

# FY2025.3 Financial Results and FY2026.3 Management Strategy Explanatory Materials

April 30, 2025 East Japan Railway Company



TAKANAWA GATEWAY CITY  
celebrates its opening

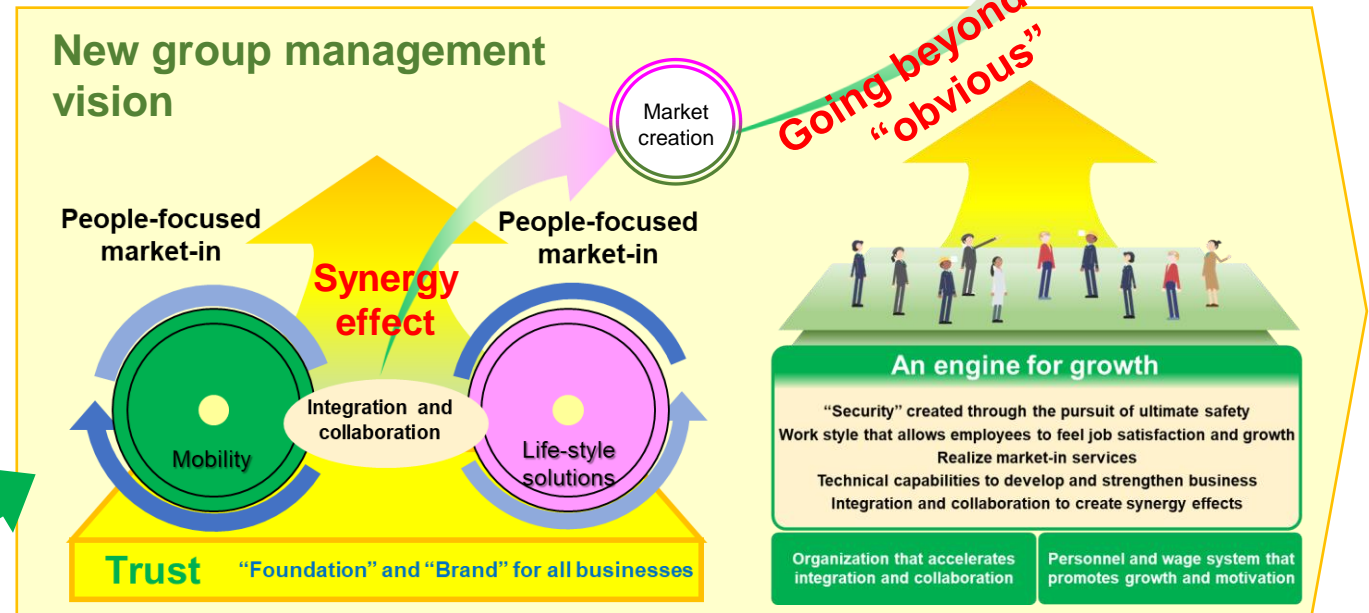
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# **I. Formulation of New Group Management Vision**

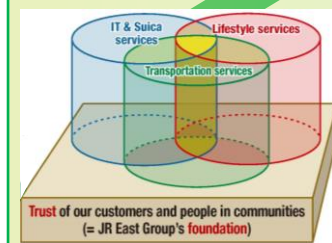
# Formulation of New Group Management Vision

Now that the business environment is changing more rapidly following the COVID-19 crisis, it is time for the Group to go beyond the “obvious” and **take off bravely** aiming for unprecedented heights.

The Company **will announce a new group management vision in the summer of 2025** to create new markets with unprecedented ideas and strategies through management based on the two pillars of mobility and life-style solutions and realize enriched lifestyles for all people.



## Group Management Vision “Move Up” 2027



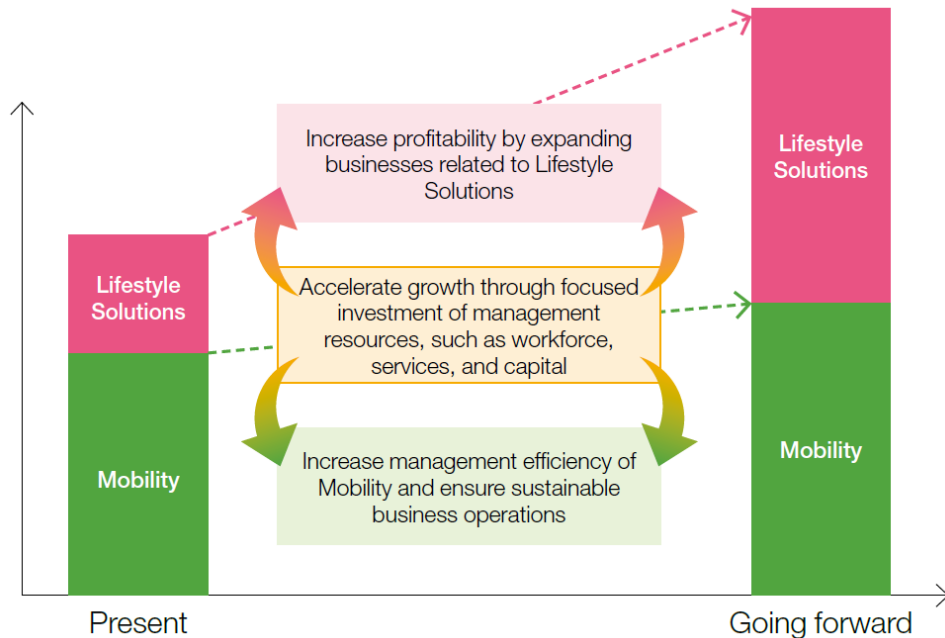
**Rapid changes in the business environment**

- Changes in lifestyles and markets following the COVID-19 crisis
- Dramatic advances in technology, including generative AI and robots
- Population decline, concentration in the Tokyo metropolitan area, depopulation of rural areas
- Rising interest rates and progressing inflation

## **II. Medium-to-long-term Direction**

# Direction of business management based on the two pillars

- **Build a strong management structure that can grow sustainably** in any business environment **by supporting management through the two pillars of “mobility” and “life-style solutions.”**
- **Demonstrate comprehensive strength as a Group and maximize corporate value** through the growth of diverse businesses of the Group leveraging their respective strengths and by further promoting **“integration and collaboration.”**



## [Life-style Solutions]

### Retail & Services, Real Estate & Hotels, Others

- Implement the medium-to-long-term business growth strategy **“Beyond the Border”**
- **Price strategies** that leverage location and other strengths
- **Expand the real estate business area** and **accelerate rotational business**
- **Evolve Suica** from “device for mobility and payment” to “device for lifestyle”

**Integration and collaboration**

## [Mobility]

### Transportation

- **Raise the level for safety and stable transportation**
- **Increase capacity** through new train construction and train schedule settings, etc., and stimulate demand by **creating destinations**
- Continue to request the government to **implement a simple and flexible system** and **review the total cost method itself**



# Safety-related incidents and countermeasures

A series of events causing concern and inconvenience to our customers and stakeholders occurred

➤ **Implement measures against each event for certain**

– **Inappropriate handling in the railway vehicle wheelset assembly operations**

**(The incident in which data was altered and wheelsets with press-fit force values outside the specified range were provided for operation)**

- Urgently convened the Company's executives and the presidents of all Group companies  
Instructed to take the incident as a harsh lesson for the entire Group and ensure all are aware of compliance
- Replace, inspect and re-press-fit the relevant wheelsets
- Revised internal regulations or rules, modified system, etc.
- Conducted compliance training based on the lessons learned from this incident and an awareness survey for all Group employees, and reflected the findings in future quality control
- **Improved governance across the Group** through monitoring of improvement measures by the planning department and audits by the internal audit department

– **Decoupling of the Tohoku Shinkansen train coupler while running**

- Urgently inspected all relevant trains

**【Immediate measures】**

- Since it is believed that some electrical abnormality occurred during coupled operation, installed a device that mechanically fixes the operating mechanism during coupling work to prevent the coupler from disengaging even if such an abnormality occurs

**【Permanent measures】**

- Revise the system so that the circuit for disengaging the coupler does not operate while the train is running

- **Evolve safety initiatives in step with technological advancements and promote safety measures**
- **Recognize this as a quality control issue for all services provided to customers, and work together as a Group to deliver security derived from pursuing “ultimate safety”**

# Key Mobility Measures

(Safe and stable transportation, technological renovation)

- Maintain and strengthen infrastructure to further enhance **“Safe and stable transportation”** and **“Service quality,”** the largest revenue base (approx. 1.6 trillion yen from FY2024.3 to FY2028.3)
- Furthermore, we will promote innovation through technological renovation to make life better and more prosperous in the future.

## ■ Raise the levels of safe and stable transportation

- Accelerate installation of automatic platform gates  
(Plan to install on 758 platforms at 330 stations on major conventional lines in the Tokyo area by around the end of FY2032.3)
- Countermeasures against large-scale earthquakes and natural disasters



Installation of automatic platform gates



Countermeasures against large-scale earthquakes (elevated railway track pillars for Shinkansen)

## ■ Expand transportation services

- Expansion of Fukushima Station approach line  
(scheduled to be in use at the end of FY2027.3)

## ■ Renewal of railcars and facilities

- New construction of rolling stock, train/wayside equipment renewal



Next-generation Tohoku Shinkansen Series E10 (image)

## ■ Address labor shortage and promote work-style reform

- Increase driver-only operation  
(implement by around 2030 on trunk lines in the Tokyo metropolitan area)
- Driverless operation of Shinkansen  
(aiming for driverless operation of commercial trains in the mid-2030s)

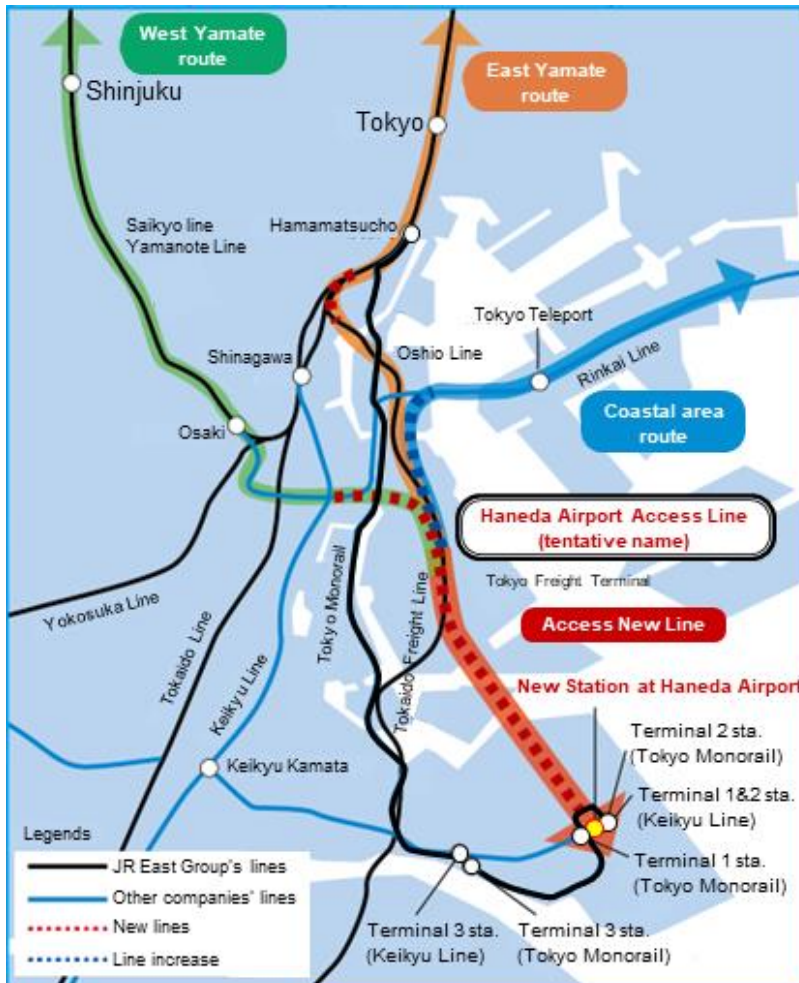


Driverless operation (GOA4) test run



# Key Mobility Measures (Expansion of railway network)

- Steadily promote **the construction of the Haneda Airport Access Line (tentative name)** with the understanding and cooperation of customers to improve future profitability
- Realize direct access to Haneda Airport from various directions using the existing railway network
- Promote **town development along railways leveraging the railroad network**



(East Yamate route)

- Schedule to open: FY2032.3

- 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.

- The travel time from Tokyo Station to Haneda Airport to be reduced to about 18 minutes
- Approximately 70,000 passengers per day are expected to use the service

Regarding the “Coastal area route”, we are discussing and coordinating with related parties with the aim of opening the “East Yamate route” at the same time.

# Key Mobility Measures (Fares and charges)

- **For fare revision to be implemented in March 2026**, we submitted an application in December 2024 and are awaiting approval
- Continue to request the government to implement a simple and flexible system, such as **notification of express charges for Shinkansen** and **introduction of a system that can timely respond to inflation**, and **to review the total cost method itself**
- Accelerate **price strategy implementable by notification** such as review of charges

(Current Fares and Charges Systems and Structure for Procedures)

		Shinkansen	Conventional Lines
<b>Fares</b> Basic fare tickets	<b>Single tickets</b>	<b>Approval</b> (i) approval for the ceiling (upper limit) (ii) prior notification before setting or changing under the ceiling	
	<b>Commuter pass</b>		
<b>Extra Charges</b>	<b>Express Charges</b>	<div>Request for a prior notification system</div>	
	<b>Seat Charges</b>	<b>Prior notification only</b>	
	<b>Other Charges</b> Green Car Charges etc.		



## ■ Introduction of Green Cars to the Chuo Line Rapid

Service start : March 2025

Expected revenue increase:  
Approx. 8.0 billion yen / year

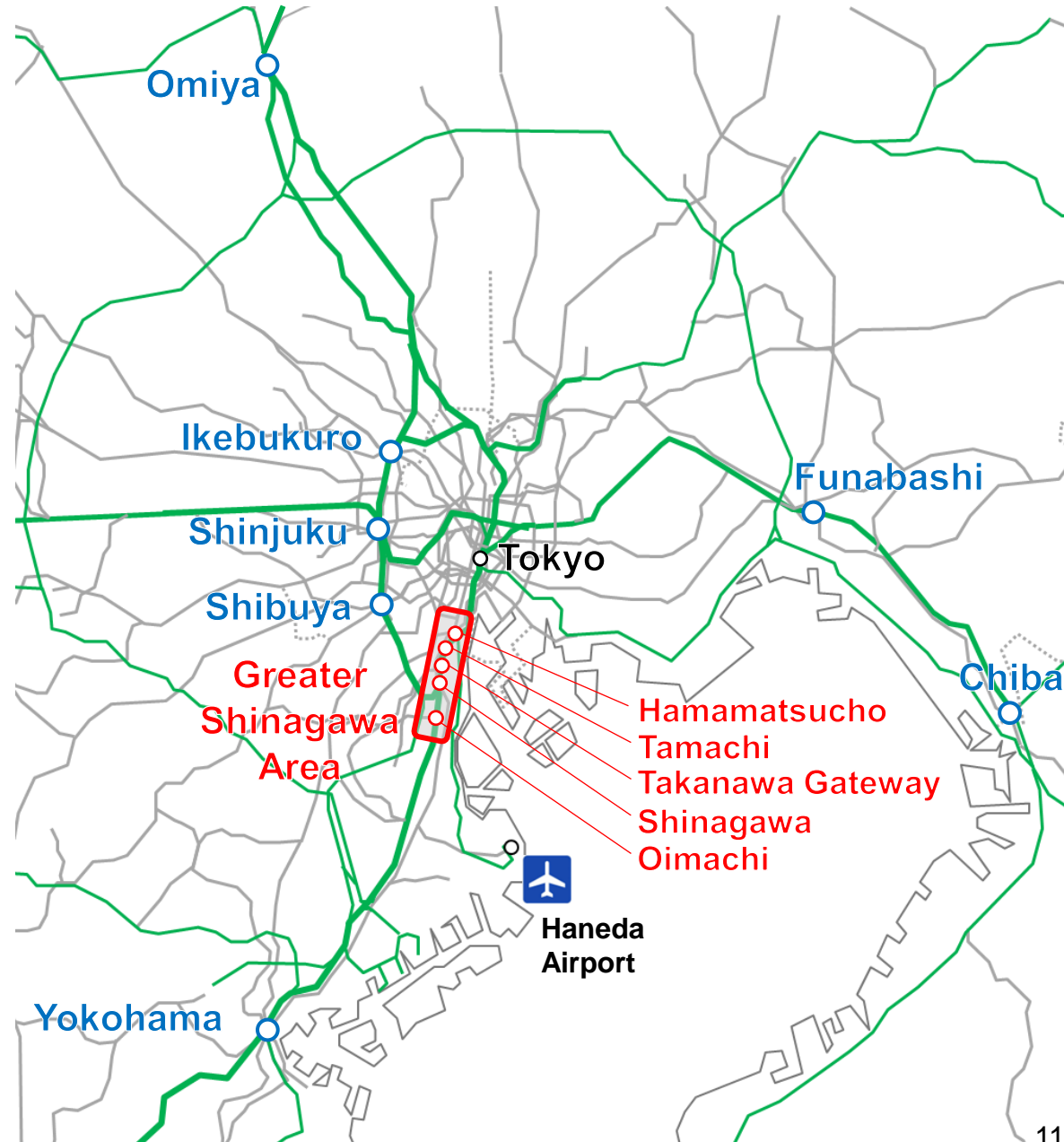
Investment:  
Approx. 86.0 billion yen

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

# Key Life-style Solutions Measures (Town Development)

- **“Greater Shinagawa Area”**  
(Hamamatsucho - Oimachi) :  
Focus on town development  
integrating stations and towns
- **Terminal stations in the Tokyo  
Metropolitan area**  
(including Shibuya, Shinjuku, Ikebukuro,  
Yokohama, Omiya, Chiba etc.) :  
Promote attractive town  
development centering around the  
stations
- **Town development along rail lines  
through integration and  
collaboration with mobility** :  
Promote development of company-  
owned site (Funabashi Ichiba-cho etc.)  
and town development along rail  
lines by taking advantage of  
railroad network enhancement, etc.

— JR East Group's lines  
— Other companies' lines



# Key Life-style Solutions Measures (Real estate rotation)

- **Accelerate the development of Company-owned sites and acquisition and development of external properties** with the establishment of JREast Real Estate Co., LTD.
- **Further accelerate expansion of the scale of real estate sales\*** and enhance reinvestment in growth areas
  - \* Revenues for the FY2025.3: Plan: approx. 30.0 billion yen => Result: approx. 50.0 billion yen (partially including extraordinary gains)  
Revenues for the FY2026.3: approx. 65.0 billion yen (plan)
- **Consider upward revision of the target of asset management scale in real estate fund business since the current target (cumulative 400.0 billion yen\*) is expected to be achieved by the end of the FY2026.3**

\* Target for FY2028.3





# Key Life-style Solutions Measures

## (Create Value through integration and collaboration)

- Business model that **proactively utilizes railway assets to create new value and services**
- Contribute to solving social issues in addition to improving profitability

### ■ Commercialize train logistics service

Commercialize “Hako-byun,” the train logistics service, on a full scale and aim to earn 10 billion yen in revenue per year  
Address labor shortage issue in the logistics industry



### ■ Development of multifunctional baggage locker

Expand the installation of “Multi-Ecube” units that support reservation, deposit, pickup, and shipping, contributing to a reduction in redeliveries with an annual record of 20,000 pickups.



### ■ Smart Health Station®

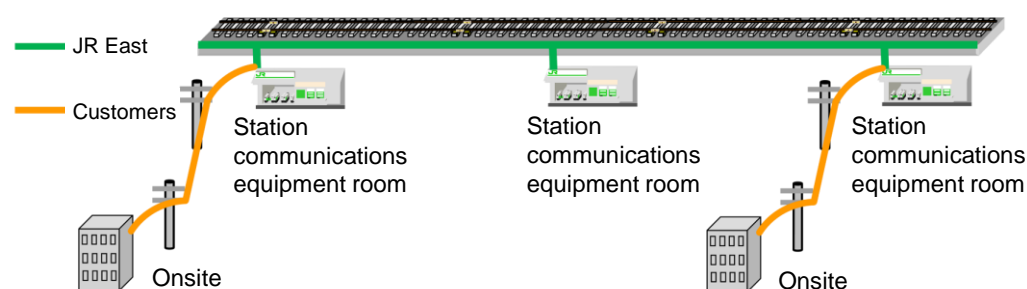
Deliver medical services at stations along life-style traffic lines, including online

\* “Smart Health Station” is a registered trademark of JR East



### ■ Optical fiber core wire lease

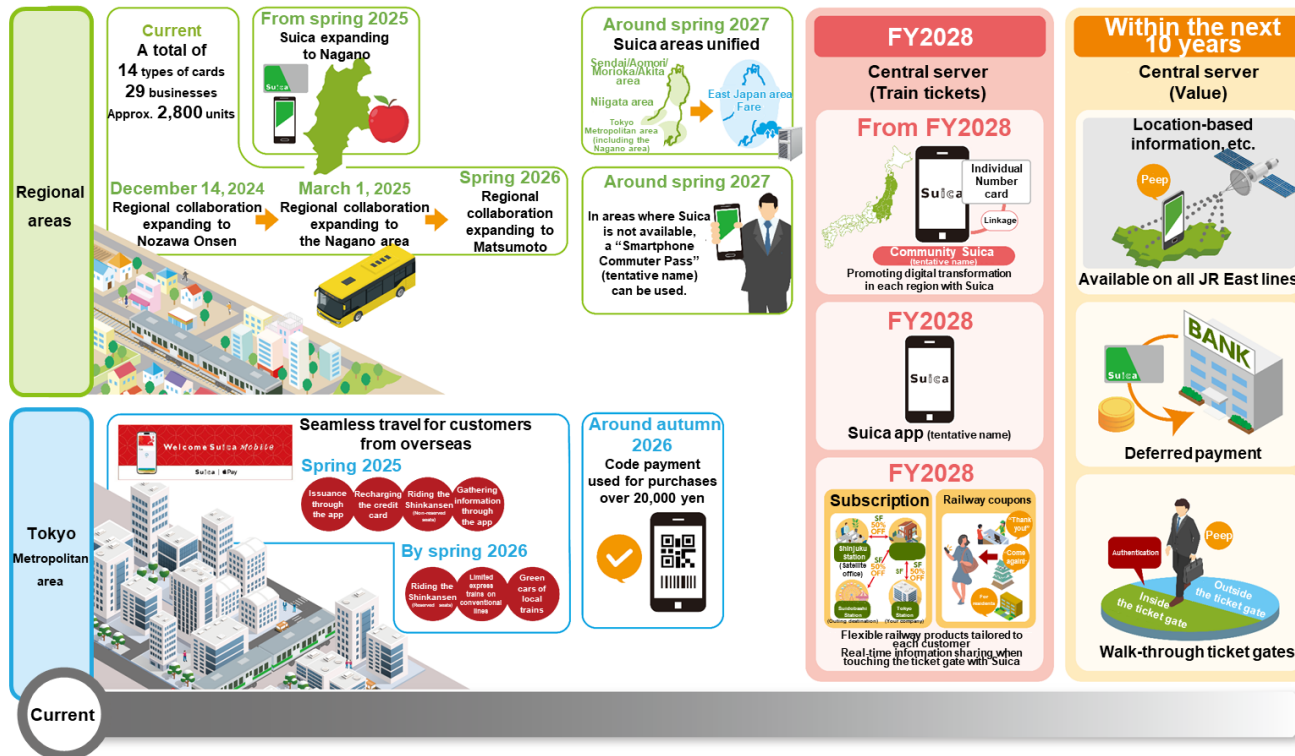
Lease high-quality and highly stable optical fiber core wires laid along the railway to corporate customers



# Key Life-style Solutions Measures (Suica Renaissance)

- **Evolve** Suica from “device for mobility and payment” to “**device for lifestyle**”
  - **Boldly innovate lifestyles** through Suica data-driven town development
  - Introduce “JRE ID” and promote server centralization **to improve environment toward seamless use**
  - **As a hub to create synergies among the Group’s services, make Suica a platform for “Double operating revenues and profits in life-style solutions”\*** as stated in the medium-to-long-term business growth strategy “Beyond the Border”
- \* FY2024.3 => FY2034.3

## Going beyond the Common Notion for Suica

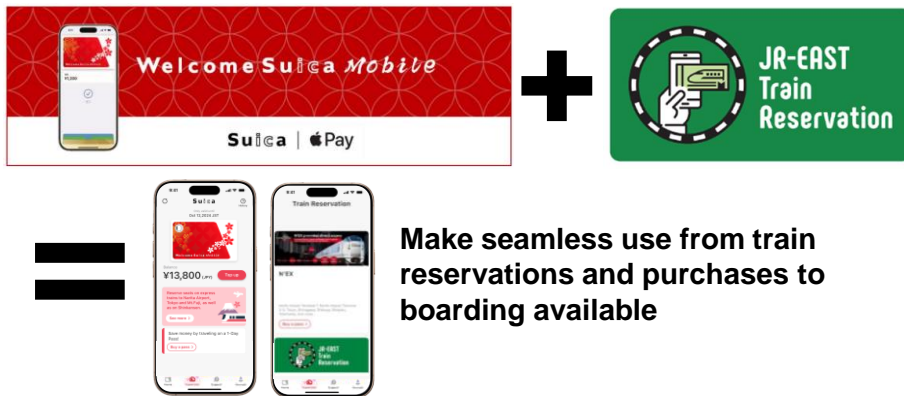


Expand sequentially from February 2025 onward



# Capture inbound demand

- Expand demand from the Tokyo metropolitan area to the Tohoku and Shinetsu areas by **creating attractive tourist destinations** and **strengthening PR**
- In addition to creating a **stress-free acceptance environment**, consider **increasing transportation capacity** through increase of train frequency and new construction of rolling stock, etc.
- Examine high-value-added services to increase revenues through **demand-driven pricing**



• Create inbound travel demand by leveraging the rich natural environment of the East Japan area (Communicating the appeal of East Japan through operational sites and overseas bases, utilizing influencers)

• Develop travel demand in response to global trends (High value-added travel, adventure travel, etc.)

