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[Documents to be Submitted]	Annual Securities Report
[Legal Basis]	Article 24, Paragraph 1 of the Financial Instruments and Exchange Act
[Submitted to]	Director General of the Kanto Local Finance Bureau
[Date of Submission]	June 22, 2023
[Fiscal Year]	36th Fiscal Year (from April 1, 2022 to March 31, 2023)
[Company Name]	East Japan Railway Company
[Name and Title of Representative]	Yuji Fukasawa, President and CEO
[Location of Head Office]	2-2, Yoyogi 2-chome, Shibuya-ku, Tokyo, Japan
[Telephone Number]	+81-3-5334-1111 (main line)
[Name of Office Contact]	Yoshikazu Aoki, Manager of the Corporate & Legal Strategies Department
[Closest Point of Contact]	2-2, Yoyogi 2-chome, Shibuya-ku, Tokyo, Japan
[Telephone Number]	+81-3-5334-1111 (main line)
[Name of Office Contact]	Yoshikazu Aoki, Manager of the Corporate & Legal Strategies Department
[Location for Inspection]	East Japan Railway Company Yokohama Branch Office (40-26, Hiranuma 1-chome, Nishi-ku, Yokohama-shi, Kanagawa) East Japan Railway Company Omiya Branch Office (434-4, Nishiki-cho, Omiya-ku, Saitama-shi, Saitama) East Japan Railway Company Chiba Branch Office (23-3, Benten 2-chome, Chuo-ku, Chiba-shi, Chiba) Tokyo Stock Exchange, Inc. (2-1 Nihonbashi Kabuto-cho, Chuo-ku, Tokyo)

Editor's notes:

1. Please note that the official text of this document has been prepared in Japanese. The information herein stated is provided only for reference purposes. The company is not responsible for the accuracy of the information. To the extent there is any discrepancy between the English translation and original Japanese version, please refer to the Japanese version.
2. On June 22, 2023, the company filed its Annual Securities Report (Yukashoken Houkokusho) with the Director-General of the Kanto Local Financial Bureau in Japan.

Part I. Corporate Information

No. 1: Company Overview

1. Trends in Key Management Indicators

(1) Trends in key management indicators for the last five consolidated fiscal years

Fiscal Year	32nd Fiscal Year	33rd Fiscal Year	34th Fiscal Year	35th Fiscal Year	36th Fiscal Year
Fiscal Year End	March 2019	March 2020	March 2021	March 2022	March 2023
Operating revenues (Millions of yen)	3,002,043	2,946,639	1,764,584	1,978,967	2,405,538
Ordinary income (loss) (Millions of yen)	443,267	339,525	(579,798)	(179,501)	110,910
Profit (loss) attributable to owners of parent (Millions of yen)	295,216	198,428	(577,900)	(94,948)	99,232
Comprehensive income (Millions of yen)	295,928	173,329	(565,771)	(100,543)	96,459
Net assets (Millions of yen)	3,094,378	3,173,427	2,557,361	2,418,110	2,497,713
Total assets (Millions of yen)	8,359,676	8,537,059	8,916,420	9,091,424	9,351,899
Net assets per share (Yen)	8,046.93	8,340.01	6,719.93	6,348.57	6,566.64
Earnings (loss) per share (Yen)	773.26	524.91	(1,531.91)	(251.69)	263.38
Diluted earnings per share (Yen)	–	–	–	–	–
Equity ratio (%)	36.7	36.9	28.4	26.3	26.4
Return on Average Equity (ROE) (%)	10.0	6.4	(20.3)	(3.9)	4.1
Price-earnings ratio (-fold)	13.8	15.6	–	–	27.8
Cash flows from operating activities (Millions of yen)	663,801	548,692	(189,968)	190,506	581,755
Cash flows from investing activities (Millions of yen)	(594,425)	(701,601)	(749,397)	(526,358)	(565,511)
Cash flows from financing activities (Millions of yen)	(120,693)	43,409	983,385	304,642	26,830
Cash and cash equivalents at the fiscal year end (Millions of yen)	263,739	153,794	197,960	171,023	215,000
Number of employees (People)	72,402	71,812	71,973	71,240	69,235
[temporary employees not included in the above figures]	[26,632]	[26,603]	[26,185]	[25,076]	[24,190]

- (Notes) 1. The number of consolidated subsidiaries and affiliated companies accounted for by the equity method for each year are as follows. Figures in parentheses “()” indicate the number of affiliated companies accounted for by the equity method.
32nd fiscal year - 70 (5) companies, 33rd fiscal year - 71 (6) companies, 34th fiscal year - 71 (6) companies, 35th fiscal year - 69 (6) companies, 36th fiscal year - 69 (11) companies
- Diluted earnings per share is not shown due to lack of potential shares.
 - Price-earnings ratios for the 34th and 35th fiscal years are not shown due to loss attributable to owners of parent.
 - Net assets per share, earnings (loss) per share, equity ratio, ROE, and price-earnings ratio are rounded to the nearest whole number.
 - The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, revised on March 31, 2020) and its implementation guidance have been applied since the beginning of the 35th fiscal year, and the key management indicators for the 35th and subsequent fiscal years are based on the application of these accounting standards.

(2) Trends in key management indicators of the reporting company over the last 5 fiscal years

Fiscal Year	32nd Fiscal Year	33rd Fiscal Year	34th Fiscal Year	35th Fiscal Year	36th Fiscal Year
Fiscal Year End	March 2019	March 2020	March 2021	March 2022	March 2023
Operating revenues (Millions of yen)	2,113,362	2,061,078	1,184,145	1,424,150	1,765,512
Ordinary income (loss) (Millions of yen)	354,852	260,136	(517,715)	(177,718)	46,001
Profit (loss) (Millions of yen)	251,165	159,053	(506,631)	(99,159)	52,423
Stated capital (Millions of yen)	200,000	200,000	200,000	200,000	200,000
Total number of issued shares (Thousands of shares)	381,822	377,932	377,932	377,932	377,932
Net assets (Millions of yen)	2,513,699	2,551,346	2,014,228	1,872,184	1,880,403
Total assets (Millions of yen)	7,688,566	7,840,416	8,172,474	8,334,994	8,527,381
Net assets per share (Yen)	6,589.10	6,756.71	5,334.28	4,958.12	4,979.91
Dividend per share (interim dividend per share) (Yen)	150 (75)	165 (82.5)	100 (50)	100 (50)	100 (50)
Earnings (loss) per share (Yen)	657.31	420.35	(1,341.71)	(262.60)	138.83
Diluted earnings per share (Yen)	–	–	–	–	–
Equity ratio (%)	32.7	32.5	24.6	22.5	22.1
Return on Average Equity (ROE) (%)	10.3	6.3	(22.2)	(5.1)	2.8
Price-earnings ratio (-fold)	16.2	19.5	–	–	52.8
Dividend payout ratio (%)	22.8	39.3	–	–	72.0
Number of employees (People)	46,019	44,830	44,137	43,013	41,147
Total shareholder return (comparison index: TOPIX (including dividends)) (%)	109.8 (95.0)	86.1 (85.9)	83.7 (122.1)	77.3 (124.6)	80.6 (131.8)
Highest share price (Yen)	11,145	10,935	8,881	8,569	8,280
Lowest share price (Yen)	9,063	7,060	5,446	6,373	6,510

- (Notes) 1. Diluted earnings per share is not shown due to lack of potential shares.
2. Price earnings ratio and dividend payout ratio for the 34th and 35th fiscal years are not shown due to loss.
3. Net assets per share, earnings (loss) per share, equity ratio, ROE, price-earnings ratio, dividend payout ratio, and total shareholder return are rounded to the nearest whole number.
4. The highest and lowest share prices have been quoted on the Tokyo Stock Exchange Prime Market since the 36th fiscal year, and on the Tokyo Stock Exchange First Section in the past.
5. The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, revised on March 31, 2020) and its implementation guidance have been applied since the beginning of the 35th fiscal year, and the key management indicators for the 35th and subsequent fiscal years are based on the application of these accounting standards.

2. Company History

Date	Item
April 1987	<ul style="list-style-type: none"> Establishment of East Japan Railway Company (the “Company”), takeover of Japanese National Railways (“JNR”), and commencement of passenger rail and bus transport services (6 passenger rail companies including the Company and Japan Freight Railway Company were established, and JNR was transferred to Japanese National Railways Settlement Corporation (currently the Japan Railway Construction, Transport and Technology Agency))
July 1987	<ul style="list-style-type: none"> Acquisition of shares and subsidiarization of East Japan Kiosk Co., Ltd. (currently JR East Cross Station Co., Ltd., a consolidated subsidiary)
April 1988	<ul style="list-style-type: none"> Establishment of the Business Development Headquarters to facilitate the promotion of related businesses Establishment of JR Bus Tohoku Co., Ltd., and JR BUS KANTO CO., LTD. (currently consolidated subsidiaries) to split off the Bus Division and transfer the business to the new companies.
May 1988	<ul style="list-style-type: none"> Establishment of JR East Marketing & Communications, Inc. (currently a consolidated subsidiary)
April 1989	<ul style="list-style-type: none"> Establishment of JR East Elevated Development Corporation (currently JR East Urban Development Corporation, a consolidated subsidiary)
November 1989	<ul style="list-style-type: none"> Establishment of JR East Japan Information Systems Company (currently JR East Information Systems Company, a consolidated subsidiary) to split off the Information System Division and transfer the business to the new company.
March 1990	<ul style="list-style-type: none"> Acquisition of shares and subsidiarization of Nippon Shokudo Co., Ltd. (currently JR East Cross Station Co., Ltd., a consolidated subsidiary)
April 1990	<ul style="list-style-type: none"> Establishment of The EKIBIRU Development Co. Tokyo (currently atré Co., Ltd., a consolidated subsidiary)
August 1990	<ul style="list-style-type: none"> Establishment of JR East Facility Management Co., Ltd. (currently a consolidated subsidiary)
June 1991	<ul style="list-style-type: none"> Commencement of Tohoku and Joetsu Shinkansen (bullet train) service between Tokyo and Ueno (operational distance: 3.6 km)
October 1991	<ul style="list-style-type: none"> Acquisition of railroad facilities (excluding rolling stock) for the Tohoku and Joetsu Shinkansen lines from the Shinkansen Holding Corporation (currently Japan Railway Construction, Transport and Technology Agency)
April 1992	<ul style="list-style-type: none"> Establishment of JR East Mechatronics Co., Ltd. (currently a consolidated subsidiary)
July 1992	<ul style="list-style-type: none"> Commencement of Yamagata Shinkansen service, providing direct connection from the Tohoku Shinkansen to the Ou Line (between Fukushima and Yamagata)
October 1993	<ul style="list-style-type: none"> Sale of 2.5 million shares held by Japanese National Railways Settlement Corporation (currently Japan Railway Construction, Transport and Technology Agency) Listed on the first sections of the Tokyo, Osaka, and Nagoya Stock Exchanges and on the Niigata Stock Exchange
October 1996	<ul style="list-style-type: none"> Establishment of the Yokohama Branch Office from a portion of the Tokyo Area Regional Headquarters (currently the Tokyo Metropolitan Area Headquarters)
March 1997	<ul style="list-style-type: none"> Commencement of Akita Shinkansen service, providing direct connection from the Tohoku Shinkansen to the Tazawako Line (between Morioka and Omagari) and the Ou Line (between Omagari and Akita)
June 1997	<ul style="list-style-type: none"> Establishment of Life-style Business Development Headquarters via merger of the Affiliated Business Headquarters and the Business Development Headquarters.
September 1997	<ul style="list-style-type: none"> Head Office relocated from Chiyoda-ku, Tokyo to Shibuya-ku, Tokyo
October 1997	<ul style="list-style-type: none"> Commencement of Hokuriku Shinkansen service between Takasaki and Nagano (operational distance: 117.4 km)
April 1998	<ul style="list-style-type: none"> Establishment of the Hachioji Branch Office from a portion of the Tokyo Area Regional Headquarters (currently the Tokyo Metropolitan Area Headquarters)
August 1999	<ul style="list-style-type: none"> Sale of 1 million shares held by Japan Railway Construction Public Corporation (currently Japan Railway Construction, Transport and Technology Agency)
September 1999	<ul style="list-style-type: none"> Acquisition of shares and subsidiarization of Kosai Maintenance Co., Ltd. (currently JR East Environment Access Co., Ltd., a consolidated subsidiary)
December 1999	<ul style="list-style-type: none"> Commencement of extended Yamagata Shinkansen service to Shinjo Station on the Ou Line
April 2000	<ul style="list-style-type: none"> Establishment of JR East General Education Center to enrich and support employee training
April 2001	<ul style="list-style-type: none"> Establishment of the Omiya Branch Office from a portion of the Tokyo Branch Office (currently the Tokyo Metropolitan Area Headquarters)
December 2001	<ul style="list-style-type: none"> The partial amendment to the “Act on Passenger Railway Companies and Japan Freight Railway Company” went into effect, and the Company was excluded from the scope of these laws Establishment of Research & Development Center of JR East Group via integration of dispersed in-house R&D sites
February 2002	<ul style="list-style-type: none"> Acquisition of shares and subsidiarization of TOKYO MONORAIL CO., LTD. (currently a consolidated subsidiary)

Date	Item
June 2002	<ul style="list-style-type: none"> • Sale of 500,000 shares held by Japan Railway Construction Public Corporation (currently Japan Railway Construction, Transport and Technology Agency) and complete privatization of the company
December 2002	<ul style="list-style-type: none"> • Commencement of Tohoku Shinkansen service between Morioka and Hachinohe (operational distance: 96.6 km)
November 2003	<ul style="list-style-type: none"> • Due to relocation, the Central Public Health Center was renamed the JR East Health Promotion Center
April 2005	<ul style="list-style-type: none"> • Merger of Hotel Metropolitan Co., Ltd. with Hotel Edmont Co., Ltd. and (former) NIPPON HOTEL Co., Ltd., and renaming to NIPPON HOTEL Co., Ltd. (currently a consolidated subsidiary)
July 2005	<ul style="list-style-type: none"> • Establishment of an IT Business Headquarters in order to promote rapid advance in the IT business
July 2006	<ul style="list-style-type: none"> • Establishment of JR East Building Co., Ltd. (currently a consolidated subsidiary)
January 2007	<ul style="list-style-type: none"> • Renaming of Tokyo Electric Construction Office to Tokyo Electrical Construction & System Integration Office
July 2007	<ul style="list-style-type: none"> • IT Business Headquarters renamed IT & <i>Suica</i> Business Headquarters after transfer of <i>Suica</i>-related operations from Railway Operations Headquarters
April 2009	<ul style="list-style-type: none"> • Establishment of Energy Management Center to reorganize power generation and supply operations
February 2010	<ul style="list-style-type: none"> • Credit card-related operations were transferred to Viewcard Co., Ltd. (currently a consolidated subsidiary) through an absorption-type split
December 2010	<ul style="list-style-type: none"> • Commencement of Tohoku Shinkansen service between Hachinohe and Shin-Aomori (operational distance: 81.8 km)
April 2012	<ul style="list-style-type: none"> • Formation of subsidiary Japan Transport Engineering Company (currently a consolidated subsidiary) and acquisition of rights to manufacture and sell rolling stock and other products of Tokyu Car Corporation
April 2014	<ul style="list-style-type: none"> • Transfer of railcar manufacturing operations from Niitsu Rolling Stock Plant to Japan Transport Engineering Company through an absorption-type split.
July 2014	<ul style="list-style-type: none"> • Establishment of a Structural Engineering Center as part of the Head Office to improve inspection and diagnostic services
March 2015	<ul style="list-style-type: none"> • Commencement of Hokuriku Shinkansen service between Nagano and Joetsumyoko (operational distance: 59.5 km)
June 2017	<ul style="list-style-type: none"> • Establishment of the International Affairs Headquarters to further promote progress in international business operations
June 2018	<ul style="list-style-type: none"> • The Shinkansen Transport Department changed from a regional office to a head office agency to further improve the safety, reliability, and quality of Shinkansen service
June 2018	<ul style="list-style-type: none"> • Establishment of Technology Innovation Headquarters to enhance systems for providing new services and value to customers
April 2019	<ul style="list-style-type: none"> • To further improve Shinkansen safety and service quality, Shinkansen-related operations of the Head Office, branch offices, and the Shinkansen Transport Department were consolidated and integrated to form the Shinkansen General Management Department as a supervisory organization
April 2020	<ul style="list-style-type: none"> • Merger of Nippon Restaurant Enterprise Co., Ltd. and JR East Food Business Co., Ltd. and renaming to JR East Foods Co., Ltd. (currently JR East Cross Station Co., Ltd., a consolidated subsidiary)
June 2020	<ul style="list-style-type: none"> • To promote <i>Suica</i>, MaaS, and data marketing in a unified manner, establishment of the MaaS & <i>Suica</i> Headquarters through integration of MaaS Promotion Department of the Technology Innovation Headquarters with the IT & <i>Suica</i> Business Headquarters
April 2021	<ul style="list-style-type: none"> • Merger of JR East Retail Net Co., Ltd. with JR East Foods Co., Ltd., JR East Water Business Co., Ltd., and Tetsudo Kaikan Co., Ltd., and renaming to JR East Cross Station Co., Ltd. (currently a consolidated subsidiary)
June 2022	<ul style="list-style-type: none"> • To strengthen strategic operations, including the formulation of group-wide management strategies and future visions, as well as the creation of new businesses, we have reorganized our Head Office from one room, six Headquarters, and sixteen departments to five Headquarters and five departments. Additionally, we have established the Corporate Strategies Headquarters, Marketing Headquarters, and Innovation Strategy Headquarters. • Renaming of Construction Offices to Construction Project Management Offices, and integration of the electrical operations of the Tohoku Construction Office with the Tokyo Electrical Construction & System Integration Office to form the Electrical System Integration Office
October 2022	<ul style="list-style-type: none"> • Renaming of Tokyo Branch Office to Tokyo Metropolitan Area Headquarters and Sendai Branch Office to Tohoku Area Headquarters, and establishment of three jurisdictions corresponding to Metropolitan Area, Tohoku Area, and Niigata Area.

(Note) With regard to the current business organizations, from October 2022 to June 2023, a portion of the work of the planning departments of the head and branch offices will be transferred to the current business organizations, and a new management structure will be instituted. In the Rolling Stock Department, the Rolling Stock Centers and General Rolling Stock Centers of each branch office have been designated as the current business organizations of the Tokyo Metropolitan Area Headquarters, Tohoku Area Headquarters, or Niigata Branch Office, while General Technology Centers have been established in each system of the Facilities and Electrical Departments.

3. Business Description

The Company and its affiliates (134 subsidiaries and 74 affiliated companies as of March 31, 2023) are engaged in transportation business, retail & services business, real estate & hotels business, and others. The positioning of the Company and affiliates in each business is as follows.

Furthermore, the following classification is identical to the segment information classification in “No. 5: Accounting, 1-(1) Consolidated Financial Statements, Notes to Consolidated Financial Statements.”

(1) Transportation

In addition to being a transportation services with a focus on railway operations, the Company is engaged in travel agency services, cleaning services, station operations, construction and equipment installation, railcar manufacturing and maintenance, and other industries. The Company’s area of railway operations covers mainly Tokyo and 16 prefectures in the Kanto and Tohoku regions, with 1,629 stations, 6,108.0 km of conventional lines and 1,194.2 km of Shinkansen lines, for a total of 7,302.2 km in operation. Our route map is provided at the end of “No.1: Company Overview, 3. Business Description.”

Principal Affiliates: The Company (Railway passenger transportation)

(Automobile and railway passenger transport services)	◎ JR BUS KANTO CO., LTD., ◎ TOKYO MONORAIL CO., LTD.
(Travel agency services)	◎ JR EAST VIEW TOURISM AND SALES COMPANY LIMITED, ○ JTB Corp.
(Cleaning services)	◎ JR East Environment Access Co., Ltd.
(Station operations)	◎ JR East Station Service Co., Ltd.
(Construction and equipment installation)	◎ JR East Facility Management Co., Ltd., ○ TOTETSU KOGYO CO., LTD., ○ Daiichi Kensetsu Corporation, ○ NIPPON DENSETSU KOGYO CO., LTD., ○ NIPPON RIETEC CO., LTD., ○ TEKKEN CORPORATION
(Railcar manufacturing operations)	◎ Japan Transport Engineering Company
(Railcar maintenance operations)	◎ JR East Rail Car Technology & Maintenance Co., Ltd.

(2) Retail & Services

This segment consists of the part of our Life-style service business that includes retail sales and restaurant operations, a wholesale business, a truck transportation business, and advertising and publicity.

Principal Affiliates: The Company (Creation of stations and other spaces)

(Retail sales and restaurant operations)	◎ JR East Cross Station Co., Ltd., ◎ JR EAST TOHOKU SOUGOU SERVICE Co., Ltd.
(Wholesale)	◎ East Japan Railway Trading Co., Ltd.
(Truck transportation)	◎ JR East Logistics Co., Ltd.
(Advertising and publicity)	◎ JR East Marketing & Communications, Inc.

(3) Real Estate & Hotels

This segment consists of the part of our Life-style service business that includes shopping center operations, leasing of office buildings and other properties, hotel operations, and development and sale of real estate to operate those businesses.

Principal Affiliates: The Company (Development of shopping centers and office buildings, hotel operations, and real estate sales)

(Shopping center operations)	◎ LUMINE Co., Ltd., ◎ atré Co., Ltd., ◎ JR East Urban Development Corporation
(Office building lease)	◎ JR East Building Co., Ltd.
(Hotel operations)	◎ NIPPON HOTEL Co., Ltd., ◎ Sendai Terminal Building Co., Ltd.

(4) Others

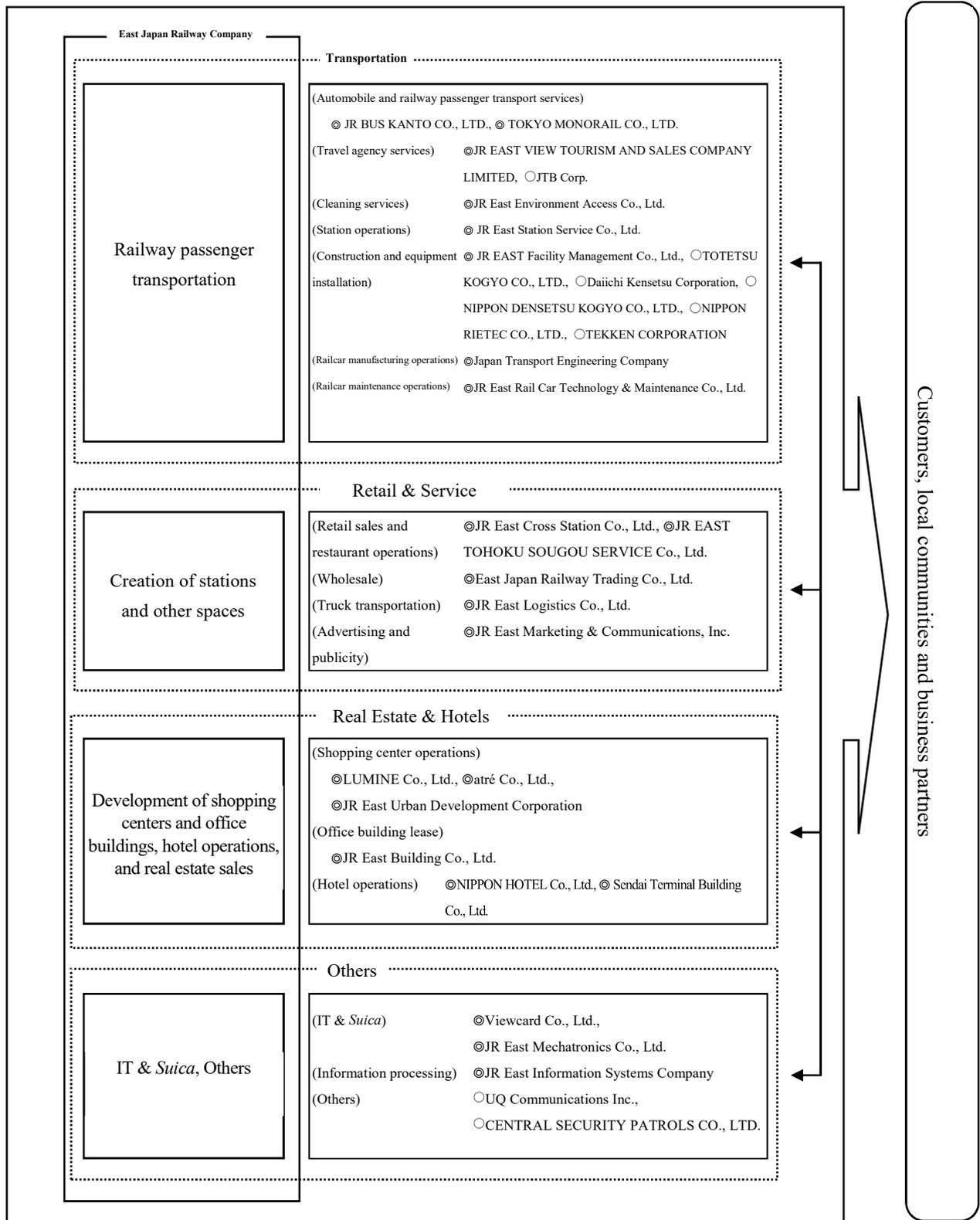
We conduct IT & *Suica* businesses, which include credit card operations, and information processing, among others.

Principal Affiliates: The Company (IT & *Suica*, Others)

(IT & <i>Suica</i>)	◎ Viewcard Co., Ltd., ◎ JR East Mechatronics Co., Ltd.
(Information processing)	◎ JR East Information Systems Company
(Others)	○ UQ Communications Inc., ○ CENTRAL SECURITY PATROLS CO., Ltd.

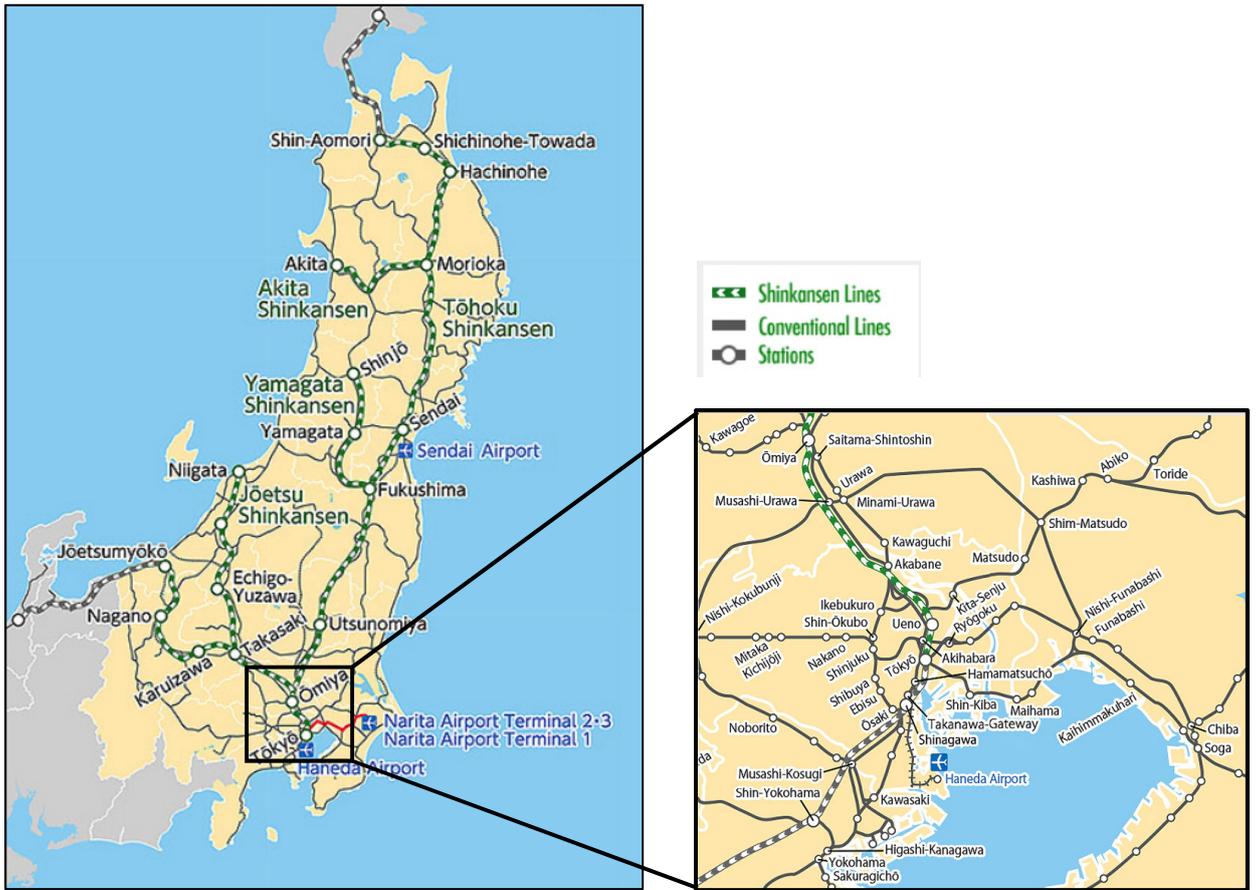
(Note) ◎ indicates consolidated subsidiaries, and ○ indicates affiliated companies accounted for by the equity method. Company names are listed under their primary business segment.

The above-mentioned items are shown in the following business chart.



- (Notes) 1. ◎ indicates consolidated subsidiaries, and ○ indicates affiliated companies accounted for by the equity method. Company names are listed under their primary business segment.
 2. Arrows indicate major transactions and services.

Route Map



4. Affiliates

Consolidated subsidiaries

Name	Address	Stated capital (millions of yen)	Major business	Percentage of voting rights holding or held (%)	Relationship details
Viewcard Co., Ltd.	Shinagawa-ku, Tokyo	5,000	Credit card services	100.0	Viewcard Co., Ltd. has a franchising agreement with the Company. Executives may serve concurrently.
JR East Cross Station Co., Ltd.	Shibuya-ku, Tokyo	4,101	Retail sales, restaurant operations, and shopping center operations	100.0	JR East Cross Station Co., Ltd. has obtained approval from the Company to operate within station premises. Executives may serve concurrently.
JR BUS KANTO CO., LTD.	Koto-ku, Tokyo	4,000	Passenger bus transport services	100.0	JR BUS KANTO CO., LTD. outsources ticket sales to the Company. Executives may serve concurrently.
Japan Transport Engineering Company	Kanazawa-ku, Yokohama-shi, Kanagawa	3,100	Railcar manufacturing operations	100.0	Japan Transport Engineering Company manufactures railcars for the Company. Executives may serve concurrently.
TOKYO MONORAIL CO., LTD. *1	Minato-ku, Tokyo	3,000	Monorail transport services	79.0	TOKYO MONORAIL CO., LTD. has a liaison transportation contract with the Company. Executives may serve concurrently.
JRE Business Development Taiwan, Inc.	Taipei, Taiwan	714,000 Thousands of Taiwan dollars	Overseas Life-style services	100.0	JRE Business Development Taiwan, Inc. has been contracted by the Company to conduct research related to business development. Executives may serve concurrently.
LUMINE Co., Ltd.	Shibuya-ku, Tokyo	2,375	Shopping center operations	95.1	LUMINE Co., Ltd. leases land and other assets from the Company. Executives may serve concurrently.
JR Bus Tohoku Co., Ltd.	Aoba-ku, Sendai-shi, Miyagi	2,350	Passenger bus transport services	100.0	JR Bus Tohoku Co., Ltd. outsources ticket sales to the Company. Executives may serve concurrently.
JREFU Hotel Management & Consulting Co., Ltd.	Taipei, Taiwan	500,000 Thousands of Taiwan dollars	Hotel operations	95.0 (95.0)	Executives may serve concurrently.
Sendai Terminal Building Co., Ltd.	Aoba-ku, Sendai-shi, Miyagi	1,800	Hotel and shopping center operations	99.5 (2.9)	Sendai Terminal Building Co., Ltd. leases land and other assets from the Company. Executives may serve concurrently.
atré Co., Ltd.	Shibuya-ku, Tokyo	1,630	Shopping center operations	92.1 (0.6)	atré Co., Ltd. leases buildings and other assets from the Company. Executives may serve concurrently.
JR East Marketing & Communications, Inc.	Shibuya-ku, Tokyo	1,550	Advertising and publicity	100.0	JR East Marketing & Communications, Inc. manages the Company's advertising and publicity, various events, and advertising media within the Company's facilities. Executives may serve concurrently.
JR East Urban Development Corporation	Shibuya-ku, Tokyo	1,450	Shopping center operations and retail sales	100.0	JR East Urban Development Corporation leases land and other assets from the Company. Executives may serve concurrently.
JR Chuo Line Community Design Co., Ltd.	Koganei-shi, Tokyo	1,230	Shopping center operations	95.2 (10.7)	JR Chuo Line Community Design Co., Ltd. leases buildings and other assets from the Company. Executives may serve concurrently.
JR East Department Store Co., Ltd.	Tachikawa-shi, Tokyo	1,140	Shopping center operations	84.6 (5.1)	JR East Department Store Co., Ltd. leases buildings and other assets from the Company. Executives may serve concurrently.
JR East Business Development SEA Pte. Ltd.	Singapore	12,304 Thousand Singapore dollars	Overseas Life-style services	100.0	Executives may serve concurrently.
Morioka Terminal Building Co., Ltd.	Morioka-shi, Iwate	900	Hotel and shopping center operations	100.0 (3.7)	Morioka Terminal Building Co., Ltd. leases land and other assets from the Company. Executives may serve concurrently.
Shinjuku South Energy Service Co., Ltd.	Shibuya-ku, Tokyo	750	Local heating and cooling business	57.6	Shinjuku South Energy Service Co., Ltd. supplies thermal energy to the Company's buildings. Executives may serve concurrently.

Name	Address	Stated capital (millions of yen)	Major business	Percentage of voting rights holding or held (%)	Relationship details
East Japan Railway Trading Co., Ltd.	Shibuya-ku, Tokyo	560	Wholesale	100.0	East Japan Railway Trading Co., Ltd. manages procurement of railroad materials for the Company. Executives may serve concurrently.
The Orangepage, Inc.	Minato-ku, Tokyo	500	Publishing	100.0	Executives may serve concurrently.
JR East Information Systems Company	Shinjuku-ku, Tokyo	500	Information processing	100.0	JR East Information Systems Company manages information processing and systems development and operations for the Company. Executives may serve concurrently.
NIPPON HOTEL Co., Ltd.	Toshima-ku, Tokyo	500	Hotel operations	100.0	NIPPON HOTEL Co., Ltd. leases land and other assets from the Company. Executives may serve concurrently.
Ekimachi Energy Create Co., Ltd.	Minato-ku, Tokyo	495	Local heating business	85.0 (15.0)	Ekimachi Energy Create Co., Ltd. leases buildings and other assets from the Company. Executives may serve concurrently.
JR EAST TOHOKU SOUGOU SERVICE Co., Ltd.	Aoba-ku, Sendai-shi, Miyagi	490	Retail sales and station operations	100.0	JR EAST TOHOKU SOUGOU SERVICE Co., Ltd. has obtained approval from the Company to operate within station premises. Executives may serve concurrently.
JR East Building Co., Ltd.	Shibuya-ku, Tokyo	480	Office building lease	100.0	JR East Building Co., Ltd. leases buildings and other assets from the Company. Executives may serve concurrently.
JR East Net Station Co., Ltd.	Shibuya-ku, Tokyo	460	Information processing	100.0 (34.8)	JR East Net Station Co., Ltd. manages IT-based businesses for the Company. Executives may serve concurrently.
Akita Station Building Co., Ltd.	Akita-shi, Akita	450	Hotel and shopping center operations	98.2 (0.7)	Akita Station Building Co., Ltd. leases land and other assets from the Company. Executives may serve concurrently.
Station Building MIDORI Co., Ltd.	Nagano-shi, Nagano	450	Shopping center operations	100.0	Station Building MIDORI Co., Ltd. leases land and other assets from the Company. Executives may serve concurrently.
JR East Sports Co., Ltd.	Toshima-ku, Tokyo	400	Sports & Leisure	100.0	JR East Sports Co., Ltd. leases the Company's buildings and operates sports clubs. Executives may serve concurrently.
JR East Niigata City Create Inc.	Chuo-ku, Niigata-shi, Niigata	400	Retail, hotel and shopping center operations	100.0	JR East Niigata City Create Inc. leases land and other assets from the Company. Executives may serve concurrently.
GALA YUZAWA Co., Ltd.	Yuzawa-machi, Minamiuonuma-gun, Niigata	300	Sports & Leisure	92.7	GALA YUZAWA Co., Ltd. leases the Company's buildings and operates a ski resort. Executives may serve concurrently.
JR East Real Estate Asset Management Co., Ltd.	Chiyoda-ku, Tokyo	300	Real estate and real estate asset management	90.2 (40.0)	Executives may serve concurrently.
JR East Aomori Business-Development Company Co., Ltd.	Aomori-shi, Aomori	280	Shopping center operations	100.0 (2.9)	JR East Aomori Business-Development Company Co., Ltd. leases buildings and other assets from the Company. Executives may serve concurrently.
JR East Rail Car Technology & Maintenance Co., Ltd.	Shinjuku-ku, Tokyo	200	Railcar maintenance operations	100.0	JR East Rail Car Technology & Maintenance Co., LTD. performs mechanical and equipment work at the Company's workshops and stations, and repairs and renovates railcars. Executives may serve concurrently.
Shonan Station Building Co., Ltd.	Hiratsuka-shi, Kanagawa	200	Shopping center operations	90.7 (1.2)	Shonan Station Building Co., Ltd. leases land and other assets from the Company. Executives may serve concurrently.
Chiba Station Building Co., Ltd.	Chuo-ku, Chiba-shi, Chiba	200	Shopping center operations	100.0 (3.4)	Chiba Station Building Co., Ltd. leases land and other assets from the Company. Executives may serve concurrently.
Yokohama Station Building Co., Ltd.	Naka-ku, Yokohama-shi, Kanagawa	200	Shopping center operations	90.3 (5.0)	Yokohama Station Building Co., Ltd. leases land and other assets from the Company. Executives may serve concurrently.

