

Consolidated Financial Results for the Nine-Month Period Ended December 31, 2022 (Japanese GAAP) (Unaudited)

Fiscal 2023 (Year ending March 31, 2023)

"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, 2023

East Japan Railway Company

Stock Exchange Listing	Tokyo
Securities Code	9020
URL	https://www.jreast.co.jp/e
Representative	Yuji Fukasawa, President and CEO
Contact Person	Dan Tsuchizawa, General Manager, Corporate Communications Department

Scheduled Date for Release of a Quarterly Report	February 7, 2023
Scheduled Date of Dividend Payment Commencement	Not applicable
Preparation of Supplementary Explanations of Quarterly Financial Results:	Yes
Quarterly Financial Results Presentation to Be Held:	No

1. Consolidated Results for the Nine-Month Period Ended December 31, 2022 (April 1, 2022—December 31, 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	%
Fiscal 2023, 3rd Quarter	1,727,084	16.5	112,006	—	87,477	—	72,595	—
Fiscal 2022, 3rd Quarter	1,482,794	13.5	(42,535)	—	(66,040)	—	(83,751)	—

Note: Comprehensive income – Fiscal 2023, 3rd Quarter: 70,086 million yen (—%), Fiscal 2022, 3rd Quarter: (89,615) million yen (—%)

	Earnings per share —Basic	Earnings per share —Diluted
	Yen	Yen
Fiscal 2023, 3rd Quarter	192.66	—
Fiscal 2022, 3rd Quarter	(222.01)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Fiscal 2023, 3rd Quarter	9,264,302	2,472,501	26.4
Fiscal 2022	9,091,424	2,418,110	26.3

Reference: Shareholders' equity – Fiscal 2023, 3rd Quarter: 2,448,642 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
Fiscal 2023	—	50.00	—		
(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	2,453,000	24.0	153,000	—	98,000	—	60,000	—	159.23

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 6 in the Attachments.

(4) Number of issued shares (common stock)

i Issued shares at period-end (including treasury stock)	3rd Quarter, Fiscal 2023	377,932,400 shares	Fiscal 2022	377,932,400 shares
ii Treasury stock at period-end	3rd Quarter, Fiscal 2023	1,128,199 shares	Fiscal 2022	693,666 shares
iii Average number of shares during period	3rd Quarter, Fiscal 2023	376,804,875 shares	3rd Quarter, Fiscal 2022	377,239,699 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. 13 (Statements of Income (consolidated) - FY2023.3 Plans) of the supplementary presentation material for the quarterly financial results (FY2023.3 Third Quarter Financial Results Explanatory materials). Forecasts for non-consolidated performance are provided on slide No. 18 (Statements of Income (non-consolidated) - FY2023.3 Plans) of the same presentation material.

(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	1,794,000	26.0	100,000	—	51,000	—	41,000	—	108.58

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, 3rd Quarter (As of December 31, 2022)
ASSETS		
Current Assets	¥ 907,001	¥1,098,651
Cash and time deposits	171,194	241,847
Notes, accounts receivable-trade and contract assets	503,581	580,194
Fares receivable.....	53,246	60,254
Securities	100	—
Real estate for sale	18,006	17,016
Inventories	94,213	134,086
Other	69,459	68,788
Allowance for doubtful accounts.....	(2,802)	(3,537)
Fixed Assets	8,184,423	8,165,650
Property, plant and equipment, net of accumulated depreciation	7,177,855	7,113,211
Buildings and structures (net)	3,861,442	3,812,184
Machinery, rolling stock and vehicles (net)	747,230	702,805
Land	2,164,997	2,182,742
Construction in progress	334,610	358,616
Other (net)	69,575	56,862
Intangible assets	169,970	179,312
Investments and other assets	836,597	873,127
Investments in securities	301,490	352,977
Long-term loans receivable	1,987	2,606
Deferred tax assets	442,562	428,708
Net defined benefit assets	803	1,138
Other	90,968	88,935
Allowance for doubtful accounts	(1,214)	(1,239)
Total Assets	¥9,091,424	¥9,264,302

Note: Amounts less than one million yen are omitted.

