

Trilateral Roundtable Discussion Between Audit and Supervisory Committee Members and the Chairman

Outside Director and Audit and Supervisory Committee Member Hiroshi Koike, Outside Director and Audit and Supervisory Committee Member Tomoko Amaya, and Chairman of the Board of Directors Yuji Fukasawa participated in a trilateral roundtable discussion that focused on the Group's initiatives and challenges regarding internal control, internal auditing, and risk management, as well as policies for improving and strengthening Group governance and enhancing the effectiveness of the Board of Directors.



Outside Director (Member of the Audit and Supervisory Committee)

KOIKE Hiroshi

Chairman of the Board of Directors

FUKASAWA Yuji

Outside Director (Member of the Audit and Supervisory Committee)

AMAYA Tomoko

Establishment and Operation of Internal Control

Fukasawa To date, we have promoted discussions on the Group's internal control with the aim of concretely realizing the transition from a railway-focused to a people-focused approach, as outlined in "Move Up" 2027. In terms of content, the foundations are compliance, ensuring safety and security, preventing financial losses, and ensuring the soundness of financial statements. With regard to risk management, in addition to internal control in the narrow sense, which involves identifying risks and implementing the PDCA cycle using risk response tables for each Group company, we have also promoted internal control in the broad sense by focusing on wide-ranging risk management that places emphasis on taking on challenges. Recently, we have also been designing management audits to audit the progress of various measures.

On the other hand, scandals have recently come to light within the Group, including the falsification of wheelset data and fraudulent personnel cost claims related to projects commissioned by central government ministries. I apologize to all stakeholders for the concern and inconvenience these incidents have caused. With regard to the fraudulent personnel cost claims, we received extremely serious criticisms from an external investigation committee, citing a lack of risk sensitivity and compliance awareness among management, a lack of transparency in operations, and a culture that makes it difficult to speak up about fraud. Regarding compliance, since the discovery of fraudulent reporting of water intake at the Shinanogawa Power Station in 2008, we have been providing education to all Group employees, but I believe that this education also needs to be restructured. Over the past few years, the challenges taken on by employees have been realized in various ways, and so I believe that the system of internal control in a broad sense has been a success to some extent. However, there have been issues with the way risk management is carried out. We are currently working on how to change and revise this.

Koike The Group's unique internal control described by Mr. Fukasawa is particularly relevant in the railway department. In fact, when I speak with young employees and managers at frontline workplaces during on-site inspections, I can sense positive changes. The organization is being restructured, and I can see efforts being made to change the previous structure that was based on following precedents. However, because the railway business has its own unique business characteristics and profitability, it appears that efforts have yet to lead to any improvements. In addition, when it comes to internal control in the broad sense that encourages people to take on challenges, perhaps we should think of Mobility, which is centered on railways, as a separate entity from Lifestyle Solutions. It is also important to bear in mind that in the area of Lifestyle Solutions, where business risks lurk everywhere, internal control in the narrow sense is key. Mr. Fukasawa mentioned the falsification of wheelset data. This incident raises concerns about growing complacency in actions to ensure safety. I believe that the fraudulent personnel cost claims were partly caused by the fact that the advertising business and the outsourcing business were misinterpreted as the same business, and that human resources with extensive experience in the railway business but little experience in the Lifestyle Solutions business were involved in said business. The two businesses are quite different, and

what has been cultivated in the railway business does not necessarily translate directly to the Lifestyle Solutions business. The scale of the Group companies that make up each business is also quite different. For these reasons, it may be necessary to adopt different approaches to internal control and compliance in dual-axis management.

Amaya The first thing I noticed upon assuming my position was the large gap between Group governance awareness and response required for dual-axis management and reality. As the importance of Group companies, including those in the Lifestyle Solutions business, continues to grow quantitatively and they qualitatively become part of the overall Group strategy, the head office, as a headquarters, must take responsibility for Group companies, rather than leaving them to their own resourcefulness, as has been done in the past. However, I frankly feel that this awareness has been lacking. There is also a tendency to apply the concepts of the railway business to other businesses without fully considering the differences between them. For example, the phrase "encouraging employees to take on challenges through their own initiative" is frequently used within the Company. This comes from the background of the railway business, which, in addition to expecting employees to carry out their regular work honestly, encourages them to also go beyond those roles. However, this is being implemented across the entire Group, including in areas where employees are competing to come up with strategies to increase sales. Regarding the issue of fraudulent personnel cost claims, which Mr. Fukasawa pointed out, I get the impression that some people are simply viewing this as a violation of business processes, despite the fact that the business model itself had structural issues. Since the Company originally focused on a single business, namely the railway business, it could be said that the importance of understanding the business model has not yet taken root.

