

Real Estate Rotation Business in “To the Next Stage” 2034

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Overview of Real Estate Business and “To the Next Stage” 2034

Overview of Real Estate Business



Overview of Numerical Targets

- As the KGI* (long-term management goal) of “To the Next Stage” 2034, we set a target of **ROE of 10% or more in FY2032.3**.
- We aim to **exceed operating revenue of 4 trillion yen in FY2032.3** through growth in existing businesses and breakthrough growth, thereby charting a growth trajectory toward an operating revenue scale of 5 trillion yen in FY2035.3.
- To create **conglomerate premium** and maximize the corporate value of the Group, we will move forward with **capital strategies like M&A**. We will also pursue **with the best possible financial partnerships** depending on the business environment.

* KGI = Key Goal Indicator

	FY2025.3
Operating revenue	2,887.5 billion yen
EBITDA*1	782.9 billion yen
Operating income	376.7 billion yen
ROA*2	3.8%
Net interest-bearing debt*3/ EBITDA	6.0 x
ROE*4	8.0%

In addition to the growth of existing businesses, we will enhance the earning power at an early stage and achieve breakthrough growth.

● Realization of M&A

● Creation of new businesses

FY2032.3
Over 4 trillion yen
Approx. 1.2 trillion yen
Approx. 700 billion yen
5% or more
Approx. 5 x
10% or more

Charting a growth trajectory toward 5 trillion yen in FY2035.3



= KGI

* 1 EBITDA = Operating income + Depreciation expense * 3 Net interest-bearing debt = Balance of Interest-bearing debt – Balance of Cash and cash equivalents

* 2 ROA = Return (=operating income) on assets * 4 ROE = Return(=profit attributable to owners of parent) on shareholders' equity

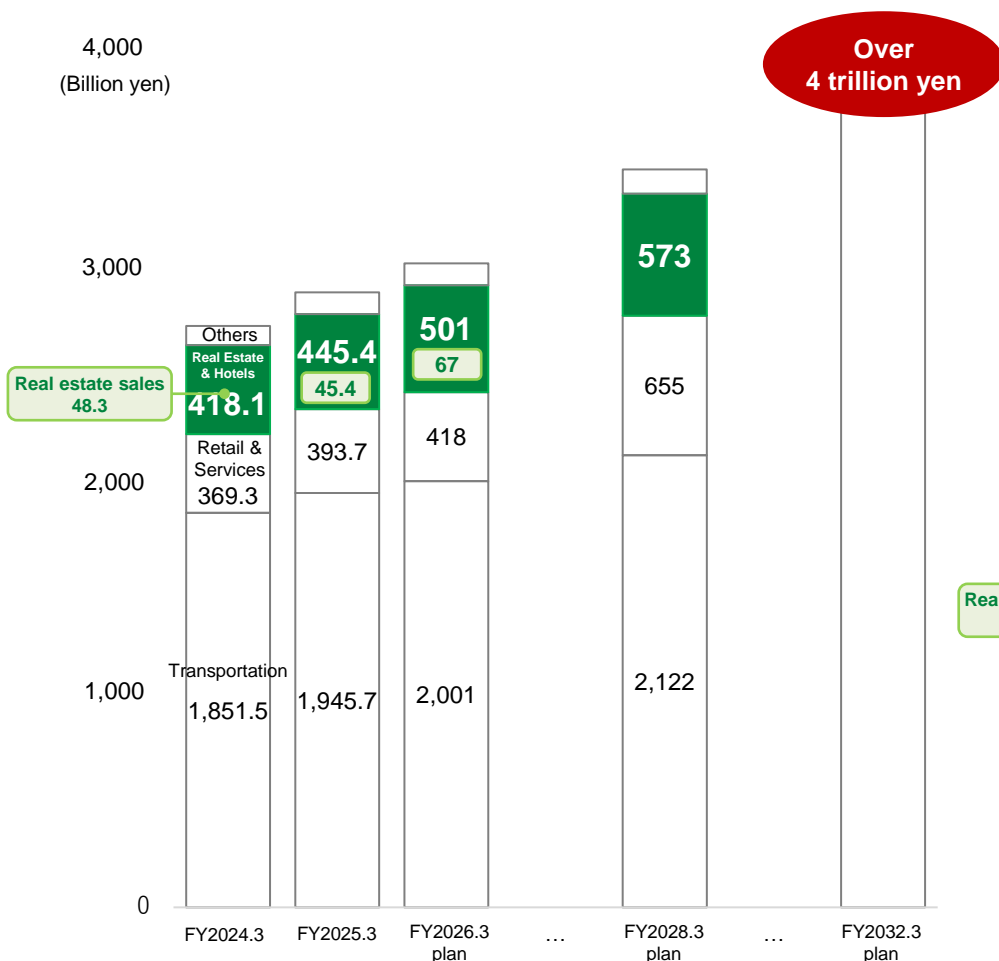
Note 1: If the proposed revision to the upper limit of railway passenger fares is approved as submitted, the fare revision will be implemented starting in March 2026.

