

(Translation)

February 19, 2025

To whom it may concern:

Company Name: East Japan Railway Company
Representative: Yoichi Kise
President and CEO
Securities Code: 9020
Tokyo Stock Exchange (Prime Market)
Contact Person: Satoshi Shiohara
General Manager,
Corporate Communications Department

Announcement Regarding Conversion of Two Consolidated Subsidiaries into Wholly-owned Subsidiaries through Simplified Share Exchange

East Japan Railway Company (the “Company”) has determined to implement share exchanges pursuant to which the Company will become the wholly-owning parent company of LUMINE Co., Ltd. (“LUMINE”) and JR East Department Store Co., Ltd. (“JR East Department Store”) resulting from the share exchange, and such two consolidated subsidiaries (the “Two Consolidated Subsidiaries”) will become wholly-owned subsidiaries of the Company, as a result of the applicable share exchange (individually or collectively, the “Share Exchange”) by the decision of the Company’s Representative Director.

As the Share Exchange is a simplified share exchange pursuant to which consolidated subsidiaries will be converted into wholly-owned subsidiaries, certain disclosure items and details have been omitted.

Details

I. Purpose of the Share Exchange

In order to realize the Group Management Vision “Move Up” 2027, the Company and its group companies (the “Group”) strive to appropriately respond to changes in the business environment and build a more efficient consolidated management structure. As part of its organizational restructuring in connection with the above, the Two Consolidated Subsidiaries will become wholly-owned subsidiaries of the Company. The necessity of converting each consolidated subsidiary into a wholly-owned subsidiary is as follows.

(1) LUMINE

LUMINE as a group company of the Company has played a central role in the Group’s shopping center business by integrating multiple shopping centers in the Tokyo metropolitan area and opening new stores, and has developed shopping centers “LUMINE” and “NEWoMan” not only in Japan but also in Singapore and Indonesia.

In order to continue LUMINE’s challenges as “the Life Value Presenter”, aiming to provide life values to customers with increasingly diversified values, the Company believes that by making LUMINE its wholly-owned subsidiary, it will build a more integrated group management structure and as a result further improve the corporate value of the Group.

(2) JR East Department Store

JR East Department Store has operated GRANDUO Tachikawa and GRANDUO Kamata as a complex of station building and department store. The Company believes that by making JR East Department Store its wholly-owned subsidiary, it will be able to build a more integrated group management structure and enable JR East Department Store to continue providing new values to customers' daily lives as a professional retailer, and as a result further improve the corporate value of the Group.

II. Summary of the Share Exchange

1. Schedule of the Share Exchange

Date of resolution of the boards of directors (LUMINE and JR East Department Store)	February 19, 2025
Date of decision (the Company)	February 19, 2025
Date of execution of share exchange agreements	February 19, 2025
Effective date of the Share Exchange	March 19, 2025 (scheduled)

(Notes)

1. Since the Share Exchange is a simplified share exchange for the Company pursuant to the provisions of Article 796, Paragraph 2 of the Companies Act, the Company will implement the Share Exchange without obtaining approval of the share exchange agreements at a general meeting of shareholders. Further, since the Share Exchange is a short-form share exchange for LUMINE and JR East Department Store pursuant to the provisions of Article 784, Paragraph 1 of the Companies Act, they will implement the Share Exchange without obtaining approval of the share exchange agreement at a general meeting of shareholders.

2. In accordance with the provisions of Article 234 of the Companies Act and other applicable laws and regulations, with respect to shareholders of the Two Consolidated Subsidiaries who will receive fractional shares constituting less than one share of the Company's common stock in connection with the Share Exchange, the Company will sell such number of the Company's shares equal to the sum of all such fractional shares (any fractional shares constituting less than one share in such sum will be disregarded) and will deliver the proceeds from such sale to applicable shareholders in proportion to the number of such fractional shares.

