047	582	
Payables:				
Accounts payable—trade	46,036	42,410	316	
Unconsolidated subsidiaries and affiliated companies	87,627	181,926	1,358	
Other	587,835	562,338	4,197	
	721,498	786,674	5,871	
Accrued expenses	92,116	101,250	756	
Accrued consumption taxes	34,655	43,961	328	
Accrued income taxes	10,938	16,187	121	
Allowance for partial transfer costs of railway operation	129	—	—	
Other current liabilities	442,569	137,068	1,023	
Total current liabilities	1,688,559	1,532,252	11,435	
Long-Term Liabilities:				
Long-term debt	3,741,616	4,094,821	30,558	
Long-term liabilities incurred for purchase of railway facilities	315,067	311,002	2,321	
Net defined benefit liability	465,347	445,844	3,327	
Deposits received for guarantees	151,972	151,801	1,133	
Deferred tax liabilities	2,310	2,368	18	
Provision for large-scale renovation of Shinkansen infrastructure	144,000	168,000	1,254	
Other long-term liabilities	164,443	148,098	1,105	
Total long-term liabilities	4,984,755	5,321,934	39,716	
Contingent Liabilities				
Net Assets:				
Common stock:				
Authorized 1,600,000,000 shares;				
Issued, 2023—377,932,400 shares;				
Outstanding, 2023—376,638,800 shares	200,000	200,000	1,493	
Capital surplus	96,411	96,446	720	
Retained earnings	2,047,408	2,132,050	15,911	
Treasury stock, at cost, 1,293,600 shares in 2023	(5,564)	(8,914)	(67)	
Accumulated other comprehensive income:				
Net unrealized holding gains (losses) on securities	47,830	43,302	323	
Net deferred gains (losses) on derivatives under hedge accounting	2,464	2,549	19	
Revaluation reserve for land	(257)	(35)	(0)	
Foreign currency translation adjustments	258	284	2	
Remeasurements of defined benefit plans	6,378	7,570	56	
Non-controlling interests	23,183	24,462	182	
Total net assets	2,418,111	2,497,714	18,639	
	¥9,091,425	¥9,351,900	\$69,790	

Consolidated Statements of Operations and Comprehensive Income

East Japan Railway Company and Subsidiaries
Years ended March 31, 2022 and 2023

(I) Consolidated Statements of Operations

	Millions of Yen		Millions of U.S. Dollars
	2022	2023	2023
Operating Revenues	¥1,978,967	¥2,405,538	\$17,952
Operating Expenses:			
Transportation, other services and cost of sales	1,596,069	1,687,834	12,596
Selling, general and administrative expenses	536,837	577,075	4,307
	2,132,906	2,264,909	16,903
Operating Income (Loss)	(153,939)	140,629	1,049
Other Income (Expenses):			
Interest expense on short- and long-term debt	(41,114)	(42,950)	(321)
Interest expense incurred for purchase of railway facilities	(21,044)	(20,805)	(155)
Loss on sales of fixed assets	(166)	(328)	(2)
Impairment losses on fixed assets	(9,652)	(19,064)	(142)
Interest and dividend income	9,801	4,955	37
Equity in net income of affiliated companies	12,016	23,322	174
Gain on sales of investment in securities	20,652	9,861	74
Gain on sales of fixed assets	6,498	4,791	36
Compensation income	4,945	27,596	206
Other, net	(8,499)	368	2
	(26,563)	(12,254)	(91)
Income (Loss) before Income Taxes	(180,502)	128,375	958
Income Taxes:			
Current	12,528	14,667	110
Deferred	(98,505)	13,163	98
Profit (Loss)	(94,525)	100,545	750
Profit Attributable to Non-Controlling Interests	424	1,313	9
Profit (Loss) Attributable to Owners of Parent	¥ (94,949)	¥ 99,232	\$ 741
		Yen	U.S. Dollars
Earnings per Share	¥ (252)	¥ 263	\$ 2
Cash Dividends Applicable to the Year	100	100	1

(II) Consolidated Statements of Comprehensive Income

	Millions of Yen		Millions of U.S. Dollars
	2022	2023	2023
Profit (Loss)	¥ (94,525)	¥ 100,545	\$ 750
Other Comprehensive Income:			
Net unrealized holding gains (losses) on securities	(6,018)	(4,086)	(30)
Net deferred gains (losses) on derivatives under hedge accounting	(5,650)	(5,685)	(42)
Foreign currency translation adjustments	327	49	0
Remeasurements of defined benefit plans	257	27	0
Share of other comprehensive income of associates accounted for using equity method	(784)	1,262	10
	(168)	261	2
Comprehensive Income	¥ (100,543)	¥ 96,459	\$ 720
Comprehensive Income Attributable to:			
Comprehensive income attributable to owners of parent	¥ (100,973)	¥ 95,139	\$ 710
Comprehensive income attributable to non-controlling interests	430	1,320	10