Note 2: Based on the accounting standards applied by our Group as of the end of March 2025.

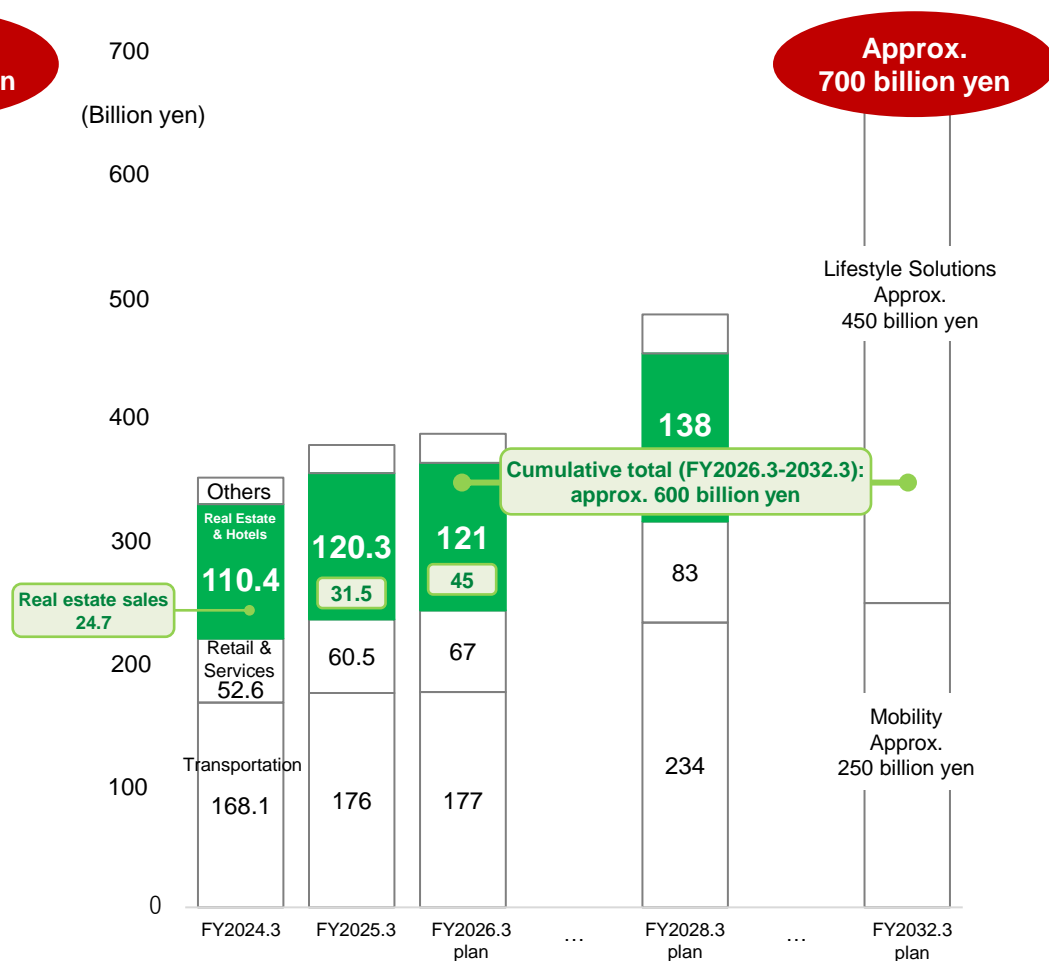
“To the Next Stage” 2034 - Numerical Plans

“To the Next Stage” 2034 sets high numerical targets to be achieved through growth in existing businesses and breakthrough growth.

