



# **FY2022.3 Financial Results**

April 28, 2022

East Japan Railway Company

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# **I FY2023.3 Business Management**

# FY2022.3 Financial Results and FY2023.3 Plan (Highlights)

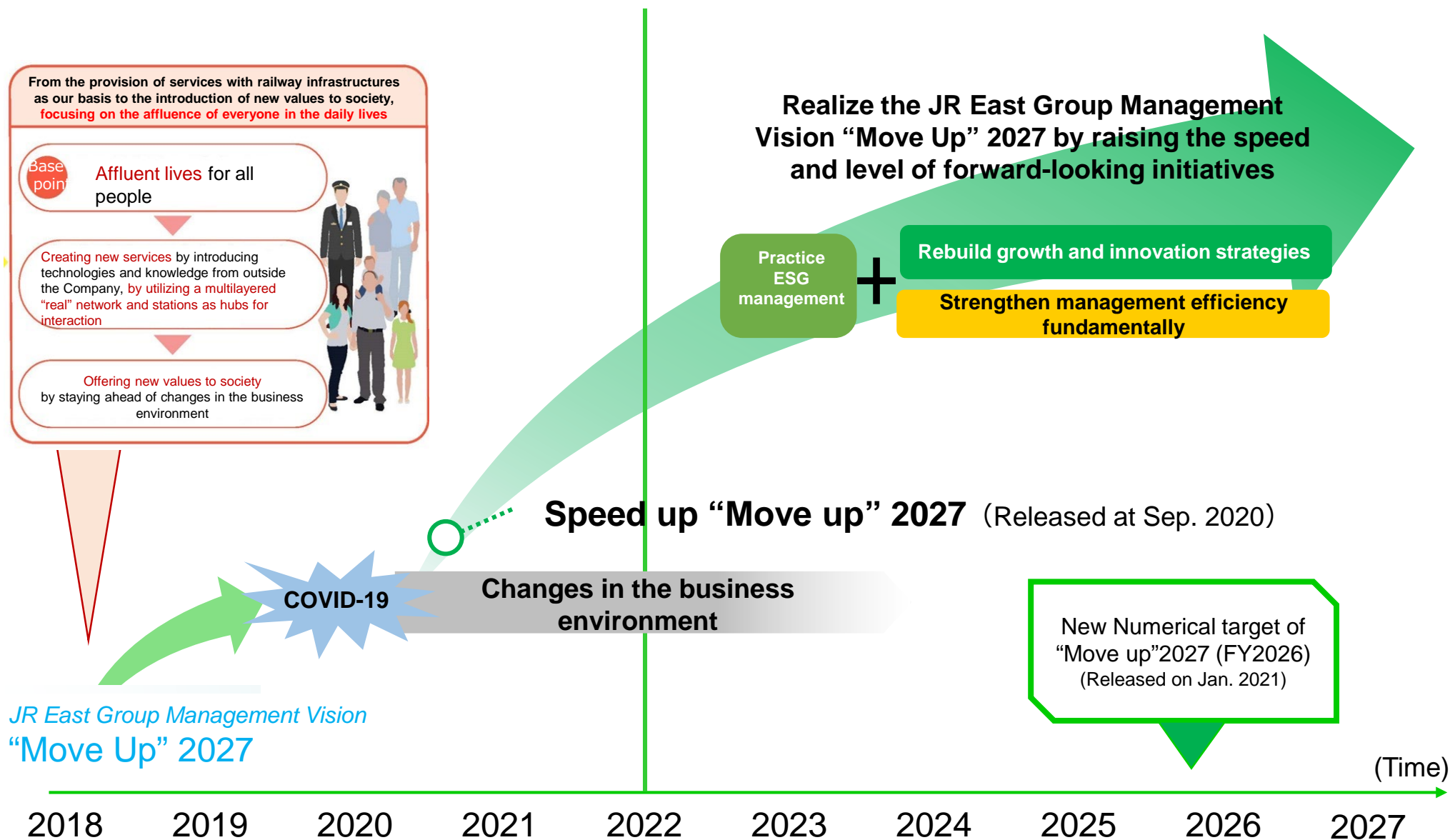
## Consolidated

(¥ billion)	2022.3 results	2023.3 plan	2023.3/2022.3	
			Increase/ Decrease	(%)
Operating revenues	1,978.9	2,453.0	+ 474.0	124.0
Operating income	-153.9	153.0	+ 306.9	—
Ordinary income	-179.5	98.0	+ 277.5	—
Profit attributable to owners of parent	-94.9	60.0	+ 154.9	—

## Non-consolidated

(¥ billion)	2022.3 results	2023.3 plan	2023.3/2022.3	
			Increase / Decrease	(%)
Operating revenues	1,424.1	1,794.0	+ 369.8	126.0
Operating income	-149.5	100.0	+ 249.5	—
Ordinary income	-177.7	51.0	+ 228.7	—
Profit	-99.1	41.0	+ 140.1	—

# Changes in the business environment and our management



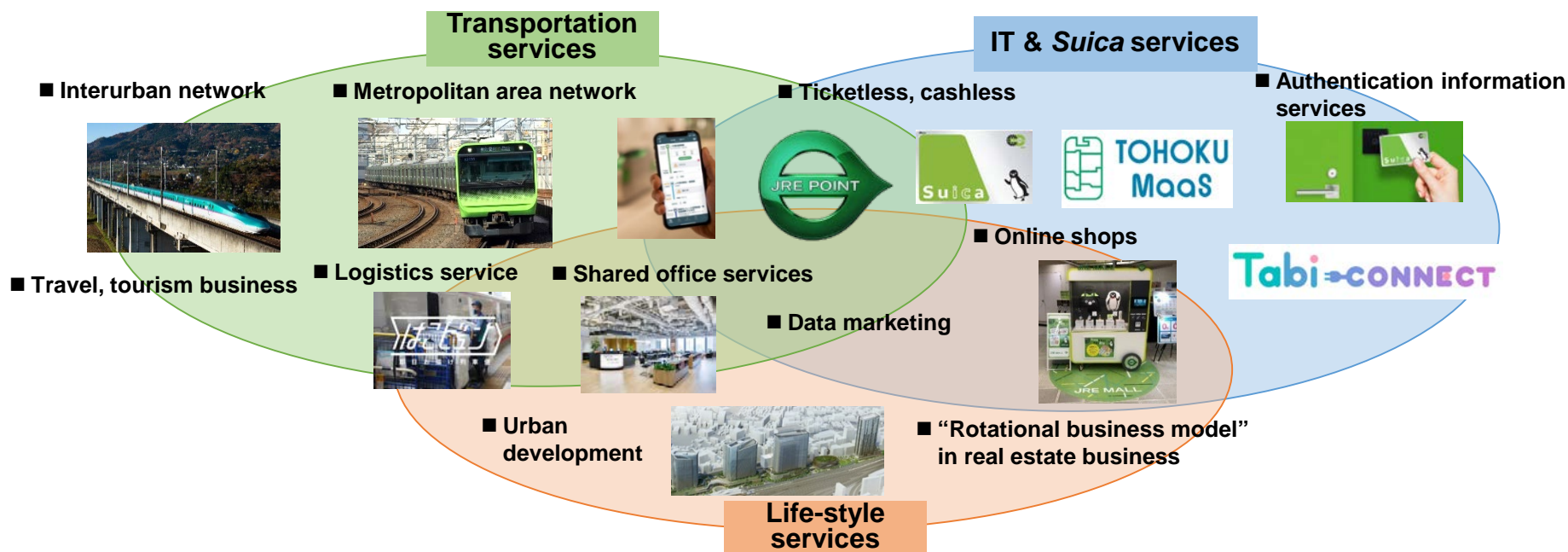
# Management Policies Indicated in Speed up “Move up”

## Challenges

- 1 Decrease in usage under the COVID-19 pandemic and the cost structure of railway business
- 2 Business model focusing on stations and railways
- 3 Changes in lifestyles driven by digital technologies

## Response plans

- 1 Recovery of profitability and structural reform in transportation services
- 2 Profitability improvement in segments other than transportation  
Aim to shift the proportion of transportation to other segments from 6:4 in FY2026 and eventually to 5:5
- 3 Propose new lifestyles by combining real networks with digital technologies and taken on challenges in new fields



Value creation and revenue maximization through the combination and synergy among the three service segments

# Progress of Speed up “Move up”

We will continue to promote Speed up “Move up” 2027 announced in September 2020 by raising the level of its implementation in view of the current challenging business environment.

Management policies in Speed up “Move up”		Measures explained today
<b>Rebuild growth and innovation strategies</b> (Improve profitability)	Propose new lifestyle ideas  Take on challenges in new fields	Stimulate travel and transportation demand and maximize revenues
		Beyond Stations concept
		Town development to offer diverse attractiveness
		Promotion of digitalization and ticketless transportation
<b>Strengthen management efficiency fundamentally</b> (structural reform)	Provide services reflecting changes in usage  Enhance productivity  Optimize group management  Improve cash flows	Leveling of peak demand and realization of transportation volume that reflects usage status
		Streamlining of transportation systems for conventional lines
		Efficiency improvement in maintenance services and construction work
		Current status and future direction of local transportation lines
		Operation cost reduction in railway business
<b>Practice ESG management</b>	Practice ESG management	Zero-Carbon Challenge 2050
		Regional revitalization (1)(2)

# Rebuild Growth and Innovation Strategies (Improve profitability) (1)

## Stimulate travel and transportation demand and maximize revenues

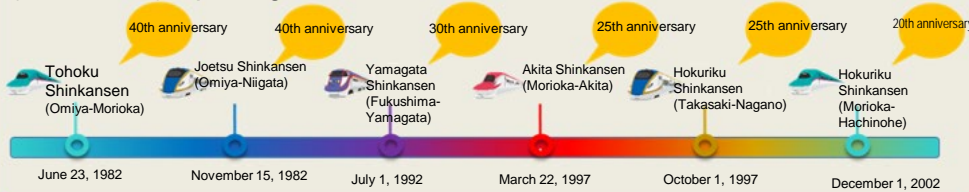
### RAILWAY 150th Anniversary/SHINKANSEN YEAR 2022



This year marks the 150th anniversary of railway services in Japan and anniversaries of JR East Shinkansen lines in five directions at the same time.

We will hold promotional campaigns to stimulate usage and events associated with each of these Shinkansen lines.

#### (Reference) Opening dates of Shinkansen lines



### Revising Green Car Surcharges of Shinkansen and limited express trains

(From Apr. 2022)



Raise Green Car fees of Shinkansen and limited express trains

### Make all cars of the Yamagata Shinkansen reserved-seats-only

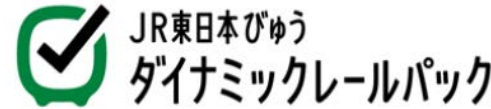
(From Mar. 2022)



Response to the needs for seated transportation by making all cars of the Yamagata Shinkansen reserved-seats-only

### Dynamic Rail Pack (travel reservation system) renewal

(From Mar. 2022)



Expansion of covered areas and facilities

Simplification of operation method  
Same-day reservations are available



### Establishment of “JR TIMES” information website for Taiwanese travelers visiting Japan

(From Dec. 2021)



Disseminate information on the attraction of visiting Japan to stimulate the purchase of JR EAST PASS, etc.

Accelerate efforts toward the recovery of sightseeing and transportation demand in Japan and overseas

### Use of the fare system established by the government to make train stations barrier-free



Accelerate and expand the current plan for the installation of platform doors at stations on conventional lines in the Tokyo metropolitan area to make steady progress in the installation of elevators, barrier-free toilets, etc.

Underlying fare revisions **+** Maximization of revenue through yield management of reserved seats that reflects demand

Promote facility improvement by using of the fare system established by the government to make train stations barrier-free  
(Scheduled to be applied to standard fare and commuter pass fare within the specified train service areas around March 2023.)

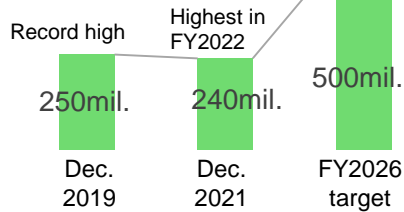


# Rebuild Growth and Innovation Strategies (Improve profitability) (2)

## Beyond Stations concept

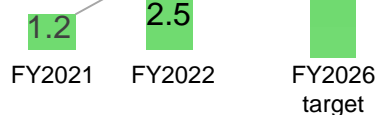
Use of public transportation e-money 500 million transactions / month

Highest number target



**JRE MALL**  
transaction volume  
¥130 billion / year

(¥ billion)



**JRE MALL Cafe**

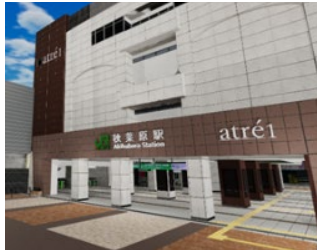
(From Nov. 2021; Yokohama St.)



JRE MALL product experience store

**Virtual AKIBA World**

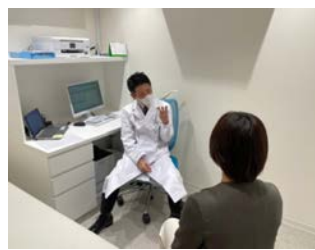
(From Mar. 2022)



Store space for online companies

**Smart Health Station**

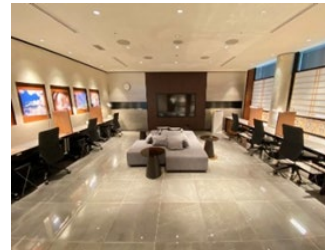
(From Apr. 2022; Nishi-Kokubunji St.)



Medical complex for face-to-face and non-face-to-face treatment

**JRE Station College**

(Classes start from Jun. 2022; Tokyo St.)



Learning in station as campus

**Hakobyun**

(From Oct. 2021)



Logistics services that utilize trains

**JRE Passport**

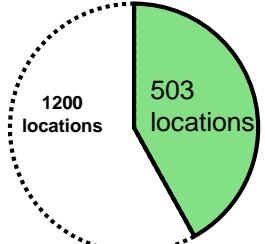
(From Apr. 2022)



Subscription service

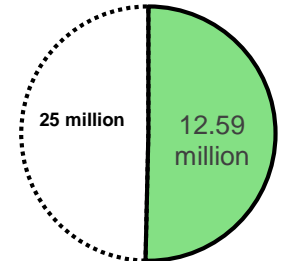
**FY2026 target**

Shared office services  
1,200 locations in total



As of March 31, 2022

**JRE POINT**  
Number of members:  
25 million



As of March 31, 2022

# Rebuild Growth and Innovation Strategies (Improve profitability) (3)

## Town development to offer diverse attractiveness

### Development under elevated tracks of Niigata Station

Total floor area:  
Approx. 30,000 sm  
(excluding station facilities, etc.)  
Scheduled to open in a phased manner from June 2022 (Phase I) through spring 2024 (Phase IV)



### MEGURO MARC

Total floor area:  
Approx. 94,000 sm  
Schedule for completion:  
Mar. 2022: Office building  
Oct. 2022: Rental apartment building  
Nov. 2023: For-sale condominium building



### Oimachi Station Hiromachi District Development Plan



A-1 district  
Site area : Approx. 22,340 sm  
Total floor area: pprox. 250,000 sm  
Building use : Business, lodging, residential, commercial, etc.

