FY2022.3 Financial Results

April 28, 2022   East Japan Railway Company

- ➢ Thank you for your introduction. My name is Fukasawa, and I'm the President of East Japan Railway Company.

- ➢ Thank you for taking time out of your busy schedule to attend this financial results briefing.

- ➢ We announced our financial results for fiscal 2022 and financial forecasts for fiscal 2023 on April 27. Today, I will discuss how JR East will be managed in this fiscal year.

Contents

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	−

➢ Please turn to page 4.

➢ I will start with the outline of the financial results for fiscal 2022 and the plan for fiscal 2023.

➢ In fiscal 2022, we posted a loss unfortunately due to the lingering effect of COVID-19.

➢ In fiscal 2023, we will strive to secure profits both on consolidated and non-consolidated bases by promoting efforts to expand revenue in each segment, in addition to the expected recovery from COVID-19.
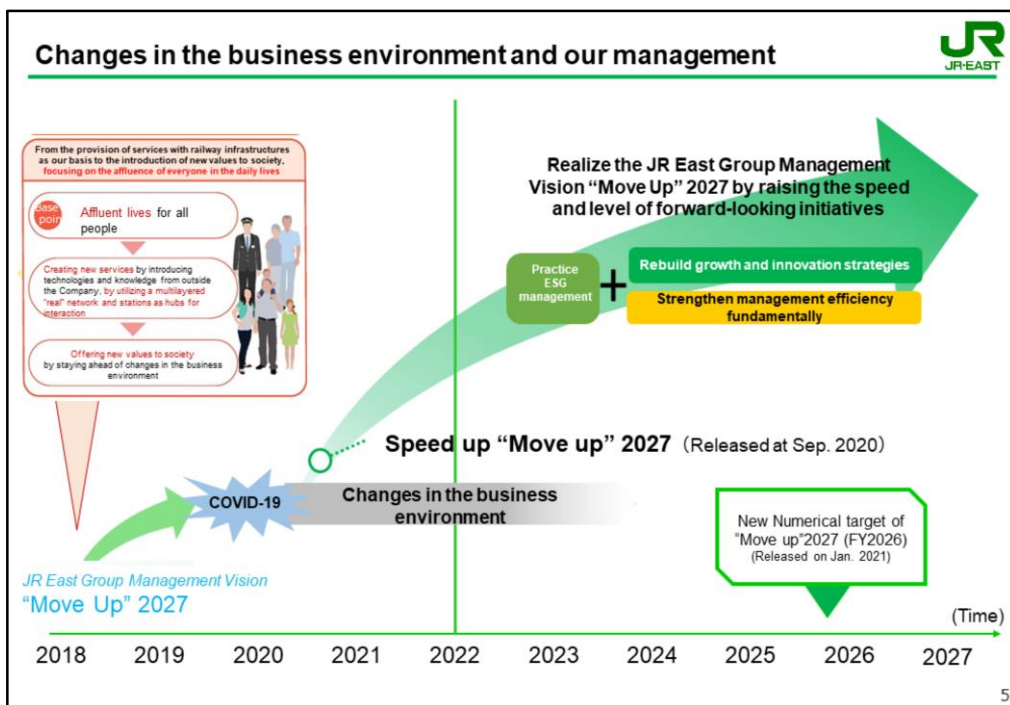
- ➤ Please turn to page 5.

- ➤ In 2018, we formulated our medium-term management plan "Move Up" 2027.

- ➤ Although we have pushed forward with various initiatives by taking into consideration the future declining population and other factors, the outbreak of COVID-19 in 2020 trigger a major change in our business environment, which continues to date.

- ➤ In September 2020, we announced Speed up "Move up" 2027 to speed up the realization of "Move up" 2027, while maintaining the direction originally intended. We will work to realize "Move up" 2027 based on its three pillars of rebuilding growth and innovation strategies, strengthening management efficiency fundamentally, and practicing ESG management.

- ➤ In January 2021, we also announced new quantitative targets for fiscal 2026.

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

Transportation services
- Interurban network
- Metropolitan area network
- Travel, tourism business
- Logistics service
- Shared office services

IT & Suica services
- Ticketless, cashless
- Authentication information services
- Online shops
- Data marketing
- TOHOKU MaaS
- Tabi-CONNECT

Life-style services
- Urban development
- "Rotational business model" in real estate business

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

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> Please turn to page 6, which shows the outline of management policies indicated in Speed up "Move up".

> In order to address management challenges that have been further clarified by COVID-19, we will implement structural reform in the railway business to regain profitability, while also working on profitability improvement in segments other than transportation.

> At the same time, we will take on challenges in new fields by combining real networks with digital technologies.

> By combining the three service segments of transportation services, IT & Suica services, and life-style services to achieve synergy among them, we will endeavor to maximize value creation and revenues.

Progress of Speed up "Move up"

JR-EAST

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
Rebuild growth and innovation strategies (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
Strengthen management efficiency fundamentally (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
Practice ESG management	Practice ESG management	Zero-Carbon Challenge 2050
		Regional revitalization (1)(2)

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➤ Please turn to page 7. I will explain various measures based on the three pillars of management policies indicated in Speed up "Move up" 2027.

- ➢ Please turn to page 8. This page summarizes measures to stimulate transportation demand. This year marks the 150 anniversary of railway services in Japan and anniversaries of JR East Shinkansen lines in five directors at the same time. We plan to energize the entire JR East railways throughout the year.

- ➢ We are making efforts to stimulate the recovery of travel demand both in Japan and overseas. For example, we have renewed our online reservation website Dynamic Rail Pack and opened an information website "JR TIMES" for Taiwanese travelers visiting Japan, who are the heaviest foreign users of JR East railway passes.
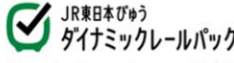
- ➢ We are also revising Green Car fees and making all cars of the Yamagata Shinkansen reserved-seats-only. We will strive to maximize revenue by controlling price range in accordance with the changes in demand.

- ➢ We will further accelerate the installation of barrier-free facilities, while using the fare system established by the government to make train stations barrier-free. The new fare system is scheduled to take effect around March 2023.We are working to make stations barrier-free so that they will be easy to use and comfortable to all our customers.
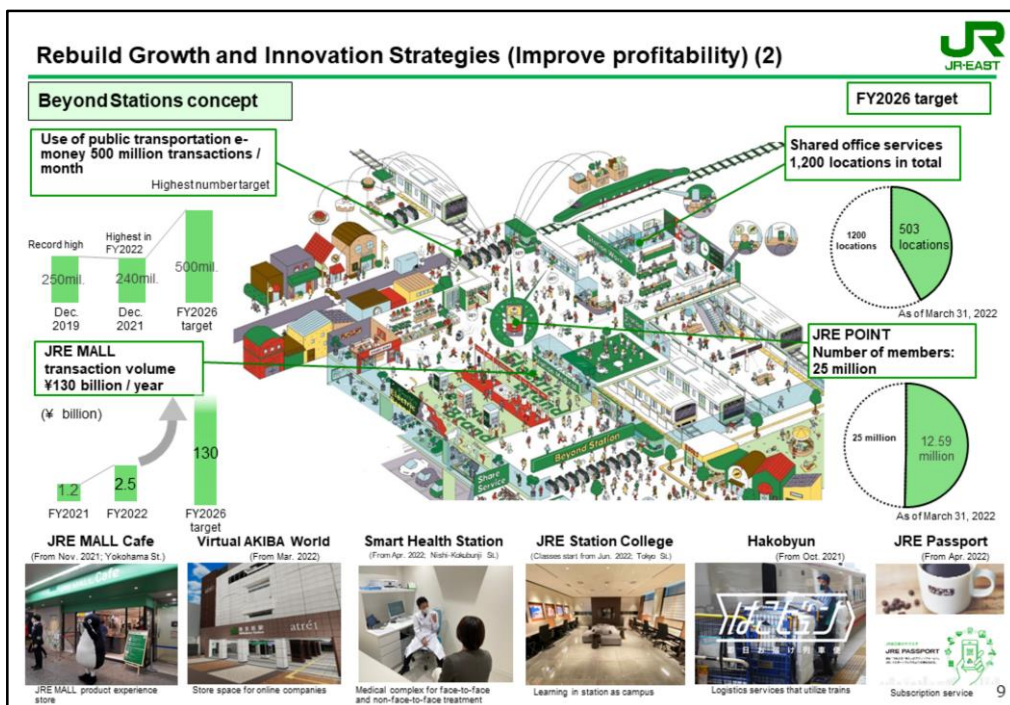
- ➤ Please turn to page 9. This is about the Beyond Stations concept announced last year.