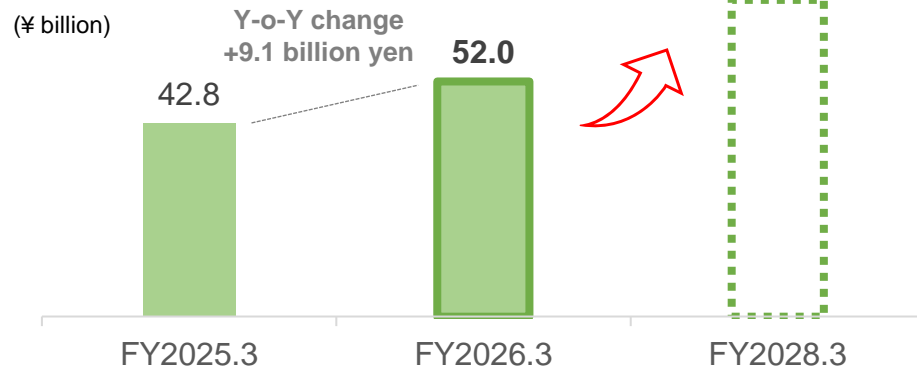


Utilizing influencers

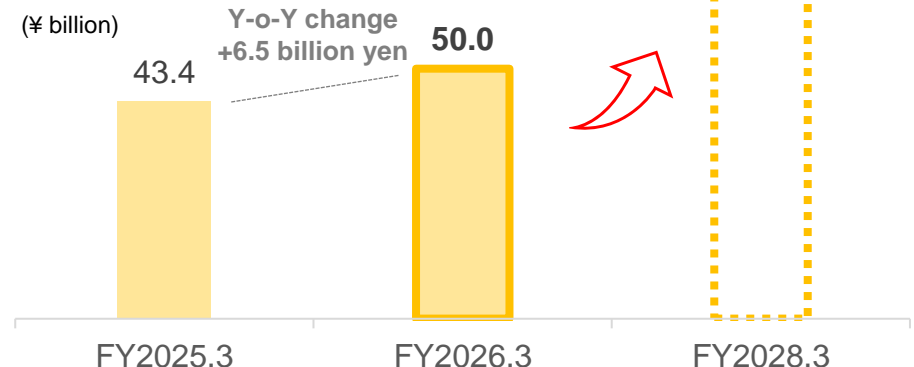


Michinoku-Shiokaze Trail (image)

## [Mobility]



## [Life-style solutions]



\* Method of calculating inbound revenue

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)  
Passes for inbound tourists account for approximately 30% of the total.

\* Method of calculating inbound revenue

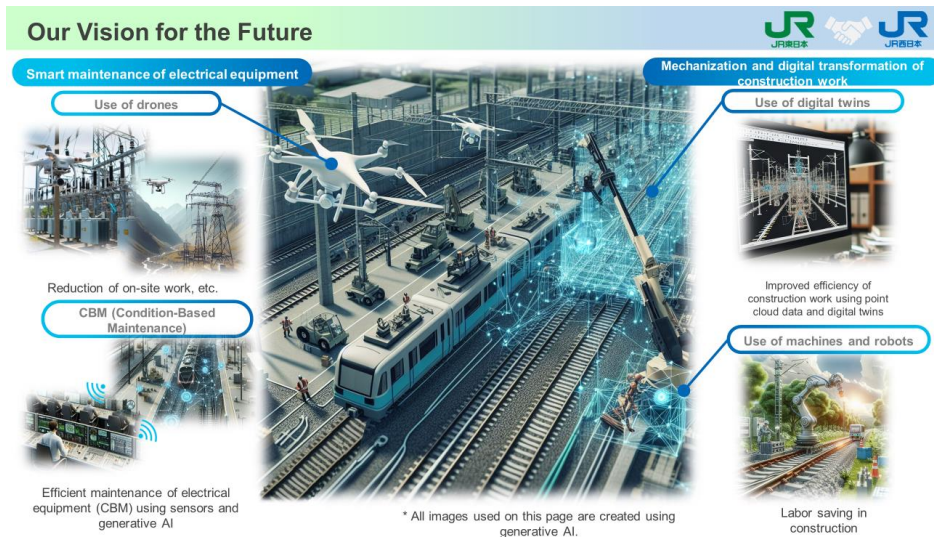
Sum of room revenue from non-Japanese guests in the hotel business and sales to non-Japanese customers in the SC business, retail stores, and GALA YUZAWA (estimated)

# Lead society with technology and skills

- In addition to technological renovations such as the development of new trains (Series E10) and driverless operation of the Shinkansen, **lead the creation of platforms for common issues of railroad companies**, such as technological development and utilization of foreign human resources, to change the railroad industry and society

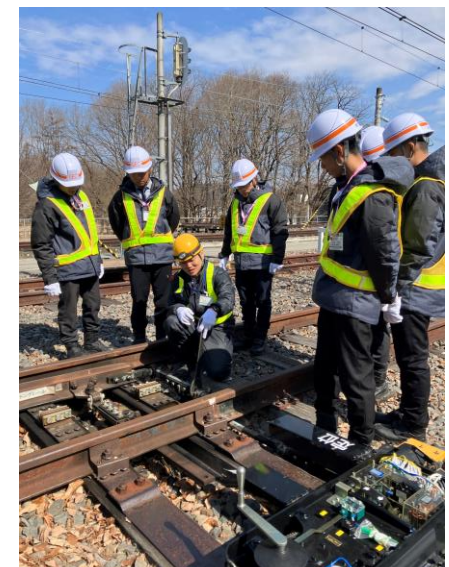
## ■ Collaboration with other companies in the railway technology area (West Japan Railway)

Started examining commonization of railcar equipment and parts to strengthen the supply chain. Also, started collaboration on the “realization of smart maintenance of electrical equipment” and the “mechanization and DX of construction work” was started for sustainable railroad operations.



## ■ Specified Skilled Human Resource Development Training

Invite human resources from overseas utilizing the Specified Skilled Worker System and implement new training focused on acquiring basic knowledge of railway technology and passing the specified skills assessment test. Aim at an open educational platform in which railway operators other than JR East can also participate.



Training trial (February to March 2025)

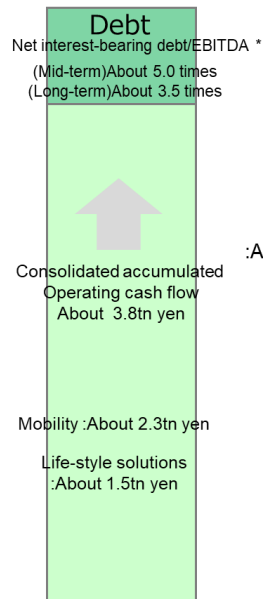
# Use of cash (Capital investments)

- “Move Up” 2027 plans **approximately 3.9 trillion yen capital investments over the five years** until FY2028.3 to build a strong management base
- Accelerate **growth investment** towards the openings of TAKANAWA GATEWAY CITY and OIMACHI TRACKS, **reaching its peak in FY2026.3**
- Control investment for continuous business operation through "selection and concentration" to maintain and strengthen the revenue base

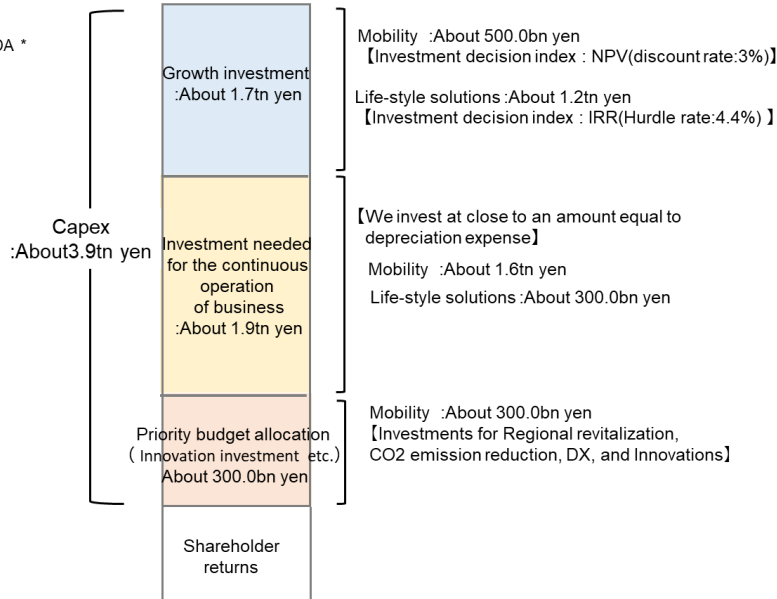
## ■ Cash Allocations (FY2024.3 - FY2028.3)

\* announced in April 2023

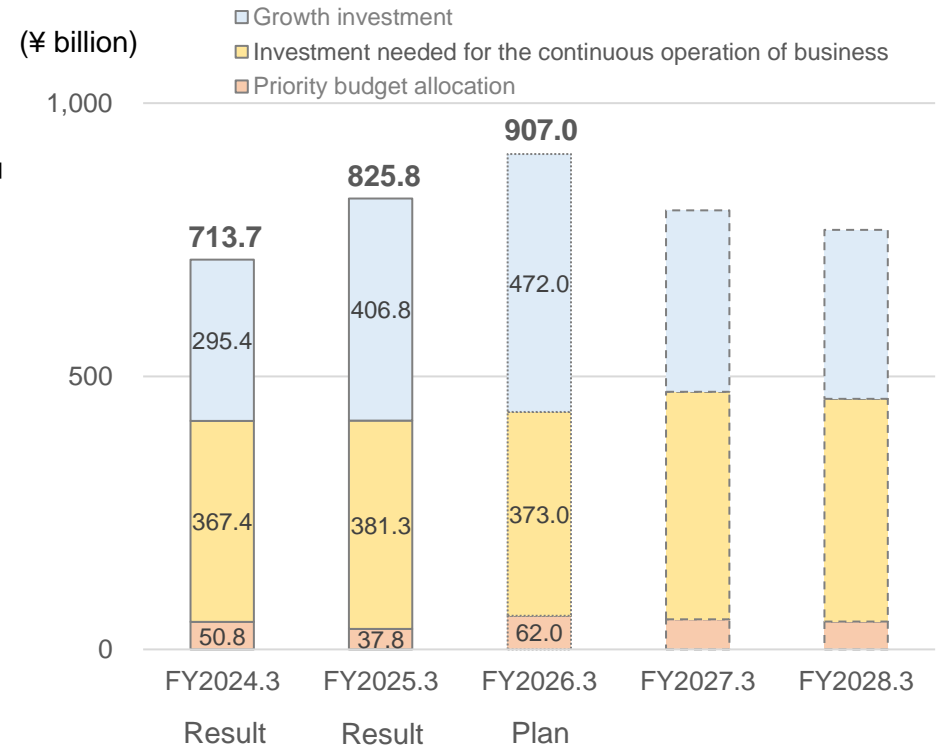
### Sources of cash



### Usages of cash



## ■ Change in Capital investment

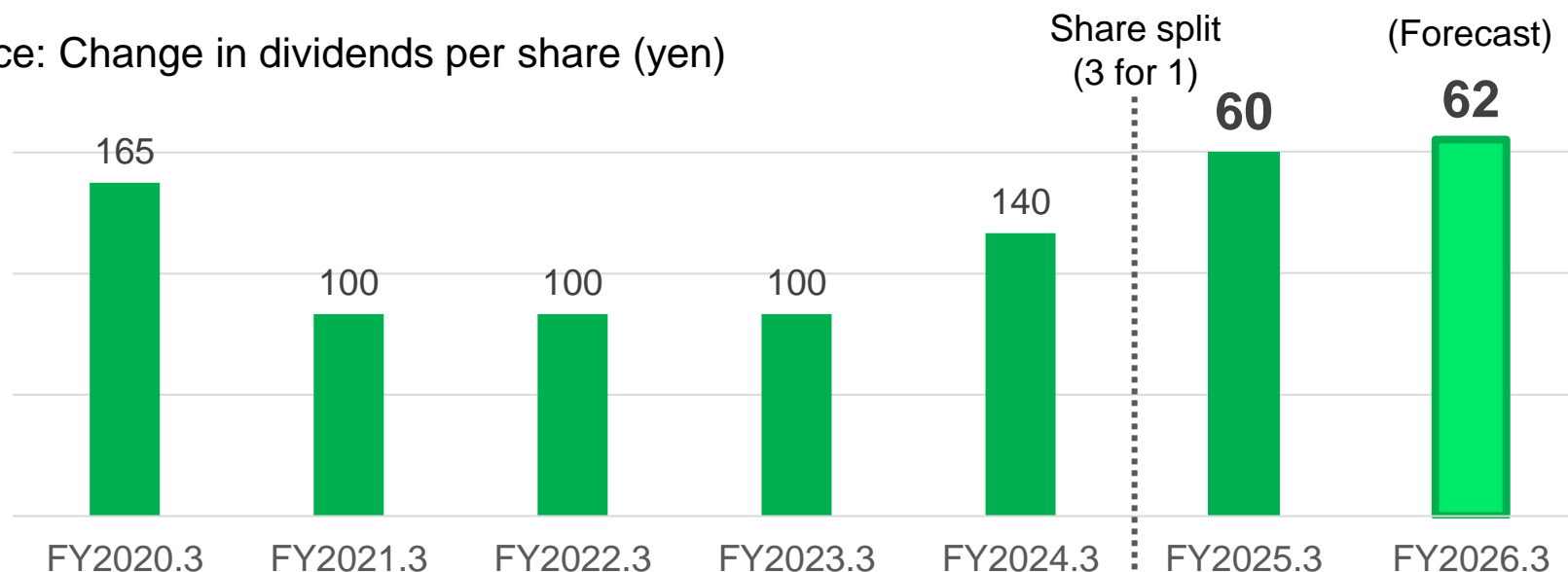


# Use of cash (Shareholder returns)

- **Aim for a dividend payout ratio of 30%** and target a total return ratio of 40% over the medium-to-long-term
- Although give priority to the allocation of cash for growth investment in the near term, steadily enhance shareholder returns in light of capital investments and operating performance trends
- **Dividends for FY2025.3 will be 60 yen per share (dividend payout ratio: 30.3%), an increase of 8 yen from the forecast.**  
**Dividends for FY2026.3 (forecast) will be 62 yen per share (dividend payout ratio: 30.9%).**

	FY2020.3	FY2021.3	FY2022.3	FY2023.3	FY2024.3	FY2025.3	FY2026.3
Dividend payout ratio	31.4%	-	-	38.0%	26.8%	<b>30.3%</b>	<b>30.9%</b>

Reference: Change in dividends per share (yen)



\* The height of the graph is displayed taking share split into account 18

### **III. FY2025.3 Financial Results**

# Highlights of FY2025.3 Financial Results

(¥ billion)	'23.4-'24.3 Results	'24.4-'25.3 Results	Changes		'24.4-'25.3 Forecast	Changes	
			Increase /Decrease	%		Increase /Decrease	%
Operating revenues	2,730.1	<b>2,887.5</b>	+157.4	105.8	2,852.0	+35.5	101.2
Operating income	345.1	<b>376.7</b>	+31.6	109.2	370.0	+6.7	101.8
Ordinary income	296.6	<b>321.5</b>	+24.9	108.4	315.0	+6.5	102.1
Profit attributable to owners of parent	196.4	<b>224.2</b>	+27.8	114.2	210.0	+14.2	106.8
EBITDA	737.3	<b>782.9</b>	+45.6	106.2	773.0	+9.9	101.3

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

Consolidated  
results

## Both revenues and income increased

- Operating revenues increased for the fourth year in a row mainly due to increases in the use of railways and the sales of EKINAKA stores (stores inside railway stations).
- Income increased at all levels as a result of increase in revenues.

Segment

## All segments achieved increased revenues and income

- Transportation business achieved **increases in revenues and income** mainly due to an increase in passenger 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 **increases in revenues and income** mainly due to an increase in the sales of shopping centers and hotels.
- Other business achieved **increases in revenues and income** mainly due to an increase in the sales of contract system development.

Note: Starting from the first quarter of the fiscal year ended March 31, 2025, the segment for reporting JR East's business of rent of the space under elevated railway tracks was reclassified from "Transportation" to "Real Estate & Hotels." 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." All figures for the previous fiscal year presented in this material are prepared based on the new reportable segments.

## ○Shareholder returns (dividend per share)

Total: 60 yen \*Dividend payout ratio: 30.3%

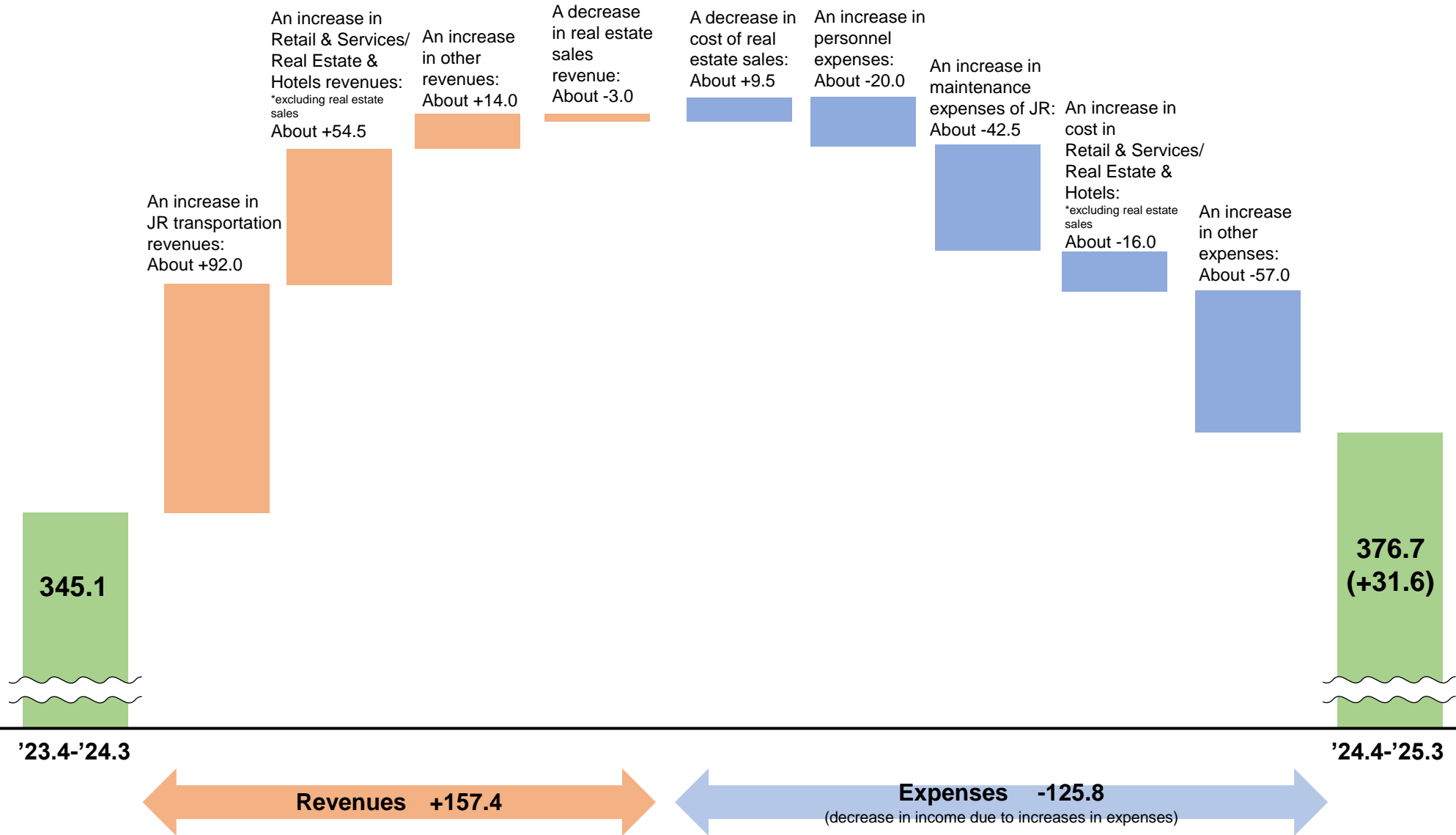
(Interim dividend per share: 26 yen

Year-end dividend per share: 34 yen \*An increase of 8 yen per share from the most recently disclosed dividend forecast)



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

(¥ billion)



