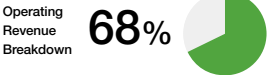


Business Segments of the JR East Group

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.

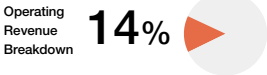
Businesses

- 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

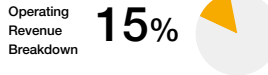
- Retail
- Advertising and publishing
- Overseas

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.

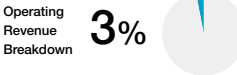
Businesses

- 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

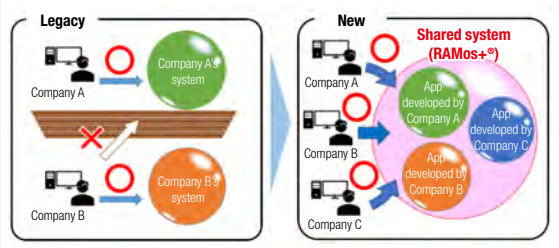
In anticipation of a future decline in the working-age population, we are promoting smart maintenance, which uses cutting-edge technologies, including information and communications technology (ICT), to improve the efficiency of maintenance work in the railway business.

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

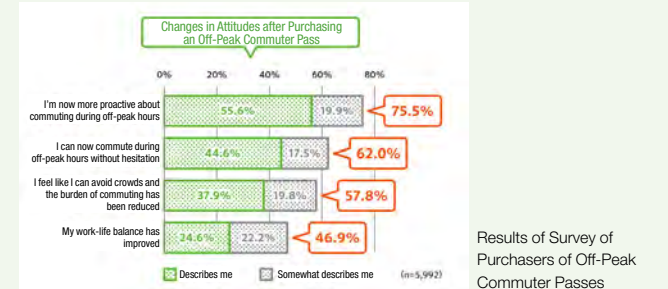
The pass can be used for any journey that is completed within a specific section of JR East's Tokyo train network, and also applies to Suica commuter passes that span private railways and subways. However, off-peak commuter fares only apply to services on JR lines.

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 CO₂ 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.

Highlight

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 ²	Approx. 208,000 m ²	Approx. 29,000 m ²	Approx. 148,000 m ²
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 ^{*1} 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 ^{*2} 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 ₂ 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

^{*1} A data platform that collects and analyzes data on city facilities and the flow and movement of people in the city
^{*2} 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 CO₂ 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.

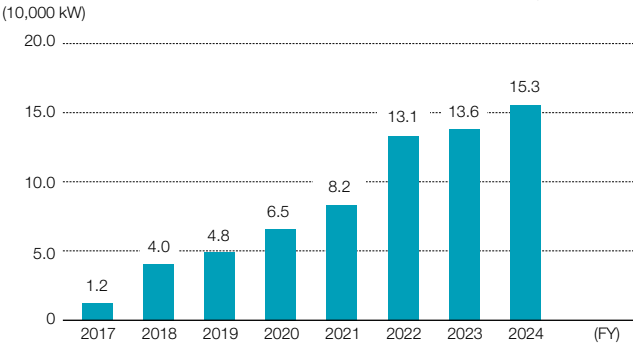
Segment Numerical Targets (Economic Value)

	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 Online Banking Service
JRE BANK will function as a gateway to inform customers of the wide range of services offered by the JR East Group, thereby building engagement with its customers.

Teruaki Kubo
Section Manager
Retail Business Department and
JRE BANK Promotion Department
Viewcard Co., Ltd.

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.

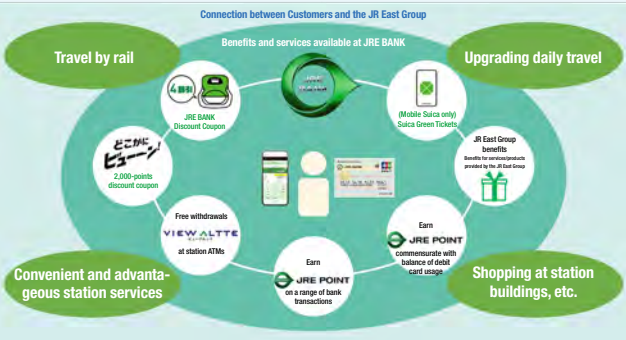
Overview of JRE BANK

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.

JRE BANK Discount Coupon (40% off)	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)
Dokokani Byuun! 2,000-points discount coupon	Dokokani Byuun! offered at 2,000 points off the regular 6,000 points (Four times a year, maximum of 12 coupons per year)
(Mobile Suica only) Suica Green Ticket	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.