- ➤ In this concept, the station is regarded as a lifestyle platform, which is beyond the conventional role of the station as a transportation hub.

- ➤ The graphs show the degree of achievement of each numerical target set by the Company. Some of these measures, such as JRE MALL, need to be grown further, but we will work to meet these targets by leveraging our strengths in both real and virtual networks.

- ➤ In addition, we are expanding various initiatives, including Virtual Akihabara, Smart Health Station, Station College, logistics services that utilize trains (Hakobyun), and JRE Passport (subscription service).

- ➤ We will continue to work to enhance the attraction and added values of stations.

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

"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

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

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

Complex I (block 4)
Complex II (block 3)
Residential building (block 1)
Culture creation building (block 2)
South
North
(Area names)

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

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➢ Please turn to page 10. This is about town development plans.

➢ At Niigata Station, as its railway tracks will be elevated, new facilities will open under the elevated tracks from this fiscal year onwards in a phased manner. As for MEGURO MARC, the office building has already been completed, and the rental apartment building will be completed by the end of this fiscal year.

➢ We also plan to start the Oimachi Station Hiromachi District Development Plan.

➢ The other day, we have announced the development plan for the Shinjuku Station Southwest Exit. This is a project requiring a very long construction period. In this project, we aim to increase the population visiting Shinjuku Station and develop a thriving town.

➢ Now, let me talk about the Shinagawa Development Project (Phase I) "Takanawa Gateway City".In our recent press release, we announced the details of the Project and some changes in its opening schedule. The opening was initially announced to be in fiscal 2025, but now, Complex I (block 4) is scheduled to open at the end of fiscal 2025, while Complex II (block 3), the culture creation building (block 2), and the residential building (block 1) are scheduled to open by the end of fiscal 2026.

➢ In addition, we will continue to implement the rotational business model in real estate business.
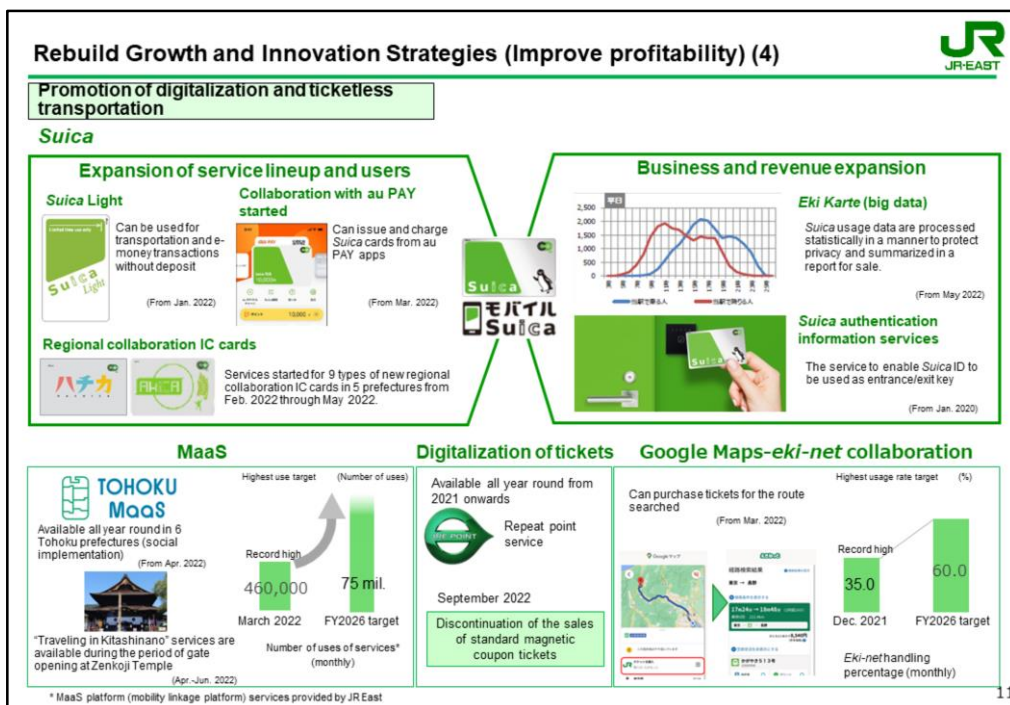
- ➤ Please turn to page 11. This is about the promotion of digitalization and ticketless transportation.

- ➤ The upper section shows Suica-related measures. User expansion measures are shown to the left, and business expansion measures to the right. We are pushing forward with Suica Light, the start of collaboration with au PAY apps, and the expansion of the service areas of regional collaboration IC cards. As for business expansion, we are enhancing the sales of statistical data collected through Suica using big data technology and services to provide authentication functions to enable Suica ID to be used as an entrance key.

- ➤ As for MaaS, we have made TOHOKU MaaS widely available for practical use in six Tohoku prefectures following extensive verification tests conducted last year. In addition, we offer "Traveling in Kitashinano" services in Nagano Prefecture during the period of gate opening at Zenkoji Temple.

- ➤ As of for the digitalization of tickets, we have discontinued the sales of magnetic coupon tickets in September 2022 following the introduction of the repeat point service in 2021.

- ➤ In addition, we have introduced a new function to enable reservations to be made in eki-net through Google Map.
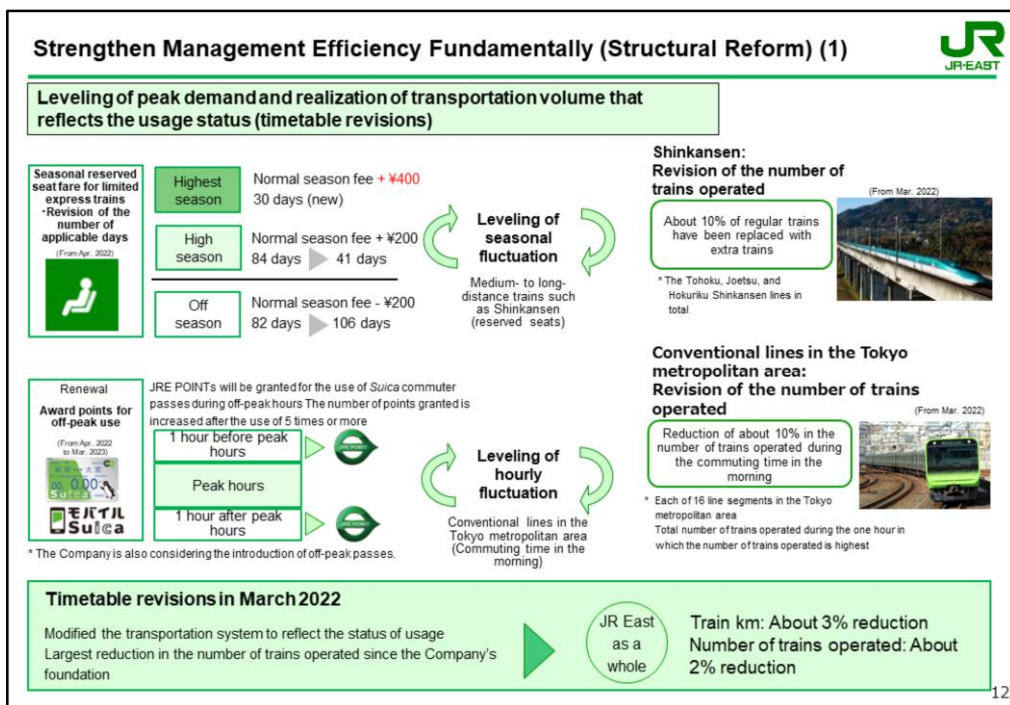
> Please turn to page 12. This is about leveling of peak demand and realization of transportation volume that reflects the usage status.