Name	Address	Stated capital (millions of yen)	Major business	Percentage of voting rights holding or held (%)	Relationship details
JR East Rental & Lease Co., Ltd.	Chiyoda-ku, Tokyo	165	Car Rental Business	89.4 (3.6)	JR East Rental & Lease Co., Ltd. has a lease agreement with the Company for vehicle transport equipment and leases land and other assets from the Company. Executives may serve concurrently.
Kinshicho Station Building Co., Ltd.	Sumida-ku, Tokyo	160	Shopping center operations	71.3 (1.5)	Kinshicho Station Building Co., Ltd. leases land and other assets from the Company. Executives may serve concurrently.
JR East Environment Access Co., Ltd.	Taito-ku, Tokyo	120	Cleaning services	100.0	JR East Environment Access Co., Ltd. is entrusted with the cleaning of the Company's railcars, stations and other buildings. Executives may serve concurrently.
Union Construction Co., Ltd.	Meguro-ku, Tokyo	120	Construction	90.0	Union Construction Co., Ltd. is responsible for civil engineering and railroad track-related subcontracting work for the Company. Executives may serve concurrently.
JR East Media Co., Ltd.	Toshima-ku, Tokyo	104	Advertising and publicity	100.0 (100.0)	JR East Media Co., Ltd. manufactures, maintains, and manages advertising apparatus for the Company's stations and trains. Executives may serve concurrently.
JR East Green Partners Co., Ltd.	Toda-shi, Saitama	100	Human resource services	100.0 (19.3)	JR East Green Partners Co., Ltd. manages the Company's inventory of company uniforms. Executives may serve concurrently.
JR East Start UP Co., Ltd.	Minato-ku, Tokyo	100	Investment-related business	100.0	JR East Start UP Co., Ltd. manages affairs related to the promotion of collaboration with venture companies on behalf of the Company. Executives may serve concurrently.
JR East Personnel Service Co., Ltd.	Shinjuku-ku, Tokyo	100	Human resource services	100.0	JR East Personnel Service Co., Ltd. provides human resources, training, welfare and other services for the Company. In addition, JR East Personnel Service Co., Ltd. manages dispatch of labor to the Company. Executives may serve concurrently.
JR EAST VIEW TOURISM AND SALES COMPANY LIMITED	Sumida-ku, Tokyo	100	Travel agency services	100.0	JR EAST VIEW TOURISM AND SALES COMPANY LIMITED manages travel-related services for the Company. Executives may serve concurrently.
JR East Logistics Co., Ltd.	Sumida-ku, Tokyo	100	Truck transportation	100.0 (10.6)	JR East Logistics Co., Ltd. provides freight trucking services and leases land from the Company for warehousing and other services. Executives may serve concurrently.
JR East Mechatronics Co., Ltd.	Shibuya-ku, Tokyo	100	Maintenance services and IC card services	100.0	JR East Mechatronics Co., Ltd. maintains, manages, and develops the Company's ticket gate equipment. Executives may serve concurrently.
JR Higashinohon Linen Co., Ltd.	Toshima-ku, Tokyo	100	Linen supply	100.0	JR Higashinohon Linen Co., Ltd. is responsible for the supply of linen to passenger cars and other facilities of the Company. Executives may serve concurrently.
Japan International Consultants for Transportation Co., Ltd.	Chiyoda-ku, Tokyo	100	Overseas Railway Consulting	63.8	Japan International Consultants for Transportation Co., Ltd. conducts research and planning related to the Company's businesses. Executives may serve concurrently.
JR East Management Service Co., Ltd.	Shibuya-ku, Tokyo	80	Financial Services	100.0	JR East Management Service Co., Ltd. manages the accounting department of the Company. JR East Management Service Co., Ltd. also operates a cash management system and lends and borrows the Company's funds. Executives may serve concurrently.

Name	Address	Stated capital (millions of yen)	Major business	Percentage of voting rights holding or held (%)	Relationship details
KINOKUNIYA Co., Ltd.	Shinjuku-ku, Tokyo	50	Retail	100.0	KINOKUNIYA Co., Ltd. leases buildings and other assets from the Company. Executives may serve concurrently.
JR East Energy Development Co., Ltd.	Chiyoda-ku, Tokyo	50	Power generation	96.5	Executives may serve concurrently.
JR East Design Corporation	Shibuya-ku, Tokyo	50	Architectural design	100.0	JR East Design Corporation provides services related to research and planning of the Company's buildings, as well as technical services related to design and supervision. Executives may serve concurrently.
JR East Consultants Company	Shinagawa-ku, Tokyo	50	Construction consulting	100.0	JR East Consultants Company provides research, planning, design, surveying, development surveying, and construction supervision services related to the Company's businesses. Executives may serve concurrently.
JR East Service Creation Co., Ltd.	Chiyoda-ku, Tokyo	50	Onboard service	100.0	JR East Service Creation Co., Ltd. manages onboard service for the Company's trains. Executives may serve concurrently.
JR East Station Service Co., Ltd.	Shibuya-ku, Tokyo	50	Station operations	100.0	JR East Station Service Co., Ltd. manages stations of the Company. Executives may serve concurrently.
JR East Facility Management Co., Ltd.	Shibuya-ku, Tokyo	50	Building maintenance	100.0	JR East Facility Management Co., Ltd. oversees maintenance and management, and the design and construction of renovation work for company housing of the Company. Executives may serve concurrently.
JR East Transportation Services Co., Ltd.	Chuo-ku, Tokyo	38	Cleaning services	100.0	JR East Transportation Services Co., Ltd. is entrusted with tasks related to cleaning, maintenance, and inspection work for the Company's vehicles and equipment. Executives may serve concurrently.
JR East TESSEI Co., Ltd.	Chuo-ku, Tokyo	38	Cleaning services	100.0	JR East TESSEI Co., Ltd. is entrusted with cleaning and maintenance of the Company's facilities like rolling stock and station buildings. Executives may serve concurrently.
JR East Techno Service Co., Ltd.	Aoba-ku, Sendai-shi, Miyagi	25	Cleaning services	100.0	JR East Techno Service Co., Ltd. is entrusted with tasks related to cleaning, maintenance, and inspection work for the Company's vehicles and equipment. Executives may serve concurrently.
Japan Railway Track Technology Consultants Co., Ltd.	Adachi-ku, Tokyo	20	Survey and measurement	57.5 (10.0)	Japan Railway Track Technology Consultants Co., Ltd. manages survey and measurement of the Company's railroad lines. Executives may serve concurrently.
JR Niigata Railway Services Co., Ltd.	Chuo-ku, Niigata-shi, Niigata	17	Cleaning services	100.0	JR Niigata Railway Services Co., Ltd. is entrusted with tasks related to cleaning, maintenance, and inspection work for the Company's vehicles and equipment. Executives may serve concurrently.
JR Morioka Railway Service Co., Ltd.	Morioka-shi, Iwate	13	Cleaning services	100.0	JR Morioka Railway Service Co., Ltd. is entrusted with tasks related to cleaning, maintenance, and inspection work for the Company's vehicles and equipment. Executives may serve concurrently.
JR Chiba Railway Services Co., Ltd.	Chuo-ku, Chiba-shi, Chiba	12	Cleaning services	100.0	JR Chiba Railway Services Co., Ltd. is entrusted with tasks related to cleaning, maintenance, and inspection work for the Company's vehicles and equipment. Executives may serve concurrently.
JR Akita Railway Services Co., Ltd.	Akita-shi, Akita	10	Cleaning services	100.0	JR Akita Railway Services Co., Ltd. is entrusted with tasks related to cleaning, maintenance, and inspection work for the Company's vehicles and equipment. Executives may serve concurrently.

Name	Address	Stated capital (millions of yen)	Major business	Percentage of voting rights holding or held (%)	Relationship details
JR Takasaki Railway Services Co., Ltd.	Takasaki-shi, Gunma	10	Cleaning services	100.0	JR Takasaki Railway Services Co., Ltd. is entrusted with tasks related to cleaning, maintenance, and inspection work for the Company's vehicles and equipment. Executives may serve concurrently.
JR Nagano Railway Services Co., Ltd.	Nagano-shi, Nagano	10	Cleaning services	100.0	JR Nagano Railway Services Co., Ltd. is entrusted with tasks related to cleaning, maintenance, and inspection work for the Company's vehicles and equipment. Executives may serve concurrently.
JR Mito Railway Services Co., Ltd.	Mito-shi, Ibaraki	10	Cleaning services	100.0	JR Mito Railway Services Co., Ltd. is entrusted with tasks related to cleaning, maintenance, and inspection work for the Company's vehicles and equipment. Executives may serve concurrently.

Affiliated companies accounted for by the equity method

Name	Address	Stated capital (millions of yen)	Major business	Percentage of voting rights holding or held (%)	Relationship details
UQ Communications Inc.*2	Chiyoda-ku, Tokyo	71,425	Telecommunications	17.6	UQ Communications Inc. leases telecommunication facilities and other equipment from the Company. Executives may serve concurrently.
TEKKEN CORPORATION *2*3*4	Chiyoda-ku, Tokyo	18,293	Construction	17.9	TEKKEN CORPORATION performs civil engineering and construction work for the Company. Executives may serve concurrently.
NIPPON DENSETSU KOGYO CO., LTD. *2*4	Taito-ku, Tokyo	8,494	Equipment installation	19.1 (0.1)	NIPPON DENSETSU KOGYO CO., LTD. performs electrical and telecommunications work for the Company. Executives may serve concurrently.
Daiichi Kensetsu Corporation *2*3*4	Chuo-ku, Niigata-shi, Niigata	3,302	Construction	18.9 (0.3)	Daiichi Kensetsu Corporation performs civil engineering, construction, and railroad track work for the Company. Executives may serve concurrently.
Central Security Patrols Co., Ltd.*4	Shinjuku-ku, Tokyo	2,924	Security services	25.4	Central Security Patrols Co., Ltd. provides security services in the Company's stations. Executives may serve concurrently.
TOTETSU KOGYO CO., LTD. *2*3*4	Shinjuku-ku, Tokyo	2,810	Construction	20.0 (0.4)	TOTETSU KOGYO CO., LTD. performs civil engineering, construction, and railroad track work for the Company. Executives may serve concurrently.
NIPPON RIETEC CO., LTD. *2*4	Chiyoda-ku, Tokyo	1,430	Equipment installation	17.5 (0.1)	NIPPON RIETEC CO., LTD. performs electrical and telecommunications work for the Company. Executives may serve concurrently.
SENKEN KOGYO CO., LTD. *2*3	Aoba-ku, Sendai-shi, Miyagi	250	Construction	17.6	SENKEN KOGYO CO., LTD. performs civil engineering, construction, and railroad track work for the Company. Executives may serve concurrently.
KOTSUKENSETSU CORPORATION *2*3	Shinjuku-ku, Tokyo	114	Construction	18.3	KOTSUKENSETSU CORPORATION is entrusted with civil engineering and track construction for the Company. Executives may serve concurrently.
JTB Corp.	Shinagawa-ku, Tokyo	100	Travel agency services	21.9	JTB Corp. manages the sale of train tickets and the consignment sale of travel products for the Company. Executives may serve concurrently.
Total Electric Management Service Co., Ltd.*2	Chuo-ku, Tokyo	97	Equipment installation	11.3	Total Electric Management Service Co., Ltd. performs electrical and telecommunications work for the Company. Executives may serve concurrently.

- (Notes) 1. Figures in parentheses in the "Percentage of voting rights holding or held" column indicate the percentage of indirect ownership.
2. TOKYO MONORAIL CO., LTD. in *1 is an insolvent company, and the amount of insolvency is ¥42,042 million as of March 31, 2023.

3. The companies in *2 are classified as affiliated companies because the Company has substantial influence over them, even though the percentages of voting rights held by the Company are less than 20/100. The percentage of voting rights in TOTETSU KOGYO CO., LTD. held by the Company is reported rounded to 20.0%, but the true figure is under 20%.
4. The equity method was newly applied from the current consolidated fiscal year to the companies in *3.
5. The companies in *4 have filed an annual securities report.
6. None of the above companies is a specified subsidiary.

5. Employees

(1) Consolidated companies

(As of March 31, 2023)

Business segment	Number of employees	
Transportation	53,808	[13,064]
Retail & Services	5,895	[8,366]
Real Estate & Hotels	4,934	[1,865]
Others	4,598	[895]
Total	69,235	[24,190]

- (Notes) 1. “Number of employees” shows the number of persons at work (excluding those seconded to other companies and including those seconded from other companies for each of the Group companies). The number of temporary employees is shown in parentheses and is not included in “Number of employees.”
2. The number of temporary employees includes those re-employed after the age-limit retirement such as those designated as “elder employees” of the Company, but does not include dispatched employees and part-timers working for a short time.
3. “Number of employees” decreased by 2,005 (temporary employees decreased by 886) compared with the previous fiscal year-end.

(2) Reporting company

(As of March 31, 2023)

Number of employees	Average age (years old)	Average length of service (years)	Average annual salary (yen)
41,147	38.3	15.7	6,765,485

(As of March 31, 2023)

Business segment	Number of employees
Transportation	40,580
Retail & Services	230
Real Estate & Hotels	226
Others	111
Total	41,147

- (Notes) 1. “Number of employees” shows the number of persons at work (excluding those seconded to other companies and including those seconded from other companies for each of the Group companies). The number of temporary employees is omitted because it is less than 10 of every 100 employees.
2. Average age, average length of service, and average annual salary are calculated based on the number of employees, excluding those seconded from other companies.
3. The retirement age of employees is the last day of the month in which they reach 60 years of age.
4. Average annual salary includes bonuses and non-standard wages.

(3) Labor unions

The Company currently has several labor unions, the names and numbers of members of which are as follows.

(As of April 1, 2023)

Name	Number of union members	Upper organization
EAST JAPAN RAILWAY WORKERS' UNION (JREU)	3,267	Japan Confederation of Railway Workers' Unions (JRU)
JR East Transport Service Workers Union (JTSU-E)	2,169	Japan Transport Service Worker's Unions (JTSU)
JR East Japan Workers' Union (East Japan Union)	412	–
National Railway Workers' Union East (NRU-east)	405	National Railway Workers' Union (NRU)
JR EAST LABOR UNION (JREL)	305	–
JR East New Railway Workers' Union (New Railway Union)	66	–
JR East Niigata Labor Union (JR Niigata Union)	35	–
JR East Union (JRE Union)	19	JAPAN RAILWAY TRADE UNIONS CONFEDERATION (JRTU)
National Railway Motive Power Union (NRMU)	16	–
All Japan Construction, Transport and General Workers' Union, National Railway East Japan Headquarters (East Japan Railway Headquarters of Kenkourou)	1	All Japan Construction, Transport and General Workers' Union (Kenkourou)
National Railway Mito Motive Power Union (MMU)	*	–

- (Notes) 1. Figures in parentheses are abbreviations.
2. The number of union members does not include those re-employed after the age-limit retirement such as those designated as “elder employees” of the Company.
3. Membership in the Railway Industry Labor Union is limited to only elder employees as of April 1, 2023.
4. Number of union members of National Railway Mito Motive Power Union marked with * is not shown as of April 1, 2023, as it has not been confirmed with the said labor union.

The Company has labor agreements with the following labor unions: EAST JAPAN RAILWAY WORKERS' UNION, JR East Transport Service Workers Union, JR East Japan Workers' Union, National Railway Workers' Union East, JR EAST LABOR UNION, JR East New Railway Workers' Union, JR East Niigata Labor Union, JR East Union, and All Japan Construction, Transport and General Workers' Union, National Railway East Japan Headquarters. Based on these agreements, the Company has been conducting management council meetings and collective bargaining negotiations in accordance with the principle of good faith, while observing its obligation to maintain neutrality.

Currently, some labor unions have filed seven unfair labor practice cases with the Labor Relations Commission (four cases with the JR East Transport Service Workers Union and three cases with the National Railway Motive Power Union). In addition, there are two cases pending in court regarding the Labor Relations Commission orders.

There are no matters to be noted regarding the status of labor unions of the Company's consolidated subsidiaries.

(4) Percentage of female workers in management positions, percentage of male and female workers taking childcare leave, and wage difference between male and female workers

(i) Reporting company

Percentage of female workers in management positions (%)	Percentage of male workers taking childcare leave (%)		Percentage of female workers taking childcare leave (%)		Wage difference between male and female workers (%)		
	Regular workers	Non-regular workers	Regular workers	Non-regular workers	All workers	Regular workers	Non-regular workers
7.0	43.7	0.0	100.0	100.0	88.3	82.0	65.8

- (Notes) 1. The percentage of female workers in management positions and the wage difference between male and female workers are calculated based on the provisions of the “Act on the Promotion of Women's Active Engagement in Professional Life” (Act No. 64, 2015).
2. The percentage of childcare leave, etc. taken is calculated based on the provisions of Article 71-4, item (i) of the “Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Ordinance of the Ministry of Labor No. 25, 1991), in accordance with the provisions of the “Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Act No. 76, 1991).

(Supplementary data: Wage difference between men and women among regular workers)

	Age			
	20s and below	30s	40s	50s
Wage difference between men and women (%)	101.4	93.0	94.3	98.7

- (Notes) 1. The period covered is the current fiscal year (from April 1, 2022 to March 31, 2023).
2. Regular workers include those seconded to other companies and exclude those seconded from other companies. Non-regular workers include those re-employed after the age-limit retirement such as those designated as “elder employees” of the Company, part-timers, and contract workers, and exclude dispatched employees.
3. For the wage difference between male and female workers, wages include bonuses and non-standard wages. In addition, the figures for regular workers who work shorter hours or shorter days for childcare or nursing care are converted to if they were working Full-time scheduled working hours or working days.
4. The wage difference between male and female regular workers as a whole are due to the fact that the average length of service of female workers is about 6 years shorter than that of male workers, the effect of childcare leave, etc., and the small number of female employees in some age groups.

(ii) Consolidated subsidiaries

Name	Percentage of female workers in management positions (%)	Percentage of male workers taking childcare leave (%)		Percentage of female workers taking childcare leave (%)		Wage difference between male and female workers (%)		
		Regular workers	Non-regular workers	Regular workers	Non-regular workers	All workers	Regular workers	Non-regular workers
Viewcard Co., Ltd.	11.5	60.0	–	100.0	–	58.7	59.8	50.5
JR East Cross Station Co., Ltd.	12.2	64.5	–	100.0	100.0	59.8	78.3	98.4
JR BUS KANTO CO., LTD.	0.0	70.0	–	100.0	–	67.7	96.4	34.0
Japan Transport Engineering Company	1.4	90.9	–	100.0	–	79.5	79.4	56.8
TOKYO MONORAIL CO., LTD.	4.8	75.0	–	100.0	–	69.0	67.6	95.7
LUMINE Co., Ltd.	31.8	100.0	–	100.0	100.0	66.2	71.2	44.0
JR Bus Tohoku Co., Ltd.	0.0	14.3	0.0	–	–	85.0	78.7	123.2
JREFU Hotel Management & Consulting Co., Ltd.	38.0	75.0	–	–	–	116.5	99.3	62.0
Sendai Terminal Building Co., Ltd.	14.7	100.0	–	100.0	100.0	60.5	76.9	49.8
atré Co., Ltd.	21.8	60.0	–	100.0	100.0	73.1	81.8	54.3
JR East Marketing & Communications, Inc.	11.3	50.0	0.0	100.0	–	81.3	78.8	96.9
JR East Urban Development Corporation	15.0	100.0	–	100.0	100.0	40.9	86.4	30.8
JR Chuo Line Community Design Co., Ltd.	34.8	0.0	–	–	–	80.3	99.9	41.5
JR East Department Store Co., Ltd.	33.3	100.0	–	100.0	–	68.8	93.0	38.8
Morioka Terminal Building Co., Ltd.	21.7	0.0	–	100.0	–	72.4	77.7	53.0
East Japan Railway Trading Co., Ltd.	17.3	0.0	–	100.0	–	54.7	67.5	30.5
The Orangepage, Inc.	71.8	–	–	–	–	79.2	80.1	73.0
JR East Information Systems Company	5.6	74.3	–	100.0	–	83.0	80.1	120.5
NIPPON HOTEL Co., Ltd.	13.5	26.3	–	100.0	100.0	64.3	72.8	44.7
JR EAST TOHOKU SOUGOU SERVICE Co., Ltd.	0.0	90.0	–	100.0	–	72.8	91.8	48.5
JR East Building Co., Ltd.	10.5	100.0	–	100.0	–	77.4	80.5	57.1
Akita Station Building Co., Ltd.	21.4	20.0	–	100.0	–	69.2	84.4	51.1
Station Building MIDORI Co., Ltd.	0.0	–	–	–	–	80.4	101.2	64.5
JR East Sports Co., Ltd.	24.6	–	–	100.0	100.0	80.3	80.3	–
JR East Niigata City Create Inc.	14.3	100.0	–	–	–	70.3	92.5	52.4
JR East Rail Car Technology & Maintenance Co., Ltd.	4.0	40.0	–	100.0	–	78.6	80.9	52.7
Shonan Station Building Co., Ltd.	69.0	–	–	100.0	100.0	74.4	73.3	72.5
Chiba Station Building Co., Ltd.	21.7	–	–	–	–	82.8	81.6	62.9
JR East Rental & Lease Co., Ltd.	8.0	–	–	100.0	–	91.6	73.6	109.5

Name	Percentage of female workers in management positions (%)	Percentage of male workers taking childcare leave (%)		Percentage of female workers taking childcare leave (%)		Wage difference between male and female workers (%)		
		Regular workers	Non-regular workers	Regular workers	Non-regular workers	All workers	Regular workers	Non-regular workers
JR East Environment Access Co., Ltd.	19.2	100.0	0.0	100.0	100.0	69.7	84.3	72.8
Union Construction Co., Ltd.	0.0	11.1	–	100.0	–	90.3	85.8	82.4
JR East Media Co., Ltd.	0.0	100.0	–	-	–	110.6	87.0	100.0
JR East Personnel Service Co., Ltd.	18.9	33.3	–	100.0	96.3	81.0	85.0	103.4
JR EAST VIEW TOURISM AND SALES COMPANY LIMITED	30.8	0.0	–	100.0	–	81.2	84.9	37.8
JR East Logistics Co., Ltd.	5.1	75.0	100.0	100.0	–	59.9	75.4	62.8
JR East Mechatronics Co., Ltd.	5.4	81.8	–	100.0	–	76.9	76.7	65.4
JR Higashinohon Linen Co., Ltd.	20.0	–	–	–	–	79.1	95.8	75.9
JR East Management Service Co., Ltd.	14.3	100.0	–	100.0	–	75.7	78.9	–
KINOKUNIYA Co., Ltd.	12.7	0.0	–	100.0	100.0	67.1	73.4	91.1
JR East Design Corporation	10.7	56.7	–	100.0	–	80.0	78.8	83.2
JR East Consultants Company	3.9	33.3	–	100.0	–	82.6	77.3	81.6
JR East Service Creation Co., Ltd.	28.8	66.7	–	100.0	100.0	110.1	87.0	106.9
JR East Station Service Co., Ltd.	6.7	72.1	–	88.2	–	90.7	87.1	41.3
JR East Facility Management Co., Ltd.	6.2	43.8	–	100.0	–	89.3	85.6	84.8
JR East Transportation Services Co., Ltd.	1.4	25.0	0.0	100.0	–	85.9	93.5	92.2
JR East TESSEI Co., Ltd.	10.7	100.0	0.0	–	–	93.8	90.2	101.4
JR East Techno Service Co., Ltd.	5.1	36.4	–	100.0	–	64.4	80.8	76.4
Japan Railway Track Technology Consultants Co., Ltd.	2.5	–	–	–	–	70.2	71.7	–
JR Niigata Railway Services Co., Ltd.	4.3	42.9	0.0	100.0	–	69.7	88.4	69.1
JR Morioka Railway Service Co., Ltd.	4.8	100.0	–	–	–	88.1	88.4	97.8
JR Chiba Railway Services Co., Ltd.	0.0	0.0	–	–	–	78.9	88.9	82.0
JR Akita Railway Services Co., Ltd.	0.0	0.0	–	–	–	56.2	95.5	71.1
JR Takasaki Railway Services Co., Ltd.	0.0	50.0	–	–	–	85.4	97.8	81.8
JR Nagano Railway Services Co., Ltd.	0.0	80.0	–	100.0	–	72.4	87.4	66.6
JR Mito Railway Services Co., Ltd.	8.3	0.0	0.0	100.0	100.0	90.7	96.6	102.2

- (Notes) 1. Consolidated subsidiaries are included in the listings of companies with 101 or more Full-time workers.
2. In cases where there are no employees eligible for the calculation of the childcare leave acquisition rate or where the rate cannot be calculated, “–” is displayed.
3. The period covered is the current fiscal year (from April 1, 2022 to March 31, 2023).
4. Regular workers include those seconded to other companies and exclude those seconded from other companies. Non-regular workers include those re-employed after the age-limit retirement, part-timers, and contract workers, and exclude dispatched workers.
5. For the wage difference between male and female workers, wages include bonuses and non-standard wages.
6. The percentage of female workers in management positions and the wage difference between male and female workers are calculated based on the provisions of the “Act on the Promotion of Women’s Active Engagement in Professional Life” (Act No. 64, 2015).
7. The percentage of childcare leave, etc. taken is calculated based on the provisions of Article 71-4, item (i) of the “Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Ordinance of the Ministry of Labor No. 25, 1991), in accordance with the provisions of the “Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Act No. 76, 1991).

No. 2: Business Performance

1. Management Policy, Business Environment, and Key Challenges

The management policy, business environment, and key challenges for the Group are as follows.

Please note that matters concerning the future discussed in this document are based on the judgment of the Group as of March 31, 2023.

(1) Basic management policies (Group Philosophy)

We will earn the trust of our customers as a whole group by aiming for “the best in safety” as our top priority.

We will strengthen our network capabilities focusing on technologies and information, and we are committed to helping our customers and people in communities to realize affluent lives.

(2) Changes to the business environment

Although we expect that COVID-19 will subside to a certain extent, people in Japan and abroad will become more active, and customer usage will steadily recover in the future, the level of usage will not fully return to what it was prior to COVID-19 due to the transformation in people’s Life-style s. In addition, there are concerns about risks such as rising prices and interest rates, supply constraints, and fluctuations in the financial and capital markets.

In addition, over the medium to Long-term, Japan’s population is anticipated to further decline and age. At the same time, significant changes to the business environment are expected, including automated operation and other technological innovations as well as changes in globalization.

Further, as more than 36 years have passed since its establishment, the Group faces various changes, including changes to railway systems and the rapid transition to the next generation of employees.

(3) Medium-term management strategies

The Group had been managing its operations in line with the “Move Up” 2027 management vision in anticipation of changes to its business environment, but in September 2020, based on our belief that customer use of railways will not return to the pre-COVID-19 level, the Group announced Speed Up “Move Up” 2027, a policy tailored to the post-COVID-19 society. In addition to steadily implementing various measures, we will accelerate our progress toward the realization of “Move Up” 2027, especially in fiscal 2024, by making a major mode change to an aggressive stance and working to create new value.

The Group will combine physical networks, an area of the Group’s strength, and digital technologies. In conjunction, the Group will evolve the railway-centered business model by placing greater emphasis on people and work to reform our corporate structure. In addition, we will work to create value by integrating the three businesses of transportation services, Life-style services, and IT & *Suica* services, and transform our business portfolio by proactively allocating management resources to businesses with large growth potential. Through these efforts, we aim to achieve a ratio of 5:5 as soon as possible between the “Mobility Business” centered on railroads and “Life-style Solutions Business” for our customers.

(4) Management benchmarks

In our Group management vision “Move Up” 2027, we had set numerical targets for the 39th fiscal year (fiscal 2026), but considering the subsequent changes in the management environment, which changed rapidly with COVID-19, the following new numerical targets were set for the 41st fiscal year (fiscal 2028) in April 2023. We will continue to work as a unified Group to achieve our goals.

		41st Fiscal Year (fiscal 2028) Targets	36th Fiscal Year (fiscal 2023) April Plan	36th Fiscal Year (fiscal 2023) Actual	36th Fiscal Year (fiscal 2023) Actual/Plan
Consolidated operating revenues		¥3,276.0 billion	¥2,453.0 billion	¥2,405.5 billion	98.1%
Mobility	Transportation	¥2,019.0 billion	¥1,675.0 billion	¥1,618.5 billion	96.6%
Life-style Solutions	Retail & Services	¥654.0 billion	¥353.0 billion	¥327.8 billion	92.9%
	Real Estate & Hotels	¥507.0 billion	¥353.0 billion	¥382.2 billion	108.3%
	Others	¥96.0 billion	¥72.0 billion	¥76.9 billion	106.8%
Consolidated operating income		¥410.0 billion	¥153.0 billion	¥140.6 billion	91.9%
Mobility	Transportation	¥178.0 billion	¥10.0 billion	¥(24.0) billion	–
Life-style Solutions	Retail & Services	¥80.0 billion	¥50.0 billion	¥35.2 billion	70.6%
	Real Estate & Hotels	¥124.0 billion	¥80.0 billion	¥111.5 billion	139.5%
	Others	¥30.0 billion	¥15.0 billion	¥17.2 billion	114.8%
Adjustment		¥(2.0) billion	¥(2.0) billion	¥0.6 billion	–
Consolidated operating cash flow		(Total over five 5 years *1) ¥3,800.0 billion	–	¥581.7 billion	–
Consolidated ROA		Around 4.0%	–	1.5%	–
Net interest-bearing debt / EBITDA (*2)		(Mid-term) Around 5 times (Long-term) Around 3.5 times	–	8.6 times	–

*1 Total amount covering from the 37th fiscal year (fiscal 2024) to the 41st fiscal year (fiscal 2028)

*2 Net interest-bearing debt means Balance of consolidated interest-bearing debt minus Balance of consolidated cash and cash equivalents

EBITDA means Consolidated operating income plus Consolidated depreciation expense

(5) Key challenges

With the aim of realizing the Group Management Vision “Move Up” 2027, the Group will pursue efforts to “enhancing profitability (restructuring our growth and innovation strategies),” “fundamentally strengthening our management culture (reforming our corporate structure),” “promotion of strategies for growth foundation,” and “implementing ESG management,” while continuing to position “Safety” at the top of its management priorities.

○ Safety is Our Top Priority

The Group will further refine our safe and stable transportation and earn deeper trust from customers and communities, which is fundamental to the Group’s entire operations. In addition, each employee will work while being cognizant of the nature of his or her duties and proactively address risks, and we will devote our resources to reducing disaster-related risks given the increasing severity of natural disasters in recent years. Through these efforts, the Group will minimize the risk of occurrence of major accidents and will aim to achieve zero accidents involving passenger injuries or fatalities and zero accidents involving employee fatalities. In addition, the Group will promote initiatives to reform service quality, including preventing the spread of impact on our customers in the event of abnormalities.

The Group will also expand and accelerate installation of automatic platform gates and other features by using the fare system established by the government in March 2023 to make train stations barrier-free.

○ Enhancing Profitability (Restructuring Our Growth and Innovation Strategies)

With the keywords “post-COVID-19” and “inbound,” seizing the recovery in travel momentum and transportation demand, the Group will launch new products and services that match the changes in Life-style s of people and venture into new fields taking advantage of the Group’s strengths, in order to create new profit streams.

Construction for the introduction of upgraded cars on the Chuo Rapid Line and new train cars will be promoted, and full-scale construction of the Haneda Airport Access Line (tentative name) will commence in fiscal 2024 with the aim of opening in fiscal 2032. To create services that integrate the three businesses, we will provide more attentive services to customers in response to the demand, increase sales of “Hakobyn,” attract inbound customers through overseas promotions, develop MaaS using “Tabi-CONNECT” in various areas, strengthen the product lineup at “JRE MALL,” and further expansion of “STATION WORK.” In addition, we will accelerate our aggressive strategy, including the development of various attractive urban areas such as “TAKANAWA GATEWAY CITY” and rotational business model in the real estate segment.

○ Fundamentally Strengthening Our Management Culture (Reforming Our Corporate Structure)

The Group will aim for a flexible cost structure for the sustainable operation of its railway business into the future. In order to do so, the Group will work to reduce fixed operation costs by for example using new technologies such as automated operation and smart maintenance, streamlining equipment, and revising work processes through technology development that utilizes ideas of front-line employees.

Like the “off-peak commuter pass” service introduced in March 2023, the Group will conduct review to achieve more flexible management of the fundamentals for the operation of the railway business, such as train fare systems and train schedules, based on how services are used. At the same time, for local lines, we will advance discussions with local municipalities, etc. in areas alongside the railway lines to establish sustainable transportation systems.

Moreover, the Company is restructuring its organization with the aim of flexibly responding to the rapidly changing business environment and enhancing management structure through the improvement of each employee’s motivation for work and the improvement of productivity. We will promote the transfer of authority and integration among systems or between frontline offices and planning departments in order to create value and solve problems more speedily and at locations closer to customers, while expanding the fields for our employees’ success.

○ Promotion of Strategies for Growth Foundation

The Group will clarify the strategies such as those related to human resources, innovation and intellectual property, and finance and investment that form the foundation of our efforts, and work as one towards the realization of the vision. Regarding human resource strategy, the Group will establish a system where its employees’ bold challenges are rewarded and improve their well-being. In order to drastically reform our business structure, we will aim for human capital management that accelerates management strategy by utilizing internal talented people and securing external talented people in our focused and growth areas.

In addition, regarding innovation and intellectual property strategies, the Group will promote strategic acquisition and utilization of intellectual property in each business. It will do so while promoting business creation and operational efficiency with digital transformation (DX) such as technology development that uses internal and external technologies and insights, etc. and business improvement and value creation that uses digital technology.

Furthermore, regarding finance and investment strategies, the Group will pursue consolidated cash flow management based on a medium- to Long-term perspective, while further promoting the system that enables front-line employees to come up with ideas and be creative.

○ Implementing ESG management

From the environment, social, and governance perspectives, the Group will pursue ESG management and make efforts to contribute to the sustainable development of local communities by solving social issues through its businesses. At the same time, the Group will also promote efforts geared toward achieving the Sustainable Development Goals (SDGs).

With respect to the environment, the Group will pursue reducing CO₂ emissions by fiscal 2031 to zero in the Tohoku Region toward “Zero Carbon Challenge 2050.” With respect to regional revitalization, the Group will promote a range of initiatives, including opening of new stations, town-building centered around regional core stations, and promoting sixtriary industrialization, i.e., diversification by primary producers, to stimulate local economies. In addition, for the purpose of further

expediting decision-making and business execution, as well as strengthening the supervisory function of the Board of Directors, the Company has shifted to a “Company with an Audit and Supervisory Committee,” subject to approval at the 36th Ordinary General Meeting of Shareholders.

By steadily promoting these strategies to create economic value, and by making efforts to solve social issues through our business to contribute to the development of local communities, the Group will enhance the trust our customers and our local communities place in us, and aim for a sustainable group that continuously provides value to the world.

2. Sustainability Policy and Initiatives

The Group's approach to sustainability and the status of its initiatives are as follows.

Please note that matters concerning the future discussed in this document are based on the judgment of the Group as of March 31, 2023.

(1) Climate change

(i) Governance

As a management system, we have set up the JR East Sustainability Strategy Committee chaired by the President and CEO, which mainly sets goals related to climate change and supervises and makes decisions on progress status, risks and opportunities among others. The committee consists of the vice president and executive directors, etc. Outside directors (excluding directors who are Audit and Supervisory Committee Members) and directors who are Full-time Audit and Supervisory Committee Members also attend the meetings. The committee meets twice a year. In addition, the Zero Carbon Working Group and Hydrogen Working Group report and discuss the status of CO2 emissions reduction and hydrogen utilization.

(ii) Strategy

In the Group Management Vision "Move Up" 2027, we put up the implementing ESG management as guiding principles to prevent global warming and diversify energy. In order to realize these, we identify and assess important risks and opportunities that climate change poses to our business activities, and verify the validity of our business strategies. In this disclosure, we have identified physical risks related to natural disaster as important risks, and made scenario analysis using a fine method using hazard information published by the government.

(iii) Risk control

In the framework of risk control, each department grasps risks affected by climate change to takes specific measures to avoid or reduce them. As for mitigation of climate change, we put together energy consumption, CO2 emissions, fluorocarbon leakage amount, financial status, etc. for each business at least once every six months to make detailed analysis, and also list up, identify and assess risks based on changes in important external environment such as legislative amendments. As for adaptation to climate change, we are strengthening and promoting initiatives to reduce physical risks in the transport service business for acute and chronic weather disasters.

(iv) Indicators and targets

We put up "Zero Carbon Challenge 2050" as a target for the entire Group, and have set a target of reducing CO2 emissions by 50% by fiscal 2031 (compared with fiscal 2014) and achieving "net-zero" CO2 emissions by fiscal 2051. In addition to regularly managing the progress status of these targets, we are promoting group-wide initiatives to further ensure our contribution to the realization of a decarbonized society. Please refer to pages 49-51 of the "JR East Group INTEGRATED REPORT 2022" for information on the progress status and scope of the targets.

(2) Human capital

The source of growth of the Group is human resources. In the Group Management Vision “Move Up” 2027 drawn up in 2018, we set out “creation of value and services with people as the starting point” and put up “happiness of employees and their families” as the center of our focus points to “provide new value to society.” By drawing out the potential of each employee, we steadily inherit and develop technologies and skills, develop human resources, who boldly take on difficult challenges, and increase the employee engagement and the value of human capital.

(i) Governance

The Company is increasing the value of human capital to achieve “Move Up” 2027. We increase job satisfaction by preparing and maintaining an environment where all the employees of the Group can play an active role, and also manage human resources in a way that the growth of employees becomes the driving force for the sustainable growth of the Group.

Especially, in order to realize a mode change from COVID-19 pandemic, we will accelerate workstyle reform based on our initiatives for transformation to date. We aim to be an organization that can promptly and flexibly respond to rapid environmental changes by working to expand opportunities for employees to play an active role, increasing “job satisfaction and ease of work” and increasing the value of human capital.

Also, we will promote initiatives to integrate top-down and bottom-up so that each employee can have a sense of participation in management. Specifically, we will expand the fields in which all the employees can play an active role and will lead to flexible workstyle and career development by promoting the transfer of authority and integration between organizations (organizational restructuring) so that we can quickly create value and solve problems in a place close to our customers. By creating growth opportunities to boldly take on challenges, we will increase employee engagement and improve employee well-being through a sense of growth through work. The Group will realize sustainable growth of all the employees and companies in the Group through these initiatives.

(ii) Strategy

We put up strategy to realize management strategy from the aspect of human capital as the “new human resources strategy.” We will establish and execute human resources development measures from three perspectives of “improvement of human resource capabilities of the entire Group,” “a mechanism to respond to motivation and results,” and “concentrated allocation of human resources to priority and growth fields,” and also accelerate human capital management through “promotion of active participation of diverse employees.”

a. Improvement of human resource capabilities of the entire Group

- Promotion of employee development through re-skilling

In addition to the ability to handle railroad operations, we will focus on developing the mindset and skills that will lead to the creation of new value through re-skilling in order to expand the place of activity in priority and growth fields. Specifically, we work to expand Off-JT and the self-development menus, provide external learning opportunities to develop innovation mindsets and skills and give efficient and effective training by promoting web-based training.

b. Mechanism to respond to motivation and results

- System reform

We have carried out various system reforms that support the creation of job satisfaction through work such as expanding the flextime system to the operational sites, introducing workcation and allowing them to do side jobs at any other companies than the Group companies, which has been made possible since April 2023. We will work to enhance the environment and systems that allow diverse human resources to demonstrate their abilities in response to motivation and challenges of the employees in order to further strengthen our growth strategy.

c. Concentrated allocation of human resources to priority and growth fields

- Utilization of in-house human resources

From the standpoint of early achievement of a 5:5 ratios of the “mobility-related businesses” to the “businesses that lead to Life-style solutions” for customers, we will continue to promote reduction of operating costs in the mobility-related businesses and allocate human resources to priority and growth fields with higher productivity using in-house recruitment systems as well. We will develop human resources that can cross-sectionally play an active role beyond the boundaries between the mobility field and the Life-style solution field to maximize the creation of value that integrates businesses.

- Securing outside human resources

We will proactively and flexibly hire human resources with high expertise such as knowledge and experience in priority and growth fields. Specifically, we are promoting the establishment of priority and growth field categories in hiring, year-round selection and year-round hiring of experienced personnel and job-based hiring by field to build careers within specific business fields.

We also implement “welcome back recruitment” for those who have quit the Company to change jobs with the aim of advancing their careers to come back to the Company and demonstrate their abilities for new growth of the Company using their experience and value cultivated at other companies.

d. Promotion of participation by diverse employees in the workplace

- Expansion of fields where individuals can flourish

To realize “Move Up” 2027, the Company is revising its work and organization with the aim of flexibly responding to the changing times and enhancing management structure through the improvement of each employee’s motivation for work and the improvement of productivity.

We are transferring some of the tasks handled by the planning department to frontline offices and promoting integration among systems or between frontline offices and planning departments, and plan to continue gradually expanding these

types of integrational reforms moving forward. In this way, we will empower employees to take on the challenge of solving problems and creating new value in closer proximity to our customers.

