

Fiscal 2021 Financial Results (Japanese GAAP) (Unaudited)

Fiscal 2021 (Year ended March 31, 2021)

All financial information has been prepared in accordance with accounting principles generally accepted in Japan.

"JR East" refers to East Japan Railway Company on a consolidated basis, or if the context so requires, on a non-consolidated basis.

English translation from the original Japanese-language document.

April 28, 2021

East Japan Railway Company

Stock Exchange Listing	Tokyo
Securities Code	9020
URL	https://www.jreast.co.jp/e
Representative	Yuji Fukasawa, President and CEO
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Scheduled Date of Ordinary General Meeting of Shareholders	June 22, 2021
Scheduled Date of Dividend Payment Commencement	June 23, 2021
Scheduled Date for Release of Annual Securities Report	June 22, 2021
Preparation of Supplementary Explanations of Financial Results:	No
Financial Results Presentation to Be Held:	Yes

1. Consolidated Results for Fiscal 2021 (Year Ended March 31, 2021)

(Amounts less than one million yen, except for per share amounts, are omitted.)

(1) Consolidated financial results

(Percentages represent percentage changes as compared with the previous fiscal year.)

	Operating revenues		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2021	1,764,584	(40.1)	(520,358)	—	(579,798)	—	(577,900)	—
Fiscal 2020	2,946,639	(1.8)	380,841	(21.5)	339,525	(23.4)	198,428	(32.8)

Note: Comprehensive income – Fiscal 2021: (565,771) million yen (—%), Fiscal 2020: 173,329 million yen (a decrease of 41.4%)

	Earnings per share—Basic	Earnings per share—Diluted	Return on average equity	Ratio of ordinary income to average assets	Ratio of operating income to operating revenues
	Yen	Yen	%	%	%
Fiscal 2021	(1,531.91)	—	(20.3)	(6.6)	(29.5)
Fiscal 2020	524.91	—	6.4	4.0	12.9

Reference: Equity in net income (losses) of affiliated companies – Fiscal 2021: (13,417) million yen, Fiscal 2020: 5,614 million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2021	8,916,420	2,557,361	28.4	6,719.93
Fiscal 2020	8,537,059	3,173,427	36.9	8,340.01

Reference: Shareholders' equity – Fiscal 2021: 2,535,027 million yen, Fiscal 2020: 3,146,196 million yen

(3) Consolidated cash flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash used in financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2021	(189,968)	(749,397)	983,385	197,960
Fiscal 2020	548,692	(701,601)	43,409	153,794

2. Dividends (Year Ended March 31, 2020 and 2021 and Year Ending March 31, 2022)

(Record date)	Dividends per share					Total dividends (annual)	Dividend ratio (consolidated)	Ratio of dividends to shareholders' equity (consolidated)
	1st quarter end	2nd quarter end	3rd quarter end	Year end	Total annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal 2020	—	82.50	—	82.50	165.00	62,304	31.4	2.0
Fiscal 2021	—	50.00	—	50.00	100.00	37,760	—	1.3
(Forecast) Fiscal 2022	—	50.00	—	50.00	100.00		104.8	

3. Forecasts for Fiscal 2022 (Year Ending March 31, 2022)

(Percentages represent percentage changes as compared with the previous corresponding fiscal period or fiscal year, as applicable.)

	Operating revenues		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share—Basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six-month period ending September 30, 2021	1,083,000	37.6	1,000	—	(28,000)	—	(52,000)	—	(137.84)
Fiscal 2022	2,326,000	31.8	74,000	—	25,000	—	36,000	—	95.43

※ Notes

(1) Changes to principal subsidiaries during the period (status changes of specified subsidiaries due to changes in the scope of consolidation): No

Newly consolidated — excluded —

(2) Changes in accounting policies, changes in accounting estimates, and restatement of revisions

- i Changes in accounting policies with revision of accounting standards : No
- ii Changes in accounting policies other than the above : No
- iii Changes in accounting estimates : No
- iv Restatement of revisions : No

(3) Number of issued shares (common stock)

- i Issued shares at period-end (including treasury stock)

Fiscal 2021	377,932,400 shares	Fiscal 2020	377,932,400 shares
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- ii Treasury stock at period-end

Fiscal 2021	692,286 shares	Fiscal 2020	691,228 shares
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- iii Average number of shares during period

Fiscal 2021	377,240,648 shares	Fiscal 2020	378,026,258 shares
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(Reference) Overview of the Non-consolidated Financial Results

1. Non-consolidated Results for Fiscal 2021 (Year Ended March 31, 2021)

(Amounts less than one million yen, except for per share amounts, are omitted.)

(1) Non-consolidated financial results

(Percentages represent percentage changes as compared with the previous fiscal year.)

	Operating revenues		Operating income		Ordinary income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2021	1,184,145	(42.5)	(478,535)	—	(517,715)	—	(506,631)	—
Fiscal 2020	2,061,078	(2.5)	294,077	(25.0)	260,136	(26.7)	159,053	(36.7)

	Earnings per share—Basic	Earnings per share—Diluted
	Yen	Yen
Fiscal 2021	(1,341.71)	—
Fiscal 2020	420.35	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2021	8,172,474	2,014,228	24.6	5,334.28
Fiscal 2020	7,840,416	2,551,346	32.5	6,756.71

Reference: Shareholders' equity – Fiscal 2021: 2,014,228 million yen, Fiscal 2020: 2,551,346 million yen

2. Forecasts for Fiscal 2022 (Year Ending March 31, 2022)

(Percentages represent percentage changes as compared with the previous corresponding fiscal period or fiscal year, as applicable.)

	Operating revenues		Operating income		Ordinary income		Profit		Earnings per share—Basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six-month period ending September 30, 2021	775,000	43.3	(5,000)	—	(18,000)	—	(34,000)	—	(90.04)
Fiscal 2022	1,677,000	41.6	37,000	—	0	—	25,000	—	66.21

※ Financial results are not subject to auditing.

※ Explanation of appropriate use of forecasts of business results; other important items

The forecasts of business results and other forward-looking statements in this document are based on information available as of the date of this document and on certain assumptions that JR East viewed as reasonable as of the date of this document. Actual results may differ from such forward-looking statements for a variety of reasons. Regarding the forecasts of business results, please refer to "Outlook for the Year Ending March 31, 2022" on page 10 of this document.

JR East is scheduled to hold an analysts' conference on April 30, 2021, to present its operating results for Fiscal 2021. JR East plans to upload the presentation materials distributed at such conference to its website upon its conclusion.

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1. Operating Results and Financial Position

(Unless otherwise stated, all comparisons are between the fiscal year under review and the previous fiscal year.)

(1) Analysis of Operating Results

(i) Summary of the Fiscal Year Ended March 31, 2021

Overview

In the fiscal year ended March 31, 2021, despite signs of recovery in the second half, the Japanese economy continued to be in a difficult state due to the ongoing spread of COVID-19.

There was a significant decline in the number of customers using railways following the spread of COVID-19. In addition, with respect to the life-style service business, there have been declines in the use of stores and restaurants within railway stations and station buildings as well as the use of hotels. In light of this situation, the Group has been placing the utmost priority on preventing the spread of COVID-19 to its customers and employees and ensuring the safety and reliability of transportation and the quality of its services. In September 2020, the Group announced Speed Up “Move Up” 2027, a policy tailored to the post-COVID-19 society. By increasing the level and pace of its various initiatives, the Group will work to expedite its progress toward the achievement of “Move Up” 2027 management vision.

During the fiscal year under review, operating revenues declined 40.1%, to ¥1,764.5 billion, due mainly to the significant revenue declines in the Transportation, Retail & Services, and Real Estate & Hotels segments, which were attributable to the impact from the spread of COVID-19. In addition, as a result of these decreases in operating revenues, we recorded operating loss of ¥520.3 billion (operating income of ¥380.8 billion in fiscal 2020), ordinary loss of ¥579.7 billion (ordinary income of ¥339.5 billion in fiscal 2020), and loss attributable to owners of parent of ¥577.9 billion (profit attributable to owners of parent of ¥198.4 billion in fiscal 2020).

Deepening trust

【Pursuing ultimate safety levels】

Based on the “Group Safety Plan 2023,” the JR East Group united as one toward the enhancement and innovation of “safety conduct” and “safety management” by each employee as well as the installation of safety equipment that actively leverages new technologies.

(Specific measures)

- Installation of automatic platform gates completed at 61 railway stations (72 railway stations on a line-by-line basis) as of March 31, 2021
- Introduction of a “system to support decisions on moving railcars,” which assists the moving of railcars to safe places in light of the damage caused by flooded rivers and other hazards brought about by Typhoon No. 19 (Hagibis) in 2019, at a total of 78 locations
- Implementation of practical training for train crew through actual video making use of simulators installed at all workplaces
- Promotion of additional seismic reinforcement covering more areas and facilities to prepare for a major earthquake, such as an earthquake directly beneath the Tokyo metropolitan area, in conjunction with examination of measures in light of the damages incurred from the February 2021 earthquake off the coast of Fukushima Prefecture
- Implementation of verification tests at Tokyo, Ueno, and Omiya stations in August 2020 of hazardous-material detection dogs for baggage check to enhance security
- Implementation of test runs from September 2020 to January 2021 for a new train control system on the Hachiko Line that utilizes the Global Navigation Satellite System (GNSS) and a mobile wireless communication network with the aim of introducing the system in fiscal 2025
- Introduction of an AI-based method for detecting wind gusts in November 2020 for controlling train operations using the Doppler radar on certain segments of the Uetsu Line and the Rikuu West Line
- Establishment of a life-size mockup facility at the JR East General Education Center in December 2020, to promote technological development including the mechanization of work processes and renovation materials toward major upgrades to the Shinkansen

【Service quality reforms】

Based on “Medium-term Vision for Service Quality Reforms 2020,” the JR East Group accelerated various initiatives, including to prevent transportation service disruptions and their impact on passengers from spreading as well as to strengthen information provision.

(Specific measures)

- Improvement of electrical equipment on conventional lines in the Tokyo metropolitan area to reduce transportation disruptions
- Establishment of a framework to promptly provide relevant information in the event of a planned suspension of operations when a natural disaster occurs, with swift information provision using this framework at the time of heavy snowfall in December 2020
- Implementation of year-round “Assistance and support campaign,” which encourages our personnel to proactively ask customers whether they require assistance
- Commencement of the provision of information on the status of congestion inside trains over the last week in 15 sections of 13 line segments in the Tokyo metropolitan area via the JR East corporate website and the *JR East*

app

- Expansion of services on the *JR East app* in July 2020 for providing real-time information on congestion within railcars, etc., to cover not only the Yamanote Line but also major line segments in the Tokyo metropolitan area
- Commencement in December 2020 of mobile phone services, including within tunnels, on all trains on the Shinkansen lines
- Continuation of preparations for the June 2021 renewal of the online ticket purchase service *eki-net*, including linkages with *JRE POINT* and support for reserving and purchasing discount tickets
- March 2021 installation of a non-contact-type AI guidance system that operates without the need to touch a screen at Kaihimmakuhari Station
- Promotion of preparations for the July 2021 launch of the Hokuriku E7 Series Shinkansen railcars equipped with wheelchair-designated free spaces
- Formulation of “Vision for Service Quality Reforms 2027” in March 2021, an initiative showing the direction of the JR East Group’s services by virtue of encouraging each Group employee to “Think-and-Act” on their own initiative

【Implementing ESG management】

With its sights set on realizing the Sustainable Development Goals (SDGs), the JR East Group has implemented ESG management aimed at resolving social issues through its businesses.