Fukasawa As you both pointed out, it cannot be denied that we have focused on the railway business, including when it comes to governance. In fact, the department in charge of Lifestyle Solutions, which has focused on business around stations and railways, was previously engaged in work that was geared more towards the railway business side of things. Regarding the incident involving JR East Marketing & Communications, Inc., while I sincerely believe that the lack of moral awareness that was pointed out was a factor, it is also



Roundtable Discussion Between Audit and Supervisory Committee Members and the Chairman

possible that they were unable to stop because their main form of railway advertising suffered a major decline due to the COVID-19 pandemic. We are now reaffirming that the weakness of our initiatives as an overall Group and the fact that awareness of governance has been lagging behind are real issues that need to be changed and addressed.

Establishment of an Expert Committee to Improve and Strengthen Group Governance

Fukasawa In order to achieve true Group management going forward, we must take responsibility for reforming Group governance. As has been pointed out, the Group previously focused on a variety of issues primarily within the framework of the railway business, and I would like to receive a wide range of advice from outside experts on how they view us. We must also properly reflect the opinions of outside directors and Audit and Supervisory Committee members.

Koike As we shift from “Move Up” 2027 to “To the Next Stage” 2034, the ratio of railway to non-railway businesses has steadily become more balanced, and currently the Company is strongly promoting dual-axis management. It will take considerable effort to achieve this, and it is not something that can happen in one leap. I see discussions by the Expert Committee as one of the processes of necessary for transformation, and at this time, it is extremely important to receive external opinions. The committee provided us, Audit and Supervisory Committee members, with opportunities to express our opinions. I expect the Expert Committee to compile appropriate reports, but rather than simply accepting the contents and recommendations of these reports as golden rules, it is important for the Group to think deeply about them and modify them into measures that can be implemented. There is no end in sight to these problems, and I believe that we must continue to make earnest efforts towards improvement as the situation changes.

Amaya If I may speak frankly, I do not believe it was a bad thing that these issues coincided with the timing of the change in strategy and organization from “Move Up” 2027 to “To the Next Stage” 2034. Moreover, from my own perspective, I believe that governance issues come down to how much the people in charge of management have grappled with them, and how much they continue to grapple with them. I hope that the discussions with the members of the Expert Committee will stimulate deep reflection and lead to meaningful reform.

Fukasawa In order to increase our risk sensitivity, even slightly, we will thoroughly incorporate external opinions and knowledge about external cases through the Expert Committee.

Initiatives to Improve the Effectiveness of the Board of Directors

Fukasawa Something that I think should be specifically reviewed, and this ties in with our earlier discussion, is the way that agenda items have focused on the railway business. For example, there have been



large railway-related capital investments, and many themes related to this were discussed at Board of Directors meetings. Ideally, the Board of Directors should be devoting time to strategic discussions, and I would like work on reviewing this point. Furthermore, the Company has established the “management meeting” as a meeting body to share and discuss medium- to long-term strategies and other matters requiring consideration with outside directors before a Board of Directors meeting. However, to date, the process from management meetings to Board of Directors meetings has not always functioned adequately. Going forward, we plan to make even more proactive use of management meetings in order to expand opportunities for strategic discussion and improve the effectiveness of the Board of Directors.

Amaya Given the Company’s existing decision-making process, I believe that the mechanisms for discussion, including those with outside directors at Board of Directors meetings and management meetings, are fairly well-developed. On the other hand, there is room for improvement in the expansion of more strategic discussions and in the way individual cases are submitted for deliberation. For example, when it comes to strategic discussions, I think that Board of Directors meetings and management meetings should have more discussions about identifying issues, setting targets, evaluating various approaches or options, and prioritizing them, which are the stages that come before the creation of a paper titled “Strategy for XXX.” However, under the existing process, these aspects tend to be viewed as informal advance preparations. In addition, rather than deliberating on individual cases, I believe the Company should shift towards a system in which the Board of Directors decides on policies and criteria for judgment, and then provides more detailed follow-up on implementation statuses. Overall, this will change the way decisions are made, but it is the next step in improving the effectiveness of the Board of Directors.

