

# **Explanatory Materials**

- FY2024.3 Financial Results**
- Management Strategy**

April 30, 2024

East Japan Railway Company



# Greetings from the new President

## Yoichi Kise, President and CEO



I was appointed the new President and CEO at a time of great change, including the full-fledged revival of the post-COVID-19 economy. Viewing the great changes occurring around the world as opportunities to further accelerate the structural reforms we have been pursuing under our Group management vision “Move Up” 2027, and by charting a new growth strategy and boldly promoting it, we will carve out a new era.

The JR East Group will boost profits through business activities to create a better world, and will use the profits generated to benefit customers and local communities, shareholders and investors, as well as to promote the well-being of employees and families, while also allocating them to the growth of the Group. By maintaining this cycle of growth and creation, we aim to be a corporate Group with a strong sense of promoting “the good for all four sides,” and developing sustainably.

We sincerely appreciate your continued support as we leap toward the future of our Group.

- April 1989 Entered the Company
- June 2014 General Manager of Personnel Department and Director of JR East General Education Center
- June 2015 Executive Officer and General Manager of Personnel Department
- June 2017 Executive Officer and General Manager of Management Planning Department, Corporate Planning Headquarters
- June 2018 Executive Director and Director General of Corporate Planning Headquarters
- June 2020 Executive Director and Director General of Life-style Business Development Headquarters
- June 2021 Executive Vice President and Representative Director; Assistant to President (in general);  
Director General of Life-style Business Development Headquarters; In charge of Shinagawa Development;  
In charge of Work & Welfare Strategies Department; In charge of Regional Revitalization
- June 2022 Executive Vice President and Representative Director; Assistant to President (in general);  
Director General of Marketing Headquarters; In charge of Shinagawa Development and Regional Revitalization
- April 2024 Appointed as the President and CEO

<b>I.</b>	<b>FY2024.3 Financial Results</b>	<b>4</b>
<b>II.</b>	<b>Strategies for Realizing “Move Up” 2027</b>	<b>20</b>
<b>III.</b>	<b>Strategies for FY2025.3</b>	<b>31</b>
<b>IV.</b>	<b>Reference Materials</b>	<b>44</b>

## **I. FY2024.3 Financial Results**

# Highlights of FY2024.3 Financial Results

(¥ billion)	'22.4-'23.3 Results	'23.4-'24.3 Results	'23.4-'24.3/'22.4-'23.3	
			Increase /Decrease	%
Operating revenues	2,405.5	2,730.1	+324.5	113.5
Operating income	140.6	345.1	+204.5	245.4
Ordinary income	110.9	296.6	+185.7	267.4
Profit attributable to owners of parent	99.2	196.4	+97.2	198.0

'23.4-'24.3 Plans (Announced in Jan.)	'23.4-'24.3 Results/Plans	
	Increase /Decrease	%
2,712.0	+18.1	100.7
310.0	+35.1	111.3
252.0	+44.6	117.7
165.0	+31.4	119.1

## FY2024.3 Financial Results

### Consolidated Results

#### Both revenues and income increased

- Operating revenues increased for the third year in a row as demand increased in the railway, EKINAKA (stores inside railway stations), hotel, and shopping center businesses.
- Income increased at all levels as a result of increase in revenues.

### Segment

#### Transportation, Retail & Services, and Other businesses achieved increases in revenue and income

- Transportation business achieved **increases in revenues and income** mainly due to an increase in passenger revenues (particularly in non-commuter passes revenues).
- Retail & Services business achieved **increases in revenues and income** mainly due to an increase in the sales of EKINAKA stores.
- Real Estate & Hotels business achieved **an increase in revenue** as sales of hotels and shopping centers increased, but its **income decreased** mainly due to a decrease in profit on real estate sales.
- Other business achieved **increases in revenues and income** mainly due to an increase in the sales related to the IC card business.

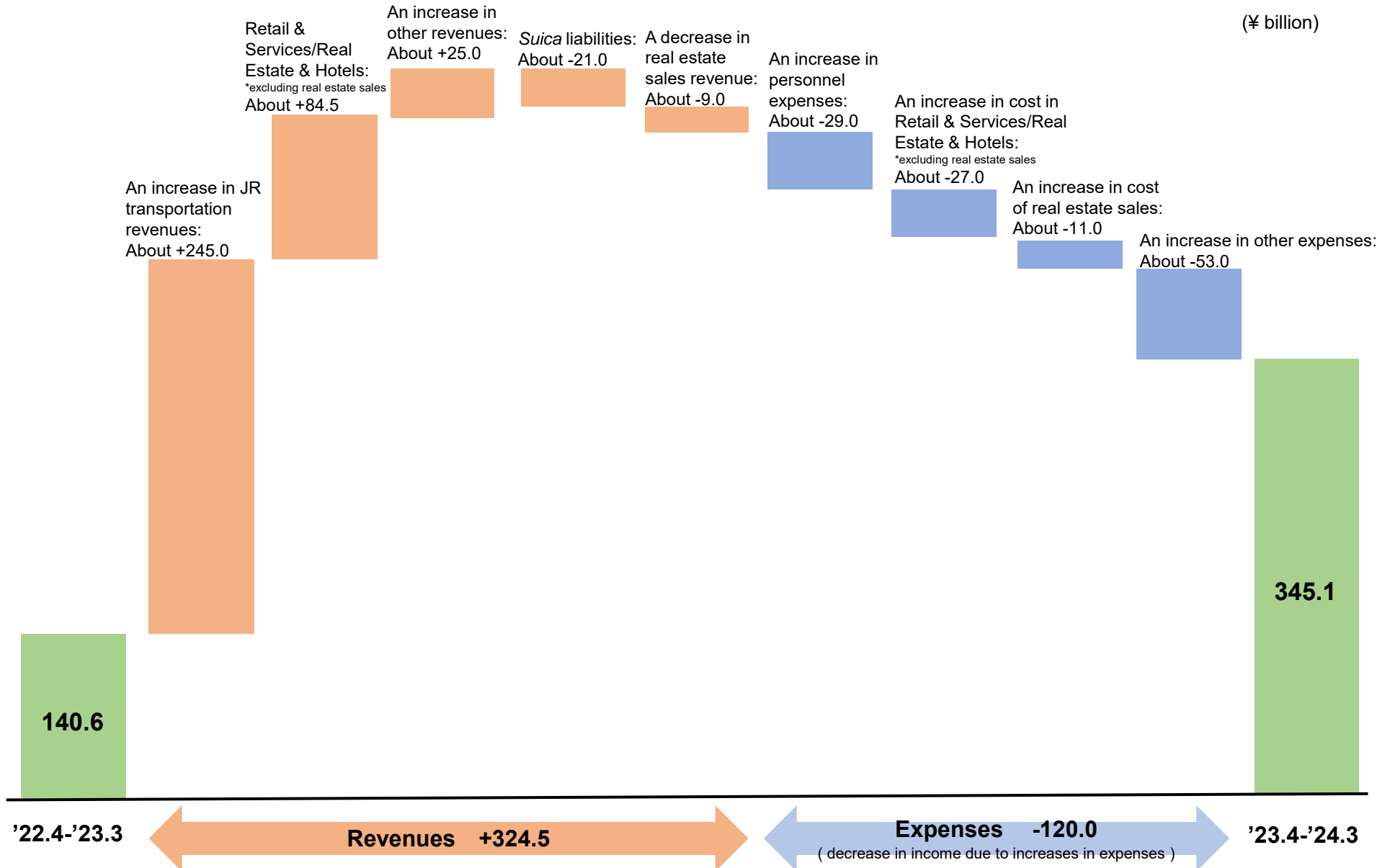
○ Shareholder returns (dividend per share)

FY 2024.3 Interim dividend per share: 55 yen Year-end dividend per share: 85 yen Total: 140 yen

\* Dividend per share before the stock split (on April 1, 2024)

# FY2024.3 Financial Results (consolidated) : Changes in Operating Income

(¥ billion)



# Statements of Income (consolidated)

(¥ billion)	'22.4-'23.3 Results	'23.4-'24.3 Results	Changes		Main factors behind changes
			Increase /Decrease	%	
Operating revenues	2,405.5	2,730.1	+324.5	113.5	
Transportation	1,618.5	1,853.6	+235.0	114.5	An increase in passenger revenues
Retail & Services	327.8	379.6	+51.7	115.8	An increase in the sales of EKINAKA stores
Real Estate & Hotels	382.2	405.8	+23.6	106.2	An increase in the sales of hotels and shopping centers
Others	76.9	91.0	+14.1	118.4	An increase in the sales related to IC card business
Operating income	140.6	345.1	+204.5	245.4	
Transportation	-24.0	170.7	+194.8	—	
Retail & Services	35.2	54.0	+18.7	153.1	
Real Estate & Hotels	111.5	100.1	-11.4	89.8	A decrease in profit on real estate sales
Others	17.2	21.9	+4.6	127.2	
Adjustment	0.6	-1.6	-2.3	—	
Non-operating income or expenses	-29.7	-48.5	-18.8	163.3	
Non-operating income	42.0	29.1	-12.8	69.4	A decrease in equity in net income of affiliated companies
Non-operating expenses	71.8	77.7	+5.9	108.2	An increase in interest expense
Ordinary income	110.9	296.6	+185.7	267.4	
Extraordinary gains or losses	17.4	-22.5	-40.0	—	
Extraordinary gains	93.2	40.6	-52.6	43.6	A decrease in compensation income, A decrease in construction grants received
Extraordinary losses	75.7	63.1	-12.5	83.4	A decrease in losses on reduction entry for construction grants
Profit attributable to owners of parent	99.2	196.4	+97.2	198.0	

\* The segment breakdown of operating revenues: operating revenues from outside customers

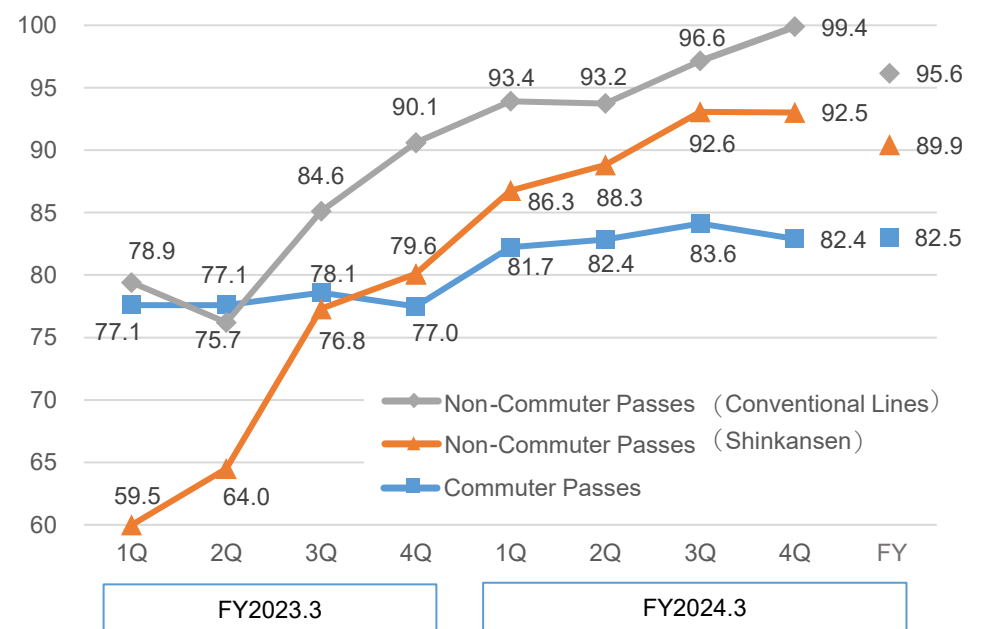
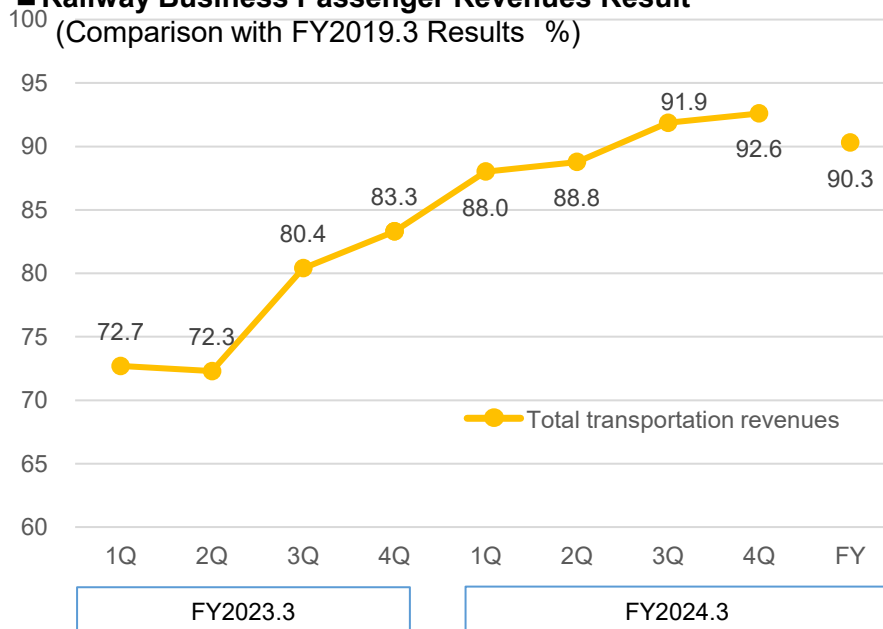
# Transportation

(¥ billion)	'22.4-'23.3 Results	'23.4-'24.3 Results	'23.4-'24.3/'22.4-'23.3		'23.4-'24.3 Plans (Announced in Jan.)	'23.4-'24.3 Results/Plans	
			Increase /Decrease	%		Increase /Decrease	%
Operating revenues	1,618.5	1,853.6	+235.0	114.5	1,849.0	+4.6	100.2
Operating income	-24.0	170.7	+194.8	—	130.0	+40.7	131.3

'23.4-'24.3 Operating revenues (external)		Railway business	Revenue increased year on year due to an increase in railway transportation. Passenger revenues remain at about 90% of pre-COVID-19 levels.
JR East (Transportation)	+233.7	Railcar manufacturing business	Revenue decreased year on year due to a decrease in sales of railcars to non-JR railway companies.
JR EAST VIEW TOURISM AND SALES	+2.8	Bus business	Revenue increased year on year due to an increase in use of express bus transportation. Express bus revenues remain at about 65% of pre-COVID-19 levels.
Tokyo Monorail	+2.2	Monorail business	Revenue increased year on year due to an increase in use. Fare revenues remain at about 75% of pre-COVID-19 levels.
Japan Transport Engineering Company	-8.9		

## ■ Railway Business Passenger Revenues Result

(Comparison with FY2019.3 Results %)



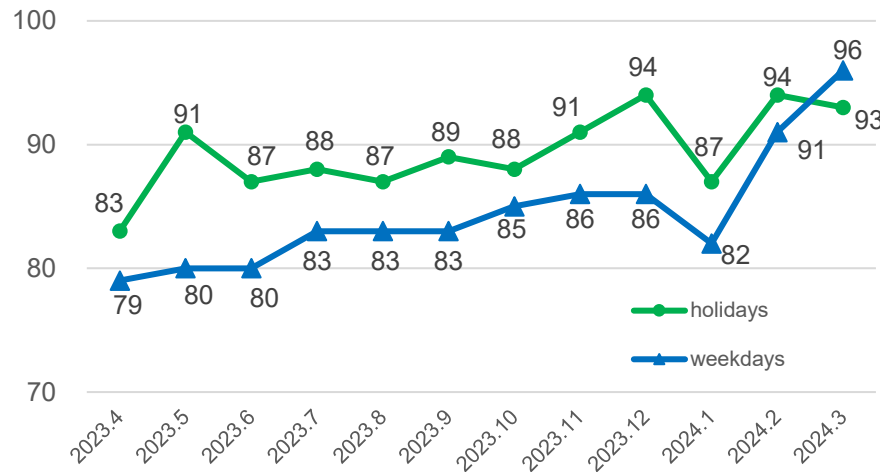


# Transportation (Relevant Indicators)

## ■ Shinkansen passenger volume (weekdays/holidays)

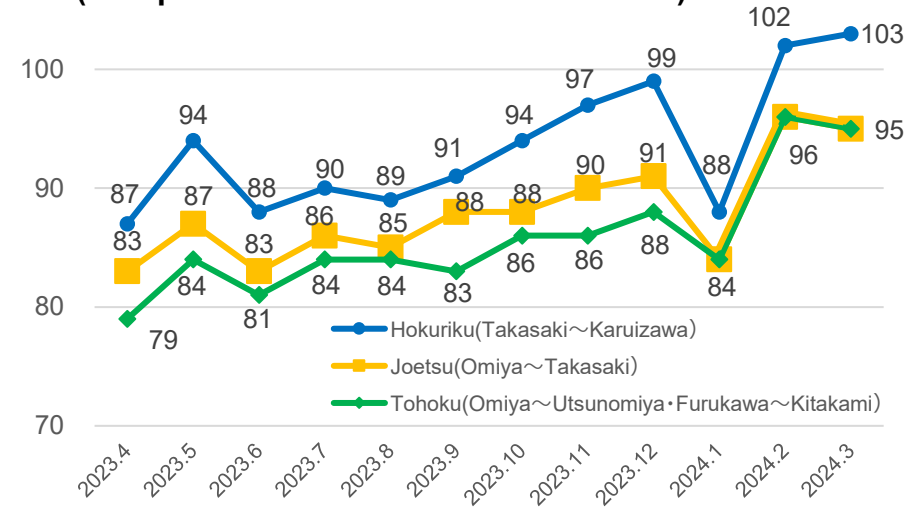
•Holidays include the Golden Week holidays, the Obon holidays, and the year-end and new year holidays, as well as Saturdays, Sundays, and national holidays.

(Comparison with FY2019.3 Results %)



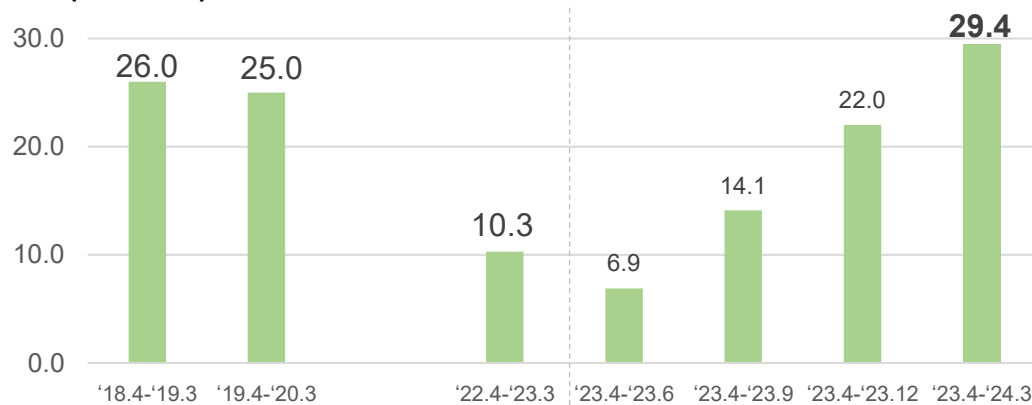
## ■ Shinkansen passenger volume (by destination)

(Comparison with FY2019.3 Results %)



## ■ Inbound Revenue (estimate)

(¥ billion)



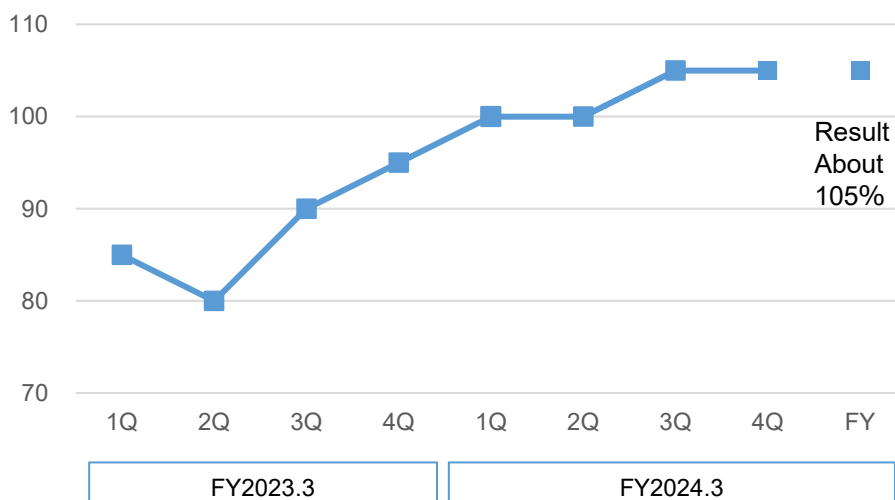
- Sum of our company's revenue from passes for inbound tourists and individual ticket revenue (estimate)
- Passes for inbound tourists account for approximately 70% of the total.

