

# Consolidated Financial Results for the Nine-Month Period Ended December 31, 2021 (Japanese GAAP) (Unaudited)

Fiscal 2022 (Year ending March 31, 2022)

"Third Quarter" means the nine months from April 1 to December 31.

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.

January 31, 2022

## East Japan Railway Company

Stock Exchange Listing	Tokyo
Securities Code	9020
URL	<a href="https://www.jreast.co.jp/e">https://www.jreast.co.jp/e</a>
Representative	Yuji Fukasawa, President and CEO
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Scheduled Date for Release of a Quarterly Report	February 9, 2022
Scheduled Date of Dividend Payment Commencement	Not applicable
Preparation of Supplementary Explanations of Quarterly Financial Results:	No
Quarterly Financial Results Presentation to Be Held:	No

### 1. Consolidated Results for the Nine-Month Period Ended December 31, 2021 (April 1, 2021—December 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 corresponding period in 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	%
<b>Fiscal 2022, 3rd Quarter</b>	<b>1,482,794</b>	<b>13.5</b>	<b>(42,535)</b>	—	<b>(66,040)</b>	—	<b>(83,751)</b>	—
Fiscal 2021, 3rd Quarter	1,306,265	(42.4)	(323,083)	—	(373,016)	—	(294,590)	—

Note: Comprehensive income – Fiscal 2022, 3rd Quarter: (89,615) million yen (—%), Fiscal 2021, 3rd Quarter: (291,032) million yen (—%)

	Earnings per share —Basic	Earnings per share —Diluted
	Yen	Yen
<b>Fiscal 2022, 3rd Quarter</b>	<b>(222.01)</b>	—
Fiscal 2021, 3rd Quarter	(780.91)	—

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
<b>Fiscal 2022, 3rd Quarter</b>	<b>9,008,562</b>	<b>2,428,596</b>	<b>26.7</b>
Fiscal 2021	8,916,420	2,557,361	28.4

Reference: Shareholders' equity – Fiscal 2022, 3rd Quarter: 2,405,525 million yen, Fiscal 2021: 2,535,027 million yen

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

	Annual dividends				
	1st quarter end	2nd quarter end	3rd quarter end	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2021	—	50.00	—	50.00	100.00
<b>Fiscal 2022</b>	—	<b>50.00</b>	—		
(Forecast) Fiscal 2022				50.00	100.00

Note: Revisions to the most recently disclosed dividend forecasts: No

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

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

	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
Fiscal 2022	<b>2,057,000</b>	<b>16.6</b>	<b>(115,000)</b>	—	<b>(160,000)</b>	—	<b>(160,000)</b>	—	<b>(424.13)</b>

Note: Revisions to the most recently disclosed earnings forecasts: No

#### ※ 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) Application of special accounting treatment in preparing the quarterly consolidated financial statements: No

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

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

Note: For details, please refer to “Changes in Accounting Policies, Changes in Accounting Estimates and Restatement of Revisions” on page 5 in the Attachments.

(4) Number of issued shares (common stock)

i Issued shares at period-end (including treasury stock)	3rd Quarter, Fiscal 2022	377,932,400 shares	Fiscal 2021	377,932,400 shares
ii Treasury stock at period-end	3rd Quarter, Fiscal 2022	693,406 shares	Fiscal 2021	692,286 shares
iii Average number of shares during period	3rd Quarter, Fiscal 2022	377,239,699 shares	3rd Quarter, Fiscal 2021	377,240,810 shares

※ The quarterly financial results are not subject to quarterly review procedures by certified public accountants or audit corporations.

#### ※ 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 “Qualitative Information on Consolidated Performance Outlook” on page 4 in the Attachments. Further, the non-consolidated performance outlook is on the next page.

## (Reference)

### Forecasts of the Non-consolidated Results for Fiscal 2022 (Year Ending March 31, 2022)

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

	Operating revenues		Operating income		Ordinary income		Profit		Earnings per share— Basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal 2022	<b>1,491,000</b>	<b>25.9</b>	<b>(123,000)</b>	—	<b>(155,000)</b>	—	<b>(152,000)</b>	—	<b>(402.54)</b>

Note: Revisions to the most recently disclosed earnings forecasts: No

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# 1. Qualitative Information on Quarterly Consolidated Financial Performance

(Unless otherwise stated, all comparisons are between the nine months from April 1, 2021, to December 31, 2021, and the nine months from April 1, 2020, to December 31, 2020.)