In addition, we are creating opportunities for diverse work experience and challenges. The Company has introduced a new job rotation system to allow employees to develop through changes in the work environment, expanded work experience opportunities at Group companies (including by permitting taking on second jobs), and open opportunities to transfer to Group companies in the Life-style solutions business.

Also, in an effort to create job satisfaction for employees, we are promoting the “cross-organizational projects” to work to create new value across departments and organizations. Through these projects, employees from different workplaces come together to form teams in order to take on the challenge of solving issues in areas and line districts from a variety of perspectives.

- Promotion of participation by female employees and General Employers Action Plan
Since the Company’s inception, we have been working to create a comfortable work environment for female employees and have been supporting female participation in the workforce. As a result, female employees are active in all positions and their length of service has been steadily increasing. In the “Second General Employers Action Plan,” we will continue our recruitment and retention efforts while strengthening our initiatives for employee development and promotion.
- Efforts to promote acceptance of LGBTQ employees, etc.
We recognize LGBTQ as a form of diversity and believe that it is our responsibility to create a comfortable work environment free from discrimination. We are striving towards a supportive work environment by expanding the application of personnel systems and employee benefit programs to same-sex partners, and promoting a correct understanding among employees of LGBTQ individuals through compliance education for all employees.
- Promotion of participation by foreign national employees in the workplace
We are committed to recruiting excellent talent regardless of nationality. Furthermore, we regularly provide opportunities for exchanging opinions with foreign national employees to create an environment where all employees can demonstrate their capabilities regardless of nationality.
- Promotion of participation by and the employment of senior employees
The Company re-employs those who wish to continue employment after the age-limit retirement as “elder employees.” As of April 2023, there were approximately 9,150 elder employees over 60 years old actively working at the Company or at another Group company. Recognizing the intent of the “Act on Stabilization of Employment of Elderly Persons” amended in April 2021, JR East Group has commenced a service that allows Group companies to share positions available for elderly persons.
- Promotion of participation by employees with disabilities
We continue to exceed the statutory employment rate for people with disabilities by actively promoting their recruitment. Moreover, we are working to create an environment where employees with disabilities can fully utilize their abilities and thrive in various job fields.
- Promotion of support for work-life balance including child and family care giving
The Company provides various systems that are above the statutory standards, and takes measures to foster a better understanding of work-life balance including child and family care giving.

Upon promoting these, we will disclose the General Employers Action Plan (support for women’s active participation and work-life balance) as well as information on the policies and promotion status of hiring experienced personnel, securing diverse human resources such as foreign nationals and people with disabilities and promoting them to managers and preparing and maintaining a comfortable work environment with the number of employees and the composition ratio.

(iii) Risk control

In order to realize the “society where all the people can play an active role” which we advocate, it is necessary to drastically transform the conventional business structure by further expanding the opportunities for employees to play an active role and grow and promoting business integration and collaboration. In order to achieve these goals, it is necessary to secure diverse human resources and meet needs for human resources with high expertise such as knowledge and experience in priority and growth fields. We will meet such needs by utilizing internal human resources and securing external human resources.

Also, we will reduce risks by reviewing the strategy and revising organizations and systems among others according to the situation in a timely manner by setting appropriate indicators for these issues and properly grasping the progress status each time while implementing the PDCA cycle for risk management such as “identifying risks,” “selecting risks to be addressed,” “considering and implementing mitigation measures” and “looking back” in terms of humans resources strategy.

(iv) Indicators and targets

a. Females

Measurable targets

Based on the new performance targets set forth in “Move Up” 2027, we have established the following goals to achieve by the end of the fiscal 2028.

- Percentage of women in management positions in the fiscal year ending March 31, 2028: 10%

Progress

- Number of women in management positions as of April 2023: 270 (7.0% of management positions)

Measurable targets

The following targets have been established based on the General Employers Action Plan (fiscal 2020 to fiscal 2024);

- 30% or more of new graduates joining the Company will be women
- 10% or more of female managers
 - * Although they are described as “women in management positions” in the General Employers Action Plan, they are described as “managers” in this report because managers in charge of managing the operational sites, etc. are included.
- Improved facilities for female employees at their workplaces and created an environment where female employees can thrive at all workplaces.

Status of promotion to middle management positions

- Number of women among new graduates who joined the Company in April 2023: 120 (31.1% of all new graduates)
- Number of managers as of April 1, 2023: 813 (8.6% of all managers)
Number of female employees: 8,562 (18.6% of all employees)
- As of June 22, 2023: Appointed and invited 1 executive director, 2 outside directors, 1 senior executive officer and 1 executive officer.

b. Recruitment of experienced personnel

Measurable targets

Following targets have been established, to be met by March 31, 2024:

- 20% or more of managers will be occupied by experienced personnel.
- Approximately 20% of all hires budgeted for each fiscal year will be experienced personnel.

Status of promotion to middle management positions

- Number of managers as of April 1, 2023: 2,160 (18.1% of management positions)
Number of experienced personnel hired: 8,093 (17.6% of all employees)
- Number of experienced personnel hired in fiscal 2024: 142 (23.6% of all hires)

c. Foreign national employees

Measurable targets

Along with the promotion of overseas railway businesses, the Company has recruited international students since fiscal 2014, and the length of service of foreign national employees has been increasing. The Company aims to strengthen measures for growing and promoting foreign national employees, while continuing to engage in recruiting and retention efforts. The following targets have been established.

- Appoint foreign national employees to management positions.

Status of promotion to middle management positions

- Number of managers as of April 1, 2023: 0
Number of foreign national employees: 94 from 17 countries and regions

d. Employees with disabilities

Measurable targets

Based on the new performance targets set forth in “Move Up” 2027, we have established the following goals to achieve by the end of the fiscal 2028.

- Target percentage of employees with disabilities for the fiscal year ending March 31, 2028: 2.70%

Progress

- Percentage of employees with disabilities as of June 1, 2023: 2.69%

e. Balancing work and childcare

Based on the new performance targets set forth in “Move Up” 2027, we have established the following goals to achieve by the end of the fiscal 2028.

Measurable targets

- 85% of eligible male employees to take childcare leave in the fiscal year ending March 31, 2028

Progress

- 43.7% of eligible male employees took childcare leave in the fiscal year ended March 31, 2023

f. Numerical target for personnel allocation

Based on the new performance targets set forth in “Move Up” 2027, we have established the following goals to achieve by the end of the fiscal 2028.

- Allocate 2,000 or more personnel to priority / growth fields (cumulative target by the fiscal year ending March 31, 2028)

(3) Human rights

(i) Governance

As a pillar of social infrastructure and member of the community, our Group Philosophy is to realize affluent lives for everyone. By complying with domestic and international laws and regulations and respecting human rights and the local culture and environment in each region where we conduct business, we strive to contribute towards the realization of a more sustainable society.

Based on the international norms on human rights, the Group has drawn up the “JR East Group Policy on Human Rights” in March 2023 to promote initiatives to respect the human rights of all people including customers, people in local communities, business partners and employees.

As a system to promote activities to respect human rights, we have established the Human Rights Awareness Promotion Committee chaired by the director or executive officer in charge of human rights and composed of the heads of the departments at the head office to share information on changes in the environment regarding respect for human rights, the status of the activities and issues and discuss countermeasures.

From the perspective of the supply chain, the JR East Group has established procurement policies, etc. as a code of conduct for procurement. Based on this policy, the entire supply chain carries out procurement activities considering human rights, environment, etc.

(ii) Risk control

In order to further protect and respect human rights, we take a risk management approach in order to identify and assess human rights violations risks that require particular attention, and are preparing to implement measures for prevention, mitigation, and monitoring.

In order to bolster respect for human rights and eliminate discrimination and rights violations, we strive to raise employees’ awareness through various educational initiatives and to create a tolerant and supportive work environment.

Furthermore, we conduct surveys and exchange ideas with our supply chain partners in order to share challenges and work together towards solutions and incorporating initiatives for human rights, the environment and other priorities into all aspects of our supply chain.

3. Business Risks

The Group is working to avoid and reduce risks that are common and unique to each business. Specifically, each year, we identify risks in the overall business based on outside expertise and internal opinions, analyze and assess risks based on the frequency and degree of impact and determine significant risks for the fiscal year, and consider and implement measures to avoid and reduce risks. In this way, the Company reviews risks through a PDCA cycle, monitors the degree of achievement and progress of initiatives aimed at avoiding and reducing risks at the meeting of Board of Directors, examines future policies and ensures the effectiveness of risk management.

In the future, in order for the Group to speed up the pace of reform to improve profitability and fundamentally strengthen the management structure, a wide range of risk management efforts are important, not only from the perspective of reducing risks of negative elements, such as avoidance of losses, but also includes risk taking and the perspective of actively improving the value of the Group.

To that end, in addition to ensuring stable and appropriate business management operations, the Group supports and encourages its employees to make bold challenges towards their development.

The following matters related to business performance and accounting described in the Annual Securities Report may have a significant impact on investors' decisions.

Please note that matters concerning the future discussed in this document are based on the judgment of the Group as of March 31, 2023.

(1) Occurrence of accidents during the course of railway operations

Accidents in our railway operations can not only erode customer confidence and the Group's social reputation, but can also severely impact business management due to accident-related service interruptions and the expense of customer reparations.

The Group places safety as the top priority in management, is committed to creating a railway system that is safe in respect to both hardware and software, and has been steadily implementing measures based on the "Group Safety Plan 2023", the seventh five-year safety plan since the Group's establishment.

Specifically, to prevent railway accidents attributable to the Group, we took countermeasures against train derailments and other accidents, such as the maintenance of Automatic Train Stop systems (ATS-P), and we reinforced critical facilities like stations and rail yards to prevent roof collapse.

To prevent accidents at level crossings, we are pursuing a policy of consolidation and elimination of level crossings, installing more level crossing warning systems, and upgrading obstacle detectors. Installation of automatic platform gates was completed at 99 stations and 197 tracks by the end of fiscal 2023, and installation at 12 stations and 24 tracks is planned for fiscal 2024. We are also aiming for early deployment of automatic platform gates through the use of the fare system to make train stations barrier-free and other means.

In accordance with the "Group Safety Plan 2023", the Group will continue to strive for "the best in safety" by adapting to changes in the internal and external environment and proactively adopting new technologies.

(2) Climate change and natural disasters

In recent years, the risk of extreme weather events such as torrential rainfall and larger typhoons has been increasing. These torrential rains and typhoons, as well as natural disasters such as large-scale earthquakes and floods, have the potential to cause significant damage to the Group's railroads and related infrastructure. In addition, large-scale power outages caused by natural disasters could potentially disable railroad operations. Furthermore, in the event of a large-scale disaster, the Group may not be able to receive a stable supply of goods necessary for maintaining operations due to disruptions to suppliers or delivery networks.

The Group continues to make progress towards reducing risks associated with natural disasters in accordance with the "Group Safety Plan 2023". Specifically, we are working to continuously reduce risks associated with earthquakes by expanding seismic reinforcement efforts to more facilities and areas in anticipation of earthquakes directly under the Tokyo metropolitan area. We are also implementing emergency train stoppage measures and measures to prevent trains from derailing from tracks. Regarding flood countermeasures, we have introduced the Vehicle Evacuation Judgment Support System to all 80 rail yards, and are implementing risk reduction measures such as vehicle evacuation drills. On the other hand, in preparation for large-scale power outages caused by natural disasters and other factors, we are working to extend the operating duration of emergency generators at major terminal stations and other key facilities. In order to increase the stability and resilience of our procurement system, we are promoting efforts to procure from multiple suppliers.

(3) Outbreak of infectious disease

In the event of an outbreak of a serious infectious disease in Japan and abroad, due to restrictions on economic activities, requests to stay-home, or disease contraction among employees, the Group may be unable to continue operations, leading to significant impacts on financial position and operating results of the Group.

When COVID-19 spread in Japan and abroad, the government declared a state of emergency and urged citizens to restrict their economic activities and stay at home. The Group's business results were also severely impacted by a dramatic decrease in the volume of rail transport, closure of the Group's commercial facilities and a decrease in the number of users of commercial facilities, including a decrease in inbound demand due to travel restrictions. In accordance with government guidelines, the Group has installed hand sanitizers inside stations, disinfected and cleaned facilities, ventilated trains, provided information on crowding at stations and on trains, and diligently enforced mask-wearing by employees, etc. to prevent the spread of infection. We will continue to cooperate with the government and local municipalities to ensure continued appropriate transportation services during a significant outbreak or spread of infectious disease, with the safety and security of our customers always our top priority.

(4) Competition with other firms and changes in the external environment

The Group competes not only with other railway companies but also with providers of airplanes, automobiles, and bus transport, as well as with existing and new firms in the Life-style services business. In addition to these factors, increasingly rapid changes in the external environment may affect the financial position and operating results of the Group.

The following factors may decrease transportation volume and impact the revenues of railway operations: intensifying competition in the transportation market due to the expansion of low-cost carriers (LCCs) routes, the expansion of expressways, the practical application of automated operation technology, as well as a declining population, an aging society with a declining birthrate, and the spread of workstyle reforms such as telecommuting. Furthermore, there is a possibility that normal business operations could be affected by challenges such as supply chain insecurity and labor shortages due to hiring difficulties.

Amidst these circumstances, as part of the Group Management Vision “Move Up” 2027 and Speed Up “Move Up” 2027 announced in September 2020, the Group aims to promote initiatives such as MaaS and eki-net for seamless mobility and a one-stop model that can meet all of our customer’s needs by combining a variety of services such as travel, purchases, payments, and more. Anticipating changes in the business environment, we strive to provide new value to society and are increasingly catering to diversified Life-style s with services such as Off-Peak Point Service and Repeater Point Service and expansion of facilities and products designed with teleworking and workcations in mind. In addition, we are working to qualitatively transform our railway operations through technological innovation and productivity enhancements such as conductorless operations, streamlining of facilities, improvements to maintenance systems, and implementation of automatic and driverless operation in the future. In addition, we are working towards securing a stable talent pool and stable procurement of resources through group-wide recruitment efforts and partnerships with new suppliers, respectively.

(5) Crime, terrorism, and information system failures

Criminal and terrorist acts have the potential to threaten the safety of our railway operations and other operations.

To increase railway security, the Group has installed security and self-defense equipment on Shinkansen trains and at major stations, and additional security cameras on trains and in railway facilities to create a centrally monitored camera network.

In addition, the Group uses various information systems in diverse sectors, including railway operations, Life-style services, and the IT & *Suica* business. Information systems also play an important role in other companies that have close ties with the Group, such as RAILWAY INFORMATION SYSTEMS CO., LTD. A serious failure in the functioning of these information systems due to cyber-attacks or human error could affect the Group’s business operations. Furthermore, computer virus infections, unauthorized access, or any other incidents leading to data falsification or leakage of personal information within our information systems could result in a loss of public trust, impacting the financial position and operating results of the Group.

The Group takes measures against failures and security measures on a daily basis, such as improving the functionality of information systems, constantly monitoring security, and educating relevant employees, and in the unlikely event of a problem, we strive to minimize its impact by promptly establishing an initial response system and having each department work together to take countermeasures. In addition, the Group has established internal regulations to stipulate the strict handling of personal information, limits the number of persons who can handle personal information, manages access privileges, and has built an internal check system, among other measures, to ensure the strict management and protection of personal information.

(6) Corporate scandals

In the operation of various businesses, including Transportation services, Life-style services, and the IT & *Suica* business, the Group complies with the Railway Business Act and other relevant laws and regulations, and conducts its business in accordance with corporate ethics. However, in the event of a violation, the financial position and operating results of the Group may be affected due to administrative sanctions or loss of public trust.

In addition to formulating “Policy on Legal and Regulatory Compliance and Corporate Ethics,” the Group is strengthening employee education on legal compliance and promoting inspections of the status of compliance with laws and regulations in all aspects of its operations. In addition, the Group strives to ensure compliance by informing all employees of the whistle-blowing hotline and by taking other measures to prevent misconduct similar to that which has occurred in other companies.

(7) Changes in economic conditions, etc. in Japan and overseas

Changes in economic conditions in Japan and overseas, as well as trends in interest rates, exchange rates, prices, and other factors may affect the financial position and operating results of the Group, and problems in the supply chain may cause a loss of public reputation.

The Japanese and global economies may be affected not only by economic factors but also by geopolitical risks such as wars and acts of terrorism, global epidemics, and large-scale natural disasters. Such events could cause a prolonged economic slump, which could reduce demand in the Group’s various business segments, including the railway operations, Life-style services, and the IT & *Suica* business. In addition, changes in economic conditions in Japan and overseas, as well as trends in interest rates, exchange rates, prices, and other factors could increase the cost of procuring goods and raising funds, which could affect the Group’s revenues. Furthermore, globalized supply chains may be disrupted by various factors, and procurement activities may be affected by the diversification and complexity of human rights issues.

The Group will strive to reduce costs across the board, and at the same time, will fundamentally enhance its management structure by focusing management resources on the Life-style services business and the IT & *Suica* business to make them new “growth engines.” In addition, we are curbing the rise in procurement costs through a wide range of procurement both domestically and internationally, as well as through price negotiations utilizing economies of scale. The Group is controlling future interest rate and foreign exchange fluctuation risks amidst the rising costs of raising funds by equalizing debt redemption amounts, lengthening debt maturities, paying debts in yen, and fixing interest rates to be paid over Long-terms. In order to maintain supply chains and avoid disruptions, we are strengthening communication with suppliers and promoting efforts to procure from multiple suppliers. With regard to human rights issues, we have established the JR East Group Procurement Policy and are making efforts to ensure that it is widely understood.

(8) International business

The Group provides opportunities for its employees to work and grow overseas as well, and strives to develop global human resources by engaging in international business. We aim to establish new business pillars by developing products and services overseas that take advantage of the technologies, know-how, etc. that the Group has cultivated.

As for international business, there are various risk factors such as changes in political systems and social factors, changes in local laws and regulations concerning investment restrictions/taxation, environmental regulations, etc., differences in business customs, differences in attitudes toward contract performance and compliance with rules and regulations, delays in construction schedules caused by these factors, economic trends, and fluctuations in exchange rates. The Group conducts detailed management of income and expenditures for each project, as political risks and delay risks may affect the collection of receivables when they emerge overseas. Currently, though, risks due to political upheaval, conflicts, soaring resource and energy prices, global inflation, and other factors are becoming more apparent, to ensure that unforeseen changes in circumstances do not affect the financial position and operating results of the Group or the personal safety of Group employees, the Group analyzes these various risks based on the advice of attorneys, consultants, and other experts, and in some cases, we are even making efforts to respond to risks in cooperation with the Japanese government.

(9) Specific legal regulations

(i) Legal regulations for railway operations

We operate our businesses in accordance with the provisions of the “Railway Business Act” (Act No. 92, 1986), which states that a person that intends to operate a railway business must obtain a license of the Minister of Land, Infrastructure, Transport and Tourism for each route and classification of railroad business they operate (Article 3). In addition, the upper limits of passenger fares and Shinkansen express fares must be approved by the Minister of Land, Infrastructure, Transport and Tourism, and prior notification must be submitted when setting or changing fares within those limits (Article 16). In addition, prior notification to the Minister of Land, Infrastructure, Transport and Tourism is required for suspension or discontinuance of railroad business (in the case of discontinuance, at least one year prior to the date of discontinuance) (Articles 28 and 28-2).

If these procedures are changed, or if for some reason we are unable to flexibly change fares and charges in accordance with the procedures, our revenues may be affected. We are striving to operate our business efficiently by securing revenues and reducing expenses in order to establish a solid management base that does not depend on fare hikes. However, we believe it is necessary to implement fare revisions in a timely manner in the event that we are unable to secure appropriate profits due to changes in the business environment or other factors.

Although we are exempted from the application of the “Act on Passenger Railway Companies and Japan Freight Railway Company” (Act No. 88, 1986) due to its amendment in 2001, the “Guidelines Concerning Matters to be Considered at the Present Time” and other guidelines have been established based on the supplementary provisions of the amended Act. The guidelines include the following three points:

- Matters related to the appropriate setting of fares and charges for passengers among companies, smooth use of railroad facilities, and other matters related to railroad business that ensure coordination and cooperation among companies
- Matters related to ensuring the convenience of users in the appropriate maintenance of lines currently in operation and the development of stations and other railroad facilities, taking into account trends in transportation demand and other new changes in circumstances after the reform of Japanese National Railways is implemented
- Matters concerning consideration for small and medium-sized business operators by avoiding unreasonable interference with the business activities of, or unreasonable infringement on the interests of, small and medium-sized business operators that operate the same type of business in the area where the new company operates its business

The Company has been operating its business with due consideration for these matters stipulated in the guidelines and will continue to do so in the future, so there will be no significant impact on the Group’s operations.

(ii) Projected Shinkansen Lines

After the privatization of Japanese National Railways, the Company was designated as the operator of two Projected Shinkansen Lines, the Hokuriku Shinkansen (Takasaki-shi to Joetsu-shi) and the Tohoku Shinkansen (Morioka-shi to Aomori-shi). In addition, the Hokuriku Shinkansen between Takasaki and Nagano started operation on October 1, 1997, the Tohoku Shinkansen between Morioka and Hachinohe started operation on December 1, 2002, the Tohoku Shinkansen between Hachinohe and Shin-Aomori started operation on December 4, 2010, and the Hokuriku Shinkansen between Nagano and Joetsumyoko started operation on March 14, 2015.

According to Article 6 of the “Order for Enforcement of the Act on the Japan Railway Construction, Transport and Technology Agency (JRJT),” the amount of loan fees for the Projected Shinkansen Lines is determined by the JRJT based on the amount calculated based on the benefits to be received by the operator after the opening of said Shinkansen, plus the total amount of taxes and the administrative expenses paid by the JRJT with respect to the railroad facilities that received financing via the loan. The benefits are calculated based on the projected demand and income/expenses for the first 30 years after the opening of the facility, and the amount calculated based on the benefits is fixed in principle for the first 30 years after the opening of the facility. The treatment of the loan fees after 30 years from the date of loan is to be newly determined through consultation and may vary from the current loan fees. The Projected Shinkansen Lines for which loans are being provided and the fiscal year in which the loans will end are as follows.

- a. Hokuriku Shinkansen (Takasaki to Nagano): Fiscal 2028
- b. Hokuriku Shinkansen (Nagano to Joetsumyoko): Fiscal 2045
- c. Tohoku Shinkansen (Morioka to Hachinohe): Fiscal 2033
- d. Tohoku Shinkansen (Hachinohe to Shin-Aomori): Fiscal 2041

4. Analysis by Management of Financial Position, Operating Results, and Cash Flow

(1) Summary of operating results, etc.

The following is a summary of the financial position, operating results, and cash flow (“operating results, etc.”) of the Group (including the Company, its consolidated subsidiaries, and affiliated companies accounted for by the equity method) for the current fiscal year.

(i) Financial position and operating results

In the consolidated fiscal year ended March 31, 2023, despite signs of gradual recovery, the Japanese economy remained sluggish due to the effects of COVID-19, rising prices of goods and services, supply constraints, changes in the financial and capital markets, and other factors.

In light of this situation, under Speed Up “Move Up” 2027 announced in September 2020 as a policy tailored to the post-COVID-19 society, the JR East Group worked to enhance profitability, fundamentally strengthen our management culture, and implement ESG management, thereby accelerating our progress toward the achievement of “Move Up” 2027, our Group management vision, while positioning “Safety” as the top management priority.

Aiming to achieve “the best in safety,” the Group united as one group based on the “Group Safety Plan 2023” toward the enhancement and innovation of “safety conduct” and “safety management” by each employee through initiatives such as the reforming of rules and systems in view of large-scale disasters and other new risks and focusing on “what is working well.” The Group also promoted the installation of safety equipment that actively leverages new technologies, including the introduction of vehicles for replacement of utility poles in fiscal 2023 to implement anti-earthquake measures for utility poles of Shinkansen.

With respect to “enhancing profitability (restructuring our growth and innovation strategies),” while the business environment surrounding the railway business is becoming increasingly severe, aiming to stimulate demand for travel and transportation, the Group launched various initiatives in connection with the “RAILWAY 150th Anniversary” and “SHINKANSEN YEAR 2022” projects including by utilizing ideas from field operation employees. In addition, under our belief that diversification of lifestyles presents a significant opportunity, the Group reestablished its growth and innovation strategies, combined physical networks, an area of the Group’s strength, with digital technologies, and worked to propose new Life-style s and take on the challenge of entering new fields through initiatives such as advancing digitization, ticketless services and promotion of startup businesses.

On “fundamentally strengthening our management culture (reforming our corporate structure),” the Group implemented initiatives to improve productivity, such as the expansion of conductorless operations, the promotion of automated operation technology, and the acceleration of digital transformation (DX) including through smart maintenance. Furthermore, in order to create a sustainable JR East Group since June 2022, the Group forged ahead with the three reforms of operational reform, working style reform, and worksite reform to enhance the job satisfaction of all Group employees, while advancing the restructuring of the JR East organization. As of March 31, 2023, “inter-organizational projects” are under way at a total of 34 locations, where our staff members across departments and organizations exercise their creativity and work close to customers in facing and resolving issues regarding their respective areas or lines.

With regards to “implementing ESG management,” the Group formulated the “Energy Vision 2027 - Connect” in July 2022 as our energy strategy for the future, and with a view to achieving net zero CO2 emissions for the entire Group by fiscal 2051, we introduced energy-saving equipment for stations, and trains and promoted energy-saving operations, as well as the development of renewable energy sources such as wind power and solar power. Also, aiming to realize regional revitalization through co-creation with communities, the Group promoted various initiatives, including community development centered on regional core stations in Iwaki, Aomori and Niigata, expanding service areas of multi-function regional IC cards in Yamagata and Hirosaki, and the opening of new stations on the Keiyo Line and the Tazawako Line.

We will continue to make Group-wide efforts with the aim of realizing our management vision “Move Up” 2027.

During the fiscal year under review, operating revenues increased by 21.6% from the previous year to ¥2,405.5 billion, due mainly to revenue increases in all segments, which were attributable to the recovery from the impact of COVID-19. As a result of such increase in operating revenues, we recorded operating profit of ¥140.6 billion (operating loss of ¥153.9 billion in fiscal year 2022), ordinary profit of ¥110.9 billion (ordinary loss of ¥179.5 billion in fiscal 2022), and profit attributable to owners of parent of ¥99.2 billion (loss attributable to owners of parent of ¥94.9 billion in fiscal 2022).

Results by segment are as follows.

a. Transportation

In the Transportation segment, JR East made concerted Group-wide efforts to enforce rigorous measures in response to COVID-19 while ensuring the provision of safe and reliable transportation and high-quality services.

As a result, operating revenues in the Transportation segment increased by 26.1%, to ¥1,680.3 billion, due mainly to increases in passenger revenues, which were attributable to the recovery from the impact of COVID-19, as well as the change in the timing of recording liabilities relating to *Suica* in revenues, and operating loss was ¥24.0 billion (operating loss of ¥285.3 billion in fiscal 2022).

b. Retail & Services

In the Retail & Services segment, JR East pressed forward with the “Beyond Stations” concept to transform railway stations from transportation hubs to Life-style platforms designed to connect people, things, and experiences.

As a result, operating revenues in the Retail & Services segment increased by 16.4%, to ¥363.5 billion, due mainly to an increase in the sales at stores in stations, and operating income increased by 149.9%, to ¥35.2 billion.

c. Real Estate & Hotels

In the Real Estate & Hotels segment, JR East proceeded with the Life-style development (town development) such as development of large-scale terminal stations and in line-side areas and enhanced the appeal of local towns and communities.

As a result, operating revenues in the Real Estate & Hotels segment increased by 9.1%, to ¥409.7 billion, due mainly to an increase in the sales at hotels and shopping centers, and operating income increased by 3.5%, to ¥111.5 billion.

d. Others

In the Others segment, JR East promoted measures such as the enhancement of the MaaS Platform, which realizes seamless and stress-free mobility, and further expanded the scope of use of *Suica*.

As a result, operating revenues in the Others segment increased by 7.0%, to ¥223.1 billion, due mainly to an increase in the sales from the credit card business, and operating income increased by 47.9%, to ¥17.2 billion.

(Note) The Company applies the “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No. 17, June 30, 2010) and the “Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No. 20, March 21, 2008). The operating income (loss) of each segment of the Company corresponds to the segment income (loss) under the said Accounting Standard and Guidance.

Reference

Operating results for railway operations

Recent operating results for railway operations of the Company can be found below.

Transportation results

Classification		Units	35th Fiscal Year (from April 1, 2021 to March 31, 2022)	36th Fiscal Year (from April 1, 2022 to March 31, 2023)		
Number of operating days		Days	365	365		
Operating kilometers	Shinkansen lines	Kilometers	1,194.2	1,194.2		
	Conventional lines	Kilometers	6,108.5	6,108.0		
	Total	Kilometers	7,302.7	7,302.2		
Passenger car kilometers	Shinkansen lines	1000 kilometers	506,386	493,528		
	Conventional lines	1000 kilometers	1,743,028	1,717,560		
	Total	1000 kilometers	2,249,414	2,211,088		
Number of passengers	Commuter passes	1000 people	3,044,111	3,184,088		
	Non-Commuter passes	1000 people	1,749,643	2,139,530		
	Total	1000 people	4,793,755	5,323,619		
Passenger-kilometers transported	Shinkansen lines	Commuter passes	1000 passenger-kilometers	1,473,564	1,563,002	
		Non-Commuter passes	1000 passenger-kilometers	8,910,940	14,931,346	
		Total	1000 passenger-kilometers	10,384,504	16,494,348	
	Kanto area	Commuter passes	1000 passenger-kilometers	52,049,846	54,766,761	
		Non-Commuter passes	1000 passenger-kilometers	24,733,231	31,590,035	
		Total	1000 passenger-kilometers	76,783,077	86,356,796	
	Conventional lines	Others	Commuter passes	1000 passenger-kilometers	2,655,981	2,697,719
			Non-Commuter passes	1000 passenger-kilometers	1,427,040	1,929,024
			Total	1000 passenger-kilometers	4,083,022	4,626,743
	Total	Total	Commuter passes	1000 passenger-kilometers	54,705,828	57,464,480
			Non-Commuter passes	1000 passenger-kilometers	26,160,271	33,519,059
			Total	1000 passenger-kilometers	80,866,100	90,983,540
Total	Total	Commuter passes	1000 passenger-kilometers	56,179,392	59,027,482	
		Non-Commuter passes	1000 passenger-kilometers	35,071,211	48,450,406	
		Total	1000 passenger-kilometers	91,250,604	107,477,888	
Passenger efficiency	Shinkansen lines	%	29.5	48.1		
	Conventional lines	%	33.2	37.8		
	Total	%	32.8	39.1		

(Notes) 1. Passenger efficiency is calculated using the following method.

$$\text{Passenger efficiency} = \frac{\text{Passenger-kilometers transported}}{\text{Passenger car kilometers} \times \text{Average passenger-carrying capacity}} \times 100$$

2. “Kanto area” refers to the area covered by our Tokyo Metropolitan Area Headquarters, Yokohama Branch Office, Hachioji Branch Office, Omiya Branch Office, Takasaki Branch Office, Mito Branch Office, and Chiba Branch Office.

Revenues

Classification			Units	35th Fiscal Year (from April 1, 2021 to March 31, 2022)	36th Fiscal Year (from April 1, 2022 to March 31, 2023)	
Passenger transportation	Shinkansen lines	Commuter passes	Millions of yen	20,283	21,207	
		Non-Commuter passes	Millions of yen	237,805	400,721	
		Total	Millions of yen	258,088	421,929	
	Conventio nal lines	Kanto area	Commuter passes	Millions of yen	341,719	354,175
			Non-Commuter passes	Millions of yen	470,373	602,127
			Total	Millions of yen	812,093	956,302
		Others	Commuter passes	Millions of yen	16,009	16,141
			Non-Commuter passes	Millions of yen	27,031	37,389
			Total	Millions of yen	43,040	53,530
		Total	Commuter passes	Millions of yen	357,728	370,316
			Non-Commuter passes	Millions of yen	497,404	639,517
			Total	Millions of yen	855,133	1,009,833
	Total	Commuter passes	Millions of yen	378,012	391,524	
Non-Commuter passes		Millions of yen	735,210	1,040,238		
Total		Millions of yen	1,113,222	1,431,762		
Logistics revenue			Millions of yen	23	4	
Total			Millions of yen	1,113,245	1,431,767	
Trackage revenue			Millions of yen	6,243	5,663	
Miscellaneous income of transportation			Millions of yen	135,234	170,944	
Total revenue			Millions of yen	1,254,724	1,608,376	

(ii) Cash flow position

In the consolidated fiscal year ended March 31, 2023, cash flows from operating activities was ¥581.7 billion, an increase of ¥391.2 billion from the previous fiscal year, due mainly to recording income before income taxes.

Cash flows from investing activities was ¥565.5 billion, an increase of ¥39.1 billion from the previous fiscal year. This result was due mainly to an increase in payments for purchases of investments in securities.

Cash flows from financing activities was ¥26.8 billion, a decrease of ¥277.8 billion from the previous fiscal year. This result was due in part to a decrease in incurring interest-bearing debt.

Consequently, cash and cash equivalents as of March 31, 2023, were ¥215.0 billion, an increase of ¥43.9 billion from March 31, 2022.

In addition, net interest-bearing debt was ¥4,559.8 billion as of March 31, 2023. Please note that net interest-bearing debt represents the balance of consolidated interest-bearing debt minus the balance of consolidated cash and cash equivalents at the fiscal year-end.

(iii) Production, orders, and sales

The Company and the majority of its consolidated subsidiaries do not engage in make-to-order production.

Sales results are shown in relation to results by segment in “(1) Summary of operating results, etc.”

(2) Analysis and discussion of operating results, etc. from the management perspective

The following outlines the identification, analysis, and discussion of the Group's operating results, etc. from the management perspective.

Please note that matters concerning the future discussed in this document are based on the judgment of the Group as of March 31, 2023.

(i) Identification, analysis, and discussion of financial position and operating results

a. Operating results

○ Operating revenues

During the fiscal year under review, operating revenues increased by 21.6% from the previous year to ¥2,405.5 billion (down ¥47.4 billion from the April forecast), due mainly to revenue increases in all segments, attributable to the recovery from the impact of COVID-19.

Operating revenues from sales to outside customers in the Transportation segment increased 26.7% from the previous fiscal year to ¥1,618.5 billion (down ¥56.4 billion from the April forecast).

This was due mainly to increases in passenger revenues, which were attributable to the recovery from the impact of COVID-19, as well as the change in the timing of recording liabilities relating to *Suica* in revenues.

As for Shinkansen lines, due to recovery from the impact of COVID-19, the number of passenger-kilometers transported increased by 58.8% from the previous fiscal year to 16.4 billion passenger-kilometers. Commuter Passes Revenue increased 4.6% to ¥21.2 billion, while Non-Commuter Passes Revenue increased 68.5% to ¥400.7 billion, for a total revenue of ¥421.9 billion, up 63.5% from the previous fiscal year.

As for conventional lines in the Kanto area, due to recovery from the impact of COVID-19, the number of passenger-kilometers transported increased by 12.5% from the previous fiscal year to 86.3 billion passenger-kilometers. Commuter Passes Revenue increased 3.6% to ¥354.1 billion, while Non-Commuter Passes Revenue increased 28.0% to ¥602.1 billion, for a total revenue of ¥956.3 billion, up 17.8% from the previous fiscal year.

As for conventional lines outside the Kanto area, due to recovery from the impact of COVID-19, the number of passenger-kilometers transported increased by 13.3% from the previous fiscal year to 4.6 billion passenger-kilometers. Commuter Passes Revenue increased 0.8% to ¥16.1 billion, while Non-Commuter Passes Revenue increased 38.3% to ¥37.3 billion, for a total revenue of ¥53.5 billion, up 24.4% from the previous fiscal year.

Operating revenues from sales to outside customers in segments other than Transportation were as follows.

In the Retail & Services segment, sales increased by 17.9% to ¥327.8 billion (down ¥25.1 billion from the April forecast), due mainly to an increase in the sales at stores in stations following recovery from the impact of COVID-19.

In the Real Estate & Hotels segment, sales increased by 8.4% to ¥382.2 billion (up ¥29.2 billion from the April forecast), due mainly to an increase in the sales at hotels and shopping centers following recovery from the impact of COVID-19.

In the Others segment, sales increased by 8.2% to ¥76.9 billion (up ¥4.9 billion from the April forecast), due mainly to an increase in the sales from the credit card business.

○ Operating expenses

Operating expenses increased 6.2% from the previous fiscal year to ¥2,264.9 billion. The ratio of operating expenses to operating revenues was 94.2% for the fiscal year ended March 31, 2023, compared to 107.8% in the previous fiscal year. Expenses for transportation, other services, and cost of sales increased 5.7% from the previous fiscal year to ¥1,687.8 billion. This was due mainly to an increase in property expenses.

Selling, general and administrative expenses increased 7.5% from the previous fiscal year to ¥577.0 billion. This was due mainly to an increase in property expenses.

○ Operating income

Operating income was ¥140.6 billion (down ¥12.3 billion from the April forecast). In the previous fiscal year, an operating loss of ¥153.9 billion was recorded.

○ Non-operating income (loss)

Non-operating income decreased 4.9% from the previous fiscal year to ¥42.0 billion. This was due mainly to decrease in cooperation income.

Non-operating expenses increased 2.9% from the previous fiscal year to ¥71.8 billion. This was due mainly to an increase in interest on bonds.

○ Ordinary income (loss)

Ordinary income was ¥110.9 billion (up ¥12.9 billion from the April forecast). In the previous fiscal year, an ordinary loss of ¥179.5 billion was recorded.

○ Extraordinary gains/losses

Extraordinary gain increased 45.4% from the previous fiscal year to ¥93.2 billion. This was due mainly to an increase in compensation income.

Extraordinary losses increased 16.3% from the previous fiscal year to ¥75.7 billion. This was due mainly to an increase in losses on reduction entry for construction grants.