Koike Regarding the point made by Director Amaya, I believe that the executive side is also concerned about the same issues following the transition to a company with audit and supervisory committee system of governance. I believe that the flow of decision-making processes will change going forward.

Fukasawa When considering how to improve the effectiveness of the Board of Directors, I believe that the discussions we are currently conducting regarding management based on business units will become extremely important. The current structure for business

units was established with the aim of recognizing issues and setting targets for the entire Group, while also being conscious of comparing each business with other companies. Therefore, I believe we need to increase discussions on what kind of PDCA cycle to implement for each business. We ourselves must build business models based on a thorough understanding of the characteristics of each business, and I would like to hear the opinions of various people, including the two of you, and deepen discussions on management based on business units.

The Board of Directors’ Initiatives and Policies in FY2026.3

Fukasawa The Expert Committee is expected to report on a certain direction for Group governance and compliance by the end of the year. We will take this seriously and develop and implement measures to improve and prevent problems. It is also important that all Group employees understand and accept our new management vision, “To the Next Stage” 2034, and that they are able to reflect it in their own actions. I would like to make this the year in which we thoroughly implement this vision. In addition, the “technical service industry” that we have been promoting for some time now, which entails actively incorporating new technologies and figuring out how to link these technologies to services and businesses, is important, and I will continue to promote it in my role as Chairman.

Expectations and Aspirations for Realizing “To the Next Stage” 2034

Koike This is a very ambitious vision, and I look forward to seeing it develop dynamically. To achieve it, the Company is working on various initiatives, including organizational restructuring, new human resource strategies, and consolidated cash flow management by business unit. I hope that these initiatives will provide solid support for the development of the vision. In addition, the Mobility and Lifestyle Solutions, which are the dual axes, have very different business formats and scopes, therefore I would like for the Company to carefully consider how to handle them. In this regard, I will be keeping an eye on internal control and governance of Lifestyle Solutions with a great interest, based on my background and knowledge. Moreover, among our many Group companies, there are a variety of companies with different legal systems. In Lifestyle Solutions, economic distortions that arise when pursuing profits, various rules, and technical legal regulations differ from industry to industry, therefore it is necessary to study these on a daily basis. Furthermore, when it comes to legal reforms, it is not always be easy for individual companies to grasp the broad range of issues and complete their responses, therefore JR East will need to strategically consider how it will handle its legal affairs. I will be keeping an eye on this point as well.

Amaya As I mentioned earlier, the root of the problem with Group governance lies in the gap between awareness and reality when it comes to promoting dual-axis management. If we implement superficial measures without also implementing a change in awareness, there

will be no increase in effectiveness. Under “To the Next Stage” 2034, the Group will be developing strategies for new businesses, therefore I would like to reiterate that there is no time to waste. In fact, as of this fiscal year, the Audit and Supervisory Committee’s audit policy and audit plan now clearly describe a process for pointing out and discussing with relevant departments at JR East any issues that arise from audits of frontline workplaces and Group companies. Going forward, I will continue to hold discussions with JR East executives based on audit results to promote a change in awareness, with the ambition of transforming the Company into a true headquarters for the Group. My impression from my experience to date is that once executives understand and accept the situation, things start moving very quickly, and I believe the new process will produce great results. I am truly looking forward to the Company’s transformation into a headquarters for the Group.

Fukasawa Now that dual-axis management has been adopted, it is of course essential to carefully consider our approach to governance and change what needs to be changed. Furthermore, as I mentioned earlier, we intend to continue working with high aspirations towards our goal of becoming a true technical service industry, and we will take on challenges while coming up with concrete ideas. Finally, one other point that I would like to mention from a long-term perspective is sustainability. In addition to the sustainability of the JR East Group, the sustainability of the railway industry itself is becoming increasingly important, with Japan’s population decline showing no signs of stopping. As you know, the railway business operates under a variety of regulations, and despite changes in the world, many of these regulations have remained unchanged for a long time. However, in order to operate the railway business sustainably into the future, a review may be necessary. JR East, on behalf of the railway industry, recognizes the need to actively engage with the government and other relevant parties and consider the supply chain as an entire industry, and will continue to fulfill this role.



