



The JR East Group aims to help realize an inclusive society where everyone can live comfortably. In line with this philosophy, the Group endorses and sponsors the activities of the HERALBONY Art Prize 2024, which evaluates the talents of artists with disabilities around the world and creates empowering opportunities for them. This work is *Indonesian Shadow Picture* by Shunichi Iwase, winner of the East Japan Railway Company Prize.



JR East Group Report  
INTEGRATED REPORT  
2024





# 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.

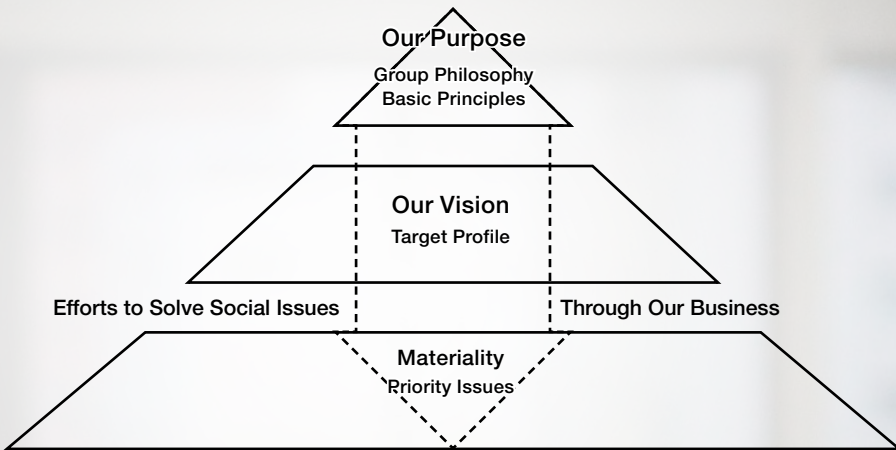
### Basic Principles

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.



## 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 circular economy and conserve biodiversity.

### 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 Process (page 23)



Contents and Editorial Policy

Introduction

- 1 JR East Group Philosophy, Basic Principles, and Target Profile
- 2 Materiality
- 3 Contents and Editorial Policy
- 5 Our Story

Message from the President

- 11 Message from the President ●

Value Creation by the JR East Group

- 19 Capital and Strengths We Have Built Up ●
- 21 Value Creation Model ●
- 23 Sustainability Strategies ●
- 25 JR East Group Management Vision  
“Move Up” 2027 ●
- 27 Financial and Investment Strategies ●

Growth Strategies

- 33 Business Segments of the JR East Group ●
- 35 Transportation ●
- 39 Retail & Services
- 43 Real Estate & Hotels
- 47 Others
- 51 Human Resource Strategies
- 53 Digital Transformation and Intellectual Property  
Strategies

Sustainability

- 55 Sustainability Initiatives ●
- 57 Providing Society with Safe, Reliable  
Infrastructure ●
- 72 Creating a Vibrant Society
- 77 Enriching the Global Environment
- 89 Providing Society with Innovative Technologies  
and Services ●
- 91 Increasing the Engagement of All Group  
Employees ●
- 98 Improving Confidence in Management ●

Corporate Governance

- 103 Corporate Governance ●

Roundtable Discussion with  
Outside Directors

- 109 Roundtable Discussion with Outside Directors

Data

- 113 Non-Financial Information Highlights
- 114 Third-Party Assurance Report
- 115 Consolidated 11-Year Financial Summary
- 117 Financial Statements
- 122 Organization
- 123 Corporate Data
- 124 Stock Information

Note: The contents marked with ● also serve as JR East’s safety report, which is published in accordance with the Railway Business Act.

Editorial Policy



**Yuichi Matsumoto**  
Executive Officer  
Department Director of Corporate Planning Department,  
Corporate Strategies Headquarters

The JR East Group has heightened the trust of customers and local communities by pursuing ultimate safety levels and making safety the top priority of business management. With this trust as a foundation, we aim to grow by realizing business management based on the two pillars of Mobility and Lifestyle Solutions. We are committed to meeting the expectations of our shareholders and investors through the economic value and social value generated by our business activities. At the same time, we will create job satisfaction, thereby contributing to the happiness of our employees and their families. Furthermore, by ensuring that achievements are used for its future growth, the JR East Group aims to be a highly aspirational “good for all” corporate group that is engaged in helping customers and people in local communities realize enriched lives and pursuing sustainable growth.

The JR East Group *INTEGRATED REPORT 2024* includes a message from the new president, roundtable discussion with outside directors on governance, and many interviews focused on the value that employees—who play leading roles in achieving the JR East Group Management Vision “Move Up” 2027—are creating by deepening integration and collaboration. With respect to the report’s structure, various innovations have been used to further readers’ understanding of the JR East Group, and the large amount of feedback received on the 2023 edition of the report has been reflected in this year’s report. For example, we have included Our Story, which summarizes the narrative we want to convey throughout the report as a whole; a section on the Group’s value creation and strengths; the strategies, KPIs, and priority measures of each business segment and business; and the strategies that are the basis of our growth. Another important feature of the report is that it also serves as the safety report that the JR East Group publishes under the Railway Business Act and therefore includes detailed explanations of safety initiatives. Thus, this report has been produced to provide readers with information on the Group’s concerted efforts to create a virtuous cycle of enhancing corporate value and resolving social issues. We sincerely hope the 2024 report facilitates communication with numerous stakeholders.

Bodies Involved in Report Production



The production of this report was based on discussions held by the Integrated Report Review Subcommittee, which operates under the Sustainability Strategy Committee (see page 23) and comprises the general managers of headquarters departments and other departments. Details of these discussions were reported to directors and other members of senior management, and the report was improved in accordance with their feedback.

**References**  
International Integrated Reporting Framework (IFRS Foundation)  
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 2024, from April 1, 2023 to March 31, 2024, although certain events presented here took place earlier or in the period between the end of March 2024 and the publication of this report in August 2024.

**Boundary of Reporting**  
East Japan Railway Company  
JR East Group, consolidated subsidiaries (72 companies)  
Economic reporting: JR East, consolidated subsidiaries, equity-method affiliates (11 companies)  
Environmental reporting: JR East, consolidated Japanese subsidiaries (67 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/e/aboutus/>

**Cover Photographs (from the Top)**  
1. CoCoLo Niigata  
2. New-model Series E8 Shinkansen for the Yamagata Shinkansen  
3. Image of Center for Cultural Innovations (tentative name), TAKANAWA GATEWAY CITY  
4. Nishime-Nishinosawa Wind Power Plant, Akita Prefecture  
5. *Shima Furusato no Mori-Zukuri* forestation event, Gunma Prefecture



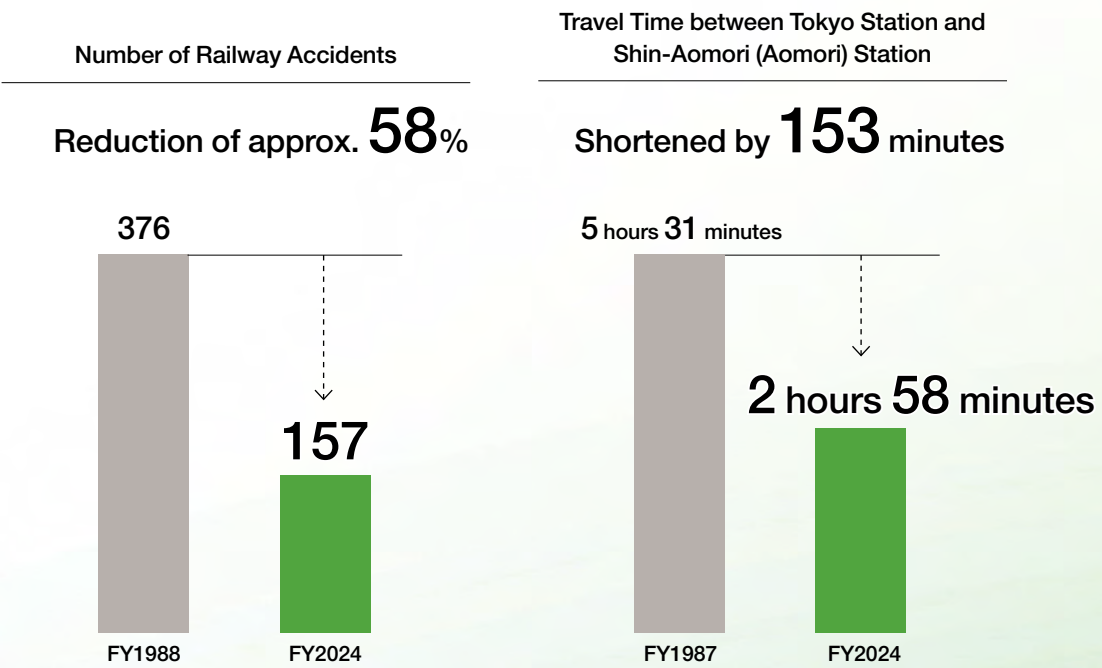
# Rehabilitation and Revitalization of Railways: Enhancing Safety and Service Quality

In 1987, JR East was established following the division and privatization of Japanese National Railways (JNR).

Since the JNR privatization reforms, our goal has been the rehabilitation and revitalization of railways.

Making safety our top priority in business management, we have invested in safety initiatives and developed related technologies in light of lessons from past accidents. Meanwhile, our employees have worked tirelessly to enhance safety.

At the same time, JR East has helped to reduce congestion in the Tokyo metropolitan area by increasing the frequency of train services and adding trainsets, and it has increased commuting distances by introducing direct services and fast commuter trains. Meanwhile, its expansion of the Shinkansen network has shortened travel times, thereby bringing cities closer together and promoting tourism and regional development.



安全綱領

一 安全は輸送業務の最大の使命である。

二 安全の確保は、規程の遵守及び執務の厳正から始まり、

不断の修練によって築きあげられる。

三 確認の動作と連絡の徹底は、安全の確保に最も大切である。

四 安全の確保のためには、職責をこえて一致協力しなければならぬ。

五 疑わしいときは、あわてず、自ら考えて、最も安全と認められるみちを採らなければならない。





# Management Based on Two Pillars: Mobility and Lifestyle Solutions

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. We have 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 customers new lifestyle solutions.

Rather than growing our many different businesses individually, we will seek Groupwide integration and collaboration in businesses and jobs to create new value and realize our combined strengths as a group.



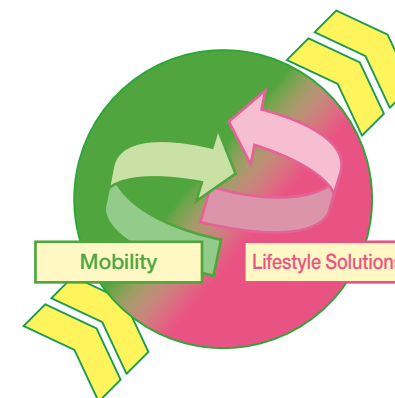
Number of NewDays and  
KIOSK Stores

**651**



Number of Locations Where Suica Can Be Used

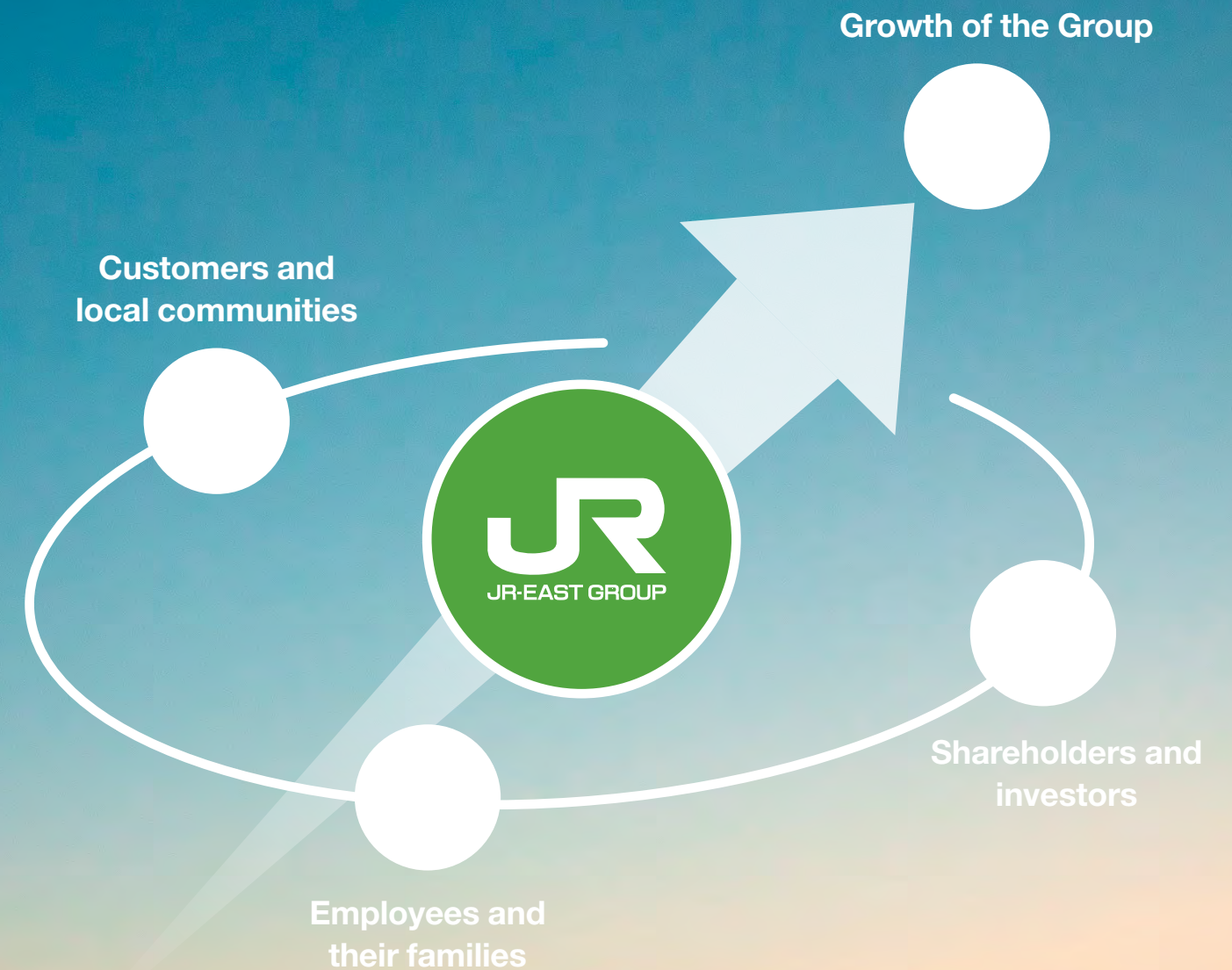
Approx. **5,000** railway stations,  
approx. **1.9** million stores



The JR East Group will not only stabilize and grow Mobility as a technological service business but also develop Lifestyle Solutions as an engine for growth. This approach will build a management structure that can sustain growth based on the two pillars of Mobility and Lifestyle Solutions.



A highly aspirational corporate group that pursues business management that is “good for all” by helping all people realize enriched lives and by achieving sustainable growth



The JR East Group will realize sustainable growth by positioning Mobility and Lifestyle Solutions as the two pillars of business activities that are aimed at addressing social issues.

In becoming a highly aspirational corporate group that pursues business management that is “good for all,” we will use the profits garnered from business activities to provide customers, local communities, shareholders and investors with returns and to enable the happiness of employees and their families. Moreover, we will use the profits to promote a cycle of creation and growth that focuses on the Group’s growth.



Message from the President

Based on the trust that we have earned from our stakeholders by making safety the top priority of business management and pursuing ultimate safety levels, we aim to address social issues through ESG management and create new value that enriches customers and local communities.

On Assuming the Position of President  
I am committed to creating a new JR East Group using the insights and perspective I have acquired during my long tenure in positions that have given me an overview of the Group's businesses.

On April 1, 2024, I was appointed president and CEO of JR East, becoming the first president of the Company whose career began after its establishment. In 1989, I joined the Company as an administrative employee and served in frontline operations at Ueno Station, Shinjuku Station, and other locations. I was then engaged for many years in human resource- related duties and was also involved in corporate planning and investment planning. As general manager of the Management Planning Department, I contributed to the formulation of the current JR East Group Management Vision "Move Up" 2027 ("Move Up" 2027). Most recently, I served as director general of the Marketing Headquarters, where I was in charge of the preparation and implementation of growth strategies for Lifestyle Solutions. Many years of service in corporate planning and human resource positions have provided me with an overview of the Group and given me insights into its many different businesses. Moreover, I have developed a perspective on these businesses that is based on medium- to long-term changes in the business environment. I believe that these insights and this perspective will be an advantage in steering management as president. In addition, as director general of the Marketing Headquarters, I was involved in Lifestyle Solutions businesses,

which have a wide range of points of contact with customers' daily lives. In this capacity, I took on ambitious new initiatives aimed at greatly expanding Lifestyle and IT & Suica services. As a result, I have acquired insights and perspectives that will be useful for building the Suica economic zone.

As for my basic approach to business management, I strongly believe that our employees are the foundation and drivers of all growth of the Group and that we must steadily promote sound business management.

During my long career in human resources, I always emphasized employees' job satisfaction and personal growth. This emphasis stems from seeing how the growth of employees links directly to the development of the Group as a whole. Each Group employee plays a leading role. Together with our employees, I aim to create a corporate group that continues to address social issues through its business activities. To this end, we must create systems and organizations that empower employees and develop new types of jobs and fields of work. I realize that cultivating a new engagement between employees and management is one of my main roles as president. As a company established following the Japanese National Railways (JNR) privatization reforms, we must firmly uphold the principles of safety first, autonomy and self-reliance, and customers first, which are a legacy of the JNR privatization reforms. I have internalized these principles, which have been passed down over generations and become part of our DNA.

Yoichi Kise  
President and CEO





Message from the President

The JR East Group's Value Creation

Based on the trust of customers and local communities, we will develop a wide range of businesses in a people-focused manner, thereby helping our customers and people in communities to realize enriched lives.

On a macro level, the JR East Group's raison d'être is to provide infrastructure that underpins Japan's economic activities. Further, on a micro level, it is to support the daily lives of customers and local communities. "Move Up" 2027 sets out making regional areas more prosperous as one of the main focuses of business development initiatives, alongside making cities more comfortable and developing businesses for the world. Heightening the convenience of Tokyo and other metropolitan areas even further and enhancing value is of course an important task. However, the foundations of our growth are vibrant regional communities that are interconnected throughout Japan by our multilayered networks, including our transportation networks. In this sense, I believe that our value as a corporate group lies in the ability to resolutely address the problems of regions. We must step up the pace of digital transformation to increase and diversify points of contact with customers even further. I am convinced that these efforts will become a milestone in the advancement of the Group's growth.

As a railway operator, we view safety as the top priority of business management. One of our major missions is to provide a variety of value based on the trust that our pursuit of ultimate safety levels has garnered from customers and local communities. We will forge ahead with day-to-day duties based on our three strengths: trust, employees, and networks.

The trust that our railway business has earned from customers, local communities, and other stakeholders is unmatched by other companies. Based on this trust, we will not develop in a railway infrastructure-focused way but instead develop a wide range of businesses in a people-focused manner by further deepening various types of integration and collaboration—among the Transportation, Lifestyle, and IT & Suica businesses; among Group companies; and with municipal authorities and many different external companies. In this way, the Group will grow by leveraging its combined strength to realize business development that is aimed at helping customers and people in communities to realize enriched lives.

"Move Up" 2027 calls on all Group employees to play leading roles in structural reform. To align the growth of each employee with the overall growth of the Group without being restricted by the narrow frameworks of human capital management, I believe that employees must be open-minded about the outside world. Through "internal globalization," I want to enable our employees to demonstrate their significant potential in a variety of business initiatives.

Meanwhile, our networks are multilayered, facilitating not only the movement of people but also the movement of goods and information. Amid a declining population, an aging population, and other structural changes in society, my mission is to rebuild *ekinaka* locations (inside railway stations) and other real-world assets that have been strengths of the JR East Group into business

advantages. To this end, we will combine our real-world multilayered networks with digital technologies, which are evolving with each passing day.

Fiscal 2024 Performance Review

Thanks to concerted efforts to realize "Move Up" 2027, the Group achieved increases in both revenues and income, posting higher operating revenues for the third consecutive fiscal year.

I would now like to review our performance in fiscal 2024, the year ended March 31, 2024. With post-COVID-19 and visitors to Japan as key themes, we implemented various measures to stimulate demand, such as launching the weekday-only discount railway pass, Let's Travel on Weekdays! Early Booking Discount Pass♥. We also encouraged travel by enhancing initiatives for visitors to Japan and increased revenues through revision of the prices of railway passes used by visitors to Japan. In addition, we advanced measures aimed at transforming our business portfolio through the expansion of businesses that help realize Lifestyle Solutions. For example, we established JR EAST Smart Logistics Co., Ltd. and strategically developed the real estate business. Thanks to such concerted efforts by all Group employees to realize "Move Up" 2027, railway usage rose and revenues from *ekinaka* stores, hotels, and shopping centers grew. Consequently, the Group achieved increases in both revenues and income, posting higher operating revenues for the third consecutive fiscal year. By business segment, the Transportation, Retail & Services, and Others realized increases in both revenues and income, while the Real Estate & Hotels segment recorded a rise in revenues but a decline in income. Excluding the real estate sales business, however, this business segment grew both revenues and income.

Growth Strategies to Achieve Our Vision

In addition to the favorable progress of the railway business, the finance business associated with the start of JRE BANK operations and the real estate business, which has TAKANAWA GATEWAY CITY at its core, are making steady progress.

When formulating "Move Up" 2027 in 2018, we were already incorporating changes in the business environment that would accompany population decline, such as market changes, the aging of society and other changes in the demographic structure, and labor shortages. Anticipating various other structural shifts in business conditions, such as changes in customer lifestyles, we prepared a management vision with a long time frame of 10 years. The concept is to realize a world that is not a continuation of the status quo by having Group employees play leading roles in transformation and ambitious new initiatives.

During the first half of the 10-year period, I believe that the railway business became structurally leaner as a result of steady progress in the introduction of condition-based maintenance (CBM), smart maintenance that utilizes drones, and driver-only operations. In addition, several projects that we have been undertaking will come to fruition in the second half of the 10-year period. For example, an ¥86.0 billion investment for the introduction of Green Cars (first-class carriages) to the Chuo Rapid Line in spring 2025 is expected to generate ¥8.0 billion in annual revenues. We are steadily enhancing the convenience of Suica. By the end of fiscal 2024, the Suica usage area had been expanded to include Aomori, Iwate, Akita, and Yamagata prefectures, with further expansion planned through the inclusion of Nagano Prefecture at the end of fiscal 2025. In addition, in June 2023 we began the construction of the Haneda Airport Access Line (tentative name), which is scheduled to open in fiscal 2032. We are also planning to phase in automated operations.

In the Suica and finance business, JRE BANK began operations in May 2024, and we plan to complete the ID integration of *eki-net*, Mobile Suica, and other digital services by fiscal 2028. Also, we plan to launch a new railway ticketing system through cloud migration by the end of fiscal 2028 and realize integration of these digital services through use of the Suica app (tentative name) by fiscal 2029.

As for the real estate business, which will be a major engine of future growth, we followed on from the establishment of JR East Real Estate Asset Management Co., Ltd. by establishing JREast Real Estate Co., Ltd. in July 2024 in order to monetize unrealized value. We are further expanding the rotational business model with the aim of developing a real estate fund business that has an overall scale of more than ¥400.0 billion by fiscal 2028.

Another important initiative common to all of our businesses is the advancement of comprehensive collaborations with various companies and academic institutions. "Move Up" 2027 calls for the promotion of open innovation. Accordingly, we have concluded numerous comprehensive collaboration agreements aimed at actively incorporating society's expertise and advanced technologies, thereby moving away from a self-sufficient approach that pursues initiatives in isolation. Our collaborations with a variety of startups are also progressing. We have already held nine DEMO DAY results debriefing sessions for companies selected by the JR East Startup Program, and further sessions are planned.

TAKANAWA GATEWAY CITY is a symbolic example of how we will create new services and value. This development initiative will serve as "an experimental site to create enriching lives for the next 100 years" where we collaborate with a large number of companies and academic institutions. Specifically, the University of Tokyo will establish the cross-disciplinary University of Tokyo GATEWAY Campus. In the new city, we will also partner with the National University of Singapore as well as Institut Pasteur, a French private research institute that is a world authority in research on infectious diseases. Through such collaborations, we will bring together many different types of expertise to develop TAKANAWA GATEWAY CITY into a base for the creation of new business value. We hope to realize a city that creates cycles in which the various ideas

originating from such efforts are introduced to society, with the results being disseminated throughout Japan and the rest of the world and feedback on the disseminated initiatives being received and then reflected. I believe that it will become a very exciting city. This urban development project is progressing well. THE LINKPILLAR 1, which is the name of the twin towers in front of Takanawa Gateway Station, is scheduled to open in March 2025, while the construction of THE LINKPILLAR 2, a residential building, and another building will be completed by the end of fiscal 2026. The project is expected to account for overall investment of ¥600.0 billion and annual revenues of ¥57.0 billion. On the former site of a rail yard, we created approximately 13 hectares of land for development. Of this area, we are using approximately 10 hectares to develop TAKANAWA GATEWAY CITY. The project has symbolic significance for us because our inability to fully monetize our assets has been an issue for the Group. Another example of our efforts to monetize our assets is the Beyond Stations concept, which entails the creation of various revenue sources through greater utilization of railway station space. We have already begun developing businesses that are becoming a "lifestyle platform" that is not limited to sales of goods, food, and beverages. These businesses include a hub that supports business matching for regional industries and clinics that can be used in combination with online services. The development of businesses in this way by using the Group's assets to create new value and maximize monetization is a major challenge for the growth of the Group. However, I am confident that we are equal to the task.

By steadily advancing the initiatives I have described, we aim to achieve the numerical targets of "Move Up" 2027. The entire Group will forge ahead with its sights firmly set on achieving ROA of approximately 4.0% and reducing the 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.





Message from the President

Initiatives Based on a Medium- to Long-Term Perspective

Viewing changes in the business environment as an opportunity to advance structural reforms and get onto a growth trajectory, we will take on the challenge of creating new value through business management based on the two pillars of Mobility and Lifestyle Solutions.

We are facing a transformation of the social environment the likes of which we have never experienced before. In addition to a declining population and an aging society and the labor shortages accompanying these trends, there is greater fluidity in human resources. Further, the social environment is evolving at an accelerating pace due to changes in values and lifestyles, technological innovations such as generative AI, and global climate change. I see these drastic changes in the business environment as an opportunity to make major structural reforms and get onto a growth trajectory. With respect to our aging society, we can create market-oriented businesses based on the concept of creating new markets for seniors. Through structural reform of business management, we will achieve our goal of establishing growth that is based on the two pillars of Mobility and Lifestyle Solutions.

The government has set the realization of 60 million visitors to Japan as a target to be reached by 2030. Without a doubt increasing numbers of visitors to Japan are a major factor supporting the growth of the Group. Including this trend, I believe that our growth will be driven by integrating the three elements of Transportation services, Lifestyle services, and IT & Suica services and by taking on the challenge of creating new people-focused convenience and value in the domestic market. The COVID-19 pandemic exposed the fragility of a management structure built solely on the pillar of Mobility. Therefore, I believe that to ensure our sustainable growth we need to develop Lifestyle Solutions into another management pillar and establish a business management structure based on the two pillars of Mobility and Lifestyle Solutions.

From a medium- to long-term perspective, we will continue to pursue ultimate safety levels and position safety as the top priority of business management. Safety is our unchanging mission and must never be undermined. Safety efforts never end. In our daily work, we are constantly raising levels of safety. This unremitting effort is the meaning of the phrase “pursuing ultimate safety levels.” Clearly, this commitment to safety has been passed down as DNA from the days of JNR. With safety as a foundation, we must rapidly establish business management based on the two pillars of Mobility and Lifestyle Solutions. To this end, the Group will seek sustainable growth while further advancing integration and collaboration among its various businesses.

To date, our businesses have almost exclusively served customers who use railway stations. These businesses include *ekinaka* stores, shopping centers, and offices. While improving the services of these businesses, we need to broaden our field of vision to encompass areas outside railway stations and accelerate the development of businesses that target a wide range of customers, not just railway passengers. I believe we have to rebuild our

business model based on the premise of customers ordinarily gathering at railway stations.

In Mobility, we will not only actively incorporate a range of expertise and advanced technologies but also use our accumulated technological expertise to create and grow new businesses that offer leading-edge technological services. The trusted brand that we have built up is fundamentally supported by a safe, reliable transportation system. By continuing to promote digital transformation and use machines and systems for tasks that can be performed without humans, we will become a highly productive business and strengthen our profitability. For the Group, the railway business is very significant in that it provides real points of contact with customers. This business will provide a base for creating a competitive edge that no other company has, thereby contributing to the growth of the entire Group. Sustainable business operations will be achieved in Mobility through stability and growth.

In Lifestyle Solutions, we aim to increase profits through our medium- to long-term business growth strategy “Beyond the Border.” With an eye on the future, we will further heighten the growth potential of existing businesses through market-oriented business strategies based on customer data and other information. In conjunction with these efforts, we will design new strengths by creating purposes (destinations) of travel and strengthening points of contact with individual customers through digital transformation. We will concentrate the investment of management resources on building the Suica economic zone through the evolution of Suica into a digital platform and the use of JRE POINT as a hub that links the Group’s diverse businesses. In this way, we aim to double operating income over the next 10 years.

Initiatives in Fiscal 2025

In the current fiscal year, we are shifting management from the defensive mode of the COVID-19 pandemic to an offensive mode. We aim to create unprecedented new value by realizing synergies through integration and collaboration that takes advantage of our strengths in Transportation services, Lifestyle services, and IT & Suica services.

Fiscal 2025 will be a major milestone year as post-COVID-19 economic activities begin in earnest and a generational shift takes place in-house as the generation hired by JNR reaches retirement age. I view this significant social and economic transformation as an opportunity to further accelerate the Companywide structural reforms we have been undertaking. Beginning from the current fiscal year, I want to usher in a new era by setting out new growth strategies and boldly advancing them. With the aim of operating under a new framework for consolidated cash flow management in the current fiscal year, we have defined strategies and KPIs for each of our four business segments and 14 businesses as well as for the foundations of growth, which comprise human resources; digital transformation and intellectual property; finance and investment; and environmental, social, and governance (ESG)

factors. Based on these strategies and KPIs, Group employees will create value through integration and collaboration, maximize cash flows (economic value), and advance business activities that contribute to the solution of social issues (social value).

Regarding specific measures in fiscal 2025, in Mobility we will further increase driver-only operations while continuing to streamline maintenance work through the utilization of digital transformation. In addition, we will work to increase tourism, including initiatives to attract more visitors to Japan, and implement growth investments for the introduction of Green Cars to the Chuo Rapid Line and the construction of the Haneda Airport Access Line (tentative name). Further, as the Revenue Cost Calculation Guidelines were partially revised in April 2024, we are carefully examining revenues and cost in light of this guideline, and if the conditions are met, we will promptly apply to the Ministry of Land, Infrastructure, Transport and Tourism for approval of a train fare revision. We hope to further popularize off-peak commuter passes by lowering their prices in October.

We will also continue dialogue with local communities regarding local lines. About 30% of all conventional lines had a traffic density of less than 4,000 passengers per day when JR East was established. As of fiscal 2023, the percentage of lines with this density reached about 50% due to the continuing decline in population and a shift to automobile use. The business environment for local lines is expected to become even more challenging in the future due to population decline and other factors. We recognize that it is extremely important to find ways of sustainably maintaining local transportation under conditions in which we are not able to realize the distinctive benefits of railway services, which transport large numbers of passengers to their destinations safely and reliably. In conjunction with efforts to promote management efficiency by streamlining facilities and simplifying operations, we will work together with local communities to gain the understanding and cooperation of the people living in line-side areas and examine how



best to achieve sustainable transportation systems. While building sustainable transportation systems, we must also engage with local communities through various businesses, such as tourism, Lifestyle services, Suica services, and Mobility as a Service (MaaS). By enhancing tourism resources so that customers become fans of specific regions and visit them repeatedly, we are increasing the number of people engaging with regions while promoting all kinds of regional industries, including agriculture and fishing industries and industries selling products that are unique to particular regions. The Group as a whole is engaged in collaborative regional development efforts that involve a range of different industries, such as *Hako-byun* train-based freight transportation service, which utilizes our high-speed transportation network to connect regional industries with the markets of the Tokyo metropolitan area. Going forward, the entire JR East Group will continue tackling the challenges of regions.

In Lifestyle Solutions, we will focus on real estate as a business that enables our future growth. We will move forward with development to increase revenue-producing real estate, and we will strengthen the operational capabilities of existing shopping centers and other facilities. At the same time, the Group will develop the rotational business, which is based on the real estate fund business, to improve capital efficiency and yields. In the current fiscal year, we have already opened many newly developed facilities. For example, we have opened EATo LUMINE, which is inside Shinjuku Station and comprises 28 stores, including new-format stores; the JR Aomori Station East Exit Building, which consists of a hotel, commercial facilities, and a hub aimed at providing medical care locally and attracting medical tourism; and CoCoLo Niigata, where the leasing of approximately 140 stores is progressing. Also, the retail business will further improve profitability by installing more Multi-Ecube lockers, which enable locker functions to be used as part of logistics networks, growing the revenues of JRE MALL, and implementing measures to further commercialize *Hako-byun*.

The promotion of MaaS is also important. By combining our railway network with local public transportation, we can significantly increase customer numbers in regions. The Group will accelerate MaaS initiatives to establish systems that optimally combine these transportation networks, thereby encouraging their use and helping enrich customers’ lifestyles. Aiming to heighten the experience value of not only transportation services but also various aspects of our customers’ lives, we will pursue alliances with municipal authorities and a range of businesses in the transportation and tourism fields and promote digital transformation.



Message from the President

**Initiatives for the Establishment of Growth Foundations**  
**ESG factors are fundamental to our business management.**  
**Based on our strengths of trust, employees, and networks, we will create value in relation to various social issues and help to build a sustainable society.**

Society faces a variety of challenges, and we have to focus our efforts on addressing these social issues through our businesses. While our activities as a private company are premised on earning money, I think how we earn this money is the question. ESG factors are fundamental to the Group’s business management, and the Group must fulfill social responsibilities in ways that are consistent with the characteristics of each of its businesses. The purpose of the JR East Group will be augmented if it uses its strengths of trust, employees, and networks as advantages to lay the foundations for the creation of many different types of value that build a sustainable society by reflecting increasingly complex and sophisticated social issues.

Specifically, we will accelerate initiatives aimed at the realization of a decarbonized, circular economy, which is a global task for all humankind. Although railways enjoy environmental superiority as a means of transportation, their operation consumes large amounts of energy. With the need for environment-friendly mobility growing, we will actively work to make railways an even more preferred means of transportation. Announced in 2020, our Zero Carbon Challenge 2050 long-term environmental objectives are a 50% reduction in CO<sub>2</sub> emissions by fiscal 2031, compared with their fiscal 2014 level, and net zero CO<sub>2</sub> emissions by fiscal 2051. Further, in August 2023 we submitted a commitment letter with a view to acquiring Science Based Targets certification. Science Based Targets are emission reduction targets for greenhouse gases that companies set in line with the Paris Agreement goals. The source of the environmental superiority of railways is their extremely high energy efficiency per unit of transportation. Modal shifts to railways are particularly effective for urban and intercity transportation. Given that railways have the lowest CO<sub>2</sub> emissions and energy consumption per unit of transportation, I believe that the environmental superiority of railways in such areas will remain unassailable, even if progress toward zero emissions is made in other modes of transportation.

On the social front, we will advance regional revitalization by strengthening ties with local communities and customers, engaging in collaborative community building, advancing regional and tourism-oriented MaaS, and pursuing co-creation with local startups. We will also strengthen business activities that are aimed at respecting human rights, conduct activities in accordance with the JR East Group Policy on Human Rights and the JR East Group Policy on Customer Harassment, and promote sustainable procurement. In particular, to enhance employee engagement, we will create a system for business management that integrates ideas from the senior management team with opinions and ambitious proposals

received from employees. We will create a new relationship between the senior management team and employees in which each person can make significant contributions to our operations and have a sense of participation in business management. I believe that this approach to business management will enable us to meet the growth expectations of Group employees and build strong engagement. To continuously increase their corporate value while adapting to changes in the business environment, companies must build human resource portfolios that anticipate the evolution of business portfolios. In addition, it is important for human resource strategies to complement management strategies aimed at such goals as the construction of organizations and the development of personnel that generate innovation and added value. The JR East Group needs flexible human resource policies. We have to create a flexible personnel system that is capable of catering to employees’ diverse ambitions and that is suited to business management based on the two pillars of Mobility and Lifestyle Solutions. We will develop a training system that enables employees to play important roles in an array of business fields, including overseas fields.

I also want to promote initiatives aimed at invigorating communication between the senior management team and Group employees. I regularly visit our workplaces with a view to creating opportunities for direct conversations between executives and employees. For example, we hold Breakthrough Communication



sessions in which head office executives talk with junior employees who are embarking on ambitious initiatives. In-house messages that I issue are always directed to all Group employees, and we establish new systems and training programs and implement health and productivity management with the entire Group in mind.

The messages I issue to employees constantly emphasize that I am fully cognizant of the whole Group.

Corporate governance and internal control are very important elements of our efforts to grow as a Group. We will implement original internal control initiatives that, rather than simply stopping because there are risks, manage identified risks while enabling them to be optimally leveraged for the advancement of the Group’s development. The Company has established Corporate Governance Guidelines to ensure that it makes transparent, fair, firm, and timely decisions. We strive for genuine collaboration with our stakeholders, including customers, local communities, shareholders and other investors, business partners, and Group employees. In this way, we will endeavor to achieve sustained business growth and enhance our medium- to long-term corporate value.

In June 2023, JR East transitioned to a company with audit and supervisory committee corporate governance structure. Under this structure, the authority to make important decisions on operational execution has been transferred from the Board of Directors to the executive directors to expedite decision-making and operational execution. Also, by strengthening the supervisory function of the Board, we intend to further enhance governance and pursue defensive and offensive risk management that promotes the Group’s development.

We have been reforming jobs and our organization to adapt to dramatic changes in the business environment, heighten job satisfaction, and strengthen management operational efficiency. These reforms are based on a management policy of increasing the fields of work available to employees and thereby aligning their personal growth and job satisfaction with the Group’s growth. Day-to-day issues that become management problems occur in the operations closest to customers and local communities. The Company has undertaken reorganization to transfer roles and authority so that employees who are closest to customers can solve day-to-day issues in the course of their duties. We hope the reorganization will allow employees to demonstrate creativity in operations close to customers and further heighten employees’ motivation to take on the challenge of achieving personal growth and creating new value.

**Management That Is “Good For All”**  
**By achieving steady growth, we will offer all our stakeholders enriched, cheerful lives.**

The JR East Group creates opportunities for constructive dialogue with its shareholders and other investors to further their understanding of its businesses. Our goal is to build long-term relationships of trust so that we sustain business growth over the medium to long term. In deepening communication with our various shareholders and investors both in Japan and overseas, we will always disclose information in a timely and appropriate manner and facilitate constructive dialogue with these stakeholders based on a

good understanding of their expectations, requests, and criticisms. The Group has to grow profits by creating a better world through its business activities. We must then use the earned profits to provide customers, local communities, and shareholders and investors with returns. Moreover, we must not forget to further the happiness of all Group employees and their families. Of course, as a company, we need to grow. Accordingly, we will also use our profits to realize our next stage of growth. We call this management that is “good for all,” and we will conduct well-balanced business management that keeps both corporate growth and stakeholders firmly in mind. Furthermore, we have a strong desire to work together with our employees to create a highly aspirational corporate group that is able to help with the resolution of various social issues, such as environmental problems, regional revitalization, and population aging, by constantly considering how our business activities can benefit society. By achieving steady growth, we will offer all our stakeholders enriched, cheerful lives. As we begin a new chapter, I would like all stakeholders to understand our activities and view the future of the JR East Group with optimism.

A handwritten signature in black ink, reading "Yoichi Kise". The signature is fluid and cursive, with the first name "Yoichi" and last name "Kise" clearly distinguishable.

Yoichi Kise  
President and CEO  
September 2024



Capital and Strengths We Have Built Up

The JR East Group is creating new value by utilizing and integrating its diverse capital and strengths to advance strategies and businesses.

Capital

Human Capital



- Employees who prioritize safety, creating trust and new value
- Systematic human resource development programs that improve employees' capabilities
- Systems that motivate employees

Consolidated employees:	Average training hours per employee:	Applications received for the ON1000 new business creation program:
Approx. 70,000	Approx. 33 per year	502 per year (Total number selected to be new businesses: 13)

Social and Relationship Capital



- Contact with customers and customer base
- 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
- New businesses

Suica cards issued:	JR EAST STARTUP PROGRAM applications:
103.11 million	1,507

Intellectual Capital



- Technology capabilities and operational know-how that underpin safety
- Intellectual property that enables the creation of new value

R&D and IT investment:	Patents, utility models, design patents, and trademarks:
¥79.9 billion per year	1,602

Manufactured Capital



- Property, plant and equipment and wide-ranging business bases

Railway stations (including BRT):	Hotel guest rooms:
1,681	10,305
Shopping centers:	Leasable office space:
169	568,000 m²

Natural Capital



- Efficient utilization of diverse energy
- Tourism resources based on the rich natural environment of eastern Japan

Railway business energy use:	Railway forest area:
19.2 billion MJ per year	approx. 3,900 ha

Financial Capital



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

Equity ratio:	Ratings: Domestic bonds:	Foreign bonds:	Capital expenditures:
27.8 %	AA+	A+	¥713.7 billion per year

Strengths

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.

Railway operating kilometers (including BRT):  
7,418.7 km

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.

Number of passengers:	Number of passengers using Shinjuku Station:
Approx. 15.57 million per day	Approx. 1.3 million per day

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

Creating a flow of people and vibrancy in companionable community 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.

Number of municipal authorities with which comprehensive cooperation agreements or cooperation agreements concluded: 43

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.

JRE POINT reward program members: 15.01 million

Trust

Ultimate safety levels are our top priority and we operate our business in keeping with our five Basic Principles.

The trust resulting from the customer safety and community development provided by our business forms the core of our brand.

Trust in turn provides the foundation for all of the JR East Group's business activities, including Lifestyle Solutions, and it supports the creation of added value.

Employees

With a strong sense of mission, each of our employees steadily carries out their day-to-day duties to deliver safety and reliability to our customers, thereby earning their trust.

Every employee also feels actively involved in the management of the Company and plays a central role in improving the quality of their work and creating new value and services by taking on ambitious challenges with originality and ingenuity.

Increasing employee engagement will ensure the continued growth of the Group and its employees.



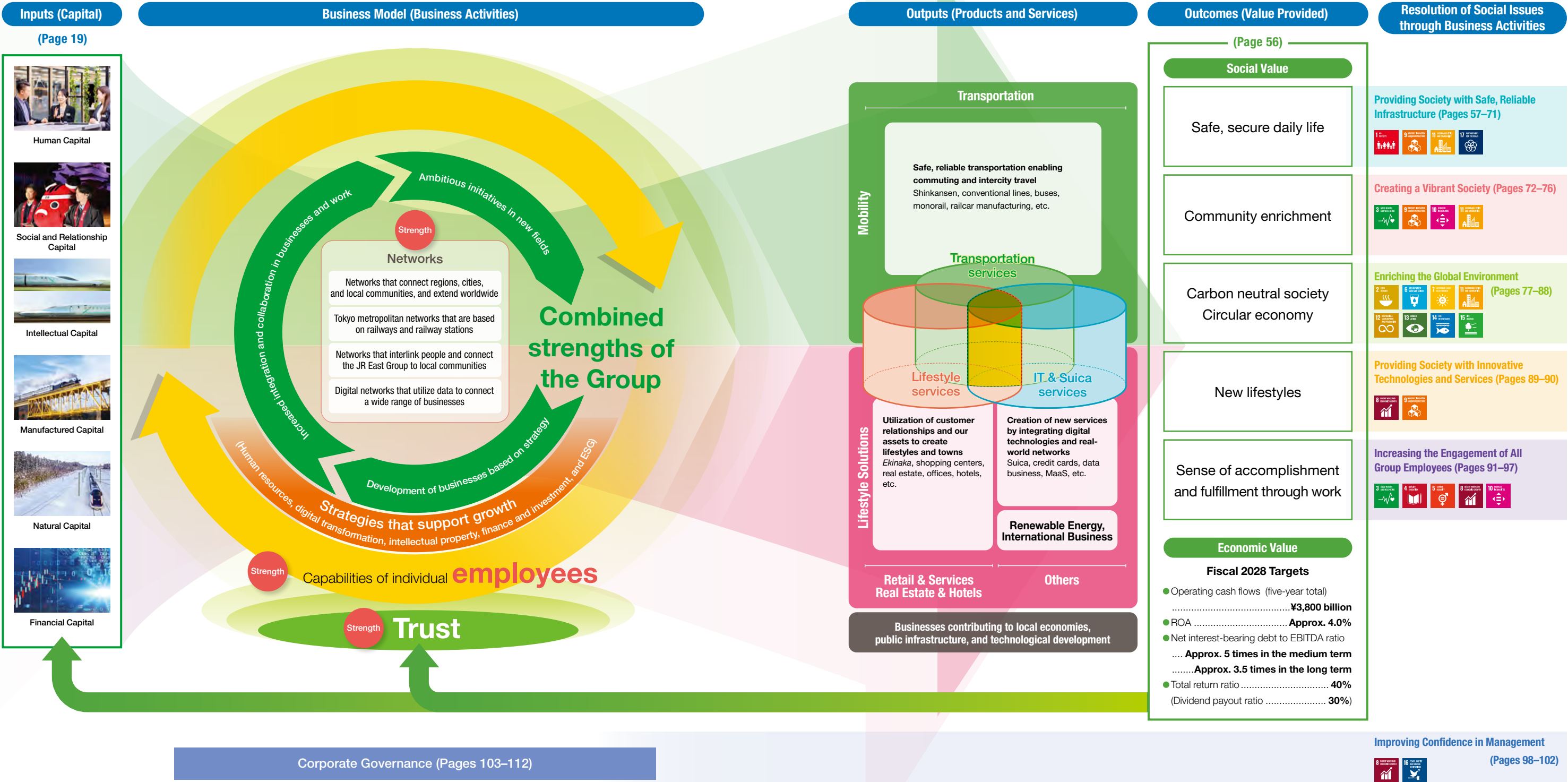
Value Creation Model

Based on the trust of our customers and local communities, the JR East Group has been developing a wide range of businesses: one related to Mobility and others leading to Lifestyle Solutions for customers by utilizing the Group's capital and strengths. The Group's 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 create new and unique value. Through these value creation efforts, we will focus on helping our customers and people in communities to realize enriched lives and addressing social issues to realize sustainable growth.

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.



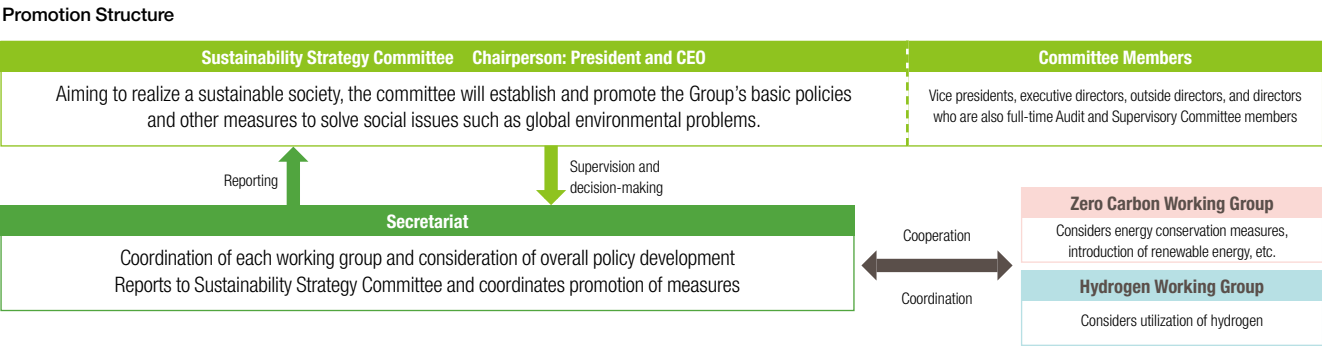


## Our Approach to Sustainability

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, implementing necessary measures from a medium- to long-term perspective and addressing social issues through our business. Through this approach, we 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.

## 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.



## Materiality Identification Process

To realize the JR East Group Philosophy and the target profile of our vision, we have identified six material issues.

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 material issues of business management.

In revising the material issues, the Integrated Report Review Subcommittee, which was 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 final decision was made by the Sustainability Strategy Committee.

The Sustainability Strategy Committee will consider on an ongoing basis whether environmental changes merit further revision of the material issues. Goals and achievements are reported to the Sustainability Strategy Committee and then disclosed. (Please see page 55 for details.)

## Participation in Initiatives and Advocacy Activities

With the aim of realizing a sustainable society, the JR East Group promotes sustainability initiatives both within the Group and in cooperation with external parties. We actively participate in domestic and international initiatives and endorse related statements, on environmental issues in particular, working with other companies to energize such initiatives as climate change countermeasures and realize a sustainable society.



## Materiality

Mindful of its medium- to long-term vision, the JR East Group has established the following six material issues and is addressing social issues through its business activities.

### 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.

**1 SAFETY** **9 INFRASTRUCTURE INVESTMENT** **11 SUSTAINABLE LED LIGHTING** **17 PARTNERSHIPS FOR THE SDGs**

Reinforcement of Business Foundations

### 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.

**3 GOOD HEALTH AND WELL-BEING** **9 INFRASTRUCTURE INVESTMENT** **10 AFFORDABLE AND CLEAN ENERGY** **11 SUSTAINABLE CITIES AND COMMUNITIES**

Enhancement of Future Corporate Value

### 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 circular economy and conserve biodiversity.

**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.

**2 CLEAN WATER AND SEWERAGE** **6 CLIMATE ACTION** **7 AFFORDABLE AND CLEAN ENERGY** **11 SUSTAINABLE CITIES AND COMMUNITIES** **12 RESPONSIBLE CONSUMPTION AND PRODUCTION** **13 LIFE ON LAND** **14 LIFE BELOW WATER** **15 LIFE ON LAND**

Enhancement of Future Corporate Value

### 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.

**8 GOOD WORK AND ECONOMIC GROWTH** **9 INFRASTRUCTURE INVESTMENT**

Enhancement of Future Corporate Value

### 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.

**3 GOOD HEALTH AND WELL-BEING** **4 QUALITY EDUCATION** **5 GENDER EQUALITY** **8 GOOD WORK AND ECONOMIC GROWTH** **10 AFFORDABLE AND CLEAN ENERGY**

Reinforcement of Business Foundations

### 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.

**8 GOOD WORK AND ECONOMIC GROWTH** **16 PEACE, JUSTICE AND STRONG INSTITUTIONS**

Reinforcement of Business Foundations

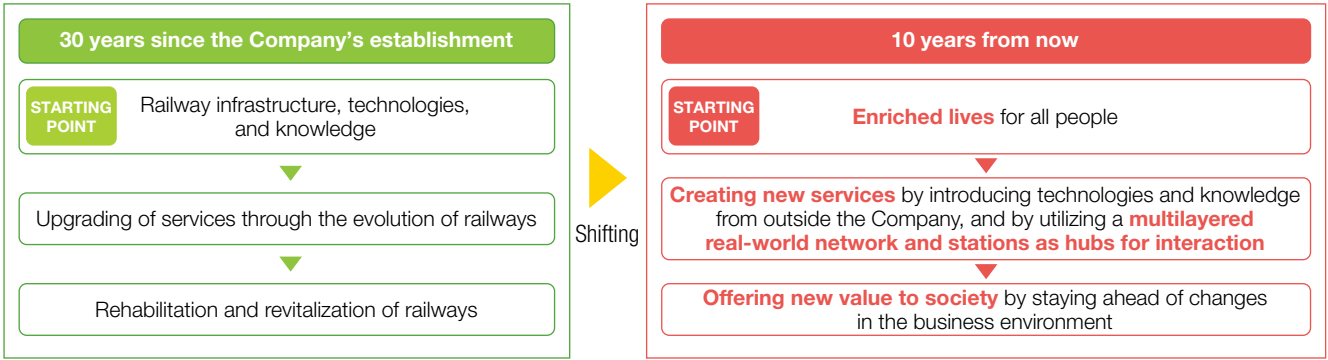


# JR East Group Management Vision “Move Up” 2027

## Basic Policies of “Move Up” 2027

### Transition from Railway-Focused to People-Focused Value Creation

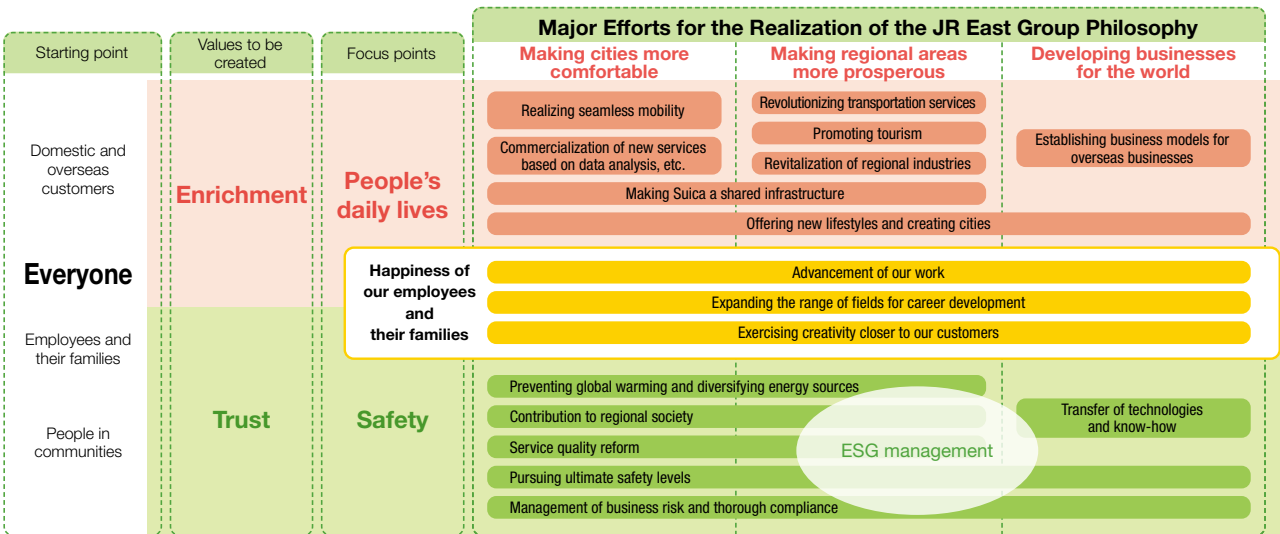
During the 30 years following its establishment, JR East developed a business model that generated revenues by encouraging many customers to use railway services and railway stations through the enhancement of their convenience. From now onwards, with the enrichment of everyone in their daily lives as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



## Our Vision in “Move Up” 2027

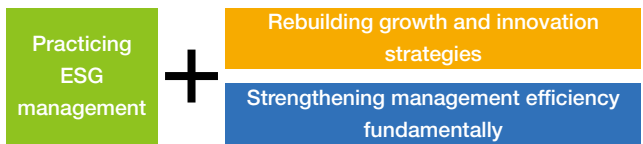
### Creating Value through Trust and Enrichment

Focusing on people and advancing initiatives in cities, regions, and the world at large, we will offer value by realizing safety, enriching people's daily lives, and contributing to the happiness of our employees and their families.