# Retail & Services

(¥ billion)	'22.4-'23.3 Results	'23.4-'24.3 Results	'23.4-'24.3/'22.4-'23.3		'23.4-'24.3 Plans (Announced in Jan.)	'23.4-'24.3 Results/Plans	
			Increase /Decrease	%		Increase /Decrease	%
Operating revenues	327.8	379.6	+51.7	115.8	375.0	+4.6	101.2
Operating income	35.2	54.0	+18.7	153.1	60.0	-5.9	90.1
'23.4-'24.3 Operating revenues (external)			EKINAKA business		Revenue increased year on year due to an increase in the sales of EKINAKA stores on the back of an increase in the use of railways.		
JR East Cross Station		+34.1	Advertisement business		Revenue increased year on year. Traffic advertisement revenue is about 60% of pre-COVID-19 levels.		
JR East Marketing & Communications		+5.3					
JR East (Retail & Services)		+2.7					
JR East TOHOKU SOUGOU SERVICE		+2.1					

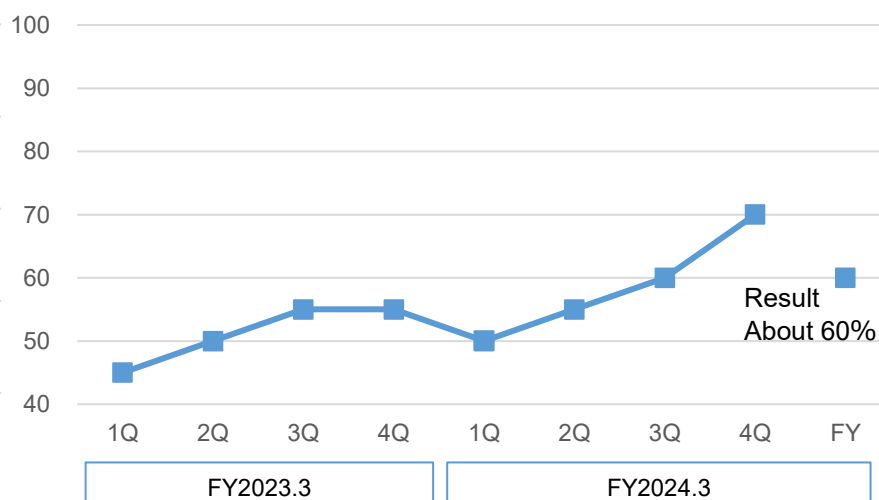
## ■ EKINAKA : Revenue Trends

(Comparison with FY2019.3 Results %)



## ■ Advertisement : Revenue Trends< Traffic Ads >

(Comparison with FY2019.3 Results %)



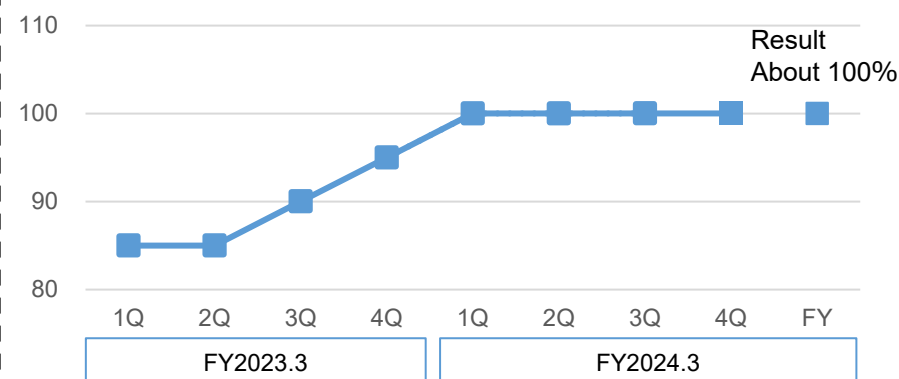
# Real Estate & Hotels

(¥ billion)	'22.4-'23.3 Results	'23.4-'24.3 Results	'23.4-'24.3/'22.4-'23.3		'23.4-'24.3 Plans (Announced in Jan.)	'23.4-'24.3 Results/Plans	
			Increase /Decrease	%		Increase /Decrease	%
Operating revenues ( ) excluding real estate sales	382.2 (324.8)	405.8 (357.4)	+23.6 (+32.6)	106.2 (110.0)	397.0 (353.4)	+8.8 (+3.9)	102.2 (101.1)
Operating income ( ) excluding real estate sales	111.5 (66.7)	100.1 (75.3)	-11.4 (+8.6)	89.8 (112.9)	100.0 (87.4)	+0.1 (-12.0)	100.2 (86.2)

'23.4-'24.3 Operating revenues (external)		Shopping center business	Revenue increased year on year as sales of station buildings increased.
Nippon Hotel	+13.8	Office business	Rental income remained at the same level as the previous year.
JR East Urban Development	+12.9	Hotel business	Revenue increased year on year due to an increase in the use of hotels.
LUMINE	+4.5	Real estate sales business	Revenue decreased year on year due to a decrease in sales in the rotational business model.
JR East (Real Estate & Hotels)	-18.5		

## ■ Shopping center business : Revenue Trends

(Comparison with FY2019.3 Results %)



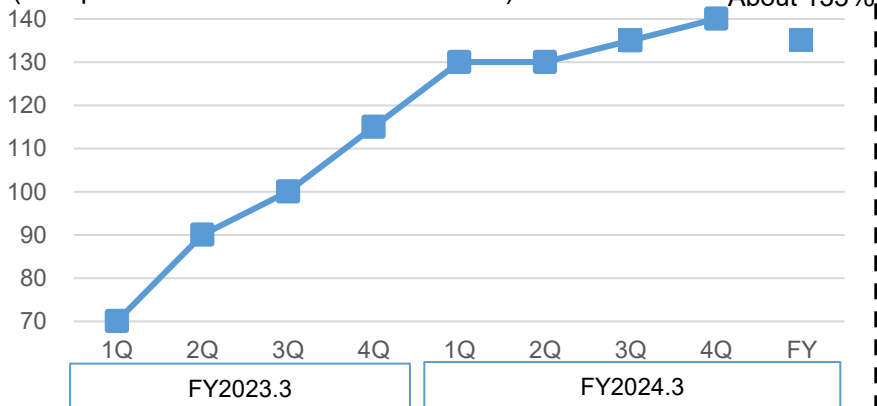
## ■ Office business : Revenue Trends

(Comparison with FY2019.3 Results)

Revenue remained at about 125% of pre-COVID-19 levels on a full-year basis, which is largely in line with the plan.

## ■ Hotel business : Revenue Trends

(Comparison with FY2019.3 Results %)



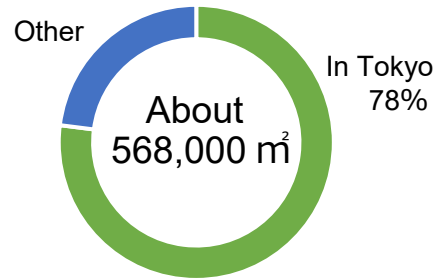
## Hotel business revenue and profit

Operating revenues 74.6 billion yen, Operating income 6.7 billion yen  
\* Simple aggregation of the hotel businesses of each company

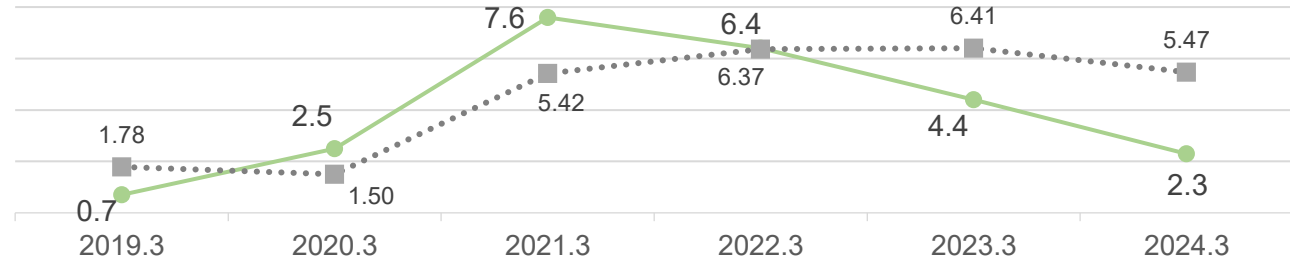
# Real Estate & Hotels (Relevant Indicators)

## Office business

### Leasable space (2024.3)



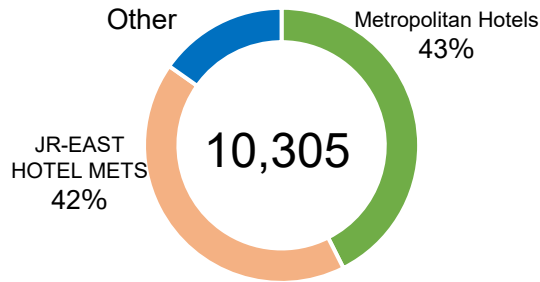
### Vacancy rate (%) : Properties operated by JR East Building (in Tokyo)



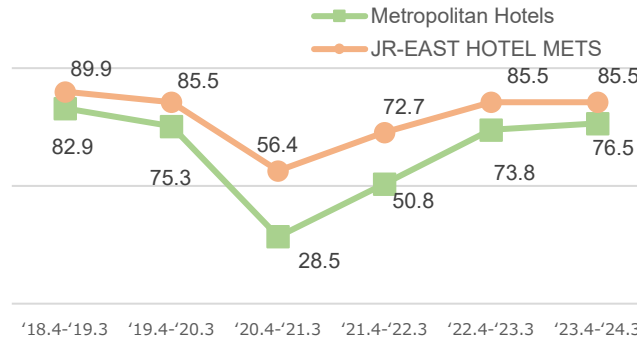
\* ..■ shows market vacancy rate in Tokyo's five central wards (source: Miki Shoji)

## Hotel business

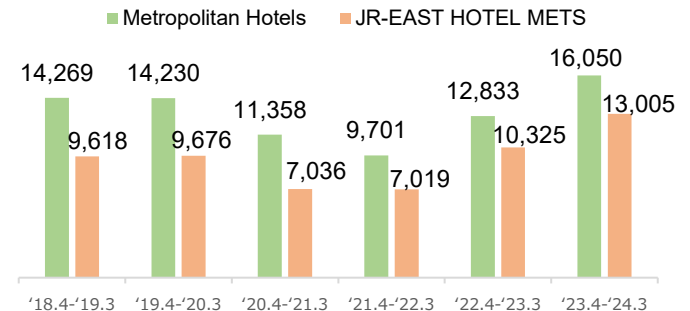
### Number of guest rooms (2024.3)



### Occupancy rate (%)

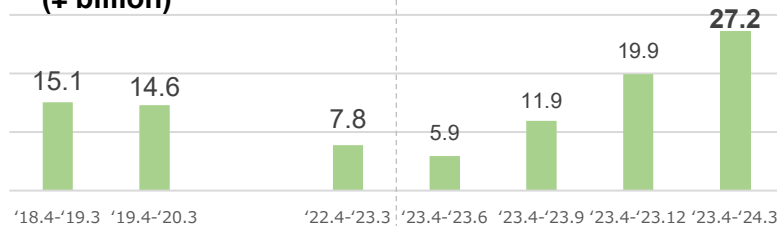


### Average Daily Rate (ADR) (¥)



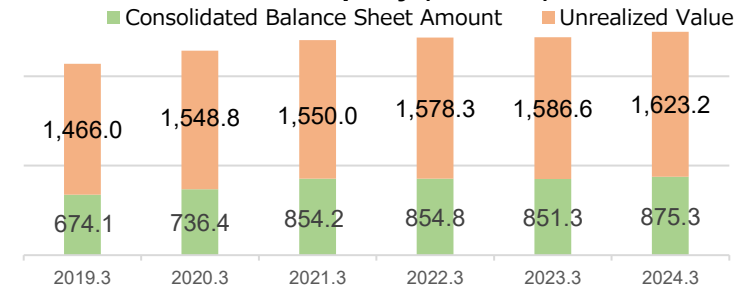
## Reference

### Inbound Revenue (life-style solutions business) (¥ billion)



Sum of accommodation revenue from inbound tourists in the hotel business and tax-exempt sales in the SC business

### Fair Value of Rental Property (¥ billion)



(¥ billion)	'22.4-'23.3 Results	'23.4-'24.3 Results	'23.4-'24.3/'22.4-'23.3		'23.4-'24.3 Plans (Announced in Jan.)	'23.4-'24.3 Results/Plans	
			Increase /Decrease	%		Increase /Decrease	%
Operating revenues	76.9	91.0	+14.1	118.4	91.0	+0.0	100.1
Operating income	17.2	21.9	+4.6	127.2	22.0	-0.0	99.6

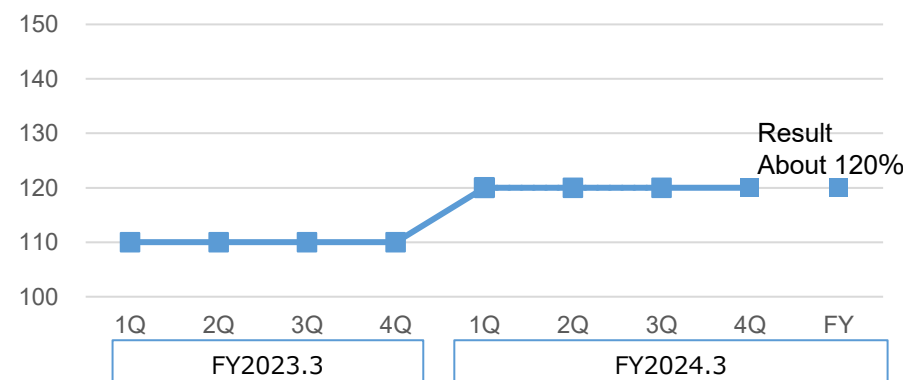
'23.4-'24.3 Operating revenues (external)		IT & <i>Suica</i> business	Credit:	Commission income from member shops increased year on year due to an increase in card transaction volume.
JR East Mechatronics	+6.1		E-money:	Commission income from member shops increased year on year due to an increase in the number of payments by e-money.
Viewcard	+2.8		IC cards:	Revenue increased year on year due to an increase in the sales of IC cards and related systems.

## (Reference) IT & Suica business results('23.4-'24.3)

(¥ billion)	'22.4-'23.3 Results	'23.4-'24.3 Results	'23.4-'24.3/'22.4-'23.3	
			Increase/Decrease	%
Operating revenues	51.5	61.6	+10.1	119.6
Operating income	12.3	16.2	+3.8	131.2

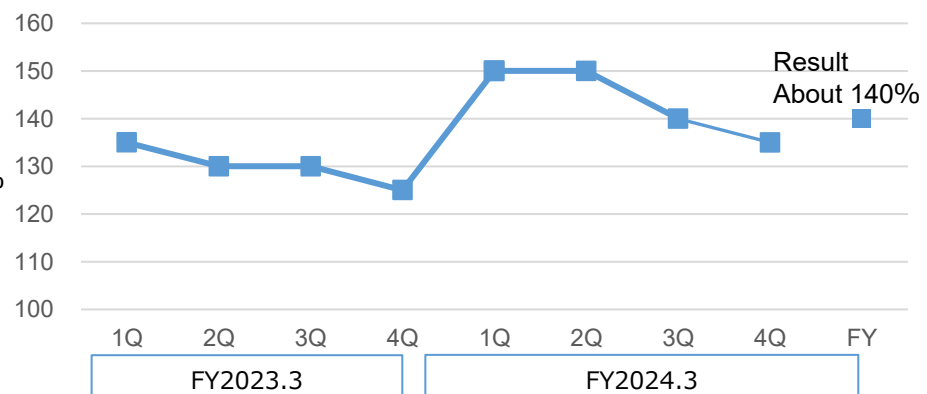
### ■ Credit card business : Revenues Trends

<Card transaction volume>(Comparison with FY2019.3 Results %)



### ■ Use of Suica e-money : Revenues Trends

<Number of pieces utilized>(Comparison with FY2019.3 Results %)



# Balance Sheets (consolidated)

(¥ billion)	As of '23.3 Results	As of '24.3 Results	Changes		Main factors behind changes
			Increase /Decrease	%	
Assets	9,351.8	9,771.4	+419.5	104.5	
Current assets	1,052.7	1,191.9	+139.1	113.2	An increase in cash and time deposits
Fixed assets	8,299.1	8,579.5	+280.4	103.4	An increase in construction in progress
Liabilities	6,854.1	7,032.2	+178.0	102.6	
Current liabilities	1,532.2	1,616.7	+84.4	105.5	
Long-term liabilities	5,321.9	5,415.5	+93.5	101.8	An increase in bonds
Total Net Assets	2,497.7	2,739.2	+241.5	109.7	
Total Liabilities and Net Assets	9,351.8	9,771.4	+419.5	104.5	

# Summary of Cash Flows (consolidated)

(¥ billion)	'22.4-'23.3 Results	'23.4-'24.3 Results	Increase /Decrease
Cash Flows from Operating Activities	581.7	688.1	+106.3
(Main Components)			
Income before income taxes	128.3	274.0	+145.6
Depreciation	389.8	392.1	+2.2
Net change in major receivables and payables	14.6	-38.6	-53.3
Payments of interest	-62.0	-67.4	-5.4
Cash Flows from Investing Activities	-565.5	-690.6	-125.1
(Main Components)			
Payments for purchases of fixed assets	-555.5	-714.9	-159.3
Proceeds from construction grants	12.5	49.1	+36.5
Cash Flows from Financing Activities	26.8	66.1	+39.2
(Main Components)			
Net change in short-term loans and commercial papers	-390.7	-1.1	+389.6
Proceeds from long-term loans and issuance of bonds	718.6	462.3	-256.3
Payments of long-term loans and redemption of bonds	-253.0	-365.0	-112.0
Cash dividends paid	-37.7	-39.6	-1.8
Cash and Cash Equivalents at Beginning of the Year	171.0	215.0	+43.9
Cash and Cash Equivalents at End of the Year	215.0	280.8	+65.8
Free Cash Flows	16.2	-2.5	-18.7

# Interest-bearing debt (consolidated), Capital Expenditures (consolidated), Key Indicators (consolidated)

## Interest-bearing debt (consolidated)

(¥ billion)	As of '23.3 Results	As of '24.3 Results	Changes		Average interest rate (Comparison with 2023.3 Results)	
			Increase /Decrease	%		
Interest-bearing debt balance	4,774.8	4,868.2	+93.3	102.0	1.47%	(+0.08%)
Bonds	2,975.8	3,114.9	+139.0	104.7	1.24%	(+0.12%)
Long-term loans	1,483.9	1,442.2	-41.7	97.2	0.87%	(+0.03%)
Long-term liabilities incurred for purchase of railway facilities	315.0	311.0	-4.0	98.7	6.55%	(+0.00%)
Other interest-bearing debt	—	0.0	+0.0	—	7.93%	(+7.93%)
Net interest-bearing debt balance	4,559.8	4,587.4	+27.5	100.6		

## Capital Expenditures (consolidated)

(¥ billion)	Segment	As of '23.3 Results	As of '24.3 Results	Changes	
				Increase /Decrease	%
Mobility	Transportation	373.0	436.6	+63.5	117.0
Life-style Solutions	Retail & Services	181.6	277.0	+95.4	152.5
	Real Estate & Hotels				
	Others				
Total		554.7	713.7	+158.9	128.7

## Key Indicators (consolidated)

	Unit	As of '23.3 Results	As of '24.3 Results	Increase /Decrease
Consolidated ROA	%	1.5	3.6	+2.1
Consolidated ROE	%	4.1	7.6	+3.5
Net interest-bearing debt / EBITDA	times	8.6	6.2	-2.4

\*EBITDA is calculated by adding depreciation to operating income.



# Statements of Income (non-consolidated) - FY2024.3 Results

(¥ billion)	'22.4-'23.3 Results	'23.4-'24.3 Results	Changes		'23.4-'24.3 Plans (Announced in Jan.)	'23.4-'24.3 Results/Plans	
			Increase /Decrease	%		Increase /Decrease	%
Operating revenues	1,765.5	1,987.2	+221.7	112.6	1,978.0	+9.2	100.5
Operating expenses	1,674.5	1,733.4	+58.9	103.5	1,760.0	-26.5	98.5
Operating income	90.9	253.8	+162.8	279.1	218.0	+35.8	116.4
Ordinary income	46.0	202.3	+156.3	439.8	161.0	+41.3	125.7
Profit	52.4	146.6	+94.2	279.8	112.0	+34.6	131.0

(Components)

(¥ billion)		'22.4-'23.3 Results	'23.4-'24.3 Results	Changes		Main factors behind changes
				Increase /Decrease	%	
Operating revenues		1,765.5	1,987.2	+221.7	112.6	
	Passenger revenues	1,431.7	1,676.5	+244.8	117.1	
	Others	333.7	310.7	-23.0	93.1	Reactionary fall from the one-time increase due to the change in the timing of recognition of <i>Suica</i> liabilities as revenue
Operating expenses		1,674.5	1,733.4	+58.9	103.5	
	Personnel expenses	394.6	406.5	+11.8	103.0	An increase pertaining to bonuses
	Non-personnel expenses	769.1	812.2	+43.1	105.6	
	Energy	91.3	86.0	-5.3	94.1	
	Maintenance	256.3	273.6	+17.3	106.8	An increase in general maintenance expenses and railcar maintenance expenses
	Other	421.3	452.6	+31.2	107.4	An increase in outsourcing expenses
	Usage fees to JR TT, etc	84.3	83.8	-0.4	99.5	
	Taxes	104.4	109.2	+4.8	104.7	
	Depreciation	322.0	321.4	-0.5	99.8	
Operating income		90.9	253.8	+162.8	279.1	

# Balance Sheets (non-consolidated)

(¥ billion)	As of '23.3 Results	As of '24.3 Results	Changes		Main factors behind changes
			Increase /Decrease	%	
Assets	8,527.3	8,873.3	+345.9	104.1	
Current assets	777.7	881.7	+104.0	113.4	An increase in cash and time deposits
Fixed assets	7,749.6	7,991.5	+241.8	103.1	An increase in construction in progress
Liabilities	6,646.9	6,828.6	+181.6	102.7	
Current liabilities	1,481.2	1,547.6	+66.3	104.5	
Long-term liabilities	5,165.6	5,281.0	+115.3	102.2	An increase in bonds
Total Net Assets	1,880.4	2,044.6	+164.2	108.7	
Total Liabilities and Net Assets	8,527.3	8,873.3	+345.9	104.1	

# Traffic Volume and Passenger Revenues - FY2024.3 Results

	Traffic Volume (million passenger kilometers)			Passenger Revenues (¥ billion)				
	'22.4-'23.3 Results	'23.4-'24.3 Results	Changes %	'22.4-'23.3 Results	'23.4-'24.3 Results	Changes Increase /Decrease	%	Main factors behind changes
Shinkansen	16,494	21,230	128.7	421.9	537.4	+115.4	127.4	
Commuter Passes	1,563	1,670	106.9	21.2	22.5	+1.3	106.3	
Non-commuter Passes	14,931	19,560	131.0	400.7	514.8	+114.1	128.5	<ul style="list-style-type: none"> <li>• Increase in railway transportation: +100.5</li> <li>• Inbound tourism: +8.5</li> <li>• Rebound from natural disasters: +6.0</li> <li>• Leap year: +1.0</li> <li>• In reaction to the impact of a natural disaster: -2.0</li> </ul>
Conventional Lines	90,983	98,470	108.2	1,009.8	1,139.1	+129.3	112.8	
Commuter Passes	57,464	60,237	104.8	370.3	395.3	+24.9	106.8	
Non-commuter Passes	33,519	38,232	114.1	639.5	743.8	+104.3	116.3	
Breakdown of Conventional Lines Kanto Area Network(Reproduced)	86,356	93,387	108.1	956.3	1,077.5	+121.2	112.7	
Commuter Passes	54,766	57,474	104.9	354.1	378.8	+24.6	107.0	
Non-commuter Passes	31,590	35,912	113.7	602.1	698.7	+96.6	116.1	<ul style="list-style-type: none"> <li>• Increase in railway transportation: +72.0</li> <li>• Barrier-free charges: +16.0</li> <li>• Inbound tourism: +10.0</li> <li>• Leap year: +2.5</li> <li>• Rebound from natural disasters: +1.5</li> <li>• In reaction to the impact of a natural disaster: -3.5</li> <li>• Direct Sotetsu-Tokyu line: -1.5</li> </ul>
Breakdown of Conventional Lines Other Network(Reproduced)	4,626	5,083	109.9	53.5	61.5	+8.0	115.0	
Commuter Passes	2,697	2,763	102.4	16.1	16.5	+0.3	102.3	
Non-commuter Passes	1,929	2,319	120.3	37.3	45.0	+7.6	120.5	<ul style="list-style-type: none"> <li>• Increase in railway transportation: +7.0</li> <li>• Inbound tourism: +0.5</li> </ul>
Total	107,477	119,701	111.4	1,431.7	1,676.5	+244.8	117.1	
Commuter Passes	59,027	61,908	104.9	391.5	417.8	+26.3	106.7	<ul style="list-style-type: none"> <li>• Increase in railway transportation: +19.5</li> <li>• Barrier-free charges: +7.0</li> </ul>
Non-commuter Passes	48,450	57,792	119.3	1,040.2	1,258.7	+218.4	121.0	

\* Kanto Area Network refers to the sections covered by JR East's Tokyo Metropolitan Area Headquarters, Yokohama Branch Office, Hachioji Branch Office, Omiya Branch Office, Takasaki Branch Office, Mito Branch Office, and Chiba Branch Office.

