

# Consolidated Financial Results for the Six-Month Period Ended September 30, 2022 (Japanese GAAP) (Unaudited)

Fiscal 2023 (Year ending March 31, 2023)

"Second Quarter" means the six months from April 1 to September 30.

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.

October 31, 2022

## East Japan Railway Company

Stock Exchange Listing

Tokyo

Securities Code

9020

URL

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

Representative

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Contact Person

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Scheduled Date for Release of a Quarterly Report

November 9, 2022

Scheduled Date of Dividend Payment Commencement

December 1, 2022

Preparation of Supplementary Explanations of Quarterly Financial Results: **Yes**

Quarterly Financial Results Presentation to Be Held: **Yes**

### 1. Consolidated Results for the Six-Month Period Ended September 30, 2022 (April 1, 2022—September 30, 2022)

(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 2023, 2nd Quarter</b>	<b>1,115,073</b>	<b>27.0</b>	<b>66,710</b>	—	<b>39,594</b>	—	<b>27,106</b>	—
Fiscal 2022, 2nd Quarter	877,840	11.5	(115,891)	—	(136,275)	—	(145,209)	—

Note: Comprehensive income – Fiscal 2023, 2nd Quarter: 29,016 million yen (—%), Fiscal 2022, 2nd Quarter: (140,113) million yen (—%)

	Earnings per share —Basic	Earnings per share —Diluted
	Yen	Yen
<b>Fiscal 2023, 2nd Quarter</b>	<b>71.86</b>	—
Fiscal 2022, 2nd Quarter	(384.93)	—

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
<b>Fiscal 2023, 2nd Quarter</b>	<b>9,099,062</b>	<b>2,429,108</b>	<b>26.4</b>
Fiscal 2022	9,091,424	2,418,110	26.3

Reference: Shareholders' equity – Fiscal 2023, 2nd Quarter: 2,405,617 million yen, Fiscal 2022: 2,394,928 million yen

### 2. Dividends (Year Ended March 31, 2022 and Year Ending March 31, 2023)

	Annual dividends				
	1st quarter end	2nd quarter end	3rd quarter end	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2022	—	50.00	—	50.00	100.00
<b>Fiscal 2023</b>	—	<b>50.00</b>			
(Forecast) Fiscal 2023			—	50.00	100.00

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

### 3. Forecasts for Fiscal 2023 (Year Ending March 31, 2023)

(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 2023	<b>2,453,000</b>	<b>24.0</b>	<b>153,000</b>	—	<b>98,000</b>	—	<b>60,000</b>	<b>159.05</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 : No
- ii Changes in accounting policies other than the above : No
- iii Changes in accounting estimates : Yes
- 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 7 in the Attachments.

(4) Number of issued shares (common stock)

i Issued shares at period-end (including treasury stock)	2nd Quarter, Fiscal 2023	377,932,400 shares	Fiscal 2022	377,932,400 shares
ii Treasury stock at period-end	2nd Quarter, Fiscal 2023	694,612 shares	Fiscal 2022	693,666 shares
iii Average number of shares during period	2nd Quarter, Fiscal 2023	377,238,228 shares	2nd Quarter, Fiscal 2022	377,239,934 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 well as certain assumptions that JR East deemed 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 for business results, please refer to slide No. 14 (Statements of Income (consolidated) - FY2023.3 Plans) of the supplementary presentation material for the quarterly financial results (FY2023.3 Second Quarter Financial Results Explanatory materials). Forecasts for non-consolidated performance are provided on slide No. 19 (Statements of Income (non-consolidated) - FY2023.3 Plans) of the same presentation material.

JR East is scheduled to hold an analysts' conference on November 1, 2022, to present its operating results for the 2nd quarter of fiscal 2023. JR East plans to upload the presentation materials distributed at such conference to its website upon its conclusion.