(Specific measures)

- Announcement of “Zero-Carbon Challenge 2050,” a long-term environmental goal toward achievement of net zero CO₂ emissions by fiscal 2051, as a railway business’ target in May 2020 and as a Groupwide target in September 2020. In addition, formulation of a roadmap for achieving this target in December 2020
- Publication of the Group’s first-ever integrated report *JR East Group INTEGRATED REPORT 2020* in August 2020 with the aim to introduce the Group’s medium- to long-term value creation and sustainability initiatives, among other efforts
- First-ever disclosure in August 2020 of information that estimates the future financial impact of climate change on the railway business, utilizing the Task Force on Climate-related Financial Disclosures (TCFD) framework
- Establishment of the Energy Strategy Department in June 2020 to accelerate promotion of energy strategies
- With respect to plastic reduction efforts, completion of the replacement of plastic bags used inside ticket gate areas and at hotels and other locations with those made of substitute materials in September 2020, which followed the replacement of plastic straws at these locations. Additionally, receipt of the Award of Excellence in the Corporate Division of the “Initiative to Reduce Plastic Bags Together,” which is spearheaded by the Ministry of the Environment
- Announcement of participation in July 2020 in food recycling and biogas generation business in the Tohoku region through Tohoku Bio Food Recycle Corporation
- Commencement in October 2020 of operations of the *Hydrogen JR Takeshiba Shuttle Bus* service, which offers shuttle between Tokyo Station and locations in the Takeshiba area, with the aim of realizing a hydrogen-based society
- Preparations under way for starting verification tests around March 2022 for the test hybrid railcar *HYBARI* based on hydrogen energy
- Implementation of field tests involving the reuse of batteries for electric vehicles to power railway crossing equipment, with trial operations set to take place on railway crossings along the Joban Line and the Mito Line in fiscal 2022
- Receipt of the Minister of the Environment Award at the Third Annual Japan Open Innovation Prize for displaying artwork by people with disabilities on a temporary fence nearby a railway station and creating tote bags that incorporate their art
- Development of child-rearing support facilities (cumulative total of 145 child-rearing-support facilities as of March 31, 2021)

Realizing affluent lives for “everyone”

【Reforming transportation service quality】

In addition to making its transportation services more attractive to provide even more comfort and convenience to customers, the JR East Group has made such efforts as promoting the flow of people to further expand opportunities for interaction while taking measures to prevent the spread of COVID-19.

(Specific measures)

- Revision of the timetables in March 2021 to make the last train times earlier in order to expand the hours of maintenance work and improve services by reforming work styles in railway construction and speeding up the installation and maintenance of railway equipment
- Promotion of review of measures to encourage off-peak commuting in accordance with new lifestyles and level out seasonal railway use
- Start of construction work on noise-cancelling equipment and other necessary facilities with the aim of increasing train speeds between Morioka Station and Shin-Aomori Station on the Tohoku Shinkansen Line from October 2020
- Continuation of test runs of *ALFA-X*, a test railcar geared toward realizing the next generation Shinkansen
- Testing of the Joetsu Shinkansen utilizing E7 Series railcars between Niigata Station and the Niigata Shinkansen Rolling Stock Center scheduled to take place in around fall 2021, in order to build and verify the necessary

- technologies for realizing the automated operation of Shinkansen lines
- Receipt of approval for the development of the Haneda Airport Access Line (provisional name) between Tokyo Freight Terminal Station and Haneda Airport New Station (provisional name) in January 2021
- Parallelization of the train platforms of the Saikyo Line and the Yamanote Line at Shibuya Station in June 2020, thereby making it easier for customers to transfer trains
- Commencement of operations of new E235 Series railcars on the Yokosuka/Sobu Rapid Line Service from December 2020
- Commencement of conductorless operations of new E131 Series railcars on certain segments of the Uchibo Line, the Sotobo Line, and other railway lines from March 2021
- Use of only the renewed E257 Series railcars as limited express trains on the Tokaido Line and launch of *eki-net* seat reservation smartphone app, through which customers can reserve seats online, eliminating the need to purchase paper tickets at railway stations in March 2021
- Installation of automatic train operation (ATO) devices on all local trains of the Joban Line in March 2021

【Lifestyle development (town development)】

With a view to enhancing profitability, the JR East Group moved forward with efforts toward the development of diverse and attractive towns and the proposal of new lifestyles by leveraging its capabilities in physical and digital domains.

(Specific measures)

- Expansion to 134 locations as part of the *STATION WORK* shared office business by March 2021, including the opening of *STATION DESK* in Yokohama Station in August 2020. At the same time, establishment of a new target of expanding to 1,200 locations nationwide by fiscal 2026 in order to further promote the business
- Establishment of Station City Energy Create Co., Ltd. in April 2020 to manage energy for the Shinagawa Development Project by utilizing advanced environmental technologies
- Commencement of robot verification tests for disinfecting procedures, deliveries, and other work in July 2020 at Takanawa Gateway Station. Also, addition of a verification test in December 2020 related to automatically linking elevators and robots
- Conclusion of a Memorandum of Understanding with KDDI CORPORATION in December 2020 regarding new decentralized urban development centered on the Shinagawa development project
- Announcement of comprehensive partnership with Seibu Holdings, Inc. in December 2020 geared toward new lifestyle creation, such as the expansion of “workations” and shared offices
- Adoption of 18 proposals submitted to the *JR EAST STARTUP PROGRAM 2020*, a program based on the theme of regional revitalization that aims to promote open innovation, and implementation of verification tests for these proposals
- Promotion of preparations to merge the subsidiaries JR East Retail Net Co., Ltd., JR East Foods Co., Ltd., JR East Water Business Co., Ltd. and Tetsudo Kaikan Co., Ltd. in April 2021 to establish JR East Cross Station Co., Ltd. with the goal of maximizing station value
- Preparations under way to merge the subsidiaries JR Chuo Line Mall Co., Ltd. and JR Tokyo West Development Co., Ltd. in April 2021 to establish JR Chuo Line Community Design Co., Ltd. with a view toward realizing the Lineside Urban Development Vision, which aims to create comfortable living spaces for people of all ages
- Forming of a capital and business alliance with Senshukai Co., Ltd. in September 2020 and the launch of joint services, such as *BELLE MAISON*, in March 2021, toward the achievement of ¥130.0 billion in *JRE MALL* transactions by fiscal 2026
- Announcement of JR East Group Strategic Vision as a Core Pillar “Beyond Stations” in March 2021 to transform railway stations from transportation hubs to lifestyle platforms designed to connect people, things, and experiences
- Preparations under way to open *KAWASAKI DELTA* (Kanagawa) and *MEGURO MARC* (Tokyo) in a bid to increase the overall appeal and value of local towns together with local communities
- Preparations under way to open hotels in Akita, Iwaki, and other areas to establish a hotel chain with more than 10,000 guest rooms
- Establishment of 5G base stations inside three railway stations in March 2021 as part of a plan to establish 100 base stations by fiscal 2026

【Regional revitalization】

The JR East Group is working to promote regional revitalization in all areas of East Japan through not only the promotion of tourism and urban development around regional core stations, but also the *sexitic industrialization* of the agriculture, forestry, and fishing industries. By doing so, the Group will enrich local communities.

(Specific measures)

- In regard to distribution services via Shinkansen lines and other measures, sale of regional food products in the Tokyo metropolitan area as well as the sale of sweets and other products popular in the Tokyo metropolitan area in regional areas in collaboration with organizations such as JAPAN POST Co., Ltd., local governments, and other companies
- Launch of integrated post office and station counter operations at Emi Station on the Uchibo Line in August 2020 in collaboration with JAPAN POST Co., Ltd.
- Opening of the tourist farm *JR Fruits Park Sendai ARAHAMA* (Miyagi) in March 2021 in areas that were relocated as a group in Sendai City after the Great East Japan Earthquake
- Entry into capital and business alliance in October 2020 with Nousouken Corporation, which maintains contact

points with agricultural producers and possesses a logistics network, with the aim of promoting such efforts as expanding sales of agricultural products at stores within railway stations and on *JRE MALL* and transporting agricultural products utilizing railway stations and trains

- Establishment of Hometown tax donation program website on *JRE MALL* in October 2020
- Utilization of the *TOHOKU Supporter* system to build momentum for the *TOHOKU Destination Campaign*, which will be launched in April 2021, in the Tohoku area and the Tokyo metropolitan area. In addition, promotion of preparations to realize extensive tours utilizing *Joyful Trains* and secondary transportation
- Opening of the *JR EAST Travel Service Center*, an in-station facility that provides information on areas within the JR East network and other tourism-related services, at Kawasaki and Akita stations in March 2021
- Opening of Aomori Station in March 2021 and promotion of development of station buildings, government facilities, and hotels through collaboration with the local community

【Making *Suica* a shared infrastructure and promoting MaaS】

By enhancing the attractiveness of *JRE POINT*, expanding the use of *Suica*, and utilizing MaaS platform, the JR East Group has provided customers with additional convenience for transportation and payments.

(Specific measures)

- Establishment of the MaaS & *Suica* Promotion Headquarters in June 2020 to promote a three-pronged approach focused on *Suica*, MaaS, and data marketing
- Participation in a “cashless, consumer-returns business” and, in conjunction with this participation, an original campaign that increased the amount of *JRE POINTs* returned to customers when making cashless purchases at station buildings and inside railway stations
- Launch of a service that enables *Suica* use with the Rakuten Pay app in May 2020 and commencement of service that enables *Suica* to be charged using the Rakuten Pay app in December 2020, in collaboration with Rakuten Payment, Inc.
- Launch of a feature from July 2020 that enables seat reservations to be made smoothly by linking the *JR East app* with the *eki-net app*
- Implementation of the *Individual Number Card Points Program*, a campaign service launched in July 2020 that awards *JRE POINTs* to customers who charge their *Suica* through this program
- Gradual expansion of *JRE POINT* service at around 300 locations, including *ecute* stores, starting in October 2020
- Introduction in March 2021 for the *Suica* commuter pass of new *JRE POINT* services, *Off-Peak Point Service*, geared toward customers who commute during off-peak times, and *Repeater Point Service*, geared toward customers who use *Suica* repeatedly on segments with the same train fare
- Promotion of preparations to April 2021 launch a service enabling the conversion of *JRE POINTs* into electronic tickets, for use in cashless transactions at stores and shopping districts in local communities
- Introduction of *Multi-function Card for Regional Transit* service in Utsunomiya (Tochigi) and Morioka (Iwate) areas in March 2021 to promote greater use of *Suica* in regional areas
- Conclusion of agreement for business alliance with Tokio Marine & Nichido Fire Insurance Co., Ltd. in July 2020 and implementation of a MaaS verification test in December 2020 that enables the selection of alternative means of transportation when an automobile accident occurs
- Promotion of preparations to launch *TOHOKU MaaS*, a tourism-oriented MaaS comprising trial operation of on-demand mobility services in the Akiu area (Miyagi), at eight locations in six prefectures in the Tohoku area in tandem with the *TOHOKU Destination Campaign*
- As the verification test for *Gugutto GunMaaS*, introduction of *Mae MaaS*, which features content that enables the use of discounts on buses and on-demand transport within Maebashi City (Gunma) by linking *Suica* with My Number cards, from December 2020 to March 2021
- Start of verification test of *Route Navigation based on Real-Time Information* with Keio Corporation and Odakyu Electric Railway Co., Ltd. in January 2021 and with West Japan Railway Company and Sagami Railway Co., Ltd. in March 2021
- Preparations under way to conduct a MaaS verification test in March 2021 on travelers from Japan to Hawaii in collaboration with Japan Airlines Co., Ltd.

【Tokyo 2020 Olympic and Paralympic Games】

The Tokyo 2020 Olympic and Paralympic Games have been postponed. However, guided by its communication slogan “TICKET TO TOMORROW,” the JR East Group proceeded with preparations as an Official Passenger Rail Transportation Services Partner of the Tokyo 2020 Olympic and Paralympic Games.

(Specific measures)

- Promotion of upgrades to railway stations near stadiums; completion of construction at Sendagaya, Shin-Kiba, and other stations, and opening of an east-west free passage at Shinjuku Station in July 2020
- Provision of protective materials to stations and trains to heighten security through employees and monitoring through the use of networks and increased installation of security cameras to strengthen security measures for railways
- Display of easy-to-understand information indicating the time until train arrival on platforms of the Yamanote Line
- Continuing of display *TOKYO SPORTS STATION*, a project that introduces the highlights and must-see points of each competition of the Tokyo 2020 Olympic and Paralympic Games, primarily on monitors on trains
- Conclusion of gold partner agreement with the Japan Boccia Association in August 2020 to help strengthen the

national team, which included providing a venue for lodging the team in September and November 2020

【Developing businesses for the world】

By drawing on its wealth of technologies and expertise, the JR East Group has developed a range of transportation and life-style services overseas, primarily in Asia.