Numerical plan: Operating revenue



Numerical plan: Operating income





Real Estate Business Strategy in “To the Next Stage” 2034

Growing Strategy through Dual-Axis Management

- We will **promote growth strategies that leverage our strengths** in both Mobility and Lifestyle Solutions.
- We will evolve Suica into a foundation for diverse businesses and **enhance synergies through our dual-axis management**.

Suica Renaissance

- We will continue to enhance the functions and value of Suica, and **evolve it into a device for lifestyle**
- Enhancing synergies through our dual-axis management as the **foundation of our diverse businesses** and creating experiential value

Generating value through Mobility

Strengths

- Safe and stable transportation
- Extensive business areas and networks
- Operational and service know-how
- Technical skills in construction and maintenance
- Technical development capability and environmental advantages

Implementation of the medium- to long-term mobility growth strategy

- Improving safety levels
- Generating profits and solving social issues
- Technological innovation and structural reform
- Workstyle reform for employees

Experience value of both travel and consumption

Generating value through Lifestyle Solutions

Strengths

- The intersection of the real and the digital
- Convenient locations
- Abundant assets
- Suica widely used in daily life

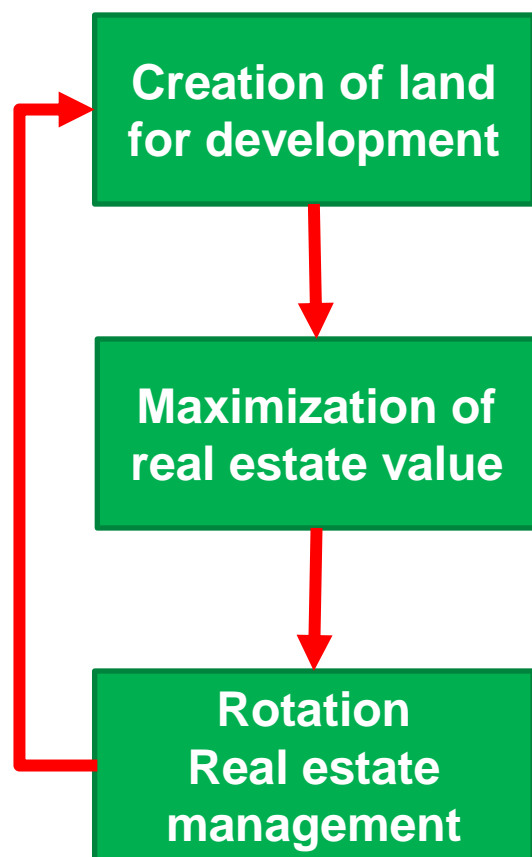
Implementation of the medium- to long-term business growth strategy “Beyond the Border”

- Creating destinations that fulfill individual travel purposes
- Attractive community development (e.g., J-TOD*)
- Enhancing customer engagement through Digital Transformation (DX)
- Transforming existing businesses
- Expanding into new markets

* J-TOD = JR East-Transit Oriented Development (Railway network-based town development leveraging the strengths of the JR East Group)

Major Real Estate Strategies

By promoting strategies that leverage the Group's unique strengths, we will steadily carry out every aspect of the real estate business, from creation of land for development to rotation and management.



Management of railroads, stations, and their ancillary facilities

Reorganization of assets
Creation of land for development

- Train depots, improvement of stations, etc.
- Three-dimensionally create facilities using planar sites, underground spaces, or over railroad tracks

Value creation

- Enhancing transportation networks, establishing new stations, etc.
- Spillover effects on both real estate and railways due to development



Steadily executing real estate rotation Creating business opportunities through fund acquisition