Corporate Governance

Basic Corporate Governance Philosophy

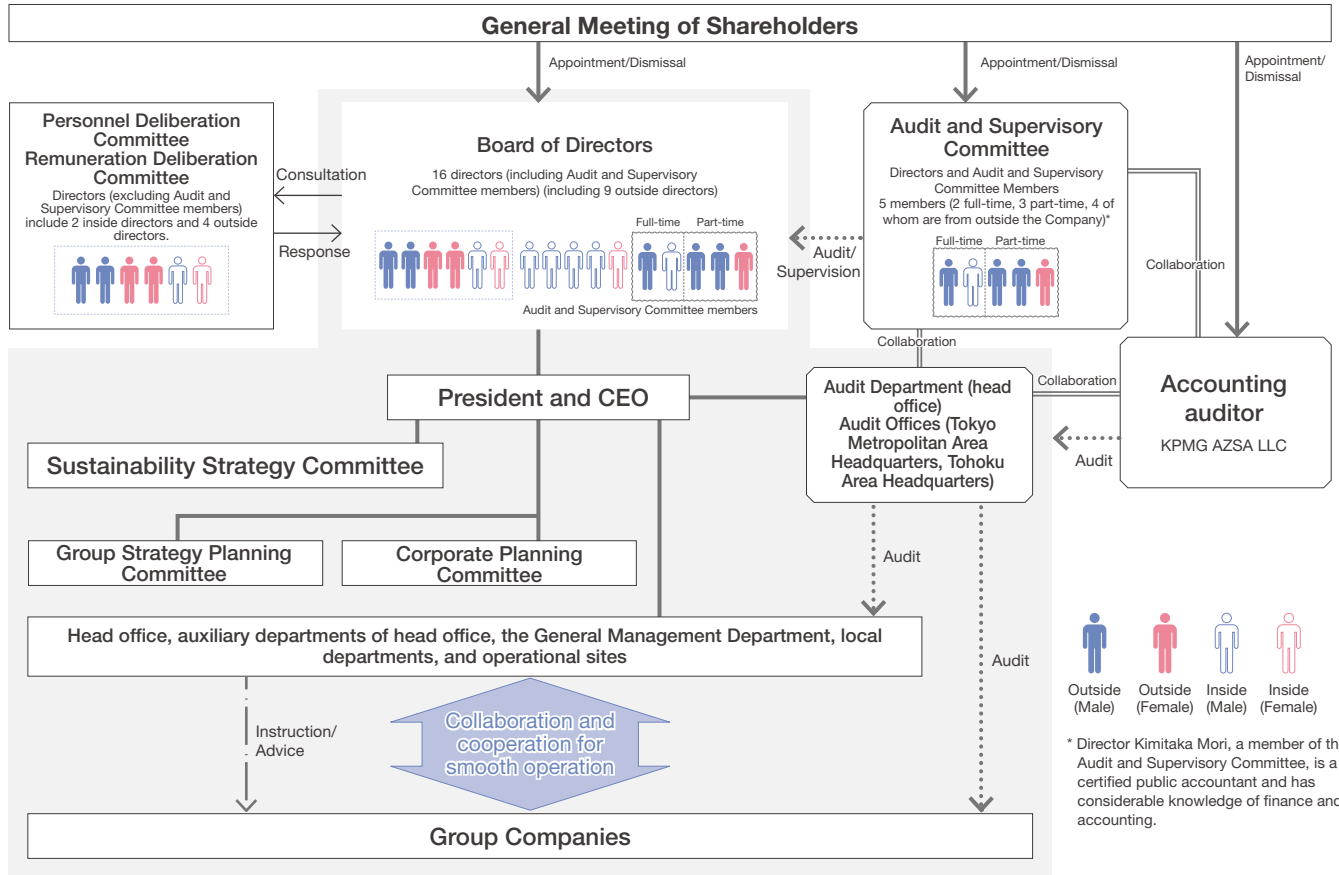


Senior Executive Officer in charge of Corporate & Legal Strategies Department
KIMURA Norio