- Income (Loss) before income taxes
Income before income taxes was ¥128.3 billion. In the previous fiscal year, a loss before income taxes of ¥180.5 billion was recorded.
 - Profit attributable to owners of parent
Profit (Loss) attributable to owners of parent was ¥99.2 billion (up ¥39.2 billion from the April forecast), due mainly to recording income before income taxes. In the previous fiscal year, a loss attributable to owners of parent of ¥94.9 billion was recorded. Earnings per share for the current fiscal year were ¥263.38, compared to loss per share of ¥251.69 for the previous fiscal year.
- b. Financial position
- As of March 31, 2023, assets totaled ¥9,351.8 billion, up ¥260.4 billion from the end of the previous fiscal year; liabilities totaled ¥6,854.1 billion, up ¥180.8 billion from the end of the previous fiscal year; and net assets totaled ¥2,497.7 billion, up ¥79.6 billion from the end of the previous fiscal year.
- In the Transportation segment, assets totaled ¥7,087.1 billion as of March 31, 2023, due mainly to investments of ¥373.0 billion for large-scale earthquake countermeasures, installation of automatic platform gates, construction of new rolling stock, and new construction of Makuhari-Toyosuna Station.
- In the Retail & Services segment, assets totaled ¥353.5 billion as of March 31, 2023, due mainly to investments of ¥15.6 billion for development of new stores and improvement of existing stores, including the development under the elevated railway tracks north of Sendai Station.
- In the Real Estate & Hotels segment, assets totaled ¥1,815.0 billion as of March 31, 2023, due mainly to investments of ¥110.2 billion for the construction of shopping centers, office buildings, and hotels, including the Iwaki Station South Exit development and the Aomori Station East Exit Station Building development.
- In the Others segment, assets totaled ¥1,073.8 billion as of March 31, 2023, due mainly to investments of ¥55.7 billion for system development and other projects.
- (ii) Analysis and discussion of cash flow and information on capital resources and liquidity of funds
- a. Cash flow
- Cash flows from operating activities increased ¥391.2 billion from the previous fiscal year to ¥581.7 billion. This was due mainly to the recording of income before income taxes.
- Cash flows from investing activities increased ¥39.1 billion from the previous fiscal year to ¥565.5 billion. This was due mainly to an increase in payments for purchases of investments in securities.
- A summary of capital investment is as follows.
- In the Transportation segment, capital investment was made for large-scale earthquake countermeasures, installation of automatic platform gates, construction of new rolling stock, and new construction of Makuhari-Toyosuna Station. In the Retail & Services segment, new stores were opened and existing stores were improved, including the development under the elevated railway tracks north of Sendai Station. In the Real Estate & Hotels segment, capital investment was made in the Iwaki Station South Exit development and the Aomori Station East Exit Station Building development, among others. In the Others segment, capital investment was made in system development and other projects.
- Free cash flow increased ¥352.0 billion from the previous fiscal year to ¥16.2 billion.
- Cash flows from financing activities decreased ¥277.8 billion from the previous fiscal year to ¥26.8 billion. This was due mainly to a decrease in incurring interest-bearing debt.
- Consequently, cash and cash equivalents as of March 31, 2023, totaled ¥215.0 billion, an increase of ¥43.9 billion from ¥171.0 billion as of March 31, 2022.
- b. Financial policy
- With a view to early realization of the Group Management Vision “Move Up” 2027, with respect to capital investment, the Group will aggressively implement investments that contribute to improving profitability and productivity by investing in future growth. In the area of investment needed for the continuous operation of business, the Group will continue to progress steadily with investments that contribute to improving safety, such as measures against large-scale earthquakes and installation of automatic platform gates, and is committed to selecting and consolidating investments based on the premise of ensuring safety. Furthermore, we will carefully select capital investments in regional development and DX, aiming to tackle social issues such as realization of a “decarbonized society,” contribute to diverse stakeholders including local communities, and improve productivity and operational reforms from a Long-term perspective. The Group plans to invest a total of ¥3.89 trillion from fiscal 2024 to fiscal 2028. With regard to shareholder returns, the Group aims to achieve a total return ratio of 40% and a dividend payout ratio of 30% over the medium to Long-term. The funds required for these purposes will be raised through cash flow from operating activities, issuance of bonds, borrowings from financial institutions, and so on. Our medium- to Long-term policy is to keep consolidated interest-bearing debt at a level commensurate with consolidated operating revenues and income. Specifically, we aim to achieve a net interest-bearing debt to EBITDA ratio of approximately 5 times in the medium term and 3.5 times in the Long-term.
- “Net interest-bearing debt” represents the balance of consolidated interest-bearing debt minus the balance of consolidated cash and cash equivalents at the fiscal year-end. The balance of net interest-bearing debt as of March 31, 2023, was ¥4,559.8 billion (while the balance of interest-bearing debt was ¥4,774.8 billion at the end of the same fiscal year). “EBITDA”

(earnings before interest, taxes, depreciation, and amortization) represents consolidated operating income plus consolidated depreciation expense. EBITDA for the consolidated fiscal year ended March 31, 2023 was ¥530.5 billion.

The Group has introduced a Cash Management System (CMS), which collectively manages the management of surplus funds and financing for each participant company in the CMS, with an eye to improving funding efficiency on a consolidated basis. In addition, the Group has adopted cash management methods such as a payment substitute system, which offsets intergroup settlements and consolidates payment operations within the Group.

The Company raises funds by issuing bonds and borrowing from financial institutions, etc., based on its fundamental policy of maintaining and improving a sound financial position and securing sufficient liquidity on hand. Additionally, in order to reduce the risk of interest rate rises, the Company is fixing interest payments and lengthening the term of funding to stabilize interest payments in the Long-term. Seeking to control future refinancing risks, the Company also selects terms that help control and level the amount of debt redemption in each fiscal year.

During the fiscal year ended March 31, 2023, the Company issued 13 unsecured straight bonds in Japan totaling ¥182.0 billion with maturity dates ranging from 2025 to 2072. These bonds were rated AA+ by Rating and Investment Information, Inc. The Company also issued four unsecured straight bonds totaling 2.6 billion euros (¥362.1 billion) with maturity dates between 2025 and 2043. These bonds were rated A+ by S&P Global Ratings Japan, Inc. and A1 by Moody's Japan K.K. for Long-term debt. In addition, the Company borrowed ¥174.5 billion in Long-term funds from financial institutions.

The Long-term liabilities incurred for purchase of Shinkansen-related railway facilities is ¥314.7 billion, payable by September 30, 2051, at a fixed rate of 6.55% per annum, payable in equal semi-annual installments of principal and interest. In addition, as of March 31, 2023, TOKYO MONORAIL CO., LTD. has Long-term liabilities incurred for purchase of railway facilities in the amount of ¥0.3 billion.

To meet short-term funding needs, we have established an overdraft limit totaling ¥360.0 billion with major banks as of March 31, 2023. As of March 31, 2023, our commercial paper was rated a-1+ by Rating and Investment Information, Inc. and J-1+ by Japan Credit Rating Agency, Ltd. As of March 31, 2023, there was no outstanding balance of overdraft or commercial paper. Furthermore, as of March 31, 2023, we had committed lines of credit (lines of credit that allow borrowing freely within the contracted terms under certain conditions) of ¥300 billion from banks, but as of the end of the fiscal year, there was no outstanding balance of committed lines of credit in use.

(iii) Important accounting estimates and assumptions relied upon to make such estimates

The consolidated financial statements of the Company are prepared in accordance with accounting principles generally accepted in Japan. In preparing these consolidated financial statements, various factors that are considered reasonable in light of past experience and current conditions are taken into account when preparing estimates with respect to matters affecting assets and liabilities on the consolidated fiscal year-end date as well as income and expense figures for the current fiscal year, and these are evaluated on an ongoing basis. However, actual outcomes may differ from estimates due to the uncertainties inherent in estimates.

Among the estimates and assumptions used when preparing consolidated financial statements, those that could have a significant effect on the financial position or operating results are as follows.

a. Recoverability of deferred tax assets

Assumptions regarding the recoverability of deferred tax assets are described in “Major Accounting Estimates” under “No. 5: Accounting, 1-(1) Consolidated Financial Statements, Notes to Consolidated Financial Statements.”

b. Impairment of fixed assets

Assumptions regarding impairment of fixed assets are described in “Major Accounting Estimates” under “No. 5: Accounting, 1-(1) Consolidated Financial Statements, Notes to Consolidated Financial Statements.”

c. Estimates of retirement benefit obligations

Retirement benefit obligations for employees are estimated using actuarial assumptions such as discount rate, salary increase rate, retirement rate, and mortality rate. Any difference between actuarial assumptions and actual outcomes, or any change in the assumptions, may affect estimates of retirement benefit obligations for the next consolidated fiscal year.

5. Major Administrative Contracts

- (1) On October 1, 1991, in accordance with the “Act on Transfer, etc. of Railway Facilities for Shinkansen” (Act No. 45, 1991), the Company acquired railroad facilities (excluding rolling stock) related to the Tohoku and Joetsu Shinkansen lines from the Shinkansen Holding Corporation (currently Japan Railway Construction, Transport and Technology Agency) for ¥3,106.9 billion. The Company’s contract with the Shinkansen Holding Corporation dictated that of this amount, ¥2,740.4 billion would be paid over 25.5 years, and ¥366.5 billion would be paid over 60 years in equal semi-annual installments of principal and interest to the Railway Development Fund (currently Japan Railway Construction, Transport and Technology Agency). The payment of ¥2,740.4 billion was completed in January 2017.
- (2) The Company has contracts in place with other passenger rail providers concerning matters related to passenger operations such as reciprocal ticket sales, revenue sharing of fares and charges between companies and handling of revenue settlements, outsourcing of station operations and maintenance of rolling stock and railroad facilities, and handling of expense settlements between companies. These contracts stipulate that fares and charges for passengers and baggage traveling among two or more passenger rail providers shall be calculated on an aggregate basis, that passenger fares shall be subject to the system of diminishing fare per distance for longer distance. Also, in the event that a passenger rail provider sells a ticket linked to another passenger rail provider, that provider must pay a sales commission to the other provider.
- (3) The Company has contracts in place with freight companies regarding the handling of freight companies’ use of the Company’s railroad tracks, outsourcing of station operations and maintenance of rolling stock and railroad facilities, and handling of expense settlements between companies.
Under these contracts, any trackage paid by freight companies for use of the Company’s railroad tracks are additional amounts to be incurred by the freight companies for use of our railroad tracks.
- (4) The Company has a contract in place with Railway Information Systems Co., Ltd. for the use of a comprehensive passenger sales system (MARS system) for the sale of train seat reservation tickets, etc. jointly among six passenger rail providers, and for the use of the system to settle revenues among passenger rail providers.

6. Research and Development Activities

In November 2016, the Group formulated its “Mid- to Long-term Vision for Technical Innovation” to achieve technological innovation in anticipation of advancements to be made in technologies such as IoT, Big Data, AI, and so on. The main contents of the Vision are as follows.

- Utilizing IoT, Big Data, AI, etc., we will thoroughly review the services provided by the Group from the customer’s perspective, aiming to achieve a “Mobility Revolution” that transcends the boundaries of conventional thinking.
- In the four areas of “Safety and Security,” “Service and Marketing,” “Operation and Maintenance,” and “Energy and Environment,” we will use AI and other means to create new value from data obtained across all of the Group’s business activities.
- To realize this vision, we will undertake further open innovation to incorporate the world’s most advanced technologies and build an “innovation ecosystem” that will continue to provide innovative services in the field of mobility.

Striving to realize our “Mid- to Long-term Vision for Technical Innovation,” we conducted the following research and development activities. Total R&D expenses for the fiscal year ended March 31, 2023, amounted to ¥19.3 billion.

(1) Transportation

(i) Safety and Security: Foreseeing Danger to Minimize Risk

- a. To achieve safer station platforms, we are developing new door catching detection technology for rolling stock. We are also developing a system to detect the possibility of passengers approaching or coming into contact with a train based on images from cameras installed on the sides of the train.
- b. In response to the earthquake that struck Fukushima Prefecture on March 16, 2022, we analyzed the circumstances at the time of the earthquake and considered future earthquake countermeasures. We conducted research and development leading to various countermeasures based on the three cornerstones of preventing structural damage (seismic reinforcement measures), stopping running trains quickly (emergency train stoppage measures), and minimizing damage after derailment (measures to prevent trains from derailing from tracks).

(ii) Service and Marketing: Offering our Customers Value that is for “Right Now, Right Here and Just for Me”

- a. To promote development aimed at realizing next-generation Shinkansen trains, we conducted various tests using the ALFA-X Shinkansen test train.
- b. In order to provide a safer, more secure station environment to our customers, we have implemented AI-based non-face-to-face and contactless customer guidance devices at certain ticket gates at five stations on the Yamanote Line (Shinagawa, Shibuya, Ikebukuro, Akihabara, and Takanawa Gateway).

(iii) Operation and Maintenance: Reviewing Operations in Preparation for a 20% Reduction in the Working-age Population

- a. We have been working on R&D and other initiatives to realize smart maintenance, such as CBM (Condition Based Maintenance), by installing devices on commercial trains that monitor tracks, electric power facilities, and rolling stock while trains are in motion. At present, we are reviewing data analysis, evaluation methods, and utilization methods in various fields based on the high frequency data obtained from these monitoring devices. As part of these efforts, we have introduced new maintenance vehicles dedicated to equipment monitoring on Shinkansen lines, and have conducted various tests, including verification of the accuracy of measurement data.

- b. As part of our efforts to develop technologies required for improved train safety and future driverless operations, we are developing a system that automatically detects obstacles in real time using forward-looking stereo cameras installed in trains.

(iv) Energy and Environment: Establishing Railway Energy Management

- a. To promote initiatives to utilize hydrogen and accelerate the movement toward a decarbonized society, we built the HYBARI hydrogen hybrid train which uses hydrogen as fuel, and we are conducting verification test of it.
- b. With a view to reducing train operating energy, we are researching ways to conserve energy through crew operations.

(v) Other

We established the WaaS Co-creation Consortium on April 1, 2023 to create the organization for open innovation to improve mobility × space value in order to realize a society of well-being. Leveraging the knowledge and expertise previously gained through the Mobility Innovation Consortium, this Consortium works to resolve social issues that would be difficult for a single company to address alone in order to realize a society of well-being (as of June 2, 2023, 99 companies and organizations from various industries and fields have joined the Consortium). We also commission the Railway Technical Research Institute to undertake research and development in more basic areas based on our Agreement on Research and Development. Our contribution to the Institute in the fiscal year ended March 31, 2023 was ¥4.4 billion. In addition, we continue to run the Innovation College in-house internship program for R&D departments to cultivate human resources who will play leading roles on the front lines of technological innovation.

(2) Retail & Services, Real Estate & Hotels, and Others

There is nothing particular to report.

No. 3: Facilities

1. Summary of Capital Investment

The Company and its consolidated subsidiaries made overall capital investments of ¥554.7 billion in the fiscal year ended March 31, 2023, mainly in the transportation business.

In the Transportation segment, we invested ¥373.0 billion in large-scale earthquake countermeasures, installation of automatic platform gates, construction of new rolling stock, and new construction of Makuhari-Toyosuna Station.

In the Retail & Services segment, we invested ¥15.6 billion in the development of new stores and improvement of existing stores, including the development under the elevated railway tracks north of Sendai Station.

In the Real Estate & Hotels segment, we invested ¥110.2 billion in the construction of shopping centers, office buildings, and hotels, including the Iwaki Station South Exit development and the Aomori Station East Exit Station Building development.

In the Others segment, we invested ¥55.7 billion in system development and other projects.

There were no sales or disposals of major facilities.

2. Major Facilities

As of March 31, 2023, the status of major facilities is as follows.

(1) Reporting company

(i) Summary table

	Book value (millions of yen)						Number of employees
	Land (area in 1000 m ²)	Buildings	Structures	Vehicles	Others	Total	
Transportation	1,610,743 (165,716)	541,442	2,281,844	425,985	240,114	5,100,130	40,580
Real Estate & Hotels	446,747 (610)	400,353	15,035	15	3,445	865,596	226

(Notes) 1. The above figures are the balance of property, plant and equipment (excluding construction in progress).

2. Land provided for the Transportation segment includes land for railway tracks (87.364 million m², book value ¥821.282 billion), land for depots (32.555 million m², book value ¥691.071 billion), land for railway windbreak forest (38.518 million m², book value ¥681 million), land for offices, crew rooms, substations, and so on.

3. Buildings provided in the Transportation segment include buildings used as depots, crew rooms, offices, and so on.

4. Structures provided in the Transportation segment include elevated tracks, bridges, tunnels, power distribution lines, and so on.

5. "Others" is the total of vehicles (¥2,198 million in the Transportation segment and ¥2 million in the Real Estate & Hotels segment), machinery and equipment (¥214,696 million in the Transportation segment and ¥3,119 million in the Real Estate & Hotels segment), and tools, furniture, and fixtures (¥23,219 million in the Transportation segment and ¥323 million in the Real Estate & Hotels segment).

6. In addition to the above, there are also fixed assets such as the head office and other administrative facilities, company housing, welfare facilities, and so on.

(Note) 7. Major facilities on loan are as follows.

Name of lender	Line name	Operating kilometers (km)	Breakdown of facilities		Loan end year	Loan fee (millions of yen)
			Land (m ²)	Buildings (m ²)		
Japan Railway Construction, Transport and Technology Agency	Keiyo Line	50.0	798,870	119,676	Fiscal 2030	24,438
	Hokuriku Shinkansen (Takasaki to Nagano)	117.4	957,539	82,538	Fiscal 2028	19,918
	Hokuriku Shinkansen (Nagano to Joetsumiyoko)	59.5	324,650	41,390	Fiscal 2045	17,651
	Tohoku Shinkansen (Morioka to Hachinohe)	96.6	593,928	36,406	Fiscal 2033	9,575
	Tohoku Shinkansen (Hachinohe to Shin-Aomori)	81.8	896,409	74,038	Fiscal 2041	9,731
					Fiscal 2041	2,200
	Subtotal	405.3	3,571,397	354,050	–	83,516
Narita Airport Rapid Railway Company	Narita Line	8.7	–	22,020	Fiscal 2026	784
	Total	414.0	3,571,397	376,070	–	84,301

- a. For the Keiyo Line, which is on loan from the Japan Railway Construction, Transport and Technology Agency, a loan fee approved in advance by the Minister of Land, Infrastructure, Transport and Tourism is paid twice annually for 40 years from the loan date. This loan fee fluctuates slightly each year due to increases or decreases in property and administrative expenses, but the basic level of the fee remains almost unchanged.

The specific loan fee is calculated using the following formula.

Loan fee base amount = (a) + (b) + (c) – government subsidy amount

- (a) The total amount of semi-annual installments for the relevant fiscal year in the event that the portion of the cost required for the construction of the relevant railroad facilities related to the borrowing is to be reimbursed by the method of equal semi-annual installment payments of principal and interest, with the period and interest rate specified by the Minister of Land, Infrastructure, Transport and Tourism
- (b) The amount calculated by multiplying the amount of depreciation expense for the relevant railway facilities for the relevant fiscal year by the rate obtained by dividing the amount of the portion of expense required for the construction of the relevant railway facilities other than the portion pertaining to the borrowing by the amount of expense required for the construction of the relevant railway facilities
- (c) The total amount of bond issue costs and bond issue discounts related to railroad construction bonds for the railroad facilities for the relevant fiscal year, as well as taxes and administrative expenses

Maintenance and renewal of facilities are undertaken by the Company, excluding disaster restoration work, etc., totaling ¥100 million or more.

After the loan period ends, the Company is entitled to take ownership of the line at a transfer price equal to the total loan fee already paid from the construction cost of the line, minus an amount equivalent to the construction cost of the line plus the amount of government subsidy.

- b. For the Hokuriku Shinkansen Line (between Takasaki and Joetsumiyoko) and the Tohoku Shinkansen Line (between Morioka and Shin-Aomori), which are on loan from the Japan Railway Construction, Transport and Technology Agency (JRJT), loan fees are paid four times annually for 30 years from the loan date, subject to prior approval by the Minister of Land, Infrastructure, Transport and Tourism. The loan fee consists of an amount calculated based on the benefits received by the Company, which is the operating organization after the opening of the Shinkansen Line, and taxes and administrative expenses to be paid by JRJT for the leased railway facilities. The amount calculated based on this benefit is fixed for 30 years from the loan date.
- For the Tohoku Shinkansen Line (between Hachinohe and Shin-Aomori), the amount is divided into the loan fee for the opening of the Tohoku Shinkansen Line between Hachinohe and Shin-Aomori and an additional loan fee for the opening of the Hokkaido Shinkansen Line between Shin-Aomori and Shin-Hakodate-Hokuto.
- In addition, with respect to the maintenance and renewal of facilities, the Company is responsible for covering normal maintenance and management, with JRJT responsible for any extraordinary maintenance or renewal expenses.
- c. The loan fee for the Narita Line (Narita Line junction to Narita Airport Station), leased from Narita Airport Rapid Railway Company Limited, is paid four times annually for five years starting in April 2021 to cover the cost of constructing, owning, and

managing railway facilities, based on our agreement with Narita Airport Rapid Railway Company Limited. As a result, the loan fee for fiscal 2023 was ¥784 million.

With regard to the maintenance and renewal of facilities, any changes to railroad facilities involving capital expenditures are to be made by Narita Airport Rapid Railway Company Limited, while normal maintenance and management is to be carried out by the Company.

- d. Regarding the Tadami Line (between Aizu-Kawaguchi and Tadami), which is leased from Fukushima Prefecture, the Company pays a usage fee based on an agreement with the prefecture. However, payment of this usage fee is reduced or exempted by the amount necessary to ensure there is no deficit in income or expenditure for the relevant track sections. As a result, no payment of usage fee occurred in fiscal 2023.

Services related to maintenance of railroad facilities, such as inspections, repairs, or replacements, are performed by Fukushima Prefecture, while maintenance is managed by the Company.

(ii) Transportation

a. Lines and electric supply facilities

Line	Section	Operating kilometers (km)	Single or double track	Number of stations	Track gauge (m)	Voltage (V)	Number of substations
Agatsuma Line	(Shibukawa) to Omae	55.3	Single track	17	1.067	DC 1,500	4
Akabane Line	(Ikebukuro) to (Akabane)	5.5	Double track	2	1.067	DC 1,500	–
Aterazawa Line	(Kita-Yamagata) to Aterazawa	24.3	Single track	10	1.067	–	–
Iiyama Line	Toyono to (Echigo-Kawaguchi)	96.7	Single track	30	1.067	–	–
Ishinomaki Line	(Kogota) to Onagawa	44.7	Single track	13	1.067	–	–
Itsukaichi Line	(Haijima) to Musashi-Itsukaichi	11.1	Single track	6	1.067	DC 1,500	1
Ito Line	(Atami) to Ito	16.9	Single track Double track	5	1.067	DC 1,500	1
Uetsu Line	(Niitsu) to (Akita)	271.7	Single track Double track	58	1.067	DC 1,500 AC 20,000	6 1
Uchibo Line	(Soga) to Awa-Kamogawa [via Kisarazu]	119.4	Single track Double track	29	1.067	DC 1,500	12
Echigo Line	(Kashiwazaki) to (Niigata)	83.8	Single track	30	1.067	DC 1,500	6
Ou Line	(Fukushima) to Aomori [via Akita] [including Shin-Aomori to Higashi-Aomori]	484.5	Single track Double track	100		AC 20,000	7
	Of which: (Fukushima) to Shinjo				1.435 1.067		
	Shinjo to Omagari				1.067		
	Omagari to Akita				1.435 1.067		
	Akita to Aomori				1.067		
Ome Line	(Tachikawa) to Oku-Tama	37.2	Single track Double track Triple track	24	1.067	DC 1,500	3
Oito Line	(Matsumoto) to Minami-Otari	70.1	Single track	32	1.067	DC 1,500	5
Ofunato Line	(Ichinoseki) to Kesenuma	62.0	Single track	13	1.067	–	–
Ominato Line	Noheji to Ominato	58.4	Single track	11	1.067	–	–
Oga Line	(Oiwake) to Oga	26.4	Single track	8	1.067	AC 20,000	1
Kashima Line	(Katori) to Kashima-Soccer Stadium	17.4	Single track	5	1.067	DC 1,500	1
Kamaishi Line	(Hanamaki) to Kamaishi	90.2	Single track	23	1.067	–	–
Karasuyama Line	(Hoshakuji) to Karasuyama	20.4	Single track	7	1.067	DC 1,500	1

Line	Section	Operating kilometers (km)	Single or double track	Number of stations	Track gauge (m)	Voltage (V)	Number of substations
Kawagoe Line	(Omiya) to (Komagawa)	30.6	Single track Triple track	9	1.067	DC 1,500	5
Kitakami Line	(Kitakami) to (Yokote)	61.1	Single track	13	1.067	—	—
Kururi Line	(Kisarazu) to Kazusa-Kameyama	32.2	Single track	13	1.067	—	—
Keiyo Line	(Tokyo) to (Soga)	43.0	Double track	16	1.067	DC 1,500	9
Kesennuma Line	(Ichikawashiohama) to (Minami-Funabashi) [via Nishi-Funabashi]	11.3	Double track	—	1.067	DC 1,500	—
	(Maeyachi) to Yanaizu	17.5	Single track	5	1.067	—	—
Koumi Line	(Kobuchisawa) to Komoro	78.9	Single track	30	1.067	—	—
Gono Line	(Higashi-Noshiro) to (Kawabe) [via Goshogawara]	147.2	Single track	41	1.067	—	—
Sagami Line	(Chigasaki) to (Hashimoto)	33.3	Single track	16	1.067	DC 1,500	1
Shinonoi Line	(Shiojiri) to (Shinonoi)	66.7	Single track Double track	13	1.067	DC 1,500	7
Joetsu Line	(Takasaki) to (Miyachi) [via Minakami] (Echigo-Yuzawa) to GALA Yuzawa	162.6	Double track	33	1.067	DC 1,500	12
		1.8	Double track	1	1.435	AC 25,000	—
Joban Line	(Nippori) to (Iwanuma) [via Tsuchiura]	343.7	Single track Double track Quad track	78	1.067	DC 1,500 AC 20,000	9 8
	(Mikawashima) to (Minami-Senju) [via Sumidagawa]	5.7	Single track	1	1.067	DC 1,500	—
Shin-etsu Line	(Mikawashima) to (Tabata)	1.6	Double track	—	1.067	DC 1,500	—
	(Takasaki) to Yokokawa	29.7	Double track	7	1.067	DC 1,500	1
	Shinonoi to Nagano	9.3	Double track	5	1.067	DC 1,500	1
	Naoetsu to Niigata [via Nagaoka] [including Echigo-Ishiyama to Higashi-Niigata]	136.3	Double track	42	1.067	DC 1,500	11
Suigun Line	(Mito) to (Asakanagamori)	137.5	Single track	38	1.067	—	—
	(Kami-Sugaya) to Hitachi-Ota	9.5	Single track	5	1.067	—	—
Senzan Line	(Sendai) to (Uzen-Chitose)	58.0	Single track	16	1.067	AC 20,000	—
Senseki Line	Aobadori Avenue to (Ishinomaki)	49.0	Single track	30	1.067	DC 1,500	4
			Double track				
Sobu Line	(Tokyo) to Choshi [via Asahi]	120.5	Single track Double track Quad track	41	1.067	DC 1,500	20
	(Kinshicho) to (Ochanomizu)	4.3	Double track	2	1.067	DC 1,500	1

Line	Section	Operating kilometers (km)	Single or double track	Number of stations	Track gauge (m)	Voltage (V)	Number of substations
Sotobo Line	(Koiwa) to Etchujima Kamotsu	11.7	Single track	1	1.067	–	–
	(Koiwa) to (Kanamachi)	8.9	Single track	–	1.067	DC 1,500	–
	(Chiba) to (Awa-Kamogawa)	93.3	Single track Double track	25	1.067	DC 1,500	9
Takasaki Line	(Omiya) to Takasaki [via Miyahara]	74.7	Double track	18	1.067	DC 1,500	10
Tazawako Line	(Morioka) to (Omagari)	75.6	Single track	16	1.435	AC 20,000	1
Tadami Line	(Aizu-Wakamatsu) to (Koide)	135.2	Single track	34	1.067	–	–
Chuo Line	Kanda to Yoyogi	8.3	Double track Quad track	9	1.067	DC 1,500	3
	(Shinjuku) to Shiojiri [via Midoriko]	211.8	Single track Double track Quad track	58	1.067	DC 1,500	25
Tsugaru Line	(Okaya) to (Shiojiri) [via Tatsuno]	27.7	Single track	4	1.067	DC 1,500	2
	(Aomori) to Mimmaya	55.8	Single track	17	1.067	–	–
	Of which: (Aomori) to Naka-Oguni Naka-Oguni to Mimmaya					AC 20,000 –	1 –
Tsurumi Line	(Tsurumi) to Ogimachi	7.0	Double track Triple track	8	1.067	DC 1,500	–
	(Asano) to Umi-Shibaura	1.7	Single track Double track	2	1.067	DC 1,500	–
Tokaido Line	(Musashi-Shiraishi) to Okawa	1.0	Single track	1	1.067	DC 1,500	–
	Tokyo to Atami [via Kawasaki and Yokohama]	104.6	Double track Quad track Three double-track Four double-track	33	1.067	DC 1,500	22
	(Shinagawa) to (Tsurumi) [via Shin-Kawasaki]	17.8	Double track	2	1.067	DC 1,500	3
	(Hamamatsucho) to Hama-Kawasaki	19.5	Double track	2	1.067	DC 1,500	2
	(Tsurumi) to (Higashi-Totsuka) [via Yokohama-Hazawa]	16.0	Double track	1	1.067	DC 1,500	1
	(Tsurumi) to (Hatchonawate)	2.3	Double track	–	1.067	DC 1,500	–
	(Tsurumi) to (Sakuragicho)	8.5	Single track Double track	–	1.067	DC 1,500	–
	Togane Line	(Oami) to (Naruto)	13.8	Single track	3	1.067	DC 1,500

Line	Section	Operating kilometers (km)	Single or double track	Number of stations	Track gauge (m)	Voltage (V)	Number of substations
Tohoku Line	(Tokyo) to (Kanda) to Morioka [via Oji and Sendai]	535.3	Double track Quad track Three double-track Four double-track Five double-track	129	1.067	DC 1,500 AC 20,000	24 12
	(Nippori) to (Akabane) [via Oku]	7.6	Double track Quad track	1	1.067	DC 1,500	–
	(Akabane) to (Omiya) [via Musashi-Urawa]	18.0	Double track	10	1.067	DC 1,500	2
	(Nagamachi) to (Higashi-Sendai) [via Miyagino]	6.6	Double track	1	1.067	AC 20,000	–
	(Iwakiri) to Rifu	4.2	Single track	2	1.067	AC 20,000	–
	(Matsushima) to (Takagimachi)	0.3	Single track	–	1.067	–	–
Narita Line	(Sakura) to (Matsugishi)	75.4	Single track Double track	14	1.067	DC 1,500	6
	(Narita) to (Abiko)	32.9	Single track	8	1.067	DC 1,500	2
	(Narita) to Narita Airport Terminal 1	10.8	Single track	2	1.067	DC 1,500	2
Nambu Line	(Kawasaki) to (Tachikawa)	35.5	Double track	24	1.067	DC 1,500	4
	(Shitte) to (Hama-Kawasaki)	4.1	Single track Double track Triple track	3	1.067	DC 1,500	–
	(Shitte) to (Tsurumi)	5.4	Single track	–	1.067	DC 1,500	–
Nikko Line	(Utsunomiya) to Nikko	40.5	Single track	6	1.067	DC 1,500	2
Negishi Line	(Yokohama) to (Ofuna)	22.1	Double track	10	1.067	DC 1,500	2
			Triple track				
Hakushin Line	(Shibata) to (Niigata)	27.3	Single track	8	1.067	DC 1,500	2
			Double track Triple track				
Hachiko Line	(Hachioji) to (Kuragano)	92.0	Single track	20	1.067	DC 1,500 –	– –
	Of which: (Hachioji) to Komagawa Komagawa to (Kuragano)						
Hachinohe Line	Hachinohe to Kuji	64.9	Single track	24	1.067	–	–
Hanawa Line	Koma to (Odate)	106.9	Single track	26	1.067	–	–
Ban-etsu-West Line	(Koriyama) to (Niitsu)	175.6	Single track	41	1.067	AC 20,000 –	2 –
	Of which: (Koriyama) to Kitakata Kitakata to (Niitsu)						

Line	Section	Operating kilometers (km)	Single or double track	Number of stations	Track gauge (m)	Voltage (V)	Number of substations
Ban-etsu-East Line	(Iwaki) to (Koriyama)	85.6	Single track	14	1.067	–	–
Mito Line	(Oyama) to (Tomobe)	50.2	Single track	14	1.067	AC 20,000	–
Musashino Line	(Tsurumi) to (Nishi-Funabashi) [via Higashi-Urawa] [including Shin-Kodaira to Kunitachi] [including Minami-Nagareyama to Kita-Kogane] [including Minami-Nagareyama to Mabashi]	100.6	Single track Double track	20	1.067	DC 1,500	11
	(Nishi-Urawa) to (Yono)	4.9	Double track	–	1.067	DC 1,500	–
Yahiko Line	Yahiko to (Higashi-Sanjo)	17.4	Single track	6	1.067	DC 1,500	–
Yamada Line	(Morioka) to Miyako	102.1	Single track	14	1.067	–	–
Yamanote Line	(Shinagawa) to (Yoyogi) to (Tabata) [via Shinjuku]	20.6	Double track Quad track Four double-track	14	1.067	DC 1,500	5
Yokosuka Line	(Ofuna) to Kurihama	23.9	Single track Double track	8	1.067	DC 1,500	3
Yokohama Line	(Higashi-Kanagawa) to (Hachioji)	42.6	Double track	18	1.067	DC 1,500	4
Yonesaka Line	(Yonezawa) to (Sakamachi)	90.7	Single track	18	1.067	–	–
Riku-West Line	(Shinjo) to (Amarume)	43.0	Single track	8	1.067	–	–
Riku-East Line	(Kogota) to (Shinjo)	94.1	Single track	25	1.067	–	–
Ryomo Line	(Oyama) to (Shim-Maebashi)	84.4	Single track Double track	17	1.067	DC 1,500	7
Subtotal		6,108.0	–	1,617	–	–	307
Tohoku Shinkansen	(Tokyo) to (Shin-Aomori)	713.7	Double track	(17) 6	1.435	AC 25,000	18
Joetsu Shinkansen	(Omiya) to (Niigata)	303.6	Double track	(7) 2	1.435	AC 25,000	6
Hokuriku Shinkansen	(Takasaki) to Joetsumyoko	176.9	Double track	(3) 4	1.435	AC 25,000	4
Subtotal		1,194.2	–	(27) 12	–	–	28
Total		7,302.2	–	(27) 1,629	–	–	335

- (Notes) 1. Stations listed in parentheses in the “Section” column are not included in the number of stations for the relevant section.
2. The number of stations listed in parentheses in the “Number of Stations” column for Shinkansen indicates the number of stations that are shared facilities with conventional lines.
Stations listed for the Tohoku Shinkansen include Tokyo Station and Shin-Aomori Station, and those for the Joetsu Shinkansen include Niigata Station.
3. “AC” and “DC” in the “Voltage” column indicate AC (Alternating Current) and DC (Direct Current) power, respectively.

b. Rolling stock

(a) Number of vehicles

Classification	Steam locomotives	Electric locomotives	Internal combustion locomotives	Internal combustion railcars	Electric trains				Passenger trains	Freight trains	Total
					Motorized	Controlled electric-powered	Controlled	Attached			
Conventional lines	4	28	27	552	5,026	497	2,672	2,073	45	64	10,988
Shinkansen lines	–	–	–	–	1,022	82	204	79	–	–	1,387
Total	4	28	27	552	6,048	579	2,876	2,152	45	64	12,375

(Note) In addition to the above, the Company owns 348 track construction and maintenance vehicles and 28 other vehicles (replacement rolling stock, etc.)

(b) Rolling stock facilities

Major rolling stock centers and train sections are as follows.

Name	Location	Land		Buildings	
		Area (m ²)	Book value (millions of yen)	Area (m ²)	Book value (millions of yen)
Shinkansen General Rolling Stock Center	Rifu-cho, Miyagi-gun, Miyagi	477,880	7,636	198,405	4,997
Niigata Shinkansen Rolling Stock Center	Higashi-ku, Niigata-shi, Niigata	326,822	38,002	77,531	1,509
Nagano General Rolling Stock Center	Nagano-shi, Nagano	270,006	341	79,484	1,444
Tokyo General Rolling Stock Center	Shinagawa-ku, Tokyo	223,475	425	126,243	3,200
Makuhari Rolling Stock Center	Hanamigawa-ku, Chiba-shi, Chiba	178,089	2,706	13,594	372
Keiyo Rolling Stock Center	Mihama-ku, Chiba-shi, Chiba	(172,213)	–	(8,428)	–
		–	–	94	56
Akita General Rolling Stock Center	Akita-shi, Akita	171,131	64	67,087	1,529
Nagano Shinkansen Rolling Stock Center	Nagano-shi, Nagano	(165,301)	–	(17,872)	–
		–	–	–	43
Omiya General Rolling Stock Center	Omiya-ku, Saitama-shi, Saitama	162,782	73	87,395	2,213
Koriyama General Rolling Stock Center	Koriyama-shi, Fukushima	161,294	247	76,868	803
Akita General Rolling Stock Center Minami-Akita Center	Akita-shi, Akita	136,669	262	28,673	1,158
Morioka Shinkansen Rolling Stock Center	Morioka-shi, Iwate	122,209	5,886	32,315	535
Kawagoe Rolling Stock Center	Kawagoe-shi, Saitama	112,008	5,408	8,303	242
Kozu Rolling Stock Center	Odawara-shi, Kanagawa	106,505	1,212	13,506	863
Sendai Rolling Stock Center	Miyagino-ku, Sendai-shi, Miyagi	102,500	276	13,104	398
Morioka Shinkansen Rolling Stock Center, Aomori Facilities	Aomori-shi, Aomori	(99,138)	–	(31,473)	–
		–	–	–	9
Oku Rolling Stock Center	Kita-ku, Tokyo	91,815	176	15,472	578

Name	Location	Land		Buildings	
		Area (m ²)	Book value (millions of yen)	Area (m ²)	Book value (millions of yen)
Toyoda Rolling Stock Center	Hino-shi, Tokyo	85,746	20	13,650	1,220
Yamagata Shinkansen Rolling Stock Center	Yamagata-shi, Yamagata	85,156	170	9,342	291
Kamakura Rolling Stock Center	Kamakura-shi, Kanagawa	79,169	137	11,978	601
Higashi-Tokorozawa Electric Railcar Depot	Tokorozawa-shi, Saitama	68,340	13	1,715	91
Oyama Rolling Stock Center	Shimotsuke-shi, Tochigi	68,264	46	12,289	224
Morioka Rolling Stock Center, Hachinohe Facilities	Hachinohe-shi, Aomori	58,883	7	5,068	248
Matsudo Rolling Stock Center	Matsudo-shi, Chiba	57,073	17	8,221	264
Koriyama General Rolling Stock Center, Aizu-Wakamatsu Facilities	Aizuwakamatsu-shi, Fukushima	54,688	24	4,810	22
Morioka Rolling Stock Center	Morioka-shi, Iwate	48,616	100	13,317	419
Tsugaru Transportation Depot	Hirosaki-shi, Aomori	47,597	14	7,353	487
Oyama Shinkansen Rolling Stock Center	Oyama-shi, Tochigi	47,534	1,745	19,626	468
Saitama Rolling Stock Center	Kawaguchi-shi, Saitama	46,557	117	11,416	518
Mito Transportation Depot	Mito-shi, Ibaraki	45,663	20	2,949	123

(Note) Figures listed in parentheses () represent those on lease from Japan Railway Construction, Transport and Technology Agency.

(c) Other major facilities

Name	Location	Land		Buildings	
		Area (m ²)	Book value (millions of yen)	Area (m ²)	Book value (millions of yen)
Ueno Track Maintenance Technology Center	Kita-ku, Tokyo	56,563	389	4,893	236
Sendai Track Maintenance Technology Center	Miyagino-ku, Sendai-shi, Miyagi	26,348	421	5,821	241
Tokyo Materials Recycling Center	Koto-ku, Tokyo	15,184	100	6,681	63
Niigata Materials Recycling Center	Higashi-ku, Niigata-shi, Niigata	8,107	942	2,100	30
Sendai Materials Recycling Center, Morioka Facilities	Morioka-shi, Iwate	7,576	3	1,868	11
Sendai Materials Recycling Center	Rifu-cho, Miyagi-gun, Miyagi	5,765	81	2,005	38

(iii) Real Estate & Hotels

Major leased facilities are as follows.