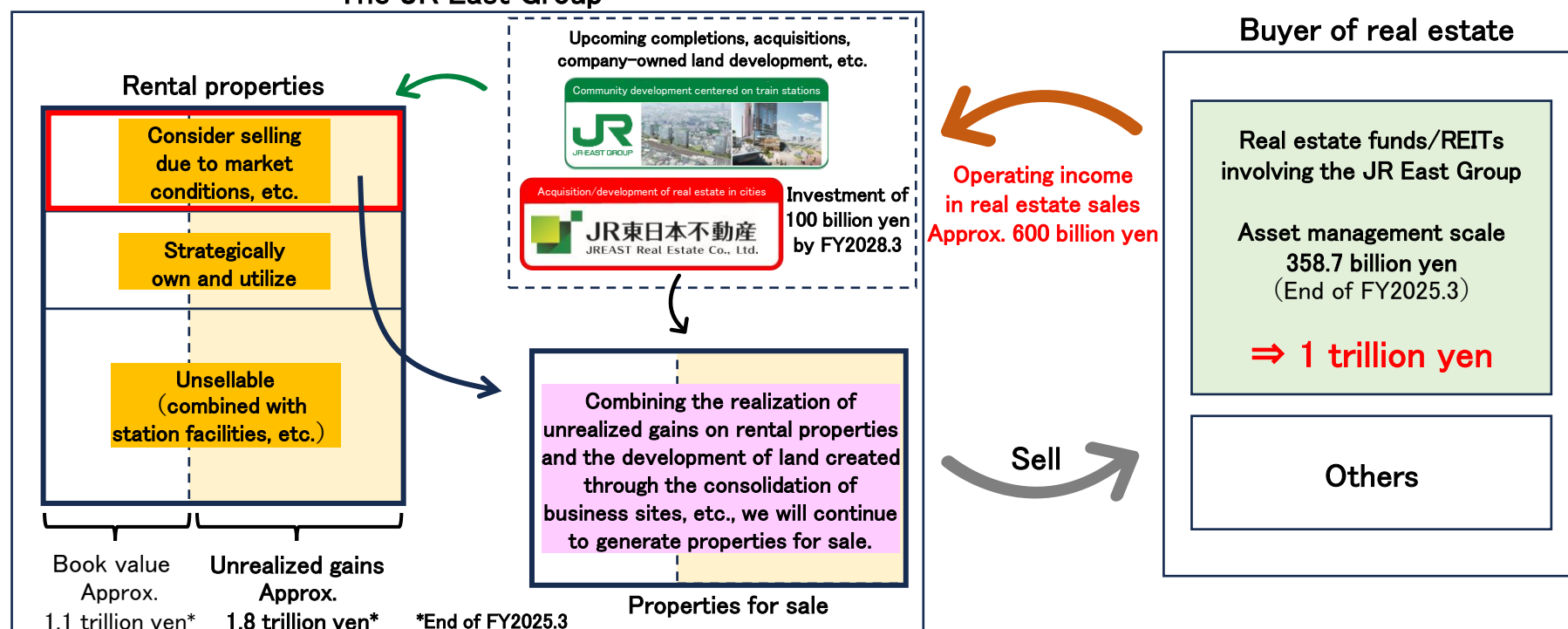
*J-TOD = JR East-Transit Oriented Development.
It refers to railway network-based town development leveraging the strengths of the JR East Group.

Business Model for Real Estate Rotation

- We will set **ROA of 5% or more as a target and net interest-bearing debt/EBITDA ratio of 8 to 10 times as a guide** for the Real Estate and Hotels segment. We will increase the earning power of our real estate business while controlling the pace of property acquisitions and rotation.
- The real estate rotation and management business will be promoted based on the following figures as a guide.
 - **Operating income in real estate sales : Approx. 600 billion yen** (Cumulative total from FY 2026.3 to FY 2032.3)
 - **Asset management scale in real estate fund business : 1 trillion yen** (FY 2032.3)

※ Subject to change depending on market conditions and other factors.