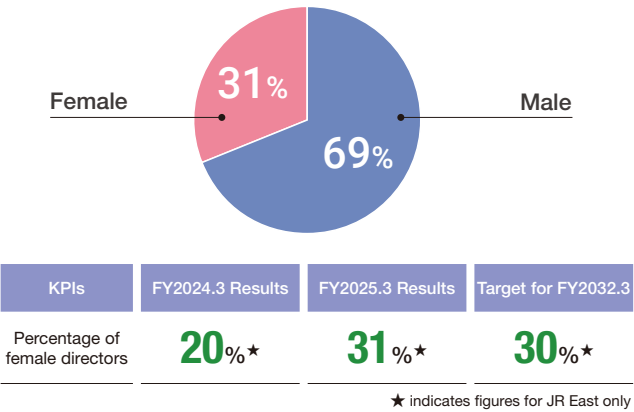
The Group pursues the achievement of ultimate safety to enhance reliability for customers and the creation of enriched lifestyles for all people as its business. To that end, it works to make transparent, fair, firm, and timely decisions. At the same time, the Company strives for genuine collaboration with its stakeholders, including customers, local communities, shareholders and investors, business partners, and all Group employees, and it aims to achieve sustained business growth and improve its medium- to long-term corporate value. The Company's Corporate Governance Guidelines, developed by the Board of Directors, set out its basic approach and concrete activities and are published on its corporate website. "Major Changes in Corporate Governance Initiatives" are also published on the corporate website.

Please visit the website for details (Japanese only)

Corporate Governance Report (As of July 2025)



Percentage of Female Directors (FY 2025.3)



	Number of times held in FY2025.3	Attendance rate
Board of Directors	17	99.2%
Audit and Supervisory Committee	17	
Personnel Deliberation Committee	6	
Remuneration Deliberation Committee	2	
Corporate Planning Committee	47	
Group Strategy Planning Committee	15	
Sustainability Strategy Planning Committee	2	

Composition of the Board of Directors and Other Governing Bodies

JR East's Board of Directors consists of 16 members, including eight outside directors. It generally meets monthly to deliberate on statutory requirements, other basic business policies and strategies for the entire Group, and important matters for Group management. In addition, it receives reports on matters delegated to executive directors and supervises business operations. A Corporate Planning Committee consisting of 7 directors (excluding outside directors and Audit and

Please visit the website for details (Japanese only)

Supervisory Committee members) and 10 senior executive officers has been established. The committee generally meets once a week to deliberate and report on matters to be decided by the Board of Directors and other important Group management issues. In addition, the Group Strategy Planning Committee, chaired by the president and CEO, was formed to develop strategy across the entire Group and, with membership including directors and senior executive officers, it meets as required to discuss issues pertaining to the formulation and implementation of Group business strategies.

