May 1, 2025

East Japan Railway Company

Condensed Transcript from Q&A Session of Presentation
for FY2025.3 Financial Results and FY2026.3 Management Strategy

* Please note that this document is not a word-for-word transcript of the actual Q&A session, but a condensed transcript prepared by the Company by summarizing the actual interactions as appropriate.

[General Management]

Q: What will be the concept of KPI in the new group management vision? Particularly, what are your thoughts on capital efficiency indicators such as ROE?

A: In the new group management vision, we would like to present as quantitatively as possible the growth in each of the two pillars of Mobility and Lifestyle solutions, as well as the increase in corporate value unique to our group that will be realized through the synergy effects. We are considering presenting targets that clearly convey the message of aiming to improve consolidated ROE through improving consolidated ROA and presenting KPIs separately for the two pillars of Mobility and Lifestyle solutions. In addition, discussions are underway on the concept of shareholder returns and the scale of unrealized value on rental properties to be realized.

Q: What are your thoughts on reviewing the Company's relationship with affiliated companies accounted for by the equity method?

A: As safe and stable transportation is our largest revenue base, this is an issue for us to consider from the perspective of sustainable railway business operation. On the other hand, each equity-method affiliate is working to resolve management issues, including efforts to expand the number of business partners, and these issues will be discussed individually while respecting the independence of each company. At this time, we do not intend to significantly revise our relationship with equity-method affiliates.

[Transportation Business]

Q: What is the feasibility of revising the fares and charges systems?

A: First, we are strongly urging the early realization of the approval of the fare revision that we are currently applying for. At the same time, we are strongly pushing for a revision of the express charge system for Shinkansen from an approval to a prior notification. Furthermore, we have been able to gain a foothold in the discussion on the necessity of reviewing the total cost method itself through our efforts, and we will continue our efforts to take the discussion to the next stage.

Q: What is your view of the growth in passenger revenues for FY2026.3?

A: The passenger revenue target for FY2028.3 announced in April 2023 was set at approximately 96% of the pre-COVID-19 level, but actual passenger revenue for FY2025.3 reached approximately 95% of the pre-COVID-19 level. The breakdown is as follows: commuter passes are approximately 85% of the pre-COVID-19 level, non-commuter passes of Shinkansen are approximately 98%, and non-commuter passes of conventional lines are above the pre-COVID-19 level. Factoring in the post-COVID-19 change in trend, further inbound demand and increased railway usage, the FY2026.3 passenger revenues plan exceeds the FY2028.3 target.

Q: What are the characteristics of each area in terms of inbound tourism, and what is the response and challenges in creating flow within the east Japan area?

A: Our inbound revenue targets for FY2028.3 are 70 billion yen for Mobility and 65 billion yen for Lifestyle solutions, but we consider that these targets can be revised upward in the new group management vision. As Zao, Hakuba, and Gala-Yuzawa enjoyed strong usage in FY2025.3, snow leisure will continue to have strong appeal for our group in the future. The challenge is that only 1.5% of all inbound customers stay at least one night in Tohoku, and we would like to increase this percentage to around 5%. In addition to snow leisure, we will further increase inbound revenues by expanding its content axis with specific proposals such as spiritual tourism that takes advantage of Dewa Sanzan, and by securing the corresponding transportation capacity.

[Real Estate Business]

Q: What has been the response in terms of acquiring and developing real estate in cities since the establishment of JR East Real Estate Co., Ltd.?

A: We feel that our real estate business capability has become improving. Our group's policy is to strategically purchase properties in areas where we can take advantage of our strengths and increase the overall value of the area. We will further increase our earnings by purchasing properties by taking advantage of the extensive information that has gained through the establishment of JR East Real Estate Co., Ltd. Furthermore, our unique strength lies in the ability to realize value enhancement in tandem with the railway, as in the case of TAKANAWA GATEWAY CITY.

Q: What is the background behind the expansion in the scale of real estate sales?

A: Since it is difficult to liquidate assets that are integrated with railways from the perspective of safe and stable transportation, our basic policy is to increase the rotation pace of properties that do not have such constraints. On the other hand, we are also examining the possibility of liquidating properties that it had previously thought could not be liquidated because they were integrated with the railway, by establishing rights to them. Through these efforts, we achieved approximately 50 billion yen in real estate sales (including some extraordinary gains) in FY2025.3 and expect approximately 65 billion yen in FY2026.3. The scale of assets under management in the real estate fund business is also expanding, and we believe that we can further revise upward the target of a cumulative total of 400 billion yen in the new group management vision.