

**FY2023.3 First Quarter
Financial Results
Explanatory materials**

July 29, 2022
East Japan Railway Company

Highlights of FY2023.3 First Quarter Financial Results

Consolidated results

Both revenues and income increased, with the first positive income in the last three years.

- All segments achieved revenue growth as a rebound from the impact of COVID-19, and operating income increased for the second year in a row.
- First quarter income and profit at all levels have become positive for the first time in the last three years.

Segment

All segments achieved increases in revenue and income.

- Transportation business achieved increases in revenues and income mainly due to the change in the timing of recognition of Suica-related liabilities as revenue as well as an increase in passenger revenues.
- Retail & Services business achieved increases in revenues and income mainly due to an increase in the sales of EKINAKA stores.
- Real Estate & Hotels business achieved increases in revenues and income mainly due to an increase in the sales of hotels and shopping centers.
- Other business achieved increases in revenues and income mainly due to an increase in the sales of the credit card business.

○Financial forecasts for FY2023.3

In view of the actual results for the first quarter of FY2023.3, we have made no change in our forecasts for the first two quarters of FY2023.3 and full-year forecasts for FY2023.3 announced on April 27, 2022

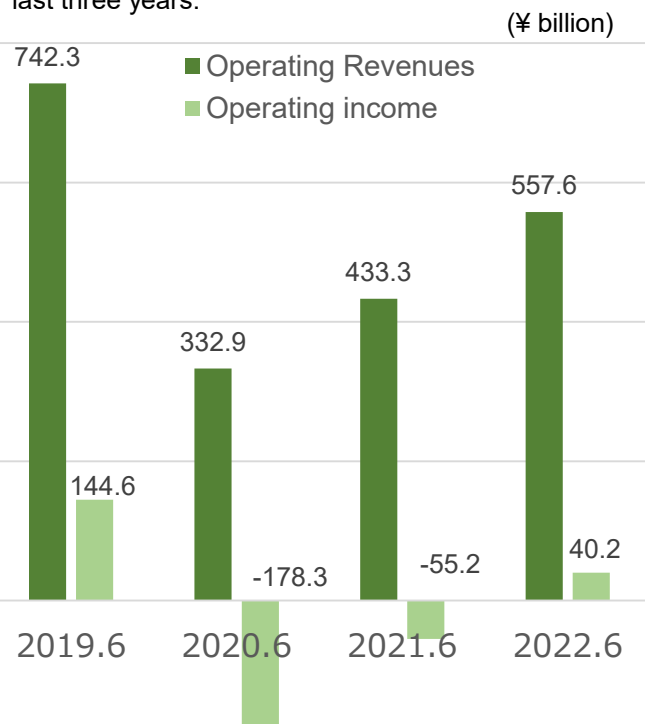
○Shareholder returns (dividend)

FY2023.3 (forecast) Interim dividend per share: 50 yen Year-end dividend per share: 50 yen

Trends in First Quarter Financial Results

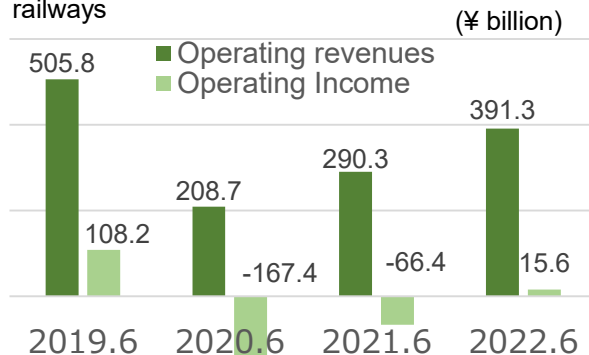
Financial Results (consolidated)

First quarter financial results have recovered gradually over the years from 2020.6, which was severely hit by COVID-19, to achieve an increase in revenues for the second year in a row and the first positive income for the last three years.



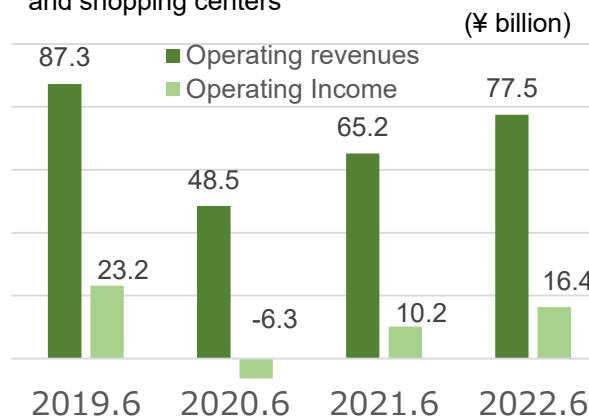
Transportation

An increase in revenues for the second year in a row and the first positive income for the last three years due to the recovery in the use of railways



