

# Fiscal 2023 Financial Results (Japanese GAAP) (Unaudited)

Fiscal 2023 (Year ended March 31, 2023)

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

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

English translation from the original Japanese-language document.

April 27, 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 of Ordinary General Meeting of Shareholders

June 22, 2023

Scheduled Date of Dividend Payment Commencement

June 23, 2023

Scheduled Date for Release of Annual Securities Report

June 22, 2023

Preparation of Supplementary Explanations of Financial Results:

Yes

Financial Results Presentation to Be Held:

Yes

### 1. Consolidated Results for Fiscal 2023 (Year Ended March 31, 2023)

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

#### (1) Consolidated financial results

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

	Operating revenues		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
<b>Fiscal 2023</b>	<b>2,405,538</b>	<b>21.6</b>	<b>140,628</b>	<b>—</b>	<b>110,910</b>	<b>—</b>	<b>99,232</b>	<b>—</b>
Fiscal 2022	1,978,967	12.1	(153,938)	—	(179,501)	—	(94,948)	—

Note: Comprehensive income – Fiscal 2023: 96,459 million yen (—%), Fiscal 2022: (100,543) million yen (—%)

	Earnings per share—Basic	Earnings per share—Diluted	Return on average equity	Ratio of ordinary income to average assets	Ratio of operating income to operating revenues
	Yen	Yen	%	%	%
<b>Fiscal 2023</b>	<b>263.38</b>	<b>—</b>	<b>4.1</b>	<b>1.2</b>	<b>5.8</b>
Fiscal 2022	(251.69)	—	(3.9)	(2.0)	(7.8)

Reference: Equity in net income of affiliated companies – Fiscal 2023: 23,322 million yen, Fiscal 2022: 12,015 million yen

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
<b>Fiscal 2023</b>	<b>9,351,899</b>	<b>2,497,713</b>	<b>26.4</b>	<b>6,566.64</b>
Fiscal 2022	9,091,424	2,418,110	26.3	6,348.57

Reference: Shareholders' equity – Fiscal 2023: 2,473,251 million yen, Fiscal 2022: 2,394,928 million yen

#### (3) Consolidated cash flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash provided by financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
<b>Fiscal 2023</b>	<b>581,755</b>	<b>(565,511)</b>	<b>26,830</b>	<b>215,000</b>
Fiscal 2022	190,506	(526,358)	304,642	171,023

## 2. Dividends (Year Ended March 31, 2022 and 2023 and Year Ending March 31, 2024)

(Record date)	Dividends per share					Total dividends (annual)	Dividend ratio (consolidated)	Ratio of dividends to shareholders' equity (consolidated)
	1st quarter end	2nd quarter end	3rd quarter end	Year end	Total annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal 2022	—	50.00	—	50.00	100.00	37,759	—	1.5
<b>Fiscal 2023</b>	—	<b>50.00</b>	—	<b>50.00</b>	<b>100.00</b>	<b>37,759</b>	<b>38.0</b>	<b>1.5</b>
(Forecast) Fiscal 2024	—	55.00	—	55.00	110.00		30.2	

## 3. Forecasts for Fiscal 2024 (Year Ending March 31, 2024)

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

	Operating revenues		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share—Basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal 2024	<b>2,696,000</b>	<b>12.1</b>	<b>270,000</b>	<b>92.0</b>	<b>211,000</b>	<b>90.2</b>	<b>137,000</b>	<b>38.1</b>	<b>363.74</b>

### ※ Notes

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

Newly consolidated — excluded —

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

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

Note: Please refer to “Changes in Accounting Policies, Changes in Accounting Estimates and Restatement of Revisions” on page 15 of this document for details.

(3) Number of issued shares (common stock)

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

Fiscal 2023	377,932,400 shares	Fiscal 2022	377,932,400 shares
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- ii Treasury stock at period-end
 

Fiscal 2023	1,293,600 shares	Fiscal 2022	693,666 shares
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- iii Average number of shares during period
 

Fiscal 2023	376,763,957 shares	Fiscal 2022	377,239,488 shares
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## (Reference) Overview of the Non-consolidated Financial Results

### 1. Non-consolidated Results for Fiscal 2023 (Year Ended March 31, 2023)

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

#### (1) Non-consolidated financial results

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

	Operating revenues		Operating income		Ordinary income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
<b>Fiscal 2023</b>	<b>1,765,512</b>	<b>24.0</b>	<b>90,932</b>	<b>—</b>	<b>46,001</b>	<b>—</b>	<b>52,423</b>	<b>—</b>
Fiscal 2022	1,424,150	20.3	(149,583)	—	(177,718)	—	(99,159)	—

  

	Earnings per share—Basic	Earnings per share—Diluted
	Yen	Yen
<b>Fiscal 2023</b>	<b>138.83</b>	<b>—</b>
Fiscal 2022	(262.60)	—

#### (2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
<b>Fiscal 2023</b>	<b>8,527,381</b>	<b>1,880,403</b>	<b>22.1</b>	<b>4,979.91</b>
Fiscal 2022	8,334,994	1,872,184	22.5	4,958.12

Reference: Shareholders' equity – Fiscal 2023: 1,880,403 million yen, Fiscal 2022: 1,872,184 million yen

### 2. Forecasts for Fiscal 2024 (Year Ending March 31, 2024)

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

	Operating revenues		Operating income		Ordinary income		Profit		Earnings per share—Basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal 2024	<b>1,969,000</b>	<b>11.5</b>	<b>177,000</b>	<b>94.7</b>	<b>119,000</b>	<b>158.7</b>	<b>83,000</b>	<b>58.3</b>	<b>219.81</b>

※ Financial results are not subject to auditing.

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

The forecasts of business results and other forward-looking statements in this document are based on information currently available and 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 of business results, please refer to "Outlook for the Year Ending March 31, 2024" on page 6 of this document.

JR East is scheduled to hold an analysts' conference on April 28, 2023, to present its operating results for Fiscal 2023. JR East plans to upload the presentation materials distributed at such conference to its website upon its conclusion.

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# 1. Operating Results and Financial Position

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

## (1) Analysis of Operating Results

### (i) Summary of the Fiscal Year Ended March 31, 2023

#### Overview

In the consolidated fiscal year ended March 31, 2023, despite signs of gradual recovery, the Japanese economy remained sluggish due to the effects of COVID-19, rising prices of goods and services, supply constraints, changes in the financial and capital markets, and other factors.