Method for Ensuring the Effectiveness of the Board of Directors

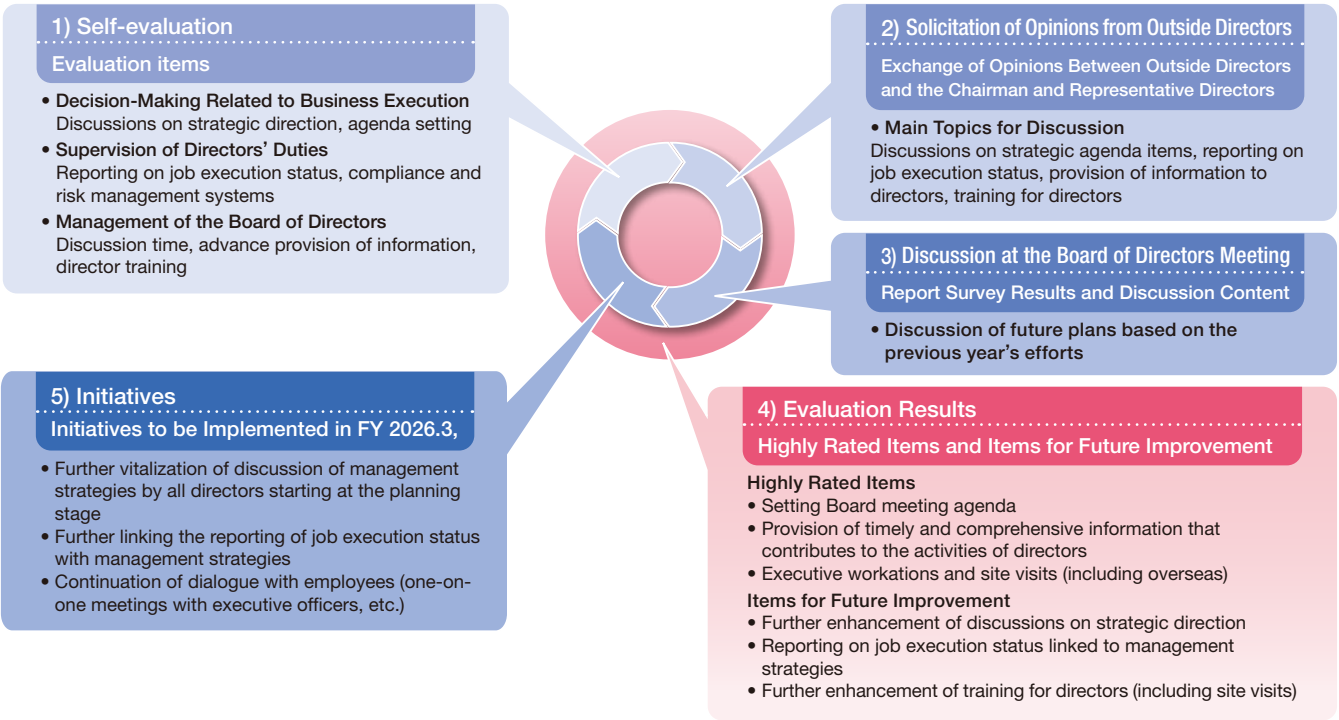
Provision of Information to Outside Directors
To boost the effectiveness of its Board of Directors, JR East is working to enhance opportunities for information sharing by having outside directors conduct inspections and engagement with employees at on-site visits. In FY 2025.3, it implemented the following.

- Inspection of JR Tokyo General Hospital (April)
- Inspection of Shinkansen disembarking guidance training (May)
- Inspection of Kawasaki Power Plant (October)
- Inspection of TAKANAWA GATEWAY CITY (October)
- Inspection of CaTa Inc. (October)
- Inspection of India High-Speed Rail Project (January)
- Inspection of HOTEL METROPOLITAN TOKYO HANEDA (January)



Analysis of the Board of Directors' Effectiveness and Assessment Results
An analysis and assessment of the effectiveness of the Board of Directors is performed once a year. The effectiveness of the Board of Directors is assessed from the perspective of the Board's roles and responsibilities, including transparent, fair, quick, and decisive decision-making. Based on self-evaluations by all directors and discussions with outside directors, in May 2025, the Board of Directors confirmed that the Board of Directors appropriately considers matters for deliberation, conducts sufficient reporting to fulfill its role in supervising business execution, and that it has an appropriate compliance system in place. On the basis of these results, we have assessed that the Board of Directors is sufficiently fulfilling its roles and responsibilities and judged it as being effective. In addition, reflecting the opinions of outside directors, to further enhance the effectiveness of the Board of Directors, JR East will continue to provide training for directors, which includes the hosting of on-site visits for outside directors and lectures by outside experts. We also aim to expedite management decision-making and enhance monitoring functions. We will further enhance discussions to clarify the vision and direction of each business unit.

Approach to Evaluating the Effectiveness of the Board of Directors



Personnel Deliberation Committee

When it comes to resolutions on the appointment and dismissal of directors (excluding Audit and Supervisory Committee members) and on the appointment and dismissal of the president and CEO, as a means of ensuring objectivity, timeliness, and transparency, the Company consults in advance with the Personnel Deliberation Committee, which consists of outside directors and other directors (excluding Audit and Supervisory Committee members).

Remuneration Deliberation Committee

When it comes to determining the remuneration of directors (excluding Audit and Supervisory Committee members), as a means of ensuring the transparency and fairness of procedures, the Company consults in advance with the Remuneration Deliberation Committee, which consists of outside directors and other directors (excluding Audit and Supervisory Committee members).