(Specific measures)

- Preparations under way to open *Hotel Metropolitan Premier Taipei*, the JR East Group's first overseas hotel, in summer 2021
- Receipt of order by the subsidiary Japan International Consultants for Transportation Co., Ltd. for providing operation and maintenance consulting for Jakarta MRT North-South Line in Indonesia together with Nippon Koei Co., Ltd. and conclusion of agreement in October 2020
- Receipt of order by the subsidiary Japan Transport Engineering Company to supply 240 railcars for the Metro Manila Subway in the Philippines together with Sumitomo Corporation and conclusion of agreement in December 2020

Happiness of employees and their families

The JR East Group promoted operational, working style and workplace reforms and strengthened its corporate structure with the goal of creating a sense of fulfillment in work for its employees that establishes the foundation for the sustainable growth "Move Up" 2027 aims to achieve.

(Specific measures)

- Establishment of "a new job rotation system" in April 2020 that aims to flexibly respond to the diverse ambitions of employees and promote an even more active role and further the growth of each employee in a broad range of fields
- Renewal of uniforms for station and railcar attendants in May 2020 as a symbol for taking on challenges with a new sense of enthusiasm under the aim of realizing "Move Up" 2027, in addition to the promotion of preparations for the renewal of uniforms for maintenance workers in fiscal 2022
- Revision of systems such as child-rearing and nursing-care leave and promotion of the introduction of a flextime system at certain on-site work locations to enhance job satisfaction of employees
- Promotion of a *cross-organizational project* in which employees at on-site work locations go beyond the framework of their position to leverage their creativity more closely with customers

Segment Information

Transportation

In the Transportation segment, JR East made concerted Groupwide efforts to enforce rigorous measures in response to COVID-19 while ensuring the provision of safe and reliable transportation and high-quality services.

(Specific measures)

- Engagement in PR activities that focused on safety and sanitation, which involved such efforts as disinfecting and ventilating areas within stations and railcars as well as requiring all station staff and train crew to wear masks, and promotion of the use of touchless payment services such as *Suica* and Shinkansen e-tickets
- Commencement of the *Osakini Tokudane Special (50%-off) Campaign* for all Shinkansen lines in July 2020 and launch of products in conjunction with the Japanese government's *Go To Travel Campaign*
- Expansion of the applicable segments for the *Osakini Tokudane Special (50%-off) Campaign* in November 2020
- Expansion of *Touch de Go! Shinkansen* service area in March 2021

Despite these efforts, operating revenues in the Transportation segment were down 43.9%, to ¥1,167.7 billion, owing to major revenue declines in the railway and bus businesses caused by the impact from the spread of COVID-19. In addition, the segment recorded operating loss of ¥532.3 billion (operating income of ¥250.5 billion in fiscal 2020).

Retail & Services

In the Retail & Services segment, JR East set out to open new stores inside railway stations and enhance the value of existing businesses.

(Specific measures)

- Renovation and reopening of *Gyutan Street* and *Sushi Street* at Sendai Station in May 2020
- Opening of four new stores in June 2020 in the newly developed area of *ecute Ueno* (Tokyo)
- Opening of *GranSta Tokyo* (Tokyo), our largest commercial facility inside a railway station, in August 2020
- Opening of *ecute EDITION Yokohama* (Kanagawa) in August 2020
- Opening of *KINOKUNIYA Sutto Mejiro Station Store* (Tokyo), a mini-supermarket with only self-checkout machines, in October 2020
- Opening of *Kimchi, Durian, Cardmom, , , Food Lab* (Tokyo) at Shin-Okubo Station in March 2021

However, operating revenues in the Retail & Services segment were down 33.8%, to ¥379.9 billion, due in part to the significant revenue declines at stores and restaurants within railway stations and in advertising and publicity services, which were the result of the impact from the spread of COVID-19. Furthermore, the segment recorded operating loss of

¥13.5 billion (operating income of ¥34.3 billion in fiscal 2020).

Real Estate & Hotels

In the Real Estate & Hotels segment, JR East proceeded with the lifestyle development (town development) such as development of large-scale terminal stations and in line-side areas and enhanced the appeal of local towns and communities.

(Specific measures)

- As the *WATERS takeshiba* (Tokyo) urban mixed-use development, opening of offices and *mesm Tokyo*, *Autograph Collection* in April 2020, opening of *atré Takeshiba* (Phase I) in June 2020, opening of *atré Takeshiba* (Phase II) in August 2020, and opening of *JR EAST Shiki Theatre AKI* in October 2020
- Opening of *HOTEL METROPOLITAN KAMAKURA* (Kanagawa) in April 2020
- Opening of *HOTEL METROPOLITAN KAWASAKI* (Kanagawa) in May 2020
- Opening of *JR-EAST HOTEL METS YOKOHAMA* (Kanagawa) and *JR-EAST HOTEL METS YOKOHAMA SAKURAGICHO* (Kanagawa) in June 2020
- Opening of *CIAL YOKOHAMA* (Kanagawa) and *NEWoMan YOKOHAMA* (Kanagawa) in June 2020
- Commencement of resident acceptance at *View Lieto Gran Shinjuku Toyama* (Tokyo), a large-scale rental housing complex, in June 2020
- Opening of *Hibiya OKUROJI* (Tokyo) in September 2020
- Opening of *HOTEL METROPOLITAN YAMAGATA South Tower* (Yamagata) in November 2020
- Opening of *JR SENDAI EAST GATE BLDG.* (Miyagi) in February 2021

Despite these efforts, operating revenues in the Real Estate & Hotels segment were down 21.1%, to ¥291.5 billion, as the spread of COVID-19 led to a major revenue decline at station buildings and hotels. The segment also posted operating income of ¥15.1 billion, a 79.7% decline, in fiscal 2020.

Others

In the Others segment, JR East moved ahead with efforts to expand the use of *Suica*, participation in overseas railway projects, and other measures.

(Specific measures)

- In *Suica* shopping services (electronic money), continuation of efforts to expand the number of compatible stores by enabling *Suica* use at cafes, supermarkets and other locations; issuance of approximately 85.9 million *Suica* cards as of March 31, 2021; and achievement of 10 million members for *Mobile Suica* in September 2020
- With respect to overseas railway projects, through the subsidiary Japan International Consultants for Transportation Co., Ltd., provision of consultation services for the "Detailed Design Study on the High Speed Railway Construction Project in India" and completion of supervision work for the construction of a training center for National High Speed Rail Corporation Limited (NHSRCL) in India in October 2020

However, with the decline in revenue from the data processing business and the significant decrease in revenue from the credit card business due to the impact from the spread of COVID-19, operating revenues from Others were down 11.3%, to ¥243.5 billion. In addition, operating income declined 38.2%, to ¥14.7 billion.

Note: JR East applies the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (Accounting Standards Board of Japan Statement No.17, June 30, 2010) and the Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (Accounting Standards Board of Japan Guidance No.20, March 21, 2008). The operating income (loss) of each segment of JR East corresponds to the segment income (loss) under the said Accounting Standard and Guidance.

(ii) Outlook for the Year Ending March 31, 2022

The spread of COVID-19 has significantly impacted the entire Japanese economy, and we recognize that we will continue to face a severe situation such as the drastic decline in customer use of railways due to the spread of COVID-19. In addition, transformation in people's behavior and values in the "post-COVID-19" society is changing the Group's external business environment in a dramatic and rapid manner, and as a result, we do not believe that we will see customer use of railways return to the pre-COVID-19 pandemic level.

Given this challenging environment, the Group will make every effort to place our utmost priority on preventing the spread of COVID-19 to its customers and employees and ensuring the safety and reliability of transportation and the quality of our services. In addition, by increasing the level and pace of its initiatives toward the achievement of "Move Up" 2027 management vision under Speed Up "Move Up" 2027 announced in September 2020, the Group will proactively confront a number of challenges.

JR East's consolidated performance outlook for the fiscal year ending March 31, 2022, as of the publication date of this document is as follows.

Fiscal 2022 Performance Forecasts

Full fiscal year

Operating Revenues: ¥2,326.0 billion (31.8% year-on-year increase)

Operating Income: ¥74.0 billion

Ordinary Income: ¥25.0 billion

Profit Attributable to Owners of Parent: ¥36.0 billion

Six-month period ending September 30, 2021

Operating Revenues: ¥1,083.0 billion (37.6% year-on-year increase)

Operating Income: ¥1.0 billion

Ordinary Income: ¥(28.0) billion

Profit Attributable to Owners of Parent: ¥(52.0) billion

(2) Analysis of Financial Position

In the fiscal year ended March 31, 2021, operating activities used net cash of ¥189.9 billion, a ¥738.6 billion change from net cash provided in the previous fiscal year. This result was mainly because a loss before income taxes was recorded.

Investing activities used net cash of ¥749.3 billion, ¥47.7 billion more than in the previous fiscal year. This result was mainly due to an increase in payments for the acquisition of property, plant and equipment and intangible assets.

Financing activities provided net cash of ¥983.3 billion, ¥939.9 billion more than in the previous fiscal year. This result was due in part to the increase in interest-bearing debt.

Consequently, cash and cash equivalents as of March 31, 2021, were ¥197.9 billion, an increase of ¥44.1 billion from March 31, 2020.

In addition, net interest-bearing debt was ¥4,152.2 billion as of March 31, 2021. Please note that net interest-bearing debt represents the balance of consolidated interest-bearing debt minus the balance of consolidated cash and cash equivalents at the fiscal year-end.

Cash flow indicators of JR East are presented in the table below:

	Fiscal 2019	Fiscal 2020	Fiscal 2021
Equity ratio (%)	36.7	36.9	28.4
Equity ratio on market-value basis (%)	48.7	36.1	33.2
Interest-bearing debt / net cash provided by operating activities (times)	4.8	6.0	—
Interest coverage ratio (times)	10.5	9.0	—

Notes: Equity ratio: Shareholders' equity / Total assets

Equity ratio on market-value basis: Market capitalization / Total assets

Interest coverage ratio: Net cash provided by operating activities / Payments of interest

1. Indicators are derived from the consolidated financial statements.

2. Market capitalization is calculated by multiplying the closing share price at the fiscal year-end by the total number of shares issued (less treasury shares).

3. Interest-bearing debt / net cash provided by operating activities and Interest coverage ratio in fiscal 2021 are not stated because net cash provided by operating activities is negative.

(3) Basic Dividend Policy and Dividends for Fiscal 2021 and Fiscal 2022

JR East's basic approach to capital policy is to keep shareholders' equity at the level required to maintain and grow operational foundations in a sustainable way while paying stable cash dividends and implementing share repurchases flexibly in light of performance to steadily increase returns to shareholders.

With respect to shareholder returns, JR East will implement share repurchases in a flexible manner, in addition to achieving stable increases in dividends, with the aim of realizing a total return ratio of 40% and dividend payout ratio of 30% over the medium to long term in accordance with its management vision "Move Up" 2027. As a basic policy, the repurchased shares will be canceled.

(Reference) Calculation of total return ratio

$$\text{Total return ratio in a FY (\%)} = \frac{\text{(total amount of dividend paid in such FY)} + \text{(total repurchase price of repurchased shares in the next FY)}}{\text{profit attributable to owners of parent in such FY}} \times 100$$

Based on this policy, JR East plans to pay (payment scheduled to begin on June 23, 2021) year-end cash dividends of ¥50 per share, which are in addition to the interim cash dividends of ¥50 per share, for full-year cash dividends of ¥100 per share.

JR East plans to pay cash dividends of ¥100 per share, including interim dividends of ¥50 per share in the same amount as the current fiscal year, for the fiscal year ending March 31, 2022.