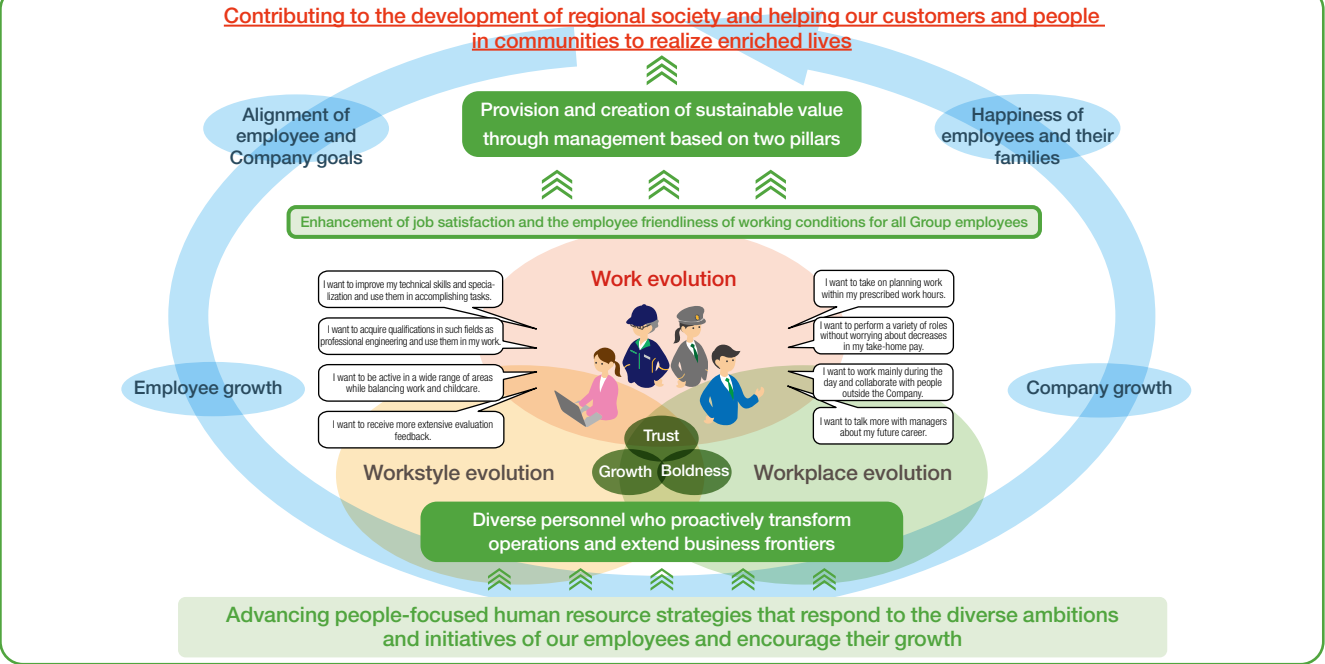
Human Resource Strategies for Realizing Our Vision

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.



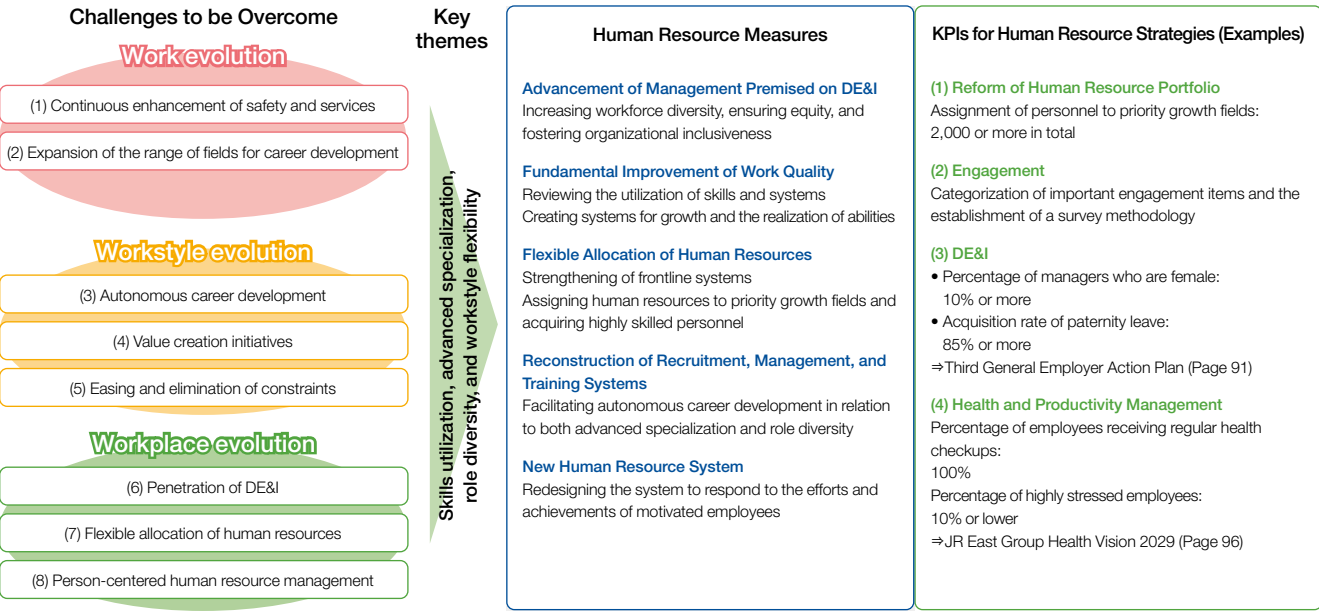
New Engagement between Employees and the Company