## (Reference)

### Forecasts of the Non-consolidated Results for Fiscal 2023 (Year Ending March 31, 2023)

(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 2023	<b>1,794,000</b>	<b>26.0</b>	<b>100,000</b>	—	<b>51,000</b>	—	<b>41,000</b>	—	<b>108.58</b>

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

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# 1. Quarterly Consolidated Financial Statements and Main Notes

## (1) Consolidated Balance Sheets (Unaudited)

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES

Millions of Yen		
	Fiscal 2022 (As of March 31, 2022)	Fiscal 2023, 2nd Quarter (As of September 30, 2022)
<b>ASSETS</b>		
<b>Current Assets</b> .....	¥ 907,001	¥ 962,188
Cash and time deposits .....	171,194	201,751
Notes, accounts receivable-trade and contract assets .....	503,581	506,897
Fares receivable.....	53,246	52,521
Securities .....	100	—
Real estate for sale .....	18,006	17,252
Inventories .....	94,213	119,067
Other .....	69,459	67,879
Allowance for doubtful accounts.....	(2,802)	(3,181)
<b>Fixed Assets</b> .....	8,184,423	8,136,873
Property, plant and equipment, net of accumulated depreciation .....	7,177,855	7,123,288
Buildings and structures (net) .....	3,861,442	3,818,930
Machinery, rolling stock and vehicles (net) .....	747,230	710,547
Land .....	2,164,997	2,175,209
Construction in progress .....	334,610	357,559
Other (net) .....	69,575	61,041
Intangible assets .....	169,970	177,864
Investments and other assets .....	836,597	835,719
Investments in securities .....	301,490	307,481
Long-term loans receivable .....	1,987	2,593
Deferred tax assets .....	442,562	437,897
Net defined benefit assets .....	803	1,061
Other .....	90,968	87,878
Allowance for doubtful accounts .....	(1,214)	(1,194)
<b>Total Assets</b> .....	¥9,091,424	¥9,099,062

Note: Amounts less than one million yen are omitted.

	Millions of Yen	
	Fiscal 2022, (As of March 31, 2022)	Fiscal 2023, 2nd Quarter (As of September 30, 2022)
<b>LIABILITIES</b>		
<b>Current Liabilities</b> .....	¥1,688,558	¥1,432,363
Notes and accounts payable-trade .....	47,876	33,319
Short-term loans and current portion of long-term loans .....	202,249	153,000
Current portion of bonds .....	111,000	99,999
Current portion of long-term liabilities		
incurred for purchase of railway facilities .....	3,806	3,926
Payables .....	422,653	262,224
Accrued consumption taxes .....	34,654	33,725
Accrued income taxes .....	10,938	10,169
Fare deposits received with regard to railway connecting services .....	27,847	34,963
Prepaid railway fares received .....	69,598	83,786
Allowance for bonuses to employees .....	52,715	53,098
Allowance for disaster-damage losses .....	22,465	17,702
Allowance for partial transfer costs of railway operation .....	128	—
Other .....	682,624	646,447
<b>Long-Term Liabilities</b> .....	4,984,754	5,237,589
Bonds .....	2,431,665	2,701,651
Long-term loans .....	1,309,950	1,281,450
Long-term liabilities incurred for purchase of railway facilities .....	315,067	313,055
Deferred tax liabilities .....	2,309	2,473
Provision for large-scale renovation		
of Shinkansen infrastructure .....	144,000	156,000
Allowance for disaster-damage losses .....	2,591	6,023
Net defined benefit liabilities .....	465,346	459,264
Other .....	313,823	317,671
<b>Total Liabilities</b> .....	¥6,673,313	¥6,669,953
<b>NET ASSETS</b>		
<b>Shareholders' Equity</b> .....	¥2,338,255	¥2,347,383
Common stock .....	200,000	200,000
Capital surplus .....	96,411	96,445
Retained earnings .....	2,047,407	2,056,508
Treasury stock, at cost .....	(5,563)	(5,570)
<b>Accumulated Other Comprehensive Income</b> .....	56,672	58,233
Net unrealized holding gains (losses) on securities .....	47,830	49,120
Net deferred gains (losses) on derivatives under		
hedge accounting .....	2,464	3,532
Revaluation reserve for land .....	(256)	(256)
Foreign currency translation adjustments .....	257	282
Remeasurements of defined benefit plans .....	6,377	5,554
<b>Non-Controlling Interests</b> .....	23,182	23,491
<b>Total Net Assets</b> .....	2,418,110	2,429,108
<b>Total Liabilities and Net Assets</b> .....	¥9,091,424	¥9,099,062