Further, JR East does not plan to pay dividends other than with respect to the record date as of the end of the second quarter and the record date as of the end of the fiscal year.

JR East will use retained earnings to enhance returns to shareholders and also actively use them for necessary capital expenditures, such as investments to realize sustainable growth and strengthen operational foundations. Going forward, JR East will strive to strengthen its business foundation and enhance its corporate value further by its best efforts to achieve early recovery of its business performance and increase operating cash flow.

2. Status of the Group

The JR East Group consists of East Japan Railway Company, 71 consolidated subsidiaries, and 6 equity-method affiliated companies (as of March 31, 2021). The JR East Group has four business segments: Transportation, Retail & Services, Real Estate & Hotels, and Others. The relationship of East Japan Railway Company and other related companies to each business segment are as shown below.

The classification below is the same as the business segment classification presented in “5. Consolidated Financial Statements and Main Notes, (5) Notes to Consolidated Financial Statements (Segment Information)”.

(i) Transportation

The Transportation segment includes passenger transportation operations centered on railway operations, as well as travel agency services, cleaning services, station operations, facilities maintenance operations, railcar manufacturing operations, and railcar maintenance operations. With a service area mainly covering Tokyo and the combined 16 prefectures of the Kanto and Tohoku regions, JR East’s railway operations comprise 1,630 railway stations, 6,108.5 operating kilometers of conventional lines, and 1,194.2 kilometers of Shinkansen lines, spanning a total of 7,302.7 kilometers.

Main related companies: East Japan Railway Company (passenger transportation operations, etc.)

(Bus services and railway passenger transport services)

JR BUS KANTO CO., LTD. *

TOKYO MONORAIL CO., LTD.*

(Travel agency services)

JR EAST VIEW Travel Service Co., Ltd.*

JTB Corp.**

(Cleaning services)

JR East Environment Access Co., Ltd. *

(Station operations)

JR East Station Service Co., Ltd.*

(Facilities maintenance operations)

JR East Facility Management Co., Ltd. *

NIPPON DENSETSU KOGYO CO., LTD. **

NIPPON RIETEC CO., LTD. **

Total Electric Management Service Co., Ltd. **

(Railcar manufacturing operations)

Japan Transport Engineering Company*

(Railcar maintenance operations)

JR East Rail Car Technology & Maintenance Co., LTD.*

(ii) Retail & Services

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

Main related companies: East Japan Railway Company (creation of new commercial spaces within railway stations, etc.)

(Retail and restaurant operations)

JR East Retail Net Co., Ltd.*

JR East Foods Co., Ltd.*

JR EAST TOUHOKU SOUGOU SERVICE COMPANY*

(Wholesale business)

EAST JAPAN RAILWAY TRADING CO., LTD. *

(Truck transportation business)

JR East Logistics Co., Ltd. *

(Advertising and publicity)

East Japan Marketing & Communications, Inc.*

(iii) Real Estate & Hotels

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

Main related companies: East Japan Railway Company (development of shopping centers and office buildings, etc., hotel operations)

(Shopping center operations)

LUMINE Co., Ltd.*

atré Co., Ltd.*

JR East Urban Development Corporation*

(Leasing of office buildings)

JR East Building Co., Ltd.*

(Hotel operations)

NIPPON HOTEL Co., Ltd. *
Sendai Terminal Building Co., Ltd. *

(iv) Others

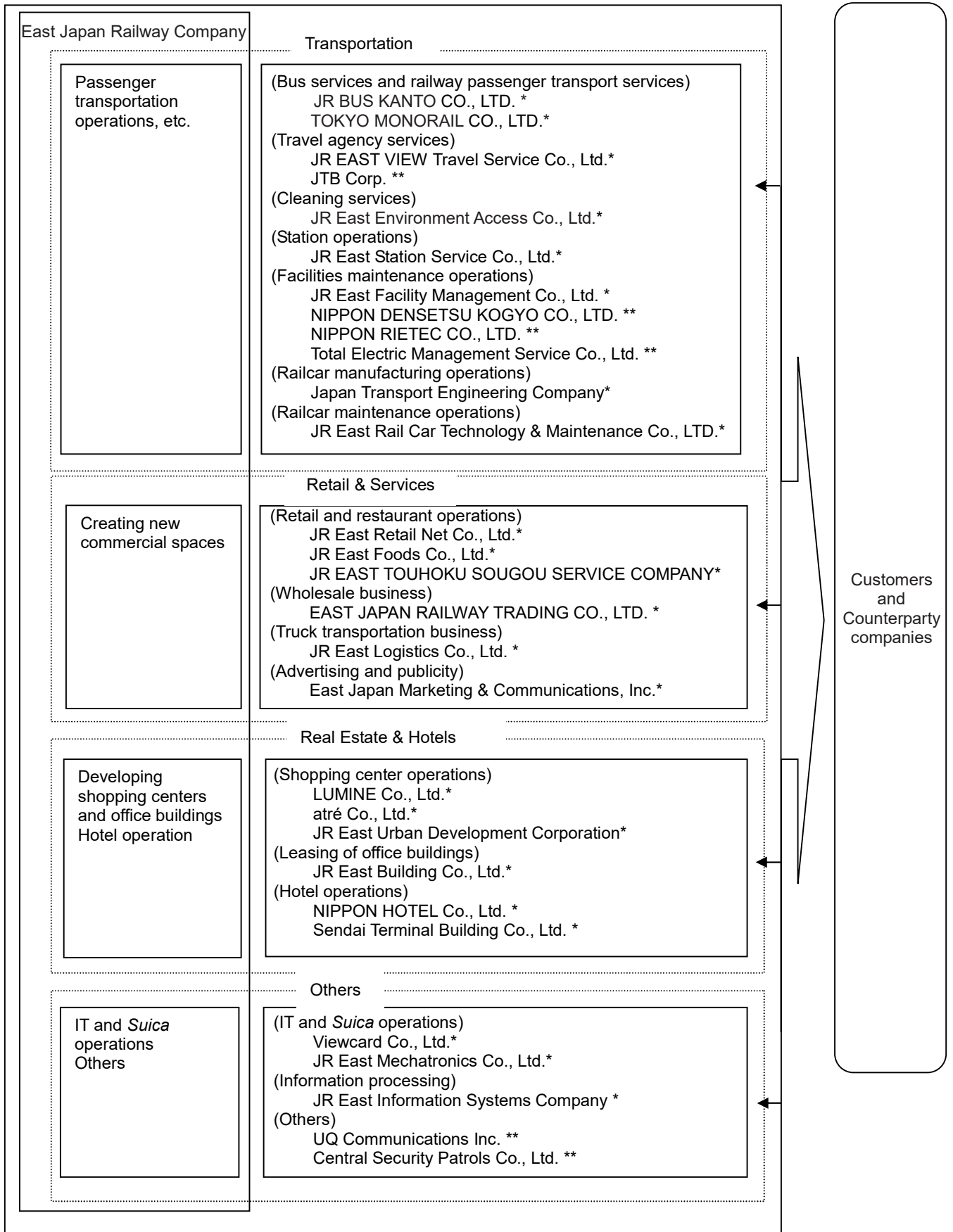
JR East conducts IT and *Suica* businesses, which include credit card operations, and information processing, among others.

Main related companies: East Japan Railway Company (IT and *Suica* operations, others)
(IT and *Suica* operations)
Viewcard Co., Ltd.*
JR East Mechatronics Co., Ltd.*
(Information processing)
JR East Information Systems Company*
(Others)
UQ Communications Inc.**
Central Security Patrols Co., Ltd.**

Notes: 1. * indicates a consolidated subsidiary, ** indicates an equity-method affiliated company. In addition, company names are listed in the business in which they are mainly involved.

2. On April 1, 2021, JR East Foods Co., Ltd. was absorbed by JR East Retail Net Co., Ltd. through a merger
3. On April 1, 2021, JR East Retail Net Co., Ltd. was renamed JR East Cross Station Co., Ltd.

The following is a schematic of JR East's business network.



Notes: 1. * indicates a consolidated subsidiary, ** indicates an equity-method affiliated company. In addition, company names are listed in the business in which they are mainly involved.

2. Arrows show the flow of main transactions and offering of services.

3. On April 1, 2021, JR East Foods Co., Ltd. was absorbed by JR East Retail Net Co., Ltd. through a merger

4. On April 1, 2021, JR East Retail Net Co., Ltd. was renamed JR East Cross Station Co., Ltd.

3. Management Policies

(1) Basic Management Policies

We will earn the trust of our customers as a whole group by aiming for ultimate safety levels as our top priority.

We will strengthen our network capabilities focusing on technologies and information, and we are committed to helping our customers and people in communities to realize affluent lives.

(2) Medium- to Long-Term Management Strategies and Issues to Be Addressed

As the Japanese economy has been significantly affected by the spread of COVID-19, the JR East Group believes it will continue to face a very difficult operating environment as transportation demand will continue to drastically decline.

In addition, over the medium to long term, Japan's population is anticipated to further decline and age. At the same time, significant changes to the business environment are expected, including automated driving and other technological innovations as well as changes in globalization.

Further, as more than 30 years have passed since its establishment, the JR East Group faces various changes, including changes to railway systems and the rapid transition to the next generation of employees.

① Medium- Term Management Strategies

The Group had been managing its operations in line with the "Move Up" 2027 management vision in anticipation of changes to its business environment, but in September 2020, based on our belief that customer use of railways will not return to the pre-COVID-19 pandemic level, the Group announced Speed Up "Move Up" 2027, a policy tailored to the post-COVID-19 society. By increasing the level and pace of its various initiatives, the Group will work to expedite its progress toward the achievement of "Move Up" 2027.

The Group will combine physical networks, in which the Group has an advantage, and digital technologies. In conjunction, the Group will evolve the railway-centered business model by placing greater emphasis on people and promote to reform the corporate structure to realize sustainable growth of the Group.

The Group will also undertake efforts to increase the growth of life-style services and IT & *Suica* services while restoring profitability in transportation services, so that the Transportation segment covers 60% of operating revenues by fiscal 2026 (with the other segments accounting for the remaining 40%). The Group will continue to invest management resources in growth areas in an effort to decrease the Transportation segment's share of operating revenues to 50% as swiftly as possible.

② Management Benchmarks

In the wake of a drastic downturn to its business environment, in January 2021 the Group has established the following numerical targets for the fiscal year ending March 31, 2026, in lieu of the numerical targets for the fiscal year ending March 31, 2023 initially set forth in “Move Up” 2027, the Group’s management vision announced on July 3, 2018.

	Billions of Yen			
	Fiscal 2026 Targets (Note1)	Plans for Fiscal 2021 (as of January 2021)	Actual Fiscal 2021	Actual/Plan Fiscal 2021
Operating Revenues	3,090.0 [3,325.0]	1,773.0	1,764.5	99.5%
Transportation.....	1,970.0 [1,980.0]	1,083.0	1,095.7	101.2%
Retail & Services.....	550.0 [709.0]	333.0	318.0	95.5%
Real Estate & Hotels.....	480.0 [535.0]	276.0	271.2	98.3%
Others.....	90.0 [101.0]	81.0	79.5	98.2%
Operating Income	450.0	(535.0)	(520.3)	-
Transportation.....	252.0	(565.0)	(532.3)	-
Retail & Services.....	57.0	(4.0)	(13.5)	-
Real Estate & Hotels.....	113.0	24.0	15.1	63.2%
Others.....	30.0	12.0	14.7	123.0%
Adjustment.....	(2.0)	(2.0)	(4.3)	-
Consolidated operating cash flow.....	3,693.0(Note2)	-	(189.9)	-
Consolidated ROA (%).....	Around 4.5	-	(6.0)	-
Net interest-bearing debt / EBITDA (times) (Note3).....	5 or less	-	-	-

- Notes: 1. Numbers in brackets for consolidated operating revenues and by segment are reference values excluding an effect of application of “Accounting Standards for Revenue Recognition” and other standards
2. Total amount covering five years from the fiscal year ending March 31, 2022 to the fiscal year ending March 31, 2026
3. Net interest-bearing debt means Balance of consolidated interest-bearing debt *minus* Balance of consolidated cash and cash equivalents
EBITDA means Consolidated operating income *plus* Consolidated depreciation expense

③ Issues to Address

With the aim of realizing its management vision “Move Up” 2027, the Group will pursue efforts to enhance profitability (restructuring of growth and innovation strategies), reform the corporate structure (fundamental strengthening of management foundation), and implement ESG management, while continuing to position safety at the top of its management priorities.