# Statements of Income (consolidated)

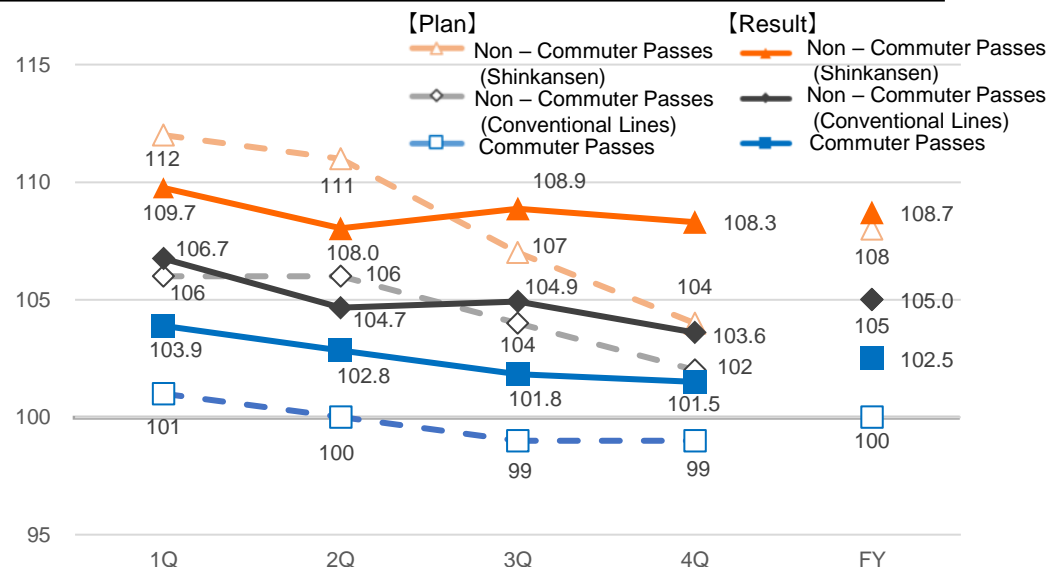
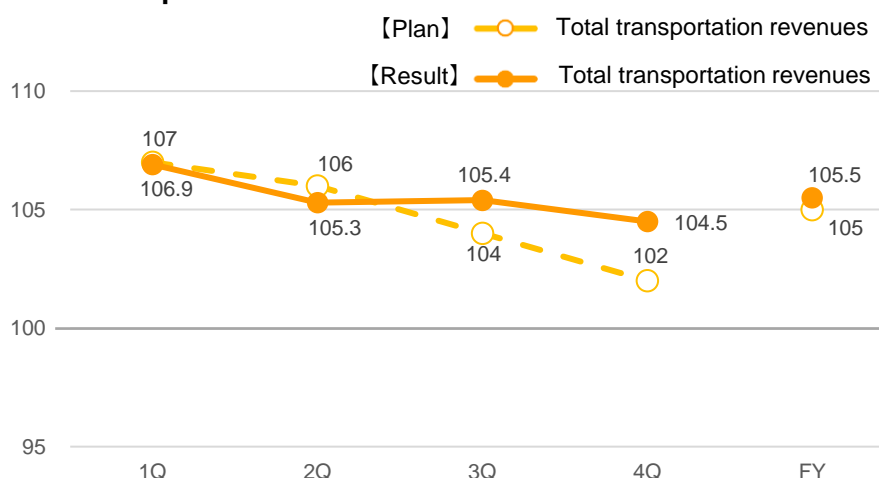
(¥ billion)	'23.4-'24.3 Results	'24.4-'25.3 Results	Changes		Main factors behind changes
			Increase /Decrease	%	
Operating revenues	2,730.1	<b>2,887.5</b>	+157.4	105.8	
Transportation	1,851.5	<b>1,945.7</b>	+94.2	105.1	An increase in passenger revenues
Retail & Services	369.3	<b>393.7</b>	+24.4	106.6	An increase in the sales of EKINAKA stores
Real Estate & Hotels	418.1	<b>445.4</b>	+27.2	106.5	An increase in the sales of shopping centers and hotels
Others	91.0	<b>102.5</b>	+11.4	112.6	An increase in the sales of contract system development
Operating income	345.1	<b>376.7</b>	+31.6	109.2	
Transportation	161.8	<b>176.0</b>	+14.2	108.8	
Retail & Services	52.6	<b>60.5</b>	+7.9	115.0	
Real Estate & Hotels	110.4	<b>120.3</b>	+9.9	109.0	
Others	21.9	<b>22.9</b>	+1.0	104.7	
Adjustment	-1.6	<b>-3.1</b>	-1.4	188.9	
Non-operating income or expenses	-48.5	<b>-55.2</b>	-6.6	113.8	
Non-operating income	29.1	<b>27.9</b>	-1.2	95.9	
Non-operating expenses	77.7	<b>83.2</b>	+5.4	107.0	An increase in interest expense
Ordinary income	296.6	<b>321.5</b>	+24.9	108.4	
Extraordinary gains or losses	-22.5	<b>-24.2</b>	-1.7	107.6	
Extraordinary gains	40.6	<b>45.1</b>	+4.5	111.1	
Extraordinary losses	63.1	<b>69.3</b>	+6.2	109.9	
Profit attributable to owners of parent	196.4	<b>224.2</b>	+27.8	114.2	
EBITDA	737.3	<b>782.9</b>	+45.6	106.2	
Transportation	450.1	<b>475.1</b>	+25.0	105.6	* The segment breakdown of operating revenues: operating revenues from outside customers
Retail & Services	69.6	<b>79.9</b>	+10.3	114.9	
Real Estate & Hotels	165.5	<b>175.8</b>	+10.3	106.2	
Others	53.7	<b>55.1</b>	+1.3	102.6	

# Transportation

(¥ billion)	'23.4-'24.3 Results	'24.4-'25.3 Results	Changes		'24.4-'25.3 Forecast	Changes	
			Increase /Decrease	%		Increase /Decrease	%
Operating revenues	1,851.5	<b>1,945.7</b>	+94.2	105.1	1,935.0	+10.7	100.6
Operating income	161.8	<b>176.0</b>	+14.2	108.8	188.0	-11.9	93.7
EBITDA	450.1	<b>475.1</b>	+25.0	105.6	488.0	-12.8	97.4

Shinkansen	Revenue increased year on year due to an increase in the use of Shinkansen and the opening of the extension of Hokuriku Shinkansen to Tsuruga.
Conventional lines	Revenue increased year on year due to an increase in the use of commuter passes and non-commuter passes for Conventional lines (Kanto Area Network) .
Buses	Revenue increased year on year due to an increase in the use of express buses.
Railcar manufacturing	Revenue increased year on year due to an increase in sales of railcars to non-JR railway companies.

■ **Railway Business Passenger Revenues : Result and plan**  
(Comparison with FY2024.3 Results %)

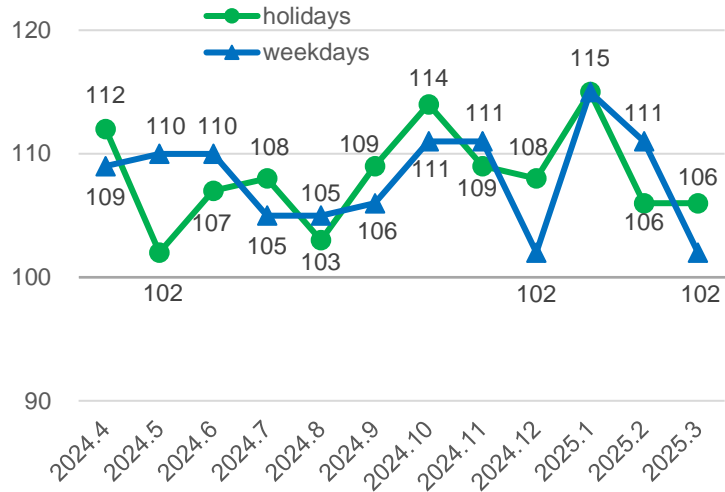


\*The planned revenues shown above, which are expressed in terms of a percentage of quarterly results for the previous year, are projected to decline every quarter because the use results for the previous fiscal year increased toward the end of the year.

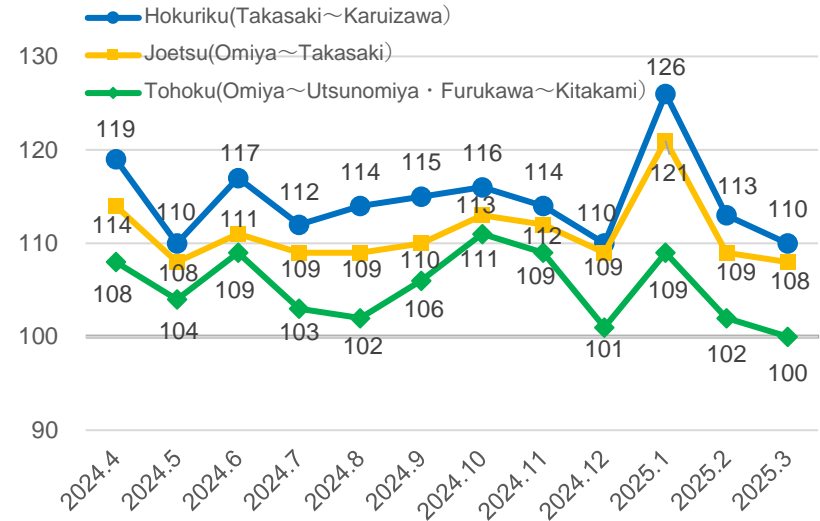
# Transportation (Relevant Indicators)

## ■ Shinkansen passenger volume (weekdays/holidays) (Comparison with FY2024.3 Results %)

•Holidays include busy seasons as well as Saturdays, Sundays, and national holidays.

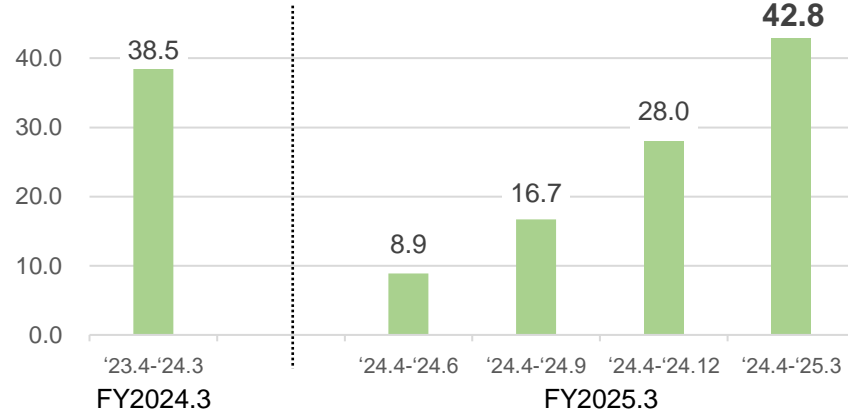


## ■ Shinkansen passenger volume (by destination) (Comparison with FY2024.3 Results %)



## ■ Inbound Revenue (estimate) (¥ billion)

Comparison with  
FY2025.3 plan: 99.6%



- Sum of our company's revenue from passes for inbound tourists and individual ticket revenue (estimated based on the percentage of English tickets in the total tickets issued).
- Passes for inbound tourists account for approximately 30% of the total.

## ■ Off-peak commuter pass purchase rate

Results as of the end of March 2025: Approx. 8.9%  
(Target purchase rate: Approx. 17%)

Purpose: While relieving congestion and supporting diverse workstyle, 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 service.

### 【Topics】

From October 2024, off-peak commuter pass prices have been revised to levels that are **about 15% below** those of regular commuter passes.

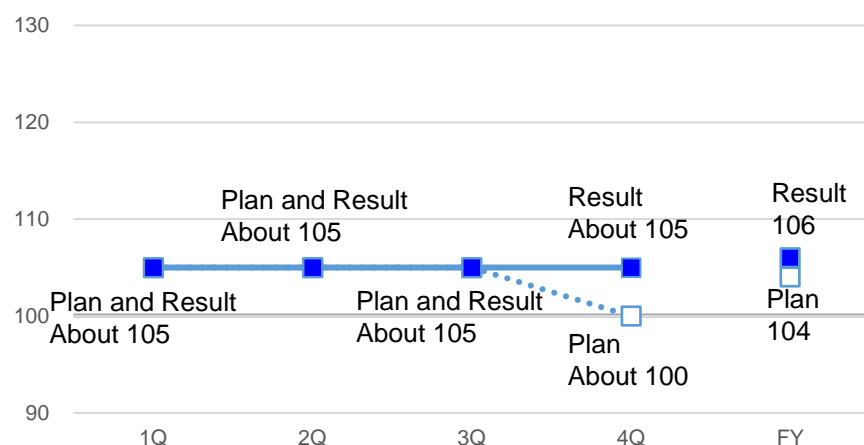
\* Off-peak commuter pass users can **save about 20%** together with the JRE POINT granted at the time of purchase of off-peak commuter passes.

# Retail & Services

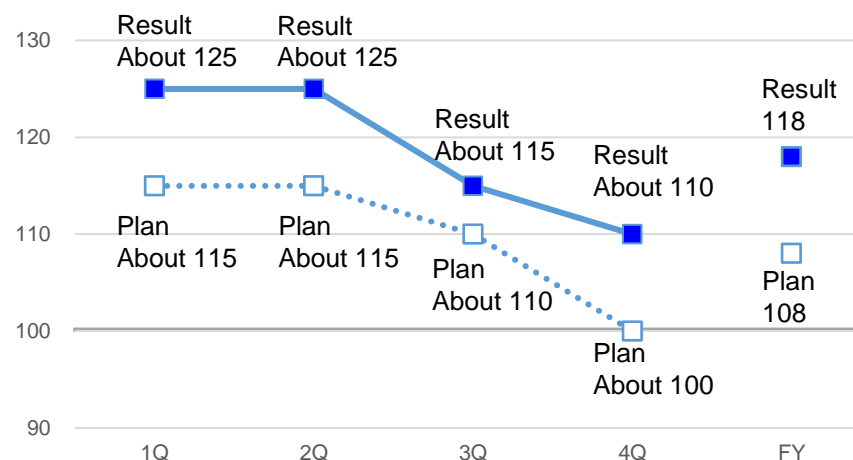
(¥ billion)	'23.4-'24.3 Results	'24.4-'25.3 Results	Changes		'24.4-'25.3 Forecast	Changes	
			Increase /Decrease	%		Increase /Decrease	%
Operating revenues	369.3	<b>393.7</b>	+24.4	106.6	387.0	+6.7	101.8
Operating income	52.6	<b>60.5</b>	+7.9	115.0	61.0	-0.4	99.2
EBITDA	69.6	<b>79.9</b>	+10.3	114.9	78.0	+1.9	102.5

Retail	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.
Advertising and publishing	Revenue increased year on year due to an increase in transportation advertising sales.
Overseas	Revenue increased year on year due to the inclusion of Decorum Vending Ltd. (a vending machine operator in the UK) in the scope of consolidation.

■ Retail operating revenue : Result and plan  
(Comparison with FY2024.3 Results %)



■ Transportation advertising operating revenue :  
Result and plan (Comparison with FY2024.3 Results %)

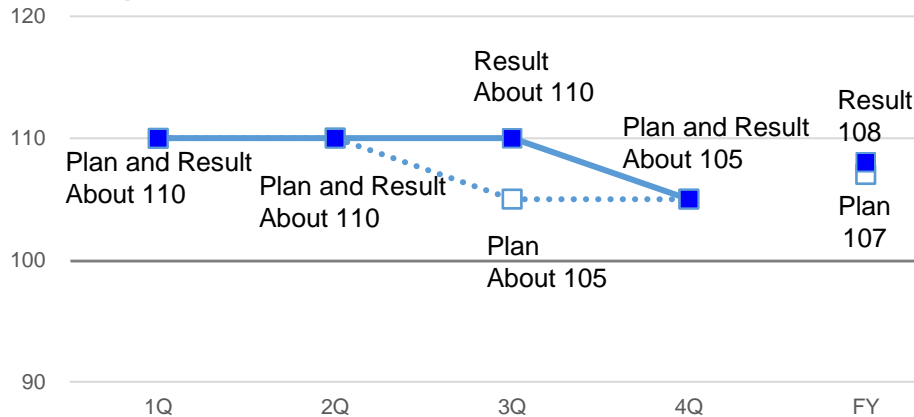


# Real Estate & Hotels

(¥ billion)	'23.4-'24.3 Results	'24.4-'25.3 Results	Changes		'24.4-'25.3 Forecast	Changes	
			Increase /Decrease	%		Increase /Decrease	%
Operating revenues ( ) excluding real estate sales	418.1 (369.7)	<b>445.4</b> <b>(399.9)</b>	+27.2 (+30.1)	106.5 (108.2)	429.0 (395.9)	+16.4 (+3.9)	103.8 (101.0)
Operating income ( ) excluding real estate sales	110.4 (85.6)	<b>120.3</b> <b>(88.7)</b>	+9.9 (+3.1)	109.0 (103.6)	101.0 (85.1)	+19.3 (+3.6)	119.2 (104.3)
EBITDA ( ) excluding real estate sales	165.5 (140.7)	<b>175.8</b> <b>(144.2)</b>	+10.3 (+3.4)	106.2 (102.5)	155.0 (139.1)	+20.8 (+5.1)	113.4 (103.7)

Real estate ownership and utilization	Revenue increased year on year due to an increase in shopping center and hotel sales.
Real estate rotation	Although revenue decreased year on year due to a decrease in real estate sales, profit increased due to differences in cost of sales by property.
Real estate management	Revenue increased year on year due to an increase in number of properties under management.

■ Shopping centers, offices, hotels operating revenue :  
Result and plan  
(Comparison with FY2024.3 Results %)



(Reference) Hotel business results

\* Simple aggregation of the hotel businesses of each company

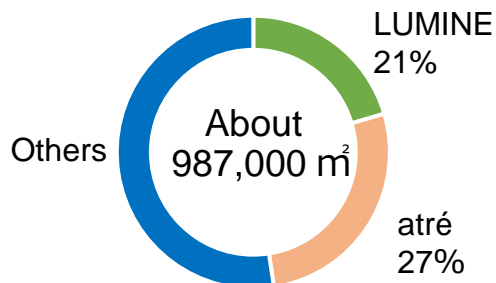
(¥ billion)	'23.4-'24.3 Results	'24.4-'25.3 Results	Changes	
			Increase /Decrease	%
Operating revenues	74.6	<b>84.2</b>	+9.6	112.9
incl.	Hotel Metropolitan	<b>44.7</b>	+5.0	112.8
	JR-EAST HOTEL METS	<b>19.8</b>	+2.3	113.7
Operating income	6.7	<b>9.5</b>	+2.7	140.8



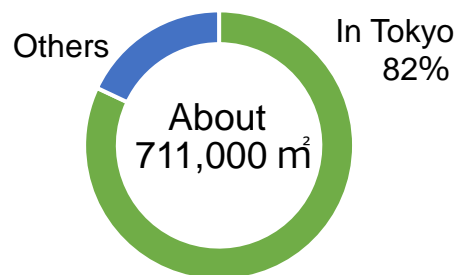
# Real Estate & Hotels (Relevant Indicators)

## ■ Shopping center leasable space (2025.3)

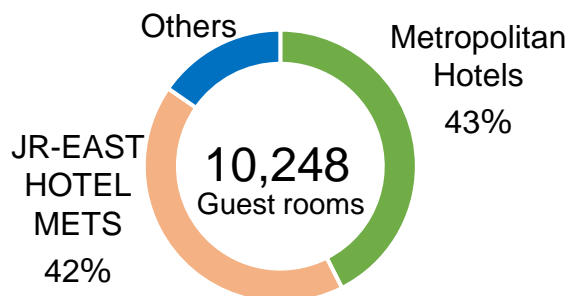
\* Preliminary figures



## ■ Office leasable space (2025.3)

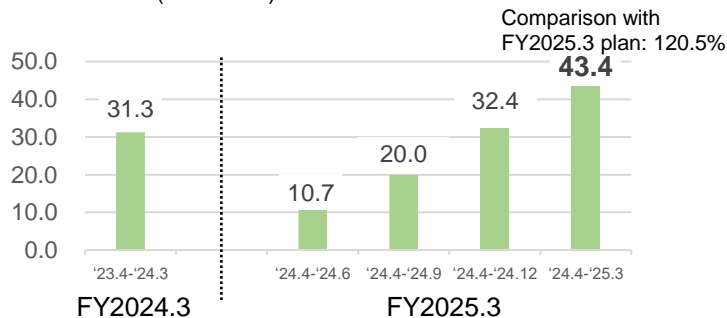


## ■ Number of hotel rooms (2025.3)

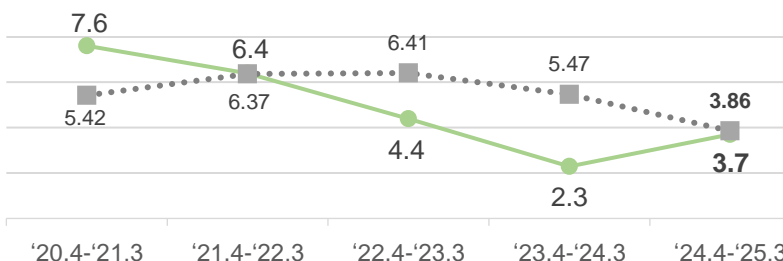


## ■ Inbound Revenue (¥ billion)

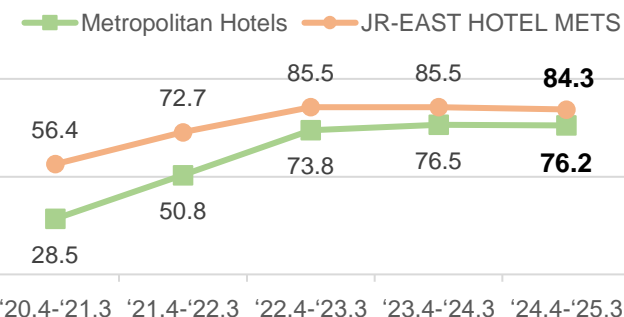
Sum of room revenue from non-Japanese guests in the hotel business and sales to non-Japanese customers in the shopping center business, retail stores and GALA Yuzawa Snow Resort (estimated)



## ■ Office vacancy rate (%)

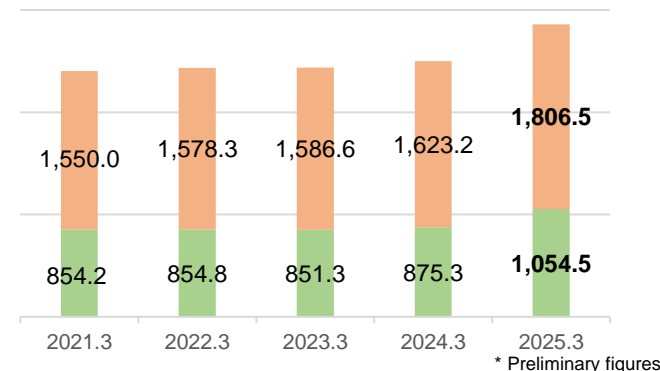


## ■ Hotel occupancy rate (%)



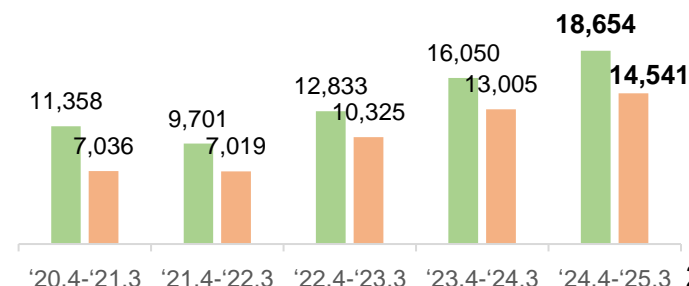
## ■ Fair Value of Rental Property (¥ billion)

Consolidated Balance Sheet Amount Unrealized Value



## ■ Hotel ADR (¥)

Metropolitan Hotels JR-EAST HOTEL METS

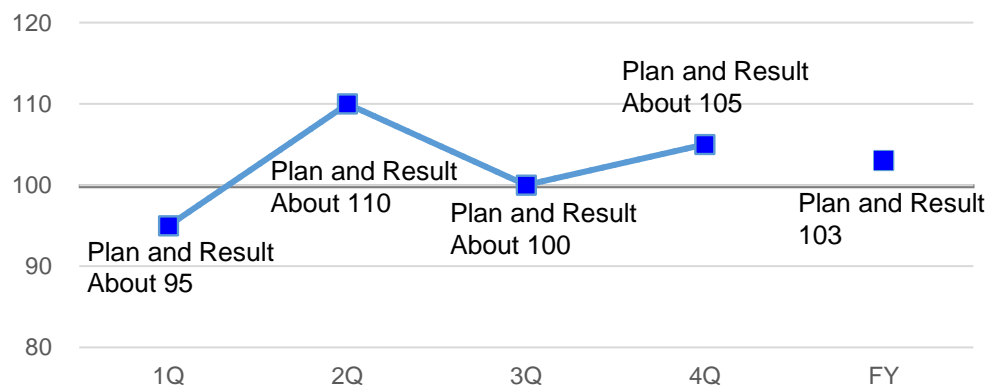


(¥ billion)	'23.4-'24.3 Results	'24.4-'25.3 Results	Changes		'24.4-'25.3 Forecast	Changes	
			Increase /Decrease	%		Increase /Decrease	%
Operating revenues	91.0	<b>102.5</b>	+11.4	112.6	101.0	+1.5	101.5
Operating income	21.9	<b>22.9</b>	+1.0	104.7	22.0	+0.9	104.3
EBITDA	53.7	<b>55.1</b>	+1.3	102.6	54.0	+1.1	102.1

<i>Suica</i> and finance	Revenue increased year on year due to an increase in credit card transaction volume.
Overseas railway	Revenue increased year on year as GATES (a company that operates a track construction and maintenance business in Singapore), which was newly consolidated in the second quarter of the previous fiscal year, contributed to results on a regular year basis.
Energy	Revenue decreased year on year due to a decrease in development fee income in wind power generation.
Construction	Revenue increased year on year due to an increase in constructions sales.