In light of this situation, under Speed Up “Move Up” 2027 announced in September 2020 as a policy tailored to the post-COVID-19 society, the JR East Group worked to enhance profitability, fundamentally strengthen our management culture, and implement ESG management, thereby accelerating our progress toward the achievement of “Move Up” 2027, our Group management vision, while positioning “Safety” as the top management priority.

Aiming to achieve “the best in safety,” the Group united as one group based on the “Group Safety Plan 2023” toward the enhancement and innovation of “safety conduct” and “safety management” by each employee through initiatives such as the reforming of rules and systems in view of large-scale disasters and other new risks and focusing on “what is working well.” The Group also promoted the installation of safety equipment that actively leverages new technologies, including the introduction of vehicles for replacement of utility poles in fiscal 2022 to implement anti-earthquake measures for utility poles of Shinkansen.

With respect to “enhancing profitability (restructuring our growth and innovation strategies),” while the business environment surrounding the railway business is becoming increasingly severe, aiming to stimulate demand for travel and transportation, the Group launched various initiatives in connection with the “RAILWAY 150th Anniversary” and “SHINKANSEN YEAR 2022” projects including by utilizing ideas from field operation employees. In addition, under our belief that diversification of lifestyles presents a significant opportunity, the Group reestablished its growth and innovation strategies, combined physical networks, an area of the Group’s strength, with digital technologies, and worked to propose new lifestyles and take on the challenge of entering new fields through initiatives such as advancing digitization, ticketless services and promotion of startup businesses.

On “fundamentally strengthening our management culture (reforming our corporate structure),” the Group implemented initiatives to improve productivity, such as the expansion of conductorless operations, the promotion of automated operation technology, and the acceleration of digital transformation (DX) including through smart maintenance. Furthermore, in order to create a sustainable JR East Group since June 2022, the Group forged ahead with the three reforms of operational reform, working style reform, and worksite reform to enhance the job satisfaction of all Group employees, while advancing the restructuring of the JR East organization. As of March 31, 2023, “inter-organizational projects” are under way at a total of 34 locations, where our staff members across departments and organizations exercise their creativity and work close to customers in facing and resolving issues regarding their respective areas or lines.

With regards to “implementing ESG management,” the Group formulated the “Energy Vision 2027 - Connect” in July 2022 as our energy strategy for the future, and with a view to achieving net zero CO<sub>2</sub> emissions for the entire Group by fiscal 2051, we introduced energy-saving equipment for stations, and trains and promoted energy-saving operations, as well as the development of renewable energy sources such as wind power and solar power. Also, aiming to realize regional revitalization through co-creation with communities, the Group promoted various initiatives, including community development centered on regional core stations in Iwaki, Aomori and Niigata, expanding service areas of multi-function regional IC cards in Yamagata and Hirosaki, and the opening of new stations on the Keiyo Line and the Tazawako Line.

We will continue to make Group-wide efforts with the aim of realizing our management vision “Move Up” 2027.

During the fiscal year under review, operating revenues increased by 21.6% from the previous year to ¥2,405.5 billion, due mainly to revenue increases in all segments, which were attributable to the recovery from the impact of COVID-19. As a result of such increase in operating revenues, we recorded operating profit of ¥140.6 billion (operating loss of ¥153.9 billion in fiscal 2022), ordinary profit of ¥110.9 billion (ordinary loss of ¥179.5 billion in fiscal 2022), and profit attributable to owners of parent of ¥99.2 billion (loss attributable to owners of parent of ¥94.9 billion in fiscal 2022).

#### Segment Information

##### Transportation

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

As a result, operating revenues in the Transportation segment increased by 26.1%, to ¥1,680.3 billion, due mainly to increases in passenger revenues, which were attributable to the recovery from the impact of COVID-19, as well as the change in the timing of recording liabilities relating to *Suica* in revenues, and operating loss was ¥24.0 billion (operating loss of ¥285.3 billion in fiscal 2022).

##### 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.

As a result, operating revenues in the Retail & Services segment increased by 16.4%, to ¥363.5 billion, due mainly to an

increase in the sales at stores in stations, and operating income increased by 149.9%, to ¥35.2 billion.

### **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.

As a result, operating revenues in the Real Estate & Hotels segment increased by 9.1%, to ¥409.7 billion, due mainly to an increase in the sales at hotels and shopping centers, and operating income increased by 3.5%, to ¥111.5 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*.

As a result, operating revenues in the Others segment increased by 7.0%, to ¥223.1 billion, due mainly to an increase in the sales from the credit card business, and operating income increased by 47.9%, to ¥17.2 billion.

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

## **(ii) Outlook for the Year Ending March 31, 2024**

The Japanese economy has been gradually improving, and demand for transportation is also on a recovery trend both inside and outside Japan. However, transformation in people's behavior and values in the post-COVID-19 society is changing the Group's external business environment in a dramatic and rapid manner, and as a result, we do not anticipate that the number of railway passengers will return to pre-COVID-19 levels.

In view of this situation, the JR East Group will do its utmost to further improve safe and stable transportation and service quality, and will provide new value through the fusion of services in the three areas of transportation, life-style, and IT & *Suica*, and enhance its management culture by fundamentally reviewing its business operations.

JR East's consolidated performance outlook for the fiscal year ending March 31, 2024, as of the publication date of this document is as follows.

### **Fiscal 2024 Performance Forecasts**

#### **Full fiscal year**

Operating Revenues: ¥2,696.0 billion (12.1% year-on-year increase)

Operating Income: ¥270.0 billion (92.0% year-on-year increase)

Ordinary Income: ¥211.0 billion (90.2% year-on-year increase)

Profit Attributable to Owners of Parent: ¥137.0 billion (38.1% year-on-year increase)

## **(2) Analysis of Financial Position**

In the fiscal year ended March 31, 2023, net cash provided by operating activities was ¥581.7 billion, an increase of ¥391.2 billion from the previous fiscal year, due mainly to recording income before income taxes.

Net cash used in investing activities was ¥565.5 billion, an increase of ¥39.1 billion from the previous fiscal year. This result was mainly due to an increase in payments for purchases of investments in securities.

Net cash provided by financing activities was ¥26.8 billion, a decrease of ¥277.8 billion from the previous fiscal year. This result was due in part to a decrease in incurring interest-bearing debt.