○ Safety

The Group will earn deeper trust from customers and everyone in society, which forms the basis of the Group’s entire operations, by continuing to enhance the safety and reliability of transportation services. The Group will thoroughly enforce measures to ensure that our customers can use our services in a safe and sanitary environment, including disinfecting and ventilating of areas within railway stations and railcars, to fulfill our social mission.

The Group will work toward the enhancement and innovation of “safety conduct” and “safety management” by each employee as well as the installation of safety equipment that leverages new technologies for the safety and reliability of transportation services. Given the increasing severity of natural disasters in recent years, we will also devote our attention to reducing disaster-related risks. Through these efforts, the Group will minimize the risk of occurrence of major accident and achieve zero accidents involving passenger injuries or fatalities and zero accidents involving employee fatalities.

○ Enhancing profitability (Restructuring our growth and innovation strategies)

Despite the increasingly challenging conditions surrounding railway operations, the diversification of lifestyles will serve as a catalyst for significant opportunities. The Group will restructure our growth and innovation strategies and undertake efforts to propose new lifestyles and overcome challenges in new domains by combining physical networks, in which the Group has an advantage, and digital technologies.

To propose new lifestyles, the Group will undertake such initiatives as encouraging teleworking, so-called “workations,” and other diverse working styles, rollout of new services centered on *JRE POINT*, strengthening *JRE MALL*, promotion of JR East Group Strategic Vision as a Core Pillar “Beyond Stations” as creating attractive and convenient spaces within railway stations, proposing new travel utilizing MaaS and digital technologies, and developing Group-wide customer strategies. To overcome challenges in new domains, the Group will promote real estate asset management business, logistics services that utilize trains, collaboration with start-up companies and other organizations, sharing of 5G antenna infrastructure, and introduction of robot technology.

○Reforming the corporate structure (fundamental strengthening of management foundation)

The Group will undertake efforts to enhance productivity, especially in respect of the railway business which has a large fixed cost ratio, by leveraging new technologies and further accelerating digital transformation (DX) such as through ticketless, driverless operations and smart maintenance.

At the same time, the Group will conduct review to achieve more flexible management of the fundamentals for the operation of the railway business, such as train fare systems and train schedules, based on how services are used, and will promote to streamline facilities and to optimize its management.

○Implementing ESG management

From the environment, social, and governance perspectives, the JR East Group will pursue ESG management and make efforts to contribute to the sustainable development of local communities by solving social issues through its businesses. At the same time, the Group will promote efforts geared toward achieving the Sustainable Development Goals (SDGs).

With respect to the environment, the Group will forge ahead with the establishment of energy-efficient facilities, the development of renewable energy sources and other initiatives in pursuit of realizing zero CO2 emissions in the Tohoku Region by fiscal 2031 and net zero CO2 emissions for the entire JR East Group by fiscal 2051. With respect to regional revitalization, the Group will continue to promote a range of initiatives geared toward the recovery of disaster-stricken areas together with the residents along railway lines and in local communities, as well as engage in regional revitalization efforts such as stimulating tourism to expand the exchange of people and promoting sextic industrialization to stimulate local economies.

4. Basic Policy for Selection of Accounting Standards

As of now, the JR East Group's plan is to continue using Japanese GAAP. However, in light of developments in the Group's overseas businesses and general trends in Japan and overseas in the selection of accounting standards, it will consider the adoption of International Financial Reporting Standards (IFRS).

5. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheets (Unaudited)

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES

Millions of Yen

	Fiscal 2020	Fiscal 2021
ASSETS		
Current Assets	¥ 857,624	¥ 898,406
Cash and time deposits	153,967	198,130
Notes and accounts receivable-trade	516,388	470,611
Fares receivable	59,267	38,536
Securities	—	137
Real estate for sale	1,875	4,081
Inventories	69,652	83,646
Other	58,410	105,833
Allowance for doubtful accounts	(1,936)	(2,572)
Fixed Assets	7,679,435	8,018,013
Property, plant and equipment, net of accumulated depreciation	6,962,034	7,118,150
Buildings and fixtures (net)	3,592,627	3,789,310
Machinery, rolling stock and vehicles (net)	753,979	742,251
Land	2,121,843	2,145,694
Construction in progress	412,753	361,626
Other (net)	80,830	79,266
Intangible assets	124,280	150,825
Investments and other assets	593,120	749,037
Investments in securities	295,469	314,500
Long-term loans receivable	1,478	2,035
Deferred tax assets	217,781	344,825
Net defined benefit assets	225	531
Other	78,913	88,169
Allowance for doubtful accounts	(747)	(1,024)
Total Assets	¥8,537,059	¥8,916,420

Note: Amounts less than one million yen are omitted.

Millions of Yen

	Fiscal 2020	Fiscal 2021
LIABILITIES		
Current Liabilities	¥1,549,236	¥2,032,849
Notes and accounts payable-trade	47,981	52,909
Short-term loans and current portion of long-term loans	115,293	433,320
Current portion of bonds	120,000	90,000
Current portion of long-term liabilities		
incurred for purchase of railway facilities	4,307	4,215
Payables	551,696	477,546
Accrued consumption taxes	6,832	7,856
Accrued income taxes	32,251	22,074
Fare deposits received with regard to railway connecting services	24,665	33,992
Prepaid railway fares received	96,780	77,526
Allowance for bonuses to employees	75,869	62,128
Allowance for disaster-damage losses	10,837	12,439
Other	462,720	758,840
Long-Term Liabilities	3,814,395	4,326,209
Bonds	1,590,249	1,930,308
Long-term loans	1,010,492	1,158,872
Long-term liabilities incurred for purchase of railway facilities	323,404	318,873
Deferred tax liabilities	4,830	5,221
Provision for large-scale renovation		
of Shinkansen infrastructure	96,000	120,000
Allowance for disaster-damage losses	3,811	85
Allowance for partial transfer costs of railway operation	1,759	1,131
Net defined benefit liabilities	512,063	482,221
Other	271,784	309,494
Total Liabilities	¥5,363,632	¥6,359,058
NET ASSETS		
Shareholders' Equity	¥3,100,618	¥2,472,539
Common stock	200,000	200,000
Capital surplus	96,796	96,522
Retained earnings	2,809,369	2,181,570
Treasury stock, at cost	(5,546)	(5,553)
Accumulated Other Comprehensive Income	45,577	62,487
Net unrealized holding gains (losses) on securities	32,975	54,322
Net deferred gains (losses) on derivatives under		
hedge accounting	2,405	2,137
Revaluation reserve for land	(418)	(433)
Foreign currency translation adjustments	(15)	(25)
Remeasurements of defined benefit plans	10,629	6,486
Non-Controlling Interests	27,231	22,334
Total Net Assets	3,173,427	2,557,361
Total Liabilities and Net Assets	¥8,537,059	¥8,916,420

Note: Amounts less than one million yen are omitted.

(2) Consolidated Statements of Income and Comprehensive Income (Unaudited)

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES

(i) Consolidated Statements of Income

	Millions of Yen	
	Fiscal 2020	Fiscal 2021
Operating Revenues	¥2,946,639	¥1,764,584
Operating Expenses	2,565,797	2,284,943
Transportation, other services and cost of sales	1,933,703	1,724,644
Selling, general and administrative expenses	632,094	560,298
Operating Income (Loss)	380,841	(520,358)
Non-Operating Income	23,911	22,465
Interest income	47	83
Dividend income	6,103	4,960
Gains on sales of equipment	1,247	965
Insurance proceeds and dividends	6,892	6,200
Equity in net income of affiliated companies	5,614	—
Subsidies for employment adjustment	—	5,091
Other	4,006	5,164
Non-Operating Expenses	65,227	81,906
Interest expense	60,785	60,663
Losses on sales of equipment	195	231
Equity in net losses of affiliated companies	—	13,417
Other	4,246	7,594
Ordinary Income (Loss)	339,525	(579,798)
Extraordinary Gains	64,286	43,467
Gains on sales of fixed assets	7,295	11,659
Construction grants received	45,659	28,956
Other	11,330	2,850
Extraordinary Losses	119,636	167,260
Losses on sales of fixed assets	1,451	159
Losses from disposition of fixed assets	3,468	3,067
Losses on reduction entry for construction grants	39,771	16,800
Impairment losses on fixed assets	7,577	80,032
Environmental conservation costs	11,191	36,982
Other	56,176	30,217
Income (Loss) before Income Taxes	284,174	(703,591)
Income Taxes	85,686	(120,890)
Current	83,721	13,263
Deferred	1,964	(134,153)
Profit (Loss)	198,488	(582,700)
Profit (Loss) Attributable to Non-Controlling Interests	59	(4,800)
Profit (Loss) Attributable to Owners of Parent	¥ 198,428	¥ (577,900)

Note: Amounts less than one million yen are omitted.

(ii) Consolidated Statements of Comprehensive Income

	Millions of Yen	
	Fiscal 2020	Fiscal 2021
Profit (Loss)	¥ 198,488	¥ (582,700)
Other Comprehensive Income	(25,159)	16,929
Net unrealized holding gains (losses) on securities	(23,561)	20,844
Net deferred gains (losses) on derivatives under hedge accounting	815	(260)
Foreign currency translation adjustments	(9)	(10)
Remeasurements of defined benefit plans	(457)	(4,438)
Share of other comprehensive income of associates accounted for using equity method	(1,945)	794
Comprehensive Income	¥ 173,329	¥ (565,771)
Comprehensive Income attributable to		
Comprehensive income attributable to owners of the parent	¥ 173,302	¥ (560,990)
Comprehensive income attributable to non-controlling interests	¥ 26	¥ (4,780)

Note: Amounts less than one million yen are omitted.

(3) Consolidated Statements of Changes in Net Assets (Unaudited)

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES

Fiscal 2020

Millions of Yen

	Shareholders' Equity				
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock, at Cost	Total Shareholders' Equity
Balance at the fiscal year start	200,000	96,796	2,705,184	(5,507)	2,996,473
Changes of items during the fiscal year					
Cash dividends			(59,764)		(59,764)
Profit attributable to owners of parent			198,428		198,428
Increase/decrease due to merger					—
Purchase of treasury stock				(40,018)	(40,018)
Disposal of treasury stock			(0)	0	0
Retirement of treasury stock			(40,121)	40,121	—
Increase/decrease in treasury stock arising from change in equity in entities accounted for using equity method				(142)	(142)
Change in scope of equity method			5,641		5,641
Capital increase of consolidated subsidiaries					—
Purchase of shares of consolidated subsidiaries		(0)			(0)
Net changes of items other than shareholders' equity					
Total changes of items during the fiscal year	—	(0)	104,184	(39)	104,145
Balance at the fiscal year end	200,000	96,796	2,809,369	(5,546)	3,100,618

	Accumulated Other Comprehensive Income						Non-Controlling Interests	Total Net Assets
	Net Unrealized Holding Gains (Losses) on Securities	Net Deferred Gains (Losses) on Derivatives under Hedge Accounting	Revaluation Reserve for Land	Foreign currency translation adjustments	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income		
Balance at the fiscal year start	58,965	1,584	(418)	(5)	10,574	70,700	27,204	3,094,378
Changes of items during the fiscal year								
Cash dividends								(59,764)
Profit attributable to owners of parent								198,428
Increase/decrease due to merger								—
Purchase of treasury stock								(40,018)
Disposal of treasury stock								0
Retirement of treasury stock								—
Increase/decrease in treasury stock arising from change in equity in entities accounted for using equity method								(142)
Change in scope of equity method								5,641
Capital increase of consolidated subsidiaries								—
Purchase of shares of consolidated subsidiaries								(0)
Net changes of items other than shareholders' equity	(25,989)	820	—	(9)	55	(25,123)	26	(25,096)
Total changes of items during the fiscal year	(25,989)	820	—	(9)	55	(25,123)	26	79,048
Balance at the fiscal year end	32,975	2,405	(418)	(15)	10,629	45,577	27,231	3,173,427