Executive Remuneration

The Company pays directors (excluding outside directors and Audit and Supervisory Committee members) base remuneration based on their roles in consideration of their everyday business execution, within the scope of the remuneration amount resolved at the General Meeting of Shareholders. In addition, said directors receive performance-linked remuneration based on management performance, shareholder dividends, their degree of contribution to operating performance and the achievement of our medium-term management vision, and ESG-related initiatives during the fiscal year. In consideration of their job responsibilities, outside directors (excluding Audit and Supervisory Committee members) receive no performance-linked remuneration. They receive base remuneration for business execution within the scope of the remuneration amount resolved at the General Meeting of Shareholders.

Ratio of Base Remuneration to Performance-Linked Remuneration

The ratio of base remuneration to performance-linked remuneration for directors (excluding outside directors and Audit and Supervisory Committee members) is 3:2, excluding the variable portion for an individual director's performance. In addition, the variable portion for performance-linked remuneration is added to or subtracted from the basic amount for each position within the range of +40% to -40%.

Indices for Performance-Linked Remuneration and the Reason for Their Selection

At JR East, we comprehensively evaluate metrics and other items related to performance-linked remuneration and reflect them in our calculation of remuneration amounts. To assess performance during the year, level of contribution, and ESG-related efforts, the president and CEO conducts goal-setting and tracing interviews with individual directors regarding the achievement of annual management strategies and "To the Next Stage" 2034. Performance-linked remuneration is paid as cash remuneration at a fixed time each year. No non-monetary remuneration is paid.

Breakdown of Director Remuneration

Officer Classification	Number of Officers	Total Amount of Remuneration (Millions of Yen)	Total Amount by Type of Remuneration (Millions of Yen)	
			Base Remuneration	Performance-Linked Compensation
Directors (excluding Directors who are Audit and Supervisory Committee members)	14	477	283	194
Directors (Audit and Supervisory Committee members)	5	105	105	—
Total	19	583	388	194

(Note 1) Base remuneration for directors (excluding directors who are members of the Audit and Supervisory Committee) includes the amount paid to three directors who retired at the conclusion of the 37th Ordinary General Meeting of Shareholders held on June 20, 2024. Total remuneration includes ¥134 million in remuneration paid to ten outside directors (including two who retired at the 37th Ordinary General Meeting of Shareholders held on June 20, 2024).

(Note 2) At the conclusion of the 17th Ordinary General Meeting of Shareholders held on June 23, 2004, the Company abolished its executive retirement benefit system, and the shareholders at said meeting approved the provision of retirement benefits to reappointed directors as well as auditors who were in the middle of their terms of office, in accordance with the standards prescribed by the Company. Based on this approval, a retirement benefit of ¥34 million was paid in the current fiscal year to one director who retired in the previous fiscal year, in addition to the above-mentioned remuneration.

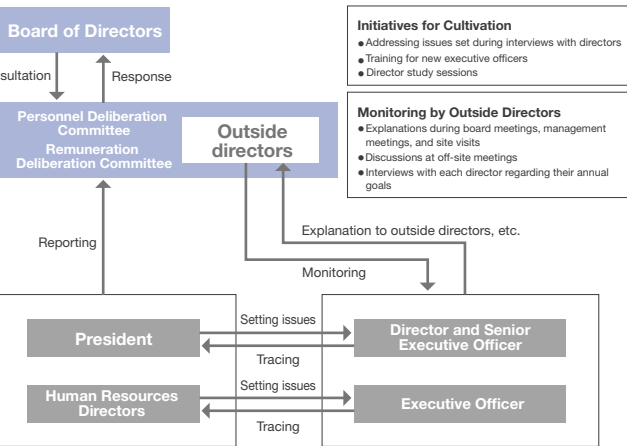
Succession Plans

JR East has a performance evaluation system in place for inside directors (excluding Audit and Supervisory Committee members) and a target management system that sets targets for managers and other employees who are candidates for executive positions. It considers these systems, along with efforts toward training at each level, to constitute succession plans for the role of president and CEO and other officer positions.

The Personnel Deliberation Committee deliberates on succession plans for the president and CEO and reports to the Board of Directors, so that the committee will be proactively involved in the formulation and implementation of those plans while at the same time appropriately supervising the development of successor candidates in a systematic manner.