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 2022, 2nd Quarter (Six months ended September 30, 2021)	Fiscal 2023, 2nd Quarter (Six months ended September 30, 2022)
<b>Operating Revenues</b> .....	¥ 877,840	¥1,115,073
<b>Operating Expenses</b> .....	993,732	1,048,362
Transportation, other services and cost of sales .....	743,185	774,793
Selling, general and administrative expenses .....	250,546	273,569
<b>Operating Income (Loss)</b> .....	(115,891)	66,710
<b>Non-Operating Income</b> .....	16,188	8,947
Interest income .....	106	52
Dividend income .....	3,392	2,728
Equity in net income of affiliated companies .....	5,268	1,122
Other .....	7,419	5,043
<b>Non-Operating Expenses</b> .....	36,572	36,063
Interest expense .....	31,091	31,667
Other .....	5,480	4,395
<b>Ordinary Income (Loss)</b> .....	(136,275)	39,594
<b>Extraordinary Gains</b> .....	5,633	21,044
Construction grants received .....	2,637	14,734
Other .....	2,996	6,310
<b>Extraordinary Losses</b> .....	6,452	22,333
Losses on reduction entry for construction grants .....	2,506	13,966
Other .....	3,946	8,367
<b>Income (Loss) before Income Taxes</b> .....	(137,095)	38,305
<b>Income Taxes</b> .....	7,835	10,854
Current .....	6,035	5,970
Deferred .....	1,800	4,884
<b>Profit (Loss)</b> .....	(144,930)	27,450
<b>Profit Attributable to Non-Controlling Interests</b> .....	278	344
<b>Profit (Loss) Attributable to Owners of Parent</b> .....	¥(145,209)	¥ 27,106

Note: Amounts less than one million yen are omitted.

**(ii) Consolidated Statements of Comprehensive Income**

	Millions of Yen	
	Fiscal 2022, 2nd Quarter (Six months ended September 30, 2021)	Fiscal 2023, 2nd Quarter (Six months ended September 30, 2022)
<b>Profit (Loss)</b> .....	<b>¥(144,930)</b>	<b>¥27,450</b>
<b>Other Comprehensive Income</b> .....	<b>4,817</b>	<b>1,565</b>
Net unrealized holding gains (losses) on securities .....	5,575	1,059
Net deferred gains (losses) on derivatives under hedge accounting .....	193	516
Foreign currency translation adjustments .....	123	25
Remeasurements of defined benefit plans .....	(1,270)	(897)
Share of other comprehensive income of associates accounted for using equity method .....	195	862
<b>Comprehensive Income</b> .....	<b>¥(140,113)</b>	<b>¥29,016</b>
<b>Comprehensive Income attributable to</b>		
Comprehensive income attributable to owners of parent .....	¥(140,392)	¥28,667
Comprehensive income attributable to non-controlling Interests .....	¥ 279	¥ 349

Note: Amounts less than one million yen are omitted.