Name	Location	Land		Buildings		
		Area (m ²)	Book value (millions of yen)	Total area (m ²)	Book value (millions of yen)	Leased area (m ²)
WATERS takeshiba	Minato-ku, Tokyo	25,043	11,918	106,516	38,198	106,516
Perie Chiba	Chuo-ku, Chiba-shi, Chiba	16,818	303	52,041	8,245	52,041
Hachioji Station Building (CELEO HACHIOJI North Building)	Hachioji-shi, Tokyo	13,911	11,461	18,466	430	18,466
COTONIOR GARDEN Shin-Kawasaki	Saiwai-ku, Kawasaki-shi, Kanagawa	11,683	9	–	–	–
Kamakura Sports Commission (Soccer Ground)	Kamakura-shi, Kanagawa	11,583	7	–	–	–
Hotel Familio Tateyama	Tateyama-shi, Chiba	11,035	0	3,415	195	3,415
Metropolitan Plaza Building	Toshima-ku, Tokyo	9,895	46,551	–	–	–
Sendai Station Building (S-PAL Sendai East Building)	Aoba-ku, Sendai-shi, Miyagi	8,836	9	36,982	8,321	36,982
Hodogaya Apartments (Urban Heights Hodogaya)	Hodogaya-ku, Yokohama-shi, Kanagawa	8,053	185	–	–	–
Morioka Station Building (FES"AN)	Morioka-shi, Iwate	7,997	1,337	18,340	123	18,340
Mito Station Building (excel minami)	Mito-shi, Ibaraki	7,976	7	31,940	1,966	31,940
Lieto-garden MITAKA	Mitaka-shi, Tokyo	7,730	3	–	–	–
Hotel Metropolitan	Toshima-ku, Tokyo	7,647	12,797	–	–	–
Niigata South Exit Station Building (CoCoLo South Building)	Chuo-ku, Niigata-shi, Niigata	7,502	5	43,585	2,663	43,585
KAWASAKI DELTA	Saiwai-ku, Kawasaki-shi, Kanagawa	7,458	7,028	134,673	47,003	134,673
Nagano Station Building (MIDORI Nagano)	Nagano-shi, Nagano	7,434	2,135	14,624	1,441	14,624
Kokubunji Station Building (CELEO KOKUBUNJI)	Kokubunji-shi, Tokyo	7,417	7,597	–	–	–
Kawasaki Station Building (atré Kawasaki)	Kawasaki-ku, Kawasaki-shi, Kanagawa	7,381	9,622	17,186	2,788	17,186
Sugamo Apartments (Urban Heights Sugamo)	Toshima-ku, Tokyo	6,882	1,651	–	–	–
Aizuwakamatsu Station, Pivot Foods	Aizuwakamatsu-shi, Fukushima	6,614	56	2,085	51	2,085
Hotel Metropolitan Edmont	Chiyoda-ku, Tokyo	6,589	12,422	27,329	1,090	27,329
Tachikawa Station Building (LUMINE Tachikawa)	Tachikawa-shi, Tokyo	6,382	8,425	19,329	1,162	19,329
JR Yokohama Tower	Nishi-ku, Yokohama-shi, Kanagawa	6,260	24,672	96,297	53,492	96,297
Hiratsuka Station Building (LUSCA Hiratsuka)	Hiratsuka-shi, Kanagawa	6,247	4,792	10,304	70	10,304
Hotel Metropolitan Nagano	Nagano-shi, Nagano	6,218	32	26,366	1,636	26,366

Name	Location	Land		Buildings		
		Area (m ²)	Book value (millions of yen)	Total area (m ²)	Book value (millions of yen)	Leased area (m ²)
GALA Yuzawa Snow Resort	Yuzawa-machi, Minamiuonuma-gun, Niigata	5,876	754	23,881	1,641	23,881
HOLIDAY Sports Club Akita	Akita-shi, Akita	5,680	2	–	–	–
Akita Fresh Food Market Hodono	Akita-shi, Akita	5,479	289	–	–	–
JR Shinagawa East Building	Minato-ku, Tokyo	5,245	17	62,739	6,383	62,739
Akita Station Building (ALS)	Akita-shi, Akita	5,126	300	27,803	1,149	27,803

(2) Domestic subsidiaries

(i) Breakdown of major equipment in Transportation segment

Company name/ Location	Book value (millions of yen)					Number of employees
	Land (area in 1000 m ²)	Buildings	Structures	Others	Total	
Japan Transport Engineering Company Kanazawa-ku, Yokohama-shi, Kanagawa	1,561 (265)	4,956	1,938	4,768	13,224	1,195
TOKYO MONORAIL CO., LTD. Minato-ku, Tokyo	2,509 (58)	1,254	5,036	2,371	11,172	284

(ii) Breakdown of major equipment in Retail & Services segment

Company name/ Location	Book value (millions of yen)					Number of employees
	Land (area in 1000 m ²)	Buildings	Structures	Others	Total	
JR East Cross Station Co., Ltd. Shibuya-ku, Tokyo	15,405 (44)	46,657	334	7,542	69,940	2,564
JR East Sports Co., Ltd. Toshima-ku, Tokyo	— (—)	8,175	175	677	9,027	244

(iii) Breakdown of major equipment in Real Estate & Hotels segment

Company name/ Location	Book value (millions of yen)					Number of employees
	Land (area in 1000 m ²)	Buildings	Structures	Others	Total	
JR East Building Co., Ltd. Shibuya-ku, Tokyo	69,447 (22)	45,904	585	434	116,372	139
JR East Urban Development Corporation Shibuya-ku, Tokyo	4,403 (24)	58,604	2,105	930	66,045	461
atré Co., Ltd. Shibuya-ku, Tokyo	— (—)	43,109	247	1,885	45,242	360
LUMINE Co., Ltd. Shibuya-ku, Tokyo	2,313 (1)	41,047	474	1,091	44,927	493
NIPPON HOTEL Co., Ltd. Toshima-ku, Tokyo	41 (0)	23,015	238	2,076	25,371	1,446
Sendai Terminal Building Co., Ltd. Aoba-ku, Sendai-shi, Miyagi	— (—)	15,812	1,122	525	17,460	380
Chiba Station Building Co., Ltd. Chuo-ku, Chiba-shi, Chiba	3,476 (12)	12,357	111	641	16,586	130
JR Chuo Line Community Design Co., Ltd. Koganei-shi, Tokyo	834 (2)	14,818	531	181	16,366	194
Shonan Station Building Co., Ltd. Hiratsuka-shi, Kanagawa	93 (0)	9,308	219	166	9,787	91

(iv) Breakdown of major equipment in Others segment

Company name/ Location	Book value (millions of yen)					Number of employees
	Land (area in 1000 m ²)	Buildings	Structures	Others	Total	
JR East Information Systems Company Shinjuku-ku, Tokyo	1 (0)	1,285	—	8,430	9,717	1,363

(Notes) 1. The above figures are the balance of property, plant and equipment (excluding construction in progress).

2. "Others" in book value is the total amount of machinery, rolling stock and equipment, and tools, furniture, and fixtures.

3. Number of employees shows the number of persons at work.

3. Plans for Installation and Removal of Facilities

(1) Plans for installation and removal of major facilities are as follows.

	Subject	Planned total amount (millions of yen)	Amount already paid (millions of yen)	Financing method	Construction start date	Scheduled completion date
Transportation	Measures for safety & stability of transportation					
	Installation of monitors on Shinkansen bogies	16,958	36	Self-funded	June 2021	Fiscal 2027
	Installation of automatic platform gates on major lines in the Tokyo area	227,712	67,321	Self-funded Construction grants	April 2013	End of Fiscal 2032
	Construction of large-scale earthquake countermeasures	592,882	449,907	Self-funded	June 2003	March 2029
	Transportation improvements, etc.					
	Construction to introduce ATACS to major line segments in the Tokyo metropolitan area	61,091	3,630	Self-funded	July 2020	Around 2028
	New construction of approaching line in Fukushima Station	11,793	1,531	Self-funded	August 2018	Fiscal 2027
	Construction for conductorless operations in major line segments in the Tokyo metropolitan area	39,941	3,220	Self-funded	November 2017	Around 2025
	Construction of ground equipment with the aim of increasing train speeds between Morioka Station and Shin-Aomori Station on the Tohoku Shinkansen Line	11,602	1,017	Self-funded	September 2017	Fiscal 2028
	Renovation of passage, new station facility and development of station building at Nakano Station	33,417	5,655	Self-funded Construction grants	October 2014	2027
	Construction work accompanying the introduction of green cars on the Chuo Rapid Line, etc.	60,194	29,371	Self-funded	June 2014	From Fiscal 2025 onward
	Improvement of Shibuya Station and construction of free passageway	88,600	52,386	Self-funded Construction grants	April 2014	End of fiscal 2028
	Improvement of Ochanomizu Station	22,769	11,505	Self-funded Construction grants	December 2013	Fiscal 2024
	Renovation of passage and station facility above the bridge at Hamamatsucho Station north exit	25,867	1,958	Self-funded Construction grants	February 2013	September 2029
	Renovation of station facility and station building at Shinagawa Station north exit	109,200	14,558	Self-funded Construction grants	July 2012	Fiscal 2031
	New construction of station facility above the bridge at Shibuya Station south exit	18,281	2,013	Self-funded Construction grants	December 2011	September 2027
	Improvement of Tokaido Line Shinbashi Station	32,938	27,203	Self-funded	November 2010	March 2031
Renovation and construction of station building at Matsudo Station	27,112	5,401	Self-funded	June 2010	Spring 2027	
Construction of continuous elevated railroad around Jujo Station	31,806	776	Self-funded Construction grants	June 2009	Fiscal 2031	
Renovation of east-west free passage at Tokyo Station south section	24,210	4,904	Self-funded Construction grants	July 2007	Around 2029	

	Subject	Planned total amount (millions of yen)	Amount already paid (millions of yen)	Financing method	Construction start date	Scheduled completion date
	Construction of new rolling stock	95,000	–	Self-funded	April 2023	March 2024
Real Estate & Hotels	Construction of station buildings, etc.					
	Development of MEGURO MARC	23,084	22,386	Self-funded	August 2019	November 2023
	Construction of SHIBUYA SCRAMBLE SQUARE	42,300	39,163	Self-funded Construction grants	May 2010	Fiscal 2028
	TAKANAWA GATEWAY CITY	580,000	96,095	Self-funded	July 2009	Fiscal 2026

(Note) “Installation of monitors on Shinkansen bogies” is listed from the fiscal year ended March 31, 2023.

(2) There are no matters to be noted with respect to plans for removing any facilities, etc.

No. 4: Reporting Company

1. Company Shares

(1) Total number of shares, etc.

(i) Total number of shares

Category	Total number of shares authorized to be issued by the Company
Common stock	1,600,000,000
Total	1,600,000,000

(ii) Issued shares

Category	Number of shares issued as of the end of the fiscal year (March 31, 2023)	Number of shares issued as of the date of submission (June 22, 2023)	Name of listed financial instruments exchange or registered and authorized financial instruments firms association	Details
Common stock	377,932,400	377,932,400	Tokyo Stock Exchange Prime Market	The number of shares constituting one unit is 100 shares.
Total	377,932,400	377,932,400	-	-

(2) Status of share acquisition rights, etc.

(i) Description of stock option scheme

Not applicable.

(ii) Description of rights plan

Not applicable.

(iii) Status of other share acquisition rights, etc.

Not applicable.

(3) Exercise of bonds with share acquisition rights with exercise price revision clause, etc.

Not applicable.

(4) Changes in total number of issued shares, common stock, etc.

Date	Increase/decrease in total number of issued shares (shares)	Balance of total number of issued shares (shares)	Increase/decrease in common stock (millions of yen)	Balance of common stock (millions of yen)	Increase/decrease in additional paid- in capital (millions of yen)	Additional paid-in capital balance (millions of yen)
July 24, 2018 (Note)	(3,833,300)	381,822,200	-	200,000	-	96,600
August 5, 2019 (Note)	(3,889,800)	377,932,400	-	200,000	-	96,600

(Note) The decrease is due to cancellation of treasury stock.

(5) Status by shareholder

(As of March 31, 2023)

Classification	Status of shares (Number of shares per unit: 100 shares)								Status of shares constituting less than one unit (shares)
	National and local governments	Financial organizations	Financial instruments firms	Other corporations	Foreign corporations, etc.		Individuals and others	Total	
					Non-individuals	Individuals			
Number of shareholders	1	233	60	2,164	846	333	283,268	286,905	–
Number of shares held (units)	1	1,471,348	67,807	281,257	1,043,785	633	910,362	3,775,193	413,100
Percentage of shares held (%)	0.00	38.97	1.80	7.45	27.65	0.02	24.11	100.0	–

- (Notes) 1. “Other corporations” includes 229 units of shares held in the name of Japan Securities Depository Center, Inc.
2. “Individuals and others” and “Status of shares constituting less than one unit” include 3,344 units and 94 shares of treasury stock, respectively.
3. The number of shareholders holding only shares less than one unit is 14,640.

(6) Status of major shareholders

(As of March 31, 2023)

Name	Address	Number of shares held (100 shares)	Percentage of shares held to total number of issued shares (excluding treasury stock) (%)
The Master Trust Bank of Japan, Ltd. (as Trustee)	11-3, Hamamatsucho 2-chome, Minato-ku, Tokyo	502,816	13.32
Custody Bank of Japan, Ltd. (as Trustee)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	153,249	4.06
The JR East Employees Shareholding Association	2-2, Yoyogi 2-chome, Shibuya-ku, Tokyo	132,669	3.51
Mizuho Bank, Ltd. (standing proxy: Custody Bank of Japan, Ltd.)	5-5, Otemachi 1-chome, Chiyoda-ku, Tokyo (8-12, Harumi 1-chome, Chuo-ku, Tokyo)	130,000	3.44
MUFG Bank, Ltd.	7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	81,380	2.16
Nippon Life Insurance Company (standing proxy: The Master Trust Bank of Japan, Ltd.)	6-6, Marunouchi 1-chome, Chiyoda-ku, inside Securities Operations Dept., Nippon Life Insurance Company (11-3, Hamamatsucho 2-chome, Minato-ku, Tokyo)	80,155	2.12
Sumitomo Mitsui Banking Corporation	1-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo	68,450	1.81
STATE STREET BANK WEST CLIENT -TREATY 505234 (standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171, U.S.A. (Shinagawa Intercity Tower A, 15-1, Konan 2-chome, Minato-ku, Tokyo)	63,246	1.67
Mitsubishi UFJ Trust and Banking Corporation (standing proxy: The Master Trust Bank of Japan, Ltd.)	4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo (11-3, Hamamatsucho 2-chome, Minato-ku, Tokyo)	50,000	1.32
JP MORGAN CHASE BANK 385781 (standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (Shinagawa Intercity Tower A, 15-1, Konan 2-chome, Minato-ku, Tokyo)	48,219	1.28
Total	–	1,310,186	34.70

(Notes) 1. The report of change in substantial holding filed by BlackRock Japan Co., Ltd. and its joint shareholders dated December 21, 2020 states that they held the below shares as of December 15, 2020. However, since the Company cannot confirm the number of shares actually held by such entities as of March 31, 2023, they are not included in “(6) Status of major shareholders” above.

Details of the said report of change in substantial holding are as follows:

Name	Address	Number of shares held (100 shares)	Percentage of shares held to total number of issued shares (%)
BlackRock Japan Co., Ltd.	8-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo	42,827	1.13
BlackRock Financial Management, Inc.	55 East 52nd Street, New York, NY, U.S.A.	3,810	0.10
BlackRock Fund Managers Limited	12 Throgmorton Avenue, London, U.K.	8,395	0.22
BlackRock Asset Management Ireland Limited	2 Ballsbridge Park, Ballsbridge, Dublin, Republic of Ireland	16,164	0.43
BlackRock Fund Advisors	400 Howard Street, San Francisco, CA, U.S.A.	55,116	1.46
BlackRock Institutional Trust Company, N.A.	400 Howard Street, San Francisco, CA, U.S.A.	49,518	1.31
BlackRock Investment Management(UK)Limited	12 Throgmorton Avenue, London, U.K.	13,841	0.37

2. The report of change in substantial holding filed by Mizuho Bank, Ltd. and its joint shareholder dated July 7, 2021 states that they held the below shares as of June 30, 2021. However, since the Company cannot confirm the number of shares actually held by such entities as of March 31, 2023, they are not included in “(6) Status of major shareholders” above.

Details of the said report of change in substantial holding are as follows:

Name	Address	Number of shares held (100 shares)	Percentage of shares held to total number of issued shares (%)
Mizuho Bank, Ltd.	5-5, Otemachi 1-chome, Chiyoda-ku, Tokyo	130,000	3.44
Asset Management One Co., Ltd.	8-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo	103,524	2.74

3. The report of change in substantial holding filed by Mitsubishi UFJ Financial Group, Inc. dated June 20, 2022 states that the entities named below held the below shares as of June 13, 2022. However, since the Company cannot confirm the number of shares actually held by such entities as of March 31, 2023, they are not included in “(6) Status of major shareholders” above.

Details of the said report of change in substantial holding are as follows:

Name	Address	Number of shares held (100 shares)	Percentage of shares held to total number of issued shares (%)
MUFG Bank, Ltd.	7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	81,380	2.15
Mitsubishi UFJ Trust and Banking Corporation	4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo	175,072	4.63
Mitsubishi UFJ Kokusai Asset Management Co., Ltd.	12-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo	24,724	0.65

4. The report of change in substantial holding filed by Sumitomo Mitsui Trust Bank, Limited dated October 20, 2022 states that the entities named below held the below shares as of October 14, 2022. However, since the Company cannot confirm the number of shares actually held by such entities as of March 31, 2023, they are not included in “(6) Status of major shareholders” above.

Details of the said report of change in substantial holding are as follows:

Name	Address	Number of shares held (100 shares)	Percentage of shares held to total number of issued shares (%)
Sumitomo Mitsui Trust Asset Management Co., Ltd.	1-1, Shiba Koen 1-chome, Chiyoda-ku, Tokyo	120,625	3.19
Nikko Asset Management Co., Ltd.	7-1, Akasaka 9-chome, Minato-ku, Tokyo	53,601	1.42

(7) Status of voting rights

(i) Issued shares

(As of March 31, 2023)

Classification	Number of shares (shares)	Number of voting rights (units)	Details
Non-voting shares	–	–	–
Shares with restricted voting rights (treasury stock, etc.)	–	–	–
Shares with restricted voting rights (other)	–	–	–
Shares with full voting rights (treasury stock, etc.)	(Self-held treasury stock) Common stock 334,400	–	–
	(Mutually-held stock) Common stock 20,000		
Shares with full voting rights (other)	Common stock 377,164,900	3,771,649	–
Shares constituting less than one unit	Common stock 413,100	–	Shares less than one unit (100 shares)
Total number of issued shares	377,932,400	–	–
Total voting rights of all shareholders	–	3,771,649	–

(Note) Common stock in the space “Shares with full voting rights (other)” includes 22,900 shares (229 voting rights) held in the name of Japan Securities Depository Center, Inc.

(ii) Treasury stock, etc.

(As of March 31, 2023)

Name of shareholder	Address of shareholder	Number of shares held under own name (shares)	Number of shares held in name of others (shares)	Total number of shares held (shares)	Percentage of shares held to total number of issued shares (%)
(Self-held treasury stock) East Japan Railway Company	2-2, Yoyogi 2-chome, Shibuya-ku, Tokyo	334,400	–	334,400	0.09
(Mutually-held stock) KOTSU SHIMBUNSHA	3-11, Kanda-Surugadai 2- chome, Chiyoda-ku, Tokyo	20,000	–	20,000	0.01
Total	–	354,400	–	354,400	0.09

2. Purchase of Treasury Stock

Type of stock, etc. Acquisition of common stock falling under Article 155, Item 7 of the Companies Act

(1) Acquisition by resolution of the General Meeting of Shareholders

Not applicable.

(2) Acquisition by resolution of the Board of Directors

Not applicable.

(3) Details of acquisition not based on resolution of the General Meeting of Shareholders or the Board of Directors

Classification	Number of shares (shares)	Total amount (yen)
Treasury stock acquired during the current fiscal year	1,484	10,548,977
Treasury stock acquired during the relevant period	200	1,555,320

(Note) Treasury stock acquired during the relevant period does not include the number of shares acquired from June 1, 2023 to the date of submission of the Annual Securities Report stemming from requests for purchase of shares constituting less than one unit.

(4) Disposal and holding of acquired treasury stock

Classification	Fiscal year ended March 31, 2023		Relevant period	
	Number of shares (shares)	Total amount of disposal price (yen)	Number of shares (shares)	Total amount of disposal price (yen)
Acquired treasury stock offered to subscribers	–	–	–	–
Acquired treasury stock disposed by cancellation	–	–	–	–
Acquired treasury stock transferred in connection with merger, share exchange, share issuance, or corporate split	–	–	–	–
Other (sale by request for sale of shares constituting less than one unit)	–	–	–	–
Number of treasury stock held	334,494	–	334,694	–

(Note) The number of other shares during the relevant period does not include the number of shares acquired or disposed of from June 1, 2023 to the date of submission of the Annual Securities Report stemming from requests for sale of shares constituting less than one unit. Also, the number of treasury stock held during the relevant period does not include the number of shares acquired or disposed of from June 1, 2023 to the date of submission of the Annual Securities Report stemming from requests for purchase or sale of shares constituting less than one unit.

3. Dividend Policy

Our basic approach to capital policy is to keep shareholders' equity at the level required to maintain and grow operational foundations in a sustainable way while paying stable cash dividends and implementing share repurchases flexibly in light of performance to steadily increase returns to shareholders.

Under the JR East Group Management Vision "Move Up" 2027, we are aiming to realize a total return ratio of 40% and dividend payout ratio of 30% over the medium to Long-term with respect to shareholder returns. In addition to stable dividend increases, we will flexibly acquire treasury stock. In principle, treasury stock acquired will be subject to cancellation.

The Articles of Incorporation stipulate that the Company may pay interim dividends. Our basic policy is to pay dividends from surplus twice a year as interim and year-end dividends, and we do not plan to pay dividends with a record date other than the last day of the second quarter or the end of the fiscal year. The decision-making bodies regarding dividends are the Board of Directors for interim dividends and the General Meeting of Shareholders for year-end dividends.

Based on such policy, we declared a year-end dividend of ¥50 per share for the fiscal year ended March 31, 2023. Added to the interim dividend of ¥50 per share, the total annual dividend is ¥100 per share. As a result, the ratio of dividends to net assets (consolidated) is 1.5%.

In the next fiscal year, we plan to pay a dividend of ¥110 per share, including an interim dividend of ¥55 per share, in consideration of our earnings forecast and other factors.

Regarding the use of retained earnings for the current fiscal year, in addition to enhancing shareholder returns, we will actively promote the capital investment necessary to achieve sustainable growth and strengthen our business foundation. We will strive for early recovery of business performance and increase operating cash flow to further strengthen our management base and enhance our corporate value.

Dividends of surplus whose record date belongs to the fiscal year ended March 31, 2023 are as follows.

Date of resolution		Total amount of dividend (millions of yen)	Dividend per share (yen)
October 31, 2022	Resolution of Board of Directors	18,879	50
June 22, 2023	Resolution of Ordinary General Meeting of Shareholders	18,879	50

4. Corporate Governance

(1) Overview of corporate governance

(i) Basic views on corporate governance

The Company aims to achieve sustainable growth of its business and growth in corporate value over the medium to Long-term by making transparent, fair and prompt decisions to address its challenges, such as gaining greater trust from customers based on ultimate safety levels and realizing affluent lives for everyone and also by making efforts to achieve appropriate collaborations with its stakeholders, including shareholders, customers, local communities, business partners, creditors and individuals working in the Group.

The Company, by resolution of the Board of Directors, establishes “East Japan Railway Company Corporate Governance Guidelines,” which present its basic views on and specific measures for corporate governance, and publishes them on the Company’s website (<https://www.jreast.co.jp/e/aboutus/>).

(ii) Overview of corporate governance system, etc.

a. Reasons for adoption of current corporate governance system

In order to further increase corporate value by speeding up decision-making and business execution through delegating the decision-making authority for important business execution excluding especially important matters from the Board of Directors to executive directors, as well as improving corporate governance through enhancing supervision by the Board of Directors, with the approval of the 36th Ordinary General Meeting of Shareholders held on June 22, 2023, we have transitioned to become a company with an Audit and Supervisory Committee.

b. Basic outline of company organization

As of the release date of the Annual Securities Report, the Board of Directors of the Company consisting of 15 directors including seven outside directors meets once a month in principle to discuss legal matters, basic management policies and strategies for the entire group and important matters for group management. The Board of Directors delegates authority to make decisions on important business execution to the executive directors excluding particularly important matters, receives reports on delegated matters and supervises business operations. The members of the Board of Directors are as described in “(2) Directors.”

Composition of the Board of Directors and major skills held by each director are published on the Company’s website.

<https://www.jreast.co.jp/company/officer/skillmatrix.pdf>

The Company held 16 meetings of the Board of Directors during the fiscal year ended March 31, 2023, and the attendance of individual directors was as listed below.

Name	Status of attendance to meetings of the Board of Directors
Tetsuro Tomita	16/16 meetings
Yuji Fukasawa	16/16 meetings
Yoichi Kise	16/16 meetings
Katsumi Ise	16/16 meetings
Totaro Ichikawa	16/16 meetings
Kiwamu Sakai	4/4 meetings
Atsushi Ouchi	16/16 meetings
Atsuko Itoh	16/16 meetings
Chiharu Watari	12/12 meetings
Motoshige Itoh	16/16 meetings
Reiko Amano	16/16 meetings
Hiroko Kawamoto	15/16 meetings
Toshio Iwamoto	12/12 meetings

(Notes) 1. Differences in the number of meetings attended by directors are due to differences in dates of assumption of office and dates of retirement from office.

2. Totaro Ichikawa and Atsushi Ouchi retired at the conclusion of the 36th Ordinary General Meeting of Shareholders.

3. Kiwamu Sakai retired from his position at the conclusion of the 35th Ordinary General Meeting of Shareholders.

In order to ensure objectivity, timeliness, and transparency, the Company consults the Personnel Deliberation Committee prior to making resolutions on the election or dismissal of directors (excluding directors who are Audit and Supervisory Committee Members) or the election or dismissal of the President and CEO. Moreover, in order to ensure transparency and fairness, the Company consults the Remuneration Deliberation Committee prior to determining the remuneration of directors (excluding directors who are Audit and Supervisory Committee Members). The membership of both committees is as follows.

Outside Director Motoshige Itoh, Outside Director Reiko Amano, Outside Director Hiroko Kawamoto, Outside Director Toshio Iwamoto

President and CEO Yuji Fukasawa, Executive Vice President and Representative Director Yoichi Kise
 During the fiscal year ended March 31, 2023, the Personnel Deliberation Committee met once and the Remuneration Deliberation Committee met twice, with all members attending.

In addition, the Group Planning Committee is composed of seven directors and 11 senior executive officers as specified by the Board of Directors, and holds its meetings once a week as a general rule to discuss and report matters to be resolved at the meeting of the Board of Directors and other important matters essential to the group management. Furthermore, the Group Strategy Planning Committee, which consists of seven directors, 11 senior executive officers, and three executive officers, has been established for the development of the Group as a whole, and holds its meetings as deemed necessary to discuss important matters for the Group such as formulating and promoting the Group's business strategies.

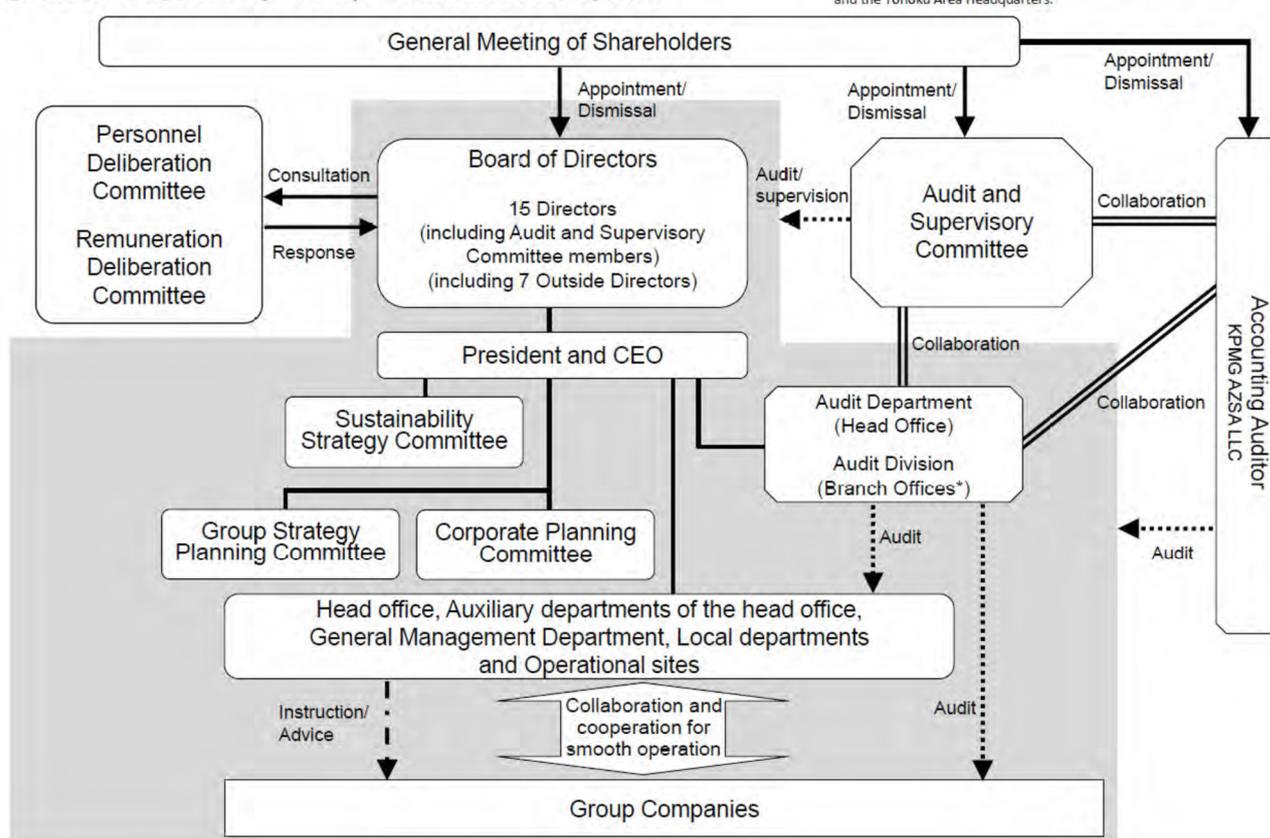
The Audit and Supervisory Committee of the Company consists of four directors (including three outside directors), two of whom are Full-time and two of whom are part-time Audit and Supervisory Committee Members, and in principle meets once a month. In addition, directors who are Audit and Supervisory Committee Members audit the directors' performance of their duties by attending important meetings such as meetings of the Board of Directors, Group Planning Committee, etc., and by examining the status of operations and assets, etc., in accordance with the policies established by the Audit and Supervisory Committee.

c. Summary of corporate governance system

As of June 22, 2023

【Reference 1】Summary of Corporate Governance System

* "Branch Offices" include the Tokyo Metropolitan Area Headquarters and the Tohoku Area Headquarters.



d. Status of internal control system

The Company views the internal control system as various measures to appropriately and efficiently pursue the Group's philosophy and realize the Group's management vision. The Company will ensure compliance and safety, prevent financial losses, ensure soundness of financial statements, and promote risk management that reflects consideration of expansion into new businesses, and thereby improve the Group's value.

The Company undertakes a wide range of risk management efforts not only from the perspective of reducing risks* of negative elements, such as avoidance of losses, but also includes risk taking and the perspective of actively improving the value of the Group.

Based on the above, the Company has established the internal control systems in accordance with the Business Corporation Law as described below.

* Risks include not only those relating to operation such as compliance, safety and natural disasters, but also those relating to the domestic and international social and economic environment such as changes in markets and trends among competitors, and those relating to management decisions on new businesses.

- (a) Systems to ensure that Directors and employees of the JR East Group perform their duties in accordance with relevant laws and regulations as well as with the Articles of Incorporation
- To promote rigorous legal compliance and high corporate ethics standards, the Company and its consolidated subsidiaries (hereinafter “Group companies”) have stipulated the “Policy on Legal and Regulatory Compliance and Corporate Ethics,” which serves as corporate action guidelines for the JR East Group, and implement corporate actions in line with such guidelines such as informing action plans that explain conduct standards in concrete terms to each corporate officer and employee of the Company and Group companies.
 - The Company’s Corporate & Legal Strategies Department handles overall control over horizontally integrated compliance matters throughout the Company, and liaises with administration and legal departments of the Group companies to ensure compliance in the JR East Group.
 - Units to provide compliance-related advice and receive whistle-blower reports and other reports related to compliance issues as affecting the JR East Group have been established inside and outside the Company. The Company and Group companies maintain the confidentiality of whistle-blowers and matters reported, and prohibit unfavorable treatment on the basis of any such report.
 - The Company has established an internal audit system to ensure the appropriateness and efficiency of operational execution. In addition, to ensure that all operations throughout the JR East Group are appropriate, the Company participates in the management of Group companies by seconding directors to those companies and by other means. In addition, the Company’s Audit Department performs audits of Group companies at regular intervals.
- (b) Preservation and administration systems for information related to Directors’ performance of their duties
- The Company appropriately preserves and administers documents related to Directors’ performance of their duties in accordance with relevant laws and internal regulations. Directors can view these documents whenever necessary.
- (c) Rules and systems of the JR East Group concerning management of risk of loss
- The Company has established systems to manage risk of loss as part of risk management.
 - The Company has established a Crisis Management Headquarters as well as crisis management-related internal regulations, so that in the event of a problem, a preliminary task force may be immediately established with the participation of top management and may gather relevant information and rapidly implement countermeasures. In addition, the Company instructs Group companies to establish similar risk management systems and report incidents as necessary to the Company.
 - The Company has established systems to ensure rapid and appropriate responses in the event of an accident or disaster in railway operations and to improve safety and reliability of transportation.
 - To ensure effectiveness of risk management, the Board of Directors of the Company monitors its status and policies periodically.
- (d) Systems for promoting efficient performance of duties by directors and other employees in the JR East Group and systems for reporting performance of duties from Group companies to the Company
- To promote efficiency in the Company’s operations, internal regulations have been established that allocate authority by clearly defining the authority and roles of each unit.
 - To promote the group management vision, and to attain the vision’s objectives, the Company and Group companies have established action programs for each organizational unit and project. Progress in action program implementation is periodically evaluated as a means of promoting the efficient implementation of strategic measures. In addition, Group companies regularly report to the Company material information, including business results and financial conditions.
- (e) Items related to employees who assist the Audit and Supervisory Committee in the performance of their duties
- Dedicated staff are assigned to the Audit and Supervisory Committee office to assist the duties of the Audit and Supervisory Committee in the performance of their duties. This is a system designed to increase the efficiency of audits, etc. and enable the duties of Audit and Supervisory Committee Members to be executed smoothly.
- (f) Independence from Directors (excluding Directors who are Audit and Supervisory Committee Members) of employees who assist the Audit and Supervisory Committee in the performance of their duties and effectiveness of instructions to such employees
- The staff of the Audit and Supervisory Committee Office of the Company, with regard to instructions from the Audit and Supervisory Committee, are not subject to orders from Directors (excluding directors who are Audit and Supervisory Committee Members) or other employees.
- (g) Systems in the JR East Group for reports to the Audit and Supervisory Committee of the Company
- The Company has established standards for matters to be resolved at the Board of Directors meeting based on the Regulations of the Board of Directors and appropriately submits such matters for resolution. The contents of important items other than those to be resolved by the Board of Directors may also be confirmed by the Audit and Supervisory Committee at meetings of the Board of Directors and meetings of the Group Planning Committee to be attended by Directors who are Audit and Supervisory Committee Members, by hearing from Directors (excluding Directors who are Audit and Supervisory Committee Members) and employees and by reviewing documents concerning performance of duties by Directors.
 - The Company’s Audit and Supervisory Committee holds informational meetings regularly with corporate auditors of Group companies to share information concerning audits.
 - The Company reports regularly to the Company’s Audit and Supervisory Committee on whistle-blower reports and other matters related to compliance issues of the JR East Group, as well as results of Group company audits conducted by the Company’s Audit Department.
 - The Company prohibits unfavorable treatment of any person who reports to the Audit and Supervisory Committee based on any such report.

- (h) Policies on payment of expenses arising from performance of duties of Directors who are Audit and Supervisory Committee Members
 - When the Company's Director, who is an Audit and Supervisory Committee Member, requests advanced payment of expenses arising from performance of his/her duties based on Article 399-2, Paragraph 4 of the Companies Act, the Company shall pay such expense unless the Company establishes that such expense or liability is unnecessary for such performance of duties by such a Director who is an Audit and Supervisory Committee Member.
 - (i) Other systems for promoting the effective performance of the Audit and Supervisory Committee's audits
 - The Audit and Supervisory Committee of the Company holds meetings regularly with the President and CEO and the accounting auditor to exchange information and opinions.
- e. Basic policy on internal control system over financial reporting
- The Company's basic views on internal control system over financial reporting are as described below.
- (a) The Company organizes and operates the system necessary to ensure the adequacy of documents on financial calculation and other information.
 - (b) The Company evaluates every fiscal year the status of the organization and operation of the above system using criteria concerning internal controls over financial reporting that are generally accepted as fair and appropriate.
- f. Status of risk management
- The status of the Company's risk management is described in "No. 2: Business Performance, 3. Business Risks." The Company is implementing the following measures in particular.
- (a) The Group is working to avoid and reduce risks that are common and unique to each business. Specifically, each year, we identify risks in the overall business based on outside expertise and internal opinions, analyze and assess risks based on the frequency and degree of impact and determine significant risks, and consider and implement measures to avoid and reduce risks. In this way, the Company reviews risks through a PDCA cycle, monitors the degree of achievement and progress of initiatives aimed at avoiding and reducing risks at the meeting of Board of Directors, examines future policies and ensures the effectiveness of risk management.
 - (b) The Group believes that, in order to improve profitability and undertake structural reform, a wide range of risk management efforts are important, not only from the perspective of reducing risks of negative elements, such as avoidance of losses, but also includes risk taking and the perspective of actively improving the value of the Group. To that end, in addition to ensuring stable and appropriate business operations, the Group supports and encourages its employees to make bold challenges towards their development.
 - (c) The Company sets forth basic items concerning risk management in its Crisis Management Headquarters Guidelines. In the event of a problem, the top management will, in accordance with such guidelines, participate in the immediate establishment of a preliminary task force and designate roles of relevant departments. Also, the Company instructs the Group companies to have organizations for risk management and that immediate reporting be made in the event of a problem, and has thereby established the risk management system for the Group.
 - (d) In response to the global spread of COVID-19, the Company has established a COVID-19 task force led by the President and CEO to collect and share information on responses within the Group, and is taking appropriate actions including by providing instructions to prevent the spread of COVID-19 among our passengers and employees in light of government directions.
 - (e) The Company focuses on safety as its top management priority, and under the "Group Safety Plan 2023" established in November 2018 pursues ultimate safety levels based on the "safety conduct" of each employee. Specifically, the Company has established a Transportation Operation Center that operates 24 hours a day and has the task of ensuring rapid and appropriate responses in the event of an accident or disaster in railway operations. The Company has also established specialized internal committees focused on maintaining safety and on improving reliability, to prevent material accidents and incidents and their recurrence.
- g. Overview of the agreement on limitation of liability
- In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has executed agreements with directors, who are not executive directors, to limit their liability as provided in Article 423, Paragraph 1 of the Companies Act. The maximum amount of such liability under such agreement shall be the amount stipulated by laws and regulations.
- h. Overview, etc. of directors and officers liability insurance agreement
- In accordance with Article 430-3, Paragraph 1 of the Companies Act, the Company has executed a directors and officers liability insurance agreement with an insurance company. The scope of the insured under the insurance agreement is the Company's directors, executive officers, employee managers and retired directors and officers, including those newly appointed during the period of insurance. The insurance agreement covers the legal costs and damages incurred by the insured due to third-party lawsuits and shareholder derivative lawsuits. The insurance premiums are fully borne by the Company and the agreement is renewed annually. In order to ensure that the appropriateness of the execution of duties by the insured is not impaired, the insurance agreement has a disclaimer in the event the Company pursues liability for damages against the insured.
- (iii) Number of directors
- The Company's Articles of Incorporation stipulate that it shall have no more than 20 directors (including no more than 5 directors who are Audit and Supervisory Committee Members).