## (1) Qualitative Information on Consolidated Operating Results

Following the September 2020 announcement of Speed Up “Move Up” 2027, a policy tailored to the post-COVID-19 society, the Group has continued to position safety at the top of its management priority while working to enhance profitability, strengthen management foundation fundamentally, and implement ESG management. Through such means, the Group has expedited its progress toward the achievement of its “Move Up” 2027 management vision.

As a result, during the third quarter, operating revenues increased 13.5%, to ¥1,482.7 billion, due mainly to revenue increases, which were attributable to the recovery from decreased sales impacted by the spread of COVID-19 during the previous fiscal year and sales realized in the real estate business leveraging its “rotational business model”. Following these increases in operating revenues, we recorded operating loss of ¥42.5 billion (operating loss of ¥323.0 billion in the third quarter of fiscal 2021), ordinary loss of ¥66.0 billion (ordinary loss of ¥373.0 billion in the third quarter of fiscal 2021), and loss attributable to owners of parent of ¥83.7 billion (loss attributable to owners of parent of ¥294.5 billion in the third quarter of fiscal 2021).

### Overview

#### Safety is Our Top Priority

Based on the “Group Safety Plan 2023,” the JR East Group united as one group 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.

- Acceleration of seismic reinforcement of elevated concrete pillars along the railway tracks of the Shinkansen due to damages incurred from the February 2021 earthquake off the coast of Fukushima Prefecture
- Construction work between fiscal 2022 and fiscal 2024 at approximately 200 places on the Shinkansen lines along embankment, cutting, and natural slopes where a mudslide may occur as a result of record-breaking rainfalls and other factors

#### Enhancing Profitability

While the business environment surrounding the railway business becomes increasingly severe, we believe the diversification of lifestyles presents a significant opportunity for the Group. Accordingly, the Group reestablished its growth and innovation strategies, combined digital technologies with physical networks, an area of Group strength, and made efforts to propose new lifestyles and take on the challenge of entering new fields.

- Continuation of activities, even after the conclusion of the *TOHOKU Destination Campaign*, to promote tourism in the six prefectures of the Tohoku region by conveying the region's beauty in the fall and winter seasons
- Naming of cargo transport railway service as *Hakobyun* (Train Parcel Service) and increasing cargo handling capacity as part of full-fledged expansion as new business
- Establishment of *JRE MALL* showrooms within railway stations and promoting online consultations and sales

#### Fundamental Strengthening of Management Foundation

The Group forged ahead with its three reforms “operational reform,” “working style reform” and “worksite reform” to enhance the job satisfaction of all Group employees, while further accelerating our digital transformation efforts, which include the use of new technology and the promotion of Smart Maintenance, to enhance productivity.

- Conducting test runs on the Joetsu Shinkansen in October and November 2021 between Niigata Station and Niigata Shinkansen Rolling Stock Center utilizing E7 Series railcars, to accumulate and verify the technologies necessary for the automated operation of Shinkansen
- Commencement of test runs in November 2021 on an AI-enabled system that automatically determines the conditions of facilities, as part of an overhead wire condition monitoring scheme introduced in April 2021
- Introduction of a monitoring system in November 2021 for railway infrastructure designed to prevent the tilting of railway electric poles, in collaboration with Sonas, Inc.

#### Implementing ESG Management

The Group established energy-saving facilities and promoted renewable energy development in a bid to achieve net zero CO<sub>2</sub> emissions across the Group by fiscal 2051. The Group also engaged in co-creation activities with local communities with the aim of revitalizing these regions.

- Investment in Ensen Marugoto Co., Ltd. in December 2021 to roll out the *Ensen Marugoto HOTEL* business through the use of old Japanese-style houses
- Commencement of operations of Daigo Solar Power Plant (Ibaraki) in November 2021 aiming for achievement of “Zero-Carbon Challenge 2050”
- Acquisition of Type II Railway Business License in November 2021 and preparation to recommence operations of the Tadami Line between Aizu-Kawaguchi Station and Tadami Station around fall 2022