## ■ IT & *Suica* operating revenue : Result and plan

(Comparison with FY2024.3 Results %)



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

(¥ billion)	'23.4-'24.3 Results	'24.4-'25.3 Results	Changes	
			Increase /Decrease	%
Operating revenues	61.6	<b>63.3</b>	+1.6	102.7
Operating income	16.2	<b>16.8</b>	+0.6	103.8

\* IT & *Suica* operating revenue includes railway facility-related sales of JR East Mechatronics (ticket gate equipment, etc.), which are not included in *Suica* and finance.

# Balance Sheets (consolidated)

(¥ billion)	As of '24.3 Results	As of '25.3 Results	Changes		Main factors behind changes
			Increase /Decrease	%	
Assets	9,771.4	<b>10,174.2</b>	+402.7	104.1	
Current assets	1,191.9	<b>1,250.0</b>	+58.1	104.9	
Fixed assets	8,579.5	<b>8,924.1</b>	+344.6	104.0	An increase in buildings and structures, An increase in construction in progress
Liabilities	7,032.2	<b>7,302.0</b>	+269.7	103.8	
Current liabilities	1,616.7	<b>1,741.9</b>	+125.2	107.7	An increase in payables
Long-term liabilities	5,415.5	<b>5,560.0</b>	+144.5	102.7	An increase in bonds
Total Net Assets	2,739.2	<b>2,872.2</b>	+132.9	104.9	
Total Liabilities and Net Assets	9,771.4	<b>10,174.2</b>	+402.7	104.1	

# Summary of Cash Flows (consolidated)

(¥ billion)	'23.4-'24.3 Results	'24.4-'25.3 Results	Increase /Decrease
Cash Flows from Operating Activities	688.1	<b>732.2</b>	+44.1
(Main Components)			
Income before income taxes	274.0	<b>297.2</b>	+23.2
Depreciation	392.1	<b>406.2</b>	+14.0
Cash Flows from Investing Activities	-690.6	<b>-783.4</b>	-92.7
(Main Components)			
Payments for purchases of fixed assets	-714.9	<b>-770.9</b>	-56.0
Payments for purchases of investments in securities	-21.3	<b>-47.1</b>	-25.7
Cash Flows from Financing Activities	66.1	<b>3.6</b>	-62.4
(Main Components)			
Proceeds from long-term loans and issuance of bonds	462.3	<b>414.9</b>	-47.3
Payments of long-term loans and redemption of bonds	-365.0	<b>-324.1</b>	+40.8
Cash dividends paid	-39.6	<b>-61.6</b>	-21.9
Cash and Cash Equivalents at Beginning of the Year	215.0	<b>280.8</b>	+65.8
Cash and Cash Equivalents at End of the Year	280.8	<b>233.4</b>	-47.3
Free Cash Flows	-2.5	<b>-51.1</b>	-48.6

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

## Interest-bearing debt (consolidated)

(¥ billion)	As of '24.3 Results	As of '25.3 Results	Changes		Average interest rate (Comparison with 2024.3 Results)	
			Increase /Decrease	%		
Interest-bearing debt balance	4,868.2	<b>4,955.3</b>	+87.1	101.8	1.57%	(+0.10%)
Bonds	3,114.9	<b>3,246.3</b>	+131.4	104.2	1.35%	(+0.11%)
Long-term loans	1,442.2	<b>1,401.7</b>	-40.4	97.2	0.97%	(+0.10%)
Long-term liabilities incurred for purchase of railway facilities	311.0	<b>306.7</b>	-4.2	98.6	6.55%	(+0.00%)
Other interest-bearing debt	0.0	<b>0.4</b>	+0.4	—	3.74%	(-4.19%)
Net interest-bearing debt balance	4,587.4	<b>4,721.8</b>	+134.4	102.9		

## Capital Expenditures (consolidated)

(¥ billion)	Segment	'23.4-'24.3 Results	'24.4-'25.3 Results	Changes		'24.4-'25.3 Plans	Changes	
				Increase /Decrease	%		Increase /Decrease	%
Mobility	Transportation	436.6	<b>430.2</b>	-6.3	98.5	424.0	+6.2	101.5
Life-style Solutions	Retail & Services Real Estate & Hotels Others	277.0	<b>395.6</b>	+118.5	142.8	395.0	+0.6	100.2
Total		713.7	<b>825.8</b>	+112.1	115.7	819.0	+6.8	100.8

## Key Indicators (consolidated)

	Unit	As of '24.3 Results	As of '25.3 Results	Increase /Decrease
ROA	%	3.6	<b>3.8</b>	+0.2
ROE	%	7.6	<b>8.0</b>	+0.5
Net interest-bearing debt / EBITDA	Times	6.2	<b>6.0</b>	-0.2

# Statements of Income (non-consolidated)

Appendix

(¥ billion)	'23.4-'24.3 Results	'24.4-'25.3 Results	Changes		'24.4-'25.3 Plans	Changes	
			Increase /Decrease	%		Increase /Decrease	%
Operating revenues	1,987.2	<b>2,077.6</b>	+90.3	104.5	2,066.0	+11.6	100.6
Operating expenses	1,733.4	<b>1,811.6</b>	+78.1	104.5	1,790.0	+21.6	101.2
Operating income	253.8	<b>266.0</b>	+12.2	104.8	276.0	-9.9	96.4
Ordinary income	202.3	<b>216.5</b>	+14.1	107.0	225.0	-8.4	96.2
Profit	146.6	<b>152.6</b>	+5.9	104.0	160.0	-7.3	95.4

(Components)

(¥ billion)		'23.4-'24.3 Results	'24.4-'25.3 Results	Changes		Main factors behind changes
				Increase /Decrease	%	
Operating revenues		1,987.2	<b>2,077.6</b>	+90.3	104.5	
	Passenger revenues	1,676.5	<b>1,768.8</b>	+92.2	105.5	
	Others	310.7	<b>308.8</b>	-1.8	99.4	
Operating expenses		1,733.4	<b>1,811.6</b>	+78.1	104.5	
	Personnel expenses	406.5	<b>406.2</b>	-0.3	99.9	
	Non-personnel expenses	812.2	<b>875.3</b>	+63.0	107.8	
	Energy	86.0	<b>83.4</b>	-2.5	97.0	
	Maintenance	273.6	<b>316.3</b>	+42.6	115.6	An increase in general maintenance expenses and railcar maintenance expenses
	Other	452.6	<b>475.5</b>	+22.9	105.1	An increase in outsourcing expenses
	Usage fees to JR TT, etc	83.8	<b>83.5</b>	-0.3	99.6	
	Taxes	109.2	<b>113.5</b>	+4.3	103.9	
	Depreciation	321.4	<b>332.8</b>	+11.4	103.6	
Operating income		253.8	<b>266.0</b>	+12.2	104.8	



# Balance Sheets (non-consolidated)

Appendix

(¥ billion)	As of '24.3 Results	As of '25.3 Results	Changes		Main factors behind changes
			Increase /Decrease	%	
Assets	8,873.3	<b>9,139.4</b>	+266.1	103.0	
Current assets	881.7	<b>909.9</b>	+28.1	103.2	
Fixed assets	7,991.5	<b>8,229.5</b>	+237.9	103.0	An increase in fixed assets for other operations
Liabilities	6,828.6	<b>7,044.3</b>	+215.6	103.2	
Current liabilities	1,547.6	<b>1,635.7</b>	+88.1	105.7	
Long-term liabilities	5,281.0	<b>5,408.5</b>	+127.5	102.4	An increase in bonds
Total Net Assets	2,044.6	<b>2,095.1</b>	+50.4	102.5	
Total Liabilities and Net Assets	8,873.3	<b>9,139.4</b>	+266.1	103.0	

# Traffic Volume and Passenger Revenues

Appendix

	Traffic Volume (million passenger kilometers)			Passenger Revenues (¥ billion)				
	'23.4-'24.3 Results	'24.4-'25.3 Results	Changes	'23.4-'24.3 Results	'24.4-'25.3 Results	Changes		Main factors behind changes
			%			Increase /Decrease	%	
Shinkansen	21,230	<b>22,679</b>	106.8	537.4	<b>583.3</b>	+45.8	108.5	
Commuter Passes	1,670	<b>1,758</b>	105.3	22.5	<b>23.6</b>	+1.1	105.0	
Non-commuter Passes	19,560	<b>20,920</b>	107.0	514.8	<b>559.6</b>	+44.7	108.7	<ul style="list-style-type: none"> <li>• Increase in railway transportation: +35.0</li> <li>• Extension of the Hokuriku Shinkansen to Tsuruga: +9.0</li> <li>• Rebound from natural disasters: +2.0</li> <li>• Inbound tourism: +2.0</li> <li>• In reaction to the impact of a natural disaster: -1.5</li> </ul>
Conventional Lines	98,470	<b>101,628</b>	103.2	1,139.1	<b>1,185.5</b>	+46.3	104.1	
Commuter Passes	60,237	<b>61,525</b>	102.1	395.3	<b>404.7</b>	+9.4	102.4	
Non-commuter Passes	38,232	<b>40,103</b>	104.9	743.8	<b>780.7</b>	+36.9	105.0	
Breakdown of Conventional Lines Kanto Area Network(Reproduced)	93,387	<b>96,290</b>	103.1	1,077.5	<b>1,120.2</b>	+42.6	104.0	
Commuter Passes	57,474	<b>58,757</b>	102.2	378.8	<b>388.1</b>	+9.3	102.5	
Non-commuter Passes	35,912	<b>37,532</b>	104.5	698.7	<b>732.1</b>	+33.3	104.8	<ul style="list-style-type: none"> <li>• Increase in railway transportation: +31.5</li> <li>• Rebound from natural disasters: +3.5</li> <li>• Inbound tourism: +2.5</li> <li>• Leap year: -2.5</li> <li>• In reaction to the impact of a natural disaster: -3.0</li> </ul>
Breakdown of Conventional Lines Other Network(Reproduced)	5,083	<b>5,338</b>	105.0	61.5	<b>65.2</b>	+3.6	106.0	
Commuter Passes	2,763	<b>2,768</b>	100.2	16.5	<b>16.6</b>	+0.0	100.6	
Non-commuter Passes	2,319	<b>2,570</b>	110.8	45.0	<b>48.6</b>	+3.5	108.0	• Increase in railway transportation: +3.5
Total	119,701	<b>124,308</b>	103.8	1,676.5	<b>1,768.8</b>	+92.2	105.5	
Commuter Passes	61,908	<b>63,284</b>	102.2	417.8	<b>428.4</b>	+10.5	102.5	• Increase in railway transportation: +9.5
Non-commuter Passes	57,792	<b>61,024</b>	105.6	1,258.7	<b>1,340.4</b>	+81.6	106.5	

\* 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.

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

FY2025.3		Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Total
Retails & Restaurant	(%)	106.6	105.0	105.6	106.0	104.7	105.8	107.5	107.9	106.3	108.2	103.2	105.0	106.0
JR East Cross Station Co., Ltd. (Retail Company) (existing)	(%)	109.4	106.4	104.6	108.2	105.5	104.9	107.9	109.1	107.0	108.3	102.6	105.7	106.7
JR East Cross Station Co., Ltd. (Foods Company) (existing)	(%)	110.1	105.6	105.6	104.7	103.4	103.2	107.7	107.8	106.7	106.1	103.1	102.4	107.0

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

Station buildings	(%)	105.8	106.9	110.3	105.6	109.2	109.4	105.3	109.6	107.1	106.3	104.4	106.2	107.2
LUMINE (existing)	(%)	103.5	105.2	109.4	103.9	108.9	109.1	101.9	108.3	106.0	103.8	102.9	105.0	106.0
atré (existing)	(%)	105.5	105.7	107.0	101.9	104.6	107.7	104.3	108.5	105.7	104.8	102.2	104.3	105.2
Hotels	(%)	115.3	117.3	118.9	117.7	112.3	111.6	117.3	115.8	109.8	115.0	102.5	108.8	113.5

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

Number	(Millions)	276	285	286	314	298	295	302	287	287	269	253	281	3,432
YoY	(%)	107.1	106.4	103.9	105.2	102.3	104.3	105.9	104.9	104.0	105.8	102.0	104.2	104.7

## **IV. FY2026.3 Management Strategy**

# Highlights of FY2026.3 Financial Forecast

(¥ billion)	'24.4-'25.3 Results	'25.4-'26.3 Forecast	Changes	
			Increase /Decrease	%
Operating revenues	2,887.5	<b>3,023.0</b>	+135.4	104.7
Operating income	376.7	<b>387.0</b>	+10.2	102.7
Ordinary income	321.5	<b>323.0</b>	+1.4	100.4
Profit attributable to owners of parent	224.2	<b>227.0</b>	+2.7	101.2
EBITDA	782.9	<b>809.0</b>	+26.0	103.3

**For the fiscal year ending March 2026, we aim to achieve record-high consolidated operating revenues. We also expect increased revenues and income across all segments.**

- In the Transportation segment, revenues are expected to increase, driven mainly by higher non-commuter usage (inbound travel, Chuo Line rapid service Green Cars, etc.), resulting in higher railway transportation revenues. However, considering the rise in personnel expenses, inflation, and higher labor costs, income growth is expected to be modest.
- In the Retail & Services segment, revenues and income are expected to grow due to increased retail sales revenue associated with greater railway usage and higher transportation advertising revenue.
- In the Real Estate & Hotels segment, although upfront costs related to the opening of TAKANAWA GATEWAY CITY are anticipated, we plan to increase real estate sales revenue. Combined with growth in existing shopping centers, offices, and hotels, we expect both revenue and income growth.
- In the Others, revenues and income are expected to increase due to higher sales from system development contracts and a reactionary decline in energy business-related costs.

## ○Shareholder returns (dividend per share)

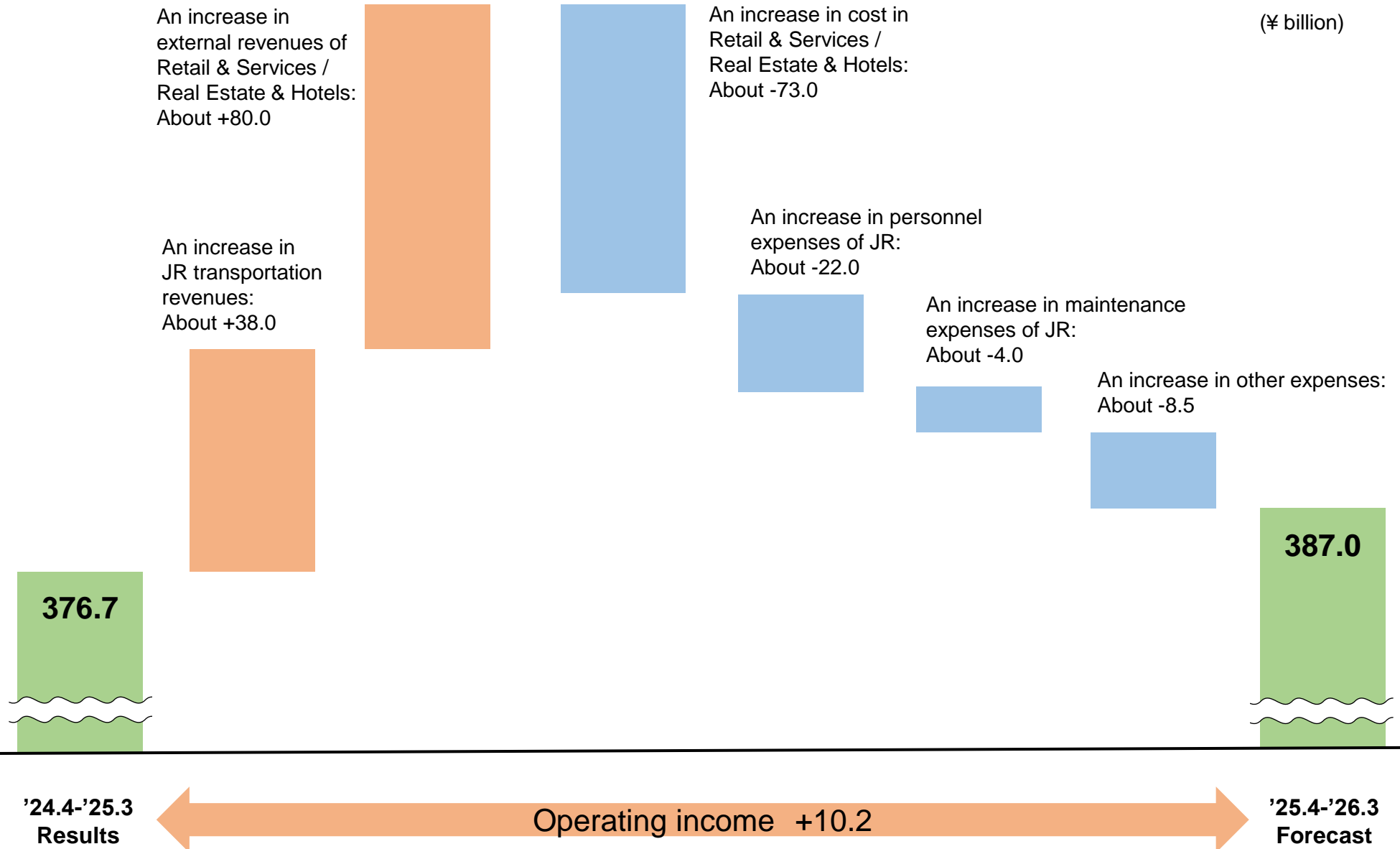
Total: 62 yen    \*Divided payout ratio: 30.9%  
(Interim dividend: 31 yen    Year-end dividend: 31 yen)

## ○Major capital investments

- TAKANAWA GATEWAY CITY, OIMACHI TRACKS
- Accelerate installation of automatic platform gates
- Countermeasures against large-scale earthquakes    etc.

# FY2026.3 Changes in Operating Income (consolidated) (forecast)

(¥ billion)



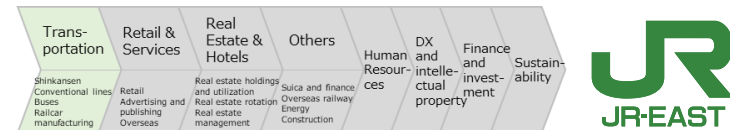
# FY2026.3 Forecast (by segment)

(¥ billion)	2025.3 Results	2026.3 Forecast	Changes		2028.3 Target *
			Increase/Decrease	%	
Operating revenues	2,887.5	<b>3,023.0</b>	+135.4	104.7	<b>3,276.0</b>
Transportation	1,945.7	<b>2,001.0</b>	+55.2	102.8	<b>2,019.0</b>
Retail & Services	393.7	<b>418.0</b>	+24.2	106.1	<b>654.0</b>
Real Estate & Hotels	445.4	<b>501.0</b>	+55.5	112.5	<b>507.0</b>
Others	102.5	<b>103.0</b>	+0.4	100.4	<b>96.0</b>
Operating income	376.7	<b>387.0</b>	+10.2	102.7	<b>410.0</b>
Transportation	176.0	<b>177.0</b>	+0.9	100.5	<b>178.0</b>
Retail & Services	60.5	<b>67.0</b>	+6.4	110.7	<b>80.0</b>
Real Estate & Hotels	120.3	<b>121.0</b>	+0.6	100.5	<b>124.0</b>
Others	22.9	<b>24.0</b>	+1.0	104.6	<b>30.0</b>
Non-operating income or expenses	-55.2	<b>-64.0</b>	-8.7	115.9	<b>-</b>
Ordinary income	321.5	<b>323.0</b>	+1.4	100.4	<b>-</b>
Extraordinary gains or losses	-24.2	<b>4.0</b>	+28.2	-	<b>-</b>
Profit attributable to owners of parent	224.2	<b>227.0</b>	+2.7	101.2	<b>-</b>
EBITDA	782.9	<b>809.0</b>	+26.0	103.3	<b>868.0</b>
Transportation	475.1	<b>475.0</b>	-0.1	100.0	<b>495.0</b>
Retail & Services	79.9	<b>87.0</b>	+7.0	108.8	<b>101.0</b>
Real Estate & Hotels	175.8	<b>191.0</b>	+15.1	108.6	<b>211.0</b>
Others	55.1	<b>58.0</b>	+2.8	105.2	<b>63.0</b>
ROA	3.8%	<b>3.7%</b>	-0.1%	-	<b>4.0% approx.</b>
ROA (R=EBITDA)	7.9%	<b>7.8%</b>	-0.1%	-	<b>8.5% approx.</b>

\* Target for 2028.3 is the figures announced in April 2023 and does not incorporate the impact of the fare revision pending for approval. 39



# Transportation (Segment policy and KPI)



## Market environment

- Due to the decline in the working-age population, the industry faces two major challenges: a decrease in the number of customers and a shortage of workforce
- Inbound demand is expected to continue to increase over the medium-to-long-term beyond FY2026.3, but attracting customers to the Tohoku and Joshinetsu areas is a challenge
- Now that we have overcome the COVID-19 crisis, commuter pass use is stable. For non-commuter pass, we expect an increase in tourism demand including inbound.
- We expect that cost pressures, such as surging prices and rising labor costs, will continue in the future
- As for railcar manufacturing, domestic new railcar demand is on a downward trend, while demand for remodeling work for existing railcars is firm

Review of FY2025.3	Policy for FY2026.3
<ul style="list-style-type: none"> <li>• A few incidents causing concern and inconvenience to customers occurred</li> <li>• Medium-and-long-distance revenues were strong due to the creation of flow triggered by the extension of the Hokuriku Shinkansen to Tsuruga, but need to improve revenue further such as by capturing inbound demand</li> <li>• Steadily promoted structural reforms through labor saving such as driver-only operation and inspections using drones</li> <li>• Applied for fare adjustment (December 2024)</li> </ul>	<ul style="list-style-type: none"> <li>➢ <b>Realize high levels of safety to live up to the “trust” of our customers</b> <ul style="list-style-type: none"> <li>• Improve the safety level of the entire Group by thinking more deeply about the nature of work and taking concrete actions</li> <li>• Investigate the causes of accidents and incidents and ensure the implement measures to prevent recurrence</li> </ul> </li> <li>➢ <b>Social and regional development through mobility and increased visitor flow</b> <ul style="list-style-type: none"> <li>• (1) Enhance attractivity of mobility itself, (2) Increase visitor flow and create a flow of people as a whole Group through events in collaboration with society and the local community and dissemination of appeal of tourism resources, and (3) Increase revenue by capturing inbound demand through information dissemination, etc.</li> </ul> </li> </ul>

## KPI

	FY2026.3 (year-on-year)	FY2028.3 (To be updated after the announcement of the new Group Management Vision)
Railway accidents due to Group’s internal causes	0 (-2)	0
Serious incidents	0 (-1)	0
Passenger revenues	1,807.0 billion yen (+38.1 billion yen)	About 1,780.0 billion yen
Railway business fixed asset turnover	0.36 (±0)	0.35 or more

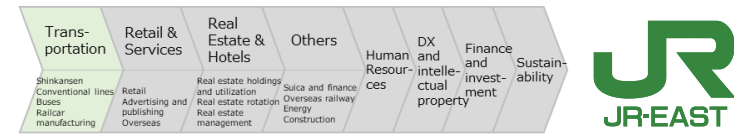
## Economic value

	FY2026.3 Forecast (year-on-year)	FY2028.3 Target
Operating revenue	2,001.0 billion yen (+55.2 billion yen, 102.8%)	2,019.0 billion yen
Operating income	177.0 billion yen (+0.9 billion yen, 100.5%)	178.0 billion yen
EBITDA	475.0 billion yen (-0.1 billion yen, 100.0%)	495.0 billion yen
ROA	2.4% (+0.0pt)	2.3%
ROA (R=EBITDA)	6.5% (-0.1pt)	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

**Policy** Further strengthen the foundation of the safe and high level of punctuality, which is the greatest value of Shinkansen transportation, to enhance the safety and trust of our customers and local communities and aim for sustainable business. To achieve this goal, reform our work structure by implementing new technologies so as not to be caught up in conventional ideas through "integration and collaboration," "DX," and "human resource development," and promote constant enhancement of Shinkansen services.