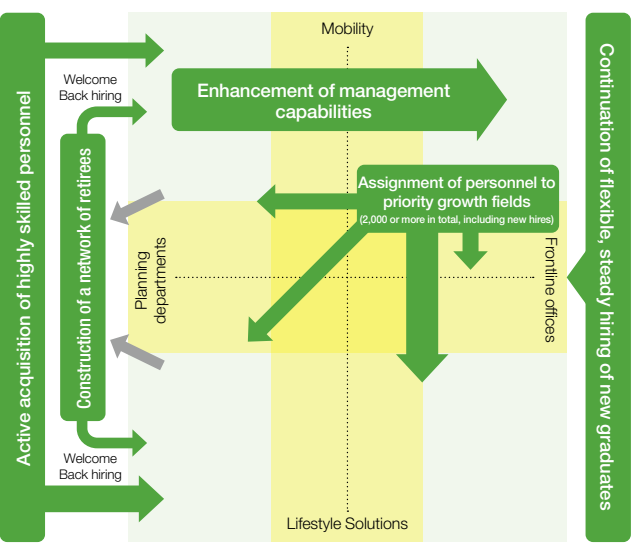
Measures to Overcome Human Resource Challenges

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.

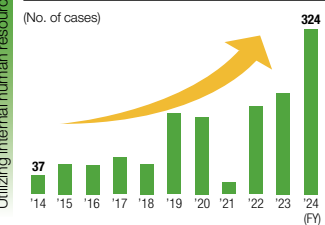


(1) Transformation of Human Resource Portfolio



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

Results of Using an Open Recruitment System



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.

(Fields where job specific personnel management is used)

- Development and real estate
- Suica services
- Data marketing
- Introduction of common standards for next-generation mobility
- Maintenance business
- Communications business
- Energy business

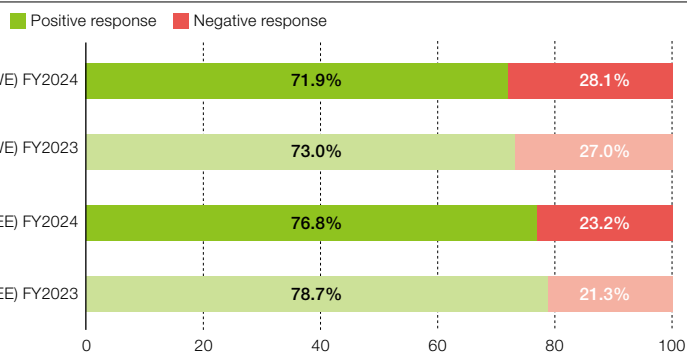
(2) Engagement

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.