Fiscal 2021

Millions of Yen

	Shareholders' Equity				
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock, at Cost	Total Shareholders' Equity
Balance at the fiscal year start	200,000	96,796	2,809,369	(5,546)	3,100,618
Changes of items during the fiscal year					
Cash dividends			(50,032)		(50,032)
Loss attributable to owners of parent			(577,900)		(577,900)
Increase/decrease due to merger			134		134
Purchase of treasury stock				(8)	(8)
Disposal of treasury stock			(0)	1	0
Retirement of treasury stock					—
Increase/decrease in treasury stock arising from change in equity in entities accounted for using equity method					—
Change in scope of equity method					—
Capital increase of consolidated subsidiaries		(66)			(66)
Purchase of shares of consolidated subsidiaries		(207)			(207)
Net changes of items other than shareholders' equity					
Total changes of items during the fiscal year	—	(273)	(627,798)	(6)	(628,079)
Balance at the fiscal year end	200,000	96,522	2,181,570	(5,553)	2,472,539

	Accumulated Other Comprehensive Income						Non-Controlling Interests	Total Net Assets
	Net Unrealized Holding Gains (Losses) on Securities	Net Deferred Gains (Losses) on Derivatives under Hedge Accounting	Revaluation Reserve for Land	Foreign currency translation adjustments	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income		
Balance at the fiscal year start	32,975	2,405	(418)	(15)	10,629	45,577	27,231	3,173,427
Changes of items during the fiscal year								
Cash dividends								(50,032)
Loss attributable to owners of parent								(577,900)
Increase/decrease due to merger								134
Purchase of treasury stock								(8)
Disposal of treasury stock								0
Retirement of treasury stock								—
Increase/decrease in treasury stock arising from change in equity in entities accounted for using equity method								—
Change in scope of equity method								—
Capital increase of consolidated subsidiaries								(66)
Purchase of shares of consolidated subsidiaries								(207)
Net changes of items other than shareholders' equity	21,346	(267)	(15)	(10)	(4,142)	16,909	(4,896)	12,013
Total changes of items during the fiscal year	21,346	(267)	(15)	(10)	(4,142)	16,909	(4,896)	(616,066)
Balance at the fiscal year end	54,322	2,137	(433)	(25)	6,486	62,487	22,334	2,557,361

(4) Consolidated Statements of Cash Flows (Unaudited)

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES

Millions of Yen

	Fiscal 2020	Fiscal 2021
Cash Flows from Operating Activities		
Income (Loss) before income taxes	¥284,174	¥(703,591)
Depreciation	374,742	388,828
Impairment losses on fixed assets	7,577	80,032
Amortization of long-term prepaid expense	10,088	11,170
Net change in provision for large-scale renovation of Shinkansen infrastructure	24,000	24,000
Net change in net defined benefit liabilities	(42,862)	(36,057)
Interest and dividend income	(6,151)	(5,043)
Interest expense	60,785	60,663
Construction grants received	(45,659)	(28,956)
Losses from disposition of fixed assets	34,891	38,982
Losses from provision for cost reduction of fixed assets	39,771	16,800
Net change in major receivables	20,120	67,593
Net change in major payables	(42,262)	6,714
Other	675	(15,649)
Sub-total	719,890	(94,514)
Proceeds from interest and dividends	8,157	6,498
Payments of interest	(60,883)	(60,555)
Payments of disaster-damage losses	(4,831)	(12,374)
Payments of partial transfer costs of railway operation	(4,520)	(996)
Payments of income taxes	(109,119)	(28,024)
Net cash provided by (used in) operating activities	548,692	(189,968)
Cash Flows from Investing Activities		
Payments for purchases of fixed assets	(703,908)	(765,482)
Proceeds from sales of fixed assets	13,776	13,920
Proceeds from construction grants	40,797	30,699
Payments for purchases of investments in securities	(29,540)	(7,124)
Proceeds from sales of investments in securities	1,522	1,356
Other	(24,248)	(22,766)
Net cash used in investing activities	(701,601)	(749,397)
Cash Flows from Financing Activities		
Net change in short-term loans	—	300,000
Net change in commercial papers	150,000	265,000
Proceeds from long-term loans	129,100	281,700
Payments of long-term loans	(110,453)	(115,293)
Proceeds from issuance of bonds	105,000	430,003
Payments for redemption of bonds	(125,000)	(120,000)
Payments of liabilities incurred for purchase of railway facilities	(4,414)	(4,623)
Payments of acquisition of treasury stock	(40,018)	(8)
Cash dividends paid	(59,764)	(50,032)
Other	(1,039)	(3,360)
Net cash provided by financing activities	43,409	983,385
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(97)	(17)
Net Change in Cash and Cash Equivalents	(109,595)	44,002
Cash and Cash Equivalents at Beginning of the Year	263,739	153,794
Increase in Cash and Cash Equivalents due to Merger	—	163
Decrease in Cash and Cash Equivalents due to Corporate Division	(350)	—
Cash and Cash Equivalents at End of the Year	¥153,794	¥ 197,960

Note: Amounts less than one million yen are omitted.

(5) Notes to Consolidated Financial Statements (Unaudited)

(Notes on Going Concern Assumption (Unaudited))

None

(Segment Information (Unaudited))

(i) Segment Information

i) General information about reportable segments

Transportation, Retail & Services, and Real Estate & Hotels comprise JR East's three reportable segments. Each reportable segment is in turn comprised of business units within the Group with respect to which separate financial information is obtainable. These reportable segments are reviewed periodically by JR East's Board of Directors and form the basis on which to evaluate business performance and decide on how to allocate management resources of the Company.

The Transportation segment includes passenger transportation operations centered on railway operations, as well as travel agency services, cleaning services, station operations, facilities maintenance operations, railcar manufacturing operations, and railcar maintenance operations. The Retail & Services segment consists of the part of JR East's life-style service business that includes retail sales and restaurant operations, a wholesale business, a truck transportation business, and advertising and publicity. The Real Estate & Hotels segment consists of the part of JR East's life-style service business that includes shopping center operations, leasing of office buildings and other properties, and hotel operations.

ii) Basis of measurement about reportable segment operating revenues, segment income or loss, segment assets, and other material items

The accounting treatment for each reportable segment is largely the same as that set forth in the "Important Items that Form the Basis for Preparing Consolidated Financial Statements" in the recent Annual Securities Report released on June 23, 2020. Moreover, intersegment transactions are between consolidated subsidiaries and based on market prices and other fair values.

iii) Information about reportable segment operating revenues, segment income or loss, segment assets, and other material items

Fiscal 2020 (Year ended March 31, 2020)	Millions of Yen						Consolidated (Note 3)
	Transportation	Retail & Services	Real Estate & Hotels	Others (Note 1)	Total	Adjustment (Note 2)	
Operating Revenues							
Outside customers	¥1,994,522	¥502,074	¥ 348,521	¥ 101,519	¥2,946,639	¥ —	¥2,946,639
Inside group	86,613	71,609	20,796	173,165	352,185	(352,185)	—
Total	2,081,136	573,684	369,318	274,685	3,298,824	(352,185)	2,946,639
Segment Income	¥ 250,575	¥ 34,387	¥ 74,602	¥ 23,877	¥ 383,443	¥ (2,602)	¥ 380,841
Segment Assets	¥6,662,415	¥365,990	¥1,572,312	¥1,043,538	¥9,644,257	¥(1,107,197)	¥8,537,059
Depreciation	287,334	15,090	44,921	27,395	374,742	—	374,742
Increase in fixed assets (Note 5)	484,663	18,284	211,677	39,936	754,561	—	754,561

- Notes: 1. "Others" represents categories of business that are not included in reportable segments and includes IT & *Suica* business including credit card business, information processing and certain other businesses.
2. The ¥(2,602) million downward adjustment to segment income includes a ¥(1,948) million elimination of unrealized holding gains (losses) on fixed assets and inventory assets and a ¥(654) million elimination for intersegment transactions. Moreover, the ¥(1,107,197) million downward adjustment to segment assets includes a ¥(1,372,169) million elimination of intersegment claims and obligations, offset by ¥264,972 million in corporate assets not allocated to each reporting segment.
3. Segment income is adjusted to ensure consistency with the operating income set forth in the consolidated statements of income.
4. Segment information on liabilities was omitted from record, as it is not a metric used in deciding the allocation of management resources or evaluating earnings performance.
5. Increase in fixed assets includes a portion contributed mainly by national and local governments.

Fiscal 2021 (Year ended March 31, 2021)	Millions of Yen						Consolidated (Note 3)
	Transportation	Retail & Services	Real Estate & Hotels	Others (Note 1)	Total	Adjustment (Note 2)	
Operating Revenues							
Outside customers	¥1,095,730	¥318,075	¥ 271,247	¥ 79,530	¥1,764,584	¥ —	¥1,764,584
Inside group	71,988	61,858	20,286	164,065	318,198	(318,198)	—
Total	1,167,718	379,934	291,534	243,595	2,082,783	(318,198)	1,764,584
Segment income (loss)	¥ (532,369)	¥ (13,546)	¥ 15,156	¥ 14,760	¥ (515,999)	¥ (4,358)	¥ (520,358)
Segment Assets	¥6,816,725	¥357,919	¥1,670,981	¥957,087	¥9,802,713	¥(886,293)	¥8,916,420
Depreciation	295,244	16,258	53,310	24,015	388,828	—	388,828
Increase in fixed assets (Note 5)	473,029	23,814	165,031	51,793	713,669	—	713,669

- Notes: 1. "Others" represents categories of business that are not included in reportable segments and includes IT & *Suica* business including credit card business, information processing and certain other businesses.
2. The ¥(4,358) million downward adjustment to segment income (loss) includes a ¥(3,779) million elimination of unrealized holding gains (losses) on fixed assets and inventory assets and a ¥(579) million elimination for intersegment transactions. Moreover, the ¥(886,293) million downward adjustment to segment assets includes a ¥(1,167,051) million elimination of intersegment claims and obligations, offset by ¥280,758 million in corporate assets not allocated to each reporting segment.
3. Segment income (loss) is adjusted to ensure consistency with the operating loss set forth in the consolidated statements of income.
4. Segment information on liabilities was omitted from record, as it is not a metric used in deciding the allocation of management resources or evaluating earnings performance.
5. Increase in fixed assets includes a portion contributed mainly by national and local governments.

(ii) Relevant Information

i) Information about products and services

Information about products and services is omitted as JR East classifies such segments in the same way as it does its reportable segments.

ii) Information about geographic areas

a. Operating Revenues

Information about geographic areas is omitted as operating revenues attributable to outside customers in Japan exceed 90% of the operating revenues reported in the Consolidated Statements of Income.

b. Property, plant and equipment

Information about geographic areas is omitted as property, plant and equipment in Japan exceed 90% of the property, plant and equipment reported in the Consolidated Balance Sheets.

iii) Information about major customers

Information about major customers is omitted as no single outside customer contributes 10% or more to operating revenues in the Consolidated Statements of Income.