(iv) Requirements for resolutions on election of directors

The Articles of Incorporation stipulate that resolutions on the election of Directors shall be made by a majority of the votes of the shareholders present at the meeting where the shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their votes at such meetings are present. The Articles of Incorporation also stipulate that resolutions on the election of directors shall not be made by cumulative voting.

(v) Matters to be resolved at the General Meeting of Shareholders that may be resolved by the Board of Directors

a. Acquisition of treasury stock

The Company's Articles of Incorporation stipulate that the Company may acquire its own shares through market transactions, etc. by a resolution of the Board of Directors pursuant to Article 165, Paragraph 2 of the Companies Act. This provision is to enable the implementation of flexible capital policies in response to future changes in the business environment.

b. Interim dividends

The Company's Articles of Incorporation stipulate that the Company may, by resolution of the Board of Directors, pay interim dividends pursuant to Article 454, Paragraph 5 of the Companies Act to shareholders or registered share pledgees whose names appear or are recorded in the final Shareholder Register as of September 30 of each year. This provision is to flexibly return profits to shareholders.

(vi) Special resolutions of the General Meeting of Shareholders

The Company's Articles of Incorporation stipulate that resolutions pursuant to Article 309, Paragraph 2 of the Companies Act must be adopted by two-thirds or more of the voting rights of shareholders present at the meeting where the shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their votes at such meetings are present. This provision is to ensure the smooth operation of the General Meeting of Shareholders.

(vii) Others

a. Information disclosure

The Company engages actively in public relations and investor relations activities, and strives to enhance the content of disclosure through the use of its website and other means and to disclose important corporate information in a timely manner.

(2) Directors

(i) List of directors

12 males, 3 females (20.00% of directors are female)

Position	Name	Date of birth	Brief personal history		Term of office	Number of shares held (100 shares)
Chairman and Director	Tetsuro Tomita	October 10, 1951	April 1974 April 1987 June 1998 June 2000 June 2003 July 2004 June 2005 June 2008 June 2009 April 2012 June 2012 April 2018	Entered Japanese National Railways Entered East Japan Railway Company General Manager of Life-Style Business Development Headquarters Director and General Manager of Management Administration Department, Corporate Planning Headquarters Executive Director and Deputy Director General of Corporate Planning Headquarters Executive Director and Deputy Director General of Corporate Planning Headquarters and General Manager of IT Business Department, Corporate Planning Headquarters Executive Director and Deputy Director General of Corporate Planning Headquarters Executive Vice President and Representative Director and Director General of Life-Style Business Development Headquarters Executive Vice President and Representative Director and Director General of Corporate Planning Headquarters President and Representative Director and Director General of Corporate Planning Headquarters President and Representative Director Chairman and Director (current position)	(Note 2)	110
President and CEO	Yuji Fukasawa	November 1, 1954	April 1978 April 1987 June 2003 June 2006 June 2008 June 2012 April 2018	Entered Japanese National Railways Entered East Japan Railway Company General Manager of Investment Planning Department, Corporate Planning Headquarters Director and General Manager of Personnel Department and Director of JR East General Education Center Executive Director Executive Vice President and Representative Director President and Representative Director (current position)	(Note 2)	76
Executive Vice President and Representative Director; Assistant to President (in general); Director General of Marketing Headquarters; In charge of Shinagawa Development and Community Vitalization	Yoichi Kise	August 26, 1964	April 1989 June 2014 June 2015 June 2017 June 2018 June 2020 June 2021 June 2022	Entered East Japan Railway Company General Manager of Personnel Department and Director of JR East General Education Center Executive Officer and General Manager of Personnel Department Executive Officer and General Manager of Management Planning Department, Corporate Planning Headquarters Executive Director and Director General of Corporate Planning Headquarters Executive Director and Director General of Life-style Business Development Headquarters Executive Vice President and Representative Director; Assistant to President (in general); Director General of Life-style Business Development Headquarters; In charge of Shinagawa Development; In charge of Work & Welfare Strategies Department; In charge of Regional Revitalization Executive Vice President and Representative Director; Assistant to President (in general); Director General of Marketing Headquarters; In charge of Shinagawa Development and Regional Revitalization (current position)	(Note 2)	22

Position	Name	Date of birth	Brief personal history		Term of office	Number of shares held (100 shares)
Executive Vice President and Representative Director; Assistant to President (in general); Director General of Innovation Strategy Headquarters	Katsumi Ise	February 12, 1965	April 1988 May 2015 June 2015 June 2015 June 2016 June 2018 June 2021 June 2022	Entered East Japan Railway Company General Manager of Facilities Department, Railway Operations Headquarters General Manager of Investment Planning Department, Corporate Planning Headquarters Executive Officer and General Manager of Investment Planning Department, Corporate Planning Headquarters Executive Officer and General Manager of Facilities Department, Railway Operations Headquarters Senior Executive Officer Executive Vice President and Representative Director; Assistant to President (in general); Director General of Technology Innovation Headquarters Executive Vice President and Representative Director; Assistant to President (in general); Director General of Innovation Strategy Headquarters (current position)	(Note 2)	13
Executive Vice President and Representative Director; Assistant to President (in general); Director General of Railway Business Headquarters; Chief Safety Officer	Chiharu Watari	January 30, 1963	April 1988 June 2013 June 2013 June 2014 June 2016 June 2018 June 2020 June 2022 June 2023	Entered East Japan Railway Company General Manager of Administration Department General Manager of Transport Safety Department, Railway Operations Headquarters Executive Officer and General Manager of Transport Safety Department, Railway Operations Headquarters Executive Officer and General Manager of Yokohama Branch Office Director and Deputy Director General of Corporate Planning Headquarters of Hokkaido Railway Company Managing Director and Director General of Corporate Planning Headquarters Executive Director and Director General of Corporate Strategies Headquarters of the Company Executive Vice President and Representative Director; Assistant to President (in general); Director General of Railway Business Headquarters; Chief Safety Officer (current position)	(Note 2)	15
Executive Director and Director General of Corporate Strategies Headquarters	Atsuko Itoh	November 15, 1966	April 1990 June 2016 June 2018 June 2020 June 2021 June 2023	Entered East Japan Railway Company General Manager of Management Planning Department, Corporate Planning Headquarters Executive Officer and General Manager of Finance Department Executive Officer and General Manager of Management Planning Department, Corporate Planning Headquarters Managing Director Managing Director and Director General of Corporate Strategies Headquarters (current position)	(Note 2)	41.71
Executive Director and Deputy Director General of Railway Business Headquarters (Safety, Transport & Rolling Stock)	Hitoshi Suzuki	October 19, 1963	April 1989 June 2018 June 2021 June 2022 June 2023	Entered East Japan Railway Company Executive Officer and General Manager of Transport & Rolling Stock Department, Railway Operations Headquarters Managing Executive Officer Managing Executive Officer; Deputy Director General of Railway Business Headquarters (Transport & Rolling Stock) Managing Director and Deputy Director General of Railway Business Headquarters (Safety, Transport & Rolling Stock) (current position)	(Note 2)	5.59
Director	Motoshige Itoh	December 19, 1951	December 1993 April 1996 October 2007 June 2015 April 2016	Professor of the University of Tokyo, Faculty of Economics Professor of the University of Tokyo, Graduate School of Economics Dean of the University of Tokyo, Graduate School of Economics and Faculty of Economics Director of East Japan Railway Company (current position) Professor of Gakushuin University, Faculty of International Social Sciences	(Note 2)	-

Position	Name	Date of birth	Brief personal history		Term of office	Number of shares held (100 shares)
Director	Reiko Amano	January 21, 1954	<p>April 1980 Entered Kajima Corporation</p> <p>April 2005 Senior Manager of Technology Development Department Civil Engineering Management Division</p> <p>April 2011 General Manager of Intellectual Property and License Department</p> <p>February 2014 Advisor of Intellectual Property and License Department</p> <p>September 2014 Retired Kajima Corporation</p> <p>October 2014 Councilor of Research Center for Reinforcement of Resilience Function, National Research Institute for Earth Science and Disaster Resilience</p> <p>April 2015 Auditor of National Institute for Environmental Studies</p> <p>April 2016 Executive Director of National Research Institute for Earth Science and Disaster Resilience</p> <p>June 2016 Director of East Japan Railway Company (current position)</p> <p>September 2019 Auditor of Japan Atomic Energy Agency</p>	(Note 2)	—	
Director	Hiroko Kawamoto	February 13, 1957	<p>July 1979 Entered ALL NIPPON AIRWAYS CO., LTD.</p> <p>April 2013 Director and Executive Officer; Deputy Director of Operating Division; General Manager of Inflight Services Center</p> <p>April 2014 Executive Director and Executive Officer; In charge of Women's Promotion; Deputy Director of Operating Division; General Manager of Inflight Services Center</p> <p>April 2015 Executive Director and Executive Officer; In charge of Women's Promotion; In charge of ANA Brand Inflight Services Division</p> <p>January 2016 Managing Director and Executive Officer; In charge of Women's Promotion and ANA Brand Inflight Services Division; Deputy Head of Tokyo Olympics and Paralympics Promotion Headquarters</p> <p>April 2016 Director and Senior Executive Officer; In charge of Women's Promotion of ANA Group; Promotion Officer for the Tokyo Olympic and Paralympic Games</p> <p>April 2017 Vice President and Representative Director of ANA Strategic Research Institute Co., Ltd.</p> <p>April 2020 Chairman and Director of ANA Strategic Research Institute Co., Ltd.</p> <p>June 2020 Director of East Japan Railway Company (current position)</p> <p>April 2021 Special Advisor of ANA Strategic Research Institute Co., Ltd.</p>	(Note 2)	—	
Director	Toshio Iwamoto	January 5, 1953	<p>April 1976 Entered Nippon Telegraph and Telephone Public Corporation</p> <p>June 2004 Director; Head of Payment Solution Sector of NTT DATA Corporation</p> <p>June 2007 Director, Executive Vice President; Head of Financial Business Sector</p> <p>June 2008 Director, Executive Vice President; In charge of Financial Business</p> <p>June 2009 Representative Director, Senior Executive Vice President</p> <p>June 2012 Representative Director, President and Chief Executive Officer</p> <p>June 2018 Advisor of NTT DATA Corporation (current position)</p> <p>June 2022 Director of East Japan Railway Company (current position)</p>	(Note 2)	—	

Position	Name	Date of birth	Brief personal history		Term of office	Number of shares held (100 shares)
Director and Full-time Audit and Supervisory Committee Member	Takashi Kinoshita	December 23, 1961	April 1985 August 2010 February 2012 April 2013 January 2014 August 2014 August 2016 September 2017 August 2018 June 2019 June 2023	Joined the National Police Agency Chief of Iwate Police Headquarters Director General of Organized Crime Department, Tokyo Metropolitan Police Director of Public Safety Division, Security Bureau, National Police Agency Director of Security Planning Division, Security Bureau Director General of Organized Crime Department, Criminal Investigation Bureau Chief of Fukuoka Police Headquarters Director General of Criminal Investigation Bureau Retired Criminal Investigation Bureau Full-time Corporate Auditor of East Japan Railway Company Director and Full-time Audit and Supervisory Committee Member (current position)	(Note 3)	—
Director and Full-time Audit and Supervisory Committee Member	Masaki Ogata	February 16, 1952	April 1974 April 1987 June 1998 June 2000 June 2002 June 2004 June 2006 July 2007 June 2008 June 2009 June 2010 June 2011 June 2012 June 2020 June 2023	Entered Japanese National Railways Entered East Japan Railway Company General Manager of Transport Safety Department, Railway Business Headquarters General Manager of Corporate Communications Department Director, General Manager of Transport & Rolling Stock Department, Railway Business Headquarters Managing Director, Deputy Director General of Railway Business Headquarters Managing Director, Director General of IT Business Headquarters, Deputy Director General of Railway Business Headquarters Managing Director, Director General of IT & <i>Suica</i> Business Headquarters, Deputy Director General of Railway Business Headquarters Executive Vice President and Representative Director; Director General of Railway Business Headquarters; Director General of IT & <i>Suica</i> Business Headquarters Executive Vice President and Representative Director; Director General of Railway Business Headquarters Executive Vice President and Representative Director Vice Chairman and Director Vice Chairman and Director in charge of technology (in general) and international affairs (in general) Retired Vice Chairman and Director Director and Full-time Audit and Supervisory Committee Member (current position)	(Note 3)	105
Director and Audit and Supervisory Committee Member	Kimitaka Mori	June 30, 1957	April 1980 June 2000 June 2004 June 2006 July 2011 June 2013 July 2013 July 2013 June 2017 June 2023	Joined Shinwa Audit Corporation (now KPMG AZSA LLC) Representative Partner of Asahi & Co. (now KPMG AZSA LLC) Head of Financial Service, AZSA & Co. (now KPMG AZSA LLC) Director of Head Office KPMG AZSA LLC Chairman of KPMG Financial Service Japan Retired from KPMG AZSA LLC Chairman of the Japanese Institute of Certified Public Accountants Established Mori Certified Public Accountant Office; Head of the office (current position) Corporate Auditor of East Japan Railway Company Director and Audit and Supervisory Committee Member (current position)	(Note 3)	1

Position	Name	Date of birth	Brief personal history		Term of office	Number of shares held (100 shares)
Director and Audit and Supervisory Committee Member	Hiroshi Koike	July 3, 1951	April 1977	Assistant Judge of the Osaka District Court	(Note 3)	-
			August 2004	Judge of the Tokyo District Court (Presiding Judge)		
			January 2006	Director General of Financial Bureau, General Secretariat of the Supreme Court		
			July 2010	Chief Judge of the Mito District Court		
			March 2012	Judge of the Tokyo High Court (Presiding Judge)		
			July 2013	Chief Judge of the Tokyo District Court		
			April 2014	President of the Tokyo High Court		
			April 2015	Justice of the Supreme Court		
			July 2021	Retired from the Supreme Court		
			June 2022	Corporate Auditor of East Japan Railway Company		
		June 2023	Director and Audit and Supervisory Committee Member (current position)			
Total						389.3

(Notes) 1. Directors Motoshige Itoh, Reiko Amano, Hiroko Kawamoto, Toshio Iwamoto, Takashi Kinoshita, Kimitaka Mori, and Hiroshi Koike are outside directors.

2. The term of office is from the close of the Ordinary General Meeting of Shareholders for the fiscal year ending March 31, 2023 to the close of the Ordinary General Meeting of Shareholders for the fiscal year ending March 31, 2024.
3. The term of office is from the close of the Ordinary General Meeting of Shareholders for the fiscal year ending March 31, 2023 to the close of the Ordinary General Meeting of Shareholders for the fiscal year ending March 31, 2025.

(ii) Outside directors

The Company has four outside directors (excluding directors who are Audit and Supervisory Committee Members). Additionally, it has three outside directors who are Audit and Supervisory Committee Members.

There are no personal, capital, business, or other interests between any outside director and the Company that are required to be disclosed. Personal, capital, business, or other interests required to be disclosed between the Company and each outside director's former company (or in the event that an outside director still is or once was an officer or employee of another company, the relevant company) are as follows.

- a. Outside Director Motoshige Itoh has worked at the University of Tokyo (National University Corporation, the University of Tokyo) to which the Company makes donation and with which the Company has a transactional relationship, but for the last three (3) fiscal years the amount of donation and other payments to such corporation has been no more than 2% of the annual total income of such corporation and the payment from such corporation to the Company has been no more than 2% of the annual consolidated net sales of the Company. Also, he has worked at Gakushuin University (The Gakushuin School Corporation) with which the Company has a transactional relationship, but for the last three (3) fiscal years the payment from such corporation to the Company has been no more than 2% of the annual consolidated net sales of the Company. The Company believes that the above donation and transactions have no effect on the judgment of shareholders and investors based on their volume and nature.
- b. Outside Director Reiko Amano has worked at Kajima Corporation with which the Company has a transactional relationship, but for the last three (3) fiscal years the volume of business has been no more than 2% of the annual consolidated net sales of both companies. Also, she has worked as executive director at the National Research Institute for Earth Science and Disaster Resilience with which the Company has a transactional relationship, but for the last three (3) fiscal years the payment from the Company to such corporation has been no more than 2% of the Institute's total annual revenue. She has worked at National Institute for Environmental Studies, but there is no relationship to be disclosed between each of these entities and the Company for the last three (3) fiscal years. In addition, she has worked at Japan Atomic Energy Agency, but there is no relationship to be disclosed between each of these entities and the Company for the last three (3) fiscal years. The Company believes that the above transactions have no effect on the judgment of shareholders and investors based on their volume and nature.
- c. Outside Director Hiroko Kawamoto has worked at ALL NIPPON AIRWAYS CO., LTD. with which the Company has a transactional relationship, but for the last three (3) fiscal years the volume of business has been no more than 2% of the annual consolidated net sales of both companies. She has worked at ANA Strategic Research Institute Co., Ltd., but there is no relationship to be disclosed between the said company and the Company for the last three (3) fiscal years. The Company believes that the above transactions have no effect on the judgment of shareholders and investors based on their volume and nature.
- d. Outside Director Toshio Iwamoto has been working at NTT DATA Corporation with which the Company has a transactional relationship, but for the last three (3) fiscal years the volume of business has been no more than 2% of the annual consolidated net sales of both companies. The Company believes that the above transactions have no effect on the judgment of shareholders and investors based on their volume and nature.
- e. Director Takashi Kinoshita, an outside director who is an Audit and Supervisory Committee Member, joined the Company from the National Police Agency. The Company has a transactional relationship with police-related agencies, but for the last three (3) fiscal years the amount of payment by such agencies to the Company has been less than 2% of the annual

consolidated net sales of the Company. The Company believes that the above transactions have no effect on the judgment of shareholders and investors based on their volume and nature.

- f. Director Kimitaka Mori, an outside director who is an Audit and Supervisory Committee Member, has worked at KPMG AZSA LLC, the Accounting Auditor of the Company, but for the last three (3) fiscal years the amount of remuneration paid by the Company to KPMG AZSA LLC for audit certification services and non-audit services has been no more than 2% of the annual consolidated net sales of KPMG AZSA LLC. In light of the volume and nature of above transactions, the Company believes that they have no effect on the judgments of shareholders and investors. The total amount of remuneration paid by the Company to KPMG AZSA LLC for audit certification services and non-audit services for the fiscal year ended March 31, 2023 was ¥262 million.

Director Hiroshi Koike, an outside director who is an Audit and Supervisory Committee Member, has worked at courts with which the Company has no relationship that needs to be disclosed for the last three (3) fiscal years.

Outside directors (excluding directors who are Audit and Supervisory Committee Members) are appointed to strengthen the system of corporate governance by taking advantage of their significant knowledge and experience in the Company's business from a variety of areas, overseeing business operations from an independent perspective.

Outside directors who are Audit and Supervisory Committee Members are appointed to strengthen the system of corporate governance by taking advantage of their significant knowledge and experience outside the Company to audit and oversee business operations from an independent perspective. In our Company, one internal director who is an Audit and Supervisory Committee Member and one outside director who is an Audit and Supervisory Committee Member serve as Full-time Audit and Supervisory Committee Members. Mutual cooperation between outside directors who are Audit and Supervisory Committee Members and audit departments is described in "(3) Status of auditing, (v) Mutual cooperation among the Audit and Supervisory Committee, the department handling internal audits, and the accounting auditor."

The Company's outside directors meet the "Independence Standards for Outside Directors" of the Company, so we recognize them of sufficient independence and presenting no conflict of interest risk with ordinary shareholders. The "Independence Standards for Outside Directors" stipulated by the Company are as follows.

Independence Standards for Outside Directors

1. Outside directors of the Company shall be deemed to be independent if they do not fall under any of the following categories:
 - (1) a major business partner (a vendor) of the Company or a consolidated subsidiary thereof (Note 1), or an executive of a corporation that is such partner (Note 2);
 - (2) a major business partner (a customer) of the Company or a consolidated subsidiary thereof (Note 3), or an executive of a corporation that is such partner;
 - (3) a consultant, certified public accountant or other accounting expert, or attorney or other legal expert who has received money or other property benefits other than remuneration for directors in excess of ¥10 million per annum from the Company or a consolidated subsidiary thereof during any of the immediately preceding three (3) year fiscal years of the Company or a consolidated subsidiary thereof; or a consultant, certified public accountant or other accounting expert, or attorney or other legal expert who belongs to a corporation or other entity whose property benefits received from the Company or a consolidated subsidiary thereof has exceeded 2% of its annual income for any of the immediately preceding three (3) fiscal years of such corporation or other entity;
 - (4) a major shareholder of the Company (Note 4), or an executive of a corporation that is such shareholder;
 - (5) a certified public accountant or a member, partner, or employee of an auditing firm which was an outside accounting auditor of the Company for the most recent three (3) fiscal years, and was actually in charge of audit work of the Company (except administrative or ancillary staff);
 - (6) a major lender to the Company or a consolidated subsidiary thereof (Note 5), or an executive of a corporation that is such lender;
 - (7) a recipient of donations in excess of ¥10 million per annum from the Company or a consolidated subsidiary thereof during any of the immediately preceding three (3) fiscal years of the Company or a consolidated subsidiary thereof; or an executive of a corporation whose donations received from the Company or a consolidated subsidiary thereof has exceeded 2% of its annual sales or annual total income for any of the immediately preceding three (3) fiscal years of such corporation;
 - (8) the spouse or relative by blood or marriage within the second degree of the executive (including directors who are not executives if an outside director who is an Audit and Supervisory Committee Member is designated as an independent outside director) of the Company or a subsidiary thereof (to the extent such person is deemed to be an important party (Note 6)) for the most recent three (3) years;
 - (9) the spouse or relative by blood or marriage within the second degree of a party falling under items (1) to (7) (to the extent such person is deemed to be an important party); or
 - (10) in addition to the preceding items, a person who is unable to perform duties as an outside director with independence due to a conflict of interest with the Company or other special circumstance.
2. If an outside director who is deemed to be independent based on the foregoing standards subsequently falls within any of the items of 1 above, such director shall immediately notify the Company.

Note 1: A major business partner (a vendor) of the Company or a consolidated subsidiary thereof means a recipient of payment from the Company or a consolidated subsidiary thereof in excess of 2% of the annual consolidated sales during any of the immediately preceding three (3) fiscal years of such party.

Note 2: An executive means an executive director or other officers executing the business of the corporation, executive officer, or employee of the corporation (the same applies in the following items).

Note 3: A major business partner (a customer) of the Company or a consolidated subsidiary thereof means a payer to the Company or a consolidated subsidiary thereof in excess of 2% of the annual consolidated sales during any of the immediately preceding three (3) fiscal years of the Company or a consolidated subsidiary thereof.

Note 4: A major shareholder of the Company means a shareholder who has held, either directly or indirectly, 10% or more of the total number of voting rights during any of the immediately preceding three (3) fiscal years of the Company.

Note 5: A major lender to the Company or a consolidated subsidiary thereof means a financial institution that has provided a loan to the Company or a consolidated subsidiary thereof in excess of 2% of the consolidated total assets during any of the immediately preceding three (3) fiscal years of the Company or a consolidated subsidiary thereof.

Note 6: An important party means a person in a position at least equivalent to that of an important employee (the same applies in Item (9)).

(3) Status of auditing

(i) Status of audits by the Audit and Supervisory Committee

a. Structure and personnel of audits by the Audit and Supervisory Committee

Following approval at the 36th Ordinary General Meeting of Shareholders held on June 22, 2023, the Company has transitioned to become a company with an Audit and Supervisory Committee. For this reason, the activities of the Company for the fiscal year ended March 31, 2023 are those of a company with Board of Corporate Auditors, prior to the transition. The Audit and Supervisory Committee of the Company consists of four directors (including three outside directors), two of whom are Full-time and two of whom are part-time. Of the two Full-time members, one is an outside director who is an Audit and Supervisory Committee Member. Additionally, Director and Audit and Supervisory Committee Member Kimitaka Mori is a certified public accountant and has considerable knowledge of finance and accounting. About 10 Full-time staff members are assigned to assist the Audit and Supervisory Committee.

b. Attendance at Board of Corporate Auditors meetings

The Board of Corporate Auditors of the Company met once a month, in principle, and the attendance of individual Corporate Auditors was as listed below.

Name	Attendance at Board of Corporate Auditors
Keiji Takiguchi	19/19 meetings
Takashi Kinoshita	19/19 meetings
Seishi Kanetsuki	6/6 meetings
Kimitaka Mori	18/19 meetings
Nobuyuki Hashiguchi	19/19 meetings
Hiroshi Koike	13/13 meetings

(Notes) 1. Differences in the number of meetings attended by Corporate Auditors are due to differences in dates of assumption of office and dates of retirement from office.

2. Keiji Takiguchi and Nobuyuki Hashiguchi retired at the conclusion of the 36th Ordinary General Meeting of Shareholders.

3. Seishi Kanetsuki retired from his position at the conclusion of the 35th Ordinary General Meeting of Shareholders.

Specific matters discussed by the Board of Corporate Auditors include, among other things, audit policies and procedures, allocation of duties and planning, appropriateness of resolutions of the Board of Directors regarding the systems to ensure the appropriateness of business operations and status of operation, and appropriateness of accounting auditor's audit procedures and results. At Board of Corporate Auditors meetings, each corporate auditor evaluated audit activities to share a common understanding of issues.

c. Activities of Corporate Auditors

In accordance with the policies established by the Board of Corporate Auditors, Corporate Auditors attended meetings of the Board of Directors and other important meetings, received reports from the directors and the department handling internal audits on the performance of their duties, reviewed documents relating to important decisions, investigated the status of business and assets, received report from the accounting auditor on the performance on their duties, and discussed major accounting issues with the accounting auditor. The Corporate Auditors also communicated and exchanged information with directors and corporate auditors of Group companies, and received business reports from Group companies as necessary. In addition, some auditing activities were conducted online.

The Corporate Auditors also held informal meetings regularly with the Company's representative directors and outside directors.

(ii) Status of internal auditing

As for internal audits, dedicated staff are assigned to the Audit Department of the head office and the Audit Division of each headquarters and each branch office, which evaluate and make proposals on the business execution and risk control as well as management of measures to realize the Group Management Vision "Move Up" 2027 from the viewpoint of effectiveness, efficiency, legitimacy and validity, and audit the head office, general management department, headquarters, branch offices and operational sites. They provide advice for points that need to be improved as necessary, and also request reports on the status of improvement thereafter.

Each Group company is audited by its own internal audit staff as well as the Company on a regular basis.

The results of the audits conducted by the department handling internal audits of the Company are reported to the President and CEO approximately once a quarter, and to the Board of Directors and the Audit and Supervisory Committee approximately once every six months. In the fiscal year ended March 31, 2023, the results were reported to the Board of Corporate Auditors in the same manner.

(iii) Status of the accounting audit

a. Name of the audit firm

KPMG AZSA LLC

b. Period of continuous auditing

Since 1987

KPMG AZSA LLC practices a policy of rotating its engagement partners. Engagement partners are not involved in accounting or auditing activities for more than seven consecutive accounting periods, and lead engagement partners are not involved in accounting or auditing activities for more than five consecutive accounting periods.

c. Certified public accountants performing audit

Designated Limited Liability Partner and Engagement Partner: Kazuhiko Azami, Hideki Yoshida, Naoki Saito

d. Composition of assistants for audit

20 certified public accountants, 16 persons who passed the certified public accountants examination, 19 other persons

e. Selection policy and reasons for selection of audit firm

The Company has determined that the accounting auditor is suitable, taking into consideration its independence, expertise, and quality control system as an accounting auditor, its potential to conduct efficient and effective audit operations, and its ability to conduct group audits in a timely and coordinated manner by utilizing its worldwide network.

The Audit and Supervisory Committee of the Company will determine an agenda to dismiss or not to reappoint an accounting auditor to be proposed to the General Meeting of Shareholders when it is deemed appropriate, such as when an accounting auditor does not fully perform its duties or its social credibility is significantly impaired. Also, the Audit and Supervisory Committee of the Company will, upon unanimous approval of all Directors who are Audit and Supervisory Committee Members, dismiss an accounting auditor when it is deemed to fall under any of the items of Article 340, Paragraph 1 of the Companies Act. The above policies also applied to the Board of Corporate Auditors prior to the transition to the Audit and Supervisory Committee.

f. Evaluation of the audit firm by the Corporate Auditors and the Board of Corporate Auditors

The Board of Corporate Auditors has gained an understanding of the status of the accounting audits through exchanges of opinions with directors and other relevant personnel, as well as reports and exchanges of opinions from the accounting auditor, and has made a comprehensive evaluation of the independence, professionalism, and quality control system of the accounting auditor.

(iv) Description of audit remuneration

a. Remuneration to certified public accountants, etc.

Classification	Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2023	
	Remuneration based on audit certification services (millions of yen)	Remuneration based on non-audit services (millions of yen)	Remuneration based on audit certification services (millions of yen)	Remuneration based on non-audit services (millions of yen)
Reporting Company	245	17	245	17
Consolidated Subsidiary	468	21	474	1
Total	713	38	719	18

The non-audit services for which the Company pays remuneration to certified public accountants, etc. include preparation of comfort letters, etc.

The non-audit services for which the consolidated subsidiaries pay remuneration to certified public accountants, etc. include advisory services related to accounting and taxation, and so on.

b. Remuneration to KPMG member firms belonging to the same network as the certified public accountants, etc. (excluding a.)

Classification	Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2023	
	Remuneration based on audit certification services (millions of yen)	Remuneration based on non-audit services (millions of yen)	Remuneration based on audit certification services (millions of yen)	Remuneration based on non-audit services (millions of yen)
Reporting Company	6	27	5	18
Consolidated Subsidiary	6	17	8	9
Total	13	45	14	27

The non-audit services for which the Company pays remuneration to KPMG member firms belonging to the same network as our certified public accountants, etc. include assurance services for environmental information.

The non-audit services for which the consolidated subsidiaries pay remuneration to KPMG member firms belonging to the same network as our certified public accountants, etc. include advisory services related to accounting and taxation, and so on.

c. Other significant audit certification services for which remuneration is paid

Not applicable.

d. Policy for determining audit remuneration

Not applicable. However, it is determined with the consent of the Board of Corporate Auditors, taking into consideration the number of audit hours and other factors.

e. Reasons for the Board of Corporate Auditors giving consent to remuneration, etc. for the accounting auditor

The Board of Corporate Auditors verified the audit plan of the accounting auditor, its performance of duties, and basis for calculation of estimate of remuneration, and agreed on remuneration to the accounting auditor as provided in Article 399, Paragraph 1 of the Companies Act.

- (v) Mutual cooperation among the Audit and Supervisory Committee, the department handling internal audits, and the accounting auditor

With respect to cooperation among the Audit and Supervisory Committee, the department handling internal audits and the accounting auditor, regular informational meetings between the Audit and Supervisory Committee and the department handling internal audits are held approximately once a month. The Audit and Supervisory Committee receives reports on quarterly review results, annual audit results, etc., and is provided with information related to audits from the accounting auditor to enable efficient and effective audit activities of both parties through information sharing. Also, the Audit and Supervisory Committee, the department handling internal audits and the accounting auditor meet regularly to exchange opinions. In the fiscal year ended March 31, 2023 as well, the Board of Corporate Auditors, the department handling internal audits, and the accounting auditor mutually cooperated with each other.

(4) Remuneration for directors and other officers

- (i) Method of determining the policy regarding details of remuneration for each director (excluding a director who is an Audit and Supervisory Committee Member). The policy for determining details of remuneration, etc. for each director of the Company was resolved at a meeting of the Board of Directors held on June 22, 2023.

- (ii) Overview of decision policy contents

- a. Basic policy

The Company pays basic remuneration to directors (excluding directors who are Audit and Supervisory Committee Members, and outside directors) based on their positions as compensation for the execution of daily business operations within the limits of remuneration resolved at the General Meeting of Shareholders. The Company also pays performance-based remuneration based on business results, dividends to shareholders, the level of contribution of such directors toward achieving the business results for the fiscal year and the Medium-Term Management Vision, and commitment to ESG. The Company does not pay performance-based remuneration to outside directors (excluding directors who are Audit and Supervisory Committee Members) in light of their responsibilities, but provides basic remuneration as compensation for the execution of duties within the limits of remuneration resolved at the General Meeting of Shareholders.

- b. Matters concerning the determination of details of remuneration for each director (excluding a director who is an Audit and Supervisory Committee Member)

Decisions on the amount of remuneration (basic remuneration and performance-based remuneration) for each director (excluding a director who is an Audit and Supervisory Committee Member) are made by resolution of the Board of Directors, subject to the President and CEO's discretion. To ensure the transparency and fairness of decision-making, the President and CEO delegated by the Board of Directors will first consult with the Remuneration Deliberation Committee consisting of independent outside directors (excluding directors who are Audit and Supervisory Committee Members) and other directors (excluding directors who are Audit and Supervisory Committee Members) in advance regarding any resolution with respect to a proposal for amount of remuneration of directors (excluding directors who are Audit and Supervisory Committee Members) based on the recommendation from the Remuneration Deliberation Committee.

- c. Policy on determination of basic remuneration

The basic remuneration for the Company's directors (excluding directors who are Audit and Supervisory Committee Members) is a fixed monthly remuneration and determined by taking into account the duties of directors according to their positions and the business characteristics of the Company.

- d. Policy on determination of performance-linked remuneration, etc.

For performance-linked remuneration, in addition to evaluating the results of performance of each director (excluding directors who are Audit and Supervisory Committee Members, and outside directors) during the fiscal year, the Company evaluates operating results and shareholder returns, given that a strong business characteristic of its divisions is that they collaborate with one another. Also, given that our business characteristic is that we require a long period from the planning stage to the achievement of results, the Company evaluates the level of contribution toward achieving the Group Management Vision, commitment to ESG in light of the importance of fulfilling our social responsibilities expected of us as a company and other indicators in a comprehensive manner and reflects these results in the calculation of remuneration. In the evaluation, the President and CEO confirms the results and contribution, commitment to ESG, etc. of the relevant directors (excluding directors who are Audit and Supervisory Committee Members, and outside directors) by conducting interviews to set targets aimed at achieving the annual plan and the Group Management Vision and follow-up interviews to track progress.

Performance-based remuneration is paid at a certain time each year as cash remuneration. The Company does not pay non-monetary remuneration.

- e. Policy on determination of the remuneration ratio (basic remuneration and performance-linked remuneration) for respective directors (excluding directors who are Audit and Supervisory Committee Members, and outside directors)

The ratio of basic remuneration and performance-linked remuneration for directors (excluding directors who are Audit and Supervisory Committee Members, and outside directors) is approximately 3:2, excluding addition and subtraction according to the performance of each director (excluding directors who are Audit and Supervisory Committee Members, and outside directors) so that the performance-linked remuneration accounts for a certain percentage of the total remuneration. Performance-linked remuneration will be increased or decreased within a range between a 40% increase and a 40% decrease from the basic amount for each position, depending on the performance of each director (excluding directors who are Audit and Supervisory Committee Members, and outside directors). In addition, the Company may make further deductions in light of various factors related to the Company's operation, including business results for the fiscal year and the forecast of business results for the next fiscal year.

- (iii) Reasons for the Board of Directors to determine that details of remuneration, etc. for each director for the fiscal year are in accordance with the policy

The Remuneration Deliberation Committee provides a report after confirming that the details of the remuneration for each director (excluding directors who are Audit and Supervisory Committee Members, and outside directors) are consistent with the policy. The Board of Directors generally respects such a report, and is of the view that details of remuneration for each director (excluding directors who are Audit and Supervisory Committee Members, and outside directors) are in accordance with the policy.

- (iv) Indicators for performance-based remuneration, etc., reasons for their adoption, and results

The Company pays basic remuneration and performance-linked remuneration to directors (excluding directors who are Audit and Supervisory Committee Members, and outside directors), and pays only basic remuneration to outside directors (excluding directors who are Audit and Supervisory Committee Members) and directors who are Audit and Supervisory Committee Members without paying performance-linked remuneration in light of their responsibilities.

For performance-linked remuneration, in addition to evaluating the results of performance of each director (excluding directors who are Audit and Supervisory Committee Members, and outside directors) during the fiscal year, the Company evaluates operating results of the current fiscal year including consolidated operating revenue and operating income and shareholder returns, given that a strong business characteristic of its divisions is that they collaborate with one another. Also, given that our business characteristic is that we require a long period from the planning stage to the achievement of results, the Company evaluates the level of contribution toward achieving the Group Management Vision "Move Up" 2027, commitment to ESG in light of the importance of fulfilling our social responsibilities expected of us as a company and other indicators in a comprehensive manner and reflects these results in the calculation of remuneration. In evaluating the performance, the President and CEO confirms the results and contribution, commitment to ESG, etc. of the relevant directors (excluding directors who are Audit and Supervisory Committee Members, and outside directors) by conducting interviews to set targets aimed at achieving the annual plan and the Group Management Vision "Move Up" 2027 and follow-up interviews to track progress.

The Company does not pay non-monetary remuneration.

- (v) Ratio of basic remuneration and performance-linked remuneration, etc.

The ratio of basic remuneration and performance-linked remuneration for directors (excluding directors who are Audit and Supervisory Committee Members, and outside directors) was approximately 4:1 excluding addition and subtraction according to the performance of each director so that the performance-linked remuneration accounts for a certain percentage of the total remuneration, but it is set at 3:2 this time in order to further increase incentives for medium- to Long-term corporate value enhancement and sustainable growth by achieving the Group's management vision so that the percentage of the performance-linked remuneration in the total remuneration is increased. Performance-linked remuneration will be increased or decreased within a range between a 30% increase and a 40% decrease from the basic amount for each position, depending on the performance of each director (excluding directors who are Audit and Supervisory Committee Members, and outside directors) although it used to be increased or decreased within a range between a 40% increase and a 40% decrease. In addition, the Company may make further deductions in light of various factors related to the Company's operation, including business results for the fiscal year and the forecast of business results for the next fiscal year. Performance-based remuneration is paid at a certain time each year as cash remuneration. However, for the performance-based remuneration for the fiscal year ended March 31, 2023, the Company made addition and subtraction by comprehensively making evaluation considering each director's contribution to achieving Group Vision "Move Up" 2027 by taking the result of the failure to achieve the performance target seriously although it was profitable in the fiscal year ended March 31, 2023 with respect to the company performance evaluation.

- (vi) Matters related to delegation related to determination of remuneration of individual directors (excluding directors who are Audit and Supervisory Committee Members)

In evaluating the performance of directors (excluding directors who are Audit and Supervisory Committee Members, and outside directors), the President and CEO confirms their results and contribution and commitment to ESG by conducting interviews to set targets aimed at achieving the annual plan and the Group Management Vision “Move Up” 2027 and follow-up interviews. Accordingly, the determination of remuneration for each director (excluding directors who are Audit and Supervisory Committee Members) has been resolved by the Board of Directors, subject to the discretion of the President and CEO. During the fiscal year ended March 31, 2023, it was resolved at the meeting of the Board of Directors held on June 22, 2022 to delegate the determination of the amount of remuneration for each director to the President and CEO. To ensure the transparency and fairness of the decision-making procedures, the President and CEO delegated by the Board of Directors will first consult with the Remuneration Deliberation Committee consisting of independent outside directors (excluding directors who are Audit and Supervisory Committee Members) and other directors (excluding directors who are Audit and Supervisory Committee Members) in advance regarding any resolution with respect to a proposal for amount of remuneration of directors (excluding directors who are Audit and Supervisory Committee Members) based on the recommendation from the Remuneration Deliberation Committee.