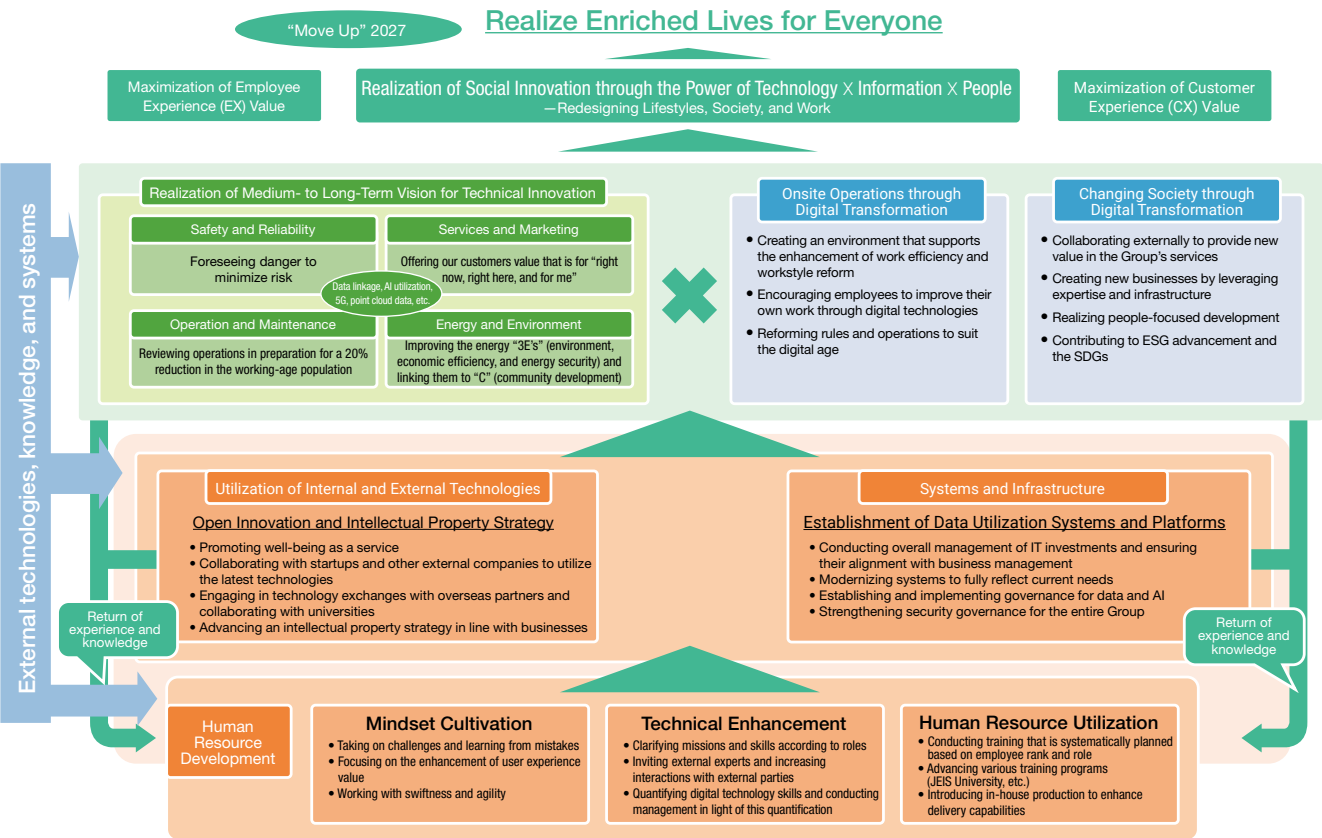
We will modernize systems to create a platform that supports businesses and adapts as they change. More specifically, by applying the latest technologies and architecture to preexisting systems that were created and optimized in isolation, the Group will build a new systems architecture that enables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

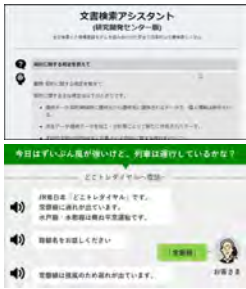
Establishment of the Digital & Data Innovation Center

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.

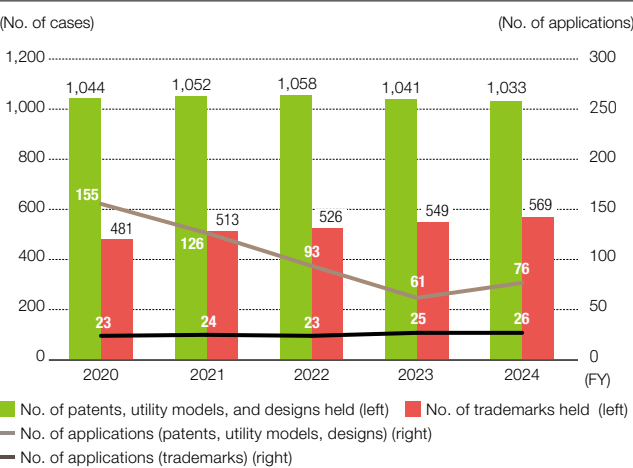
Policies

1. 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.
2. 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

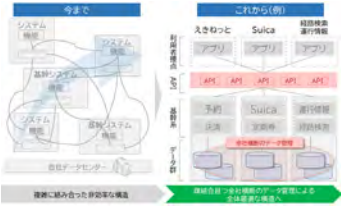
The Intellectual Property Center of the R&D Unit, Innovation Strategy Headquarters, which manages patents, designs, and technical information, and the Legal Division of the Corporate & Legal Strategies Department, which manages trademarks and copyrights, work together to acquire and utilize intellectual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