## **II. Strategies for Realizing “Move Up” 2027**

# New business strategy to strengthen “Move Up” 2027

## JR East Group Management Vision “Move Up” 2027

Business model based on the premise that “customers naturally gather at stations,” by utilizing a multilayered, real network

Middle- and long-distance  
(infrequent)



Short distance  
(mainly frequent/daily)



Real traffic

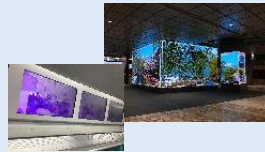
EKINAKA



SC/real estate



Advertisements  
(stations and trains)



Payment



JRE POINT • MaaS

and various other  
businesses

## New business strategy (next 10 years)

Aim to double operating income  
in life-style solutions through revenue expansion

**Creation of “life value” for usual and unusual  
experiences tailored to each individual customer**

⇒ Realization of the Group Philosophy of  
“enriched lives for everyone”

**Create “purposes (destinations) of travel”  
for individual customers**

**Strengthen contacts with individual  
customers through digital transformation**

Transformation of existing businesses

Expand business into  
new markets

**Redesign by  
adding new  
value**

Users will  
gradually  
decline if the  
current situation  
continues.

**Strength of the JR East Group  
“Multilayered, real network”**

### Breakaway from the conventional model

Decrease in railroad  
usage due to  
population decline, etc.

Changes in work styles  
and consumption  
values

### Environmental changes

Advancement in digital  
technology and the  
increasing value of real  
experiences

### Available business opportunities

Economic growth in  
the Tokyo metropolitan  
area

Emergence of attractive  
contents through  
regional revitalization

# Growth Investment Pipelines and Returns

	Name	2025.3	2026.3	2027.3	2028.3	2029.3	2030.3	2031.3	2032.3	2033.3 (FY)	Assumed revenues during stable operation	Assumed investment amount
Mobility	Introduction of Green Cars to Chuo Rapid Line											
	Tohoku Shinkansen speed increase (320 km/h) between Morioka and Shin-Aomori											
	Haneda Airport Access Line (tentative name)											
Life-style solutions	TAKANAWA GATEWAY CITY										About 120.0 billion yen / year*	About 1.45 trillion yen
	Development of the Hiromachi area around Oimachi Station (tentative name)											
	Funabashi Ichiba-cho Project (tentative name)											
	Station building development at Nakano station											
	Shibuya scramble square (Central and West Building)											
	Redevelopment project around Itabashi Station Itabashi Gate District 1 urban area											
	Development Project around Shinjuku Station Southwest Gate Area											
	Development Project around Nakano Station New North Entrance											
	Development Project around Hamamatsucho Station West Gate Area											
	Shibaura project											
	Tokyo Institute of Technology Tamachi Campus Redevelopment Project											
	Improvement around Shinagawa station North Gate and maintenance of station building											

Under constructions In operation

\* Not including Funabashi Ichiba-cho Project (tentative name), which is a source of non-recurring revenue.

# Future major measures for Mobility

## Introduction of Green Cars to the Chuo Rapid Line

### Providing a comfortable environment through services that meet the seating needs of customers

Operation sections: Chuo Rapid Line (Tokyo-Otsuki)  
Ome Line (Tachikawa-Ome)\*

\* Trains that directly connect to the Chuo Rapid Line

Scheduled introduction:

In or after FY2025.3

Investment: Approx. 86.0 billion yen

Expected revenue increase:

Approx. 8.0 billion yen  
per year



## Haneda Airport Access Line (tentative name)

### Realizing direct access to Haneda Airport from various directions using the existing railway network

#### Overview of East Yamanote route & Airport access line

construction section : Minato-ku Shibaura 1cho-me~  
Ota-ku hanedaairport 3cho-me

Construction extension : Approx. 12.4km

Schedule to open : FY 2032.3

Approximate construction cost : Approx. 280.0 billion yen\*

\*The approximate construction cost includes the construction cost of the tunnel itself related to JR East (About 70.0 billion yen) among the national airport development projects.






### Improving Accessibility to Haneda Airport

- Realize direct access to Haneda Airport from the Utsunomiya, Takasaki, and Joban Lines
- The travel time from Tokyo Station to the airport reduce to about 18 minutes without transfer
- Passengers allow to go to Terminal 2 without moving up or down to a different floor level from Haneda Airport New Station



# Future major development projects for Life-style solution -1



Name		Fiscal Year	Area	Use and Other
(1)	<b>TAKANAWA GATEWAY CITY</b> 	Opening End of FY2025.3: THE LINKPILLAR 1  By the end of FY2026.3: THE LINKPILLAR 2, Culture Creation Building, (tentative name) TAKANAWA GATEWAY CITY RESIDENCE	Total floor area  THE LINKPILLAR 1: About 460,000 m <sup>2</sup> THE LINKPILLAR 2: About 208,000 m <sup>2</sup> Culture Creation Building: About 29,000m <sup>2</sup> (tentative name) TAKANAWA GATEWAY CITY RESIDENCE : About 148,000 m <sup>2</sup>	Office, residential, retail, hotel, etc.  Project cost: About 600.0 billion yen  Revenue projection (under stabilized operation) : About 57.0 billion yen / year
	(2) Development of the Hiromachi area around Oimachi Station (tentative name) 	Opening: End of FY2026.3	Total floor area  A1 area: About 250,000 m <sup>2</sup> A2 area: About 9,100 m <sup>2</sup>	Office, hotel, retail, residential, etc.  Revenue projection (under stabilized operation) : About 13.0 billion yen / year
	(3) Funabashi Ichiba-cho Project (tentative name) 	Completion: In or after 2026	Site area: About 45,000 m <sup>2</sup>	Residential, retail, renewable energy power generation facility Joint venture with Tokyu Fudosan Holdings Revenue projection (as JR East Group) : About 37.0 billion yen
	(4) Redevelopment project around Itabashi Station Itabashi Gate District 1 urban area 	Completion: June 2027	Total floor area: About 51,200 m <sup>2</sup>	Residential, retail etc.  Joint venture with Nomura Real Estate Development Co., Ltd.



# Future major development projects for Life-style solution -2

	Name		Fiscal Year	Area	Use and Other
(5)	Shibuya Scramble Square Central and West Building		Opening: FY2028.3  [East Building: Opened in November 2019]	Total floor area: About 80,000 m <sup>2</sup>  [Excluding East Building (About 158,000 m <sup>2</sup> )]	Retail, station facility, etc.  Joint venture with Tokyu Corporation and one other company  [Project cost for East Building: About 42.3 billion yen]
(6)	Shinjuku Station Southwest Exit Area		Construction period South City Block : FY2024.3 to FY2029.3 North City Block :Into 2040s	Total floor area  South City Block: About 150,000 m <sup>2</sup>  North City Block: About 141,500 m <sup>2</sup>	Retail, office, hotel, etc.  Joint venture with Keio Corporation and other companies
(7)	Nakano Station North Exit Base Facility Development Project		Completion: FY2030.3	Enforcement district area About 23,000 m <sup>2</sup>	Hall, office, residential, retail, etc.  Joint venture with Nomura Real Estate Development Co., Ltd. and three other companies
(8)	Development Project around Hamamatsucho Station West Gate Area		Completion: FY2030.3	Total floor area: About 314,000 m <sup>2</sup>	Office, retail, hotel, etc.  Joint venture with World Trade Center Building, Inc. and two other companies
(9)	Shibaura Project		Completion S Building : February 2025 N Building : FY2031.3	Total floor area: About 550,000 m <sup>2</sup>	Office, retail, hotel, residential, etc.  Joint venture with Nomura Real Estate Development Co., Ltd.
(10)	Tokyo Institute of Technology Tamachi Campus Land Utilization Project		Commencement of shared use: June 2030  Grand opening: April 2032	Total floor area: About 250,000 m <sup>2</sup>	Office, retail, hotel, etc.  Joint venture with NTT Urban Development Corporation and two other companies
(11)	Shinagawa Station District Development Project (North Block)		Construction period: FY2026.3 to FY2031.3	Total floor area: About 165,000 m <sup>2</sup>	Office, retail, station facility, etc.  Business entity of south city block : Keikyu Co., Ltd

# Capturing Inbound Demand

In order to surely capture demand from inbound tourists, which are expected to increase to 60 million by 2030, we will strengthen price strategies and promotions for products targeted at inbound tourists in both mobility and life-style solutions.

■ Attracting customers to our area by promoting the use of railways

- Offer regional passes that are attractive to customers visiting Japan (e.g., JR EAST PASS and JR TOKYO Wide Pass)
- Increase the percentage of regional passes and tickets sold through our direct sales website “JR-EAST Train Reservation.”
- Realize smooth use by increasing the percentage of online sales of Japan Rail Pass.

■ Enhancing information offering before, during, and after travel

Stimulate desire to travel to our area by using various touchpoints

- ▶ Before travel  
SNS, travel fairs held outside Japan, JAPAN RAIL CAFE, etc.
- ▶ During travel  
JR East Travel Service Center
- ▶ After travel  
JAPAN RAIL CLUB

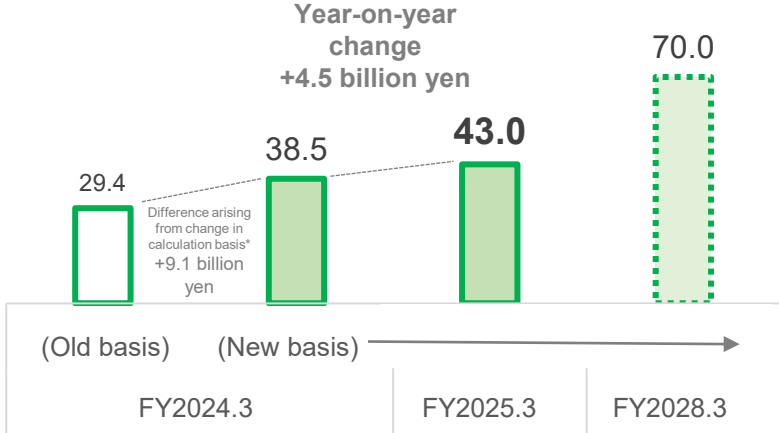
■ Promoting the use of facilities of the JR East Group

Offer discounts and benefits at various facilities in each region to the purchasers of regional passes

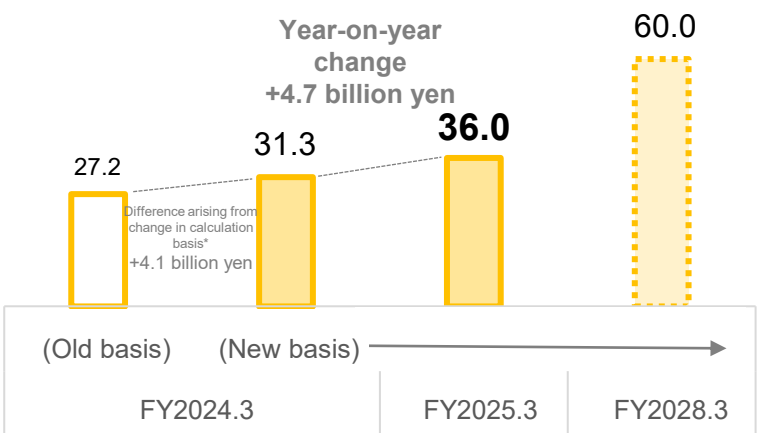
“EKINAKA”  
affiliated by JR-EAST

Offer various benefits to those who present the pass

## [Mobility]



## [Life-style solutions]



\* Method of calculating inbound revenue  
Through FY2024.3: Sum of JR East revenue from passes for inbound tourists and individual ticket sales (estimated based on mobility statistics using location information of mobile phones)  
From FY2025.3: Sum of JR East revenue from passes for inbound tourists and individual ticket sales (estimated based on the percentage of English tickets in the total tickets issued)  
Under the new basis, passes for inbound tourists account for approximately 30% of the total.

\* Method of calculating inbound revenue  
Through FY2024.3: Sum of room revenue from non-Japanese guests in the hotel business and tax-exempt sales in the SC business  
From FY2025.3: Sum of room revenue from non-Japanese guests in the hotel business and sales to non-Japanese customers in the SC business, retail stores, and GALA YUZAWA (estimated)

# Major Technological Development Projects

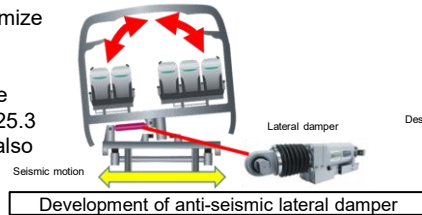
We promote development of technologies that are ahead of our time in the four areas (“safety and security,” “service and marketing,” “operation and maintenance,” and “energy and environment”) identified in our medium- to long-term vision for technological innovation, in order to create new values by using IoT, big data, AI, etc.

## ■ Safety and security

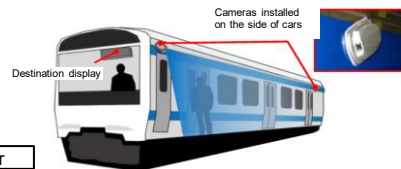
### - Foreseeing danger to minimize risk

Development designed to minimize damage in the event of a great earthquake

An improved cowcatcher will be introduced in steps from FY2025.3  
Anti-seismic lateral damper is also under development



A system to detect any approaches to passenger cars has been developed and is currently under verification tests on the Sagami Line.



## ■ Energy and environment

- Increasing three E's of energy (environment, economic efficiency, and energy security) to “C” (local community development)

Currently conducting verification tests for a hydrogen-powered hybrid train “HYBARI” to start its commercial operation in FY2031.3.



## ■ Services and marketing

- Offering our customers value that is for “right now, right here, and just for me”



Development of next-generation Shinkansen

Currently conducting endurance tests for various newly developed equipment using a Shinkansen test car “ALFA-X”

## ■ WaaS Co-creation Consortium

Conducting technological development and various verification using open innovation on an ongoing basis toward realizing a well-being society



### ■ Technical development by frontline employees



Development of tools to replace railway switch bearings

## ■ BRT automated driving

Currently conducting verification tests toward realizing commercial operation using automated driving level 4

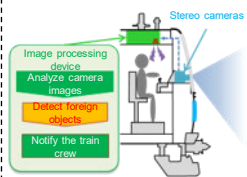


## ■ Operation and maintenance

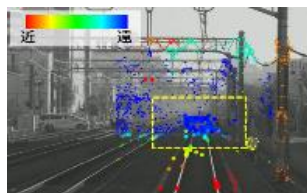
- Reviewing operations in preparation for a 20% reduction in the working-age population

A system to automatically detect foreign objects on railway tracks ahead of railcars in real time has been developed and is currently under verification tests

Railway equipment monitoring devices have been introduced to 50 line segments in the JR East area. They will be introduced also to areas covered by other companies going forward.



In-car installation type foreign object detection system



CBM (monitoring of wayside equipment)

Development is underway for the mechanization of rolling stock and wayside equipment maintenance.



Equipment for automatic dismantling of side cover boards

## ■ Intellectual property strategy

Promote strategic acquisition, effective use, etc., of intellectual property



Exterior appearance of Series E8 rolling stock  
Excerpt from publication for design registration No. 1676337

# Process to reach the targets for FY2028.3

\* Figures announced in April 2023

(¥ billion)	2024.3 Results	2025.3 Forecast	2025.3/2024.3	
			Increase/Decrease	%
Operating revenues	2,730.1	<b>2,852.0</b>	+121.8	104.5
Transportation	1,853.6	<b>1,935.0</b>	+81.3	104.4
Retail & Services	379.6	<b>387.0</b>	+7.3	101.9
Real Estate & Hotels	405.8	<b>429.0</b>	+23.1	105.7
Others	91.0	<b>101.0</b>	+9.9	110.9
Operating income	345.1	<b>370.0</b>	+24.8	107.2
Transportation	170.7	<b>188.0</b>	+17.2	110.1
Retail & Services	54.0	<b>61.0</b>	+6.9	112.9
Real Estate & Hotels	100.1	<b>101.0</b>	+0.8	100.8
Others	21.9	<b>22.0</b>	+0.0	100.4
Non-operating income or expenses	-48.5	<b>-55.0</b>	-6.4	113.3
Ordinary income	296.6	<b>315.0</b>	+18.3	106.2
Extraordinary gains or losses	-22.5	<b>-10.0</b>	+12.5	44.3
Profit attributable to owners of parent	196.4	<b>210.0</b>	+13.5	106.9

EBITDA	737.3	<b>773.0</b>	+35.6	104.8
Transportation	458.9	<b>488.0</b>	+29.0	106.3
Retail & Services	71.6	<b>78.0</b>	+6.3	108.9
Real Estate & Hotels	154.6	<b>155.0</b>	+0.3	100.3
Others	53.7	<b>54.0</b>	+0.2	100.6

ROA	3.6%	<b>3.7%</b>	+0.1%	-
ROA (R=EBITDA)	7.7%	<b>7.8%</b>	+0.1%	-

2026.3 Outlook	2027.3 Outlook	2028.3 Target *
3,003.0	3,125.0	<b>3,276.0</b>
1,968.0	2,004.0	<b>2,019.0</b>
463.0	497.0	<b>654.0</b>
456.0	497.0	<b>507.0</b>
116.0	126.0	<b>96.0</b>
381.0	391.0	<b>410.0</b>
184.0	173.0	<b>178.0</b>
66.0	70.0	<b>80.0</b>
110.0	122.0	<b>124.0</b>
23.0	28.0	<b>30.0</b>
-	-	-
-	-	-
-	-	-
-	-	-

810.0	843.0	<b>868.0</b>
493.0	487.0	<b>495.0</b>
84.0	90.0	<b>101.0</b>
179.0	207.0	<b>211.0</b>
56.0	61.0	<b>63.0</b>

3.7%	3.6%	<b>4.0% approx.</b>
7.8%	7.8%	<b>8.5% approx.</b>

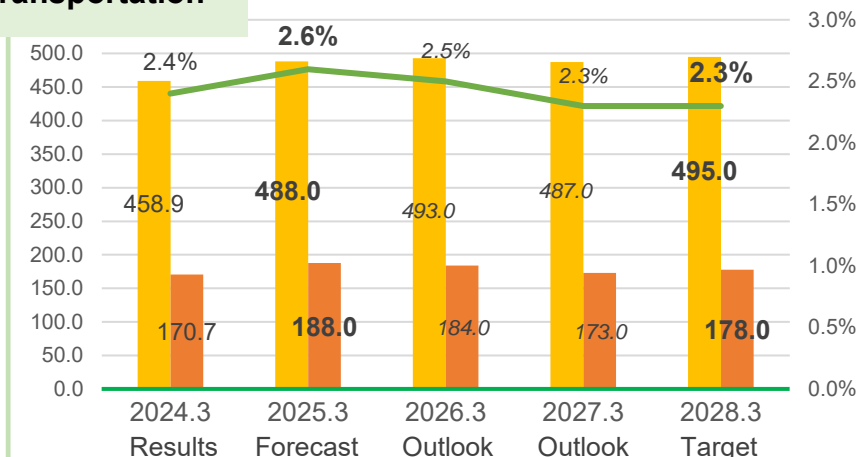
Note: "2025.3 forecast," "2026.3 outlook," and "2027.3 outlook" were calculated reflecting the changes below (from 1Q of 2025.3 onward).  
 • JR East Sports Co., Ltd. and GALA YUZAWA Co., Ltd. were reclassified from the "Retail & Services" segment to "Real Estate & Hotels," while JREFU Hotel Management & Consulting Co., Ltd. was reclassified from "Real Estate & Hotels" to "Retail & Services."  
 • The segment for recording revenues from rent of the space under elevated railway tracks was changed from "Transportation" to "Real Estate & Hotels."