## 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.

- Installation of automatic platform gates completed at 76 railway stations (87 railway stations on a line-by-line basis) as of December 31, 2021
- Introduction of special group-only passenger trains and limited edition travel products for customers with proof of COVID-19 vaccination and negative PCR test results
- Commemorative campaign marking the 30th anniversary of *JR SKISKI* to spur demand for snow-related activities
- Introduction of new E131 Series railcars on the Sagami Line in November 2021 and preparation for the introduction of such railcars on the Utsunomiya Line and the Nikko Line, toward the commencement of conductorless operations in March 2022
- Merger of the Yamanote Line Outer Loop platform and the Keihin-Tohoku Line Northbound platform at Shinagawa Station in December 2021 to enable easier transfers and to reduce congestion of the Yamanote Line platform

As a result, during the third quarter, operating revenues in the Transportation segment increased 15.1%, to ¥991.1 billion, due mainly to increases in the passenger revenues, which were attributable to the recovery from decreased sales impacted by the spread of COVID-19 during the third quarter of fiscal 2021, and operating loss was ¥156.6 billion (operating loss of ¥343.0 billion in the third quarter of fiscal 2021).

### Retail & Services

In the Retail & Services segment, JR East pressed forward with the “Beyond Stations” concept to transform railway stations from transportation hubs to lifestyle platforms designed to connect people, things, and experiences.

- Expansion of *STATION WORK* shared office business to 341 locations as of December 31, 2021, including the establishment of *STATION BOOTH* shared office spaces outside of JR East Group area
- Launch of *EKITOMA TICKET*, *JRE MALL*’s electronic ticket service in October 2021 usable for dining, shopping and other purposes in local communities
- Opening of *KINOKUNIYA Nagoya MEITETSU Department Store* (Aichi) in November 2021

As a result, during the third quarter, despite the increases in the sales at stores in stations, which were attributable to the recovery from decreased sales impacted by the spread of COVID-19 during the third quarter of fiscal 2021, operating revenues in the Retail & Services segment decreased 16.2%, to ¥228.4 billion due to the application of “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, revised on March 31, 2020) (hereinafter “Accounting Standard for Revenue Recognition”), and operating income was ¥8.4 billion (operating loss of ¥0.8 billion in the third quarter of fiscal 2021).

### 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.

- Commencement of its “rotational business model” in the real estate business and liquidation of real estate held by the Company in December 2021
- Launch of hotel packages by NIPPON HOTEL Co., Ltd. that include admission tickets to Yokohama Hakkeijima Seaparadise and Seibuen Amusement Park as part of comprehensive partnership with SEIBU HOLDINGS INC.

As a result, during the third quarter, operating revenues in the Real Estate & Hotels segment increased 38.3%, to ¥298.1 billion, due mainly to increased sales at station buildings, which were attributable to the recovery from decreased sales impacted by the spread of COVID-19 during the third quarter of fiscal 2021, and to increased income from office building leases as well as sales realized in the real estate business leveraging its “rotational business model”, and operating income increased 627.9%, to ¥101.0 billion.

### Others

In the Others segment, JR East promoted measures such as the enhancement of the MaaS Platform, which realizes seamless and stress-free mobility, and further expanded the scope of use of *Suica*.

- Commencement of commemorative campaign in November 2021 marking the 20th anniversary of the launch of *Suica* service
- Issuance of approximately 88.6 million *Suica* cards in total, achievement of 15.9 million members for Mobile *Suica*, and expansion of store network accepting *Suica* electronic payment to 1.2 million stores by December 31, 2021, as a result of promoting a shared platform for *Suica*
- Commencement of *Tabi-CONNECT* service in November 2021, a platform combining the functions of region- and tourism-oriented MaaS that is accessible also to users outside of the JR East Group

However, with the decline in the sales from the IC card business and effect of the application of Accounting Standard for Revenue Recognition operating revenues from Others decreased 8.8%, to ¥141.7 billion. In addition, operating income declined 41.4%, to ¥4.3 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.

## **(2) Qualitative Information on Consolidated Performance Outlook**

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 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" 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 work to earn deeper trust from customers and local communities based on the conviction that safety is the top priority for management, combine physical networks, an area of Group strength, with digital technology centered on our *JRE POINT* service, continue to move forward with its "Beyond Stations" concept and propose new lifestyles and take on the challenge of entering new fields. The Group will also accelerate digital transformation (DX) of the railway business with a large fixed cost ratio, including through ticketless and driverless operations and smart maintenance, and establish a flexible and robust management structure. Moreover, we will move forward with ESG management in the form of "Zero-Carbon Challenge 2050," and regional revitalization initiatives toward the achievement of the Sustainable Development Goals (SDGs).