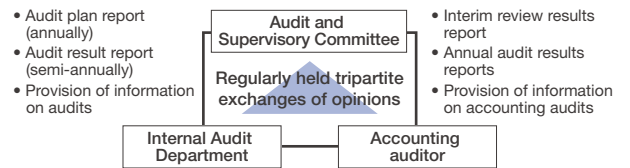
The Board of Directors also supervises whether successor training for the president and CEO is being conducted appropriately by obtaining reports on succession plans and reviewing the status of efforts to achieve management targets such as the Group Management Vision and annual management strategies to ascertain the details of succession plans and the accomplishments of directors and executives.

Succession Plans Concept Chart



Auditing

JR East conducts Audit and Supervisory Committee audits, internal audits, and accounting audits. The Audit and Supervisory Committee, the Internal Audit Department, and the Accounting Auditor endeavor to conduct mutually efficient and effective audit activities through the sharing of the following information.



Audits by the Audit and Supervisory Committee

The Audit and Supervisory Committee specifically reviews the audit policy, methods, division of duties and plans, the appropriateness and operational status of the resolutions of the Board of Directors regarding the system for ensuring the appropriateness of operations, and the appropriateness of the accounting auditor's audit methods and results. In accordance with the policies determined by the Audit and Supervisory Committee, each committee member attended meetings of the Board of Directors and other important meetings, listened to reports on the status of the execution of duties from directors and employees, inspected important approval documents, audited the status of business and financial assets of the head office and key offices, listened to reports on the status of execution of duties from the accounting auditor, with whom they also discussed key audit matters, and consulted regularly with the representative director and outside directors. Notably, the full-time Audit and Supervisory Committee members endeavored to strengthen the audit and supervisory functions of the committee by attending meetings such as the Sustainability Strategy Committee and collecting information from individual divisions within the Company. In addition, regarding Group companies, the committee worked to communicate and exchange information with Group company directors and corporate auditors and obtained reports as needed on the operations of Group companies. The Company has appointed approximately 10 dedicated staff members to assist the Audit and Supervisory Committee.

Internal Audits

A dedicated team of staff in the Audit Department at head office and in Audit Offices (Tokyo Metropolitan Area Headquarters, Tohoku Area Headquarters) conduct audits of the head office, headquarters and branch offices, operational sites, etc. based on audit plans. Through these audits, the team

checks the status of business execution, risk control, and management of measures to realize the JR East Group Management Vision "To the Next Stage" 2034, and evaluates and makes recommendations from the perspectives of lawfulness, effectiveness, efficiency, and adequacy. Where there is need for improvement, the team offer guidance as appropriate and request a report on the progress of corrective actions.

In addition, internal audit staff are assigned at Group companies to conduct audits, and the Company's Audit Department also conducts audits on a regular basis.

The results of these audits are reported to the president and CEO approximately once a quarter and to the Board of Directors and the Audit and Supervisory Committee once every half year.

Accounting Audits

Accounting auditor KPMG AZSA LLC, which has an audit agreement in place with the Company, conducts audits during and at the end of the fiscal year.

Policy on Shareholdings in Selected Companies

The Company will hold shares in selected companies that will contribute to its corporate value, in order to maintain and strengthen stable business relationships and close cooperative relationships with such companies over the medium- to long-term. The Company's policy regarding policy shareholdings is as follows:

- The Company will exercise its rights as a shareholder of a company by examining the details of proposals for each general meeting of shareholders of said company.
- With the aim of continuously reducing the overall scale of policy shareholdings, the Company will examine the medium- to long-term economic rationale and outlook of its shareholdings in each of the selected companies in light of their operating results, capital cost, and other such criteria.
- If, based on the examination and the purpose of shareholding, it is determined that the rationale for holding may have been lost, the Company will engage in dialogue with the relevant company and consider whether or not to sell shares.
- When a policy shareholder proposes to dispose of Company shares, the Company will take no action to inhibit such disposal.

Regarding shares in selected companies held as of FY 2025.3, year-end, the Company individually examined those shareholdings at the Board of Directors meeting held on June 11, 2025, and resolved to continue to hold only those stocks where the rationale for holding them has been confirmed.

The Company's Internal Audit Methodology