### Shinjuku Station Southwest Exit District Development Plan



As a whole  
Site area : Approx. 16,300 sm  
Total floor area: Approx. 291,500 sm  
Building use : Retail, lodging facilities, etc.  
Construction period: FY2024 to 2040's

### “Rotational business model” in real estate business

Apr. 2021: Establishment of JR East Real Estate Asset Management Co., Ltd.  
Dec. 2021: Sold JR Minami-Shinjuku Building to a fund

#### Business outlook

- Realize sustainable growth of the Group through sales to funds and reinvestment of sales proceeds in growth areas
- Further expansion of its fund business and preparation for early REIT formation



### Shinagawa Development Project (Phase I) Takanawa Gateway City (tentative name)



#### Scheduled to open at the end of FY2025

Complex I: South and North Buildings  
Total floor area: Approx. 460,200 sm

#### Scheduled to open in FY2026

Complex II Total floor area:  
Approx. 208,200 sm  
Culture creation building Total floor area:  
Approx. 29,000 sm  
Residential building Total floor area:  
Approx. 148,300 sm  
Project budget: Approx. 580 billion yen  
Revenue projection (under stabilized operation):  
Approx. 56 billion yen



# Rebuild Growth and Innovation Strategies (Improve profitability) (4)

## Promotion of digitalization and ticketless transportation

### Suica

#### Expansion of service lineup and users

##### Suica Light



Can be used for transportation and e-money transactions without deposit

(From Jan. 2022)

##### Collaboration with au PAY started



Can issue and charge Suica cards from au PAY apps

(From Mar. 2022)

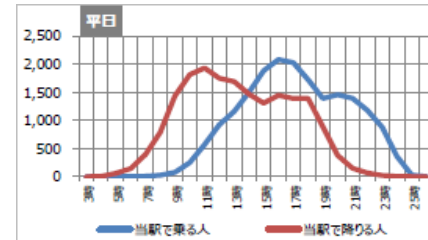


##### Regional collaboration IC cards



Services started for 9 types of new regional collaboration IC cards in 5 prefectures from Feb. 2022 through May 2022.

#### Business and revenue expansion



##### Eki Karte (big data)

Suica usage data are processed statistically in a manner to protect privacy and summarized in a report for sale.

(From May 2022)

##### Suica authentication information services



The service to enable Suica ID to be used as entrance/exit key

(From Jan. 2020)

### MaaS



Available all year round in 6 Tohoku prefectures (social implementation)

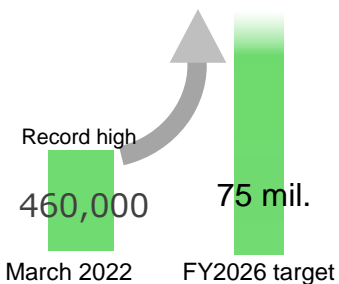
(From Apr. 2022)



"Traveling in Kitashinano" services are available during the period of gate opening at Zenkoji Temple

(Apr.-Jun. 2022)

Highest use target (Number of uses)



Number of uses of services\* (monthly)

### Digitalization of tickets

Available all year round from 2021 onwards



Repeat point service

September 2022

Discontinuation of the sales of standard magnetic coupon tickets

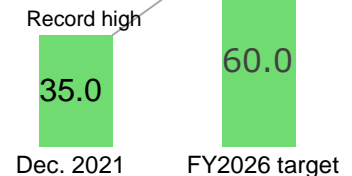
### Google Maps-eki-net collaboration

Can purchase tickets for the route searched

(From Mar. 2022)



Highest usage rate target (%)



Eki-net handling percentage (monthly)

\* MaaS platform (mobility linkage platform) services provided by JR East

# Strengthen Management Efficiency Fundamentally (Structural Reform) (1)

## Leveling of peak demand and realization of transportation volume that reflects the usage status (timetable revisions)

**Seasonal reserved seat fare for limited express trains**  
• Revision of the number of applicable days  
(From Apr. 2022)



**Highest season**

Normal season fee + ¥400  
30 days (new)

**High season**

Normal season fee + ¥200  
84 days → 41 days

**Off season**

Normal season fee - ¥200  
82 days → 106 days

**Leveling of seasonal fluctuation**

Medium- to long-distance trains such as Shinkansen (reserved seats)

**Shinkansen:**  
**Revision of the number of trains operated**

About 10% of regular trains have been replaced with extra trains

\* The Tohoku, Joetsu, and Hokuriku Shinkansen lines in total

(From Mar. 2022)



**Conventional lines in the Tokyo metropolitan area:**  
**Revision of the number of trains operated**

Reduction of about 10% in the number of trains operated during the commuting time in the morning

\* Each of 16 line segments in the Tokyo metropolitan area  
Total number of trains operated during the one hour in which the number of trains operated is highest

(From Mar. 2022)



**Renewal**  
**Award points for off-peak use**

(From Apr. 2022 to Mar. 2023)



JRE POINTs will be granted for the use of *Suica* commuter passes during off-peak hours. The number of points granted is increased after the use of 5 times or more.

1 hour before peak hours



Peak hours

1 hour after peak hours



**Leveling of hourly fluctuation**

Conventional lines in the Tokyo metropolitan area (Commuting time in the morning)

## Timetable revisions in March 2022

Modified the transportation system to reflect the status of usage  
Largest reduction in the number of trains operated since the Company's foundation



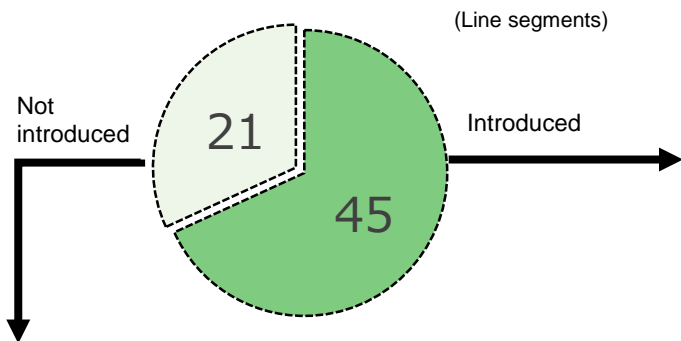
JR East  
as a  
whole

Train km: About 3% reduction  
Number of trains operated: About 2% reduction

# Strengthen Management Efficiency Fundamentally(Structural Reform) (2)

## Streamlining of transportation systems for conventional lines

Introduction of driver-only operation in conventional lines



## Expansion of driver-only operation in the timetable revisions in March 2022



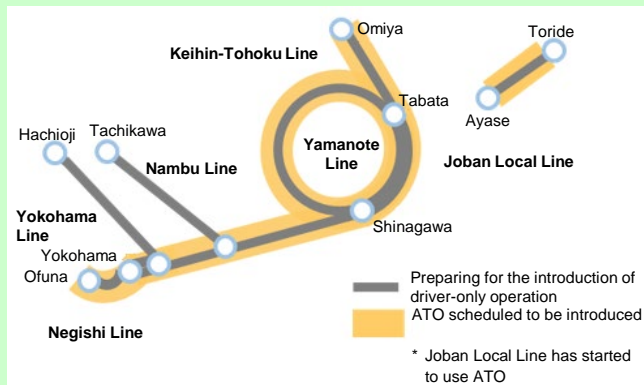
E131 Series operation section  
Driver-only operation was newly introduced to the Utsunomiya, Nikko, and Sagami Lines, while the driver-only operation sections were expanded in some line segments.

## ■ Tokyo metropolitan area: Transformation toward the realization of an efficient transportation system

We will continue to expand driver-only operation, while aiming to introduce driverless operation in some line segments.

ATO: Automatic Train Operation  
ATACS: Advanced Train Administration and Communications System

### Introduction of ATO and driver-only operation



Aiming at the introduction during the period from 2025 to 2030

### Introduction of ATACS and performance improvement of ATO

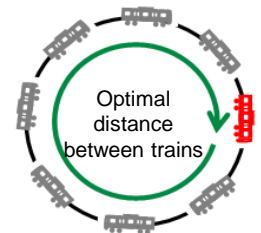
#### ATACS

Wireless confirmation of train location  
Labor saving also at the facility



#### Performance improvement of ATO

To enable recovery operation in the case of a delay and energy saving operation



Aiming at the implementation during the period from 2028 to 2031  
(Keihin-Tohoku Line, Yamanote Line)

### Aiming at driverless operation

(Automation level) **GoA3**

#### Self-driving



Promotion aiming at the realization in the future

■ **Local lines:** We will continue to expand driver-only operation based on cost-benefit analysis. The timetable will be revised as appropriate to streamline maintenance volume, facilities, etc.



# Strengthen Management Efficiency Fundamentally (Structural Reform) (3)

## Efficiency improvement in maintenance services and construction work

### CBM (condition-based maintenance)



The use of monitoring data enables timely maintenance in accordance with the facility condition.

#### Overhead wire facility monitoring

Overhead wire facility monitoring is conducted for conventional lines of 5,500 km outside the Tokyo metropolitan area.



#### Railcar monitoring

Railcar monitoring maintenance is conducted for the E235 Series (Yamanote Line, Yokosuka Line, Sobu Rapid Line)



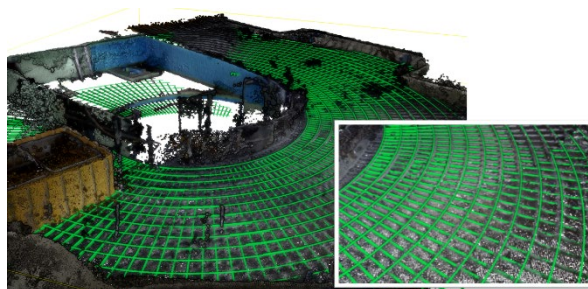
#### Railroad track facility monitoring

Railroad track facility monitoring is conducted mainly for conventional lines in the Tokyo metropolitan area and regional trunk lines.



### Smart project management

Realize efficiency improvement, cost reduction, and productivity improvement in construction work by formulating and managing construction plans based on the effective use of digital technologies, such as BIM and point cloud data.



Upgrading of power plant facilities



Construction plans in the construction for the improvement of Shibuya Station

### Utilization of small drones

Collect point cloud data using small drones specialized to be used in very small spaces in, for example, a site where human beings cannot enter.

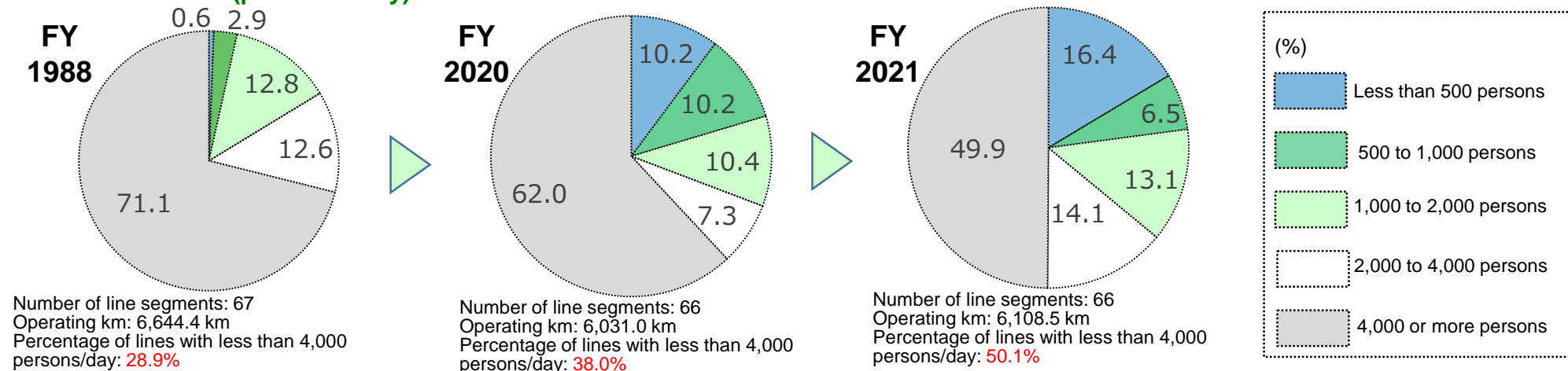


Initiatives by CalTa Inc. (a joint venture company between JR East Start UP Co., Ltd. and JR East Consultants Company)

# Strengthen Management Efficiency Fundamentally (Structural Reform) (4)

## Current status and future direction of local transportation lines

### Changes in average passenger figures on JR East conventional lines (persons / day)



### Efforts to reduce fixed costs

Stations	Removal of unnecessary facilities, abolition of unmanned stations, shifting to unmanned operation, etc.
Transportation services	Reduction in the number of trains operated and/or the number of railcars, the introduction of driver-only operation, etc.
Maintenance	Setting track maintenance windows (daytime/nighttime)
Other	Conversion to single tracks, removal of overhead wires, abolition of level crossings, etc.

### Past cases of mode conversion, etc. by JR East

Kesennuma Line (Yanaizu-Kesennuma) Ofunato Line (Kesennuma-Sakari)	BRT recovery
Iwaizumi Line (all sections)	Conversion to buses
Yamada Line (Miyako-Kamaishi)	Transfer to a third-sector entity
Tadami Line (Aizukawaguchi-Tadami)	Separation of infrastructure and operation

### Requests submitted to the MLIT Review Panel\*

- Creation of a framework to ensure smooth consultation with local governments along the lines
- Budgetary and taxations support toward the development of a sustainable traffic system
- A framework for developing a fare schedule that accommodates the characteristics of each line and smooth transit between modes
- Support for the utilization, removal, or other handling of bridges and the like after the mode conversion

\* Review Panel on the Renewal of Regional Mobility through Collaboration between Railway Operators and Local Communities  
(Established in Feb. 2022, scheduled for recommendations in Jul. 2022)

We will continue dialogue with local governments and create a sustainable traffic system that suits local characteristics in cooperation with local communities, leveraging our strengths to contribute to the revitalization of local communities.

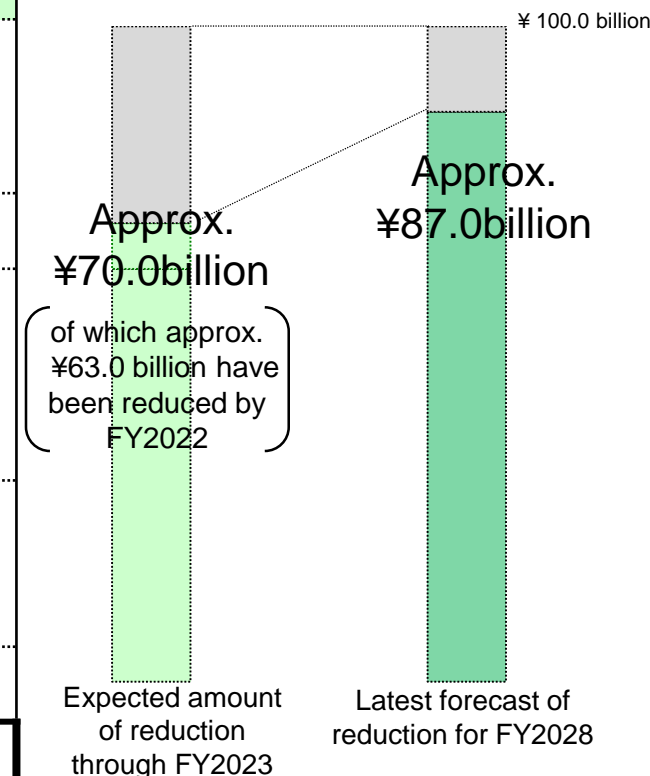
# Strengthen Management Efficiency Fundamentally (Structural Reform) (5)

## Operation cost\* reduction in railway business

\* Operating expenses less depreciation and taxes and dues

★ Newly added factors

(¥ billion)	Major structural reform activities in Move Up 2027	Forecast as of 2021.3	Forecast as of 2022.3	Expected amount of reduction through FY2023
• Streamline operation systems • Establish an efficient sales system, etc.		-10.0	-29.0	-17.0
★ Increase driver-only operation, improve the configuration of JR ticket offices				
• Timetable revisions, etc.		—	-5.0	-4.0
• Smart maintenance (CBM, etc.) • System changes (use of new technologies, etc.) • Revise fundamental components of operations (timetable revisions to move up the departure times of the last trains, etc.) • Streamline facilities (reduce the number of ticket machines, etc.)		-20.0	-20.0	-17.0
• Establish efficient sales systems (ticketless, etc.) • Structural reform of group companies (multi-tasking, etc.)		-20.0	-33.0	-32.0
★ Provide services in accordance with the usage (outsourcing of security services, guidance services, etc.)				
• Additional reduction of operating costs (+α)		-50.0	-13.0	—
<b>Total reduction of operating costs</b>		<b>-100.0</b>	<b>-100.0</b>	<b>-70.0</b>



Strive to reduce railway business operating costs by ¥100.0 billion in FY2028 compared to FY2020.