Consequently, cash and cash equivalents as of March 31, 2023, were ¥215.0 billion, an increase of ¥43.9 billion from March 31, 2022.

In addition, net interest-bearing debt was ¥4,559.8 billion as of March 31, 2023. Please note that net interest-bearing debt represents the balance of consolidated interest-bearing debt minus the balance of consolidated cash and cash equivalents at the fiscal year-end.

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

	Fiscal 2021	Fiscal 2022	Fiscal 2023
Equity ratio (%) .....	28.4	26.3	26.4
Equity ratio on market-value basis (%) .....	33.2	29.5	29.5
Interest-bearing debt / net cash provided by operating activities (times) .....	—	24.7	8.2
Interest coverage ratio (times) .....	—	3.1	9.4

Notes: Equity ratio: Shareholders' equity / Total assets

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

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

1. Indicators are derived from the consolidated financial statements.

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

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

### (3) Basic Dividend Policy and Dividends for Fiscal 2023 and Fiscal 2024

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

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

Based on this policy, JR East plans to pay (payment scheduled to begin on June 23, 2023) year-end cash dividends of ¥50 per share, which are in addition to the interim cash dividends of ¥50 per share, for full-year cash dividends of ¥100 per share.

For the fiscal year ending March 31, 2024, JR East plans to pay cash dividends of ¥110 per share, including interim dividends of ¥55 per share, in light of the performance outlook, etc.

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

## 2. Basic Policy for Selection of Accounting Standards

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

### 3. Consolidated Financial Statements and Main Notes

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

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES

Millions of Yen

	Fiscal 2022	Fiscal 2023
<b>ASSETS</b>		
<b>Current Assets</b>	¥ 907,001	¥1,052,784
Cash and time deposits	171,194	215,193
Notes, accounts receivable-trade and contract assets	503,581	568,880
Fares receivable	53,246	66,104
Securities	100	—
Real estate for sale	18,006	45,177
Inventories	94,213	90,491
Other	69,459	70,044
Allowance for doubtful accounts	(2,802)	(3,105)
<b>Fixed Assets</b>	8,184,423	8,299,114
Property, plant and equipment, net of accumulated depreciation	7,177,855	7,214,561
Buildings and structures (net)	3,861,442	3,856,298
Machinery, rolling stock and vehicles (net)	747,230	712,443
Land	2,164,997	2,185,869
Construction in progress	334,610	399,205
Other (net)	69,575	60,744
Intangible assets	169,970	198,805
Investments and other assets	836,597	885,747
Investments in securities	301,490	357,341
Long-term loans receivable	1,987	2,437
Deferred tax assets	442,562	432,011
Net defined benefit assets	803	961
Other	90,968	94,438
Allowance for doubtful accounts	(1,214)	(1,442)
<b>Total Assets</b>	¥9,091,424	¥9,351,899

Note: Amounts less than one million yen are omitted.



Millions of Yen

	Fiscal 2022	Fiscal 2023
<b>LIABILITIES</b>		
<b>Current Liabilities</b>	¥1,688,558	¥1,532,252
Notes and accounts payable-trade	47,876	44,250
Short-term loans and current portion of long-term loans	202,249	150,000
Current portion of bonds	111,000	214,999
Current portion of long-term liabilities		
incurred for purchase of railway facilities	3,806	4,065
Payables	422,653	493,162
Accrued consumption taxes	34,654	43,960
Accrued income taxes	10,938	16,186
Fare deposits received with regard to railway connecting services	27,847	36,314
Prepaid railway fares received	69,598	78,047
Allowance for bonuses to employees	52,715	59,905
Allowance for disaster-damage losses	22,465	12,349
Allowance for partial transfer costs of railway operation	128	—
Other	682,624	379,009
<b>Long-Term Liabilities</b>	4,984,754	5,321,933
Bonds	2,431,665	2,760,870
Long-term loans	1,309,950	1,333,950
Long-term liabilities incurred for purchase of railway facilities	315,067	311,001
Deferred tax liabilities	2,309	2,367
Provision for large-scale renovation		
of Shinkansen infrastructure	144,000	168,000
Allowance for disaster-damage losses	2,591	2,024
Net defined benefit liabilities	465,346	445,843
Other	313,823	297,875
<b>Total Liabilities</b>	¥6,673,313	¥6,854,186
<b>NET ASSETS</b>		
<b>Shareholders' Equity</b>	¥2,338,255	¥2,419,581
Common stock	200,000	200,000
Capital surplus	96,411	96,445
Retained earnings	2,047,407	2,132,049
Treasury stock, at cost	(5,563)	(8,913)
<b>Accumulated Other Comprehensive Income</b>	56,672	53,670
Net unrealized holding gains (losses) on securities	47,830	43,302
Net deferred gains (losses) on derivatives under		
hedge accounting	2,464	2,548
Revaluation reserve for land	(256)	(35)
Foreign currency translation adjustments	257	284
Remeasurements of defined benefit plans	6,377	7,570
<b>Non-Controlling Interests</b>	23,182	24,462
<b>Total Net Assets</b>	2,418,110	2,497,713
<b>Total Liabilities and Net Assets</b>	¥9,091,424	¥9,351,899

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	Fiscal 2023
<b>Operating Revenues</b> .....	¥1,978,967	¥2,405,538
<b>Operating Expenses</b> .....	2,132,905	2,264,909
Transportation, other services and cost of sales .....	1,596,068	1,687,833
Selling, general and administrative expenses .....	536,836	577,075
<b>Operating Income (Loss)</b> .....	(153,938)	140,628
<b>Non-Operating Income</b> .....	44,239	42,086
Interest income .....	149	93
Dividend income .....	9,651	4,861
Gains on sales of equipment .....	1,416	1,331
Insurance proceeds and dividends .....	6,559	5,481
Equity in net income of affiliated companies .....	12,015	23,322
Other .....	14,446	6,996
<b>Non-Operating Expenses</b> .....	69,802	71,804
Interest expense .....	62,158	63,754
Losses on sales of equipment .....	168	203
Other .....	7,476	7,846
<b>Ordinary Income (Loss)</b> .....	(179,501)	110,910
<b>Extraordinary Gains</b> .....	64,117	93,213
Gains on sales of fixed assets .....	6,498	4,790
Gains on sales of investments in securities .....	20,651	9,861
Construction grants received .....	20,784	40,925
Compensation income .....	4,944	27,595
Other .....	11,238	10,040
<b>Extraordinary Losses</b> .....	65,118	75,749
Losses on sales of fixed assets .....	166	327
Losses from disposition of fixed assets .....	2,452	2,484
Losses on reduction entry for construction grants .....	15,269	36,331
Impairment losses on fixed assets .....	9,652	19,063
Other .....	37,577	17,541
<b>Income (Loss) before Income Taxes</b> .....	(180,502)	128,375
<b>Income Taxes</b> .....	(85,977)	27,830
Current .....	12,527	14,666
Deferred .....	(98,505)	13,163
<b>Profit (Loss)</b> .....	(94,525)	100,545
<b>Profit Attributable to Non-Controlling Interests</b> .....	423	1,312
<b>Profit (Loss) Attributable to Owners of Parent</b> .....	¥ (94,948)	¥ 99,232