Consolidated Statements of Changes in Net Assets

East Japan Railway Company and Subsidiaries
Years ended March 31, 2022 and 2023

	Shares						Millions of Yen					
	Number of Issued Shares of Common Stock	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Net Unrealized Holding Gains (Losses) on Securities	Net Deferred Gains (Losses) on Derivatives under Hedge Accounting	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Remeasurements of Defined Benefit Plans	Non-Controlling Interests	Total
Balance at March 31, 2021	377,932,400	¥200,000	¥96,523	¥2,181,571	¥(5,554)	¥54,322	¥2,137	¥(434)	¥(25)	¥6,487	¥22,334	¥2,557,361
Cumulative effects of changes in accounting policies	—	—	—	(1,229)	—	—	—	—	—	—	—	(1,229)
Restated balance	—	200,000	96,523	2,180,342	(5,554)	54,322	2,137	(434)	(25)	6,487	22,334	2,556,132
Cash dividends (¥100 per share)	—	—	—	(37,760)	—	—	—	—	—	—	—	(37,760)
Loss attributable to owners of parent	—	—	—	(94,949)	—	—	—	—	—	—	—	(94,949)
Increase/decrease due to merger	—	—	(13)	667	—	—	—	—	—	—	—	654
Purchase of treasury stock	—	—	—	—	(11)	—	—	—	—	—	—	(11)
Disposal of treasury stock	—	—	—	(0)	1	—	—	—	—	—	—	1
Change in equity in affiliates accounted for by equity method-treasury stock	—	—	—	—	—	—	—	—	—	—	—	—
Change of scope of consolidation	—	—	—	(715)	—	—	—	—	—	—	—	(715)
Change in scope of equity method	—	—	—	—	—	—	—	—	—	—	—	—
Capital increase of consolidated subsidiaries	—	—	(99)	—	—	—	—	—	—	—	—	(99)
Purchase of shares of consolidated subsidiaries	—	—	—	—	—	—	—	—	—	—	—	—
Reversal of revaluation reserve for land	—	—	—	(177)	—	—	—	—	—	—	—	(177)
Other	—	—	—	—	—	(6,492)	327	177	283	(109)	849	(4,955)
Balance at March 31, 2022	377,932,400	¥200,000	¥96,411	¥2,047,408	¥(5,564)	¥47,830	¥2,464	¥(257)	¥258	¥6,378	¥23,183	¥2,418,111
Cumulative effects of changes in accounting policies	—	—	—	—	—	—	—	—	—	—	—	—
Restated balance	—	—	—	—	—	—	—	—	—	—	—	—
Cash dividends (¥100 per share)	—	—	—	(37,760)	—	—	—	—	—	—	—	(37,760)
Profit attributable to owners of parent	—	—	—	99,232	—	—	—	—	—	—	—	99,232
Increase/decrease due to merger	—	—	—	874	—	—	—	—	—	—	—	874
Purchase of treasury stock	—	—	—	—	(1,139)	—	—	—	—	—	—	(1,139)
Disposal of treasury stock	—	—	—	—	—	—	—	—	—	—	—	—
Change in equity in affiliates accounted for by equity method-treasury stock	—	—	—	—	(2,211)	—	—	—	—	—	—	(2,211)
Change of scope of consolidation	—	—	—	—	—	—	—	—	—	—	—	—
Change in scope of equity method	—	—	—	22,199	—	—	—	—	—	—	—	22,199
Capital increase of consolidated subsidiaries	—	—	—	—	—	—	—	—	—	—	—	—
Purchase of shares of consolidated subsidiaries	—	—	35	—	—	—	—	—	—	—	—	35
Reversal of revaluation reserve for land	—	—	—	97	—	—	—	—	—	—	—	97
Other	—	—	—	—	—	(4,528)	85	222	26	1,192	1,279	(1,724)
Balance at March 31, 2023	377,932,400	¥200,000	¥96,446	¥2,132,050	¥(8,914)	¥43,302	¥2,549	¥(35)	¥284	¥7,570	¥24,462	¥2,497,714