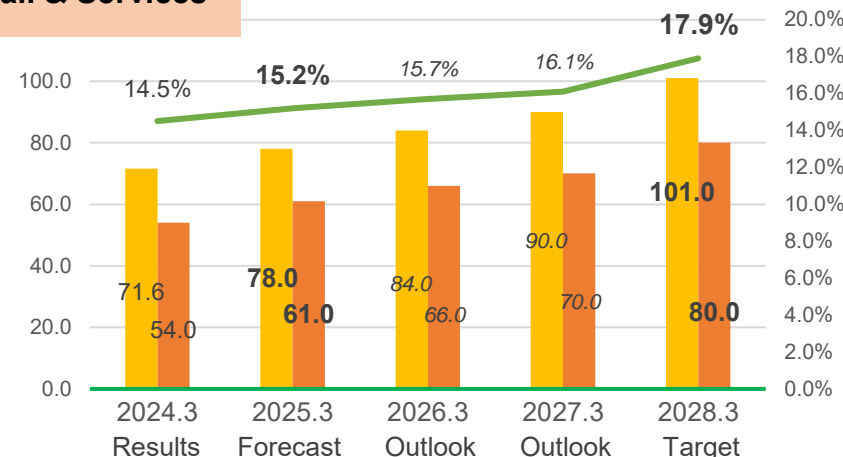
# Process to reach the targets for FY2028.3 (by segment)

■ : EBITDA (¥ billion) ■ : Operating income (¥ billion) — : ROA

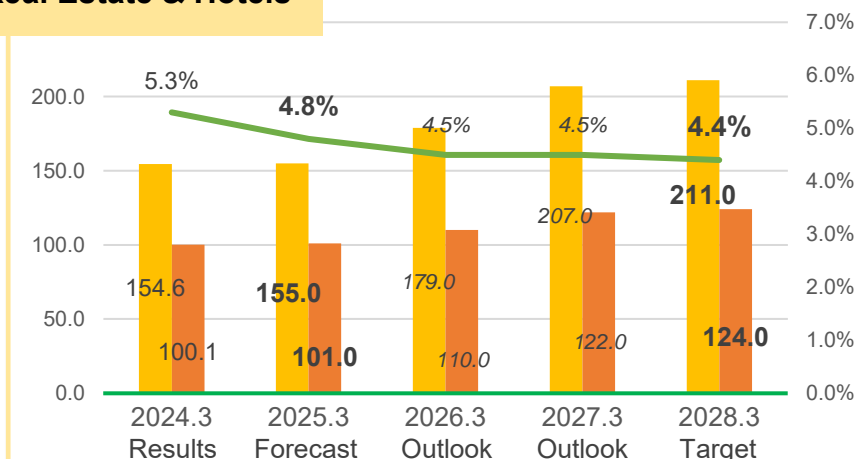
## Transportation



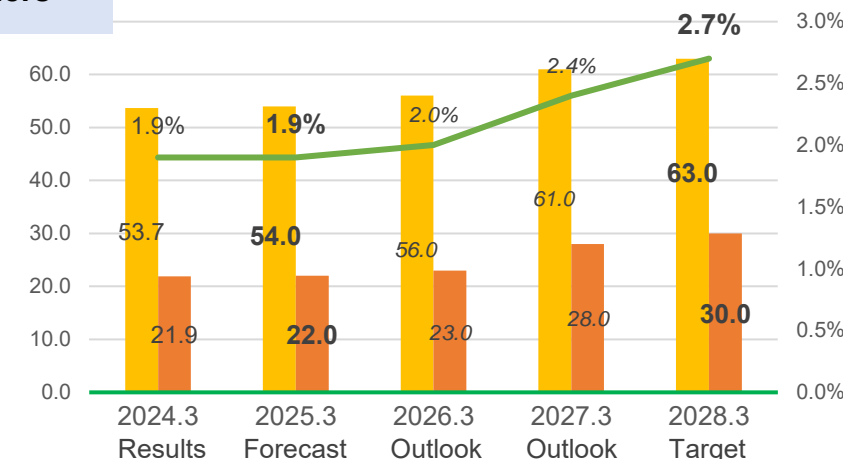
## Retail & Services



## Real Estate & Hotels



## Others



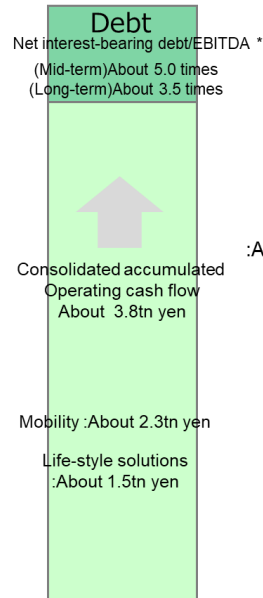
Note: "2025.3 forecast," "2026.3 outlook," and "2027.3 outlook" were calculated reflecting the changes below (from 1Q of 2025.3 onward).  
 • JR East Sports Co., Ltd. and GALA YUZAWA Co., Ltd. were reclassified from the "Retail & Services" segment to "Real Estate & Hotels," while JREFU Hotel Management & Consulting Co., Ltd. was reclassified from "Real Estate & Hotels" to "Retail & Services."  
 • The segment for recording revenues from rent of the space under elevated railway tracks was changed from "Transportation" to "Real Estate & Hotels."

# Usage of cash (capital investment and shareholder returns)

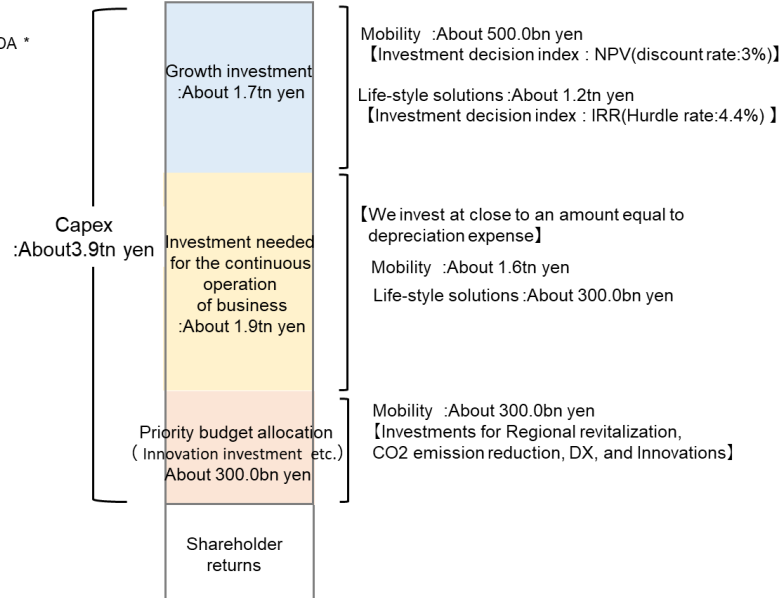
- To build a strong management foundation that is resilient to changes in the external environment and is capable of sustainably creating value, we plan to make **capital investment of approximately ¥3.9 trillion over the five years from the fiscal year ended March 2024**. As part of this, we will practice thorough selection and concentration in investment needed for the continuous operation of business, while accelerating growth investment (from FY2025.3 to FY2026.3) for the opening of TAKANAWA GATEWAY CITY and Development of the Hiromachi area around Oimachi Station (tentative name).
- With regard to shareholder returns, over the medium to long term, we are targeting a total return ratio of 40% and a dividend payout ratio of 30%. We will steadily enhance shareholder returns, in light of trends in capital investment and business performance, and other factors.

## ■ Cash Allocations (FY2024.3 - FY2028.3)

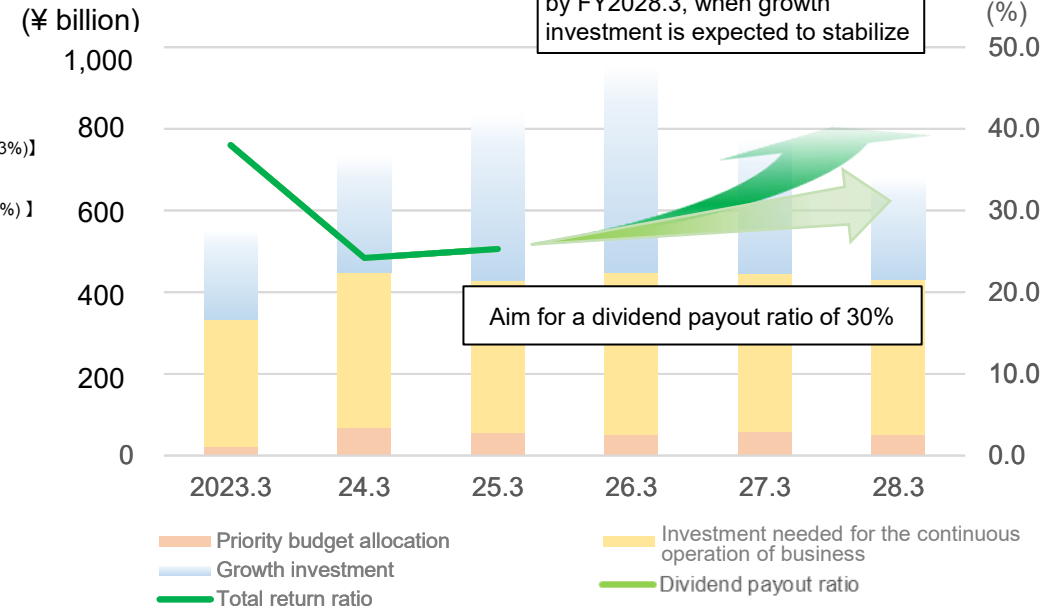
### Sources of cash



### Usages of cash



## ■ Capital investment and shareholder returns



(Shaded figures: forecasts)

		2019.3	20.3	21.3	22.3	23.3	24.3	25.3*
Dividends per share (yen)	Interim	75	82.5	50	50	50	55	78
	Year-end	75	82.5	50	50	50	85	78
	Annual	150	165	100	100	100	140	156
Dividend payout ratio (%)		19.4	31.4	-	-	38.0	26.8	28.0

\* The dividend forecast for FY 2025.3 is planned to be **52 yen per share, including an interim dividend of 26 yen.**

(On April 1, 2024, JR East conducted a 3 for 1 stock split for its common shares. The figures for FY2025.3 above represent dividends per three shares.)

# III. Strategies for FY2025.3

Note:

In this chapter, “2025.3 forecasts” of each segment were calculated reflecting the changes below (from 1Q of 2025.3 onward).

- JR East Sports Co., Ltd. and GALA YUZAWA Co., Ltd. were reclassified from the “Retail & Services” segment to “Real Estate & Hotels,” while JREFU Hotel Management & Consulting Co., Ltd. was reclassified from “Real Estate & Hotels” to “Retail & Services.”
- The segment for recording revenues from rent of the space under elevated railway tracks was changed from “Transportation” to “Real Estate & Hotels.”

The fiscal year ending March 2025 will be a major turning point for our Group. Viewing the worldwide changes rather as opportunities to further accelerate the structural reforms that we have been carrying out across all businesses, and by charting a new growth strategy and boldly promoting it, we will make this year **a period in which we pave the way to a new era**.

A new initiative starting from FY2025.3 **defines strategies and KPIs** for each of the four segments and 14 businesses, as well as human resources, digital transformation (DX) and intellectual property, finance and investment, and ESG, which constitute the foundation for growth. Based on the strategies and KPIs, by creating value through **integration and collaboration** among our Group employees, we will not only create economic value (cash flow), but also **contribute to addressing social issues through business activities (social value)**.

## Segments and Businesses

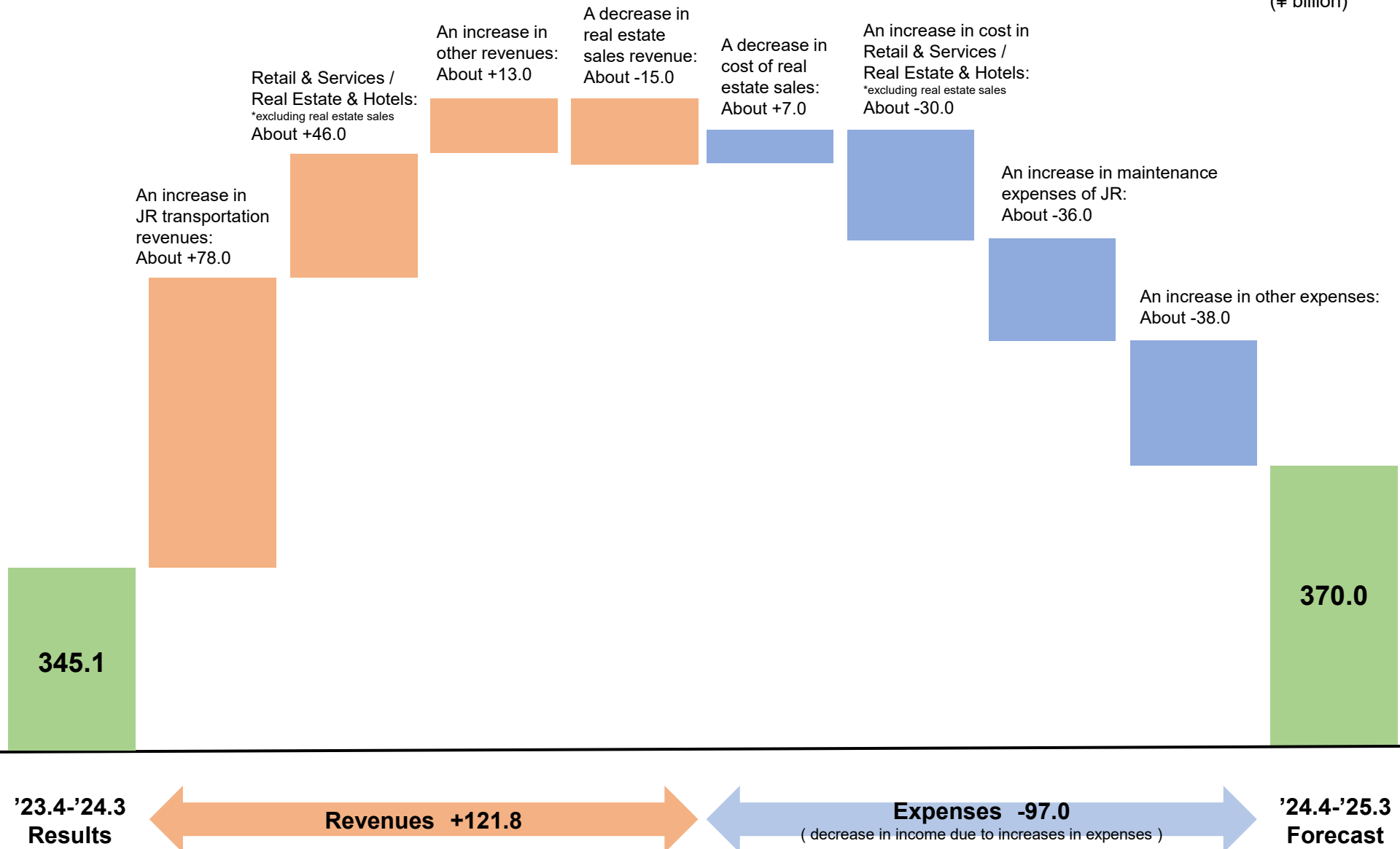
## Foundation for growth

Segments and Businesses				Foundation for growth			
Transportation	Retail & Services	Real Estate & Hotels	Others	Human resources	Digital transformation (DX) and intellectual property	Finance and investment	ESG
Shinkansen Conventional lines Bus Railcar manufacturing	Retail Advertising and publishing Overseas	Real estate ownership and utilization Real estate rotation Real estate management	Suica and finance Overseas railway Energy Construction				



# FY2025.3 Financial Forecast (consolidated) : Changes in Operating Income

(¥ billion)



# Transportation (Segment policy, strategy, KPI)

## External environment

- Due to the decline in the working-age population caused by the low birthrate, the industry faces two major challenges: a decrease in the number of railway/bus passengers and a shortage of workforce.
- Ever-increasing inbound demand is expected to continue over the medium to long term beyond FY2025. Regarding railway passenger revenues, commuter pass revenues will stabilize as the COVID-19 pandemic subsides. Non-commuter revenues are expected to increase due to tourism demand, including that of inbound tourists.
- Cost pressures such as soaring prices and rising labor costs are likely to continue.
- As for railcar manufacturing, while investment in new railcars tends to be suppressed, demand for remodeling work for existing railcars is firm.

## Policy

- Setting safety as our top priority, steadily improve our transportation quality and customer service to earn the trust of our customers and the local community.
- Continue the transformation into a sustainable mobility business by proactively adopting new technologies, optimizing transportation modes, and streamlining the operational structure.
- Promote a strategy that leverages the strengths of our four businesses, Shinkansen, Conventional lines, Bus, and Railcar manufacturing, and put in place mechanisms to promote growth in each of these businesses.

## Strategy

- Enhance the trust of the Group by strengthening our safety infrastructure, including the “safety culture” we have cultivated and safety “mechanisms” and “facilities,” while taking a fundamental and proactive approach to safety.
- Maximize passenger revenues by capturing inbound demand and stimulating tourism demand.
- Promote new technology development and internal/external collaborations to ensure sustainable operations.

## KPI

	FY2025.3 (year-on-year)	FY2028.3
Railway accidents due to Group’s internal causes	0 (-4)	0
Serious incidents	0 (±0)	0
Passenger revenues	1,755.0 billion yen (+78.4 billion yen)	About 1,780.0 billion yen
Railway business fixed asset turnover	0.35 (±0)	0.35 or more

## Economic value

	FY2025.3 Forecast (year-on-year)	FY2028.3 Target
Operating revenue	1,935.0 billion yen (+81.3 billion yen, 104.4%)	2,019.0 billion yen
Operating income	188.0 billion yen (+17.2 billion yen, 110.1%)	178.0 billion yen
EBITDA	488.0 billion yen (+29.0 billion yen, 106.3%)	495.0 billion yen
ROA	2.6% (+0.2pt)	2.3%
ROA (R=EBITDA)	6.7% (+0.3pt)	6.5%

## Social value

- Providing society with safe, secure and reliable infrastructure
- Revitalizing the regional economy through regional mobility and tourism
- Proposing new lifestyles through the expansion of seated services
- Creating local jobs

# Transportation (Strategy by business)

## Shinkansen business

### ■ Pursuit of ultimate safety

- Continue to enhance and pursue safety, the basic premise of the mobility business and Shinkansen transportation.
- To minimize damage in the event of a major earthquake, further promote seismic reinforcement of elevated railway track pillars and electrified pillars, as well as measures to prevent derailment of trains.
- Regarding past transportation disruptions, investigate and verify the causes internally and with the cooperation of external organizations, and take effective measures to prevent recurrence.

### ■ Creating new value and stimulating demand

- Work with local communities to promote two-way tourism between the Tokyo metropolitan area and other regions, focusing on the Hokuriku area, where convenience will increase with the opening of the Tsuruga extension of the Hokuriku Shinkansen line and a destination campaign is scheduled for this fall, and the Tohoku area, including the area along the Yamagata Shinkansen line, where the new Series E8 trains have been introduced.



Series E8

[Effect of the extension of the Hokuriku Shinkansen line to Tsuruga:

8.5 billion yen/year increase in revenue expected]

- Discover and disseminate unknown attractions of the Tohoku and Joshinetsu areas to increase inbound demand.

[Inbound transportation revenues: 43.0 billion yen (including conventional lines) in FY2025.3]

### ■ Reforming operations and promoting sustainability

- Start full-scale smart maintenance, including the introduction of “track equipment monitoring vehicles,” to raise the level of safety and accuracy of Shinkansen transportation, while promoting the creation of work systems that can respond to the future decline of the workforce.
- Advance technological study and development to realize driverless operation of Shinkansen trains.

## Bus business

### ■ Maximizing profits by strengthening collaboration, including with companies outside the Group

- Expand the transportation capacity of the JR Bus brand through joint operations with other bus operators and other means to efficiently increase revenues.
- Improve operational efficiency and achieve workstyle reform through joint operations between JR Bus Kanto and JR Bus Tohoku, the expansion of crew transfer operations, and sharing of personnel and vehicles.

## Conventional lines business

### ■ Pursuit of ultimate safety

- Fortify the existing safety foundation and proactively take safety measures based on essence.
- Promote prioritized maintenance of safety equipment based on risk assessment and mechanization and systems development designed to reduce human errors.

### ■ Initiatives for growth

- By utilizing the Group's network, provide services that meet the seating needs of customers, such as the introduction of Green Cars to the Chuo Rapid Line, crate destinations that meet the needs of customers including inbound tourists, and provide transportation services that allow customers to experience the “fun of travel” by operating Joyful Trains and other services.
- Provide seamless services centered around mobility, such as customer-focused functional improvement of JR East Apps, contribution to mobility creation and regional digital transformation using Tabi-CONNECT, and expansion of JR East's real-time data integration platform (RT-DIP).



Joyful Train  
“SATONO”

### ■ Proactive introduction of new technologies

- Realize labor-saving inspection and construction by utilizing new technologies, such as the introduction of proposal- and support-oriented, use of monitoring and point cloud data, and use of drones for high-altitude inspections.

### ■ Aiming to achieve sustainable railway operations

- Work to alleviate congestion by promoting the use of off-peak commuter passes, and work with other railway operators to achieve a flexible fare and charge system.



Use of drones for inspection

## Railcar manufacturing business

### ■ Further strengthening the cost competitiveness of the “sustina” stainless steel railcar brand to increase orders

- Transform the business model into one based on the use of rolling stock that is widely accepted in the mass market (domestic urban and regional railways, and overseas railways), allowing flexible proposals for additional specifications.
- Level out the capacity utilization of the Niitsu Plant, a plant dedicated to sustina, to achieve further cost reductions, thereby strengthening competitiveness.

# Retail & Services (Segment policy, strategy, KPI)

## External environment

- Due to population decline, web conferencing and remote working, how customers travel and their consumption behavior are changing.
- During the COVID-19 crisis, digital technology advanced at an accelerated pace, and the market size of e-commerce and web advertising expanded.
- Overseas, the number of Japanophiles and consumption of Japanese products have been on the rise. In the medium to long term, consumption is also expected to expand in emerging markets.

## Strategy

- Strive to increase revenue by various means, such as expansion of NewDays convenience stores outside stations, expansion of a multi-functional locker “Multi-Ecube,” store refurbishment, and JRE MALL product lineup expansion.
- Promote the “Beyond Stations” concept and work to increase advertising revenue by, for example, setting up new advertising media.
- Work to increase revenue by expanding diverse businesses related to TOD while expanding new businesses and increasing the attractiveness of existing facilities at overseas bases.

## KPI

	FY2025.3 (year-on-year)	FY2028.3
Retail operating revenue	290.0 billion yen (+10.5 billion yen)	320.0 billion yen
Transportation advertising operating revenue	31.0 billion yen (+3.1 billion yen)	43.0 billion yen

## Economic value

	FY2025.3 Forecast (year-on-year)	FY2028.3 Target
Operating revenue	387.0 billion yen (+7.3 billion yen, 101.9%)	654.0 billion yen
Operating income	61.0 billion yen (+6.9 billion yen, 112.9%)	80.0 billion yen
EBITDA	78.0 billion yen (+6.3 billion yen, 108.9%)	101.0 billion yen
ROA	15.2% (+0.7pt)	17.9%
ROA (R=EBITDA)	19.6% (+0.3pt)	22.6%

## Policy

- In retail business, work to establish a business model that is feasible also in small trade areas by improving profitability of stores in the Tokyo metropolitan area by strengthening customer contact points, as well as through the effective use of station facilities and collaboration with station services.
- For advertising, establish an original business model while adopting new technologies, thereby improving lifetime value for customers.
- Aim to expand revenues in overseas markets by participating in TOD (transit-oriented urban development) projects overseas, mainly in Asia.

## Social value

- Uncovering attractive local resources to provide new value
- Building comfortable cities and sustainable communities
- Proposing new lifestyles to customers and local residents
- Creating local jobs

# Retail & Services (Strategy by business)

## Retail business

### ■ Expanding revenue by taking on new challenges

- Promote new openings of NewDays convenience stores outside stations as well as inside stations.
- Continue to expand the business of a multi-functional locker “Multi-Ecube,” which has four functions of reservation, deposit, receipt, and sending, aiming to install 1,000 units by the end of FY2027.3 through the effective use of JR East’s network and partnerships with other companies.
- By working to expand the network, transportation volume, and services of the “Hako-byun” and “Hako-byun Quick” (logistics services), highlight attractiveness through regional products while working to contribute to the resolution of social issues, such as the 2024 issue of logistics, and reduction of CO<sub>2</sub> emissions.



“Hako-byun” and “Hako-byun Quick”

### ■ Refining existing businesses

- Actively undertake refurbishment of stores that are expected to deliver particularly high profitability in the Tokyo metropolitan area.



Reopened the Square Zero area on the B1 floor of Gransta Tokyo after refurbishment (April 2024)

- For the JRE MALL, in addition to increasing the number of municipalities participating in JRE MALL “Furusato Nozei” (hometown tax donations) and offering JR East’s original tax return gifts, we will develop products unique to the Group, including a wide range of experience-type products such as railway work experience.



## Advertising and publishing business

### ■ Increasing media value

- In the “MASTRUM,” integrated OOH (out-of-home advertising) marketplace, aim to increase revenues through initiatives such as programmatic sales and global business development, as well as media visualization based on proprietary data, etc.
- Based on the “Beyond Stations” concept, advance the installation and development of new media at Shinjuku, Akihabara, Ueno stations, etc. to make station spaces immersive.
- Revitalize train media with “TRAIN TV”, which delivers original TV-quality content.