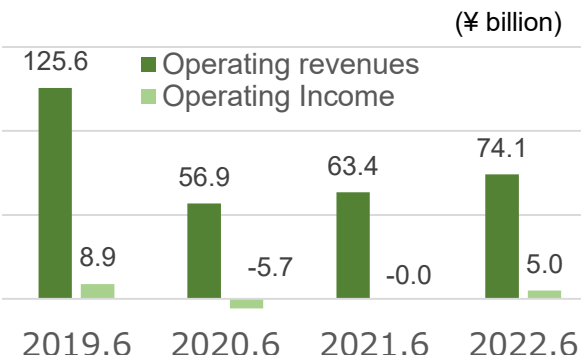
Real Estate & Hotels

An increase in revenues for the second year in a row due to the recovery in the use of hotels and shopping centers



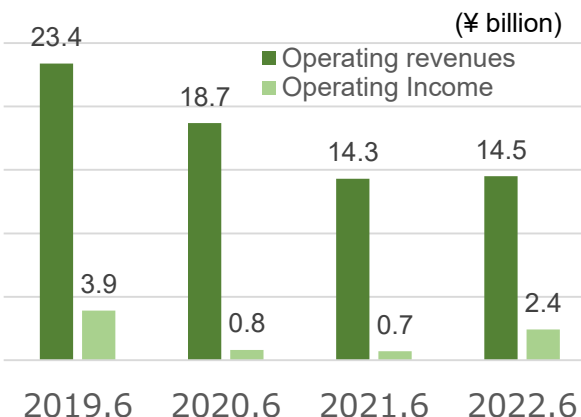
Retail & Services

An increase in revenues for the second year in a row and the first positive income for the last three years due to the recovery in the use of EKINAKA stores



Others

An increase in revenues due to the recovery in the use of credit cards



* The segment breakdown of operating revenues is based on sales to external customers.

* The new accounting standard for revenue recognition has been applied since 2021.6.

* The JR advertisement business has been reclassified from the Transportation business to Retail & Service business since 2020.6.

Actual results and forecasts of passenger revenues: Comparison with pre-COVID-19 levels

■ Commuter passes revenues

First quarter results : About 77%

Plans : Remain at about 75% of pre-COVID-19 levels

■ Non-commuter passes revenues

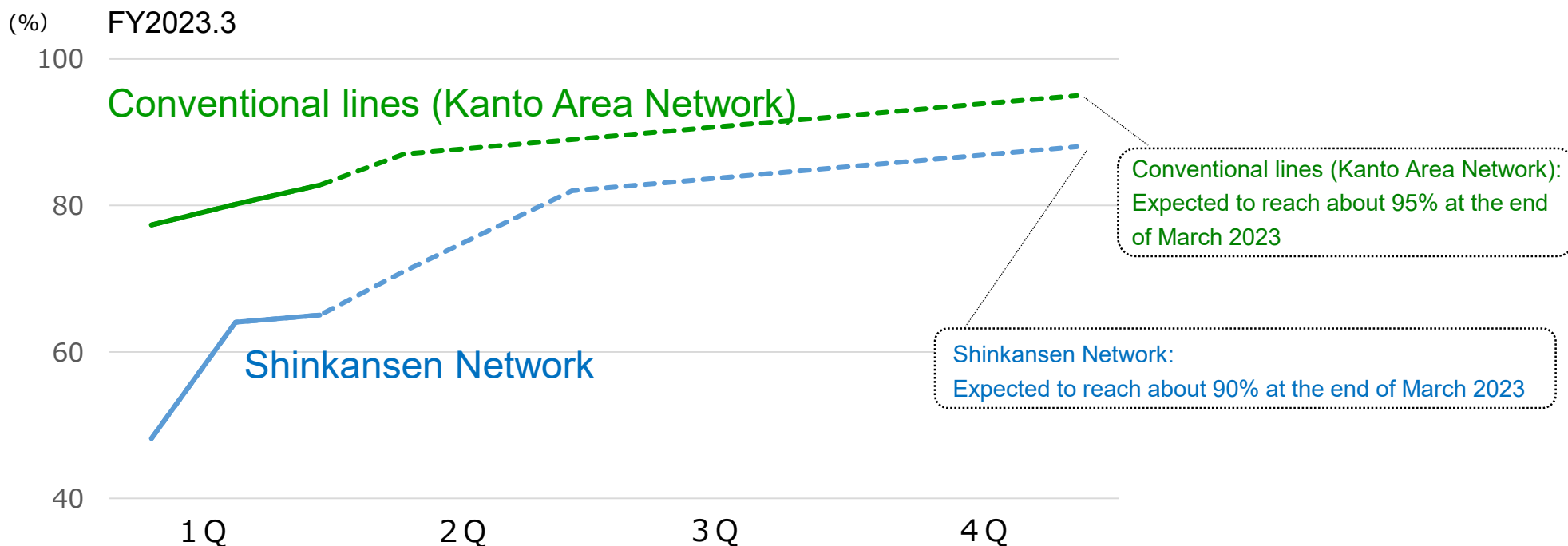
First quarter results : About 79% for conventional lines (Kanto Area Network)

About 59% for Shinkansen Network

Plans(excluding special factors)