The JR East Group

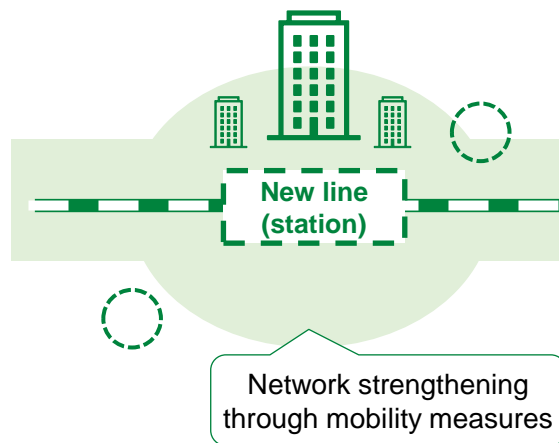


Our Model for Creating Development Sites and Generating Value

We will strive to create a vibrant society by linking the creation of land for development and station improvements with transportation-related measures.

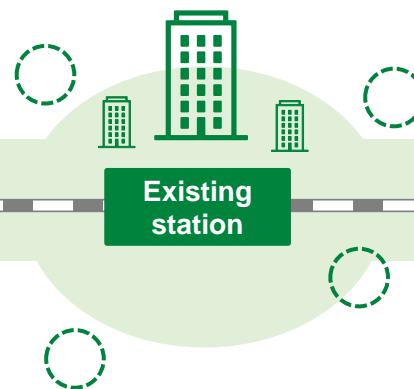
Mobility Network Type J-TOD

Community development along railway lines in tandem with transportation network enhancements



Terminal Type J-TOD

Town development that unites the station and surrounding area at major terminal stations



Asset Reorganization Type J-TOD

Reorganizing the Group's assets to create regional hubs and new flows of people and activities



Haneda Airport Access Line (tentative name)



[Conceptual renderings]

Development Project around Shinjuku Station Southwest Gate Area



Shinagawa Station District Development Plan



Promoting Our Unique Town Development

We aim to increase the value of a wide area by utilizing our Group's diverse networks and “connecting” a variety of entities.

Town development the JR East Group is aiming for

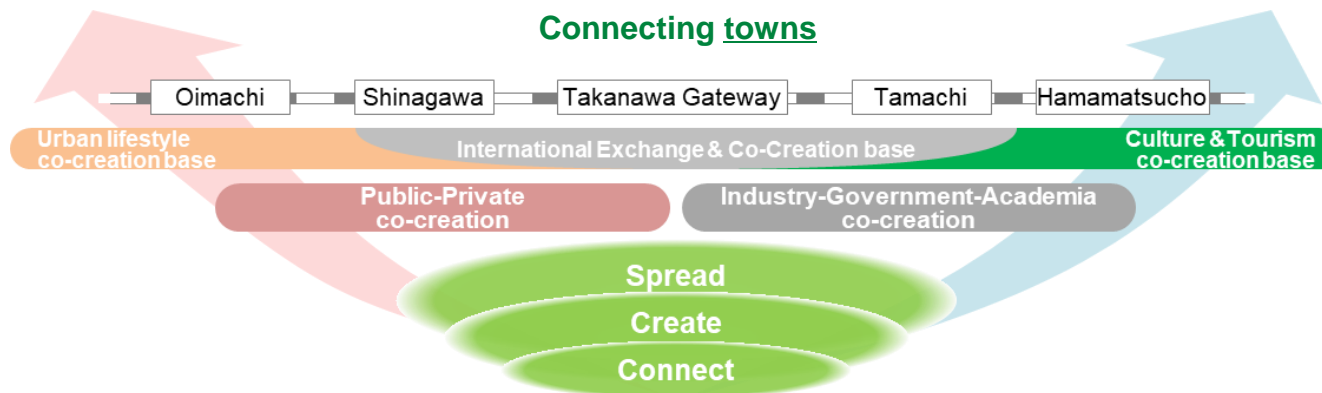
Improving value of a wide area by “connecting”



Connecting the station and the town

Connecting people and companies

Connecting towns



Promoting Our Unique Town Development

LiSH

Create new businesses and culture by connecting (Link) and combining diverse people (Scholars) with advanced knowledge and technology

LiSH
TAKANAWA
GATEWAY
Link Scholars' Hub

Source: Website of LiSH
<https://www.takanawagateway-lish.com/>

University of Tokyo
GATEWAY Campus

**Open the University of Tokyo
Gateway Campus, Japan's first
campus operating under the
theme "Planetary Health"**



**Industry-academia co-creation
by JR East, Maruha Nichiro
Corporation and University of Tokyo**

Work to realize enriched lifestyles and global interests a hundred years from now through the “Planetary Health Diet” initiative