> In April this year, we have newly established the busiest season category in the seasonal reserved seat fare for limited express trains, resulting in wider price differentials and the revision of applicable days. This is designed to encourage the leveling of seasonal peaks. In addition, the timetable revisions in March have replaced about 10% of regular Shinkansen trains with extra trains.

> We introduced award points for off-peak use last year for the purpose of leveling the peaks during busy hours in the morning, the most crowded hours during the day. In consideration of these measures, we cut about 10% of the number of trains operated during the one hour in the morning commuting time in which the number of trains operated is highest, in each line segment in the Tokyo metropolitan area.

> In consideration of these measures and the decrease in the usage due to COVID-19, we have carried out the largest reduction in transportation volume since the Company's foundation in the timetable revisions in March 2022 as a whole, resulting in a reduction of about 3% in train kilometers and about 2% in the number of trains operated.

Strengthen Management Efficiency Fundamentally(Structural Reform) (2)
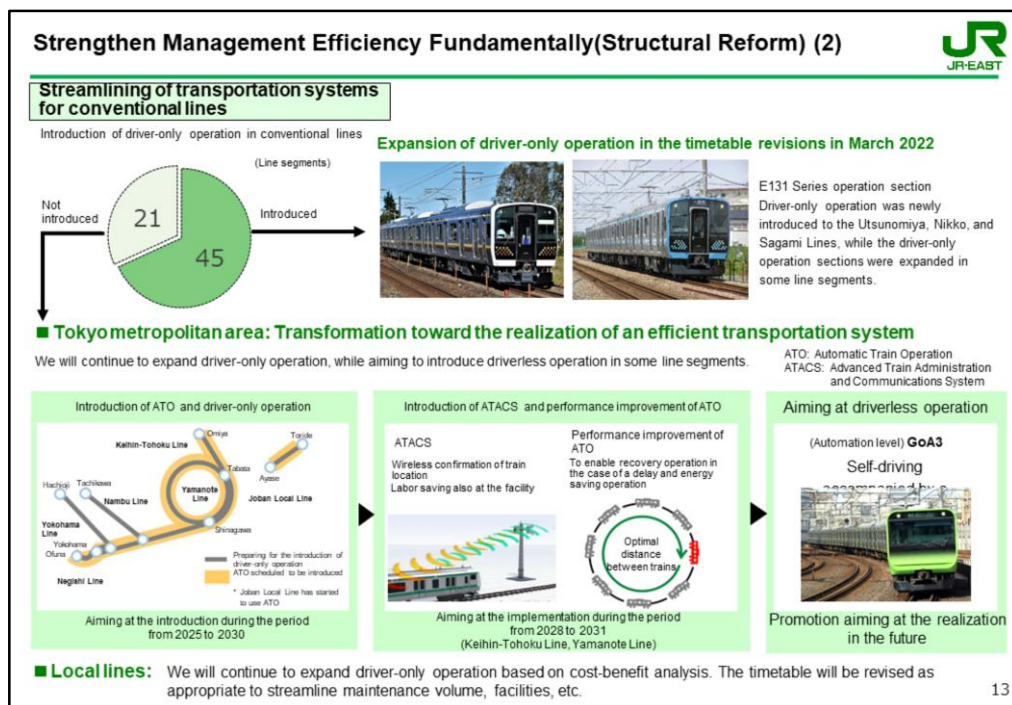
> Please turn to page 13. This is about streamlining of transportation systems for conventional lines.

> The pie chart at the upper left shows the status of driver-only operation that has already been introduced to JR East lines. Driver-only operation has already been introduced to 45 line segments out of 66 line segments, and the recent timetable revisions also realized the expansion of such line segments and sections.

> As for the basic policy for the remaining 21 line segments, we will continue to expand driver-only operation in the Tokyo metropolitan area, while aiming at the introduction of driverless operation in some line segments.

> The diagram at the lower left shows the sections preparing for driver-only operation. The line segments highlighted in orange are line segments aiming at the introduction of ATO (automatic train operation). After that, as a result of the introduction of ATACS and the improved accuracy of ATO, we will be able to monitor the locations of trains wirelessly to implement recovery from delays and energy-saving operation. We are currently working on this aiming at the realization around 2028 to 2031 for the Keihin-Tohoku Line and the Yamanote Line.

> Once such improvement is done, we will promote further improvement, aiming at the introduction of driverless operation (GoA3), which does not require the presence of train crew at the front of the train.

> For local line segments, we will continue to expand driver-only operation based on cost-benefit analysis, while working to streamline maintenance volume and facilities as we revise timetables as appropriate.

Strengthen Management Efficiency Fundamentally (Structural Reform) (3)

Efficiency improvement in maintenance services and construction work

CBM (condition-based maintenance)

Condition of overhead wires
Condition of railcars
Condition of railroad tracks

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.

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.
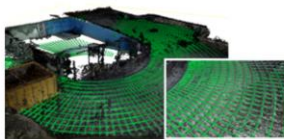
Upgrading of power plant facilities

Construction plans in the construction for the improvement of Shibuya Station

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

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- ➢ Please turn to page 14. This is about efficiency improvement in maintenance services and construction work. We are conducting monitoring in a manner to enable maintenance in accordance with the condition of different facilities, such as overhead wires, railcars, and railroad tracks, rather than maintenance at regular intervals.

- ➢ As for overhead wires, we mainly monitor overhead wire facilities of regional lines. Railroad track monitoring has been introduced for the E235 Series on the Yamanote Line, the Yokosuka Line, and the Sobu Rapid Line. Railroad track facility monitoring is conducted mainly for conventional lines in the Tokyo metropolitan area and regional trunk lines.

- ➢ In addition, the division of construction work has introduced smart project management. For example, it is working to eliminate wastefulness and improve efficiency by utilizing digital technologies, such as BIM (building information modeling) and point cloud data to formulate accurate construction plans. We also utilize small drones for data gathering.
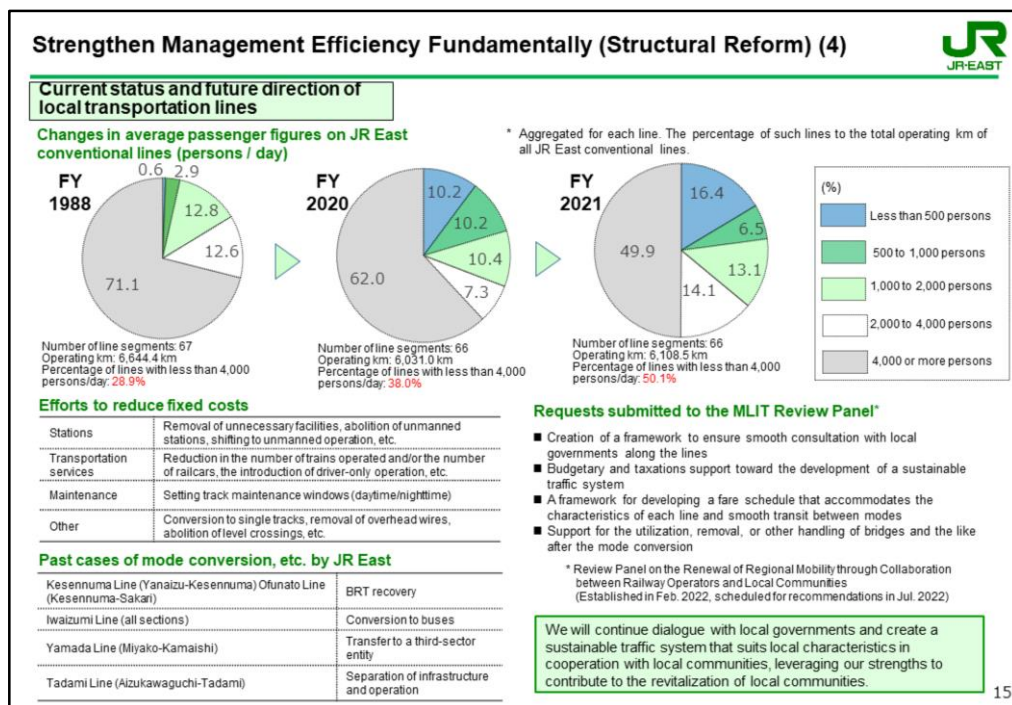
- ➢ Please turn to page 15. This is about the current status and future direction of local transportation lines. The upper part shows the percentage of operating km of the lines with average passenger figures of less than 4,000 persons/day to the total operating km of all JR East conventional lines. In fiscal 2021, the percentage of such lines exceeded 50%.