(iii) Information about Impairment Loss on Fixed Assets in Reportable Segments

Fiscal 2020 (Year ended March 31, 2020)	Millions of Yen				
	Transportation	Retail & Services	Real Estate & Hotels	Others (Note)	Total
Impairment losses on fixed assets	1,446	942	5,189	0	7,577

Note: The amount under "Others" represents amounts from business segments and other units excluded from the reportable segments

Fiscal 2021 (Year ended March 31, 2021)	Millions of Yen				
	Transportation	Retail & Services	Real Estate & Hotels	Others (Note)	Total
Impairment losses on fixed assets	55,107	4,838	20,042	43	80,032

Note: The amount under "Others" represents amounts from business segments and other units excluded from the reportable segments

(iv) Information about Amortized Amount of Goodwill and Unamortized Balance of Goodwill by Reportable Segments

None

(v) Information about Gain on Negative Goodwill by Reportable Segments

None

(Per Share Information (Unaudited))

	Fiscal 2020	Fiscal 2021
Shareholders' equity per share	¥8,340.01	¥6,719.93
Earnings (Losses) per share—basic	¥524.91	¥(1,531.91)
Earnings per share—diluted	Not shown because there are no convertible securities	Not shown because there are no convertible securities

Note: The basis of calculation of earnings (losses) per share is as shown below.

	Fiscal 2020	Fiscal 2021
Profit (Loss) attributable to owners of parent	¥198,428 million	¥(577,900) million
Amount not attributable to common stockholders	—	—
Profit (Loss) attributable to owners of parent related to common stock	¥198,428 million	¥(577,900) million
Average number of common shares	378,026,258	377,240,648

(Subsequent Events (Unaudited))**(i) Issuance of Bonds**

JR East issued the following straight bonds.

1. Unsecured straight bonds, 162nd issue, East Japan Railway Company

- (1) Issue date: April 15, 2021
- (2) Amount: ¥45,000 million
- (3) Issue price: ¥100.003 per ¥100
- (4) Coupon rate: 0.001% per annum
- (5) Maturity date: April 15, 2024
- (6) Use of proceeds: the repayment of interest-bearing debt etc.

2. Unsecured straight bonds, 163rd issue, East Japan Railway Company

- (1) Issue date: April 15, 2021
- (2) Amount: ¥30,000 million
- (3) Issue price: ¥100 per ¥100
- (4) Coupon rate: 0.050% per annum
- (5) Maturity date: April 15, 2026
- (6) Use of proceeds: the repayment of interest-bearing debt etc.

3. Unsecured straight bonds, 164th issue, East Japan Railway Company

- (1) Issue date: April 15, 2021
- (2) Amount: ¥20,000 million
- (3) Issue price: ¥100 per ¥100
- (4) Coupon rate: 0.245% per annum
- (5) Maturity date: April 15, 2031
- (6) Use of proceeds: the repayment of interest-bearing debt etc.

4. Unsecured straight bonds, 165th issue, East Japan Railway Company

- (1) Issue date: April 15, 2021
- (2) Amount: ¥30,000 million
- (3) Issue price: ¥100 per ¥100
- (4) Coupon rate: 0.596% per annum
- (5) Maturity date: April 15, 2041
- (6) Use of proceeds: the repayment of interest-bearing debt etc.

5. Unsecured straight bonds, 166th issue, East Japan Railway Company

- (1) Issue date: April 15, 2021
- (2) Amount: ¥20,000 million
- (3) Issue price: ¥100 per ¥100
- (4) Coupon rate: 0.847% per annum
- (5) Maturity date: April 14, 2051
- (6) Use of proceeds: the repayment of interest-bearing debt etc.

6. Unsecured straight bonds, 167th issue, East Japan Railway Company

- (1) Issue date: April 15, 2021
- (2) Amount: ¥20,000 million
- (3) Issue price: ¥100 per ¥100
- (4) Coupon rate: 0.978% per annum
- (5) Maturity date: April 15, 2061
- (6) Use of proceeds: the repayment of interest-bearing debt etc.

7. Unsecured straight bonds, 168th issue, East Japan Railway Company

- (1) Issue date: April 15, 2021
- (2) Amount: ¥35,000 million
- (3) Issue price: ¥100 per ¥100
- (4) Coupon rate: 1.142% per annum
- (5) Maturity date: April 15, 2071
- (6) Use of proceeds: the repayment of interest-bearing debt etc.

(ii) Other Procurement of Significant Funds

JR East conducted the following fund-raising with the aim of securing funds in anticipation of the impact of COVID-19 and the repayment of interest-bearing debt etc.

1. Issuance of commercial paper

- (1) Issue date: April 22, 2021
- (2) Amount: ¥100,000 million
- (3) Coupon rate: (0.030)-(0.019)% per annum
- (4) Maturity date: March 22, 2022
- (5) Existence of collateral, etc.: unsecured, unguaranteed

2. Long-term borrowing

- (1) Borrowing date: April 27, 2021
- (2) Lenders: Mizuho Bank, Ltd., MUFG Bank, Ltd. and Sumitomo Mitsui Banking Corporation
- (3) Amount: ¥150,000 million
- (4) Coupon rate: basic interest rate *plus* spread
- (5) Repayment dates: October 27, 2027 to October 25, 2030
- (6) Existence of collateral, etc.: unsecured, unguaranteed

(Additional Information (Unaudited))

Accounting Estimates of the Impact from the Spread of COVID-19

For accounting estimates of recoverability of deferred tax assets as of the end of the consolidated fiscal year (March 31, 2021), we made assumptions that the operating revenues from railway transportation business will recover to about 85% in fiscal 2022 and to about 90% in fiscal 2023 compared to the level before the spread of the COVID-19 although structural changes to society, such as widespread adoption of teleworking, will continue.

6. Non-consolidated Financial Statements
(1) Non-consolidated Balance Sheets (Unaudited)
EAST JAPAN RAILWAY COMPANY

Millions of Yen

	Fiscal 2020	Fiscal 2021
ASSETS		
Current Assets	¥ 641,296	¥ 645,346
Cash and time deposits	123,858	159,303
Fares receivable	297,027	222,569
Accounts receivable-trade	97,006	120,234
Short-term loans to affiliated companies receivable	81,901	97,298
Securities	—	137
Real estate for sale	264	141
Inventories	24,972	27,750
Prepaid expenses	6,662	8,336
Other	9,657	9,647
Allowance for doubtful accounts	(54)	(72)
Fixed Assets	7,199,119	7,527,127
Fixed assets for railway operations	5,053,214	5,151,348
Property, plant and equipment	11,506,609	11,745,622
Accumulated depreciation	(6,497,009)	(6,636,352)
Intangible assets	43,614	42,079
Fixed assets for other operations	756,141	868,923
Property, plant and equipment	973,219	1,115,893
Accumulated depreciation	(218,074)	(247,934)
Intangible assets	995	965
Fixed assets relating to both operations	296,765	304,761
Property, plant and equipment	837,681	844,494
Accumulated depreciation	(550,987)	(551,449)
Intangible assets	10,071	11,716
Construction in progress	366,948	333,993
Railway operations	235,310	240,406
Other operations	99,124	57,963
Relating to both operations	32,513	35,623
Investments and other assets	726,048	868,100
Investments in securities	181,384	210,648
Stocks of subsidiaries and affiliated companies	212,317	190,618
Long-term loans to affiliated companies receivable	105,695	157,566
Long-term prepaid expenses	41,174	48,477
Deferred tax assets	172,797	290,182
Other investment and other assets	12,837	12,610
Allowance for doubtful accounts	(159)	(42,003)
Total Assets	¥ 7,840,416	¥ 8,172,474

Note: Amounts less than one million yen are omitted.

Millions of Yen

	Fiscal 2020	Fiscal 2021
LIABILITIES		
Current Liabilities	¥1,617,511	¥1,982,129
Short-term loans	—	300,000
Short-term loans from affiliated companies	258,920	160,650
Commercial papers	150,000	415,000
Current portion of bonds	120,000	90,000
Current portion of long-term loans	115,263	133,290
Current portion of long-term liabilities		
incurred for purchase of railway facilities	4,217	4,123
Lease obligation	13,411	12,881
Payables	528,287	456,834
Accrued expenses	32,810	30,702
Accrued income taxes	15,240	9,075
Fare deposits received with regard to railway connecting services	25,053	34,271
Deposits received	28,081	27,674
Prepaid railway fares received	96,307	77,213
Advances received	107,654	111,689
Prepaid contribution for construction	6,451	3,848
Allowance for bonuses to employees	57,370	46,263
Allowance for disaster-damage losses	10,837	12,439
Allowance for environmental conservation costs	825	5,579
Allowance for point card certificates	32,056	36,112
Asset retirement obligations	834	655
Other	13,889	13,823
Long-Term Liabilities	3,671,558	4,176,116
Bonds	1,590,249	1,930,308
Long-term loans	1,010,390	1,158,800
Long-term loans from affiliated companies	41,498	44,632
Long-term liabilities incurred for purchase of railway facilities	322,911	318,472
Lease obligation	28,152	28,871
Long-term deferred contribution for construction	57,921	66,005
Provision for large-scale renovation		
of Shinkansen infrastructure	96,000	120,000
Employees' severance and retirement benefits	472,088	433,571
Allowance for disaster-damage losses	3,811	85
Allowance for environmental conservation costs	13,801	44,954
Allowance for partial transfer costs of railway operation	1,759	1,131
Asset retirement obligations	8,456	8,255
Other	24,517	21,028
Total Liabilities	¥5,289,070	¥6,158,246

Note: Amounts less than one million yen are omitted.

Millions of Yen

	Fiscal 2020	Fiscal 2021
NET ASSETS		
Shareholders' Equity	¥2,521,656	¥1,964,985
Common stock.....	200,000	200,000
Capital surplus.....	96,600	96,600
Additional paid-in capital.....	96,600	96,600
Retained earnings.....	2,228,465	1,671,801
Legal reserve.....	22,173	22,173
Other retained earnings		
Reserve for special depreciation.....	1,427	1,560
Reserve for investment losses on developing new business.....	83	82
Reserve for deferred gain of fixed assets.....	57,982	64,796
General reserve.....	1,720,000	1,720,000
Retained earnings carried forward.....	426,797	(136,811)
Treasury stock, at cost.....	(3,409)	(3,416)
Valuation and Translation Adjustment	29,689	49,243
Net unrealized holding gains (losses) on securities.....	27,292	47,105
Net deferred gains (losses) on derivatives under hedge accounting.....	2,397	2,137
Total Net Assets	2,551,346	2,014,228
Total Liabilities and Net Assets	¥7,840,416	¥8,172,474

Note: Amounts less than one million yen are omitted.

(2) Non-consolidated Statements of Income (Unaudited)

EAST JAPAN RAILWAY COMPANY

Millions of Yen

	Fiscal 2020	Fiscal 2021
Railway Operations		
Operating Revenues	¥1,969,273	¥1,090,506
Passenger transportation	1,792,849	954,344
Trackage revenue	6,686	6,503
Miscellaneous income of transportation	169,737	129,659
Operating Expenses	1,715,178	1,605,171
Transportation expenses	1,072,607	996,446
General and administrative expenses	262,109	224,434
Taxes	90,395	85,483
Depreciation	290,066	298,807
Operating Income (Loss) from Railway Operations	254,095	(514,664)
Other Operations		
Operating Revenues	91,804	93,639
Revenue from real estate lease	78,012	81,264
Miscellaneous revenue	13,791	12,374
Operating Expenses	51,822	57,509
Cost of sales	1,373	1,367
Selling, general and administrative expenses	22,849	22,666
Taxes	10,248	11,016
Depreciation	17,351	22,459
Operating Income from Other Operations	39,981	36,129
Total Operating Income (Loss)	294,077	(478,535)
Non-Operating Income	31,635	28,478
Interest income	728	814
Dividend income	21,022	18,335
Gains on sales of equipment	1,215	914
Insurance proceeds and dividends	6,449	5,790
Other	2,220	2,623
Non-Operating Expenses	65,576	67,657
Interest expense	34,665	34,763
Interest on bonds	27,658	27,033
Cost of issuance of bonds	536	1,664
Losses on sales of equipment	191	199
Other	2,525	3,996
Ordinary Income (Loss)	260,136	(517,715)

Note: Amounts less than one million yen are omitted.