Conventional lines (Kanto Area Network) : Expected to reach about 95% at the end of March 2023

Shinkansen Network : Expected to reach about 90% at the end of March 2023



Statements of Income (consolidated)

(¥ billion)	2021.6 Results	2022.6 Results	2022.6/2021.6		Main factors behind change
			Increase/ Decrease	%	
Operating revenues	433.3	557.6	+124.2	128.7	
Transportation	290.3	391.3	+101.0	134.8	An increase in passenger revenues, the change in the timing of recognition of Suica liabilities as revenue
Retail & Services	63.4	74.1	+10.6	116.8	An increase in the sales of EKINAKA stores
Real Estate & Hotels	65.2	77.5	+12.2	118.8	An increase in the sales of hotels and shopping centers
Others	14.3	14.5	+0.2	101.8	An increase in the sales of the credit card business
Operating income	-55.2	40.2	+95.5	—	
Transportation	-66.4	15.6	+82.0	—	
Retail & Services	-0.0	5.0	+5.0	—	
Real Estate & Hotels	10.2	16.4	+6.1	160.2	
Others	0.7	2.4	+1.6	317.4	
Adjustment	0.1	0.7	+0.5	478.0	
Non-operating income or expenses	-10.1	-14.3	-4.1	140.9	A decrease in equity in net income (losses) of affiliated companies
Non-operating income	8.3	5.4	-2.9	65.0	
Non-operating expenses	18.5	19.7	+1.2	106.7	
Ordinary income	-65.4	25.9	+91.3	—	
Extraordinary gains or losses	-0.2	0.2	+0.5	—	
Extraordinary gains	2.9	14.2	+11.3	484.3	An increase in construction grants received
Extraordinary losses	3.2	14.0	+10.7	433.3	An increase in losses on reduction entry for construction grants
Profit attributable to owners of parent	-76.9	18.9	+95.8	—	

* Operating revenues: operating revenues from outside customers

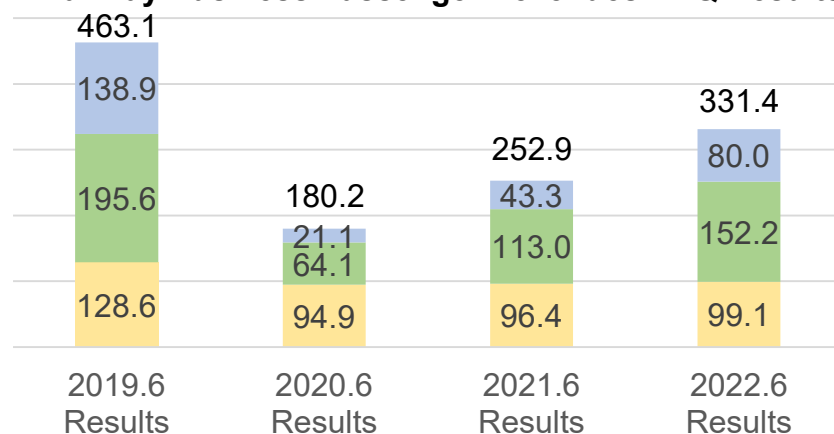
Transportation

(¥ billion)	2021.6 Results	2022.6 Results	2022.6/2021.6		2022.3 Results	2023.3 Plans	2023.3/2022.3	
			Increase/ Decrease	%			Increase/ Decrease	%
Operating revenues	290.3	391.3	+ 101.0	134.8	1,277.0	1,675.0	+ 397.9	131.2
Operating income	-66.4	15.6	+ 82.0	—	-285.3	10.0	+ 295.3	—

2022.6 Changes in operating revenues*		Railway business	Revenue increased year on year due to the recovery in railway transportation. Passenger revenues remain at about 70% of pre-COVID-19 levels.
JR East (Transportation)	+102.1		
JR East View Tourism and Sales	+1.2	Railcar manufacturing business	Revenue decreased year on year due to a decrease in sales of railcars to non-JR railway companies.
JR Bus Kanto	+0.6		
Japan Transport engineering Company	-5.1	Bus business	Revenue increased year on year due to the recovery in express bus transportation. Express bus revenues remain at about 50% of pre-COVID-19 levels.
		Monorail business	Revenue increased year on year due to the recovery in use. Fare revenues remain at about 50% of pre-COVID-19 levels.