Note: Amounts less than one million yen are omitted.

## (ii) Consolidated Statements of Comprehensive Income

	Millions of Yen	
	Fiscal 2022	Fiscal 2023
<b>Profit (Loss)</b> .....	¥ (94,525)	¥ 100,545
<b>Other Comprehensive Income</b> .....	(6,017)	(4,085)
Net unrealized holding gains (losses) on securities .....	(5,650)	(5,684)
Net deferred gains (losses) on derivatives under hedge accounting .....	326	48
Foreign currency translation adjustments .....	257	26
Remeasurements of defined benefit plans .....	(783)	1,262
Share of other comprehensive income of associates accounted for using equity method .....	(167)	261
<b>Comprehensive Income</b> .....	¥ (100,543)	¥ 96,459
<b>Comprehensive Income attributable to</b>		
Comprehensive income attributable to owners of the parent .....	¥ (100,972)	¥ 95,139
Comprehensive income attributable to non-controlling interests .....	¥ 429	¥ 1,320

Note: Amounts less than one million yen are omitted.

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

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES

Fiscal 2022

Millions of Yen

	Shareholders' Equity				
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock, at Cost	Total Shareholders' Equity
Balance at the fiscal year start	200,000	96,522	2,181,570	(5,553)	2,472,539
Cumulative effects of changes in accounting policies			(1,228)		(1,228)
Restated balance	200,000	96,522	2,180,341	(5,553)	2,471,311
Changes of items during the fiscal year					
Cash dividends			(37,760)		(37,760)
Loss attributable to owners of parent			(94,948)		(94,948)
Increase/decrease due to merger		(13)	666		653
Purchase of treasury stock				(10)	(10)
Disposal of treasury stock			(0)	0	0
Change in equity in affiliates accounted for by equity method-treasury stock					—
Change in scope of consolidation			(715)		(715)
Change in scope of equity method					—
Capital increase of consolidated subsidiaries		(98)			(98)
Purchase of shares of consolidated subsidiaries					—
Reversal of revaluation reserve for land			(176)		(176)
Net changes of items other than shareholders' equity					
Total changes of items during the fiscal year	—	(111)	(132,933)	(10)	(133,055)
Balance at the fiscal year end	200,000	96,411	2,047,407	(5,563)	2,338,255

	Accumulated Other Comprehensive Income						Non-Controlling Interests	Total Net Assets
	Net Unrealized Holding Gains (Losses) on Securities	Net Deferred Gains (Losses) on Derivatives under Hedge Accounting	Revaluation Reserve for Land	Foreign currency translation adjustments	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income		
Balance at the fiscal year start	54,322	2,137	(433)	(25)	6,486	62,487	22,334	2,557,361
Cumulative effects of changes in accounting policies								(1,228)
Restated balance	54,322	2,137	(433)	(25)	6,486	62,487	22,334	2,556,132
Changes of items during the fiscal year								
Cash dividends								(37,760)
Loss attributable to owners of parent								(94,948)
Increase/decrease due to merger								653
Purchase of treasury stock								(10)
Disposal of treasury stock								0
Change in equity in affiliates accounted for by equity method-treasury stock								—
Change in scope of consolidation								(715)
Change in scope of equity method								—
Capital increase of consolidated subsidiaries								(98)
Purchase of shares of consolidated subsidiaries								—
Reversal of revaluation reserve for land								(176)
Net changes of items other than shareholders' equity	(6,491)	326	176	282	(108)	(5,814)	848	(4,966)
Total changes of items during the fiscal year	(6,491)	326	176	282	(108)	(5,814)	848	(138,021)
Balance at the fiscal year end	47,830	2,464	(256)	257	6,377	56,672	23,182	2,418,110

**Fiscal 2023**

Millions of Yen

	Shareholders' Equity				
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock, at Cost	Total Shareholders' Equity
Balance at the fiscal year start	200,000	96,411	2,047,407	(5,563)	2,338,255
Cumulative effects of changes in accounting policies					—
Restated balance	200,000	96,411	2,047,407	(5,563)	2,338,255
Changes of items during the fiscal year					
Cash dividends			(37,759)		(37,759)
Profit attributable to owners of parent			99,232		99,232
Increase/decrease due to merger			873		873
Purchase of treasury stock				(1,139)	(1,139)
Disposal of treasury stock					—
Change in equity in affiliates accounted for by equity method-treasury stock				(2,210)	(2,210)
Change in scope of consolidation					—
Change in scope of equity method			22,198		22,198
Capital increase of consolidated subsidiaries					—
Purchase of shares of consolidated subsidiaries		34			34
Reversal of revaluation reserve for land			96		96
Net changes of items other than shareholders' equity					
Total changes of items during the fiscal year	—	34	84,641	(3,350)	81,326
Balance at the fiscal year end	200,000	96,445	2,132,049	(8,913)	2,419,581