Making station space immersive (Shinjuku Station)

### ■ Social business

- Serve as the secretariat for the Japan Tourism Agency’s Project to Promote Expansion and Quality Improvement of Inbound Consumption by Providing Special Experiences, etc., and monetize solutions to local issues in cooperation with local governments and businesses.

## Overseas business

### ■ Establishing a TOD business model

- Increase revenues from commercial facilities near train stations, including J’s Gate Dining in Malaysia, whose business we took over in March 2024.
- Consider participating in station building renovation and station area real estate projects in Thailand, Indonesia, etc.

### ■ Gaining Japanophiles from overseas

- Expand Japan’s regional promotion contracting business using overseas business bases such as hotels, fitness gyms, and EKINAKA facilities.
- Aim for synergies with the acquisition of members of the JAPAN RAIL Club, a subscription-based cross-border e-commerce platform linked to JR EAST PASS sales promotion.



J’s Gate Dining in Malaysia



Taiwan JEXER FITNESS & SPA first store



# Real Estate & Hotels (Segment policy, strategy, KPI)

## External environment

- Due to the declining population and increasingly digitalized social and economic activities, consumer behavior and workstyles are changing dramatically.
- In addition to rising construction costs, uncertainties such as rising interest rates and exchange rate fluctuations are also expected.
- The number of foreign visitors to Japan in the fiscal year ending March 2025 is likely to exceed the number before COVID-19 pandemic, and the growth trend in inbound tourism is expected to continue.

## Policy

- Expand the scope of development and real estate business linked to the railway network, and promote town development over a wider area.
- Aim to create new value (creating lifestyles) by developing services that leverage the Group's comprehensive strengths.

## Strategy

- Steadily proceed with large-scale development projects such as TAKANAWA GATEWAY CITY to improve the international competitiveness of the Tokyo area, and promote exchanges and flows of people.
- In the shopping center (SC) and office businesses, seek to improve profitability by promoting renovations and building relationships with tenants.
- Expand the "real estate rotation" and "real estate management" businesses with a focus on "ownership and utilization" to achieve business growth that is compatible with the financial soundness of the segment as a whole, while also increasing value through the Group's unique value-added features.

## KPI

	FY2025.3 (year-on-year)	FY2028.3
SC, offices, hotels operating revenue	365.0 billion yen (+23.2 billion yen)	440.0 billion yen
Asset management scale in real estate fund business	300.0 billion yen in total (+68.8 billion yen)	400.0 billion yen in total

## Economic value

	FY2025.3 Forecast (year-on-year)	FY2028.3 Target
Operating revenue	429.0 billion yen (+23.1 billion yen, 105.7%)	507.0 billion yen
Operating income	101.0 billion yen (+0.8 billion yen, 100.8%)	124.0 billion yen
EBITDA	155.0 billion yen (+0.3 billion yen, 100.3%)	211.0 billion yen
ROA	4.8% (-0.5pt)	4.4%
ROA (R=EBITDA)	7.3% (-0.8pt)	7.5%

## Social value

- Attractive town development in cooperation with local residents
- A world-class, cutting-edge, attractive city
- Town development that considers the environment, disaster prevention, and communities

# Real Estate & Hotels (Strategy by business)

## Real estate ownership and utilization business

### ■ Large-scale development

- The opening of TAKANAWA GATEWAY CITY, a large-scale development project designed to enhance the value of the entire area centered on the station, is scheduled for the end of the fiscal year ending March 2025, aimed at creating value and appeal that can be shared globally.
- Steadily proceed with the development of the Hiromachi area around Oimachi Station (end of FY2026.3) and other projects to strengthen the revenue base of the Group.



TAKANAWA GATEWAY CITY  
Appearance



Center for Cultural Innovations  
(tentative name)



Development of the Hiromachi  
area around Oimachi Station  
(tentative name)

### ■ Shopping center

- In April 2024, EATo LUMINE held its grand opening inside the ticket gates on the B1 floor of Shinjuku Station (toward the west ticket gate). We will continuously promote the Tokyo Metropolis Project.
- Along with a new Nakano Station building constructed, a new commercial facility operated by Atré will open inside the station, in 2026 or later.

### ■ Office

- In addition to leasing office buildings such as TAKANAWA GATEWAY CITY, which will form a new revenue base, strengthen relationships with existing tenants to secure stable income.

### ■ Hotel

- Increase profitability through expansion of the hotel network and the renovation of existing hotels.
- Obtain external revenue through sales of Hotel B4T's Suica key system.



EATo LUMINE



New Nakano Station building  
development (2026 or later)



Hotel B4T Akabane

## Real estate rotation business

### ■ Housing sales

- Accelerate business development centered on joint sales with developers, such as the Funabashi Ichiba-cho Project (tentative name) with Tokyu Fudosan Holdings, with whom we have concluded a comprehensive cooperation agreement.



Funabashi Ichiba-cho Project  
(tentative name)



Musashi-urawa Project

### ■ Income-making real estate sales

- Undertake income-making property development on the Company's sites in collaboration with external partners while also acquiring real estate properties from external owners mainly in the Tokyo metropolitan area to implement a new business model that aims to increase their value in JR East's own unique manner, aiming to achieve average annual sales of 20 to 30 billion yen.

## Real estate management business

### ■ Expanding real estate fund

- Expand the scale of asset management and increasing the asset management fees received.
- Seek to capture a wide range of profit-making opportunities through investments in real estate funds.



Example of property  
managed by a real estate fund

### ■ Demonstrating the Group's combined strengths

- Promote developing unique services by leveraging our comprehensive strengths, including mobility.

# Others (Policy, strategy, KPI for each business)

## Suica and finance business

### External environment

- With the advances in DX, such as cloud technology and generative AI, competition is intensifying in the digital and data business.

### Policy

- By promoting thorough digitization of the Group's customer contact points, centered on *Suica* and JRE POINT, seek to increase lifetime value and maximize cash inflows through integration and collaboration within the Group.

### Strategy

#### ■ Reform of *Suica*

- Provide seamless service by expanding *Suica* to the Nagano area and expanding the use of multifunctional IC cards for regional transit.
- Introduce and deploy a cloud-based ticket gate system to provide new *Suica* services.
- Expand e-money business by continuously promoting its usage and increasing member stores.

#### ■ Credit cards and financial services

- Launch the JRE BANK service to expand cash inflows in new markets.
- Expand the use of View Card within the Group, and increase external revenues by promoting its use in town.



JRE BANK  
Service begins in May 2024.

#### ■ Advancement in digital business

- Introduce integrated ID to improve the customer experience (CX) of digital services.
- Further expand data business by utilizing real-time data.

### KPI

	FY2025.3 (year-on-year)	FY2028.3
IT & <i>Suica</i> operating revenue	63.3 billion yen (+1.7 billion yen)	75.9 billion yen
Highest number of monthly transactions of <i>Suica</i> and other forms of e-money	325 million/month (+27 million/month)	600 million/month

## Overseas railway business

### External environment

- Demand for infrastructure remains strong, especially in Asia and other emerging countries.
- With increasing destabilization of international situations, geopolitical risks and uncertainties in the global economy are rising.

### Policy

- By leveraging the Group's comprehensive strength, develop high-quality, highly efficient railway infrastructure systems and aim to provide more affluent lifestyles, mainly in Asia.

### Strategy

#### ■ Human resource development and technological enhancement through overseas projects

- Develop professional human resources through practical experience in areas such as project management, international standardization, commercial affairs, and new fields (digital transformation and public transportation-oriented development).
- Through overseas training, etc., expand and develop a base of employees who will be active in international business.



Human resource development and technological enhancement

#### ■ Business development leveraging the Group's comprehensive strengths

- In the India High-Speed Railway Project, steadily progress with preparations for the start of operations through Japan-India intergovernmental consultations and support for design, tender, construction supervision, etc.
- While being involved in EPC (engineering, procurement, and construction), boldly taking on new projects, mainly in O&M (operation and maintenance).
- Through strategic international standardization activities, promote Japanese railway technology internationally and expand business opportunities for the Group overseas.



India High-Speed Railway  
Construction of Surat Station

#### ■ Sustainable management of overseas railway projects

- Work to increase profitability by closely analyzing risks through international business risk checks and securing returns commensurate with risks taken.

### KPI

	FY2025.3 (year-on-year)	FY2028.3
Net sales outside the Group (in total since FY2025.3)	10.7 billion yen (+0.5 billion yen)	45.0 billion yen in total



# Others (Policy, strategy, KPI for each business)

## Energy business

### External environment

- The electricity market is becoming increasingly diverse following the electricity market liberalization although there are concerns about decrease in development sites and high and rising construction costs.
- Energy business strategies are required to incorporate renewable energy due to uncertainties in fuel prices.

### Policy

- To achieve net zero CO<sub>2</sub> emissions for the Group, advance the development of renewable energy power plants using solar and wind power.

### Strategy

#### ■ Development of renewable energy

- Increase the proportion of renewable energy in electricity consumption mainly through the development of wind power generation projects.  
[FY2025: Onitaro-Yama Wind Power Plant in Fukushima Prefecture]
- Seek to achieve the Zero Carbon Challenge 2050 goal and improve profitability through participating in new projects.
- Aim to achieve secure 700,000 kW of renewable energy source by the fiscal year ending March 2031, including the acquisition of non-fossil certificates.

### KPI

	FY2025.3 (year-on-year)	FY2028.3
Development of renewable energy	194,000kW (+41,000 kW)	366,000 kW

## Construction business

### External environment

- While there are industry-wide issues that need to be addressed, such as soaring labor and material costs and labor shortages, progress in DX is also remarkable.

### Policy

- By leveraging the technological capabilities of our construction business, contribute to the development of the Group, the revitalization of cities and regions, and the strengthening of Japan's international competitiveness.

### Strategy

#### ■ Steadily implementing projects and improving productivity

- Steadily advance projects that contribute to the growth of the Group and the revitalization of cities and regions, such as the construction of the Haneda Airport Access Line (tentative name), station improvements and peripheral development for Shibuya, Shinagawa, Shinjuku, etc., and the construction of the Yamagata Shinkansen west-bound approach line at Fukushima Station.
- Promote digital transformation, technological development, etc. to further improve productivity, reduce costs, and shorten construction periods.

#### ■ Increasing sales outside the Group through the expansion of business areas

- Aim to increase revenues from outside the Group through design work, etc. by utilizing the Group's technological capabilities, while venturing into new fields such as the PMCM business\*, where demand is expected to grow in the future due to the shortage of engineers and other factors.

\* PMCM business: An abbreviation for project management and construction management business, which is a business in which a company with technical expertise in project survey, design, construction, operational management, etc., provides support to the project owner (ordering party).

### KPI

	FY2025.3 (year-on-year)	FY2028.3
Net sales outside the Group	8.3 billion yen (+0.0 billion yen)	9.6 billion yen

## Economic value

	FY2025.3 Forecast (year-on-year)	FY2028.3 Target
Operating revenue	101.0 billion yen (+9.9 billion yen, 110.9%)	96.0 billion yen
Operating income	22.0 billion yen (+0.0 billion yen, 100.4%)	30.0 billion yen
EBITDA	54.0 billion yen (+0.2 billion yen, 100.6%)	63.0 billion yen
ROA	1.9% (+0pt)	2.7%
ROA (R=EBITDA)	4.6% (-0.2pt)	5.6%

## Social value

- Pursuit of the enrichment of communities, cities, and the international community
- Attractive town development in cooperation with local residents
- Harmony with the environment, coexistence with local communities, and carbon neutrality

# Foundation for growth (Strategy and KPI)

## Human resources

### Strategy

- **Creating new engagement between employees and the Company**
  - Create new engagement between employees and the Company by increasing job satisfaction and making working conditions more employee friendly through the evolution of work, work style, and workplace.
- **DE&I (Diversity, Equity, and Inclusion) management**
  - Make group-wide efforts to expand diversity (in values and attributes) in recruitment and personnel operations and to promote work-style reform to achieve diversity and higher productivity at the same time.
- **Building a mechanism to increase technical capabilities and create innovation**
  - Toward securing both people with strong expertise and their liquidity within the Group, promote the acquisition of people with strong technical capabilities and knowledge from outside and re-assignment of human resources to key growth fields through open applications, etc., while redesigning personnel operations in order to ensure that expert employees will be able to demonstrate their abilities more fully within the Group.
  - Consider a new personnel system that supports employees who work actively by demonstrating their strong technical capabilities and expertise.
- **Implementing heath management in practice**
  - Based on the JR East Group Health Vision 2029, implement new group-wide health promotion initiatives, including visualization of health conditions using a health information system.

### KPI

	FY2025.3 (year-on-year)	FY2028.3
Ratio of managers hired as experienced personnel [non-consolidated]	19.5% (-0.4pt)	20%
Ratio of Women to managers [non-consolidated]	8.2% (+0.4pt)	10%
Rate of male employees taking childcare leave [non-consolidated]	62.5% (+0.6pt)	85% or more
Allocation of human resources to priority growth areas (in total since FY2024.3)	800 people in total (+392)	2,000 people or more in total

### Social value

- Providing an environment where diverse individuals can play active roles
- Providing enriched lifestyles and new value to society through a “people-focused” approach
- Active engagement of employees to contribute to the development of the local community

## Digital transformation (DX) and intellectual property

### Strategy

- **Realizing social innovation by combining technological fields with information fields**
  - Create new values through transformation of services and operations using digital technologies by focusing on the needs of customers, society, and employees.
  - Aim to realize technological innovation that is ahead of our time by using IoT, big data, AI, etc., in order to create new values.
- **Open innovation and intellectual property**
  - Promote the WaaS Co-creation Consortium initiative toward realizing well-being.
  - Promote strategic acquisition, effective use, etc., of intellectual property.
- **Systems and infrastructure**
  - Establish and implement data management guidelines at all group companies to strengthen data governance.
  - Introduce new OA terminal security (endpoint security) at all group companies to raise security levels.
- **Development of human resources with strong digital literacy**
  - Develop diverse human resources with strong digital literacy through various initiatives, such as “DX professionals” working to develop a culture to promote digital transformation and “DICE,” an organization that promotes the effective use of data and agile development.

### KPI

	FY2025.3 (year-on-year)	FY2028.3
Solving social issues and increasing revenue through open innovation (in total since FY2025.3)	3 cases (+1)	20 cases in total
Practical introduction of products developed by front-line employees (in total since FY2025.3)	25 cases (+4)	100 cases in total
Number of patent applications etc. related to DX and services (in total since FY2025.3)	38 cases (+4件)	175 cases in total
Endpoint security coverage rate	100% (+3pt)	-
Number of newly developed employees with strong digital literacy (in total since FY2024.3)	13,500 people in total (+7,400)	30,000 people in total

### Social value

- Provision of new services to society by using digital technology
- Strategic system construction and security assurance for a safer society
- Realizing a well-being-focused society through open innovation

# Foundation for growth (Strategy and KPI)

## Finance and investment

### Strategy

- **Consolidated cash flow management from a medium- to long-term perspective**
  - Advance the portfolio strategy by formulating specific strategies for each business and by considering the optimal allocation of management resources in conjunction with the strategies.
  - Create a mechanism that enables the bottom-up implementation of cross-sectional efforts by all Group employees, through area management and asset efficiency improvement initiatives at each workplace.



Example of a store set up utilizing vacant space under construction (Shibuya Station)

- **Strategic initiatives toward consolidated cash flow management and the pursuit of financial soundness**
  - Promote coordination of projects across segments, such as station improvements and peripheral development integrated with community development plans.
  - Diversify funding sources through foreign bonds and ESG financing, etc., to ensure stable funding for the Group.

### KPI

	FY2025.3	FY2028.3
Amount of growth investment (in total since FY2024.3)	-	1.7 trillion yen in total
Maintaining credit ratings	Domestic bonds: AA+ Foreign bonds: A+	Domestic bonds: AA+ Foreign bonds: A+

### Social value

- Providing society with safe, reliable infrastructure
- Providing new environment-friendly services and pursuing community enrichment
- Lively employees creating vitality for local communities

## ESG

### Strategy

- **Environment**
  - In order to achieve the goals of Zero-Carbon Challenge 2050, we will make environmental investments worth approximately 130 billion yen in total on a consolidated bases during the five fiscal years through FY2028.3.
  - Establish reduction targets to obtain certification for greenhouse gas emission reduction targets (SBT) under the Paris Agreement, and contribute to the reduction of greenhouse gas emissions not only by the Group itself but also in the supply chain of the entire Group operations.
  - Proceed with the analysis and disclosure of nature-related risks and opportunities in our Group business operations in line with TNFD recommendations endorsed in March 2024.
- **Society**
  - Promote the creation of a vibrant society by horizontally communicating good practices (model cases) for solving regional issues across the Group.
  - Encourage employees across the Group to acquire service care-fitter qualifications, and cultivate a hospitality-oriented mindset among employees.
- **Governance**
  - For human rights violation risks, utilize risk management mechanisms and conduct human rights due diligence through appropriate procedures based on international norms and standards.

### KPI

	FY2025.3 (year-on-year)	FY2028.3
CO <sub>2</sub> emissions of the JR East Group (compared to FY2014.3)	-	50% reduction *FY2031.3
Measures to increase tourism and revitalize regions in cooperation with local communities (in total since FY2024.3)	30 cases per year	150 cases in total
Service care-fitter qualification acquisition rate	47%	50%
Penetration of initiatives related to human rights, the environment, and other issues among major suppliers (supply chain penetration percentage) [non-consolidated]	85% (+18.3pt)	100%

### Social value

- Realization of carbon neutrality and stable energy supply
- Working in partnership with local communities to develop vibrant towns
- Trust from the local community and customers

## IV. Reference Materials

**Note:**

In this chapter, “2025.3 forecasts,” “2026.3 outlook,” and “2027.3 outlook” of each segment were calculated reflecting the changes below (from 1Q of 2025.3 onward).

- JR East Sports Co., Ltd. and GALA YUZAWA Co., Ltd. were reclassified from the “Retail & Services” segment to “Real Estate & Hotels,” while JREFU Hotel Management & Consulting Co., Ltd. was reclassified from “Real Estate & Hotels” to “Retail & Services.”
- The segment for recording revenues from rent of the space under elevated railway tracks was changed from “Transportation” to “Real Estate & Hotels.”

# System for Approval of Railway Fares and Charges

			Shinkansen	Conventional Lines
<b>Fares</b> Basic fare tickets	<b>Single tickets</b> Payment for single transportation		<b>Approval</b> (i) approval for the ceiling (upper limit) (ii) prior notification before setting or changing under the ceiling	
	<b>Commuter pass</b> Payment for ride as much as customers want in the predefined route for set period of time			
<b>Extra Charges</b>	<b>Express Charges</b> Payment for the speedy transportation (using the express train etc.)		<b>Approval</b> (i) approval for the ceiling (ii) prior notification before setting or changing under the ceiling	<b>Prior notification only</b>
	<b>Seat Charges</b> Payment for reserved seat		<b>Prior notification only</b>	<b>Prior notification only</b>
	<b>Other Charges</b> Green Car Charges etc. Payment for the special facilities (Green Car etc.)		<b>Prior notification only</b>	<b>Prior notification only</b>

Notes: Subject to prior notification, we can set or change the special fares and free passes under the approved price.

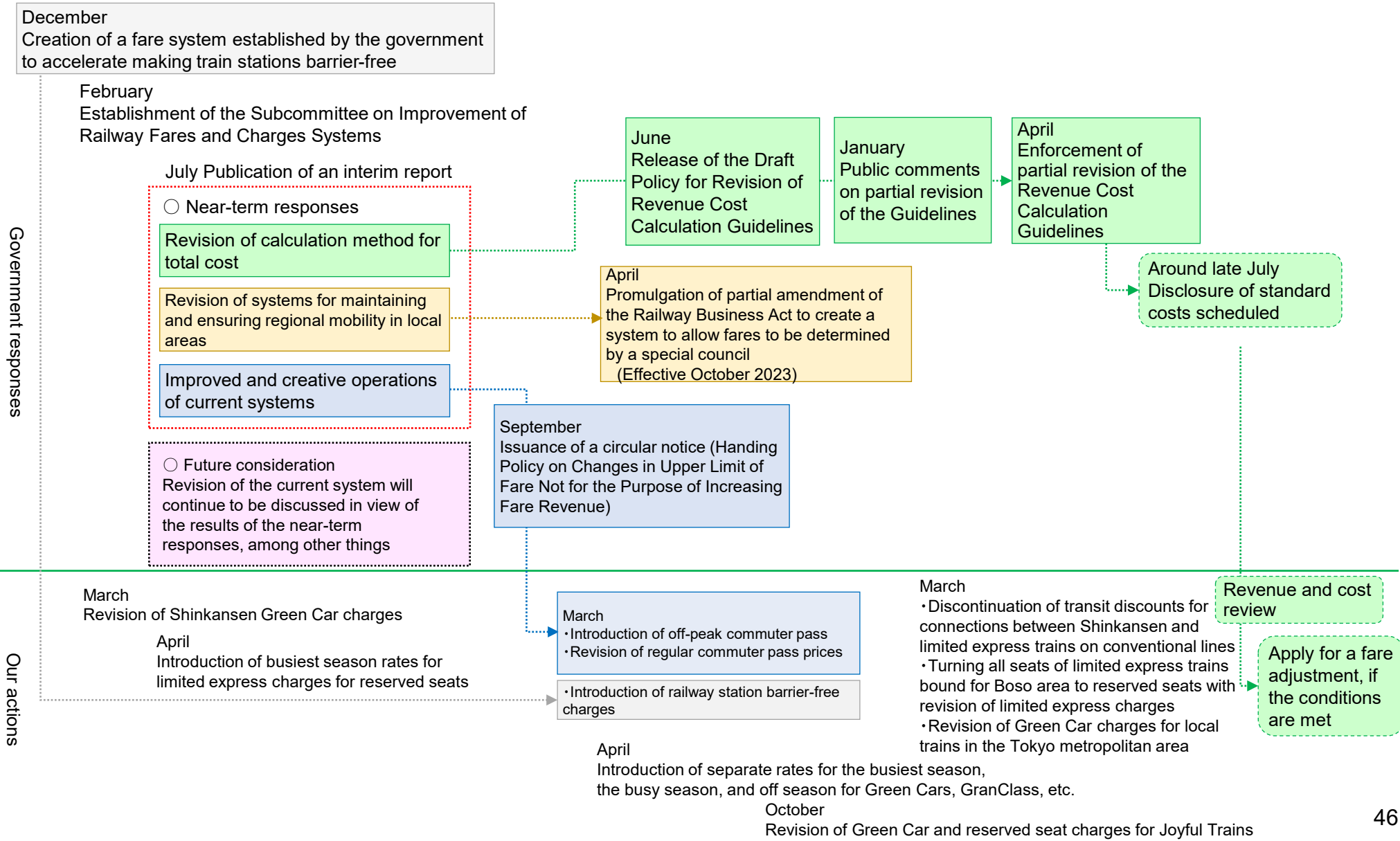
# Progress in the Revision of Railway Fares and Charges Systems

FY2022.3

FY2023.3

FY2024.3

FY2025.3 -



# Progress in the Revision of Railway Fares and Charges Systems

## ○ Outline of the partial revision of the Revenue Cost Calculation Guidelines

(Prepared by JR East based on MLIT data)

Item	Before revision	After revision
Depreciation	○ Depreciation accounted for in accordance with the Regulation on Accounting in the Railway Industry	○ In addition to the current calculation method, any of the following methods are acceptable: (1) Annual average amount over up to six years, including regular years (2) <b>Addition of accelerated depreciation of the undepreciated balance of existing facilities over regular years under certain assumptions (★)</b> * Subject to prior and after-the-fact checks by the MLIT on planned and actual amounts of capital investment, the amount that can be accelerated, etc.
Research and development expenses	○ Determined by <u>the yardstick method</u> Method of determining cost based on standard cost calculated by comparing six JR companies	○ <b>Not determined by the yardstick method (★)</b> * Subject to prior and after-the-fact checks by the MLIT on planned and actual amounts, etc.
Personnel and other expenses	○ Nationwide uniform assessment ○ Inflation rate is determined by the weighted average of the actual rate of increase in personnel expenses of railway operators and the consumer price index.	○ With adjustments for regional differences ○ The inflation rate is determined by the weighted average of the Basic Survey on Wage Structure (by industry / by region) or the actual rate of increase in personnel expenses of railway operators and the consumer price index (excluding fresh food and energy, by region). * <b>A five-year simple average is used for the index (a period deemed reasonable in the event of a sudden change in economic trends in the immediate past) (★)</b>
Energy expenses	○ No document rule on inflation rate ○ Ancillary electricity expenses are determined by the yardstick method	○ The inflation rate is determined by the consumer price index (electricity: electric bill, nationwide; engine: gasoline, by region). ○ Ancillary electricity expenses are not determined by the yardstick method. * <b>A five-year simple average is used for the index (a period deemed reasonable in the event of a sudden change in economic trends in the immediate past) (★)</b>
Extraordinary losses	○ Extraordinary gains and losses are excluded from cost.	○ <b>Extraordinary losses arising from large-scale disasters can be recognized (★).</b> * Excluding insurance claim income, average over the last 10 years
Impairment loss	○ No document rule on the treatment at the time of application of impairment accounting	○ <b>When impairment accounting is applied, depreciation as per tax declaration can be recognized (★).</b> * Subject to review of individual circumstances
Business return (Shareholder's equity)	○ Simple average of bond subscription yields, all-industry average return on equity, and required rate of dividend (11%)	○ In accordance with <u>the calculation method adopted in the electricity and gas sectors</u> Calculated by reflecting the market sensitivity of the industry in bond subscription yields and the average return on equity of all industries
Income taxes	○ Calculated based on a 10% dividend	○ Calculated based on the tax base determined by deducting interest paid from the amount of business return

★: Our comments have been (partially) reflected.