### Strategy (1) Pursue "Trust in the high level of safety and punctuality of Shinkansen"

- Instill awareness that "safety" the foundation of Shinkansen transportation, is created through the accumulation of all employees and all operations and eliminate the causes of accidents and incidents that have occurred, as well as obstructive factors that have not yet become apparent

### Strategy (2) Create new value for Shinkansen

- Enhance the convenience, comfort, and enjoyment of traveling by Shinkansen
- Schedule special trains tailored in detail to seasons, events, and overseas holidays and create mobility demand by uncovering and communicating the appeal of local communities



Next-generation Tohoku Shinkansen Series E10 (image)

### Strategy (3) Transform operations and promote sustainability

- Further expand smart maintenance, including the Shinkansen monitoring train, which will go into full-scale operation
- Promote development to realize sustainable Shinkansen operations such as Shinkansen driverless operation and face authentication ticket gates



Expanding introduction of Shinkansen monitoring trains

## Buses business

**Policy** Aim to raise the level for safety and stable transportation and maximize profits by strengthening collaboration not only with railroads but also with companies outside the Group.

### Strategy (1) Pursue ultimate safety

- Carry out works safely and surely and eradicate severe accidents through "activation of the Challenge Safety Movement" and "utilization of the 4M4E analytical method"

### Strategy (2) Increase revenue by strengthening collaboration with companies inside and outside the Group

- Expand alliance operations with other companies in the industry
- Modal change mix for substitute transport for railway and local conventional lines
- Increase visitor flow, including inbound tourists, through deeper collaboration between buses and railways

## Conventional lines business

**Policy** Based on the premise of pursuing "ultimate safety," provide services that meet the seating needs of customers such as the introduction of Green Cars to the Chuo Rapid Line. In addition, aim for sustainable railway business operation by promoting driverless operation technology and proactively introducing new technologies toward realization of labor savings in inspection and construction.

### Strategy (1) Understand the essence of railway work and take on the challenge of safety first

- Based on the Group Safety Plan 2028, focus on "taking the nature of railway work to heart, imagine the unexpected, reach for safety!" Improve safety level by identifying and resolving the challenges of work based on that awareness

### Strategy (2) Grow businesses in collaboration with society and local community

- Contribute to increase visitor flow, including inbound tourists, by promoting tourism together with society and the local community, such as operating Joyful Trains
- Strengthen earning power by leveraging existing assets, such as examining the use of assets and land the Group owns and create Group-wide liquidity
- Discuss sustainable transportation system for routes that do not take full advantage of their characteristics with local residents



Driver-only operation of long trains on the Joban and Nambu lines

### Strategy (3) Sustainable railway operations

- Establish an efficient operational system through structural reform and technological development

## Railcar manufacturing business

**Policy** With a thorough awareness of safety and compliance, further strengthen the cost competitiveness of the "sustina," stainless steel railcar brand, to increase orders.

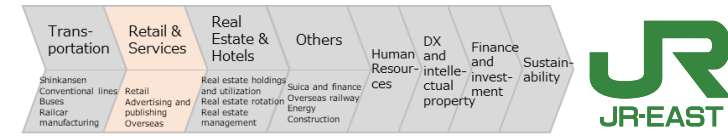
### Strategy (1) Ensure compliance in business operations

- Provide high-quality products by ensuring compliance in daily operations, bearing in mind the lessons learned from the incident in the wheelset assembly operations

### Strategy (2) Expand market share by reducing costs

- By standardizing the "sustina," stainless steel railcar, and reducing costs through improved productivity, expand domestic market share and proactively expand overseas markets

# Retail & Services (Segment policy and KPI)



## Market environment

- Due to population decline, rooted web conferencing and remote working, how customers travel and their consumption behavior have changed. Labor shortage is also a challenge
- Increases in raw material prices, logistics costs, etc. are expected as inflation has become normal
- Digital technology is advancing at an accelerating pace, and the market size of e-commerce and digital advertising is expanding. The impact of the Trump tariffs, etc on corporate performance will have an impact on advertising placement
- The number of fans of Japan and consumption of Japanese products are on an upward trend overseas, and in the medium-to-long term, consumption is also expected to increase in emerging markets

Review of FY2025.3	Policy for FY2026.3
<ul style="list-style-type: none"> <li>• Formulated the medium-to-long-term business growth strategy "Beyond the Border"</li> <li>• Achieved revenue increase that exceeded the plan driven by renewal of EKINAKA such as Tokyo Station and large-scale signage in stations</li> <li>• Increased revenue in overseas businesses through M&amp;A with U.K. vending machine company, etc</li> <li>• Need effective approaches to capture strong inbound demand</li> </ul>	<ul style="list-style-type: none"> <li>➢ <b>Increase in revenue and income from a market-in perspective</b></li> <li>• Continuously improve profitability by strengthening product and service development system to quickly respond to needs, implementing thorough pricing strategies in line with inflation and demand trends, and improving logistics efficiency and cost management</li> <li>• Strategically invest in facilities and human resources based on the Beyond Stations concept to transform station space from "transportation hubs" to attractive "destinations" to maximize their profitability and ability to attract customers</li> <li>• Build a platform that integrates customer data from retail, advertising, and IC cards, and proactively utilize cutting-edge digital technologies to create customer experiences that meet potential needs from both the real and digital sides, establishing highly profitable business models</li> <li>• Strengthen collaboration with mobility, turn train baggage transport into a regular service, generate new travel demand, develop new logistics and travel markets and expand business revenue</li> <li>• Deliver products and services that customers can use with confidence, ensuring food safety and other quality standards</li> </ul>

## KPI

	FY2026.3 (year-on-year)	FY2028.3 (To be updated after the announcement of the new Group Management Vision)
Retail operating revenue	326.0 billion yen (+15.8 billion yen)	320.0 billion yen
Transportation advertising operating revenue	36.1 billion yen (+2.1 billion yen)	43.0 billion yen

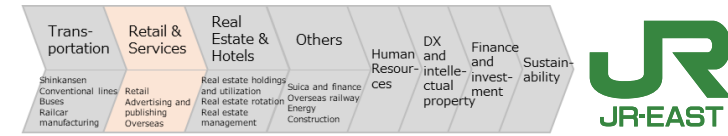
## Economic value

	FY2026.3 Forecast (year-on-year)	FY2028.3 Target
Operating revenue	418.0 billion yen (+24.2 billion yen, 106.1%)	654.0 billion yen
Operating income	67.0 billion yen (+6.4 billion yen, 110.7%)	80.0 billion yen
EBITDA	87.0 billion yen (+7.0 billion yen, 108.8%)	101.0 billion yen
ROA	16.2% (+0.9pt)	17.9%
ROA (R=EBITDA)	21.0% (+0.9pt)	22.6%

## 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

**Policy** Expand existing businesses by refining and renewing existing business categories at stations, the Group's largest management resource, and further increase revenue by opening new stores outside the Group and expand wholesaling based on the knowledge and brands cultivated through the EKINAKA business.

As digital functions to expand the Suica daily life area, utilize JREMALL and Multi-Ecube to expand contact points with customers, provide information tailored to potential customer needs, and improve the value of customer experience through integration of real and digital, thereby evolve from "gathering station" to "connecting station."

### Strategy (1) Open new stores outside the Group and expand wholesale business

- Accelerate opening of NewDays stores at transport nodes including other railway companies, based on product appeal and management capability refined through EKINAKA business
- Expand wholesale business of Kinokuniya private brand products outside the Group leveraging the Kinokuniya brand and product appeal



Choshin-jo KINOKUNIYA Kyo-machiya

### Strategy (2) Improve value of customer experience by integrating real and digital

- Increase revenue by expanding smart locker "Multi-Ecube" outside the Tokyo metropolitan area and introducing dynamic pricing for locker fees
- Position JRE MALL as a digital function to expand the Suica daily life area, and promote measures in collaboration with real stores, such as the renewal of mobile orders that provide a seamless purchasing experience at EKINAKA and other spaces



Multi-Ecube WEB

### Strategy (3) Promote business through solving social issues

- Commercialize "Hako-byun," the luggage transport service, and launch a large-scale scheduled service aiming to achieve annual revenue of around 10 billion yen in the future. Respond to the needs for promptness, punctuality, and express delivery by introducing dedicated railcars and address the labor shortage issue and CO2 emissions reduction in the logistics industry
- Revitalize local communities, such as selling local products, through developing bases to be sources of local information by integrating station facilities and stores at regional stations



Inside dedicated railcar for luggage transport image

## Advertising and publishing business

**Policy** Rebuild the business model and promote "integration and collaboration" in realms of both real and virtual to maximize the value of all media within the Group. Based on a sense of trust in safety, strive for an increase in external cash inflows and improvement in lifetime value by enhancing and linking the various digital data within the Group, abundant client resources, and creativity and mobility of employees to promote sustainable growth.

### Strategy (1) Rebuild the business model

- Further refurbish measures to install large signage in station spaces and attract attention inside trains
- Expand business outside station areas and into city centers through the new advertisement sales system "MASTRUM" and targeted delivery using data, aiming to grow into a business that also attracts attention from overseas



TRAIN TV

### Strategy (2) Innovative use of digital data and creation of lifetime value

- Work closely together in providing solutions to challenges of clients and communities
- Maximize the use of contents such as "entertainment," "animation," and "food."
- Develop new businesses such as structuring blockchain and support advertising

## Overseas business

**Policy** Establish a TOD business model that transforms stations into "life platforms" by capturing the growth phase of major cities in Asia as a business opportunity, positioning Taiwan and Bangkok as key target markets, and promote the expansion of the Group's overseas business by leveraging synergies with the railway business and the Group's comprehensive strength. Also, expand contact points with customers to generate the flow of people and business between Japan and overseas.

### Strategy (1) Establish a business model centered on commerce around stations in key markets

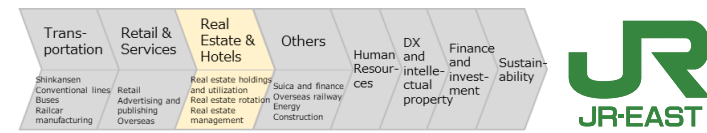
- Expand development of commercial operations around stations (EKINAKA, station buildings, vending machines) by leveraging relationships with local railway companies, and create station building/around-the-station real estate projects

### Strategy (2) Expand contact points with individual customers overseas and generate flow between Japan and overseas

- Strengthen targeted sales initiatives in the hotel and fitness businesses in Taiwan from a market-in perspective and improve profitability by utilizing the Group's business infrastructure
- Position overseas business bases as hubs for disseminating information about Japan and contribute to inbound revenue by generating flow between Japan and overseas



# Real Estate & Hotels (Segment policy and KPI)



## Market environment

- Due to population decline and rooted digitalization of socioeconomic activities, consumer behavior and working styles are changing dramatically
- In addition to rising construction costs, uncertainties such as rising interest rates and fluctuations in exchange rates are also expected
- The number of competing facilities, offices, and hotels is increasing. Housing prices such as for condominiums remain high
- Given the national goal of 60 million foreigners visiting Japan in 2030, expect continued increase in inbound tourism FY2026.3

Review of FY2025.3	Policy for FY2026.3
<ul style="list-style-type: none"> <li>• Formulated the medium-to-long-term business growth strategy “Beyond the Border”</li> <li>• Achieved the plan as a result of capturing inbound demand at hotels and shopping centers (SC) and robust real estate sales</li> <li>• Opened TAKANAWA GATEWAY CITY (March 2025)</li> <li>• Important to further increase the speed of rotational business</li> </ul>	<ul style="list-style-type: none"> <li>➢ <b>Town development for the next 100 years by integrating mobility and lifestyle solutions and utilizing the Group’s resources</b> <ul style="list-style-type: none"> <li>• Promote town development, including TAKANAWA GATEWAY CITY, OIMACHI TRACKS, and other areas in the Greater Shinagawa area</li> <li>• Accelerate rotational business, such as real estate acquisition by JREast Real Estate Co., LTD. and realizing latent gains on real estate holdings</li> </ul> </li> <li>➢ <b>Rebuild the business model that was based on the assumption that “customers would naturally gather at stations”</b> <ul style="list-style-type: none"> <li>• Approach a wide range of customers, including inbound tourists, from both realms of real and digital using data analysis, etc., stay ahead of changes in customers, and evolve products and services</li> <li>• Consider business model for sustainable stations in the Tohoku-Joshinetsu area</li> </ul> </li> <li>➢ <b>Continue initiatives for safety and security, such as fire prevention, disaster prevention, and accident prevention, to earn customer trust</b></li> </ul>

## KPI

	FY2026.3 (year-on-year)	FY2028.3 (To be updated after the announcement of the new Group Management Vision)
SC, offices, hotels operating revenue	404.0 billion yen (+30.8 billion yen)	440.0 billion yen
Asset management scale in real estate fund business	420.0 billion yen in total (+61.3 billion yen)	400.0 billion yen in total

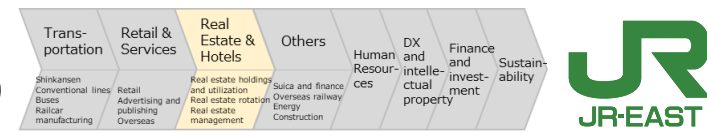
## Economic value

	FY2026.3 Forecast (year-on-year)	FY2028.3 Target
Operating revenue	501.0 billion yen (+55.5 billion yen, 112.5%)	507.0 billion yen
Operating income	121.0 billion yen (+0.6 billion yen, 100.5%)	124.0 billion yen
EBITDA	191.0 billion yen (+15.1 billion yen, 108.6%)	211.0 billion yen
ROA	4.9% (-0.7pt)	4.4%
ROA (R=EBITDA)	7.8% (-0.4pt)	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 holdings and utilization business

**Policy** Promote the “Tokyo Metropolis Project,” a large-scale development to maximize area value in the Tokyo metropolitan area. “TAKANAWA GATEWAY CITY,” one of the largest new towns in central Tokyo directly connected to Takanawa Gateway Station, opened to continue to create innovation and culture for enriched lifestyles for the next 100 years. Increase profitability by developing businesses that lead industry and area through software, services, and innovation that are ahead of the times.

### Strategy (1) Evolve services in response to changing and diversifying customer needs

- In the SC flagship stores, pursue new value creation and floor composition such as creating trends, opening the first store in Japan, and consolidating clinics based on changes in customers
- In the SC along railways, develop highly unique businesses that take advantage of the characteristics along the route, such as events in collaboration with local businesses and local EC



TAKANAWA GATEWAY CITY which will hold its grand opening in the spring of 2026



NEWoManTakanawa MIMURE

### Strategy (2) Expand hotel network and strengthen profitability

- With the opening of HOTEL METROPOLITAN OIMACHI TRACKS TOKYO, further expand and enhance network, strengthen yield management to increase revenue
- Continue to implement a diversified approach to OTAs\* and overseas agents toward inbound expansion

### Strategy (3) Moving towards a problem-solving office business

- In addition to direct connection to the station, adjacent site location, and high-spec building functions, support work style reform by utilizing the shared office service "STATION WORK," host events to increase office workers' engagement, and seek to solve corporate issues using the Group's services



OIMACHI TRACKS



STATION BOOTH

### Strategy (4) Promote local projects that communicate the appeal of local communities

- In regional areas, promote integrated development of station facilities and stores, and create travel destinations that communicate the unique appeal of the region to generate new visitor flow

\* OTA: Online Travel Agent, a travel agency that conducts transactions exclusively online without physical stores

## Real estate rotation business

**Policy** Accelerate the real estate rotation business by utilizing the Group's assets and promote “town development” in broad areas centered on stations to prompt business growth in the segment as a whole in conjunction with the real estate holding and utilization businesses Furthermore, aim to create value (lifestyle creation) by leveraging the Group's comprehensive strength, such as developing services in local regions and expanding the “Suica economic zone.”

### Strategy (1) Promote development and sales of Company-owned sites

- Promote development and sales of Company-owned sites in the profitable real estate sales business
- Accelerate housing sales through joint business with external developers and independent development
- Increase the asset value of areas such as the Broad Shinagawa Area which leverages our strengths, and develop new assets such as logistics facilities



Rotation business model for real estate

### Strategy (2) Acquire real estate and increase the value

- Further expand the business area with greater speed by accelerating the acquisition, value enhancement, and sales of MACHINAKA real estate through JREast Real Estate Co., Ltd. (established in July 2024)

## Real estate management business

**Policy** Expand asset management scale in the “real estate fund business” by promoting sales to and investments in funds to receive asset management fees, which will be the core of the business. Aim to strengthen competitiveness in property management business, etc., to maximize the value of the entire segment.

### Strategy (1) Expand real estate fund business

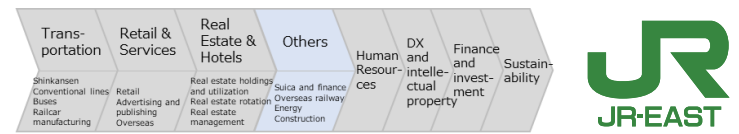
- Enhance fund products to respond to diverse needs
- Expand asset management scale and increase asset management fee revenues
- Strengthen competitiveness of the property management business, including collaboration with companies outside the Group, and develop attractive new products

### Strategy (2) Demonstrate the Group's comprehensive strength

- Invite new investors through funding ability of the fund leveraging the Group's comprehensive strength
- Promote development of unique services through collaboration with mobility and Suica



# Others (Strategy and KPI for each business)



## Suica and finance business

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

### Review of FY2025.3

- Announced "Suica Renaissance," a medium-to-long-term plan for the evolution of Suica (December 2024)
- The number of JRE BANK applications reached 500,000 and is steadily growing
- Expanded Suica base such as the Suica areas, regional alliance IC, and increase in member stores of transportation e-money, etc.

**Policy** By evolving Suica from a "device for mobility and payment" to a "device for lifestyle," increase the lifetime value of the entire Group through providing "strengthened contact points with individual customers" and "seamless payment service."

### Strategy (1) Make Suica a common platform

- Expanded function of "Welcome Suica Mobile" such as alignment with "JR-EAST Train Reservation"
- Expand business operators introducing regional alliance IC card systems
- Improve CX of digital services by introducing JRE ID



Welcome Suica mobile

### Strategy (2) Enhance the Suica system toward a "lifestyle device"

- Prepare for realizing new settlement services (autumn of 2026) such as code settlement function for that of exceeding maximum charge limit of 20,000 yen, value transfer function, and region-specific value
- Promote development of function and convenience improvements to realize service development that bridges mobility and lifestyle solutions

### Strategy (3): Expand customer base and cross-sectional data utilization

- Utilize data gathered through digital services to expand the customer base of View Card and JRE BANK and increase
- Advance customer analysis and create new services
- Thoroughly manage system risk

KPI	FY2026.3 (year-on-year)	FY2028.3 (To be updated after the announcement of the new Group Management Vision)
Mobile <i>Suica</i> cards issued	40.0 million (+5.78 million)	50.0 million
Highest number of monthly transactions of <i>Suica</i> and other forms of e-money	350.0 million/month (+36.0 million/month)	600.0 million/month

## Overseas railway business

### Market environment

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

### Review of FY2025.3

- Steadily progressed the India High-Speed Railway project due to the persistent efforts of the parties concerned
- Accelerated initiatives to win new projects, including signing a Memorandum of Cooperation with global railway operator RATP Dev. for a project in the Philippines
- For the Ho Chi Minh City Urban Railway Line 1, for which Japan International Consultants for Transportation Co., Ltd. received the order, our front-line employees in command, operation, and station completed training service on-site and contributed to the opening of business
- S'pore GATES Inc. receives orders for three new projects, including its first large project since becoming our Group company

**Policy** Provide more affluent lifestyles centering on Asia, by developing railroad infrastructure systems with high quality and high efficiency through our comprehensive strength in mobility and lifestyle solutions.

### Strategy (1) Business development leveraging the Group's comprehensive strength

- To expand businesses which are not an extension of existing line, participate in projects from the EPC phase and aim to win new projects by leveraging the Group's O&M strengths
- Take on the challenge of new projects (public transportation oriented development TOD, etc.) that demonstrate synergy between mobility and lifestyle solutions
- Implement strategic international standardization activities to promote the overseas expansion of Japanese railway technology



Ho Chi Minh City Urban Railway Line 1

### Strategy (2) Sustainable management of overseas railway business

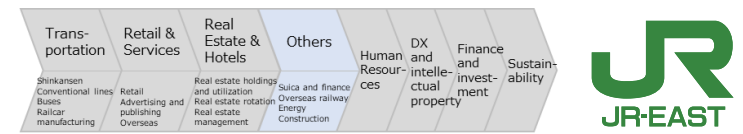
- Earn returns commensurate with the risks and operate sustainable overseas railway business

### Strategy (3) Human resource development through overseas projects

- Develop professional human resources through practical operations such as project manager, international standardization, business affairs, and new fields (DX, disaster prevention, and TOD), etc.

KPI	FY2026.3 (year-on-year)	FY2028.3 (To be updated after the announcement of the new Group Management Vision)
Net sales outside the Group (in total since FY2025.3)	19.9 billion yen (+8.4 billion yen)	45.0 billion yen in total

# Others (Strategy and KPI for each business)



## Energy business

### Market environment

- The electricity market is becoming increasingly diverse following electricity market liberalization although there are concerns about a decrease in development sites and high and rising construction costs
- The price of environmental value is on the rise in preparation for the introduction of emissions rights trading (FY2027.3) and imposition of carbon pricing (FY2029.3)

### Review of FY2025.3

- Steadily promoted decarbonization by acquiring PPA and solar power plants developed by other companies, amid the increasing difficulty of renewable energy development due to changes in the external environment
- Promoted efficient introduction of renewable energy through business alliance with erex Co., Ltd. (December 2024)

**Policy** Promote initiatives to achieve Group zero carbon as a top priority. Aim to accumulate know-how and expand alliances to expand business area.

### Strategy Business development in response to rapid changes in the external environment

- Steadily promote renewable energy development and secure renewable energy sources through further acquisition of PPA and assets (power plants)
- Expand new business areas such as rechargeable batteries while reducing risks through collaboration with companies that have the necessary know-how



Ikeda Solar Power Plant, Tochigi Prefecture

KPI	FY2026.3 (year-on-year)	FY2028.3 (To be updated after the announcement of the new Group Management Vision)
CO2 reductions [nonconsolidated]	167,000 tons (+38,000 tons)	327,000 tons

## Economic value

	FY2026.3 Forecast (year-on-year)	FY2028.3 Target
Operating revenue	103.0 billion yen (+0.4 billion yen, 100.4%)	96.0 billion yen
Operating income	24.0 billion yen (+1.0 billion yen, 104.6%)	30.0 billion yen
EBITDA	58.0 billion yen (+2.8 billion yen, 105.2%)	63.0 billion yen
ROA	1.9% (+0.0pt)	2.7%
ROA (R=EBITDA)	4.6% (+0.1pt)	5.6%

## Construction business

### Market environment

- There are industry-wide issues that need to be addressed, such as soaring labor and material costs and shortage of engineers at the contractors involved in infrastructure development

### Review of FY2025.3

- Promoted productivity improvement through cost reductions and DX while assessing the impact of soaring construction costs
- Launched PM/CM business (\*) to address regional issues such as a shortage of engineers

**Policy** Contribute to development of the Group, revitalization of cities and regions, and the strengthening of Japan's international competitiveness by leveraging the technological capabilities that our construction business holds.

