

# At a Glance:

## Strengths and Capitals

**Strength** **Connecting Reality with the Digital World** Social and Relationship Capital

JR East Group products and services are used by a total of 35.0 million customers every day.

Number of Shinkansen and conventional line passengers (including BRT):

Approx. **16.0** million per day

Number of bus passengers:

Approx. **26,000** per day

Number of monorail passengers:

Approx. **110,000** per day

Number of e-money transactions\*:

Approx. **10.0** million per day

\*Number of transactions at affiliated stores

Number of transactions on the MaaS platform, Mobility Linkage Platform, provided by JR East:

Approx. **2.6** million per day

Number of ekinaka customers:

Approx. **2.0** million per day

Number of shopping center transactions:

Approx. **1.7** million per day

Number of customers using JR East Group products and services in FY2025.3:

Total **35.0** million per day

Number of customers at JR Tokyo General Hospital and JR Sendai Hospital:

Approx. **2,000** per day

Number of applications for new accounts at JRE BANK\*:

Approx. **510,000**

\*JRE BANK is a service in which Viewcard Co., Ltd. acts as an intermediary for the conclusion of various contracts as a bank agent with Rakuten Bank, Ltd. as its affiliated bank.

Number of Viewcard users:

Approx. **1.4** million per day

Number of customers using leasable offices\*:

Approx. **70,000** per day

\*Leasable office space: 710,000 m<sup>2</sup>  
Assuming 9.9 m<sup>2</sup> per person

Examples and usage of other products and services

Number of manufactured railcars:

Approx. **310** per year

Number of transportation advertising media units:

Approx. **1.0** million\*  
(Total media in stations and traincars)

Number of hotel guest rooms:

Approx. **10,000**\*  
(Total hotel guest rooms at Metropolitan Hotels, JR-East Hotel Mets, Hotel B4T, High-End/Resort Hotels, etc.)

\*As of March 31, 2025

We have a deep connection with the local community and our many stakeholders. Our aim is to leverage these connections to address local issues and achieve mutual growth with society through community-focused business operations.



Number of municipal authorities with which comprehensive cooperation agreements or cooperation agreements have been concluded (as of March 31, 2025)

**54**

Number of universities, companies and organizations with which cooperation agreements have been concluded (as of March 31, 2025)

**44**

Number of customer feedback\* submissions:

Approx. **86,000** per year

\*Total number of calls received by customer feedback center and online submissions

Dialogue with Diverse Stakeholders P.110

# At a Glance:

## Strengths and Capitals

### Strength Employee Diligence and Sincerity

Human Capital

Our strength lies in the diligence and sincerity of our employees who continue to build trust and create connections with customers and the local community. We aim to be a corporate group where each employee, through individual growth, is the driving force for growth of the Group and can feel they play a leading role in their own development.

- Number of employees** (as of March 31, 2025):  
Consolidated: **69,559** (Non-consolidated: 39,660)
- Average training hours per employee** (FY2025.3):  
Consolidated: **33** hours, **50** minutes per person  
(Non-consolidated: 36 hours, 20 minutes per person)  
Total training hours (FY2025.3):  
Consolidated: **2.48** million hours  
(Non-consolidated: 1.62 million hours)  
Average training cost per employee (FY2025.3):  
Consolidated: **¥68,068** per person  
(Non-consolidated: ¥88,220 per person)



#### Number of technical qualification holders (as of March 31, 2025):

<b>Employees with doctoral degrees:</b> Consolidated: <b>204</b> (Non-consolidated: 178)	<b>Professional engineers:</b> Consolidated: <b>843</b> (Non-consolidated: 608)	<b>Railway design engineers:</b> Consolidated: <b>819</b> (Non-consolidated: 783)	<b>First-Class Chief electricity Engineers:</b> Consolidated: <b>119</b> (Non-consolidated: 116)
<b>First-class architects:</b> Consolidated: <b>928</b> (Non-consolidated: 486)	<b>Real estate appraisers:</b> Consolidated: <b>13</b> (Non-consolidated: 9)	<b>Nurses certified in specified medical acts*:</b> Non-consolidated: <b>7</b>	<small>*Completed Specified Medical Acts as defined by law</small>

**Engagement score positive response rate** (FY2025.3):  
**62.2%** P.60  
(Of which employee creativity rate\* is **85.8%**) P.105

**Others**  
Human capital KPIs P.97-  
Non-Financial Information Highlights P.121

Refer here for more human capital information (Japanese only)

\*Percentage of employees who gave positive responses to relevant items in the engagement survey

### Strength Trust (Brand Power)

Social and Relationship Capital

To meet the expectations of our stakeholders, each and every Group employee upholds compliance and diligently carries out their daily duties over the long term, enhancing the trust that serves as the foundation of all our businesses and the source of our brand power.

- Safety**  
**Safety investment** (Forecast for the next five years starting in FY2025.3):  
Approx. **¥1.3** trillion  
**Number of transportation disruptions on conventional lines within 100 km of Tokyo due to internal causes and weighted by customer impact\*\*** (FY2025.3):  
**8**  
**Railway stations and tracks with automatic platform gates** (as of March 31, 2025):  
**140** stations, **288** tracks  
**Number of railway accidents\*\*:**  
Reduction of approx. **65%**  
**Number of Group employee fatalities:**  
**0**
- Travel time between Tokyo Station and Shin-Aomori (Aomori) Station\*2:**  
Shortened by **153** minutes
- Rate of obtaining "Care-Fitter" Certifications** (as of March 31, 2025):  
**51.8%** (consolidated)
- Implementation percentage for compliance and information security training for all employees** (FY2025.3):  
**100%**

\*1 Number of transportation disruptions exceeding one million person-minutes calculated as number of affected passengers x delay time  
\*2 Comparing travel times in 1987 vs. 2024



#### Intellectual Capital

- Intellectual property that enables the creation of new value  
**R&D and IT investment** (FY2025.3):  
**¥76.1** billion per year  
**Number of patents, utility models, design patents, and trademarks held** (FY2025.3):  
**1,603**

#### Manufactured Capital

- Property, plant and equipment and wide-ranging business bases  
**Railway operating kilometers (including BRT):**  
**7,418.7** km  
**Number of shopping centers:**  
**153**  
**Leasable office space:**  
**710,000** m<sup>2</sup>  
**Number of railway stations (including BRT):**  
**1,682** (as of March 31, 2025)

#### Natural Capital

- Efficient utilization of diverse energy  
Tourism resources based on the rich natural environment of eastern Japan  
**CO<sub>2</sub> emissions per transportation volume\*:**  
**11** g-CO<sub>2</sub>/person-km (FY2025.3)  
**Railway forest area** (FY2025.3):  
Approx. **3,800** ha

\*See here for a comparison with other transportation organizations (Japanese only)

#### Financial Capital

- Capital expenditures based on medium- to long-term perspectives and a strong financial base that supports these expenditures  
**Equity ratio** (as of March 31, 2025):  
**28.1%**  
**Rating** (FY2025):  
**Domestic bonds: AA+**  
**Foreign bonds: A+**  
**Consolidated Financial Summary** P.123





# グループ経営ビジョン 勇翔2034

Group Management Vision  
"To the Next Stage" 2034

We established "To the Next Stage" 2034 as a new Group management vision that goes beyond the "norm" to elevate the Group to the next stage of sustainable growth in response to changes in the business environment.

Our unwavering commitment to safety as the Group's highest management priority remains unchanged. So too does our belief that each employee is a key player in creating new value. Building upon this, we will strive to deliver both security and excitement by growing our dual axes—railway-focused Mobility and Lifestyle Solutions—and by generating synergies that are only possible because we operate in both. Through these efforts, we aim to create new value for society. Our ultimate goal is a people-focused Lifestyle Transformation (LX).

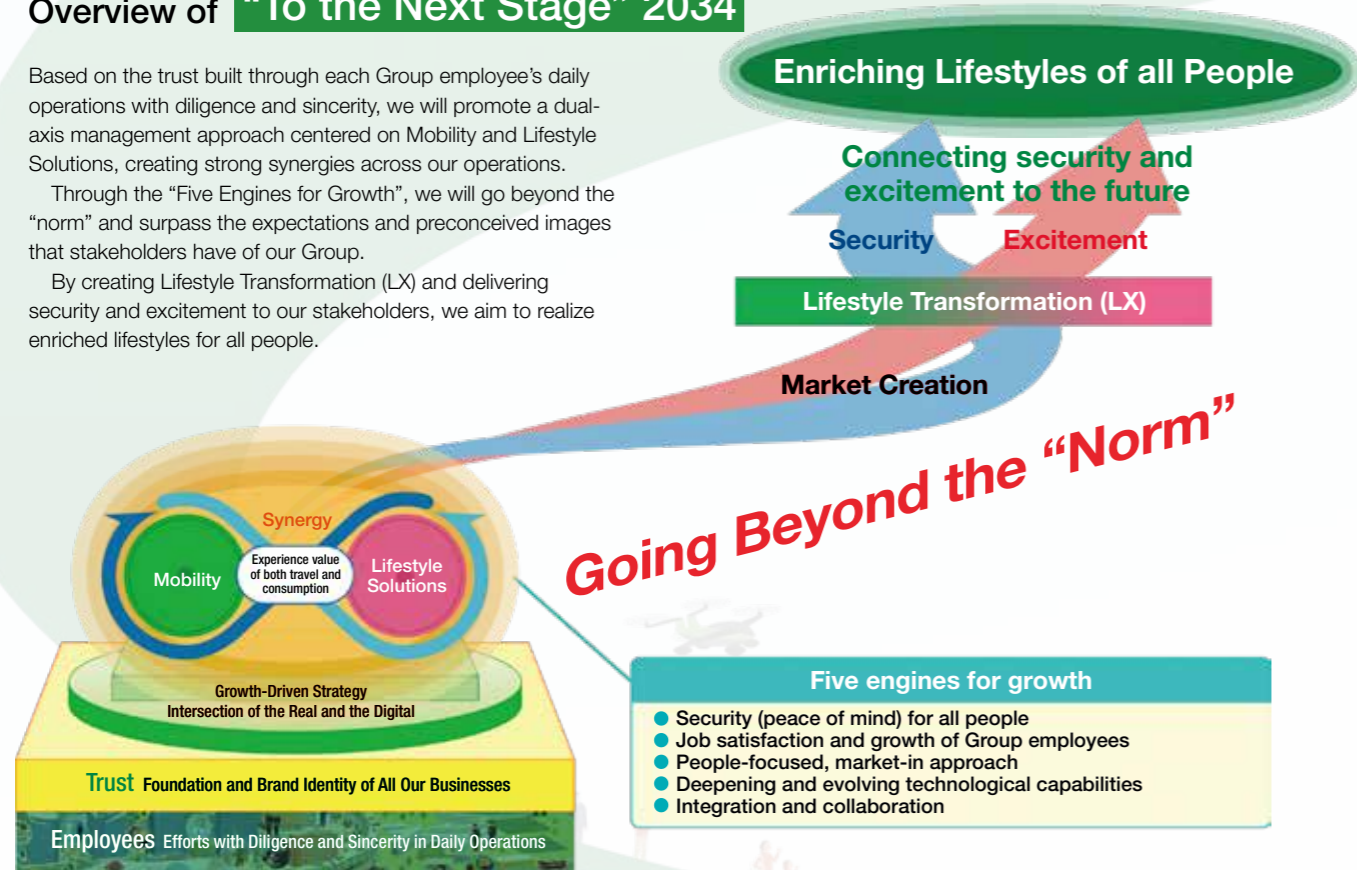
Through "To the Next Stage" 2034, JR East Group is embarking on a new stage.

## Overview of "To the Next Stage" 2034

Based on the trust built through each Group employee's daily operations with diligence and sincerity, we will promote a dual-axis management approach centered on Mobility and Lifestyle Solutions, creating strong synergies across our operations.

Through the "Five Engines for Growth", we will go beyond the "norm" and surpass the expectations and preconceived images that stakeholders have of our Group.

By creating Lifestyle Transformation (LX) and delivering security and excitement to our stakeholders, we aim to realize enriched lifestyles for all people.



## Trust is at the foundation of all our businesses

Each Group employee diligently and sincerely performs their daily tasks, supporting the lives of our customers and local communities, as well as the social infrastructure. We must not only carry forward the experience and expertise cultivated by our predecessors, but also strive to become a true technical service industry company, one that transforms society through cutting-edge technology capabilities. In doing so, we will meet the expectations of our stakeholders and further strengthen the foundation of all our businesses: trust.