### ○ Our plan

- We are closely examining revenues and costs based on the revised Revenue Cost Calculation Guidelines, and, **if the conditions are met, will promptly submit an application for fare revision.**
- We will continue to **submit requests to the government** toward **the revision of regulated fares and fees** and **the realization of a simple and flexible system.**



# Numerical targets of FY2028.3 (for “Move Up” 2027)

(¥ billion)			'23.4-'24.3 Results	'24.4-'25.3 Forecast	'27.4-'28.3 Targets	'27.4-'28.3 / '23.4-'24.3	
						Increase/ Decrease	%
Operating Revenues			2,730.1	2,852.0	3,276.0	+545.8	120.0
	Mobility	Transportation	1,853.6	1,935.0	2,019.0	+165.3	108.9
	Life-style Solutions	Retail & Services	379.6	387.0	654.0	+274.3	172.3
		Real Estate & Hotels	405.8	429.0	507.0	+101.1	124.9
		Others	91.0	101.0	96.0	+4.9	105.4
	Operating Income			345.1	370.0	410.0	+64.8
	Mobility	Transportation	170.7	188.0	178.0	+7.2	104.3
	Life-style Solutions	Retail & Services	54.0	61.0	80.0	+25.9	148.1
		Real Estate & Hotels	100.1	101.0	124.0	+23.8	123.8
		Others	21.9	22.0	30.0	+8.0	136.9
	Adjustment			-1.6	-2.0	-2.0	-0.3

\* The segment breakdown of operating revenues: operating revenues from outside customers

	'23.4-'24.3 Results	'28.3 Targets
Consolidated operating cash flow	688.1 billion yen	Total amount for 5 years ('23.4-'28.3) 3,800.0 billion yen
Consolidated ROA (%)	3.6%	4.0% approx.
Net interest-bearing debt / EBITDA (times)	6.2 times	About 5.0 times in the medium term About 3.5 times in the long term

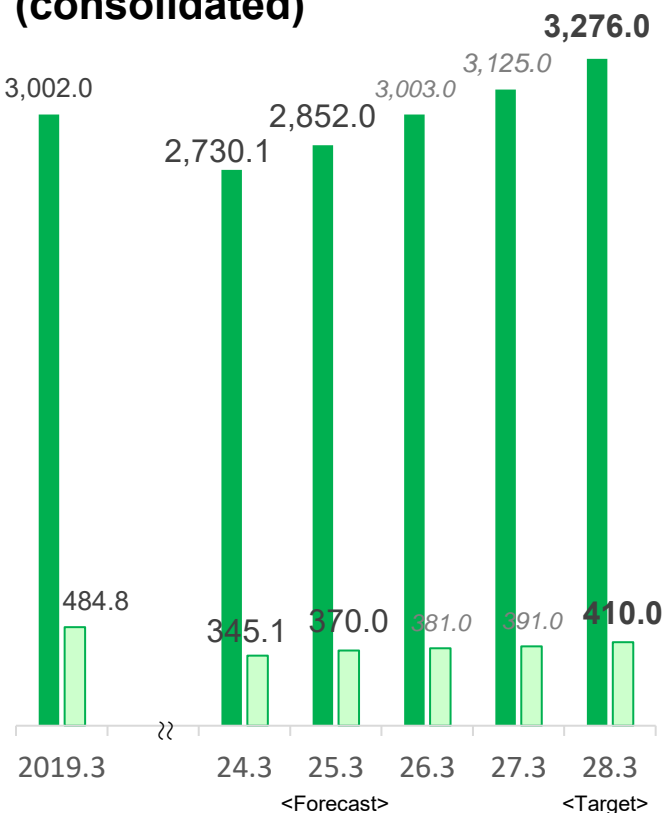
## ■ Appendix (Breakdown of Cash Flows from Operating Activities and Capital Expenditures (consolidated))

The breakdown of operating cash flow into Mobility and Life-style Solutions is calculated based on certain assumptions.

(¥ billion)	Cash Flows from Operating Activities	Capital Expenditures (consolidated)
	Total amount for 5 years ('23.4-'28.3)	Total amount for 5 years ('23.4-'28.3)
Mobility	2,290.0	2,360.0
Life-style Solutions	1,510.0	1,530.0
Total	3,800.0	3,890.0

# Forecast for Operating Revenues / Operating Income

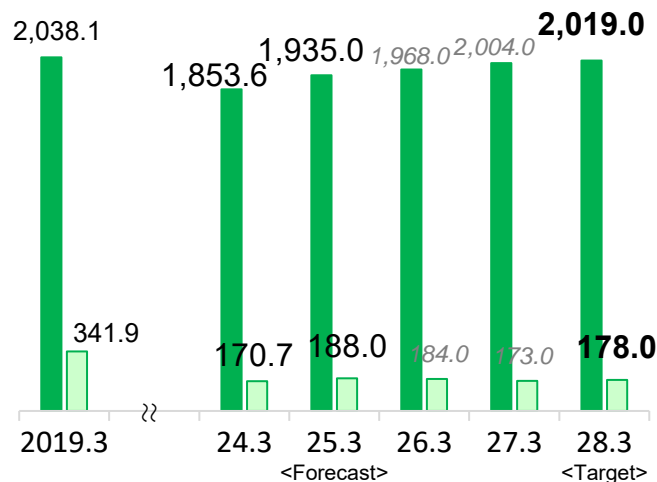
## Financial Results & Plans (consolidated)



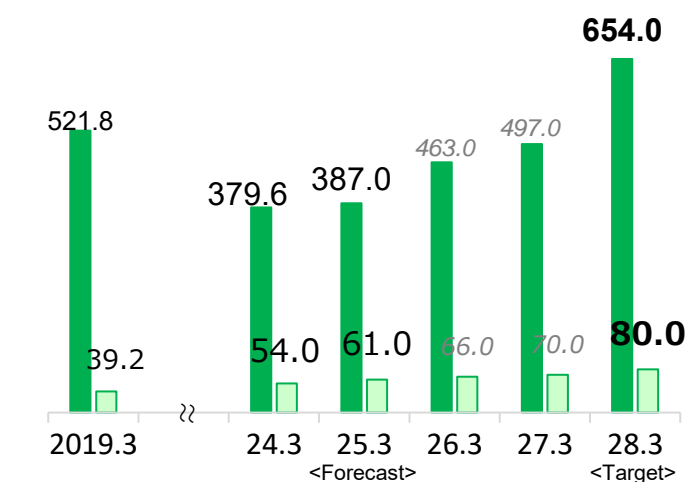
(¥ billion)

■ Operating revenues  
■ Operating income

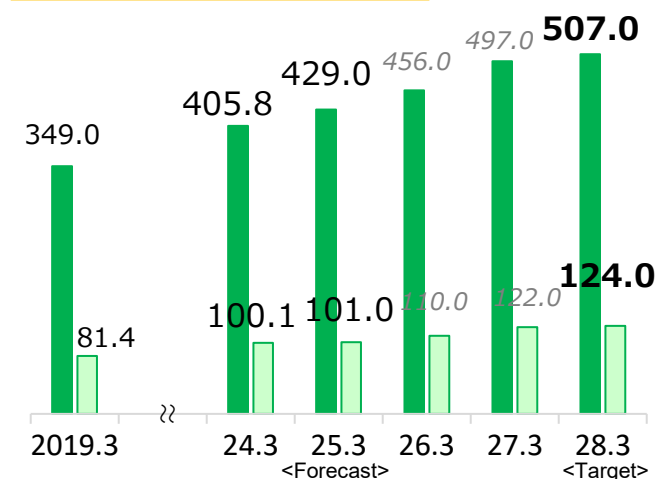
## Transportation



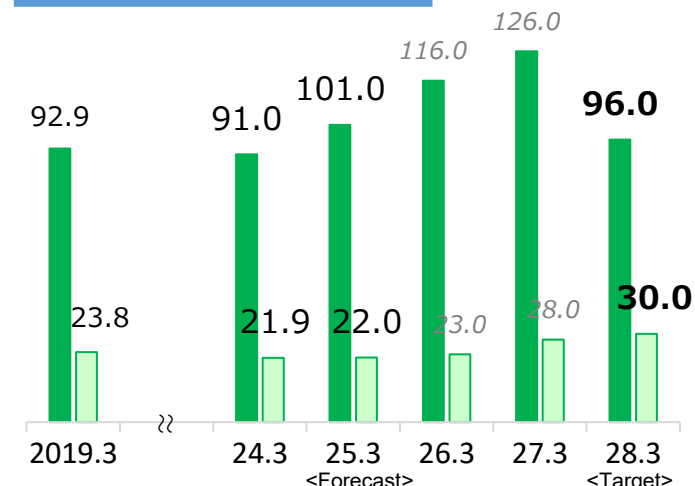
## Retail & Services



## Real Estate & Hotels



## Others



\* 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 FY2022.3

\* The new accounting standard for revenue recognition has been applied since FY2022.3

# Change in Interest-bearing Debt Balance (consolidated)

(¥ billion)	As of '19.3 (Results)	As of '20.3 (Results)	As of '21.3 (Results)	As of '22.3 (Results)	As of '23.3 (Results)	As of '24.3	
						(Results)	Average term to maturity
<b>Bonds</b>	1,730.1 (1.61%)	1,710.2 (1.56%)	2,020.3 (1.32%)	2,542.6 (1.14%)	2,975.8 (1.13%)	3,114.9 (1.24%)	15.20
<i>(Foreign Bonds ratio)</i>	13.8%	14.0%	11.8%	17.4%	27.0%	32.4%	
<b>Long-term loans</b>	1,101.4 (1.06%)	1,124.3 (0.99%)	1,291.8 (0.89%)	1,451.4 (0.82%)	1,483.9 (0.84%)	1,442.2 (0.87%)	6.05
Long-term liabilities incurred for purchase of railway facilities	332.1 (6.49%)	327.7 (6.51%)	323.0 (6.53%)	318.8 (6.54%)	315.0 (6.54%)	311.0 (6.55%)	17.70
Other interest- bearing debt	—	150.0 (—)	715.0 (0.11%)	390.7 (-0.00%)	—	0.0 (7.93%)	0.23
<b>Total</b>	<b>3,163.7 (1.93%)</b>	<b>3,312.3 (1.79%)</b>	<b>4,350.2 (1.38%)</b>	<b>4,703.7 (1.31%)</b>	<b>4,774.8 (1.40%)</b>	<b>4,868.2 (1.47%)</b>	12.65
<b>Net interest- bearing debt</b>	2,899.9	3,158.5	4,152.2	4,532.7	4,559.8	4,587.4	—

[Notes]

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

2. Other interest-bearing debt and average interest rate as of the end of March 2024 are attributable to the inclusion of

GATES PCM CONSTRUCTION LTD. in the scope of consolidation.

Top : Balance  
Bottom: Average interest rate

# Change in Capital Expenditures (consolidated)

(¥ billion)		'18.4-'19.3 (Results)	'19.4-'20.3 (Results)	'20.4-'21.3 (Results)	'21.4-'22.3 (Results)	'22.4-'23.3 (Results)	'23.4-'24.3 (Results)	'24.4-'25.3 (Plans)
Mobility	Growth investment	93.5	110.7	79.0	57.2	74.1	88.0	74.0
	Investment needed for the continuous operation of business	307.2	313.3	309.9	251.3	279.4	301.4	312.0
	Priority budget allocation (Investment in innovation, etc.)	31.4	46.7	62.6	44.0	19.4	47.1	38.0
	<b>Total</b>	<b>432.3</b>	<b>470.7</b>	<b>451.6</b>	<b>352.6</b>	<b>373.0</b>	<b>436.6</b>	<b>424.0</b>
Life-style solutions	Growth investment	160.5	234.5	212.4	147.9	147.7	207.4	313.0
	Investment needed for the continuous operation of business	32.5	32.2	26.3	18.3	31.5	65.9	66.0
	Priority budget allocation (Investment in innovation, etc.)	4.4	3.0	1.8	1.0	2.3	3.6	16.0
	<b>Total</b>	<b>197.6</b>	<b>269.8</b>	<b>240.6</b>	<b>167.3</b>	<b>181.6</b>	<b>277.0</b>	<b>395.0</b>
	Growth investment	254.1	345.2	291.4	205.1	221.9	295.4	387.0
	Investment needed for the continuous operation of business	339.8	345.5	336.3	269.6	311.0	367.4	378.0
	(Depreciation)	368.7	374.7	388.8	392.6	389.8	392.1	403.0
	Priority budget allocation (Investment in innovation, etc.)	35.9	49.7	64.4	45.1	21.7	50.8	54.0
<b>Total</b>		<b>629.9</b>	<b>740.6</b>	<b>692.2</b>	<b>520.0</b>	<b>554.7</b>	<b>713.7</b>	<b>819.0</b>

\* For the FY 2021.3 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.

# Traffic Volume and Passenger revenues / Major expenses (non-consolidated)

## - FY2025.3 Plans

### Traffic Volume and Passenger revenues

		Traffic Volume (million passenger kilometers)			Passenger Revenues (¥ billion)				
		'23.4-'24.3 Results	'24.4-'25.3 Plans	Changes	'23.4-'24.3 Results	'24.4-'25.3 Plans	Changes		Main factors behind changes
				%			Increase /Decrease	%	
Shinkansen		21,230	23,132	109.0	537.4	580.7	+43.2	108.1	
	Commuter Passes	1,670	1,684	100.9	22.5	22.7	+0.1	100.7	•Increase in railway transportation: +34.0 •Extension of the Hokuriku Shinkansen to Tsuruga: +8.0 •Rebound from natural disasters: +2.0 •Inbound tourism: +1.5 •Rebound from leap year: -1.0
	Non-commuter Passes	19,560	21,447	109.6	514.8	558.0	+43.1	108.4	
Conventional Lines		98,470	100,588	102.2	1,139.1	1,174.3	+35.1	103.1	
	Commuter Passes	60,237	60,577	100.6	395.3	395.3	-0.0	100.0	•Increase in railway transportation: +30.0 •Rebound from natural disasters: +3.5 •Inbound tourism: +3.0 •Rebound from leap year: -2.5
	Non-commuter Passes	38,232	40,011	104.7	743.8	779.0	+35.1	104.7	
Total		119,701	123,721	103.4	1,676.5	1,755.0	+78.4	104.7	
	Commuter Passes	61,908	62,261	100.6	417.8	418.0	+0.1	100.0	
	Non-commuter Passes	57,792	61,459	106.3	1,258.7	1,337.0	+78.2	106.2	

### Major expenses (non-consolidated)

(¥ billion)	'23.4-'24.3 Results	'24.4-'25.3 Plans	Changes		Main factors behind changes
			Increase /Decrease	%	
Personnel expenses	406.5	397.0	-9.5	97.6	<ul style="list-style-type: none"> <li>[-] Decrease in number of employees</li> <li>[+] Rise in wages</li> </ul>
Non-personnel expenses	812.2	867.0	+54.7	106.7	<ul style="list-style-type: none"> <li>[+] Impact of soaring prices and impact of rising labor costs</li> <li>[+] Implementation of maintenance which was controlled while ensuring safety during the COVID-19</li> </ul>
Depreciation	321.4	328.0	+6.5	102.0	[+] Increase in capital investment

# Measures related to fares and charges

## Off-peak commuter pass

(Since Mar. 2023)

Outline: While relieving congestion and supporting diverse workstyles, we aim to achieve a structural reform and a flexible cost structure over the medium to long term by adopting a transportation timetable that is suited to the actual use of services.

Revision: Commuter pass inside the specified train service area

Regular commuter pass (no restriction on time of use): Price up by approx. 1.4%

Off-peak commuter pass: Price down by approx. 10%

**From March 25, 2024:**

**5% JRE POINT return on off-peak commuter pass purchases**

**From October 1, 2024:**

**Price revision of off-peak commuter passes to make them approximately 15% cheaper than regular commuter passes (About a 20% discount when combined with a JRE POINT return at the time of purchase)**

Results as of Mar. 2024

Purchase rate: Approx. 8%



Target purchase rate: Approx. 17%



## Barrier-free charges

(Since Mar. 2023)

Outline: To make station facilities such as platform doors and elevators barrier-free, part of cost for installing such facilities is borne by passengers.

Revisions: Following revisions inside the specified train service area

- Basic fare tickets: Price up by 10 yen per ride
- Commuter pass: Depends on effective period (price up by 280 yen for one-month pass)

Reference: Planned investment in barrier-free facilities: Approx. 590.0 billion yen (FY2022.3 to FY2036.3)

Expected amount of collection by the revision: Approx. 299.0 billion yen (FY2024.3 to FY2036.3)

Results of FY 2024.3

Fares from ordinary ticket: Approx. 17.0 billion yen

Fares from commuter pass: Approx. 7.0 billion yen



Expect approx. 25.0 billion yen for FY 2025.3

# Status of discussion on regional local lines

## ■ Status of disclosure of operating results by line segment

- Outline: Operating results of each line segment with average passenger figures of less than 2,000 persons/day in FY2020.3 ( — line segments) have been disclosed.
- Purpose: To help local residents to understand the status of use and discuss optimal transportation system with them
- Operating results

FY	2020.3	2022.3	2023.3
Passenger revenues	5.8	3.6	4.1
Operating Expenses	75.2	71.6	69.0
Operating Loss	-69.3	-67.9	-64.8

The balance figures may not agree with the calculation results of passenger revenues and operating expenses due to rounding.

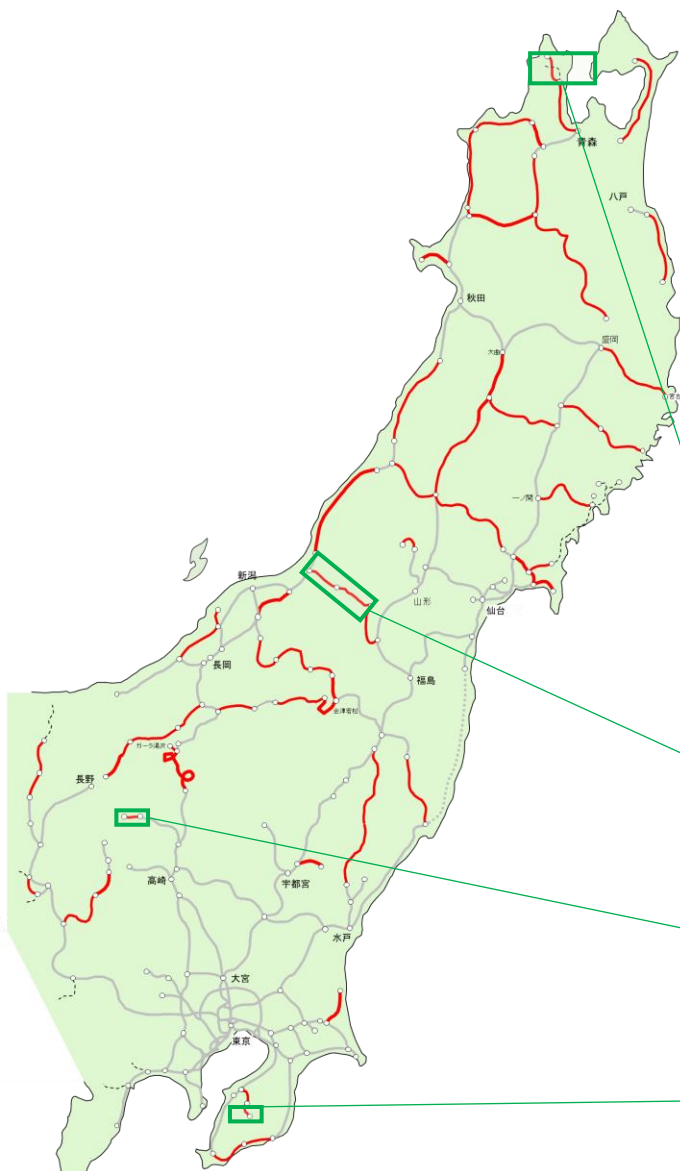
## ■ Status of discussion with local governments

Line : Tsugaru Line, Kanita-Minmaya section (operation currently suspended)  
 Status: Imabetsu-Sotogahama Regional Transportation Review Meeting (from January 2023, held eight times)  
 JR Tsugaru Line Mayors' Conference (from February 2024, held twice)  
 JR East proposes to municipalities along the line a switch to automobile-based transportation (buses and on-demand transportation)

Line : Yonesaka Line, Imaizumi-Sakamachi section (operation currently suspended)  
 Status: JR Yonesaka Line Restoration Meeting established (from September 2023, held twice)  
 Started discussions with relevant municipalities on two issues: "burden of restoration costs" and "measures necessary for stable operation in the future."