	Shares						Millions of U.S. Dollars					
	Number of Issued Shares of Common Stock	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Net Unrealized Holding Gains (Losses) on Securities	Net Deferred Gains (Losses) on Derivatives under Hedge Accounting	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Remeasurements of Defined Benefit Plans	Non-Controlling Interests	Total
Balance at March 31, 2022	377,932,400	\$1,493	\$719	\$15,279	\$(42)	\$358	\$18	\$(2)	\$2	\$48	\$173	\$18,046
Cumulative effects of changes in accounting policies	—	—	—	—	—	—	—	—	—	—	—	—
Restated balance	—	—	—	—	—	—	—	—	—	—	—	—
Cash dividends (\$1 per share)	—	—	—	(282)	—	—	—	—	—	—	—	(282)
Profit attributable to owners of parent	—	—	—	741	—	—	—	—	—	—	—	741
Increase/decrease due to merger	—	—	—	6	—	—	—	—	—	—	—	6
Purchase of treasury stock	—	—	—	—	(8)	—	—	—	—	—	—	(8)
Disposal of treasury stock	—	—	—	—	—	—	—	—	—	—	—	—
Change in equity in affiliates accounted for by equity method-treasury stock	—	—	—	—	(17)	—	—	—	—	—	—	(17)
Change of scope of consolidation	—	—	—	—	—	—	—	—	—	—	—	—
Change in scope of equity method	—	—	—	166	—	—	—	—	—	—	—	166
Capital increase of consolidated subsidiaries	—	—	—	—	—	—	—	—	—	—	—	—
Purchase of shares of consolidated subsidiaries	—	—	1	—	—	—	—	—	—	—	—	1
Reversal of revaluation reserve for land	—	—	—	1	—	—	—	—	—	—	—	1
Other	—	—	—	—	—	(35)	1	2	0	8	9	(15)
Balance at March 31, 2023	377,932,400	\$1,493	\$720	\$15,911	\$(67)	\$323	\$19	\$(0)	\$2	\$56	\$182	\$18,639