Incidents such as fraud, misconduct, or serious accidents can erode stakeholder trust and threaten the very foundation of the Group's business. We view past events that have damaged trust as a harsh lesson, and we remain committed to ensuring compliance and to continuously improving and strengthening governance across the entire Group.



\*Integrity means maintaining a healthy mindset and taking pride in one's work, with an awareness that one's actions are connected not only to the group, but also to society as a whole.

## Values to be Created Lifestyle transformation (LX)

The value we create through "To the Next Stage" 2034 is Lifestyle Transformation (LX). Through LX, we deliver security and excitement to our stakeholders.

As a corporate group whose businesses are closely connected with the daily lives of our customers and local communities, we address social issues and emerging needs, striving to transform lifestyles and help create a society filled with compassion and excitement.

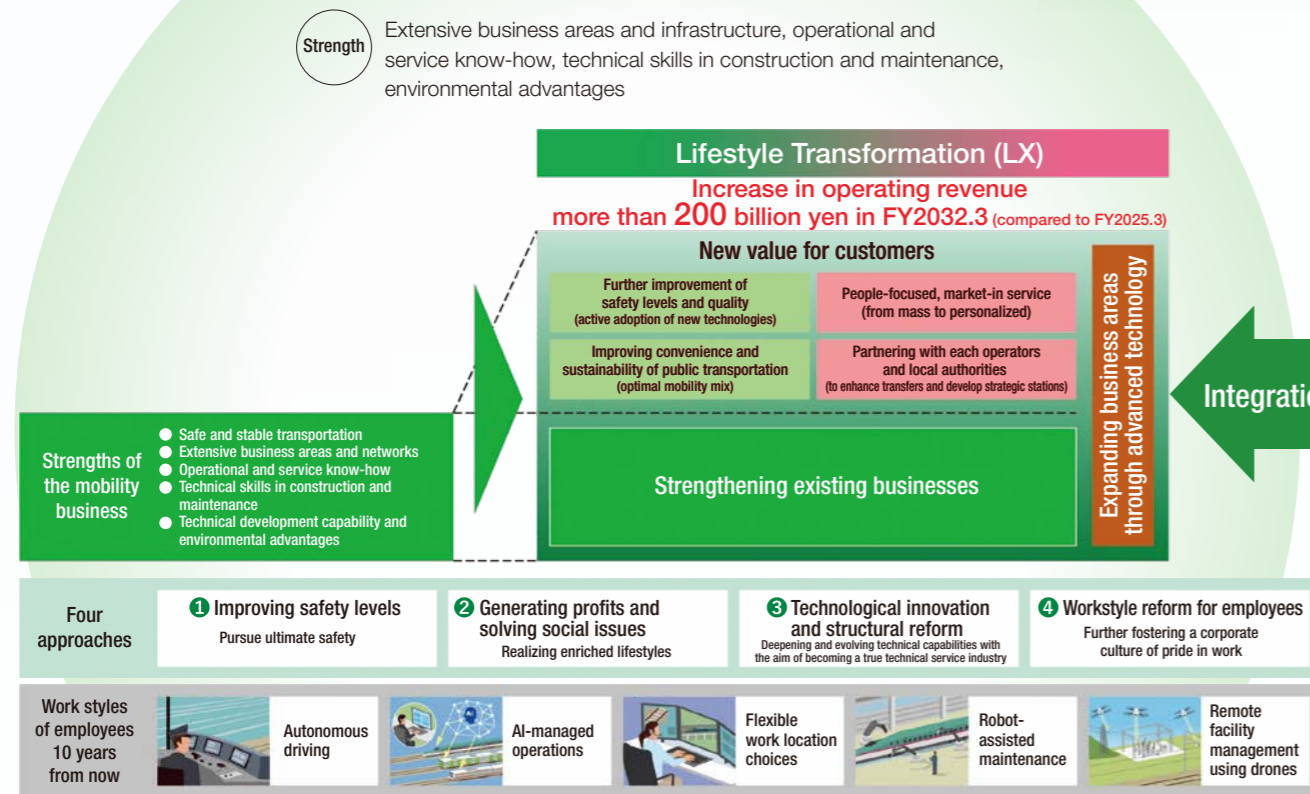


## Business Management Supported by dual-axis management: Mobility and Lifestyle Solutions

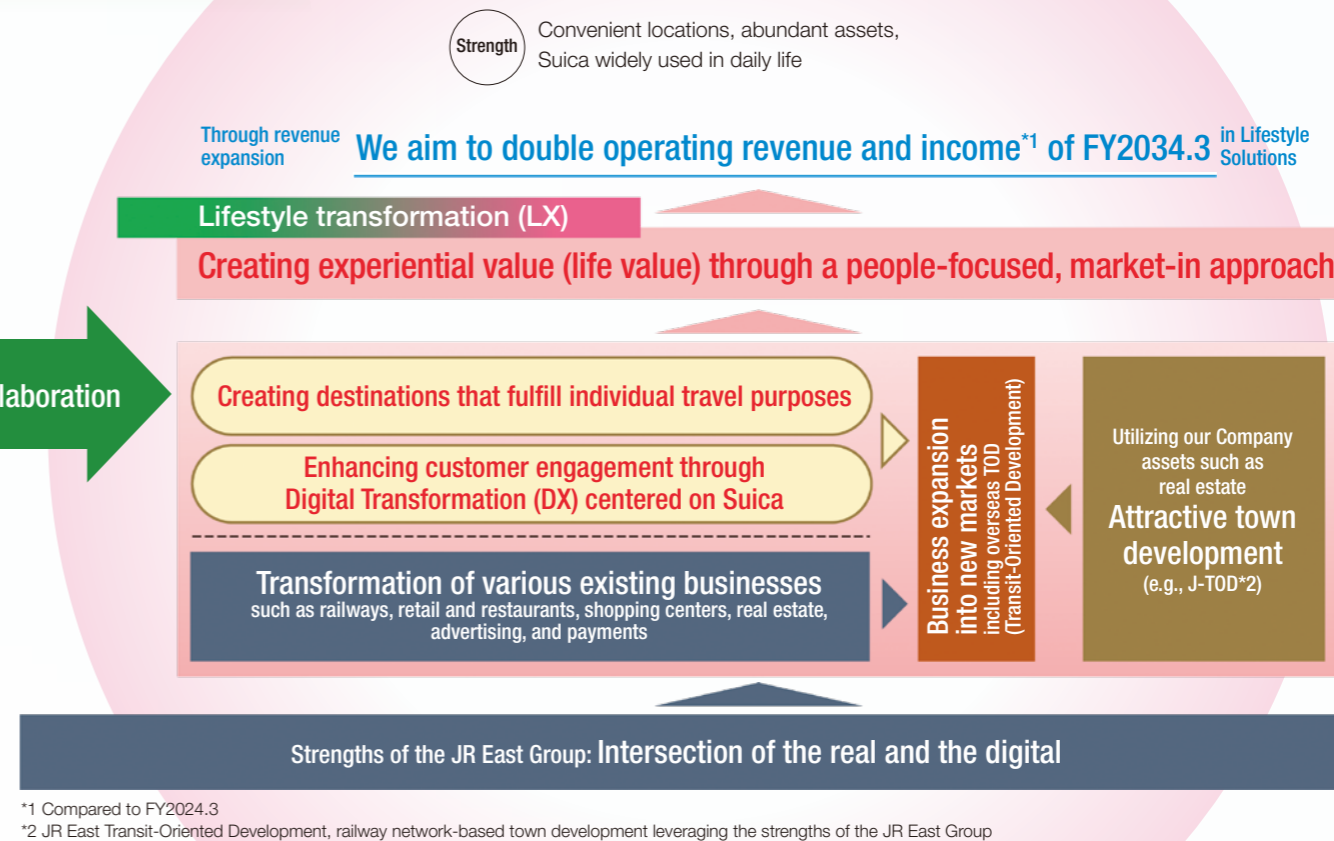
To drive Group growth through our dual-axis management, the Mobility and Lifestyle Solutions sectors leverage their respective strengths to steadily implement medium- to long-term strategies.  
We will fully utilize the synergies of our dual-axis management to create new value and achieve strong growth.



## Generating value through Mobility



## Generating value through Lifestyle Solutions



Click here for the full version of PRIDE & INTEGRITY

**Medium- to long-term mobility growth strategy**  
<PRIDE & INTEGRITY>

**Medium- to Long-term Business Growth Strategy**  
"Beyond the Border"

Click here for the full version of Beyond the Border

## Suica Renaissance

We will continue to enhance the functions and value of Suica, and evolve it into a device for a modern lifestyle Foundation for synergy through our dual-axis management

# Five Growth Engines

We established five growth engines to realize Lifestyle Transformation (LX). Each employee is working on the five growth engines, going beyond the "norm."



Group Employees' Sense of Job Satisfaction and Personal Growth

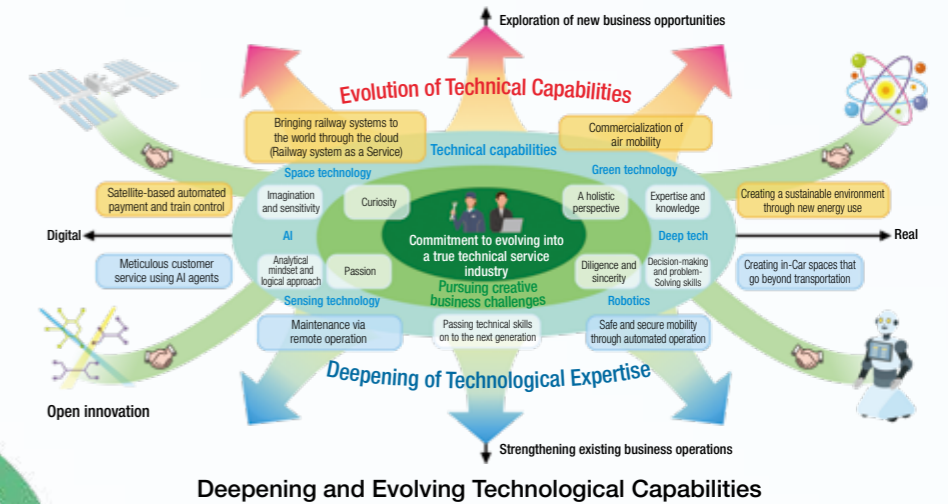


\*Ultimate safety = Where each employee develops their abilities and, through

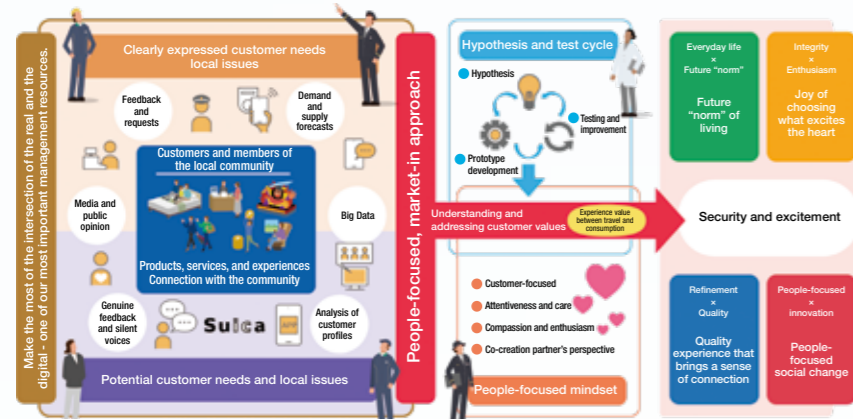
teamwork, takes proactive safety measures to continuously raise safety standards

## Security (Peace of mind) for All People

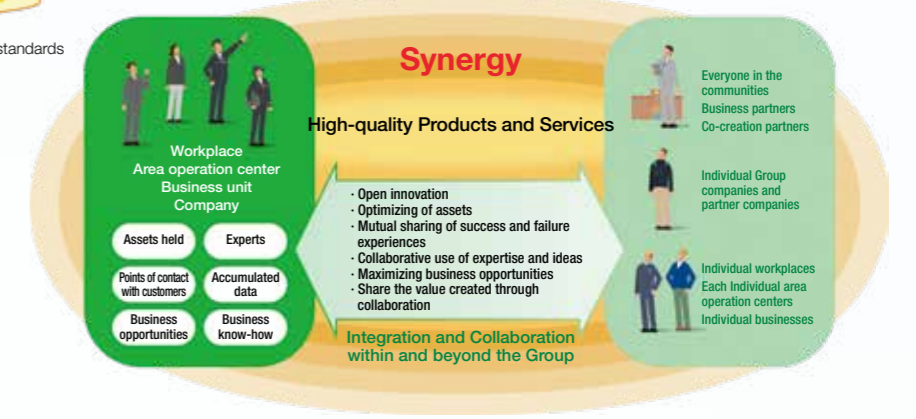
Note: A people-focused, market-in approach means creating new products and services that deliver both security and excitement, with customers, local communities, co-creation partners, and employees as the foundation. Instead of relying on surface-level needs or data, this approach seeks to deeply understand and empathize with people's thoughts and values, working together to uncover their true challenges and aspirations.