Aim for a flexible cost structure to be able to respond to usage changes in post-COVID-19 society and future population declines.



# Practice ESG Management (1)

## Zero-Carbon Challenge 2050

### Expand the utilization of hydrogen energy



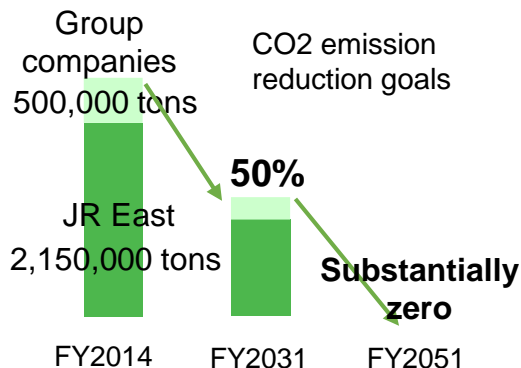
Started verification tests for the hydrogen-powered hybrid train HYBARI  
(From Mar. 2022)



Fuel battery (FC) bus  
In operation (Tokyo Station-around Takeshiba)



Fuel battery (FC) cars available for rental at railway station  
(From Mar. 2022)



### Introduction of internal carbon pricing

The benefit of CO2 emission reduction is quantified in monetary terms, which are considered as part of investment criteria to promote capital investment that contributes to the reduction of CO2 emissions.

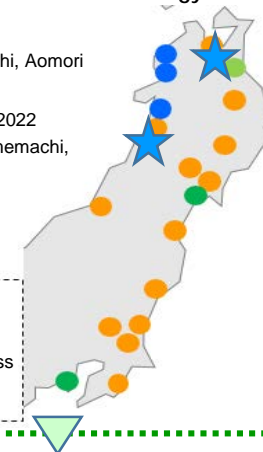
Price is set at ¥5,000/t-CO2.

### Development of renewable energy sources

March 2022  
Sibazaki, Nohejima, Aomori (wind power)

Scheduled for Sep. 2022  
Nishinosawa, Nishimemachi, Akita (wind power)

- Solar power
- Wind power
- Woodbiomass
- Biomass



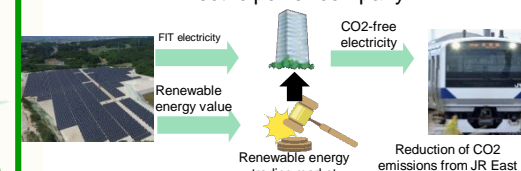
### Start of utilization of non-fossil certificates

To be introduced to the Joban Line in Fukushima Prefecture in FY2023

Expected to achieve a CO2 reduction of 12,000 tons per year.

#### Graphical illustration

#### Electric power company



### Promotion of decarbonization at Kawasaki Thermal Power Plant

Hydrogen only or hydrogen mixed combustion is under consideration



# Practice ESG Management (2)

## Regional revitalization (1)

## Regional initiatives

Town development



### Northern Station Gate Akita

Station square development at the west entrance of Akita Station  
Use started in Aug. 2020  
Other facilities, such as student apartments and sports facilities, are also developed in the neighborhood

Exchange hub



### EkiLab Obiori

Manufacturing workshop and information offering facility opened at an unmanned station that can leverage the technologies of Tubamesanjo.  
Open in October 2020

Sixth-order industrialisation



### Kasama Chestnut Factory

Processing, productizing, and sales of chestnuts purchased from Kasama City  
Scheduled for full operation in Sep. 2022

New station opening



### Makuhari-Toyosuna Station on the Keiyo Line

Scheduled to open in spring 2023

### Iwaki Station south exit hotel development project

Development of a complex comprising a hotel and other commercial facilities  
Scheduled to open in winter 2022

### Aomori Station east exit development plan

Station building at the east exit of the old Aomori Station  
Station building development on a former station building site  
Scheduled for completion in FY2025

### Livista Morioka (Morioka Station west exit)

Regional revitalization rental apartment  
Opened for tenancy in March 2022

### Maegata Station on the Tazawako Line

Scheduled to open in March 2023

### JR Fruits Park Sendai Arahama

A tourist farm in which visitors can experience the harvesting of seasonal fruits all year round.  
Open in March 2021

Town development



Town development



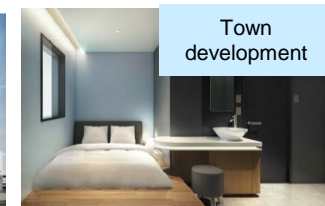
New station opening



Sixth-order industrialisation



Town development





# Practice ESG Management (3)

## Regional revitalization (2)

### Provision of products through JRE MALL

#### Online

Furusato Nozei tax program, etc.



#### JRE MALL

Realize a product lineup that only the JR East Group can offer because of its community-based business foundation offer information on attractive local features using various approaches

#### Experience-based events, etc.



#### Offline

154 municipalities of 36 prefectures participate in the Furusato Nozei tax program website  
(As of March 31, 2022)

Sales of experience-based events, workcation, lodging facilities, etc., in the local communities

### Ensen Marugoto HOTEL



Unmanned station

Vacant house

Local residents

Hotel reception Hotel guest rooms Hotel staff

Established Ensen Marugoto Co., Ltd. jointly with Satoyume Co., Ltd. to start the business in earnest along the Ome Line

### Regional collaboration IC cards



Services started for 9 types of new regional collaboration IC cards in 5 prefectures from Feb. 2022 through May 2022 (11 types in 6 prefectures in total including those that had already started)

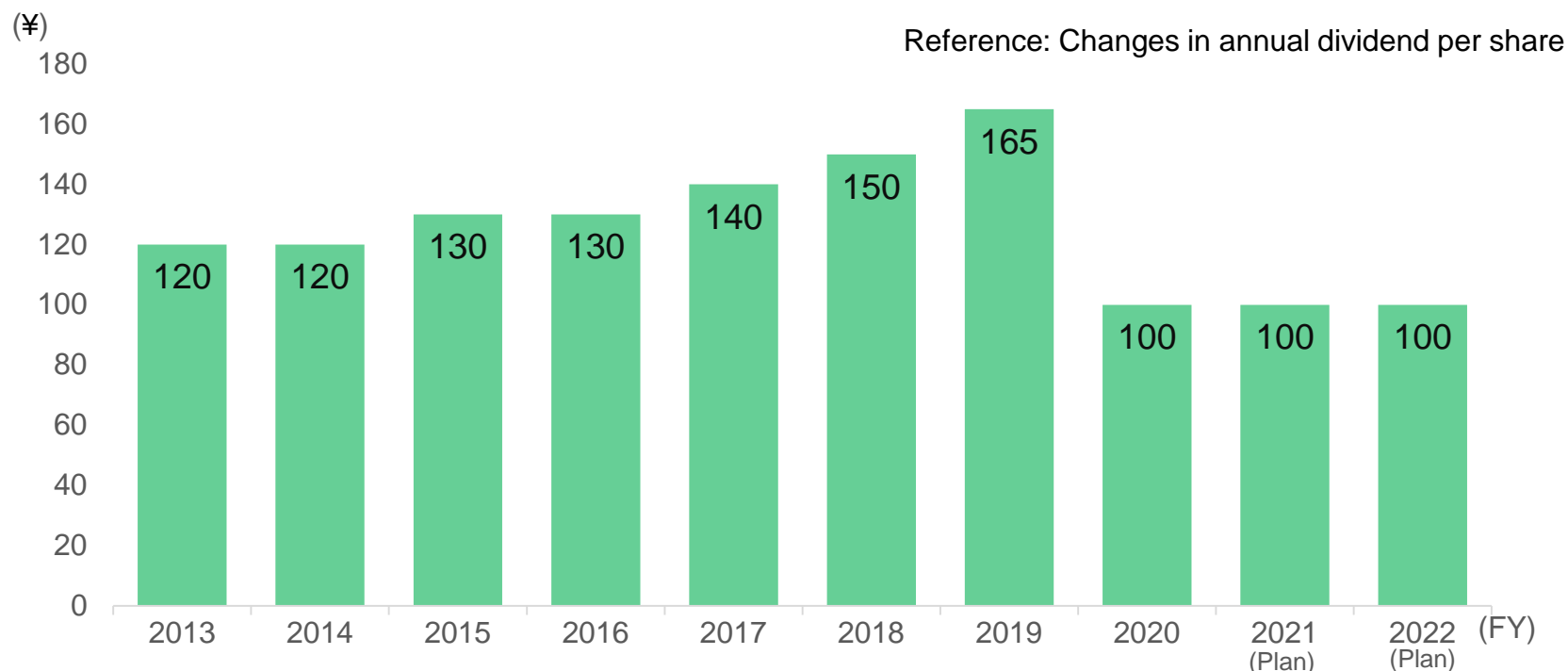
### On-demand transportation



(Kakunodate: Available from May 2022)

Improve the secondary transportation from the station in collaboration with buses, taxis, etc. Stimulate tourism demand and improve the convenience of regional transportation

# Shareholder Returns



Total return ratio (%)	29.3	32.3	33.0	32.6	32.9	32.9	31.4	-	-	62.9
Payout ratio (%)	23.7	26.1	20.8	18.2	18.7	19.4	31.4	-	-	62.9

Shareholder returns scheduled for FY2023

Dividend ¥100 per share

## Shareholder return policy

- In the medium-to-long term, we are setting our sights on realizing a total return ratio target of 40% and a dividend payout ratio of 30%.
- We will continue increasing dividends stably while proceeding with share buybacks in light of performance trends.

## II FY2022.3 Financial Results and FY2023.3 Plan

- \* Numbers in [ ] are reference values excluding an effect of application of “Accounting Standard for Revenue Recognition” and other standards.
- \* [Consolidated] Operating revenues: operating revenues from outside customers  
[Consolidated] Operating income: operating revenues from outside customers + operating revenues inside group - purchases from outside suppliers - purchases inside group
- \* Advertisement revenues and incomes of JR East, which were previously reported in the transportation segment, have been reported in the retail & services segment since FY2022. In this chapter, the figures for FY2021 are prepared based on the new segment categories.

# FY2022.3 Financial Results and FY2022.3 Plan (consolidated)

(¥ billion)	2021.3 Results	2022.3 Results	2022.3/2021.3	
			Increase/ Decrease	%
Operating Revenues	1,764.5	1,978.9	+214.3	112.1
Transportation	1,095.7	1,277.0	+181.3	116.5
Retail & Services	318.0	278.1	-39.8	87.5
Real Estate & Hotels	271.2	352.6	+81.4	130.0
Others	79.5	71.0	-8.4	89.4
Operating income	-520.3	-153.9	+366.4	—
Transportation	-548.5	-285.3	+263.1	—
Retail & Services	2.6	14.1	+11.5	540.3
Real Estate & Hotels	15.1	107.8	+92.6	711.3
Others	14.7	11.6	-3.1	78.9
Non-operating income or expenses	-59.4	-25.5	+33.8	43.0
Non-operating income	22.4	44.2	+21.7	196.9
Non-operating expenses	81.9	69.8	-12.1	85.2
Ordinary income	-579.7	-179.5	+400.2	—
Extraordinary gains or losses	-123.7	-1.0	+122.7	0.8
Extraordinary gains	43.4	64.1	+20.6	147.5
Extraordinary losses	167.2	65.1	-102.1	38.9
Profit attributable to owners of parent	-577.9	-94.9	+482.9	—

2023.3 Plan	2023.3/2022.3	
	Increase/ Decrease	%
2,453.0	+474.0	124.0
1,675.0	+397.9	131.2
353.0	+74.8	126.9
353.0	+0.3	100.1
72.0	+0.9	101.3
153.0	+306.9	—
10.0	+295.3	—
50.0	+35.8	354.2
80.0	-27.8	74.2
15.0	+3.3	128.8
-55.0	29.4	215.2
98.0	+277.5	—
-10.0	-8.9	999.3
60.0	+154.9	—

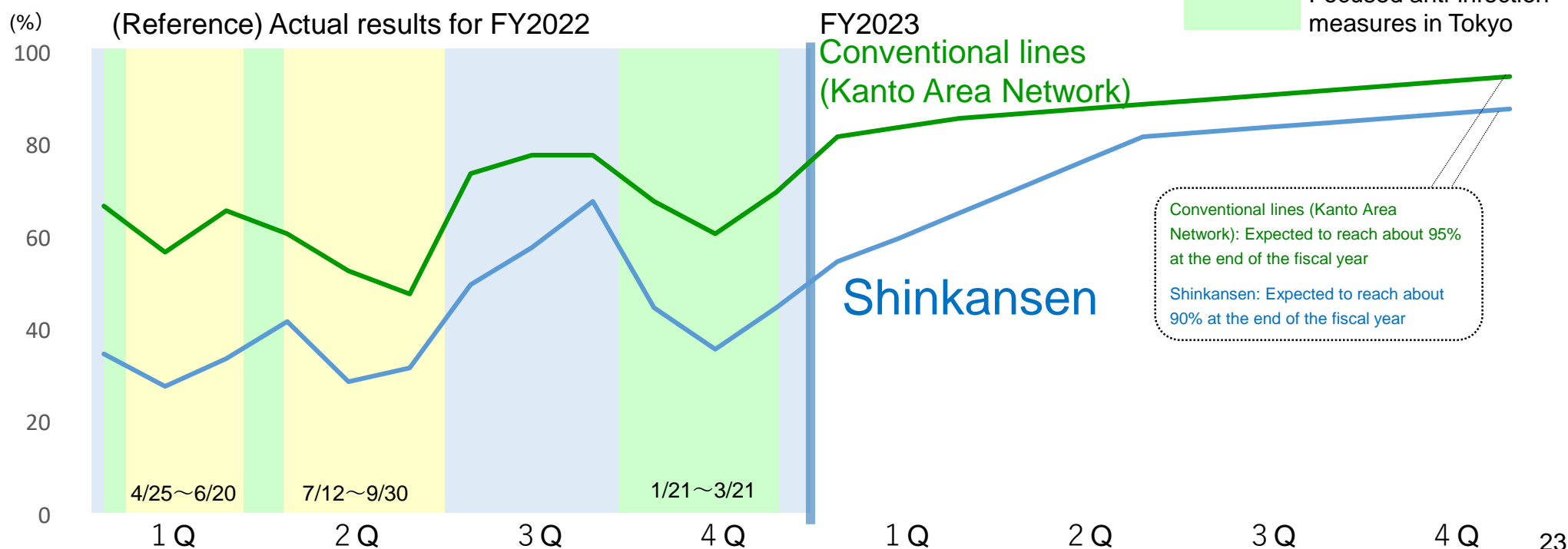
# Transportation

(¥ billion)	2021.3 Results	2022.3 Results	2022.3/2021.3		2023.3 Plan	2023.3/2022.3	
			Increase/ Decrease	%		Increase/ Decrease	%
Operating revenues	1,095.7	1,277.0 [1,280.8]	+ 181.3	116.5	1,675.0 [1,674.0]	+ 397.9	131.2
Operating income	-548.5	-285.3 [-284.2]	+ 263.1	—	10.0	+ 295.3	—

## ■ Assumptions for passenger revenue outlook \* Comparison with pre-COVID-19 levels

■ Commuter passes revenues: Remain at about 75% of pre-COVID-19 levels

■ Non-commuter passes revenues: Comparison with pre-COVID-19 levels  
(excluding special factors; comparison with actual results through FY2022)