- (vii) Matters pertaining to the Remuneration Deliberation Committee

The Company consults the Remuneration Deliberation Committee on matters related to the remuneration of directors (excluding directors who are Audit and Supervisory Committee Members). To ensure the transparency and fairness of the decision-making procedures, the Remuneration Deliberation Committee consists of independent outside directors (excluding directors who are Audit and Supervisory Committee Members), the President and CEO, and directors (excluding directors who are Audit and Supervisory Committee Members) appointed by the President and CEO. The majority of its members are independent outside directors (excluding directors who are Audit and Supervisory Committee Members). During the fiscal year ended March 31, 2023, meetings of the Remuneration Deliberation Committee were held twice, attended by all members.

- (viii) Resolutions of the General Meeting of Shareholders regarding remuneration, etc. of directors

1. The maximum amount of remuneration to Directors (excluding directors who are Audit and Supervisory Committee Members) was established to be ¥900 million per year (including ¥100 million to outside directors) pursuant to a resolution adopted at the 36th Ordinary General Meeting of Shareholders held on June 22, 2023. As of the conclusion of this General Meeting of Shareholders, the number of directors (excluding directors who are Audit and Supervisory Committee Members) is 11 (including 4 outside directors).

The maximum amount of remuneration to directors who are Audit and Supervisory Committee Members was established to be ¥140 million per year or less pursuant to a resolution adopted at the 36th Ordinary General Meeting of Shareholders held on June 22, 2023. As of the conclusion of this General Meeting of Shareholders, the number of directors who are Audit and Supervisory Committee Members is 4 (including 3 outside directors who are Audit and Supervisory Committee Members).

- (ix) Total amount of remuneration, etc. for each director

The total amount of consolidated remuneration, etc. is not specified as there is no director whose total amount of remuneration, etc. is ¥100 million or more.

- (x) Total amount of remuneration by title and by remuneration type, and number of eligible officers

Title	Total amount of remuneration, etc. (millions of yen)	Total amount of remuneration, etc. by type (millions of yen)		Number of eligible officers
		Basic remuneration	Performance-based remuneration	
Directors (excluding outside directors)	464	351	113	9
Corporate Auditors (excluding outside Corporate Auditors)	12	12	–	1
Outside directors and corporate auditors	144	144	–	9
Total	620	507	113	19

- (Notes) 1. The amount of basic remuneration listed above includes the amount paid to one (1) Director and one (1) Corporate Auditor who retired at the conclusion of the 35th Ordinary General Meeting of Shareholders held on June 22, 2022.
2. In light of the impact of COVID-19 on the business results, the Company’s Directors (excluding outside directors) voluntarily returned 10% or 20% of their basic remuneration from April to July 2022. Also, remuneration to Full-time Corporate Auditors was reduced by 10% from the basic amount as determined by the Board of Corporate Auditors. The amount of basic remuneration in the above table includes the amount voluntarily returned and reduced.

(i) Standards and approach for classification of investment stocks

The Company classifies stocks exclusively for the purpose of receiving profit from changes in the value of stocks or dividends related to stocks as investment stocks held purely for net investment purposes, and stocks other than those for such purposes as investment stocks held for purposes other than net investment purposes.

(ii) Investment stocks held for purposes other than net investment purposes

a. Description of holding policy, method of verifying the reasonableness of holdings, and verification by the Board of Directors, etc. of the appropriateness of holding individual stocks

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 will exercise its rights as a shareholder of a company by examining the details of proposals for each general meeting of shareholders of such company and requesting any explanation therefor, as necessary, in consideration of whether the proposal contributes to the medium- to Long-term corporate value of such company and whether the proposal is in accordance with the objectives for such shareholding. When a selected company proposes to dispose of Company shares, the Company shall not take action to inhibit such disposal, including by suggesting that such disposition would reduce business with the Company.

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 (operating revenues and operating income) and capital cost (comparison with internal rate of return). Based on such examination and objectives for such shareholdings, the Company will consider whether it is necessary to dispose of its shareholding in any company upon discussion with such company where it is determined that the rationale for such shareholding may have ceased to exist. Each of the Company's shareholdings in the selected companies as of March 31, 2023 was examined at the meeting of the Board of Directors held on June 14, 2023, and only the shares confirmed to have a rationale will continue to be held.

b. Number of stocks and Non-consolidated balance sheet amount

	Number of stocks (stocks)	Non-consolidated balance sheet amount (millions of yen)
Unlisted equity shares	25	6,147
Shares other than unlisted equity shares	44	167,429

(Stocks whose number of shares increased in the fiscal year ended March 31, 2023)

	Number of stocks (stocks)	Total acquisition cost involved in increase in number of shares (millions of yen)	Reason for increase in number of shares
Unlisted equity shares	2	200	Contribution to carbon neutrality, etc.
Shares other than unlisted equity shares	5	12,003	Further strengthening cooperation to increase clients' use of railroads, etc.

(Stocks whose number of shares decreased in the fiscal year ended March 31, 2023)

	Number of stocks (stocks)	Total amount of sale value involved in decrease in number of shares (millions of yen)
Unlisted equity shares	1	0
Shares other than unlisted equity shares	3	17,076

c. Number of shares, Non-consolidated balance sheet amount, etc. of specified investment stocks by issue

Specified investment stocks

Issue name	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022	Purpose of holding, outline of business tie-up, etc., quantitative effect of holding, and reason for increase in number of shares	Are shares held in the company?
	Number of shares (shares)	Number of shares (shares)		
	Non-consolidated balance sheet amount (millions of yen)	Non-consolidated balance sheet amount (millions of yen)		
Oriental Land Co., Ltd.	1,413,700	1,413,700	To maintain and strengthen stable business relations through railroad operations, etc. in consideration of the fact that the theme park operated by the company is located along our railroad line.	Yes
	32,006	33,236		
Mitsubishi UFJ Financial Group, Inc.	10,276,593	10,276,593	To maintain and strengthen stable business relations through financial transactions, etc. in light of ongoing borrowings from this group's financial institutions.	Yes
	8,713	7,813		
Tokio Marine Holdings, Inc.	3,354,750	1,118,250	To maintain and strengthen stable business relations through financial transactions, etc. in consideration of existing contracts for insurance of civil engineering structures, etc.	Yes
	8,544	7,970		
Central Japan Railway Company	518,800	518,800	To maintain and strengthen stable business relations through railroad operations, etc. including improvement of train operating safety, technological development, promotion of tourism, mutual use of IC cards, and more.	Yes
	8,202	8,282		
Mizuho Financial Group, Inc.	4,067,380	4,067,380	To maintain and strengthen stable business relations through financial transactions, etc. in light of ongoing borrowings from this group's financial institutions.	Yes
	7,638	6,373		
TOBU RAILWAY CO., LTD.	2,024,800	1,049,200	To maintain and strengthen stable business relations through railroad operations, etc. including direct limited express train services, mutual use of IC cards, and more.	Yes
	6,418	3,125		
Mitsui Fudosan Co., Ltd.	2,444,000	2,444,000	To maintain and strengthen stable business relations through real estate development and management, etc., such as the GRANTOKYO NORTH TOWER joint venture.	Yes
	6,070	6,403		
Sumitomo Mitsui Financial Group, Inc.	1,120,062	1,120,062	To maintain and strengthen stable business relations through financial transactions, etc. in light of ongoing borrowings from this group's financial institutions.	Yes
	5,934	4,376		
MITSUBISHI ESTATE CO., LTD.	3,760,000	3,760,000	To maintain and strengthen stable business relations through real estate development and management, etc. as joint operators of JP TOWER, etc.	Yes
	5,927	6,839		
Kyushu Railway Company	1,974,100	1,974,100	To maintain and strengthen stable business relations through railroad operations and Life-style services, including ticket sales, technological development, MaaS, mutual use of IC cards, STATION WORK, and more.	Yes
	5,821	4,949		
Mitsubishi Heavy Industries, Ltd.	1,158,500	1,158,500	To maintain and strengthen stable business relations through materials procurement, such as rolling stock supplies and power generation and substation equipment.	Yes
	5,648	4,657		
Sumitomo Realty & Development Co., Ltd.	1,593,000	638,000	To maintain and strengthen stable business relations through real estate development and management, such as joint development of land for the Company's sites.	Yes
	4,750	2,162		
West Japan Railway Company	866,700	866,700	To maintain and strengthen stable business relations through railroad operations and Life-style services, including improvement of train operation safety, promotion of tourism, MaaS, mutual use of IC cards, STATION WORK, and more.	Yes
	4,729	4,412		
Kawasaki Heavy Industries, Ltd.	1,534,400	1,534,400	To maintain and strengthen stable business relations through materials procurement, such as Shinkansen cars and rolling stock supplies.	Yes
	4,440	3,415		
MS&AD Insurance Group Holdings, Inc.	1,041,630	1,041,630	To maintain and strengthen stable business relations through financial transactions, etc. in consideration of existing contracts for insurance of civil engineering structures, etc.	Yes
	4,276	4,143		
Japan Airlines Co., Ltd.	1,600,200	1,600,200	To maintain and strengthen stable business relations through railroad operations, etc. including collaboration on MaaS and credit card services.	Yes
	4,131	3,664		
ANA HOLDINGS INC.	1,387,800	1,387,800	To maintain and strengthen stable business relations through railroad operations, etc. including collaboration on MaaS and credit card services.	Yes
	3,991	3,561		

Issue name	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022	Purpose of holding, outline of business tie-up, etc., quantitative effect of holding, and reason for increase in number of shares	Are shares held in the company?
	Number of shares (shares)	Number of shares (shares)		
	Non-consolidated balance sheet amount (millions of yen)	Non-consolidated balance sheet amount (millions of yen)		
SEIBU HOLDINGS INC.	2,630,100	1,138,700	To maintain and strengthen stable business relations through railroad operations, etc. including collaboration in creation of new Life-styles, creation and sale of travel products, mutual use of IC cards, and more.	Yes
	3,574	1,448		
Sompo Holdings, Inc.	610,032	610,032	To maintain and strengthen stable business relations through financial transactions, etc. in consideration of existing contracts for earthquake insurance, insurance of civil engineering structures, and so on.	Yes
	3,203	3,282		
ENEOS Holdings, Inc.	6,722,810	6,722,810	To maintain and strengthen stable business relations through energy procurement, etc., including the purchase of fuel used at the Company's power plants.	No
	3,127	3,079		
Keio Corporation	670,200	670,200	To maintain and strengthen stable business relations through railroad operations, such as station area development, mutual use of IC cards, and more.	Yes
	3,113	3,206		
TOKYU CORPORATION	1,764,000	1,764,000	To maintain and strengthen stable business relations through railroad operations, such as station area development, mutual use of IC cards, and more.	Yes
	3,108	2,808		
Nippon Steel Corporation	940,800	940,800	To maintain and strengthen stable business relations through materials procurement, such as railroad facility supplies, etc.	Yes
	2,935	2,042		
Tokyu Fudosan Holdings Corporation	4,607,400	–	To maintain and strengthen stable business relations through real estate development and management, such as joint development of land for the Company's sites, as well as maintain and strengthen cooperation in the renewable energy business.	No
	2,925	–		
Yakult Honsha Co., Ltd.	279,700	279,700	To maintain and strengthen stable business relations in the area of community revitalization, such as support for sporting activities and more.	Yes
	2,693	1,823		
Japan Airport Terminal Co., Ltd.	357,000	357,000	To maintain and strengthen stable business relations through railroad operations, such as mutual management of Tokyo Monorail facilities and more.	Yes
	2,356	1,995		
Senshukai Co., Ltd.	5,714,200	5,714,200	To maintain and strengthen stable business relations through e-commerce business, etc., such as opening new stores in JRE MALL, promoting measures to link real and digital operations at stations, and more.	No
	2,314	2,228		
Odakyu Electric Railway Co., Ltd.	1,054,900	446,400	To maintain and strengthen stable business relations through railroad operations, such as station area development, mutual use of IC cards, and more.	Yes
	1,814	909		
Electric Power Development Co., Ltd.	723,000	723,000	To maintain and strengthen stable business relations through energy procurement, etc., such as considering joint implementation of wind power generation business and more.	Yes
	1,540	1,263		
Concordia Financial Group, Ltd.	3,023,500	3,023,500	To maintain and strengthen stable business relations through financial transactions, etc. in light of ongoing borrowings from this group's financial institutions.	Yes
	1,475	1,384		
Keikyu Corporation	1,143,500	1,143,500	To maintain and strengthen stable business relations through railroad operations, such as station area development, mutual use of IC cards, and more.	Yes
	1,439	1,433		
The Chiba Bank, Ltd.	1,004,000	1,004,000	To maintain and strengthen stable business relations through financial transactions, etc. in light of ongoing borrowings from this financial institution.	Yes
	858	727		
Tohoku Electric Power Co., Inc.	1,265,200	1,265,200	To maintain and strengthen stable business relations through energy procurement, etc., such as securing electricity necessary for railroad operations.	Yes
	833	900		
Toyo Electric Mfg. Co., Ltd.	480,000	480,000	To maintain and strengthen stable business relations through materials procurement, such as rolling stock supplies for railroads.	Yes
	442	481		
Mebuki Financial Group, Inc.	1,203,228	1,203,228	To maintain and strengthen stable business relations through financial transactions, etc. in light of ongoing borrowings from this group's financial institutions.	Yes
	389	308		

Issue name	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022	Purpose of holding, outline of business tie-up, etc., quantitative effect of holding, and reason for increase in number of shares	Are shares held in the company?
	Number of shares (shares)	Number of shares (shares)		
	Non-consolidated balance sheet amount (millions of yen)	Non-consolidated balance sheet amount (millions of yen)		
The Hachijuni Bank, Ltd.	674,000	674,000	To maintain and strengthen stable business relations through financial transactions, etc. in light of ongoing borrowings from this financial institution.	Yes
	387	274		
The Gunma Bank, Ltd.	707,000	707,000	To maintain and strengthen stable business relations through financial transactions, etc. in light of ongoing borrowings from this financial institution.	Yes
	313	250		
Daishi Hokuetsu Financial Group, Inc.	107,700	107,700	To maintain and strengthen stable business relations through financial transactions, etc. in light of ongoing borrowings from this group's financial institutions.	Yes
	311	269		
The 77 Bank, Ltd.	132,000	132,000	To maintain and strengthen stable business relations through financial transactions, etc. in light of ongoing borrowings from this financial institution.	Yes
	285	204		
The Bank of Iwate, Ltd.	98,500	98,500	To maintain and strengthen stable business relations through financial transactions, etc. in light of ongoing borrowings from this financial institution.	Yes
	209	182		
HOTEL NEW GRAND	43,800	43,800	To maintain and strengthen stable business relations through railroad operations, such as creation and sales of travel packages incorporating use of the hotel, and more.	No
	170	173		
The Akita Bank, Ltd.	86,940	86,940	To maintain and strengthen stable business relations through financial transactions, etc. in light of ongoing borrowings from this financial institution.	Yes
	153	146		
Daido Steel Co., Ltd.	27,200	27,200	To maintain and strengthen stable business relations through materials procurement, such as railroad facility supplies, etc.	Yes
	141	100		
Nousouken Corporation	134,900	134,900	To maintain and strengthen stable business relations for regional revitalization, such as development of agricultural product collection points and expansion of sales channels.	No
	63	57		
TOTETSU KOGYO CO., LTD.	*	3,659,000	Since it falls under the category of an affiliated company based on the influence criteria, it has been reclassified from a specified investment stock to an affiliated company stock.	Yes
	*	8,298		
TEKKEN CORPORATION	*	1,578,200	Since it falls under the category of an affiliated company based on the influence criteria, it has been reclassified from a specified investment stock to an affiliated company stock.	Yes
	*	2,902		
Daiichi Kensetsu Corporation	*	1,580,600	Since it falls under the category of an affiliated company based on the influence criteria, it has been reclassified from a specified investment stock to an affiliated company stock.	Yes
	*	2,339		
Mitsubishi Electric Corporation	–	5,790,000	All shares were sold during the fiscal year ended March 31, 2023.	Yes
	–	8,163		
Hitachi, Ltd.	–	653,500	All shares were sold during the fiscal year ended March 31, 2023.	Yes
	–	4,028		
TOKYO GAS CO., LTD	–	1,428,400	All shares were sold during the fiscal year ended March 31, 2023.	Yes
	–	3,188		

- (Notes) 1. The Company engages in cross-shareholdings in selected companies that 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. Although the quantitative holding effect of cross-shareholdings is difficult to state, the reasonableness of holdings is individually verified as outlined in (ii)-a.
- Tokio Marine Holdings, Inc. conducted a 3-for-1 stock split of its common stock on October 1, 2022.
 - Since due to additional acquisition of stocks, TOTETSU KOGYO CO., LTD., TEKKEN CORPORATION, and Daiichi Kensetsu Corporation now fall under the category of affiliated companies based on the influence criteria, these have been reclassified from specified investment stocks to affiliated company stocks. An asterisk (*) indicates that the description has been omitted.

(iii) Investment stocks held purely for net investment purposes
Not applicable.

No. 5: Accounting

1. Consolidated Financial Statements and Method of Financial Statements Preparation

- (1) The Company's consolidated financial statements are prepared in accordance with the "Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements" (Ministry of Finance Ordinance No. 28, 1976).
- (2) The Company's Non-consolidated financial statements are prepared in accordance with the provisions of Article 2 of the "Regulation on Terminology, Forms, and Preparation Methods of Financial Statements" (Ministry of Finance Ordinance No. 59 of 1963), and the "Regulation on Accounting in the Railway Industry" (Ministry of Transport Ordinance No. 7 of 1987).

2. Audit Certification

The Company's consolidated financial statements for the fiscal year (April 1, 2022 to March 31, 2023) and financial statements for the fiscal year (April 1, 2022 to March 31, 2023) have been audited by KPMG AZSA LLC in accordance with the provisions of Article 193-2, Paragraph (1) of the Financial Instruments and Exchange Act.

3. Special Efforts to Ensure the Propriety of Consolidated Financial Statements

The Company and its consolidated subsidiaries take special measures to ensure the propriety of consolidated financial statements. Specifically, the Company and its consolidated subsidiaries prepare consolidated balance sheets in accordance with common accounting systems, instruction manuals, etc., and conduct training for accounting staff.

In addition, in order to properly identify and respond to changes in accounting standards, the Company has joined the Financial Accounting Standards Foundation (FASF) and participates in seminars and other functions held by the Foundation.

1. Consolidated Financial Statements and Main Notes

(1) Consolidated Financial Statements

(i) Consolidated Balance Sheets

(Millions of yen)

		Year ended March 31, 2022		Year ended March 31, 2023
Assets				
Current Assets				
Cash and time deposits	*1	171,194	*1	215,193
Notes, accounts receivable - trade and contract assets	*2	503,581	*2	568,880
Fares receivable		53,246		66,104
Securities		100		-
Real estate for sale	*7	18,006	*7	45,177
Inventories	*12	94,213	*12	90,491
Other	*10	69,459	*10	70,044
Allowance for doubtful accounts		(2,802)		(3,105)
Total current assets		907,001		1,052,784
Fixed Assets				
Property, plant and equipment, net of accumulated depreciation				
Buildings and structures (net)	*1	3,861,442	*1	3,856,298
Machinery, rolling stock and vehicles (net)		747,230		712,443
Land		2,164,997		2,185,869
Construction in progress		334,610		399,205
Other (net)		69,575		60,744
Total property, plant and equipment, net of accumulated depreciation	*4,*5,*6,*7,*11	7,177,855	*4,*5,*6,*7,*11	7,214,561
Intangible assets	*5,*7,*11	169,970	*5,*6,*7,*11	198,805
Investments and other assets				
Investments in securities	*8	301,490	*8	357,341
Long-term loans receivable		1,987		2,437
Deferred tax assets		442,562		432,011
Net defined benefit assets		803		961
Other		90,968		94,438
Allowance for doubtful accounts		(1,214)		(1,442)
Total investments and other assets		836,597		885,747
Total fixed assets		8,184,423		8,299,114
Total Assets		9,091,424		9,351,899

(Millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
Liabilities		
Current Liabilities		
Notes and accounts payable-trade	*1 47,876	*1 44,250
Short-term loans and current portion of long-term loans	202,249	150,000
Current portion of bonds	111,000	214,999
Current portion of long-term liabilities incurred for purchase of railway facilities	*1, *11 3,806	*1, *11 4,065
Payables	422,653	493,162
Accrued consumption taxes	34,654	43,960
Accrued income taxes	10,938	16,186
Fare deposits received with regard to railway connecting services	27,847	36,314
Prepaid railway fares received	69,598	78,047
Allowance for bonuses to employees	52,715	59,905
Allowance for disaster-damage losses	22,465	12,349
Allowance for partial transfer costs of railway operation	128	—
Other	*3 682,624	*3 379,009
Total current liabilities	1,688,558	1,532,252
Long-Term Liabilities		
Bonds	2,431,665	2,760,870
Long-term loans	1,309,950	1,333,950
Long-term liabilities incurred for purchase of railway facilities	*1, *11 315,067	*1, *11 311,001
Deferred tax liabilities	2,309	2,367
Provision for large-scale renovation of Shinkansen infrastructure	144,000	168,000
Allowance for disaster-damage losses	2,591	2,024
Net defined benefit liabilities	465,346	445,843
Other	313,823	297,875
Total Long-term liabilities	4,984,754	5,321,933
Total Liabilities	6,673,313	6,854,186
Net Assets		
Shareholders' Equity		
Common stock	200,000	200,000
Capital surplus	96,411	96,445
Retained earnings	2,047,407	2,132,049
Treasury stock, at cost	(5,563)	(8,913)
Total shareholders' equity	2,338,255	2,419,581
Accumulated Other Comprehensive Income		
Net unrealized holding gains (losses) on securities	47,830	43,302
Net deferred gains (losses) on derivatives under hedge accounting	2,464	2,548
Revaluation reserve for land	*13 (256)	*13 (35)
Foreign currency translation adjustments	257	284
Remeasurements of defined benefit plans	6,377	7,570
Total accumulated other comprehensive income	56,672	53,670
Non-Controlling Interests	23,182	24,462
Total Net Assets	2,418,110	2,497,713
Total Liabilities and Total Net Assets	9,091,424	9,351,899

(ii) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Millions of yen)

		Year ended March 31, 2022		Year ended March 31, 2023
Operating Revenues	*1	1,978,967	*1	2,405,538
Operating Expenses				
Transportation, other services and cost of sales		1,596,068		1,687,833
Selling, general and administrative expenses	*2	536,836	*2	577,075
Total operating expenses		2,132,905		2,264,909
Operating Income (Loss)		(153,938)		140,628
Non-Operating Income				
Interest income		149		93
Dividend income		9,651		4,861
Gains on sales of equipment		1,416		1,331
Insurance proceeds and dividends		6,559		5,481
Equity in net income of affiliated companies		12,015		23,322
Other		14,446		6,996
Total non-operating income		44,239		42,086
Non-Operating Expenses				
Interest expense		62,158		63,754
Losses on sales of equipment		168		203
Other		7,476		7,846
Total non-operating expenses		69,802		71,804
Ordinary Income (Loss)		(179,501)		110,910
Extraordinary Gains				
Gains on sales of fixed assets	*5	6,498	*5	4,790
Gains on sales of investments in securities		20,651		9,861
Construction grants received	*6	20,784	*6	40,925
Compensation income	*7	4,944	*7	27,595
Other		11,238		10,040
Total extraordinary gains		64,117		93,213
Extraordinary Losses				
Losses on sales of fixed assets	*8	166	*8	327
Losses from disposition of fixed assets	*9	2,452	*9	2,484
Losses on reduction entry for construction grants	*10	15,269	*10	36,331
Impairment losses on fixed assets	*11	9,652	*11	19,063
Other		37,577		17,541
Total extraordinary losses		65,118		75,749
Income (Loss) before Income Taxes		(180,502)		128,375
Current		12,527		14,666
Deferred		(98,505)		13,163
Total Income Taxes		(85,977)		27,830
Profit (Loss)		(94,525)		100,545
Profit Attributable to Non-Controlling Interests		423		1,312
Profit (Loss) Attributable to Owners of Parent		(94,948)		99,232

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
Profit (Loss)	(94,525)	100,545
Other Comprehensive Income		
Net unrealized holding gains (losses) on securities	(5,650)	(5,684)
Net deferred gains (losses) on derivatives under hedge accounting	326	48
Foreign currency translation adjustments	257	26
Remeasurements of defined benefit plans	(783)	1,262
Share of other comprehensive income of associates accounted for using equity method	(167)	261
Total other comprehensive income	*1 (6,017)	*1 (4,085)
Comprehensive Income	(100,543)	96,459
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	(100,972)	95,139
Comprehensive income attributable to non-controlling interests	429	1,320

(iii) Consolidated Statements of Changes in Net Assets
Year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at the fiscal year start	200,000	96,522	2,181,570	(5,553)	2,472,539
Cumulative effects of changes in accounting policies			(1,228)		(1,228)
Restated balance	200,000	96,522	2,180,341	(5,553)	2,471,311
Changes of items during the fiscal year					
Cash dividends			(37,760)		(37,760)
Loss attributable to owners of parent			(94,948)		(94,948)
Increase/decrease due to merger		(13)	666		653
Purchase of treasury stock				(10)	(10)
Disposal of treasury stock			(0)	0	0
Change in equity in affiliates accounted for by equity method-treasury stock					-
Change in scope of consolidation			(715)		(715)
Change in scope of equity method					-
Capital increase of consolidated subsidiaries		(98)			(98)
Purchase of shares of consolidated subsidiaries					-
Reversal of revaluation reserve for land			(176)		(176)
Net changes of items other than shareholders' equity					
Total changes of items during the fiscal year	-	(111)	(132,933)	(10)	(133,055)
Balance at the fiscal year end	200,000	96,411	2,047,407	(5,563)	2,338,255

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Net unrealized holding gains (losses) on securities	Net deferred gains (losses) on derivatives under hedge accounting	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the fiscal year start	54,322	2,137	(433)	(25)	6,486	62,487	22,334	2,557,361
Cumulative effects of changes in accounting policies								(1,228)
Restated balance	54,322	2,137	(433)	(25)	6,486	62,487	22,334	2,556,132
Changes of items during the fiscal year								
Cash dividends								(37,760)
Loss attributable to owners of parent								(94,948)
Increase/decrease due to merger								653
Purchase of treasury stock								(10)
Disposal of treasury stock								0
Change in equity in affiliates accounted for by equity method-treasury stock								-
Change in scope of consolidation								(715)
Change in scope of equity method								-
Capital increase of consolidated subsidiaries								(98)
Purchase of shares of consolidated subsidiaries								-
Reversal of revaluation reserve for land								(176)
Net changes of items other than shareholders' equity	(6,491)	326	176	282	(108)	(5,814)	848	(4,966)
Total changes of items during the fiscal year	(6,491)	326	176	282	(108)	(5,814)	848	(138,021)
Balance at the fiscal year end	47,830	2,464	(256)	257	6,377	56,672	23,182	2,418,110

Year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at the fiscal year start	200,000	96,411	2,047,407	(5,563)	2,338,255
Cumulative effects of changes in accounting policies					–
Restated balance	200,000	96,411	2,047,407	(5,563)	2,338,255
Changes of items during the fiscal year					
Cash dividends			(37,759)		(37,759)
Profit attributable to owners of parent			99,232		99,232
Increase/decrease due to merger			873		873
Purchase of treasury stock				(1,139)	(1,139)
Disposal of treasury stock					–
Change in equity in affiliates accounted for by equity method-treasury stock				(2,210)	(2,210)
Change in scope of consolidation					–
Change in scope of equity method			22,198		22,198
Capital increase of consolidated subsidiaries					–
Purchase of shares of consolidated subsidiaries		34			34
Reversal of revaluation reserve for land			96		96
Net changes of items other than shareholders' equity					
Total changes of items during the fiscal year	–	34	84,641	(3,350)	81,326
Balance at the fiscal year end	200,000	96,445	2,132,049	(8,913)	2,419,581

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Net unrealized holding gains (losses) on securities	Net deferred gains (losses) on derivatives under hedge accounting	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the fiscal year start	47,830	2,464	(256)	257	6,377	56,672	23,182	2,418,110
Cumulative effects of changes in accounting policies								–
Restated balance	47,830	2,464	(256)	257	6,377	56,672	23,182	2,418,110
Changes of items during the fiscal year								
Cash dividends								(37,759)
Profit attributable to owners of parent								99,232
Increase/decrease due to merger								873
Purchase of treasury stock								(1,139)
Disposal of treasury stock								–
Change in equity in affiliates accounted for by equity method-treasury stock								(2,210)
Change in scope of consolidation								–
Change in scope of equity method								22,198
Capital increase of consolidated subsidiaries								–
Purchase of shares of consolidated subsidiaries								34
Reversal of revaluation reserve for land								96
Net changes of items other than shareholders' equity	(4,527)	84	221	26	1,192	(3,002)	1,279	(1,723)
Total changes of items during the fiscal year	(4,527)	84	221	26	1,192	(3,002)	1,279	79,602
Balance at the fiscal year end	43,302	2,548	(35)	284	7,570	53,670	24,462	2,497,713

(iv) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
Cash Flows from Operating Activities		
Income (loss) before income taxes	(180,502)	128,375
Depreciation	392,626	389,885
Impairment losses on fixed assets	9,652	19,063
Amortization of long-term prepaid expense	11,279	10,623
Net change in provision for large-scale renovation of Shinkansen infrastructure	24,000	24,000
Net change in net defined benefit liabilities	(17,594)	(17,915)
Interest and dividend income	(9,800)	(4,955)
Interest expense	62,158	63,754
Construction grants received	(20,784)	(40,925)
Compensation income	(4,944)	(27,595)
Losses from disposition of fixed assets	32,089	34,633
Losses from provision for cost reduction of fixed assets	15,269	36,331
Net change in major receivables	(43,868)	(57,767)
Net change in major payables	(27,555)	72,464
Other	21,660	(7,246)
Sub-total	263,685	622,725
Proceeds from interest and dividends	11,821	7,512
Payments of interest	(61,426)	(62,008)
Insurance proceeds related to disaster	6,000	4,534
Payments of disaster-damage losses	(8,948)	(10,275)
Proceeds from compensation	4,944	27,595
Payments of partial transfer costs of railway operation	(1,156)	(142)
Payments of income taxes	(24,413)	(8,186)
Net cash provided by operating activities	190,506	581,755
Cash Flows from Investing Activities		
Payments for purchases of fixed assets	(583,055)	(555,583)
Proceeds from sales of fixed assets	8,108	6,409
Proceeds from construction grants	34,481	12,528
Payments for purchases of investments in securities	(10,247)	(36,394)
Proceeds from sales of investments in securities	40,158	21,958
Other	(15,804)	(14,430)
Net cash used in investing activities	(526,358)	(565,511)
Cash Flows from Financing Activities		
Net change in short-term loans	(239,250)	(60,749)
Net change in commercial papers	(85,000)	(330,000)
Proceeds from long-term loans	298,650	174,500
Payments of long-term loans	(139,392)	(142,000)
Proceeds from issuance of bonds	612,302	544,151
Payments for redemption of bonds	(90,000)	(111,000)
Payments of liabilities incurred for purchase of railway facilities	(4,215)	(3,806)
Cash dividends paid	(37,760)	(37,759)
Other	(10,691)	(6,504)
Net cash provided by financing activities	304,642	26,830
Effect of Exchange Rate Changes on Cash and Cash Equivalents	282	124
Net Change in Cash and Cash Equivalents	(30,926)	43,200
Cash and Cash Equivalents at Beginning of the Year	197,960	171,023
Increase in Cash and Cash Equivalents from Newly Consolidated Subsidiary	3,299	–
Increase in Cash and Cash Equivalents due to Merger	689	776
Cash and Cash Equivalents at End of the Year	*1 171,023	*1 215,000

Notes to Consolidated Financial Statements

Basic Matters in Preparing Consolidated Financial Statements

1. Matters regarding the scope of consolidation

Among the subsidiaries, 69 companies including Viewcard Co., Ltd., JR East Cross Station Co., Ltd., JR BUS KANTO CO., LTD. and Japan Transport Engineering Company are consolidated.

JR East Cross Station Co., Ltd. absorbed a Non-consolidated subsidiary NRE Takasaki Services Co., Ltd., Station Building MIDORI Co., Ltd. absorbed a Non-consolidated subsidiary Choutetsu Kaihatsu Co., Ltd., and JR East Japan Niigata City Create Co., Ltd. absorbed a Non-consolidated subsidiary JR Niigata Business Co., Ltd.

Non-consolidated subsidiaries include LUMINE Resort Co., Ltd. and atré International Co., Ltd. None of the assets, sales, profit and loss, and retained earnings of the Non-consolidated subsidiaries corresponding to the Company's equity are significant in amounts compared with those of the Company and its consolidated subsidiaries, and will not affect the reasonable judgment with respect to the Group's financial condition or business results when such subsidiaries are excluded from consolidation.

2. Matters regarding application of the equity method

Among the affiliated companies, the equity method is applied to the investment in 11 companies, including UQ Communications Inc. and Tekken Corporation.

TOTETSU KOGYO CO., LTD., Daiichi Kensetsu Corporation, Tekken Corporation, SENKEN KOGYO CO., LTD. and KOTSUKENSETSU CORPORATION were added as affiliated companies accounted for by the equity method as a result of share acquisition during this fiscal year.

With respect to investments in Non-consolidated subsidiaries and affiliated companies not using the equity method (including Narita Airport Rapid Railway Company Limited), none of the profit and loss and retained earnings of such companies corresponding to the Company's equity are significant in amounts compared with those of the Company and its consolidated subsidiaries and equity method affiliated companies, and will not affect the consolidated profit and loss or consolidated retained earnings. Therefore, the equity method is not applied.

As for equity method affiliated companies which have a different fiscal year-end date from the consolidated fiscal year-end date, financial statements for the fiscal year of such company are used.

3. Matters regarding fiscal years of the consolidated subsidiaries

Among the consolidated subsidiaries, the fiscal year-end date of JR East Business Development SEA Pte. Ltd., JRE Business Development Taiwan, Inc. and JREFU Hotel Management & Consulting Co., Ltd. was December 31, 2022 and the fiscal year-end date of The Orangepage, Inc. was February 28, 2023. Financial statements of such companies as of that date are used to prepare the consolidated financial statements, with necessary adjustments regarding important transactions that occurred between that date and the consolidated fiscal year-end date.

The fiscal year end date of GALA YUZAWA Co., Ltd. was September 30, 2022. Its financial statements prepared based on the provisional settlement of accounts as of the fiscal year end date have been used to prepare the consolidated financial statements.

4. Matters regarding accounting standards

(1) Basis and method of valuation of important assets

(i) Basis and method of valuation of securities

Held-to-maturity debt securities:

Amortized cost method (straight-line method)

Available-for-sale securities

a. Securities other than securities and investments without market value:

Market method (net unrealized gains or losses on these securities are reported as a separate item in net assets, and the cost of sales is determined mainly by the moving-average cost method)

b. Securities and investments without market value:

Mainly based on the moving-average cost method

c. Partnership capital (deemed securities in accordance with Article 2, Paragraph (2) of the Financial Instruments and Exchange Act (Act No. 25 of 1948))

The Company uses the most recent financial statements available as of the reporting date stipulated in the partnership contract as the basis for determining the net amount of its equity interest in the partnership.

(ii) Basis and method of valuation of derivatives

Derivatives are valued according to market method.

(iii) Basis and method of valuation of inventories

- Real estate for sale: identified cost method (carrying amount in the balance sheets is calculated with consideration given to write-downs due to decreased profitability of inventories)
- Merchandise and finished goods: mainly retail cost method or moving-average cost method (carrying amount in the balance sheets is calculated with consideration given to write-downs due to decreased profitability of inventories)
- Work in process: mainly identified cost method (carrying amount in the balance sheets is calculated with consideration given to write-downs due to decreased profitability of inventories)
- Raw materials and supplies: mainly moving-average cost method (carrying amount in the balance sheets is calculated with consideration given to write-downs due to decreased profitability of inventories)

(2) Method of depreciation and amortization of important depreciable assets

(i) Property, plant and equipment

Property, plant and equipment are depreciated using the declining balance method; however, buildings (excluding fixtures) acquired on or after April 1, 1998, fixtures and structures acquired on or after April 1, 2016 and some of the property, plant and equipment of consolidated subsidiaries are depreciated using the straight-line method. Replacement assets included in structures of railway fixed assets are depreciated using the replacement method.

Methods to determine the number of years of useful life and residual value are as stipulated in the Corporation Tax Act.

With respect to the depreciation and amortization method for lease assets related to finance lease transactions that do not transfer ownership to the lessee, the Company has adopted a straight-line method that assumes the years of useful lives are lease periods and residual values are zero.

(ii) Intangible assets

Intangible assets are amortized using the straight-line method.

The method to determine the number of years of useful life is as stipulated in the Corporation Tax Act.

Software designed for internal use is amortized using the straight-line method based on the expected useful life as used in each company (mainly five years).

With respect to the depreciation and amortization method for lease assets related to finance lease transactions that do not transfer ownership to the lessee, the Company has adopted a straight-line method that assumes the years of useful lives are lease periods and residual values are zero.

(3) Accounting for deferred assets

Cost of issuance of bonds are charged to income when paid.

(4) Accounting for important allowances

(i) Allowance for doubtful accounts

For general receivables, the allowance is provided based on past loan loss experience. For receivables from debtors in financial difficulty, allowance is provided for estimated unrecoverable amounts on an individual basis.

(ii) Allowance for bonuses to employees

The allowance for bonuses to employees is provided based upon the expected amount to be paid.

(iii) Provision for large-scale renovation of Shinkansen infrastructure

The provision for large-scale renovation of Shinkansen infrastructure is recognized based on Article 17 of the Nationwide Shinkansen Railway Development Act (Act No. 71 of 1970).

On March 29, 2016, the Company received approval for a Plan for Provision for Large-Scale Renovation of Shinkansen Infrastructure from the Minister of Land, Infrastructure, Transport and Tourism based on Article 16, Paragraph (1) of the Nationwide Shinkansen Railway Development Act. As a result, from fiscal 2017 until fiscal 2031, a provision of ¥24,000 million (total: ¥360,000 million) will be recognized each fiscal year, and from fiscal 2032, until fiscal 2041, a reversal of ¥36,000 million (total: ¥360,000 million) will be recognized each fiscal year.

(iv) Allowance for disaster-damage losses

The allowance for disaster-damage losses is established based upon the estimated restoration and other expenses arising from Typhoon No. 15 (Faxai) and Typhoon No. 19 (Hagibis), which landed on September 9, 2019 and October 12, 2019, respectively. Also, the allowance for disaster-damage losses is established based upon the estimated amount of restoration and other expenses arising from Fukushima Prefecture offshore earthquakes that occurred on March 16, 2022.

Further, the allowance for disaster-damage losses is established based upon the estimated amount of restoration and other expenses arising from damage sustained from heavy rains that occurred in August 2022.

(5) Accounting for net retirement benefit liabilities

(i) The method for attributing expected retirement benefits to periods

In calculating the retirement benefit obligation, estimated retirement benefits are attributed to the accounting period prior to the balance sheets date in accordance with the benefit formula basis.