Line : Agatsuma Line, Naganohara Kusatsuguchi-Omae section  
 Status: In March 2024, submitted a request to the prefecture and municipalities along the line for discussion on a comprehensive transportation system for the area.

Line : Kururi Line, Kururi-Kazusakameyama section  
 Status: JR Kururi Line Regional Transportation Review Meeting established (from May 2023, held three times)  
 Conducted a survey on the actual transportation status of residents along the line, and confirmed that the majority of residents do not use public transportation.

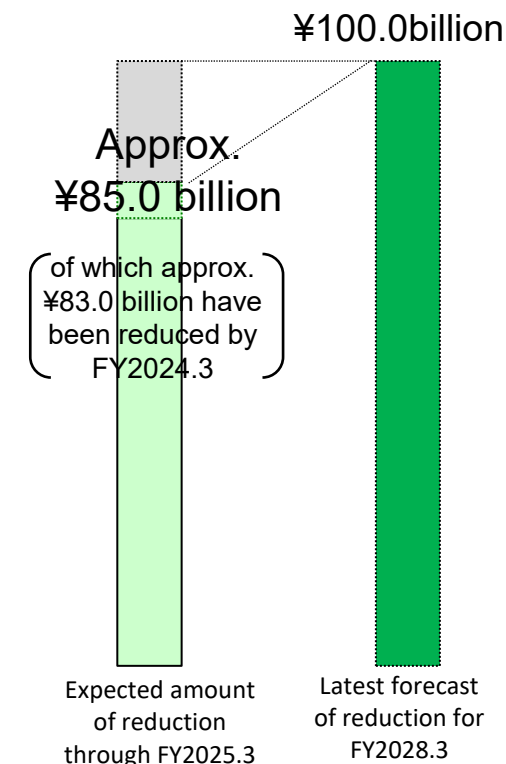




# Operation cost\* reduction in railway business

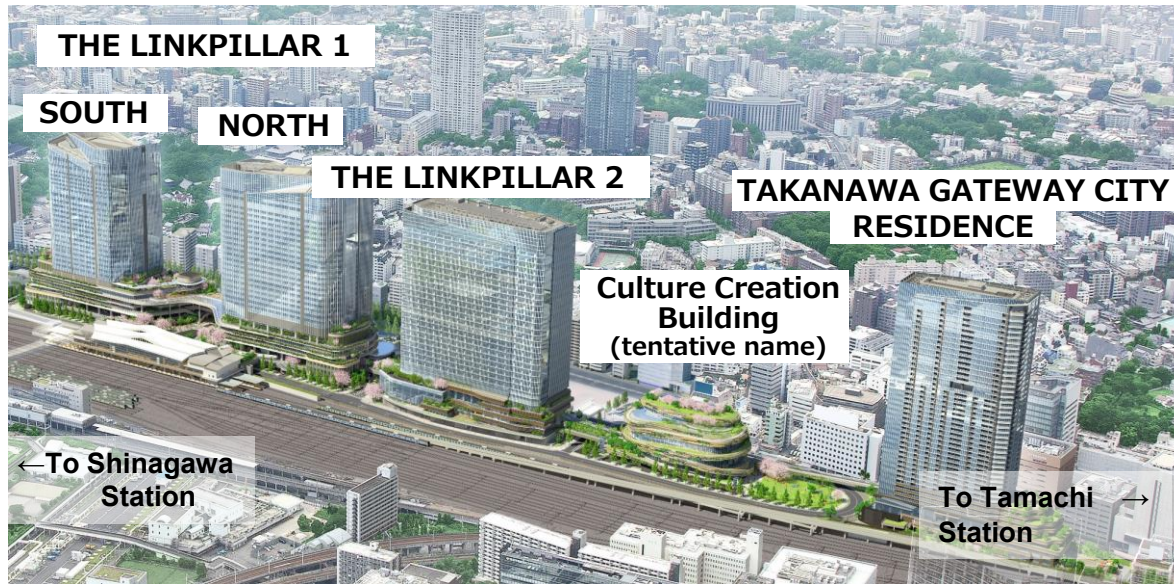
\* Operating expenses less depreciation and taxes and dues

(¥ billion)	Result of reduction through FY2024.3	Expected amount of reduction through FY2025.3	Forecast as of 2024.3
Major structural reform activities in "Move Up" 2027			
<ul style="list-style-type: none"> <li>Streamline operation systems</li> <li>Establish an efficient sales system, etc.</li> <li>Increase driver-only operation, improve the configuration of JR ticket offices</li> </ul>	-29.0	-31.0	-39.0
<ul style="list-style-type: none"> <li>Timetable revisions, etc.</li> </ul>	-4.0	-4.0	-6.0
<ul style="list-style-type: none"> <li>Smart maintenance (CBM, etc.)</li> <li>System changes (use of new technologies, etc.)</li> <li>Revise fundamental components of operations (timetable revisions to move up the departure times of the last trains, etc.)</li> <li>Streamline facilities (reduce the number of ticket machines, etc.)</li> </ul>	-17.0	-17.0	-21.0
<ul style="list-style-type: none"> <li>Establish efficient sales systems (ticketless, etc.)</li> <li>Structural reform of group companies (multi-tasking, etc.)</li> <li>Provide services in accordance with the usage (outsourcing of security services, guidance services, etc.)</li> </ul>	-33.0	-33.0	-34.0
<b>Total reduction of operating costs</b>	<b>-83.0</b>	<b>-85.0</b>	<b>-100.0</b>



We have been working to reduce the operation cost of railway business in FY2028.3 by 100 billion yen as compared with FY2020.3, and it is expected that we will achieve the goal at this point already.

# TAKANAWA GATEWAY CITY



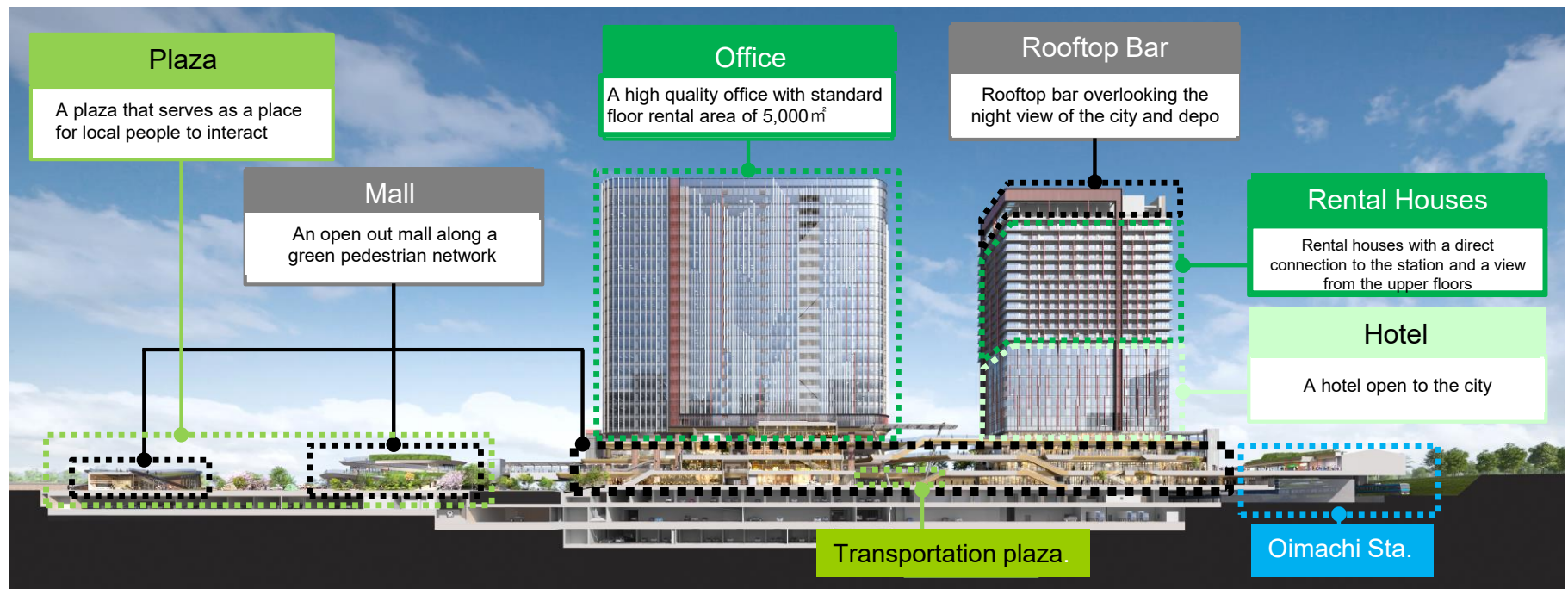
## Global Gateway

A base for international exchange where new businesses and cultures continue to emerge

	THE LINKPILLAR 1 SOUTH		THE LINKPILLAR 1 NORTH		THE LINKPILLAR 2	Culture Creation Building (tentative name)	TAKANAWA GATEWAY CITY RESIDENCE
Opening	End of FY2025.3				By the end of FY2026.3		
Total floor area	About 460,000 m <sup>2</sup>				About 208,000m <sup>2</sup>	About 29,000m <sup>2</sup>	About 148,000m <sup>2</sup>
Floor	30 floors, 3 basement floors		29 floors, 3 basement floors		31 floors, 5 basement floors	6 floors, 3 basement floors	44 floors, 2 basement floors
Usage	23~30F	Hotel JW Marriott Office (part of the floor) The university of Tokyo, National University of Singapore Conference Retail Convention, etc.	28・29F	Rooftop restaurant Office KDDI Co., Ltd.  Incubation facility, etc. Retail Convention, etc.	Office, Retail, Fitness, Clinic, Childcare support facility, Energy center, etc.	Exhibition hall, Hall, Restaurant, etc.	Residential, International school, Retail, etc.
	8~21F		9~27F				
	6F		6・7F				
	1~5F		1~5F				
	Basement		Basement				
Other	Project cost: About 600.0 billion yen      Revenue projection (under stabilized operation): About 57.0 billion yen						

# Development of the Hiromachi area around Oimachi Station (tentative name)

	A-1 Area	A-2 Area
Opening	End of FY2026.3	
Site area	About 22,300m <sup>2</sup>	About 7,100m <sup>2</sup>
Total floor area	About 250,000m <sup>2</sup>	About 9,100m <sup>2</sup>
Height	About 115m	About 16m
Number of floors	26 floors, 3 basement floors	2 floors, 2 basement floors
Other	Revenue projection : About 13.0 billion yen	
Town development concept	<ul style="list-style-type: none"> <li>• Development of pedestrian networks and plazas.</li> <li>• Oimachi Station Improvement and Transportation Plaza Development</li> <li>• Strengthening local disaster prevention capabilities</li> <li>• Environmentally friendly urban development</li> </ul>	





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

\* The figures marked with “(existing)” compared 2018 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.	Total
Retail & restaurants	2022	123.5	123.7	118.3	122.6	128.5	119.3	112.6	115.4	113.2	112.2	115.2	108.1	117.4
	2018	99.1	102.5	100.7	101.6	100.3	101.8	103.1	103.5	106.4	101.2	108.7	106.1	102.7
JR East Cross Station Co., Ltd. (retail) (existing)*	2022	118.7	121.3	117.5	121.0	126.0	118.3	111.7	113.2	110.3	111.7	112.1	106.4	115.4
	2018	92.8	94.7	96.2	94.1	95.3	95.7	99.8	97.1	97.4	97.7	104.7	100.3	97.1
JR East Cross Station Co., Ltd. (foods) (existing)*	2022	128.0	123.2	117.3	123.8	130.5	123.2	113.4	114.7	109.6	112.2	115.8	107.8	117.8
	2018	84.6	85.2	83.7	86.7	85.1	86.8	87.3	88.5	87.7	88.1	94.4	92.5	87.8

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

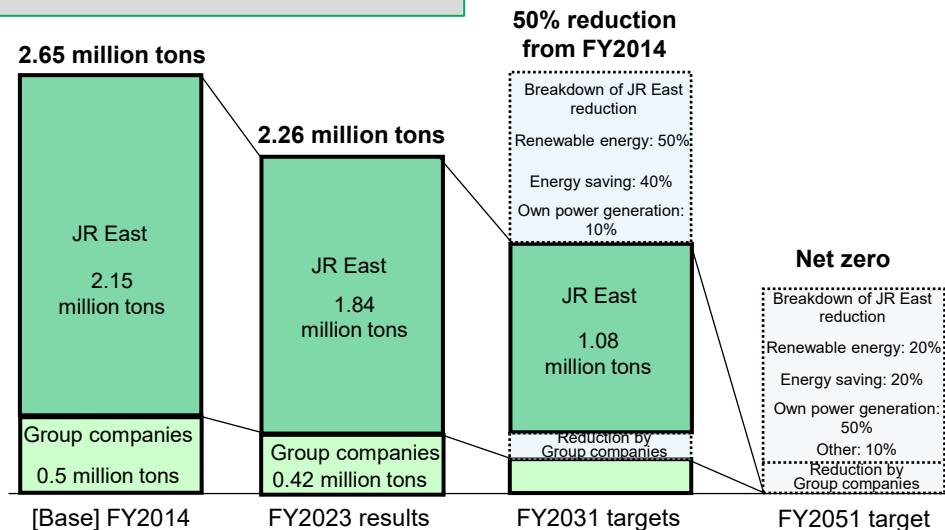
Station buildings	2022	114.5	111.4	112.3	117.2	118.7	110.9	109.0	112.4	107.9	109.1	112.6	106.7	111.1
	2018	97.8	100.3	97.2	99.1	98.6	97.5	103.2	101.5	101.2	98.0	108.8	101.6	100.5
LUMINE (existing)*	2022	112.1	110.6	111.3	117.1	115.6	106.0	104.0	110.5	103.8	106.2	107.7	105.3	108.8
	2018	97.6	99.3	97.6	99.4	95.9	93.1	101.5	99.3	97.7	91.8	106.9	96.7	97.8
atré (existing)*	2022	108.5	107.8	108.4	113.5	114.2	108.7	106.4	109.8	104.2	109.8	109.8	106.0	108.4
	2018	92.3	93.4	92.4	94.9	96.2	92.7	97.3	96.2	97.2	96.2	103.1	97.3	95.6
Hotels	2022	171.7	148.5	140.2	142.7	143.0	133.9	130.2	124.0	117.1	118.0	120.8	113.0	131.3
	2018	119.2	121.5	116.7	121.0	124.4	118.9	122.9	123.6	131.4	123.9	131.0	124.3	123.3

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

Number of monthly uses of e-money	Number of uses (million)	258	268	275	298	291	283	285	274	276	254	248	270	3,279
	2022 (%)	110.0	110.3	106.1	113.5	114.2	112.2	110.0	109.2	109.1	107.6	109.4	103.9	109.7
	2018 (%)	149.0	147.2	147.2	146.0	144.1	154.3	141.2	138.9	140.5	136.0	137.9	133.1	142.8

# Environmental initiatives

## Zero Carbon Challenge 2050



## Utilization of renewable energy

We aim to secure 700,000 kW of renewable energy source by the fiscal year ending March 2031, including the acquisition of non-fossil certificates.

## Initiatives for a hydrogen society



Demonstration tests of the hydrogen hybrid electric train HYBARI under way



Hydrogen buses now in operation in Tokyo and Fukushima Prefecture

## Setting reduction targets for SBT certification

August 2023: First Japanese railway operator to submit a letter of commitment to obtain certification

→ **Currently calculating Scope 3 required to set emission reduction targets by August 2025**

## Support for TNFD recommendations

March 2024: First railway operator registered as a TNFD Adopter

→ **Aim for disclosure based on the TNFD recommendations in the integrated Report scheduled to be issued in Sep. 2024**

## Calculation and disclosure of Shinkansen CO<sub>2</sub> emissions by section

April 2024: Calculated and disclosed CO<sub>2</sub> emissions per customer by section

→ **To be updated in Integrated Report scheduled to be issued in Sep. 2024**

Line	Section	CO <sub>2</sub> emissions [kg-CO <sub>2</sub> ]
Tohoku Shinkansen	Tokyo-Sendai	8.3
Joetsu Shinkansen	Tokyo-Niigata	7.8
Hokuriku Shinkansen	Tokyo-Nagano	5.2

(Calculated based on FY2023 results)

## Participation in various initiatives



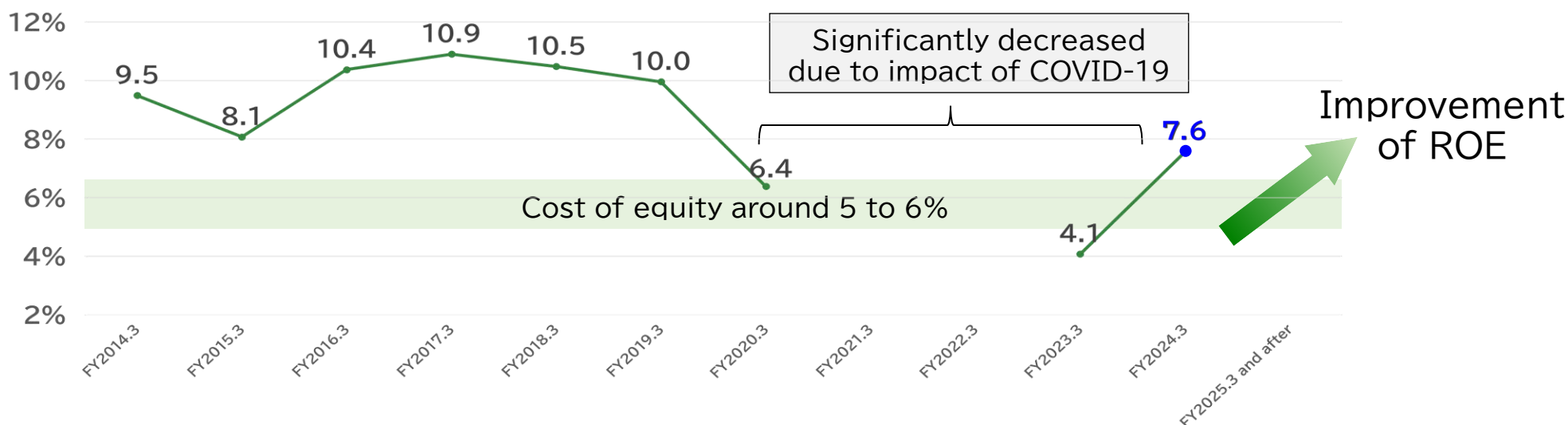
# Action to Implement Management that is Conscious of Cost of Capital and Stock Price

Disclosed on Mar. 21, 2024  
\*FY2024.3 results added

## Current recognition of cost of capital and return on equity

- We recognize **cost of equity to be around 5 to 6%**. Although ROE significantly decreased due to the impact of COVID-19, **we aim to realize ROE exceeding cost of equity as soon as possible**. At the same time, while taking into account future increases in cost of equity, we aim to **further improve ROE** to consistently exceed cost of equity.

### ■ Movements in ROE and cost of equity



### ■ Our approach to cost of equity and levels for the last 10 years

Cost of equity is calculated using CAPM

$$\begin{array}{|c|} \hline \text{① Risk-free rate} \\ \hline \text{around 0.5\%} \\ \hline \end{array} + \begin{array}{|c|} \hline \text{② Beta } (\beta) \text{ sensitivity} \\ \hline \text{0.8 to 0.9} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{③ Market risk premium} \\ \hline \text{6\%} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Cost of equity} \\ \hline \text{around 5 to 6\%} \\ \hline \end{array}$$

① Risk-free rate: Yield of 10-year government bonds

② Beta ( $\beta$ ): Sensitivity of the Company's share price to volatility of TOPIX for the last 5 years

③ Market risk premium: Historical stock market yield minus risk-free rate

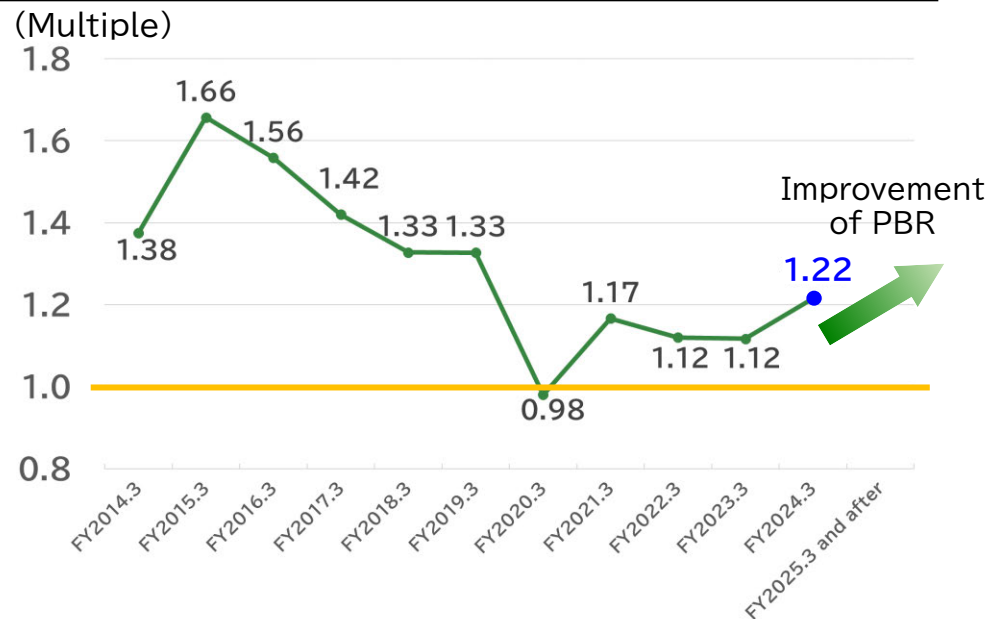


# Current recognition of evaluation from the market

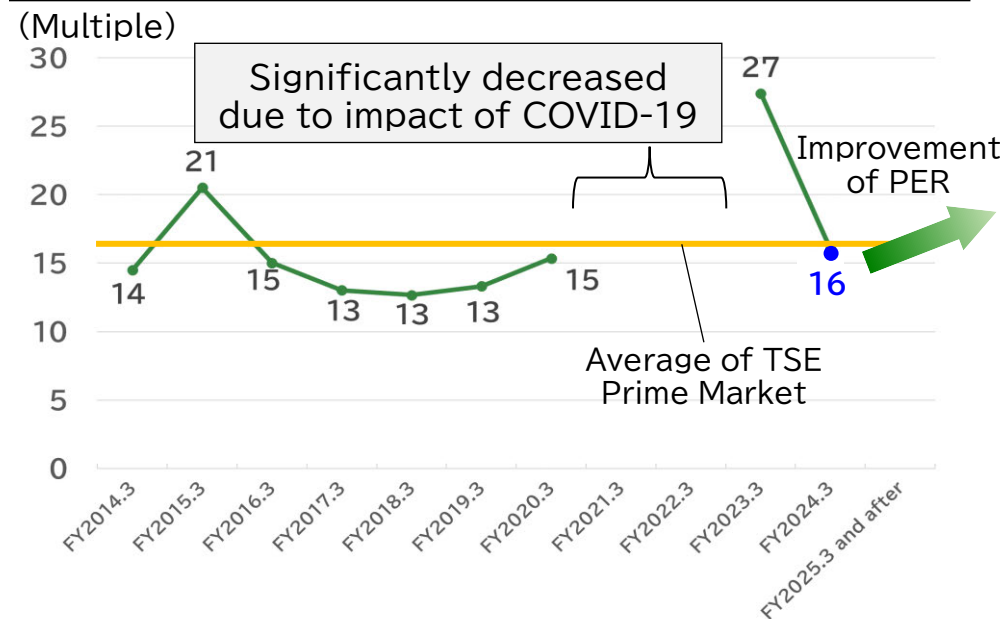
Disclosed on Mar. 21, 2024  
\*FY2024.3 results added

- PBR has been decreasing. Aiming to **exceed 1.0 and increase consistently**.
- As PBR is the product of **ROE (i.e., rate of return)** multiplied by **PER (i.e., expectation for growth)**, PBR needs to be increased by both **improving rate of return** and **increasing expectation for growth**.