# Retail & Services

(¥ billion)	2021.3 Results	2022.3 Results	2022.3/2021.3		2023.3 Plan	2023.3/2022.3	
			Increase/ Decrease	%		Increase/ Decrease	%
Operating revenues	318.0	278.1 [362.3]	-39.8	87.5	353.0 [488.0]	+ 74.8	126.9
Operating income	2.6	14.1 [14.1]	+ 11.5	540.3	50.0	+ 35.8	354.2

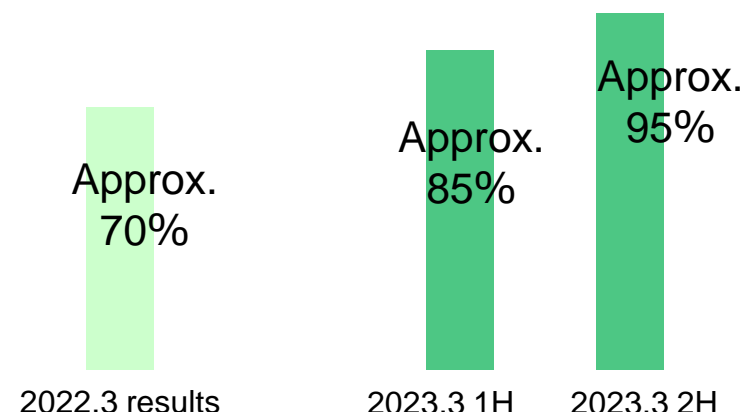
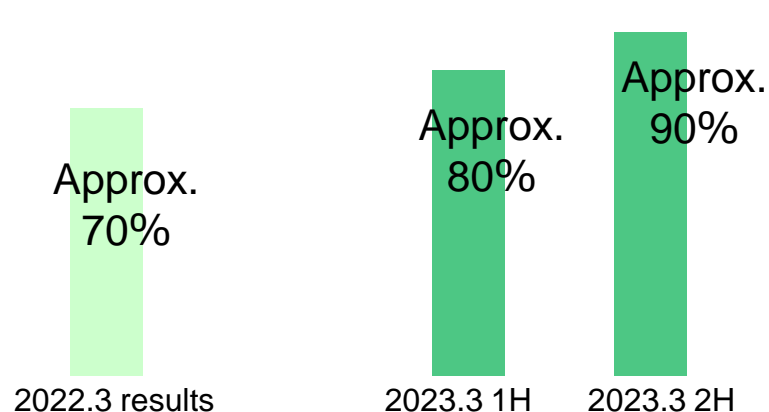
2022.3 Changes in operating revenues (¥ billion)	
JR East Marketing & Communications	-28.3 [+ 4.6]
JR East Cross Station Co., Ltd.	- 23 [+ 34.6]

Advertisement business	Performance was below expectations mainly due to a significant decrease in railway advertisement. Revenue decreased year on year partly due to the impact of the new revenue recognition standard.
EKINAKA stores	Sales of stores inside stations increased in reaction to the COVID-19 shock. Revenue decreased year on year due to the impact of the new revenue recognition standard.

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

### Advertisement business

### EKINAKA business





# Real Estate & Hotels

(¥ billion)	2021.3 Results	2022.3 Results	2022.3/2021.3		2023.3 Plan	2023.3/2022.3	
			Increase/ Decrease	%		Increase/ Decrease	%
Operating revenues	271.2	352.6 [382.0]	+ 81.4	130.0	353.0 [384.0]	+ 0.3	100.1
Operating income	15.1	107.8 [107.8]	+ 92.6	711.3	80.0	-27.8	74.2

(Reference) Hotel business results (2022.3)

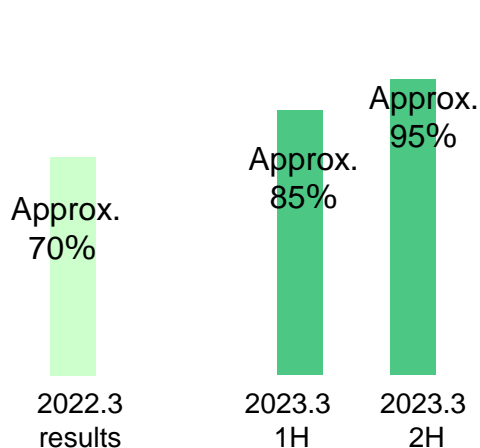
Operating revenues	¥ 32.1 billion
Operating income	¥ -14.1 billion

\* Simple addition of the hotel business of group companies and the hotel business of JR East.

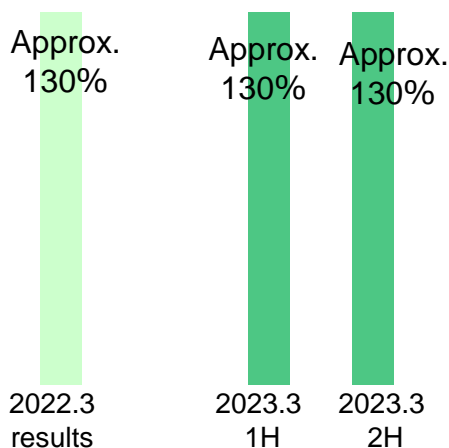
Shopping center business	Revenue increased year on year as sales of stores inside stations increased in reaction to the COVID-19 shock.
Office business	Revenue increased year on year mainly due to the full opening of <i>KAWASAKI DELTA</i> .
Hotel business	Revenue increased year on year in reaction to the COVID-19 shock.

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

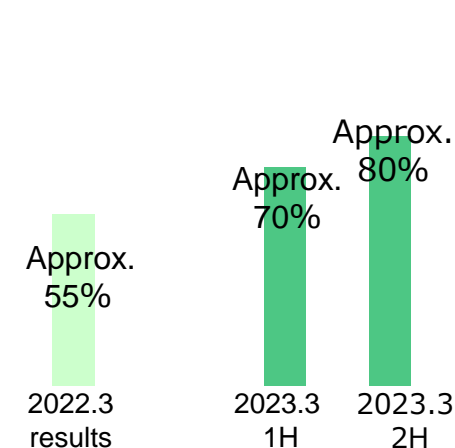
### Shopping center business



### Office business



### Hotel business



# Hotel Business Results

(Reference) Hotel business results (2022.3)

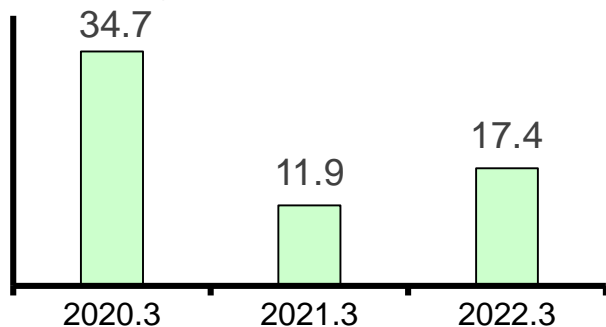
Operating revenues	¥ 32.1 billion
Operating income	¥ -14.1 billion

\* Simple addition of the hotel business of group companies and the hotel business of JR East.

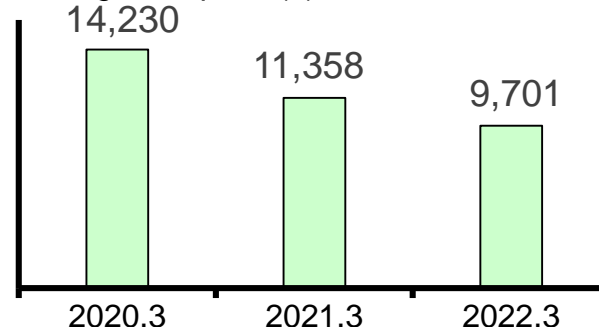
Metropolitan Hotels (14 totals, 4,146 guest rooms)

- Metropolitan Hotels (14 hotels, 4,146 guest rooms)
- JR-EAST HOTEL METS chain (28 hotels, 3,911 guest rooms)
- The Tokyo Station Hotel (150 guest rooms)
- mesm Tokyo, AUTOGRAPH COLLECTION (265 guest rooms)
- Familio, Folkloro (8 hotels, 344 guest rooms)
- wanoi Kakunodate (3 guest rooms)
- Hotel Dream Gate Maihama, Hotel Dream Gate Maihama Annex (160 guest rooms)
- Hotel New Grand (238 guest rooms)
- Hotel Metropolitan PREMIER TAIPEI (288 guest rooms)

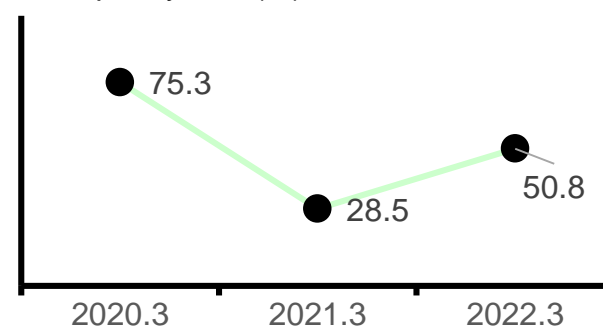
Operating revenues (¥ billion)



Average unit price (¥)

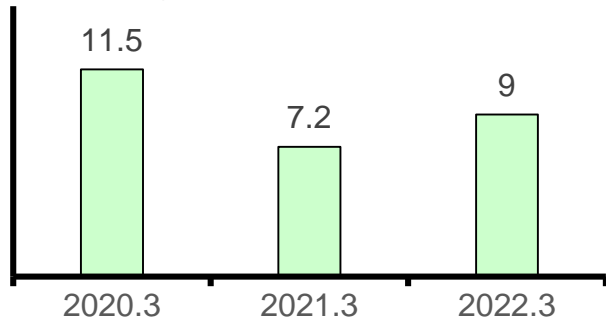


Occupancy rate (%)

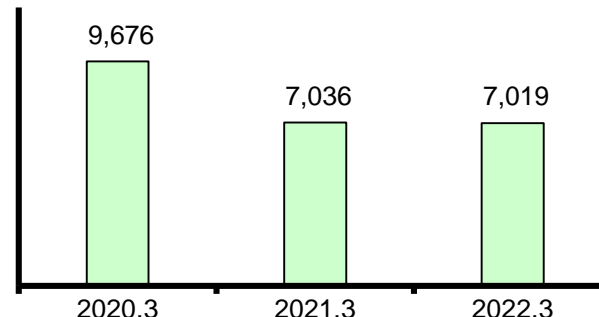


JR-EAST HOTEL METS (28 totals, 3,911 guest rooms)

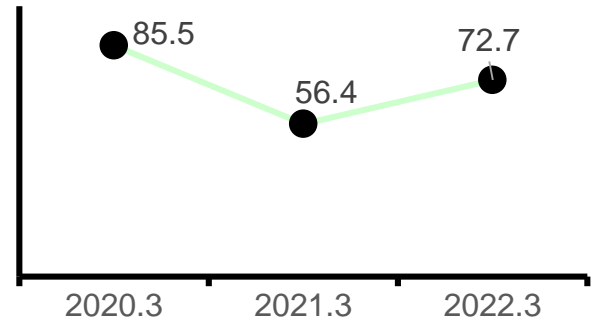
Operating revenues (¥ billion)



Average unit price (¥)



Occupancy rate (%)



# Others

(¥ billion)	2021.3 Results	2022.3 Results	2022.3/2021.3		2023.3 Plan	2023.3/2022.3	
			Increase/ Decrease	%		Increase/ Decrease	%
Operating revenues	79.5	71.0 [81.8]	-8.4	89.4	72.0 [83.0]	+ 0.9	101.3
Operating income	14.7	11.6 [13.1]	-3.1	78.9	15.0	+ 3.3	128.8

2022.3 Changes in operating revenues		Viewcard	Revenue increased year on year, but decreased due to the impact of the new revenue recognition standard.
Viewcard	-7.8 [+ 3.4]	JR East Mechatronics	Revenue decreased year on year due to a decrease in orders received for IC cards
JR East Mechatronics	-3.1 [-2.9]	JR East Information Systems	Revenue decreased year on year due to a decrease in system development revenue and the impact of the new revenue recognition standard.

(Reference) IT & Suica business results (2022.3)

Operating revenues	¥ 43.6 billion
Operating income	¥ 9.9 billion

## ■ Assumptions for revenue outlook

### Credit card business

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

### Use of Suica e-money (number of uses)

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

# FY2022.3 Financial Results (non-consolidated)

(¥ billion)	2021.3 Results	2022.3 Results	2022.3/2021.3	
			Increase/ Decrease	%
Operating revenues	1,184.1	1,424.1	+ 240.0	120.3
Passenger revenues	954.3	1,113.2	+ 158.9	116.7
Others	229.8	310.9	+ 81.1	135.3
Operating expenses	1,662.6	1,573.7	-88.9	94.7
Personnel expenses	388.8	369.3	-19.5	95.0
Non-personnel expenses	773.0	691.3	-81.7	89.4
Energy	56.4	61.4	+ 4.9	108.7
Maintenance	292.7	245.4	-47.2	83.9
Other	423.8	384.4	-39.4	90.7
Usage fees to JR TT, etc.	82.9	84.7	+ 1.8	102.2
Taxes	96.4	98.8	+ 2.3	102.4
Depreciation	321.2	329.4	+ 8.2	102.6
Operating income	-478.5	-149.5	+ 328.9	—
Non-operating income or expenses	-39.1	-28.1	+ 11.0	71.8
Ordinary income	-517.7	-177.7	+ 339.9	—
Extraordinary gains or losses	-116.4	-16.0	+ 100.4	13.7
Profit	-506.6	-99.1	+ 407.4	—

Main factors behind change
Non-commuter passes revenues: +160.1 Commuter passes revenues: -1.2
Real estate sales revenues: +67.9 Real estate lease revenues: +5.5
Decrease in provision for bonuses : -10.7
Increase in unit fuel price: +7.2
General maintenance expenses: -39.2 Railcar maintenance expenses: -8.0
Outsourcing expenses: -14.8 Advertising expenses: -12.9
Increase due to capital investment
[Income taxes-deferred] Impact of the approval for business adaptation plan: -79.0

# FY2023.3 Plan (non-consolidated)

(¥ billion)	2022.3 Results	2023.3 Plan	2023.3/2022.3	
			Increase/ Decrease	%
Operating revenues	1,424.1	1,794.0	+ 369.8	126.0
Passenger revenues	1,113.2	1,491.0	+377.7	133.9
Others	310.9	303.0	-7.9	97.5
Operating expenses	1,573.7	1,694.0	+ 120.2	107.6
Personnel expenses	369.3	386.0	+ 16.6	104.5
Non-personnel expenses	691.3	781.0	+ 89.6	113.0
Energy	61.4	74.0	+12.5	120.5
Maintenance	245.4	267.0	+21.5	108.8
Other	384.4	440.0	+55.5	114.5
Usage fees to JR TT, etc.	84.7	85.0	+ 0.2	100.3
Taxes	98.8	107.0	+ 8.1	108.2
Depreciation	329.4	335.0	+ 5.5	101.7
Operating income	-149.5	100.0	+ 249.5	—
Non-operating income or expenses	-28.1	-49.0	-20.8	174.2
Ordinary income	-177.7	51.0	+ 228.7	—
Extraordinary gains or losses	-16.0	2.0	+18.0	—
Profit	-99.1	41.0	+140.1	—

Main factors behind change
[-] Real estate sales revenue
[+] Reversal of bonuses
[+] Increase in unit fuel price
[+] General maintenance expenses
[+] Railcar maintenance expenses
[+] Information processing expenses
[+] Revenue-linked expenses
[+] Increase due to asset acquisition