After reviewing the operating results for the nine months ended December 31, 2021 and taking other factors into consideration, JR East has maintained its consolidated full-term business forecasts for the fiscal year ending March 31, 2022, which it announced on October 28, 2021.

## 2. Matters Concerning Summary Information (Notes)

### (1) Changes in Accounting Policies, Changes in Accounting Estimates and Restatement of Revisions

#### (i) Changes in Accounting Policies

The Group adopted "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, revised on March 31, 2020) and its implementation guidance ("revised accounting standards" hereafter), and applied accounting policy to recognize revenue with the amounts expected to be received in exchange for the promised goods or services as the control of such goods or services are transferred to customers at the beginning of the first quarter of fiscal 2022. In regard to transactions performed by the Group as an agent, the amount of revenue to be recognized is changed from the total amount of the consideration received from customer to the net value, being the difference between the total amount received for the goods and services delivered by a third party and the amount paid by the Group to the third party. Accordingly, the Group has revised its method of revenue recognition pertaining to contracts with customers subject to the revised accounting standards.

The application of such changes in accounting policies follows the transitional treatment prescribed in the proviso of paragraph 84 of Accounting Standard for Revenue Recognition, such that the new accounting policy was applied from the beginning balance of retained earnings of the first quarter of fiscal 2022 to add to or deducted from the amount of beginning balance of retained earnings of the first quarter of fiscal 2022 the cumulative effects of applying retrospectively the new accounting policy from the beginning of the first quarter of fiscal 2022. The method prescribed in paragraph 86 of Accounting Standard for Revenue Recognition was applied, however, with no retrospective application of the new accounting policy to the contract which are that almost all amounts of revenues have been recognized in accordance with the prior treatments before the beginning of the first quarter of fiscal 2022. In addition, applying the method prescribed in the proviso (1) of paragraph 86 of Accounting Standard for Revenue Recognition, for the contracts which have been modified before the beginning of the first quarter of fiscal 2022, the cumulative effect is added to or deducted from the beginning balance of the retained earnings of the first quarter of fiscal 2022, based on the terms of the contracts that have been reflected all modifications in the contracts.

As a result, in the third quarter of fiscal 2022, operating revenues decreased ¥92,898 million and operating expenses decreased ¥90,283 million, while operating loss, ordinary loss, and loss before income taxes increased ¥2,614 million, ¥1,869 million, and ¥1,869 million, respectively. The effect on the opening balance of retained earnings at the beginning of the period is negligible.

Due to the application of the revised accounting standards, "Notes and accounts receivable-trade" under "Current Assets" on the consolidated balance sheets for the fiscal year ended March 31, 2021 is included as part of "Notes, accounts receivable-trade and contract assets" from the three months ended June 30, 2021. Meanwhile, new reporting methods have not been adopted in accordance with the transitional measures stipulated in section 89-2 of Accounting Standard for Revenue Recognition.



### 3. Quarterly Consolidated Financial Statements and Main Notes

#### (1) Consolidated Balance Sheets (Unaudited)

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES

	Millions of Yen	
	Fiscal 2021 (As of March 31, 2021)	Fiscal 2022, 3rd Quarter (As of December 31, 2021)
<b>ASSETS</b>		
<b>Current Assets</b> .....	¥ 898,406	<b>¥1,013,809</b>
Cash and time deposits .....	198,130	<b>254,699</b>
Notes and accounts receivable-trade .....	470,611	—
Notes, accounts receivable-trade and contract assets .....	—	<b>529,164</b>
Fares receivable .....	38,536	<b>43,611</b>
Securities .....	137	<b>100</b>
Real estate for sale .....	4,081	<b>4,177</b>
Inventories .....	83,646	<b>117,097</b>
Other .....	105,833	<b>67,520</b>
Allowance for doubtful accounts .....	(2,572)	<b>(2,561)</b>
 <b>Fixed Assets</b> .....	 8,018,013	 <b>7,994,752</b>
Property, plant and equipment, net of accumulated depreciation .....	7,118,150	<b>7,091,949</b>
Buildings and fixtures (net) .....	3,789,310	<b>3,789,761</b>
Machinery, rolling stock and vehicles (net) .....	742,251	<b>743,810</b>
Land .....	2,145,694	<b>2,150,723</b>
Construction in progress .....	361,626	<b>339,128</b>
Other (net) .....	79,266	<b>68,525</b>
 Intangible assets .....	 150,825	 <b>159,314</b>
 Investments and other assets .....	 749,037	 <b>743,488</b>
Investments in securities .....	314,500	<b>319,939</b>
Long-term loans receivable .....	2,035	<b>2,016</b>
Deferred tax assets .....	344,825	<b>330,638</b>
Net defined benefit assets .....	531	<b>810</b>
Other .....	88,169	<b>91,065</b>
Allowance for doubtful accounts .....	(1,024)	<b>(982)</b>
 <b>Total Assets</b> .....	 <b>¥8,916,420</b>	 <b>¥9,008,562</b>

Note: Amounts less than one million yen are omitted.