### Speed Up “Move Up” 2027: Increasing the Pace and Level of Initiatives

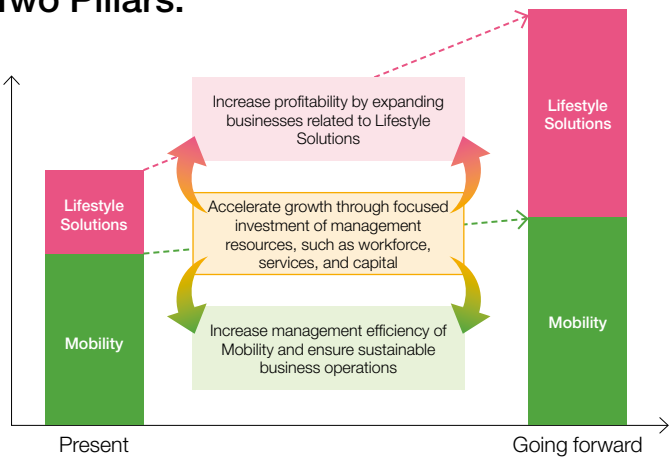
In response to the dramatic changes in the business environment caused by the COVID-19 pandemic, in September 2020 JR East developed Speed Up “Move Up” 2027. This sets out the priority strategies shown on the right with the aim of accelerating the realization of “Move Up” 2027 by increasing the pace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



## Business Management Supported by Two Pillars: Mobility and Lifestyle Solutions

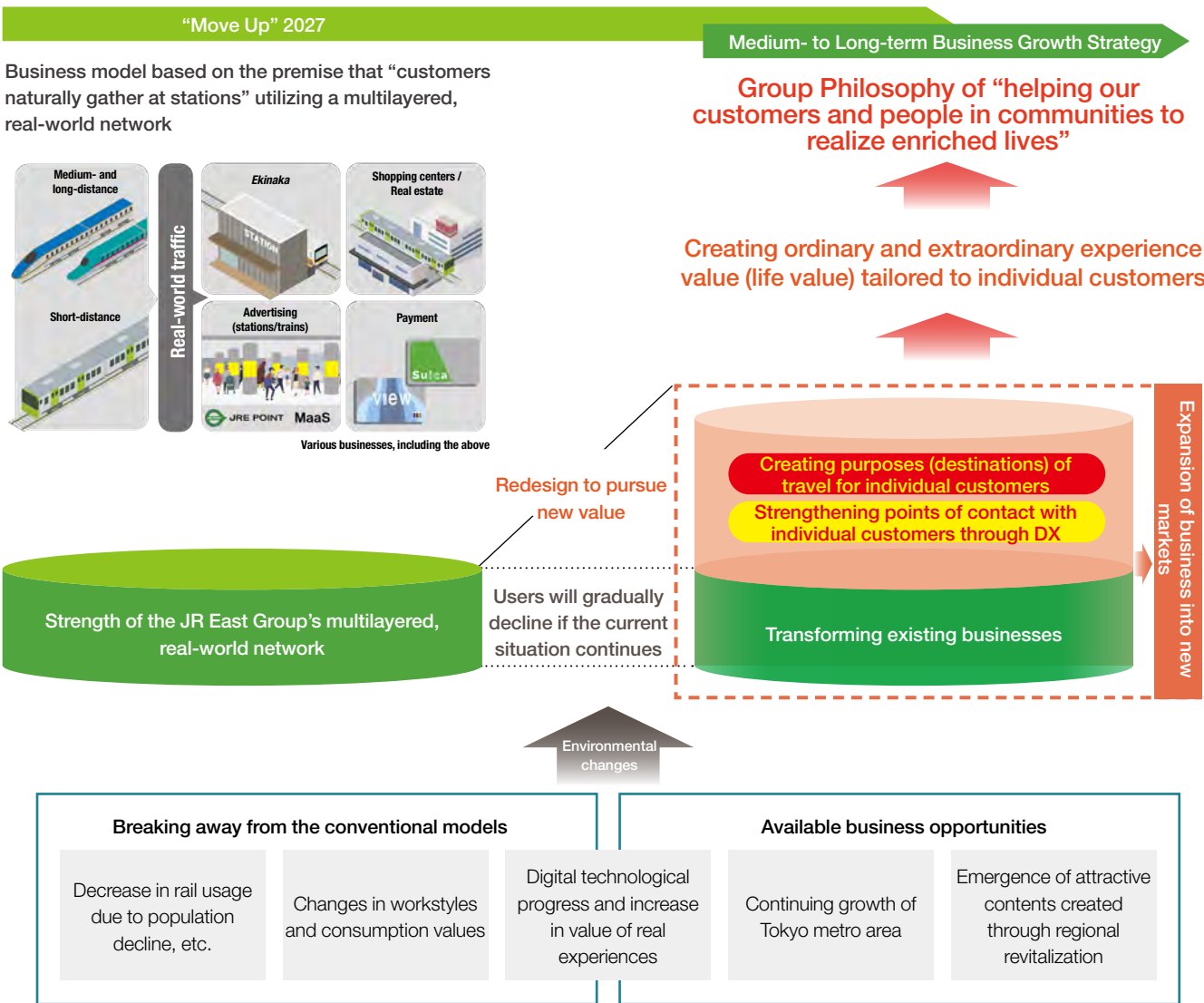
In response to a declining population, the increasing fluidity of human resources, changes in society's values since the COVID-19 pandemic, and other marked changes in the business environment, we will step up the pace of structural reform to build robust business management that is supported by the two pillars of Mobility-related businesses centered on railways and businesses focused on Lifestyle Solutions for customers. This structure will sustain growth even in the face of changes in the business environment.

The Group will maximize corporate value by leveraging the strengths of its diverse businesses and by realizing the Group's combined strengths through further integration and collaboration.



## Medium- to Long-term Business Growth Strategy, Beyond the Border

To further accelerate sustainable growth based on the two pillars of Mobility and Lifestyle Solutions, in June 2024 the JR East Group formulated a new medium- to long-term business growth strategy, Beyond the Border. The Group will redesign into a new strength the multilayered, real-world network that covers both Mobility and Lifestyle Solutions and that has been a strength to date. We will build this new strength by evolving Suica to create travel destinations and realize digital transformation (DX) that strengthens points of contact with individual customers.





Financial and Investment Strategies



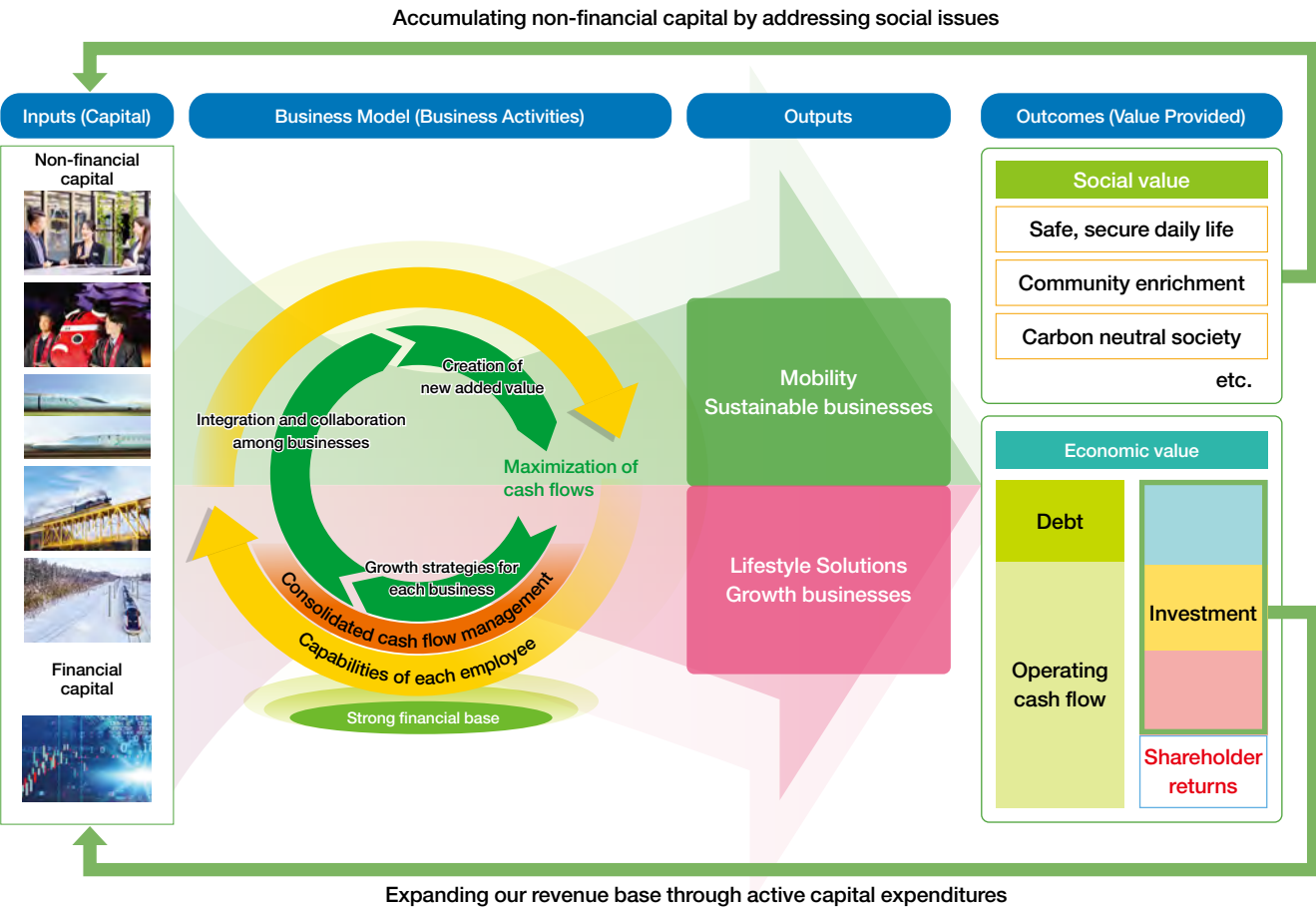
By formulating strategies for each business and ensuring the participation of each employee in management efforts, we will advance consolidated cash flow management from a medium- to long-term perspective and further enhance corporate value.

**Atsuko Itoh**  
Executive Director  
Director General of Corporate Strategies Headquarters

Q1 Could you please explain your financial and investment strategies?

**A1** As cash allocation for value creation shows, financial and investment strategies are integrated into the value creation model of the JR East Group. The Group has actively implemented capital expenditures supported by a strong financial base. In addition to this financial capital, we have abundant non-financial capital. Specific types of non-financial capital include the trust that the Company has cultivated over the 150-year history of Japan's railways, technological and operational experience that supports safety, close relationships with local communities, and a network that links various stakeholders with real-world assets. Our financial capital and non-financial capital are the sources of cash flow, which is economic value, and they also create social value, such as safe, secure daily life, community enrichment, and a carbon neutral society. Our goal is to create a virtuous cycle in which economic value and social value are used to accumulate further financial and non-financial capital. To cyclically link value with capital accumulation, we will actively implement capital expenditures and address social issues.

Financial and Investment Strategies in the Value Creation Model



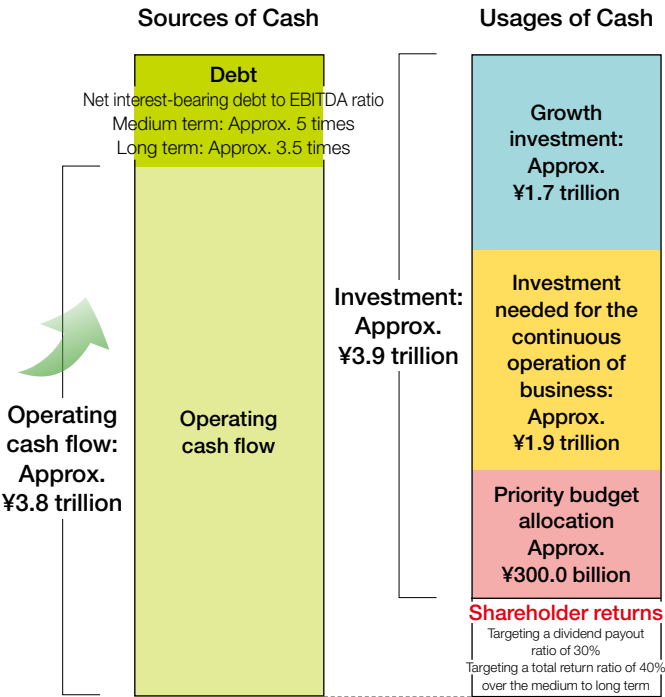
In advancing the above value creation process, the cornerstone of our financial and investment strategies is consolidated cash flow management from a medium- to long-term perspective. The businesses operated by the Group, such as the railway business and large-scale real estate development, have a significant social impact and generally recover investments over long periods. For this reason, we are more focused on maximizing cash flows on a consolidated basis over the medium to long term than on profit in specific fiscal years. We will further enhance corporate value by achieving both sustainable growth and financial soundness.

With respect to the use of cash over the medium term, we plan to invest approximately ¥3.9 trillion during the five years from fiscal 2024 through fiscal 2028, which is more than the approximately ¥3.8 trillion in operating cash flow that is expected to be generated during this period. Of this investment amount, approximately ¥1.7 trillion has been earmarked for growth investment. In particular, fiscal 2026 will see investment peak due to the full opening of TAKANAWA GATEWAY CITY and the opening of the Oimachi development project. Therefore, we will engage in up-front investment until fiscal 2026. Partly as a result of the contribution to revenues from these large-scale development projects, free cash flow is expected to become positive from fiscal 2027 onward.

As for shareholder returns, we are aiming for a dividend payout ratio of 30%. Although in the near term we will give priority to the allocation of cash for growth investment, our aim is to achieve a total return ratio of 40% by fiscal 2028, when growth investment is expected to stabilize. In light of trends in capital expenditures and business performance, we will steadily enhance shareholder returns.

In the near term, an increase in interest-bearing debt is planned. However, we will steadily restore financial soundness by controlling interest-bearing debt in line with cash flow. Our policy is to reduce the net interest-bearing debt to EBITDA ratio, which we use as a management indicator for interest-bearing debt, to approximately 5 times in the medium term and to approximately 3.5 times in the long term. At the same time, we will strive to maintain our credit rating through sincere dialogue with rating agencies.

Cash Allocation (from Fiscal 2024 to Fiscal 2028)



Q2 What are your policies with respect to “cash flow management optimized for business characteristics?”

**A2** The business management of the JR East Group is supported by two pillars: Mobility and Lifestyle Solutions. Our cash flow management is optimized for the characteristics of each business.

Mobility is a sustainable business that provides stability as well as growth. Based on safe and reliable transportation, we will work to increase revenues even further by capturing demand from visitors to Japan and by stimulating tourism demand. Regarding the revision of railway fares in the railway business, following discussions with the Ministry of Land, Infrastructure, Transport and Tourism, the Revenue Cost Calculation Guidelines were partially revised in April 2024. Therefore, if conditions are met, we will promptly submit an application for fare revision. With respect to the operations and maintenance of the railway business, we will utilize AI and other new technologies to build work systems that anticipate a 20% decrease in the working-age population. We will proceed with structural reforms aimed at achieving a further ¥100 billion reduction in the operational costs of the railway business by fiscal 2028 (compared with those of fiscal 2020). Through these efforts, we will raise the level of EBITDA. By ensuring that

investment needed for the continuous operation of business and growth investment are within the scope of EBITDA, we aim to achieve sustainable business management. Our financial policy is to reduce the net interest-bearing debt to EBITDA ratio.

Lifestyle Solutions are growth businesses that swiftly anticipate change. As symbolized by TAKANAWA GATEWAY CITY, our foundations and potential for revenues are significant. Going forward, we will accelerate our digital strategy by evolving Suica from travel and payment toward day-to-day life. In addition, through a marketing strategy that makes full use of the vast amount of data and information we gather, we will create a growth engine. Our financial policy is to focus on EBITDA growth in order to secure investment capacity that will lead to a stronger earnings base. Particularly in the Real Estate & Hotels segment, we will actively utilize interest-bearing debt to implement growth investment that advances many large-scale development projects, including projects that will contribute to earnings from fiscal 2029 onward. In the future, we will consider setting a target for the net interest-bearing debt to EBITDA ratio that is separate from the overall target.



Growth Investment Pipelines and Returns (As of April 2024)

Under construction In operation

Names (including tentative names)		2025	2026	2027	2028	2029	2030	2031	2032	2033 (FY)	Assumed revenues during stable operations	Assumed investment amount
Mobility	Introduction of Green Cars to Chuo Rapid Line											
	Tohoku Shinkansen speed increase (320 km/h) between Morioka and Shin-Aomori											
	Haneda Airport Access Line (tentative name)											
Lifestyle Solutions	TAKANAWA GATEWAY CITY											
	Development of the Hiromachi area around Oimachi Station (tentative name)											
	Funabashi Ichiba-cho Project (tentative name)											
	Station building development at Nakano Station											
	Shibuya Scramble Square (Central and West Wing)											
	Redevelopment project around Itabashi Station Itabashi Gate District 1 Urban Area											
	Development project around Shinjuku Station Southwest Gate Area											
	Development project around Nakano Station New North Entrance											
	Development project around Hamamatsucho Station West Gate Area											
	BLUE FRONT SHIBAURA											
	Tokyo Institute of Technology Tamachi Campus Redevelopment project											
	Improvement around Shinagawa Station North Gate and maintenance of station building											
											Approx. ¥120.0 billion per year*	Approx. ¥1,450.0 billion

\* Not including the Funabashi Ichiba-cho Project (tentative name), which is a source of non-recurring revenue

Q3 Regarding specific initiatives for the advancement of consolidated cash flow management, what are your objectives and direction when formulating strategies for each business?

A3 To realize consolidated cash flow management, we will further categorize the wide range of businesses in our four business segments into 14 businesses. Cash flow will be maximized both by generating cash through the addition of value in each business and by keeping transactions and the resulting cash within the Group. The first objective of establishing 14 businesses is to formulate and implement medium-term strategies from a consolidated perspective. Rather than proceeding on an individual Group company basis, JR East divisions and Group companies that belong to the same type of business will work together to formulate and execute flexible and bold growth strategies. The second objective is to achieve sustainable growth. By setting key performance indicators (KPIs) that emphasize medium-term cash flow and by optimally allocating the resources necessary for business operations, we will realize business growth and enhance the productivity of the entire Group. Our third objective is to advance a portfolio strategy. We will identify the strengths and weaknesses of each business through comparisons with other companies in the same industry. We will clarify priority fields, fields that should be strengthened, and fields where approaches to businesses need to be reviewed, and we will then realize an optimally structured business portfolio, taking into consideration external collaborations and M&As.

Of course, we must consider overall optimization rather than pursuit of optimization for individual businesses. We have always engaged in projects that straddle businesses, such as projects that organically link the establishment of new railway stations, the installation of new automatic ticket gates, transportation improvements, and urban development. Going forward, we will accelerate the integration of different businesses more than ever and strengthen collaboration among them.

Two Pillars, Four Segments, and 14 Businesses

Mobility		Lifestyle Solutions		
Transportation		Retail & Services	Real Estate & Hotels	Others
Shinkansen		Retail	Real estate ownership and utilization	Suica and finance
Conventional lines		Advertising and publishing	Real estate rotation	Overseas railway
Bus				Energy
Railcar manufacturing		Overseas	Real estate management	Construction

Q4 How will the Group's employees be involved in promoting consolidated cash flow management?

A4 The sources of sustained growth for the entire Group are its abundance of assets that produce revenues as a network, and its diverse personnel who have grown by overcoming the COVID-19 pandemic. Given the long periods that the Group often requires to earn returns on capital expenditures, the rapid generation of cash by realizing the potential of existing assets without being restricted by their past uses is required. This is because the rapid generation of cash will enable the establishment of a virtuous cycle in which generated cash is allocated to further investment, thereby generating even more cash. To ensure that each Group employee is more engaged in addressing such management tasks as enhancing asset efficiency, we have created two systems.

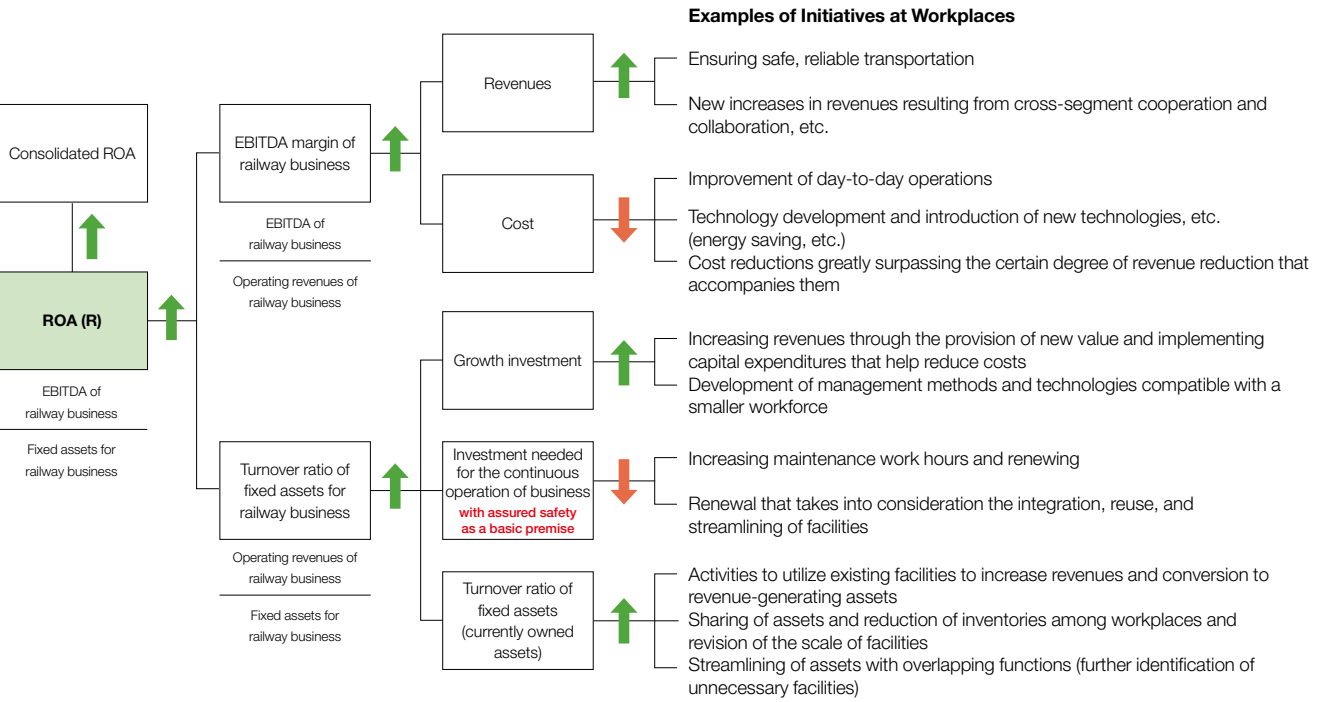
The first system is the ROA(R) System. The “(R)” stands for railway, and “ROA(R)” refers to the ROA of the railway business, which has a particularly large volume of assets. The denominator of ROA(R) is the fixed assets of the railway business. To emphasize cash generation, we have made the numerator EBITDA rather than operating income. Further, through the use of a ROA(R) Tree, we have subdivided this indicator into elements related to the railway business, including revenues, cost, capital investment, and the turnover ratio of fixed assets. Also, we have developed the system so that an EBITDA KPI showing the cash to be generated is set for each headquarters and branch office. Under the system, these targets can be achieved by increasing revenues, reducing costs, and enhancing asset efficiency. In addition, the system shows how the specific initiatives at each workplace contribute to ROA(R) and enables the Companywide sharing of ideas and good case studies from respective workplaces. We hope that the continuous generation of cash resulting from workplaces’ efforts to use this system to enhance of profitability and asset efficiency will create a significant wave.

The second system is referred to as the Area Management System. Particularly in the railway business, collaboration among workplaces is essential in daily operations. Accordingly, we promptly quantify the results of steady day-to-day measures and initiatives, such as measures to increase revenues and reduce costs in areas that encompass and unite workplaces. By visualizing the numerical results of measures and visualizing area revenues and costs in this way, we are enabling personnel to proactively consider how to heighten the value of their own areas and providing strong support for bottom-up efforts that improve area value. We have established the Area Management System and ROA(R) System in an integrated, Companywide manner, creating a structure that allows each employee to participate in management.

In Lifestyle Solutions, we will adopt a consolidated viewpoint in efforts to optimize real estate, one of our key management resources. We will not only utilize assets effectively through such measures as repurposing company housing sites for commercial and residential purposes but also improve profitability by strengthening existing assets for which issues have yet to become apparent when the assets are viewed from the perspective of individual Group companies. We will also enhance asset efficiency through the utilization of the real estate rotation business. Under the this business, we sell our own properties to private real estate investment trusts (REITs) and funds to secure development profits promptly. We then reinvest the resulting capital in areas with high growth potential.

In addition to our previously established consolidated ROA target of 4.0% for fiscal 2028, we set new ROA targets for business segments in April 2024. We aim to achieve the ROA targets by realizing business management in which all employees participate.

ROA(R) Tree





Q5 What is your message to JR East shareholders and investors?

A5

Shareholders and investors are important stakeholders for the JR East Group. In March 2024, we analyzed and evaluated our current situation with regard to action to implement management that is conscious of cost of capital and stock price and formulated a policy for future efforts toward improvement.

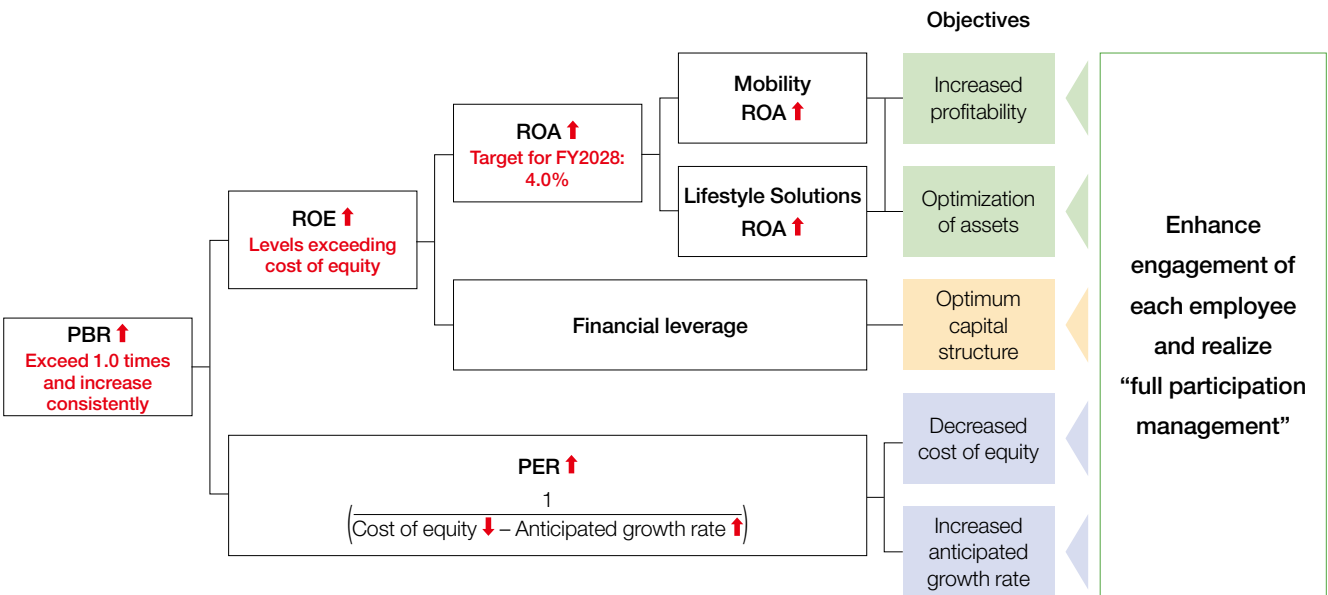
With respect to the price-to-book ratio (PBR), which indicates the stock market's evaluation, our goal is to realize a PBR that exceeds 1.0 times and increases consistently. PBR is the product of return on equity (ROE), in other words the rate of return, multiplied by the price-earnings ratio (PER), which reflects anticipated growth. Therefore, we need to increase PBR through both rate of return improvement and growth expectations. Since we have a huge volume of fixed assets for railway operations, the previously explained enhancement of ROA through efforts to improve profitability and increase asset efficiency will directly lead to the enhancement of ROE and PBR. For this reason, raising ROA beyond the 4.0% target will also raise the level of ROE. We recognize that the cost of equity is around 5% to 6%. Even if the cost of shareholders' equity rises in the future, we will aim for ROE that

consistently exceeds the cost of equity. Further, we will enhance growth expectations by ensuring active dialogue between our senior management team and shareholders and investors; by enhancing disclosure of business information and environmental, social, and governance (ESG) information; and by communicating business-specific strategies.

We place paramount importance on practicing ESG management. The source of the Group's growth is human resources. The growth of employees is the driving force behind the Group's growth. We will provide new value to society by realizing the potential of each employee and enhancing employee engagement. We will also work together with our various business partners to address increasingly complex and sophisticated social issues through our business activities. Going forward, we will endeavor to earn the long-term trust of our shareholders and investors. In conjunction with these efforts, we aim to meet the expectations of stakeholders by pursuing the enhancement of corporate value.

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

PBR Tree



Environmental Investment and ESG Bond Issuance

We place 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 us, environmental investment means decarbonization investment that contributes primarily to the reduction of CO<sub>2</sub> emissions. Specifically, it includes the introduction of high environmental performance rolling stock, LED lighting in stations, and the development of high-efficiency air-conditioning.

Since January 2020, we have issued six sustainability bonds\*1 in Japan and three green bonds\*2 overseas. Further, in February 2024 JR East received the Silver Prize (Minister of the Environment Award) at the ESG Finance Awards Japan (Fund Procurement Category), organized by the Ministry of the Environment.

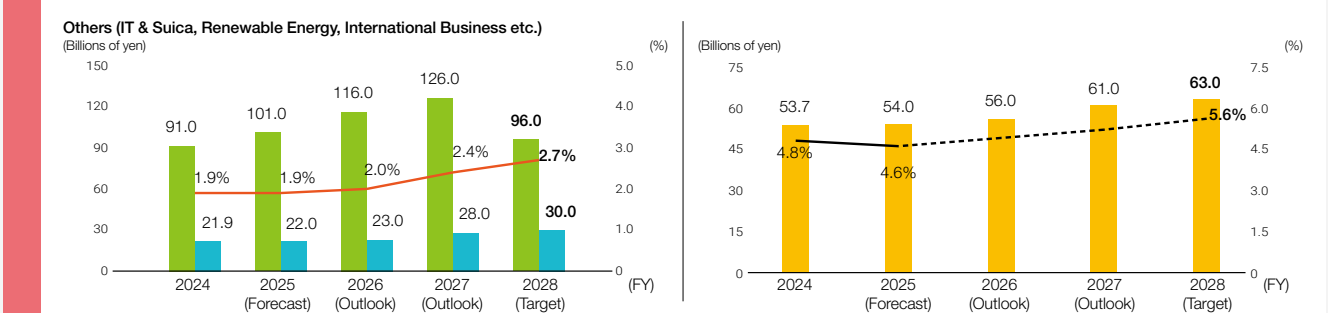
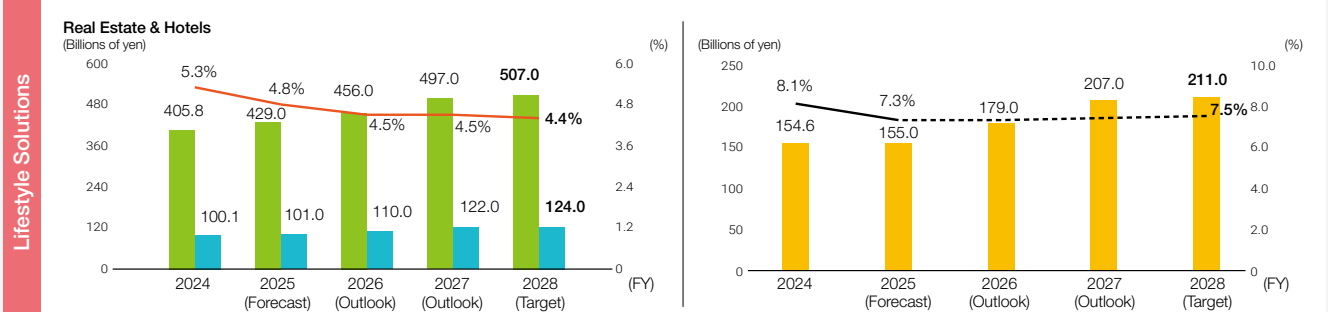
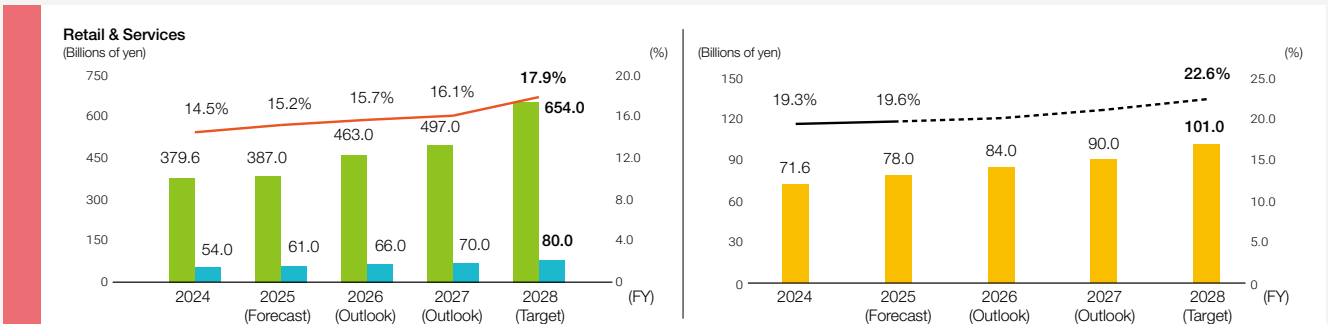
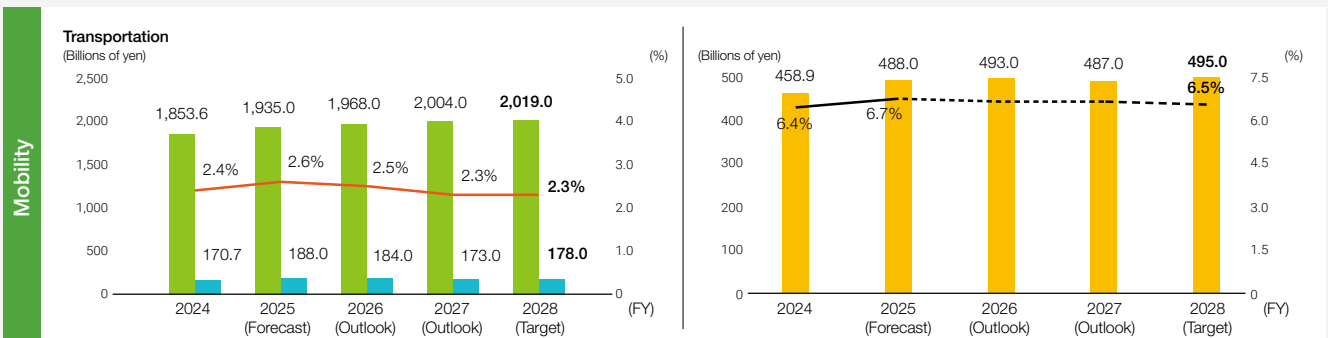
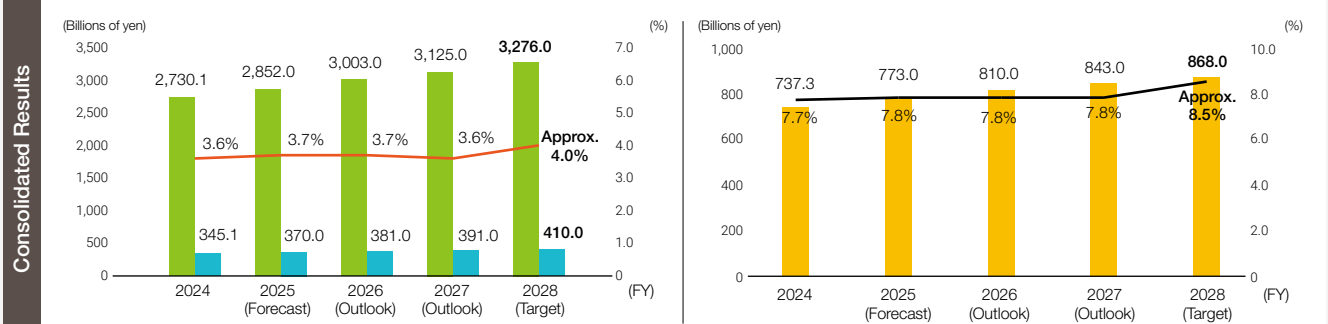
\*1 Sustainability bonds: The proceeds of these bonds are used for projects that contribute to the resolution of environmental problems and social issues.

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



Fiscal 2028 Numerical Targets

Operating revenues Operating income ROA (R = Operating income) EBITDA ROA (R = EBITDA)



Note: The calculations of "2025 (Forecast)," "2026 (Outlook)," and "2027 (Outlook)" reflect the following changes, which came into effect in the first quarter of fiscal 2025.

• The classification of JR East Sports Co., Ltd. and GALA YUZAWA Co., Ltd. was changed from the Retail & Services segment to the Real Estate & Hotels segment.

• The classification of JREFU Hotel Management & Consulting Co., Ltd. was changed from the Real Estate & Hotels segment to the Retail & Services segment.

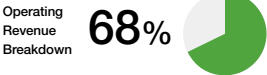
• The recognition of JR East's revenues from rent of the space under elevated railway tracks was changed from the Transportation segment to the Real Estate & Hotels segment.



Business Segments of the JR East Group

Mobility

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.

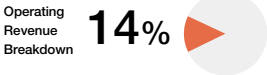
Businesses

- Shinkansen
- Conventional lines
- Buses
- Railcar manufacturing

Group Companies

- 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



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.

Businesses

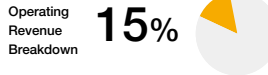
- Retail
- Advertising and publishing
- Overseas

Group Companies

- 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.
- JR East Marketing & Communications, Inc.
- JR East Media Co., Ltd.
- The Orangepage, Inc.
- JR East Business Development Taiwan, Inc.
- JREFU Hotel Management & Consulting Co., Ltd.
- JRE Sports Taiwan Co., Ltd.
- JR East Business Development SEA Pte. Ltd.
- JRE Business Development UK Ltd. (from June 21, 2024)
- Decorum Vending Ltd. (from July 22, 2024)
- JRE Ventures Pte. Ltd. (from April 1, 2024)

Lifestyle Solutions

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.

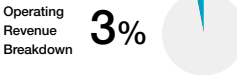
Businesses

- Real estate ownership and utilization
- Real estate rotation
- Real estate management

Group Companies

- atré Co., Ltd.
- LUMINE Co., Ltd.
- JR Yokohama Shonan City Create 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 Sports Co., Ltd.
- GALA YUZAWA Co., Ltd
- JR East Urban Development Corporation
- JR East Real Estate Asset Management Co., Ltd.
- JREast Real Estate Co., Ltd. (from July 1, 2024)

Others



Businesses

- Suica and finance
- Overseas railway
- Energy
- Construction

Group Companies

- 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.
- JR East Energy Development Co., Ltd.
- Shinjuku South Energy Service Co., Ltd.
- Station City Energy Create Co., Ltd.
- JR East Start UP Co., Ltd.

\* As of fiscal 2025, the business segment of JR East Sports Co., Ltd. and GALA YUZAWA Co., Ltd. was changed from Retail & Services to Real Estate & Hotels, while the business segment of JREFU Hotel Management & Consulting Co., Ltd. was changed from Real Estate & Hotels to Retail & Services.



Transportation



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

Safety is our top management priority, the foundation of which is the safety awareness of every employee of the JR East Group. We have also steadily improved transportation quality and customer service, thereby earning the trust of our customers. This trust is the foundation of the Group's various businesses.

Under our five-year JRE Group Safety Plan 2028, which began in fiscal 2025, we are working to improve safety levels across the entire Group.

Currently, remarkable developments are being made through the application of technologies, including digital transformation. Rail transportation and other forms of mobility also have the potential to evolve dramatically through the adoption of new technologies and changes to the frameworks for various systems, including fares. We will continue to transform into a sustainable mobility business that offers greater convenience and peace of mind for our customers and safer, more rewarding jobs for our workers.

The Transportation segment provides transportation services backed by high-quality operations through a diverse network of inter-city and regional transportation modes, including Shinkansen, conventional trains, monorails, buses, and bus rapid transit (BRT), and the vehicles that support them. It also deploys the knowledge, technology, and products that form the foundation of rail operations, both domestically and internationally.

We will continue to contribute to society by combining our accumulated expertise with new technologies to provide higher value through more sustainable means.

The External Environment

- We face two major challenges: a decrease in customers and a labor shortage due to a shrinking working-age population caused by a declining birthrate.
- Inbound demand is expected to continue to grow in the medium to long term from fiscal 2025 onwards.
- In rail transportation revenues, commuter revenues are expected to stabilize as we leave the COVID-19 pandemic behind us, while non-commuter revenues are expected to increase thanks to inbound and other tourism demand.
- Rising costs, such as higher prices and higher labor costs, are expected to persist into the future.
- In terms of rolling stock manufacturing, while investment in new rolling stock is showing signs of slowing, demand for modification work on existing vehicles is strong.

KPIs	FY2025 (YoY)	FY2028
Railway operation accidents caused by JR East Group	0 (-4)	0
Serious incidents	0 (±0)	0
Railway transportation revenue	¥1,755.0 billion (+¥78.4 billion)	Approximately ¥1,780.0 billion
Railway business fixed asset turnover	0.35 (±0)	0.35 or more

Numerical Targets (Economic Value)		
	FY2025 Earnings Forecast (YoY)	FY2028 Target
Operating revenues	¥1,935.0 billion (+¥81.3 billion, 104.4%)	¥2,019.0 billion
Operating income	¥188.0 billion (+¥17.2 billion, 110.1%)	¥178.0 billion
EBITDA	¥488.0 billion (+¥29.0 billion, 106.3%)	¥495.0 billion
ROA	2.6% (+0.2 pp)	2.3%
ROA (R = EBITDA)	6.7% (+0.3 pp)	6.5%

- Providing Society with Safe, Reliable Infrastructure
- Providing Society with Innovative Technologies and Services

Solving Social Issues through Business (Social Value)  
Promoting Smart Maintenance and Expanding It to Other Business Operators

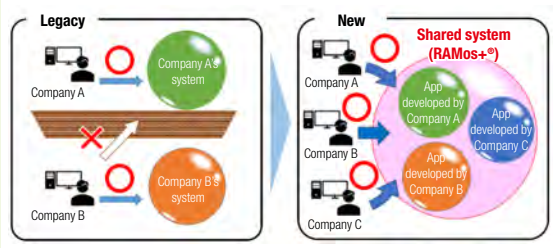
In anticipation of a future decline in the working-age population, we are promoting smart maintenance, which uses cutting-edge technologies, including information and communications technology (ICT), to improve the efficiency of maintenance work in the railway business.

For electrical equipment, we are adopting overhead cable monitoring and signal bond monitoring, which check the condition of on-site equipment using data obtained from vehicle-mounted cameras and sensors.

For railway track equipment, we monitor the condition of the tracks using track equipment monitoring devices. Japan Railway Track Consultants Co., Ltd., a JR East Group company, was the first organization in Japan to develop a system called RAMos+®, which can be used by multiple railway operators. We are expanding this system to other railway operators, allowing the mutual utilization of apps for efficient maintenance.

In rolling stock maintenance as well, the Company sells its proprietary rolling stock data analysis app to other railway operators and receives orders for app maintenance at its rolling stock centers.

By expanding these smart maintenance methods to other operators and conducting joint technology development, we are working to improve efficiency and reduce development costs, and we are undertaking the challenge of building a sustainable maintenance system for the entire railway industry.



Conceptualization of shared use with other businesses through RAMos+®

Shinkansen Business

- **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 promoting digital transformation (DX), integration and collaboration, and human resource development, constantly enhancing Shinkansen services, implementing new technologies, and transforming work systems through structural reform. Through these initiatives, we aim to achieve “speedy, smart, and sustainable” operational management.
- **Priority Initiatives**
  - **Pursuit of Ultimate Safety**
    - We will continue to improve and perfect safety, the most fundamental premise of Shinkansen transportation.
    - To minimize damage in the event of a major earthquake, we will carry out seismic reinforcement of elevated railroad track pillars and electric poles, and take measures to prevent train derailment.
    - Regarding previous transportation disruptions, we will verify the causes using both in-house investigations and the cooperation of external agencies, and we will implement effective measures to prevent recurrence.



**Hirohiko Ikeda**  
Senior Executive Officer  
Director General of  
Shinkansen General  
Management  
Department

- **Creating New Value and Stimulating Demand**
  - We will work with local communities to create two-way tourism between the Tokyo metropolitan area and regional areas, focusing on the Hokuriku region, which has gained more convenient access with the opening of the Tsuruga extension of the Hokuriku Shinkansen, as well as the Tohoku area, including along the Yamagata Shinkansen where the new Series E8 rolling stock has been introduced.
  - We will uncover and promote the hidden charms of the Tohoku and Joshinetsu areas to expand inbound demand.



- **Transforming Operations and Advancing Sustainability**
  - We will begin full-scale smart maintenance, including the introduction of track monitoring railcars, to take steps to improve the safety and accuracy of Shinkansen transportation while creating ways of working that can accommodate a declining labor force.
  - We will develop technologies to achieve driverless operation of Shinkansen trains.

Buses Business

- **Growth Strategy**  
We are working to improve the safety and reliability of our transportation services and aim to maximize profits by strengthening collaboration, including with parties outside the Group.
- **Priority Initiatives**
  - We will expand JR Bus brand transportation capacity through means such as joint operations with other bus operators, and efficiently increase earnings.
  - We will achieve efficient bus operations and workstyle reform through joint operations between JR BUS KANTO Co., Ltd. and JR Bus Tohoku Co., Ltd., expansion of transfer operations by crew members, and mutual sharing of personnel and vehicles.
  - We will further deepen cooperation with railways to capture more passenger demand and build sustainable local public transport.



**Ryuichi Kobanawa**  
President  
JR BUS KANTO Co., Ltd.

Conventional Lines Business

- **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, predicated on the pursuit of ultimate safety. We also aim to achieve sustainable railway operations by advancing driverless operation technology and actively introducing new technologies to reduce the labor required for inspection and construction.
- **Priority Initiatives**
  - **Pursuit of Ultimate Safety**
    - “Taking the nature of railway work to heart,” we will fortify our safety foundation, and “reach for safety.”
    - We will develop and install safety equipment that is prioritized based on risk assessment and create systems that help reduce human error.
- **The Evolution of Transportation Services**
  - We will increase demand for rail services by creating destinations that meet the needs of customers, including inbound travelers, and providing the “joy of travel” with trains that are fun to ride.
  - In the Tokyo metropolitan area, we will provide services that meet passenger seating needs, such as introducing Green Cars on the Chuo Rapid Line.



**Chiharu Watari**  
Executive Vice  
President  
Director General of  
Railway Business  
Headquarters



- **Aiming for Sustainable Railways**
  - We will implement labor-saving inspection and construction using new technologies such as the introduction of proposal and support-based AI for all railway operations, the use of monitoring and point group data, and the use of drones for high-altitude inspections.
  - We will build an efficient operational system through means such as expanding driver-only operations and taking on the challenge of driverless operations.
  - We will aim to ease congestion by promoting the use of off-peak commuter passes and achieve a flexible fare and fee system in cooperation with other railroad operators.

Railcar Manufacturing Business

- **Growth Strategy**  
We aim to increase orders by further strengthening the cost competitiveness of our stainless steel vehicle brand, sustina.
- **Priority initiatives**
  - We will transform our business model into one that is based on widespread acceptance in the mass market for rolling stock (domestic urban and regional railways, and overseas railways) and that allows for the flexible proposal of additional specifications.
  - In cooperation with JR East, we will normalize operating rates at Niitsu Plant, a factory dedicated to sustina, and further reduce costs to strengthen our competitiveness.



**Hideyuki Terui**  
President  
Japan Transport  
Engineering  
Company



## Value Creation Success Stories



## Off-Peak Commuter Pass

## Our Mission as a Railway Operator and Our Vision for Sustainable Railway Operations

## Takuya Uchiyama

Deputy Manager  
Mobility Strategy Department  
Railway Business Headquarters  
East Japan Railway Company

JR East's new and revolutionary off-peak commuter pass is cheaper than a regular commuter pass and can be used outside of peak hours on weekday mornings. Takuya Uchiyama discusses the path taken to develop and deliver a service that benefits customers, participating companies, and the JR East Group and that helps to solve the major social challenge of alleviating congestion.

## Sustainable Railway Operations Enabled by Off-Peak Commuter Passes

Off-peak commuter passes are passes that can be used at anytime excluding peak hours on weekday mornings and that are offered at a price approximately 10% cheaper than regular commuter passes. Peak times are set based on customer traffic at the stations in question, mainly around 8am on weekdays when traffic is at its highest.

Until now, measures to alleviate congestion during the weekday morning rush hour have focused on strengthening JR East's "hard-ware" through capital investment, such as increasing the frequency of trains and the number of railcars to boost transportation capacity, as well as implementing direct services like those on the Shonan-Shinjuku Line. However, capital investment requires substantial amounts of money and time, and in some cases the efforts of our Company alone have not been able to fully meet our customers' needs. In addition, the COVID-19 pandemic has made customers keener than ever before to have reduced congestion and to avoid the "Three Cs" (closed spaces, crowds, and close contact), leading to major changes in the way they work and commute, such as telecommuting and conducting meetings online. Given these developments, we have launched a new off-peak commuter pass service in an effort to alleviate congestion not only through adjustments to "hardware" but also to "software," by encouraging "peak shifting."

I believe that this service can be positioned as an initiative to strengthen our management structure dramatically. As off-peak commuting becomes more widespread, it will lead to a more flexible cost structure for the Company. In the medium to long term, this will also serve as a stepping stone to allocating the Group's resources more appropriately, such as by reducing the number of railcars and the frequency of trains, and by leveling out the deployment of station staff. We will continue to promote the use of off-peak commuter passes since they will no doubt benefit both our customers and the

participating companies, and they will contribute to sustainable railway operations and the provision of high-quality services by JR East.

## Taking on the Challenge of Addressing Social Issues through Products That Encourage Behavioral Change

In introducing the off-peak commuter pass, we have truly overcome many challenges. Railway fares are subject to a maximum price system based on the total cost method, and any fare revision that involves changing the maximum price requires government approval. In the case of off-peak commuter passes, it is possible to lower prices within an upper limit by filing a notification with the Ministry of Land, Infrastructure, Transport and Tourism, but simply reducing the price would mean reduced revenues for the Company. What happened, therefore, was that we sought permission from the government to simplify the procedures by raising the price of regular commuter passes by 1.4% and reducing the price of off-peak commuter passes by 10%, which it described as a "fare revision" based on the assumption that this change would "not result in increased revenue."

As a result, the government issued a processing policy that stipulates the simplification of the procedures for revising fares, and based on this policy, we applied for approval of a variable fare system using simplified procedures, which led to the launch of our new off-peak commuter passes. We have engaged in repeated consultations with the government and, after much hard work, improved the current system.

At the time of the launch, this was a new and unprecedented service so we had a lot of trouble coordinating with various parties, both in terms of educating our own employees and also in terms of informing the relevant railway companies on how to handle the service and requesting that posters be put up providing information on peak hours. We also focused on advertising, using posters, pamphlets, and setting up a special website, to instill customer awareness of the product as quickly as possible.

As this was the first such initiative in the railway industry, customer reactions were mixed. Although alleviating congestion is a meaningful initiative that helps address a particular social issue, customers need more motivation to change their behavior. At JR East, we believe it is important to create products that contribute to peak shifting so that there is an economic incentive to off-peak commuting. It is we, the business operators, who can provide products and services that encourage behavioral change in customers. I believe that by providing services that respond to changes in society, and by gaining the understanding and cooperation of companies and customers, as well as further support from the national and local governments, we can address the social issue of alleviating congestion.