# Summary of Cash Flows (consolidated)

(¥ billion)	2021.3	2022.3	Increase/ Decrease
	Decrease in loss before income taxes		+ 523.0
Cash Flows from Operating Activities (I)	-189.9	190.5	+ 3,80.4
	Decrease in payments for purchases of fixed assets		+ 182.4
Cash Flows from Investing Activities (II)	-749.3	-526.3	+ 223.0
<i>Free Cash Flows (I) + (II)</i>	-939.3	-335.8	+ 603.5
	Decrease in procurements with interest-bearing debt		-365.7
Cash Flows from Financing Activities (III)	983.3	304.6	-678.7
Effect of Exchange Rate Changes on Cash and Cash Equivalents (IV)	-0.0	0.2	+ 0.3
Net Change in Cash and Cash Equivalents (I) + (II) + (III) + (IV)	44.0	-30.9	-74.9
Cash and Cash Equivalents at Beginning of the Period	153.7	197.9	+44.1
Increase in Cash and Cash Equivalents from Newly Consolidated Subsidiary	—	3.2	+3.2
Increase in Cash and Cash Equivalents due to Merger	0.1	0.6	+0.5
Cash and Cash Equivalents at End of the Period	197.9	171.0	-26.9

# Change in Capital Expenditures (consolidated)

(¥ billion)		2018.3 (Results)	(¥ billion)		2019.3 (Results)	2020.3 (Results)	2021.3 (Results)	2022.3 (Results)	2023.3 Plan
Transportation	Growth investment	97.4	Transportation Services	Growth investment	93.5	110.7	79.0	57.2	77.0
	Investment needed for the continuous operation of business	326.9		Investment needed for the continuous operation of business	307.2	313.3	309.9	251.3	309.0
				Priority budget allocation (Investment in innovation, etc.)	31.4	46.7	62.6	44.0	36.0
	<b>Total</b>	424.4		<b>Total</b>	432.3	470.7	451.6	352.6	422.0
Non-Transportation	Growth investment	120.8	Lifestyle services, IT & Suica services	Growth investment	160.5	234.5	212.4	147.9	168.0
	Investment needed for the continuous operation of business	5.1		Investment needed for the continuous operation of business	32.5	32.2	26.3	18.3	39.0
				Priority budget allocation (Investment in innovation, etc.)	4.4	3.0	1.8	1.0	5.0
	<b>Total</b>	126.0		<b>Total</b>	197.6	269.8	240.6	167.3	212.0
	Growth investment	218.3		Growth investment	254.1	345.2	291.4	205.1	245.0
	Investment needed for the continuous operation of business	332.0		Investment needed for the continuous operation of business	339.8	345.5	336.3	269.6	348.0
	(Priority budget allocation)	(25.3)		(Depreciation)	368.7	374.7	388.8	392.6	406.0
	(Depreciation)	367.9		Priority budget allocation (Investment in innovation, etc.)	35.9	49.7	64.4	45.1	41.0
	<b>Total</b>	550.4		<b>Total</b>	629.9	740.6	692.2	520.0	634.0

\* For the FY2022.3 and earlier fiscal years, the investment amounts before the change in the business segment classification of JR East's advertising and publicity have been presented

## Change in Interest-bearing Debt Balance (consolidated)

(¥ billion)		2018.3 (Results)	2019.3 (Results)	2020.3 (Results)	2021.3 (Results)	2022.3 (Results)
Bonds		1,770.1 (1.68%)	1,730.1 (1.61%)	1,710.2 (1.56%)	2,020.3 (1.32%)	2,542.6 (1.14%)
Long-term loans		1,072.9 (1.10%)	1,101.4 (1.06%)	1,124.3 (0.99%)	1,291.8 (0.89%)	1,451.4 (0.82%)
Long-term liabilities incurred for purchase of railway facilities		336.5 (6.47%)	332.1 (6.49%)	327.7 (6.51%)	323.0 (6.53%)	318.8 (6.54%)
Other interest- bearing debt		—	—	150.0 (—)	715.0 (0.11%)	390.7 (-0.00%)
Total		3,179.6 (1.99%)	3,163.7 (1.93%)	3,312.3 (1.79%)	4,350.2 (1.38%)	4,703.7 (1.31%)
Net interest-bearing debt		2,864.7	2,899.9	3,158.5	4,152.2	4,532.7

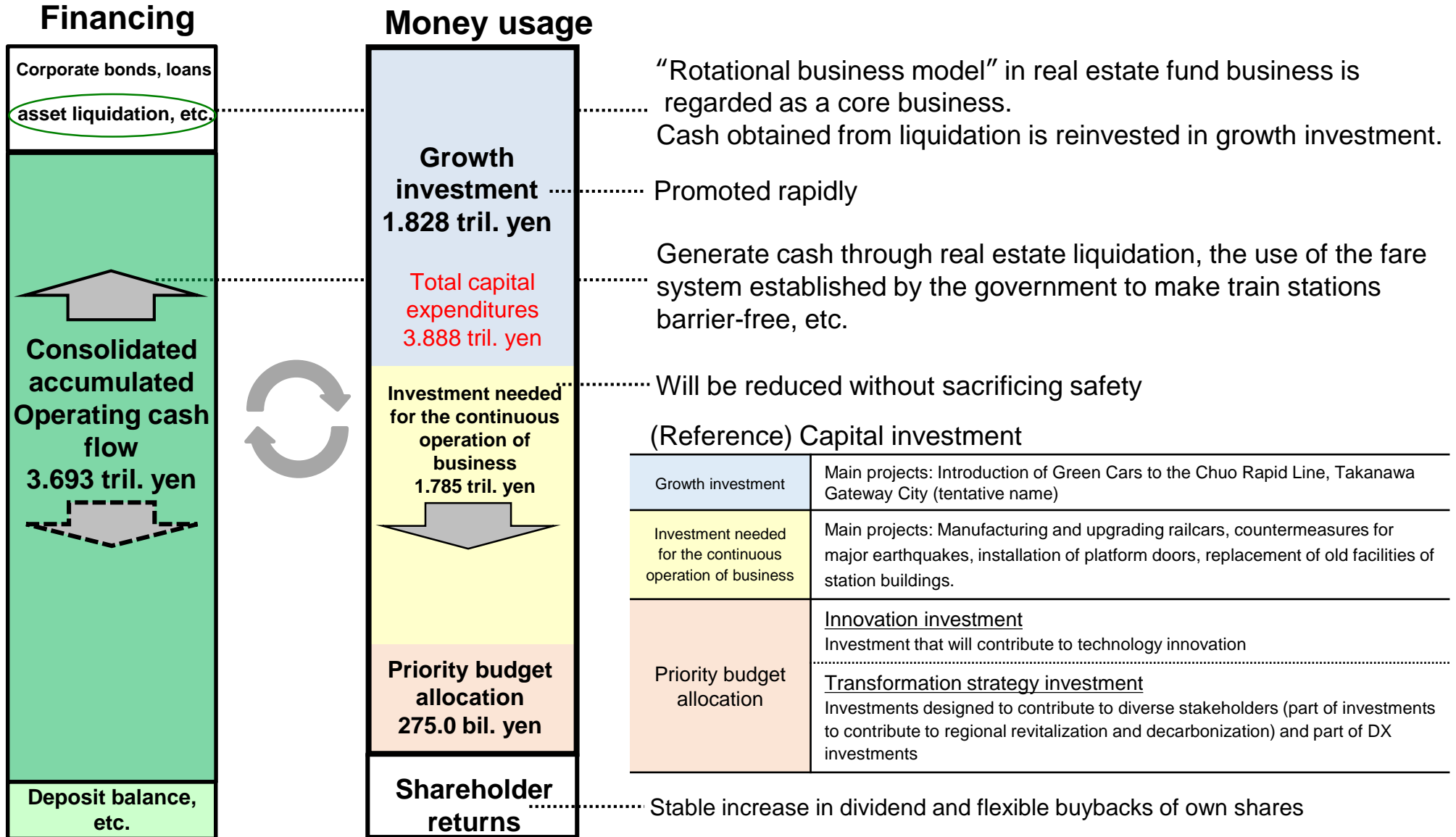
[Notes]

Net interest-bearing debt = Balance of consolidated interest-bearing debt –  
Balance of consolidated cash and cash equivalents

Top : Balance  
Bottom: Average interest rate



# Financing and Money Usage (FY2022-FY2026)



Expecting to achieve positive free cash flows in FY2024.3

# Numerical targets for specific actions (FY2026) and FY2022 results

Values to create	Focus points		(Reference) FY2021 results	FY2022 results	Targets for FY2026 (announced in January 2021)
Affluence	People's daily lives	Ticketless service usage rate for JR East Shinkansen	33.2% The highest number (Oct. 2020)	38.9% The highest number (Feb. 2022)	70%
		Handling percentage of eki-net	28.2% The highest number (Oct. 2020)	35.0% The highest number (Dec. 2021)	60%
		Mobile <i>Suica</i> cards issued	14.1 mil.	16.62 mil.	25 mil.
		Number of transactions for usage of the services of the MaaS platform, Mobility Linkage Platform, provided by JR East	0.21 mil. transactions/month The highest number (Mar. 2021)	0.46 mil. transactions/month The highest number (Mar. 2022)	75 mil. transactions/month
		E-money usage such as <i>Suica</i>	250 mil. transactions/month The highest number (Dec. 2019)	250 mil. transactions/month The highest number (Dec. 2019)	500 mil. transactions/month
		Number of transaction amount of JRE MALL	1.2 bil. Yen	2.51 bil. Yen.	130 bil. Yen
		Number of JRE POINT members	12.36 mil. persons	12.59 mil. persons	25 mil. persons
		Number of shared offices	134 locations in total	503 locations in total	1,200 locations in total
		Number of childcare support facilities	145 locations in total	158 locations in total	170 locations in total
		Number of homes	About 1,600 homes in total	1,909 homes in total	3,800 homes in total
		Installation areas of 5G	3 places in total	16 places in total	100 places in total
Trust	Safety	Accidents due to internal causes	0	0	0
		Serious incidents	0	0	0
		Railway accidents	25% reduction	23% reduction *3	20% reduction (from FY2019 level) *4
		Of which accidents on platforms involving personal injuries	43% reduction	55% reduction *3	30% reduction (18年度比) *4
		Transportation disruptions due to internal causes			
		Conventional lines within 100km range of Tokyo	34% reduction	55% reduction *3	70% reduction (from FY2019 level)
		JR East Shinkansen	8% increase	56% reduction *3	75% reduction (from FY2019 level)
		Total delay time for conventional lines within 100-km range of Tokyo	2% reduction	190% increase *3	70% reduction (from FY2019 level)
		CO2 emissions of the railway business	7.5% reduction *1	9.8% reduction *2	50% reduction (from FY2014 level) *5
		Development of renewable energy power sources	82,000 kW	130,500 kW	700,000 kW *5

\*1: Railway business results for FY2020 \*2:FY2021 results \*3:Preliminary figures \*4: FY2024 targets \*5: FY2031 targets

## **Ⅲ FY2022.3 Financial Results and FY2023.3 Plan (Reference)**

# Passenger Revenues - Result

(¥ billion)		2021.3 Results	2022.3 Results	2022.3/2021.3		Factors	Changes by factor
				Increase /decrease	%		
Commuter passes (Seasonal tickets)		379.2	378.0	-1.2	99.7	Impact of the new revenue recognition standard	-1.5
Non-commuter passes (Ordinary tickets)	Shinkansen Network	168.6	237.8	+ 69.1	141.0	Recovery from the impact of COVID-19	+74.5
						In reaction to the impact of a natural disaster (Fukushima Prefecture offshore earthquake in 2021)	+1.5
						Impact of the new revenue recognition standard	-1.0
						Impact of a natural disaster (Fukushima Prefecture offshore earthquake in 2022)	-6.0
	Kanto Area Network of Conventional Lines	383.7	470.3	+ 86.6	122.6	Recovery from the impact of COVID-19	+90.0
						Impact of the new revenue recognition standard	-3.0
	Other Network of Conventional Lines	22.6	27.0	+ 4.3	119.4	Recovery from the impact of COVID-19	+4.5
Total		575.0	735.2	+ 160.1	127.9		
Passenger revenues		954.3	1,113.2	+ 158.9	116.7		

(Reference) Shinkansen traffic volume by line (%)

Figures for February and March represent comparison with FY2019.

		Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Tohoku Shinkansen (Total of Furukawa-Kitakami and Omiya-Utsunomiya)	Comparison with 2020	272	263	126	126	122	85	100	120	164	192	155	79
	Comparison with 2019	35	29	34	42	30	33	51	59	66	52	36	30
Joetsu Shinkansen (Omiya-Takasaki)	Comparison with 2020	251	254	123	120	122	102	107	119	155	192	134	132
	Comparison with 2019	41	32	39	41	32	40	48	53	64	53	45	54
Hokuriku Shinkansen (Omiya-Takasaki)	Comparison with 2020	317	306	130	135	123	88	102	112	149	198	129	128
	Comparison with 2019	39	31	37	45	34	36	71	70	72	54	41	55

# Passenger Revenues - FY2023.3Plan

YoY (¥ billion)	Total		Main positive and negative factors
	1H	2H	
Passenger Revenues	133.9%		
	138.1%	130.4%	
Commuter passes (Seasonal tickets)	100.0%		<ul style="list-style-type: none"> <li>• Impact of the new revenue recognition standard: -1.5</li> <li>• Recovery from the impact of COVID-19: +.15</li> </ul>
	100.6%	99.3%	
Non-commuter passes (Ordinary tickets)	151.4%		
	160.2%	144.5%	
Shinkansen Network	185.2%		<ul style="list-style-type: none"> <li>• Recovery from the impact of COVID-19: +202.5</li> <li>• Green Car fee revision: +1.5</li> <li>• Impact of a natural disaster (Fukushima Prefecture offshore earthquake in 2022): -1.0</li> <li>• Impact of the new revenue recognition standard: -0.5</li> </ul>
	203.9%	172.7%	
Kanto Area Network of Conventional Lines	134.2%		<ul style="list-style-type: none"> <li>• Recovery from the impact of COVID-19: 161.5</li> <li>• Green Car fee revision: +0.5</li> <li>• Impact of the new revenue recognition standard: -1.0</li> </ul>
	141.1%	128.4%	
Other Network of Conventional Lines	153.1%		<ul style="list-style-type: none"> <li>• Recovery from the impact of COVID-19: +15.0</li> <li>• Impact of the new revenue recognition standard: -0.5</li> </ul>
	155.2%	151.6%	

# Traffic Volume and Passenger Revenues - FY2023.3 Plan

## Traffic Volume (million passenger kilometers)

## Passenger Revenues (¥ billion)

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

# Retail & Services / Real Estate & Hotels / Others: Reference

\* February and March figures are comparison with FY2019

\* The figures marked with “(existing)” compared with FY2020 and FY2019 are approximation based on simple multiplication.