	Millions of Yen	
	Fiscal 2021, (As of March 31, 2021)	Fiscal 2022, 3rd Quarter (As of December 31, 2021)
<b>LIABILITIES</b>		
<b>Current Liabilities</b> .....	¥2,032,849	¥1,599,540
Notes and accounts payable-trade .....	52,909	48,313
Short-term loans and current portion of long-term loans .....	433,320	158,500
Current portion of bonds .....	90,000	130,999
Current portion of long-term liabilities		
incurred for purchase of railway facilities .....	4,215	3,697
Payables .....	477,546	300,596
Accrued consumption taxes .....	7,856	41,422
Accrued income taxes .....	22,074	6,664
Fare deposits received with regard to railway connecting services .....	33,992	39,205
Prepaid railway fares received .....	77,526	82,665
Allowance for bonuses to employees .....	62,128	26,107
Allowance for disaster-damage losses .....	12,439	7,474
Allowance for partial transfer costs of railway operation .....	—	714
Other .....	758,840	753,178
<b>Long-Term Liabilities</b> .....	4,326,209	4,980,425
Bonds .....	1,930,308	2,401,652
Long-term loans .....	1,158,872	1,327,450
Long-term liabilities incurred for purchase of railway facilities .....	318,873	316,995
Deferred tax liabilities .....	5,221	2,671
Provision for large-scale renovation of Shinkansen infrastructure .....	120,000	138,000
Allowance for disaster-damage losses .....	85	68
Allowance for partial transfer costs of railway operation .....	1,131	—
Net defined benefit liabilities .....	482,221	472,799
Other .....	309,494	320,787
<b>Total Liabilities</b> .....	¥6,359,058	¥6,579,965
<b>NET ASSETS</b>		
<b>Shareholders' Equity</b> .....	¥2,472,539	¥2,349,172
Common stock .....	200,000	200,000
Capital surplus .....	96,522	96,572
Retained earnings .....	2,181,570	2,058,162
Treasury stock, at cost .....	(5,553)	(5,561)
<b>Accumulated Other Comprehensive Income</b> .....	62,487	56,353
Net unrealized holding gains (losses) on securities .....	54,322	49,074
Net deferred gains (losses) on derivatives under		
hedge accounting .....	2,137	2,598
Revaluation reserve for land .....	(433)	(256)
Foreign currency translation adjustments .....	(25)	161
Remeasurements of defined benefit plans .....	6,486	4,775
<b>Non-Controlling Interests</b> .....	22,334	23,070
<b>Total Net Assets</b> .....	2,557,361	2,428,596
<b>Total Liabilities and Net Assets</b> .....	¥8,916,420	¥9,008,562

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 2021, 3rd Quarter (Nine months ended December 31, 2020)	Fiscal 2022, 3rd Quarter (Nine months ended December 31, 2021)
<b>Operating Revenues</b> .....	¥1,306,265	¥1,482,794
<b>Operating Expenses</b> .....	1,629,349	1,525,330
Transportation, other services and cost of sales .....	1,231,509	1,139,863
Selling, general and administrative expenses .....	397,839	385,466
<b>Operating Loss</b> .....	(323,083)	(42,535)
<b>Non-Operating Income</b> .....	13,620	29,976
Interest income .....	38	136
Dividend income .....	4,949	5,531
Equity in net income of affiliated companies .....	—	12,001
Other .....	8,633	12,305
<b>Non-Operating Expenses</b> .....	63,552	53,481
Interest expense .....	45,676	46,734
Equity in net losses of affiliated companies .....	11,658	—
Other .....	6,218	6,747
<b>Ordinary Loss</b> .....	(373,016)	(66,040)
<b>Extraordinary Gains</b> .....	17,750	18,539
Construction grants received .....	5,890	6,044
Gain on exchange of land .....	1	3,859
Other .....	11,857	8,636
<b>Extraordinary Losses</b> .....	44,728	14,374
Losses on reduction entry for construction grants .....	5,729	5,887
Other .....	38,998	8,486
<b>Loss before Income Taxes</b> .....	(399,994)	(61,874)
<b>Income Taxes</b> .....	(104,000)	21,402
Current .....	7,258	7,487
Deferred .....	(111,259)	13,914
<b>Loss</b> .....	(295,993)	(83,276)
<b>Profit (Loss) Attributable to Non-Controlling Interests</b> .....	(1,403)	474
<b>Loss Attributable to Owners of Parent</b> .....	¥ (294,590)	¥(83,751)

Note: Amounts less than one million yen are omitted.