Source: JR East News Release, May 31, 2024,
 “Partnership Between JR East, Maruha Nichiro and
 UTokyo Planetary Health Diet Initiatives”
<https://www.jreast.co.jp/e/press/2024/pdf/20240531.pdf>

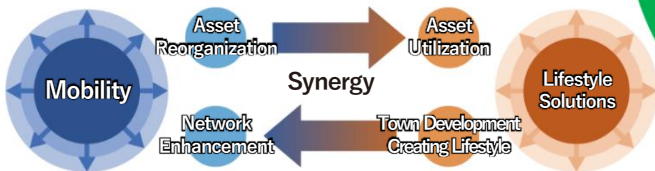
Source: JR East News Release, October 25, 2023,
 “JR East and The University of Tokyo enter a 100-year agreement”
<https://www.jreast.co.jp/e/press/2023/pdf/20231025.pdf>

A Vibrant Society Where the Railway and the Town Are United

■ Promoting our Group's unique **railway network-oriented town development (J-TOD*)**

- Strategically promoting **town development that unites the station and surrounding area** at major terminal stations [Terminal-Type]
 - **Reorganizing our Group's assets** to create regional hubs and new flows of people and activity [Asset Reorganization Type]
 - Promoting **community development along railway lines in tandem with transportation network enhancements**, such as the establishment of new stations [Mobility Network Type]
- ## ■ Strengthening airport transportation through the development of the Haneda Airport Access Line (tentative name) in addition to the Tokyo Monorail

Railway Network-based Town Development (J-TOD)



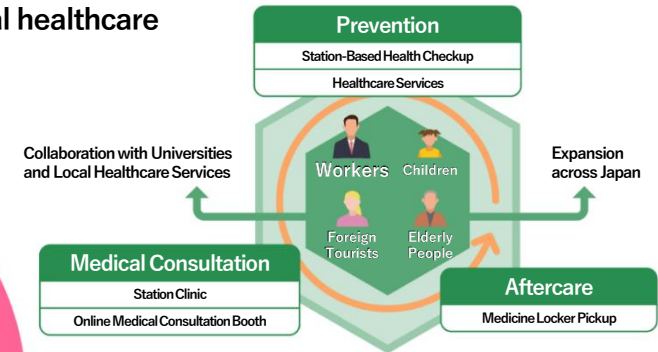
The Haneda Airport Access Line (tentative name)



Shinagawa Station North Gate Renovation and Shinagawa Station District Development Plan

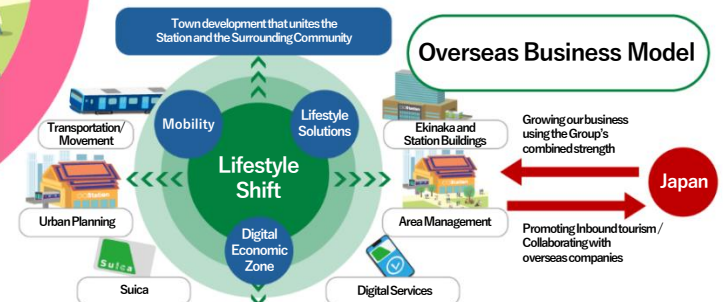
■ Creating solutions to social issues around the world, **nurturing them, and supporting their implementation in society**

- ## ■ Establishing Ekinaka healthcare networks inside train stations in collaboration with regional healthcare services



Town development that unites the Station and the Surrounding Community

Overseas Business Model



- ## ■ Expanding our comprehensive Mobility and Lifestyle Solution business developed in Japan to overseas markets and taking on the challenge of J-TOD* abroad