Deepening and Evolving Technological Capabilities



People-focused, market-in approach



Integration and collaboration

### Check!

To realize "To the Next Stage" 2034 with each of our employees playing a leading role, we revised our employee basic principles based on the Five Engines for Growth.

### Basic Principles

1. We deliver security to everyone by pursuing "ultimate safety" and providing high-quality services.
2. We create excitement with a people-focused approach and profoundly change society by leveraging our technological capabilities.
3. We go beyond the "norm" through each employee's challenges and create a new future by integration and collaboration.

## "To the Next Stage" 2034 Numerical Targets

As the KGI (long-term management goal), we set a target of ROE of 10% or more in FY2032. We aim to exceed operating revenue of ¥4 trillion in FY2032 through growth of existing businesses and breakthrough growth, thereby charting a growth trajectory toward an operating revenue scale of ¥5 trillion in FY2035.3.

	FY2025
Operating revenue	¥2,887.5 billion
EBITDA <sup>*1</sup>	¥782.9 billion
Operating income	¥376.7 billion
ROA <sup>*2</sup>	3.8%
Net interest-bearing debt <sup>*3</sup> /EBITDA	6.0 times
ROE <sup>*4</sup>	8.0%

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

- Realization of M&A
- Creation of new businesses

FY2032.3
Over ¥4 trillion
Approx. ¥1.2 trillion
Approx. ¥700.0 billion
5% or more
Approx. 5 times
10% or more = KGI

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



\*1 EBITDA = Operating income + Depreciation expense \*2 ROA = Return (=operating income) on assets \*3 Net interest-bearing debt = Balance of Interest-bearing debt - Balance of Cash and cash equivalents \*4 ROE = Return (=profit attributable to owners of parent) on shareholders' equity

# New organization and workstyles to realize

# the JR East Group Management Vision

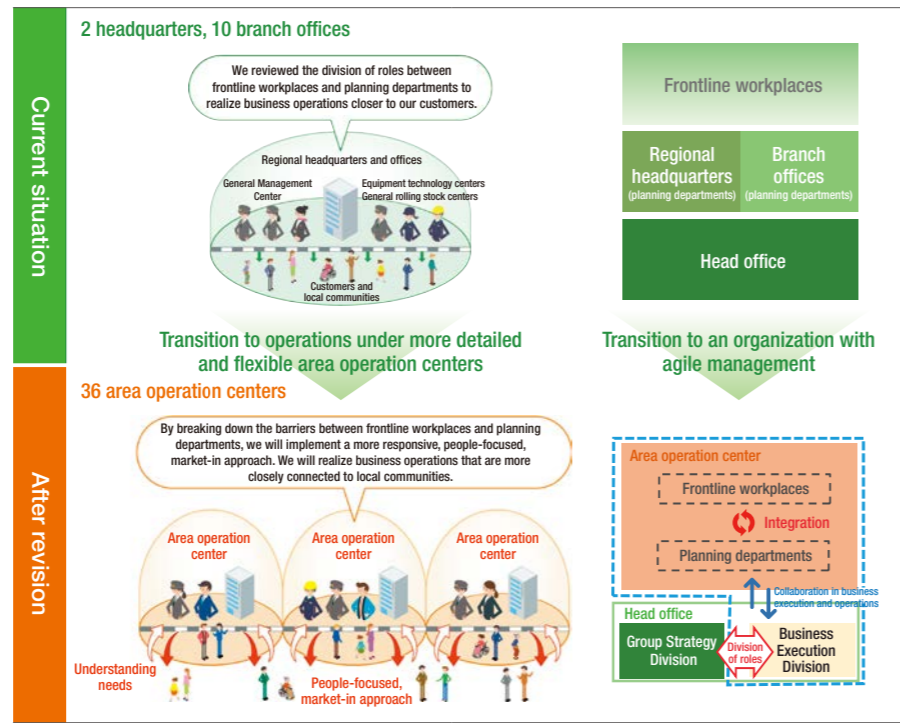
To realize our Group management vision, “To the Next Stage” 2034, we plan to enhance job satisfaction of our employees—our strength—and revise our business operation framework as well as our personnel and wage systems so as to become a Group trusted by customers and the community.

## New business operations framework

To be implemented July 1, 2026

Our initiatives to revise our workstyles and organization started with cross-organizational projects in 2019, and since 2022, amid significant changes in the business environment due to factors such as the COVID-19 pandemic, we have been driving these initiatives and the division of duties between frontline workplaces and planning departments, with the aim of strengthening the management structure through enhanced productivity and improving employee job satisfaction. Through swiftly creating new value and solving issues in our daily operations, such as by giving frontline workplaces greater discretion, we are changing the way we work, expanding our fields of activity while advancing the integration and collaboration of workplaces and jobs.

To respond flexibly to changes in the business environment, building on our ongoing initiatives to revise workstyles and organizational structures, we will move beyond the conventional area divisions from the Japan National Railways era and the traditional three-tiered structure of frontline workplaces, regional headquarters and branch offices, and a head office. In July 2026, we will implement a revised business operations framework to become an organization that further promotes integration and collaboration.



### Going beyond the norm of business operation areas: More detailed and flexible area operation centers that are more closely connected to local communities

We will restructure our organization from two regional headquarters and 10 branch offices into 36 area operation centers that are more detailed and flexible, tailored to each region's market and customer usage. Each area operation center will boldly pursue a dual-axis management of Mobility and Lifestyle Solutions and implement a people-focused, market-in approach, while contributing to addressing social issues and generating excitement.

### Breaking tradition of on-site and off-site workstyles: More agile management

We will restructure from a three-tiered structure—frontline workplaces, regional headquarters and branch offices, and the Head Office—into a two-tiered structure consisting of the Head Office and area operation centers. These area operation centers will integrate frontline workplaces with regional headquarters and branch offices, becoming the fundamental units of management in each area. We aim to achieve more agile business operations by integrating frontline workplaces—the contact points with customers and local communities—with planning departments, and by fostering fields where employees can maximize their motivation and capabilities.

### Goals of restructuring the business operations framework

Through this restructuring, the Head Office will be divided into two functions: the Group Strategy Division, which will be responsible for formulating business strategies for the entire Group, and the Business Execution Division, which will be responsible for business operations. Area operation centers will be fundamental units of management in each area, and they will work for daily railway operations, improvement of service quality and resolution of social issues, and the Business Execution Division at the Head Office will support it.

#### Safety

The Group Strategy Division at the Head Office will formulate and promote safety strategies from a multi-faceted and medium- to long-term perspective, guided by the two pillars of Mobility and Lifestyle Solutions. Meanwhile, specific safety measures in daily operations will be managed by each area operation center in collaboration with the Business Execution Division at the Head Office, based on transportation conditions. This will enable us to further elevate the level of our pursuit of ultimate safety—our top management priority.

#### Services

Each area operation center will swiftly deliver detailed services based on market needs and customer usage.

#### Local communities

Our 36 area operation centers will serve as liaison points with local governments and the community, promoting regional co-creation more closely with local communities.

## New personnel and wage systems

To be implemented April 1, 2026 (and also on July 1, 2026)

In light of the growing diversity of employee's values and lifestyles, as well as significant changes in our work, workstyles, and workplaces, we will fundamentally reform our personnel and wage systems that have been unchanged since the era of Japan National Railways, to support employee motivation and encourage growth through fulfillment of their roles. By revising the personnel and wage systems, we will realize highly diverse, innovative, and flexible working styles, and create a virtuous cycle in which employee growth drives the Group's growth, or in other words, realize new engagement between employees and the Company.

- Empowering diverse employees in the Group to generate different types of value
- Encouraging employees to go beyond the norm to pursue groundbreaking initiatives
- Creating an environment where employees flexibly take on a wide range of roles and experience personal growth

### New personnel and wage systems

### Thinking outside the box for a wage system: Maximizing the abilities of employees

#### Encouraging the growth of employees

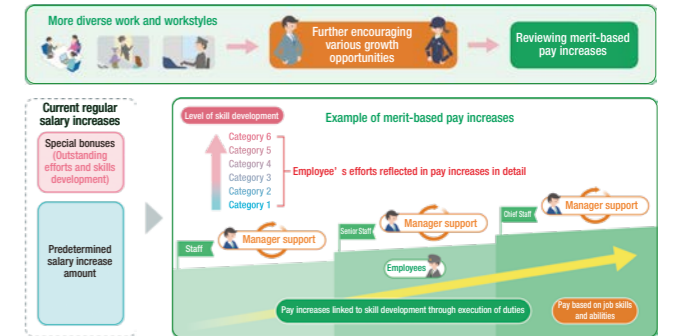
Based on the idea that employee growth leads to the development of the Group, the basic salary will be changed to job performance pay. Salary increases are classified into six categories, with the amount reflecting in detail each employee's efforts and growth over the year, thereby encouraging their willingness to take on challenges.

#### Supporting employees' responsibilities and roles

Since the safety and stability of transportation, as well as the high quality of service, are achieved through the efforts of all employees, we have introduced a new work allowance system based on the specific roles each employee performs in the workplace, and will now provide allowances for various types of work.

#### Supporting and encouraging employees' motivation

To support and encourage employees' motivation and to use the extensive experience and skills to realize further growth of the Group, we will raise the retirement age to 65. Through continuous merit-based pay increases until retirement age, the total income of all employees will increase up to age 65. Moreover, we will establish a new reemployment system for employees who wish to work after age 65, up to age 70.



### Breaking the mold of a lifestyle tailored to your work: Encouraging flexible workstyles

#### Accelerating integration and collaboration by reviewing working hours

Based on the revision of the business operation framework, working hours and days off, which previously varied by job category, will be standardized, and the prescribed annual working hours will be reduced.

#### In the case of a station employee

	Current situation	After revision
Daily working hours	7 hours 30 minutes	7 hours 20 minutes
Number of annual days off	114	120

#### Supporting employee's lifestyles

In light of changing employee views on work, we introduced an allowance for long-distance transfers. In addition, we have also eliminated the dependent care allowance and introduced a child allowance with greater emphasis on child-rearing, thereby supporting diverse lifestyles.

#### Eliminating irregular working hours and recognizing the efforts of employees engaged in irregular work

Going forward, we aim to transition to a work system based on day shifts that do not assume irregular work. In addition, we will review the allowance for irregular work and respond to the efforts of employees by increasing the payment amount.

#### Supporting employee's living environments

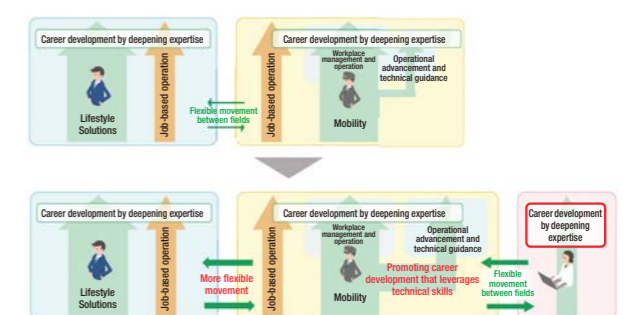
We will review the city allowance, which is paid according to workplace location, and introduce a new housing allowance based on the place of residence.

#### Supporting employee's asset formation

We will abolish the lump-sum retirement allowance system that was previously in place, transition to a defined contribution corporate pension plan, and enhance the level of retirement benefits.

### Breaking the mold on career development: Promoting diverse and independent career development

Up till now, the main path for career development was to become a manager who takes on management responsibilities. In addition to this path and existing job-based operations, we will introduce technical leadership positions to enhance operations and develop technical talent, as well as a frontier staff system for research and development, thereby expanding our multi-track personnel management system. In this way, we will encourage diverse career development of our employees. In addition, we will further increase the exchange of talent across group companies and develop human resources responsible for Group management.