(ii) Consolidated Statements of Comprehensive Income

Millions of Yen		
	Fiscal 2021, 3rd Quarter (Nine months ended December 31, 2020)	Fiscal 2022, 3rd Quarter (Nine months ended December 31, 2021)
<b>Loss</b> .....	¥(295,993)	¥(83,276)
<b>Other Comprehensive Income</b> .....	4,961	(6,338)
Net unrealized holding gains (losses) on securities .....	7,530	(4,289)
Net deferred gains (losses) on derivatives under hedge accounting .....	(377)	377
Foreign currency translation adjustments .....	(30)	158
Remeasurements of defined benefit plans .....	(2,126)	(1,911)
Share of other comprehensive income of associates accounted for using equity method .....	(34)	(674)
<b>Comprehensive Income</b> .....	¥(291,032)	¥(89,615)
<b>Comprehensive Income attributable to</b>		
Comprehensive income attributable to owners of the parent	¥(289,618)	¥(90,094)
Comprehensive income attributable to non-controlling Interests .....	¥ (1,413)	¥ 479

Note: Amounts less than one million yen are omitted.

### (3) Notes to Quarterly Consolidated Financial Statements (Unaudited)

#### (Notes on Going Concern Assumption (Unaudited))

None

#### (Segment Information (Unaudited))

(Information related to amounts of operating revenues, income, and loss of each reportable segment)

Fiscal 2021, 3rd Quarter (Nine months ended December 31, 2020)	Millions of Yen						Quarterly Consolidated Statements of Income (Note 3)
	Transportation	Retail & Services	Real Estate & Hotels	Others (Note 1)	Total	Adjustment (Note 2)	
Operating Revenues							
Outside customers .....	¥ 820,626	¥ 231,234	¥200,663	¥ 53,741	¥ 1,306,265	¥ —	¥ 1,306,265
Inside group .....	40,394	41,395	14,909	101,805	198,505	(198,505)	—
Total .....	861,021	272,629	215,573	155,546	1,504,771	(198,505)	1,306,265
Segment income (loss) ...	¥(343,012)	¥ (811)	¥ 13,882	¥ 7,392	¥ (322,549)	¥ (534)	¥ (323,083)

- 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 ¥(534) million adjustment to segment income (loss) includes a ¥(281) million elimination for intersegment transactions and a ¥(252) million elimination of unrealized holding gains (losses) on fixed assets and inventory assets.
3. Segment income (loss) is adjusted to ensure consistency with the operating loss set forth in the quarterly consolidated statements of income.

Fiscal 2022, 3rd Quarter (Nine months ended December 31, 2021)	Millions of Yen						Quarterly Consolidated Statements of Income (Note 3)
	Transportation	Retail & Services	Real Estate & Hotels	Others (Note 1)	Total	Adjustment (Note 2)	
Operating Revenues							
Outside customers .....	¥ 950,556	¥205,147	¥281,293	¥ 45,797	¥ 1,482,794	¥ —	¥ 1,482,794
Inside group .....	40,614	23,338	16,878	95,992	176,823	(176,823)	—
Total .....	991,171	228,485	298,171	141,790	1,659,618	(176,823)	1,482,794
Segment income (loss) ...	¥(156,680)	¥ 8,471	¥101,043	¥ 4,335	¥ (42,830)	¥ 294	¥ (42,535)

- 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 ¥294 million adjustment to segment income (loss) includes a ¥432 million elimination of unrealized holding gains (losses) on fixed assets and inventory assets and a ¥(135) million elimination for intersegment transactions.
3. Segment income (loss) is adjusted to ensure consistency with the operating loss set forth in the quarterly consolidated statements of income.

(Matters concerning changes to reporting segment, etc.)