**(3) Consolidated Statements of Cash Flows (Unaudited)**  
EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES

	Millions of Yen	
	Fiscal 2022, 2nd Quarter (Six months ended September 30, 2021)	Fiscal 2022, 2nd Quarter (Six months ended September 30, 2022)
<b>Cash Flows from Operating Activities</b>		
Income (Loss) before Income Taxes .....	¥(137,095)	¥ 38,305
Depreciation .....	191,834	191,864
Amortization of long-term prepaid expense .....	5,380	5,100
Net change in provision for large-scale renovation of Shinkansen infrastructure .....	12,000	12,000
Net change in net defined benefit liabilities .....	(8,300)	(7,519)
Interest and dividend income .....	(3,499)	(2,780)
Interest expense .....	31,091	31,667
Construction grants received .....	(2,637)	(14,734)
Losses from disposition of fixed assets .....	7,731	8,433
Losses from provision for cost reduction of fixed assets .....	2,506	13,966
Net change in major receivables .....	43,424	(3,678)
Net change in major payables .....	(147,684)	(73,288)
Other .....	5,202	(33,779)
Sub-total .....	(46)	165,557
Proceeds from interest and dividends .....	5,352	4,182
Payments of interest .....	(30,283)	(31,393)
Payments of disaster-damage losses .....	(6,639)	(7,015)
Payments of partial transfer costs of railway operation .....	(253)	(53)
Payments of income taxes .....	(18,007)	(2,878)
<b>Net cash provided by (used in) operating activities .....</b>	<b>(49,877)</b>	<b>128,399</b>
<b>Cash Flows from Investing Activities</b>		
Payments for purchases of fixed assets .....	(314,105)	(244,346)
Proceeds from sales of fixed assets .....	2,430	834
Proceeds from construction grants .....	28,395	26,503
Payments for purchases of investments in securities .....	(3,637)	(5,410)
Proceeds from sales of investments in securities .....	289	349
Other .....	(6,316)	(2,856)
<b>Net cash used in investing activities .....</b>	<b>(292,945)</b>	<b>(224,926)</b>
<b>Cash Flows from Financing Activities</b>		
Net change in short-term loans .....	(210,000)	(60,749)
Net change in commercial papers .....	(15,000)	(30,000)
Proceeds from long-term loans .....	200,150	38,000
Payments of long-term loans .....	(74,842)	(55,000)
Proceeds from issuance of bonds .....	502,301	344,958
Payments for redemption of bonds .....	(50,000)	(86,000)
Payments of liabilities incurred for purchase of railway facilities .....	(2,395)	(1,890)
Cash dividends paid .....	(18,880)	(18,879)
Other .....	(4,789)	(4,504)
<b>Net cash provided by financing activities .....</b>	<b>326,543</b>	<b>125,933</b>
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents .....</b>	<b>60</b>	<b>278</b>
<b>Net Change in Cash and Cash Equivalents .....</b>	<b>(16,219)</b>	<b>29,685</b>
<b>Cash and Cash Equivalents at Beginning of the Period .....</b>	<b>197,960</b>	<b>171,023</b>
<b>Increase in Cash and Cash Equivalents due to Merger .....</b>	<b>208</b>	<b>776</b>
<b>Cash and Cash Equivalents at End of the Period .....</b>	<b>¥ 181,949</b>	<b>¥ 201,485</b>

Note: Amounts less than one million yen are omitted.

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

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

None

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

(Changes in Accounting Estimates)

JR East records remaining charged balance and deposits of *Suica* as current liabilities and recognizes unused balance as revenues after a certain period of time. Reasonable time has passed after the commencement of *Suica* service and sufficient amount of data has been accumulated, which enabled us to reasonably estimate the timing of revenue recognition of unused balance. Therefore, the method of accounting estimate was changed to be based on such data.

As a result, in comparison to figures calculated by previous method, operating revenues for the 2nd quarter of fiscal 2023 increased by ¥22,243 million, together with increases by the same amount in operating income, ordinary income, and income before income taxes.

##### (Segment Information (Unaudited))

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

Fiscal 2022, 2nd Quarter (Six months ended September 30, 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 .....	¥ 586,922	¥128,917	¥133,666	¥28,333	¥ 877,840	¥ —	¥ 877,840
Inside group .....	26,698	14,641	10,984	61,798	114,123	(114,123)	—
Total .....	613,621	143,559	144,650	90,132	991,964	(114,123)	877,840
Segment income (loss) ...	¥(143,955)	¥ 1,786	¥ 22,766	¥ 3,083	¥(116,319)	¥ 427	¥(115,891)

- 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 adjustment to segment income (loss) in the amount of ¥427 million includes an elimination of unrealized holding gains (losses) on fixed assets and inventory assets in the amount of ¥493 million and an elimination for intersegment transactions in the amount of ¥(63) million.
3. Segment income (loss) is adjusted to ensure consistency with the operating loss set forth in the quarterly consolidated statements of income.