### Strategy (1) Steadily advance projects and improve productivity

- Steadily advance projects such as the construction of the Haneda Airport Access Line (tentative name), terminal station improvements and peripheral development
- Promote digital transformation, technological development, etc. to further reduce costs, shorten construction periods and improve work efficiency

### Strategy (2) Expand business areas by leveraging technological capabilities

- Expand business areas to increase external revenues by working together with group companies and others that have experience in design, construction, digital transformation, etc.
- Contribute to solving regional issues such as the shortage of engineers by receiving orders continuously for PM/CM business

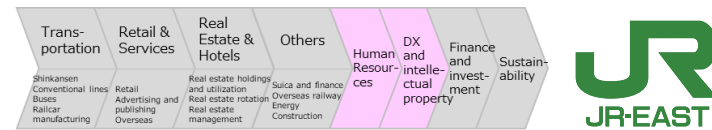
\* PMCM business: Abbreviation for project management and construction management business, which is a business in which a company with technical expertise in project survey, design, construction, operational management, etc., provides support to the project owner (ordering party)

KPI	FY2026.3 (year-on-year)	FY2028.3 (To be updated after the announcement of the new Group Management Vision)
Net sales outside the Group	9.1 billion yen (+0.0 billion yen)	9.6 billion yen

## 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

### Review of FY2025.3

- Promoted personnel allocation to accelerate business in key growth fields through open applications and job-based hiring
- Conducted an engagement survey and published the results. Examined human resources strategy that leads to improvements

**Policy** Promote a new “people-focused” human resource strategy with “diversity,” “innovation,” and “flexibility” as pillars and examine ways to revise the comprehensive personnel and wage systems.

### Strategy (1) Diversity: Utilize diverse individuals and create diverse value

- Enhance fields where diverse individuals can play active roles and create diverse values
- Promote more active personnel exchanges within the Group to improve human capital of the entire Group

Group-wide recruitment event



### Strategy (2) Innovation: Develop an environment that generates innovation

- Expand multi-track HR operation to encourage employees’ independent career development

### Strategy (3) Flexibility: Enhance human resource development cycle and realize new ways of working

- Enhance human resource development cycle based on “flexible staffing” and bidirectional communication
- Utilize DX, etc., to promote business reforms based on new ideas that are not bound by traditional work styles
- Promote human resource strategy and organizational restructuring as one

KPI	FY2026.3 (year-on-year)	FY2028.3 (To be updated after the announcement of the new Group Management Vision)
Engagement survey positive response rate [non-consolidated]	64.0% (+1.8 pt)	66%
Ratio of Women to managers [non-consolidated]	8.8% (+0.5pt)	10%
Rate of male employees taking childcare leave [non-consolidated]	70.0% (-1.9pt)	85% or more
Allocation of human resources to priority growth areas (in total since FY2024.3)	1,200 people in total (+221)	2,000 people or more in total

### Social Value

- Provide an environment where diverse individuals can play active roles
- Provide enriched lifestyles and new value to society through a “people-focused” approach
- Contribute to the development of local communities through the active participation of employees

## Digital transformation (DX) and intellectual property

### Review of FY2025.3

- Generated results in operational efficiency through the use of generative AI. Started development of “railroad version generation AI”
- Formulated intellectual property activity guidelines and provided education to all employees

**Policy** Contribute to the growth of the Group by combining technology and information to improve services, increase operational efficiency, and build a business foundation.

### Strategy (1) Promote digital transformation

- Promote introduction of generative AI agent and the development of data utilization platform to improve railway operations and innovate operations by systematically developing diverse employees with strong digital literacy

### Strategy (2) Build a system platform to support business

- Optimize and streamline systems across the entire Group in the medium-to-long-term through system modernization that optimizes IT resources, enhances security, and ensures appropriate human resource allocation

### Strategy (3) : Research and development ahead of the times

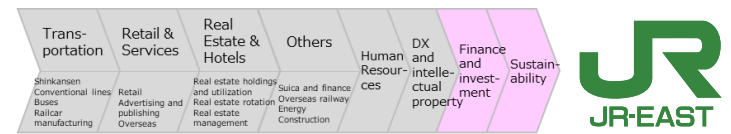
- Strengthen technological competitiveness by sharing railroad technologies to reduce costs and increase compatibility, and by establishing strategic technological collaboration with external partners and a system for surveying and analyzing trends in new technologies
- Strengthen intellectual property management, such as strategic acquisition and active use of intellectual property to generate new revenue sources

KPI	FY2026.3 (year-on-year)	FY2028.3 (To be updated after the announcement of the new Group Management Vision)
Solving social issues and increasing revenue through innovation (cumulative total from FY2025.3 onward)	14 cases (+6)	20 cases in total
Practical introduction of products developed by front-line employees (in total since FY2025.3)	50 cases (+25)	100 cases in total
Number of patent applications etc. related to DX and services (in total since FY2025.3)	82 cases (+42)	175 cases in total
Number of employees with strong digital literacy (“Intermediate” class) (cumulative total from FY2026.3 onward)	1,800 people (-)	5,000 people in total

### Social Value

- Provide new services to society with digital technology
- Make society safer through constructing strategic system and ensuring security
- Realize a well-being society through open innovation

# Foundation for growth (Strategy and KPI)



## Finance and investment

### Review of FY2025.3

- Establish a foundation for consolidated cash flow management by setting up 14 business units
- Promote participation of each and every employee in management through establishment of a system that leads to the achievement of targets by increasing revenue, reducing costs, and improving asset efficiency, and by visualizing area earnings and expenses

**Policy** Contribute to maximizing consolidated cash flow and Group value by drawing out the potential of the Group.

#### Strategy (1) Maximize consolidated cash flow

- Set a cash allocation commensurate with our management based on the two pillars to accelerate growth while responding to changes in the external environment such as inflation and rising interest rates
- Clarify the concept of interest-bearing debt and promoting diversification of funding

#### Strategy (2) Improve the quality of financial information and management support and reform operations

- Consider unifying financial information platforms and utilizing AI, etc.

#### Strategy (3) Establish robust and sustainable materials procurement system

- Start structuring a “new supply chain” by diversifying procurement, such as expanding suppliers and standardizing materials and goods
- Continue to communicate with counterparties and further penetrate the Group’s

KPI	FY2026.3 (year-on-year)	FY2028.3 (To be updated after the announcement of the new Group Management Vision)
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+
Penetration of initiatives related to human rights, the environment, and other issues among major suppliers (supply chain penetration percentage) [non-consolidated]	100% (+9.6pt)	100%

### Social Value

- Provide society with safe and reliable infrastructure
- Provide new environmentally friendly services and pursue regional abundance
- Contribute to the development of local communities through the active participation of employees

## Sustainability

### Review of FY2025.3

- Secured diverse renewable energy sources, such as opening new wind power plants and entering into PPAs
- Encouraged employees across the Group to acquire care service qualifications
- Formulated and published JR East Group customer harassment policy and the Group policy on tax transparency

**Policy** Create new value by addressing materiality through our business activities to meet the needs of our customers and gain the trust of the local community and society. Return the profits generated from business activities to stakeholders and direct them toward further growth of the Group through the “cycle of creation and generation” and aim to be a corporate Group with a sense of promoting “the good for all four sides.”

#### Strategy (1) Reduce climate change risks

- Strategically promote the “Zero Carbon Challenge 2050” by setting CO2 reduction targets for each business unit and formulating a specific roadmap

#### Strategy (2) Realize an inclusive society

- Implement further initiatives toward the realization of an inclusive society on the occasion of the “Tokyo 2025 Deaflympics”

#### Strategy (3) Increase trust in management

- Establish an internal control system and implement measures to prevent, mitigate, and remedy risks of human rights violations and strengthen initiatives to protect the human rights of employees

KPI	FY2026.3 (year-on-year) <small>* Preliminary figures</small>	FY2028.3 (To be updated after the announcement of the new Group Management Vision)
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)	90 cases (+28)	150 cases in total
Care-Fitter certifications acquisition rate	60% (+9.0pt)	50%
Implementation rate of human rights education	100% (+0.0pt)	100%

### Social Value

- Mitigate climate change risks through the realization of a decarbonized and recycling-oriented society
- Establish relationships of trust with local communities through collaboration and realization of an inclusive society with them
- Improve the reliability of management through the establishment of an internal control system

## **V. Reference Materials**



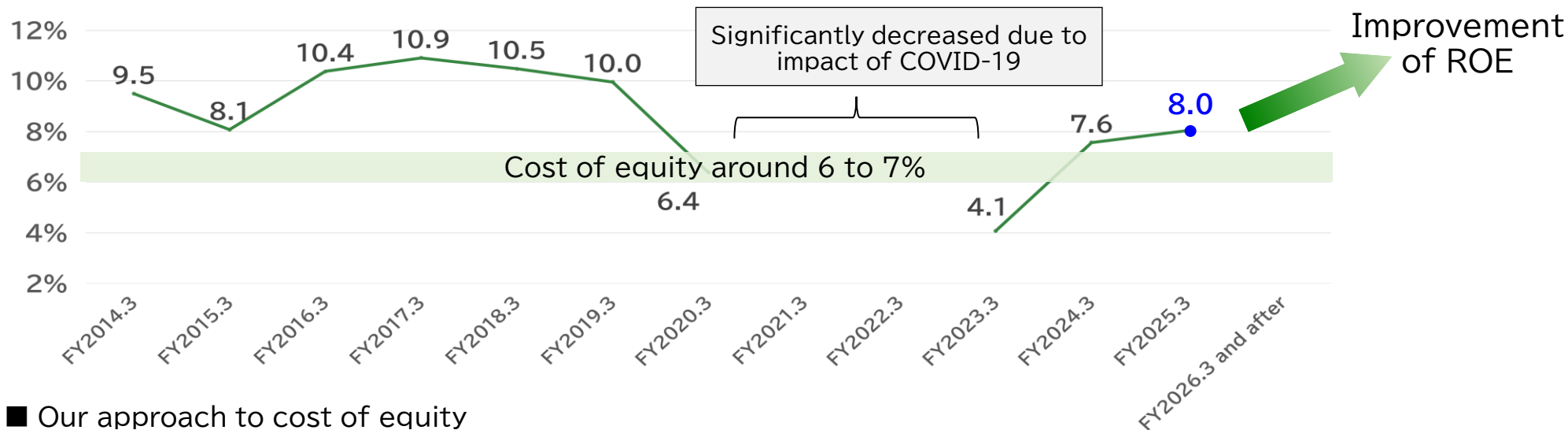
# Action to Implement Management that is Conscious of Cost of Capital and Stock Price

\*Underlined: Major updates since previous disclosure

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

- Cost of equity is calculated to be around 6% in CAPM due to the impact of the increase in interest rates. We recognize that our cost of equity is around 6 to 7%, based on the fact that the expected return in the market is higher than 6% through discussions with shareholders and investors.
- We aim to further improve ROE, lower cost of equity through enriching discussion with shareholders and investors, and expand the equity-spread.

## ■ Movements in ROE and cost of equity



## ■ Our approach to cost of equity

Cost of equity is calculated using CAPM

$$\begin{array}{|c|} \hline \text{① Risk-free rate} \\ \hline \text{around 1.5\%} \\ \hline \end{array} + \begin{array}{|c|} \hline \text{② Beta (}\beta\text{) sensitivity} \\ \hline \text{0.8 to 0.9} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{③ Market risk premium} \\ \hline \text{5.5\%} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Cost of equity} \\ \hline \text{Around 6\%} \\ \hline \end{array}$$

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 10 years

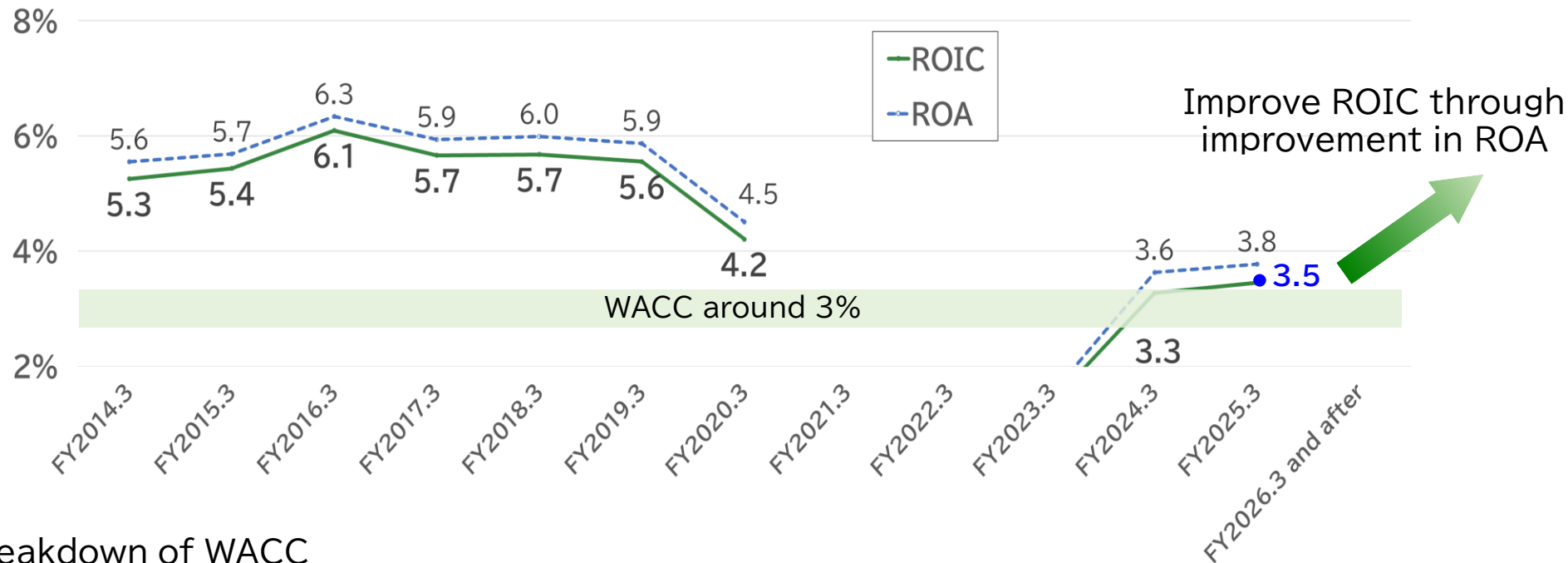
③ Market risk premium: Historical stock market yield minus risk-free rate



# Current recognition of cost of capital and return on equity

- Our weighted average cost of capital (“WACC”) is calculated at around 3%.
- ROIC for FY2025.3 is 3.5%. Return on invested capital (ROIC) is similar to return on assets (ROA: operating income to total assets), so we aim to increase the ROIC-WACC spread by improving ROA.

## ■ Movements in ROIC, ROA and WACC



## ■ Breakdown of WACC

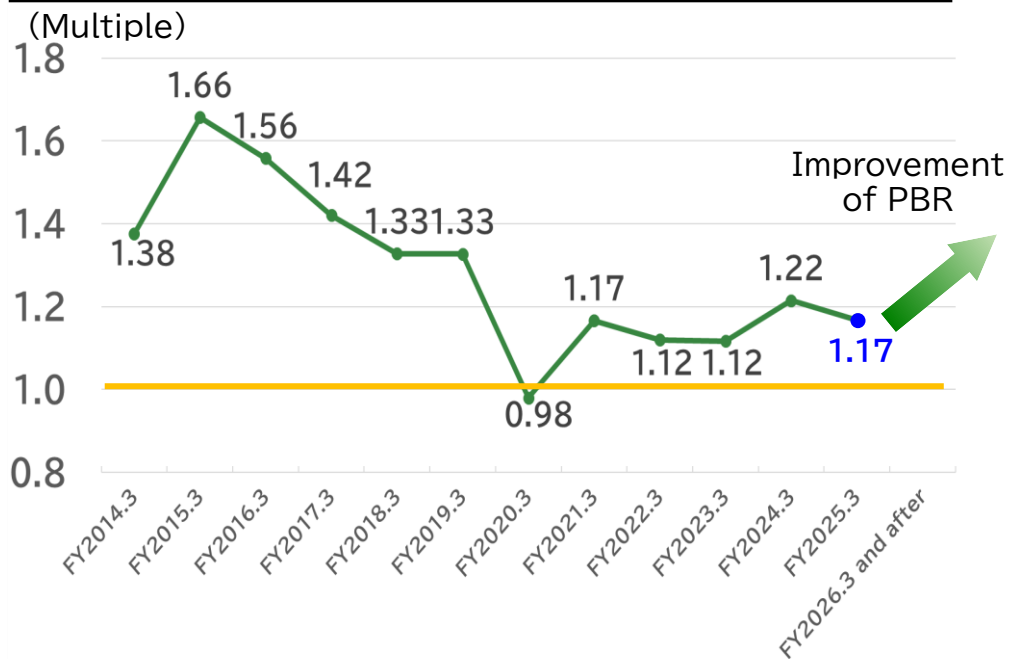
Calculated based on weighted average cost of equity and cost of debt

$$\begin{aligned}
 & \left[ \begin{array}{l} \text{Cost of equity} \\ \text{Around 6 to 7\%} \end{array} \right] \times \left[ \begin{array}{l} \text{Around 0.4} \frac{\text{Equity}}{\text{Equity} + \text{Interest-bearing debt}} \end{array} \right] \\
 + & \left[ \begin{array}{l} \text{After-tax cost of debt} \\ \text{Around 1\%} \end{array} \right] \times \left[ \begin{array}{l} \text{Around 0.6} \frac{\text{Interest-bearing debt}}{\text{Equity} + \text{Interest-bearing debt}} \end{array} \right] = \left[ \begin{array}{l} \text{WACC}^* \\ \text{Around 3\%} \end{array} \right] \\
 & \text{※After-tax WACC}
 \end{aligned}$$

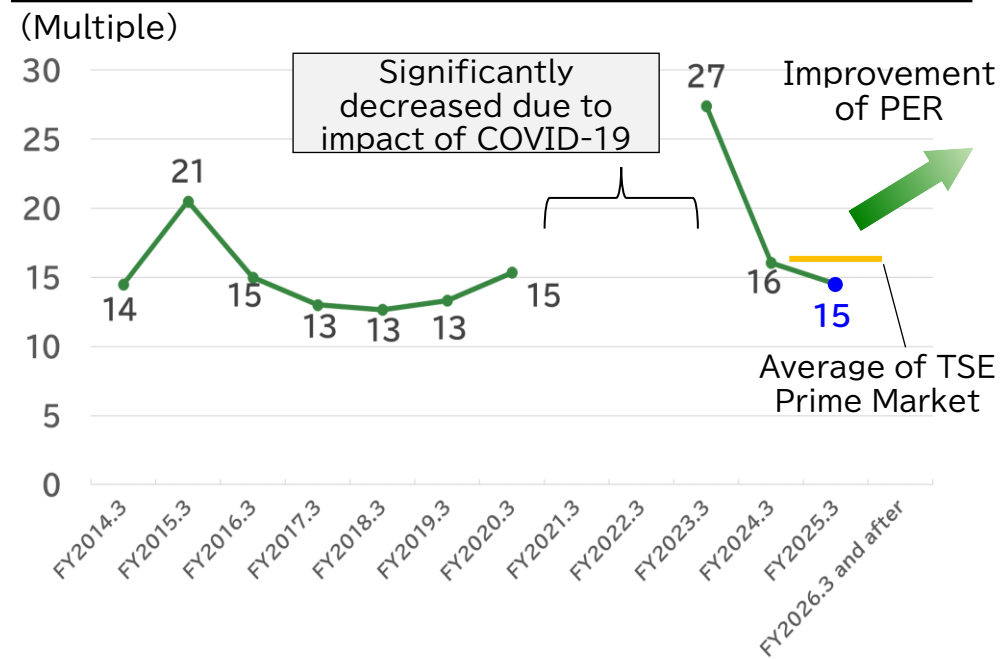
# Current recognition of evaluation from the market

- PBR has not reached pre-COVID-19 levels. We will strive to continuously improve PBR.
- 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

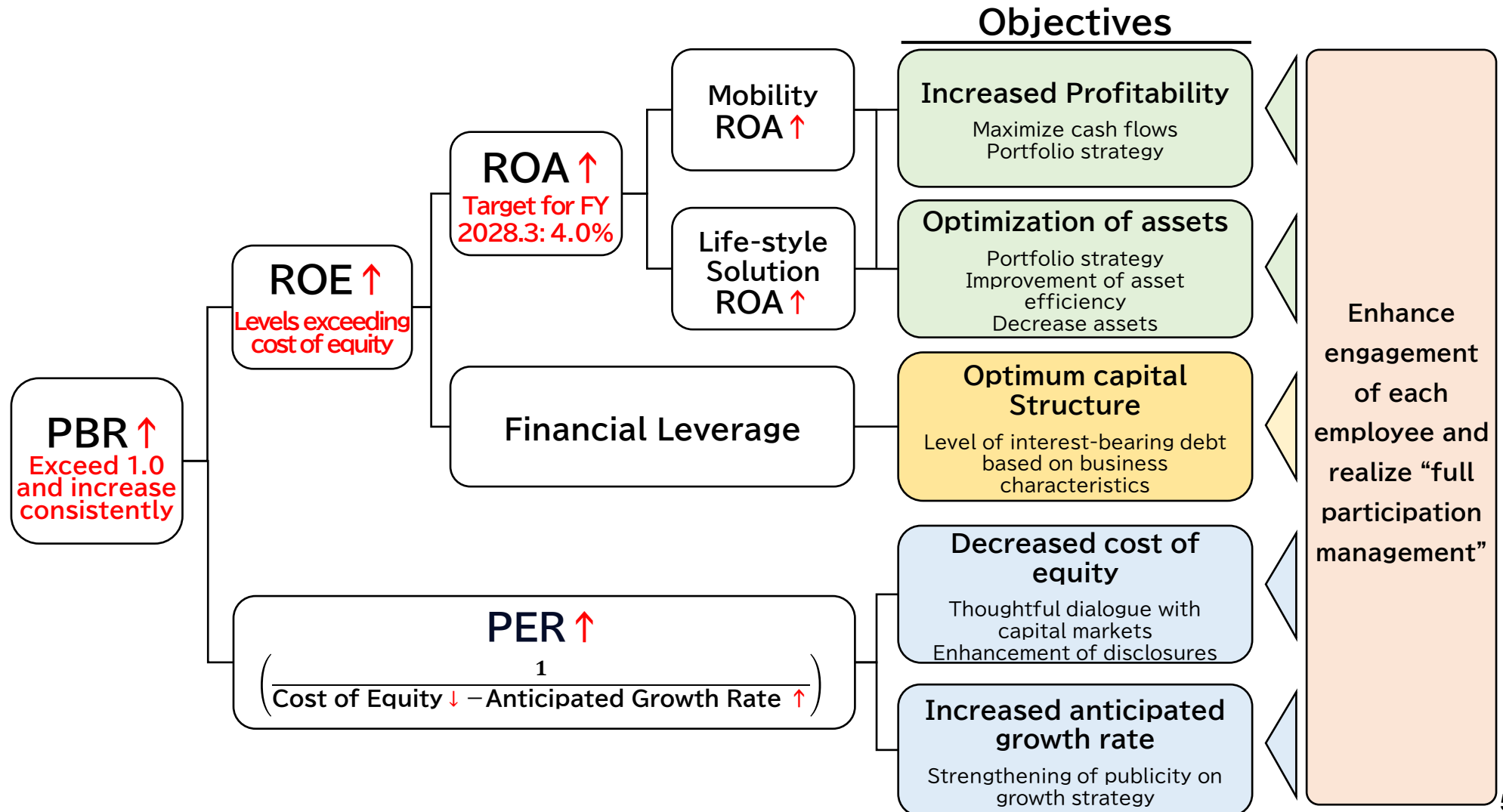


## ■ Breakdown of PBR

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

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

- 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.**



# Specific Action to Implement Management that is Conscious of Cost of Capital and Stock Price ①

## Objectives

## Specific Action

### Increased profitability

#### ◆ Maximize cash flows

- In addition to improving the level of safe and stable transportation, Mobility aims to generate customer flow, including inbound travel, by increasing capacity through the construction of new railcars and the establishment of timetables, and by stimulating demand through the creation of destinations for tourists.
- Continue to request the government to implement a simple and flexible system, such as notification of express charges for Shinkansen and introduction of a system that can respond to inflation in a timely manner, and to review the total cost method itself.  
In addition, review charges including for high value-added railcars and accelerate price strategy implementable by notification.
- Life-style solution creates further added value by setting unit prices and rents based on the strengths of the locations concerned and customer needs, as well as by linking Life-style solution with Mobility.
- Real estate development projects will expand business areas (reinforcing the development of land owned by the Company, the optimization of asset acquisition, and the development of external properties) and accelerate rotational business, while determining profitability in light of rising construction costs. Consider accelerating the realization of unrealized gains on rental properties and expanding the scale of the real estate fund business.
- Suica will evolve from a “device for mobility and payment” to a “device for lifestyle,” and be utilized as a hub to create synergies among the Group’s services, leading to higher Group revenues and profits.