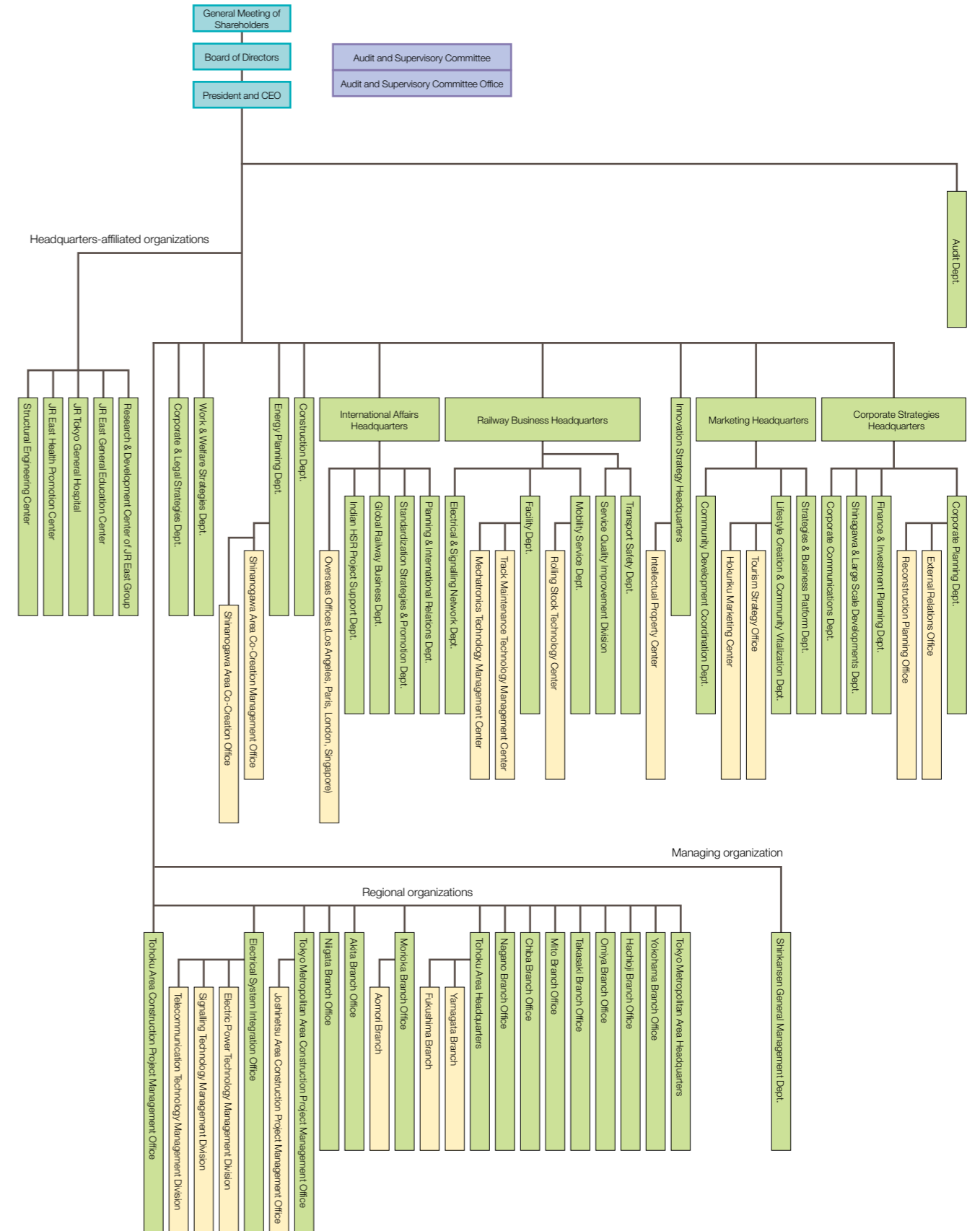
Consolidated Statements of Cash Flows

East Japan Railway Company and Subsidiaries
Years ended March 31, 2022 and 2023

	Millions of Yen		Millions of U.S. Dollars
	2022	2023	2023
Cash Flows from Operating Activities:			
Income (Loss) before income taxes	¥(180,502)	¥ 128,375	\$ 958
Depreciation	392,626	389,885	2,910
Impairment losses on fixed assets	9,652	19,064	142
Amortization of long-term prepaid expense	11,280	10,623	79
Net change in provision for large-scale renovation of Shinkansen infrastructure	24,000	24,000	179
Net change in net defined benefit liability	(17,595)	(17,915)	(134)
Interest and dividend income	(9,801)	(4,955)	(37)
Interest expense	62,158	63,755	476
Construction grants received	(20,784)	(40,925)	(305)
Compensation income	(4,945)	(27,596)	(206)
Loss from disposition and provision for cost reduction of fixed assets	47,359	70,965	530
Net change in major receivables	(43,869)	(57,768)	(431)
Net change in major payables	(27,555)	72,465	541
Other	21,662	(7,247)	(55)
Sub-total	263,686	622,726	4,647
Proceeds from interest and dividends	11,821	7,512	56
Payments of interest	(61,426)	(62,008)	(463)
Insurance proceeds related to disaster	6,000	4,535	34
Payments of Disaster-damage losses	(8,948)	(10,276)	(77)
Proceeds from compensation	4,945	27,596	206
Payments of partial transfer costs of railway operation	(1,157)	(142)	(1)
Payments of income taxes	(24,414)	(8,187)	(61)
Net cash provided by operating activities	190,507	581,756	4,341
Cash Flows from Investing Activities:			
Payments for purchases of fixed assets	(583,055)	(555,583)	(4,146)
Proceeds from sales of fixed assets	8,108	6,410	48
Proceeds from construction grants	34,482	12,528	93
Payments for purchases of investment in securities	(10,248)	(36,394)	(272)
Proceeds from sales of investment in securities	40,159	21,959	164
Other	(15,804)	(14,431)	(107)
Net cash used in investing activities	(526,358)	(565,511)	(4,220)
Cash Flows from Financing Activities:			
Net change in short-term loans	(239,251)	(60,749)	(453)
Commercial Paper	(85,000)	(330,000)	(2,463)
Proceeds from long-term loans	298,650	174,500	1,302
Payments of long-term loans	(139,393)	(142,000)	(1,060)
Proceeds from issuance of bonds	612,303	544,151	4,061
Payments for redemption of bonds	(90,000)	(111,000)	(828)
Payments of liabilities incurred for purchase of railway facilities	(4,215)	(3,806)	(28)
Cash dividends paid	(37,760)	(37,760)	(282)
Other	(10,692)	(6,505)	(49)
Net cash provided by financing activities	304,642	26,831	200
Effect of Exchange Rate Changes on Cash and Cash Equivalents	283	124	1
Net Change in Cash and Cash Equivalents	(30,926)	43,200	322
Cash and Cash Equivalents at Beginning of Year	197,960	171,023	1,276
Increase in Cash and Cash Equivalents from Newly Consolidated Subsidiary	3,300	—	—
Increase in Cash and Cash Equivalents due to Merger	689	777	6
Cash and Cash Equivalents at End of Year	¥ 171,023	¥ 215,000	\$ 1,604

Organization

As of June 22, 2023



Corporate Data

As of March 31, 2023

Paid-In Capital

¥200,000 million

Rating Information

AA+ (Rating and Investment Information, Inc.)