Fiscal 2023, 2nd Quarter (Six months ended September 30, 2022)	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 .....	¥ 774,124	¥ 152,138	¥ 156,628	¥ 32,181	¥ 1,115,073	¥ —	¥ 1,115,073
Inside group .....	28,938	15,794	13,385	63,208	121,327	(121,327)	—
Total .....	803,062	167,932	170,014	95,390	1,236,400	(121,327)	1,115,073
Segment income .....	¥ 17,327	¥ 11,712	¥ 31,921	¥ 4,386	¥ 65,348	¥ 1,362	¥ 66,710

- 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 adjustment to segment income in the amount of ¥1,362 million includes an elimination of unrealized holding gains (losses) on fixed assets and inventory assets in the amount of ¥1,441 million and an elimination for intersegment transactions in the amount of ¥(96) million.
3. Segment income is adjusted to ensure consistency with the operating income set forth in the quarterly consolidated statements of income.

(Matters concerning changes to reporting segment, etc.)

(Changes in Accounting Estimates)

JR East records remaining charged balance and deposits of *Suica* as current liabilities and recognizes unused balance as revenues after a certain period of time. Reasonable time has passed after the commencement of *Suica* service and

sufficient amount of data has been accumulated, which enabled us to reasonably estimate the timing of revenue recognition of unused balance. Therefore, the method of accounting estimate was changed to be based on such data.

As a result, in comparison to figures calculated by previous method, operating revenues in the Transportation segment for the 2nd quarter of fiscal 2023 increased by ¥22,243 million, together with an increase by the same amount in segment income.

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

None

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

### **Issuance of Bonds**

JR East issued the following straight bonds.

#### **1. Unsecured straight bonds, 184th issue, East Japan Railway Company**

- (1) Issue date: October 14, 2022
- (2) Amount: ¥15,000 million
- (3) Issue price: ¥100 per ¥100
- (4) Coupon rate: 0.210% per annum
- (5) Maturity date: October 14, 2025
- (6) Use of proceeds: the repayment of interest-bearing debt, etc.

#### **2. Unsecured straight bonds, 185th issue, East Japan Railway Company**

- (1) Issue date: October 14, 2022
- (2) Amount: ¥10,000 million
- (3) Issue price: ¥100 per ¥100
- (4) Coupon rate: 0.549% per annum
- (5) Maturity date: October 14, 2032
- (6) Use of proceeds: the repayment of interest-bearing debt, etc.

#### **3. Unsecured straight bonds, 186th issue, East Japan Railway Company**

- (1) Issue date: October 14, 2022
- (2) Amount: ¥10,000 million
- (3) Issue price: ¥100 per ¥100
- (4) Coupon rate: 1.587% per annum
- (5) Maturity date: October 11, 2052
- (6) Use of proceeds: the repayment of interest-bearing debt, etc.

#### **4. Unsecured straight bonds, 187th issue, East Japan Railway Company**

- (1) Issue date: October 14, 2022
- (2) Amount: ¥10,000 million
- (3) Issue price: ¥100 per ¥100
- (4) Coupon rate: 1.985% per annum
- (5) Maturity date: October 14, 2072
- (6) Use of proceeds: the repayment of interest-bearing debt, etc.

## **(Additional Information (Unaudited))**

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

For accounting estimates of recoverability of deferred tax assets and impairment losses on fixed assets as of September 30, 2022, we made assumptions that operating revenues from railway transportation business will recover to about 90% in fiscal 2023 compared to the level before the spread of COVID-19, although structural changes to society, such as widespread adoption of teleworking, will continue.