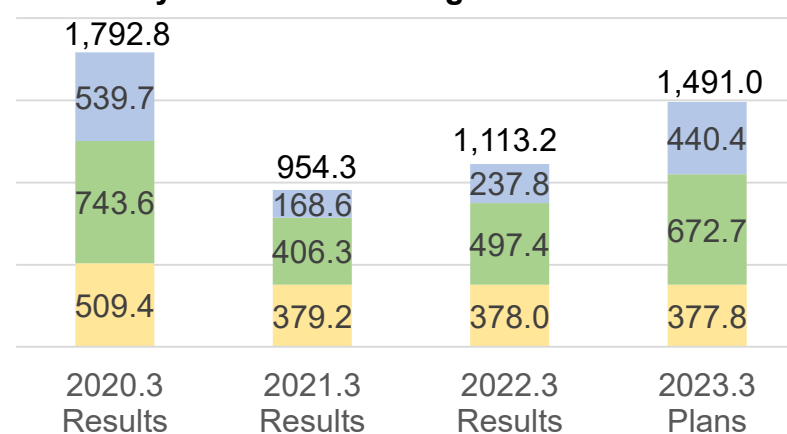
*operating revenues from outside customers

■ Railway Business Passenger Revenues – 1Q Results



■ Non-commuter passes (Shinkansen)
■ Non-commuter passes (Conventional Lines)
■ Commuter passes (Seasonal tickets)

■ Railway Business Passenger Revenues – Results & Plans



■ Non-commuter passes (Shinkansen)
■ Non-commuter passes (Conventional Lines)
■ Commuter passes (Seasonal tickets)

Retail & Services

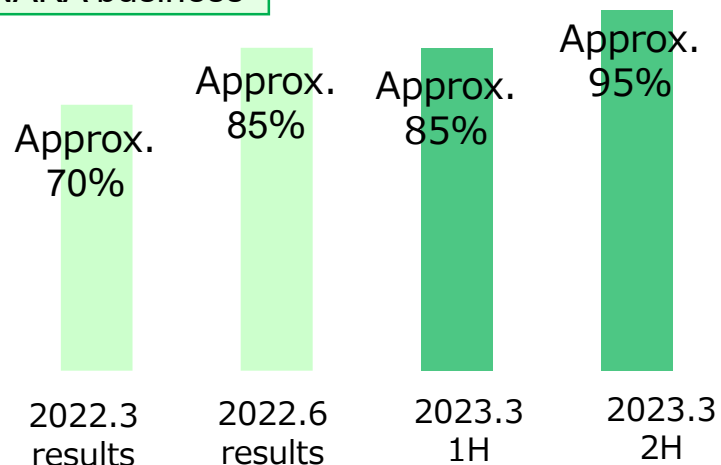
(¥ billion)	2021.6 Results	2022.6 Results	2022.6/2021.6		2022.3 Results	2023.3 Plans	2023.3/2022.3	
			Increase/ Decrease	%			Increase/ Decrease	%
Operating revenues	63.4	74.1	+ 10.6	116.8	278.1	353.0	+ 74.8	126.9
Operating income	-0.0	5.0	+ 5.0	—	14.1	50.0	+ 35.8	354.2

2022.6 Changes in operating revenues*		EKINAKA business	Revenue increased year on year due to an increase in the sales of EKINAKA stores on the back of the recovery in the use of railways.
JR East Cross Station	+9.7		
JR East Sports	+0.7	Advertisement business	Transit advertising revenue, which had been declining until the previous fiscal year, increased year on year this year.
JR EAST TOUHOKU SOUGOU SERVICE	+0.6		
East Japan Marketing & Communications	+0.3		

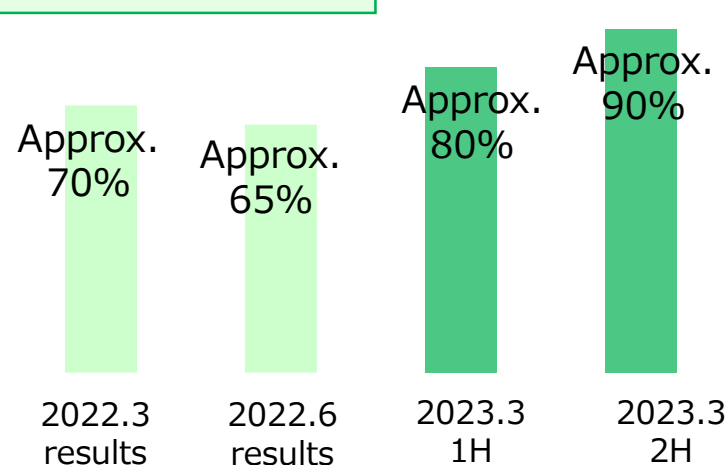
* operating revenues from outside customers

■ Assumptions for revenue outlook :Comparison with pre-COVID-19 levels

EKINAKA business



Advertisement business



Real Estate & Hotels

(¥ billion)	2021.6 Results	2022.6 Results	2022.6/2021.6	
			Increase/ Decrease	%
Operating revenues	65.2	77.5	+12.2	118.8
Operating income	10.2	16.4	+6.1	160.2

2022.3 Results	2023.3 Plans	2023. 3 /2022.3	
		Increase/ Decrease	%
352.6	353.0	+0.3	100.1
107.8	80.0	-27.8	74.2

2022.6 Changes in operating revenues*		Shopping center business	Revenue increased year on year as sales of stores inside stations increased.
Nippon Hotel	+3.7		
LUMINE	+3.7		
Sendai Terminal Building	+1.1		
JR East Building	-0.4	Office business	Revenue decreased year on year as a result of the replacement of some tenants.
		Hotel business	Revenue increased year on year due to an increase in the use of hotels. Reference: Hotel business results* (2022.6) Operating revenues: 11.7 billion yen Operating income: -1.5 billion yen