2. Method of the Share Exchange

The Share Exchange is a share exchange pursuant to which the Company will become the wholly-owning parent company and each of the Two Consolidated Subsidiaries will become a wholly-owned subsidiary.

3. Allotment of Shares in the Share Exchange

(1) LUMINE

	Company (wholly-owning parent company resulting from the Share Exchange)	LUMINE (wholly-owned subsidiary resulting from the Share Exchange)
Allotment ratio in the Share Exchange	1	0.90
Number of shares to be delivered through the Share Exchange	2,483,820 shares of common stock of the Company (expected)	

(Notes)

1. Allotment ratio of shares

For the shareholders of LUMINE registered or recorded in the shareholders register of LUMINE as of the close of the day immediately preceding the effective date of the Share Exchange, the Company will allot and deliver the Company's shares at a rate of 0.90 shares of common stock of the Company to 1 share of common stock of LUMINE. However, no such allotment of shares through the Share Exchange will be made with respect to shares of LUMINE held by the Company.

2. Shares to be delivered through the Share Exchange

With respect to the shares of the Company to be delivered through the Share Exchange, the Company plans to use treasury stock held by the Company and a part of the treasury stock to be newly repurchased starting today, and does not plan to issue new shares at this time. For the new repurchase of shares by the Company starting today, please refer to the separate press release "Announcement Regarding Determination of Matters Concerning Share Repurchase and Determination of Matters Concerning Share Repurchase through the Off-Auction Treasury Stock Repurchase Trading System (ToSTNeT-3)" announced today.

3. In the event that any treasury stock (including any treasury stock to be acquired by way of the purchase of shares in connection with any stock purchase request by dissenting shareholders pursuant to Article 785, Paragraph 1 of the Companies Act, which may be exercised upon the Share Exchange) is outstanding as of the time immediately prior to the effectiveness of the Share Exchange, LUMINE plans to cancel all of such treasury stock as of the time immediately prior to the effectiveness of the Share Exchange by a resolution of the board of directors of LUMINE to be held by the day immediately preceding the effective date. As a result, the number of shares to be allotted and delivered through the Share Exchange may be amended due to the cancellation of LUMINE's treasury stock or other reasons.

(2) JR East Department Store

	Company (wholly-owning parent company resulting from the Share Exchange)	JR East Department Store (wholly-owned subsidiary resulting from the Share Exchange)
Allotment ratio in the Share Exchange	1	37.0
Number of shares to be delivered through the Share Exchange	77,108 shares of common stock of the Company (expected)	

(Notes)

1. Allotment ratio of shares

For the shareholders of JR East Department Store registered or recorded in the shareholders register of JR East Department Store as of the close of the day immediately preceding the effective date of the Share Exchange, the Company will allot and deliver the Company's shares at a rate of 37.0 shares of common stock of the Company to 1 share of common stock of JR East Department Store. However, no such allotment of shares through the Share Exchange will be made with respect to shares of JR East Department Store held by the Company.

2. Shares to be delivered through the Share Exchange

With respect to the shares of the Company to be delivered through the Share Exchange, the Company plans to use treasury stock held by the Company, and does not plan to issue new shares.

3. In the event that any treasury stock (including any treasury stock to be acquired by way of the purchase of shares in connection with any stock purchase request by dissenting shareholders pursuant to Article 785, Paragraph 1 of the Companies Act, which may be exercised upon the Share Exchange) is outstanding as of the time immediately prior to the effectiveness of the Share Exchange, JR East Department Store plans to cancel all of such treasury stock as of the time immediately prior to the effectiveness of the Share Exchange by a resolution of the board of directors of JR East Department Store to be held by the day immediately preceding the effective date. As a result, the number of shares to be allotted and delivered through the Share Exchange may be amended due to the cancellation of JR East Department Store's treasury stock or other reasons.