	Accumulated Other Comprehensive Income						Non-Controlling Interests	Total Net Assets
	Net Unrealized Holding Gains (Losses) on Securities	Net Deferred Gains (Losses) on Derivatives under Hedge Accounting	Revaluation Reserve for Land	Foreign currency translation adjustments	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income		
Balance at the fiscal year start	47,830	2,464	(256)	257	6,377	56,672	23,182	2,418,110
Cumulative effects of changes in accounting policies								—
Restated balance	47,830	2,464	(256)	257	6,377	56,672	23,182	2,418,110
Changes of items during the fiscal year								
Cash dividends								(37,759)
Profit attributable to owners of parent								99,232
Increase/decrease due to merger								873
Purchase of treasury stock								(1,139)
Disposal of treasury stock								—
Change in equity in affiliates accounted for by equity method-treasury stock								(2,210)
Change in scope of consolidation								—
Change in scope of equity method								22,198
Capital increase of consolidated subsidiaries								—
Purchase of shares of consolidated subsidiaries								34
Reversal of revaluation reserve for land								96
Net changes of items other than shareholders' equity	(4,527)	84	221	26	1,192	(3,002)	1,279	(1,723)
Total changes of items during the fiscal year	(4,527)	84	221	26	1,192	(3,002)	1,279	79,602
Balance at the fiscal year end	43,302	2,548	(35)	284	7,570	53,670	24,462	2,497,713

#### (4) Consolidated Statements of Cash Flows (Unaudited)

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES

Millions of Yen

	Fiscal 2022	Fiscal 2023
<b>Cash Flows from Operating Activities</b>		
Income (Loss) before income taxes	¥(180,502)	¥ 128,375
Depreciation	392,626	389,885
Impairment losses on fixed assets	9,652	19,063
Amortization of long-term prepaid expense	11,279	10,623
Net change in provision for large-scale renovation of Shinkansen infrastructure	24,000	24,000
Net change in net defined benefit liabilities	(17,594)	(17,915)
Interest and dividend income	(9,800)	(4,955)
Interest expense	62,158	63,754
Construction grants received	(20,784)	(40,925)
Compensation income	(4,944)	(27,595)
Losses from disposition of fixed assets	32,089	34,633
Losses from provision for cost reduction of fixed assets	15,269	36,331
Net change in major receivables	(43,868)	(57,767)
Net change in major payables	(27,555)	72,464
Other	21,660	(7,246)
Sub-total	263,685	622,725
Proceeds from interest and dividends	11,821	7,512
Payments of interest	(61,426)	(62,008)
Insurance proceeds related to disaster	6,000	4,534
Payments of disaster-damage losses	(8,948)	(10,275)
Proceeds from compensation	4,944	27,595
Payments of partial transfer costs of railway operation	(1,156)	(142)
Payments of income taxes	(24,413)	(8,186)
<b>Net cash provided by operating activities</b>	<b>190,506</b>	<b>581,755</b>
<b>Cash Flows from Investing Activities</b>		
Payments for purchases of fixed assets	(583,055)	(555,583)
Proceeds from sales of fixed assets	8,108	6,409
Proceeds from construction grants	34,481	12,528
Payments for purchases of investments in securities	(10,247)	(36,394)
Proceeds from sales of investments in securities	40,158	21,958
Other	(15,804)	(14,430)
<b>Net cash used in investing activities</b>	<b>(526,358)</b>	<b>(565,511)</b>
<b>Cash Flows from Financing Activities</b>		
Net change in short-term loans	(239,250)	(60,749)
Net change in commercial papers	(85,000)	(330,000)
Proceeds from long-term loans	298,650	174,500
Payments of long-term loans	(139,392)	(142,000)
Proceeds from issuance of bonds	612,302	544,151
Payments for redemption of bonds	(90,000)	(111,000)
Payments of liabilities incurred for purchase of railway facilities	(4,215)	(3,806)
Cash dividends paid	(37,760)	(37,759)
Other	(10,691)	(6,504)
<b>Net cash provided by financing activities</b>	<b>304,642</b>	<b>26,830</b>
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>282</b>	<b>124</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(30,926)</b>	<b>43,200</b>
<b>Cash and Cash Equivalents at Beginning of the Year</b>	<b>197,960</b>	<b>171,023</b>
<b>Increase in Cash and Cash Equivalents from Newly Consolidated Subsidiary</b>	<b>3,299</b>	<b>—</b>
<b>Increase in Cash and Cash Equivalents due to Merger</b>	<b>689</b>	<b>776</b>
<b>Cash and Cash Equivalents at End of the Year</b>	<b>¥ 171,023</b>	<b>¥ 215,000</b>

Note: Amounts less than one million yen are omitted.

## **(5) Notes to Consolidated Financial Statements (Unaudited)**

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

None

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

#### **(i) Changes in Accounting Policies**

(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 the previous method, operating revenues for fiscal 2023 increased by ¥25,918 million, together with increases by the same amount in operating income, ordinary income, and income before income taxes.

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

#### **(i) Segment Information**

##### **i) General information about reportable segments**

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

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

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

The accounting treatment for each reportable segment is largely the same as that set forth in the "Important Items that Form the Basis for Preparing Consolidated Financial Statements" in the recent Annual Securities Report released on June 22, 2022. Moreover, intersegment transactions are between consolidated subsidiaries and based on market prices and other fair values.

(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 the previous method, operating revenues of the Transportation segment for fiscal 2023 increased by ¥25,918 million, together with an increase by the same amount in the segment income.

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

Fiscal 2022 (Year ended March 31, 2022)	Millions of Yen						Consolidated (Note 3)
	Transportation	Retail & Services	Real Estate & Hotels	Others (Note 1)	Total	Adjustment (Note 2)	
Operating Revenues							
Outside customers	¥1,277,035	¥ 278,186	¥ 352,671	¥ 71,073	¥ 1,978,967	¥ —	¥1,978,967
Inside group	55,803	34,068	23,024	137,424	250,319	(250,319)	—
Total	1,332,838	312,254	375,696	208,497	2,229,286	(250,319)	1,978,967
Segment income (loss)	¥ (285,346)	¥ 14,116	¥ 107,807	¥ 11,643	¥ (151,780)	¥ (2,158)	¥ (153,938)
Segment Assets	¥6,913,713	¥ 340,789	¥1,766,162	¥ 991,749	¥10,012,413	¥(920,989)	¥9,091,424
Depreciation	297,037	16,711	55,421	23,455	392,626	—	392,626
Increase in fixed assets (Note 5)	376,369	18,463	107,458	41,406	543,698	—	543,698

- Notes: 1. "Others" represents categories of business that are not included in reportable segments and includes IT & *Suica* business including credit card business, information processing and certain other businesses.
2. The ¥(2,158) million downward adjustment to segment income (loss) includes a ¥(2,378) million elimination of unrealized holding gains (losses) on fixed assets and inventory assets and a ¥220 million elimination for intersegment transactions. Moreover, the ¥(920,989) million downward adjustment to segment assets includes a ¥(1,186,246) million elimination of intersegment claims and obligations, offset by ¥265,256 million in corporate assets not allocated to each reporting segment.
3. Segment income (loss) is adjusted to ensure consistency with the operating loss set forth in the consolidated statements of income.
4. Segment information on liabilities was omitted from record, as it is not a metric used in deciding the allocation of management resources or evaluating earnings performance.
5. Increase in fixed assets includes a portion contributed mainly by national and local governments.