Value Creation Model

Value creation model realizing our Group Management Vision, "To the Next Stage" 2034

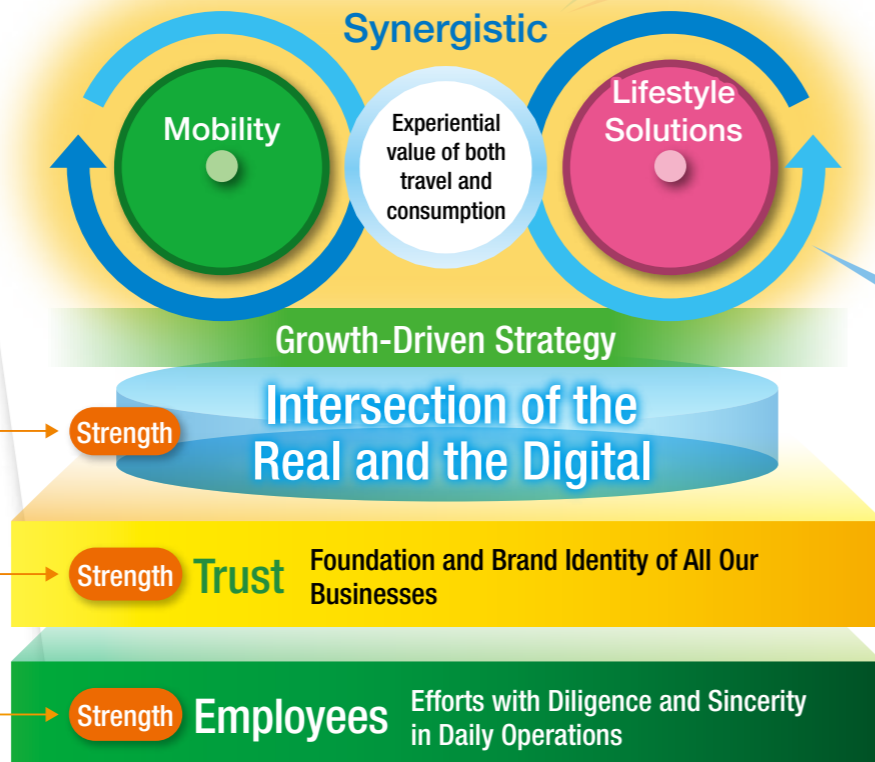
The JR East Group will leverage the strengths and capital of the Mobility and Lifestyle Solutions to steadily implement growth strategies based on the Five Engines for Growth. We will fully utilize the synergies of our dual-axis management to create new markets while working to resolve our Material issues. By creating new value in the form of Lifestyle Transformation (LX), we deliver security and excitement to our stakeholders and generate social and economic value. We will return generated profits to stakeholders and use these to drive the further growth of the Group. Through these value creation initiatives, we aim to realize enriched lifestyles for all people, which is part of our Group philosophy.

Inputs (Capital)

- Strengths and capital P.15
- Financial Capital**
  - Equity ratio: **28.1%**
  - Rating: Domestic bonds: **AA+**, Foreign bonds: **A+**
- Natural Capital**
  - CO<sub>2</sub> emissions per transportation volume: **11g-CO<sub>2</sub>/person-km**
  - Railway forest area: Approx. **3,800ha**
- Manufactured Capital**
  - Railway operating kilometers (including BRT): **7,418.7km**
  - Shopping centers: **153**
  - Leasable office space: **710,000 m<sup>2</sup>**
- Intellectual Capital**
  - R&D and IT investment: **¥76.1 billion** per year
  - Patents, utility models, design patents, and trademarks: **1,603**
- Social and Relationship Capital**
  - Aggregate daily usage of group products and services: **35 million people** per day
  - (Safety) Safety investment: Approx. **¥1.3 trillion**
  - (Service quality) Rate of obtaining "Care-Fitter" Certifications: **51.8%**
- Human Capital**
  - (Skills) Employees with doctoral degrees: **204**
  - Professional engineers: **843**
  - Average training hours per employee: **33 hours, 50 minutes/person**
  - (Spirit of challenge) Employee creativity rate: **85.8%**

Business Model (Business Activities)  
Outputs (Products and Services)

Going Beyond the "Norm"



Connecting security and excitement to the future.

Group Philosophy

At JR East Group, we all continuously create security and excitement together, respond to the trust of our stakeholders, and enrich lifestyles of all people.



Outcomes (Value)

- Material issues**
- Realizing a Safe and Secure Society
  - Creating a Vibrant Society
  - Enriching the Global Environment
  - Providing Society with Innovative Technologies and Services
  - Increasing the Engagement of All Group Employees
  - Improving Confidence in Management

Market creation

- The Five Engines for Growth**
- Security (peace of mind) for all people
  - Job satisfaction and growth of Group employees
  - People-focused, market-in approach
  - Deepening and evolving technological capabilities
  - Integration and collaboration

Security Excitement



Economic Value (Targets for FY2032.3)

- KGI** \_\_\_\_\_
- ROE: **10** or more
- KPIs** \_\_\_\_\_
- ROA: **5%** or more
- (Mobility: **3%** or more, Lifestyle Solutions: **7%** or more)
- Operating revenue: Over **¥4 trillion**
- EBITDA: Approx. **¥1.2 trillion**
- Net interest-bearing debt to EBITDA ratio: Approx. **5 times**
- Shareholder Return Indicator** \_\_\_\_\_
- Dividend payout ratio: **40%** + flexible share buybacks

Our Story | Messages from the President | Value Creation | Growth Strategies | Sustainability | Corporate Governance | Data



**OHASHI Hiroshi**  
Outside Director



**NODA Yumiko**  
Outside Director



**IWAMOTO Toshio**  
Outside Director



**KAWAMOTO Hiroko**  
Outside Director

## Roundtable Discussion with Outside Directors

The JR East Group will aim for even greater heights under its new Group Management Vision, “To the Next Stage” 2034. Outside Directors Kawamoto, Iwamoto, Noda, and Ohashi discussed the process of formulating “To the Next Stage” 2034, and the expectations and challenges for realizing this vision.

### Priorities during Discussions on the Formulation of the Group Management Vision, “To the Next Stage” 2034

**Ohashi** The new Group Management Vision was formulated amid a series of incidents over the past year that have damaged trust in management and caused concern, and once again, safety and security have been positioned as major pillars of the Vision. I believe that dual-axis management can only lead to profit growth if it is based on a foundation of safety and security. In addition, I participated in the discussions to formulate the vision while placing great importance on whether it would inspire Group employees to undertake business in a positive manner.

**Noda** I participated in discussions on the formulation of the vision while placing importance on two perspectives. The first had to do with strategies that take into account market changes such as depopulation in regional areas and expanding overseas markets. Regional areas are becoming increasingly impoverished. Rather than just looking at city centers, we need to think about how we can improve convenience through ingenuity and innovation without cutting off access to regional areas. I mentioned that the achievement of the Group Philosophy, Enriching Lifestyles of All People, will not be easy, and that it must be implemented without contradictions. At the same time, we discussed the kinds of measures we should take in response to the world’s ever-increasing

population, and how we should incorporate robust inbound demand into our strategies.

The second perspective was the pursuit of the environmental value of railways. I mentioned that the environmental value of railways is greater than that of other forms of mobility, and that one of the key points of our strategy should be to get customers to understand this in order to encourage them to use railway services.

**Iwamoto** Having experienced the harsh environment of the COVID-19 pandemic, I believe that the concept of dual-axis management has become more refined than in our previous Group Management Vision, “Move Up” 2027. I believe that the direction we are aiming for should be clear, and I am very pleased with the plan to chart a growth trajectory towards operating revenues of ¥5 trillion in FY2035.3. “To the Next Stage” 2034 is centered around dual-axis management, but the railway business remains the foundation of our business. Therefore, the number one thing we must provide to customers is safe transportation, and we should pursue this point with unwavering commitment.

**Kawamoto** One of the major endeavors in “Move Up” 2027 was to shift the starting point of value creation from railways to people. During this period, the COVID-19 pandemic acted as an external pressure, causing not only top management, but also employees to feel a sense of crisis about the future of the business and forcing everyone to make changes. The keyword for “To the Next Stage” 2034 is “Going Beyond the Norm”. In the past, changes have been caused by external pressure, but now I think the key is to go beyond the norm through our own efforts. What will be important for this is human capital, or in other words, the power of employees. The

most important point when participating in the discussions was that “To the Next Stage” 2034 must be a unifying force to ensure that each individual finds fulfillment in their work. As Director Ohashi said, if it is not accepted by employees, it will be nothing more than empty words. President Kise has also taken the lead to convey this message to employees. It is important that not only the Company and Group companies, but also our partner companies and affiliated companies all be on the same page.

### Key Points for Realizing “To the Next Stage” 2034

**Ohashi** While the railway business has been the core of our business to date, Group companies, which have expanded into a wide range of businesses, have not necessarily been moving in unison with us toward the same goal. However, going forward, I believe it will be important to strengthen governance to enhance unity across the entire Group and maximize consolidated cash flows. It is extremely important to consider how we can maximize the value of the entire Group while also allowing each Group company to fully demonstrate its individuality, and this is the direction we are aiming for in “To the Next Stage” 2034.

**Kawamoto** In order to maximize consolidated cash flows for each business, a strategy for restructuring the Group will be extremely important. The key will be to consider how to restructure the Group to achieve greater efficiency without relying on the current structure,

and to seize business opportunities by effectively utilizing M&As, including cross-border M&As.

**Iwamoto** I believe the following three points will be key to realizing “To the Next Stage” 2034. The first point is the most important one: Mobility. Mobility will likely remain the Company’s main business for the next 10 years. However, I do not think that things are good enough as they are now. For example, what should we do about unprofitable local lines? We need to have broad discussions without assuming that railways are the only option. Over the next 10 years, I think we should try things that do not necessarily lead to immediate profits, such as working with local communities to combine new mobility technologies, like the eVTOL that was unveiled at the Osaka Expo. During the 10 years of “To the Next Stage” 2034, I believe it is essential to not only strengthen our current Mobility business, but also to create new seeds through technological development that will carry our dreams into the next 10 years and beyond.

The second point is expansion of the real estate business. Urban development such as TAKANAWA GATEWAY CITY, which is possible only through the JR East Group, is extremely important. By utilizing the abundant assets possessed by the Company, we can expect to achieve a certain level of growth. However, I believe that linking this to urban development, something that only the Group, which operates both a railway and real estate business, can do, will create new value. I believe that the 10 years of “To the Next Stage” 2034 will be a period in which we lay the foundation for this.

The third point is overseas business expansion. The domestic population is declining, and if no measures are taken, it is inevitable that passenger revenue will also decline. The Company is already involved in integrating overseas companies as Group companies and exporting railway technologies overseas. I believe that another thing we must do over the next 10 years is create a master plan to determine in which countries, in which areas, in what form, and over what timeframe we wish to develop these global businesses.

**Noda** I believe that a major factor in the market’s evaluation of the Group is the expected growth of Lifestyle Solutions. In this regard, I believe it is important for the dual axes of Mobility and Lifestyle Solutions to truly integrate and collaborate. Stations are assets of the Mobility business, and considering how to leverage these assets in the most valuable way possible for the Lifestyle Solutions business is essential to gaining a competitive advantage. Furthermore, because Lifestyle Solutions require a completely different kind of expertise than that for railways, we need to hire external human resources to enhance expertise. Meanwhile, rather than thinking about real estate alone, we must always be considering how to combine it with Mobility to increase value. I see the development of human

resources within the Group who possess these qualities and who can think comprehensively about management as a challenge we must face in achieving our plan going forward.

## Expectations for the New Business Management Structure and Personnel and Wage Systems

**Noda** I highly commend the organizational and personnel system reforms, as they will increase the motivation of all employees. It is not easy to change one’s mindset and try new things, but it is important to foster a good culture by changing the personnel system. I feel that this is the first step in developing human resources who can think comprehensively about how to work with various regions for their revitalization, as well as how to increase regional convenience with a focus on mobility.

**Kawamoto** When business models and work methods change, it is important for each individual to understand the importance of the measures and feel involved. Therefore, measures to strengthen relationships with organizations are becoming increasingly important. Some measures are already being implemented, such as the promotion of personnel exchanges within the Group, the provision of opportunities for employees of all ages to participate in the management of Group companies, and the provision of chances for employees to gain experience outside the Group through temporary assignments and secondments to other companies. However, I would like to see these measures promoted more dynamically.