#### (i) Change in Accounting Policy

As described in "Changes in Accounting Policies", the Group changed accounting treatment for revenue recognition by adopting "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, revised on March 31, 2020) and its implementation guidance from the beginning of the first quarter of fiscal 2022, and accordingly changed the methods relevant to measuring profits or losses of operating segments in the same manner.

As a result of these changes, in the third quarter of fiscal 2022, operating revenues decreased ¥3,184 million in the Transportation segment, decreased ¥68,165 million in the Retail & Services segment, decreased ¥21,676 million in the Real Estate & Hotels segment, and decreased ¥3,181 million in the Others segment. Meanwhile, segment income decreased ¥870 million in the Transportation segment, decreased ¥65 million in the Retail & Services segment, decreased ¥270 million in the Real Estate & Hotels segment, and decreased ¥1,408 million in the Others segment.

#### (ii) Change in Reporting Segment

To draw on the full potential of its advertising capabilities, JR East actively invests and pursues other efforts to enhance the value of its advertising business. Accordingly, to reflect the investments in and results of the advertising business on the Retail & Services segment, the reporting segment of the advertising business of JR East, on a non-consolidated basis, has been reclassified from the Transportation segment to the Retail & Services segment from the three months ended June 30, 2021.

The segment information for the nine months ended December 31, 2020 also reflects the reclassification of the advertising business to the Retail & Services segment.

## **(Notes on Significant Changes in the Value of Shareholders' Equity (Unaudited))**

None

## **(Significant Subsequent Events (Unaudited))**

### **(i) Issuance of Bonds**

JR East issued the following straight bonds.

#### **Unsecured straight bonds, 3rd Sustainability Bonds, East Japan Railway Company**

- (1) Issue date: January 21, 2022
- (2) Amount: ¥30,000 million
- (3) Issue price: ¥100 per ¥100
- (4) Coupon rate: 0.264% per annum
- (5) Maturity date: January 21, 2032
- (6) Use of proceeds: finance rebuilding of wards, etc. at JR Tokyo General Hospital and refinance KAWASAKI DELTA development

### **(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.

#### **Issuance of commercial paper**

- (1) Issue date: January 25, 2022
- (2) Amount: ¥100,000 million
- (3) Coupon rate: (0.044)-(0.038)% per annum
- (4) Maturity date: September 26, 2022
- (5) 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 December 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.

## (Additional Information Regarding Operating Results)

### Consolidated Principal Indicators

	Fiscal 2021, 3rd Quarter (Nine months ended December 31, 2020)	Fiscal 2021 (Year ended March 31, 2021)	Fiscal 2022, 3rd Quarter (Nine months ended December 31, 2021)	Increase (Decrease)
	(A)	(B)	(C)	(C)-(A)
Ratio of operating income to average assets (ROA) (%) .....	(3.7)	(6.0)	<b>(0.5)</b>	3.2
Return on average equity (ROE) (%) .....	(9.9)	(20.3)	<b>(3.4)</b>	6.5
Net interest-bearing debt / EBITDA (times) .....	—	—	<b>17.8</b>	—

- 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

### Numerical Targets for the Fiscal Year Ending March 31, 2026

	Billions of Yen				
	Actual	Plans for	Fiscal 2026	Change	
	Fiscal 2021	Fiscal 2022 (Revised)	Targets	Increase (Decrease)	%
	(A) (Note2)	(B) (Note3)	(C) (Note3)	(C)-(A)	(C)/(A)x100
<b>Operating Revenues</b> .....	1,764.5	2,057.0	3,090.0	1,325.4	175.1%
		[2,190.0]	[3,325.0]		
Transportation .....	1,095.7	1,336.0	1,970.0	874.2	179.8%
		[1,339.0]	[1,980.0]		
Retail & Services .....	318.0	290.0	550.0	231.9	172.9%
		[378.0]	[709.0]		
Real Estate & Hotels .....	271.2	361.0	480.0	208.7	177.0%
		[390.0]	[535.0]		
Others .....	79.5	70.0	90.0	10.4	113.2%
		[83.0]	[101.0]		
<b>Operating Income</b> .....	(520.3)	(115.0)	450.0	970.3	—
Transportation .....	(548.5)	(257.0)	252.0	800.5	—
Retail & Services .....	2.6	24.0	57.0	54.3	—
Real Estate & Hotels .....	15.1	106.0	113.0	97.8	745.6%
Others .....	14.7	14.0	30.0	15.2	203.2%
Adjustment .....	(4.3)	(2.0)	(2.0)	2.3	45.9%
<b>Consolidated operating cash flow</b> .....	(189.9)	-	3,693.0(Note4)	-	-
<b>Consolidated ROA (%)</b> .....	(6.0)	-	Around 4.5	-	-
<b>Net interest-bearing debt / EBITDA (times)</b> .....	-	-	5 or less	-	-