- ➢ While promoting measures to stimulate the use of transportation services, we have also taken measures to change the very structure of the railway business as a whole characterized by high fixed costs, including the removal of unnecessary station facilities, the revision of transportation services, and the revision of maintenance volume. We are also proceeding with the conversion of transportation modes in some line segments, although the status of usage is very unfavorable partly due to COVID-19.

- ➢ At a review panel established by the Ministry of Land, Infrastructure, Transport and Tourism, we are requesting the facilitation of consultation with local governments along the lines as well as various budgetary and taxation support in view of the current situation.

- ➢ We intend to 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. ★ Increase driver-only operation, improve the configuration of JR ticket offices	-10.0 ▶	-29.0	-17.0
· 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.) ★ Provide services in accordance with the usage (outsourcing of security services, guidance services, etc.)	-20.0 ▶	-33.0	-32.0
· Additional reduction of operating costs (+α)	-50.0	-13.0	—
Total reduction of operating costs	**-100.0**	**-100.0**	**-70.0**

Chart (bar):
- ¥100.0 billion
- Approx. ¥70.0 billion — of which approx. ¥63.0 billion have been reduced by FY2022
- Approx. ¥87.0 billion
- Expected amount of reduction through FY2023
- Latest forecast of reduction for FY2028
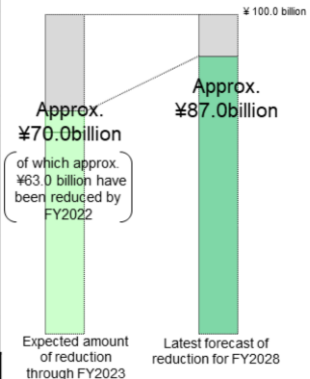
Strive to reduce railway business operating costs by ¥100.0 billion in FY2028 compared to FY2020.

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

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- ➢ Please turn to page 16. This is about the cost reduction goal of ¥100 billion through structural reform.

- ➢ We have been cutting costs aiming to achieve a cost reduction of ¥100 billion by fiscal 2028, of which up to ¥87 billion has been earmarked under specific cost reduction measures. They include the expansion of driver-only operation, the improvement of the configuration of JR ticket offices, and the provision of services in accordance with the usage, which are highlighted with a green asterisk.

- ➢ In this fiscal year, we expect to achieve a reduction of approximately ¥70 billion yen, including the amount already achieved by fiscal 2022, through the combination of various measures.

Practice ESG Management (1)

Zero-Carbon Challenge 2050
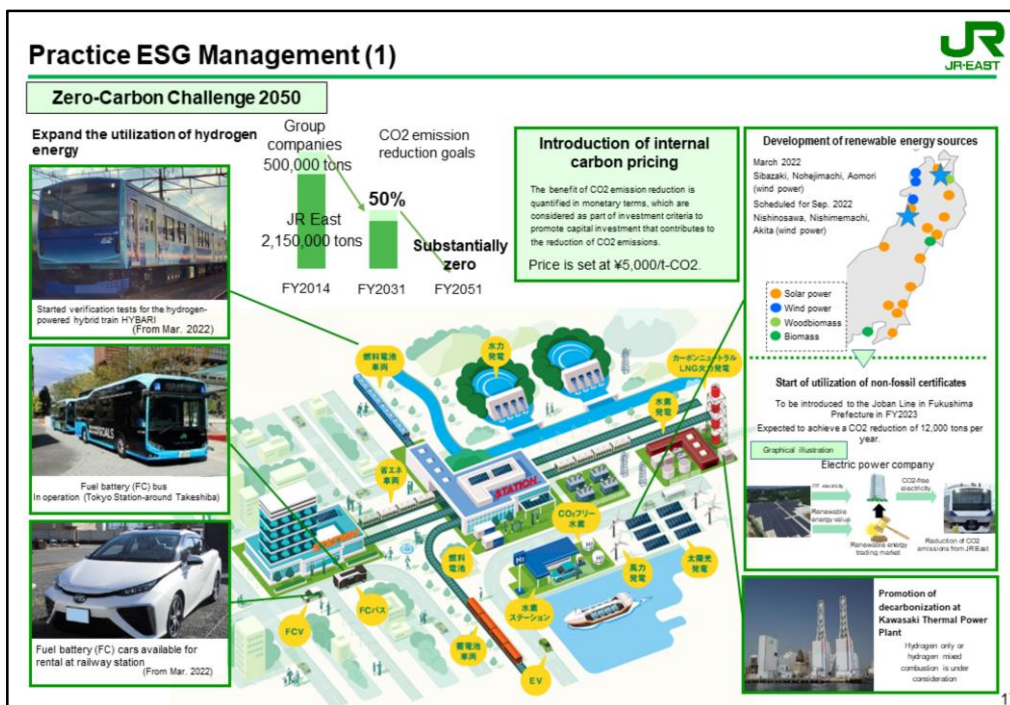
- ➤ Please turn to page 17. I will talk about the practice of ESG management.

- ➤ We are working to reduce CO2 emissions to substantially zero by FY2051 on a group-wide basis.

- ➤ And we have finally started verification tests for the hydrogen-powered hybrid train HYBARI. We will continue these tests until it is ready for commercial operation.

- ➤ In addition, we have introduced internal carbon pricing, and capital investment decisions will be made in consideration of the CO2 reduction effect of the investment, which is quantified in monetary terms.

- ➤ We also continue to promote the development of renewable energy.

- ➤ We will also start to utilize non-fossil certificates. They will be introduced to the Joban Line in Fukushima Prefecture first and are expected to reduce CO2 emissions by 12,000 tons.

➢ Please turn to page 18. This page shows the example of our regional revitalization initiatives.

➢ Aiming at regional revitalization in various locations, we continue to work on long-term, community-based initiatives, such as town development, new station openings, and sixth-order industrialization.

- ➢ Please turn to page 19. This page is the continuation of the example of our regional revitalization initiatives.

- ➢ JRE MALL is an e-commerce mall operated by JR East, and it is working to enhance the selection of products, such as food and home appliances. In addition, it offers a unique lineup of the Frusato Nozei tax program, donation, sales of experience-based events as contents that can be used either online or physically, which only JR East can offer because of its community-based business foundation.

- ➢ Our other regional revitalization efforts include the Ensen Marugoto HOTEL business, the expansion of regional collaboration IC cards, and the improvement of on-demand transportation.

Shareholder Returns

Reference: Changes in annual dividend per share

(¥)

	2013	2014	2015	2016	2017	2018	2019	2020	2021 (Plan)	2022 (Plan) (FY)
Dividend	120	120	130	130	140	150	165	100	100	100
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.

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➤ Lastly, I will discuss shareholder returns.

➤ This year, we plan to pay a dividend of ¥100 per share, which is the same amount for fiscal 2022.

➤ While we continue to face difficult business environment, we target a total return ratio of 40% and a payout ratio of 30% in the medium to long term.