* operating revenues from outside customers

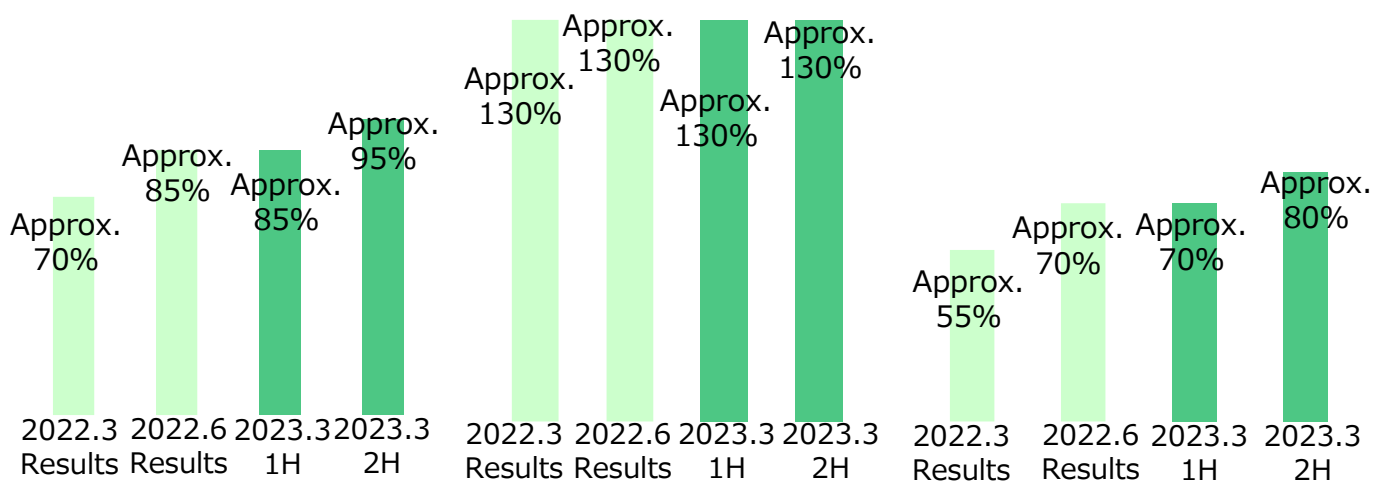
* Simple aggregation of the hotel businesses of each company

Assumptions for revenue outlook :Comparison with pre-COVID-19 levels

Shopping center business

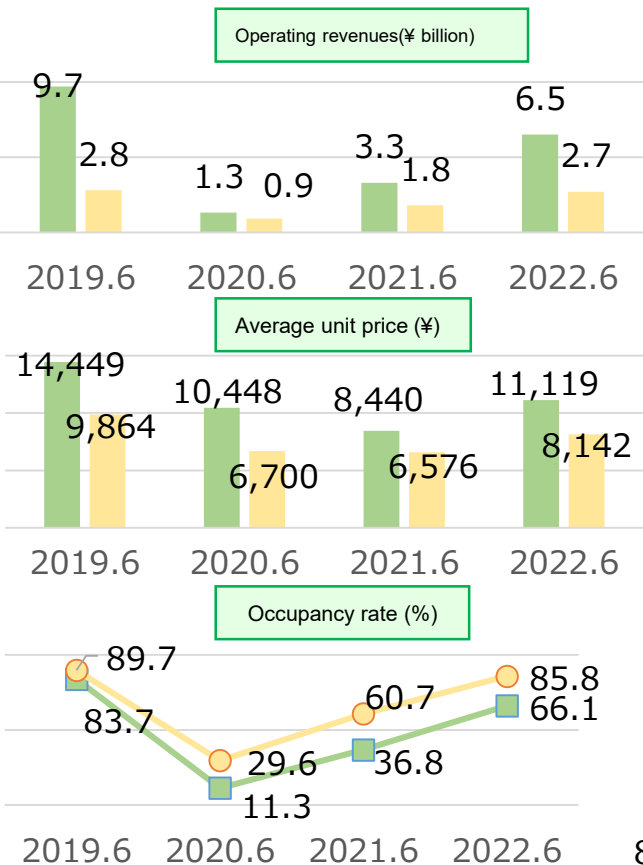
Office business

Hotel business



Results by hotel chain

Metropolitan Hotels
JR-EAST HOTEL METS



(¥ billion)	2021.6 Results	2022.6 Results	2022.6/2021.6	
			Increase/ Decrease	%
Operating revenues	14.3	14.5	+0.2	101.8
Operating income	0.7	2.4	+1.6	317.4

2022.3 Results	2023.3 Plans	2023.3/2022.3	
		Increase/ Decrease	%
71.0	72.0	+0.9	101.3
11.6	15.0	+3.3	128.8

2022.6 Changes in operating revenues*	
Viewcard	+1.4
JR East Mechatronics	+0.5
Japan International Consultants for Transportation	-1.0
*operating revenues from outside customers	

(Reference) IT & Suica business results (2022.6)

Operating revenues	¥ 10.5 billion
Operating income	¥ 1.7 billion

IT & Suica business	Credit:	Commission income from member shops increased year on year due to an increase in card transaction volume.
	E-money:	Commission income from member shops increased year on year due to an increase in the number of payments by e-money.
	IC cards:	Revenue increased year on year due to an increase in the sales of payment devices.
Others (Information System)	Revenue increased year on year due to an increase in revenue from contract systems development.	