## ■ Retail & Services: Changes in revenue (%)

	Comparable year	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Retail & restaurants	2020	193.5	187.4	118.6	114.4	99.9	93.9	99.1	108.2	123.2	130.3	110.7	109.4
	* 2019	63.9	59.1	66.3	68.4	56.3	63.2	77.8	77.1	84.1	72.9	66.8	73.0
JR East Cross Station Co., Ltd. (retail) (existing) *	2020	172.5	158.9	110.1	107.7	99.0	94.5	98.4	106.9	117.0	121.9	105.3	106.0
	* 2019	67.8	61.7	67.2	68.4	57.9	65.6	74.4	73.7	79.2	69.4	60.6	67.3
JR East Cross Station Co., Ltd. (foods) (existing) *	2020	210.5	255.0	118.1	110.5	98.6	90.9	99.8	110.6	128.1	146.6	119.1	117.7
	* 2019	45.7	41.4	47.7	51.9	42.3	46.0	60.6	62.5	67.4	59.3	45.5	56.2

## ■ Real Estate & Hotels: Changes in revenue (%)

Station buildings	2020	242.8	239.1	96.5	105.4	91.0	96.7	102.2	105.8	111.4	117.5	101.2	110.0
	* 2019	76.1	70.1	79.7	82.0	71.6	74.5	94.4	88.7	92.1	82.1	80.2	83.9
LUMINE (existing)*	2020	480.5	1,096.9	91.7	110.7	84.5	97.8	102.7	104.8	113.6	123.6	99.3	110.4
	* 2019	66.9	59.6	73.6	75.9	62.6	69.1	91.5	87.1	88.7	76.0	76.9	81.3
atré (existing)*	2020	255.6	233.4	95.5	100.5	88.8	94.6	98.9	102.1	103.2	106.8	98.1	101.8
	* 2019	76.3	70.6	79.1	81.2	75.1	77.0	91.8	85.6	89.4	81.9	81.0	82.0
Hotels	2020	286.1	325.5	173.4	184.1	128.9	91.2	96.0	104.9	139.2	139.2	133.3	110.8
	* 2019	39.3	38.9	43.0	59.2	50.5	44.4	58.3	63.0	75.5	58.1	53.3	55.9

## ■ Others: Changes in the number of monthly uses of e-money

Number of monthly uses of e-money	Number of uses (million)	208	198	219	232	214	209	231	231	237	210	186	227
	2020	160.1	156.2	117.4	115.4	101.6	100.2	105.3	109.7	112.8	118.9	107.0	108.9
	* 2019	102.1	92.3	102.7	101.1	92.4	92.4	94.9	93.2	94.0	87.8	104.0	112.1

## **IV Numerical targets of FY2026.3 and FY2022.3 Results (Excerpt)**



# Numerical Targets of “Move Up” 2027 (FY2026 Targets)

Consolidated operating revenues: Net sales to external customers

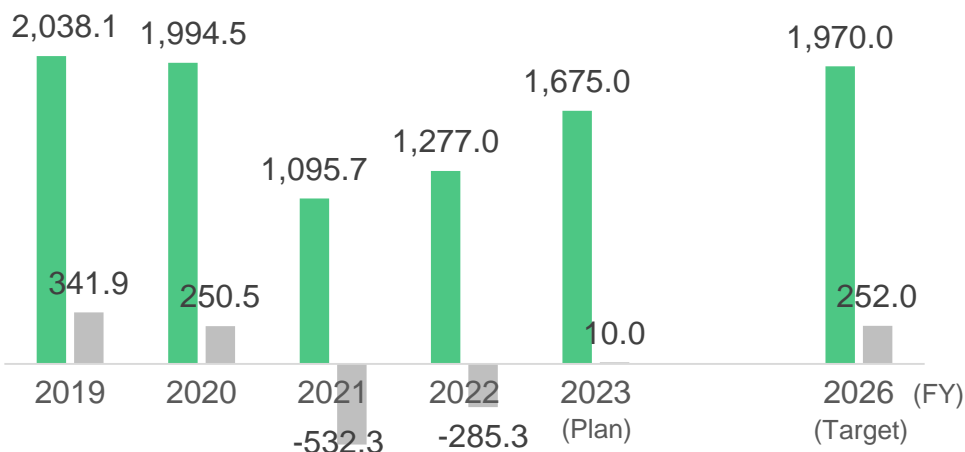
Consolidated operating income: Net sales to external customers + Inter-segment sales – Purchase from external parties - Inter-segment purchase

Advertisement revenues and incomes of JR East, which were previously reported in the transportation segment, have been reported in the retail & services segment since FY2022.

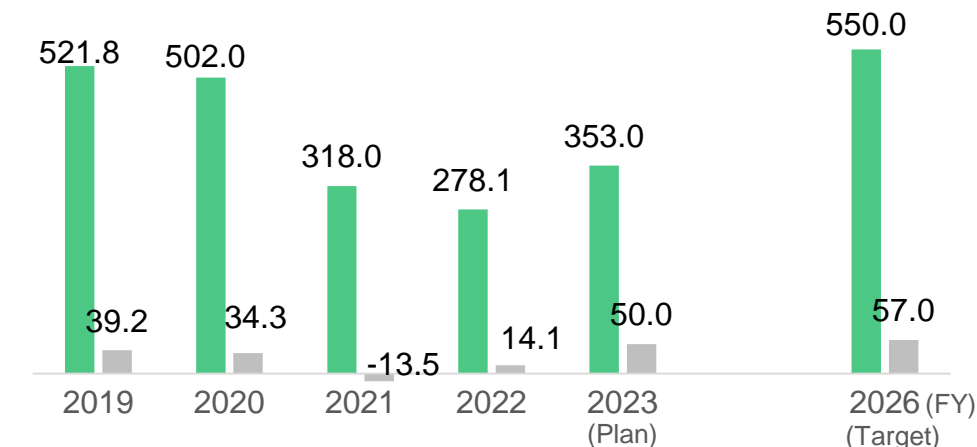
(¥ billion)

Operating revenues  
Operating income

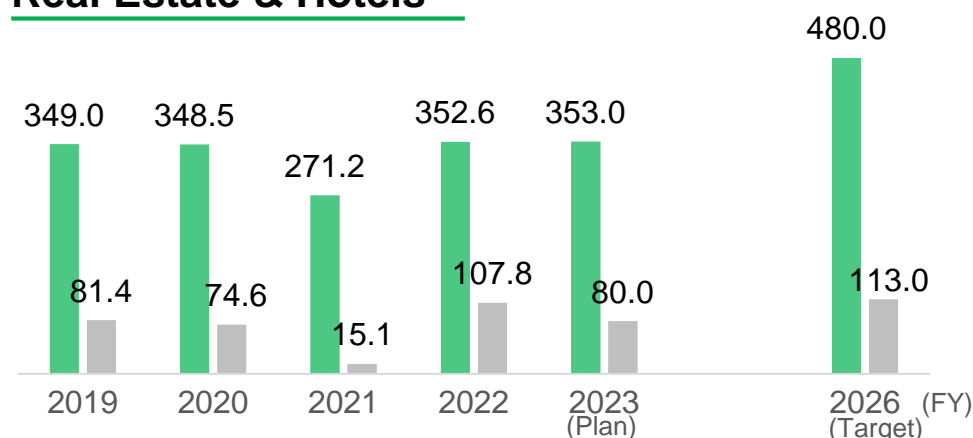
## Transportation



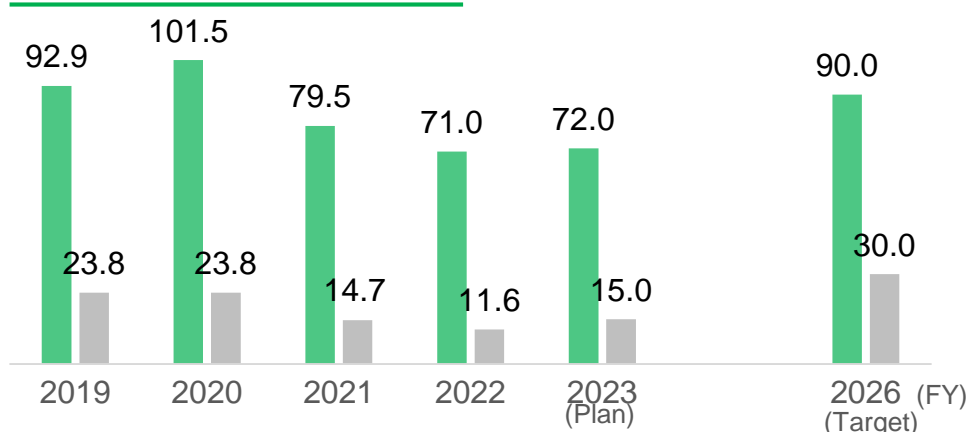
## Retail & Services



## Real Estate & Hotels



## Others



Consolidated operating cash flow ¥ 3.693 trillion

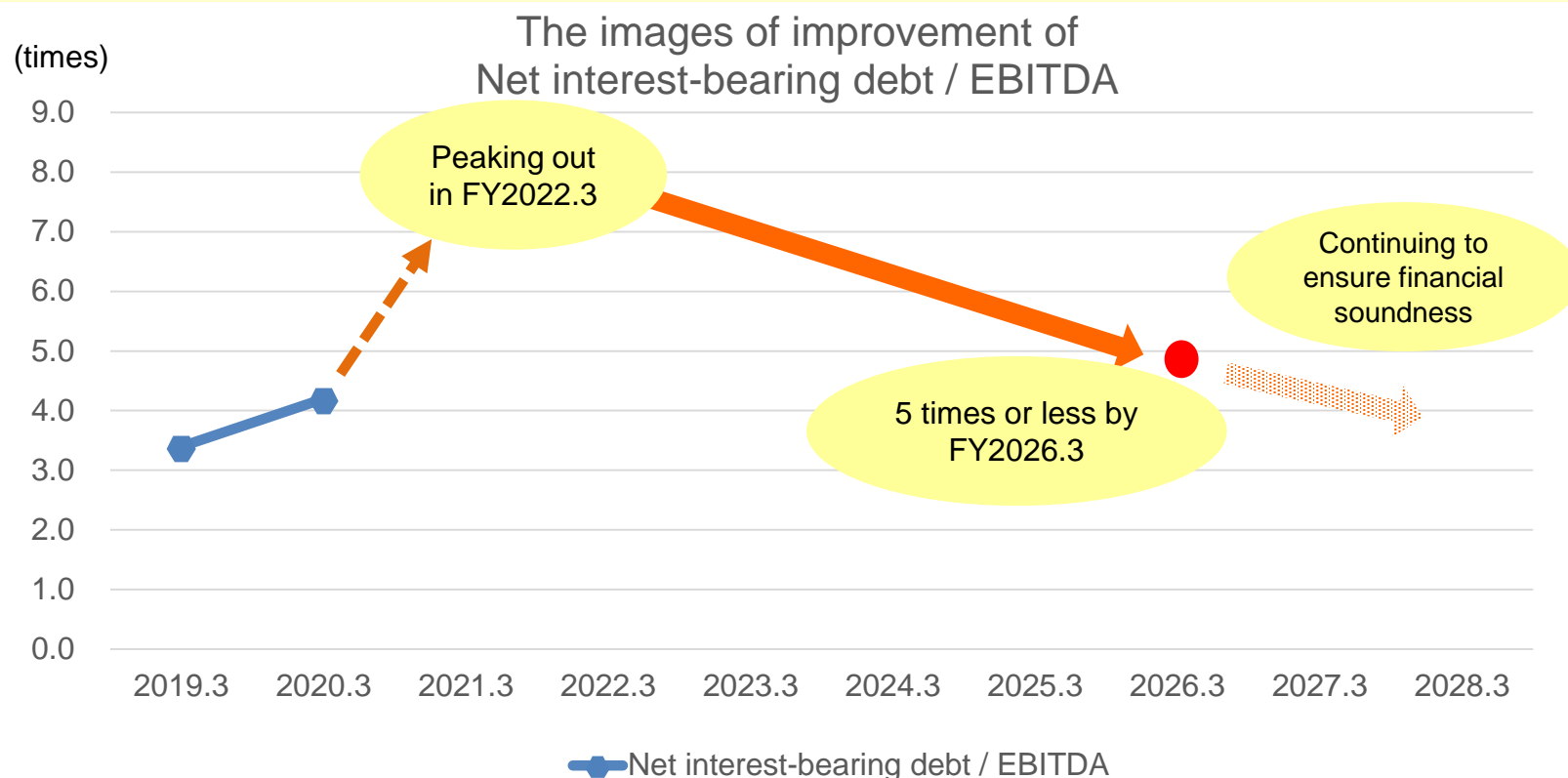
Consolidated ROA Around 4.5%

Net interest-bearing debt/EBITDA 5 times or less

\* Net interest-bearing debt = Consolidated balance of interest-bearing debt – Consolidated balance of cash and cash equivalents

\* EBITDA = Consolidated operating income + Consolidated depreciation

- Maintain the approach to interest-bearing debt set out in “Move Up” 2027  
“Seek net interest-bearing debt / EBITDA of about 3.5 times over the medium to long term”
- Abovementioned ratio is going to rise to the FY 2022.3 temporarily. However, improve to 5 times or less by FY2026.3 and continue to endeavor to ensure financial soundness thereafter



\*Net interest-bearing debt means Balance of consolidated interest-bearing debt *minus* Balance of consolidated cash and cash equivalents.

\*EBITDA means Consolidated operating income *plus* Consolidated depreciation expense.

# **V Reference Materials**

Basic approach to the revision of railway fare and fee systems

- Development of a flexible and resilient system
- Expansion of “advance notification system” for railway fare, etc.
- Development of a system to enable railway operators to respond to rapid inflation

Revisions requested

Change in the scope of matters requiring approval

- Regular fare and commuter pass fare
- Limited express fare for unreserved seats of Shinkansen
- Reduction in fare types and revision of fare application areas subject to authorization
- Change to a prior notification system

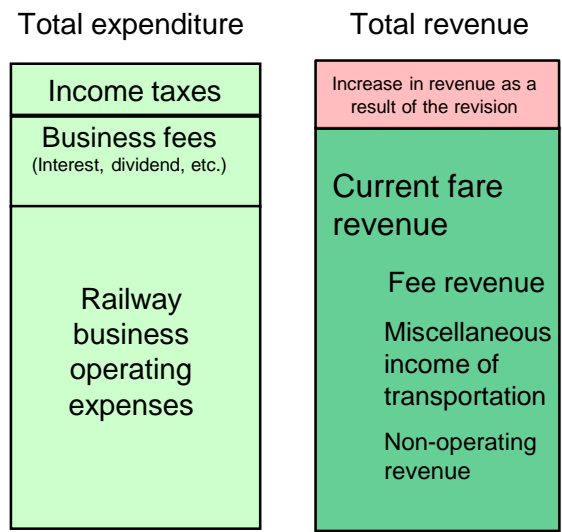
Revision of system requirements for total cost method

Revision of yardstick method, rate-based method, and cost accounting period to suit the current times

Other

- Fare schedules suited to special circumstances of lines of local railways in order to create a sustainable transportation system
- Income tax/fixed property tax reduction and exemption for capital investment that contributes to CO2 reduction, productivity improvement, and the like.

Schematic illustration of fare revision under the total cost method



[Reference: Not included in the materials above] Fare and fee-related measures

Taken

Revision of Green Car fees applicable to limited express trains and Shinkansen	March 2022
Revision of seasonal reserved seat fare for limited express trains	April 2022

To be taken

Discontinuation of the sales of standard magnetic coupon tickets	September 2022
Use of the fare system established by the government to make train stations barrier-free	Scheduled for around March 2023

# Materials Submitted to the Subcommittee on Improvement of Railway Fare and Fee Systems (Excerpt/Summary) (2)

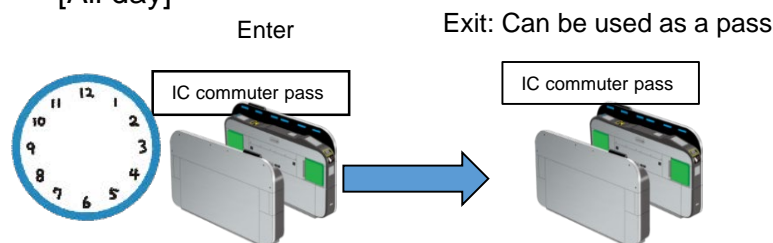
## Immediate consideration is requested for off-peak commuter passes

- In order to respond to the social needs for congestion mitigation that continue to increase due to COVID-19, we would like to introduce attractively priced off-peak commuter passes for commuting in the Tokyo metropolitan area.  
We also request a mechanism to allow us to compensate for the resulting reduction in revenue by revising the prices of regular commuter passes slightly and broadly to the extent that the revision will not result in a net increase in revenue for us.
- In addition, in order to ensure early introduction, we request special authorization for this rather than authorization granted through regular authorization procedure.