Approximately one year after the service was launched, the purchase rate is around 8%, which is roughly half of our target figure. Although there are now more than 200,000 users, that is still a fair way away from our target. Going forward, we plan to step up our efforts to reach out to companies (who pay their employees' commuting allowances) and focus on increasing the number of new users who use our services during off-peak hours.

## Advancing Discussions Beyond the JR East Group and the Rail Industry

From October 2024, we will raise the discount rate to 15% and further widen the price difference, as part of our efforts to increase the purchase rate for off-peak commuter passes. In particular, since many companies cover their employees' commuting costs, we believe that this price reduction will help create the incentives companies require to adjust working hours and switch from the standard commuter pass. We will also provide even more detailed information about the product than before.

For example, peak hours are determined only by the time of station entry, and with a 15% discount, commuters can enter stations during peak hours three to four times a month and still break even, meaning they can also report to work during peak hours to handle urgent business. So, we will actively communicate these benefits, which should help convince companies to adopt off-peak commuting.

Additionally, the introduction of off-peak commuter passes and the price hikes for commuter passes were made possible by the issuance of a national notification following the Interim Report of the Subcommittee on Improvement of Railway Fares and Charges Systems. This marks the first time in the long history of railway fares and pricing systems that the upper fare cap has been changed in a way that is not based on the total cost method. We believe that being able to take on the new challenge of lobbying the government to change the system is an epoch-making development for the railway industry, and we hope to advance discussions further with the government and other operators about introducing more flexibility into the existing rigid fare system.

## Highlight

## Off-Peak Commuter Passes are a Gateway to Greater Flexibility in Fares and Charges Systems

In April 2024, parts of the Government's Revenue Cost Calculation Guidelines, which serve as the basis for calculating railway fare levels, were revised for the first time in nearly a quarter of a century, but the fare system itself has not yet been revised. We will continue to urge the government to enable us to create a simple and flexible fares and charges system so that our customers can use railways more conveniently and comfortably. We are currently examining our revenues and costs based on the revised calculation guidelines, and if the conditions are met, we plan to apply for approval for fare revisions. We will make the necessary capital investments to provide our customers with safe, secure, and comfortable services, and we hope to contribute to sustainable railway operations.

## Overview of the Off-Peak Commuter Pass

Our off-peak commuter pass is a Suica commuter pass that can be used at anytime excluding off-peak hours on weekday mornings and that is approximately 10% cheaper than a regular commuter pass. This service aims to alleviate congestion by setting peak times during rush hour (mainly around 8 A.M. on weekdays) at eligible stations and encouraging passengers to shift their travel schedules during peak hours.

## Features

## 1) Cheaper than a Standard Commuter Pass

Currently, the price is set at about 10% cheaper than a standard commuter pass, and the discount rate will be increased to 15% from October 2024. When combined with the 5% JRE POINT bonus on off-peak commuter passes that has been in place since March 2024, this represents an even bigger discount.

## 2) Applies to Specific Train Sections in Tokyo

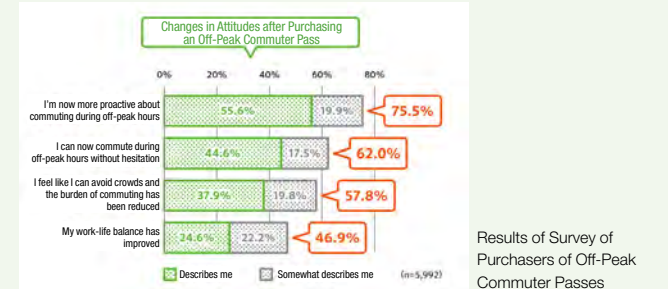
The pass can be used for any journey that is completed within a specific section of JR East's Tokyo train network, and also applies to Suica commuter passes that span private railways and subways. However, off-peak commuter fares only apply to services on JR lines.

## Issues Addressed by the Off-Peak Commuter Pass

The introduction of the off-peak commuter pass is expected to bring a variety of benefits to both customers and companies.

## Providing a Safe and Comfortable Commuting Environment by Reducing Congestion

- Switching to off-peak commuting can mitigate the physical and psychological impacts of congestion, and it also has the potential to boost workers' motivation and lead to more effective use of their time.
- For customers who must commute during peak hours due to the nature of their work, the passenger load will decrease as other customers shift their commutes from peak hours, thus creating a more convenient commuting environment than before.



## Reduced Commuting Allowances

- The option to purchase commuter passes at lower prices offers the prospect of substantial cost reductions for companies.
- Some companies have introduced this service to certain employees only, based on the characteristics of their work. Thus, companies can adopt off-peak commuting in stages in keeping with their individual circumstances.

## Contributing to the Retention and Securing of Talented Personnel

- A workplace environment that accepts and promotes diverse workstyles leads to greater employee satisfaction and more competitive recruitment.

## Current Issues and Future Outlook

Our goal is a 17% purchase rate, and since the current purchase rate is around half that, we are focusing on getting more customers to buy off-peak commuter passes by raising the discount rate and providing further price incentives, as well as further strengthening advertising and publicity for the product content. Additionally, we will continue to work with the Tokyo Metropolitan Government's Smooth Biz as well as economic organizations to encourage companies to adopt off-peak commuting and create a society that promotes diverse workstyles such as staggered commuting and telecommuting.



Retail & Services



**Harumi Nakagawa**  
Executive Director  
Director General of Marketing Headquarters

Every day, countless customers make use of the JR East Group's Mobility services, such as stations and trains, and its Lifestyle Solutions services, such as *ekinaka* in-station facilities and shopping centers. Through such patronage, we are able to gather various forms of data, such as mobility, consumption, and payments, which constitute assets specific to the Group. We will utilize this data to put into practice the market-in business strategy set out in our medium- to long-term business growth strategy, Beyond the Border.

To this end, in existing businesses, we will not only implement data marketing in the development of products and services such as *ekinaka* and advertising but also increase profitability by efficiently running our businesses using digital technology by generating business synergies with startups, primarily in Southeast Asia, through a corporate venture capital fund established in Singapore. Over the medium to long term, we will also enhance lifetime value through JRE POINT.

In terms of new businesses, we are working to establish JRE MALL and the *Hako-byun* railway parcel transportation service as businesses that are unique to the JR East Group and to differentiate them from the competition. In overseas businesses, we aim to enter transit-oriented development projects and will be taking on the challenge of operating commercial facilities in train station vicinities.

The External Environment

- The declining population and the establishment of a culture of online meetings and telecommuting are changing the way customers travel, as well as their consumption behavior.
- During the COVID-19 pandemic, digital technology advanced at an accelerated pace, and the size of the e-commerce and web advertising market expanded.
- The number of Japanophiles and consumption of Japanese products are on the rise overseas, and in the medium to long term, such consumption is also expected to increase in emerging markets.

KPIs

	FY2025 (YoY)	FY2028
Retail operating revenue	¥290.0 billion (+¥10.5 billion)	¥320.0 billion
Transportation advertising operating revenue	¥31.0 billion (+¥3.1 billion)	¥43.0 billion

Numerical Targets (Economic Value)

	FY2025 Earnings Forecast (YoY)	FY2028 Target
Operating revenues	¥387.0 billion (+¥7.3 billion, 101.9%)	¥654.0 billion
Operating income	¥61.0 billion (+¥6.9 billion, 112.9%)	¥80.0 billion
EBITDA	¥78.0 billion (+¥6.3 billion, 108.9%)	¥101.0 billion
ROA	15.2% (+0.7 pp)	17.9%
ROA (R = EBITDA)	19.6% (+0.3 pp)	22.6%

Creating a Vibrant Society

Addressing Social Issues through Our Business (Social Value)  
Contributing to Local Communities by Dispatching Instructors to Junior High School Club Activities

JR East Sports Co., Ltd. provides support for junior high school club activities. We have signed contracts with local government boards of education and dispatch instructors to junior high schools that need them for club activities.

Not only do we help alleviate the burden on teachers in club activities and address social issues such as a shortage of instructors, but we also help children experience the joy of athletics and cultural activities, cultivate their ability to think for themselves and take on challenges, and provide continuous, multifaceted instruction that encourages their human development. In this way, we are contributing to the creation of club activities that help satisfy the athletic and cultural desires of all children.



Retail Business

Growth Strategy

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

Additionally, we will lower the break-even point by utilizing station facilities and collaborating with station operations, establishing a model that can be implemented even in small trade areas. We will also work to reduce costs by taking advantage of the strength of having a logistics company within the Group to optimize the entire supply chain, as well as by configuring systems to streamline operations and make them more transparent.



**Hiroyuki Takeshima**  
Executive Officer  
Deputy Director  
General of Marketing  
Headquarters

Priority Initiatives

Expanding Profits through New Challenges

- In addition to opening stores in train stations, we will expand NewDays store openings to include locations just outside train stations.
- We will expand business for Multi-ecube, a multifunctional locker with four functions in one unit: reservation, deposit, receiving, and shipping. We aim to install 1,000 units by fiscal 2027 by utilizing JR East's network and through alliances with other companies.
- By working to expand the network, transportation volume, and services of *Hako-byun* and *Hako-byun* Quick, we will aim to promote the appeal of local products as well as help solve social issues such as Japan's 2024 logistics problem and the reduction of CO<sub>2</sub> emissions.



Upgrading Existing Businesses

- We will proactively renovate stores in the Tokyo metropolitan area that are expected to have particularly high profit margins.
- In JRE MALL operations, in addition to increasing the number of local governments that run hometown tax donation stores and offer original thank you gifts, we will develop highly original products that are unique to the JR East Group, such as launching the sale of tickets for the chance to experience railway work and for photo-shoot events.



Advertising and Publishing Business

Growth Strategy

We will promote collaboration and fusion in both the real and virtual realms in order to maximize the value of all media within the Group. While digital advertising continues to grow, transportation advertising has fallen sharply from its peak, making for severe market conditions. In response to these challenging conditions, we will adopt new technologies while advancing structural reform, establish original business models, and take on the challenge of increasing external cash inflow and improving the lifetime value of our customers.



**Ryoji Akaishi**  
President  
JR East Marketing & Communications, Inc.

Priority Initiatives

Improving Media Value

- With MASTRUM, an integrated out-of-home transportation and outdoor advertising marketplace, we will take measures to increase revenue such as through programmatic sales and global business development, in addition to making media more visible using proprietary data.
- Based on the Beyond Stations concept, we will proceed with the installation and development of new media at Shinjuku Station, Akihabara Station, Ueno Station, and other stations to make station spaces more immersive.
- We will revitalize train carriage media through TRAIN TV, which provides original TV-quality content.

Social Business

- We will engage in secretariat work for the Japan Tourism Agency's Project to Promote the Expansion and Improvement of Inbound Consumption by Providing Special Experiences, etc., and we will also aim to monetize regional revitalization and community invigoration projects in collaboration with local governments and local businesses.

Overseas Business

Growth Strategy

Leveraging our track record and experience in Japan, we will aim to establish a transit-oriented development business model, primarily in Asian countries such as Taiwan and Singapore. We will continue to contribute to greater convenience for railway users and the development of areas along railway lines overseas as well.



**Masayuki Sawato**  
Department Director of  
Lifestyle Creation &  
Community Vitalization  
Marketing  
Headquarters

Priority Initiatives

Establishing a Transit-Oriented Development Business Model

- We will aim to expand revenue from the station neighborhood commercial facility management business, including J's Gate Dining in Malaysia, which we took over in March 2024.
- We will consider participating in station building renovation and station area real estate development projects in Thailand, Indonesia, and other countries.

Collaborative Efforts with Local Communities Aimed at Overseas Japanophiles

- We will expand the Japan regional promotion contracting business by utilizing overseas business bases such as shopping centers, hotels, and fitness gyms that appeal to local Japanophiles.



Value Creation Success Stories

Hako-byun Train Parcel Transportation Service

Contributing to Regional Revitalization and Creating a Richer Life for People through the Commercialization of a Railway Parcel Transportation Service

Mari Ishikawa  
Assistant Manager  
Yokote/Omagari General Management Center  
Akita Branch  
East Japan Railway Company

In addition to running trains and providing customer information at JR East Akita Branch’s Omagari Station, we also work with local governments and other entities to promote tourism. We are working with the local community to promote the appeal of Akita Prefecture and are challenging ourselves to create new value via *Hako-byun*.

Advantages of Hako-byun over Other Means of Transportation

*Hako-byun* is a parcel transportation service that utilizes JR East Group trains and benefits from the speed of the Group’s railways, high-quality transportation, and wide-area network. This project was born from the idea of transporting fresh local products by Shinkansen to farmer’s markets held at terminal stations to promote the allure of the Eastern Japan area. We can provide high-added-value parcel transportation services by utilizing existing infrastructure, such as the space in the onboard sales preparation compartments of passenger Shinkansen and limited express trains. We see *Hako-byun* as a next-generation delivery service.

Most parcels are transported by truck and freight train, but trucks only carry cargo one way and are often empty on their return journeys. In contrast, since *Hako-byun* uses existing railway networks and train services, it avoids those shortcomings. Furthermore, I believe we can help address social issues in the logistics industry, such as driver shortages and environmental impact, by carrying both passengers and parcels on a mixed basis using railways, which are a mode of transport with a relatively low environmental impact.



Loading Japanese sake onto Shinkansen trains

Collaborating with Local Residents to Contribute to Regional Revitalization

One of the objectives of the JR East Group Management Vision “Move Up” 2027 is making regional areas more prosperous, and I believe that *Hako-byun*’s business contributes to the development of local communities. I also work at farmer’s markets selling Akita products at terminal stations in the Tokyo metropolitan area, and I receive particularly positive feedback on the high-added-value products shipped in that very same day, such as *Asatsume* and *Asashibori* (morning brewed) Japanese sake packed that morning and freshly picked vegetables. This has given me a strong sense of the added value that rapid transportation can bring to distribution. In addition, when making sales we also promote tourism by distributing pamphlets and merchandise and explaining local specialties. These activities are possible thanks to the involvement of not only JR East Group employees but also many local people in *Hako-byun* operations. We have been reaching out to various people in local communities to promote *Hako-byun* patronage. Although it has been a challenging business to provide a rail-based parcel transportation service, everyone has showed interest and listened to what we have to say. I believe this is due to the connection we have had through working together on tourism events to enliven the entire Akita prefecture. I also believe that these initiatives have been made possible thanks to the strong public trust that the JR East Group has built up over the years. Through this series of activities, we hope to directly convey the attractive aspects of Akita to the public, thereby encouraging people to visit and increasing the number of people with ties to and who interact with the region.



Selling Japanese sake at *nomono* Akihabara, select shop



Fresh products on sale at the *Sanchoku-Ichi* (farmers' markets) at Omiya Station

Using Teamwork to Overcome Difficulties

However, there are also challenges to overcome in actually running the business. These include loading items onto trains in a brief window of time while still allowing passengers to board and disembark, keeping train schedules in mind, and coordinating with train crew. Normally, the loading and unloading of *Hako-byun* trains is handled by staff from Group companies in charge of logistics, such as JR East Logistics Co., Ltd., but some stations, such as Omagari Station, which is under my jurisdiction, do not have any local Group company offices in the vicinity, so station employees are responsible for loading and unloading packages. To improve efficiency, all employees work together to create formations and conduct simulations. Working quickly with limited manpower is always a challenge, but we are seeing results from workplace reconfiguration through the integration of station and transport workplaces based on the Group’s efforts to deepen integration and collaboration. At Omagari Station, we are working in partnership with Yokote Station and our transportation department, as well as with train conductors and crew attendants. This is truly a cross-divisional effort.

We will continue to accelerate integration and collaboration in all aspects and deliver more attractive products by understanding customer needs through regularly scheduled delivery and market-ing, rather than mere one-off deliveries. We also aim to achieve mutual prosperity with local communities by utilizing local resources and developing new sales channels.



Transmitting train operation instructions to crew members

Working with Shippers to Promote Regional Allure

We conducted this reporting at Suzuki Brewing and Co., a partnership that brews and sells Japanese sake in Daisen City, Akita Prefecture. They use *Hako-byun* to transport sake, including the famous Hideyoshi brand, from Akita Prefecture to the Tokyo metropolitan area. Working in cooperation with the local community, we are promoting the allure of Akita Prefecture outside the prefecture.



Suzuki Brewing and Co. and employees of JR East Akita Branch



Overview of Hako-byun

*Hako-byun* is the name of our parcel transportation service that uses Shinkansen as well as conventional train lines. Fresh food, medical supplies, machinery, electronic parts, and other items entrusted to us by our customers are quickly delivered to their destinations with the punctual and reliable transportation that only railways can provide. Transportation by train is also attracting attention in terms of its low environmental impact.

Features

- 1) Speed  
Taking advantage of the speed of our Shinkansen and limited express trains, which can travel up to 320 km/h, it is now possible to take vegetables and fruit harvested in rural areas in the morning and deliver them to and sell them in Tokyo in the evening, making it possible to transport extremely fresh products with high added value.
- 2) High-Quality Transportation  
Shinkansen and limited express trains combine high speed with minimal vibration to transport many passengers in comfort. They also boast very high levels of punctuality. By ensuring this high level of transportation quality, they are able to flexibly respond to various customer needs, including precision instrument parts and medical supplies.
- 3) A Railway Network Spanning Far and Wide  
JR East’s Shinkansen network starts from Tokyo Station and spans the Hokkaido, Tohoku, Yamagata, Akita, Joetsu, and Hokuriku regions. Taking advantage of this network, we can meet a wide range of needs, such as transportation from outlying regions to the Tokyo area and back again.

Various Measures

We have implemented a range of measures since launching our Shinkansen parcel transportation service in 2017. We are constantly evolving and improving convenience by incorporating feedback from customers and those in the field.

High-Volume Transportation Using Passenger Compartments	Utilization of passenger compartments as well as onboard sales preparation compartments makes it possible to transport more goods.
Collaboration with JR Companies	Fresh products are transported from Shin-Hakodate Hokuto Station and Kanazawa Station in collaboration with JR Hokkaido and JR West. Furthermore, collaboration with other JR companies makes it possible to transport famous products from various regions.
Transportation of Products from the Tokyo Area to Regional Areas	Products otherwise limited to the Tokyo area are transported to regional cities on outbound trains. Products are sold at department stores and commercial facilities in regional cities.
Meeting Emergency Transportation Needs	We are expanding the number of stations that support <i>Hako-byun</i> Quick, which accepts parcels up to 30 minutes before departure and can be used by individual customers (parcels are accepted up to one hour before departure at Kanazawa Station).
Option to Travel Empty-Handed	We offer same-day baggage delivery services from regional stations to hotels in the Tokyo metropolitan area, and from regional hotels to Tokyo Station.
Meeting Needs at Intermediate Stations	Stoppage times at intermediate stations are coordinated to transport blood products and other medical supplies .

Current Issues and Future Developments

Expectations for *Hako-byun* are increasing due to factors such as a shortage of drivers and growing environmental awareness. It is good to have customer demand for the service but there are limits as to how much loading and unloading we can do at originating and terminal stations and to the amount of cargo that can be loaded onto trains. Going forward, we will implement various measures, mainly focusing on boosting transportation capacity, so that we can further increase custom. By connecting regions through people and products, we will promote regional revitalization and enrich peoples’ lives in ways that only the JR East Group can.



Real Estate & Hotels



**Harumi Nakagawa**  
Executive Director  
Director General of Marketing Headquarters

We will expand the scope of our railway network-linked development and real estate business and promote wider-area urban development. We also aim lifestyle development that creates new value by developing services that utilize the comprehensive strengths of the Group.

As a symbolic initiative, TAKANAWA GATEWAY CITY is scheduled to open in March 2025. Based on the concept of being an experimental site to create enriching lives for the next 100 years, the area will link Transportation services, Lifestyle services, and IT & Suica services to enhance the profitability of the entire Group.

In addition, we will work to enhance our profitability by carrying out innovation in our shopping center, office and hotel businesses, and dynamically deploying our residential business as part of our Beyond the Border medium- to long-term business growth strategy that creates travel objectives and destinations. In addition, in terms of our real estate business strategy, by leveraging the Real Estate Rotation and Real Estate Management businesses, we will use the Group's unique added value to achieve business growth in tandem with financial soundness for the segment as a whole.

In addition, in terms of regional revitalization, we will leverage the opening of new station buildings in Aomori, Niigata, and other areas as a catalyst for community invigoration, leading to increased population movement for those communities.

The External Environment

- In addition to the declining population, consumer behavior and workstyles are changing dramatically as the digitalization of socio-economic activities takes hold.
- In the real estate business, there are uncertainties such as rising construction costs, rising interest rates, and currency fluctuations.
- The number of foreign visitors to Japan in fiscal 2025 is expected to exceed the number before the COVID-19 pandemic, and we can expect a continued increase in inbound tourism.

KPIs

	FY2025 (YoY)	FY2028
Operating revenue for shopping centers, offices, and hotels	¥365.0 billion (+¥23.2 billion)	¥440.0 billion
Asset management scale in real estate fund business	Cumulative total: ¥300.0 billion (+¥68.8 billion)	Cumulative total: ¥400.0 billion

Numerical Targets (Economic Value)

	FY2025 Earnings Forecast (YoY)	FY2028 Targets
Operating revenues	¥429.0 billion (+¥23.1 billion, 105.7%)	¥507.0 billion
Operating income	¥101.0 billion (+¥0.8 billion, 100.8%)	¥124.0 billion
EBITDA	¥155.0 billion (+¥0.3 billion, 100.3%)	¥211.0 billion
ROA	4.8% (-0.5 pp)	4.4%
ROA (R = EBITDA)	7.3% (-0.8 pp)	7.5%

Creating a Vibrant Society

Addressing Social Issues through Our Business (Social Value)

JR Fruit Park Sendai Arahama, a Tourist Farm in a Quake Stricken Region

Sendai Terminal Building Co., Ltd. has developed the JR Fruit Park Sendai Arahama in the Arahama district of Sendai, which was damaged in the Great East Japan Earthquake and became the site of a mass relocation. The park is a tourist farm where visitors can pick seasonal fruit all year round.

This facility, which opened in March 2021 for the purposes of earthquake recovery, regional cooperation, agricultural promotion, and tourism, mainly cultivates fruit trees and ships produce to hotels and restaurants. In addition, it also conducts sales in the Tokyo metropolitan area using railway cargo transport.

While facing a mountain of challenges, including a lack of business successors and recovery from the Great East Japan Earthquake, the town is not only taking on agriculture, which is a primary industry, but is also working towards sixth-sector industrialization through collaboration with local businesses.



Real Estate Ownership and Utilization Business

Growth Strategy

The Tokyo metropolitan area, a city that was formed in the 1970s, is currently undergoing a period of renewal, and the JR East Group is also carrying out large-scale development, including around Shinjuku Station, under the name of the Tokyo Metropolis Project. In the real estate ownership and utilization business, we will achieve both financial soundness and business growth for the entire segment, by advancing development that delivers value enhancement over all station-centered areas and management that aims to reform business models constantly and create the kind of globally deliverable value and appeal that only the international city of Tokyo can provide, as well as by using a real estate business strategy integrated with the real estate turnover business.

Priority Initiatives

Large-Scale Development

- TAKANAWA GATEWAY CITY is scheduled to open in March 2025 as a large-scale development that aims to increase the value of the entire station-centered area and create globally deliverable value and appeal.
- We will steadily advance the Development of the Hiromachi area around Oimachi Station (tentative name), which is scheduled for completion at the end of fiscal 2026, development of the north-south passage on the west side of Nakano Station and new station building development, which is scheduled for 2026 (commercial facilities are yet to be decided), and other projects to strengthen the Group's earnings base.



Development of the Hiromachi area around Oimachi Station (tentative name)



North-south passage on the west side of Nakano Station

Shopping Center

- We will advance initiatives aimed at creating new shopping experiences, such as establishing trends, pursuing the appeal of real-world locations, and introducing new foreign brands to Japan.



CoCoLo Niigata

Office

- In addition to leasing office buildings such as TAKANAWA GATEWAY CITY as a new revenue base, we will strengthen relationships with existing tenants to ensure stable income.

Hotels

- We will aim to maximize profits by strengthening our hotel chain competitiveness and expanding our network and customer base.



The "Remoline" remote hospitality service



**Hiroyuki Takeshima**  
Executive Officer  
Deputy Director  
General of Marketing  
Headquarters

Real Estate Rotation Business

Growth Strategy

In income-making real estate sales, in addition to promoting development on Company-owned land and the sale of properties held, we will expand and develop new business models, such as acquiring, adding value to, and selling external real estate, and improve the functions for implementing these models. We will accelerate the for-sale homes business through external collaborations.

Priority Initiatives

Income-Making Real Estate Sales

- In addition to promoting the development of revenue-generating real estate on Company-owned land through external collaborations, we will acquire external real estate, mainly in the Tokyo area, and develop a new business model that aims to increase the value of our own properties. We will aim for an average annual sales scale from ¥20.0 billion to ¥30.0 billion.



Musashi Urawa Project

Housing Sales

- We will promote business development centered on joint sales with developers, such as the Funabashi Ichibacho Project (tentative name) with Tokyu Fudosan Holdings Corporation, with whom we have entered into a comprehensive partnership agreement.

Real Estate Management Business

Growth Strategy

We will work to increase the amount of assets managed by our real estate fund business in order to grow asset management fees, which is the core of the business. Additionally, by investing in real estate funds, we aim to generate profits in business fields where we have limited knowledge. Furthermore, to maximize value across the entire segment, we will aim to strengthen our competitive edge in the property management business, and aim to develop our own unique business by leveraging our location advantages through the development of services that leverage the Group's comprehensive strengths, including mobility.

Priority Initiatives

Expansion of the Real Estate Fund

- We will increase the amount of assets managed and grow revenue from asset management fees.
- We will work to acquire a wide range of profit-making opportunities through investment in real estate funds.

Leveraging the Group's Collective Strength

- Through mobility collaboration, we will develop unique services that leverage the Group's comprehensive strengths.



**Koichi Takagi**  
Executive Officer  
Department Director of  
Community Development  
Coordination Department  
Marketing Headquarters



**Koichi Takagi**  
Executive Officer  
Department Director of  
Community Development  
Coordination Department  
Marketing Headquarters



Value Creation Success Stories

TAKANAWA GATEWAY CITY

From TAKANAWA to the World:  
People-Focused Community  
Development

Motomura Hiyoku

Deputy Manager  
Community Development Coordination Department  
Marketing Headquarters  
East Japan Railway Company

TAKANAWA GATEWAY CITY is scheduled to open in March 2025. What JR East is trying to achieve with this city is gradually becoming clear. By co-creating with a variety of partners, we will provide the kind of value that only the JR East Group can create.

Leading Projects by Taking Advantage of Diverse Backgrounds

I joined the Company in 2006 and have been involved in the Shinagawa development project since 2016. I heard about this project when I was job-hunting. I was attracted by the large scale of the project and the unique possibilities for urban development, which is why I applied to join the Company. After joining the Company, I gained experience in store operations and tenant leasing in station buildings, as well as property management of land and areas under elevated railway tracks, and from 2016 I got involved in land readjustment projects and urban redevelopment projects in the Shinagawa area. I believe that I have had a rare career path for a JR East Group employee, learning about the practical aspects of startup investment at a venture capital firm in Silicon Valley for about a year and a half from April 2022, and studying business co-creation through collaboration with startups. I am currently in charge of creating a startup ecosystem in TAKANAWA GATEWAY CITY.

Community Development That Only the JR East Group, a Company with a Long History and a Trusted Brand, Can Achieve  
I believe that the key to the success of this ambitious project lies in the JR East Group's broad range of businesses and its trusted brand. The Group operates a wide variety of businesses, including offices, shopping centers, housing, and hotels, and one of its strengths is the large number of points of contact with customers. By linking our extensive customer contact points and the mobility data collected by

Suica with a variety of real-world and digital services, we hope to develop people-focused services that only we can provide. In addition, this project is made up of members with a variety of backgrounds, including many seconded from Group companies and some with experience as train crew. I believe that the ability to advance a project from such diverse perspectives is something unique to JR East.

Another strength is the reliability of our railway business, which is highly regarded not only in Japan but also around the world. I believe that the Group has a unique advantage in promoting community development thanks to the trusted brand that it has cultivated both domestically and internationally, including safe and clean stations and fast, punctual Shinkansen trains.

In the co-creation of the startup ecosystem that I am currently in charge of, I believe that the strengths of the Group have allowed us to attract a diverse range of partners, including companies and universities.



Aiming to Solve Global Social Issues

Takanawa is a place of innovation in that it was the first place in Japan where an embankment was built on the sea, over which Japan's first train run about 150 years ago. I believe we must carry on the legacy of the aspirations of our predecessors that led to the railway network we have today and work to make Takanawa a community that can help solve global social issues. As demonstrated by the development of generative AI, the creation and innovation of new businesses is accelerating around the world, meaning it is difficult for a company to create something new on its own. I think that going forward, it will be increasingly necessary for us to develop by building win-win relationships with our partners, rather than remaining self-contained within the Group. By creating people-focused lifestyles, which is a goal of "Move Up" 2027, and by co-creating networks with a diverse range of partners, TAKANAWA GATEWAY CITY will become an experimental site to create enriching lives for the next 100 years, a place where we will take on the challenge of innovating.

Opening Up New Possibilities through Community Development

Community development does not end with the opening of a new facility. We plan to set up a co-working space and incubation facility as a base for realizing a startup ecosystem, which I am responsible for. I would also like to work on developing the mechanisms necessary for establishing partners and communities to conduct pilot projects, and for co-creating with those partners. I believe it is our mission to use TAKANAWA GATEWAY CITY as a proving ground for enriched lifestyles, to generate various synergies, and to leverage the JR East brand value in developments cultivated through this project to expand further business opportunities both in Japan and overseas.

Furthermore, through this project, we hope to cultivate as many human resources as possible with the ability to create new businesses. It is my hope that we will use the knowledge we have gained from this project to cultivate human resources with the mindset for creating policies that will contribute to profit growth of the entire Group as well as creating new businesses.

Making Original Beer to Create a Place for People of All Generations to Interact

In community development, collaboration with the local community is important to us. At TAKANAWA HOP WAY, we brew beer using hops grown with the cooperation of Takanawa area residents of all generations to participate in community development.



Community members toast the completion of beer made with Takanawa hops

Overview of TAKANAWA GATEWAY CITY

As part of the Shinagawa Development Project, TAKANAWA GATEWAY CITY aims to create an experimental site to create enriching lives for the next 100 years under the concept of "Global Gateway."

Opening Schedule



	THE LINKPILLAR 1	THE LINKPILLAR 2	Center for Cultural Innovations (tentative name)	TAKANAWA GATEWAY CITY RESIDENCE
Total floor space:	Approx. 460,000 m <sup>2</sup>	Approx. 208,000 m <sup>2</sup>	Approx. 29,000 m <sup>2</sup>	Approx. 148,000 m <sup>2</sup>
Main uses:	Offices, hotels, commercial facilities, convention centers, business creation facilities, etc.	Offices, commercial facilities, fitness facilities, clinics, etc.	Exhibition spaces, halls, restaurants	Residential units, international schools, commercial facilities
Opening:	March 2025	In FY2026	In FY2026	In FY2026

Various Measures

With the opening of TAKANAWA GATEWAY CITY, we are implementing measures from a variety of perspectives, including environmental, social, and cultural.

Startup Ecosystem	A system that creates, develops, and supports social implementation of solutions to social issues around the world by providing opportunities for collaboration with diverse and cutting-edge knowledge, analysis by City OS, and various forms of financial support
Creation of Planetary Health	Based on a 100-year industry-academia collaboration agreement with the University of Tokyo, an initiative that aims to create lifestyles that strike a healthy balance between people, cities, and the earth
Achievement of a Decentralized Smart City	Development of the City OS <sup>*1</sup> data infrastructure in collaboration with KDDI Corporation
Establishment of Center for Cultural Innovations (tentative name)	A facility to present new cultural formats to the world and connect culture for 100 years to come
"53 Playable Park" Integrated with the Station and Community	A public realm <sup>*2</sup> of approximately four hectares, one of the largest in Tokyo, stretching from Takanawa Gateway Station to the plaza, featuring commercial stores, a biotope, and a botanical rooftop
Achievement of Net Zero CO <sub>2</sub> Emissions	Implementation of an environmentally leading, sustainable community development that uses electricity almost entirely from renewable energy sources and advancement of initiatives to utilize hydrogen for mobility and fuel cells, etc.
Achievement of a Circular Economy	Installation of the first built-in biogas facility in the eastern Japan area and use of Carbon Capture and Utilization (CCU) technology

<sup>\*1</sup> A data platform that collects and analyzes data on city facilities and the flow and movement of people in the city  
<sup>\*2</sup> Public realm: A spatial area that can be widely used and recognized by an unspecified number of members of the public, regardless of ownership

Future Outlook

To further develop TAKANAWA GATEWAY CITY as an experimental site to create enriching lives for the next 100 years I believe it is vital that we continue to co-create and generate synergies with a variety of partners and the local community. By providing a place where the people who gather in this community can take on new challenges and grow, the JR East Group will continue to create mechanisms that generate new innovations from the community and disseminate them to Japan and the world.



Others

Suica and Finance Business

The External Environment

- The advancement of DX, including the use of cloud computing and AI, is intensifying competition in digital and data businesses.

● 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 Suica 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. We will also expand the Suica economic zone by creating connections with various aspects of our customers' lives.

● Priority Initiatives

Transforming Suica

- We will provide seamless services by expanding Suica to the Nagano area and expanding regional collaboration IC cards.
- We will expand transportation e-money by continuing to promote its use and growing the number of participating stores.
- By introducing and deploying cloud-based ticket gate systems and integrating IDs with various digital services, we will evolve Suica

from a device for mobility to a device for lifestyle that is connected to various aspects of its customers' lives.

Credit Cards and Financial Services

- We will launch JRE BANK services to expand cash inflows in new markets.
- We will expand the use of ViewCard within the Group and increase external revenue by promoting their use in the market as well.

Leaping Ahead in Digital Business

- We will introduce a unified ID to improve customer experience (CX) for digital services.
- We will further expand the data business using real-time data.

KPIs

	FY2025 (YoY)	FY2028
IT & Suica business operating revenues	¥63.3 billion (+¥1.7 billion)	¥75.9 billion
Highest number of monthly transactions of Suica and other forms of e-money	325 million cases per month (+27 million cases)	600 million cases per month



**Akira Kogoi**  
Department Director  
Strategies &  
Business Platform  
Department  
Marketing  
Headquarters



Overseas Railway Business

The External Environment

- Demand for infrastructure remains strong, particularly in emerging countries in Asia.
- The international situation has become progressively unstable, with geopolitical risks and uncertainty of the global economy increasing.

● Growth Strategy

By taking advantage of its combined strengths in the mobility and lifestyle solutions fields, the JR East Group will deploy railway infrastructure systems that have high levels of quality and efficiency and provide 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.

● Priority Initiatives

Human Resource Development and Technological Capabilities Enhancement through Overseas Projects

- We will develop professionals through practical experience in areas such as project management, international standardization, commercial affairs, and new fields (DX, Transit-Oriented Development)

Business Development Leveraging the Group's Comprehensive Strengths

- For the India High-Speed Railway, we are working together with Japan International Consultants for Transportation Co., Ltd. (JIC) to support advancing the project.
- We are providing railway consulting services in countries such as Vietnam and Bangladesh (JIC) and technical support in Indonesia.

In addition to providing operation and maintenance (O&M) for Thailand's MRT Purple Line (local subsidiary JTT\*), we will also take on new engineering, procurement, and construction (EPC) projects, placing GATES,\*\* a Singaporean company dealing in track construction and maintenance, which became our Group company in 2023, as a foothold.

- We are implementing strategic international standardization activities to promote the overseas expansion of Japanese railway technology.

\*1 Japan Transportation Technology (Thailand) Co., Ltd.  
\*2 GATES PCM CONSTRUCTION LTD.



Personnel training in Japan for National High Speed Rail Corporation Limited



Dhaka MRT Line6 on-site training (JIC)

Sustainable Management of Overseas Railway Business

- We will operate a sustainable overseas railway business by achieving returns commensurate with risks.

KPIs

	FY2025 (YoY)	FY2028
Sales outside the Group (Cumulative total from FY2025 onwards)	¥10.7 billion (+¥500.0 million)	Cumulative total: ¥45.0 billion



**Shunzo Miyake**  
Senior Executive Officer  
Director General of  
International Affairs  
Headquarters

Energy Business

The External Environment

- While there are concerns about decreasing availability of land for development and soaring construction costs, deregulation of the electric power market is leading to diversification of the electric power market.
- Uncertainty over fuel prices calls for energy business strategies that include renewable energy.

● Growth Strategy

We will promote the development of renewable energy power plants using solar and wind power to achieve net zero CO<sub>2</sub> emissions for the Group.

● Priority Initiatives

Development of Renewable Energy

- We will increase the proportion of renewable energy in electricity consumption by means such as the development of wind power generation projects.
- We will participate in new businesses such as offshore wind power generation to make Zero Carbon Challenge 2050 a success and improve profitability.

KPIs

	FY2025 (YoY)	FY2028
Development of renewable energy sources	194,000 kW (+41,000 kW)	366,000 kW

Construction Business

The External Environment

- The cost of labor and materials is expected to rise, and there is a shortage of engineers. In addition, it is necessary to deal with Japan's "2024 logistics problem," following the adoption of the Work Style Reform Law.
- New mobility needs are expected to emerge due to increased inbound tourism and diversifying lifestyles.

● Growth Strategy

We will steadily advance projects that contribute to the growth of the Group, while promoting digital transformation and technological development with the aim of improving productivity. Furthermore, by utilizing the Group's technological capabilities, we will expand orders for design work and take on new business areas such as the project management and construction management (PMCM) business.\*

\* A business in which a company with technical capabilities in project research, design, construction, operation, and management provides support to other business operators (clients).

● Priority Initiatives

- We will make steady progress in the construction of the Haneda Airport Access Line (tentative name), station improvement projects in Shibuya, Shinagawa, and Shinjuku, among others, and productivity improvement through digital transformation.

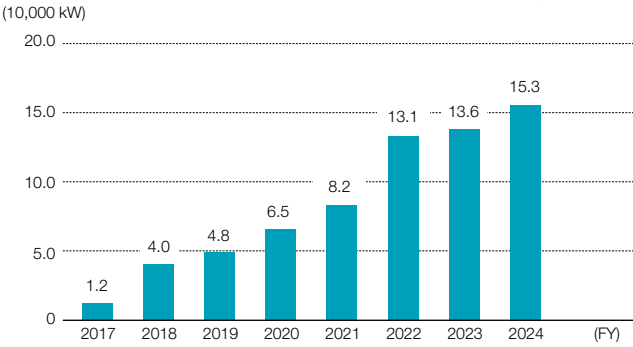
Segment Numerical Targets (Economic Value)

	FY2025 Earnings Forecast (YoY)	FY2028 Targets
Operating revenues	¥101.0 billion (+¥9.9 billion, 110.9%)	¥96.0 billion
Operating income	¥22.0 billion (+¥0 billion, 100.4%)	¥30.0 billion
EBITDA	¥54.0 billion (+¥0.2 billion, 100.6%)	¥63.0 billion
ROA	1.9% (+0 pp)	2.7%
ROA (R = EBITDA)	4.6% (-0.2 pp)	5.6%



**Takeo Iwamoto**  
Department Director  
of Energy Planning  
Department

Progress in Renewable Energy Source Development



Tomioka Revitalization Mega Solar Power Plant SAKURA, Fukushima Prefecture



Nishime-Nishinosawa Wind Power Plant, Akita Prefecture



**Makoto Saito**  
Executive Officer  
Department Director  
of Construction  
Department

- We will increase orders from outside the Group for design work and other services.
- We will make preparations for taking on new challenges in new fields such as the PMCM business.



Advancement of the Haneda Airport Access Line (tentative name)

KPIs

	FY2025 (YoY)	FY2028
Sales outside the Group	¥8.3 billion (+¥0 billion)	¥9.6 billion



Value Creation Success Stories



JRE BANK is the JR East Group’s first foray into the online banking services industry, but it is off to a strong start, having received more applications for accounts than expected. We took a look behind the scenes at this unprecedented challenge and the background to its success.

JRE Bank’s Unique Features as Compared with Other Banks

Viewcard Co., Ltd. is operating JRE BANK as a banking agent. We are responsible for financial services of the JR East Group and are engaged in payment and finance businesses, primarily the credit card business. I joined the project before the JRE BANK department was established, and I am currently in charge of configuring operations. This was the first attempt by JR East Group to enter the online banking service market, so we faced many challenges in creating an unprecedented new business from scratch, but we successfully launched the service in May 2024.

Under the concept of “bringing experience to one’s life,” JRE BANK not only provides value to customers by helping them increase their assets in the manner of general financial institutions but also utilizes the JR East Group’s business fields to offer benefits to customers who deposit financial assets.

Through JRE BANK, we aim to improve convenience for our customers and help them live enriched lives.

Why the JR East Group Decided to Expand into the Banking Industry

The customers who use the JR East Group’s services, although mostly in eastern Japan, are located all over the country. We are undertaking a variety of initiatives to build and deepen long-term engagement with our customers. Compared to credit cards, banking services are used by a wider range of people, from children to the elderly. For this reason, we have established the JRE BANK business with the aim of building and strengthening long-term, deep engagement in conjunction with Suica.

The service benefits offered by typical banks are often financial, such as deposit interest rates and transfer fees, but in addition to these, JRE BANK offers a wide range of benefits unique to the JR East Group. For example, benefits include discount coupons offering a 40% discount on one-way fares for Shinkansen and other JR East line trains, as well as special offers and discounts at participating JR East hotels. Not only do these measures have direct benefits for customers, but they also help expand and increase points of contact with the Group, starting with banking services.

The JR East Group’s growth has been led by its railway business, but rather than customers actively choosing us because of the services and products we offer, they use our services without thinking, simply treating them as a daily means of transportation, and we recognize this gap as a challenge. Therefore, starting with JRE BANK, which offers unique special benefits, convenience, and other high added value from the JR East Group, we aim to penetrate the various services of the JR East Group into everyday life to help increase engagement with the Group. In addition to instilling a keener awareness among customers of their use of the Group’s services, we will position JRE BANK as a gateway for learning about the wide range of services offered by the Group, and we will create opportunities for customers to use the Group’s services in addition to railways, such as shopping at station buildings or staying at hotels. By attracting more customers, we will create a virtuous cycle that will lead to growth for the Group.

Helping Enrich Life for All Our Customers through JRE BANK Benefits

When considering what kind of benefits we could provide to our customers by launching JRE BANK, we initially thought that our customers would probably most appreciate cash-equivalent benefits, such as rewards points redemption and fee discounts. Ultimately, though, we decided to promote benefits based on the JR East Group’s services as the primary benefits, as these benefits truly demonstrate the Group’s collective strengths. And it turned out to be a hit! We are delighted that our customers have found high added value in benefits that utilize the products and services we provide, and that they have been so pleased with them. These benefits give our customers a greater range of choices in life. Such choices might include an opportunity for customers to visit their hometowns, to travel, or to enjoy a luxurious dinner at a hotel on their birthday, and we believe that these experiences can help enrich life for our customers, their families, and those around them.

I also believe that the reason we have received so many applications to open accounts, despite being newcomers to the market, is due to the JR East Group’s trusted brand. I believe that our customers entrust their valuable assets to us because they can see the financial services we provide as being safe, based on the trust we have earned from our customers through the repeated operation of safe and secure railways every day.

Developing JRE BANK into a Pillar That Supports JRE POINT Lifestyle Zone

JRE BANK has been extremely well received, with applications exceeding initial plans. For the time being, we will continue to stabilize our foundation so that we can meet such high demand. To ensure that our valued customers continue to use JRE BANK over the long term, we will thoroughly inform them of the qualifications for receiving benefits and continue to create services that please them. In addition, we will consider new measures as may be required to further spread the word about JRE BANK and obtain more accounts.

In the medium to long term, we would like to develop JRE BANK into a pillar that uses financial services to support the expansion of the scope of JRE POINT. With the launch of JRE BANK, the payment methods offered by the Group now include the option of immediate payment by debit card, in addition to prepaid Suica and postpaid credit cards. This will enable us to meet the diverse needs of our customers. We will continue to increase engagement between our customers and the Group, leading to growth for the JR East Group.

Overview of JRE BANK

JRE BANK is a digital financial service provided by JR East and Viewcard Co., Ltd.\* It provides services such as deposits and home mortgage loans through dedicated accounts, and offers many benefits related to the JR East Group. It uses financial services to encourage customer engagement with various businesses, leading to increased use of the services of each Group company.

\* Viewcard Co., Ltd. acts as an intermediary for the conclusion of various contracts as a bank agent with Rakuten Bank Ltd. as its affiliated bank.

Features

JRE BANK offers a wide range of services and products to meet the diverse needs of the JR East Group’s customers.



- 1) Customers can obtain various benefits that utilize the Group’s business areas.
- 2) Customers can use banking services with a single app.

Benefits Based on Usage

By offering special benefits that take advantage of the JR East Group’s business fields, we aim to help all our customers enrich their daily lives. For example, we offer the following rail benefits, providing opportunities for customers to use train services at a discount for travel and daily transportation.

<b>JRE BANK Discount Coupon (40% off)</b>	One coupon offers a 40% discount on one-way fares and fares on lines operated by JR East. (Twice a year, if qualified maximum of 10 coupons per year)
<b>Dokokani Byuun! 2,000-points discount coupon</b>	Dokokani Byuun! offered at 2,000 points off the regular 6,000 points (Four times a year, maximum of 12 coupons per year)
<b>(Mobile Suica only) Suica Green Ticket</b>	Offer of Suica Green Tickets, for riding in the Green Car (first-class) of standard trains free of charge. (Four times a year, maximum of four coupons per year)

Further details about JRE Bank benefits are available at the following link (Japanese only):  
<https://www.jrebank.jp/top/>

Future Developments

In June 2024, we formulated a new medium- to long-term business growth strategy called Beyond the Border, and announced an initiative to build a new digital platform through the evolution of Suica. We plan to create a Suica app (tentative name) and expand the Suica economic zone, in which JRE BANK will play a major role. By utilizing financial and payment information through JRE Bank as well as rail travel data in our marketing strategies and service development, we aim to provide customers with one-to-one, highly convenient services, and achieve synergy through integration and collaboration across Mobility and Lifestyle Solutions.



Human Resource Strategies



Ryosuke Iguchi  
Executive Officer  
In charge of Work & Welfare Strategies  
Department

Realizing Business Management Based on the Two Pillars of Mobility and Lifestyle Solutions through the Development of Diverse Personnel Who Proactively Transform Operations and Expand Business Frontiers

The capabilities of each employee drive the JR East Group’s growth. We are advancing various initiatives that respond to the diverse ambitions and initiatives of our employees and encourage their growth. JR East’s basic human resource strategy is to create new engagement between employees and the Company and to expand a virtuous cycle in which employees achieve self-development by taking on new challenges and their resulting personal growth spurs the Group’s growth. Specifically, we have positioned human resource strategy as one of the key strategies for achieving “Move Up” 2027. Accordingly, in Mobility we aim to realize a highly productive workstyle that allows employees to demonstrate creativity and ingenuity in frontline offices. At the same time, we aim to concentrate human capital in priority growth areas. In these ways, we will realize business management based on the two pillars of Mobility and Lifestyle Solutions.

In “Move Up” 2027, we call on all employees to play important roles. To this end, we have been taking measures that enable employees to experience a sense of accomplishment and fulfillment through their work and to feel a sense of job satisfaction. Further, JR East promotes diversity, equity, and inclusion (DE&I) management based on the belief that the Company’s growth will be driven through the contribution to operations of a diverse workforce with a greater diversity of values. In addition, we will conduct flexible, person-centered human resource management, and we will create growth opportunities tailored to each individual so that a diverse range of personnel can play active roles. Through these efforts, our goal is to simultaneously achieve job satisfaction enhancement and productivity enhancement at an even higher level.

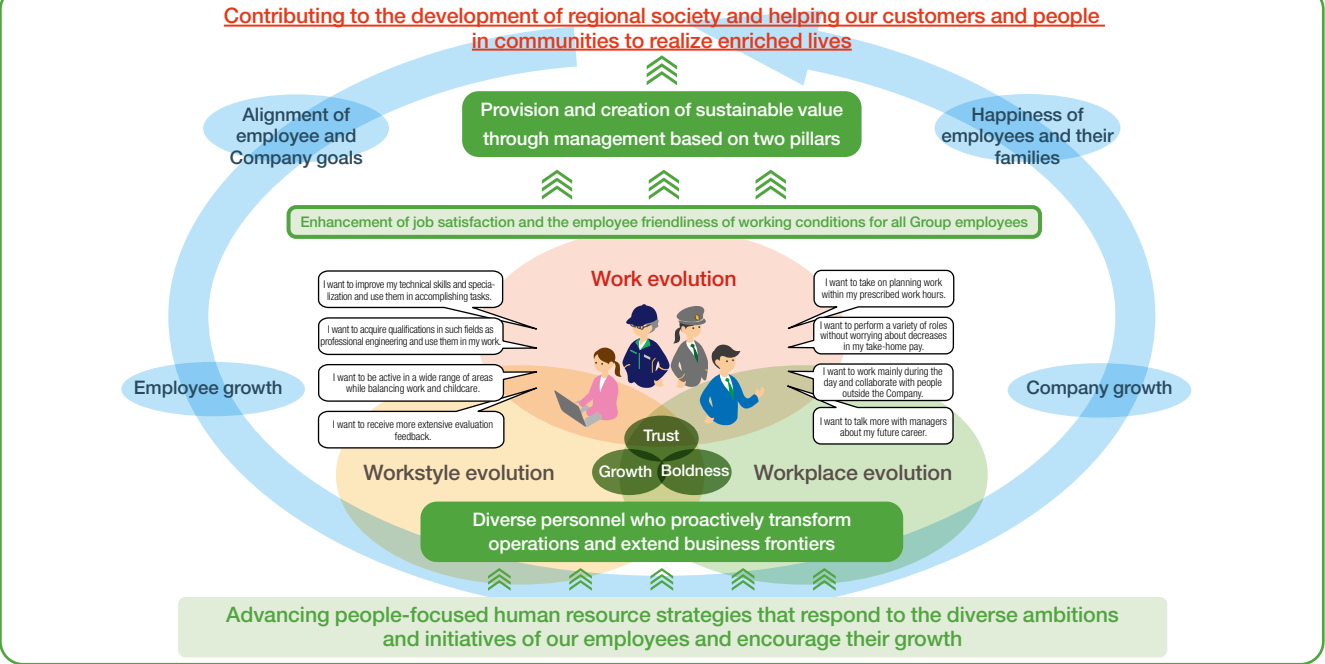
Human Resource Strategies for Realizing Our Vision

Thus far, we have implemented a variety of human resource measures aimed at realizing “Move Up” 2027. In addition to introducing flexible workstyles, these measures have expanded employees’ work fields by delegating authority and transferring operations to frontline offices. JR East will continue to create job satisfaction by viewing all Group employees as taking leading roles and continue to heighten the value of the Company’s human capital. Further, the Company will link these improvements to the sustained growth of employees and the Group. We are also examining new human resource strategies that will enable employees to fully demonstrate their technical skills and specializations. With diversity, flexibility, and growth as our watchwords, we aim to enhance job satisfaction and the employee friendliness of working conditions.

By advancing a range of measures that encourage employees to take on new challenges, JR East will respond to the growth aspirations of each employee and create new engagement between employees and the Company.



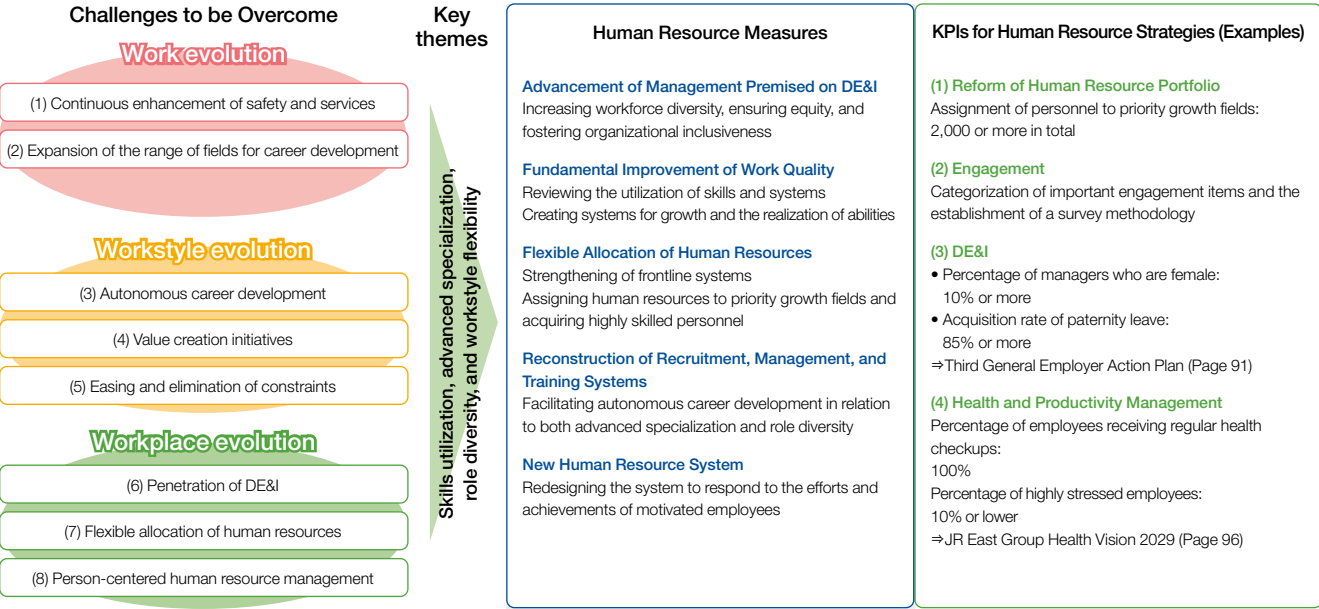
New Engagement between Employees and the Company



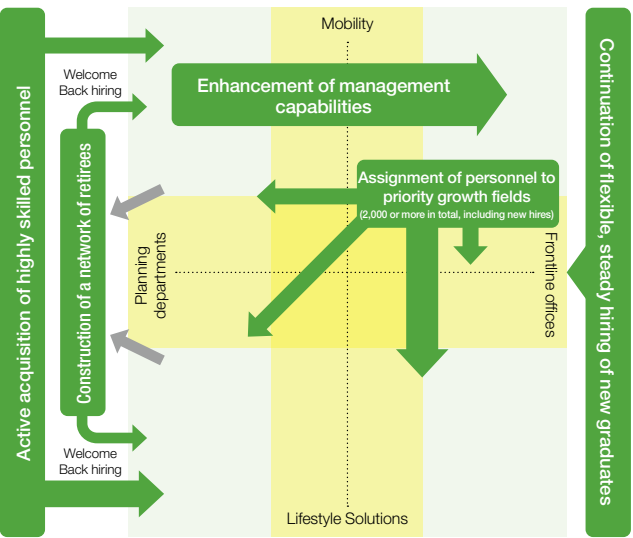
Measures to Overcome Human Resource Challenges

JR East has identified eight challenges that it must overcome in relation to the evolution of work, workstyles, and workplaces in order to reflect changes in the relationship between employees and the Company, create new engagement between employees and the Company, and forge ahead with management strategies.