**Iwamoto** In my opinion, an organization is, simply put, a way of doing work, and restructuring an organization means changing the way of doing work. It is important that new organizations and workstyles are filled with passion and purpose, therefore I will be closely monitoring the operational status. At the end of the day, it is people who drive an organization. We are currently able to secure manpower, but going forward it is going to become very difficult. We will soon see a world where areas unable to find human resources will use AI and hardware instead. I hope that the Group will stay ahead of such a world and strive to create a work system in which employees can work with genuine enthusiasm and happiness.

**Ohashi** I see the recent series of measures as an attempt to make the workplace more appealing. I believe that human resources are developed through the multiplication of enhancing expertise in specific fields and having a wide range of potential. With the new personnel and wage systems, I feel that we have taken the first step



towards linking the process of striving to continuously hone one’s expertise with evaluation, so that each individual can continue to shine with their expertise.

## Promotion of Consolidated Cash Flow Management by Business Unit

**Noda** I commend the fact that discussions have begun within the Group on the efficiency of each business. At the same time, it is also important to consider how to create Groupwide advantages and conglomerate premium in the future. It is extremely important to make accurate judgments about the total synergies and value that can be achieved, rather than judging solely on the profitability of each individual business. I believe we have reached a point where we can move forward with these two goals simultaneously.

**Kawamoto** As I briefly mentioned earlier, I think it is necessary to make judgments such as whether something is really possible within the current business unit, whether we need to expand something a bit more, or conversely, whether there are areas that need to be narrowed down a bit more. This is something that I would like to see continued while promoting consolidated cash flow management by business unit.

**Iwamoto** We may need a mechanism to evaluate progress over a period of, for example, about one year. If any areas where progress is not going well are identified in this evaluation, we must not hesitate to review them. I think it is a good idea to have such a level of flexibility.

**Ohashi** From the perspective of regional transportation, the Group is not only involved in a Mobility business, but also a town development business. I believe that we have reached a point where we can start to make management decisions on how to best revitalize entire regions by fully utilizing the Group’s know-how. To implement this in society, cooperation not only with the Company, but also with local governments and various related organizations is essential. I really hope that we can achieve this.

## Expectations for the JR East Group Going Forward

**Kawamoto** TAKANAWA GATEWAY CITY, for example, opened in 2025, but it took many years of discussions by senior colleagues to make it a reality. We are involved in the realization of grand undertakings. With this in mind, I would like for all employees to continue sharing their dreams, and I myself would like to incorporate my own dreams into the conversation. In addition, the enjoyment of travel is a fundamental human desire. I want us to be a presence that helps bring the excitement and dreams of enjoying various

regions to people. To achieve this, I hope that we can be the kind of group where each and every employee can work with excitement.

**Iwamoto** I feel the same way as Director Kawamoto. I am happy to be working for a great company that helps people enjoy the joy of traveling by train. Mobility is a combination of various technologies. I hope that over the next 10 years, the Group will work to realize dream-inspiring next-generation mobility with a technology-oriented approach. The Company’s business model requires constant substantial investment, but in “To the Next Stage” 2034, we have clearly set out a dividend payout ratio of 40% as our target for shareholder returns. I have no doubt that the Company will continue to grow in the future, therefore I hope that it will work towards achieving operating revenues of ¥5 trillion in FY2035.3. Moreover, I hope that by reading this Group Report, many people will gain a solid understanding of the potential for such growth within the JR East Group.

**Noda** For most people in the world, the infrastructure industry is something that is taken for granted, so our fate may be to receive little praise. In such an environment, it can be extremely difficult for employees to work with high levels of motivation and engagement. Nevertheless, I hope that employees will have dreams and a spirit of challenge, and take pride in supporting and improving Japan’s social infrastructure. As mentioned earlier, the advantage of building not only railways, but also urban developments makes our model a rare one that is scarcely seen anywhere else in the world. I believe that this is a model unique to Japan, and that we are a one-of-a-kind corporate group that possesses integrated solutions, including Suica. I hope that all employees can maintain an awareness of the fact that JR East is a company and business that they can be proud of on a global scale. I also hope that employees will work with the ambition to one day make a serious entry into the global stage.

**Ohashi** The railway business is not necessarily as profitable as the real estate business, but that does not mean that the railway business should be viewed as inferior. The dual axes of Mobility and Lifestyle Solutions as one, as the benefits of the real estate business are passed on to the railway business, and vice versa. I believe that this relationship is the essence of dual-axis management. Although railways are physical infrastructure, they can be integrated with the digital world to go beyond the norm and create new business areas, such as by introducing walk-through ticket gates that use satellites to confirm customers’ locations. I hope that efforts will be made to develop such human resources and foster such mindsets. Furthermore, I hope that the Group will, as a leader among Japan’s railway operators, demonstrate what the future of Japanese railways should be. I believe that we can play a pioneering role by bringing together the accumulated experience of Japan’s railway history, including safety, and taking on new challenges overseas. To that end, we can say that “To the Next Stage” 2034 is the starting point for solving both the business challenges facing our Group and the social issues facing Japan as a whole.



# Sustainability Strategies



## Basic Approach

At the JR East Group, we position sustainability as a key policy of Group management as we pursue business activities aimed at realizing the Group philosophy of providing enriched lifestyles for all people.

By implementing our initiatives to address Material issues through these business activities, we aim to create new lifestyle transformation (LX) value and deliver “security” and “excitement” to generate social and economic values.

The profits we earn from our business activities not only provide returns for our stakeholders but are also deployed to drive the further growth of the Group. Through this cycle of creation and growth, we aim to be a highly aspirational corporate group that pursues business management that is “good for all”.



**E Leading the Transition to a Decarbonized and Circular Society**

- Making eco-friendly mobility the new standard for everyone
- Leveraging our Group's power to enable resource circulation
- Achieving net-zero CO<sub>2</sub> emissions through the promotion of the “Zero Carbon Challenge 2050”

**S Solving Local Social Issues and Creating Energy/Vitality**

- Creating flowing population through a dual-axis business approach
- Creating a positive cycle that turns issues in the local communities into prosperity
- Community-based business operations that are detailed and conducted with a strong sense of urgency

**G Governance that Enhances Management Trust**

- Strengthening the Group governance system by learning from incidents that could undermine stakeholder trust
- Internal controls that encourage bold challenges

## Sustainability Strategies

The JR East Group's social environment and markets are undergoing significant change amid population decline and the aging society, as well as changes in mobility needs and lifestyles accelerated by the COVID-19 pandemic.

In addition to advancing daily initiatives rooted in local communities, we have established specific Material issues (material issues). By integrating and linking Mobility and Lifestyle Solutions, we will pursue Group-wide sustainability management.

We will build a framework to enable all our employees to understand the significance of promoting sustainability and consistently engage with autonomy in daily activities based on the Group's six priority issues (Material issues), so that all our stakeholders

can feel “security” and “excitement” in the long term.

### Initiatives to be Implemented in FY2026.3

In FY2026.3, we have set CO<sub>2</sub> emissions reduction targets for each business unit. In addition, we are striving to reduce climate change risk through the strategic promotion of Zero Carbon Challenge 2050. We will also use the 25th Summer Deaflympics Tokyo 2025 as an opportunity to achieve a more inclusive society, and we are working to increase trust in management by improving and strengthening Group governance and implementing measures to prevent, mitigate, and remedy the risk of human rights violations.

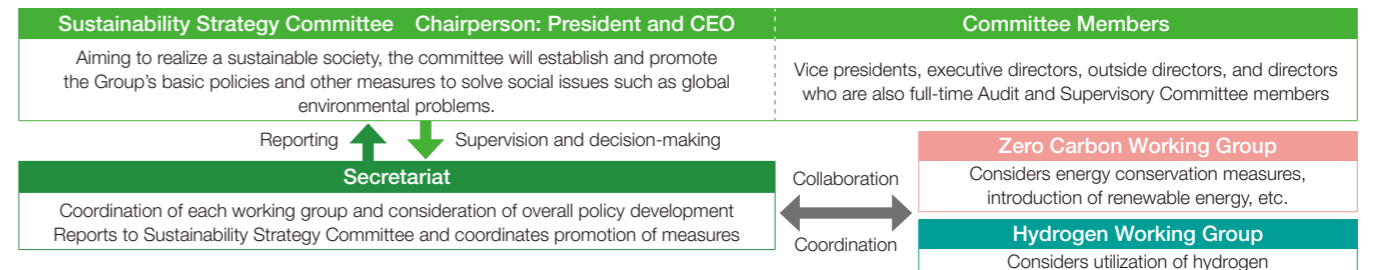
## Promotion Structure

With respect to the management system for implementing sustainability strategies, the Sustainability Strategy Committee, which is chaired by the president and CEO, has been established to set and promote the Group's basic policies and other measures with a view to addressing various social issues and realizing a sustainable society.

### Participation in Initiatives and Statements



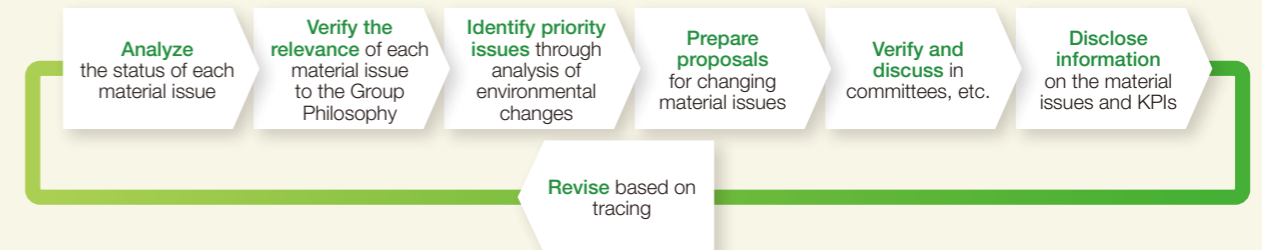
### Promotion Structure



## Material issues Identification Process and Revisions

### Material issues Identification Process

To realize our purpose (Group Philosophy) and vision (Group Management Vision “To the Next Stage” 2034), we have identified six material issues. The status of these material issues is analyzed each year based on environmental changes, and the Sustainability Strategy Committee considers whether further revision of the issues is necessary.



### Material issues Revisions

From FY2025.3 to FY2026.3, we established a new Group Philosophy and Group Management Vision, as well as changing the organization to improve the level of safety and service quality Group-wide. The Integrated Report Review Subcommittee verified these environmental changes and discussed revising one of the material issues from “Providing Society with Safe, Reliable Infrastructure” to “Realizing a Safe and Secure Society.” After confirming the appropriateness of this revision with the Corporate Planning Committee and the Sustainability Strategy Committee, we decided to implement the change.

### Realizing a Safe and Secure Society

**Goal**  
Provide society with safe, reliable transportation, products, and services by placing safety at the top of management

### Creating a Vibrant Society

**Goal**  
To realize enriched lifestyles for all people, we will provide convenient, comfortable, and high-quality services and work in collaboration with local communities to create vibrant and attractive towns that are integrated with railways

### Enriching the Global Environment

**Goal**  
We will work to realize carbon neutrality and secure stable energy supplies, taking into account the effect of climate change. We will also promote resource recycling and biodiversity preservation as part of our effort to build a sustainable society



### Providing Society with Innovative Technologies and Services

**Goal**  
Create new lifestyles and realize enriched lives for customers by advancing new technologies and digital transformation and by taking on ambitious initiatives that go beyond existing boundaries

### Increasing the Engagement of All Group Employees

**Goal**  
Make our Group companies places where each of the Group's diverse employees can demonstrate their abilities in a challenging and rewarding environment

### Improving Confidence in Management

**Goal**  
We will build a solid governance system that is resilient to changes to facilitate new challenges, while respecting human rights and conducting trustworthy corporate management

# Financial and Investment Strategies



We will go beyond the “norm” and accelerate growth to realize the lifestyle transformation (LX) we envisage in “To the Next Stage” 2034, achieving an ROE of 10% or more by FY2032.3 and further boosting Group-wide corporate value.

**ITOH Atsuko**  
Executive Vice President  
Director General of Corporate Strategies Headquarters

## Q1 Please give us an overall picture of the financial and investment strategies that support “To the Next Stage” 2034.

**A1** The Group’s employees will make a united effort to go beyond the “norm,” transcending the Group’s existing common sense, as well as external expectations and preconceptions of the Group, to realize the lifestyle transformation (LX) we envisage in “To the Next Stage” 2034.