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	2022.3/2021.3 %	2023.3 Plan	2023.3/2022.3 Increase/Decrease	2023.3/2022.3 %
Operating Revenues	1,764.5	1,978.9	+214.3	112.1	2,453.0	+474.0	124.0
Transportation	1,095.7	1,277.0	+181.3	116.5	1,675.0	+397.9	131.2
Retail & Services	318.0	278.1	-39.8	87.5	353.0	+74.8	126.9
Real Estate & Hotels	271.2	352.6	+81.4	130.0	353.0	+0.3	100.1
Others	79.5	71.0	-8.4	89.4	72.0	+0.9	101.3
Operating income	-520.3	-153.9	+366.4	–	153.0	+306.9	–
Transportation	-548.5	-285.3	+263.1	–	10.0	+295.3	–
Retail & Services	2.6	14.1	+11.5	540.3	50.0	+35.8	354.2
Real Estate & Hotels	15.1	107.8	+92.6	711.3	80.0	-27.8	74.2
Others	14.7	11.6	-3.1	78.9	15.0	+3.3	128.8
Non-operating income or expenses	-59.4	-25.5	+33.8	43.0	-55.0	29.4	215.2
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	–	98.0	+277.5	–
Extraordinary gains or losses	-123.7	-1.0	+122.7	0.8	-10.0	-8.9	999.3
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	–	60.0	+154.9	–

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➢ Please turn to page 22. This page shows the overview of the financial results for fiscal 2022 and the full-year plan for fiscal 2023.
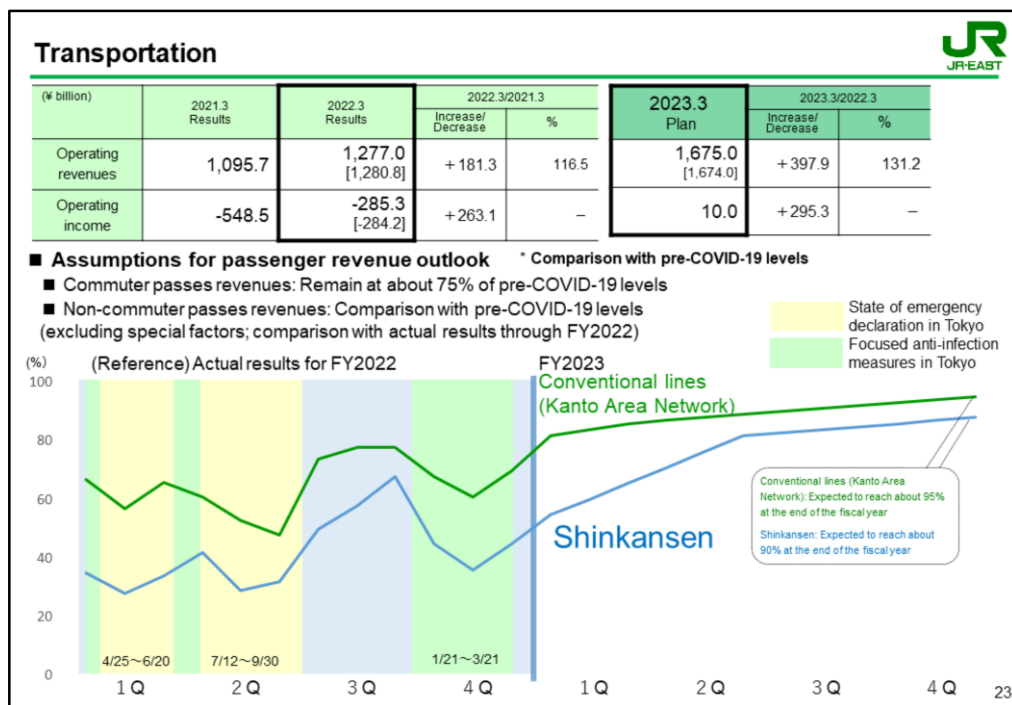
> ➢ Please turn to page 23. This page is about the transportation business.

> ➢ We forecast increases in both revenue and income as transportation by railway, monorail, bus, etc., will recover.

> ➢ The graph shows the outlook for passenger revenues. We expect that commuter passes revenues will remain about 75% of pre-pandemic levels in the current fiscal year and will recover to about 80% in fiscal 2024. We also analyze that there will be some revenue transfer from commuter passes revenues to non-commuter passes revenues due to the expansion of teleworking.

> ➢ As for non-commuter passes revenues, we expect that conventional lines (Kanto Area Network) and Shinkansen will recover to about 95% and 90% of pre-pandemic levels, respectively toward the end of this fiscal year. In Fiscal 2024, conventional lines (Kanto Area Network) will return to nearly the same levels as pre-pandemic levels, and Shinkansen will remain at 90% of pre-pandemic levels for the time being.

Retail & Services

(¥ billion)	2021.3 Results	2022.3 Results	2022.3/2021.3 Increase/ Decrease	%	2023.3 Plan	2023.3/2022.3 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]	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.
JR East Cross Station Co., Ltd.	- 23 [+34.6]	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

- Approx. 70% — 2022.3 results
- Approx. 80% — 2023.3 1H
- Approx. 90% — 2023.3 2H

EKINAKA business

- Approx. 70% — 2022.3 results
- Approx. 85% — 2023.3 1H
- Approx. 95% — 2023.3 2H

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➢ Please turn to page 24. This page is about the retail & services business.

➢ Except for the impact of the new accounting standard for revenue recognition, we achieved increases in both revenue and income in fiscal 2022. We also forecast increases in both revenue and income in the current fiscal year.

➢ Advertisement revenue is expected to be about 80% in 1H and about 90% in 2H as compared with pre-pandemic levels. We used to predict that revenue will return to 100% in FY2023, but the current plan reflects the pace of recovery so far, which is a little slower than we expected.

➢ Ekinaka revenue is expected to be about 85% in 1H and about 95% in 2H as compared with pre-pandemic levels. The reorganization of group companies that we carried out in April 2021 is beginning to show positive effects.

Real Estate & Hotels

(¥ billion)	2021.3 Results	2022.3 Results	2022.3/2021.3 Increase/Decrease	%	2023.3 Plan	2023.3/2022.3 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 *KAWASAKI DELTA*.
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
- 2022.3 results: Approx. 70%
- 2023.3 1H: Approx. 85%
- 2023.3 2H: Approx. 95%

Office business
- 2022.3 results: Approx. 130%
- 2023.3 1H: Approx. 130%
- 2023.3 2H: Approx. 130%

Hotel business
- 2022.3 results: Approx. 55%
- 2023.3 1H: Approx. 70%
- 2023.3 2H: Approx. 80%

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➢ Please turn to page 25. This page is about the real estate & hotels business.

➢ We use to predict that shopping center revenue will return nearly to pre-pandemic levels by the end of FY2023, but now we predict that it will recover to 95% of those levels.

➢ We have not changed our previous forecasts for the office and hotel businesses. Hotel revenue is expected to recover to 80% of pre-pandemic levels by the end of the current fiscal year and eventually to pre-pandemic levels toward FY2026 as inbound demand will recover going forward.

➢ As for the rotational business model in the real estate business, revenue amounted to a little less than ¥70 billion and income to about ¥60 billion in FY2022. For the current year, we expect a revenue of about ¥20 billion and an income of about ¥16 billion for the current fiscal year. Separately from this, we plan to generate about ¥10 billion yen in the current fiscal year, which will be recognized as an extraordinary gain.

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 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)

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

Operating revenues (¥ billion)
- 2020.3: 34.7
- 2021.3: 11.9
- 2022.3: 17.4

Average unit price (¥)
- 2020.3: 14,230
- 2021.3: 11,358
- 2022.3: 9,701
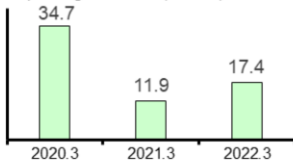
Occupancy rate (%)
- 2020.3: 75.3
- 2021.3: 28.5
- 2022.3: 50.8
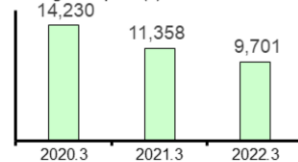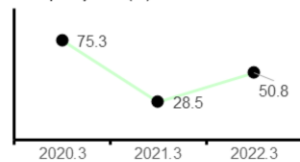
JR-EAST HOTEL METS (28 totals, 3,911 guest rooms)

Operating revenues (¥ billion)
- 2020.3: 11.5
- 2021.3: 7.2
- 2022.3: 9

Average unit price (¥)
- 2020.3: 9,676
- 2021.3: 7,036
- 2022.3: 7,019
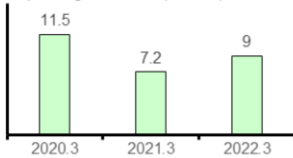
Occupancy rate (%)
- 2020.3: 85.5
- 2021.3: 56.4
- 2022.3: 72.7
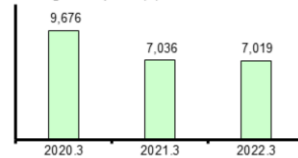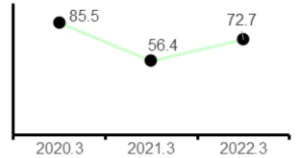
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➤ Please turn to page 26. This page shows the breakdown of hotel business performance.