■ Assumptions for revenue outlook :Comparison with pre-COVID-19 levels

Credit card business

Expected to remain at about the same level as pre-COVID-19 levels on a full-year basis

Use of Suica e-money (number of uses)

Expected to remain at about 130% of pre-COVID-19 levels on a full-year basis

Consolidated Balance Sheets

(¥ billion)	2022.3 Results	2022.6 Results	2022.6/2022.3		Main factors behind change
			Increase/ Decrease	%	
Assets	9,091.4	9,081.2	-10.1	99.9	
Current assets	907.0	946.5	+39.5	104.4	
Fixed assets	8,184.4	8,134.6	-49.7	99.4	
Liabilities	6,673.3	6,660.4	-12.8	99.8	
Current liabilities	1,688.5	1,585.6	-102.9	93.9	A decrease in payables
Long-term liabilities	4,984.7	5,074.8	+90.1	101.8	An increase in bonds
Total Net Assets	2,418.1	2,420.7	+2.6	100.1	
Total Liabilities and Net Assets	9,091.4	9,081.2	-10.1	99.9	

(Reference) Non-consolidated Balance Sheets

(¥ billion)	2022.3 Results	2022.6 Results	2022.6/2022.3		Main factors behind change
			Increase/ Decrease	%	
Assets	8,334.9	8,335.3	+0.3	100.0	
Current assets	669.8	719.1	+49.3	107.4	
Fixed assets	7,665.1	7,616.1	-49.0	99.4	
Liabilities	6,462.8	6,452.7	-10.0	99.8	
Current liabilities	1,637.5	1,539.6	-97.9	94.0	A decrease in payables
Long-term liabilities	4,825.2	4,913.1	+87.8	101.8	An increase in bonds
Total Net Assets	1,872.1	1,882.5	+10.3	100.6	
Total Liabilities and Net Assets	8,334.9	8,335.3	+0.3	100.0	

Interest-bearing Debt, Capital Expenditures, Principal Indicators (consolidated)

Consolidated Interest-bearing Debt

(¥ billion)	2022.3 Results	2022.6 Results	2022.6/2022.3		Average interest rate (Comparison with 2022.3)	
			Increase/ Decrease	%		
Interest-bearing Debt Balance	4,703.7	4,886.2	+182.5	103.9	1.28%	(-0.03%)
Bonds	2,542.6	2,675.4	+132.7	105.2	1.13%	(-0.01%)
Long-term loans	1,451.4	1,431.4	-20.0	98.6	0.82%	(-0.00%)
Long-term liabilities incurred for purchase of railway facilities	318.8	318.8	—	100.0	6.54%	(—)
Other interest-bearing debt	390.7	460.5	+69.7	117.9	-0.01%	(-0.01%)
Net interest-bearing Debt Balance	4,532.7	4,669.2	+136.5	103.0		

Consolidated Capital Expenditures

(¥ billion)	Segment	2021.6 Results	2022.6 Results	2022.6/2021.6		2023.3 Plans	2023.3/2022.3	
				Increase/ Decrease	%		Increase/ Decrease	%
Transportation Services	Transportation	51.2	39.4	-11.7	77.0	422.0	+69.3	119.7
Life-style Services, IT & Suica Services	Retail & Services Real Estate & Hotels Others	48.5	24.4	-24.1	50.3	212.0	+44.6	126.7
Total		99.7	63.8	-35.9	64.0	634.0	+113.9	121.9

Consolidated Principal Indicators

		2021.6 Results	2022.3 Results	2022.6 Results	Increase/Decrease (Comparison with 2021.6)
Ratio of operating income to average assets (ROA)	%	-0.6	-1.7	0.4	+1.1
Return on average equity (ROE)	%	-3.1	-3.9	0.8	+3.9
Net interest-bearing debt/EBITDA	times	113.9	19.0	34.5	-79.5

* EBITDA represents the sum of operating revenues and depreciation.