We must therefore adopt financial and investment strategies that enhance the Group’s earning power through necessary investments while responding to changes in the external environment, such as inflation and rising interest rates, in order to accelerate growth and realize the Group’s full potential. Through a people-focused approach to value creation, we will pursue the JR East Group’s unique business model to command a conglomerate premium and maximize consolidated cash flow and Group value.

“To the Next Stage” 2034 is a management vision for the next decade, setting numerical targets for FY2032.3. In this vision, we perceive the stable operation of Takanawa Gateway City and the

## Process Towards the Numerical Targets for FY2032.3

(¥ billion)	FY2026.3 forecast	FY2028.3	FY2032.3
<b>Operating revenue</b>	<b>3,023.0</b>	<b>3,464.0</b>	<b>Over 4 trillion yen</b>
Transportation	2,001.0	2,122.0	
Retail & Services	418.0	655.0	
Real Estate & Hotels	501.0	573.0	
Others	103.0	114.0	
<b>EBITDA</b>	<b>809.0</b>	<b>947.0</b>	<b>Approx. 1.2 trillion yen</b>
Transportation	475.0	546.0	
Retail & Services	87.0	107.0	
Real Estate & Hotels	191.0	229.0	
Others	58.0	67.0	
<b>ROA</b>	<b>3.7%</b>	<b>4.4%</b>	<b>5% or more</b>
Mobility	2.4%	3.0%	3% or more
Lifestyle Solutions	5.3%	5.8%	7% or more
<b>Net interest-bearing debt / EBITDA</b>	<b>6.1 x</b>	<b>Approx. 5x</b>	<b>Approx. 5x</b>
Mobility	5.5 x	Approx. 5x	Approx. 5x
Lifestyle Solutions	6.9 x	Approx. 6x	Approx. 6x
<b>ROE</b>	<b>7.7%</b>	<b>8% or more</b>	<b>10% or more</b>
<b>[Reference] Operating income</b>	<b>387.0</b>	<b>485.0</b>	<b>Approx. 700.0 billion yen</b>
Transportation	177.0	234.0	Mobility Approx. 250.0 billion yen
Retail & Services	67.0	83.0	
Real Estate & Hotels	121.0	138.0	
Others	24.0	32.0	Lifestyle Solutions Approx. 450.0 billion yen

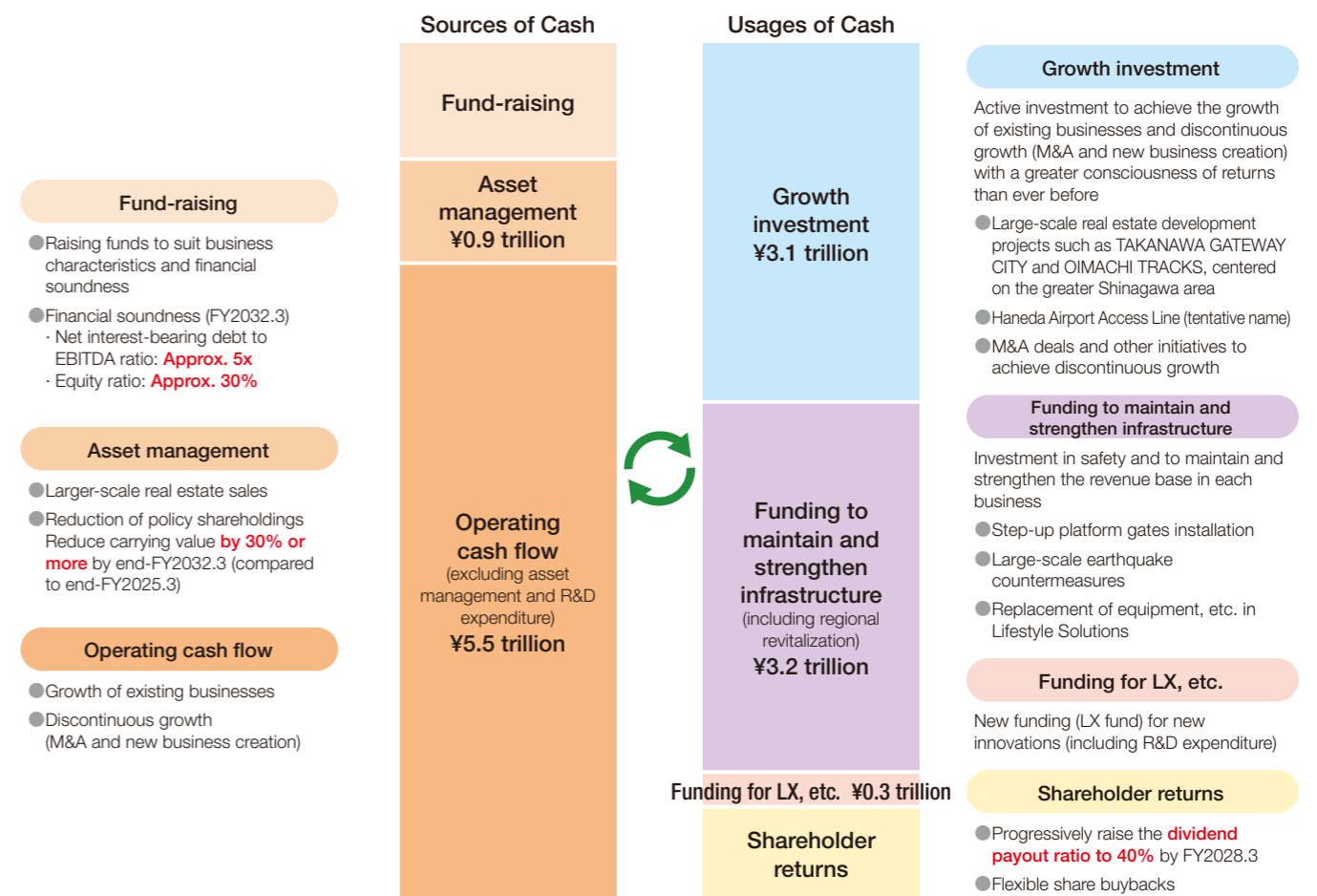
**KGI**  
...Long-term management goal

**KPIs**  
...An indicator used as a benchmark to achieve the KGI

**Current outlook**

Note 1: If the proposed revision to the upper limit of railway passenger fares is approved as submitted, the fare revision will be implemented starting in March 2026.  
Note 2: Based on the accounting standards applied by our Group as of the end of March 2025.

## Cash Allocation (FY2026.3–2032.3)



opening of the Haneda Airport Access Line (tentative name) as turning points for the Group’s management. We have added return on equity (ROE) as a new key goal indicator (KGI), a long-term management target, and established several key performance indicators (KPIs) as yardsticks for the achievement of this KGI. To achieve an ROE of 10% or more, our KGI for FY2032.3, we will strive to realize a return on assets (ROA) of 5% or more.

Let me explain our medium-term cash allocation to achieve these targets. Our highest-priority use of cash will be growth, for which we will set aside funds of approximately ¥3.1 trillion. We will actively invest to improve ROA, not only in the growth of existing businesses but also in discontinuous growth through initiatives such as M&A deals and the creation of new businesses, while being more conscious of returns than ever before. Our second use of cash will be approximately ¥3.2 trillion in funding to maintain and strengthen infrastructure. In addition to constantly investing in safety, we will steadily implement the investments needed to maintain and strengthen the revenue base in each business. Our third use of cash will be for LX, our new initiative to accelerate technological innovation. To realize the worldview of LX that is full of compassion and enthusiasm as envisaged in “To the Next Stage” 2034, we will use cash to support employees taking on new challenges and boost new innovations.

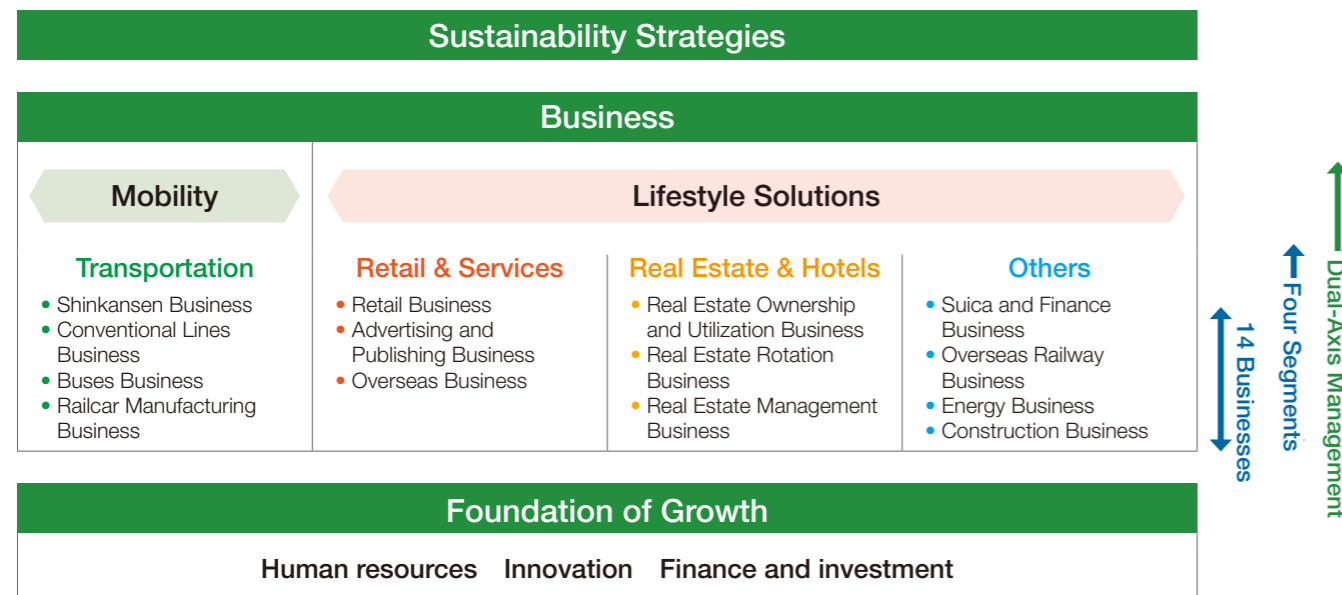
Regarding shareholder returns, we will progressively raise the target dividend payout ratio from 30% to 40% as we move

toward FY2028.3, when large-scale growth investments such as TAKANAWA GATEWAY CITY will approach completion. We will also implement flexible share buybacks based on trends in expenditure and business performance.

We will source the cash necessary for investments and shareholder returns by maximizing cash inflows through operating cash flow growth and asset management, including asset securitization, while ensuring stable funding by diversifying our financing sources. Through profit growth in our businesses, we plan to generate approximately ¥5.5 trillion in operating cash flow. Regarding asset management, we aim to generate a cumulative profit of approximately ¥0.6 trillion from real estate sales (on an operating income basis) over the seven years to FY2032.3, while also reducing our cross-shareholdings by more than 30% (on a market value basis) compared to the end of FY2025.3, mainly focusing on the shares of financial institutions. We will use the cash generated to boost our growth investments and expand our revenue base with an awareness of the time frame.

For the present, we plan to increase our interest-bearing debt, but we will also steadily enhance our earning power. Our policy is to aim for a net interest-bearing debt to EBITDA ratio of around 5x, controlling the balance between our earning power and interest-bearing debt. In this way, we will accelerate growth while also ensuring financial soundness.

Dual Axes, Four Segments, and 14 Businesses



**Q2** How will you increase the returns from each of the dual axes?

**A2** We manage the Group's businesses based on the two pillars of Mobility and Lifestyle Solutions. Under "To the Next Stage" 2034, we have established KPIs for each of these, to accelerate our dual-axis management. Let me explain the direction of our specific initiatives aimed at improving profitability to achieve the KPIs for each axis. I would also like to talk about the new measures we have introduced to realize a return on our investments that exceeds inflation and rising interest rates.