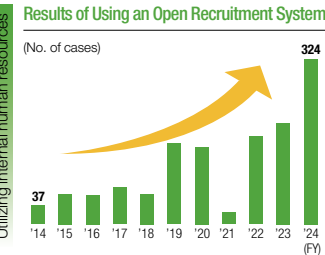
We will promote five human resource measures aimed at overcoming the eight challenges. In these efforts, the key themes will be skills utilization, advanced specialization, role diversity, and workstyle flexibility.



(1) Transformation of Human Resource Portfolio



Assignment of personnel to priority growth fields  
Fiscal 2028 target: 2,000 or more in total



Launch of Job Specific Personnel Management  
With the aim of powerfully advancing businesses in priority growth fields, in fiscal 2025 we began job specific personnel management that is limited to those working in designated business fields.

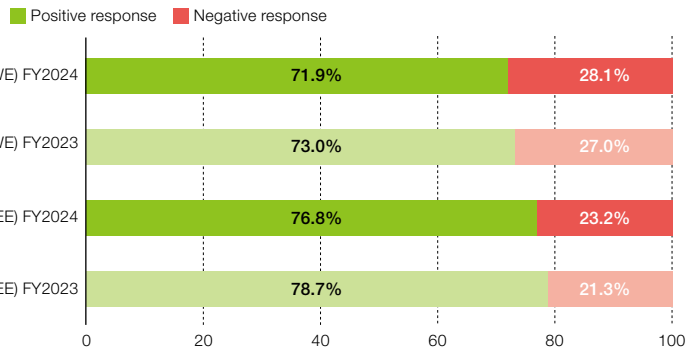
Stepped-Up Hiring of Experienced Personnel  
We will actively and flexibly hire highly specialized personnel by introducing year-round hiring and diversifying our recruitment channels. We are also implementing Welcome Back hiring, whereby personnel who left us to advance their careers are encouraged to return to our organization.

(2) Engagement

JR East conducts engagement surveys covering all of its employees. Fiscal 2024 survey results showed slight year-on-year decreases in the percentages of positive responses for both work engagement (WE)\*1 and employee engagement (EE).\*\*2 Beginning from fiscal 2025, we will enhance items throughout the survey to gain a more multifaceted understanding of engagement, and we will appropriately reflect our findings in human resource policies.

\*1 A mindset that takes a proactive approach work  
\*\*2 An unprompted eagerness to contribute to the organization

Work and Employee Engagement





Digital Transformation and Intellectual Property Strategies



**Katsumi Ise**  
Executive Vice President  
Director General of Innovation Strategy  
Headquarters

Creating Value through Digital Transformation

The use of digital technologies such as generative AI is spreading rapidly throughout society. To further promote in-house digital transformation, the JR East Group must decisively advance data utilization and human resource development. Our Digital & Data Innovation Center and “Key in-house promoters of digital transformation, DX pros” will lead efforts to enhance digital technology skills and foster a corporate culture that embraces new digital technologies. In addition, with an emphasis on strengthening data and AI governance, we will create an environment that enables the appropriate use of data and generative AI.

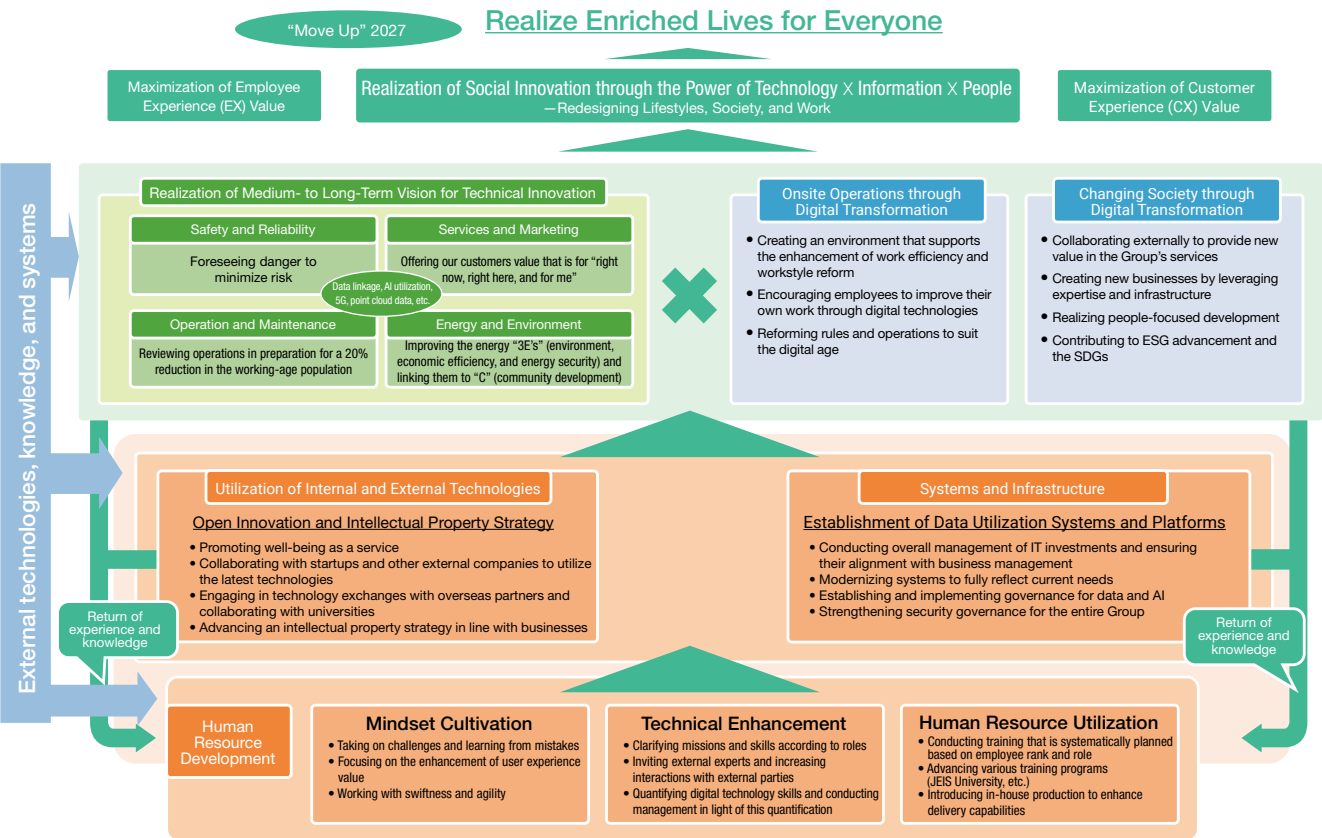
We will modernize systems to create a platform that supports businesses and adapts as they change. More specifically, by applying the latest technologies and architecture to preexisting systems that were created and optimized in isolation, the Group will build a new systems architecture that enables overall optimization.

In research and development, the Group will pursue forward-looking innovations to address the management and frontline issues that it faces, such as a declining working-age population, energy and environmental issues, and countermeasures for increasingly severe natural disasters.

To ensure that the abovementioned innovations generate revenues, we must remain mindful of intellectual property. By pursuing collaborations based on open innovation with external parties while appropriately managing our intellectual properties, we will increase the pace of new value creation and operational reform and enhance corporate value.

Setting Out a Medium- to Long-Term Vision

With a view to value creation through digital transformation, 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 advanced digital literacy, 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 provide customers with new value and enhance work efficiency to realize enriched lives for everyone.



\* For details on the JR East Group's innovations, please see pages 89–90.

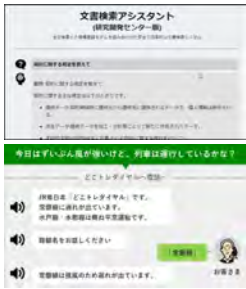
Establishment of the Digital & Data Innovation Center

October 2023 saw the opening of the center, which has as its mission maximizing the value of digital technology and data and delivering this value to everyone. We are advancing agile development and promoting the governance and utilization of data and AI.



Examples of Achievements

- (1) Development and introduction of generative AI document search system, which uses a chat format to respond to inquiries about in-house documents
- (2) Development and trial of interactive voice response information service *Dokotore Dial*, which does not require dedicated equipment or personnel.



Intellectual Property Strategy

Philosophy and Policies of Intellectual Property Activities

**Philosophy**  
For the JR East Group, intellectual properties are important intangible assets. In accordance with the JR East Group Philosophy, we manage them appropriately and on an integrated Groupwide basis and advance intellectual property activities that create value in the form of trust and enrichment.

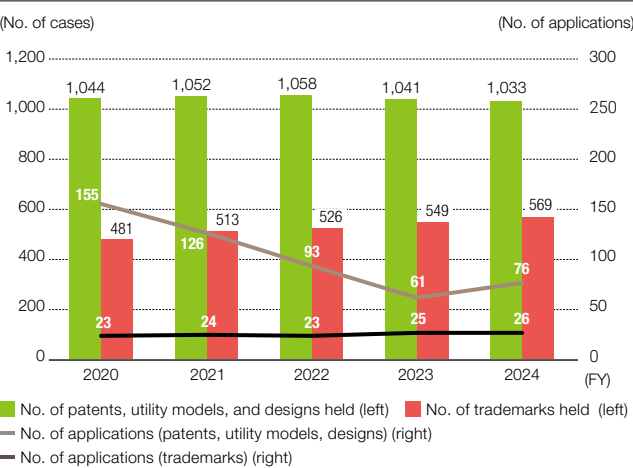
**Policies**

- We will implement intellectual property activities that support the utilization of information (data), technologies, and brands in initiatives aimed at enhancing the power of our network and which thereby enable innovation and the offering of new lifestyles to our customers.
- We will earn the trust of all stakeholders, local communities, and the international community by respecting the intellectual properties (intangible assets) of third parties.

Intellectual Property Management Structure

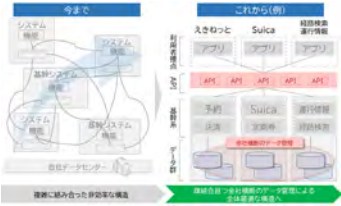
The Intellectual Property Center of the R&D Unit, Innovation Strategy Headquarters, which manages patents, designs, and technical information, and the Legal Division of the Corporate & Legal Strategies Department, which manages trademarks and copyrights, work together to acquire and utilize intellectual 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



System Modernization Initiative

There are approximately 2,000 systems in operation at the JR East Group. The architecture of these systems has become large and complex due to the cumulative effect of incremental modifications carried out over many years. Using the latest technologies and architecture, we have begun changing over to a systems architecture that enables overall optimization. We will be able to adapt this new platform as our businesses change.



Personnel from business operations, systems operations, and Group companies will work together and hold a series of discussions on keeping business management and IT integrated as the systems architecture is gradually renovated to make it more agile and flexible.

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 through the acquisition of patent rights and trademarks, and the development of personnel with expertise in intellectual property matters.

With respect to education and training on intellectual property, in accordance with the philosophy described on the left we conduct regular training sessions to ensure that all employees are aware of the proper handling of intellectual properties and to improve intellectual property literacy so that employees are cognizant of intellectual properties while working.

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. Examples of intellectual property rights that JR East has acquired in the process of building portfolios are given below.

Examples of Intellectual Property Acquisition

- Exterior appearance of Series E8 Shinkansen railcars  
Design registration No. 1676404
- TAKANAWA GATEWAY CITY logo  
Trademark registration No. 6777709



In this way, we protect our business activities by actively acquiring intellectual property rights related to our businesses. As we develop intellectual properties, we will remain committed to helping our customers and people in communities realize enriched lives.



Sub-Materiality and Goals That Comprise the JR East Group's Materiality

We are working toward goals based on our materiality and sub-materiality. The following table shows our specific numerical targets as well as our fiscal 2024 results.

Materiality	Sub-Materiality	Goals	KPIs	FY2028 Targets	FY2024 Results	Relationship with Corporate Value			
Providing Society with Safe, Reliable Infrastructure	—	Provision of safe, reliable transportation, products, and services	<ul style="list-style-type: none"><li>• Railway accidents</li><li>• Passenger injuries on platforms</li><li>• Railway accidents attributable to the JR East Group</li><li>• Serious incidents</li></ul> Transportation disruptions due to internal causes <ul style="list-style-type: none"><li>• Conventional lines within 100 km of Tokyo</li><li>• JR East Shinkansen</li></ul> <ul style="list-style-type: none"><li>• Total delay time due to internal causes, conventional lines within 100 km of Tokyo</li><li>• Countermeasures for major earthquakes (seismic reinforcement): Rigid-frame viaduct abutments (subject to ministerial ordinances, etc.)</li><li>• Railway stations and tracks with automatic platform gates</li></ul>	20% reduction (compared with fiscal 2024)* <sup>1</sup> 50% reduction (compared with fiscal 2024)* <sup>1</sup> 0 0  55% reduction (compared with fiscal 2019) 75% reduction (compared with fiscal 2019) 70% reduction (compared with fiscal 2019)  Shinkansen...100%* <sup>3</sup> Conventional lines...100%  330 railway stations, 758 tracks* <sup>4</sup>	(1% increase) (compared with fiscal2019) * <sup>2</sup> (17% reduction) (compared with fiscal2019) * <sup>2</sup> 4 0  8% reduction 31% reduction 16% increase  Shinkansen...38% Conventional lines...21%  117 railway stations, 233 tracks	<div>Social value</div> <div>The facilitation of safe, secure daily life will heighten trust in the Group, which is the foundation of its growth, and enhance its brand power, thereby strengthening the revenue base.</div> <div>Economic value</div> <div>The provision of safe and reliable transportation, products, and services will enhance revenues and profits.</div>			
		Creating a Vibrant Society	Regional Revitalization	Growth in the number of people engaging with eastern Japan Promotion of regional economic revitalization	<ul style="list-style-type: none"><li>• Collaborative initiatives with local communities to increase tourism and revitalize regions</li></ul>	150 in total* <sup>5</sup>	31 in total	<div>Social value</div> <div>The enrichment of regions will strengthen the relationship of trust between the Group and regions and enhance its brand power, thereby strengthening the revenue base.</div> <div>Economic value</div> <div>The invigoration of the economies of line-side areas and an increase in the number of customers who trust and use the Group's services will heighten revenues.</div>	
			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	<ul style="list-style-type: none"><li>• No. of JRE POINT reward program members</li><li>• No. of transactions on the MaaS platform, Mobility Linkage Platform, provided by JR East</li></ul> In Tokyo metropolitan urban development projects led by JR East: <ul style="list-style-type: none"><li>• Introduction of energy sources with advanced environmental performance</li><li>• Establishment of facilities to accommodate people unable to return home at times of disruption/disaster</li><li>• Establishment of town management promotion systems</li><li>• Establishment of systems to utilize road spaces</li></ul>	30 million 100 million per month  100%* 100%*  100%* 50%*	15.01 million 49.89 million per month  Construction underway as part of the opening of TAKANAWA GATEWAY CITY and Development of the Hiromachi Area around Oimachi Station		
				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	<ul style="list-style-type: none"><li>• Rate of obtaining "Care-Fitter" Certifications</li><li>• No. of exchanges involving people with disabilities</li><li>• No. of parasports events</li></ul>	50% 100 or more per year  At least once a year at each regional organization (two headquarters and 10 branch offices) and head office*	44.3% 77 per year  1 per organization*	
					Enriching the Global Environment	Carbon Neutrality	Zero Carbon Challenge 2050 Utilization of diverse energy	<ul style="list-style-type: none"><li>• CO<sub>2</sub> emissions (for all JR East Group companies)</li><li>• Acquisition of renewable energy-based power sources</li></ul>	50% reduction* <sup>6</sup> (compared with fiscal 2014) 700,000 kW* <sup>6</sup>
			Circular Economy	Promotion of the 3Rs	<ul style="list-style-type: none"><li>• Recycling rate for waste (PET bottles) generated at stations and on trains</li><li>• Recycling rate for waste (general/industrial) (for all Group companies)</li></ul>	100%* <sup>8</sup> 73%* <sup>8</sup> (compared with fiscal 2014)	98% 74%		
			Nature Positivity	Preservation of biodiversity	<ul style="list-style-type: none"><li>• Analysis and disclosure of nature-related risks and opportunities based on the Taskforce for Nature-related Disclosures (TNFD) recommendations</li></ul>	—	—		
Providing Society with Innovative Technologies and Services	Technology Innovation	Provision of operational management solutions and realization of social innovation through continuous technology innovation based on utilizing external technologies and digital transformation	<ul style="list-style-type: none"><li>• No. of patents, etc. applications related to digital transformation and services</li></ul>	175 in total* <sup>7</sup>	(34)	<div>Social value</div> <div>The creation of new lifestyles will enrich the day-to-day lives of our customers.</div> <div>Economic value</div> <div>Technological innovation-based increases in added value, the creation of new business fields, and the reduction of operational costs through better work efficiency will enhance revenues and profits.</div>			
		Development and empowerment of employees with digital technology skills	<ul style="list-style-type: none"><li>• No. of newly trained employees with digital technology skills</li></ul>	30,000 in total* <sup>5</sup>	6,180 in total				
	New Fields	Provision of new services and proposal of new lifestyles	<ul style="list-style-type: none"><li>• Solving social issues and increasing profits through open innovation</li></ul>	20 in total* <sup>7</sup>	(2)				
Increasing the Engagement of All Group Employees	Promotion of Diversity, Equity, and Inclusion (DE&I)	Empowerment of diverse personnel	<ul style="list-style-type: none"><li>• Percentage of female managers</li><li>• Percentage of female directors</li><li>• Percentage of managers hired as experienced personnel</li><li>• Percentage of employees with disabilities</li><li>• Establishment of facilities suitable for diverse personnel (LGBTQ, etc.) (at the time of new construction or major renovations)</li></ul>	10%* 30%* 20%* 2.70%* 100%*	7.8%* 20%* 19.9%* 2.69%* 100%*	<div>Social value</div> <div>The sense of accomplishment and fulfillment that employees gain from work will increase employee engagement and employee retention, which together with realizing the overall potential of our human capital will sustain the enhancement of corporate value.</div> <div>Economic value</div> <div>The evolution of work, workstyles, and workplaces will heighten productivity.</div>			
			Human Resource Development	Cultivation of innovation-oriented thinking and diverse career development	<ul style="list-style-type: none"><li>• No. of participants in self-development courses on new value creation</li></ul>	25,000 in total* <sup>5</sup> *	5,169 in total*		
				Expansion of fields of activity	<ul style="list-style-type: none"><li>• Assignment of personnel to key growth fields</li></ul>	2,000 or more in total* <sup>5</sup>	408 in total		
			Health and Productivity Management	Promotion of employee health	<ul style="list-style-type: none"><li>• Percentage of employees receiving regular health checkups</li><li>• Percentage of employees receiving stress checks</li></ul>	100%* <sup>8</sup> 95% or more* <sup>8</sup>	99.9%* 91.2%*		
					Occupational Safety	Accident-free, safe workplaces	<ul style="list-style-type: none"><li>• Fatal employee accidents (including Group companies, partner companies, and affiliated companies)</li></ul>	0* <sup>1</sup>	2
			Improving Confidence in Management	Internal Control That Promotes the Undertaking of Bold Challenges	Risk management that supports ambitious new initiatives Ensuring stable, appropriate operational management				<div>Social value</div> <div>The establishment of an internal control system and Groupwide respect for human rights will avoid business management-related risks no matter how the business environment changes and build a robust business management structure that sustains growth, thereby enhancing trust in our business management.</div> <div>Economic value</div> <div>The establishment of an internal control system and Groupwide respect for human rights will reduce the risk of damage to our corporate value.</div>
	Business management in compliance with laws and regulations and corporate ethics, and ensuring information security	<ul style="list-style-type: none"><li>• Implementation percentage for compliance and information security training sessions</li></ul>			100%	100%			
	Respect for Human Rights	Instilling of respect for human rights Sustainable procurement		<ul style="list-style-type: none"><li>• Implementation percentage for seminars on human rights</li><li>• Penetration of initiatives related to human rights, the environment, and other issues into major suppliers (supply chain penetration percentage)</li></ul>	100% 100%*	100% 66.7%*			

\*1 Targets for fiscal 2029    \*2 Preliminary figures    \*3 Targets for fiscal 2026    \*4 Target for approximately fiscal 2032    \*5 Cumulative targets from fiscal 2024 onward  
\*6 Targets for fiscal 2031    \*7 Cumulative targets from fiscal 2025 onward    \*8 Targets for fiscal 2030

**Revision of Certain KPIs**  
With the formulation of the Group Safety Plan 2028 and the JR East Group Health Vision 2029, target fiscal years have been moved back and the scope of coverage has been changed to include the entire Group. In addition, we have revised certain KPIs to make expressions and indicators easier to understand.

★ Indicates stand-alone figures for JR East.  
Figures in parentheses in the fiscal 2024 results are the reference figures of new targets.



# Providing Society with Safe, Reliable Infrastructure

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



**Fundamental Concept**  
Since the establishment of JR East, safety has been the top 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

**Goal**

- Provision of safe, reliable transportation, products, and services

**Policy**

Based on the JRE Group Safety Plan 2028, we will further strengthen the safety foundation we have built so far, implement anticipatory safety initiatives, and pursue ultimate safety.

KPIs (Numerical Targets for FY2029)		FY2024 Results
Railway accidents attributable to the JR East Group	0	4
Serious incidents	0	0
Railway accidents	20% reduction (compared with fiscal 2024)	1% increase (compared with fiscal2019)*
Passenger injuries on platforms	50% reduction (compared with fiscal 2024)	17% reduction (compared with fiscal2019)*

\* Preliminary figures

## The Guiding Principles of Safety

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

安全綱領

一 安全は輸送業務の最大の使命である。  
二 安全の確保は、規程の遵守及び  
業務の厳正から始まり、  
不断の修練によって築きあげられる。  
三 確認の動作と連絡の徹底は、  
安全の確保に最も大切である。  
四 安全の確保のためには、職責をこま  
一 致協力しなければならぬ。  
五 疑わしきときはあわてず自ら考え  
最も安全と認められるものを  
採らなければならない。

- The Guiding Principles of Safety
- Maintaining safety in transport is our top priority.
  - Safety is ensured and achieved through the dutiful and proper observance of established rules and procedures.
  - Safety is ensured by understanding the importance of thorough confirmation and communication.
  - Safety is ensured through mutual cooperation and going beyond one's official responsibility when necessary.
  - When in doubt, the safest course of action should be taken after thorough and calm consideration of the available options, basing our decisions on the situation at hand.

## Group Safety Plan

JR East has historically implemented a series of five-year safety plans. In November 2023, we formulated our new Group Safety Plan 2028, which is our eighth safety plan.

**Group Safety Plan 2023**

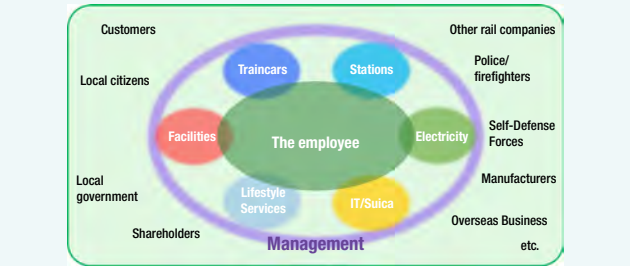
Under the themes of “Evolution” and “Move Up,” we developed a variety of initiatives centered on each individual’s “safe behavior.” Countermeasures from both tangible and intangible perspectives and the unrelenting efforts of the entire Group led to steady improvements in safety.

**Three Pillars of Group Safety Plan 2023**

- Evolution and enhancement of each person’s safety actions
- Evolution and enhancement of safety management
  - Training personnel to respond to environmental changes
  - Detecting new risks and moving up rules and systems
  - Further evolution of our safety culture
- Maintenance of safety equipment by actively utilizing new technologies

Formulation of Group Safety Plan 2028 to further solidify the safety foundation we have built and “reach for safety”

**Group Safety Plan 2028**  
In order to respond appropriately to changes in the environment surrounding the JR East Group, we have adopted the theme of “Taking the nature of railway work to heart, imagine the unexpected, reach for safety!” We will further strengthen our cooperation with everyone involved in the JR East Group, remembering that safety is created by all of these people.



## Group Safety Plan

### Overview of Group Safety Plan 2028

The environment surrounding the JR East Group is in a state of great upheaval, with technological innovation, population decline, changes in lifestyles following the COVID-19 pandemic, and increasingly intense and frequent natural events. In order to eliminate the potential for previously unimagined accidents and incidents, it is necessary for us to respond appropriately to these changes. Group Safety Plan 2028 identifies four key areas to focus on over the next five years, and we will proceed with specific initiatives accordingly.

**Our Changing Circumstances**

Internal	Potential risks brought about by changes in workstyle and organization, systems, group administration, and fewer opportunities to learn from actual accidents
External	Potential risks related to greater intensity and frequency of natural events, population decline, advance of digital transformation (DX), new lifestyles resulting from COVID-19 pandemic, and diversification of workstyles

**Potential for unprecedented accidents or events.**

Changing circumstances we must keep in mind have been divided into four categories:

- Human/machine (or digital) interfaces
- New workstyles and organization
- Diversified methods of communication
- Increased intensity and frequency of natural events

**The need arises to identify specific initiatives from within these four categories and take appropriate action.**

Detailed information is available on our website.  
Group Safety Plan 2028  
[https://www.jreast.co.jp/e/data/pdf/group\\_safety\\_plan.pdf](https://www.jreast.co.jp/e/data/pdf/group_safety_plan.pdf)

**Readjusting Safety Levels**

A diagram showing a cycle of 'Readjusting to the increase in people/machine (system) interfaces', 'Readjusting to new workstyles and reorganized workplaces', 'Readjusting to new methods of communication', and 'Readjusting to increase in intensity/frequency of natural events'. These are all part of 'Changing circumstances'. The cycle is supported by 'Anticipatory risk management', 'Personal effort', 'Investing in safety', and 'Established safety culture'. The central theme is 'SAFETY CHALLENGE\*\*'.

\* The Challenge Safety Movement

<b>JR East Group's achievements</b>	Zero customer fatalities or injuries Zero employee fatalities*
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\* All employees of JR East, Group companies, partner companies, etc., who are involved in work for the Group

### Foreseeing the Unexpected

Significant changes in the operating environment, both internal and external, have increased the likelihood of “heretofore unforeseeable accidents or events.” We will increase awareness using undertakings focused on the actual nature of the work at hand, remembering what has been useful in similar circumstances; we will address hazards that were previously unthought of; and we will identify and address issues even when working with new systems due to changes in the environment.

Starting with simple awareness and progressing onto imagining what could happen, we will prepare for hazards accordingly and prevent regrettable outcomes that we could have avoided.

**The Seven Things to Keep in Mind about the Nature of Each Job**

A flowchart starting with 'The big picture: Connectivity of work and operations', leading to 'Consider what needs to get done: “Why do I need to do this?”', then 'Reasons and lead up behind the rules', 'How things work: Detailed knowledge about equipment and devices used for the job', 'What would a “worst-case scenario” look like?', 'The absolute minimum: What are the most critical details in getting the job done?', and 'Repeat and refine lessons: Effective actions that come naturally'.

**Understanding the “Why?” in Successful Outcomes**

What worked in the past?  
Taking changed circumstances into consideration and adapting to new ones, foreseeing risks and taking appropriate actions, are all ways to help prevent accidents (including unforeseen ones!)

Looking into the “little things” we do that have helped avoid mishaps and sharing our findings

A rainbow diagram showing the spectrum from 'Absolute failure: Accidents and other undesirable outcomes' to 'Complete success: Exceeding expectations'. The middle is labeled 'Things that have “luckily” gone well’.

**Increasing Awareness and Expanding the Boundaries of “the Expected”**

A diagram showing a cloud labeled 'Foreseeable risks' with arrows pointing to 'Foreseeable future risks' and 'Currently unforeseen'. The cloud is labeled 'Expanding “the expected”’.

Conceptual image of expanding the expected

### Expanding “the Expected”

People tend to limit their thinking when planning or strategizing and focus on “the expected,” while outside those limits lies “the unexpected.” But when people widen the boundaries of “the expected,” that which may have been assumed as unlikely can now be considered as a possible future scenario.

The first step begins with increasing one’s awareness. It is important to consciously increase awareness and widen the boundaries of one’s assumptions.

### Increasing Awareness

- We will look at things from a different point of view to increase awareness.
- How to Increase Awareness
- Be extra conscious of unfamiliarity in a situation, especially when it is (1) Something new to you, (2) Something that has changed from before, or (3) Something you have been away from recently\* (“called the 3Hs in Japanese: Hajimete, Henkō, Hisashiburi).
  - Learn from the perspectives of others—everyone has different assumptions.
  - Observe! See how it is done at other workplaces, departments, branches, companies, and industries, etc.



Group Safety Plan

Four Key Areas

We have highlighted four key areas going through particularly important changes that will require attention over the five years through 2028. By understanding and reconsidering daily tasks while paying attention to these areas, we will address hazards that were previously unthought of.

1) Human/Machine (or Digital) Interfaces

- We must properly understand the mechanics and structures of machines and how they operate in order to make informed judgments on malfunctions or irregular situations that can only be resolved by man power.
- We must try to foresee unanticipated situations based on our understanding of the above, and carefully consider what is involved when incorporating new systems.

3) Diversified Methods of Communication

- We must ensure that crucial details are not overlooked or misunderstood. We must be selective in how we use which communication tools and for what situations, mindful how information is conveyed and/or received.

2) New Workstyles and Organization

- We must keep the nature of our job/work in mind when rules and structures are being overhauled and not take it for granted that things will be as they were before. Keep one step ahead and foresee potential hazards.
- To increase awareness among all employees on the frontlines, we must plan and implement training sessions where each one learns to think critically and independently.

4) Increased Intensity and Frequency of Natural Events

- We will increase use of meteorological data from outside sources, digitalization, establish new systems, and promote investment in disaster prevention training.

The Legacy of Our Safety Culture

At the foundation of our safety initiatives is a culture of safety that the JR East Group has built up over the years. We will continue to cherish and nurture this culture of safety into the future.

The Origin of Our Safety Culture with the Challenge Safety Movement

We have been undertaking the Challenge Safety (CS) Movement since September 1988, emphasizing that each employee must take responsibility for safety and the initiative to act.

- Four rules of CS activities
- 1) Present ideas
  - 2) Share with coworkers
  - 3) Discuss with teammates
  - 4) Share Groupwide



CS activities in the workplace

Five Important Habits Resulting from CS Activities

Actions rooted in enforcement of the CS philosophy have resulted in the establishment of important habits that have reduced the number of accidents and recurrence of common mistakes. In the Group Safety Plan 2028, we work on our ability to foresee “the unexpected” based on these five habits.

Five Habits

- |   |   |
|---|---|
| The habit of “reporting properly”       | This is where safety initiatives begin to take hold.                                |
| The habit of “noticing”                 | Recognizing and noticing warning signs and passing them on.                         |
| The habit of “confrontation and debate” | Confronting doubts, identify underlying issues to devise realistic countermeasures. |
| The habit of “learning”                 | Learning from incidents to apply lessons and prevent similar situations.            |
| The habit of “action”                   | Thinking objectively when taking action is the key to safer resolutions.            |



A Tried-and-True Code of Conduct for All Group Companies

Trying too hard to keep to schedules sometimes results in not following safety confirmation procedures properly, which jeopardizes safety. The entire JR East Group will commit to implementing our firm Code of Conduct to stop the train when it is unsafe to proceed.



Training on stopping trains

The Three Actualities Principle for Action

Accidents and incidents always occur at the *genba*. Since they occur at the *genba*, the sources of accident prevention can also be found at the *genba*. We not only go to the *genba* but also link our impressions of it and what we learned there to safety action.

Actual locations: Visiting actual locations to understand actual conditions

Actual objects: Viewing actual objects (rolling stock, equipment, machinery, etc.) in order to understand actual conditions

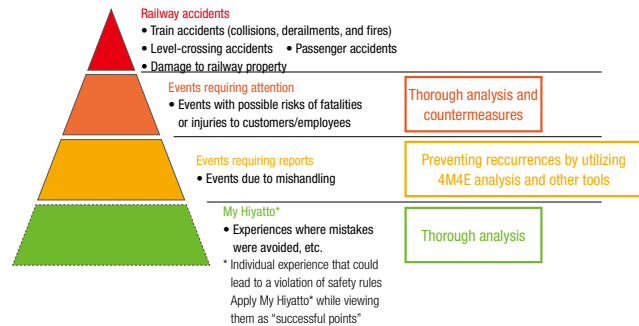
Actual people: Meeting face-to-face with the people involved to understand actual situations



Visit to the Mikawashima Accident Memorial

Learning and Applying the Warning Signs

In order to prevent accidents and other events from occurring as well as prevent their recurrence, we have established rules regarding the reporting and classification of accidents and other events.



How We Organize Safety Management

Safety Management Regulations

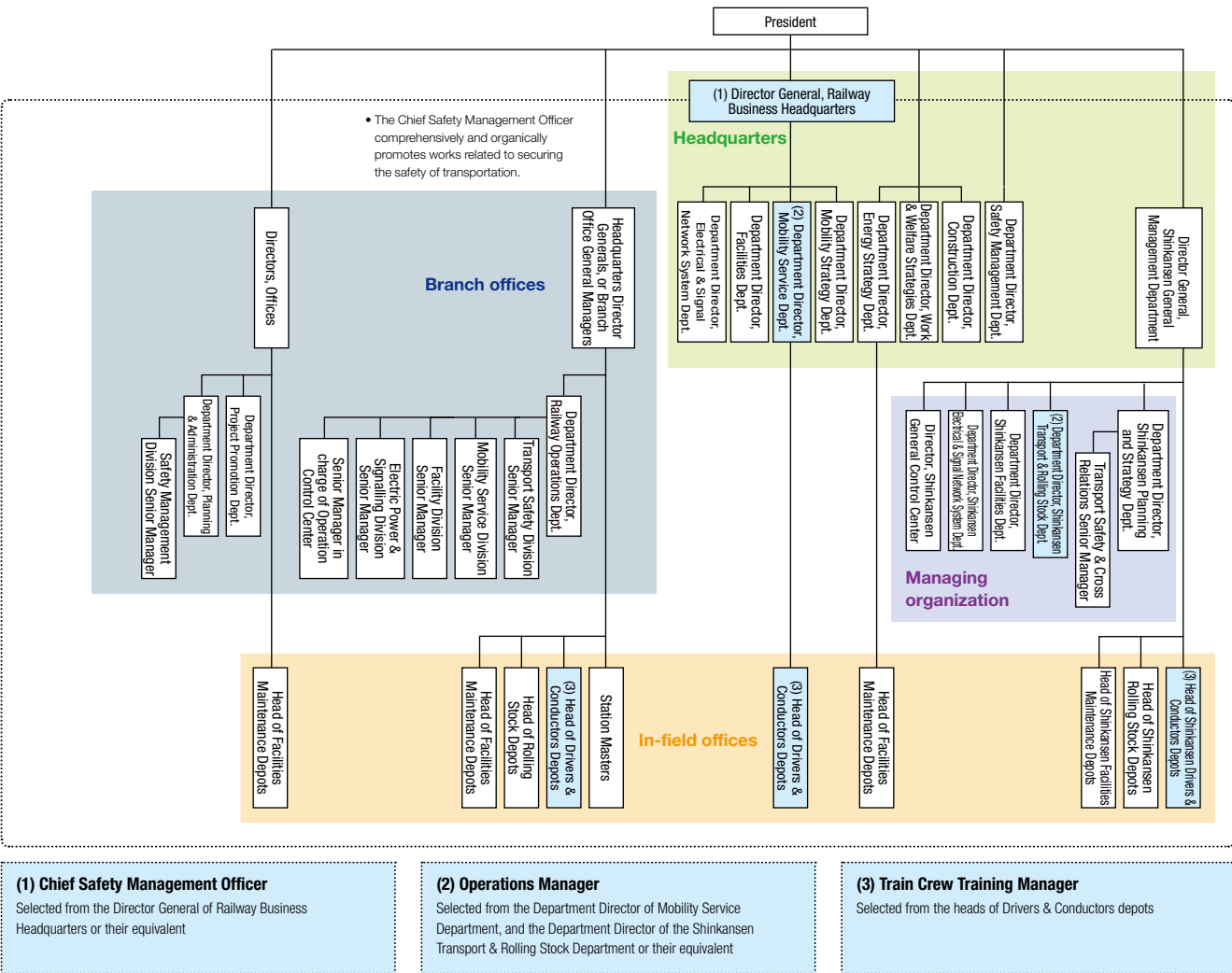
In response to a revision of the Railway Business Act, JR East formulated its safety management regulations in October 2006. These stipulate various safety management-related matters such as the responsibilities of top management executives in ensuring the safety of operations and in organizational matters 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 frontline 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 and managing organizations. 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





Efforts to Further Improve Safety Levels

Fostering Safety-Oriented Personnel

Safety Education and Training

JR East elevates the safety awareness and skills of its employees through education and training at the JR East General Education Center in Shirakawa City, Fukushima Prefecture, at general training centers and skill training centers at its branch offices, and through on-the-job training in each workplace.



JR East General Education Center



Practical drills on training tracks



Accident History Exhibition Hall

We have established the Accident History Exhibition Hall within the JR East General Education Center to provide a place for all employees to learn about and reflect on the tragedies of past accidents and the major social responsibility borne by railways.

Evolution of the Accident History Exhibition Hall  
2002: Main Hall established  
2014: Train Carriage Preservation Hall established  
2018: Expansion of Main Hall and establishment of Analysis Hall



Train Carriage Preservation Hall



Analysis Hall

Use of Education and Training Facilities

As one aspect of its efforts to train personnel to respond to environmental change, JR East has established education and training facilities to cultivate an understanding of the essence of work. In addition, at its headquarters and branch offices, it has educational facilities where employees can learn about the background to and countermeasures for serious accidents and events that have occurred previously in individual jurisdictions.



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

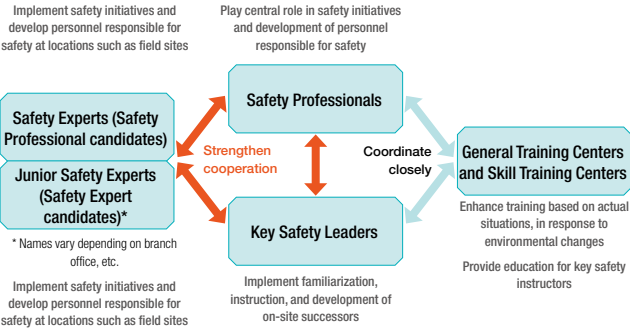


Tokyo Metropolitan Area Construction Project Management Office: An Exhibition Room for Learning from Accidents

Development of Personnel Responsible for Safety

In an environment where the structure of work is undergoing major changes such as the introduction of new systems, cooperation among employees is crucial as it lies at the core of our safety initiatives. We will work towards further collaboration and continue to develop human resources who will shoulder the responsibility for safety and expand each individual's safety efforts from the workplace, which will lead to further improvement of safety throughout the Company.

Lead Safety Initiatives at Work Sites and Other Locations, and Develop Human Resources Who Can Take Responsibility for Safety



Junior Safety Expert Training



Safety Expert Training

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 employees in various specialized fields as safety storytellers, or narrators of oral history.

In addition, our headquarters, branch offices, and front offices also foster a culture that encourages employees to discuss their experiences voluntarily. 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 Seminar



Local storytellers at branch offices, and other locations

The Railway Safety Symposium

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

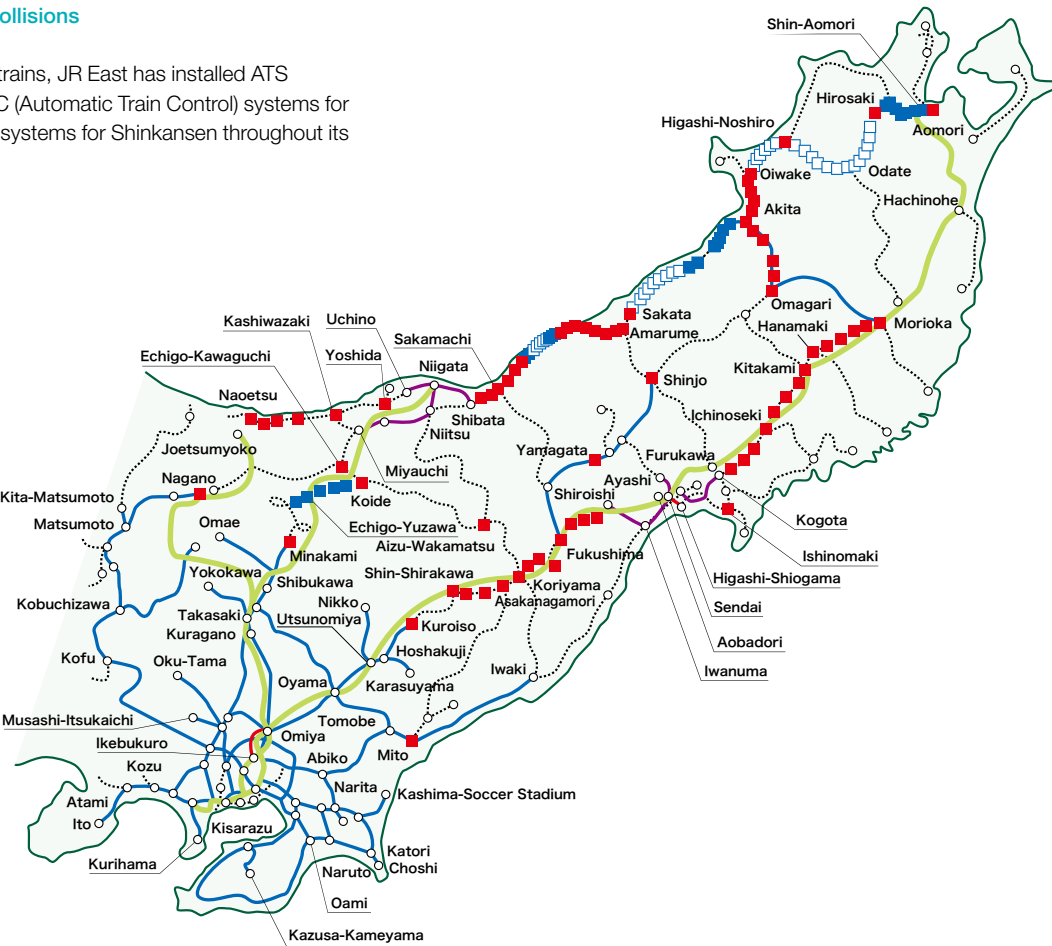
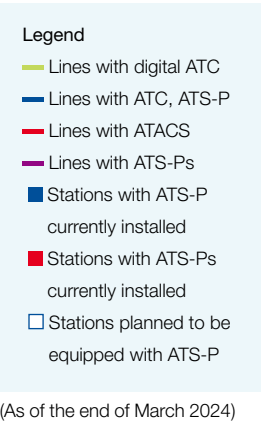


Railway Safety Symposium

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.



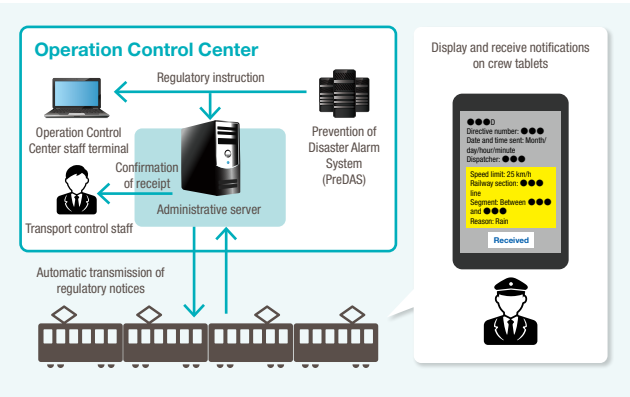
Maintenance Status

Installation Status as of the End of Fiscal 2024			
ATC	Now equipped on all Shinkansen, the Yamanote Line, the Keihin-Tohoku/Negishi Line, and the Joban Local Line	ATS-P system	Completed installation in 28 major stations and railway sections for 2,484.7 km
ATACS	Now equipped on the Senseki Line (Aobadori-Higashi Shiogama) and the Saikyo Line (Ikebukuro-Omiya)	ATS-Ps system	Completed installation in 71 major stations and railway sections for 210.8 km

Driving Restriction Notification System

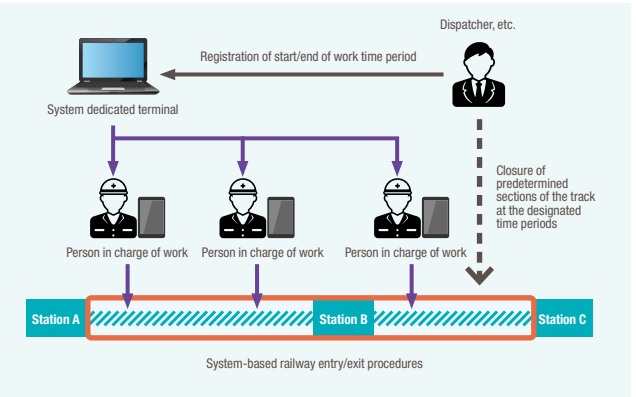
If observed values exceed specified limits at times of heavy rain or strong winds, train speeds are restricted to ensure safety. In the past, the dispatcher transmitted the restrictions to the driver by wireless, but in September 2019, we introduced an automated notification system to help prevent human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

How the Driving Notification System Works



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. In December 2020, we introduced a system that closes the tracks in advance at predetermined sections and time periods, allowing staff performing work to use the system to perform track entry and exit procedures.





Safety Activities at JR East and Group Companies

The division of work continues between JR East and JR East Group companies. In order to improve safety, however, we must work together with the same sense of values. We built JR East Safety Network (JES-Net), and 41 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

KYT Trainers Driving Safety Within the Company



Katsuyuki Iijima  
Safety Planning Department  
JR Chiba Railway Service Co., Ltd.

JR Chiba Railway Service Co., Ltd. had been facing a perennial issue of repeated accidents and incidents. To address this issue, as well as to encourage employees to consider potential dangers in their everyday work, the Company introduced KYT (danger prediction training), which has been in use in the construction industry since 2011, and it currently has 88 in-house trained KYT trainers who are actively working in their respective workplaces. KYT trainers conduct training by focusing on recurring events and considering various scenarios to prevent hidden dangers during work, such as by implementing role-playing using actual vehicles.

By conducting a range of KYT-based training in this way, safety awareness has increased throughout the company, and we were able to achieve zero “vehicle operation-related accidents and incidents” in fiscal 2024. We will continue to work to enhance our safety levels.



KYT trainer training



Emergency response training planned and operated by KYT trainers

Safety Initiatives for BRT Services

In the Kesennuma 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

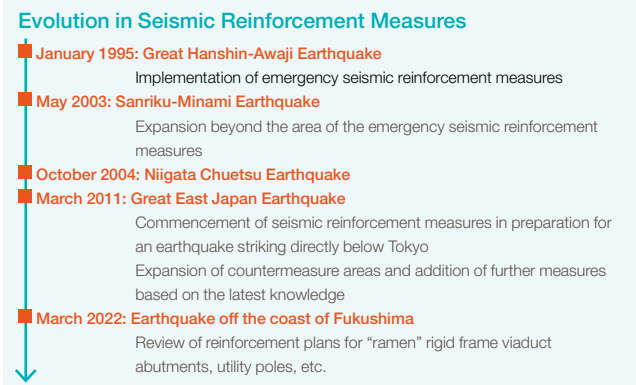
Preparedness Against Natural Disasters

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.

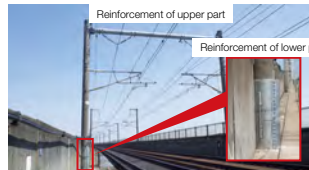
Our Measures Against Earthquakes

Seismic Reinforcement Measures

Learning from earthquake damage in the past, we are systematically conducting seismic reinforcement of our structures to prepare for large-scale earthquakes such as an earthquake striking the Tokyo metropolitan area directly, which is expected to happen in the near future.



Seismic reinforcement of elevated railway tracks



Structural reinforcement of utility poles

KPIs

KPIs (Numerical Targets for FY2028)		FY2024 Results
Countermeasures for major earthquakes (seismic reinforcement): Rigid-frame viaduct abutments (subject to ministerial ordinances, etc.)	Shinkansen 100%*	Shinkansen 38%
	Conventional lines 100%	Conventional lines 21%

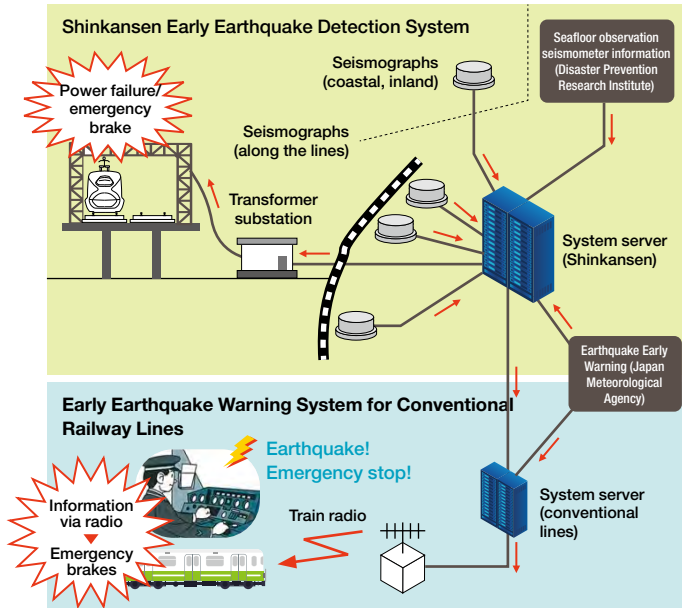
\* Target for FY2026

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. Since the opening of the Shinkansen line, these systems have undergone various improvements, including the addition of more seismometers, improved methods for estimating earthquake information, and the use of external earthquake information such as the Japan Meteorological Agency’s Earthquake Early Warning System and the ocean-floor seismometers of the National Research Institute for Earth Science and Disaster Resilience. In 2023, we improved the process for estimating earthquake magnitude after earthquake detection. Verification of 13 earthquakes over the past three years has shown that the revised estimation method reduces the time required to stop power transmission after detection of the first weak tremors from an average of 3.9 seconds to an average of 1.3 seconds, a reduction of 2.6 seconds. All Shinkansen seismometers have been improved, and we have been using them since March 2024.

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.

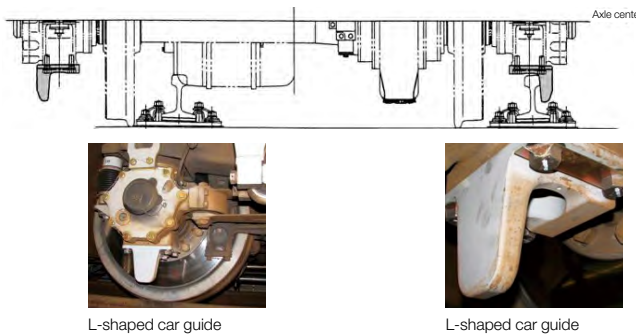
Shinkansen Early Earthquake Detection System



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. In addition, in response to the derailment of a Shinkansen train caused by the March 2022 earthquake off the coast of Fukushima, we are considering new derailment prevention measures, such as further improving derailment prevention effectiveness and creating a vehicle structure that exerts strong damping force against strong lateral shaking and decreases the likelihood of derailment.

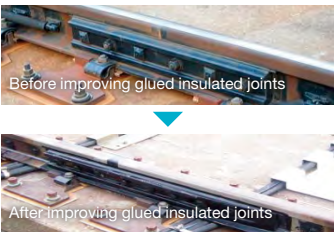
L-Shaped Car Guide



L-shaped car guide

L-shaped car guide

Preventing Breaks at Glued Insulated Joints



General Emergency Drills

Every year, we conduct comprehensive disaster-preparedness drills, assuming an earthquake has struck, most notably during disaster prevention week, which includes September 1st. In the fiscal 2024 training, fire drills were also conducted, taking into account the fact that this was the 100th anniversary of the Great Kanto Earthquake. In addition, at stations and other locations at risk of flooding, we are working with relevant parties to conduct 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 its own 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

Preparedness Against Natural Disasters

**Formulating Action Guidelines for Evacuation to Avoid Tsunamis**  
In January 2012, JR East formulated action guidelines for each of its employees to follow to ensure effective evacuation even when there is limited time to act before the arrival of a tsunami.

**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.



Tsunami evacuation navigation

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.