Statements of Income (consolidated) - FY2023.3 Plans

(¥ billion)	2022.3 Results	2023.3 Plans	2023.3/2022.3		Main factors behind change
			Increase/ Decrease	%	
Operating revenues	1,978.9	2,453.0	+474.0	124.0	
Transportation	1,277.0	1,675.0	+397.9	131.2	[+] Passenger revenues
Retail & Services	278.1	353.0	+74.8	126.9	[+] Advertisement business, [+] EKINAKA business
Real Estate & Hotels	352.6	353.0	+0.3	100.1	[+] Shopping center business, [+] Hotel business
Others	71.0	72.0	+0.9	101.3	[+] Suica e-money revenues
Operating income	-153.9	153.0	+306.9	—	
Transportation	-285.3	10.0	+295.3	—	
Retail & Services	14.1	50.0	+35.8	354.2	
Real Estate & Hotels	107.8	80.0	-27.8	74.2	[-] Real estate sales business
Others	11.6	15.0	+3.3	128.8	
Non-operating income or expenses	-25.5	-55.0	-29.4	215.2	
Non-operating income	44.2				
Non-operating expenses	69.8				
Ordinary income	-179.5	98.0	+277.5	—	
Extraordinary gains or losses	-1.0	-10.0	-8.9	999.3	
Extraordinary gains	64.1				
Extraordinary losses	65.1				
Profit attributable to owners of parent	-94.9	60.0	+154.9	—	

* Operating revenues: operating revenues from outside customers

Appendix

Statements of Income (non-consolidated) - Results

(¥ billion)	2021.6 Results	2022.6 Results	2022.6/2021.6		Main factors behind change
			Increase/ Decrease	%	
Operating revenues	308.9	413.2	+ 104.3	133.8	
Passenger revenues	252.9	331.4	+ 78.4	131.0	
Others	55.9	81.8	+ 25.8	146.3	An increase due to the change in the timing of recognition of Suica-related liabilities as revenue
Operating expenses	354.9	378.6	+ 23.7	106.7	
Personnel expenses	87.9	99.9	+ 12.0	113.7	An increase pertaining to bonuses
Non-personnel expenses	137.4	147.9	+ 10.4	107.6	
Energy	11.2	15.3	+4.1	136.7	An increase due to an increase in unit fuel price
Maintenance	44.5	44.0	-0.4	99.0	
Other	81.7	88.4	+ 6.7	108.2	An increase in outsourcing expenses
Usage fees to JR TT, etc.	21.1	21.0	-0.1	99.5	
Taxes	28.7	30.7	+ 1.9	106.8	
Depreciation	79.5	78.9	-0.5	99.3	
Operating income	-45.9	34.6	+ 80.5	—	
Non-operating income or expenses	8.0	-3.0	-11.0	—	A decrease in dividend income
Ordinary income	-37.9	31.5	+ 69.5	—	
Extraordinary gains or losses	-0.5	0.5	+ 1.1	—	
Profit	-50.7	28.1	+ 78.8	—	

Traffic Volume and Passenger revenues - Results

		Traffic Volume (million passenger kilometers)				Passenger Revenues (¥ billion)			
		2021.6 Results	2022.6 Results	2022.6/2021.6		2021.6 Results	2022.6 Results	2022.6/2021.6	
				Increase/ Decrease	%			Increase/ Decrease	%
Shinkansen		1,986	3,291	+ 1,304	165.7	48.6	85.2	+ 36.6	175.5
	Commuter Passes	377	389	+ 11	103.0	5.2	5.2	+ 0.0	101.2
	Non-commuter Passes	1,608	2,902	+ 1,293	180.4	43.3	80.0	+ 36.6	184.4
Conventional Lines		19,962	22,517	+ 2,555	112.8	204.3	246.1	+ 41.7	120.4
	Commuter Passes	14,109	14,614	+ 505	103.6	91.2	93.8	+ 2.6	102.9
	Non-commuter Passes	5,852	7,902	+ 2,050	135.0	113.0	152.2	+ 39.1	134.6
Kanto Area Network		19,000	21,394	+ 2,394	112.6	194.8	233.5	+ 38.6	119.8
	Commuter Passes	13,420	13,914	+ 493	103.7	87.1	89.7	+ 2.5	102.9
	Non-commuter Passes	5,579	7,480	+ 1,900	134.1	107.7	143.8	+ 36.1	133.5
Other Network		962	1,123	+ 161	116.8	9.4	12.5	+ 3.0	132.5
	Commuter Passes	689	700	+ 11	101.7	4.1	4.1	+ 0.0	101.3
	Non-commuter Passes	273	422	+ 149	154.9	5.3	8.3	+ 3.0	156.4
Total		21,948	25,809	+ 3,860	117.6	252.9	331.4	+ 78.4	131.0
	Commuter Passes	14,487	15,003	+ 516	103.6	96.4	99.1	+ 2.6	102.8
	Non-commuter Passes	7,461	10,805	+ 3,343	144.8	156.4	232.2	+ 75.7	148.4

* The Kanto Area Network refers to the sections covered by JR East's Tokyo Branch Office, Yokohama Branch Office, Hachioji Branch Office, Omiya Branch Office, Takasaki Branch Office, Mito Branch Office, and Chiba Branch Office.