	Millions of Yen	
	Fiscal 2022, (As of March 31, 2022)	Fiscal 2023, 3rd Quarter (As of December 31, 2022)
LIABILITIES		
Current Liabilities	¥1,688,558	¥1,566,968
Notes and accounts payable-trade	47,876	52,154
Short-term loans and current portion of long-term loans	202,249	118,500
Current portion of bonds	111,000	195,000
Current portion of long-term liabilities		
incurred for purchase of railway facilities	3,806	3,926
Payables	422,653	319,917
Accrued consumption taxes	34,654	50,632
Accrued income taxes	10,938	8,146
Fare deposits received with regard to railway connecting services	27,847	30,502
Prepaid railway fares received	69,598	82,461
Allowance for bonuses to employees	52,715	29,072
Allowance for disaster-damage losses	22,465	16,401
Allowance for partial transfer costs of railway operation	128	—
Other	682,624	660,251
Long-Term Liabilities	4,984,754	5,224,831
Bonds	2,431,665	2,626,663
Long-term loans	1,309,950	1,336,950
Long-term liabilities incurred for purchase of railway facilities	315,067	313,055
Deferred tax liabilities	2,309	2,717
Provision for large-scale renovation		
of Shinkansen infrastructure	144,000	162,000
Allowance for disaster-damage losses	2,591	7,354
Net defined benefit liabilities	465,346	456,357
Other	313,823	319,732
Total Liabilities	¥6,673,313	¥6,791,800
NET ASSETS		
Shareholders' Equity	¥2,338,255	¥2,394,009
Common stock	200,000	200,000
Capital surplus	96,411	96,445
Retained earnings	2,047,407	2,105,337
Treasury stock, at cost	(5,563)	(7,774)
Accumulated Other Comprehensive Income	56,672	54,633
Net unrealized holding gains (losses) on securities	47,830	46,663
Net deferred gains (losses) on derivatives under		
hedge accounting	2,464	2,527
Revaluation reserve for land	(256)	61
Foreign currency translation adjustments	257	298
Remeasurements of defined benefit plans	6,377	5,082
Non-Controlling Interests	23,182	23,859
Total Net Assets	2,418,110	2,472,501
Total Liabilities and Net Assets	¥9,091,424	¥9,264,302

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, 3rd Quarter (Nine months ended December 31, 2021)	Fiscal 2023, 3rd Quarter (Nine months ended December 31, 2022)
Operating Revenues	¥ 1,482,794	¥1,727,084
Operating Expenses	1,525,330	1,615,077
Transportation, other services and cost of sales	1,139,863	1,199,152
Selling, general and administrative expenses	385,466	415,924
Operating Income (Loss)	(42,535)	112,006
Non-Operating Income	29,976	28,262
Interest income	136	65
Dividend income	5,531	4,152
Equity in net income of affiliated companies	12,001	17,831
Other	12,305	6,213
Non-Operating Expenses	53,481	52,792
Interest expense	46,734	47,622
Other	6,747	5,169
Ordinary Income (Loss)	(66,040)	87,477
Extraordinary Gains	18,539	36,733
Construction grants received	6,044	15,847
Gain on exchange of land	3,859	—
Compensation income	2,921	15,944
Other	5,714	4,941
Extraordinary Losses	14,374	26,973
Losses on reduction entry for construction grants	5,887	15,042
Other	8,486	11,931
Income (Loss) before Income Taxes	(61,874)	97,236
Income Taxes	21,402	23,926
Current	7,487	7,702
Deferred	13,914	16,223
Profit (Loss)	(83,276)	73,310
Profit Attributable to Non-Controlling Interests	474	714
Profit (Loss) Attributable to Owners of Parent	¥ (83,751)	¥ 72,595

Note: Amounts less than one million yen are omitted.