### Regular commuter passes

- Can be used all day like the current commuter passes
- Prices will be slightly higher than now

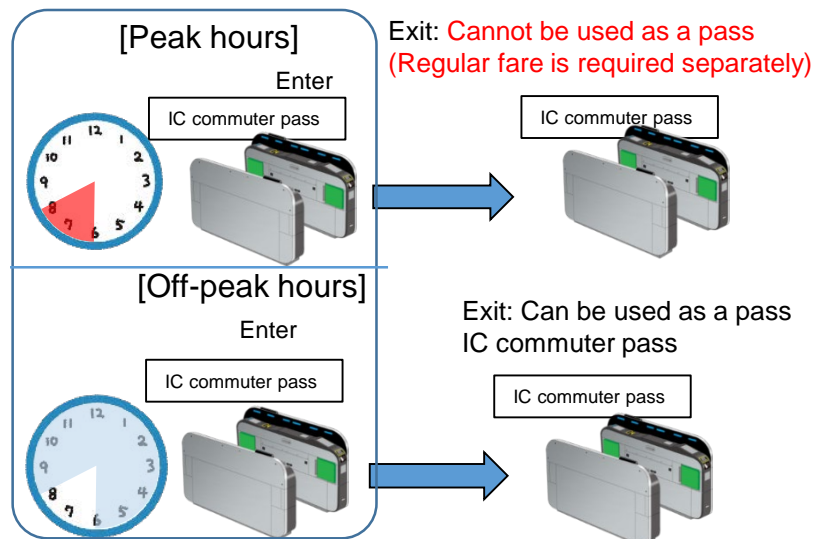
[All day]



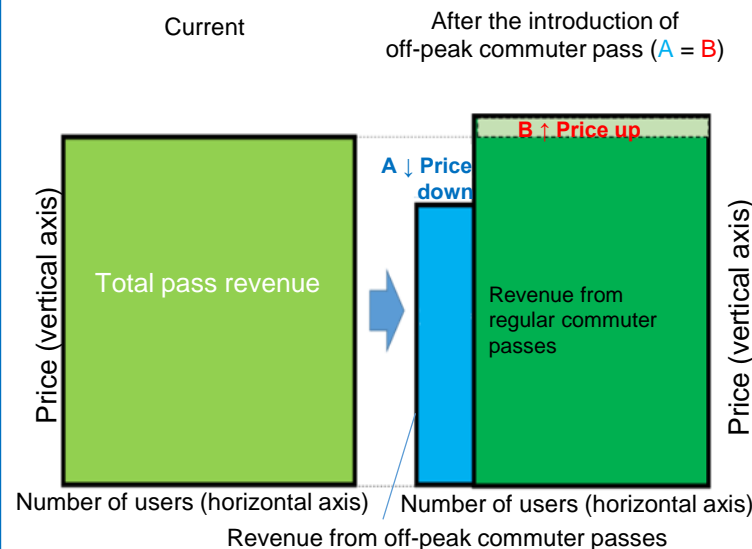
### Off-peak commuter pass

- Can be used as a commuter pass only during the hours outside the peak hours in the weekday morning (i.e., off-peak hours)
- Cannot be used as a commuter pass during the peak hours  
Regular fare is charged for the use during the peak hours
- Prices will be lower than now

\* Time of use is determined at the time of entrance



The price differential will be implemented by introducing attractive prices for off-peak commuter passes while adjusting the prices of regular commuter passes upward slightly and broadly to the extent that the total revenue will not change.



# FY2021.3 Shinkansen / Conventional Lines Revenues and Expenses

(¥ billion)	Shinkansen			Conventional Lines		
	2020.3	2021.3	2021.3/2020.3 (%)	2020.3	2021.3	2021.3/2020.3 (%)

Operating kilometers (km)	1,194	1,194	100.0	6,207	6,108	99.0
Passenger kilometers (million)	22,524	7,950	35.3	112,861	76,599	67.9
Operating revenues A	579.9	202.3	34.9	1,348.4	859.8	63.8
Operating expenses	378.5	357.0	94.3	1,295.7	1,219.9	94.1
Operating income B	201.4	-154.6	-	52.6	-360.0	-
Fixed assets C	1,926.9	1,909.0	99.1	3,126.2	3,242.3	103.7
Depreciation	72.7	72.3	99.5	217.3	226.4	104.2

B/A	34.7%	-76.4%	-	3.9%	-41.9%	-
B/C	10.5%	-8.1%	-	1.7%	-11.1%	-

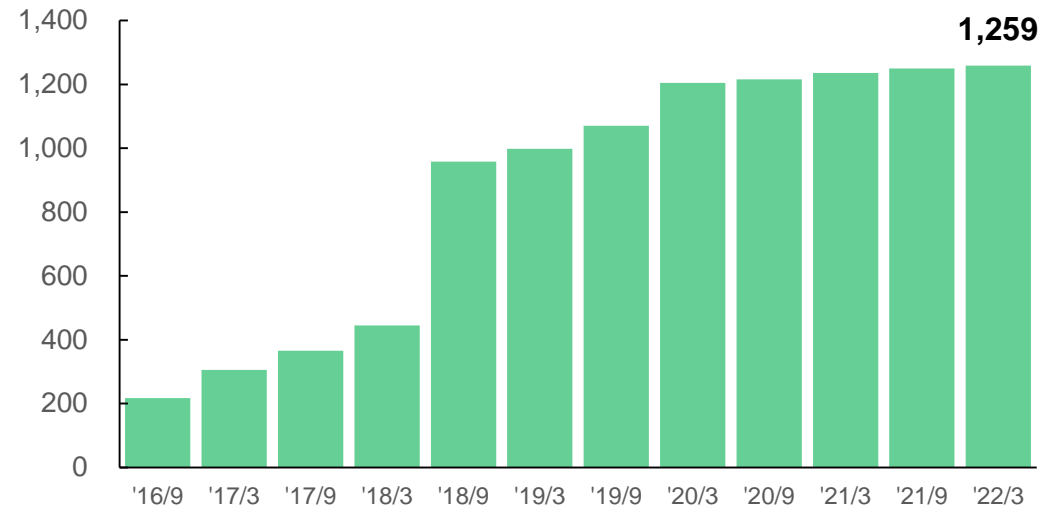
Number of *Suica* cards issued: Approx. 89.64 million  
(Results as of March 31)

Number of Mobile *Suica* issued: Approx. 16.62 million  
(Results as of March 31)

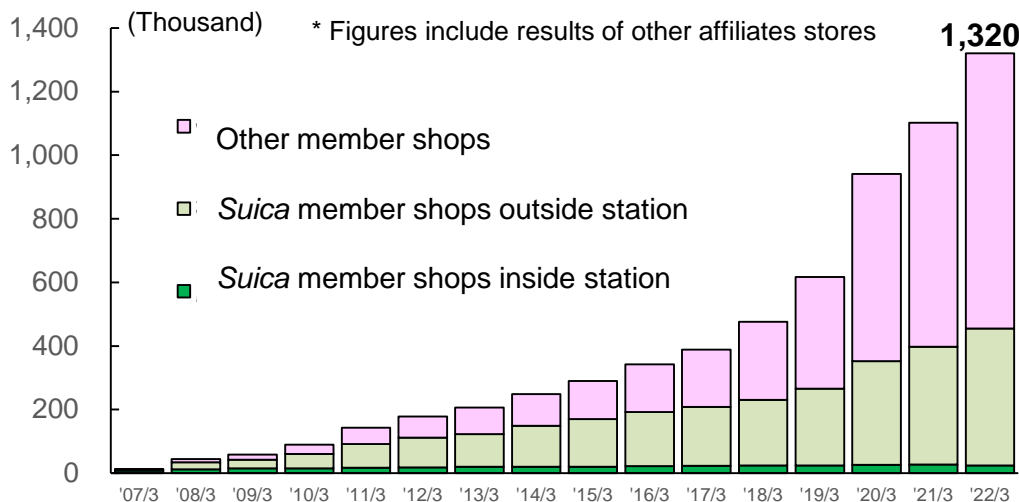
Ticketless service usage rate for JR East Shinkansen: 38.9%  
(Highest rate: February 2022)

eki-net handling percentage: 35.0%  
(Highest rate: December 2021)

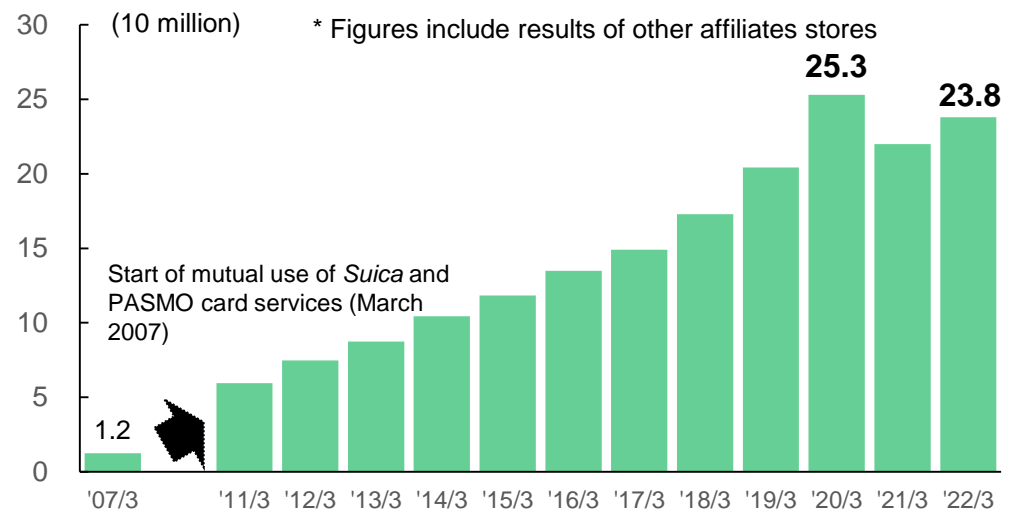
■ Number of *JRE POINT* members  
(10 thousand)



■ Number of e-money available shops



■ Largest number of e-money transactions in one month



[Compatible locations (terminals) 2,261 thousand (up 18.5% yoy)  
(as of March 31, 2022)]

[Transaction per day (record high)]  
Approx. 9.58 million (December 20, 2019)

## ■ Policy

- Address the risk that financing conditions will worsen through “early, abundant, long-term” funding
- Take flexible measures (funding, repayment) while carefully analyzing revenue trends going forward
- Ensure the financial stability, extending the terms of existing debt.

## ■ Fund-Raising Situation (Apr. 2021 - Mar. 2022)

- Long-term fund-raising (bonds, borrowing) : Totaled 811.3 billion yen.
- Short-term fund-raising (CP, special bank overdraft facilities):  
Balance at the end of March was 390.0 billion yen.

## ■ Issuance facility and contract value (1,580.0 billion yen)

CP 700 billion yen, Special bank overdraft facilities 520 billion yen,  
Commitment lines 300 billion yen, General bank overdraft facilities 60 billion yen.

## ■ Credit ratings

- Long-term credit ratings

Rating agency	Rating
Moody's	A1 (Stable)
Standard & Poor's (S&P)	A+ (Negative)
Rating and Investment Information (R&I)	AA+ (Stable)

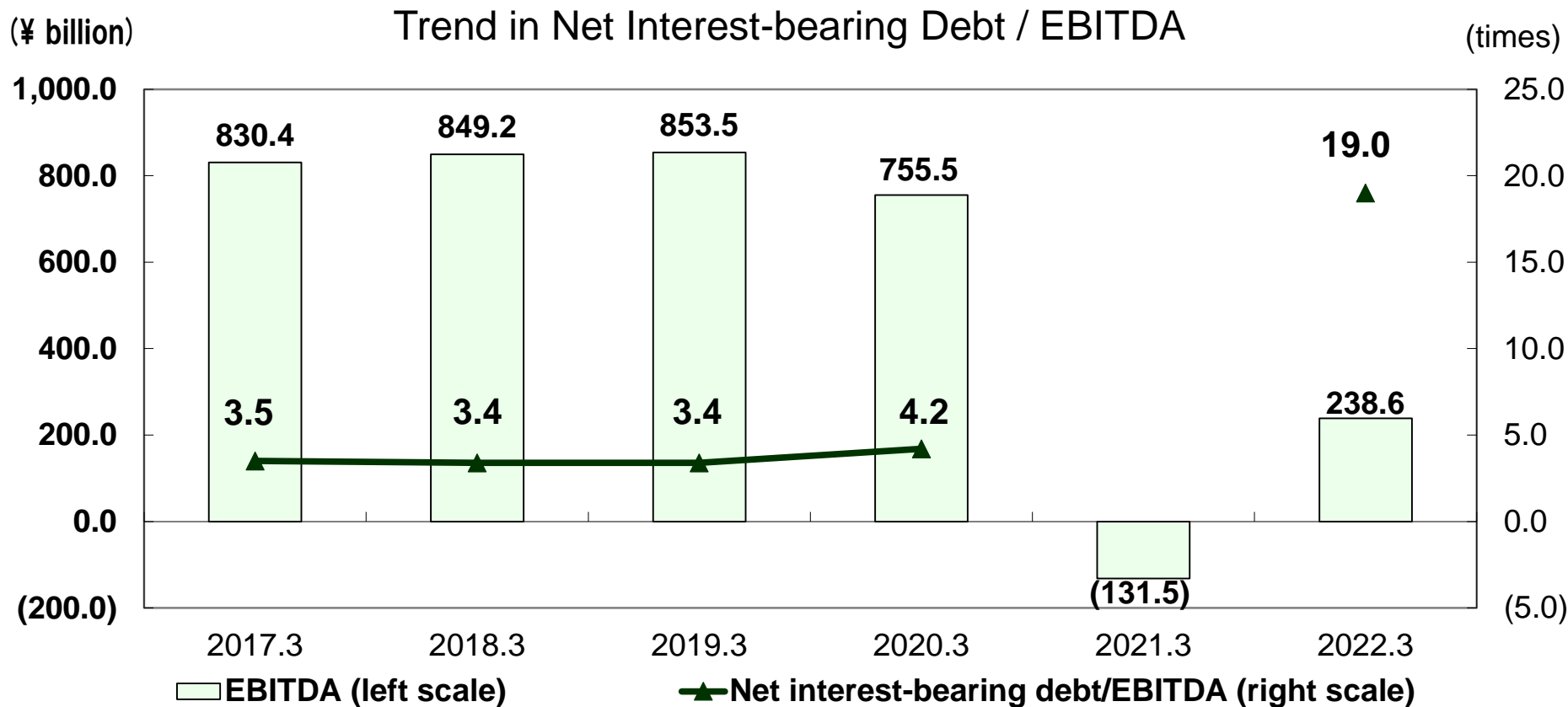
- Short-term credit ratings

Rating agency	Rating
Rating and Investment Information (R&I)	a-1+
Japan Credit Rating Agency (JCR)	J-1+



# Key Financial Indicators(1)

Additional Information for bond Investors



[Reference]	2017.3	2018.3	2019.3	2020.3	2021.3	2022.3
Net interest-bearing debt (¥ billion)	2,923.9	2,864.7	2,899.9	3,158.5	4,152.2	4,532.7