## ■ Movements in PBR



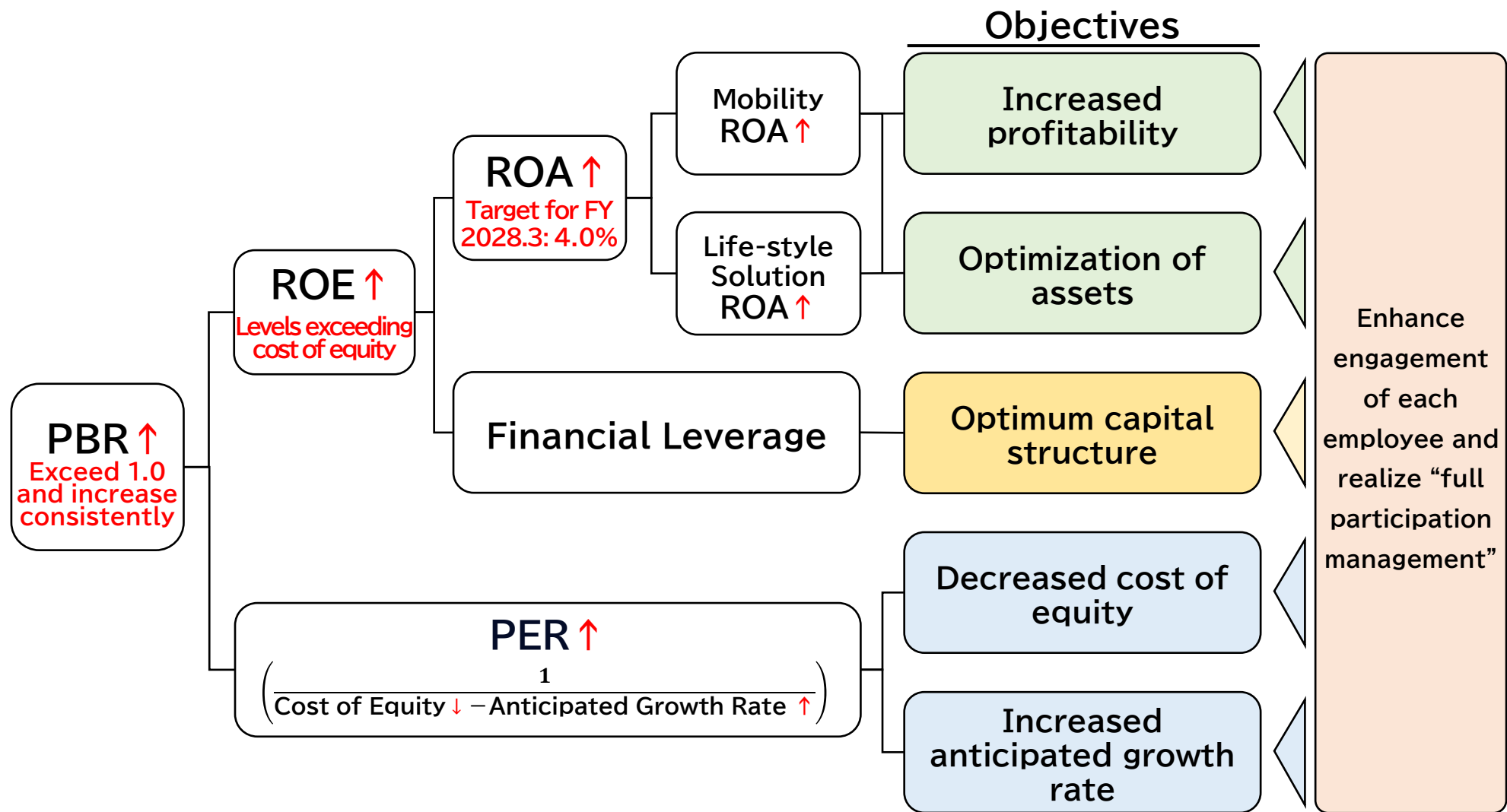
## ■ Movements in PER



## ■ Breakdown of PBR

$$\begin{aligned}
 &\text{PBR (Price-Book Value Ratio)} = \text{ROE (Return on Equity)} \times \text{PER (Price-Earnings Ratio)} \\
 &= \text{ROA} \times \text{Financial Leverage} \times \frac{1}{\text{Cost of Equity} - \text{Anticipated Growth Rate}}
 \end{aligned}$$

- Framework of Action to Implement Management that is Conscious of Cost of Capital and Stock Price
- In light of our Group being in a capital intensive industry as well as our Group's characteristic of engaging in the business of holding assets of a highly public nature, and therefore difficult to dispose, **aim to improve ROE and PBR through improvement of ROA.**



Objectives	Specific Action	Disclosed on Mar. 21, 2024
Increased profitability	<ul style="list-style-type: none"> <li>◆ <b>Maximize cash flows</b> <ul style="list-style-type: none"> <li>On a Group-wide level, recognize and optimally allocate resources necessary for our business strategy on a per business-unit basis, <b>efficiently utilize human capital and improve mid-to-long-term productivity on a consolidated basis.</b></li> </ul> </li> <li>◆ <b>Appropriate price pass-through</b> <ul style="list-style-type: none"> <li>In order to reflect the increasing cost on railway fares appropriately, <b>file for approval of revision of fares if possible</b> based on guidelines on calculation of revenue and cost to be amended.</li> </ul> </li> <li>◆ <b>Portfolio strategy</b> <ul style="list-style-type: none"> <li>Acknowledge strengths and weaknesses in each business and <b>clarify priority areas, areas requiring a revamp and areas that need to be the subject of discussion as a matter of principle.</b> Realize optimal business composition with an eye to external collaboration and M&amp;A.</li> <li>Shift from business focused on holding assets to <b>rotational and management business</b>, aiming at “accelerating business speed” and “acquiring new type of revenues”.</li> </ul> </li> <li>◆ <b>Efficient use of assets</b> <ul style="list-style-type: none"> <li>Break up ROA into numerical targets such as income, cost, capital investment, turnover ratio of fixed assets relating to railway business, and <b>link them to the targets of each headquarter, branch office and business site</b>, aiming at improvement of profitability and asset efficiency.</li> </ul> </li> <li>◆ <b>Decrease assets</b> <ul style="list-style-type: none"> <li><b>Continuously decrease cross-shareholding as a whole</b>, while maintaining cross-shareholding that contributes to the improvement of our corporate value, aiming at maintenance and enhancement of stable business relationships as well as close collaboration from a mid-to-long-term perspective.</li> </ul> </li> </ul>	
Optimization of assets		

Objectives	Specific Action	Disclosed on Mar. 21, 2024
Optimum capital structure	<ul style="list-style-type: none"><li>◆ <b>Level of interest-bearing debt based on business characteristics</b><ul style="list-style-type: none"><li>• Real Estate and Hotels is positioned as a “growth business” which must adapt to changes with speed, and <b>actively utilize interest-bearing debt</b>. Consider potentially setting <b>targets of interest-bearing debt for Real Estate and Hotels</b> separately from other businesses.</li><li>• Mobility is positioned as a “sustainable business” which requires stability and growth, and <b>emphasize net interest-bearing debt/EBITDA ratio</b>.</li></ul></li></ul>	
Decreased cost of equity	<ul style="list-style-type: none"><li>◆ <b>Thoughtful dialogue with capital markets</b><ul style="list-style-type: none"><li>• Actively implement <b>dialogue between the management</b> and shareholders and investors.</li><li>• <b>Disclose planned value of EBITDA</b> to increase foreseeability of cash flows.</li><li>• Enhance reliability through <b>flexible revisions of business forecast</b>.</li></ul></li><li>◆ <b>Enhancement of disclosures</b><ul style="list-style-type: none"><li>• <b>Enhance disclosure of business information and ESG information</b> through renewal of IR materials including financial results presentation materials and fact sheet.</li></ul></li></ul>	
Increased anticipated growth rate	<ul style="list-style-type: none"><li>◆ <b>Strengthening of publicity on growth strategy</b><ul style="list-style-type: none"><li>• Publicize mid-to-long-term goals by business segments and <b>strategy to achieve goals per business</b></li></ul></li></ul>	

# Numerical targets for specific actions(1) (FY2028.3)

\*1 Target for FY2024.3    \*2 Preliminary figures    \*3 Target for FY2032.3 and Number of line units of major conventional lines in the Tokyo area  
 \*4 Target for FY2026.3    \*5 Target number in total from FY2024.3    \*6 Target for FY2031.3    ( ) is the reference value for new targets newly settled in April 2023

Numerical Target Items		Target for the Fiscal Year Ending March 31, 2028	Results as of March 2024	<Reference> Results as of March 2023
Mobility Target	Accidents due to internal causes	0*1	4*2	0
	Serious incidents	0*1	0	0
	Railway accidents (from FY2019.3 level)	20% reduction*1	1% increase*2	10% reduction
	Of which accidents on platforms involving personal injuries (from FY2019.3 level)	30% reduction*1	17% reduction*2	17% reduction
	Number of stations and platforms with installed Automatic Platform Gates	330 stations, 758 platforms*3	117 stations, 233 platforms in total	(99stations, 197platforms)
	Accidents due to internal causes (from FY2019.3 level)			
	Conventional lines within 100km of Tokyo	55% reduction	8% reduction*2	11% reduction
	JR East Shinkansen	75% reduction	31% reduction*2	54% reduction
	Total delay time for conventional lines within 100km of Tokyo (from FY2019.3 level)	70% reduction	16% increase*2	24% reduction
	Inbound Revenue of Railway Business	56.0 bil. Yen	29.4 bil. Yen	(10.3 bil. Yen)
	Ticketless service usage rate for JR East Shinkansen	75%	56.4%	41.0%
	Handling percentage of <i>eki-net</i>	65%	55.2%	37.3%
	Installation areas of 5G	100 places in total*4	35 places in total	21 places in total
	Fiber optical lease distance	400km in total*5	309km in total	(-)
	Installed kilometers of overhead line equipment monitoring and inspection	7,500km	5,500km	(5,500km)

# Numerical targets for specific actions(2) (FY2028.3)

Numerical Target Items		Target for the Fiscal Year Ending March 31, 2028	Results as of March 2024	<Reference> Results as of March 2023
Life-style solutions Target	Number of transaction amount of JRE MALL	300.0 bil. Yen	7.0 bil. Yen	5.1 bil. Yen
	Number of shared offices	1,400 locations in total	1,106 locations in total	774 locations in total
	Inbound Revenue of life-style Solutions business	30.0 bil. Yen	27.2 bil. Yen	(7.8 bil. Yen)
	Assets under management in the Real Estate Fund Business	400.0 bil. Yen in total	231.2 bil. Yen in total	(157.8 bil. Yen in total)
	Number of homes	6,000 homes in total	3,328 homes in total	3,054 homes in total
	Number of childcare support facilities	175 locations in total	169 locations in total	165 locations in total
	Number of JRE POINT members	30.0 mil. People	15.0 mil. people	13.8 mil. people
	E-money usage such as <i>Suica</i>	600 mil. Transactions/month	298 mil. Transactions/month	263 mil. Transactions/month
	Mobile <i>Suica</i> cards issued	35.0 mil.	26.2 mil.	20.3 mil.
	Number of transactions for usage of the services of the MaaS platform, Mobility Linkage Platform, provided by JR East	100 mil. transactions/month	49.9 mil. transactions/month	38.7 mil. transactions/month
Foundation for growth Target	CO <sub>2</sub> emissions of the entire JR East Group (from FY2014.3 level)	50.0% reduction* <sup>6</sup>	-	14.7% reduction
	Development of renewable energy power sources	700,000kW* <sup>6</sup>	153,000kW	136,000kW
	Recycling rate of plastic bottles in station and train trash	100%* <sup>6</sup>	-	97%
	Recycling rate in Waste (general/industrial) (Consolidated) (from FY2014.3 level)	73%* <sup>6</sup>	-	79%
	Allocation of human resources to priority growth areas	2,000 people in total* <sup>5</sup>	408 people	(-)
	Ratio of Women to managers [non-consolidated]	10%	7.8%	(7.0%)
	Employment rate of persons with disabilities	2.70%	2.69%	(2.63%)
	Rate of male employees taking childcare leave [non-consolidated]	85% or more	61.9%	(43.7%)
	Percentage of Qualified Service Care-Fitters [non-consolidated]	80%	68.8%	(60.5%)
	Accidents involving employee fatalities (Includes Group companies and partner companies)	0* <sup>1</sup>	2	(1)
	Percentage of DX and service-related patent and design applications	50%	44%	(45%)
	Penetration of initiatives on human rights, the environment, etc. into the supply chain (Supply chain penetration rate)	100%	66.7%	(55.6%)



## ■ Policy

- Stable funding and diversification of funding methods in response to fluctuations in the market environment.
- Steady improvement of financial soundness by controlling interest-bearing debt according to cash flow.  
(Sustainably reduce net interest-bearing debt/EBITDA)
- Continue and expand ESG finance to promote ESG management.

## ■ Fund-Raising Situation

- Long-term fund-raising (bonds, borrowing) : Totaled 462.3 billion yen (2023.4 -2024.3).  
(Including 216.0 billion yen of ESG bonds)

## ■ Issuance facility and contract value (1,120.0 billion yen)

CP 700.0 billion yen, Special bank overdraft facilities 300.0 billion yen,

Commitment lines 60.0 billion yen, General bank overdraft facilities 60.0 billion yen.

## ■ Credit ratings

- Long-term credit ratings

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

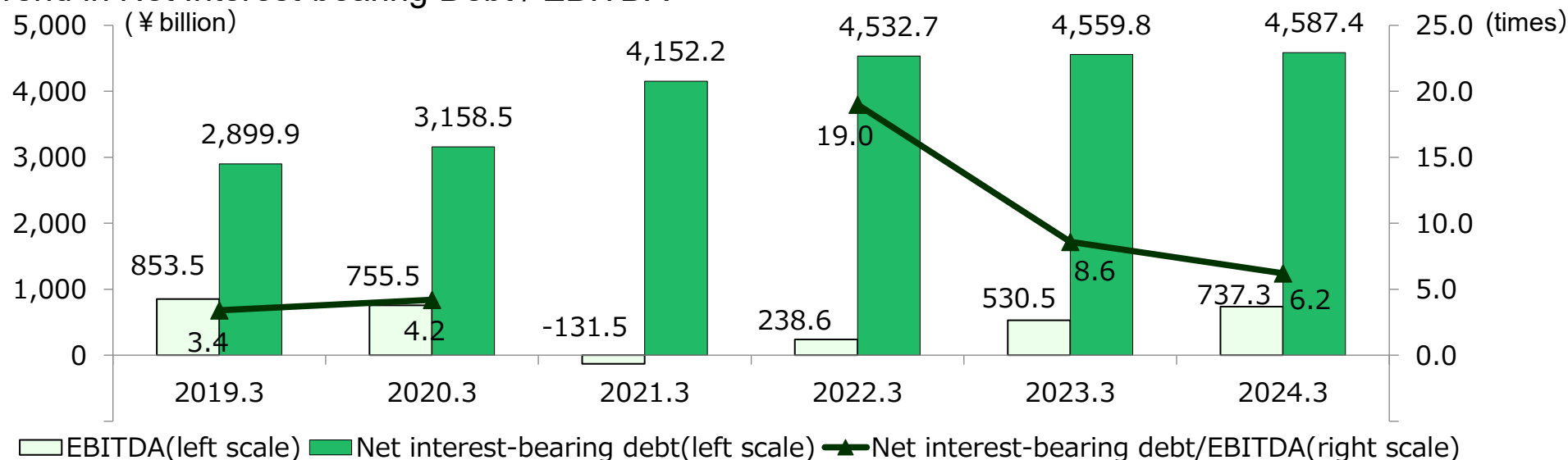
- Short-term credit ratings

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

# Key Financial Indicators

- Our policy is to reduce the net interest-bearing debt to EBITDA ratio to approx. 5 times in the medium term and approx. 3.5 times in the long term.
- Interest expenses are expected to increase in line with an increase in interest-bearing debt and the rise in average interest rates.  
⇒ Fixing the interest rate payable and extending maturities to reduce the risk of future interest rate hikes.

## ■ Trend in Net Interest-bearing Debt / EBITDA



[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

(times)

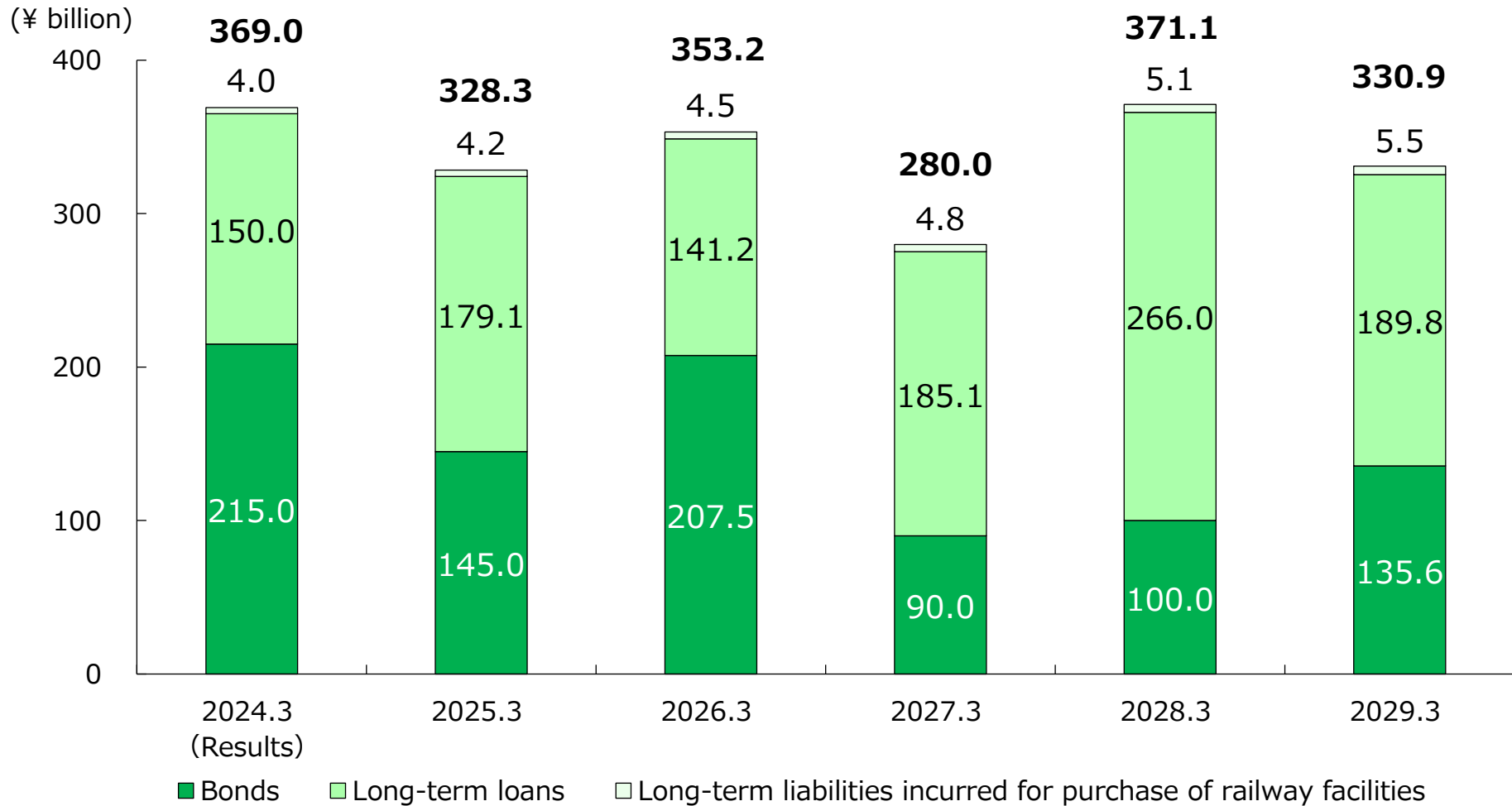
	2019.3	2020.3	2021.3	2022.3	2023.3	2024.3
Interest Coverage Ratio	10.5	9.0	—	3.1	9.4	10.2
Debt to Equity Ratio	1.0	1.1	1.7	2.0	1.9	1.8

[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

- Future refinancing risks are reduced by leveling out interest-bearing debt redemption amounts each fiscal year.

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



[Notes]

1) Outlook as of Apr. 30, 2024 2) Bond redemptions are at face value

These materials of the presentation can be viewed  
at the JR East's Website.

JR East Website, 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 Group's plans, strategies and beliefs that are not historical facts are forward-looking statements about the future performance of JR East Group, 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 Group's actual results, performance or achievements to differ materially from the expectations expressed herein.

These factors include, without limitation,

- (i) JR East Group's ability to successfully maintain or increase current passenger levels on railway services,
- (ii) JR East Group's ability to expand "Business Connected to Life-style Solutions,"
- (iii) JR East Group's ability to improve the profitability of each business operation, and
- (iv) general changes in economic conditions and laws, regulations and government policies in Japan.