A+ (S&P Global Ratings Japan Inc.)

A1 (Moody's Japan K.K.)

Comparison of Market Capitalization

INTERNATIONAL

Total Stock Market Value

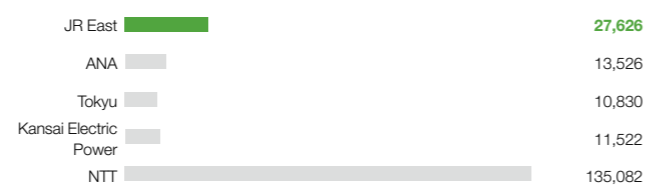
Millions of U.S. Dollars



DOMESTIC

Total Stock Market Value

Billions of Yen

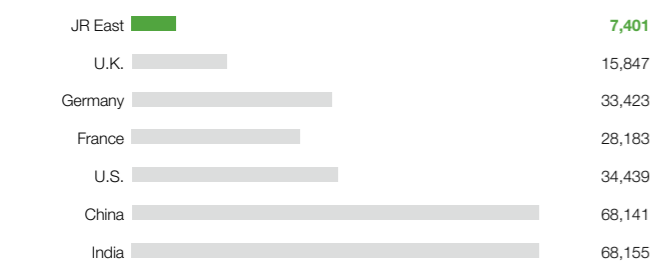


International Railway Comparisons*

TRANSPORTATION MARKET

Operating Kilometers

Kilometers

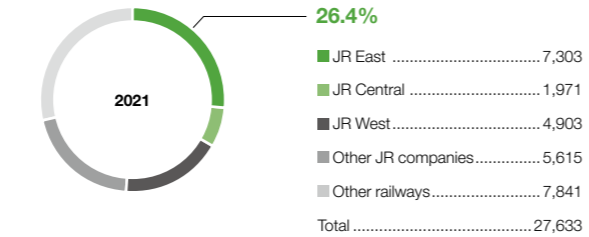


Railway Operations in Japan

SHARE OF DOMESTIC RAILWAYS

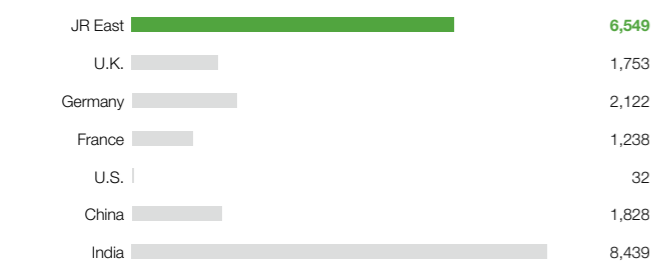
Operating Kilometers

Kilometers



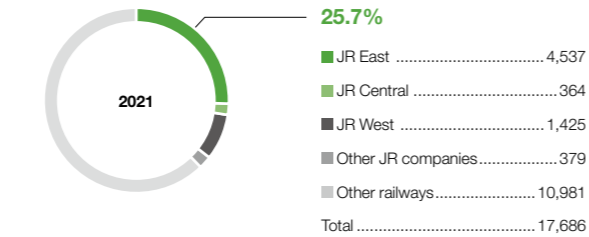
Number of Passengers

Millions



Number of Passengers

Millions



* Figures are for the years ended March 2019 for JR East, March 2019 for the U.K. (Office of Rail and Road), December 2019 for Germany (Deutsche Bahn), December 2019 for France (Société Nationale des Chemins de fer Français [SNCF]), September 2019 for the U.S. (Amtrak), December 2019 for China (CHINA RAILWAY), and March 2019 for India (Indian Railways).