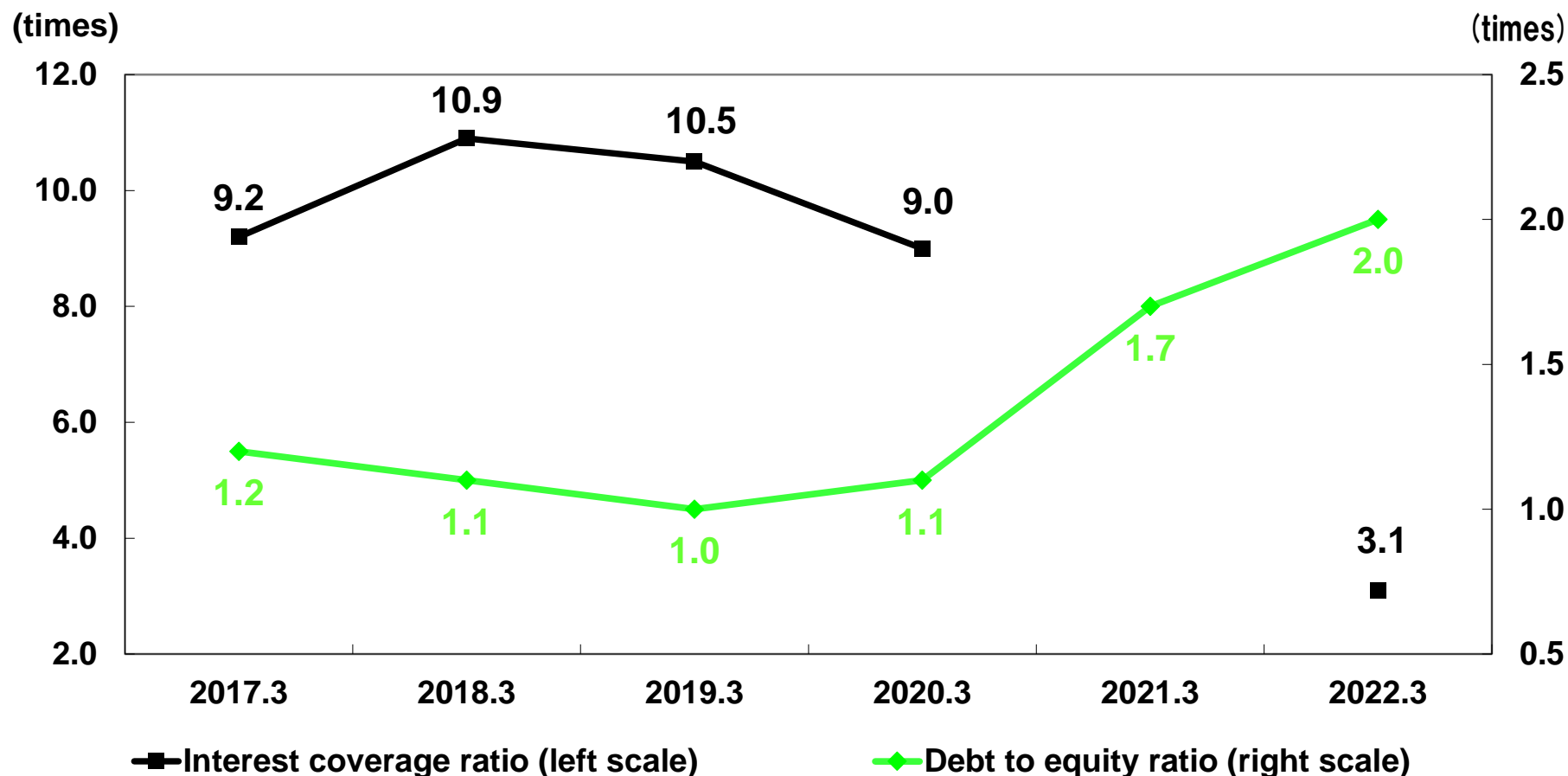
## [Notes]

1) Net interest-bearing debt = Balance of consolidated interest-bearing debt – Balance of consolidated cash and cash equivalents

2) EBITDA = Consolidated operating income + Consolidated depreciation expense

3) Net Interest-bearing debt / EBITDA in FY2021.3 is not stated because it was negative.

## Trend in Interest Coverage Ratio and Debt to Equity Ratio



[Notes]

- 1) Interest coverage ratio = Net cash provided by operating activities / payments of interest
- 2) Debt to Equity Ratio = Interest-bearing debt / Shareholder's equity
- 3) Interest coverage ratio in FY2021.3 is not stated because it was negative.

# Interest-bearing Debt Breakdown and Maturity Outlook

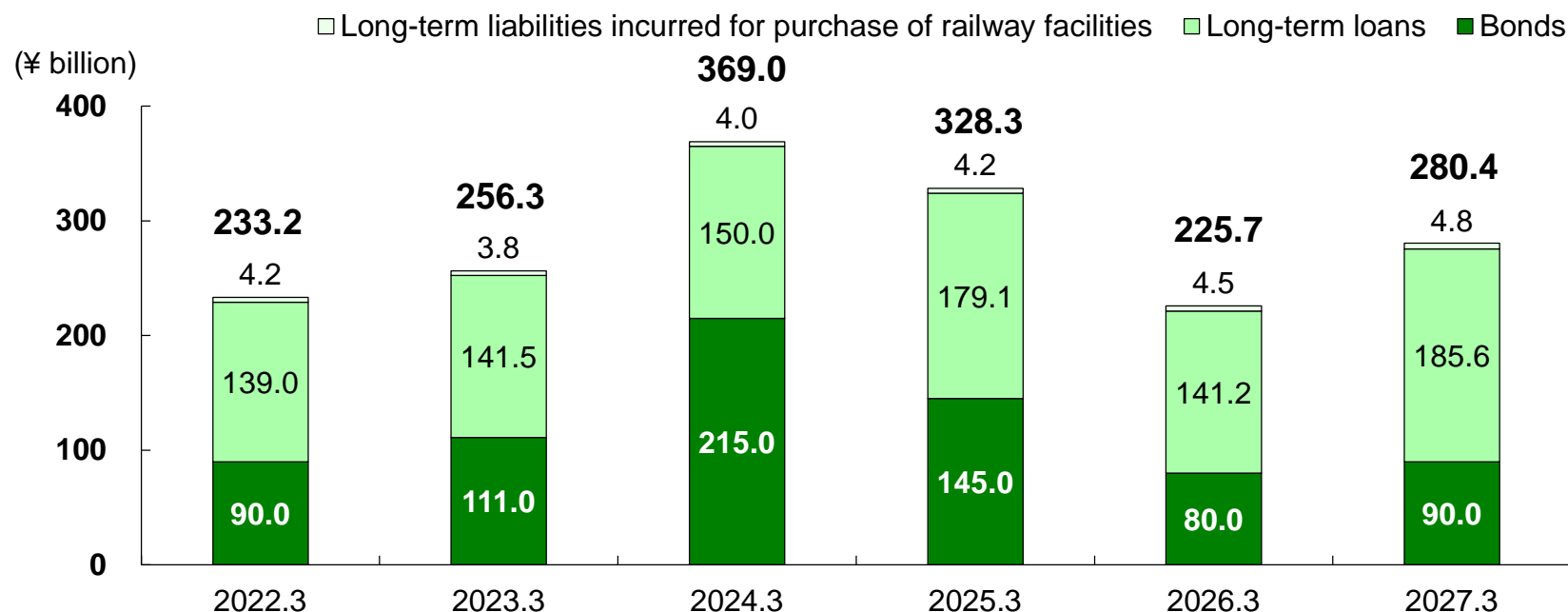
Additional Information for bond Investors



Breakdown of consolidated interest-bearing debt (As of Mar. 31, 2022)

	Balance (¥ billion)	Breakdown	Average interest rate	Average maturity
Bonds	2,542.6	54.0%	1.14%	14.95 years
Long-term loans	1,451.4	30.9%	0.82%	6.45 years
Long-term liabilities incurred for purchase of railway facilities	318.8	6.8%	6.54%	19.25 years
Other interest-bearing debt	390.7	8.3%	(0.00)%	0.44 years
Total	4,703.7	100.0%	1.31%	11.42 years

Redemption ladder of interest-bearing debt (consolidated, excluding short-term debt)

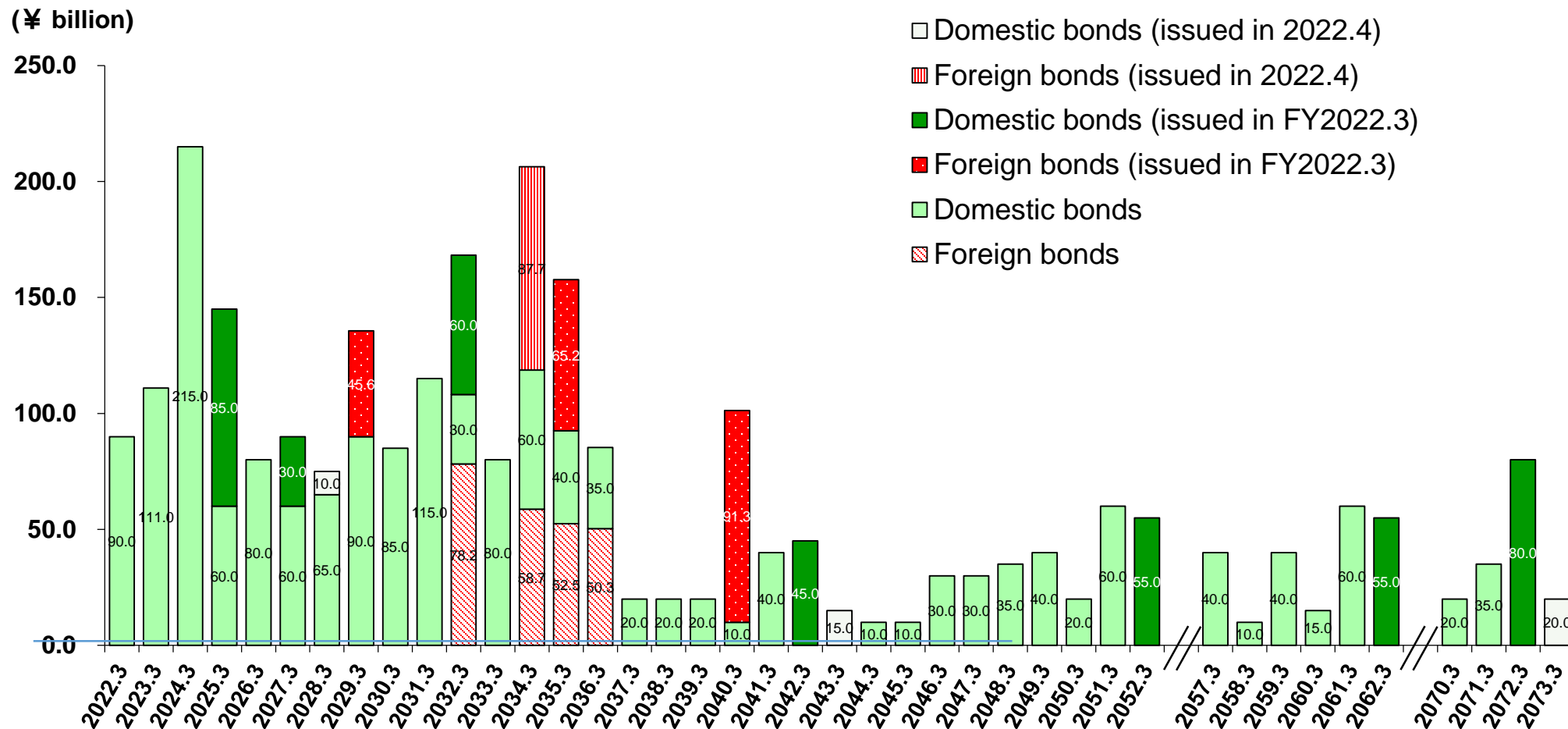


(Results)

[Notes]

1) Outlook as of Apr. 28, 2022 2) Bond redemptions are at face value

## Redemption ladder of bonds(non-consolidated)



[Notes]

1) Outlook as of Apr. 28, 2022

2) Redemptions are at face value

## Domestic Bonds

Series	Tenor	Total amount of issue	Coupon	Issue price	Reoffer yield	JGB Spread	Issue date	Maturity date
162	3	¥ 45.0 billion	0.001%	¥100.003	0.000%	-	2021.4.15	2024.4.15
163	5	¥ 30.0 billion	0.050%	¥100	0.050%	-	2021.4.15	2026.4.15
164	10	¥ 20.0 billion	0.245%	¥100	0.245%	+14.5bp	2021.4.15	2031.4.15
165	20	¥ 30.0 billion	0.596%	¥100	0.596%	+13.5bp	2021.4.15	2041.4.15
166	30	¥ 20.0 billion	0.847%	¥100	0.847%	+18.0bp	2021.4.15	2051.4.14
167	40	¥ 20.0 billion	0.978%	¥100	0.978%	+29.5bp	2021.4.15	2061.4.15
168	50	¥ 35.0 billion	1.142%	¥100	1.142%	-	2021.4.15	2071.4.15
169	10	¥ 10.0 billion	0.165%	¥100	0.165%	+13.5bp	2021.7.15	2031.7.15
170	20	¥ 15.0 billion	0.523%	¥100	0.523%	+11.0bp	2021.7.15	2041.7.12
171	30	¥ 25.0 billion	0.808%	¥100	0.808%	+15.0bp	2021.7.15	2051.7.14
172	40	¥ 25.0 billion	1.002%	¥100	1.002%	+28.5bp	2021.7.15	2061.7.15
173	50	¥ 25.0 billion	1.209%	¥100	1.209%	-	2021.7.15	2071.7.15

## Domestic Bonds

Series	Tenor	Total amount of issue	Coupon	Issue price	Reoffer yield	JGB Spread	Issue date	Maturity date
174	3	¥ 40.0 billion	0.001%	¥ 100.003	0.000%	-	2021.12.17	2024.12.17
175	30	¥ 10.0 billion	0.817%	¥ 100	0.817%	+14.5bp	2021.12.17	2051.12.15
176	40	¥ 10.0 billion	0.993%	¥ 100	0.993%	+28.0bp	2021.12.17	2061.12.16
177	50	¥ 20.0 billion	1.179%	¥ 100	1.179%	-	2021.12.17	2071.12.17
3rd Sustainability Bonds	10	¥ 30.0 billion	0.264%	¥ 100	0.264%	+11.5bp	2022.1.21	2032.1.21



## Foreign Bonds

	Tenor	Total amount of issue	Coupon	Issue price	Issue date	Maturity date
5th Euro GBP Bonds	7	GBP 300 million (Approx. ￥ 45.6 billion)	1.162%	100.000%	2021.9.15	2028.9.15
1st Euro EUR Bonds	13	EUR 500 million (Approx. ￥ 65.2 billion)	0.773%	100.000%	2021.9.15	2034.9.15
2nd Euro EUR Bonds	18	EUR 700 million (Approx. ￥ 91.3 billion)	1.104%	100.000%	2021.9.15	2039.9.15

## Domestic Bonds

Series	Tenor	Total amount of issue	Coupon	Issue price	Reoffer yield	JGB Spread	Issue date	Maturity date
178	5	¥ 10.0 billion	0.195%	¥ 100	0.195%	+15.5bp	2022.4.14	2027.4.14
179	20	¥ 15.0 billion	0.866%	¥ 100	0.866%	+10.5bp	2022.4.14	2042.4.14
180	50	¥ 20.0 billion	1.543%	¥ 100	1.543%	-	2022.4.14	2072.4.14

## Foreign Bonds

	Tenor	Total amount of issue	Coupon	Issue price	Issue date	Maturity date
3rd Euro EUR Bonds	11	EUR 650 million (Approx. ¥ 87.7 billion)	1.850%	100.000%	2022.4.13	2033.4.13

These materials and the video of the presentation can be viewed  
at the JR East's web site.

JR East Web site, IR (Investor Relations)  
<https://www.jreast.co.jp/e/investor/index.html>

**Forward-Looking Statements**

Statements contained in this report with respect to JR East's plans, strategies and beliefs that are not historical facts are forward-looking statements about the future performance of JR East, which are based on management's assumptions and beliefs in light of the information currently available to it. These forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause JR East's actual results, performance or achievements to differ materially from the expectations expressed herein. These factors include, without limitation, (i) JR East's ability to successfully maintain or increase current passenger levels on railway services, (ii) JR East's ability to improve the profitability of railway and other operations, (iii) JR East's ability to expand non-transportation operations, and (iv) general changes in economic conditions and laws, regulations and government policies in Japan.