Others

(¥ billion)	2021.3 Results	2022.3 Results	2022.3/2021.3 Increase/Decrease	%	2023.3 Plan	2023.3/2022.3 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	-7.8 [+3.4]
JR East Mechatronics	-3.1 [-2.9]

(Reference) IT & *Suica* business results (2022.3)

Operating revenues	¥ 43.6 billion
Operating income	¥ 9.9 billion

Viewcard	Revenue increased year on year, but decreased due to the impact of the new revenue recognition standard.
JR East Mechatronics	Revenue decreased year on year due to a decrease in orders received for IC cards
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.

■ **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

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➢ Please turn to page 27. This page is about the others business. Except for the impact of the new accounting standard for revenue recognition, we achieved an increase in revenue, but income decreased in fiscal 2022.

➢ On this page, we also indicate the outlook for the credit card business and the use of Suica e-money.

FY2022.3 Financial Results (non-consolidated)

(¥ billion)	2021.3 Results	2022.3 Results	2022.3/2021.3 Increase/ Decrease	%	Main factors behind change
Operating revenues	1,184.1	1,424.1	+240.0	120.3	
Passenger revenues	954.3	1,113.2	+158.9	116.7	Non-commuter passes revenues: +160.1 Commuter passes revenues: -1.2
Others	229.8	310.9	+81.1	135.3	Real estate sales revenues: +67.9 Real estate lease revenues: +5.5
Operating expenses	1,662.6	1,573.7	-88.9	94.7	
Personnel expenses	388.8	369.3	-19.5	95.0	Decrease in provision for bonuses : -10.7
Non-personnel expenses	773.0	691.3	-81.7	89.4	
Energy	56.4	61.4	+4.9	108.7	Increase in unit fuel price: +7.2
Maintenance	292.7	245.4	-47.2	83.9	General maintenance expenses: -39.2 Railcar maintenance expenses: -8.0
Other	423.8	384.4	-39.4	90.7	Outsourcing expenses: -14.8 Advertising expenses: -12.9
Usage fees to JRTT, 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	Increase due to capital investment
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	–	[Income taxes-deferred] Impact of the approval for business adaptation plan: -79.0

➢ Please turn to page 28. This page shows the non-consolidated financial results for FY2022.

➢ While operating revenues fell short of the plan partly due to the impact of the Omicron variant, some of the items of operating expenses, such as maintenance and non-personnel expenses-other, were also significantly lower than the plan. We have achieved a cost reduction of ¥116.5 billion, which exceeded the original cost reduction target of ¥87.5 billion. Together with its group companies, JR East achieved a cost reduction of ¥136 billion.

➢ Extraordinary gains and losses include gains on sales of investment securities, including shares held as part of cross-shareholdings, and provision for allowance for disaster-damage losses pertaining to the Fukushima Prefecture offshore earthquake in March 2022.

➢ In addition, as our business adaptation plan was authorized under the Act on Strengthening Industrial Competitiveness, the upper limit on deduction for tax loss carryforward was raised. As a result, we recognized additional deferred tax assets, which improved profit.

FY2023.3 Plan (non-consolidated)

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

> ➢ Please turn to page 29. This page shows the non-consolidated full-year financial plan for FY2022.

> ➢ We forecast that energy expenses will increase significantly partly due to the impact of higher crude oil prices and the weaker yen.

> ➢ We also expect that non-personnel expenses-other will increase as transportation revenues recover and information processing expenses will also increase due to significant system replacements expected.

Summary of Cash Flows (consolidated)

(¥ billion)	2021.3	2022.3	Increase/Decreas
	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
Free Cash Flows (I) + (II)	-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

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➢ Please turn to page 30. This page shows cash flow results.

➢ While free cash flow was negative in FY2022, we expect that it will turn positive in FY2024.

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
	Total	424.4		Total	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
	Total	126.0		Total	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
	Total	550.4		Total	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

➤ Please turn to page 31. This page shows the trend of capital investment.

➤ Although we planned a capital investment of ¥598 billion for FY2022, the actual amount was ¥520 billion partly as a result of our cost reduction efforts.

➤ In this fiscal year, we will steadily make growth investment, while reducing investment needed for the continuous operation of business without scarifying safety.

Change in Interest-bearing Debt Balance (consolidated)

JR-EAST

(¥ 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   32

➢ Please turn to page 32. This page shows the trend of interest-bearing debt balance.

Financing and Money Usage (FY2022-FY2026)

Expecting to achieve positive free cash flows in FY2024.3
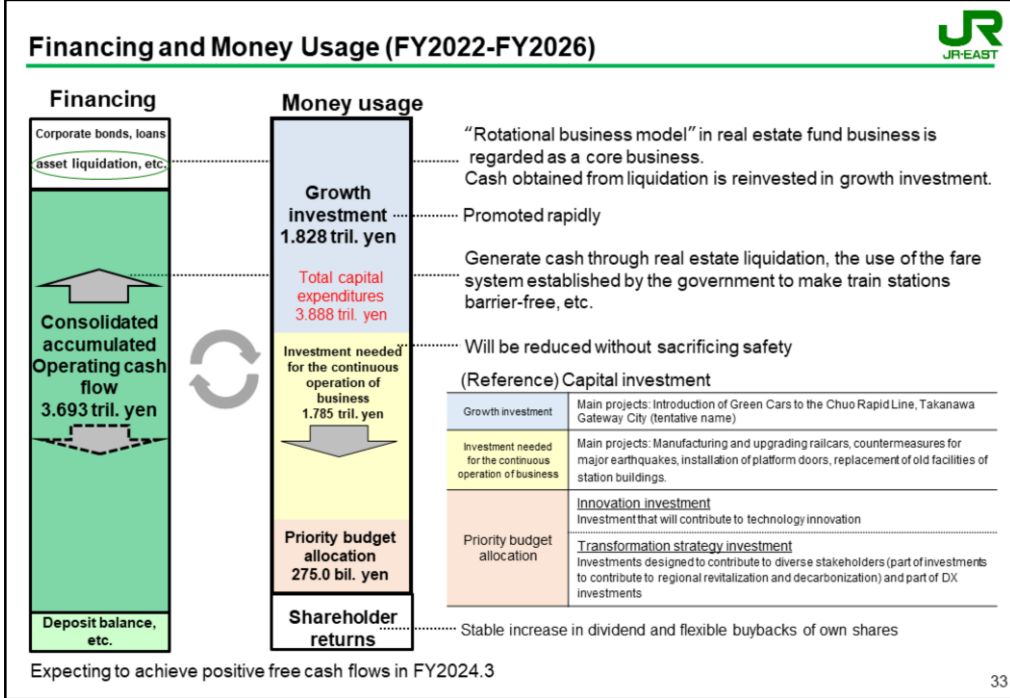
> Please turn to page 33. This page shows our financing and use of money for the five years from FY2022 to FY2026.

> Although cash flow from operating activities is subject downward pressure as its recovery has been slower than initially expected, we will ensure that sufficient cash flow will be generated by starting the rotational business model in the real estate business and using the fare system established by the government to make train stations barrier-free.

Numerical targets for specific actions (FY2026) and FY2022 results

JR-EAST

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 *Suica* 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 Suica	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

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➢ Please turn to page 34. The table on this page summarizes the progress status of numerical targets set in Move Up 2027.

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

Passenger Revenues - Result

(¥ billion)		2021.3 Results	2022.3 Results	2022.3/2021.3 Increase /decrease	2022.3/2021.3 %	Factors	Changes by factor
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

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Passenger Revenues - FY2023.3Plan

YoY (¥ billion)	Total		Main positive and negative factors
	1H	2H	
+377.8 Passenger Revenues	133.9%		
	138.1%	130.4%	
-0.1 Commuter passes (Seasonal tickets)	100.0%		·Impact of the new revenue recognition standard: -1.5 ·Recovery from the impact of COVID-19: +.15
	100.6%	99.3%	
+377.9 Non-commuter passes (Ordinary tickets)	151.4%		
	160.2%	144.5%	
+202.6 Shinkansen Network	185.2%		·Recovery from the impact of COVID-19: +202.5 ·Green Car fee revision: +1.5 ·Impact of a natural disaster (Fukushima Prefecture offshore earthquake in 2022): -1.0 ·Impact of the new revenue recognition standard: -0.5
	203.9%	172.7%	
+160.9 Kanto Area Network of Conventional Lines	134.2%		·Recovery from the impact of COVID-19: 161.5 ·Green Car fee revision: +0.5 ·Impact of the new revenue recognition standard: -1.0
	141.1%	128.4%	
+14.3 Other Network of Conventional Lines	153.1%		·Recovery from the impact of COVID-19: +15.0 ·Impact of the new revenue recognition standard: -0.5
	155.2%	151.6%	

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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

■ Retail & Services: Changes in revenue (%)

*February and March figures are comparison with FY2019
*The figures marked with "(existing)" compared with FY2020 and FY2019 are approximation based on simple multiplication.