Regarding Mobility, under the Medium- to Long-Term Growth Strategy for Mobility Business "PRIDE & INTEGRITY" announced in September 2025, we will enhance the level of safe and stable transportation while also increasing capacity through measures such as train timetable adjustments and new vehicle production and stimulating demand through the creation of new destinations. In this way, we aim to generate customer flow, including inbound tourism, and ultimately increase the number of people interacting with local communities. Meanwhile, the revision of passenger fares, which we requested to ensure the sustainable operation of the railway business, was approved in August 2025. In addition to making preparations for the fare revisions that come into effect in March 2026, we will continue to request more measures from the Japanese government. This includes the implementation of a simpler and more flexible fare-setting system, such as the ability to adjust Shinkansen free seating express fares by notification and the introduction of a mechanism to enable timely fare adjustments based on inflation, as well as a review of the total cost method itself. In addition, we will review our pricing system, including for high-value-added trains, and further promote pricing strategies that can be implemented through notification. Hitherto, we have positioned Mobility as a sustainable business that provides stability as well as growth. Based on safe and stable transportation, we have aimed for sustainable business operations within the scope of cash flow. Going forward, we will

target discontinuous growth in Mobility, too. To achieve this, we have established a mechanism that allows us to invest the necessary cash while controlling the balance between medium-term earning power and interest-bearing debt. We will also review our investment criteria and control the level of investment over the medium to long term, rather than on an annual basis. In addition to enhancing the flexibility and efficiency of our investments to increase earning power, we will push ahead with structural reforms aimed at pursuing sustainable mobility, and achieve our KPIs.

In Lifestyle Solutions, we will pursue our Medium- to Long-term Business Growth Strategy, Beyond the Border, announced in June 2024. Specifically, we will set prices and rents based on our strengths, such as location and customer needs, while generating added value in collaboration with Mobility. Regarding our real estate development projects, we will promote the expansion of the business based on our area strategy (stronger acquisition and development of Company-owned land and urban real estate) and accelerate the real estate rotation business. At the same time, we will take inflation and rising construction costs into account when assessing profitability. In the Real Estate & Hotels segment, while focusing on speed and actively utilizing interest-bearing debt in the short term, we will control the balance between earning power and interest-bearing debt in the medium to long term, taking industry standards into account. In the real estate rotation business, we will make flexible investment decisions based not only on the profitability of each property but also on the overall ROA of the real estate business. We will speed up property acquisitions to accelerate business growth. Through Suica Renaissance, Suica will evolve from a mobility and payment device to a lifestyle device. We will position it as a business platform that connects the Group's various businesses. By using Suica as a hub to create synergies among our businesses, we aim to achieve an increase of approximately 20 billion yen in operating income from FY2025.3 through FY 2032.3. We will do this by expanding customer touchpoints and enhancing loyalty, as well as through the growth of the advertising business, utilizing data from Suica and other sources. We will flexibly and swiftly make investment decisions led by Lifestyle Solutions

to enhance our earning power, while being mindful of industry standards and yields, and achieve our KPIs.

In addition to growth in each of the dual axes of Mobility and Lifestyle Solutions, we will promote integration and collaboration to realize a conglomerate premium by generating new added value through synergies. At TAKANAWA GATEWAY CITY, the development of the railway network has made it possible to achieve community development by reorganizing rail yards and other assets. This city serves as an "experimental site to create enriching lives for the next 100 years," where we are working together with our co-creation partners to address global challenges. Through the Group's community development initiatives, we aim not only to create economic value but also to address the social issues faced by communities, incorporating diverse perspectives and a long-term timeline. By combining the value of these soft aspects with the hard value of our strengths in railway network enhancement and the integrated development of stations and communities, we aim to create unique added value through the proactive promotion of transit-oriented development (J-TOD\*), leveraging the Group's railway network. We will connect our resources through J-TOD and other initiatives for integration and collaboration between our dual business axes. Through this unique power of the JR East Group to generate synergies, we will achieve profit growth.

\* JR East Transit-Oriented Development, railway network-based town development leveraging the strengths of the JR East Group

**Q3** Please tell us about the formulation of strategies for each business and your policies going forward.

**A3** Since FY2025.3, we have categorized the wide range of businesses in the Group's four business segments into 14 businesses. Under this structure, we are striving to maximize cash flows, supported by further growth. I would like to look back over our three initial objectives in terms of the Group's achievements and challenges.

The first objective was to formulate and implement medium- and long-term strategies from a consolidated perspective. With the introduction of business units, JR East divisions and Group companies that belong to the same type of business were able to join in vigorous discussions concerning medium- and long-term strategies. By regularly holding hearings with the heads of each

business, led by the President, we are stepping up discussions on our approach to medium- to long-term strategies and our target levels. For example, we have been able to accelerate the formulation and execution of growth strategies such as the Suica Renaissance.

Our second objective was to achieve sustainable growth. By setting numerical targets focusing on medium-term cash flow, establishing KPIs for each individual business, and allocating the necessary management resources, we have clarified the direction of each business. The cycle of strategy formulation → target setting → execution → evaluation is beginning to operate autonomously in each business.

Our third objective was to advance a portfolio strategy. Here, we still face challenges. While we have been able to ascertain the strengths and weaknesses of each business, we are still working on the comparison of numeric data and the visualization of differences between each business and its competitors. By enabling the swift visualization of information necessary for management decision-making, we will be able to utilize this information to enhance the strategies of each business. For example, in priority fields and fields that should be strengthened, we will make decisions on external collaboration and the use of M&A deals. In fields where discussion on our approach to business is required, we will consider radical measures including withdrawal, while assessing profitability, and take concrete action. In addition, we will optimize the Group's business classifications and pursue the optimal capital relationships based on the management environment, realizing an optimal business portfolio that maximizes the Group's synergies.

**Q4** How are the Group's employees involved in achieving the goals of "To the Next Stage" 2034?

**A4** The Group's employees stand at the forefront of integration and collaboration, and each of them will play a leading role in realizing the LX targeted under "To the Next Stage" 2034. To ensure that all of our employees—the drivers of the Group's growth engine—engage in their daily duties with an awareness of their participation in business management, we will upgrade three systems.

The first system is the ROA(R) System. The "(R)" stands for railway, and "ROA(R)" refers to the ROA of the railway business, which has a particularly large volume of assets. By improving ROA

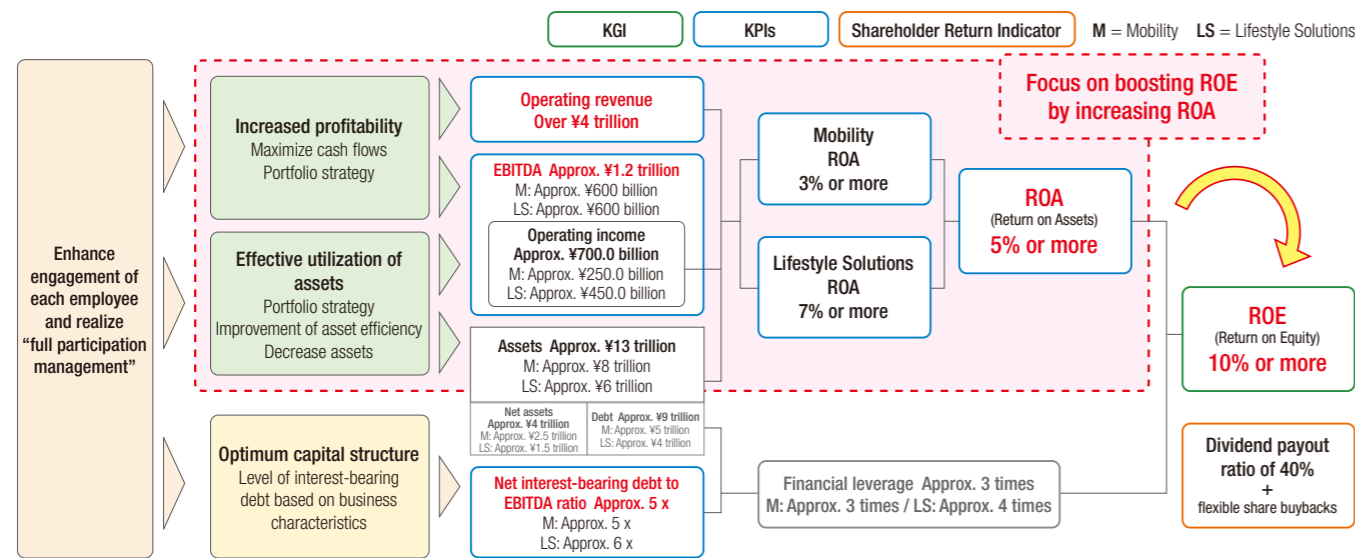
Examples of the Effective Utilization of Assets



[Photograph on left] Use of the site of the former Hiromachi employee dormitory in Oimachi (OIMACHI TRACKS)

[Photograph on right] Use of the site of a former JR East Travel Service Center as a temporary sales outlet

Numerical Targets for FY2032.3



in the railway business, calculated using the fixed assets of the railway business as the denominator and EBITDA as the numerator, we will maximize cash flow by effectively utilizing fixed assets. We have established this system so that an EBITDA KPI showing the cash to be generated is set for each headquarters and branch office. Under the system, these targets can be achieved by increasing revenues, reducing costs, and enhancing asset efficiency. In this way, we continuously generate cash flow at each workplace. Since the introduction of this mechanism in FY 2025.3, various initiatives are underway to effectively utilize owned assets to increase EBITDA, such as the renting of train station buildings to local governments to become tourism hubs and converting the employee parking lots in front of stations into customer parking lots. In this way, management participation by individual Group employees is progressing through the consideration of effective ways to utilize familiar assets. On the other hand, we still face significant issues in reducing the large volume of fixed assets we hold in the railway business. We will identify the assets that can be reduced, establish an order of priority, and steadily work to reduce them. Going forward, we will continue to deepen our efforts in ROA(R) and promote horizontal expansion between workplaces, accelerating improvements in profitability and asset efficiency.

The second system is referred to as the Area Management System. Starting in FY2025.3, all headquarters and branch offices implemented initiatives for visualizing area revenues and costs and visualizing the numerical results of measures in areas that encompass and unite workplaces. By making the results visible to our employees, we encourage each of them to take action with a consciousness of business management. For example, each workplace is developing and assessing promotional measures based on data analysis for the Let's Travel on Weekdays! Early Booking Discount Pass, which we launched in 2024. We succeeded in maximizing sales by swiftly and continuously improving the touchpoints with our customers, while analyzing the cost-effectiveness of various measures tailored to local characteristics, such as advertising, free papers published by local governments, and sampling. Our individual employees participated in business management, perceiving it as their own responsibility to heighten the value of their own areas. This is a significant achievement.

The third system is the Group-wide enhancement of working

environments. We will collect requests for working environment enhancements from our Group companies and partner companies, determine the order of priority, and implement approximately 100 improvements by FY 2027.3. We will create a new sense of engagement between employees and the Group, further enhancing job satisfaction and the employee-friendliness of working conditions, while also promoting a continuous cycle of sustainable growth for both employees and the Group.

By encouraging autonomous and decentralized management participation by each employee and implementing bottom-up initiatives, as outlined in "To the Next Stage" 2034, we will effectively utilize our assets to maximize cash flow and improve our ROA, aiming to achieve an ROE of 10% or more by FY 2032.3.

**Q5** What is your message to JR East shareholders and investors?

**A5** Shareholders and investors are important stakeholders for the JR East Group. We update our action to implement management that is conscious of the cost of capital and stock price each half-year. The Company's price-to-book ratio (PBR), which indicates the stock market's evaluation, is the product of return on equity (ROE), in other words the rate of return, multiplied by the price-earnings ratio (PER), which reflects anticipated growth. Therefore, we will increase PBR by both raising the rate of return and improving growth expectations.

We have made ROE our KGI under "To the Next Stage" 2034, to clearly convey the Group's growth story to a wide range of stakeholders, including the capital markets. By improving the profitability of each of the dual axes and effectively utilizing assets as I have explained so far, we aim to raise ROA to 3% or more in Mobility and 7% or more in Living Solutions, achieving an overall ROA of at least 5%. In this way, we aim to attain an ROE of 10% or more.

At the same time, we aim to reduce the cost of equity and enhance the expected growth rate to improve the PER. We recognize that the cost of equity is around 6% to 7%, given the level of the market's expected return that we have gauged through

dialogue with shareholders and investors. We will reduce the cost of equity and expand the equity spread through active dialogue between the Company's senior management, shareholders and investors, as well as by clarifying the Group's growth story through the establishment of our KGI and the KPIs for each business axis. We will also enhance the communication of our growth strategies in each business through initiatives such as increasing the frequency of our Investor Relations Days (IR Days) to twice each year and aim to improve the expected growth rate.