Statements of Income (non-consolidated) - FY2023.3 Plans

(¥ billion)	2022.3 Results	2023.3 Plans	2023.3/2022.3		Main factors behind change
			Increase/ Decrease	%	
Operating revenues	1,424.1	1,794.0	+ 369.8	126.0	
Passenger revenues	1,113.2	1,491.0	+377.7	133.9	
Others	310.9	303.0	-7.9	97.5	[-] Real estate sales revenue
Operating expenses	1,573.7	1,694.0	+ 120.2	107.6	
Personnel expenses	369.3	386.0	+ 16.6	104.5	[+] Reversal of bonuses
Non-personnel expenses	691.3	781.0	+ 89.6	113.0	
Energy	61.4	74.0	+12.5	120.5	[+] Increase in unit fuel price
Maintenance	245.4	267.0	+21.5	108.8	[+] General maintenance expenses, [+] Railcar maintenance expenses
Other	384.4	440.0	+55.5	114.5	[+] Information processing expenses, [+] Revenue-linked expenses
Usage fees to JR TT, etc.	84.7	85.0	+ 0.2	100.3	
Taxes	98.8	107.0	+ 8.1	108.2	
Depreciation	329.4	335.0	+ 5.5	101.7	[+] Increase due to asset acquisition
Operating income	-149.5	100.0	+ 249.5	—	
Non-operating income or expenses	-28.1	-49.0	-20.8	174.2	
Ordinary income	-177.7	51.0	+ 228.7	—	
Extraordinary gains or losses	-16.0	2.0	+18.0	—	
Profit	-99.1	41.0	+140.1	—	

Traffic Volume and Passenger revenues - FY2023.3 Plans

		Traffic Volume (million passenger kilometers)				Passenger Revenues (¥ billion)			
		2022.3 Results	2023.3 Plans	2023.3/2022.3		2022.3 Results	2023.3 Plans	2023.3/2022.3	
				Increase/ Decrease	%			Increase/ Decrease	%
Shinkansen		10,384	18,262	+7,878	175.9	258.0	460.7	+202.6	178.5
	Commuter Passes	1,473	1,507	+34	102.3	20.2	20.2	-0.0	100.0
	Non-commuter Passes	8,910	16,754	+7,843	188.0	237.8	440.4	+202.6	185.2
Conventional Lines		80,866	90,726	+9,859	112.2	855.1	1,030.2	+175.1	120.5
	Commuter Passes	54,705	55,567	+861	101.6	357.7	357.5	-0.1	100.0
	Non-commuter Passes	26,160	35,158	+8,998	134.4	497.4	672.7	+175.3	135.2
Kanto Area Network		76,783	85,893	+9,110	111.9	812.0	972.9	+160.8	119.8
	Commuter Passes	52,049	52,871	+821	101.6	341.7	341.5	-0.1	100.0
	Non-commuter Passes	24,733	33,022	+8,289	133.5	470.3	631.3	+160.9	134.2
Other Network		4,083	4,832	+749	118.3	43.0	57.3	+14.3	133.3
	Commuter Passes	2,655	2,696	+40	101.5	16.0	16.0	-0.0	100.0
	Non-commuter Passes	1,427	2,136	+709	149.7	27.0	41.3	+14.3	153.1
Total		91,250	108,988	+17,738	119.4	1,113.2	1,491.0	+377.8	133.9
	Commuter Passes	56,179	57,074	+895	101.6	378.0	377.8	-0.1	100.0
	Non-commuter Passes	35,071	51,913	+16,842	148.0	735.2	1,113.1	+377.9	151.4

* The Kanto Area Network refers to the sections covered by JR East's Tokyo Branch Office, Yokohama Branch Office, Hachioji Branch Office, Omiya Branch Office, Takasaki Branch Office, Mito Branch Office, and Chiba Branch Office.

Numerical targets of FY2026.3

(¥ billion)	2022.3 Results	2023.3 Plans	2026.3 Targets	2026.3/2022.3	
				Increase/ Decrease	%
Operating Revenues	1,978.9	2,453.0	3,090.0	+1,111.0	156.1
Transportation	1,277.0	1,675.0	1,970.0	+692.9	154.3
Retail & Services	278.1	353.0	550.0	+271.8	197.7
Real Estate & Hotels	352.6	353.0	480.0	+127.3	136.1
Others	71.0	72.0	90.0	+18.9	126.6
Operating Income	-153.9	153.0	450.0	+603.9	—
Transportation	-285.3	10.0	252.0	+537.3	—
Retail & Services	14.1	50.0	57.0	+42.8	403.8
Real Estate & Hotels	107.8	80.0	113.0	+5.1	104.8
Others	11.6	15.0	30.0	+18.3	257.7
Adjustment	-2.1	-2.0	-2.0	+0.1	92.7

* Operating revenues: operating revenues from outside customers

	2022.3 Results	2026.3 Targets
Consolidated operating cash flow(¥ billion)	190.5	3,693.0*
Consolidated ROA (%)	-1.7	Around 4.5
Net interest-bearing debt / EBITDA (times)	19.0	5 or less

*Total amount covering five years from the fiscal year ending March 31, 2022 to the fiscal year ending March 31, 2026