Fiscal 2023 (Year ended March 31, 2023)	Millions of Yen						Consolidated (Note 3)
	Transportation	Retail & Services	Real Estate & Hotels	Others (Note 1)	Total	Adjustment (Note 2)	
Operating Revenues							
Outside customers	¥1,618,551	¥ 327,860	¥ 382,216	¥ 76,909	¥ 2,405,538	¥ —	¥2,405,538
Inside group	61,797	35,716	27,547	146,231	271,292	(271,292)	—
Total	1,680,348	363,576	409,764	223,140	2,676,831	(271,292)	2,405,538
Segment income (loss)	¥ (24,097)	¥ 35,281	¥ 111,577	¥ 17,222	¥ 139,984	¥ 644	¥ 140,628
Segment Assets	¥7,087,186	¥ 353,503	¥1,815,095	¥1,073,813	¥10,329,598	¥(977,699)	¥9,351,899
Depreciation	289,574	16,853	54,867	28,589	389,885	—	389,885
Increase in fixed assets (Note 5)	396,519	15,650	110,245	55,762	578,178	—	578,178

- 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 ¥644 million upward adjustment to segment income (loss) includes a ¥946 million elimination of unrealized holding gains(losses) on fixed assets and inventory assets and a ¥(321) million elimination for intersegment transactions. Moreover, the ¥(977,699) million downward adjustment to segment assets includes a ¥(1,292,355) million elimination of intersegment claims and obligations, offset by ¥314,656 million in corporate assets not allocated to each reporting segment.
3. Segment income (loss) is adjusted to ensure consistency with the operating profit set forth in the consolidated statements of income.
4. Segment information on liabilities was omitted from record, as it is not a metric used in deciding the allocation of management resources or evaluating earnings performance.
5. Increase in fixed assets includes a portion contributed mainly by national and local governments.



**(ii) Relevant Information****i) Information about products and services**

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

**ii) Information about geographic areas****a. Operating Revenues**

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

**b. Property, plant and equipment**

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

**iii) Information about major customers**

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

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

Fiscal 2022 (Year ended March 31, 2022)	Millions of Yen				Total
	Transportation	Retail & Services	Real Estate & Hotels	Others (Note)	
Impairment losses on fixed assets .....	4,622	2,711	2,317	1	9,652

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

Fiscal 2023 (Year ended March 31, 2023)	Millions of Yen				Total
	Transportation	Retail & Services	Real Estate & Hotels	Others (Note)	
Impairment losses on fixed assets .....	3,204	3,402	12,438	17	19,063

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

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

Information about amortized amount of goodwill and unamortized balance of goodwill by reportable segments is omitted as the amount was insignificant.

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

None

**(Per Share Information (Unaudited))**

	Fiscal 2022	Fiscal 2023
Shareholders' equity per share	¥6,348.57	¥6,566.64
Earnings (Losses) per share—basic	¥(251.69)	¥ 263.38
Earnings per share—diluted	Not shown because there are no convertible securities	Not shown because there are no convertible securities

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

	Fiscal 2022	Fiscal 2023
Profit (Loss) attributable to owners of parent	¥(94,948) million	¥99,232 million
Amount not attributable to common stockholders	—	—
Profit (Loss) attributable to owners of parent related to common stock	¥(94,948) million	¥99,232 million
Average number of common shares	377,239,488	376,763,957

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

None

**(Additional Information (Unaudited))**

(Extraordinary gain from compensation income)

Regarding damage resulted 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.

## 4. Non-consolidated Financial Statements

### (1) Non-consolidated Balance Sheets (Unaudited)

EAST JAPAN RAILWAY COMPANY

Millions of Yen

	Fiscal 2022	Fiscal 2023
<b>ASSETS</b>		
<b>Current Assets</b> .....	¥ 669,830	¥ 777,703
Cash and time deposits .....	137,461	172,099
Fares receivable .....	259,337	349,086
Accounts receivable-trade .....	94,175	112,852
Short-term loans to affiliated companies receivable .....	118,076	61,972
Real estate for sale .....	13,733	25,723
Inventories .....	27,677	30,540
Prepaid expenses .....	8,088	7,906
Other .....	13,049	17,608
Allowance for doubtful accounts .....	(1,769)	(85)
<b>Fixed Assets</b> .....	7,665,164	7,749,677
Fixed assets for railway operations .....	5,177,176	5,190,551
Property, plant and equipment .....	11,894,696	12,048,459
Accumulated depreciation .....	(6,758,835)	(6,899,374)
Intangible assets .....	41,315	41,465
Fixed assets for other operations .....	896,149	886,709
Property, plant and equipment .....	1,151,508	1,159,791
Accumulated depreciation .....	(256,902)	(275,285)
Intangible assets .....	1,544	2,203
Fixed assets relating to both operations .....	330,656	318,967
Property, plant and equipment .....	889,925	895,170
Accumulated depreciation .....	(570,340)	(586,035)
Intangible assets .....	11,071	9,833
Construction in progress .....	313,607	375,976
Railway operations .....	250,752	275,880
Other operations .....	51,267	88,227
Relating to both operations .....	11,587	11,868
Investments and other assets .....	947,574	977,472
Investments in securities .....	186,584	179,850
Stocks of subsidiaries and affiliated companies .....	179,335	192,800
Long-term loans to affiliated companies receivable .....	179,701	219,009
Long-term prepaid expenses .....	49,031	49,759
Deferred tax assets .....	387,278	372,103
Other investment and other assets .....	12,546	13,105
Allowance for doubtful accounts .....	(46,903)	(49,156)
<b>Total Assets</b> .....	¥ 8,334,994	¥ 8,527,381

Note: Amounts less than one million yen are omitted.