	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 (%)

	Comparable year	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
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

		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
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

	2019	2020	2021	2022	2023 (Plan)	2026 (FY) (Target)
Operating revenues	2,038.1	1,994.5	1,095.7	1,277.0	1,675.0	1,970.0
Operating income	341.9	250.5	-532.3	-285.3	10.0	252.0

Retail & Services

	2019	2020	2021	2022	2023 (Plan)	2026 (FY) (Target)
Operating revenues	521.8	502.0	318.0	278.1	353.0	550.0
Operating income	39.2	34.3	-13.5	14.1	50.0	57.0

Real Estate & Hotels

	2019	2020	2021	2022	2023 (Plan)	2026 (FY) (Target)
Operating revenues	349.0	348.5	271.2	352.6	353.0	480.0
Operating income	81.4	74.6	15.1	107.8	80.0	113.0

Others

	2019	2020	2021	2022	2023 (Plan)	2026 (FY) (Target)
Operating revenues	92.9	101.5	79.5	71.0	72.0	90.0
Operating income	23.8	23.8	14.7	11.6	15.0	30.0

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

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Debt Management Policy

■ 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

The images of improvement of
Net interest-bearing debt / EBITDA

(times)

Peaking out in FY2022.3

Continuing to ensure financial soundness

5 times or less by FY2026.3

9.0
8.0
7.0
6.0
5.0
4.0
3.0
2.0
1.0
0.0

2019.3 2020.3 2021.3 2022.3 2023.3 2024.3 2025.3 2026.3 2027.3 2028.3

Net interest-bearing debt / EBITDA
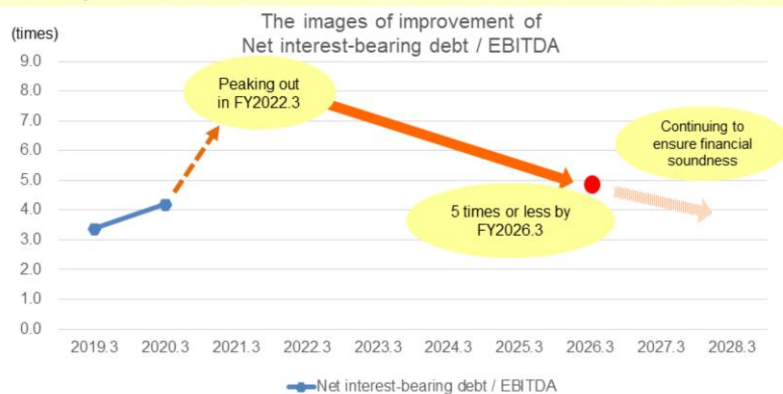
*Net interest-bearing debt means Balance of consolidated interest-bearing debt *minus* Balance of consolidated cash and cash equivalents.
*EBITDA means Consolidated operating income *plus* Consolidated depreciation expense.

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Ⅴ Reference Materials

Materials Submitted to the Subcommittee on Improvement of Railway Fare and Fee Systems (Excerpt/Summary) (1)

JR-EAST

Basic approach to the revision of railway fare and fee systems

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

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 CO_2 reduction, productivity improvement, and the like.

Schematic illustration of fare revision under the total cost method

Total expenditure	Total revenue
Income taxes	Increase in revenue as a result of the revision
Business fees (Interest, dividend, etc.)	Current fare revenue
Railway business operating expenses	Fee revenue
	Miscellaneous income of transportation
	Non-operating revenue

[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

JR-EAST

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]
Enter   Exit: Can be used as a pass
IC commuter pass → IC commuter pass

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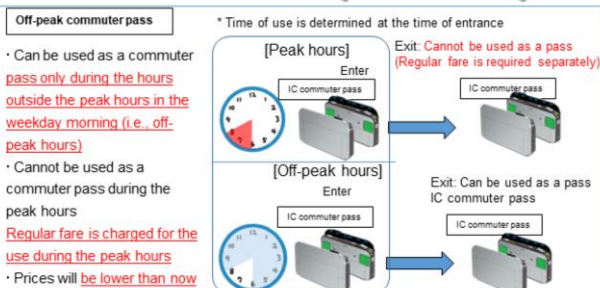
· Can be used as a commuter pass only during the hours outside the peak hours in the weekday morning (i.e., off-peak hours)
· Cannot be used as a commuter pass during the peak hours
Regular fare is charged for the use during the peak hours
· Prices will be lower than now

* Time of use is determined at the time of entrance

[Peak hours]
Enter   Exit: Cannot be used as a pass
IC commuter pass   (Regular fare is required separately)
→ IC commuter pass

[Off-peak hours]
Enter   Exit: Can be used as a pass
IC commuter pass   IC commuter pass
→ IC commuter pass

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.

Current   After the introduction of off-peak commuter pass (A = B)

Price (vertical axis)
Total pass revenue

A ↓ Price down
B ↑ Price up
Revenue from regular commuter passes
Price (vertical axis)

Number of users (horizontal axis) / Number of users (horizontal axis)
Revenue from off-peak commuter passes

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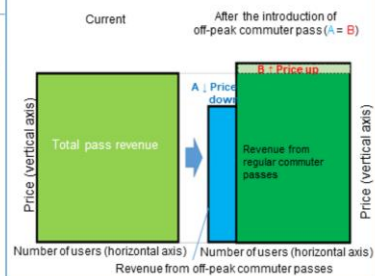
FY2021.3 Shinkansen / Conventional Lines Revenues and Expenses

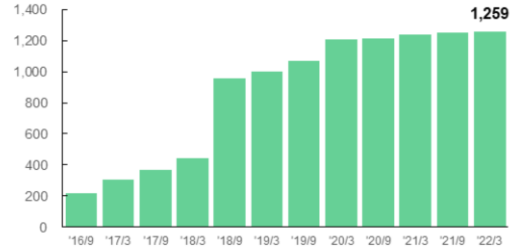| (¥ billion)		Shinkansen			Conventional Lines		
		2020.3	2021.3	2021.3/2020.3 (%)	2020.3	2021.3	2021.3/2020.3 (%)
Operating kilometers (km)		1,194	1,194	100.0	6,207	6,108	99.0
Passenger kilometers (million)		22,524	7,950	35.3	112,861	76,599	67.9
Operating revenues	A	579.9	202.3	34.9	1,348.4	859.8	63.8
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%	-

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Data Section

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

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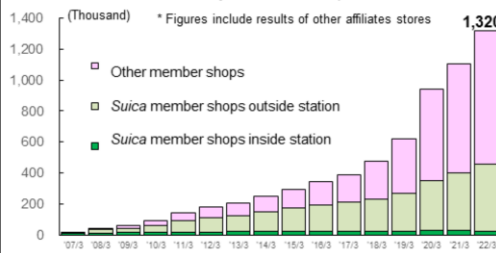(Results as of March 31)

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)

1,259

'16/9 '17/3 '17/9 '18/3 '18/9 '19/3 '19/9 '20/3 '20/9 '21/3 '21/9 '22/3

■ Number of e-money available shops
(Thousand)   * Figures include results of other affiliates stores   1,320

- Other member shops
- *Suica* member shops outside station
- *Suica* member shops inside station

'07/3 '08/3 '09/3 '10/3 '11/3 '12/3 '13/3 '14/3 '15/3 '16/3 '17/3 '18/3 '19/3 '20/3 '21/3 '22/3