#### ◆ Portfolio strategy

- The strategy updates and KPI tracing for each of the 14 businesses will clarify priority areas, areas requiring a revamp, and areas that need to be the subject of discussion as a matter of principle. In priority areas and areas requiring a revamp, we will draw up growth strategies and utilize external collaboration and M&A as necessary, while considering withdrawing from particular businesses depending on their profitability in areas where profitability needs to be discussed. Through these efforts, we will realize optimal business composition that demonstrates the Group’s synergy to maximum.

#### ◆ Improvement of assets efficiency

- Enhance “improvement of profitability and asset efficiency” through deeper and more leveled development based on the tracing of efforts (from FY2025.3) to break down the ROA of the railway business and link it to the targets of each headquarters, branch office, and business site.

#### ◆ Decrease assets

- Maintain cross-shareholding that contributes to the improvement of our corporate value, aiming at the maintenance and enhancement of stable business relationships as well as close collaboration from a medium-to-long-term perspective. However, we intend to continue to shrink the overall size of our holdings, and disclose the scale of reduction in cross-shareholding.

### Efficient use of assets

# Specific Action to Implement Management that is Conscious of Cost of Capital and Stock Price ②

## Objectives

## Specific Action

### Optimum capital structure

#### ◆ Level of interest-bearing debt based on business characteristics

- Real Estate and Hotels is positioned as a “growth business,” which must adapt to changes with speed, and **actively utilize interest-bearing debt** for the time being. However, **in the medium-to-long term, we will control the balance between earning power and interest-bearing debt based on industry standards.**
- Mobility is positioned as a “sustainable business,” which requires stability and growth, so **we will control the balance between the medium-long term earning power and interest-bearing debt.**
- **Explore the optimal capital structure in terms of both Mobility and Life-style Solution, in addition to the Group as a whole.**

### Decreased cost of equity

#### ◆ Thoughtful dialogue with capital markets

- Presentation at financial results briefings is made by President and CEO for year-end and 2<sup>nd</sup> quarter and by Director-General of Corporate Strategies Headquarters for 1<sup>st</sup> and 3<sup>rd</sup> quarter. Continue to actively implement **dialogue between the management** and shareholders and investors.
- Enhance reliability through **flexible revisions of business forecast.**
- **Consider specific targets to definite clearly the Group’s growth story.**

#### ◆ Enhancement of disclosures

- **Started to distribute the English-language version of the archived video of the financial results briefing** from the 3<sup>rd</sup> quarter (FY2025.3) to expand English-language disclosure. Continue to review positioning of each disclosure material and **enhance disclosure of business information and ESG information.**

### Increased anticipated growth rate

#### ◆ Strengthening of publicity on growth strategy

- **Update** medium-to-long-term goals by business segment and **strategies to achieve the goals per business.**
- **Plan to hold IR Day twice a year** to enhance opportunities to **communicate the future potential of each business** of our Group.

# Second Half of FY2025.3 Results of Dialogue with Shareholders and Investors

\*Underlined: Major updates since previous disclosure

## Format of Dialogue

### For institutional investors and analysts

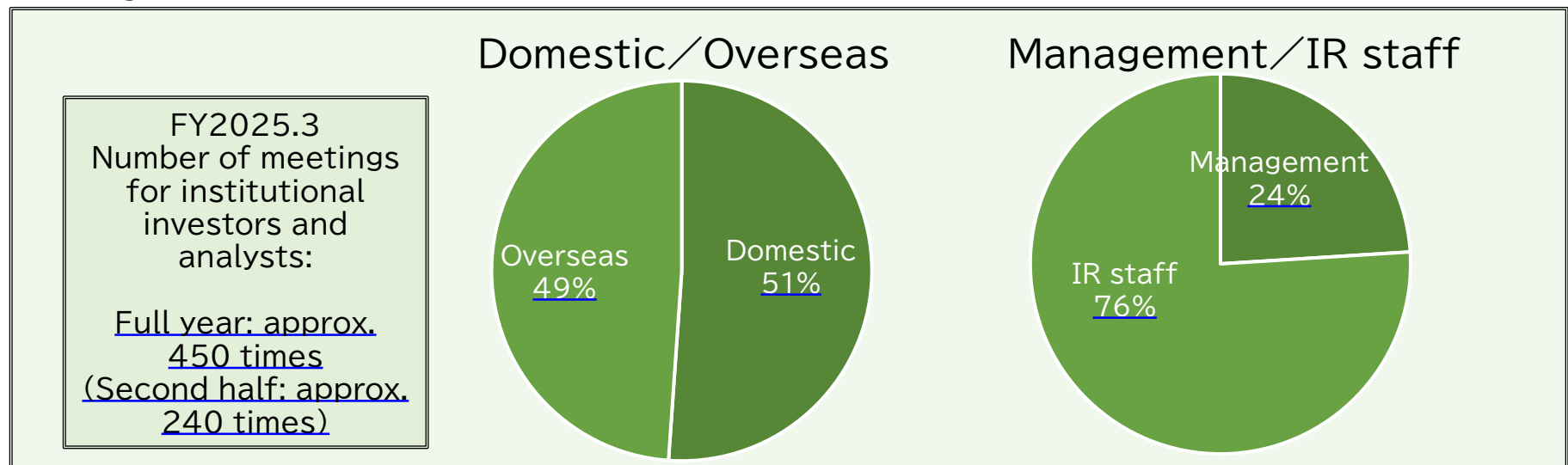
Financial results briefings, 1-on-1 meetings (visit overseas investors and domestic investors, individual interviews), Small Meetings, IR DAY, Web briefing on fare revision application

### For individual investors

Online briefings, facility tours, opinion exchange meetings

## Persons in charge

President and CEO, Executive Vice Presidents, Outside Directors, Executive Director, Senior Executive Officers, Executive Officers, Department Directors, Unit Leaders, Managers





# Major areas of interest of shareholders and investors

## Mobility

- Status of revision of fare and charge system, levels of profit and investment after fare revision, and possibility of a second or subsequent fare revision
- Future revenue growth measures, including capturing inbound demand
- Prospect of cost increase due to inflation and mid-term profit level of railway business
- Railway safety and sustainable operations

## Life-style solution

- Strategies for each business to achieve the numerical targets of Beyond the Border
- Status of leasing and prospect of operating revenue and income of TAKANAWA GATEWAY CITY
- Views of acceleration of the real estate rotational business
- Operating revenue and profit forecasts achieved through Suica Renaissance, and timeline for implementation

## Capital policy

- Direction of interest-bearing debt levels and optimal capital structure based on business characteristics
- Policy on returns to shareholders and forecast
- Plans for realization of management that is conscious of cost of capital and stock price

## ESG

- KPIs for human resources strategy
- Requests regarding the introduction of stock-based compensation
- Policy for decreasing cross-shareholdings
- Governance of the entire JR East Japan Group, including measures in assembly of railcar wheelsets

## Feedback to management, the Board of Directors and employees

Target	Feedback
For Board of Directors	Directors in charge periodically provide feedback on dialogue
For President and CEO and Directors	Departments in charge of dialogue report on major areas of interest
For Each Business Department	Directors in charge provide summary at internal meetings
<a href="#">For Employees</a>	<a href="#">Briefing on major areas of interest from departments in charge of dialogue</a>

## Actions taken based on past dialogue and feedback

Theme	Action
Management that is Conscious of Cost of Capital and Stock Price	<ul style="list-style-type: none"> <li>• <a href="#">Disclosure of WACC and ROIC results</a></li> </ul>
Enhancement of disclosures	<ul style="list-style-type: none"> <li>• <a href="#">Beginning to distribute archived English-language videos of financial results briefings</a></li> <li>• <a href="#">Timely web briefings after fare revision application</a></li> <li>• <a href="#">Enhancement of information on our website (Establishment of “Quick Guide to JR EAST,” etc.)</a></li> </ul>
Strengthening of publicity on growth strategy	<ul style="list-style-type: none"> <li>• <a href="#">Publication of medium-to-long-term strategies for businesses of particular interest (The Greater Shinagawa Area, Suica, etc.)</a></li> </ul>

## Actions for enhancement of dialogue with shareholders and investors in FY2026.3

Target	Action
For institutional investors and analysts	<a href="#">IR Day is planned to be held twice a year to provide more opportunities to understand the Group’s business strategy.</a>
For individual investors	Further enhance dialogue opportunities through increased number of online briefings and facility tours

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

## - FY2026.3 Plans

### Traffic Volume and Passenger revenues

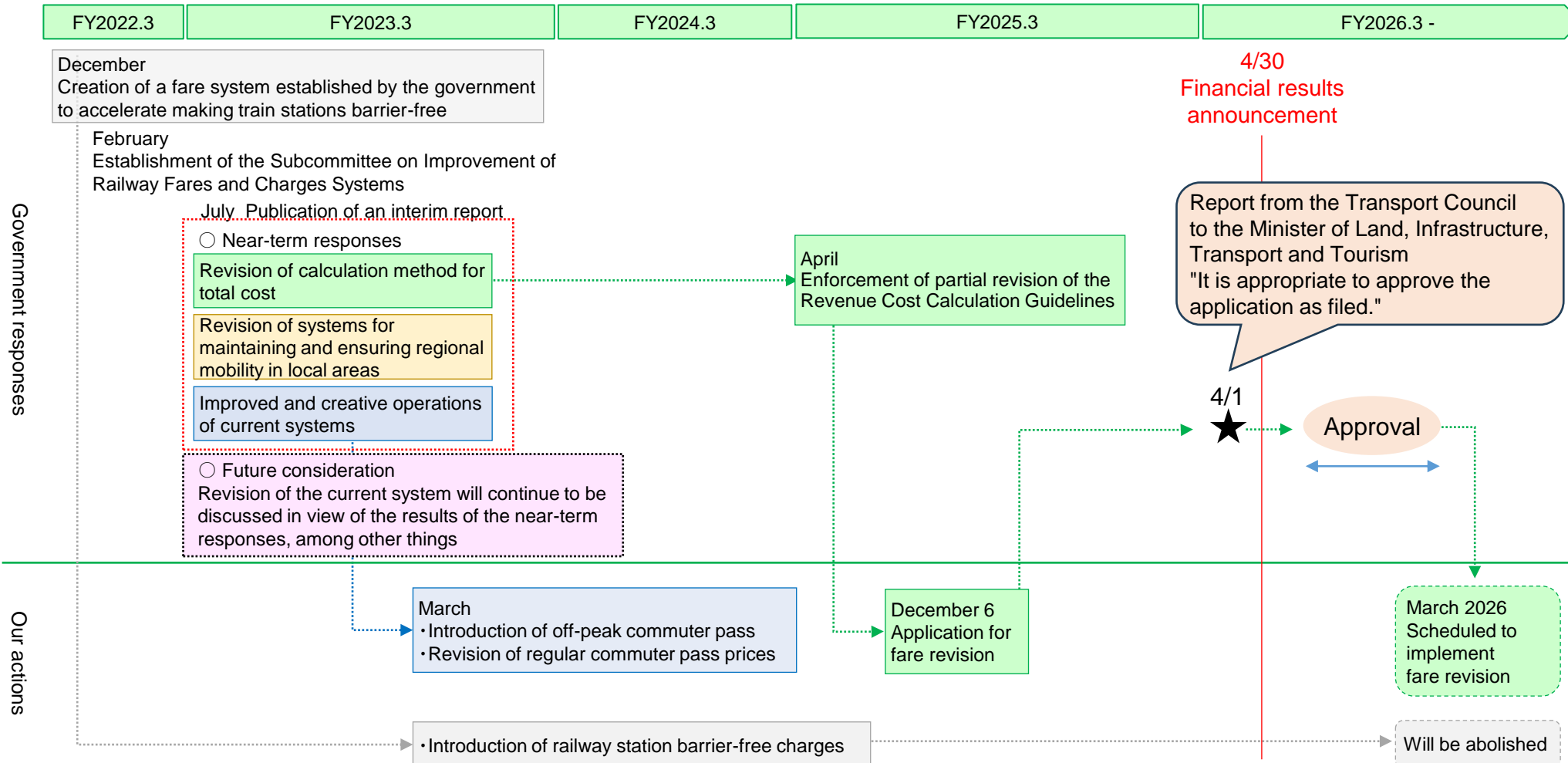
	Traffic Volume (million passenger kilometers)			Passenger Revenues (¥ billion)				
	'24.4-'25.3 Results	'25.4-'26.3 Plans	Changes	'24.4-'25.3 Results	'25.4-'26.3 Plans	Changes		Main factors behind changes
			%			Increase /Decrease	%	
Shinkansen	<b>22,679</b>	<b>23,142</b>	<b>102.0</b>	<b>583.3</b>	<b>595.7</b>	<b>+12.3</b>	<b>102.1</b>	
Commuter Passes	1,758	1,759	100.1	23.6	23.7	+0.0	100.1	
Non-commuter Passes	20,920	21,383	102.2	559.6	572.0	+12.3	102.2	<ul style="list-style-type: none"> <li>• Increase in railway transportation: +5.0</li> <li>• Inbound tourism: +4.5</li> <li>• Rebound from natural disasters: +1.5</li> </ul>
Conventional Lines	<b>101,628</b>	<b>103,007</b>	<b>101.4</b>	<b>1,185.5</b>	<b>1,211.3</b>	<b>+25.7</b>	<b>102.2</b>	
Commuter Passes	61,525	61,610	100.1	404.7	405.3	+0.5	100.1	
Non-commuter Passes	40,103	41,396	103.2	780.7	806.0	+25.2	103.2	<ul style="list-style-type: none"> <li>• Increase in railway transportation: +9.5</li> <li>• Green Cars of the Chuo Line Rapid: +8.0</li> <li>• Inbound tourism: +4.5</li> <li>• Rebound from natural disasters: +3.0</li> </ul>
Total	<b>124,308</b>	<b>126,149</b>	<b>101.5</b>	<b>1,768.8</b>	<b>1,807.0</b>	<b>+38.1</b>	<b>102.2</b>	
Commuter Passes	63,284	63,369	100.1	428.4	429.0	+0.5	100.1	
Non-commuter Passes	61,024	62,779	102.9	1,340.4	1,378.0	+37.5	102.8	

### Major expenses (non-consolidated)

(¥ billion)	'24.4-'25.3 Results	'25.4-'26.3 Plans	Changes		Main factors behind changes
			Increase /Decrease	%	
Personnel expenses	406.2	<b>428.0</b>	+21.7	105.4	[+] Rise in wages
Non-personnel expenses	875.3	<b>917.0</b>	+41.6	104.8	
Energy	83.4	<b>86.0</b>	+2.5	103.0	
Maintenance	316.3	<b>320.0</b>	+3.6	101.2	[+] Impact of soaring prices and impact of rising labor costs
Other	475.5	<b>511.0</b>	+35.4	107.5	<ul style="list-style-type: none"> <li>[+] Increase in cost of real estate sales</li> <li>[+] Impact of soaring prices and impact of rising labor costs</li> </ul>
Depreciation	332.8	<b>341.0</b>	+8.1	102.4	[+] Increase in capital investment

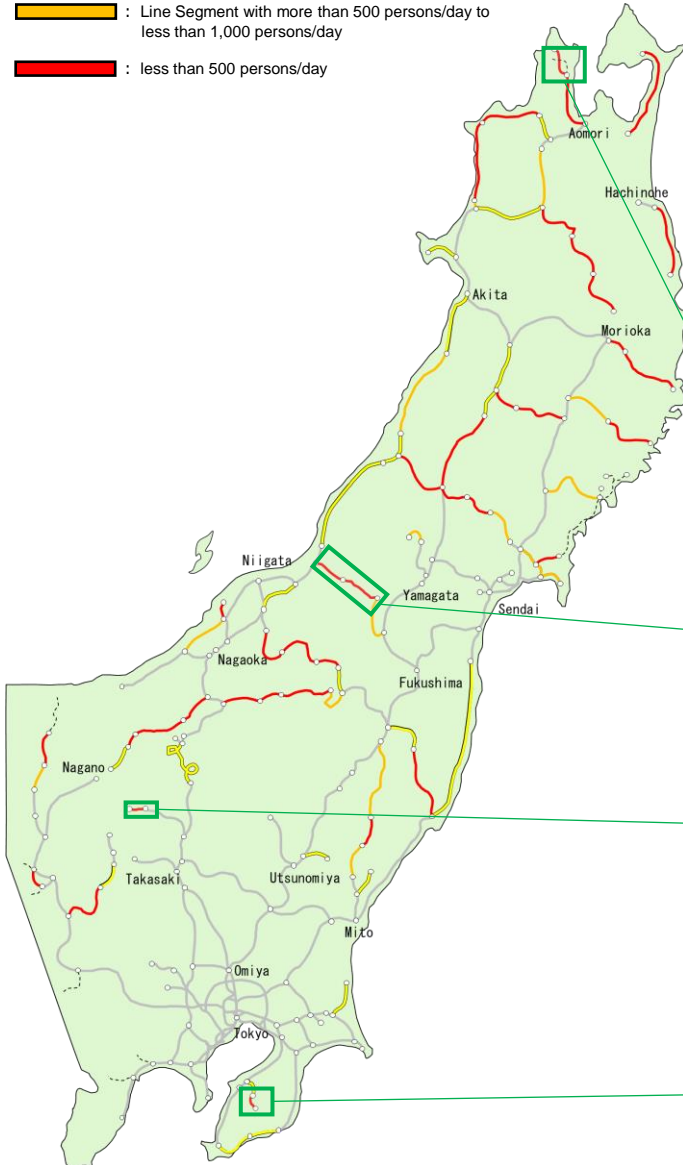
# Progress in the Revision of Railway Fares and Charges Systems

- Applied for a fare adjustment in December 2024. The Transport Council has concluded, but the approval decision is expected to be made after review by other councils.
- After receiving approval from the government, we will promote preparation for implementation in March 2026.



# Status of discussion on regarding local lines

- : Line Segment with more than 1,000 persons/day to less than 2,000 persons/day
- : Line Segment with more than 500 persons/day to less than 1,000 persons/day
- : less than 500 persons/day



## ■ Operating results by line segment

• Subject of disclosure :

Line segment with average passenger figures of less than 2,000 persons/day

• Operating results :

FY	2020.3	2024.3
Number of sections subject to disclosure	35 lines, 66 sections	36 lines, 72 sections
Passenger revenues	5.8 billion	6.3 billion
Operating Expenses	75.2 billion	82.1 billion
Operating Loss	-69.3 billion	-75.7 billion

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 segment: **Tsugaru Line, Kanita-Minmaya section** (operation currently suspended)

Status: “Imabetsu / Sotogahama Regional Transportation Review Meeting” (Jan. 2023 - , held eight times), “JR Tsugaru Line City and Town Mayors’ Conference” (Feb. 2024 - , held three times)  
Having reached an agreement to switch to automobile-based transportation, discussions are currently underway with the relevant local governments regarding the basic content of the agreement.

Line segment: **Yonesaka Line, Imaizumi-Sakamachi section** (operation currently suspended)

Status: “JR Yonesaka Line Restoration Review Meeting” launched (Sep. 2023 - , held five times)  
Presenting the issues surrounding the four operation patterns (JR railway operation, vertical separation, bus conversion, and transfer to the third sector) and providing an estimate of the burden on the local community if vertical separation, bus conversion, or transfer to the third sector is adopted as a rough scale indicator.

Line segment: **Agatsuma Line, Naganohara Kusatsuguchi-Omae section**

Status: “JR Agatsuma Line Regional Transportation Review Meeting” (May 2024 - , held three times)  
Having conducted a questionnaire survey for high school students and their families, who are the main users, to understand their actual commuting situations, etc. Based on the results, planning to implement measures to improve convenience (demonstration experiments) within this fiscal year.

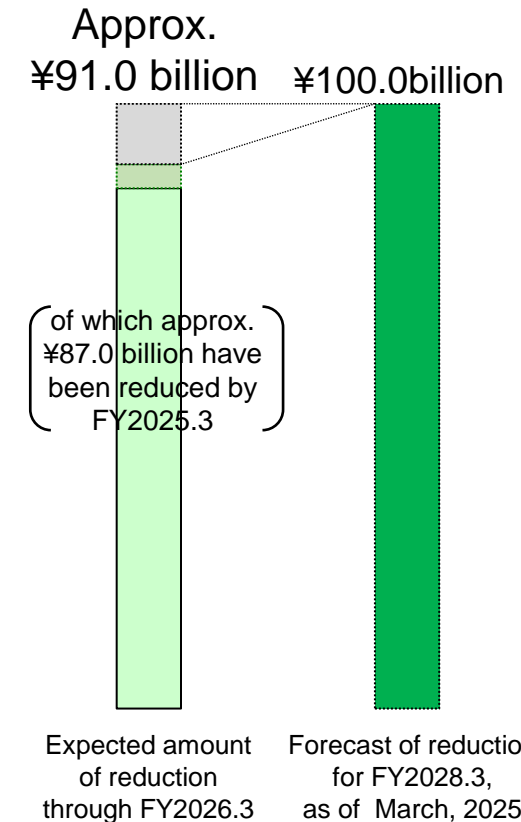
Line segment: **Kururi Line, Kururi-Kazusakameyama section**

Status: “JR Kururi Line Regional Transportation Review Meeting” launched (May 2023 - , held five times)  
Chiba Prefecture, which serves as the secretariat, compiled the report with a view to shifting to automobile-based transportation. In the future, we will consider a specific transportation system at the Kimitsu City Regional Public Transportation Conference.

# Operation cost\* reduction in railway business

\* Operating expenses less depreciation and taxes and dues

(¥ billion)	Result of reduction through FY2025.3	Expected amount of reduction through FY2026.3	Forecast as of 2025.3
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>	-32.0	-34.0	-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>	-18.0	-20.0	-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>-87.0</b>	<b>-91.0</b>	<b>-100.0</b>



We have been working to reduce the operation cost of railway business in FY2028.3 by 100.0 billion yen as compared with FY2020.3, and it is expected that we will achieve the goal at this point already.



# TAKANAWA GATEWAY CITY



THE LINKPILLAR 1 celebrated its opening on March 27, 2025. In the future, commercial facilities, hotels, etc. will open in stages.

In the spring of 2026, THE LINKPILLAR 2, MoN Takanawa, and TAKANAWA GATEWAY CITY RESIDENCE will open, marking its grand opening of “experimental space to enrich lives for the next 100 years.”