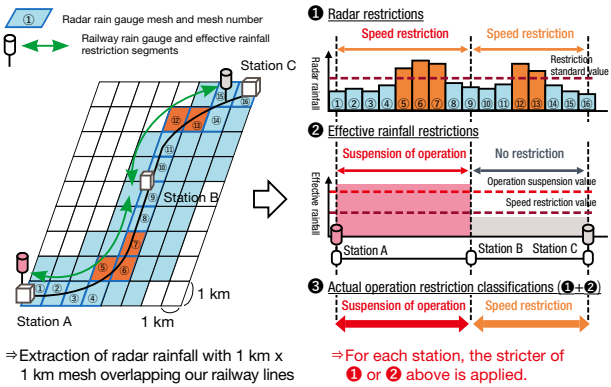
Cutting slope protection (spray framework)



Embankment slope protection (spray framework)

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 detailed 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

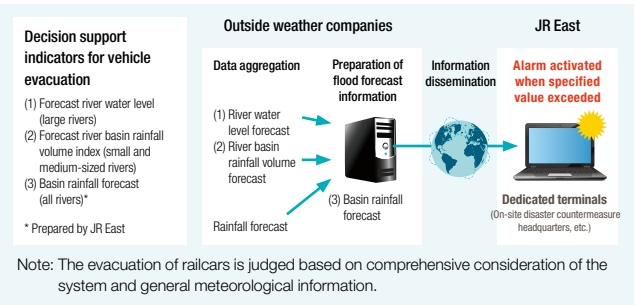


Initiatives to Address Flooding

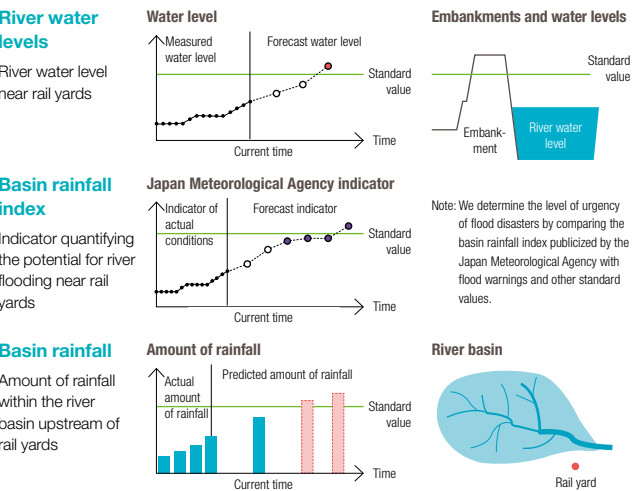
We have been working to enhance flood-response measures, having suffered significant damage from Typhoon No. 19 in October 2019, when overflowing rivers caused damage to railcars on the Hokuriku Shinkansen.

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 windbreak fences have been installed. To ensure accuracy, we are also moving toward the installation of dual anemometers.



Uetsu Main Line, between Sagoshi and Kita-Amarume

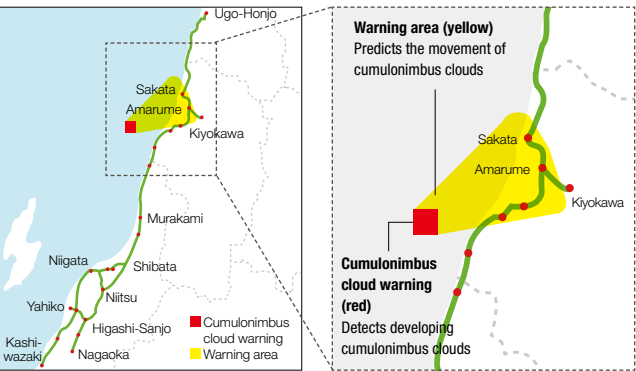
Installation of Windbreak Fences

We install windbreak fences 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



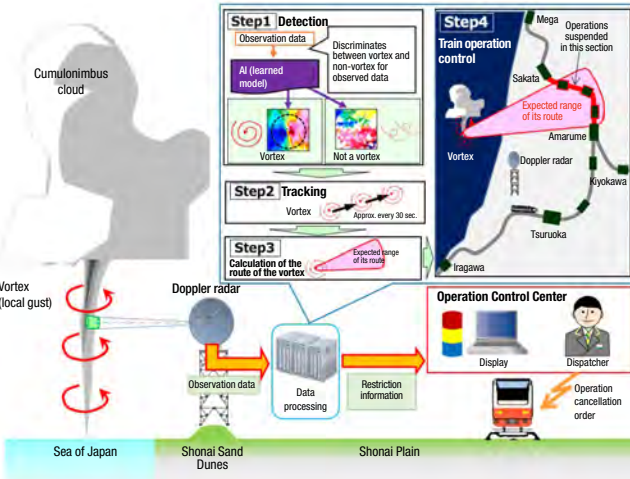
Operation Control Method Against Wind Gusts Using Doppler Radar

The system uses a 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.



Doppler radar installed at Kuromori, Sakata

Operation Control Method against Wind Gusts Using Doppler Radar



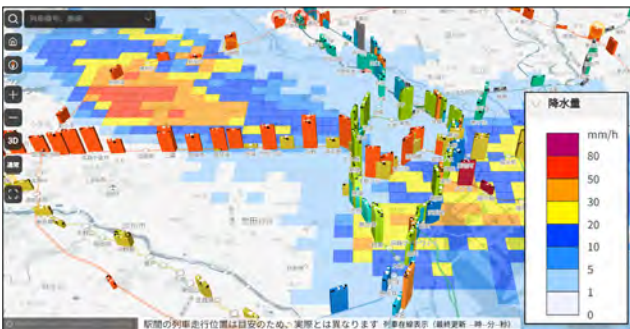
Initiatives for Volcanic Eruptions

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.

Initiatives Related to the Use of Weather and Disaster Prevention Information

We have assembled JEMAPS, a digital twin platform that automatically collects a vast amount of internal and external data related to railway operations and weather and natural disasters, which have become increasingly severe in recent years, from systems, data infrastructure, and other sources, and displays it on a single map. We began putting JEMAPS into use in June 2022.

Features	<ul style="list-style-type: none"><li>Visualizes information in an easy-to-understand way</li><li>Reflected on the platform in real time</li><li>Collected data is stored in database with searchable history</li></ul>
Method of use	<ul style="list-style-type: none"><li>Confirmation of railway operation status, warnings, advisories, landslides, inundation damage, flood risk distribution, etc., in the event of heavy rain or an earthquake</li><li>Used as reference information for customers and employees to make evacuation decisions, in combination with information obtained on-site</li></ul>



JEMAPS aerial view of the Tokyo metropolitan area: "Railway operations + local heavy rain"



Safety Measures at Level Crossings

We are working to improve the safety of level crossings, from both tangible and intangible perspectives, so that our customers and local communities can rest assured when using them.

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)

Fiscal Year	2020	2021	2022	2023	2024
Reduction	101	18	8	38	11

Tangible Perspective Measures

Obstacle Detectors

To prevent train derailments due to collisions with vehicles, etc., 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 achieves higher detection performance than conventional equipment. We are steadily installing these detectors with newly improved features that set higher standards for detection performance and reduce false positives caused by falling particles such as rain and snow.

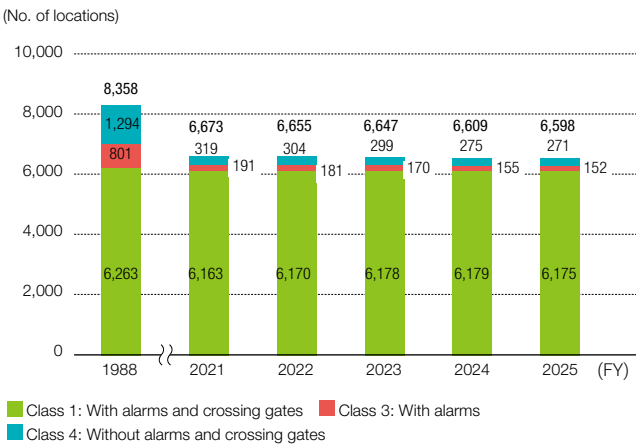


Omnidirectional Warning Lights

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.



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



**Level Crossing Obstacle Alarm Devices (Emergency Buttons)**  
We are installing emergency buttons to notify train operators of danger if vehicles, etc., get 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 Crossings for Easier Passage

In addition to elevating and widening roads at level crossings, 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.

Safety Measures at Level Crossings

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.



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 caution signs and erecting whistle boards to warn people at crossings of approaching trains.



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.

Tangible Perspective Measures

CP (Color Psychology) Lines



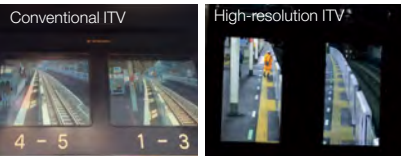
These lines use colors that people associate with danger to encourage a visual and psychological connection between danger and the platform edge.

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®



Providing Society with Safe, Reliable Infrastructure

Platform Safety Measures

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 2024, we had completed the installation of platform doors at 104 stations (a total of 117 stations\*1 by line) on 233 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.

\*1 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.

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 Group employees but also general customers using our rail services to assist customers in need, including those with visual impairments.

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

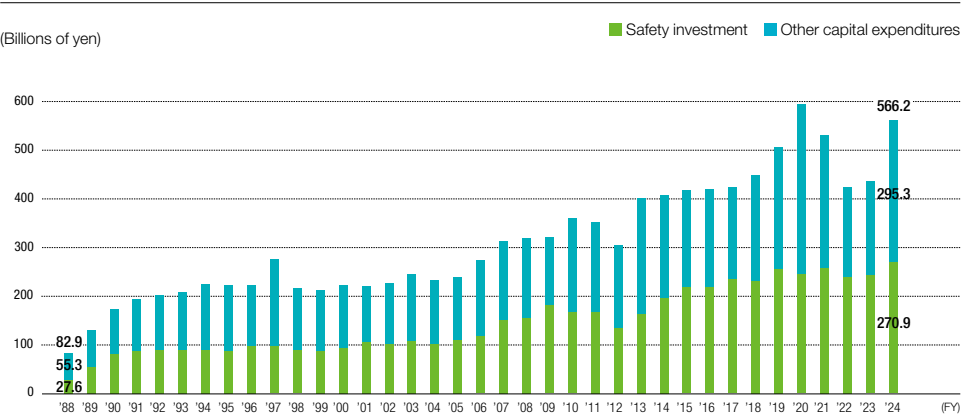


Accident prevention poster

Investment in Safety Facilities

Since its establishment, JR East has prioritized investment in safety. In its Group Safety Plan 2028, JR East expects to invest approximately ¥1.3 trillion in safety. Through ongoing comprehensive risk assessments that take into account environmental changes, we will continue to make effective safety investments, enhance safety equipment, and develop technologies that contribute to increased safety.

Trends in Safety Investment and Other Capital Expenditures (JR East's Non-Consolidated Figures)

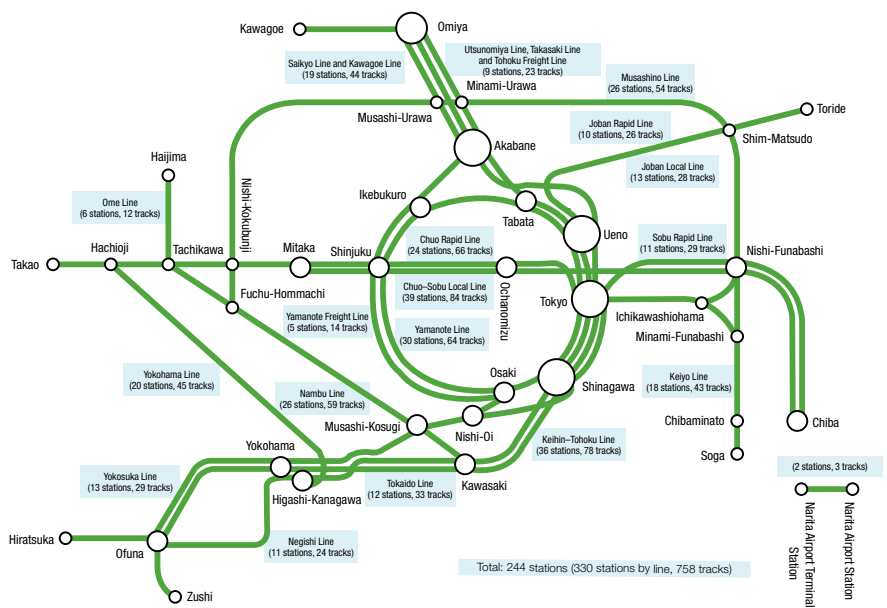


KPI

KPI (FY2032 Numerical Targets)		FY 2024 Results
Railway stations and tracks with automatic platform gates	330 railway stations, 758 tracks	117 railway stations, 233 tracks (approximately 31%*2 progress)

\*2 Based on the number of tracks

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



Improvement of Transportation Services Quality

Safe and Reliable Transportation That Meets Customer Expectations

Based on the Vision for Service Quality Reforms 2027, all employees of the JR East Group are united in their efforts to improve service quality from the customer's perspective.

As an important part of social infrastructure that supports the daily lives of customers and Japan's economy, railways must provide safe, reliable transportation. However, we have also experienced transportation disruptions caused by the JR East Group due to increasingly severe natural disasters and breakdowns in vehicles and equipment, and we are therefore working to prevent the spread of such disruptions and their impact on our customers.

To further improve our transportation services, we are promoting initiatives from the following perspectives.

Preventing Transportation Disruptions

We will promote cooperation within each department and within the Group, analyze the causes of transportation disruptions, and identify and implement priority countermeasures.

Minimizing the Impact on Customers

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

Providing Information in the Event of Transportation Disruptions

We will see things from the customer's perspective and provide prompt and specific information that will help them decide on their next action.

KPIs

KPIs (Numerical Targets for FY2028)		FY2024 Results
Transportation disruptions due to internal causes		
(1) Conventional lines within 100 km of Tokyo	55% reduction	8% reduction
(2) JR East Shinkansen	75% reduction	31% reduction
Total delay time due to internal causes, conventional lines within 100 km of Tokyo	70% reduction	16% increase

Targets and results are compared to FY2019

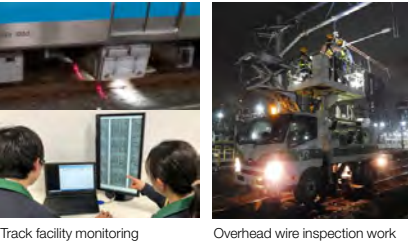
Preventing Transportation Disruptions

Initiatives to Address Transportation Disruptions Caused by the JR East Group (Internal Causes)

We will improve the reliability of equipment by strengthening systems, ground equipment and others, and identifying signs of failure using condition-based maintenance (CBM) monitoring technology. We will also work to prevent transportation disruptions by repairing weak points in equipment where transportation disruptions have occurred in the past.

Dealing with Natural Disasters

As part of our measures to deal with natural disasters, we are implementing hardware maintenance such as strengthening civil engineering structures, reinforcing earthquake resistance, installing snow melting machines, and taking anti-flooding measures. In addition, we prioritize systematic tree felling prior to typhoon and snowfall seasons to prevent disruptions due to fallen trees.



Track facility monitoring

Overhead wire inspection work

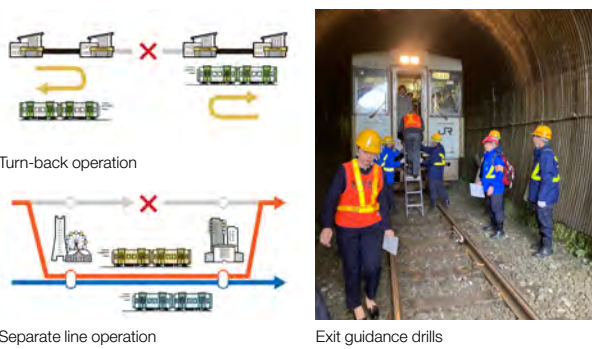
Minimizing the Impact on Customers

Initiatives to Minimize the Impact on Customers after Transportation Disruptions Occur

We strive to minimize the impact on customers by implementing turn-back operations at stations along operable line segments, and by switching to separate lines in sections where train lines run parallel to each other.

Initiatives for Prompt Resumption of Operations and Customer Aid

Through drills that simulate various transportation disruptions, the Group is working together to improve its response capabilities, such as early resumption of operations and rescue of customers from trains that are stopped between stations. It also conducts drills for helping passengers off trains, assuming the presence of customers who require special care, such as customers with physical disabilities or the elderly.



Turn-back operation

Separate line operation

Exit guidance drills

Providing Information in the Event of Transportation Disruptions

Announcement of Train Service Resumption Times

We work to announce the expected resumption of operations within approximately 30 minutes of the occurrence of a transportation disruption.

Information Enhancement

We promptly communicate information on train delays and cancellations to our customers through announcements at stations and on trains. We also provide information on service information and train operation plans among others through various channels such as our website, the JR East app, social media (Official Operation Information, X, Weibo), and others.

Notice of Special Arrangements and Initiatives Concerning Train Operations

We have created the JR East *Naruhodo* Q&A Guide and related videos about things we want our customers to know, such as what to do in the event of a natural disaster or emergency and questions about train operation, and published them on our website.



JR East official website

JR East *Naruhodo* Q&A Guide: Emergencies



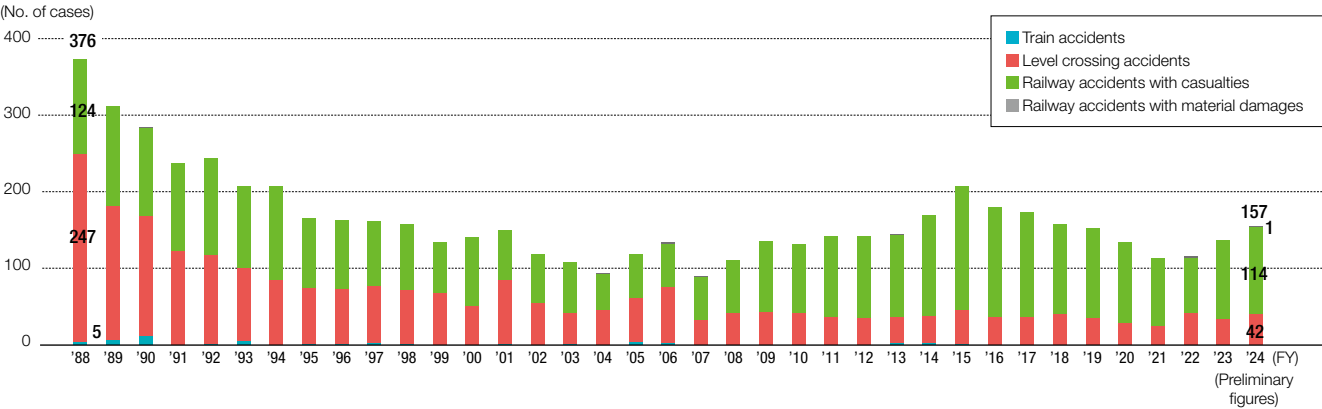
Current Safety Record of JR East

Railway Accidents

In fiscal 2024, JR East recorded 157 railway accidents, down significantly from the level at time of the Company's foundation. Railway accidents with casualties accounted for approximately 70% of the total number of railway accidents. There were zero train accidents in the fiscal 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 resulting in material damage of ¥5 million or more by train operation

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.



Administrative Guidance

In fiscal 2024, we received two instances of administrative guidance.

◆ Collision of Tokaido Line train with electric pole resulting in personal injury and consequent transportation disruption

Overview: On August 5, 2023, a Tokaido Line train collided with a utility pole inside Ofuna Station while in operation, injuring passengers and crew. In addition, train service was suspended for a long period of time, and many passengers had to be helped off the train.

Countermeasures: When cracks occur like those in the affected pole, we will systematically carry out reinforcement or reconstruction of poles where there is the risk that such cracks will fail to close. We have also added a new procedure for promptly instructing passengers to disembark from multiple trains.

◆ Damage to railway property caused by overhead line failure on the Tohoku Shinkansen line and consequent transportation disruption

Overview: On January 23, 2024, a train entered a section of the Tohoku Shinkansen between Ueno Shinkansen No. 1 Depot and Omiya Station where overhead wires were hanging down, thereby damaging the train and overhead wire equipment. In addition, an employee of an affiliated company was electrocuted while preparing for restoration work. Consequently, trains on the Tohoku, Joetsu, and Hokuriku Shinkansen lines were suspended for the entire day.

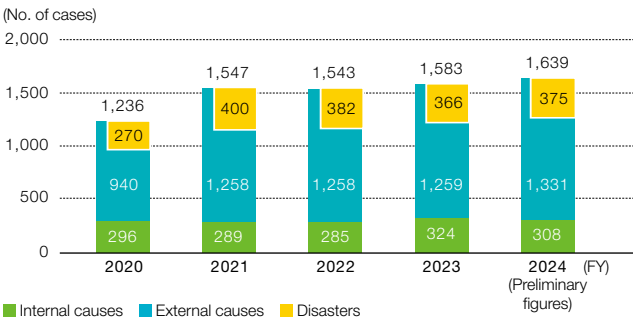
Countermeasures: We will reinforce or replace the equipment that maintains the tension of overhead wires to prevent the wires from sagging. In addition, we have established new rules for handling cases where sagging wires are identified.

Transportation Disruptions

JR East recorded 1,639 cases of transportation disruption in fiscal 2024. Compared with fiscal 2023, there was a noticeable increase in natural disasters and collisions with animals.

Transportation disruptions	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.
Disasters	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



Incidents

In fiscal 2024, there was one incident recorded.

- Tohoku Main Line Between Shin-Shiraoka and Kuki Stations:  
Event in which a barrier failed to descend when the train passed (the cause was a malfunction in the equipment controlling the crossing).

Incidents:	Situations where it is recognized that there is a risk of a railway operation accident, as stipulated by the Railway Accident Reporting Regulations (Ordinance of the Ministry of Land, Infrastructure, Transport and Tourism)
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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.



- Regional Revitalization
- Comfortable Cities
- Inclusive Society

Regional Revitalization

Goals

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

Policy

In collaboration with local communities, JR East will undertake to meet local needs with companionable community development, co-creation with local startups, using DX to solve local issues, and building a sustainable transportation system for local lines.

KPI

KPI (Numerical Target for FY2028)		FY2024 Results
Collaborative initiatives with local communities to increase tourism and revitalize regions	150 in total	31 in total

Companionable Community Development

The Company is implementing companionable community development, which utilizes the assets of the JR East Group to create new value in response to local issues, with the aim of promoting sustainable community development through win-win relationships between the Group and local communities as well as increasing human interaction, visitor numbers, and the size of resident populations.



First Annual JR East Regional Co-creation Awards

Sustainable Community Development

One of our KPIs is to implement 30 initiatives a year for tourism promotion and regional revitalization in collaboration with local communities through action such as companionable community development, and we are accelerating our efforts to create sustainable communities by providing support tools aimed primarily at employees at our stations or general management centers who serve at the front lines of communities, developing human resources through workshops, and sharing best practices through the JR East Regional Co-creation Awards.

Basic Concept

Since the JR East Group provides regional mobility and operates businesses with close ties to local communities, creating a vibrant society, even in the face of a declining population, is 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 companionable community development using the JR East Group network. 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 live together in harmony.

Through these efforts, we hope to bring prosperity to local communities and further strengthen the trust of our customers and local residents.

Efforts for Sustainable Community Development

**Yu Kato**  
Yokote & Omagari General Management Center  
Akita Branch Office  
(Current position: Railway Operations Department, Akita Branch Office)

Utilizing unused space at Yokote Station, we supported the opening of Stella, a gelato shop run by local high school students. With the support of Sail on Japan, a general incorporated association that provides career education to students, these high school students are taking on practical business challenges, from running a store to planning, producing, and selling gelato using local ingredients and vegetables and fruits they have produced themselves. It is highly rewarding to see these high school students grow and achieve their goals. Youth out-migration is an issue for Akita prefecture but we hope to help young people rediscover the charm of their hometowns and support their dreams of wanting to work hard and contribute to their hometowns. We will continue to work with the local community to create exciting and thrilling stations and bring vitality to the area.



Attractive Urban Development in the Aomori Station Vicinity through Regional Collaboration

The Aomori Station East Entrance building, which utilizes the former station site, fully opened in July 2024. The area serves as a base for local life-style development, and includes &LOVINA, operated by JR East Aomori Business Development Company, as well as the Civic Art Exhibition Hall. Additionally, in collaboration with local stakeholders, we will establish hubs for creating destinations such as an information center for World Cultural Heritage sites in Aomori Prefecture and a hotel run by a local medical group, and thereby increase the number of visitors to the area.

The Aomori Station East Entrance building will serve as a base for urban development, and in collaboration with various facilities and initiatives around Aomori Station, we will create even more excitement together with the local community.



JR Aomori Station East Entrance building



Regional Revitalization

● Co-creation with Local Startups

JR East Start UP Co., Ltd., which promotes investment and collaboration with startup 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 startup companies that conduct locally rooted business. Utilizing the knowledge and know-how that it has gained through open innovation activities such as the JR East Startup Program, JR East Local Startup will specialize in individual regions, solve local issues, and support the sustained growth of local startup companies. From JR East Local Startup's establishment through March 2024, it has invested in two locally rooted companies, Haccoba Co., Ltd. and Ensen Marugoto Co., Ltd., and it contributes to the further revitalization of local communities and the achievement of enriched lives.



Haccoba Odaka Station Brewery & PUBLIC MARKET inside Odaka Station

● Using DX to Solve Local Issues

We will contribute to solving local issues by creating livable towns and profitable industries using digital technology.

Our MaaS Solution, Tabi-CONNECT

Aiming to achieve seamless and stress-free travel, we have been building a Mobility Linkage Platform (MLP), which provides customers with all-in-one route search, arrangement, and payment services for mobility.

Tabi-CONNECT is a Mobility as a Service (MaaS) platform that packages the common functions of regional and tourism-oriented MaaS from MLP and can be provided to external organizations. In particular, the enhanced content management system offers customization capabilities and can be deployed in many regions with minimal effort, while taking into account the specific needs of each region.



Tabi-CONNECT screen image

Assembling Living and Transportation Networks Tailored to Regional Characteristics

In addition to the Suica's basic service, such as train fare and e-money, we will work with local transportation operators to expand the adoption of regional collaboration IC cards that deliver regionally-specific services such as bus commuter passes and various discounts. As of the end of March 2024, the regional collaboration IC cards had been adopted in 14 areas.

Solving Local Issues with MLP

JR East provides the MLP system to GunMaaS, which is operated by Gunma Prefecture. By linking transportation IC cards with Individual Number Cards, we are creating a variety of services that support the lives of local residents. In these and other ways, we are working to solve local issues.



Suica/Individual Number Card linkage

Discount for citizens

● Building a Sustainable Transportation System for Local Lines

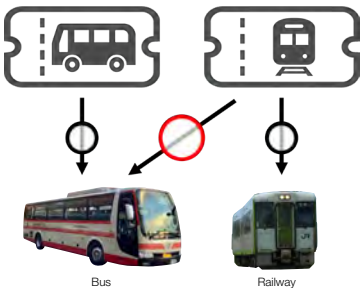
Local lines have seen a significant decline in usage since the Company was established, and it is expected that the situation regarding passenger volumes will become even more severe as populations continue to decline. Going forward, we will continue to streamline operations by slimming down our facilities and simplifying train operations, while also to contribute contributing to the revitalization of areas along our railway lines by leveraging the JR East Group's strengths not only in transportation services but also in tourism, Lifestyle services, and Suica and MaaS.

On the other hand, for lines with low passenger usage, where the average number of passengers is less than 2,000 people per day, we have been reporting the revenues and expenditures by line since July 2022, allowing local residents to understand the actual state of the business. We recognize that maintaining local public transportation in a sustainable manner is an extremely important issue to consider. Having no fixed policy whether to maintaining railways or converting to bus lines, we will continue to engage in discussions with local residents to gain their understanding and cooperation, and to work together to build a sustainable transportation system. Since maintaining a sustainable transportation system is our important management mission, we will continue to seek the understanding and cooperation of people living along our lines, and partner with local governments to work out the most suitable transportation system for the region and build a sustainable transportation system.

Conducting Demonstration Experiments Aimed at Improving Convenience on the Yamada Line

One of our goals is to promote the use of public transportation services, such as by enticing passengers away from using their own cars or rental cars and improving convenience in the central and coastal areas of Iwate Prefecture. To that end, we are conducting a demonstration trial in collaboration with a local bus company that allows passengers to board and transfer to parallel bus routes using a JR East ticket.

This is our first modal mix initiative involving a parallel transportation mode in addition to railways.



Bus

Railway

Comfortable Cities

Goals

- One-stop provision of various high-value-added services
- Realization of seamless, stress-free travel

Policy

Pursue alliances with local governments and various other stakeholders, and promote integrated DX encompassing local services and JR East Group operations.

KPIs

KPIs (Numerical Target for FY2028)		FY2024 Results
No. of JRE POINT reward program members	30 million	15.01 million
No. of transactions on the MaaS platform, Mobility Linkage Platform, provided by JR East	100 million per month	49.89 million per month

● Pursuing Digital Transformation of Customer Contact Points

Deliver Seamless, Stress-Free Mobility

With a goal of 100 million monthly Mobility Linkage Platform (MLP) transactions (FY2028), we are promoting the development of apps that utilize MLP as well as alliances to realize seamless, stress-free transportation. Our goal is to achieve 60 million transactions by FY2025.

JR East App

The JR East App is an app that we have been developing in-house to provide even more convenient service by offering not only train location and operation information and real-time route search functions, but also station information, train congestion information, and integration with other services. As of June 2024, we began providing congestion information for conventional line Green Cars. As of June 2024, the app has been downloaded 10.31 million times.

In February 2023, we built a real-time data integration platform. We will continue to expand the number of participating transportation operators and deepen collaboration with transportation information service providers who supply the platform with data. We will also leverage this to boost revenue by adding a link to *eki-net* on the route search results screen.



JR East App screen image

Real-Time Data Integration Platform

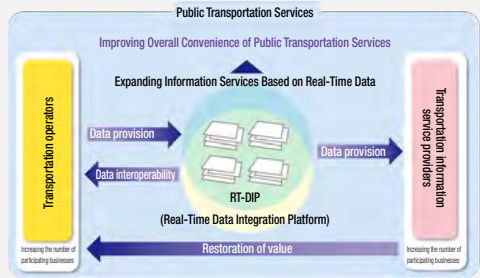


Yosuke Murakami

Strategies & Business Platform Department  
Marketing Headquarters

The real-time data integration platform (RT-DIP) aggregates and utilizes real-time operational data such as train locations and delay times across multiple transportation operators and also provides this data to transportation information service providers.

It is very rewarding to see that with the expansion of participating companies we are now able to provide information in collaboration with multiple transportation operators, not just our own company, and we have also seen the creation of new services that utilize real-time data and a wide range of content that can be used by many customers.



We aim to improve the overall convenience of public transportation by deepening collaboration with railways and buses and other transportation operators in the Tokyo metropolitan and eastern Japan area, and by promoting the expansion of RT-DIP through the participation of more transportation information service providers.

JRE POINT

JRE POINT, the Group's shared reward program, connects customers with various services of the JR East Group. It has over 15 million members and represents an important customer base for the Group.

We will continue to work on achieving a virtuous cycle of point accumulation and use, such as by running Groupwide campaigns and offering experiences that are unique to the JR East Group by using accumulated points, in order to promote usage and increase the appeal of the points across the entire Group.

In October 2023, we launched the "JRE POINT STAGE." It provides special benefits unique to the JR East Group in order to attract customers who frequently use the Group's services over the long term.

We are working to further expand membership and make it more attractive so that more customers can take advantage of this service. For example, we are promoting our reward service and expanding opportunities to earn and use points, such as by creating links with new services. We are also working to answer customers' questions at various consultation sessions held by our staff at train stations and in other places.

**JRE POINT STAGE**  
Earn and use JRE POINT,  
and enjoy our  
great benefits.





Comfortable Cities

Goal

- Creation of diversely appealing towns with consideration for the environment, disaster prevention, and communities

Policy

Leverage urban development led by JR East to address social issues and create comfortable cities.

**KPIs**  
In Tokyo metropolitan town development projects led by JR East, the Company is carrying out the following:

KPIs (Numerical Targets for FY2028)		FY2024 Results
Introduction of energy sources with advanced environmental performance	100%	Construction underway as part of the opening of TAKANAWA GATEWAY CITY and Development of the Hiromachi Area around Oimachi Station
Establishment of facilities to accommodate people unable to return home at times of disruption/disaster	100%	
Establishment of town management promotion systems	100%	
Establishment of systems to utilize road spaces	50%	

JR East's non-consolidated figures

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

We will address various issues facing cities by introducing environment-friendly energy sources, developing facilities to accommodate stranded people, and creating a lively atmosphere. 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 are using electricity from renewable energy sources and introducing energy sources with high environmental performance, to realize a sustainable city that has zero environmental burden and maximizes urban activity. Additionally, we will pursue sustainable urban development by constructing facilities for people who are unable to return home due to a disaster, and by promoting town management aimed at creating new vitality.

Notably, at TAKANAWA GATEWAY CITY, we have established Station City Energy Create Co., Ltd. as an energy supplier, and we are working in sync with supply and demand to create a zero-carbon, sustainable, environment-friendly town through initiatives such as local production for local consumption of energy and area-wide energy use. The JR East Group also plans to utilize the knowledge gained from TAKANAWA GATEWAY CITY in future developments.

Environment-Friendly Urban Development at TAKANAWA GATEWAY CITY



**Moeta Hamai**  
Community Development Coordination  
Department  
Marketing Headquarters



The JR East Group has formulated a long-term environmental goal, Zero Carbon Challenge 2050, through which it aims to achieve net zero CO<sub>2</sub> emissions. At TAKANAWA GATEWAY CITY as well, we will achieve net zero CO<sub>2</sub> emissions through renewable energy and energy creation, conservation, and management, and we will work to create an environment-friendly city.

For renewable energy, we will be developing solar and wind power generation, while for energy creation, we will be developing the East Japan area's first built-in biogas facility.

In terms of energy conservation, we will install a district heating and cooling facility (DHC) and a cogeneration system (CGS) in the basement of THE LINKPILLAR 2. Through the introduction of one of Japan's largest heat storage tanks, the DHC will achieve a highly efficient energy supply. In the event of a disaster, the water from the heat storage tank can be used for emergency water, such as toilet water for temporary shelters and for firefighting. In addition, by introducing a highly efficient CGS, waste heat generated during power generation will be converted into thermal energy and used by the DHC, thereby achieving effective energy utilization.

Furthermore, we anticipate that the creation of a wide-area startup ecosystem will lead to the creation of new business models to address social and environmental issues once the facility opens.

Inclusive Society

Goals

- 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

Policies

- We will work to develop employees with the knowledge, skills, and mindsets to realize an inclusive society.
- We will actively promote initiatives to foster mutual understanding with customers with disabilities and local residents and use this understanding to improve our services.
- By supporting parasports, we will collaborate with customers and local residents to foster barrier-free attitudes.

KPIs (Numerical Targets for FY2028)		FY2024 Results
Rate of obtaining "Care-Fitter" Certifications	50%	44.3%
No. of exchanges involving people with disabilities	100 or more per year	77 per year
No. of parasports events	At least once a year at each regional organization and head office*	1 per organization*

★ indicates figures for JR East only

Promoting Obtaining Care-Fitter Certifications

Initiatives to Develop Hospitality-Minded Employees Related to Care-Fitter Certifications

As part of our efforts to develop hospitality-minded employees, we are encouraging employees to obtain Care-Fitter certifications.

By the end of fiscal 2024, 44.3% of employees in the JR East Group had obtained this certification, and they have been able to use the skills and hospitality spirit they have acquired to assist customers. In addition, each workplace holds study sessions to maintain assistance techniques and improve employees' ability to deal with a diverse range of customers. Each workplace also holds disability simulation sessions.

We will continue to work together as a Group to achieve a symbiotic society so that all our customers can continue to use our services with peace of mind.



Study sessions aimed at maintaining assistance techniques

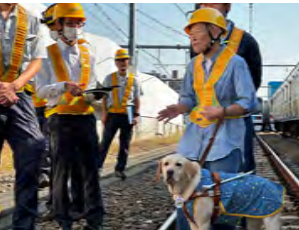
Promote Mutual Understanding with People with Disabilities and Implement Service Improvements Based on Their Needs

Social Events Involving People with Disabilities

We work with customers with disabilities, local residents, organizations and schools to hold trial sessions for using railway facilities, conduct training for responding to transportation disruptions, and exchange ideas. These efforts form the foundation for mutual understanding between the JR East Group and our customers. They also enable us to understand the advice we receive from our customers and the problems and concerns that customers and local residents have when using railways, and we use this advice to improve our services and the customer service skills of our employees.

Furthermore, by helping customers understand railway facilities and our efforts through these initiatives, we hope to deepen mutual understanding that will help resolve any problems and address any concerns customers may have.

The JR East Group will work together with customers and local communities to create a society in which everyone can live comfortably.



Training to help guide dog users off the train

Promoting Understanding of DE&I through Support for Parasports

Support for Parasports

The JR East Group promotes and supports parasports such as boccia to realize an inclusive society in which everyone can play an active role regardless of whether they have disabilities. By continuing to hold the JR East Group Boccia Championship, we are working to deepen understanding of an inclusive society throughout the Group.

We also sponsor the Japan Boccia Association and the Elementary School Boccia Tournament organized by NHK Enterprises, and are committed to supporting athletes by providing a practice environment for the Japanese Boccia national team training camp in the run up to the Paralympics, as well as promoting parasports. Furthermore, we are working toward regional revitalization by collaborating with local governments and other organizations to provide experiences such as parasports at a local level.



Elementary School Boccia Tournament Awards



Providing a training environment for the Japanese Boccia national team



# 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 also lead efforts to realize a recycling-based society and biodiversity.



- Carbon Neutrality
- Circular Economy
- Nature Positivity

### Basic Concept

Increasingly severe natural disasters pose various risks to the JR East Group's business. Preserving the global environment is essential to maintaining the Group's business foundations. Furthermore, a rich natural environment not only mitigates business risks, but also generates tourism resources and many types of businesses.

In recent years, environmental initiatives have become an increasingly critical corporate social responsibility, and maintaining the environmental advantages of our business will lead to stronger credibility and a competitive advantage for the JR East Group.

For this reason, we will tackle environmental issues from various angles, gain greater trust from our customers and local communities, and leverage these assets to ensure sustainable growth for the Group.

### 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 77–84) so that the reliability of the data is ensured. The particular indicators that have been assured are marked with a star (☆) for clarity.

## Carbon Neutrality

### Goals

- Zero Carbon Challenge 2050
- Utilization of diverse energy

### Policy

Within the transportation sector, railways are an environment-friendly transportation mode with relatively low-level CO<sub>2</sub> emissions per transportation volume, but they also consume a large amount of energy. We are working to improve the environmental advantages of railways so that they will continue to be chosen in the future.

### KPIs

KPIs (FY2031 Numerical Targets)		FY2024 Result
CO <sub>2</sub> emissions (for all JR East Group companies)	50% reduction (compared with FY2014)	14.7% reduction
Acquisition of renewable energy-based power sources	700,000 kW	153,000 kW

## Formulation of Science Based Targets and a Roadmap

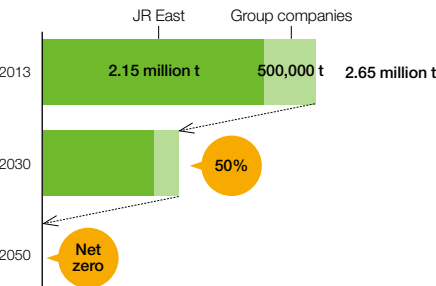
In 2020, we formulated our long-term environmental goal, Zero Carbon Challenge 2050. Below is the JR East Group's roadmap for achieving carbon neutrality in 2050.

CO<sub>2</sub> emissions for fiscal 2024 were 2.26 million tons, about the same level as the previous year, as a result of the implementation of measures such as making the Senseki Line CO<sub>2</sub>-free, installing LED lights and increasing the efficiency of air-conditioning equipment on the one hand, but also the increased use of electricity to operate trains as a result of increased Shinkansen train services, etc., on the other. In addition, in terms of renewable energy development, the Seto Solar Power Plant in Aichi Prefecture started operating in June 2023.

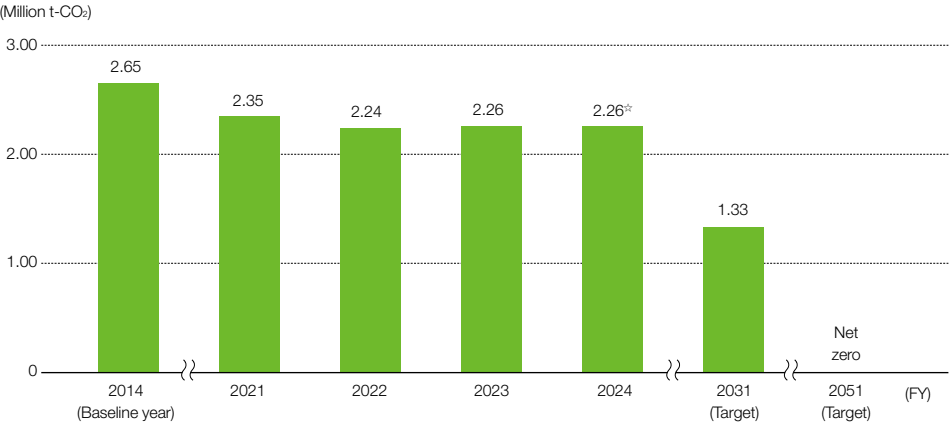
Furthermore, in order to set more scientifically grounded targets, in August 2023 we further made a commitment to set Science-Based Targets (SBT) in 2023. SBT is a greenhouse gas (GHG) emission reduction target scientifically consistent with the target set by the Paris Agreement. By making science-based revisions to our GHG reduction targets, we aim to formulate reduction targets by August 2025. In addition, we will contribute not only to the reduction of GHG emissions by the JR East Group but also to the reduction of GHG emissions throughout the supply chains of all of the Group's businesses.

Energy type (CO <sub>2</sub> Emissions Breakdown)	2024	~2030	~2040	~2050
Electricity (93%)	Adoption of energy-saving equipment - Introduction of new rolling stock - High efficiency heat source equipment and air-conditioning, and LED lighting - Expansion of renewable energy equipment installation to stations and other facilities - Effective use of regenerative power - Deployment of R&D results			
	CO <sub>2</sub> -free Tohoku area (Large-scale renewable energy development) → CO <sub>2</sub> -free power purchase area			
JR East's own power generation (48%)	Increased efficiency concurrent with equipment renewal at power plants and other facilities Expanded supply through self-consignment, feasibility studies for hydrogen co-firing power generation, carbon capture, utilization, and storage (CCUS) surveys			
Fuel (7%)	Installation of energy-saving equipment (introduction of battery-powered vehicles and other equipment)			
	Development of hydrogen hybrid trains, demonstration tests, and other such measures → Social implementation Electrification concurrent with equipment renewal and other occasions (Conversion of commercial vehicles to electric vehicles/fuel cell vehicles)			

### JR East Group Reduction Targets



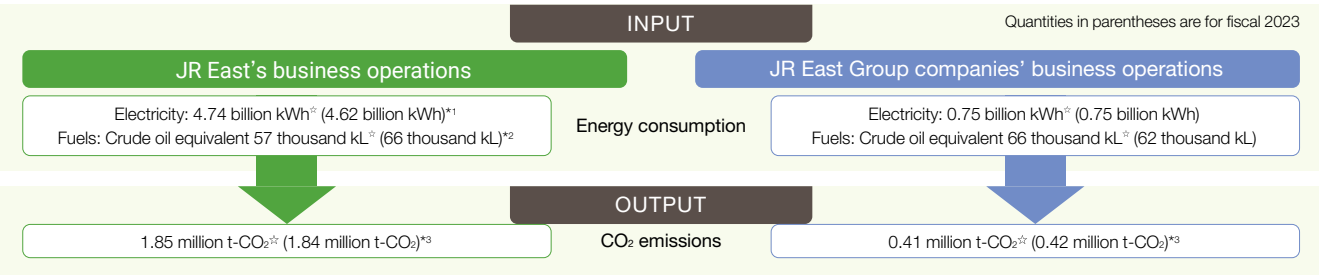
### Energy Consumption and CO<sub>2</sub> Emissions for the JR East Group Overall



Boundary of Data  
In principle, the scope of data collection for energy consumption and CO<sub>2</sub> emissions is JR East alone and its domestic consolidated subsidiaries.

Calculation Methods  
CO<sub>2</sub> emissions are calculated in accordance with the Act on Promotion of Global Warming Countermeasures (Global Warming Countermeasures Act), and CO<sub>2</sub> emissions resulting from electricity supplied from external sources, including electricity used for rail transportation, are calculated using the adjusted emission coefficients of each power company.

### Fiscal 2024 Results

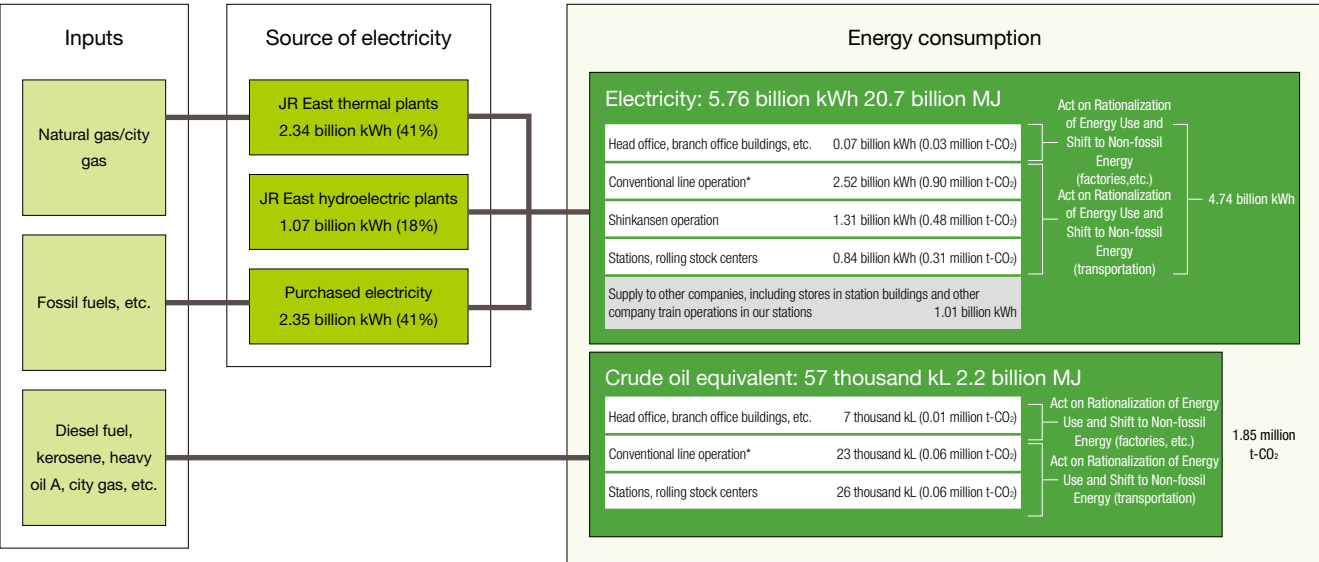


\*1 Electricity: Both electricity generated in JR East's power plants for internal use and electricity purchased from electric companies are included. For details regarding electricity generation and consumption, please refer to the JR East Energy Flow Map below.  
\*2 Fuels: Natural gas and other fuels used for generating electricity in JR East's thermal power plants are not included.

\*3 CO<sub>2</sub> 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.



\* Including BRT (Bus Rapid Transit)

Boundary of Data  
Although in principle the boundary for energy consumption and CO<sub>2</sub> emissions volumes 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 Rationalization of Energy Use and Shift to Non-fossil Energy (the Energy Saving Act).

Calculation Method  
Energy consumption was calculated by the method defined by the Energy Saving Act. Also, CO<sub>2</sub> emissions attributable to electricity purchased from external suppliers are calculated based on adjusted emission factors. Moreover, starting with this compilation, the calorific value conversion coefficient for electricity has been changed from the primary energy conversion coefficient set by the Energy Saving Act to 3.6 MJ/kWh.



Enriching the Global Environment

Emissions for the Overall JR East Group Supply Chain

Compared to the previous Zero Carbon Challenge 2050, the GHG Protocol Standard will further increase the amount of CO<sub>2</sub> reductions required, by including the electricity supplied by other companies and emissions by other companies related to the business activities of the JR East Group (Scope 3). In addition, the JR East Group has a high proportion of Scope 1 emissions due to the fact that it owns thermal power plants. Because the Company owns numerous railway assets, including its own energy network, Category 2 emissions account for the largest proportion of its Scope 3 emissions.

Unit: 10,000 t-CO<sub>2</sub>

Item	FY2022	FY2023	FY2024	Calculation Standards
Scope 1 emissions	151	152	161 <sup>☆</sup>	Greenhouse gas (GHG) emissions directly emitted from the combustion of all fuels used by the Group, including the operation of diesel railcars and self-operated thermal power plants. GHG emissions from energy sources are included.
Scope 2 emissions	125	127	119 <sup>☆</sup>	GHG emissions indirectly emitted by the use of electricity, heat, etc. purchased from power companies and other suppliers.
Scope 3 emissions	—	316	316	GHG emissions from other companies related to business activities. Totals for individual categories may not match due to rounding.
Category 1 Purchased products and services	—	72	59	Calculated by multiplying the purchase price of products and services purchased from outside the Group by the emissions intensity (*1).
Category 2 Capital goods	—	94	114	Calculated by multiplying the amount of capital investment from transactions outside the Group by the emissions intensity (*1).
Category 3 Fuel and energy-related activities not included in Scope 1 and 2	—	53	55	Calculated by multiplying the amounts of purchased fuel, electricity, and heat used by the emissions intensity (*2) per amount of energy used.
Category 4 Transportation and delivery (upstream)	—	9	7	For upstream logistics, calculations are made by multiplying the purchase value of products and services by the emission intensity (*3). For downstream logistics borne by the Company, calculations are made by multiplying the logistics cost by the emission intensity (*4).
Category 5 Waste generated from business	—	26	17	Calculated by multiplying the amount of waste treated, the amount recycled, and the amount of waste disposal treatment by the emission intensity (*5). For wastewater, calculated by multiplying the volume of wastewater and the value of wastewater treatment by the emission intensity (*6).
Category 6 Business trips	—	1	1	Calculated by multiplying the number of employees who regularly take business trips by the emissions intensity (*7).
Category 7 Employee commuting	—	3	3	Calculated by multiplying the number of employee business days by the emissions intensity (*7).
Category 8 Leased assets (upstream)	—	<1	<1	Calculated by multiplying the energy usage of the leased assets by the emissions coefficient (*8).
Category 9 Transportation and delivery (downstream)	—	<1	<1	Calculated by applying the product distribution (transportation and sales) scenario in the Carbon Footprint Calculation and Labeling Pilot Project Wide-Range PCR (non-energy-using products) and multiplying the product shipment volume by the emissions intensity (*7).
Category 10 Processing of sold products	—	1	1	Calculated by multiplying the sales amount of intermediate products sold by the emissions intensity at the processing stage calculated from our company's data.
Category 11 Use of sold products	—	43	47	Calculated by multiplying the sales volume of products sold and the energy consumption during use based on standard usage scenarios, etc., by the emissions intensity.
Category 12 Disposal of sold products	—	4	3	Calculated by multiplying the amount of waste processed, recycled amount, and waste disposal cost at the time of disposal of products sold by the emissions intensity (*5).
Category 13 Leased assets (downstream)	—	11	9	Calculated by multiplying the energy consumption or total floor area of leased assets rented outside the Group by the emissions intensity (*9).
Category 14 Franchise	—	<1	<1	Calculated by multiplying the total floor area of franchised stores by the emissions intensity (*10).
Category 15 Investment	—	1	2	Calculated by multiplying the emissions of invested companies and projects (*11) by the ownership ratio. Investments other than purely for investment purposes and investments within the Group are excluded.

- \*1 Emissions per sales amount was calculated for each trading company from each individual company's CDP response and sustainability report, and used as the emissions intensity. The emissions of individual companies were Scope 1, Scope 2, and Scope 3, Categories 1 to 8. For trading partner companies that do not calculate the emissions, the emissions intensity by sector calculated in the same way was used.

\*2 For fuel, the basic unit data used is from the LCI Database IDEA Version 2.3 (hereinafter IEAv2.3) of the IDEA Lab, Safety Science Research Institute, National Institute of Advanced Industrial Science and Technology. For electricity and heat, the basic unit data used is from the Ministry of the Environment's Emissions Basic Unit Database for Calculating Greenhouse Gas Emissions Throughout the Supply Chain (hereinafter Emissions Basic Unit DB).

\*3 Emissions per unit of sales by sector multiplied by the logistics cost ratio, calculated from CDP data and each company's sustainability report.

\*4 Emissions intensity for each supplier's transportation business type calculated from CDP data and each company's sustainability report.

\*5 The waste disposal amount was calculated using the basic unit data from the National Institute for Environmental Studies' Environmental Load Basic Unit Considering Global Supply Chain Based on Input-Output Tables. The recycled amount was calculated using the basic unit data from the Emissions Basic Unit DB. The waste disposal amount was calculated using the basic unit calculated from the emission factor data in the Ministry of the Environment's List of Calculation Methods and Emission Factors in the Calculation, Reporting, and Publication System (hereinafter referred to as Emission Factors in the SHK System).

\*6 Wastewater volume was calculated based on the emission factor data of Emission factor in SHK system. Wastewater treatment cost was calculated based on the emission factor of Environmental Load Basic Unit Considering Global Supply Chain Based on Input-Output Tables.

\*7 Unit data from the Emissions Unit DB is used.

\*8 For energy other than electricity, emission factor data from the Emissions Factors in the SHK System is used. For electricity, adjusted emission factors for each contract menu of retail electricity suppliers are used.

\*9 For energy other than electricity, the emission factor data from the Emission Factors in the SHK System is used. For electricity, the adjusted emission factor for each contract menu of the retail electricity supplier is used. For total floor area, the intensity data from the Emissions Intensity DB is used, and the intensity applied to the buildings of the complex facility is the representative value of the intensity for the purpose with the largest usage ratio.

\*10 For total floor area, the unit data from the Emissions Unit DB is used, and the unit applied to the complex building is the representative value of the unit for the use with the largest usage ratio.