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

■ Largest number of e-money transactions in one month
(10 million)   * Figures include results of other affiliates stores

25.3
23.8

Start of mutual use of *Suica* and PASMO card services (March 2007)

1.2

'07/3 '11/3 '12/3 '13/3 '14/3 '15/3 '16/3 '17/3 '18/3 '19/3 '20/3 '21/3 '22/3
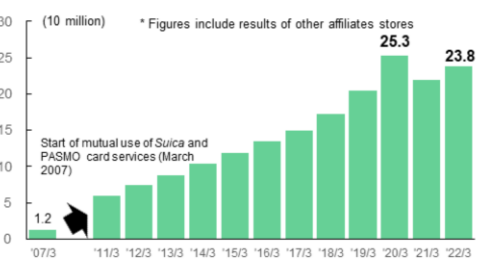
[Transaction per day (record high)]
Approx. 9.58 million (December 20, 2019)

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Fund-Raising

■ 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

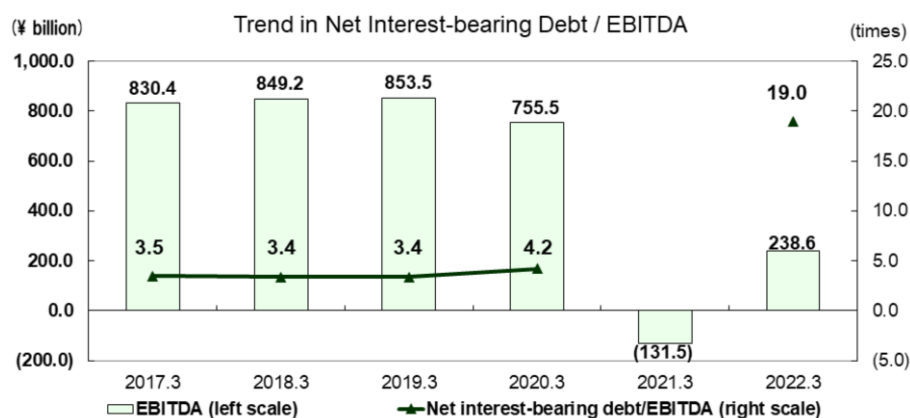• Long-term credit ratings

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+

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Key Financial Indicators(1)

Trend in Net Interest-bearing Debt / EBITDA

(¥ billion)   (times)

	2017.3	2018.3	2019.3	2020.3	2021.3	2022.3
EBITDA	830.4	849.2	853.5	755.5	(131.5)	238.6
Net interest-bearing debt/EBITDA	3.5	3.4	3.4	4.2		19.0

- EBITDA (left scale)
- Net interest-bearing debt/EBITDA (right scale)

[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.

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Key Financial Indicators(2)

Trend in Interest Coverage Ratio and Debt to Equity Ratio

(times) — left scale / (times) — right scale

	2017.3	2018.3	2019.3	2020.3	2021.3	2022.3
Interest coverage ratio (left scale)	9.2	10.9	10.5	9.0		3.1
Debt to equity ratio (right scale)	1.2	1.1	1.0	1.1	1.7	2.0

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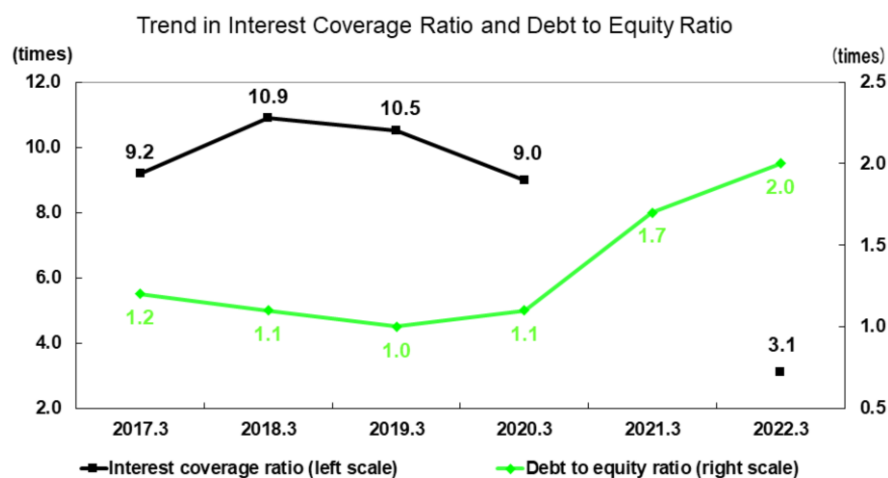
[Notes]
1) Interest coverage ratio = Net cash provided by operating activities / payments of interest
2) Debt to Equity Ratio = Interest-bearing debt / Shareholder's equity
3) Interest coverage ratio in FY2021.3 is not stated because it was negative.

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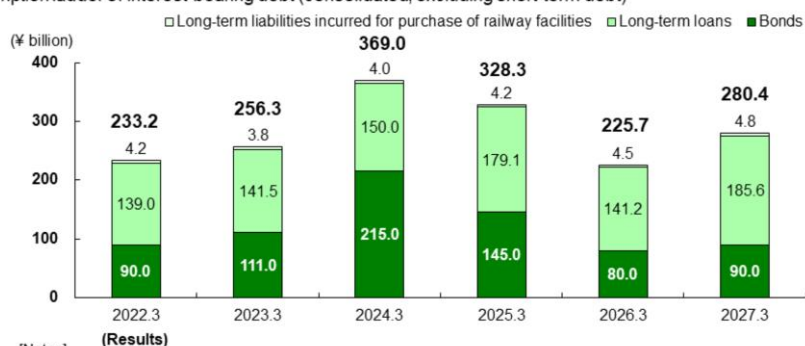# Interest-bearing Debt Breakdown and Maturity Outlook

Additional Information for bond Investors

JR-EAST

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)

□ Long-term liabilities incurred for purchase of railway facilities □ Long-term loans ■ Bonds

(¥ billion)

	2022.3 (Results)	2023.3	2024.3	2025.3	2026.3	2027.3
Total	233.2	256.3	369.0	328.3	225.7	280.4
Long-term liabilities	4.2	3.8	4.0	4.2	4.5	4.8
Long-term loans	139.0	141.5	150.0	179.1	141.2	185.6
Bonds	90.0	111.0	215.0	145.0	80.0	90.0

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

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Redemption ladder of bonds(non-consolidated)
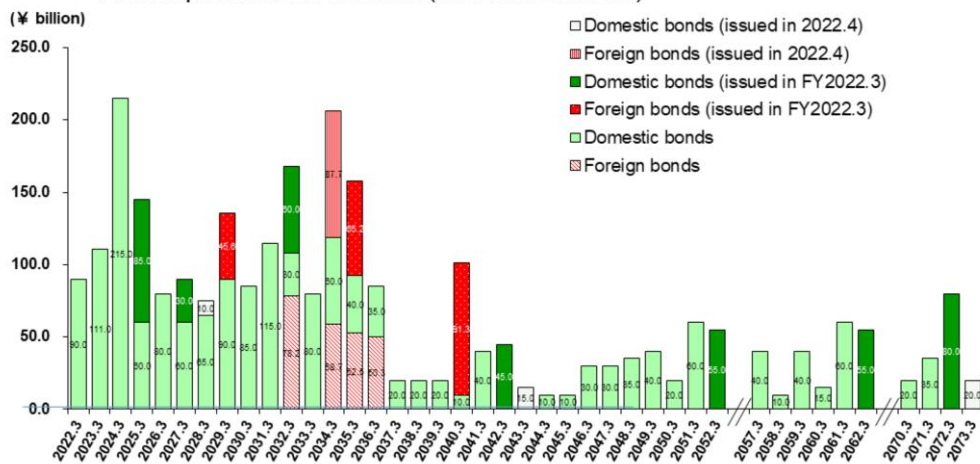
[Notes]
1) Outlook as of Apr. 28, 2022
2) Redemptions are at face value

Bonds Issuance in FY2022.3

Additional Information for bond Investors

JR-EAST

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

Bonds Issuance in FY2022.3

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

Bonds Issuance in FY2022.3

JR-EAST

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

Bonds Issuance in 2022.4

JR-EAST

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

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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.