Millions of Yen

	Fiscal 2020	Fiscal 2021
Extraordinary Gains	60,827	45,330
Gains on sales of fixed assets	4,816	15,385
Construction grants received	45,235	28,586
Other	10,776	1,359
Extraordinary Losses	103,532	161,734
Losses on sales of fixed assets	1,187	51
Losses on reduction entry for construction grants	39,471	15,869
Impairment losses on fixed assets	1,227	3,396
Losses on valuation of stocks of subsidiaries and affiliated companies	1,181	41,502
Environmental conservation costs	11,191	36,982
Provision of allowance for doubtful accounts for subsidiaries and affiliated companies	—	41,844
Disaster-damage losses	19,304	399
Provision for allowance for disaster-damage losses	12,458	6,968
Provision for allowance for partial transfer costs of railway operation	—	306
Other	17,509	14,414
Income (Loss) before Income Taxes	217,431	(634,118)
Income Taxes	58,378	(127,486)
Current	53,624	(1,262)
Deferred	4,753	(126,224)
Profit (Loss)	¥ 159,053	¥ (506,631)

Note: Amounts less than one million yen are omitted.

(3) Non-consolidated Statements of Changes in Net Assets (Unaudited)

Fiscal 2020

Millions of Yen

	Shareholders' Equity		
	Common Stock	Capital Surplus	
		Additional Paid-in Capital	Total Capital Surplus
Balance at the fiscal year start	200,000	96,600	96,600
Changes of items during the fiscal year			
Provision of reserve for special depreciation			
Reversal of reserve for special depreciation			
Provision of reserve for investment losses on developing new business			
Reversal of reserve for investment losses on developing new business			
Provision of reserve for deferred gain of fixed assets			
Reversal of reserve for deferred gain of fixed assets			
Dividends			
Profit			
Purchase of treasury stock			
Disposal of treasury stock			
Retirement of treasury stock			
Net changes of items other than shareholders' equity			
Total changes of items during the fiscal year	—	—	—
Balance at the fiscal year end	200,000	96,600	96,600

	Shareholders' Equity						
	Retained Earnings						Total Retained Earnings
	Legal Reserve	Other Retained Earnings					
	Reserve for Special Depreciation	Reserve for Investment Losses on Developing New Business	Reserve for Deferred Gain of Fixed Assets	General Reserve	Retained Earnings Carried Forward		
Balance at the fiscal year start	22,173	1,462	76	57,115	1,720,000	368,469	2,169,297
Changes of items during the fiscal year							
Provision of reserve for special depreciation		306				(306)	—
Reversal of reserve for special depreciation		(341)				341	—
Provision of reserve for investment losses on developing new business			83			(83)	—
Reversal of reserve for investment losses on developing new business			(76)			76	—
Provision of reserve for deferred gain of fixed assets				2,519		(2,519)	—
Reversal of reserve for deferred gain of fixed assets				(1,652)		1,652	—
Dividends						(59,764)	(59,764)
Profit						159,053	159,053
Purchase of treasury stock							
Disposal of treasury stock						(0)	(0)
Retirement of treasury stock						(40,121)	(40,121)
Net changes of items other than shareholders' equity							
Total changes of items during the fiscal year	—	(35)	7	867	—	58,328	59,168
Balance at the fiscal year end	22,173	1,427	83	57,982	1,720,000	426,797	2,228,465

	Shareholders' Equity		Valuation and Translation Adjustments			Total Net Assets
	Treasury Stock, at Cost	Total Shareholders' Equity	Net Unrealized Holding Gains (Losses) on Securities	Net Deferred Gains (Losses) on Derivatives under Hedge Accounting	Total Valuation and Translation Adjustments	
Balance at the fiscal year start	(3,512)	2,462,384	49,732	1,582	51,314	2,513,699
Changes of items during the fiscal year						
Provision of reserve for special depreciation		—				—
Reversal of reserve for special depreciation		—				—
Provision of reserve for investment losses on developing new business		—				—
Reversal of reserve for investment losses on developing new business		—				—
Provision of reserve for deferred gain of fixed assets		—				—
Reversal of reserve for deferred gain of fixed assets		—				—
Dividends		(59,764)				(59,764)
Profit		159,053				159,053
Purchase of treasury stock	(40,018)	(40,018)				(40,018)
Disposal of treasury stock	0	0				0
Retirement of treasury stock	40,121	—				—
Net changes of items other than shareholders' equity			(22,439)	815	(21,624)	(21,624)
Total changes of items during the fiscal year	103	59,271	(22,439)	815	(21,624)	37,646
Balance at the fiscal year end	(3,409)	2,521,656	27,292	2,397	29,689	2,551,346

Fiscal 2021

Millions of Yen

	Shareholders' Equity		
	Common Stock	Capital Surplus	
		Additional Paid-in Capital	Total Capital Surplus
Balance at the fiscal year start	200,000	96,600	96,600
Changes of items during the fiscal year			
Provision of reserve for special depreciation			
Reversal of reserve for special depreciation			
Provision of reserve for investment losses on developing new business			
Reversal of reserve for investment losses on developing new business			
Provision of reserve for deferred gain of fixed assets			
Reversal of reserve for deferred gain of fixed assets			
Dividends			
Loss			
Purchase of treasury stock			
Disposal of treasury stock			
Retirement of treasury stock			
Net changes of items other than shareholders' equity			
Total changes of items during the fiscal year	—	—	—
Balance at the fiscal year end	200,000	96,600	96,600

	Shareholders' Equity						
	Retained Earnings						Total Retained Earnings
	Legal Reserve	Other Retained Earnings					
	Reserve for Special Depreciation	Reserve for Investment Losses on Developing New Business	Reserve for Deferred Gain of Fixed Assets	General Reserve	Retained Earnings Carried Forward		
Balance at the fiscal year start	22,173	1,427	83	57,982	1,720,000	426,797	2,228,465
Changes of items during the fiscal year							
Provision of reserve for special depreciation		460				(460)	—
Reversal of reserve for special depreciation		(327)				327	—
Provision of reserve for investment losses on developing new business			82			(82)	—
Reversal of reserve for investment losses on developing new business			(83)			83	—
Provision of reserve for deferred gain of fixed assets				8,271		(8,271)	—
Reversal of reserve for deferred gain of fixed assets				(1,458)		1,458	—
Dividends						(50,032)	(50,032)
Loss						(506,631)	(506,631)
Purchase of treasury stock							
Disposal of treasury stock						(0)	(0)
Retirement of treasury stock							
Net changes of items other than shareholders' equity							
Total changes of items during the fiscal year	—	132	(1)	6,813	—	(563,609)	(556,664)
Balance at the fiscal year end	22,173	1,560	82	64,796	1,720,000	(136,811)	1,671,801

	Shareholders' Equity		Valuation and Translation Adjustments			Total Net Assets
	Treasury Stock, at Cost	Total Shareholders' Equity	Net Unrealized Holding Gains (Losses) on Securities	Net Deferred Gains (Losses) on Derivatives under Hedge Accounting	Total Valuation and Translation Adjustments	
Balance at the fiscal year start	(3,409)	2,521,656	27,292	2,397	29,689	2,551,346
Changes of items during the fiscal year						
Provision of reserve for special depreciation		—				—
Reversal of reserve for special depreciation		—				—
Provision of reserve for investment losses on developing new business		—				—
Reversal of reserve for investment losses on developing new business		—				—
Provision of reserve for deferred gain of fixed assets		—				—
Reversal of reserve for deferred gain of fixed assets		—				—
Dividends		(50,032)				(50,032)
Loss		(506,631)				(506,631)
Purchase of treasury stock	(8)	(8)				(8)
Disposal of treasury stock	1	0				0
Retirement of treasury stock		—				—
Net changes of items other than shareholders' equity			19,813	(260)	19,553	19,553
Total changes of items during the fiscal year	(6)	(556,671)	19,813	(260)	19,553	(537,117)
Balance at the fiscal year end	(3,416)	1,964,985	47,105	2,137	49,243	2,014,228

(Additional Information Regarding Operating Results (Unaudited))

Consolidated Principal Indicators

	Fiscal 2020 (A)	Fiscal 2021 (B)	Increase (Decrease) (B)-(A)
Ratio of operating income to average assets (ROA) (%).....	4.5	(6.0)	(10.5)
Return on average equity (ROE) (%).....	6.4	(20.3)	(26.7)
Net interest-bearing debt / EBITDA (times).....	4.2	—	—

Notes: 1. Net interest-bearing debt = Balance of consolidated interest-bearing debt – Balance of consolidated cash and cash equivalents
2. EBITDA = Consolidated operating income + Consolidated depreciation expense

Consolidated Capital Expenditures

		Billions of Yen				Plans for Fiscal 2022 (C)	Change Increase (Decrease) (C)-(B)
		Actual Fiscal 2020 (A)	Actual Fiscal 2021 (B)	Change			
				Increase (Decrease) (B)-(A)	% (B)/(A)x100		
Capital expenditures		740.6	692.2	(48.3)	93.5	674.0	(18.2)
Segment							
Transportation Services	Transportation	470.7	451.6	(19.1)	95.9	424.0	(27.6)
Life-style Services, IT & Suica Services	Retail & Services Real Estate & Hotels Others	269.8	240.6	(29.2)	89.2	250.0	9.3

Forward-Looking Statements

Statements contained in this report with respect to JR East's plans, strategies, and beliefs that are not historical facts are forward-looking statements about the future performance of JR East, which are based on management's assumptions and beliefs in light of the information currently available to it. These forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause JR East's actual results, performance, or achievements to differ materially from the expectations expressed herein. These factors include, without limitation, (i) JR East's ability to successfully maintain or increase current passenger levels on railway services, (ii) JR East's ability to improve the profitability of railway and other operations, (iii) JR East's ability to expand non-transportation operations, and (iv) general changes in economic conditions and laws, regulations, and government policies in Japan.

Passenger Kilometers and Passenger Revenues of Parent Company

	Passenger Kilometers				Revenues from Passenger Tickets			
	Millions		%		Billions of yen		%	
	Fiscal 2020	Fiscal 2021	Change		Fiscal 2020	Fiscal 2021	Change	
	(A)	(B)	Increase (Decrease) (B)-(A)	(B)/(A)x100	(C)	(D)	Increase (Decrease) (D)-(C)	(D)/(C)x100
Shinkansen Network								
Commuter Passes	1,909	1,531	(377)	80.2	25.8	20.9	(4.9)	81.0
Other	20,615	6,419	(14,196)	31.1	539.7	168.6	(371.0)	31.3
Total	22,524	7,950	(14,573)	35.3	565.5	189.6	(375.9)	33.5
Conventional Lines								
<i>Kanto Area Network</i>								
Commuter Passes	71,720	52,995	(18,725)	73.9	465.2	342.8	(122.4)	73.7
Other	35,620	19,800	(15,820)	55.6	694.8	383.7	(311.1)	55.2
Total	107,341	72,795	(34,546)	67.8	1,160.1	726.5	(433.5)	62.6
<i>Other Network</i>								
Commuter Passes	3,045	2,614	(431)	85.8	18.2	15.4	(2.8)	84.5
Other	2,473	1,190	(1,283)	48.1	48.8	22.6	(26.1)	46.4
Total	5,519	3,804	(1,714)	68.9	67.0	38.0	(29.0)	56.8
<i>Total</i>								
Commuter Passes	74,766	55,609	(19,157)	74.4	483.5	358.3	(125.2)	74.1
Other	38,094	20,990	(17,103)	55.1	743.6	406.3	(337.2)	54.6
Total	112,861	76,599	(36,261)	67.9	1,227.2	764.6	(462.5)	62.3
Total								
Commuter Passes	76,675	57,140	(19,534)	74.5	509.4	379.2	(130.1)	74.4
Other	58,710	27,410	(31,300)	46.7	1,283.3	575.0	(708.3)	44.8
Total	135,385	84,550	(50,835)	62.5	1,792.8	954.3	(838.4)	53.2

Notes:1. Amounts less than one million passenger kilometers and 100 million yen are omitted.

2. The Kanto Area Network includes the areas covered by Tokyo Branch Office, Yokohama Branch Office, Hachioji Branch Office, Omiya Branch Office, Takasaki Branch Office, Mito Branch Office, and Chiba Branch Office.