\*11 If the GHG emissions of the investee are known, that figure is used. Alternatively, the emissions of the investee are estimated using company information, data from the Agency for Natural Resources and Energy's Energy Consumption Statistics Survey, and emission factor data from the Emissions Factors in the SHK System.

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, the JR East Group reported a leakage amount of

7 thousand t-CO<sub>2</sub>e<sup>☆</sup> for fiscal 2024.

Sulfur Hexafluoride Emissions Reduction  
Under the Act on Promotion of Global Warming Countermeasures, JR East Group reported SF<sub>6</sub> gas emissions of 3 thousand t-CO<sub>2</sub>e<sup>☆</sup> for fiscal 2024.

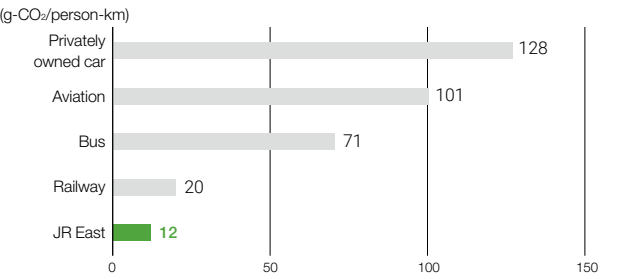
Calculation and Disclosure of CO<sub>2</sub> emissions by Shinkansen Segments

Based on fiscal 2024 results, we calculated segment-by-segment CO<sub>2</sub> emissions per customer associated with travel on Shinkansen lines. In addition, CO<sub>2</sub> emissions per transportation volume were 12g-CO<sub>2</sub>/person-km for JR East as a whole, and 20g-CO<sub>2</sub>/person-km for Shinkansen segments. This disclosure may be used by companies and other entities to calculate CO<sub>2</sub> emissions associated with customers' travel.

Line	Segment	CO <sub>2</sub> Emissions [kg-CO <sub>2</sub> ]
Tohoku Shinkansen	Tokyo to Sendai	7.0
Joetsu Shinkansen	Tokyo to Niigata	6.6
Hokuriku Shinkansen	Tokyo to Nagano	4.4

For other segments, please refer to the link below (Japanese only):  
[https://www.jreast.co.jp/eco/warming/pdf/co2\\_emissions.pdf](https://www.jreast.co.jp/eco/warming/pdf/co2_emissions.pdf)

CO<sub>2</sub> Emissions per Transportation Volume (Passenger Transportation) (Fiscal 2023)



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

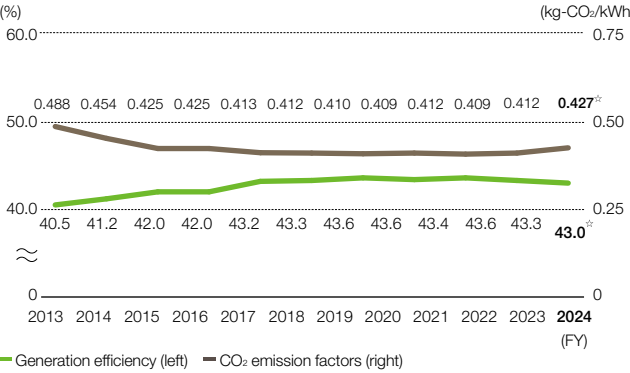
Electricity Generated by JR East's Power Plants

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, utilization, and storage (CCUS)\* technology in order to reduce CO<sub>2</sub> 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 CO<sub>2</sub>. 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.

\* CCUS: Technology to separate and capture CO<sub>2</sub> emitted from thermal power plants and factories, and store or make effective use of it.

CO<sub>2</sub> Emission Factors and Power Generation Efficiency at JR East's Thermal Power Plant



Generation efficiency (left)    CO<sub>2</sub> emission factors (right)  
· Adjusted emission factor for all self-operated electricity (thermal and hydroelectric power generation)  
The adjusted emission factor (preliminary value) for FY2024 was 0.309 (kg-CO<sub>2</sub>/kWh).

Introduction of Off-Site Corporate PPA Service to the JR East Tohoku Area Headquarters Building



**Nobuyuki Watanabe**  
Electric Power & Signalling Division  
Railway Operations Department  
Tohoku Area Headquarters

The JR East Group has set forth its Zero Carbon Challenge 2050, with the aim of reducing CO<sub>2</sub> emissions from train operations in the Tohoku area to net zero by fiscal 2031. We have engaged in undertakings driven by the enthusiasm of employees hoping to see the Tohoku Area Headquarters take the initiative in these efforts, and we have taken up the goal of achieving 100% renewable energy for the Tohoku Area Headquarters Building.

Focusing on the fact that more and more renewable energy facilities will be facing feed-in tariff (FIT) period expiration, we wondered whether we could achieve our goal by using renewable electricity generated in the Tohoku area more effectively. Through collaboration with the local Tohoku Electric Power Co., Inc., we succeeded in supplying the Tohoku Area Headquarters Building with green electric power that combines environmental value with electricity from Akita Prefecture-based wind power, thus achieving an off-site corporate power purchase agreement (PPA) using post-FIT wind power. This was a first, not only for the Company but also for the entire Tohoku area.

Furthermore, in terms of our daytime electricity demand that cannot be met by wind power, by utilizing the renewable energy options offered by Tohoku Electric Power, we have achieved 100% renewable energy for the Tohoku Headquarters Building. We have also addressed the issues with wind power generation (namely 24-hour power generation) using a method unique to the Company, whereby any unused nighttime electricity is utilized at Sendai Station and Fukushima Station.

Through this initiative, we believe that in addition to achieving carbon neutrality we have also contributed to the sustainable development of the local community, and we will continue to implement such efforts, including fostering environmental awareness among our employees.



Enriching the Global Environment

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 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 <sub>2</sub> emissions reductions and hydrogen utilization. A schematic of our promotion structure is presented on page 23.
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 <sub>2</sub> 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 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 <sub>2</sub> emissions by 50% by fiscal 2031 (compared to fiscal 2014) and to achieve net zero CO <sub>2</sub> 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 77–80 for the scope of our targets and progress toward achieving them.

\*1 Please refer to JR East's Initiatives in Response to the TCFD Recommendations, available at 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/>

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. We have identified the following items as the main climate change risks and opportunities for our core transportation business. We are also working on identifying risks and opportunities for our other major businesses.

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 carbon pricing	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
Opportunities	Greater passenger volume due to preference for lower CO <sub>2</sub> -emitting modes of transportation	Not yet assessed	Long term

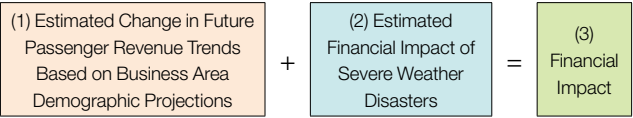
\*2 Scale of business impact: Large: Events with a financial impact of ¥500 million or more in revenues and expenses. At present, there are not enough scenarios for Japan, and items for which the impact cannot be estimated are listed as "not yet assessed."

\*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.

(2) Details of Scenario Analysis (Physical Risks)

In the Transportation 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 have estimated changes in passenger revenue up to fiscal 2051 based on data such as population and gross domestic product (GDP)\*4 from the Japan Shared Socioeconomic Pathways (SSPs)\*4, which are quantitative scenarios for future socio-economic conditions.

\*4 Japan Shared Socio-economic Pathways (SSP) population scenarios by city, ward, town, and village (2nd edition).

\*5 Population trend data is from Japan SSP's population estimates by city, ward, town, and village, National Institute for Environmental Studies and GDP data is from Global dataset of gridded population and GDP scenarios, International Institute for Applied Systems Analysis (IIASA).

(2) Estimated Financial Impact of Severe Weather Disasters

Up until now, we have conducted scenario analyses assuming flooding of Class A rivers flowing through the Kanto region, focusing on the Tokyo metropolitan area and its surrounding areas, where major railway assets and lines are concentrated. The following disclosure, however, describes two newly conducted scenario analyses.

I. Flooding Due to Overflowing of Class A Rivers Whose Drainage Basins Are Home to Shinkansen Rolling Stock Centers in the Nagano, Niigata, and Tohoku Areas

The results of scenario analyses we have conducted to date show that the financial impact of more extreme weather disasters would be particularly heavy if Shinkansen trains parked in rolling stock centers were affected. Therefore, in terms of scenario analysis outside the Kanto region, we have chosen the potential flooding of rolling stock centers, due to the overflowing of the Class A rivers in whose drainage basins they are situated, in the Nagano (Hokuriku Shinkansen), Niigata (Joetsu Shinkansen), and Tohoku (Tohoku Shinkansen) areas.

II. Kawasaki Thermal Power Plant Flooded by Storm Surge

It is expected that rising sea levels due to climate change will increase the depth of flooding caused by storm surges. Therefore, in terms of facilities that could suffer heavy storm-surge damage, we have selected potential typhoon-driven storm surges (assuming both current conditions as well as elevated sea levels) affecting the Kawasaki Thermal Power Plant for scenario analysis.

I. Estimated Financial Impact Due to Flooding of Class A Rivers Whose Basins Are Home to Shinkansen Rolling Stock Centers in the Nagano, Niigata, and Tohoku Areas

		Nagano Area (Hokuriku Shinkansen, Chikuma River flooding)		Niigata Area (Joetsu Shinkansen, Shinano River flooding)		Tohoku Area (Tohoku Shinkansen, Iwai River flooding)	
Climate Change Scenarios	Flood Control Measures (Physical Facilities and Human Responses)	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
RCP2.6 (2°C increase)	No countermeasures	0.79	11.82	0.02	0.27	0.02	0.25
	With countermeasures	0.01	0.20	0.01	0.21	0.01	0.22
	Loss reduction effects of countermeasures	−0.77	−11.62	0.00	−0.06	0.00	−0.03
RCP8.5 (4°C increase)	No countermeasures	0.97	14.62	0.04	−0.53	0.01	0.17
	With countermeasures	0.01	0.20	0.03	−0.42	0.01	0.14
	Loss reduction effects of countermeasures	−0.96	−14.42	−0.01	−0.11	0.00	−0.03

\* "0.00" in this table indicates that the amount of the increase in loss (or loss reduction effect) is insignificant (less than 0.005 billion).



Nagano Area  
(Hokuriku Shinkansen and Chikuma River flooding)\*6

\*6 Map of areas expected to be inundated by projected rainfall along flood-prone rivers (yellow to red), and Shinkansen lines (blue)

Regarding II, first of all we confirmed that even if all generators at the Kawasaki Thermal Power Plant were to stop due to flooding, the electricity needed to operate the railway could be supplied by power companies, and there would be no loss of passenger revenue. On this basis, we estimated the occurrence of restoration costs for power plant assets, the increased cost of purchasing electricity from utilities, and the decrease in fuel costs due to the suspension of power generation. As a result, we estimate the increase in financial impact in 2050 under RCP8.5 (4°C increase) at approximately ¥30 million. This is a smaller impact than those in scenario analyses we have conducted so far (damage to railways due to the flooding of Class

The results of the quantitative evaluation performed using the above procedure are as follows.

Regarding I, in the Nagano area (flooding of the Chikuma River), the financial impacts of climate change in 2050 are greater under RCP8.5 (4°C increase) than under RCP2.6 (2°C increase), and the cumulative financial impact is expected to increase by approximately ¥14.6 billion from 2021 to 2050 (without inundation measures). We found that inundation measures yield a loss reduction effect of approximately ¥14.4 billion, and that vehicle evacuation and flood prevention measures at the Nagano Shinkansen Rolling Stock Center have a significant loss reduction effect.

Meanwhile, regarding the Niigata and Tohoku areas, as a result of studies conducted based on flood risk maps and projected amounts of rainfall, we found that the Shinkansen rolling stock centers are not expected to be affected by flooding. We therefore conducted quantitative assessments of scenarios that anticipate a certain degree of financial impact, including flooding of the Shinano River for the Niigata area and the Iwai River (a tributary of the Kitakami River) for the Tohoku area. We found that the financial impacts in these areas would be smaller than those in the Nagano area.

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 in accordance with the degree of importance of facilities, mainly in flood-prone areas that are susceptible to heavy impacts.

A rivers flowing through the Kanto region), and we found that there would be no substantial impact on our financial plans.

II. Estimated Financial Impact due to Storm Surge at the Kawasaki Thermal Power Plant

		Kawasaki Thermal Power Plant (Storm Surge)	
Climate Change Scenarios		Increase in Financial Impact (Loss) (Billions of Yen)	
		FY2051	FY2022–FY2051 Cumulative Total
RCP8.5 (4°C increase)		0.03	0.48

Financial Impacts of Flooding Due to Storm Surges

Negative factors

- Occurrence of restoration costs for power plant assets
- Increased cost of purchasing electricity from utilities

Positive factors

- Reduction in fuel costs due to power generation shutdown



Circular Economy

Goals

- Promotion of the 3Rs

Policy

Business activities 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 continue to 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.



KPIs (FY2031 Numerical Targets)				FY2024 Results
Raise recycling ratios (per fiscal year)	Recycling rate for waste generated at stations and on trains		94%	89%
	Recycling rate for waste PET bottles generated at stations and on trains		100%	98%
	Recycling rate for waste generated at general rolling stock centers, etc.		96%	93%
	Recycling rate for waste generated in facility construction projects		96%	92%
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%	82%
Reduce emission intensity (FY2014 standard)	Waste (general/industrial) reduction rate and recycling rate <sup>*1</sup>	Reduction ratio <sup>*2</sup>	32%	51%
		Recycling rate <sup>*2</sup>	73%	74%

■ Indicates targets for JR East Group companies

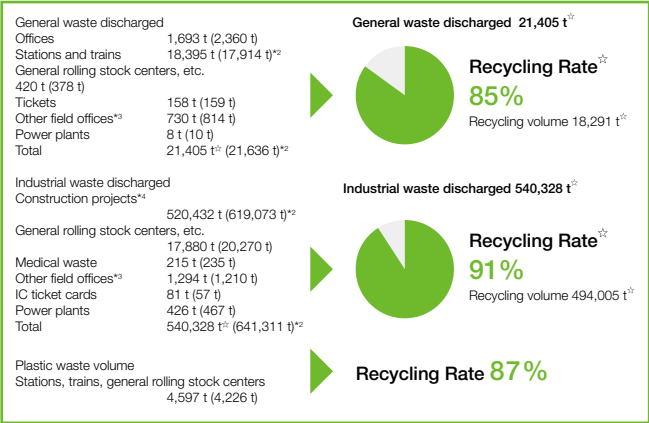
\*1 Excludes overseas JR East Group companies

\*2 Excludes companies that do not generate waste

Groupwide Waste Generation, Amount Recycled, Recycling Rate: Fiscal 2024 Results

Note: Data in parentheses is for fiscal 2023

JR East Waste Generation, Amount Recycled, Recycling Rate<sup>\*1</sup>



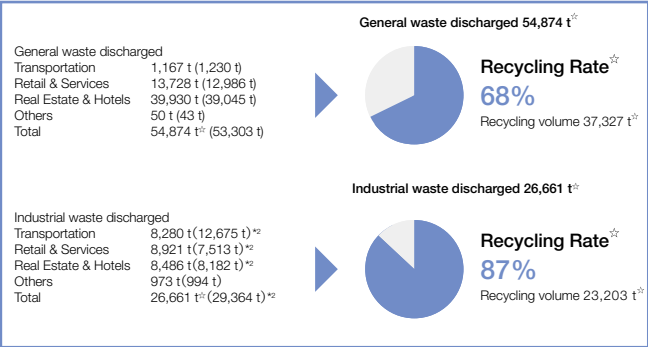
\*1 Waste includes salable waste

\*2 Correction due to over- and under-reporting for FY2023

\*3 Other field offices: Technical centers, equipment maintenance centers, and other locations such as train crew offices

\*4 JR East 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<sup>\*1</sup>

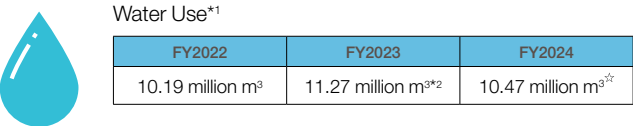


Recycling includes thermal recycling\* where general waste is treated at incineration plants and industrial waste is incinerated as intermediate treatment for heat recovery.

\* 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.

Water and Office Paper Usage by the Entire Group

JR East Usage Volume



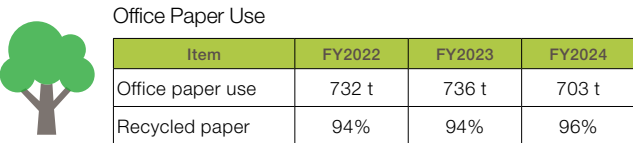
Of all the water that exists on Earth, only 0.01% is in a state that is suitable for human use, and we therefore recognize that water resources are extremely precious. In addition to tap water, industrial water, and groundwater, we actively promote the use of gray water<sup>\*3</sup> in our business 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 This figure has been corrected due to the omission of water usage reporting for fiscal 2023.

\*3 Gray Water: Use of water defined as between tap water and sewage. Such water is recycled and used for limited purposes.

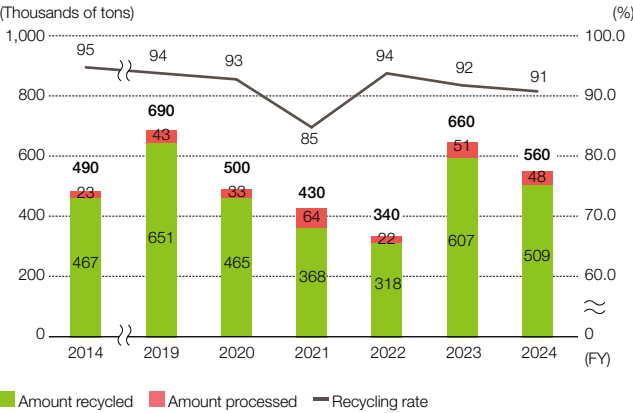
JR East Usage Volume



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. We recycle magazines and newspapers into office paper, and we recycle all used tickets into toilet paper and other products.

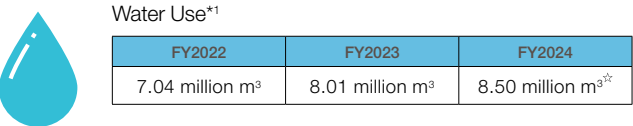
Waste from Stations, Trains, General Rolling Stock Centers, and Construction Projects



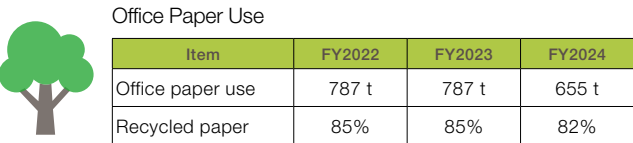
In addition, to promote the collection of waste plastic at stations, we are trialing **Recycle Stations**, which separate waste more precisely than conventional station trash bins. So far, we have installed them at three stations—Tokyo, Osaki, and Kawasaki—but we are also installing an improved design version at two stations—Ikebukuro and Ebisu—to further promote recycling efforts within the Group.



JR East Group Companies Usage Volumes



JR East Group Companies Usage Volumes

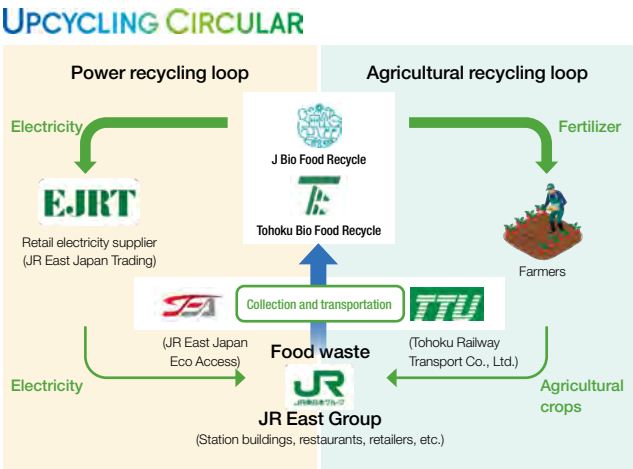


Formulation and Implementation of the UPCYCLING CIRCULAR Resource Circulation Concept

In July 2024, we formulated the UPCYCLING CIRCULAR resource circulation business concept. We will further promote a sustainable circular economy by collecting waste generated from the business activities of the JR East Group, recycling it using new technologies and external collaboration, and utilizing it within the Group.

In specific examples, we are working to create a “double recycling loop” that recycles food waste into both electricity and agriculture. We are implementing an “electricity recycling loop” in which food waste from station buildings and other locations is converted into biogas at the Yokohama Plant of J Bio Food Recycle Co., Ltd. and the Sendai Plant of Tohoku Bio Food Recycle Co., Ltd., and the renewable energy generated is used at Group facilities.

The Company also produces fertilizer using the fermentation residue generated during the biogasification of food waste, and in the future aims to create an “agricultural recycling loop” in which crops grown with this fertilizer will be used by JR East Group restaurants and other establishments.





Development of Sound-Absorbing Material Made with Used PET Bottles Collected at Stations



**Masao Myoken**  
Shinkansen Facilities Department  
Shinkansen General Management Department  
(Current post: Niigata Civil Engineering Equipment Technology Center, Niigata Branch Office)

In terms of environmental measures along Shinkansen lines, we are installing sound-absorbing panels on the track side of the soundproof walling. We are working to reduce environmental impact by using plastic bottles collected at stations in these sound-absorbing panels and reusing them along railways.

PET bottles collected at stations in the Tokyo metropolitan area are sorted by JR East Environmental Access Co., Ltd. and then taken away by a variety of processing companies, making it difficult to track the processing route. Another issue has been that PET bottles often have leftover drink residue in them, making it difficult to process them into sound-absorbing material.

Therefore, we worked with Group companies and manufacturers to clarify the disposal route for PET bottles and to develop technology for cleaning and fiberization.

This initiative has won rave reviews, and was awarded the 2023 Environmental Design Award\* by the Institute of Noise Control Engineering of Japan.

We are currently conducting feasibility studies on expanding the uses of the material to include sound-absorbing panels for conventional railway lines and as insulation for railroad heaters.

\* The four companies that received the award are East Japan Railway Company, JR East Environmental Access Co., Ltd., BSTECHNO Techno Co., Ltd., and Mitsui Chemicals Asahi Life Materials Co., Ltd.

Recycling PET Bottles Collected at Stations

Collected at stations

Collecting and separating

Processing into products

Used on railways

JR East Environmental Access collection vehicles

Eki PET sound absorbing material

**Chemical Substance Management and Reduction**

JR East 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, eight of our sites reported emissions and transfer amounts to the relevant local government bodies in fiscal 2024.

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 the Assessment Releases of Specified Chemical Substances in the Environment and the Promotion of Management Improvement. It encourages the monitoring and control of toxic chemical substances emitted into the environment and measures to prevent negative impacts on the environment.

Nature Positivity

**Goals**

- Preservation of biodiversity

**Policy**

The JR East Group operates a wide range of businesses, but its railways in particular have various impacts on the natural environment through train operations and the construction of necessary facilities. Initiatives to preserve biodiversity are necessary to build a sustainable management foundation, and we will achieve nature positivity by continuing to implement a range of initiatives.

● Maintaining Biodiversity

We will ascertain and analyze the dependencies and impacts of our business on environmental assets as well as the risks and opportunities based on the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD), and we will disclose appropriate information. We will also clarify and continue to engage in activities essential to nature positivity.

Hometown Forest Planting Program



**Yusuke Nagai**  
Department Director of Corporate Planning Department  
Corporate Strategies Headquarters  
(Current post: Mobility Strategy Department Railway Business Headquarters)

In order to preserve biodiversity and contribute to a sustainable society, the JR East Group has been carrying out a Hometown Forest Planting program since 2004, in which we plant tree species that are native to each area and regenerate forests using the power of nature. To date, we have conducted tree planting in seven cities, towns, and villages across four prefectures and planted 175,000 seedlings together with JR East Group employees, their families, and local residents.

The trees planted at the Adataro Hometown Forestation in 2004 have grown tall and are absorbing approximately 27 tons of CO<sub>2</sub> per year. In addition, the *Shima Furusato no Mori-Zukuri* event, which began in fiscal 2020, has been steadily implementing biodiversity conservation initiatives while also promoting tourism in Gunma Prefecture, where the event was held, as well as deepening collaboration with local high schools. In addition, we have been working to strengthen relationships with the local community and develop human resources, such as by creating opportunities for our field staff to gain experience in planning work, and we have been working on initiatives that will lead to the sustainable growth of our Group.

Looking ahead, we will continue to take on initiatives to enrich ecosystems, including Hometown Forest Planting, in order to foster nature positivity and enhance our corporate value.



Fiscal 2024 reforestation activity

Tidal Flat Environmental Restoration and Creation of a Place for Learning

In an effort to protect ocean biodiversity, 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 2024, we held monthly Tidal Flats Open Days, where participants were able to experience making lamps from sea urchin shells, making eco-bags using plant-based dyes from the tidal flats, and goby fishing at marine-life workshops, and to take outdoor disaster prevention courses using the tidal flats. These events enable many people to experience the role of tidal flats in biodiversity. We hosted a total of 11 such event days with approximately 600 participants.



Tidal Flats Open Day

Maintenance of Railroad Forests

The Company manages approximately 3,900 hectares of railway forests throughout Japan with the aim of protecting railways from snowstorms, avalanches, and the like. By continuing to thin out forests appropriately and plant species suited to the functions of each individual forest, we contribute to the preservation of ecosystems while ensuring disaster prevention functions.



Railway forest (Semboku City, Akita Prefecture)

Harmony with the River Environment through the Construction of Fishways

The Shinanogawa Power Station (Tokamachi City and Ojiya City, Niigata Prefecture), which uses water taken from the Shinano River, aims to function in harmony with the river environment and coexist with the local community through such measures as installing fishways to make it easier for fish to swim upstream and releasing salmon fry into the river.



Construction of fishways (Miyanaka Intake Dam)

Initiatives in Response to the Recommendations of the TNFD

The JR East Group has been working on the regeneration of nature and ecosystem conservation for some time now in order to achieve “Enriching the global environment,” one of its six material issues. To better understand and manage the impact of its business on natural capital and biodiversity, the Group expressed its support for the disclosure recommendations published by the TNFD in September 2023, and in March 2024 became the first railway operator to be registered as a TNFD Adopter.

We will continue to make efforts to foster biodiversity and increase corporate value, and work to identify and disclose nature-related risks and opportunities in line with the TNFD recommendations.



Overview of Information Disclosure Based on the Recommendations of the TNFD

Recommendations	JR East Group Initiatives
<b>Governance</b>	Under the same governance structure as the TCFD (see page 23), we oversee and make decisions regarding our dependence on ecosystem services, our impacts on nature and local communities, and risks and opportunities.
<b>Strategy</b>	As a Group with multiple businesses, sales regions, and business locations, we conduct scoping of our dependencies and impacts on nature and ecosystems, select high-priority businesses and regions, and then analyze and evaluate them in accordance with the LEAP approach.
<b>Risk and impact management</b>	Within the framework of risk management, we identify aspects that have an impact on nature and ecosystems and take specific measures to avoid or mitigate them. Through LEAP approach-based analysis and assessment, we clarify the priorities of nature-related risks and opportunities and implement measures to mitigate climate change, as well as conduct resource recycling, chemical substance management, and environmental conservation along railway lines.
<b>Metrics and targets</b>	In terms of nature-related metrics and targets, we have currently set such metrics and targets for GHG emissions, solid waste emissions, and number of trees planted. As we continue to analyze nature-related risks and opportunities, we will consider setting new metrics and goals for nature positivity.



Strategy Details

Assessment of Nature-Related Issues Based on the LEAP Approach

Scoping: Selection of projects for analysis

We used ENCORE<sup>\*1</sup> to compare the relationship between the dependencies and impacts of JR East Group's businesses that come into contact with nature (transportation, retail and services, real estate and hotels, and renewable energy) (Table 1). As a result, we positioned the Transportation Business, which is the core business of the Group with a medium level of dependencies and impacts on environmental assets, as a high priority and proceeded with our analysis in line with the LEAP approach.<sup>\*2</sup>

<sup>\*1</sup> A tool developed by UNEP-FI and others to assess the dependencies and impacts of a company's business activities on nature.

<sup>\*2</sup> A process proposed by the TNFD for systematically assessing nature-related risks and opportunities (LEAP: Locate, Evaluate, Assess, Prepare).

Table 1: Relative Comparison Results of the Relationship between Dependencies and Impacts

Business	Dependency	Impact	Size of Business/ Area
Transportation business	Medium	Low	Large
Retail & Services business	Low	Low	Medium
Real Estate & Hotels business	Medium	Low	Medium
Renewable Energy business	High	High	Small

Locate: Identifying Priority Areas in the Transportation Business

Regarding the main bases and sections of our Transportation business, namely (1) railway lines, (2) the Shinanogawa Power Plant, and (3) the Kawasaki Thermal Power Plant, we assessed them from the perspectives of both material locations<sup>\*3</sup> and sensitive locations.<sup>\*4</sup> As a result, we have identified the Shinanogawa Power Plant located in Tokamachi City and Ojiya City, Niigata Prefecture, as a priority location<sup>\*5</sup> for our Transportation business (Table 2).

<sup>\*3</sup> Areas where a company has operations or assets and that have been identified as having significant dependencies or impacts on nature, or risks or opportunities

<sup>\*4</sup> Areas surrounded by the following characteristics: 1) areas of high importance for biodiversity, 2) areas with high ecosystem integrity, 3) areas where ecosystem integrity is rapidly declining, 4) areas with high physical water risk, and 5) areas important for providing ecosystem services

<sup>\*5</sup> Location that meet both the conditions of material location and sensitive location

Layout of Nature-Related Issues at the Shinanogawa Power Plant

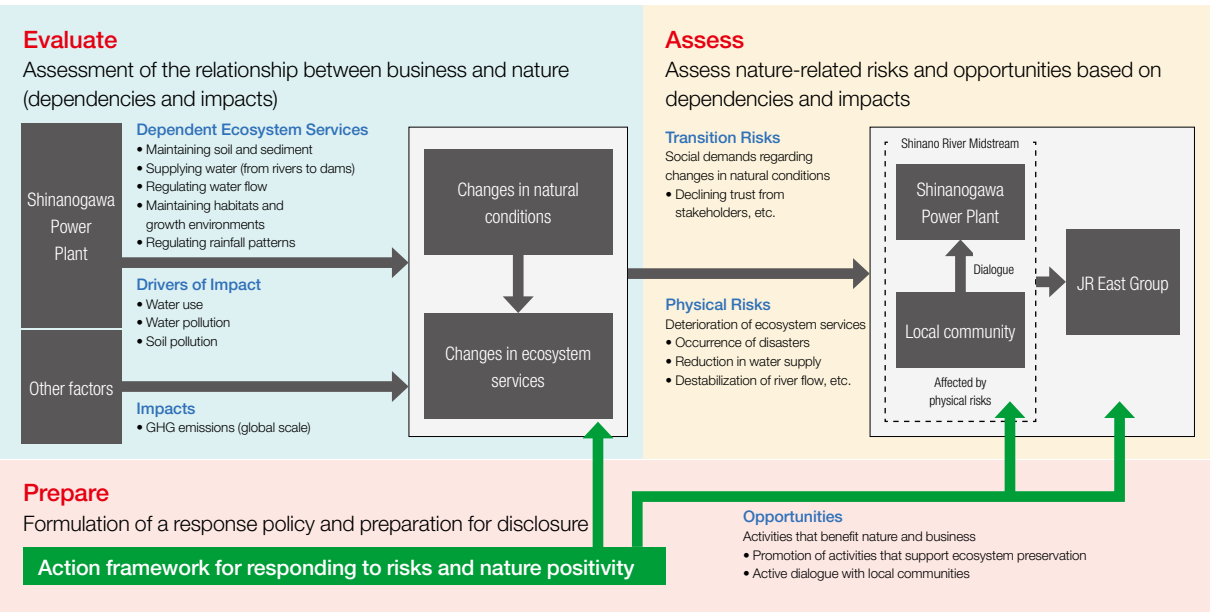


Table 2: Summary of “Locate” Results for the Shinanogawa Power Plant

“Locate” Perspective	Reasons for Identifying the Shinanogawa Power Plant as a Priority Location
Material location	• The Shinanogawa Power Plant's clean hydroelectric energy provides one-quarter of the electricity used by the Group and supports rail transport.
	• The Shinanogawa Power Plant's business is based on water intake from the Shinano River, and it is necessary to consider its dependence on river flow and the impact of water intake on the river basin ecosystem.
Sensitive location	• There are areas around the Shinanogawa Power Plant with relatively high index values for “areas of high importance for biodiversity” and “areas important for providing ecosystem services.”

Evaluate: Evaluate the Relationship between Business and Nature (Dependencies and Impacts)

We have outlined the relationship between our business and nature from the perspective of the ecosystem services on which our business depends and the impact our business has on the state of nature. Based on the dependency and impact relationships compiled using ENCORE and the description of hydropower in the TNFD sector guidance, water use was suggested as an important impact driver. The Shinanogawa Power Plant uses a lot of water from the Shinano River to generate electricity. In addition, The Shinanogawa Power Plant has long placed importance on preserving the ecosystem in the Shinano River basin through dialogue with the local community.

Hence, we assessed that water use, which brings about changes in river flow, is an important impact driver, and that maintaining habitats and growth environments, which are necessary for the reproduction and growth of aquatic organisms, is an important ecosystem service. These items are marked with an asterisk in Table 3.

Assess: Assessment of Nature-Related Risks and Opportunities Based on Dependencies and Impacts

Based on “Evaluate,” we identified nature-related risks and opportunities at the Shinanogawa Power Plant. A summary of major risks and opportunities is provided on page 88 (Table 3).

Table 3 Nature-Related Risks and Opportunities and Existing Initiatives of JR East

Risks and Opportunities Related to Dependencies and Existing Initiatives

Ecosystem Services	Risks	Opportunities	Existing Initiatives
Maintaining soil and sediment	• Damage to facilities and equipment due to landslides	—	• Appropriate management of the area around the facility
Supplying water (from rivers to dams)	• Reduced operation rate or shutdown of power generation facilities due to reduced water supply (dry rivers, etc.)	—	• Preparation of a stable power generation environment
Regulating water flow	• Reduction or shutdown of power generation equipment due to rising river water levels, damage to facilities and equipment	—	• Business continuity planning response
Maintaining habitats and growth environments*	• Declining trust from stakeholders due to deterioration of habitats	• Promoting activities to support ecosystem preservation • Active dialogue with local communities	• Construction of fishways • Holding of committees organized by the Company with the national and local governments and experts on construction of fishways • Release of juvenile fish • Participation in conferences with the national and local governments and experts on improving aquatic environments
Regulating rainfall patterns	• Suspension of operations due to unstable power generation caused by extreme river flow	—	• Maintenance of a stable power generation environment

Risks and Opportunities, Existing Initiatives Regarding “Impacts”

Drivers of Impacts	Risks	Opportunities	Existing Initiatives
Water use*	• Impact of water use on ecosystems	• Active dialogue with local communities	• Participation in consultations with national and local governments and experts on improving aquatic environments
Water pollution	• Occurrence of water pollution accidents	—	• Formulation and implementation of management plans • Renewal of power generation facilities
Soil pollution	• Occurrence of soil pollution accidents	—	• Formulation and implementation of management plans • Renewal of power generation facilities

For example, one anticipated risk is that if ecosystem services such as the supply of water from the Shinano River to dams, regulation of water flow or regulation of rainfall patterns were to deteriorate, extreme river water level events, such as droughts or rising water levels, could cause destabilize power generation, which could have an impact on our business. In addition, there is a risk that the ecosystem will be affected by water use in the power generation business. Furthermore, if the habitat and growth environment deteriorates and the preservation of the ecosystem is put in jeopardy, we could risk losing the trust of our stakeholders.



Release of salmon fry into the Shinano River

Assessment of Existing Initiatives

For many years, the JR East Group has been observing and evaluating the impact of water withdrawal on the natural environment of the river basin and publishing the results of its observations. We also participate in conferences such as the Shinano River Midstream Water Environment Improvement Review Council, and continue to engage in dialogue with the local community about the harmony between our business activities and the natural environment of the midstream Shinano River. Furthermore, we are also working to preserve the ecosystem in the midstream Shinano River, which may be affected by the project. For example, we are carrying out thorough maintenance of the fish ladder installed beside the Miyataka Intake Dam so as not to impede the upstream or downstream migration of fish that live in the Shinano River, and we are also conducting research and monitoring to further improve the fish ladder. Every spring, we release salmon fry into the Shinano River together with the local fishing association and elementary school students. We believe that such existing initiatives not only mitigate the impact on the ecosystem, but also represent a win-win situation for both nature and business.

The Group will continue to assess nature-related risks and opportunities using the LEAP approach based on TNFD recommendations, and will continue to promote activities to harmonize its power generation business with nature in the midstream Shinano River basin. In cooperation with stakeholders such as local communities and river managers, the entire Group will work toward becoming nature positive.



# 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.



- Technology Innovation
- New Fields

## 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

### Policy

We are advancing pioneering technological innovation through open innovation. By creating and strengthening industry–academia collaboration with companies both within and outside of the Group, universities, research institutes, and others, we are building an innovation ecosystem that generates innovation, and we are continuously creating new value.

We believe that human resource development is vital to achieving innovation. We will cultivate diverse human resources with digital technology skills and create areas where they can thrive.

### KPIs

KPIs (numerical targets for FY2028)		FY2024 Results
No. of patents, etc. applications related to digital transformation and services	175 in total	34
No. of newly trained employees with digital technology skills	30,000 in total	6,180 in total

### Initiatives to Develop Pioneering Technology

In the four areas 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 Technological Innovation, we leverage tools such as IoT, big data, and AI to aim to create new value through pioneering technological innovation. In particular, we are focusing on resolving the management and on-site issues that the Group faces, such as the declining working age population, energy and environmental issues, and measures to deal with increasingly severe natural disasters.



Next-generation Shinkansen fast train, ALFA-X

### 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. We will also accelerate improvements in safety and convenience, added value in services, and operational efficiency in various business fields. 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 strengths of the Group to provide enriched lives at a global level.

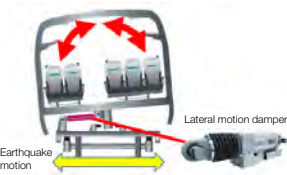
\* For details on our Digital Transformation and Intellectual Property Strategies, please see pages 53–54.



The Mid- to Long-Term Vision for Technological Innovation

### Major Initiatives

- Developments to minimize damage in the event of an earthquake
- Test running of experimental rail cars (ALFA-X) for the development of next-generation Shinkansen trains
- Development of labor-saving automation of maintenance
- Development of a range of technologies required for future autonomous driving
- Development of the fuel cell hybrid train, HYBARI



Development of lateral motion damper as an earthquake countermeasure



Fuel cell hybrid train, HYBARI

### Developing Diverse Talent with Digital Technology Skills to Promote DX

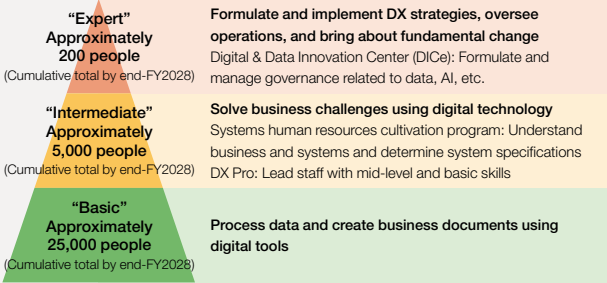
We are currently developing highly skilled IT personnel (experts) at our Digital & Data Innovation Center, which was established in October 2023.

In addition, with regard to middle- and basic-level personnel, from November 2023 we have assigned DX Pros, who are key figures in driving digital transformation, to each branch office and elsewhere to speed up the cultivation of human resources with digital technology skills.

We are working to cultivate diverse digital talent across the Company, and have achieved our numerical target of 20% within six months of launching these initiatives.

## Development of Human Resources with Digital Technology Skills by DX Pros

DX Pros have been assigned to each branch office to build an internal network for promoting digital transformation (DX). DX Pros provide hands-on training for employees, who learn how to create no-code apps while using a PC. Through the activities of DX Pros, we will primarily accelerate the development of human resources with intermediate and basic digital technology skills.



### Main Employee Comments on DX Pro Activities

- There are apps created in other workplaces that we can adopt to improve work in our own workplace. We will incorporate business improvement apps that are being deployed horizontally by DX Pros into our own workplace and accelerate our efforts to improve digital work.
- I didn't know where to start with DX. I'm hoping to catch up with other employees soon since these DX Pros offer assistance from the very basics.
- There are issues that cannot be solved by digital technology alone. We will consider the upstream workflow, examining the rationale behind each task, and work to promote DX, including through the review of regulations and rules.



Hands-on study session with DX Pros

## New Fields

### Goals

- Provision of new services and proposal of new lifestyles

### Policy

By actively engaging in new technologies and digital transformation and taking on challenges beyond the framework of existing businesses, we aim to create new services and fast track their implementation.

### KPI

KPI (Numerical Target for FY2028)		FY2024 Result
Solving social issues and increasing profits through open innovation	20 in total	2

### Open Innovation Initiatives

We will offer new services and new lifestyle ideas by actively utilizing external technologies and we will use the knowledge and expertise we gain through these activities to provide business management solutions outside the Company.

### WaaS Co-creation Consortium

We formed the Mobility Innovations Consortium in 2017 as a forum for reforming mobility through open innovation. Over the past five years, we have conducted various demonstration experiments and initiatives with the participation of more than 160 companies and organizations. Leveraging this knowledge and expertise, we established a new Well-being as a Service (WaaS) Co-creation Consortium in April 2023 as a forum for enhancing the value of mobility and space. Through open innovation with various companies, local governments, universities, and other entities, 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.



WaaS Co-creation Consortium (Japanese only)  
<https://www.jreast.co.jp/jrewcc/>

### Major Initiatives in Fiscal 2024

- Tourism revitalization solutions using extended reality (XR) technology
- Verification of expansion of local consumption through wellness and cycle tourism
- Consideration of new railway antiques purchasing experiences using digital twins
- Verification of the effectiveness of using virtual reality (VR) technology to attract local visitors and promote product appeal
- Consideration of the use of "flying cars" that connect stations with the skies

### Tourism Revitalization Solutions Using XR Technology

As part of the social implementation of XR technology that the Mobility Innovations Consortium tried, we have developed tourist information solutions using augmented reality (AR) and are working to provide new tourist experiences.

Since 2022, we have been introducing these solutions at events within JR East's ambit, such as Hiking from Stations, and they have been well received at numerous locations.

The WaaS Co-creation Consortium is also actively working to develop and utilize XR technology, such as by adding value to tourist experiences through AR and assessing the viability of selling railway antiques in digital spaces.



Tourist information solutions using AR



# 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.



- Promotion of Diversity, Equity, and Inclusion (DE&I)
- Human Resource Development
- Health and Productivity Management
- Occupational Safety

## Promotion of Diversity, Equity, and Inclusion (DE&I)

### Goals

- Empowerment of diverse personnel
- Realization of flexible workstyles

### Policy

- The JR East Group will carry out DE&I-based management to become a corporate group where all JR East Group employees can maximize their capabilities and thrive.

### KPIs

KPIs (Numerical Targets for FY2028)		FY2024 Results
Percentage of female managers	10%	7.8%
Percentage of female directors	30%	20%
Percentage of managers hired as experienced personnel	20%	19.9%
Percentage of employees with disabilities	2.70%	2.69%
Establishment of facilities suitable for diverse personnel (LGBTQ, etc.)	100% (new construction or major renovation)	100%
Acquisition rate of paternity leave	85% or more	61.9%

JR East's non-consolidated figures

## Implementing Workstyle Reform that Balances Diversity and Productivity Improvement

In fiscal 2025, we launched a new Third General Employer Action Plan, a four-year plan. While continuing our efforts to hire, retain, cultivate, and promote female employees, we will add “active participation” as an aim and strengthen our support for autonomous career development, especially in terms of active participation.

### Third General Employer Action Plan Fiscal 2025–Fiscal 2028 (JR East only)

- (1) 35% or more of recruits joining the Company will be women
- (2) 85% or more retention rate for female employees hired during the period nine to 11 fiscal years earlier
- (3) 85% or more of male employees take childcare leave, etc.
- (4) 10% or more of management positions in the Company will be women
- (5) 25% or more women among employees taking part in application-based training programs that contribute to independent career development

### Basic Concept

The strength of the Group lies in the diverse perspectives and wide variety of values that reflect the attributes, knowledge, and skills of our employees, such as work experience, age, and gender. We will create new engagement between employees and the Company through a sense of accomplishment and fulfillment through work, and leverage the power of human resources with diverse values and flexible imaginations to facilitate fundamental transformation of our business, innovation through new ideas, and improved productivity through more sophisticated work.

For a diverse workforce to make maximum use of their respective abilities, it is essential that they are physically and mentally healthy. We will promote the health of our employees and the creation of safe, comfortable, and accident-free workplaces.

\* For details on Human Resource Strategies, please see pages 51–52.

## Supporting Employees with Childcare or Nursing Care Responsibilities

To provide further support for balancing work with childcare and/or nursing care, we have introduced programs that exceed the legal standards, expanding these with the implementation of the following reforms in fiscal 2024.

### New Maternity Gift System

A flat rate of ¥200,000 is paid for each child born.

### Increase in Dependent Allowance for Children

Number of Children	Up through September 30, 2023	Since October 1, 2023
1st child	¥10,000	¥10,000 (no change)
2nd child	¥10,000	¥15,000 (+¥5,000)
3rd and subsequent children	¥10,000	¥20,000 (+¥10,000)

### Increase in Dependent Allowance for Family Members with Serious Illnesses or Disabilities

Eligible Family	Up through September 30, 2023	Since October 1, 2023
Children	¥12,000	¥20,000 (+¥8,000)
Family members other than children	¥10,000	¥20,000 (+¥10,000)

### Further Flexibility in Workstyles for Employees Raising Children with Serious Illnesses or Disabilities

Work and Leave System	Up through September 30, 2023	Since October 1, 2023
Part-Time Work	Until age 3	Until third grade of junior high school
Reduced days of work	Until third grade of elementary school	
Parental leave (5 days per month)	Until third grade of elementary school	
Parental leave (3 days per month)	Until sixth grade of elementary school	

From April 1, 2024, there will be **no age restrictions** for those raising children with serious illnesses or disabilities.

### Interviews with Employees Raising Children with Serious Illnesses or Disabilities

I used the reduced hours work system to care for my disabled child. I considered quitting when the use of reduced work hours expired, but the change in the work system has allowed me to remain in employment. I'm glad I'm able to continue working reduced hours as it means I can stay connected to society through my job.

### Employing People with Disabilities

We are actively hiring people with disabilities as well as working to create an environment in which employees with disabilities can work actively in various positions. As of June 1, 2024, we have approximately 780 employees with disabilities and an employment rate of 2.76% (2.78% for the four applicable Group Companies), which exceeds the statutory rate of 2.5%. That said, since some Group companies have not met the statutory employment rate, we will continue to actively hire Group employees with disabilities and work to create an environment in which they can fully utilize their capabilities and play an active role.

## Expanding Fields in Which Employees with Disabilities Can Play an Active Role across the Entire JR East Group



### Yukiyo Furusawa

Job Support Team, General Affairs Department  
JR East Green Partners Co., Ltd.

As a special subsidiary of JR East, JR East Green Partners respects the individuality of each employee and strives to create a comfortable working environment for them, while actively working to create jobs that allow employees to fully utilize their capabilities. Through these efforts, we will continue to work hard to improve the competitiveness of our company and expand employment opportunities for people with disabilities.

In October 2023, we launched a Job Support Team to provide employees with comprehensive support in gaining stable, higher quality employment so that they feel motivated and can thrive in their work.

Going forward, JR East Green Partners will promote employment of people with disabilities throughout the Group.

### Initiatives to Promote Understanding of LGBTQ+ Employees

Thus far, we have expanded the scope of our human resource 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 Group employees through universal compliance training. In 2023 we held the first face-to-face networking meeting in four years for those involved, and we took part in the Pride1000 business executive ally network.

### Comments from Mr. Gon Matsunaka, Representative of Good Aging Yells (Certified NPO)



The network association for LGBTQ+ and other sexual minority employees had a very friendly atmosphere, with each employee sharing stories from the workplace and their personal lives in a positive way. While many companies are moving forward with these initiatives, few companies offer opportunities like these. I feel that these are only possible because of the trust between employees and the executives and the managers. Thank you very much for reaching out to me.

## Increasing Diversity in Hiring and Human Resource Management (Fields of Activity)

### Strengthening Recruitment of Experienced People and Welcome Back Hiring

In terms of hiring experienced personnel and Welcome Back hiring, in fiscal 2024 we introduced year-round recruiting and hiring of experienced personnel, and we are strengthening our recruitment efforts to acquire personnel who can hit the ground running.

### Interview with a Welcome Back Hire Megumi Noguchi Akabane General Management Center Tokyo Metropolitan Area Headquarters



I joined the Company for the second time in April 2023 as part of the first batch of Welcome Back hires.

I had left the Company to focus on raising my two children, but as I watched my children grow up, I also felt that I wanted to take on a new challenge, so I decided to apply.

In the future, I would like to use this experience to work in human resource development.

### Promoting the Active Participation and Achievements of Employees of Foreign Nationalities

We strive to employ the best candidates regardless of nationality, and as of April 2024, we employ more than 100 foreign nationals in a wide range of areas. Based on feedback we received in discussions with foreign employees, we are working to create an environment where they can make the best of their abilities, such as by allowing them to bring dictionaries to internal promotion exams and answer questions in English.

### Initiatives to Secure and Retain Talented Personnel

#### New Special Measure for Doctoral Degree

To achieve sustainable growth, we have established a **special measure for people with doctoral degrees** so that we can secure and retain talented employees with the specialized knowledge to drive the Company's transformation.

#### Payment amount (monthly)

¥25,000

\* Paid to experienced hires as well as employees who have obtained a doctorate after joining the Company

#### New Scholarship Loan Reimbursement Support Program

To secure talented personnel and improve working conditions for young employees who will lead the Company into the future, JR East has adopted a scholarship loan reimbursement support (proxy repayment) program, under which **the Company repays part of the student loans** of selected employees.

#### Reimbursement amount (annual amount)

Up to ¥50,000

#### Period

Up to 10 years after joining the Company



\* Eligible applicants are those who have a grade point average of 3.5 or higher on a 5-point scale for all courses taken at the school they were enrolled in when they received the scholarship loan, or a standard GPA of 3.1 or higher.  
\* Applies to employees who have already joined the company as well  
\* Reimbursement amount and period vary depending on remaining scholarship loan balance

## Workstyles That Allow Employees to Maximize Their Capabilities

In addition to leave of absence and vacation systems that allow employees to balance work with life events such as childbirth, childcare, and elderly care, we encourage flexible and well-balanced work styles that utilize flextime and remote working to improve efficiency and productivity. In addition, as one of our diverse workstyles, we have been promoting the spread of workations and an increase in the number of users through our in-house Workation@JRE system.



Increasing the Engagement of All Group Employees

Human Resource Development

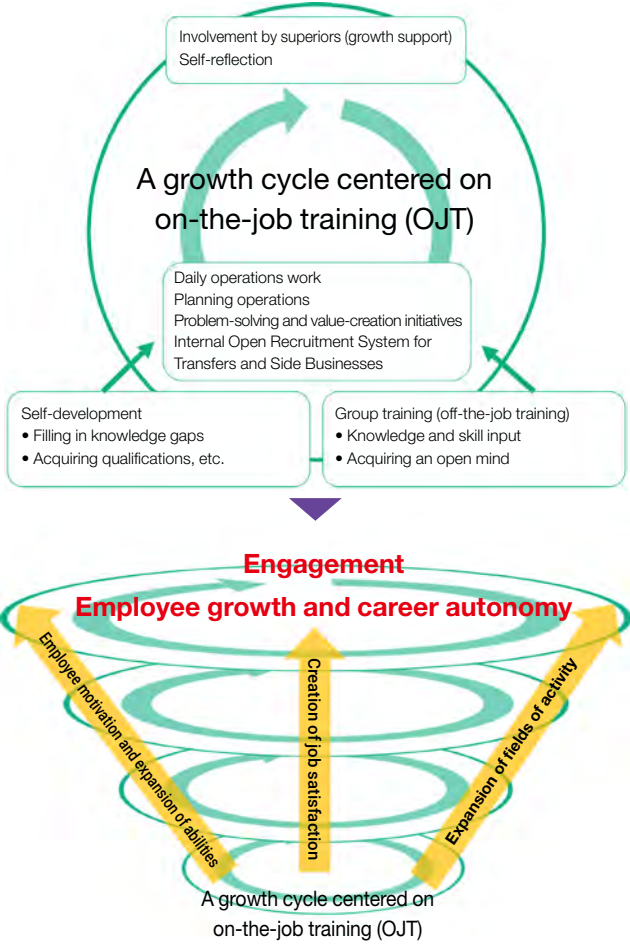
Goals

- Cultivation of innovation-oriented thinking and diverse career development
- Expansion of fields of activity

Policy

To achieve sustainable growth for the JR East Group, our basic policy is to support the growth and career autonomy of each Group employee and to increase employee engagement. Based on a growth cycle centered on on-the-job training (OJT), the Group is working together on people-focused human resource development that responds to the diverse aspirations and bold challenges undertaken by employees and that supports their growth.

Through various initiatives, we aim to foster a shared mindset among every Group employee as Group innovators who combine a sense of participation in management with the ability to take action, who embody career autonomy, with a sense of job satisfaction, and who always strive for greater heights.



KPIs		
KPIs (Numerical Targets for FY2028)		FY2024 Results
No. of participants in self-development courses on new value creation	25,000 in total*	5,169 in total*
Assignment of personnel to key growth fields	2,000 or more in total	408 in total

\* indicates figures for JR East only

Growth of Group Employees

Groupwide Human Resources Development

From the perspective of pursuing Group management and integration and collaboration, we provide group training and internal and external correspondence courses for JR East Group company employees in a wide range of roles, from general staff to managers.