Stock Information

As of March 31, 2023

Fiscal Year

April 1 to March 31

Total Number of Shares Issued

377,932,400

Number of Shareholders

301,545

Stock Exchange Listing

Tokyo

Transfer Agent

Mitsubishi UFJ Trust and Banking Corporation
4-5, Marunouchi 1-chome,
Chiyoda-ku, Tokyo 100-8212, Japan

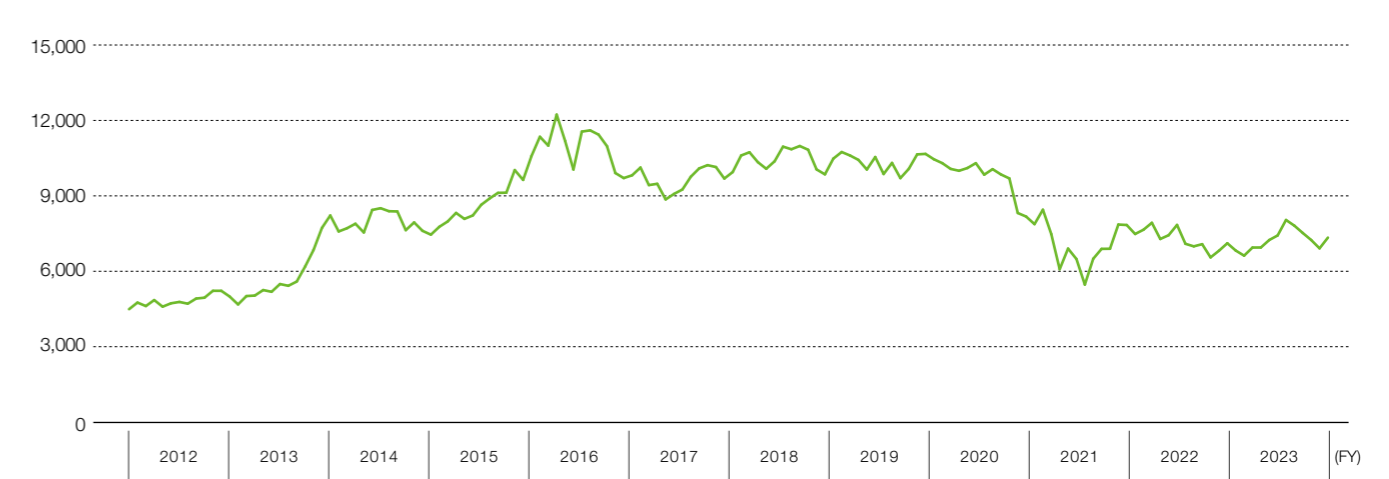
Major Shareholders

Names of Shareholders	Number of Shares Held (Shares)	Shareholding Percentage (%)
The Master Trust Bank of Japan, Ltd. (as Trustee)	50,281,600	13.32
Custody Bank of Japan, Ltd. (as Trustee)	15,324,900	4.06
The JR East Employees Shareholding Association	13,266,907	3.51
Mizuho Bank, Ltd.	13,000,000	3.44
MUFG Bank, Ltd.	8,138,000	2.16
Nippon Life Insurance Company	8,015,560	2.12
Sumitomo Mitsui Banking Corporation	6,845,000	1.81
STATE STREET BANK WEST CLIENT - TREATY 505234	6,324,644	1.67
Mitsubishi UFJ Trust and Banking Corporation	5,000,000	1.32
JP MORGAN CHASE BANK 385781	4,821,995	1.28

The shareholding percentage is calculated based on the total number of issued shares excluding 334,494 shares of treasury stock.

Stock Price

Yen



Third-Party Assurance Report



Independent Assurance Report

To the President and CEO of East Japan Railway Company

We were engaged by East Japan Railway Company (the “Company”) to undertake a limited assurance engagement of the environmental performance indicators marked with ☆ for the period from April 1, 2022 to March 31, 2023 included in its JR East Group Report INTEGRATED REPORT 2023 (the “Report”) for the fiscal year ended March 31, 2023.

The Company’s Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the “Company’s reporting criteria”), as described in the Report.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the ‘International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information’ and the ‘ISAE 3410, Assurance Engagements on Greenhouse Gas Statements’ issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company’s responsible personnel to obtain an understanding of its policy for preparing the Report and reviewing the Company’s reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company’s reporting criteria, and recalculating the Indicators.
- Visiting two of the Company’s domestic business sites selected on the basis of a risk analysis.
- Evaluating the overall presentation of the Indicators.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company’s reporting criteria as described in the Report.

Our Independence and Quality Management

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Management 1, we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Kazuhiko Saito, Partner, Representative Director
 KPMG AZSA Sustainability Co., Ltd.
 Tokyo, Japan
 October 5, 2023