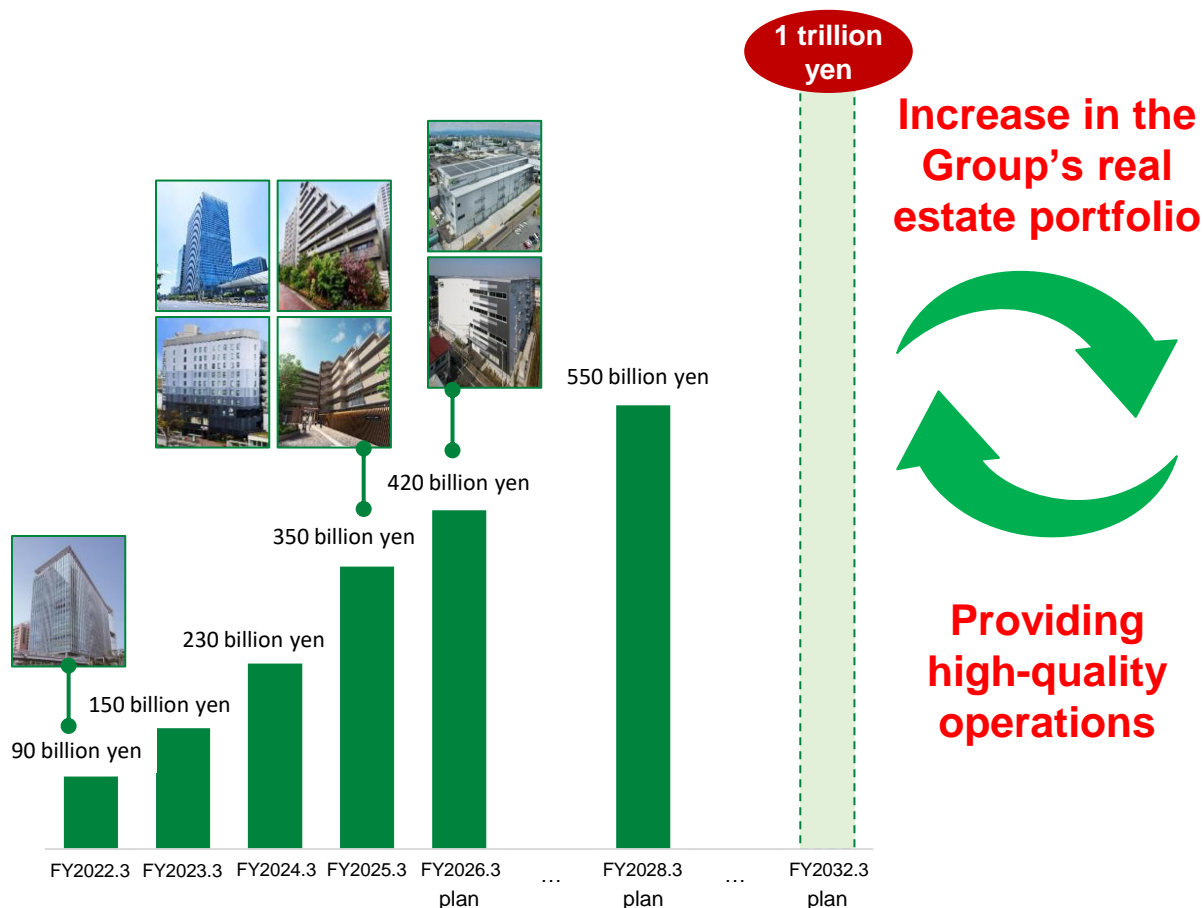
- ## ■ Providing solutions for the shift to a railway-focused lifestyle in overseas cities

* J-TOD = JR East-Transit Oriented Development (Railway network-based town development leveraging the strengths of the JR East Group)

Growth of Real Estate Fund Business and Synergy Creation

We will accelerate the growth of our real estate fund business and link the increase in our real estate portfolio to business opportunities for operators in our Group.

Growth of the real estate fund business



JR East Group's major operators



Further Expansion of Real Estate Business

We will explore business opportunities that are unique to our Group, such as regional revitalization projects and initiatives for new asset types.

Regional revitalization projects

Vibrant regional communities are the foundation of the Group's growth.

Integrated development of the station and surrounding facilities



Regional medical care, medical tourism



Creating a bustling hub through development of the under-track space



Apartment housing for regional revitalization



Exploring new business fields

Initiatives that leverage the Group's unique strengths

Under-track space

Optical fiber

Collaboration with railways

...etc.

By utilizing these,

Initiatives for new asset types

(Logistics real estate, data center, etc.)

Initiatives for new fund schemes

...etc.

Aiming for “good for all”