Example of Group Training

- JR East Group Career Design Training: Broadening the horizons of young people and supporting their career development
- Practical Manager Development Training: Developing the next generation of managers

Internal and External Correspondence Courses

- 53 internal courses: Railways, Lifestyle services, etc.
- 285 external courses: Management, Digital transformation, Qualification certification, etc.



Practical Manager Development Training



Study guide for correspondence course

JR East “Move Up” Forum

Since fiscal 2024, we have been holding the JR East Group “Move Up” Forum in collaboration with Group and partner companies, to share and exchange examples of change and integration and collaboration. In fiscal 2025, approximately 180 people from 43 JR East workplaces and approximately 170 people from 55 Group companies will attend the event, and we will come together as a Group to accelerate our transformation through discussion and presentations about various initiatives.



Expansion of Fields of Activity

Internal Open Recruitment System for Transfers and Side Businesses

To provide an opportunity for employees to think proactively about their careers and take on new challenges, we have implemented an internal open recruitment system for transfers, with approximately 320 employees in 19 fields taking on new challenges in fiscal 2024.

We have also introduced a side business system, to provide employees with opportunities for growth through diverse work experience outside the Company so that they can use the insights gained from that experience to create new services and added value. As of fiscal 2024, a total of approximately 300 employees are engaged in side businesses.

Interview with Employees Trying Out Side Businesses

Yoshihiko Hirakawa  
Ueno Transportation District  
Tokyo Metropolitan Area Headquarters



I have learned new things and gained insights that I would not have been able to experience working as a train crew member, and I am aware that this is helping me grow as a person each day. I will continue to create people-focused services as a challenge for the new era.

Value Creation Program

To create new value and solve problems, in fiscal 2023 we established the role of Innovative Staff at our operational sites. To support these Innovative Staff, we held a new Value Creation Program training course for a total of eight days, in which participants learned about value creation schemes and fieldwork to seek solutions to problems faced by local governments.



Value Creation Program Participants

Participating in the Value Creation Program



Tsukasa Niguma  
Nagano General Management Center  
Nagano Branch Office

A total of 30 people participated in the Value Creation Program for Innovative Staff.

Throughout the training period, we took on various challenges, repeatedly engaged in dialogue and thought exploration, verbalized our goals, and performed the roles expected of us, and we gained a genuine sense of the process of high-quality consensus building and its results. I will continue to use what I have learned to act as a leader driving new value creation, while also working to train the next generation of employees and contribute to the further growth of the Group.

Library Portal

We have taken video content, including highly specialized training lectures, special lectures by Company managers, and lectures by external presenters on management and other topics, and posted it on a centralized in-house portal site, thus providing an online system that allows employees to learn at their own pace.

The portal currently holds 480 videos, including 320 in-house training videos and 160 videos by external lecturers. In addition to being used for self-development, the videos are also used in workplace study sessions.

Enhancing Communication with Employees

We are incorporating one-on-one meetings in each workplace as a tool to support our employees' ability to grow and their career autonomy as well as to increase engagement.

So that they understand the purpose of one-on-one meetings and can implement them effectively, we are holding training for managers and posting related video materials for managers and subordinates on our Library Portal to foster the creation of opportunities for two-way communication.



A one-on-one meeting in a workplace



A training session for managers

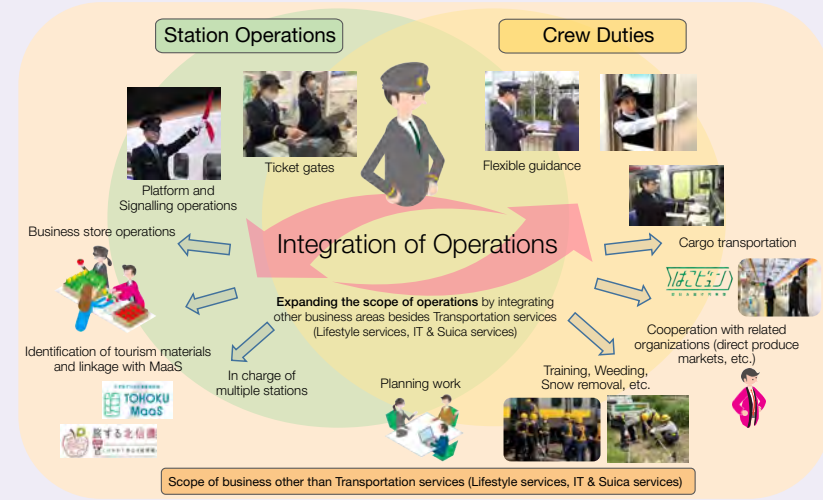
Expanding Employee Fields of Activity Through Organizational Restructuring

Since 2022, we have been reviewing the nature of work and organization within the Company in order to achieve integration of operations, flexible workstyles, and flexible organizations (workplaces), whether it be in our in-field workplaces or planning departments.

To enable speedy value creation and problem solving in close proximity to our customers, we are implementing the transfer of

authority and the integration of planning departments with operational sites as well as the integration of individual dedicated divisions so as to expand the fields of activity for all employees and create more flexible workstyles and career development.

The creation of workstyles that transcend the traditional division of duties and flexible workplaces where each employee can take on a variety of challenges and thrive, allows employees to actively participate in new initiatives and achieve growth through a cycle of participation and growth.



An example of revising duties and organization (fusion of station operations and train crew operations)

Examples of Organizational Reconfiguration at Operational Sites

- Establishment of General Management Centers that combine stations and crew workplaces: In addition to traditional station and crew duties, these centers undertake problem solving and value creation.
- Transfer of the Planning Department's operations in rolling stock workplaces to operational sites: We are working to conduct effective business operations and maintain and improve technical capabilities.
- Establishment of an Equipment Technology Center at our equipment workplaces that integrates the duties of our in-field work-sites and branch offices: We are creating an environment where employees can make the most of their capabilities.



Increasing the Engagement of All Group Employees

Enhancement of Mechanisms and Systems to Support Employees in Taking on Bold Challenges

Developing Flexible, Diverse Training Courses

We offer a wide range of high-quality, flexible and diverse training courses tailored to the roles employees need to fulfill, the expansion of their fields of activity, and our business portfolio. In addition to improving knowledge and cultivating the right mindset, we offer our employees the chance to apply for human resource development programs that contribute to their career autonomy in areas such as technology, international business, finance, and foreign languages.

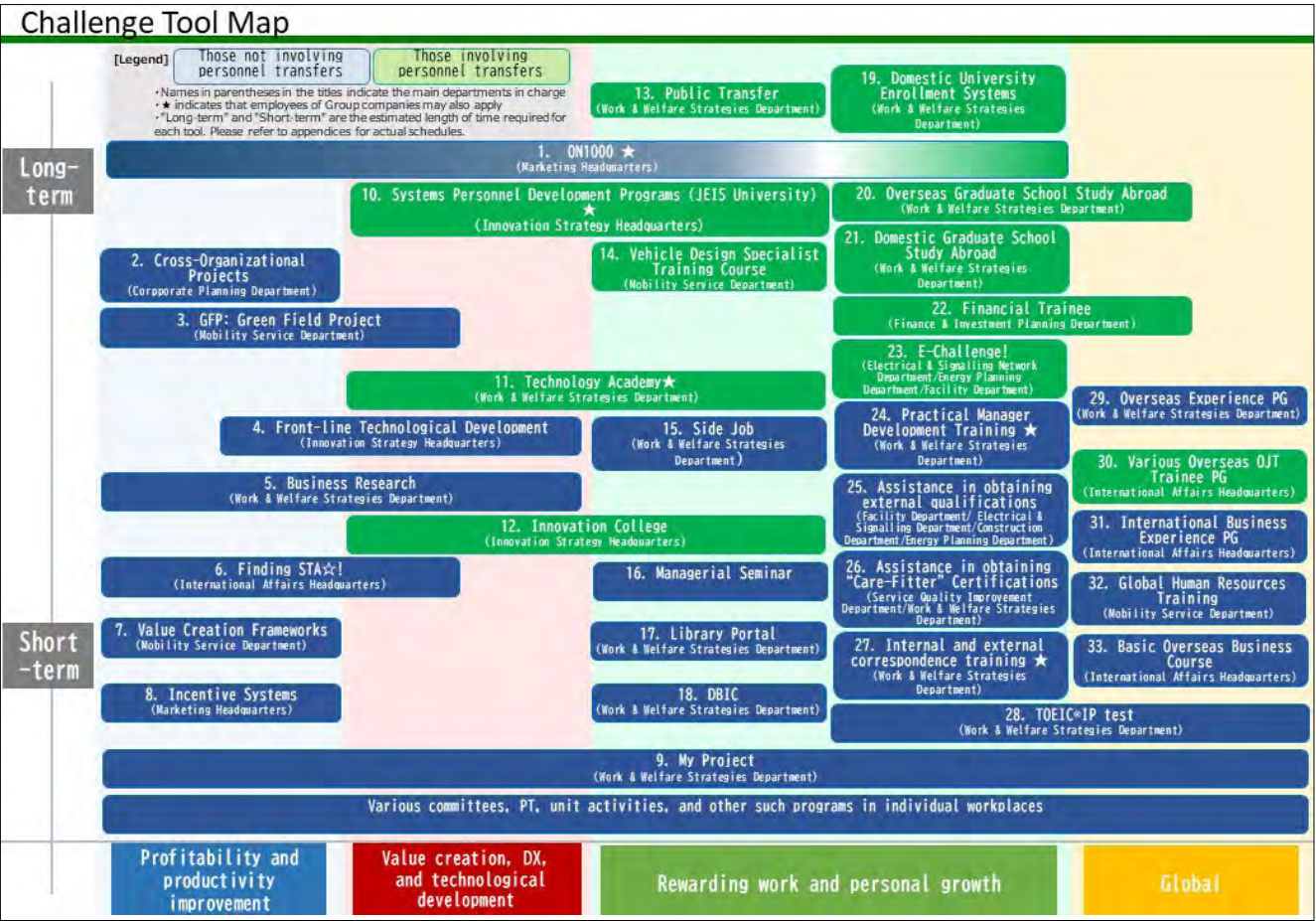
In addition to enhancing mechanisms and systems to respond to our employees' diverse initiatives and ambitions, we provide ongoing support by creating an environment that facilitates the taking on of challenges by our employees, such as by visualizing these programs in the form of a Challenge Tool Map and distributing it to employees.



Domestic Graduate School Study Abroad program



Overseas OJT trainees



Training Foreign Talent (JR East Technical Intern Training)

We provide on-the-job training for foreigners through our technical intern training program. By developing international railway human resources, we aim to cultivate our own employees by expanding human exchanges as well as to contribute to economic development in the Asian region. We have 23 trainees (as of September 2024) from Vietnam, Thailand, and Indonesia working in rolling stock and track maintenance departments.

Going forward, we will position this initiative as initial training prior to employment in roles requiring specific skills and build a long-term human resources development plan.



JR East Technical Intern Training program



Health and Productivity Management

**Goal**

- Promotion of employee health

**Policy**

By promoting strategic health management, we aim to improve the health of every employee and foster happiness for our employees and their families, thereby achieving sustainable growth for our employees and the Group. We will also work to address social issues such as extending healthy lifespans.

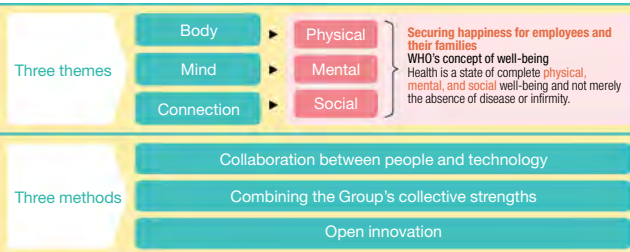
JR East Group Health Vision 2029

We have formulated a medium-term plan, JR East Group Health Vision 2029, that focuses on three themes—Body, Mind, and Connection—and we will promote strategic health management through three methods: Collaboration between people and technology, Combining the Group's collective strengths, and Open innovation.

JR East Group Health Vision 2029



Health creation concept



Promotion Structure

We have established dedicated head office and branch office departments as well as the JR East Health Promotion Center, which is staffed by occupational health professionals, and we have appointed health promotion leaders in each location to promote employee-initiated health promotion at the workplace.

In addition, the directly managed JR Tokyo General Hospital and JR Sendai Hospital support the health of Group employees and contribute to regional medical care. Notably, JR Tokyo General Hospital opened a new health checkup center in April 2024, introducing highly accurate testing using the latest medical technology.

KPIs

We will set common health management goals for Group companies and work together as a Group to promote health effectively.

KPIs (Numerical Targets for FY2030)		FY2024 Results
Percentage of employees receiving regular health checkups	100%	99.9%*
Percentage of employees receiving stress checks	95% or more	91.2%*

\* indicates figures for JR East only

Employee-led Creation of Good Health

We focus on each of our employees, all of whom play a key role in creating good health, and we are working to raise health awareness and literacy by providing information through videos, holding health events and study sessions, utilizing health checkup reports that convert health checkup results into scorecards using our proprietary system, and regularly measuring health literacy.

We also actively promote health by acknowledging the individual efforts of each employee and presenting internal awards to workplaces that demonstrate excellent health performance.



Health checkup scorecard



Workplace athletic event



Poster for employee awareness



Increasing the Engagement of All Group Employees

Certification as a KENKO Investment for Health Outstanding Organization

JR East has been certified as a White 500 KENKO Investment for Health Outstanding Organization 2024 (Large Enterprise Category) for fiscal 2025.



Supporting Health through Proactive Communication



Mariko Sato  
JR East Health Promotion Center  
Takasaki Health Promotion Center

Public health nurses in charge of both the Tokyo Metropolitan Area Headquarters and the Tohoku Area Headquarters and each branch take the lead in promoting the health of employees. It is particularly important to promote health to people while they are still young, and we focus on providing health guidance to those with a body mass index (BMI) of 25 or higher, those with high blood pressure, high cholesterol, high blood sugar or other complications, and smokers, with the aim of preventing the incidence of future lifestyle-related diseases.



We use regular health checkups, workplace inspections, and other opportunities for direct contact with employees as opportunities to encourage them to become more aware of health problems and improve their lifestyle habits, thereby helping them avoid risks.

In recent years, we have been proactively using online interviews and providing health education to young people aged 30.

In our work as medical professionals, we will continue to support employees in improving their health awareness and health literacy to encourage behavioral changes in the workforce, focusing on the three themes of Body, Mind, and Connection set out in JR East Group Health Vision 2029.

Occupational Safety

Goal

- Accident-free, safe workplaces

Policy

The JR East Group has set the goal of zero fatal accidents among its employees (including Group companies, partner companies and affiliated companies) and is committed to creating a safe and comfortable working environment.

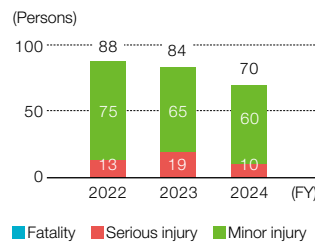
KPI

KPI (Numerical Target for FY2029)	FY2024 Results	
Fatal employee accidents (including Group companies, partner companies, and affiliated companies)	0	2

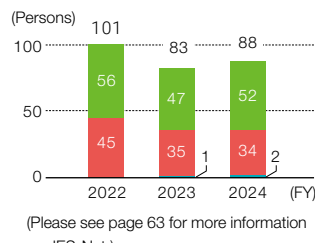
Preventing Workplace Accidents and Creating a Workplace Where Everyone Can Leverage Their Abilities with Peace of Mind

In fiscal 2024, there were two fatal accidents (two people) due to electrocution and falls in the railway business, and 156 people were injured in accidents that resulted in time off work.

Accidents Resulting in Lost Work Time (JR East Employees)



Accidents Resulting in Lost Work Time (JES-Net, etc., Employees)



(Please see page 63 for more information on JES-Net.)

Preventing Occupational Accidents

At the JR East Group, we regard struck-by accidents, falls, and electrocution as serious occupational accidents, and we take a range of measures to prevent them.

The TC-type wireless train approach warning system (TC alarm) alerts workers to an approaching train using sound. Since its adoption in 1998, we have had no fatal struck-by accidents during maintenance work when using the system.

In recent years, we have been capturing on changes both inside and outside the Company and incorporating new technologies, such as using drones for track surveys and equipment inspections following heavy rains or earthquakes, in an effort to improve work environments and prevent workplace accidents.



Evacuation using the TC alarm system (illustration)



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.



- Internal Control That Promotes the Undertaking of Bold Challenges
- Respect for Human Rights

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.

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 that ensures information security

Policy

The JR East Group views internal control as follows.

- Various initiatives by all Group employees to realize the Group Philosophy and Group Management Vision appropriately and efficiently
- A system to support employees in taking on new challenges through their own initiative and motivation, leading to growth and structural reform for the Group
- A broad concept that includes the Companies Act and the Financial Instruments and Exchange Act

Specifically, we are working on risk management from the perspective of expanding into new business fields, etc., in addition to the perspectives of ensuring compliance, ensuring safety and security, preventing financial losses, and ensuring the soundness of financial statements, and we aim for the advancement of the JR East Group, and the enhancement of its value.

Systems and Mechanisms to Support and Encourage the Taking On of Bold Challenges

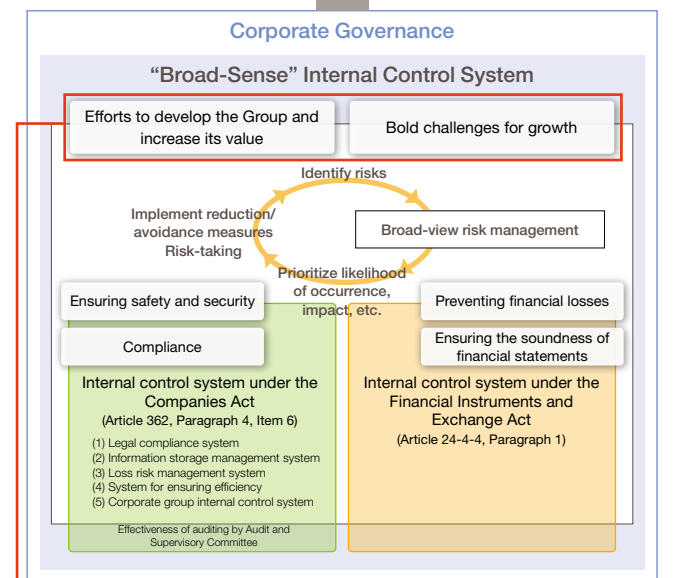
We have established systems and mechanisms that proactively support and encourage employees to take on bold challenges to develop the JR East Group and increase its value, and we are constantly reviewing and improving them. Starting in fiscal 2025, we have made these systems and mechanisms visible (see Challenge Tools Map on page 95) and will use them to further support and promote the taking on of challenges.

Breakthrough Communication

As our organization and work structures change, we will be creating more opportunities for employees to exchange ideas with executives starting in fiscal 2024, to encourage them to break down their own barriers and take on new challenges. (Fiscal 2024 results: 44 locations within our Company, 16 Group and partner companies)

JR East Group’s Basic Approach to Its Internal Control System

Realization of Group Philosophy and the JR EAST Group Management Vision “Move Up” 2027



- Examples of initiatives to develop the Group and increase its value
- Systems and mechanisms to support and encourage employees to take on bold challenges  
→ Visualization using the Challenge Tools Map (page 95)  
Example: Cross-organizational projects, various human resource development programs, etc.
  - Breakthrough Communication
  - CS (Challenge Safety) Campaign
  - Initiatives to enhance service quality
  - Initiatives to realize ideas for increasing revenue, reducing costs, etc.



Breakthrough Communication



Cross-Organizational Projects (Systems and Mechanisms to Support and Promote Taking on Bold Challenges)  
Operation of the Special *Fuku ga Kurukuru FruiTea*



Aizu-Wakamatsu Area Project Members:  
Tohoku Area Headquarters  
Aizu General Management Center  
Koriyama Track Maintenance Technology Center  
Aizu-Wakamatsu Area Center  
Tohoku Area Headquarters  
Marketing Department

Collaborative Group Companies:  
JR EAST VIEW TOURISM AND SALES COMPANY LIMITED

Cross-organizational projects are a mechanism for forming teams that transcend the boundaries of departments, divisions, and organizations, and supporting and promoting the taking on of challenges aimed at solving problems. Projects have set budgets, allowing us to quickly implement ideas from our frontline employees who are closest to our customers. The Aizu-Wakamatsu Area Project was launched in December 2019 to leverage the appeal of the Aizu region of Fukushima Prefecture to the fullest extent through a cross-organizational project. From fiscal 2023 to fiscal 2024, we planned and operated the running of the special *Fuku ga Kurukuru FruiTea* train, which uses the *Fruitea Fukushima* carriages on weekdays when they are not normally in service.

Our project team has been planning special trains since fiscal 2021. This time, we took advantage of this experience to focus on establishing operations on multiple weekdays. In addition, although we have collaborated with smaller local companies on previous projects, this time we had the idea of working with Hoshino Resorts Bandaisan Onsen Hotel, so our project team members reached out directly to the international hotel operator, which graciously agreed to the idea of collaboration.

During the planning phase, Hoshino Resorts and our project team had numerous frank discussions. As suggested by Hoshino Resorts, we held trial runs, rehearsing the handling of customer service on an actual train, and going beyond established precedents and frameworks to provide the best possible service. Also, because there were concerns about attracting customers to a weekday train service, we approached television stations and newspapers and other media to get the word out to as many people as possible about our special plan.

We ended up running the service seven times over four days in fiscal 2023 and 14 times over seven days in fiscal 2024, attracting a total of 579 passengers. The success of the project both increased profitability and created value by helping revitalize the Aizu region and building momentum for *Fruitea Fukushima*'s final run in December 2023.

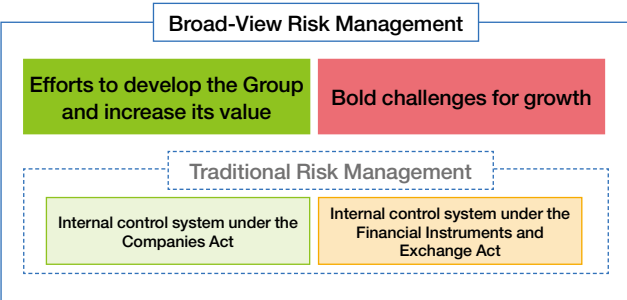
I believe we owe the success of this project to our ability to utilize the mechanisms of this cross-organizational project effectively and quickly put team members' ideas into practice. In addition, the valuable experience gained through this project also led to the personal growth of each individual member of the project team. We will continue to leverage the experience and connections we have built up as a team to create new work and value, and thereby further enhance the Aizu region.

Basic Approach to Risk Management

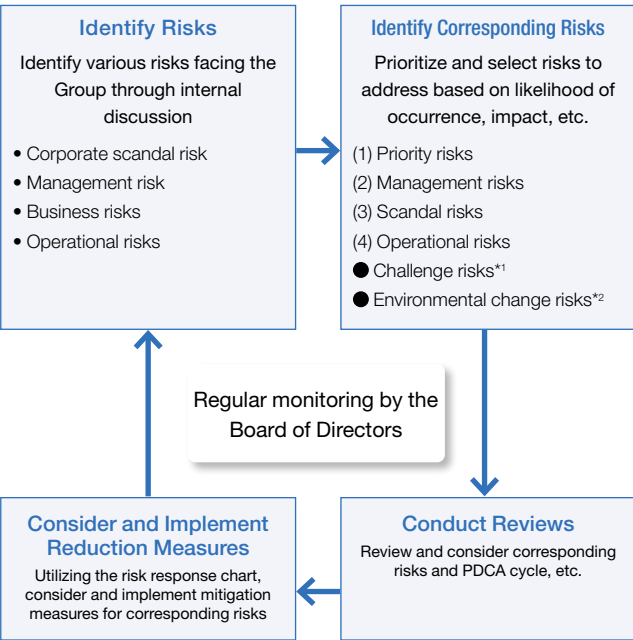
For the Group to improve profitability and undertake structural reforms to speed up "Move Up" 2027, we recognize the importance of broad-view risk management that considers risk not only from the perspective of reducing negative factors such as avoiding losses but also from the perspective of proactively increasing the value of the Group.

We have established and operate internal controls in accordance with the Companies Act and the Financial Instruments and Exchange Act to ensure stable and proper business operations, while also working to develop the Group and support and encourage the taking on of bold challenges aimed at enhancing value and growth.

\* These include not only risks related to compliance, safety assurance, and natural disasters, among others, but also those related to market changes, the direction our competitors are going in, 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.  
[https://www.jreast.co.jp/company/governance/internal\\_control.html](https://www.jreast.co.jp/company/governance/internal_control.html) (Japanese only)

JR East Group Compliance Initiatives

Based on the Policy on Legal and Regulatory Compliance and Corporate Ethics, the JR East Group has established a Compliance Action Plan that outlines how we should behave as a corporation and as members of society. While building trust with all stakeholders, we comply with all related laws in our various business fields, such as Mobility services and Lifestyle Solutions services, and we conduct business in accordance with our corporate ethics.

[https://www.jreast.co.jp/company/governance/internal\\_control.html](https://www.jreast.co.jp/company/governance/internal_control.html) (Japanese only)



KPI (Numerical Target for FY2028)		FY2024 Results
Implementation percentage for compliance and information security training for all employees	100%	100%



Compliance training for employees

Key Compliance Initiatives

What We Aspire To	Specific Initiatives	Status of Initiatives
<ul style="list-style-type: none"><li>Understanding the importance of compliance as the foundation of management</li><li>Strengthening our ability to respond to risks that may be present in our business</li></ul>	<ul style="list-style-type: none"><li>Compliance education for all employees</li></ul>	<ul style="list-style-type: none"><li>Implemented for all Group companies in fiscal 2024 (including seconded employees, contract employees, dispatched employees, etc.)</li></ul>
	<ul style="list-style-type: none"><li>Compliance training for managers</li><li>Compliance seminars for executives</li></ul>	<ul style="list-style-type: none"><li>Established individual education programs as part of "Compliance education for all employees"</li><li>Implemented in fiscal 2024 covering themes including harassment prevention, consideration for sexual minorities, and scandal and crisis management response</li></ul>
<ul style="list-style-type: none"><li>Regular inspections to ensure proper business operations</li><li>Prevention and early detection of inappropriate events</li></ul>	<ul style="list-style-type: none"><li>Checklists for confirming basic matters</li></ul>	<ul style="list-style-type: none"><li>Compiled summaries of main inspection items related to laws and regulations into a Companywide version and a system-specific version, which are checked at least once a year</li></ul>
	<ul style="list-style-type: none"><li>JR East compliance consultation desk (officers, employees, and former employees of all Group companies, as well as executives and employees of business partners, can consult and report via this desk)</li></ul>	<ul style="list-style-type: none"><li>Handled about 290 consultations and reports in fiscal 2024</li><li>Handled a wide range of consultations and reports, including those related to the handling of laws and regulations, interpersonal problems, and various types of harassment</li></ul>
<ul style="list-style-type: none"><li>Building sound relationships with business partners</li></ul>	<ul style="list-style-type: none"><li>Inclusion of anti-bribery clauses in Compliance Action Plan</li></ul>	<ul style="list-style-type: none"><li>Formulated and announced Basic Policy for Preventing Bribery of Foreign Public Officials, etc. in conjunction with our expansion of overseas business</li></ul>
	<ul style="list-style-type: none"><li>Inclusion of a ban on profiteering in work regulations</li></ul>	

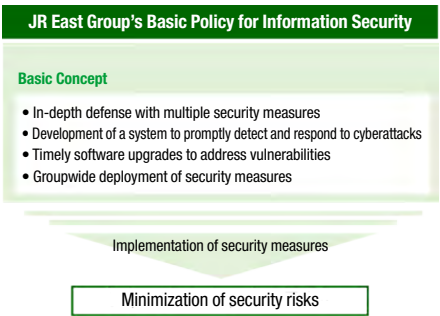
Tax Transparency Initiative

JR East Group has established a Group Policy on Tax Transparency to ensure that we pay taxes appropriately, which is one of our responsibilities as a corporation, while also managing tax risks appropriately and aiming to enhance our corporate value. We will also comply with tax-related laws and regulations in all countries and regions in which we do business and build a highly transparent tax governance system.

[https://www.jreast.co.jp/company/tax\\_policy](https://www.jreast.co.jp/company/tax_policy) (Japanese only)

Basic Policy for Information Security

We have established the JR East Group's Basic Policy for Information Security and are working to minimize security risks throughout the Group, with the general manager of the Innovation Strategy Headquarters serving as the chief information security officer (CISO).



Information Security Implementation Framework





Improving Confidence in Management

Information Security Initiatives

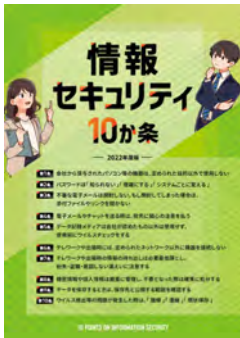
Administrative Measures

Security Education and Training

- Education for all employees to raise awareness of cybersecurity
- Training for employees in each position within the implementation framework
- Ongoing response training at each Group company to prepare for a security incident

10 Principles of Information Security

- Distributed to each Group employee as a set of rules that every employee must observe. In fiscal 2023, the plan was completely revised in light of the spread of remote working and the expanded use of cloud services.



10 Principles of Information Security

Technological Countermeasures

Security Operation Center (SOC)

- Establishment of an SOC to monitor suspicious communications targeting the Group
- Configuration of a framework to analyze suspicious communications and escalate them in a timely manner

JR East Endpoint Security Service

- Deployment of integrated security products with virus detection and SOC coordination functions to each computer within the JR East Group
- Addressing of the increasing security risks associated with the expansion of remote working

Other Initiatives

- Implementing vulnerability assessments and countermeasures for business personal computers and systems
- Providing Computer Security Incident Response Team (CSIRT) training, including for management. Providing targeted attack email training and other measures

Personal Data Protection Initiatives

- Pursuant to applicable laws and regulations, including personal information protection legislation both in Japan and overseas, we are working to reduce the risk of data breaches by strengthening our personal information management system and reviewing our rules.
- Publication of Basic Policy for Personal Information Handling
- Formulation of internal regulations such as personal information management regulations
- Operational audits conducted at least once a year at all locations
- Publication of privacy policies in response to legislation in the European Union, the United Kingdom, and California, among other jurisdictions
- Regularly scheduled education and training through compliance education and other such programs for all employees

Supporting and Promoting Challenges through the Use of Generative AI

To encourage the appropriate use of generative AI to broaden the scope of challenges that Group employees can take on and to support business efficiency and the creation of new ideas, we have formulated Guidelines for the Utilization of Generative AI for the Group.

Guidelines for the Utilization of Generative AI

- Defines the basic requirements for utilizing generative AI
- Lists precautions for data input
- Lists precautions for utilizing generated results
- Lists precautions for system implementation and development

Respect for Human Rights

Goals

- Instilling of respect for human rights
- Sustainable procurement

Policy

The JR East Group will contribute to creating a sustainable society by conducting business activities that respect human rights in order to deliver on the Group's philosophy of providing enriched lives for all people.

JR East Group Policy on Human Rights

In March 2023, the JR East Group formulated the JR East Group's 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.  
<https://www.jreast.co.jp/e/human-rights/>

Framework for Promoting Respect for Human Rights

We have established a Human Rights Awareness Promotion Committee to carry out human rights due diligence and promote respect for and instill understanding of human rights through education, seminars, and slogans.

KPI

KPI (Numerical Target for FY2028)		FY2024 Results
Implementation percentage for seminars on human rights	100%	100%

Human Rights Due Diligence

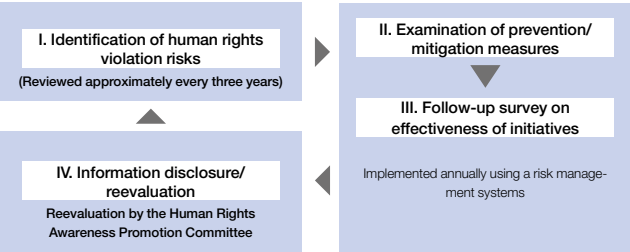
We have identified key themes (prominent human rights issues) to be addressed by understanding the characteristics of the wide-ranging business fields of the JR East Group and taking into consideration the severity and likelihood of human rights violation risks, with reference to the UN Guiding Principles on Business and Human Rights reporting framework and other sources.

Salient Human Rights Issues	Main Types of Specific Anticipated Incidents	Affected Stakeholders
Occupational health and safety; excessive work	• Accidents resulting in worker death or injury • Health impacts of long working hours	Business partners Employees
Discrimination; harassment	• Harassment of employees by customers • Slurs against LGBTQ+ employees • Discriminatory language in advertising materials • Product settings that lack consideration for gender	Customers Local residents Business partners Employees
Customer safety and privacy	• Accidents resulting in customer death or injury • Lack of information provision or consideration for people with disabilities in transportation disruptions • Leakage of customer personal information	Customers Business partners
Human rights issues in the supply chain	• Procurement of raw materials from regions and suppliers where forced or child labor occurs • Inadequate supply chain management in transactions with foreign companies	Local residents Business partners
Consideration for the local community and the environment	• Violation of the "right to transportation" of local residents due to the reconstruction of local public transportation • Destruction of the living environment of local residents due to the leakage of pollutants • Adverse impact on living environments due to the construction of renewable energy facilities	Customers Local residents

Salient Human Rights Issues and Efforts to Address Them

The significant human rights issues identified include discrimination and harassment, customer safety and privacy, forced and child labor, and occupational health and safety. We will manage and mitigate the risk of these human rights violations through dialogue and appropriate procedures based on international norms.

Human Rights Due Diligence Process



JR East Group Policy on Customer Harassment

Recognizing that safeguarding each and every JR East Group employee against customer harassment is crucial for the Group to continue growing, in April 2024 we formulated the JR East Group Policy on Customer Harassment. While the Group will continue to respond earnestly to customer opinions and requests, it has clearly stated both internally and externally that it will take a firm stance against any behavior that constitutes customer harassment.  
<https://www.jreast.co.jp/e/customer-harassment/index.html>

Other Examples of Initiatives to Address Salient Human Rights Issues

Increase in Information and Consideration for People with Disabilities in Relation to Transportation Disruptions

- Visually impaired people are invited to take on the role of customers in training sessions simulating long-term train stoppage, and their opinions are reflected in training so as to improve our methods of providing information.



Consideration for LGBTQ+ Employees

- Implementing initiatives to promote understanding of LGBTQ+ -related matters throughout the workplace via opportunities to interact with LGBTQ+ employees

Sustainable Procurement

The JR East Group has established a procurement policy as a standard of conduct for procurement with consideration for society and the environment throughout the supply chain.  
[https://www.jreast.co.jp/e/order/procurement/procurement\\_policy.html](https://www.jreast.co.jp/e/order/procurement/procurement_policy.html)

Group Procurement Policy

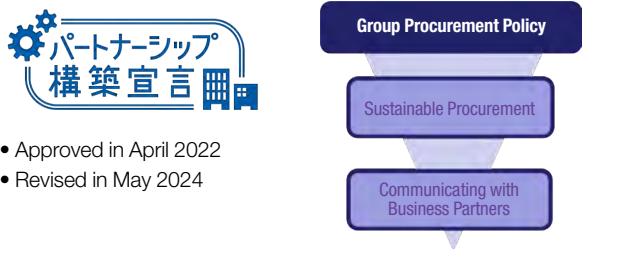
- Revised in October 2021

Sustainable Procurement Survey

- The content was updated in 2022, and the survey items now refer to the United Nations' International Bill of Human Rights and other international norms related to human rights and the environment.

Communicating with Business Partners

- Starting in fiscal 2023, we now hold Communicating on Management Challenges sessions about sustainability-related initiatives.
- Ongoing communication about quality control



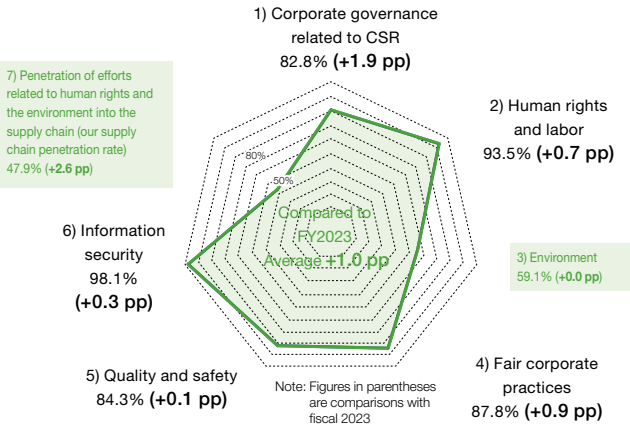
- Approved in April 2022
- Revised in May 2024

FY2024 Questionnaire and On-Site Survey Results

Accomplishments	FY2024	FY2023	FY2022
Surveys	1,187 companies	1,386 companies	1,030 companies
On-site surveys*1	37 companies	30 companies	—

- \*1 Combined total of "Communication on Management Challenges" and "Communication on penetration of initiatives related to human rights, the environment, and other issues among major suppliers"
- Regarding on-site surveys, in addition to "Communication on management challenges," from fiscal 2024, "Communication on penetration of initiatives related to human rights, the environment, and other issues among major suppliers" will also be conducted.

Survey Results



- Through communication with business partners, progress has improved in all areas.
- We will continue to communicate with business partners to resolve issues together and aim to further improve KPIs.

Future Initiatives

KPI

KPI (Numerical Target for FY2028)	FY2024 Results	
Penetration of initiatives related to human rights, the environment, and other issues into major suppliers (supply chain penetration percentage)*2	100%	66.7%

\*2 Survey item No. 7) was conducted for major suppliers. Stand-alone figure for JR East

- To achieve KPIs, we will continue to conduct questionnaire-based and on-site surveys to deepen communication with our business partners.
- We will continue to hold the JR East Group Procurement Representatives' Conference to accelerate sustainable procurement across the Group, including identifying risk items in terms of human rights, the environment, and other issues.



Corporate Governance

Basic Corporate Governance Philosophy



Norio Kimura  
Senior Executive Officer  
In charge of Corporate & Legal Strategies Department

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 customers, local communities, shareholders and investors, business partners, and all Group employees, 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/data/pdf/governance\\_guideline.pdf](https://www.jreast.co.jp/e/data/pdf/governance_guideline.pdf)

Major Changes in Corporate Governance Initiatives

June 2012	Change in number of directors → to 25 or less
November 2015	Disclosure of Corporate Governance Guidelines → Compliance with the Corporate Governance Code effective June 2015
June 2016	Establishment of a Remuneration Deliberation Committee → Strengthens involvement of outside directors in director remuneration
June 2016	Change in number of directors → to 20 or less
June 2016	Abolition of bonuses in executive remuneration system and conversion to performance-linked remuneration
December 2018	Establishment of Personnel Deliberation Committee → Ensures objectivity, timeliness, and transparency in the resolutions on the appointment and dismissal of directors and the appointment and dismissal of the president
June 2020	Directors' terms shortened to one year → Establishment of a management structure that can respond to future changes in the business environment and clarification of management responsibilities
June 2021	First female inside director appointed
June 2023	Transition to a company with audit and supervisory committee system of governance → Respond flexibly to the rapidly changing business environment and strengthen management structure → Delegate decision-making authority for important business operations from the Board of Directors to executive directors to further speed up decision-making and business operations  Change in number of directors → Number of directors reduced to 20 or less, with the number of directors who are Audit and Supervisory Committee members reduced to five or less  Change to executive remuneration system → "ESG-related initiatives" added to performance-linked remuneration metrics

Composition of the Board of Directors and Other Governing Bodies

JR East's Board of Directors consists of 16 members, including eight 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 10 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 and CEO, 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.

Method for Ensuring the Effectiveness of the Board of Directors

We perform an analysis and assessment of the effectiveness of the Board of Directors once a year.

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 matter is discussed at a Board of Directors meeting. In light of those results, the Board of Directors' methods of operations may be revised, if necessary.

conducts sufficient reporting to fulfill its role in supervising business execution, and that it has an appropriate compliance system in place. On the basis of these results, we have assessed that the Board of Directors is sufficiently fulfilling its roles and responsibilities and judged it as being effective.

In addition, 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 a 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 2024, it implemented the following.

- Inspection of J Bio Food Recycle Corporation Yokohama Plant (November and March)
- Inspection of the site of the train collision that occurred at Higashi-Nakano Station (December)
- Inspection of India High-Speed Rail Project (January)
- Inspection of Aomori General Management Center and Aomori Station East Exit Development (February)

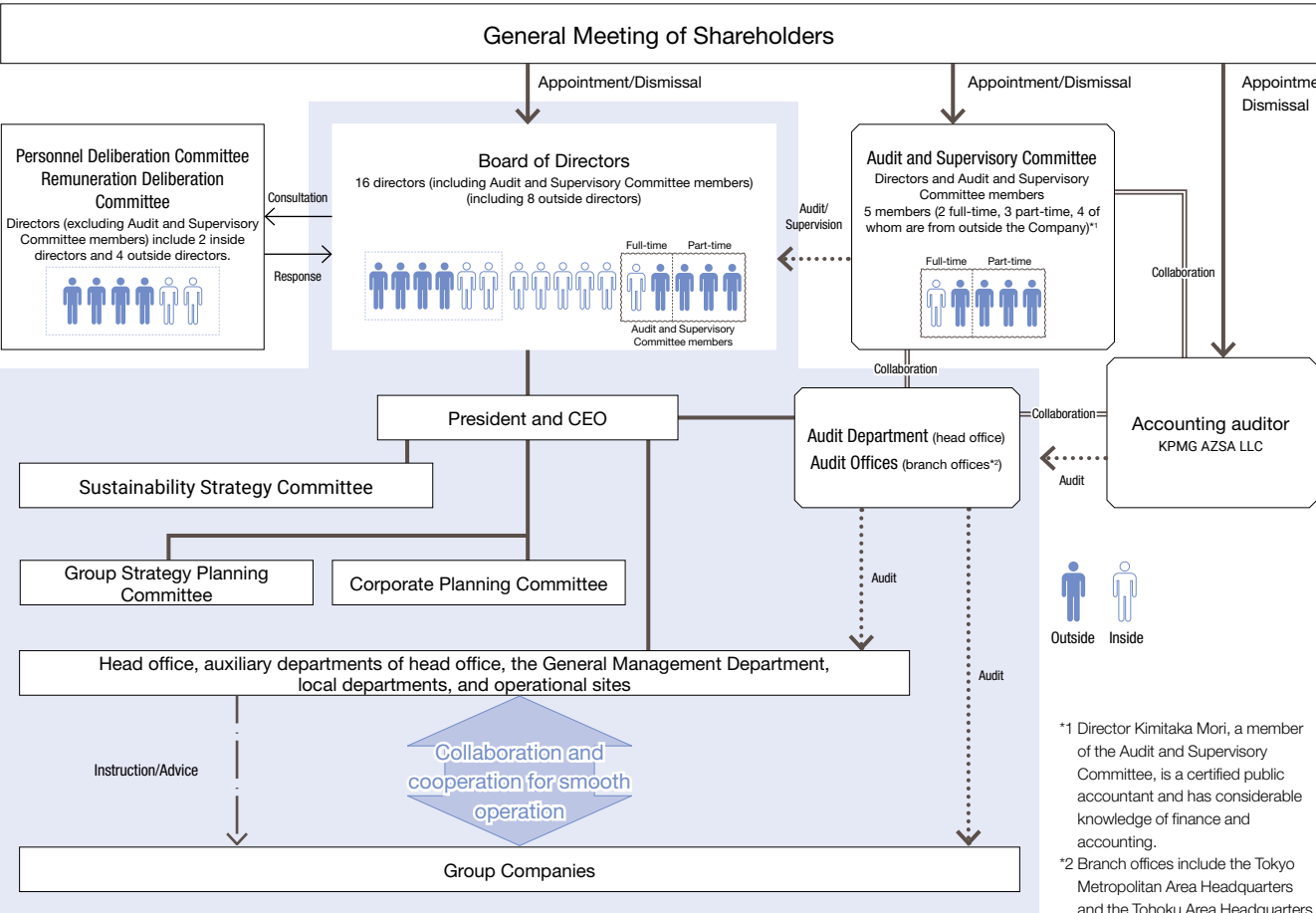


Inspection of the site of the train collision that occurred at Higashi-Nakano Station



Inspection of India High-Speed Rail Project

Corporate Governance Report (As of July 2024)



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

Based on self-evaluations by all directors and discussions with outside directors, in May 2024, the Board of Directors confirmed that the Board of Directors appropriately considers matters for deliberation,

Approach to Evaluating the Effectiveness of the Board of Directors

Effectiveness Evaluation Process		Results of Effectiveness Evaluation	
Self-Assessment by Board of Directors Meeting Attendees (February 2024)	<b>Evaluation items</b> <ul style="list-style-type: none"><li>○ <b>Decision-Making Related to Business Execution</b> Discussions on strategic direction, agenda setting</li><li>○ <b>Supervision of the Execution of Duties by Directors</b> Reporting on job execution status Compliance and risk management systems</li><li>○ <b>Management of the Board of Directors</b> Discussion time, advance provision of information, director training</li></ul>	Assessment of the Effectiveness of the Board of Directors in Fiscal 2024	<ul style="list-style-type: none"><li>○ <b>Highly Rated Items</b><ul style="list-style-type: none"><li>• Strategic discussions at Board meetings</li><li>• Active exchange of ideas</li><li>• Workations and site visits for executives (including overseas)</li></ul></li><li>○ <b>Items for Improvement</b><ul style="list-style-type: none"><li>• Further discussion of medium- to long-term management strategies</li><li>• Clarification of the process and background of matters for discussion</li><li>• Expansion of exchanges of opinions between outside directors and employees</li></ul></li></ul>
	Solicitation of Opinions from Outside Directors (March 2024)		
Discussion at the Board of Directors Meeting (May 2024)	<b>Report Survey Results and Discussion Content</b> Discussion of future plans based on the previous year's efforts	Initiatives to be Implemented	<ul style="list-style-type: none"><li>• Ongoing discussion on medium- to long-term management strategies</li><li>• Clarification of the agenda process and points of discussion in the meeting materials, and provision of more detailed explanations in advance</li><li>• Continuation of dialogue with employees through executive workations, etc. (one-on-one meetings with executive officers, etc.)</li></ul>

\*1 Director Kimitaka Mori, a member of the Audit and Supervisory Committee, is a certified public accountant and has considerable knowledge of finance and accounting.  
\*2 Branch offices include the Tokyo Metropolitan Area Headquarters and the Tohoku Area Headquarters.



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 and CEO, 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).

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).

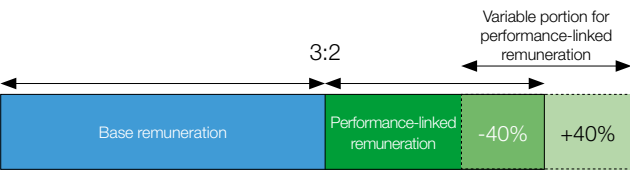
Executive Remuneration

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 medium-term 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.

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) is 3:2, excluding the variable portion for an individual director's performance. In addition, the variable portion for individual directors' performance-linked remuneration is added to or subtracted from the basic amount for each position within the range of +40% to -40%.



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

At JR East, we comprehensively evaluate metrics and other items related to performance-linked remuneration and reflect them in our calculation of remuneration amounts. To assess performance during the year, level of contribution, and ESG-related efforts, the president and CEO conducts goal-setting and tracing interviews with individual directors regarding the achievement of annual plans and “Move Up” 2027. Performance-linked remuneration is paid as cash remuneration at a fixed time each year.

No non-monetary remuneration is paid.

Breakdown of Director Remuneration

Officer Classification	Number of Officers	Total Amount	By Type	
			Base Remuneration	Performance-Linked Compensation
Directors (excluding Audit and Supervisory Committee members)	13	¥528 million	¥324 million	¥204 million
Directors and Audit and Supervisory Committee members	4	¥72 million	¥72 million	–
Auditors	5	¥23 million	¥23 million	–
Total	22	¥624 million	¥420 million	¥204 million

(Note 1) In June 2023, JR East transitioned to a company with audit and supervisory committee system of governance. Remuneration for members of the Board of Corporate Auditors pertains to the pre-transition period, and remuneration for Directors (Audit and Supervisory Committee members) pertains to the post-transition period.

(Note 2) Base remuneration for directors (excluding directors who are members of the Audit and Supervisory Committee) and Board of Corporate Auditors members includes the amount paid to two directors and two members of the Board of Corporate Auditors who retired at the conclusion of the 36th Ordinary General Meeting of Shareholders held on June 22, 2023. Total remuneration includes ¥128 million in remuneration paid to eight outside directors (including one who retired at the 36th Ordinary General Meeting of Shareholders held on June 22, 2023).

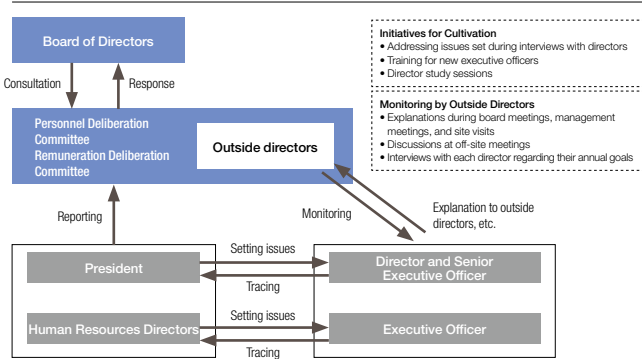
Succession Plans

JR East has a performance evaluation system in place for inside directors (excluding Audit and Supervisory Committee members) and a target management system that sets targets for managers and other employees who are candidates for executive positions. It considers these systems, along with efforts toward training at each level, to constitute succession plans for the role of president and CEO and other officer positions.

The Personnel Deliberation Committee 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.

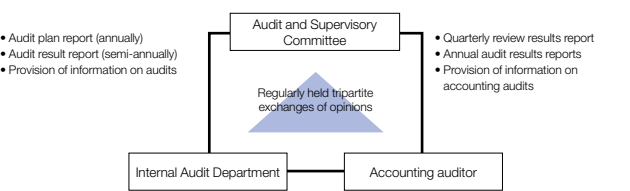
The Board of Directors also supervises whether successor training for the president and CEO is being conducted appropriately by obtaining reports on succession plans and reviewing the status of efforts to achieve management targets such as the Group Management Vision and annual management strategies to ascertain the details of succession plans and the accomplishments of directors and executives.

Succession Plans Concept Chart



Auditing

JR East conducts Audit and Supervisory Committee audits, internal audits, and accounting audits. The Audit and Supervisory Committee, the Internal Audit Department, and the Accounting Auditor endeavor to conduct mutually efficient and effective audit activities through the sharing of the following information.



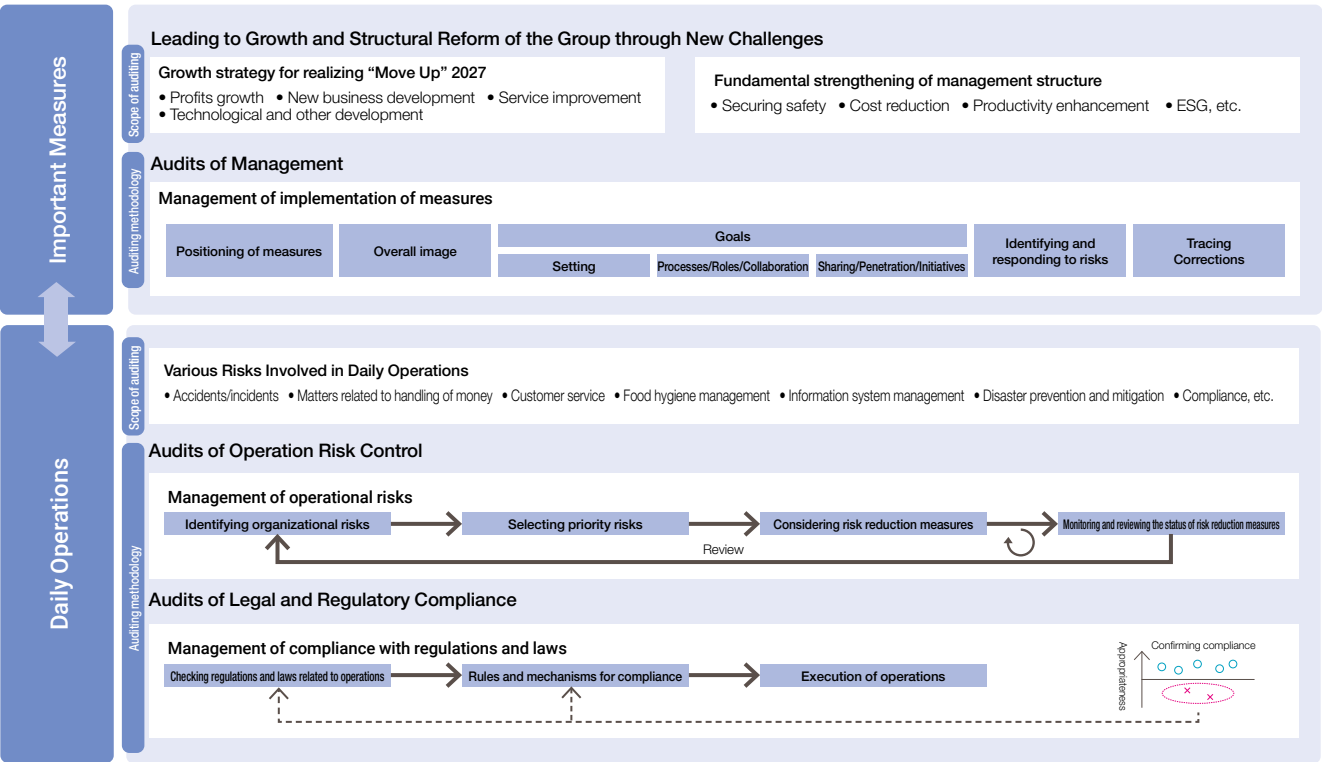
Audits by the Audit and Supervisory Committee

The Audit and Supervisory Committee specifically reviews the audit policy, methods, division of duties and plans, the appropriateness and operational status of the resolutions of the Board of Directors regarding the system for ensuring the appropriateness of operations, and the appropriateness of the accounting auditor's audit methods and results. In accordance with the policies determined by the Audit and Supervisory Committee, each committee member attended meetings of the Board of Directors and other important meetings, listened to reports on the status of the execution of duties from directors and employees, inspected important approval documents, audited the status of business and financial assets of the head office and key offices, listened to reports on the status of execution of duties from the accounting auditor, with whom they also discussed key audit matters, and consulted regularly with the representative director and outside directors. Notably, the full-time Audit and Supervisory Committee members endeavored to strengthen the audit and supervisory functions of the committee by attending meetings such as the Sustainability Strategy Committee and collecting information from individual divisions within the Company. In addition, regarding Group companies, the committee worked to communicate and exchange information with Group company directors and corporate auditors and obtained reports as needed on the operations of Group companies. The Company has appointed approximately 10 dedicated staff members to assist the Audit and Supervisory Committee.