The Group's strength lies in each of our employees, who diligently and sincerely performs their daily tasks while playing a leading role in LX. Our ideal management is one in which each of our employees "beyond the norm" to create new value with a sense of determination to shape the JR East Group over the next 10 years. Going forward, we will continue to seek deeper dialogue with shareholders and investors, pursuing the enhancement of Group-wide corporate value to exceed their expectations.

Note: The fare revisions to be implemented starting March 2026 are reflected in the numerical targets of "To the Next Stage" 2034.

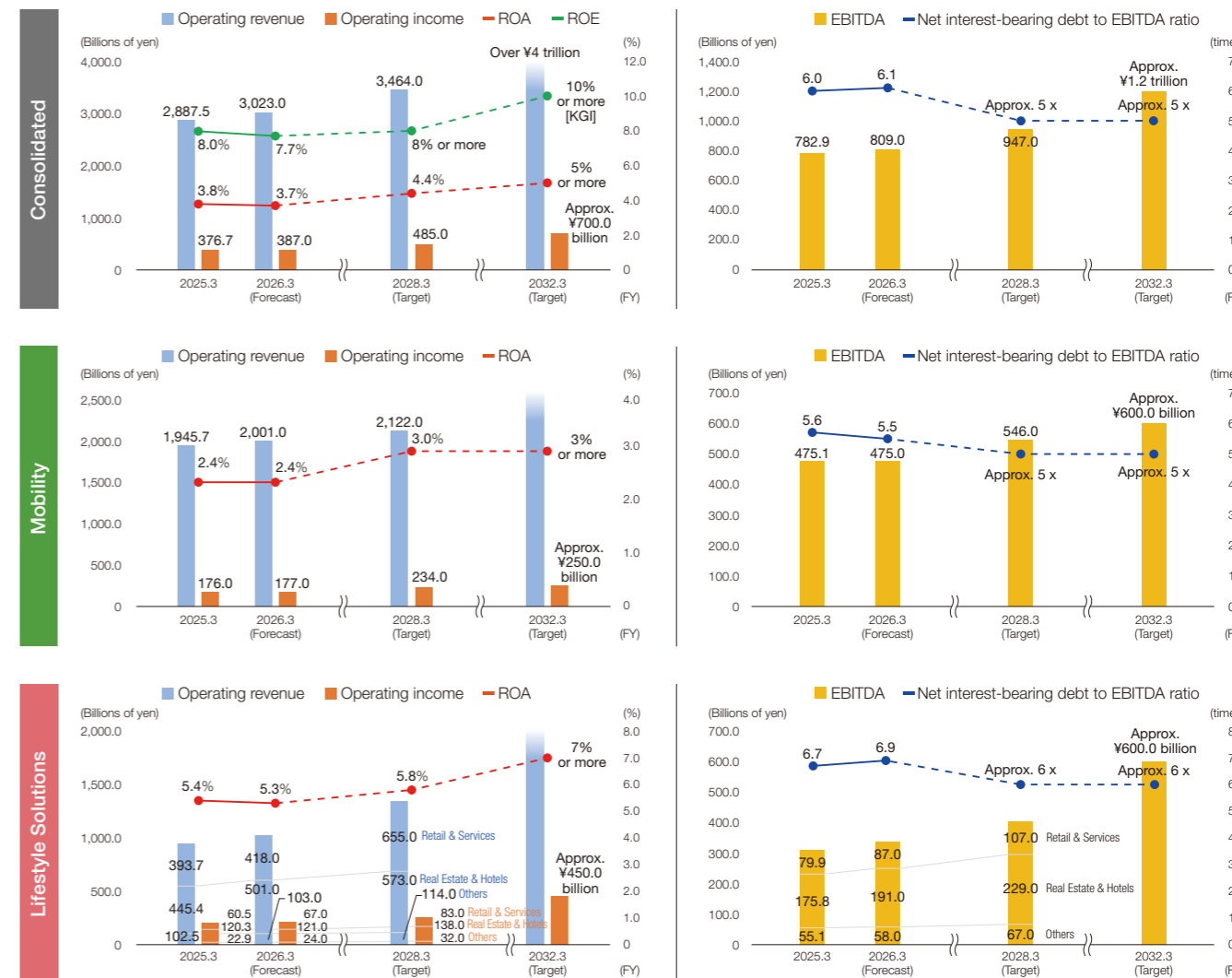
Revision of Railway Passenger Fares

Ever since the establishment of JR East in 1987, we have been committed to creating a strong management foundation that does not rely on fare increases, through efficient business operations focused on securing income and reducing expenses, as well as further improving safety, stable transportation, and service quality.

Meanwhile, however, the roles and services required of railway businesses have become more diverse and advanced. The business environment is expected to remain difficult due to changes in customer lifestyles, rising prices, and a continuing decline in the population along railway lines, as well as the need to improve employee remuneration and benefits to secure human resources.

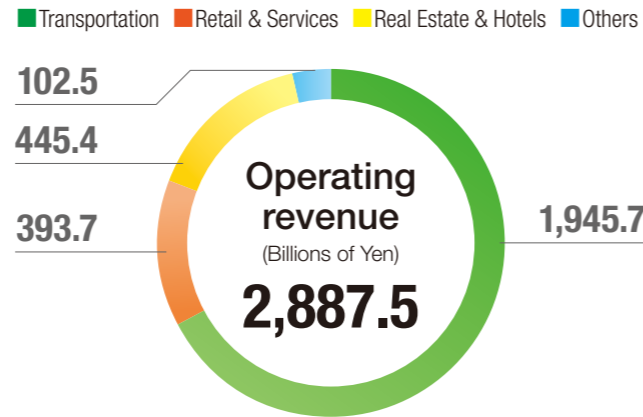
In December 2024, we applied for the first revision of passenger fares revision for the first time since the establishment of JR East, to respond to adverse changes in the business environment while steadily advancing efforts to maintain and improve safety and service, update rolling stock and facilities, expand barrier-free facilities, and prepare for increasingly severe disasters. This revision was approved by the Minister of Land, Infrastructure, Transport and Tourism on August 1, 2025.

"To the Next Stage" 2034 Numerical Targets

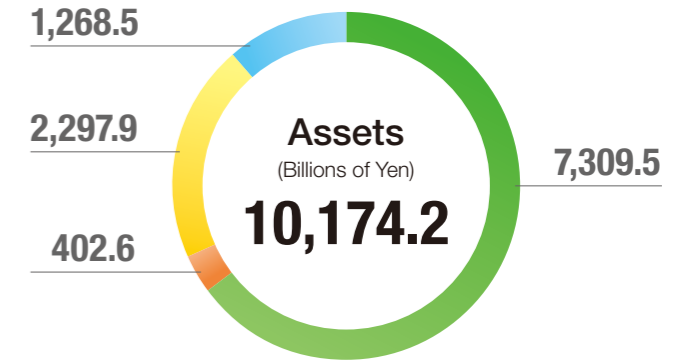
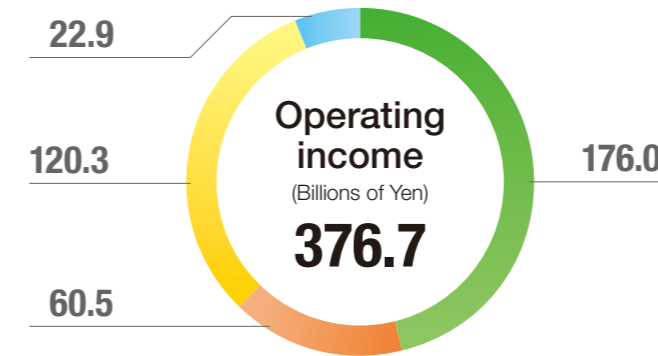


# Business Segments of the JR East Group

The JR East Group manages its businesses based on the dual axes of Mobility and Lifestyle Solutions. With four business segments comprising 14 businesses, we pursue consolidated cash flow management from a medium- to long-term perspective through integration and collaboration between the Group's businesses.



Note: All figures are for fiscal 2025. Total operating income and assets do not match the sum of the figures for each segment due to adjustments.



## Mobility

## Lifestyle Solutions

### Transportation

### Retail & Services

### Real Estate & Hotels

### Others

#### Target Profile

The JR East Group will pursue ultimate safety levels and continue to earn the trust of customers and local communities, which is the Group's foundation. In addition, we will provide everyone with reliable, high-quality services and help create a vibrant society.

#### Businesses

Shinkansen	Conventional lines	Bus	Railcar manufacturing
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#### Group Companies

- JR BUS KANTO Co., Ltd.
- JR Bus Tohoku Co., Ltd.
- Tokyo Monorail Co., Ltd.
- JR EAST VIEW TOURISM AND SALES COMPANY LIMITED
- JR East Rental & Lease Co., Ltd.
- JR East Net Station Co., Ltd.
- JR East TESSEI Co., Ltd.
- JR East Transportation Services Co., Ltd.
- JR East Environment Access Co., Ltd.
- JR East Station Service Co., Ltd.
- JR Takasaki Railway Services Co., Ltd.
- JR Mito Railway Services Co., Ltd.
- JR Chiba Railway Services Co., Ltd.
- JR East Techno Service Co., Ltd.
- JR Morioka Railway Service Co., Ltd.
- JR Akita Railway Services Co., Ltd.
- JR Niigata Railway Services Co., Ltd.
- JR Nagano Railway Services Co., Ltd.
- JR East Linen Co., Ltd.
- JR East Service Creation Co., Ltd.
- JR East Design Corporation
- JR East Facility Management Co., Ltd.
- Union Construction Co., Ltd.
- Japan Railway Track Consultants Co., Ltd.
- Japan Transport Engineering Company
- JR East Rail Car Technology & Maintenance Co., Ltd.

#### Target Profile

The JR East Group will provide a variety of services that meet specific needs and promote forms of regional revitalization that the Group is uniquely qualified to provide.

#### Businesses

Retail	Advertising and publishing	Overseas
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#### Group Companies

- JR East Cross Station Co., Ltd.
- KINOKUNIYA Co., Ltd.
- JR East TOHOKU SOUGOU SERVICE Co., Ltd.
- East Japan Railway Trading Co., Ltd.
- JR East Logistics Co., Ltd.
- JR EAST Smart Logistics Co., Ltd.
- JR East Marketing & Communications, Inc.
- JR East Media Co., Ltd.
- The Orangepage, Inc.
- JR East Business Development Taiwan, Inc.
- JRE Taiwan Hotel Management & Consulting Co., Ltd.
- JRE Sports Taiwan Co., Ltd.
- JR East Business Development SEA Pte. Ltd.
- JRE Business Development UK Ltd.
- Decorum Vending Ltd.
- JRE Ventures Pte. Ltd.

#### Target Profile

The JR East Group will promote the development of towns and lifestyles that heighten the comfort and convenience of daily life.

#### Businesses

Real estate ownership and utilization	Real estate rotation	Management
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#### Group Companies

- atré Co., Ltd.
- LUMINE Co., Ltd.
- JR Yokohama Shonan City Create Co., Ltd.
- JR Chuo Line Community Design Co., Ltd.
- JR East Department Store Co., Ltd.
- Kinshicho Station Building Co., Ltd.
- Chiba Station Building Co., Ltd.
- JR East Aomori Business-Development Company Co., Ltd.
- JR East Niigata City Create Inc.
- Station Building MIDORI Co., Ltd.
- JR East Building Co., Ltd.
- NIPPON HOTEL Co., Ltd.
- Sendai Terminal Building Co., Ltd.
- Morioka Terminal Building Co., Ltd.
- Akita Station Building Co., Ltd.
- JR East Sports Co., Ltd.
- GALA YUZAWA Co., Ltd.
- JR East Urban Development Corporation
- JR East Real Estate Asset Management Co., Ltd.
- JREast Real Estate Co., Ltd.
- TAKANAWA GATEWAY Global Co-Benefits Fund L.P.

#### Businesses

Suica and finance	Overseas railway	Energy	Construction
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#### Group Companies

- JR East Information Systems Company
- JR East Management Service Co., Ltd.
- JR East Personnel Service Co., Ltd.
- JR East Green Partners Co., Ltd.
- Viewcard Co., Ltd.
- JR East Consultants Company
- JR East Mechatronics Co., Ltd.
- Japan International Consultants for Transportation Co., Ltd.
- GATES PCM CONSTRUCTION LTD.
- JR East Energy Development Co., Ltd.
- Shinjuku South Energy Service Co., Ltd.
- Station City Energy Create Co., Ltd.
- JR East Start UP Co., Ltd.

グループ会社の事業セグメントごとの区分は、財務会計上の区分に従っています。