(ii) Consolidated Statements of Comprehensive Income

	Millions of Yen	
	Fiscal 2022, 3rd Quarter (Nine months ended December 31, 2021)	Fiscal 2023, 3rd Quarter (Nine months ended December 31, 2022)
Profit (Loss)	¥(83,276)	¥73,310
Other Comprehensive Income	(6,338)	(3,223)
Net unrealized holding gains (losses) on securities	(4,289)	(2,010)
Net deferred gains (losses) on derivatives under hedge accounting	377	108
Foreign currency translation adjustments	158	41
Remeasurements of defined benefit plans	(1,911)	(1,413)
Share of other comprehensive income of associates accounted for using equity method	(674)	49
Comprehensive Income	¥(89,615)	¥70,086
Comprehensive Income attributable to		
Comprehensive income attributable to owners of parent	¥(90,094)	¥69,369
Comprehensive income attributable to non-controlling Interests	¥ 479	¥ 717

Note: Amounts less than one million yen are omitted.

(3) 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 3rd quarter of fiscal 2023 increased by ¥21,801 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, 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 adjustment to segment income (loss) in the amount of ¥294 million includes an elimination of unrealized holding gains (losses) on fixed assets and inventory assets in the amount of ¥432 million and an elimination for intersegment transactions in the amount of ¥(135) 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, 3rd Quarter (Nine months ended December 31, 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	¥1,193,094	¥239,330	¥244,682	¥ 49,976	¥1,727,084	¥ —	¥1,727,084
Inside group	44,684	24,417	20,246	100,886	190,233	(190,233)	—
Total	1,237,778	263,747	264,928	150,863	1,917,318	(190,233)	1,727,084
Segment income	¥ 25,408	¥ 23,117	¥ 54,758	¥ 7,091	¥ 110,374	¥ 1,631	¥ 112,006

- 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 ¥1,631 million includes an elimination of unrealized holding gains (losses) on fixed assets and inventory assets in the amount of ¥1,697 million and an elimination for intersegment transactions in the amount of ¥(85) 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 3rd quarter of fiscal 2023 increased by ¥21,801 million, together with an increase by the same amount in segment income.

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

Totetsu Kogyo Co., Ltd., Daiichi Kensetsu Corporation, Tekken Corporation, Senken Kogyo Co., Ltd., and Kotsukensetsu Corporation have become the equity-method affiliates since the 3rd quarter of fiscal 2023 due to the stock acquisition, etc. As a result of the change in the scope of the equity-method affiliates, retained earnings increased by ¥22,220 million.

(Significant Subsequent Events (Unaudited))

Issuance of Bonds

JR East issued the following straight bonds.

1. Unsecured straight bonds, 4th Sustainability Bonds, East Japan Railway Company

- (1) Issue date: January 20, 2023
- (2) Amount: ¥25,000 million
- (3) Issue price: ¥100 per ¥100
- (4) Coupon rate: 0.687% per annum
- (5) Maturity date: January 20, 2028
- (6) Use of proceeds: finance new investments in the introduction of the E235 Series railcars on the Yokosuka/Sobu Rapid Line Service and refinance KAWASAKI DELTA development

2. Unsecured straight bonds, 5th Sustainability Bonds, East Japan Railway Company

- (1) Issue date: January 20, 2023
- (2) Amount: ¥10,000 million
- (3) Issue price: ¥100 per ¥100
- (4) Coupon rate: 0.994% per annum
- (5) Maturity date: January 20, 2033
- (6) Use of proceeds: finance new investments in the introduction of the E235 Series railcars on the Yokosuka/Sobu Rapid Line Service and refinance KAWASAKI DELTA development

3. Unsecured straight bonds, 188th issue, East Japan Railway Company

- (1) Issue date: January 20, 2023
- (2) Amount: ¥12,000 million
- (3) Issue price: ¥100 per ¥100
- (4) Coupon rate: 2.103% per annum
- (5) Maturity date: January 20, 2053
- (6) Use of proceeds: the repayment of interest-bearing debt, etc.

(Additional Information (Unaudited))

Extraordinary gain from compensation income

Regarding damage resulting from the accidents at TEPCO Holdings' Fukushima Daiichi Nuclear Power Station and Fukushima Daini Nuclear Power Station, compensation income based on the agreement with Tokyo Electric Power Company Holdings, Inc. is recorded as an extraordinary gain.

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 December 31, 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.