4. Treatment of stock options and bonds with stock options in connection with the Share Exchange
Not applicable.

III. Method of calculations with respect to allotment of shares in the Share Exchange

In order to ensure the fairness and appropriateness of the calculation of the share exchange ratio of the Share Exchange, the Company appointed Deloitte Tohmatsu Financial Advisory LLC as a third party organization independent of the Company and the Two Consolidated Subsidiaries, to calculate the share exchange ratio of the Company and the Two Consolidated Subsidiaries. Such third party organization calculated the share value of the Company, which is a listed company, using the market price method, and the share value of the Two Consolidated Subsidiaries, which are private companies, using the comparable company analysis method and DCF method.

No significant increase or decrease in earnings is assumed in the future profit planning of the Two Consolidated Subsidiaries (provided by the Company to such third party organization) used as a basis of calculation by such third party organization.

As a result of the above, the calculation results of the share exchange ratio for each of the Two Consolidated Subsidiaries, assuming that the per share value of the Company is 1, are as follows.

(1) LUMINE

Calculation method		Calculation results of share exchange ratio
Company	LUMINE	
Market price method	Comparable company analysis method	0.70 to 1.10
	DCF method	0.72 to 0.98

(2) JR East Department Store

Calculation method		Calculation results of share exchange ratio
Company	JR East Department Store	
Market price method	Comparable company analysis method	33.47 to 55.43
	DCF method	26.86 to 40.14

The Company and the Two Consolidated Subsidiaries decided the allotment ratio in the Share Exchange upon consultation between the parties by reference to the applicable calculation results of the share exchange ratio.

IV. Overview of the parties to the Share Exchange

Wholly-owning parent company resulting from the Share Exchange																							
(1) Name	East Japan Railway Company																						
(2) Location	2-2, Yoyogi 2-chome, Shibuya-ku, Tokyo																						
(3) Representative	Yoichi Kise																						
(4) Description of business	Transportation business, retail & services business, real estate & hotels business and others																						
(5) Amount of share capital	200 billion yen																						
(6) Date of incorporation	April 1, 1987																						
(7) Number of issued and outstanding shares	1,134,412,200 shares																						
(8) Fiscal year-end	March 31																						
(9) Major shareholders and shareholding ratio	<table border="0"> <tr> <td>The Master Trust Bank of Japan, Ltd. (as Trustee)</td> <td>14.14%</td> </tr> <tr> <td>Custody Bank of Japan, Ltd. (as Trustee)</td> <td>4.22%</td> </tr> <tr> <td>The JR East Group Employees Shareholding Association</td> <td>4.01%</td> </tr> <tr> <td>Mizuho Bank, Ltd.</td> <td>3.44%</td> </tr> <tr> <td>Nippon Life Insurance Company</td> <td>2.12%</td> </tr> <tr> <td>STATE STREET BANK WEST CLIENT – TREATY 505234</td> <td>1.92%</td> </tr> <tr> <td>MUFG Bank, Ltd.</td> <td>1.70%</td> </tr> <tr> <td>Sumitomo Mitsui Banking Corporation</td> <td>1.63%</td> </tr> <tr> <td>STATE STREET BANK AND TRUST COMPANY 505001</td> <td>1.48%</td> </tr> <tr> <td>JP MORGAN CHASE BANK 385781</td> <td>1.35%</td> </tr> <tr> <td colspan="2">(As of September 30, 2024)</td> </tr> </table>	The Master Trust Bank of Japan, Ltd. (as Trustee)	14.14%	Custody Bank of Japan, Ltd. (as Trustee)	4.22%	The JR East Group Employees Shareholding Association	4.01%	Mizuho Bank, Ltd.	3.44%	Nippon Life Insurance Company	2.12%	STATE STREET BANK WEST CLIENT – TREATY 505234	1.92%	MUFG Bank, Ltd.	1.70%	Sumitomo Mitsui Banking Corporation	1.63%	STATE STREET BANK AND TRUST COMPANY 505001	1.48%	JP MORGAN CHASE BANK 385781	1.35%	(As of September 30, 2024)	
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(As of September 30, 2024)																							
(10) Financial position and operating results of the last fiscal year																							
	Fiscal year ended March 31, 2024 (consolidated)																						
Net assets	2,739,232 million yen																						
Total assets	9,771,479 million yen																						
Net assets per share	2,402.34 yen																						
Operating revenues	2,730,118 million yen																						
Operating income	345,161 million yen																						
Ordinary income	296,631 million yen																						
Profit attributable to owners of the parent	196,449 million yen																						
Earnings per share	173.82 yen																						