- Notes: 1. The breakdown of operating revenues by business segment shows sales to outside customers.  
2. The segment breakdowns for fiscal 2021 reflect the reclassification of the advertising business to the Retail & Services segment.  
3. Numbers in square brackets ([ ]) for consolidated operating revenues and by segment are reference values excluding an effect of application of "Accounting Standard for Revenue Recognition" and other standards.  
4. Total amount covering five years from the fiscal year ending March 31, 2022 to the fiscal year ending March 31, 2026.

## Consolidated Capital Expenditures

		Billions of Yen				Plans for Fiscal 2022	Change Increase (Decrease)
		Actual Fiscal 2021, 3rd Quarter (Nine months ended December 31, 2020) (Note)	Actual Fiscal 2022, 3rd Quarter (Nine months ended December 31, 2021)	Change			
				Increase (Decrease)	%		
		(A)	(B)	(B)–(A)	(B)/(A)x100		year on year
Capital expenditures		393.1	292.7	(100.3)	74.5	598.0	(94.2)
Segment							
Transportation Services	Transportation	224.6	188.0	(36.6)	83.7	389.0	(61.9)
Life-style Services, IT & Suica Services	Retail & Services Real Estate & Hotels Others	168.4	104.7	(63.7)	62.2	209.0	(32.3)

Note: The results for the nine months ended December 31, 2020 reflect the reclassification of the advertising business to the Retail & Services segment.

### 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 2021, 3rd Quarter (Nine months ended December 31, 2020) (A)	Fiscal 2022, 3rd Quarter (Nine months ended December 31, 2021) (B)	Change Increase (Decrease) (B)–(A)	(B)/(A)x100	Fiscal 2021, 3rd Quarter (Nine months ended December 31, 2020) (C)	Fiscal 2022, 3rd Quarter (Nine months ended December 31, 2021) (D)	Change Increase (Decrease) (D)–(C)	(D)/(C)x100
<b>Shinkansen Network</b>								
Commuter Passes .....	1,182	<b>1,122</b>	(60)	94.9	16.0	<b>15.2</b>	(0.8)	94.4
Other .....	4,900	<b>6,714</b>	1,813	137.0	128.5	<b>178.8</b>	50.2	139.1
Total .....	6,082	<b>7,836</b>	1,753	128.8	144.6	<b>194.0</b>	49.3	134.1
<b>Conventional Lines</b>								
<i>Kanto Area Network</i>								
Commuter Passes .....	41,012	<b>39,787</b>	(1,224)	97.0	262.2	<b>257.3</b>	(4.8)	98.1
Other .....	14,697	<b>18,513</b>	3,815	126.0	285.7	<b>353.8</b>	68.0	123.8
Total .....	55,709	<b>58,301</b>	2,591	104.7	548.0	<b>611.2</b>	63.1	111.5
<i>Other Network</i>								
Commuter Passes .....	2,027	<b>2,075</b>	48	102.4	11.7	<b>12.2</b>	0.5	104.4
Other .....	881	<b>1,035</b>	153	117.5	16.8	<b>19.8</b>	3.0	117.9
Total .....	2,908	<b>3,111</b>	202	107.0	28.5	<b>32.1</b>	3.5	112.4
<i>Total</i>								
Commuter Passes .....	43,039	<b>41,863</b>	(1,175)	97.3	274.0	<b>269.6</b>	(4.3)	98.4
Other .....	15,579	<b>19,548</b>	3,969	125.5	302.5	<b>373.6</b>	71.0	123.5
Total .....	58,618	<b>61,412</b>	2,793	104.8	576.6	<b>643.3</b>	66.7	111.6
<b>Total</b>								
Commuter Passes .....	44,221	<b>42,985</b>	(1,235)	97.2	290.1	<b>284.8</b>	(5.2)	98.2
Other .....	20,479	<b>26,263</b>	5,783	128.2	431.0	<b>552.4</b>	121.3	128.2
Total .....	64,701	<b>69,248</b>	4,547	107.0	721.2	<b>837.3</b>	116.1	116.1

- 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.