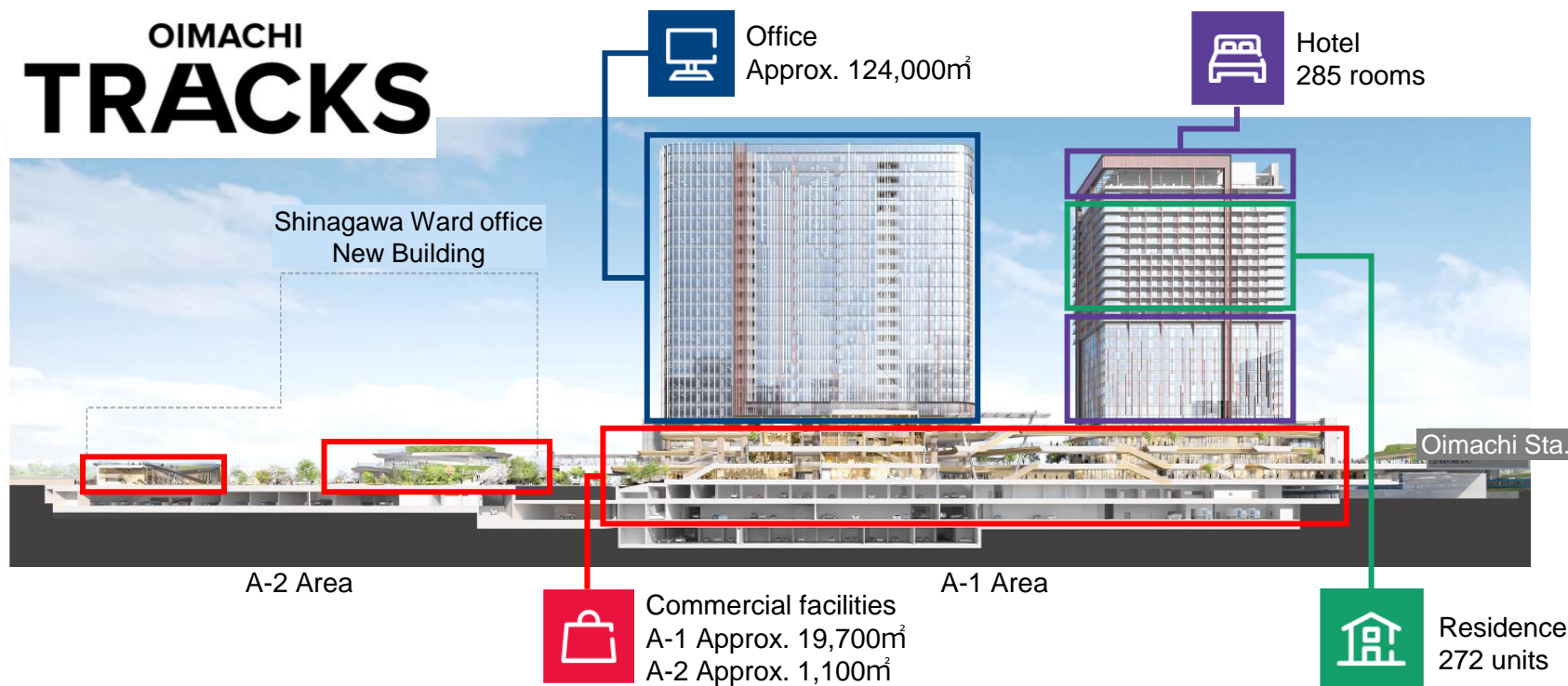
	THE LINKPILLAR 1 SOUTH		THE LINKPILLAR 1 NORTH		THE LINKPILLAR 2		MoN Takanawa: The Museum of Narratives	TAKANAWA GATEWAY CITY RESIDENCE
Opening	City opened on March 27, 2025 (sequential opening)				Spring 2026			
Total floor area	About 460,000 m <sup>2</sup>				About 208,000m <sup>2</sup>		About 29,000m <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	28・29F	Rooftop restaurant	7~30F	Office Kobe Steel, Ltd., etc. Cafeteria for workers	Exhibition hall, Hall, Restaurant, etc.	Residential, International school, Retail, etc.
	8~21F	Office The University of Tokyo GATEWAY Campus National University of Singapore Maruha Nichiro Corporation, etc. Cafeteria for workers	9~27F	Office KDDI Co., Ltd.				
	6F	Conference	6・7F	Incubation facility, etc.	4・5F	Clinic		
	1~5F	Retail	1~5F	Retail	2・3F	Retail		
	Basement	Convention, etc.	Basement	Convention, etc.	B1・1F	Fitness		
					Basement	Energy center		
Other	Project cost: About 600.0 billion yen				Revenue projection (under stabilized operation): About 57.0 billion yen			

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We are preparing for the opening in March 2026 with the aim of creating an unprecedented value of experience (life value) in Oimachi, including the Group's first serviced residences and open out-mall commercial facilities.

OIMACHI TRACKS will play a role in the Greater Shinagawa Area as an “urban lifestyle co-creation base.”



	A-1 Area	A-2 Area
Opening	<b>March 2026</b>	
Revenue projection	<b>About 13.0 billion yen</b>	
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>
Number of floors	26 floors, 3 basement floors	2 floors, 2 basement floors



# Major Capital Expenditures in Mobility

## ■ Raise the level for safety and stable transportation

Name	Fiscal year	Detail	Estimated investment amount
Accelerate installation of automatic platform gates	By FY2032.3	Install on 758 platforms at 330 stations on major conventional lines in the Tokyo area	Approx. 490.0 billion yen
Large-scale earthquake countermeasures	By FY2034.3	Phase I - Hanshin-Awaji and Niigata Chuetsu: Approx. 160.0 billion yen (completed) Phase II - Great East Japan Earthquake, Tokyo Metropolitan Area: Approx. 340.0 billion yen (completed) Phase III - Directly beneath the urban area, off the coast of Fukushima Prefecture: Approx. 450.0 billion yen (Expect to invest about 20.0 to 40.0 billion yen per year until FY2034.3, when the seismic reinforcement plan will be completed)	Approx. 1 trillion yen

## ■ Expand transportation services

Name	Fiscal year	Detail	Estimated investment amount
Fukushima Station approach line expansion construction	Scheduled to start operation at the end of FY2027.3	At Fukushima Station on the Tohoku Shinkansen, proceed expansion construction on an additional approach line that will connect the Yamagata Shinkansen (inbound) to the Tohoku Shinkansen (inbound) via a multi-level crossing. Eliminate the current situation where the Yamagata Shinkansen and Tohoku Shinkansen cross each other at ground level, and improve transportation stability	Approx. 13.0 billion yen
Haneda Airport Access Line (tentative name)	Scheduled to open in FY2032.3	Develop the "East Yamate Route" and the "Access New Line" by effectively utilizing existing assets to realize direct access to Haneda Airport from multiple directions	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.

## ■ Address labor shortage and promote work-style reform

Name	Fiscal year	Detail	Estimated investment amount
Shinkansen driverless operation	Aim for driverless operation of commercial trains in the mid-2030s	FY2029.3: Aim for automated operation of commercial trains and out-of-service trains between Nagaoka Station and Niigata Shinkansen Rolling Stock Center (GOA2), and driverless operation of out-of-service trains between Niigata Station and Niigata Shinkansen Rolling Stock Center (GOA4) in FY2030.3	Not disclosed

# Future major development projects for Life-style solution

## ■ Greater Shinagawa Area

Name	Fiscal year	Total floor area	Use	Assumed investment amount	Return
TAKANAWA GATEWAY CITY	Opening March 27, 2025: THE LINKPILLAR 1  Spring 2026: THE LINKPILLAR 2, MoN Tankanawa, TAKANAWA GATEWAY CITY RESIDENCE	THE LINKPILLAR 1: About 460,000 m <sup>2</sup> THE LINKPILLAR 2: About 208,000 m <sup>2</sup>  MoN Takanawa: About 29,000m <sup>2</sup> TAKANAWA GATEWAY CITY RESIDENCE : About 148,000 m <sup>2</sup>	Office, residential, retail, hotel, etc.	About 600.0 billion yen	Aim to generate approximately 100.0 billion yen in annual operating revenues by around 2034
OIMACHI TRACKS	Opening: March 2026	A1 area: About 250,000 m <sup>2</sup> A2 area: About 9,100 m <sup>2</sup>	Office, hotel, retail, residential, etc.	About 110.0 billion yen	
Development Project around Hamamatsucho Station West Gate Area <sup>*1</sup>	Completion: FY2030.3	About 314,000 m <sup>2</sup>	Office, retail, hotel, etc.	Not disclosed	
Development Project around Tamachi Station West Gate Area	Commencement of shared use: FY2029.3  Grand opening: FY2033.3	About 98,600 m <sup>2</sup>	Office, retail, parking, etc.		
BLUE FRONT SHIBAURA <sup>*2</sup>	Completion S Building : February 2025 N Building : FY2031.3	About 550,000 m <sup>2</sup>	Office, retail, hotel, residential, etc.		
Institute of Science Tokyo Tamachi Campus Land Utilization Project <sup>*3</sup>	Commencement of shared use: June 2030  Grand opening: April 2032	About 250,000 m <sup>2</sup>	Office, retail, hotel, etc.		
Shinagawa Station District Development Project (North Block) <sup>*4</sup>	Construction period: FY2026.3 to FY2031.3	About 165,000 m <sup>2</sup>	Office, retail, station facility, etc.		
Improvement around Shinagawa station North Gate and maintenance of station building	Completion: FY2031.3	About 50,700 m <sup>2</sup>	Station facility, retail, office, etc.	<sup>*5</sup> About 110.0 billion yen	

<sup>\*1</sup> Joint venture with World Trade Center Building, Inc. and two other companies

<sup>\*2</sup> Joint venture with Nomura Real Estate Development Co., Ltd.

<sup>\*3</sup> Joint venture with NTT Urban Development Corporation and two other companies

<sup>\*4</sup> Business entity of south city block: Keikyu Co., Ltd

<sup>\*5</sup> Including construction grants

# Future major development projects for Life-style solution

## ■ Terminal stations development in the Tokyo Metropolitan area (Major projects)

Name	Fiscal Year	Total floor area	Use	Assumed investment amount	Return
Shibuya Scramble Square Central and West Building <sup>*1</sup>	Under review	About 80,000 m <sup>2</sup>	Retail, station facility, etc.	Not disclosed	Not disclosed
Shinjuku Station Southwest Exit Area <sup>*2</sup>	Under review	South City Block: About 150,000 m <sup>2</sup> North City Block: About 141,500 m <sup>2</sup>	Retail, office, hotel, etc.		

<sup>\*1</sup> Joint venture with Tokyu Corporation and one other company

<sup>\*2</sup> Joint venture with Keio Corporation and other companies

• Ikebukuro, Yokohama, Omiya, Chiba, etc.

=> We will provide specific details in the medium to long term.

## ■ Company-owned land development

名称	Fiscal Year	Site area	Use	Assumed investment amount	Return
Funabashi Ichiba-cho Project <sup>*3</sup> (tentative name)	Completion: December 2028	About 45,400 m <sup>2</sup>	Residential, retail, renewable energy power generation facility, etc.	Not disclosed	Revenue projection (as JR East Group) : About 37.0 billion yen

<sup>\*3</sup> Joint venture with Tokyu Fudosan Holdings Corporation

In addition, consider the utilization of multiple company-owned properties, such as former rail yard sites and former company housing sites

# Change in Capital Expenditures (consolidated)

(¥ billion)			'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 (Results)	'25.4-'26.3 (Plans)
	Mobility	Growth investment	110.7	79.0	57.2	74.1	88.0	86.9	68.0
		Investment needed for the continuous operation of business	313.3	309.9	251.3	279.4	301.4	312.0	296.0
		Priority budget allocation (Investment in innovation, etc.)	46.7	62.6	44.0	19.4	47.1	31.3	58.0
		<b>Total</b>	<b>470.7</b>	<b>451.6</b>	<b>352.6</b>	<b>373.0</b>	<b>436.6</b>	<b>430.2</b>	<b>422.0</b>
	Life-style solutions	Growth investment	234.5	212.4	147.9	147.7	207.4	319.9	404.0
		Investment needed for the continuous operation of business	32.2	26.3	18.3	31.5	65.9	69.3	77.0
		Priority budget allocation (Investment in innovation, etc.)	3.0	1.8	1.0	2.3	3.6	6.5	4.0
		<b>Total</b>	<b>269.8</b>	<b>240.6</b>	<b>167.3</b>	<b>181.6</b>	<b>277.0</b>	<b>395.6</b>	<b>485.0</b>
		Growth investment	345.2	291.4	205.1	221.9	295.4	406.8	472.0
		Investment needed for the continuous operation of business	345.5	336.3	269.6	311.0	367.4	381.3	373.0
		(Depreciation)	374.7	388.8	392.6	389.8	392.1	406.2	422.0
		Priority budget allocation (Investment in innovation, etc.)	49.7	64.4	45.1	21.7	50.8	37.8	62.0
		<b>Total</b>	<b>740.6</b>	<b>692.2</b>	<b>520.0</b>	<b>554.7</b>	<b>713.7</b>	<b>825.8</b>	<b>907.0</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.

# Change in Interest-bearing Debt Balance (consolidated)

(¥ billion)	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)	As of '25.3	
						(Results)	Average term to maturity
<b>Bonds</b>	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%)	3,246.3 (1.35%)	15.28
<i>(Foreign Bonds ratio)</i>	14.0%	11.8%	17.4%	27.0%	32.4%	38.1%	
<b>Long-term loans</b>	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%)	1,401.7 (0.97%)	5.85
Long-term liabilities incurred for purchase of railway facilities	327.7 (6.51%)	323.0 (6.53%)	318.8 (6.54%)	315.0 (6.54%)	311.0 (6.55%)	306.7 (6.55%)	16.94
Other interest- bearing debt	150.0 (—)	715.0 (0.11%)	390.7 (-0.00%)	—	0.0 (7.93%)	0.4 (3.74%)	0.16
<b>Total</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>	<b>4,955.3 (1.57%)</b>	<b>12.71</b>
<b>Net interest- bearing debt</b>	3,158.5	4,152.2	4,532.7	4,559.8	4,587.4	4,721.8	—

Top : Balance  
Bottom : Average interest rate

## [Notes]

1. Net interest-bearing debt = Balance of consolidated interest-bearing debt – Balance of consolidated cash and cash equivalents
2. Other interest-bearing debt as of the end of March 2024 and as of the end of March 2025 results are the balance of GATES PCM CONSTRUCTION LTD.



## ■ Policy

- Stable funding and diversification of funding approaches in response to fluctuations in the market environment, etc.
- Accelerate growth and financial integrity by controlling interest-bearing debt in line with earning power.  
(Sustainably reduce net interest-bearing debt/EBITDA)
- Continue sustainability finance to help realize a sustainable society.

## ■ Fund-Raising Situation

- Long-term fund-raising (bonds, borrowing) : Totaled 414.9 billion yen (2024.4 -2025.3).  
(Including 242.3 billion yen of Sustainability Finance)

## ■ 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)

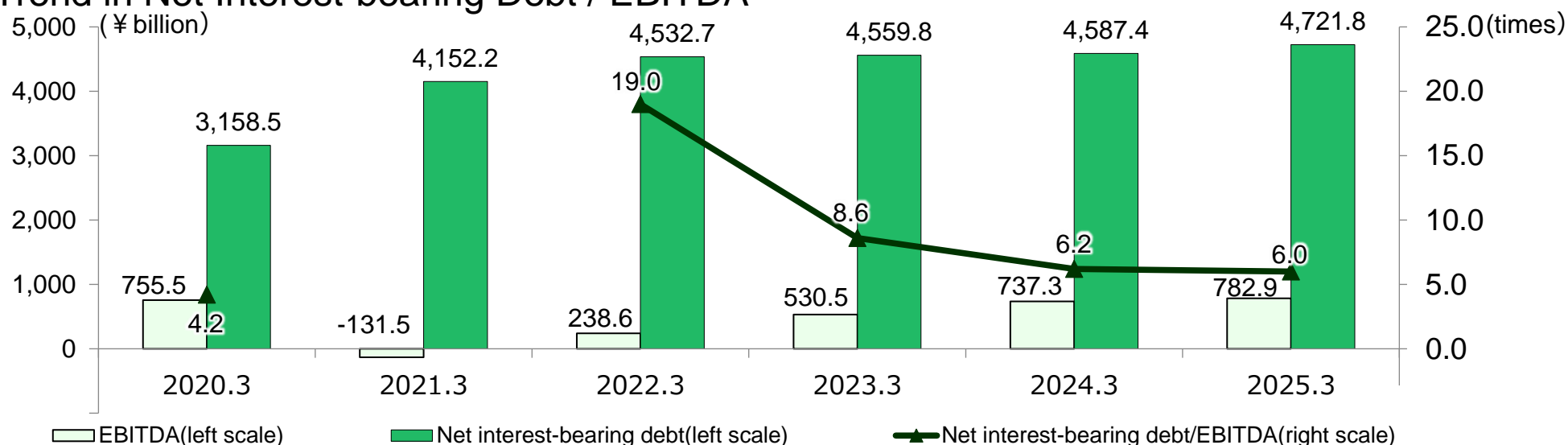
- Short-term credit ratings

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. EBITDA = Consolidated operating income + Consolidated depreciation expense  
 2. Net interest-bearing debt = Balance of consolidated interest-bearing debt – Balance of consolidated cash and cash equivalents  
 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

	2020.3	2021.3	2022.3	2023.3	2024.3	2025.3
Interest Coverage Ratio	9.0	—	3.1	9.4	10.2	10.1
Debt to Equity Ratio	1.1	1.7	2.0	1.9	1.8	1.7

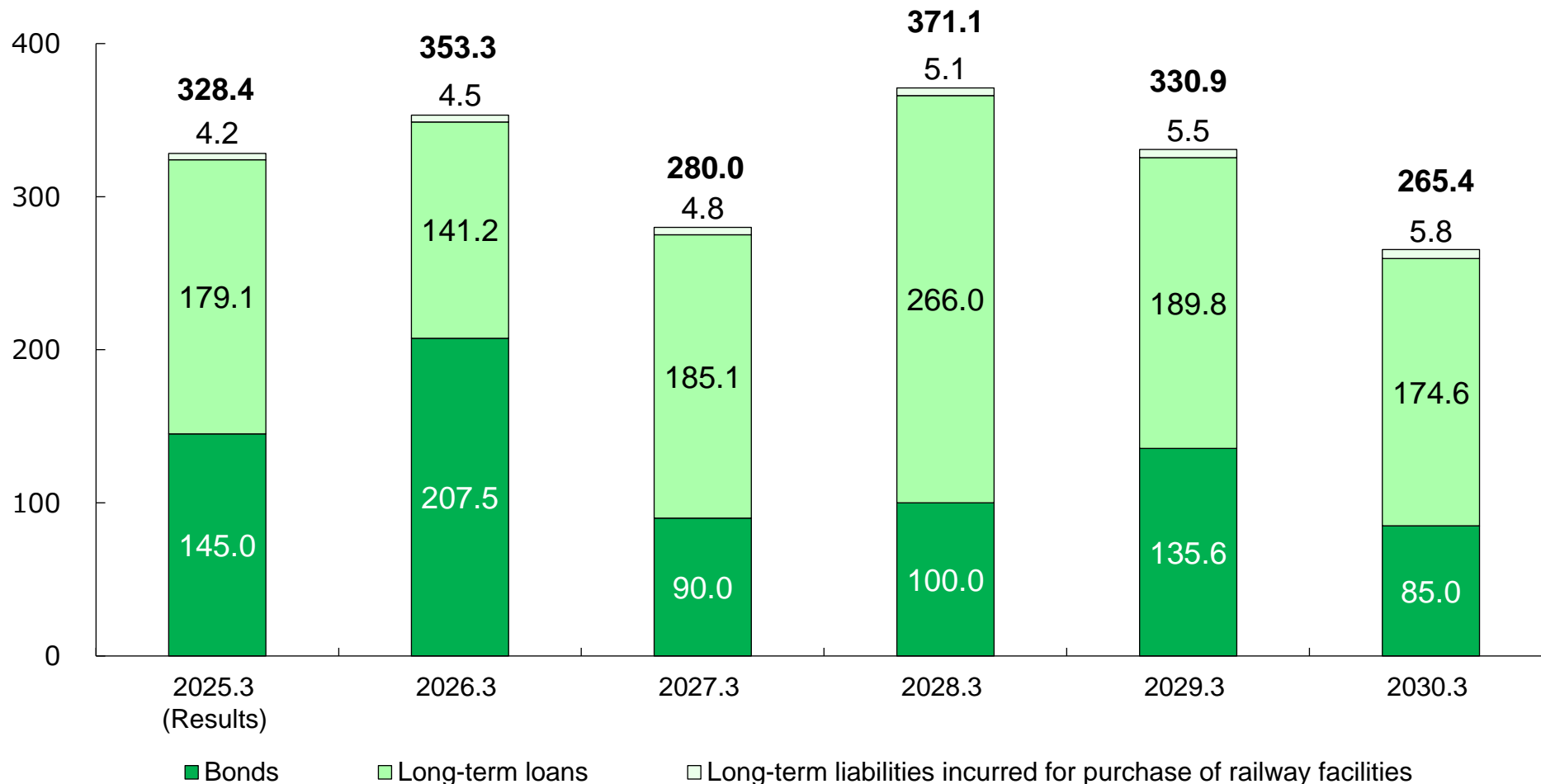
- [Notes] 1. Interest coverage ratio = Net cash provided by operating activities / payments of interest  
 2. Debt to Equity Ratio = Interest-bearing debt / Shareholder's equity  
 3. Interest coverage ratio in FY2021.3 is not stated because it was negative.

# 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)

(¥ billion)



[Notes]

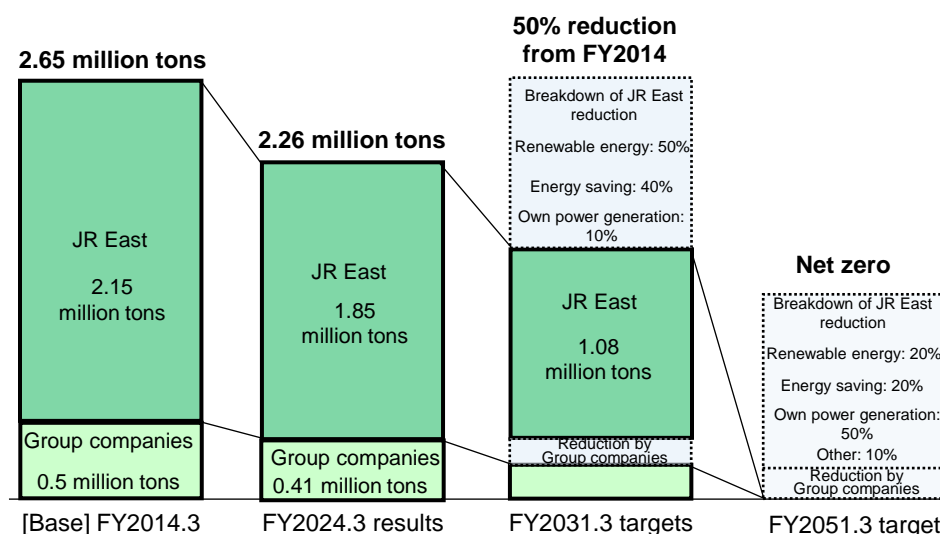
- 1) Outlook as of April 30, 2025   2) Bond redemptions are at face value

- The Sustainability Strategy Committee, which is chaired by the president and CEO, has set the Group's basic policies etc.
- Consider on an ongoing basis whether environmental changes merit further revision of the material issues



## Zero Carbon Challenge 2050

Aiming for “net zero” CO2 emissions in FY2051.3, promote 50% reduction by FY2031.3 (compared to FY 2014.3)



# Initiatives, Certifications, etc.

## ■ SDGs



## ■ UN Global Compact



## ■ GX League



## ■ Carbon Disclosure Project



## ■ TCFD



## ■ TNFD



## ■ Awarded the Gold Rating (Highest Evaluation) under the PRIDE Index for eight consecutive years

work with Pride



## ■ KENKO Investment for Health 2025 (Large Enterprise Category)



## ■ Sports Yell Company 2025



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.