*The Company conducted a 3 for 1 stock split for its common shares on April 1, 2024. Net assets per share and earnings per share were calculated as though the stock split had been conducted at the beginning of the previous fiscal year.

Wholly-owned subsidiary resulting from the Share Exchange																							
(1) Name	LUMINE Co., Ltd.	JR East Department Store Co., Ltd.																					
(2) Location	2-2, Yoyogi 2-chome, Shibuya-ku, Tokyo	2-1, Shibasakicho 3-chome, Tachikawa-shi, Tokyo																					
(3) Representative	Teruyuki Omote	Yoichi Ishiguro																					
(4) Description of business	Shopping center operations	Retail sales																					
(5) Amount of share capital	2,375.2 million yen	1,140.0 million yen																					
(6) Date of incorporation	May 21, 1966	April 1, 1997																					
(7) Number of issued and outstanding shares	70,378,000 shares	39,600 shares																					
(8) Fiscal year-end	March 31	March 31																					
(9) Major shareholders and shareholding ratio	<table border="0"> <tr> <td>East Japan Railway Company</td> <td>96.08%</td> <td>East Japan Railway Company</td> </tr> <tr> <td>Tachikawa City</td> <td>1.42%</td> <td>94.74%</td> </tr> <tr> <td>Saitama City</td> <td>1.36%</td> <td>LUMINE Co., Ltd.</td> </tr> <tr> <td>Tachikawa Chamber of Commerce and Industry</td> <td>0.57%</td> <td>5.05%</td> </tr> <tr> <td>Yokohama shintoshin center</td> <td>0.28%</td> <td>1 individual shareholder</td> </tr> <tr> <td>3 individual shareholders</td> <td>0.29%</td> <td>0.21%</td> </tr> <tr> <td colspan="2">(As of February 19, 2025)</td> <td>(As of February 19, 2025)</td> </tr> </table>	East Japan Railway Company	96.08%	East Japan Railway Company	Tachikawa City	1.42%	94.74%	Saitama City	1.36%	LUMINE Co., Ltd.	Tachikawa Chamber of Commerce and Industry	0.57%	5.05%	Yokohama shintoshin center	0.28%	1 individual shareholder	3 individual shareholders	0.29%	0.21%	(As of February 19, 2025)		(As of February 19, 2025)	
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(10) Financial position and operating results of the last fiscal year																							
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024																					
Net assets	120,624 million yen	1,684 million yen																					
Total assets	178,465 million yen	9,753 million yen																					
Net assets per share	1,713.94 yen	42,542.24 yen																					

Operating revenues	72,566 million yen	6,686 million yen
Operating income	12,374 million yen	467 million yen
Ordinary income	12,859 million yen	483 million yen
Profit	2,846 million yen	322 million yen
Earnings per share	40.43 yen	8,156.48 yen

V. Status after the Share Exchange

There will be no changes to the name, location, name and title of the representative, description of business, amount of share capital or fiscal year-end of the Company due to the Share Exchange.

VI. Future outlook

The Company's shares of common stock will be delivered to the Company's consolidated subsidiary LUMINE through the Share Exchange concerning JR East Department Store. However, after the effective date of the Share Exchange, the Company plans to acquire an aggregate of 74,000 shares of common stock of the Company through dividends in kind from such subsidiary.

The Company does not expect the Share Exchange to have a material impact to the consolidated financial results of the Company, but will promptly announce any matters that should be disclosed in the future.