Millions of Yen

	Fiscal 2022	Fiscal 2023
<b>LIABILITIES</b>		
<b>Current Liabilities</b>	¥1,637,567	¥1,481,289
Short-term loans	60,000	—
Short-term loans from affiliated companies	188,730	211,581
Current portion of bonds	111,000	214,999
Current portion of long-term loans	141,500	150,000
Current portion of long-term liabilities		
incurred for purchase of railway facilities	3,723	3,971
Lease obligation	10,845	10,795
Payables	371,102	442,568
Accrued expenses	30,859	33,922
Accrued consumption taxes	22,182	30,188
Accrued income taxes	2,768	4,737
Fare deposits received with regard to railway connecting services	28,208	36,802
Deposits received	27,605	21,035
Prepaid railway fares received	69,249	77,687
Advances received	115,763	106,229
Prepaid contribution for construction	6,908	7,089
Allowance for bonuses to employees	37,168	41,936
Allowance for disaster-damage losses	22,441	12,348
Allowance for environmental conservation costs	3,118	8,681
Allowance for partial transfer costs of railway operation	128	—
Allowance for point card certificates	11,498	16,087
Asset retirement obligations	657	362
Other	372,107	50,264
<b>Long-Term Liabilities</b>	4,825,242	5,165,688
Bonds	2,431,665	2,760,870
Long-term loans	1,309,950	1,333,950
Long-term loans from affiliated companies	43,914	47,940
Long-term liabilities incurred for purchase of railway facilities	314,749	310,778
Lease obligation	21,676	20,061
Long-term deferred contribution for construction	76,892	69,029
Provision for large-scale renovation		
of Shinkansen infrastructure	144,000	168,000
Employees' severance and retirement benefits	412,975	392,403
Allowance for disaster-damage losses	2,591	2,024
Allowance for environmental conservation costs	45,913	38,975
Asset retirement obligations	7,976	7,738
Other	12,936	13,917
<b>Total Liabilities</b>	¥6,462,810	¥6,646,978

Note: Amounts less than one million yen are omitted.

Millions of Yen

	Fiscal 2022	Fiscal 2023
<b>NET ASSETS</b>		
<b>Shareholders' Equity</b> .....	¥1,828,055	¥1,842,708
Common stock.....	200,000	200,000
Capital surplus.....	96,600	96,600
Additional paid-in capital.....	96,600	96,600
Retained earnings.....	1,534,881	1,549,544
Legal reserve.....	22,173	22,173
Other retained earnings		
Reserve for special depreciation.....	1,541	1,881
Reserve for investment losses on developing new business.....	82	80
Reserve for deferred gain of fixed assets.....	64,638	63,113
General reserve.....	1,220,000	1,220,000
Retained earnings carried forward.....	226,445	242,295
Treasury stock, at cost.....	(3,426)	(3,436)
<b>Valuation and Translation Adjustment</b> .....	44,129	37,695
Net unrealized holding gains (losses) on securities.....	41,665	35,182
Net deferred gains (losses) on derivatives under hedge accounting.....	2,464	2,512
<b>Total Net Assets</b> .....	1,872,184	1,880,403
<b>Total Liabilities and Net Assets</b> .....	¥8,334,994	¥8,527,381

Note: Amounts less than one million yen are omitted.

**(2) Non-consolidated Statements of Income (Unaudited)**  
EAST JAPAN RAILWAY COMPANY

Millions of Yen

	Fiscal 2022	Fiscal 2023
<b>Railway Operations</b>		
<b>Operating Revenues</b> .....	¥1,254,724	<b>¥1,608,376</b>
Passenger transportation .....	1,113,245	<b>1,431,767</b>
Trackage revenue .....	6,243	<b>5,663</b>
Miscellaneous income of transportation .....	135,234	<b>170,944</b>
<b>Operating Expenses</b> .....	1,508,507	<b>1,605,363</b>
Transportation expenses .....	919,721	<b>993,141</b>
General and administrative expenses .....	197,105	<b>220,859</b>
Taxes .....	87,451	<b>93,607</b>
Depreciation .....	304,228	<b>297,755</b>
<b>Operating Income (Loss) from Railway Operations</b> .....	(253,783)	<b>3,012</b>
<b>Other Operations</b>		
<b>Operating Revenues</b> .....	169,426	<b>157,136</b>
Revenue from real estate lease .....	86,780	<b>85,898</b>
Revenue from real estate sales .....	68,031	<b>54,092</b>
Miscellaneous revenue .....	14,614	<b>17,145</b>
<b>Operating Expenses</b> .....	65,226	<b>69,217</b>
Cost of sales .....	9,348	<b>11,748</b>
Selling, general and administrative expenses .....	19,214	<b>22,384</b>
Taxes .....	11,404	<b>10,804</b>
Depreciation .....	25,259	<b>24,280</b>
<b>Operating Income from Other Operations</b> .....	104,199	<b>87,919</b>
<b>Total Operating Income (Loss)</b> .....	(149,583)	<b>90,932</b>
<b>Non-Operating Income</b> .....	41,198	<b>27,007</b>
Interest income .....	774	<b>949</b>
Dividend income .....	27,455	<b>15,459</b>
Gains on sales of equipment .....	1,398	<b>1,318</b>
Insurance proceeds and dividends .....	6,036	<b>5,074</b>
Other .....	5,533	<b>4,205</b>
<b>Non-Operating Expenses</b> .....	69,332	<b>71,938</b>
Interest expense .....	34,521	<b>33,840</b>
Interest on bonds .....	28,633	<b>30,943</b>
Cost of issuance of bonds .....	2,937	<b>2,549</b>
Losses on sales of equipment .....	159	<b>197</b>
Other .....	3,080	<b>4,407</b>
<b>Ordinary Income (Loss)</b> .....	(177,718)	<b>46,001</b>

Note: Amounts less than one million yen are omitted.

