

Human Resources Strategies

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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
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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.

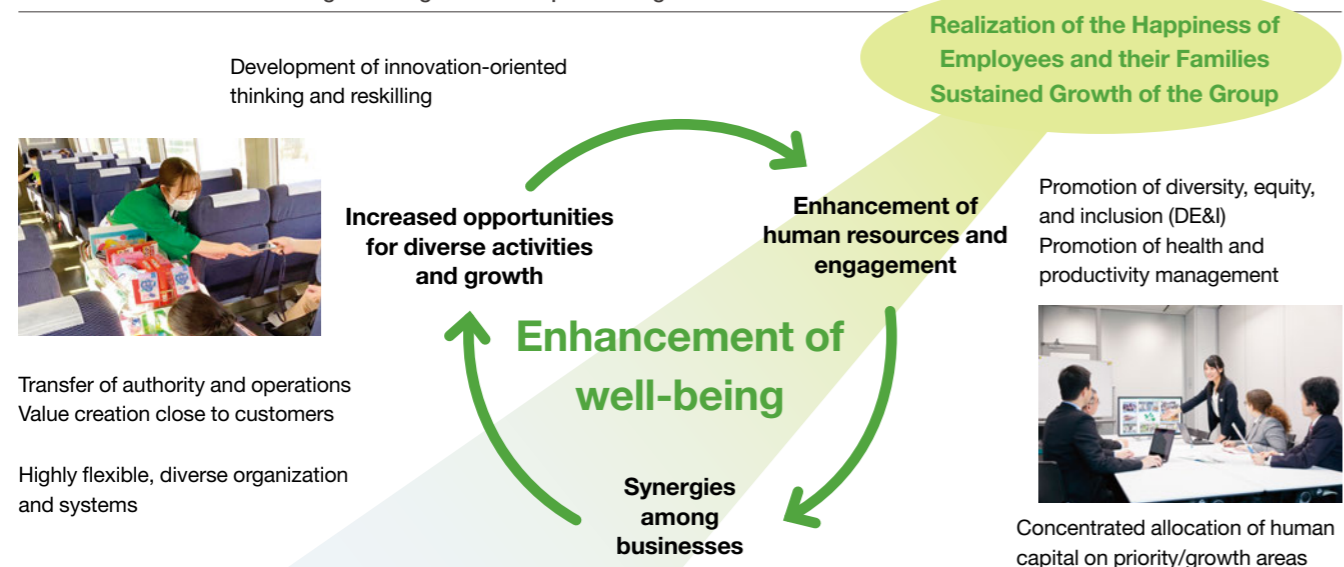
By providing more opportunities for employees to play active roles, enhancing job satisfaction, and heightening the value of human capital, we aim to become an organization that can adapt flexibly and promptly to dramatic changes in the environment.

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

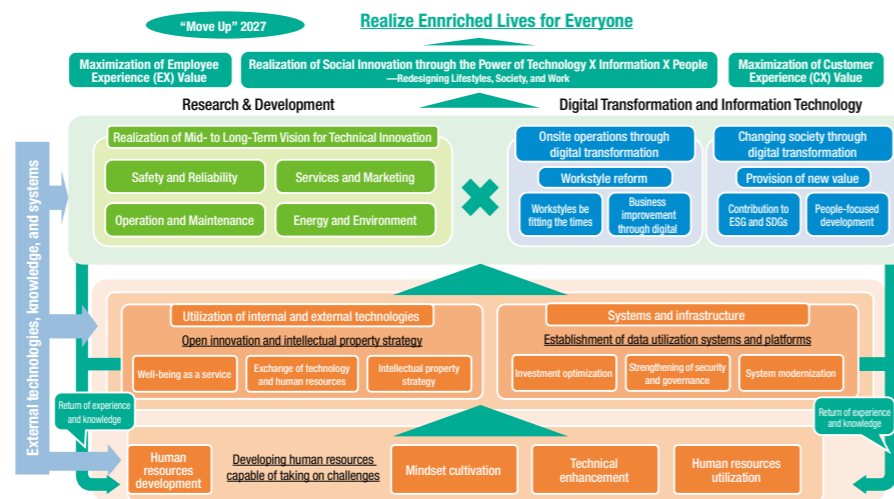


Tomoya Sato
Railway Operations Department
Tohoku Area Headquarters

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

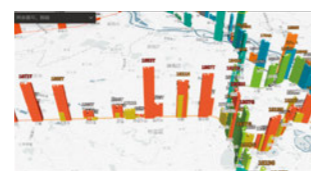
In promoting digital transformation, we are fostering personnel who have the skills to use digital technologies to resolve work issues and thereby advance work reform. Aiming to develop personnel capable of leading digital transformation initiatives and to improve the digital literacy of all employees, 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.



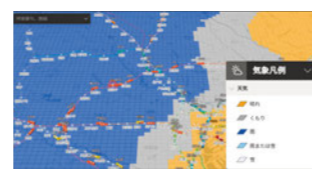
Data analysis training

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

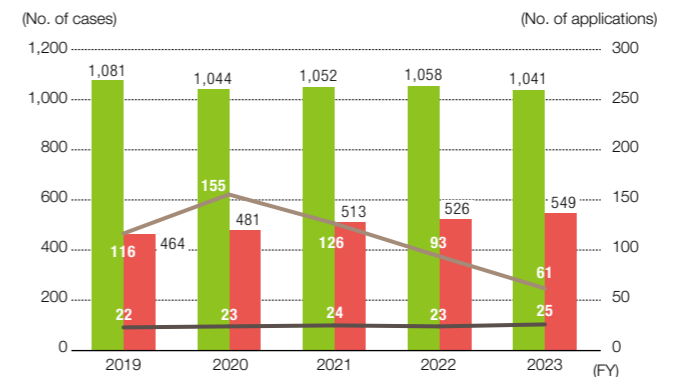
Basic Approach to Intellectual Property Activities
In order to sustainably grow the Group's businesses, the appropriate management of intellectual property and the execution of intellectual property strategies that are linked to business strategies are important. Intellectual properties are important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