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.

Areas Subject to Internal Audits



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.

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.

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's policy regarding policy shareholdings is as follows:

- 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.
- With the aim of continuously reducing the overall scale of policy shareholdings, 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, capital cost, and other such criteria.
- When a policy shareholder proposes to dispose of Company shares, the Company will take no action to inhibit such disposal
- Regarding shares in selected companies held as of fiscal 2024 year-end, the Company individually examined those shareholdings at the Board of Directors meeting held on June 12, 2024, and resolved to continue to hold only those stocks where the rationale for holding them has been confirmed.



Organization (As of July 2024)

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 2024

Chairman of the Board of Directors  
**Yuji Fukasawa**  
① 19 years ② 16/16

President and CEO  
**Yoichi Kise**  
   
① 7 years ② 16/16

Executive Vice President  
**Katsumi Ise**  
① 4 years ② 16/16

Executive Vice President  
**Chiharu Watari**  
① 3 years ② 16/16

Executive Director  
**Atsuko Itoh**  
① 4 years ② 16/16

Executive Director  
**Harumi Nakagawa**  
   
① 1 year

Executive Director  
**Hideji Uchida**  
① 1 year

Outside Director  
**Hiroko Kawamoto**  
   
① 5 years ② 15/16

Outside Director  
**Toshio Iwamoto**  
   
① 3 years ② 16/16

Outside Director  
**Yumiko Noda**  
   
① 1 year

Outside Director  
**Hiroshi Ohashi**  
   
① 1 year

Directors and Audit and Supervisory Committee Members

①: Number of years in office (including years served as Corporate Auditors) ②: Attendance at meetings of the Board of Directors in fiscal 2024 (including attendance at meetings as Corporate Auditors)  
③: Attendance at the Audit and Supervisory Committee meetings in fiscal 2024 (including attendance at meetings of the Board of Corporate Auditors)

Outside Director, Full-Time Member of the Audit and Supervisory Committee  
**Takashi Kinoshita**  
① 6 years ② 16/16 ③ 18/18

Director, Full-Time Member of the Audit and Supervisory Committee  
**Masaki Ogata**  
① 2 years ② 12/12 ③ 12/12

Outside Director, Member of the Audit and Supervisory Committee  
**Kimitaka Mori**  
① 8 years ② 16/16 ③ 18/18

Outside Director, Member of the Audit and Supervisory Committee  
**Hiroshi Koike**  
① 3 years ② 16/16 ③ 18/18

Outside Director, Member of the Audit and Supervisory Committee  
**Tomoko Amaya**  
① 1 year

Directors' Skills Matrix

		*Areas especially expected* based on the skills, expertise, and experience of each Director (top row) and focus points in these areas (bottom row)							
		Realization of sustainable growth	Provision of safe and secure social infrastructure	Realization of a vibrant society	Resolution of social issues, such as contributing to a prosperous global environment	Creation of new services and social implementation through technological innovation	Realization of D&I so that all Group employees can actively participate	Improvement of management reliability	Establishment and promotion of a global business model
		Company management, business strategy, and finance	Safety and security	Regional revitalization and Lifestyle Solutions	ESG	Technological innovation and digital transformation	Engagement	Legal and compliance	Global
Name	Position and Responsibilities / Other Noteworthy Information								
Yuji Fukasawa	Chairman of the Board of Directors	●			●				
Yoichi Kise	President and CEO (Representative Director)	●	●	●	●		●	●	
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	●			●				●
Harumi Nakagawa	Executive Director Director General of Marketing Headquarters; In charge of Shinagawa Development; In charge of Regional Revitalization, In charge of Tourism/Work & Welfare Strategies Department.	●		●			●		
Hideji Uchida	Executive Director Deputy Director General of Railway Business Headquarters Transport & Rolling Stock In charge of Safety Management Department	●	●			●			
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 (currently NTT DATA Group Corporation)	●				●			●
Yumiko Noda	Outside Director Served as chairman and representative director at Veolia Japan Co., Ltd. (currently Veolia Japan LLC).	●			●				●
Hiroshi Ohashi	Outside Director Served as professor at the Graduate School of Economics, dean of the Graduate School of Public Policy, and vice president at the University of Tokyo.	●		●	●				
Takashi Kinoshita	Outside Director, Full-Time Member of the Audit and Supervisory Committee 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	Outside Director, Member of the Audit and Supervisory Committee Certified public accountant Has previously served as president of the Japanese Institute of Certified Public Accountants	●			●			●	
Hiroshi Koike	Outside Director, Member of the Audit and Supervisory Committee Has served as a judge of the Supreme Court of Japan	●			●			●	
Tomoko Amaya	Outside Director, Member of the Audit and Supervisory Committee Has held important posts in the Financial Services Agency	●			●				●

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



Roundtable Discussion with Outside Directors

Toshio Iwamoto  
Outside Director

Yuji Fukasawa  
Chairman of the Board of Directors

Kimitaka Mori  
Outside Director  
(Member of the Audit and Supervisory Committee)

JR East transitioned to a company with audit and supervisory committee corporate governance structure one year ago. Outside Director Toshio Iwamoto, Outside Director and Audit and Supervisory Committee Member Kimitaka Mori, and Chairman of the Board of Directors Yuji Fukasawa participated in a roundtable discussion that focused on changes in the Company’s governance over the past year and best practices with respect to internal control, internal auditing, and risk management.

The transition to a company with audit and supervisory committee corporate governance structure has further heightened the effectiveness of the Board of Directors.

**Fukasawa** In June 2023, the Company made the decision to change the institutional design of JR East’s corporate governance structure from a company with board of corporate auditors to a company with audit and supervisory committee. The main aims of this change were the acceleration of decision-making and operational execution and the reinforcement of auditing capabilities. The change was also intended to increase the pace of implementing initiatives focused on the realization of the JR East Group Management Vision “Move Up” 2027, which was established in 2018 when I became president and CEO. In line with “Move Up” 2027, we aim to reflect population decline and other changes in the business environment by switching over to a path that leads to the creation and provision of new value. Our goal is to achieve a shift in emphasis from supply-side business activities centered on railway infrastructure to a more demand-side driven, people-focused perspective. We want to incorporate the perspectives of multiple

stakeholders, not just customers but also local communities, shareholders, and employees. With this shift in mind, we have transformed our organization and workstyle so that decision-making and operational execution are closer to the customer. A further motivation for changing our institutional design and accelerating transformation was to adapt to the faster paced changes in the business environment that accompanied the COVID-19 pandemic.

In making changes, we have revised the Board of Directors’ agenda criteria and taken other measures to delegate authority and expedite decision-making, further strengthened supervision, and realized livelier discussions. To enhance discussions on matters of importance to the management of the Group, the authority to make decisions on operational execution has been transferred from the Board to the directors, with the exception of particularly important matters relating to fundamental management policies and strategies for the entire Group. The executive side is also moving forward with the delegation of authority to locations close to frontline operations, and organizational transformation is beginning to operate more efficiently in the Company as a whole.

**Iwamoto** I was involved in the business management of JR East when it had a company with board of corporate auditors corporate governance structure, and I have seen the progress of the Company’s governance reforms. I believe that the governance of JR East functioned appropriately when it had the previous corporate governance structure. Since the change in institutional design, however, discussions have become livelier because a company with audit and supervisory committee corporate governance structure allows Audit and Supervisory Committee members to exercise voting rights at Board meetings.

As for the content of discussions, accident prevention and safety has become a more important theme than ever due to the occurrence of several major accidents in fiscal 2024. The Board exchanged opinions on the reported circumstances of the accidents and the lessons to be learned from them, reaffirming that safety and customers are the first priority as well as the importance of training in preventing recurrence. Our discussions on the operation of the countermeasures headquarters and information sharing continued and were also very meaningful. Further, training that reflected feedback from the discussions was rapidly held, and I was present at some of the training. By seeing actual training firsthand, I gained a better understanding of the Company.

Another important theme is the future of the JR East Group. We have reaffirmed the need to accelerate business management based on the two pillars of Mobility and Lifestyle Solutions. Endeavors to promote the growth of Lifestyle Solutions and develop globally are ambitious initiatives for the Group. I am committed to contributing to these endeavors by drawing on my own experience and knowledge.

**Mori** This is my eighth year in office, including the period when I was a corporate auditor. Since the beginning of my tenure, I have observed lively discussions at Board of Directors’ meetings. Even when JR East had a company with board of corporate auditors corporate governance structure, both decision-making and supervisory functions were realized, and governance operated well. On the other hand, given capital market trends, there was an increasing need to review the way the Board operated. As JR East aimed to expedite decision-making and business execution and strengthen the supervisory function, a company with audit and supervisory committee corporate governance structure was deemed more appropriate for the Company.

At Board meetings, I contribute to discussions based on my knowledge as a certified public accountant. Since the change in JR East’s corporate governance structure, deliberations on single matters are fewer, while discussions on the Group’s vision for the future, business strategies, and risk management have increased. Rather than merely approving or confirming financial results and other results, we now analyze results and hold discussions that take into consideration strategy and risk management. The best practices in Board operations are changing with the times, and I believe that the Company’s governance will continue to evolve further.

**Fukasawa** Each outside director has their own fields of expertise, allowing us to receive advice from a wide range of expert perspectives. Mr. Iwamoto has extensive knowledge of systems, security, overseas business, and M&As, while Mr. Mori has in-depth knowledge of finance, accounting, and international trends. They give us very specific advice, helping us to identify the points on which we should focus. The incorporation of perspectives different from those we have developed in the railway business is extremely beneficial.

**We will establish governance that helps to enhance corporate value.**

**Fukasawa** The Group aims to grow through business management based on the two pillars of Mobility and Lifestyle Solutions. To achieve this aim, I feel that we must make further progress in our people-focused transformation. Instead of providing discrete Transportation, Lifestyle, and IT & Suica services, we must think in a people-focused way and promote integration and collaboration among our businesses. We have also been promoting integration and collaboration among our organizations in order to realize creativity in operational areas that are closer to customers. Our employees are taking on the challenge of this new initiative enthusiastically. On the other hand, as the transition to a flatter organization progresses through the delegation of authority, the establishment of appropriate governance and internal control is important. This effort does not mean stipulating what is not allowed but rather entails building systems that further encourage Group employees to take on new challenges boldly.

**Iwamoto** In becoming a company based on the two pillars of Mobility and Lifestyle Solutions, there are high barriers to overcome. A radical change of mindset is necessary not only for employees but also for directors. Establishing a vision is easy, but realizing it is not simple.

At Board meetings, the deliberation of business strategy is of fundamental importance. When analyzing strategy, risks must also be discussed. It is not possible to set out on a new path simply by avoiding risk. Based on my experience, I offer advice aimed at risk control that avoids the reckless pursuit of initiatives while encouraging appropriate risk-taking.

**Mori** As a corporate auditor, I have observed management since the formulation of “Move Up” 2027. I believe we were able to achieve steady business management even during the COVID-19 pandemic because at an early stage we began looking to the future and working on transformation. When we were formulating the management vision, Mr. Fukasawa emphasized from the outset that each Group employee would play a leading role. This emphasis greatly encouraged employees to take on challenges and motivated them to pursue various initiatives during the pandemic.

When I worked at an auditing firm, I was in charge of auditing major corporations as the lead auditor. In my advisory work in support of organization building, I was also involved in the establishment of many governance and internal control systems. In addition, I participated in the establishment of Japan’s Corporate Governance Code as a committee member. The original purpose of the Code was to enhance corporate value and promote sustainable growth. It was formulated with the aim of creating an effective braking mechanism that would allow companies to firmly step on the accelerator. The essence of internal control is to ensure the effectiveness and efficiency of operations and to share information in-house so that each employee understands the senior management team’s thinking and participates in business management as a leading player. At the JR East Group, efforts to develop the Group and increase its value and to boldly take on challenges for growth are viewed as being consistent with internal control in the broad sense of the term. Accordingly, we are moving forward with the establishment of systems that allow employees to step firmly on the accelerator. We have to establish an internal control system that enables all employees to take on challenges with a sense of participation in business management.



Risk-taking is the key to medium- to long-term growth.

**Mori** To assess whether internal control is functioning, in-depth audits are necessary. Audits have three stages of development. The first stage is an inspection of compliance and clerical adequacy. The second stage is a risk-based approach in which risks are viewed as new chances and growth opportunities and are appropriately identified and managed. The third stage is the themed audit, in which themes are determined and audits are conducted based on them. Having proceeded through the first and second stages, JR East is ahead of other companies in conducting third-stage audits, which it refers to as management audits. We evaluate the status of management execution in each department. That is to say, we confirm that businesses are taking appropriate steps with respect to the establishment of goals, the establishment of processes for their achievement, and risk management. At the same time, we identify improvements needed to support measures for these requirements.

In achieving business strategies and upgrading risk management even further, it is important we ensure the implementation of the improvements that we have identified as necessary.

**Iwamoto** There is no doubt that risks can also become opportunities. With respect to risk management, the Group deserves praise for its establishment of a management audit system that collects information from frontline operations and controls risk on a Groupwide basis. Over the past year, I have confirmed that this system is functioning effectively.

Nonetheless, as we are in an era of rapid changes in the business environment, rather than just maintaining the status quo, the Group must constantly seek further improvement. I believe that we will need to look at risk from a broader perspective. For example, the emergence of generative AI and geopolitical risks is having a global impact. We must consider the effect that all kinds of factors will have on the Group in the future. Rather than analyzing risks individually, we have to take a more integrated approach. Generative AI has the potential to replace human intellectual labor. If we promptly grasp such risks and tackle them ahead of time, we will have an advantage. We need to constantly examine whether our current efforts are sufficient from the perspective of risk management for the future beyond 2027.

**Fukasawa** In order to realize business management based on the two pillars of Mobility and Lifestyle Solutions through risk-taking and the transformation of our business portfolio, we must also consider how to leverage our strengths, which are the basis for value creation. The utilization of human capital is a key area. For this reason, we are promoting measures to maximize the capabilities of Group employees. How to move forward with the utilization of data is also important. Therefore, we must ensure that our management and governance of data are appropriate. We are working on ID integration of various digital services and the in-house use of generative AI. However, we need to do more with respect to data-related assets. I believe that if we skillfully utilize human capital and data-related assets, we can turn risks into major opportunities.

Of course, the most important thing is to pursue ultimate safety levels to ensure that we continue earning stakeholders' trust, which is the foundation of all our businesses. The occurrence of a major accident could shatter this trust at a stroke. In April 2024, we launched a new safety plan. To respond to various changes in our business environment, including the increased severity of natural disasters, we are strengthening our safety measures based on the concept of "foreseeing the unexpected." Safety is the top priority of business management and continues to underpin all the Group's businesses.



We are endeavoring to formulate and improve succession plans.

**Iwamoto** April 2024 saw the appointment of former executive vice president Yoichi Kise to the position of president and CEO. The Personnel Deliberation Committee system has been adopted to ensure objectivity, competence, and transparency in the approval of proposals for the appointment and dismissal of directors and the president and CEO. After discussing proposals from the executive side, the committee reports its conclusions to the Board of Directors. Our main focus when discussing and considering the recent presidential changeover was the ideal JR East president. Candidates are selected based on this ideal and then evaluated.

I believe that presidents must have a suitable personality. Personality reflects an individual's innate character. An impressive personal track record and skill set are obviously necessary, but in my view it is an individual's personality that is the deciding factor. In this regard, we are able to communicate directly with candidates in-house. Also, JR East offers many opportunities for personnel to talk with various people inside and outside the Company. Such day-to-day dealings with people further our understanding of candidates' personalities.

**Fukasawa** As we build a foundation of trust through safety and reliability, it is necessary for the president and CEO to continue appropriately controlling the railway business, which is a highly specialized, disciplined organization. Therefore, the committee has been holding discussions to the effect that, at the present juncture, the in-house development and selection of a president is important. On the other hand, advancing business management based on the two pillars of Mobility and Lifestyle Solutions calls for experience and connections with local communities not only in Mobility but also in Lifestyle Solutions. In addition, the Company requires personnel who have the flexibility to cope with rapid changes in the business environment. In the recent selection of a new president, such requirements were taken into account when considering candidates.

Also, in fiscal 2025 we have introduced management based on business units with the aim of maximizing cash flows in 14 different business units. Under the system introduced, we compare each

business unit with industry peers. Growth strategies are then formulated and implemented. President Kise will manage this system, which I think is a more weighty responsibility than ever.

**Iwamoto** In order to realize a business portfolio balanced between Mobility and Lifestyle Solutions, we must open up new fields without compromising the foundation of safety. Having the ability to break through is important. The president's job is to realize what he has envisioned. Therefore, I would like President Kise to balance risk-taking and braking while giving shape to JR East's vision for the future.

**Mori** For a president, having a personality that makes people want to follow them is essential. In addition, ultimate safety levels have become intrinsic to the overall JR East Group brand. They are fundamental not only in Mobility but also in Lifestyle Solutions. In growing Lifestyle Solutions, ultimate safety levels differentiate the Company from competitors and offer opportunities for breaking into new fields. I hope that JR East leverages such strengths in its efforts to rapidly advance business management.

In our respective roles, we will focus on utilizing our competence to contribute to the continued evolution of governance.

**Iwamoto** The Group's vision and purpose have already been set out. However, their realization will require a continuous process of trial and error. I believe President Kise is searching for answers in this regard. Railways have a high entry barriers, but many companies will enter fields such as real estate, lifestyle services, and Suica. To prevail in such conditions, I believe that the Group has to build original bridgeheads in these fields. In the process of doing so, the Group will face considerable barriers. Consequently, I want to use my experience to support the Group in taking on ambitious initiatives.

**Mori** We need to show the kind of value that the Group will create. Safety and reliability are readily understandable forms of the value JR East provides. However, if we are aiming for business

management based on the two pillars of Mobility and Lifestyle Solutions, we must present a clear picture of what business management will look like. I hope that the Board continues to discuss how to present this picture of business management and engage in intense debate on business strategy and risk management. While population decline is inevitable, demand for mobility will not disappear. The wealth of assets and technologies that the Group possesses as well as the trust and relationships it has fostered with local communities are invaluable strengths. When I participate in events organized by the Group in local communities, I feel strong trust from the communities. Such trust is proof that the Group is deeply rooted in communities. I would like to give advice on how to make the most of and enhance the significance of these strengths.

It is paramount that the senior management team's vision is well understood by frontline employees and reflected in their actions. As an Audit and Supervisory Committee member, I will continue to offer a range of advice and support.

**Fukasawa** During the COVID-19 pandemic, I spent considerable time thinking about the sustainability of the Group and the trust it has garnered. Our business has a social responsibility. I was always mindful of whether the value we provided was beneficial to society and whether we were providing value that inspired trust. Even though our business portfolio has changed, the weight of this responsibility remains the same. I hope that the outside directors will continue to boost the Group's long-term development and provide us with advice based on a broad range of perspectives.

The JR East Group has frontline sites that operate 24 hours a day, and recently it has focused on overseas development. With that in mind, I hope our outside directors have opportunities to see the Group's diverse frontline sites.

As chairman of the Board of Directors, I want to continue to actively visit frontline sites so that I can directly convey our goal of giving each employee a leading role.



Non-Financial Information Highlights

Environment	FY2020	FY2021	FY2022	FY2023	FY2024
Scope 1 emissions	1.40 million t-CO <sub>2</sub>	1.44 million t-CO <sub>2</sub>	1.51 million t-CO <sub>2</sub>	1.52 million t-CO <sub>2</sub>	1.61 million t-CO <sub>2</sub>
Scope 2 emissions	1.48 million t-CO <sub>2</sub>	1.39 million t-CO <sub>2</sub>	1.25 million t-CO <sub>2</sub>	1.27 million t-CO <sub>2</sub>	1.19 million t-CO <sub>2</sub>
Scope 3 emissions	—	—	—	3.16 million t-CO <sub>2</sub>	3.16 million t-CO <sub>2</sub>
General waste	119,527 tons	72,406 tons	71,636 tons	74,939 tons	76,279 tons
Industrial waste	509,967 tons	450,632 tons	354,032 tons	670,675 tons	566,988 tons
Number of trees planted in the Hometown Forest Planting program	5,004	2,500	N/A	2,500	2,500

Society (JR East's Non-Consolidated Figures)	FY2020	FY2021	FY2022	FY2023	FY2024
Number of employees	44,830	44,137	43,013	41,147	39,843
	<71,812>	<71,973>	<71,240>	<69,235>	<68,769>
Female employees as a percentage of all JR East employees	16.2%	17.3%	18.0%	18.6% <23.9%>	19.3% <24.9%>
Female hires as a percentage of JR East's new hires	29.7%	31.1%	29.9%	29.5% <37.5%>	29.5% <37.4%>
Percentage of female managers	5.7%	6.4%	6.6%	7.0% <13.6%>	7.8% <11.4%>
Wage gap between male and female employees	—	—	—	88.3% <77.2%>	89.6% <77.6%>
Acquisition rate of paternity leave	12.2%	18.7%	24.0%	43.7% <46.9%>	61.9% <61.8%>
Number of foreign employees	95*	91*	89*	94*	107*
Percentage of employees with disabilities (including special subsidiaries)	2.55%	2.58%	2.59%	2.63%	2.70%
Average age	38.8	38.2	38.2	38.3	38.6
Average length of service	16.0	15.6	15.6	15.7	16.0
Turnover rate	0.9%	0.8%	1.2%	1.4%	1.3%
Average overtime hours (per year)	168:27	153:52	166:09	175:14	180:48
Average annual paid leave acquisition rate	90.7%	85.1%	90.2%	94.9%	92.3%
Percentage of employees using the employee stock ownership plan (employees/full-time workers)	92.6%	93.8%	93.2%	93.8%	94.3%

Numbers in angle brackets are consolidated JR East Group figures.  
\*Figures are as of April 1 of the following year.

Governance (JR East's Non-Consolidated Figures)	July 2020	July 2021	July 2022	July 2023	July 2024
Number of directors	12	12	12	15	16
Of which, Audit and Supervisory Committee Members	—	—	—	4	5
Number of outside directors (percentage)	4 (33.3%)	4 (33.3%)	4 (33.3%)	7 (46.7%)	8 (50.0%)
Number of female directors (percentage)	2 (16.7%)	3 (25.0%)	3 (25.0%)	3 (20.0%)	5 (31.3%)

Please also see the Fact Book for various data.  
 <https://www.jreast.co.jp/e/investor/factsheet/>

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, 2023 to March 31, 2024 included in its JR East Group Report INTEGRATED REPORT 2024 (the “Report”) for the fiscal year ended March 31, 2024.

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.

/s/ Kazuhiko Saito  
Kazuhiko Saito, Partner, Representative Director  
KPMG AZSA Sustainability Co., Ltd.  
Tokyo, Japan  
September 13, 2024

Notes to the Reader of Independent Assurance Report:  
This is a copy of the Independent Assurance Report and the original copies are kept separately by the Company and KPMG AZSA Sustainability Co., Ltd.



Consolidated 11-Year Financial Summary

	FY2014	FY2015	FY2016	FY2017
Operating Results				
Operating Revenues	¥2,702,917	¥2,756,165	¥2,867,200	¥2,880,802
Operating Expenses	2,296,123	2,328,643	2,379,379	2,414,492
Operating Income (Loss)	406,794	427,522	487,821	466,310
Profit (Loss) Attributable to Owners of Parent	199,940	180,398	245,310	277,925
Comprehensive Income	214,632	229,293	217,419	293,471
Operating Revenues by Segment*1				
Transportation	¥1,827,467	¥1,852,040	¥1,954,588	¥1,989,839
Retail & Services	400,948	396,368	399,960	502,414
Real Estate & Hotels	251,070	254,997	255,979	326,312
Others	223,432	252,760	256,673	62,237
Total	2,702,917	2,756,165	2,867,200	2,880,802
Operating Income (Loss) by Segment*1				
Transportation	¥ 267,336	¥ 294,607	¥ 348,576	¥ 334,215
Retail & Services	36,062	34,539	35,100	36,842
Real Estate & Hotels	72,058	72,324	71,611	80,362
Others	32,686	27,490	35,025	16,578
Adjustment	(1,348)	(1,438)	(2,491)	(1,687)
Total	406,794	427,522	487,821	466,310
Financial Position				
Total Assets	¥7,428,304	¥7,605,690	¥7,789,762	¥7,911,115
Interest-Bearing Debt	3,288,401	3,275,523	3,241,979	3,211,074
Shareholders' Equity	2,180,633	2,285,658	2,442,129	2,653,419
Cash Flows				
Cash Flows from Operating Activities	¥ 562,764	¥ 622,762	¥ 673,110	¥ 652,907
Cash Flows from Investing Activities	(474,698)	(476,844)	(499,575)	(557,539)
Cash Flows from Financing Activities	(91,367)	(86,636)	(110,266)	(116,280)
Per Share Information / Stock Price Indices				
Earnings per Share (EPS)*2	¥ 169	¥ 153	¥ 209	¥ 238
Book Value per Share (BPS)*2	1,843	1,939	2,077	2,275
Cash Dividends per Share*2 *3	120	120	130	130
Price-to-Book Ratio (PBR)	1.4	1.7	1.6	1.4
Financial Indicators				
Return on Assets (ROA) (%)	5.6	5.7	6.3	5.9
Return on Equity (ROE) (%)	9.5	8.1	10.4	10.9
Profit (Loss) Attributable to Owners of Parent as a Percentage of Revenues	7.4	6.5	8.6	9.6
Net Interest Bearing Debt / EBITDA Ratio (times)*4	4.1	3.9	3.5	3.5
Interest Coverage Ratio (times)*5	6.3	7.6	8.8	9.2
Debt to Equity Ratio (times)*6	1.5	1.4	1.3	1.2
Equity Ratio (%)	29.4	30.1	31.4	33.5
Total Return Ratio (%)	29.3	32.3	33.0	32.6
Others				
Depreciation	¥ 348,042	¥ 353,251	¥ 359,515	¥ 364,129
Capital Expenditures*7	525,708	522,127	541,949	506,727
Interest Expenses	88,279	81,962	76,332	70,258

\*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 As a result of a 3-for-1 stock split of common stock on April 1, 2024, Earnings per Share and Book Value per Share have been calculated assuming that the stock split was conducted at the beginning of fiscal 2014. Cash Dividends per Share are shown based on pre-stock split figures.

\*3 The total amount of dividends for each fiscal year consists of interim dividends and year-end dividends.

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	Millions of Yen FY2024
	¥2,950,157	¥3,002,043	¥2,946,639	¥1,764,585	¥1,978,967	¥2,405,538	¥2,730,119
	2,468,861	2,517,182	2,565,798	2,284,943	2,132,906	2,264,909	2,384,957
	481,296	484,861	380,841	(520,358)	(153,939)	140,629	345,162
	288,957	295,216	198,429	(577,900)	(94,949)	99,232	196,450
	300,647	295,928	173,329	(565,771)	(100,543)	96,459	280,838
	¥2,017,877	¥2,038,195	¥1,994,523	¥1,095,730	¥1,277,036	¥1,618,552	¥1,853,611
	514,963	521,878	502,075	318,076	278,186	327,860	379,629
	340,144	349,014	348,521	271,248	352,672	382,217	405,822
	77,173	92,956	101,520	79,531	71,073	76,909	91,057
	2,950,157	3,002,043	2,946,639	1,764,585	1,978,967	2,405,538	2,730,119
	¥ 340,413	¥ 341,946	¥ 250,576	¥ (548,529)	¥ (285,346)	¥ (24,097)	¥ 170,720
	38,998	39,231	34,387	2,612	14,116	35,282	54,032
	80,986	81,421	74,603	15,156	107,807	111,577	100,153
	22,589	23,807	23,877	14,761	11,642	17,222	21,915
	(1,690)	(1,544)	(2,602)	(4,358)	(2,158)	645	(1,658)
	481,296	484,861	380,841	(520,358)	(153,939)	140,629	345,162
	¥8,147,676	¥8,359,676	¥8,537,060	¥8,916,420	¥9,091,425	¥9,351,900	¥9,771,480
	3,179,660	3,163,731	3,312,344	4,350,250	4,703,739	4,774,887	4,868,223
	2,859,330	3,067,174	3,146,196	2,535,027	2,394,928	2,473,251	2,717,895
	¥ 704,194	¥ 663,801	¥ 548,693	¥ (189,968)	¥ 190,507	¥ 581,756	¥ 688,104
	(541,857)	(594,426)	(701,601)	(749,397)	(526,358)	(565,511)	(690,624)
	(135,100)	(120,693)	43,410	983,386	304,642	26,831	66,104
							Yen
	¥ 250	¥ 258	¥ 175	¥ (511)	¥ (84)	¥ 88	¥ 174
	2,476	2,682	2,780	2,240	2,116	2,189	2,402
	140	150	165	100	100	100	140
	1.3	1.3	1.0	1.2	1.1	1.1	1.2
	6.0	5.9	4.5	(6.0)	(1.7)	1.5	3.6
	10.5	10.0	6.4	(20.3)	(3.9)	4.1	7.6
	9.8	9.8	6.7	(32.7)	(4.8)	4.1	7.2
	3.4	3.4	4.2	—	19.0	8.6	6.2
	10.9	10.5	9.0	—	3.1	9.4	10.2
	1.1	1.0	1.1	1.7	2.0	1.9	1.8
	35.1	36.7	36.9	28.4	26.3	26.4	27.8
	32.9	32.9	31.4	—	—	38.0	26.8
							Millions of Yen
	¥ 367,998	¥ 368,723	¥ 374,743	¥ 388,828	¥ 392,626	¥ 389,885	¥ 392,172
	550,478	629,925	740,648	692,250	520,018	554,714	713,712
	64,733	62,545	60,786	60,663	62,158	63,755	69,978

\*4 Net Interest Bearing Debt = Balance of Consolidated Interest-Bearing Debt – Balance of Consolidated Cash and Cash Equivalents  
EBITDA = Consolidated Operating Income + Consolidated Depreciation

\*5 Interest Coverage Ratio = Net Cash Provided by Operating Activities ÷ Payments of Interest

\*6 Debt to Equity Ratio = Interest-Bearing Debt ÷ Shareholders' Equity

\*7 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, 2023 and 2024

		Millions of Yen	Millions of U.S. Dollars
	2023	2024	2024
<b>Assets</b>			
Current Assets:			
Cash and cash equivalents	¥ 215,000	¥ 280,811	\$ 1,860
Receivables:			
Accounts receivable–trade	619,375	692,498	4,586
Contract assets	2,584	2,421	16
Unconsolidated subsidiaries and affiliated companies	13,156	13,729	91
Other	6,509	7,016	46
Allowance for doubtful accounts	(3,106)	(2,575)	(17)
	638,518	713,089	4,722
Inventories	90,491	100,311	664
Real estate for sale	45,177	38,076	252
Other current assets	63,599	59,645	396
Total current assets	1,052,785	1,191,932	7,894
Investments:			
Unconsolidated subsidiaries and affiliated companies	152,590	164,516	1,090
Other	207,413	302,612	2,004
	360,003	467,128	3,094
Property, Plant and Equipment:			
Buildings	3,285,914	3,347,263	22,167
Structures	6,618,453	6,706,324	44,413
Machinery, rolling stock and vehicles	3,037,657	3,101,977	20,543
Land	2,185,869	2,232,095	14,782
Construction in progress	399,205	562,276	3,724
Other	309,913	321,309	2,128
	15,837,011	16,271,244	107,757
Less accumulated depreciation	8,622,449	8,798,865	58,271
Net property, plant and equipment	7,214,562	7,472,379	49,486
Other Assets:			
Deferred tax assets	432,011	342,541	2,268
Other	292,539	297,500	1,970
	724,550	640,041	4,238
	¥ 9,351,900	¥ 9,771,480	\$ 64,712

		Millions of Yen	Millions of U.S. Dollars
	2023	2024	2024
<b>Liabilities and Net Assets</b>			
Current Liabilities:			
Short-term debt and current portion of long-term debt	¥ 365,000	¥ 324,148	\$ 2,147
Current portion of long-term liabilities incurred for purchase of railway facilities	4,065	4,298	29
Prepaid railway fares received	78,047	86,633	574
Payables:			
Accounts payable–trade	42,410	45,233	300
Unconsolidated subsidiaries and affiliated companies	181,926	185,922	1,231
Other	562,338	622,947	4,125
	786,674	854,102	5,656
Accrued expenses	101,250	115,389	764
Accrued consumption taxes	43,961	40,667	269
Accrued income taxes	16,187	22,040	146
Other current liabilities	137,068	169,454	1,122
Total current liabilities	1,532,252	1,616,731	10,707
Long-Term Liabilities:			
Long-term debt	4,094,821	4,233,117	28,034
Long-term liabilities incurred for purchase of railway facilities	311,002	306,704	2,031
Net defined benefit liability	445,844	399,184	2,644
Deposits received for guarantees	151,801	173,663	1,150
Deferred tax liabilities	2,368	2,320	15
Provision for large-scale renovation of Shinkansen infrastructure	168,000	192,000	1,272
Other long-term liabilities	148,098	108,528	719
Total long-term liabilities	5,321,934	5,415,516	35,865
Contingent Liabilities			
Net Assets:			
Common stock:			
Authorized 1,600,000,000 shares;			
Issued, 2024—378,137,400 shares;			
Outstanding, 2024—377,117,353 shares	200,000	200,000	1,325
Capital surplus	96,446	97,603	646
Retained earnings	2,132,050	2,289,194	15,160
Treasury stock, at cost, 1,020,047 shares in 2024	(8,914)	(5,979)	(40)
Accumulated other comprehensive income:			
Net unrealized holding gains (losses) on securities	43,302	100,607	666
Net deferred gains (losses) on derivatives under hedge accounting	2,549	3,430	23
Revaluation reserve for land	(35)	(16)	(0)
Foreign currency translation adjustments	284	135	1
Remeasurements of defined benefit plans	7,570	32,922	218
Non-Controlling Interests	24,462	21,337	141
Total net assets	2,497,714	2,739,233	18,140
	¥9,351,900	¥9,771,480	\$64,712



Consolidated Statements of Income and Comprehensive Income

East Japan Railway Company and Subsidiaries  
Years ended March 31, 2023 and 2024

(I) Consolidated Statements of Income

	Millions of Yen		Millions of U.S. Dollars
	2023	2024	2024
Operating Revenues	¥2,405,538	¥2,730,119	\$18,080
Operating Expenses:			
Transportation, other services and cost of sales	1,687,834	1,765,637	11,693
Selling, general and administrative expenses	577,075	619,320	4,101
	2,264,909	2,384,957	15,794
Operating Income	140,629	345,162	2,286
Other Income (Expenses):			
Interest expense on short- and long-term debt	(42,950)	(49,422)	(327)
Interest expense incurred for purchase of railway facilities	(20,805)	(20,556)	(136)
Loss on sales of fixed assets	(328)	(106)	(1)
Impairment losses on fixed assets	(19,064)	(24,480)	(162)
Intensive seismic reinforcement costs	(4,644)	(6,780)	(45)
Interest and dividend income	4,955	5,460	36
Equity in net income of affiliated companies	23,322	10,683	71
Gain on sales of fixed assets	4,791	7,814	52
Other, net	42,469	6,297	41
	(12,254)	(71,090)	(471)
Income before Income Taxes	128,375	274,072	1,815
Income Taxes:			
Current	14,667	22,115	146
Deferred	13,163	54,612	362
Profit	100,545	197,345	1,307
Profit Attributable to Non-Controlling Interests	1,313	895	6
Profit Attributable to Owners of Parent	¥ 99,232	¥ 196,450	\$ 1,301
	Yen		U.S. Dollars
Earnings per Share	¥ 88	¥174	\$1
Cash Dividends Applicable to the Year	100	140	1

(II) Consolidated Statements of Comprehensive Income

	Millions of Yen		Millions of U.S. Dollars
	2023	2024	2024
Profit	¥100,545	¥197,345	\$1,307
Other Comprehensive Income:			
Net unrealized holding gains (losses) on securities	(5,685)	55,862	370
Net deferred gains (losses) on derivatives under hedge accounting	49	679	5
Foreign currency translation adjustments	27	(102)	(1)
Remeasurements of defined benefit plans	1,262	24,342	161
Share of other comprehensive income of associates accounted for using equity method	261	2,712	18
	(4,086)	83,493	553
Comprehensive Income	¥ 96,459	¥280,838	\$1,860
Comprehensive Income Attributable to:			
Comprehensive income attributable to owners of parent	¥ 95,139	¥279,880	\$1,854
Comprehensive income attributable to non-controlling interests	1,320	958	6

Consolidated Statements of Changes in Net Assets

East Japan Railway Company and Subsidiaries  
Years ended March 31, 2023 and 2024

	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, 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
Issuance of new shares	—	—	—	—	—	—	—	—	—	—	—	—
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
Issuance of new shares	205,000	—	1,171	—	—	—	—	—	—	—	—	1,171
Cash dividends (¥105 per share)	—	—	—	(39,648)	—	—	—	—	—	—	—	(39,648)
Profit attributable to owners of parent	—	—	—	196,450	—	—	—	—	—	—	—	196,450
Increase/decrease due to merger	—	—	—	418	—	—	—	—	—	—	—	418
Purchase of treasury stock	—	—	—	—	(73)	—	—	—	—	—	—	(73)
Disposal of treasury stock	—	—	—	(44)	3,131	—	—	—	—	—	—	3,087
Change in equity in affiliates accounted for by equity method-treasury stock	—	—	—	—	(123)	—	—	—	—	—	—	(123)
Change of scope of consolidation	—	—	—	(13)	—	—	—	—	—	—	—	(13)
Change in scope of equity method	—	—	—	—	—	—	—	—	—	—	—	—
Capital increase of consolidated subsidiaries	—	—	(28)	—	—	—	—	—	—	—	—	(28)
Purchase of shares of consolidated subsidiaries	—	—	14	—	—	—	—	—	—	—	—	14
Reversal of revaluation reserve for land	—	—	—	(19)	—	—	—	—	—	—	—	(19)
Other	—	—	—	—	—	57,305	881	19	(149)	25,352	(3,125)	80,283
Balance at March 31, 2024	378,137,400	¥200,000	¥97,603	¥2,289,194	¥(5,979)	¥100,607	¥3,430	¥ (16)	¥ 135	¥32,922	¥21,337	¥2,739,233

	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, 2023	377,932,400	\$1,325	\$639	\$14,120	\$(59)	\$287	\$17	\$(0)	\$ 2	\$ 50	\$162	\$16,543
Issuance of new shares	205,000	—	7	—	—	—	—	—	—	—	—	7
Cash dividends (\$1 per share)	—	—	—	(263)	—	—	—	—	—	—	—	(263)
Profit attributable to owners of parent	—	—	—	1,301	—	—	—	—	—	—	—	1,301
Increase/decrease due to merger	—	—	—	2	—	—	—	—	—	—	—	2
Purchase of treasury stock	—	—	—	—	(1)	—	—	—	—	—	—	(1)
Disposal of treasury stock	—	—	—	(0)	21	—	—	—	—	—	—	21
Change in equity in affiliates accounted for by equity method-treasury stock	—	—	—	—	(1)	—	—	—	—	—	—	(1)
Change of scope of consolidation	—	—	—	(0)	—	—	—	—	—	—	—	(0)
Change in scope of equity method	—	—	—	—	—	—	—	—	—	—	—	—
Capital increase of consolidated subsidiaries	—	—	(0)	—	—	—	—	—	—	—	—	(0)
Purchase of shares of consolidated subsidiaries	—	—	0	—	—	—	—	—	—	—	—	0
Reversal of revaluation reserve for land	—	—	—	(0)	—	—	—	—	—	—	—	(0)
Other	—	—	—	—	—	379	6	0	(1)	168	(21)	531
Balance at March 31, 2024	378,137,400	\$1,325	\$646	\$15,160	\$(40)	\$666	\$23	\$(0)	\$ 1	\$218	\$141	\$18,140



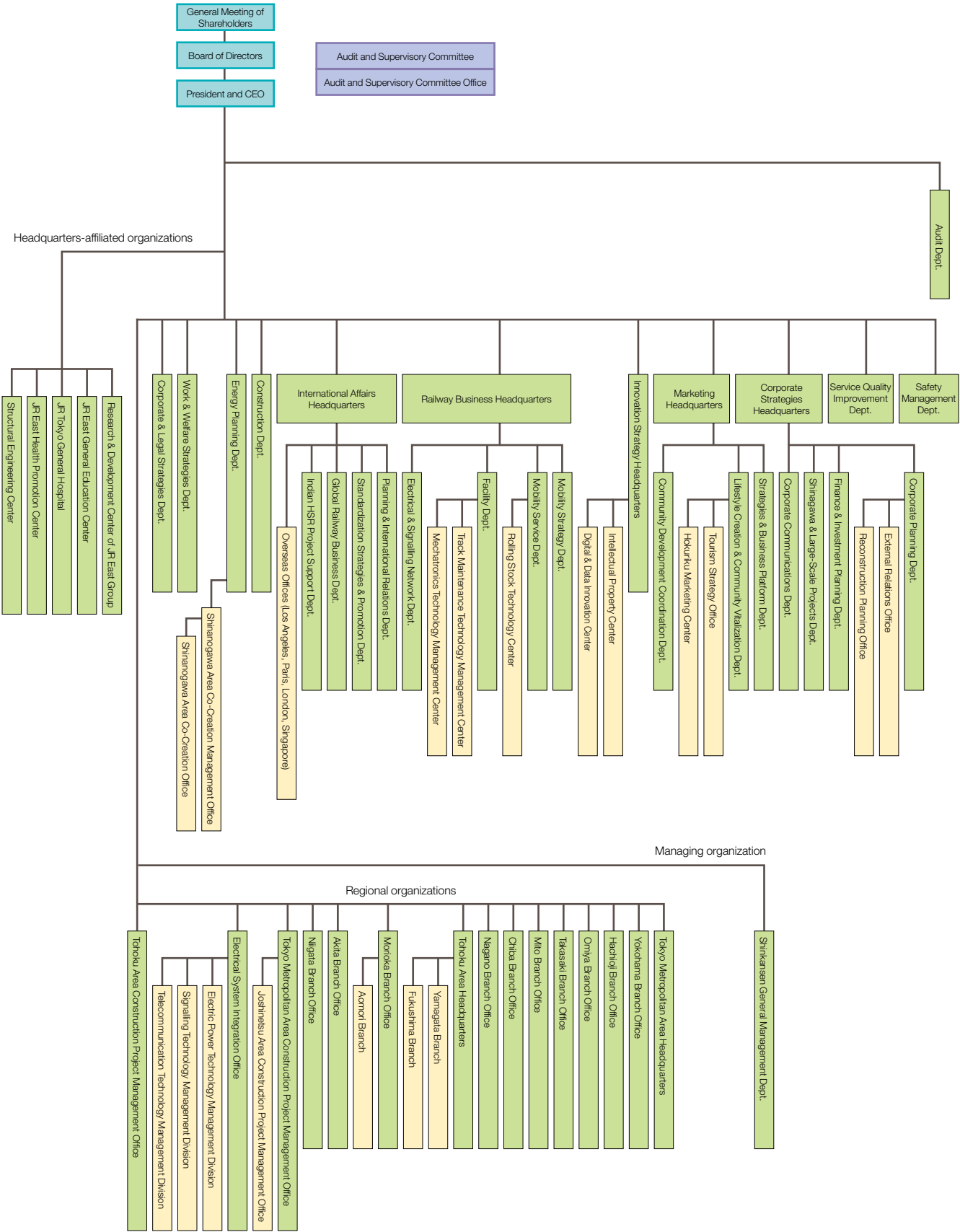
Consolidated Statements of Cash Flows

East Japan Railway Company and Subsidiaries  
Years ended March 31, 2023 and 2024

	Millions of Yen		Millions of U.S. Dollars
	2023	2024	2024
Cash Flows from Operating Activities:			
Income before income taxes	¥ 128,375	¥ 274,072	\$ 1,815
Depreciation	389,885	392,172	2,597
Impairment losses on fixed assets	19,064	24,480	162
Amortization of long-term prepaid expense	10,623	11,119	74
Net change in provision for large-scale renovation of Shinkansen infrastructure	24,000	24,000	159
Net change in net defined benefit liability	(17,915)	(11,824)	(78)
Interest and dividend income	(4,955)	(5,460)	(36)
Interest expense	63,755	69,978	463
Construction grants received	(40,925)	(24,084)	(159)
Loss from disposition and provision for cost reduction of fixed assets	70,965	55,157	365
Net change in major receivables	(57,768)	(96,964)	(642)
Net change in major payables	72,465	58,339	386
Other	(34,843)	1,572	10
Sub-total	622,726	772,557	5,116
Proceeds from interest and dividends	7,512	9,150	61
Payments of interest	(62,008)	(67,464)	(447)
Insurance proceeds related to disaster	4,535	—	—
Payments of disaster-damage losses	(10,276)	(12,975)	(86)
Proceeds from compensation	27,596	3,044	20
Payments of partial transfer costs of railway operation	(142)	—	—
Payments of income taxes	(8,187)	(16,208)	(107)
Net cash provided by operating activities	581,756	688,104	4,557
Cash Flows from Investing Activities:			
Payments for purchases of fixed assets	(555,583)	(714,913)	(4,735)
Proceeds from sales of fixed assets	6,410	8,335	55
Proceeds from construction grants	12,528	49,112	325
Payments for purchases of investment in securities	(36,394)	(21,358)	(141)
Proceeds from sales of investment in securities	21,959	7,041	47
Payments for purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(2,661)	(18)
Other	(14,431)	(16,180)	(107)
Net cash used in investing activities	(565,511)	(690,624)	(4,574)
Cash Flows from Financing Activities:			
Net change in short-term loans	(60,749)	(1,124)	(7)
Commercial paper	(330,000)	—	—
Proceeds from long-term loans	174,500	108,300	717
Payments of long-term loans	(142,000)	(150,000)	(993)
Proceeds from issuance of bonds	544,151	354,044	2,345
Payments for redemption of bonds	(111,000)	(215,000)	(1,424)
Payments of liabilities incurred for purchase of railway facilities	(3,806)	(4,065)	(27)
Cash dividends paid	(37,760)	(39,648)	(263)
Other	(6,505)	13,597	90
Net cash provided by financing activities	26,831	66,104	438
Effect of Exchange Rate Changes on Cash and Cash Equivalents	124	300	2
Net Change in Cash and Cash Equivalents	43,200	63,884	423
Cash and Cash Equivalents at Beginning of Year	171,023	215,000	1,424
Increase in Cash and Cash Equivalents from Newly Consolidated Subsidiary	—	880	6
Increase in Cash and Cash Equivalents due to Merger	777	1,047	7
Cash and Cash Equivalents at End of Year	¥ 215,000	¥ 280,811	\$ 1,860

Organization

As of June 20, 2024





Corporate Data

As of March 31, 2024

Paid-In Capital

¥200,000 million

Rating Information

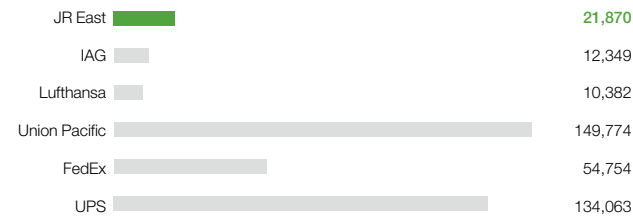
AA+ (Rating and Investment Information, Inc.)  
A+ (S&P Global Ratings Japan Inc.)  
A1 (Moody’s Japan K.K.)

Comparison of Market Capitalization

INTERNATIONAL

Total Stock Market Value

Millions of U.S. Dollars



International Railway Comparisons\*

TRANSPORTATION MARKET

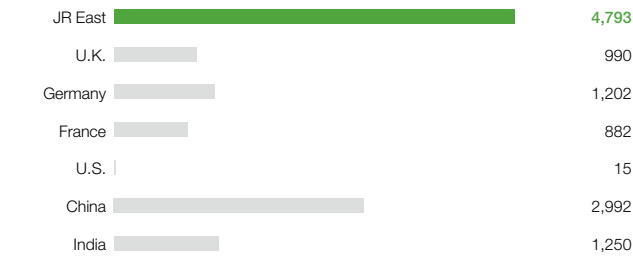
Operating Kilometers

Kilometers



Number of Passengers

Millions



\* Figures are for the years ended March 2022 for JR East, March 2022 for the U.K. (Office of Rail and Road), December 2021 for Germany (Deutsche Bahn), December 2021 for France (Société Nationale des Chemins de fer Français [SNCF]), September 2021 for the U.S. (Amtrak), December 2021 for China (CHINA RAILWAY), and March 2022 for India (Indian Railways).

DOMESTIC

Total Stock Market Value

Billions of Yen

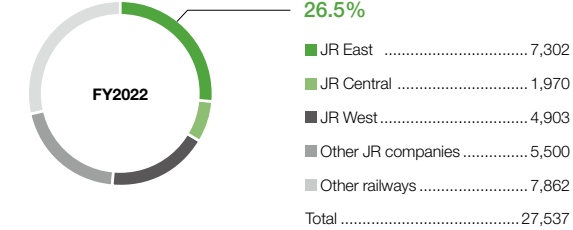


Railway Operations in Japan

SHARE OF DOMESTIC RAILWAYS

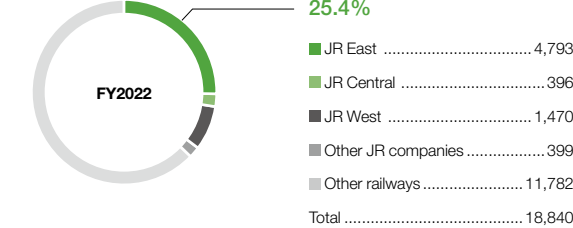
Operating Kilometers

Kilometers



Number of Passengers

Millions



Stock Information

As of March 31, 2024

Fiscal Year

April 1 to March 31

Total Number of Shares Issued

378,137,400

Number of Shareholders

284,413

Stock Exchange Listing

Tokyo

Transfer Agent

Mitsubishi UFJ Trust and Banking Corporation  
4-5, Marunouchi 1-chome,  
Chiyoda-ku, Tokyo 100-8212, Japan

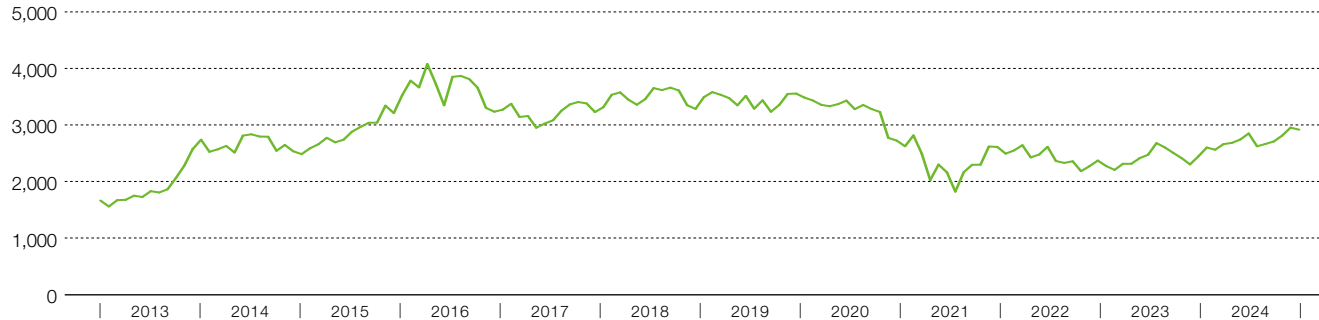
Major Shareholders

Names of Shareholders	Number of Shares Held (Shares)	Shareholding Percentage (%)
The Master Trust Bank of Japan, Ltd. (as Trustee)	50,990,200	13.48
The JR East Group Employees Shareholding Association	15,282,339	4.04
Custody Bank of Japan, Ltd. (as Trustee)	14,335,320	3.79
Mizuho Bank, Ltd.	13,000,000	3.44
Nippon Life Insurance Company	8,015,560	2.12
STATE STREET BANK WEST CLIENT – TREATY 505234	6,942,544	1.84
MUFG Bank, Ltd.	6,438,000	1.70
Sumitomo Mitsui Banking Corporation	6,160,500	1.63
JP MORGAN CHASE BANK 385781	5,009,795	1.32
Mitsubishi UFJ Trust and Banking Corporation	5,000,000	1.32

\* The shareholding percentage is calculated based on the total number of issued shares excluding 3,885 shares of treasury stock.

Stock Price

Yen



\* Effective April 1, 2024, a 3-for-1 stock split of common stock was conducted, and the share price reflects this stock split.

Dialogue with Shareholders and Investors

We provide a forum for constructive dialogue to enable shareholders and investors to further their understanding of the Group’s business and to build long-term relationships of trust in order to achieve sustainable business growth and improve corporate value over the medium- to long-term.

Summary of Dialogue with Institutional Investors and Analysts (FY2024)

Financial results briefings: 3  
Investor Relations Day (IR Day): 1  
Small meetings: 1  
1-on-1 meetings: Approximately 350

Results of Dialogue with Individual Shareholders and Investors (FY2024)

Individual investor seminars (online): 6 (total of approx. 4,500 viewers)  
Events for shareholders: 4 (approx. 1,700 invited)  
Shareholder meetings: 2 (approx. 50 participants)



IR DAY  
(TAKANAWA GATEWAY CITY)



Small meeting



Events for shareholders  
(Shinkansen General Rolling Stock Center)



Shareholders' meetings  
(Mito branch office)

We invite you to visit our website, where we also post information for shareholders and investors.

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