	Millions of Yen	
	Fiscal 2022	Fiscal 2023
<b>Extraordinary Gains</b> .....	57,219	<b>97,839</b>
Gains on sales of fixed assets .....	2,207	<b>2,705</b>
Construction grants received .....	20,008	<b>40,728</b>
Compensation income .....	4,944	<b>27,595</b>
Other .....	30,059	<b>26,809</b>
 <b>Extraordinary Losses</b> .....	 73,222	 <b>72,652</b>
Losses on sales of fixed assets .....	32	<b>159</b>
Losses on reduction entry for construction grants .....	14,631	<b>35,451</b>
Impairment losses on fixed assets .....	4,796	<b>14,274</b>
Environmental conservation costs .....	5,505	<b>1,024</b>
Provision of allowance for doubtful accounts for subsidiaries and affiliated companies .....	6,591	<b>3,800</b>
Disaster-damage losses .....	48	<b>1,622</b>
Provision for allowance for disaster-damage losses .....	21,231	<b>3,177</b>
Other .....	20,386	<b>13,142</b>
<b>Income (Loss) before Income Taxes</b> .....	(193,720)	<b>71,188</b>
 <b>Income Taxes</b> .....	 (94,560)	 <b>18,764</b>
Current .....	379	<b>368</b>
Deferred .....	(94,940)	<b>18,396</b>
 <b>Profit (Loss)</b> .....	 ¥ (99,159)	 ¥ <b>52,423</b>

Note: Amounts less than one million yen are omitted.

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

Fiscal 2022

Millions of Yen

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

	Shareholders' Equity						
	Retained Earnings						
	Legal Reserve	Other Retained Earnings					Total Retained Earnings
		Reserve for Special Depreciation	Reserve for Investment Losses on Developing New Business	Reserve for Deferred Gain of Fixed Assets	General Reserve	Retained Earnings Carried Forward	
Balance at the fiscal year start	22,173	1,560	82	64,796	1,720,000	(136,811)	1,671,801
Changes of items during the fiscal year							
Provision of reserve for special depreciation		363				(363)	—
Reversal of reserve for special depreciation		(382)				382	—
Provision of reserve for investment losses on developing new business			82			(82)	—
Reversal of reserve for investment losses on developing new business			(82)			82	—
Provision of reserve for deferred gain of fixed assets				3,631		(3,631)	—
Reversal of reserve for deferred gain of fixed assets				(3,789)		3,789	—
Reversal of general reserve					(500,000)	500,000	—
Dividends						(37,760)	(37,760)
Loss						(99,159)	(99,159)
Purchase of treasury stock							
Disposal of treasury stock						(0)	(0)
Net changes of items other than shareholders' equity							
Total changes of items during the fiscal year	—	(19)	—	(158)	(500,000)	363,257	(136,919)
Balance at the fiscal year end	22,173	1,541	82	64,638	1,220,000	226,445	1,534,881

	Shareholders' Equity		Valuation and Translation Adjustments			Total Net Assets
	Treasury Stock, at Cost	Total Shareholders' Equity	Net Unrealized Holding Gains (Losses) on Securities	Net Deferred Gains (Losses) on Derivatives under Hedge Accounting	Total Valuation and Translation Adjustments	
Balance at the fiscal year start	(3,416)	1,964,985	47,105	2,137	49,243	2,014,228
Changes of items during the fiscal year						
Provision of reserve for special depreciation		—				—
Reversal of reserve for special depreciation		—				—
Provision of reserve for investment losses on developing new business		—				—
Reversal of reserve for investment losses on developing new business		—				—
Provision of reserve for deferred gain of fixed assets		—				—
Reversal of reserve for deferred gain of fixed assets		—				—
Reversal of general reserve		—				—
Dividends		(37,760)				(37,760)
Loss		(99,159)				(99,159)
Purchase of treasury stock	(10)	(10)				(10)
Disposal of treasury stock	0	0				0
Net changes of items other than shareholders' equity			(5,440)	326	(5,113)	(5,113)
Total changes of items during the fiscal year	(10)	(136,929)	(5,440)	326	(5,113)	(142,043)
Balance at the fiscal year end	(3,426)	1,828,055	41,665	2,464	44,129	1,872,184



**Fiscal 2023**

Millions of Yen

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

	Shareholders' Equity						
	Retained Earnings						
	Legal Reserve	Other Retained Earnings					Total Retained Earnings
		Reserve for Special Depreciation	Reserve for Investment Losses on Developing New Business	Reserve for Deferred Gain of Fixed Assets	General Reserve	Retained Earnings Carried Forward	
Balance at the fiscal year start	22,173	1,541	82	64,638	1,220,000	226,445	1,534,881
Changes of items during the fiscal year							
Provision of reserve for special depreciation		788				(788)	—
Reversal of reserve for special depreciation		(447)				447	—
Provision of reserve for investment losses on developing new business			80			(80)	—
Reversal of reserve for investment losses on developing new business			(82)			82	—
Provision of reserve for deferred gain of fixed assets				1,586		(1,586)	—
Reversal of reserve for deferred gain of fixed assets				(3,111)		3,111	—
Reversal of general reserve							
Dividends						(37,759)	(37,759)
Profit						52,423	52,423
Purchase of treasury stock							
Disposal of treasury stock							
Net changes of items other than shareholders' equity							
Total changes of items during the fiscal year	—	340	(1)	(1,525)	—	15,850	14,663
Balance at the fiscal year end	22,173	1,881	80	63,113	1,220,000	242,295	1,549,544

	Shareholders' Equity		Valuation and Translation Adjustments			Total Net Assets
	Treasury Stock, at Cost	Total Shareholders' Equity	Net Unrealized Holding Gains (Losses) on Securities	Net Deferred Gains (Losses) on Derivatives under Hedge Accounting	Total Valuation and Translation Adjustments	
Balance at the fiscal year start	(3,426)	1,828,055	41,665	2,464	44,129	1,872,184
Changes of items during the fiscal year						
Provision of reserve for special depreciation		—				—
Reversal of reserve for special depreciation		—				—
Provision of reserve for investment losses on developing new business		—				—
Reversal of reserve for investment losses on developing new business		—				—
Provision of reserve for deferred gain of fixed assets		—				—
Reversal of reserve for deferred gain of fixed assets		—				—
Reversal of general reserve		—				—
Dividends		(37,759)				(37,759)
Profit		52,423				52,423
Purchase of treasury stock	(10)	(10)				(10)
Disposal of treasury stock		—				—
Net changes of items other than shareholders' equity			(6,482)	48	(6,434)	(6,434)
Total changes of items during the fiscal year	(10)	14,652	(6,482)	48	(6,434)	8,218
Balance at the fiscal year end	(3,436)	1,842,708	35,182	2,512	37,695	1,880,403