(ii) Amortization of prior service costs and actuarial gains and losses

The prior service costs are amortized by the straight-line method and charged to income over the number of years (mainly ten years) which does not exceed the average remaining years of employment at the time when the prior service costs were incurred.

Actuarial gains and losses are recognized in expenses using the straight-line method over constant years (mainly ten years) within the average of the estimated remaining service lives of employees at the time when the actuarial gains and losses are incurred in each period, commencing with the following consolidated fiscal year.

(6) Basis for recognition of significant revenues and costs

The Group is engaged in the transportation business, retail & services business, real estate & hotels business, etc.

Revenues from these businesses are recorded mainly based on contracts with customers, and transaction prices are based on the consideration under contracts with customers. However, in regard to transactions performed by the Group as an agent, transaction prices are based on the net value, being the difference between the consideration received from customers and the amount paid to the third party actually delivering the goods and services. Major transactions performed by the Group as an agent are part of retail operations in retail & service business.

The Group also operates the group-wide “*JRE POINT*” program, awarding points to customers according to the usage at railways and station buildings that can be used for services provided by the Group. The points awarded to customers are recognized as separate performance obligations, and allocated to each performance obligation based on the ratio of stand-alone selling price estimated by the unit price of points and lapse ratio. Performance obligations of “*JRE POINT*” are recorded as contract liabilities, and revenues are recognized according to the point usage.

Details of major performance obligations and timing of satisfaction of performance obligations for each segment relating to the recording of revenues are as described below.

(i) Transportation business

The transportation business mainly provides passenger transport services. Revenues from commuter passes are recorded as “Commuter Passes Revenue,” and revenues from regular tickets other than commuter passes and fare tickets are recorded as “Non-Commuter Passes Revenue.”

Performance obligation under Commuter Passes Revenue is to provide customers with passenger transport services for the sections designated by commuter passes within the validity period, and such performance obligation is fulfilled upon expiration of the validity period of commuter passes.

Performance obligation under Non-Commuter Passes Revenue is to provide customers with passenger transport services for the sections or trains designated by train tickets or fare tickets, and such performance obligation is fulfilled at the time of provision of passenger transport service to the customer.

(ii) Retail & Services business

The retail & services business mainly conducts retail and restaurant operations. Performance obligation in the retail & services business is to provide goods or services to customers, and such performance obligation is fulfilled at the time of provision of goods or services.

(iii) Real Estate & Hotels business

The real estate & hotels business mainly conducts leasing operation of real estate owned by the Group, sales operation of real estate developed by the Group, and hotel operation.

Leasing operation of real estate mainly involves management of shopping centers and lease of office buildings. Revenues from lease of real estate are recorded during the lease contract period according to the “Accounting Standards for Lease Transactions.” Performance obligation in sales operation of real estate is to deliver real estate to customers, and such performance obligation is fulfilled at the time of delivery of real estate.

Performance obligation in hotel operation is to provide accommodation services to customers, and such performance obligation is fulfilled at the time of provision of services.

(iv) Other

Others mainly consists of the IT & *Suica* businesses including credit card operations and electronic money services.

Performance obligation in these businesses is to provide a payment service through a credit card and electronic money, and to deliver IC card-related equipment, and such performance obligation is fulfilled at the time of provision of services or delivery of goods.

(7) Method of accounting for important hedge transactions

(i) Method of accounting for hedge transactions

Hedge transactions are based on deferral hedge accounting. Currency swap transactions and forward exchange contracts fulfilling the requirement of appropriation accounting are based on appropriation accounting, and interest swap transactions fulfilling special accounting are based on special accounting.

(ii) Hedging instruments and hedged items

The Company uses currency swaps and forward exchange contracts to hedge foreign currency exchange rate fluctuation risks associated with foreign currency-denominated bonds and receivables. The Company also enters into interest rate swaps to hedge the risk of fluctuations in interest rates related to interest on borrowings.

(iii) Hedging policy

The Company enters into derivatives transactions to hedge risks associated with foreign exchange fluctuation, taking into consideration market trends, and contract amounts, terms, and characteristics, among other factors. In addition, the Company enters into derivatives transactions to hedge risks associated with interest rate fluctuation, taking into consideration market trends, and capital amounts, and terms, among other factors.

(iv) Methods of evaluating the effectiveness of hedging

The Company assesses the effectiveness of hedging activity by verifying correspondence between hedging instruments and hedged items on a quarterly basis.

However, if the key conditions of the hedging instrument and the hedged item are identical or nearly identical, the effectiveness of the hedge is not assessed. In such cases, we continue to monitor the correspondence between the hedging instruments and the hedged items on a quarterly basis.

(8) Scope of cash and cash equivalents in consolidated statements of cash flows

Cash (cash and cash equivalents) in the consolidated statements of cash flows includes cash on hand, deposits that can be withdrawn on demand, and short-term investments with maturities of three months or less at the time of acquisition that are readily convertible to cash and are exposed to insignificant risk of changes in value.

(9) Accounting for direct deduction from acquisition cost of fixed assets regarding construction grants

The Company receives construction grants from local public and other entities as part of construction costs for rail line elevation for serial overpasses in its railway operations.

These construction grants are recognized by directly deducting the amount equal to such construction grants from the acquisition cost of fixed assets at the time of completion of construction.

In the consolidated statements of income, construction grants are stated in extraordinary gains as “Construction grants received” including the amount received for condemnation, and the amount directly deducted from the acquisition cost of fixed assets are stated in extraordinary loss as “Losses on reduction entry for construction grants” including the reduction for condemnation.

The amount in “Construction grants received” excluding the amount received for condemnation and the amount in “Losses on reduction entry for construction grants” excluding the reduction for condemnation are as follows:

	Year ended March 31, 2022	Year ended March 31, 2023
Amount in “Construction grants received” excluding amount received for condemnation	¥12,857 million	¥33,890 million
Amount in “Losses on reduction entry for construction grants” excluding reduction for condemnation	¥12,706 million	¥30,895 million

Major Accounting Estimates

Recoverability of deferred tax assets

1. Amount recorded in consolidated financial statements for the fiscal year

(Millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
Deferred tax assets	442,562	432,011

2. Information regarding major accounting estimates pertaining to identified items

Deferred tax assets are recognized for the future reversal of deductible temporary differences in future fiscal years and for the estimated amount of reduced taxes to offset tax losses carried forward against taxable income, judged by their recoverability based on estimates of future taxable income and other factors.

Estimates of taxable income are based on forecasts of business results, and we made assumptions that the operating revenues from the railway transportation business will recover to about 90% in fiscal 2024 compared with the level before the spread of COVID-19.

Regarding the estimated amount of reduced taxes resulting from offsetting of tax losses brought forward and taxable income, the Company received approval for its business adaptation plan (growth and development business adaptation plan) from the Minister of Land, Infrastructure, Transport and Tourism on March 30, 2022. Therefore, the Company takes into account, for losses incurred in fiscal 2021 and fiscal 2022, application of the special taxation treatment that increases the maximum amount of deductible losses brought forward from 50% of taxable income of any given fiscal year to up to 100% of such taxable income for a maximum of five fiscal years from fiscal 2023, within the amount of investment made in accordance with the business adaptation plan.

If the operating revenues from the railway transportation business do not recover as anticipated, and, as a result, changes to the estimates of taxable income are required, the determination of the recoverability of deferred tax assets in the following fiscal year could be affected.

Impairment of fixed assets

1. Amount recorded in consolidated financial statements for the fiscal year

(Millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
Property, plant and equipment	7,177,855	7,214,561
Intangible assets	169,970	198,805

Fixed assets for railway operations held by the Company included in the above

(Millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
Fixed assets for railway operations	5,177,176	5,190,551
Construction in progress	250,752	275,880

2. Information regarding major accounting estimates pertaining to identified items

For the Company's fixed assets for railway operations, all railway lines are treated as a single asset group since the cash flows are generated from the entire railway network. Since the profit and loss from operating activities using such assets became negative continuously due to the spread of COVID-19, the Company determined that there are signs of impairment for fixed assets for railway operations.

Impairment losses are recognized when the future cash flow for an asset group showing signs of impairment is estimated and the total of future cash flow before discount is below the book value of such asset group.

Future cash flow for fixed assets for railway operations was estimated accordingly, but impairment losses were not recognized since the total of future cash flow before discount was above the book value of fixed assets for railway operations.

Future cash flow is estimated based on a mid-to-Long-term plan assuming that the operating revenues from the railway transportation business will recover to a level exceeding 90% in fiscal 2024 compared with the level before the spread of COVID-19 and that the level will continue, and the recoverable value of fixed assets for railway operations after a certain period.

If the operating revenues from the railway transportation business do not recover as anticipated, and, as a result, changes to the estimates are required, or the recoverable value of fixed assets for railway operations decreases significantly, impairment losses could be recognized in the consolidated financial statements for the following fiscal year.

Changes in Accounting Policies

Changes in accountings estimates

The Company records remaining charged balance and deposits of *Suica* as current liabilities and recognizes unused balance as revenues after a certain period of time. Reasonable time has passed after the commencement of *Suica* service and sufficient amount of data has been accumulated, which enabled us to reasonably estimate the timing of revenue recognition of unused balance. Therefore, the method of accounting estimate was changed to be based on such data.

As a result, in comparison to figures calculated by the previous method, operating revenues for fiscal 2023 increased by ¥25,918 million, together with increases by the same amount in operating income, ordinary income, and income before income taxes.

Unapplied accounting standards

- "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022)
- "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No. 25, October 28, 2022)
- "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022)

1. Summary

This establishes the treatment of tax effects related to the sale of subsidiary stocks in the case of group corporation taxation and classification of income taxable on other comprehensive income.

2. Scheduled Effective Date

Scheduled for application from the beginning of the fiscal year ending in March 2025.

3. Impacts of the application of this accounting standard

The amount of impact is under evaluation at the time of preparation of these financial statements.

Changes in Presentation

Consolidated Statements of Income

1. The “Cooperation income,” which was presented separately in the fiscal year ended March 31, 2022, is included in “Other” under non-operating income due to its insignificant amount in the fiscal year ended March 31, 2023. As a result, ¥6,626 million presented as “Cooperation income” in the consolidated statements of income for the fiscal year ended March 31, 2022, has been reclassified as “Other” under non-operating income.
2. The “Compensation income,” which was included in “Other” under extraordinary gains in the fiscal year ended March 31, 2022, has been separately presented from the fiscal year ended March 31, 2023, since the amount exceeded 10% of the total amount of extraordinary gains. As a result, ¥4,944 million presented in “Other” in the consolidated statements of income for the fiscal year ended March 31, 2022, has been reclassified as “Compensation income” under extraordinary gains.
3. The “Provision for allowance for disaster-damage losses,” which was presented separately in the fiscal year ended March 31, 2022, is included in “Other” under extraordinary losses due to its insignificant amount in the fiscal year ended March 31, 2023. As a result, ¥21,255 million presented in “Provision for allowance for disaster-damage losses” in the consolidated statements of income for the fiscal year ended March 31, 2022, has been reclassified as “Other” under extraordinary losses.

Consolidated Statements of Cash Flows

1. The “Compensation income,” which was included in “Other” under Cash Flows from Operating Activities in the fiscal year ended March 31, 2022, has been separately presented in the fiscal year ended March 31, 2023, due to its increased importance in terms of amount. As a result, ¥4,944 million presented in “Other” in the consolidated statements of cash flows for the fiscal year ended March 31, 2022, has been reclassified as “Compensation income” under Cash Flows from Operating Activities.
2. The “Provision for allowance for disaster-damage losses,” which was separately presented in the fiscal year ended March 31, 2022, is included in “Others” under Cash Flow from Operating Activities in the fiscal year ended March 31, 2023, due to low financial significance. As a result, ¥21,255 million presented in “Provision for allowance for disaster-damage losses” in the consolidated statements of cash flows for the fiscal year ended March 31, 2022, has been reclassified as “Other” under Cash Flow from Operating Activities.

Notes to Consolidated Balance Sheets

*1 Pledged assets

(1) Assets pledged as collateral are as follows:

	Year ended March 31, 2022	Year ended March 31, 2023
Cash and time deposits	¥305 million	¥284 million
Other	¥6,197 million	¥8,246 million
Total	¥6,502 million	¥8,531 million

Liabilities corresponding to the above are as follows:

	Year ended March 31, 2022	Year ended March 31, 2023
Notes and accounts payable-trade	¥460 million	¥515 million
Other	¥16 million	¥16 million
Total	¥477 million	¥532 million

(2) Assets subject to foundation mortgage (railway foundation) are as follows:

	Year ended March 31, 2022	Year ended March 31, 2023
Buildings and structures (net)	¥2,706 million	¥269 million
Other	¥2,578 million	¥2,370 million
Total	¥5,284 million	¥2,640 million

Liabilities corresponding to the above are as follows:

	Year ended March 31, 2022	Year ended March 31, 2023
Long-term liabilities incurred for purchase of railway facilities	¥401 million	¥318 million

*2 Of notes receivable, accounts receivable, and contract assets, the amount of receivables and contract assets arising from contracts with customers are each as follows.

	Year ended March 31, 2022	Year ended March 31, 2023
Notes receivable - trade	¥75 million	¥355 million
Accounts receivable - trade	¥55,683 million	¥60,187 million
Contract assets	¥4,202 million	¥2,583 million

*3 The values of contract liabilities included in the "Other" category of Current Liabilities are as follows.

	Year ended March 31, 2022	Year ended March 31, 2023
	¥48,061 million	¥66,303 million

*4 Accumulated depreciation of tangible fixed assets is as follows.

	Year ended March 31, 2022	Year ended March 31, 2023
	¥8,423,662 million	¥8,622,449 million

*5 Accumulated amount of construction grants directly deducted from acquisition cost of fixed assets is as follows:

	Year ended March 31, 2022	Year ended March 31, 2023
	¥953,540 million	¥976,327 million

Accumulated reduction in value received for expropriation directly deducted from the acquisition cost of fixed assets is as follows:

	Year ended March 31, 2022	Year ended March 31, 2023
	¥361,680 million	¥367,167 million

*6 Accumulated reduction for each fiscal year regarding substitute assets for expropriation is as follows.

	Year ended March 31, 2022	Year ended March 31, 2023
	¥2,563 million	¥5,435 million

*7 Amount transferred from fixed assets to real estate for sale due to the change in the purpose of ownership is as follows:

	Year ended March 31, 2022	Year ended March 31, 2023
	¥21,965 million	¥35,330 million

*8 “Investment securities” under “Investments and other assets” invested in Non-consolidated subsidiaries and affiliated companies are as follows:

	Year ended March 31, 2022	Year ended March 31, 2023
Investment in securities (shares)	¥91,049 million	¥151,899 million

*9 Contingent liabilities are as follows:

Contract guarantee:

	Year ended March 31, 2022	Year ended March 31, 2023
Japan Transportation Technology (Thailand) Co., Ltd.	¥10,839 million (Japanese yen equivalent)	¥11,306 million (Japanese yen equivalent)

(Note) The above contract performance guarantee is a joint liability on guarantee among three companies including the Company.

*10 The “Other” category of Current Assets includes operating loans from credit card cash advances.

	Year ended March 31, 2022	Year ended March 31, 2023
Maximum amount	¥110,451 million	¥104,593 million
Loan balance	¥882 million	¥846 million
Unused amount	¥109,569 million	¥103,747 million

The above maximum amount is the total maximum amount that customers can borrow at any time within the credit limit stipulated in the credit card membership agreement.

*11 In accordance with the “Act on Transfer, etc. of Railway Facilities for Shinkansen,” the Company acquired Shinkansen railway facilities from the Shinkansen Railway Holding Organization for ¥3,106,969 million on October 1, 1991, and the assets were recorded under tangible and intangible fixed assets.

The amount of debt owed to the Japan Railway Construction, Transport and Technology Agency is recorded as liabilities (interest-bearing), and is classified as Long-term arrearage for purchase of railway facilities or Long-term arrearage for purchase of railway facilities to be paid within a year.

*12 The amounts of each item included in inventories are as follows.

	Year ended March 31, 2022	Year ended March 31, 2023
Merchandise and finished goods	¥6,536 million	¥9,216 million
Work in process	¥50,566 million	¥39,490 million
Raw materials and supplies	¥37,110 million	¥41,783 million

*13 Revaluation of land

The Company's equity-method portion of "Revaluation reserve for land" recorded in a certain equity-method affiliate company of the Company, which was recorded in connection with the revaluation of its land for business use pursuant to the Act on Revaluation of Land (Act No. 34 of 1998) and Act for Partial Revision of the Act on Revaluation of Land (Act No. 19 of 2001), is recorded in the Company's Consolidated Balance Sheets as "Revaluation reserve for land" under "Net Assets, Accumulated Other Comprehensive Income."

(1) Revaluation method

Rational adjustment based on assessed value of fixed assets for property tax purposes pursuant to the Order for Enforcement of the Act on Revaluation of Land (Cabinet Order No. 119 of 1998) Article 2-3 and roadside land value pursuant to Article 2-4 of the same Order

(2) Revaluation date

March 31, 2000 and March 31, 2002

(3) Difference between book value after revaluation and market value on March 31, 2023

	Year ended March 31, 2022	Year ended March 31, 2023
	¥(81) million	¥(90) million

Notes to Consolidated Statements of Income

*1 Revenues from contracts with customers

Regarding operational revenue, revenue generated from contracts with customers is not recorded separately from other revenue. The amount of revenue generated from contracts with customers is presented in "Notes to Revenue Recognition, 1. Breakdown of revenue from contracts with customers" in the consolidated financial statements.

*2 The itemization of selling, general and administrative expenses is as follows.

	Year ended March 31, 2022	Year ended March 31, 2023
Personnel expenses	¥206,857 million	¥226,563 million
Expenses	¥215,789 million	¥235,968 million
Taxes	¥30,714 million	¥33,054 million
Depreciation	¥83,454 million	¥81,461 million
Amortization of goodwill	¥20 million	¥27 million
Total	¥536,836 million	¥577,075 million

*3 The total amount of research and development expenses included in operating expenses is as follows.

	Year ended March 31, 2022	Year ended March 31, 2023
	¥20,102 million	¥19,391 million

*4 The expenses for retirement benefits and the itemization of the provision for accrued liabilities are as follows.

	Year ended March 31, 2022	Year ended March 31, 2023
Allowance for bonuses to employees	¥52,715 million	¥59,905 million
Provision of allowance for doubtful accounts	¥1,346 million	¥1,805 million
Provision for large-scale renovation of Shinkansen infrastructure	¥24,000 million	¥24,000 million
Retirement benefit expenses	¥28,772 million	¥29,815 million

*5 Breakdown of gains on sales of fixed assets is as follows:

Year ended March 31, 2022		Year ended March 31, 2023	
(1) Mita, Minato-ku, Tokyo (Buildings and land)	¥2,375 million	(1) Kanagawa-ku, Yokohama-shi, Kanagawa (Land)	¥2,391 million
(2) Nishikoiwa, Edogawa-ku, Tokyo (Land)	¥1,321 million	(2) Kanda-Neribeicho, Chiyoda-ku, Tokyo (Land)	¥1,481 million

*6 Breakdown of construction grants received is as follows:

Year ended March 31, 2022		Year ended March 31, 2023	
(1) Improvement of Iidabashi Station	¥2,781 million	(1) Elevated construction work near Niigata Station on the Shinetsu Line	¥13,192 million
(2) New construction of station facility above the bridge at Ugo-Honjo Station	¥1,384 million	(2) Construction of new east-west non-fare passageway at Shinjuku Station	¥4,706 million
(3) Renovation of station facility and station building at Shinagawa Station north exit	¥1,196 million	(3) New construction of Makuhari-Toyosuna Station	¥2,993 million

*7 Compensation income

Regarding damage resulted from the accidents at TEPCO Holdings' Fukushima Daiichi Nuclear Power Station and Fukushima Daini Nuclear Power Station, compensation income based on the agreement with Tokyo Electric Power Company Holdings, Inc. is recorded as compensation income.

*8 The losses on sales of fixed assets is due to the transfer of land, and other factors.

*9 The losses from disposition of fixed assets is due to the loss of buildings in conjunction with shopping center renovation, among other factors.

*10 Breakdown of losses on reduction entry for construction grants is as follows:

Year ended March 31, 2022		Year ended March 31, 2023	
(1) Improvement of Iidabashi Station	¥2,781 million	(1) Elevated construction work near Niigata Station on the Shinetsu Line	¥13,192 million
(2) New construction of station facility above the bridge at Ugo-Honjo Station	¥1,384 million	(2) Construction of new east-west non-fare passageway at Shinjuku Station	¥4,706 million
(3) Renovation of station facility and station building at Shinagawa Station north exit	¥1,196 million	(3) New construction of Makuhari-Toyosuna Station	¥2,993 million

*11 Impairment losses on fixed assets

Year ended March 31, 2022

The Group performs asset grouping primarily by business segment or property, in accordance with management accounting classifications. For the Company's assets for railway operations, all railway lines are treated as a single asset group since the cash flows are generated from the entire railway network. In addition, assets designated for transfer or discontinuation are treated as a unit, while idle and other assets are treated as a separate unit.

For those asset groups whose fair value has declined significantly from their book value or whose profitability has declined significantly, we estimate future cash flows and when the total of undiscounted cash flows is less than the book value of the asset group, we reduce the book value to the recoverable amount. The amount of this reduction is included as "impairment loss" (¥9,652 million) in calculation of Extraordinary Losses.

Main uses	Type of assets	Location	Impairment losses on fixed assets (millions of yen)
Railway business, etc.	Buildings and structures, land, etc.	Shibuya-ku, Tokyo, etc.	4,622
Retail sales, restaurant business, etc.	Buildings and structures, etc.	Takasaki-shi, Gunma , etc.	2,711
Shopping center operations and Hotel operations, etc.	Buildings and structures, etc.	Shinjuku-ku, Tokyo, etc.	2,317
Other	Buildings and structures, etc.	Sendai-shi, Miyagi , etc.	1

Breakdown of impairment loss by major use

- Railway business, etc. ¥4,622 million (Breakdown - Buildings and structures: ¥3,132 million, Land: ¥301 million, Other: ¥1,188 million)
- Retail sales, restaurant business, etc. ¥2,711 million (Breakdown - Buildings and structures: ¥2,120 million, Other: ¥590 million)
- Shopping center operations and Hotel operations, etc. ¥2,317 million (Breakdown - Buildings and structures: ¥1,955 million, Other: ¥362 million)

The recoverable value of this asset group is measured by net selling price or utility value.

When recoverable value is measured by net selling price, it is calculated based on a reasonable adjustment of the appraised value of fixed assets tax. When recoverable value is measured by utility value, it is calculated by reducing future cash flows by 4.0%.

Year ended March 31, 2023

The Group performs asset grouping primarily by business segment or property, in accordance with management accounting classifications. For the Company's assets for railway operations, all railway lines are treated as a single asset group since the cash flows are generated from the entire railway network. In addition, assets designated for transfer or discontinuation are treated as a unit, while idle and other assets are treated as a separate unit.

For those asset groups whose fair value has declined significantly from their book value or whose profitability has declined significantly, we estimate future cash flows. When the total of undiscounted cash flows is less than the book value of the asset group, we reduce the book value to the recoverable amount and include the reduced amount as "impairment loss" (¥19,063 million) in calculation of Extraordinary Losses.

Main uses	Type of assets	Location	Impairment losses on fixed assets (millions of yen)
Shopping center operations and Hotel operations, etc.	Buildings and structures, land, etc.	Tachikawa-shi, Tokyo, etc.	12,438
Retail sales, restaurant business, etc.	Buildings and structures, etc.	Fujisawa-shi, Kanagawa , etc.	3,402
Railway business, etc.	Buildings and structures, etc.	Saitama-shi, Saitama , etc.	3,204
Other	Machinery, rolling stock and vehicles, etc.	Shibuya-ku, Tokyo, etc.	17

Breakdown of impairment loss by major use

- Shopping center operations and Hotel operations, etc. ¥12,438 million (Breakdown - Buildings and structures: ¥10,088 million, Land: ¥2,126 million, Other: ¥224 million)
- Retail sales, restaurant business, etc. ¥3,402 million (Breakdown - Buildings and structures: ¥3,139 million, Other: ¥263 million)
- Railway business, etc. ¥3,204 million (Breakdown - Buildings and structures: ¥2,661 million, Land: ¥386 million, Other: ¥157 million)

The recoverable value of this asset group is measured by net selling price or utility value.

When recoverable value is measured by net selling price, it is calculated based on a reasonable adjustment of the appraisal value based on real estate appraisal standards and the appraised value of fixed assets tax. When recoverable value is measured by utility value, it is calculated by reducing future cash flows by 3.0%.

Notes to Consolidated Statements of Comprehensive Income

*1 Reclassification adjustments and tax effects relating to other comprehensive income

	Year ended March 31, 2022	Year ended March 31, 2023
Net unrealized holding gains (losses) on securities:		
Amount arising during the year	¥11,759 million	¥1,024 million
Reclassification adjustments	¥(19,821) million	¥(9,632) million
Sub-total, before tax	¥(8,062) million	¥(8,608) million
Tax (expense) benefit	¥2,411 million	¥2,923 million
Sub-total, net of tax	¥(5,650) million	¥(5,684) million
Net deferred gains (losses) on derivatives under hedge accounting:		
Amount arising during the year	¥708 million	¥470 million
Reclassification adjustments	¥(238) million	¥(400) million
Acquisition cost adjustments	¥0 million	¥0 million
Sub-total, before tax	¥470 million	¥70 million
Tax (expense) benefit	¥(143) million	¥(21) million
Sub-total, net of tax	¥326 million	¥48 million
Foreign currency translation adjustments:		
Amount arising during the year	¥257 million	¥26 million
Reclassification adjustments	—	—
Sub-total, before tax	¥257 million	¥26 million
Tax (expense) benefit	—	—
Sub-total, net of tax	¥257 million	¥26 million
Remeasurements of defined benefit plans:		
Amount arising during the year	¥2,980 million	¥4,693 million
Acquisition cost adjustments	¥(3,648) million	¥(3,056) million
Sub-total, before tax	¥(668) million	¥1,636 million
Tax (expense) benefit	¥(115) million	¥(374) million
Sub-total, net of tax	¥(783) million	¥1,262 million
Share of other comprehensive income of associates accounted for using equity method		
Amount arising during the year	¥(410) million	¥380 million
Reclassification adjustments	¥242 million	¥(118) million
Sub-total	¥(167) million	¥261 million
Total other comprehensive income	¥(6,017) million	¥(4,085) million

Notes to Consolidated Statements of Changes in Net Assets

Year ended March 31, 2022

1. Class and total number of issued shares, and class and number of treasury shares

	Number of shares at beginning of the fiscal year (shares)	Increase (shares)	Decrease (shares)	Number of shares at end of the fiscal year (shares)
Issued shares				
Common stock	377,932,400	–	–	377,932,400
Total	377,932,400	–	–	377,932,400
Treasury stock, at cost				
Common stock	692,286	1,430	50	693,666
Total	692,286	1,430	50	693,666

(Notes) 1. The increase in treasury stock, at cost (1,430 shares) is due to purchase of odd-lot shares.

2. The decrease in treasury stock, at cost (50 shares) is due to odd-lot shares.

2. Matters concerning dividend

(1) Amount of dividends paid

Resolution	Class of stock	Total amount of dividend (millions of yen)	Dividend per share (yen)	Record date	Payment commencement date
Ordinary General Meeting of Shareholders held on June 22, 2021	Common stock	18,880	50	March 31, 2021	June 23, 2021
Meeting of Board of Directors held on October 28, 2021	Common stock	18,880	50	September 30, 2021	November 22, 2021

(2) Dividends having the record date within this fiscal year and the payment commencement date within the next fiscal year

Resolution	Class of stock	Total amount of dividend (millions of yen)	Dividend source	Dividend per share (yen)	Record date	Payment commencement date
Ordinary General Meeting of Shareholders held on June 22, 2022	Common stock	18,879	Retained earnings	50	March 31, 2022	June 23, 2022

Year ended March 31, 2023

1. Class and total number of issued shares, and class and number of treasury shares

	Number of shares at beginning of the fiscal year (shares)	Increase (shares)	Decrease (shares)	Number of shares at end of the fiscal year (shares)
Issued shares				
Common stock	377,932,400	–	–	377,932,400
Total	377,932,400	–	–	377,932,400
Treasury stock, at cost				
Common stock	693,666	599,934	–	1,293,600
Total	693,666	599,934	–	1,293,600

(Note) The increase of 599,934 common shares in the treasury stock category comprises an increase of 1,484 shares due to the purchase of odd-lot shares and an increase of 598,450 shares of treasury stock attributable to the Company (Company shares) and held by affiliates accounted for by the equity method.

2. Matters concerning dividend

(1) Amount of dividends paid

Resolution	Class of stock	Total amount of dividend (millions of yen)	Dividend per share (yen)	Record date	Payment commencement date
Ordinary General Meeting of Shareholders held on June 22, 2022	Common stock	18,879	50	March 31, 2022	June 23, 2022
Meeting of Board of Directors held on October 31, 2022	Common stock	18,879	50	September 30, 2022	December 1, 2022

(2) Dividends having the record date within this fiscal year and the payment commencement date within the next fiscal year

Resolution	Class of stock	Total amount of dividend (millions of yen)	Dividend source	Dividend per share (yen)	Record date	Payment commencement date
Ordinary General Meeting of Shareholders held on June 22, 2023	Common stock	18,879	Retained earnings	50	March 31, 2023	June 23, 2023

Notes to Consolidated Statements of Cash Flows

*1 Reconciliation of closing balance of cash and cash equivalents and the related account on the consolidated balance sheets

	Year ended March 31, 2022	Year ended March 31, 2023
Cash and time deposits	¥171,194 million	¥215,193 million
Time deposits with maturity over 3 months	¥(171) million	¥(193) million
Cash and cash equivalents at the fiscal year end	¥171,023 million	¥215,000 million

Notes to Leases

As lessee

1. Operating lease transactions

Future lease payments to be received under non-cancellable leases of operating lease transactions

	Year ended March 31, 2022	Year ended March 31, 2023
1 year or less	¥6,632 million	¥5,239 million
Exceeding 1 year	¥55,372 million	¥54,595 million
Total	¥62,005 million	¥59,835 million

Notes to Financial Instruments

1. Items relating to the status of financial instruments

(1) Policy in relation to financial instruments

If surplus funds arise, the Company and its consolidated subsidiaries use only financial assets with high degrees of safety for the management of funds. The Company and its consolidated subsidiaries principally use bond issuances and bank loans in order to raise funds. Further, the Company and its consolidated subsidiaries use derivatives to reduce risk, as described below, and do not conduct speculative trading.

(2) Details of financial instruments and related risk

Trade receivables-notes and accounts receivable-trade, and fares receivable-are exposed to credit risk in relation to customers, transportation operators with connecting railway services, and other parties. Due dates and balances are managed appropriately for each counterparty pursuant to the internal regulations of the Company and its consolidated subsidiaries.

Securities and investments in securities are exposed to market price fluctuation risk.

Substantially all of trade payables-notes and accounts payable-trade, payables, fare deposits received with regard to railway connecting services, accrued consumption taxes, and accrued income taxes-have payment due dates within one year.

Bonds and loans are exposed to risk associated with inability to make payments on due dates because of unforeseen decreases in free cash flow. Further, certain bonds and loans are exposed to market price fluctuation risk (foreign exchange / interest rates).

Long-term liabilities incurred for purchase of railway facilities are liabilities with regard to the Japan Railway Construction, Transport and Technology Agency and, pursuant to the "Act on Transfer, etc. of Railway Facilities for Shinkansen," comprise principally of (interest-bearing) debts related to the Company's purchase of Shinkansen railway facilities for a total purchase price of ¥3,106,969 million from Shinkansen Holding Corporation on October 1, 1991. The Company pays such purchase price, based on regulations pursuant to the "Act on Transfer, etc. of Railway Facilities for Shinkansen," enacted in 1991, and other laws, in semiannual installments calculated using the equal payment method, whereby interest and principal are paid in equal amounts semiannually, based on interest rates approved by the Minister of Transport (at the time of enactment). Long-term liabilities incurred for purchase of railway facilities are exposed to risk associated with an inability to make payments on due dates because of unforeseen decreases in free cash flow. Further, certain Long-term liabilities incurred for purchase of railway facilities are exposed to market price fluctuation risk (interest rates).

(3) Risk management system for financial instruments

The Company and its consolidated subsidiaries use forward exchange contract transactions, currency swap transactions, and interest rate swap transactions with the aim of avoiding market price fluctuation risk (foreign exchange / interest rates) in relation to, among others, bonds and loans. Further, natural disaster derivatives are used with the aim of avoiding revenue expenditure fluctuation risk due to natural disasters.

Because all of the derivative transaction contracts that the Company and its consolidated subsidiaries enter into are transactions whose counterparties are financial institutions that have high creditworthiness, the Company and its consolidated subsidiaries believe that there is nearly no risk of parties to contracts defaulting on obligations.

Under the basic policy of properly executing transactions and conducting risk management approved by the Board of Directors, financial departments in the relevant companies process those derivative transactions in accordance with relevant internal regulations and with the approval of the Board of Directors or upon other appropriate internal procedures.

(4) Supplementary explanation of items relating to the fair values of financial instruments

Because estimation of fair values incorporates variable factors, adopting different assumptions can change the values. Furthermore, the contract amount and other related figures concerning derivative transactions in "Notes to Derivatives Transactions" are not in themselves indicative of the market risk associated with derivative trading.

2. Items relating to the fair values of financial instruments

Carrying amounts in the consolidated balance sheets, fair values and the differences between them were as follows. Further, securities and investments without market value are not included in the following table. Cash and time deposits are omitted since they are nearly equivalent to the book values.

Year ended March 31, 2022

	Consolidated balance sheets amount (millions of yen)	Fair values (millions of yen)	Difference (millions of yen)
(1) Notes and accounts receivable-trade	499,379	499,379	–
(2) Fares receivable	53,246	53,246	–
(3) Securities and investments in securities			
(i) Held-to-maturity debt securities	450	450	0
(ii) Available-for-sale securities	184,280	184,280	–
Total assets	737,356	737,357	0
(1) Notes and accounts payable-trade	47,876	47,876	–
(2) Short-term loans	60,749	60,749	–
(3) Payables	422,653	422,653	–
(4) Accrued consumption taxes	34,654	34,654	–
(5) Accrued income taxes	10,938	10,938	–
(6) Fare deposits received with regard to railway connecting services	27,847	27,847	–
(7) Bonds	2,542,665	2,636,836	94,170
(8) Long-term loans	1,451,450	1,489,012	37,562
(9) Long-term liabilities incurred for purchase of railway facilities	318,873	639,574	320,701
Total liabilities	4,917,708	5,370,143	452,434
Derivative transactions (*)			
(1) Hedge accounting applied	3,545	3,545	–
(2) Hedge accounting not applied	1,451	1,451	–
Total of derivative transactions	4,997	4,997	–

(*) Net receivables / payables arising from derivatives are shown.

Year ended March 31, 2023

	Consolidated balance sheets amount (millions of yen)	Fair values (millions of yen)	Difference (millions of yen)
(1) Notes and accounts receivable-trade	566,296	566,296	–
(2) Fares receivable	66,104	66,104	–
(3) Securities and investments in securities			
(i) Held-to-maturity debt securities	450	450	0
(ii) Available-for-sale securities (*1)	178,355	178,355	–
Total assets	811,206	811,206	0
(1) Notes and accounts payable-trade	44,250	44,250	–
(2) Short-term loans	–	–	–
(3) Payables	493,162	493,162	–
(4) Accrued consumption taxes	43,960	43,960	–
(5) Accrued income taxes	16,186	16,186	–
(6) Fare deposits received with regard to railway connecting services	36,314	36,314	–
(7) Bonds	2,975,870	2,927,062	(48,807)
(8) Long-term loans	1,483,950	1,490,273	6,323
(9) Long-term liabilities incurred for purchase of railway facilities	315,067	579,022	263,954
Total liabilities	5,408,761	5,630,232	221,471
Derivative transactions (*2)			
(1) Hedge accounting applied	3,615	3,615	–
(2) Hedge accounting not applied	1,441	1,441	–
Total of derivative transactions	5,057	5,057	–

(*1) Available-for-sale securities include investment trusts whose investment trust assets are real estate, to which Paragraph (24)-9 of the 2021 Revised Accounting Standard for Measurement of Fair Value has been applied.

(*2) Net receivables / payables arising from derivatives are shown.

(Notes) 1. Matters related to securities and derivative transactions

(1) Securities and investments in securities

Securities categorized by each holding purpose, are described in “Notes to Securities.”

(2) Derivative transactions

Please refer to “Notes to Derivatives Transactions” for more information.

2. Consolidated balance sheets amounts of securities and investments without market value, partnership capital, etc.

Year ended March 31, 2022

Classification	Year ended March 31, 2022 (millions of yen)
Unlisted equity shares (*1)	7,554
Investment in limited liability companies (*1)	417
Investment in limited partnership (*1) (*2)	15,332
Preferred equity securities (*1)	2,506

(*1) Unlisted equity shares, investment in limited liability companies, investment in limited partnership and preferred equity securities are not included in “(3) Securities and investments in securities, (ii) Available-for-sale securities.”

(*2) Investment in limited partnership is not subject to the disclosure of fair value in accordance with Paragraph (27) of “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31).

Year ended March 31, 2023

Classification	Year ended March 31, 2023 (millions of yen)
Unlisted equity shares (*1)	7,656
Investment in limited liability companies (*1)	464
Investment in limited partnership (*1) (*2)	17,008
Preferred equity securities (*1)	1,506

(*1) Unlisted equity shares, investment in limited liability companies, investment in limited partnership and preferred equity securities are not included in “(3) Securities and investments in securities, (ii) Available-for-sale securities.”

(*2) Investment in limited partnership is not subject to the disclosure of fair value in accordance with Paragraph (24)-16 of “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31).

3. The amounts recognized in the consolidated balance sheets and fair values related to bonds, Long-term loans, and Long-term liabilities incurred for purchase of railway facilities include, respectively, the current portion of bonds, the current portion of Long-term loans, and the current portion of Long-term liabilities incurred for purchase of railway facilities.

4. Expected redemption amounts of monetary claims and securities with maturity after the consolidated balance sheets date
Year ended March 31, 2022

	1 year or less (millions of yen)	Exceeding 1 year but less than 5 years (millions of yen)	Exceeding 5 years but less than 10 years (millions of yen)	Exceeding 10 years (millions of yen)
Cash and time deposits	171,194	–	–	–
Notes and accounts receivable-trade	493,944	5,419	15	–
Fares receivable	53,246	–	–	–
Securities and investments in securities				
Held-to-maturity debt securities (government bonds and corporate bonds)	–	10	–	440
Available-for-sale securities with maturity dates (government bonds and corporate bonds)	100	6	–	–
Total	718,485	5,435	15	440

Year ended March 31, 2023

	1 year or less (millions of yen)	Exceeding 1 year but less than 5 years (millions of yen)	Exceeding 5 years but less than 10 years (millions of yen)	Exceeding 10 years (millions of yen)
Cash and time deposits	215,193	–	–	–
Notes and accounts receivable-trade	560,320	5,950	26	–
Fares receivable	66,104	–	–	–
Securities and investments in securities				
Held-to-maturity debt securities (government bonds and corporate bonds)	–	10	–	440
Available-for-sale securities with maturity dates (government bonds)	–	6	–	–
Total	841,617	5,966	26	440

5. Scheduled repayment amounts after the date of consolidated balance sheets settlement for short-term borrowings, corporate bonds, Long-term borrowings, and Long-term liabilities accrued from the purchase of railway facilities.

Year ended March 31, 2022

	1 year or less (millions of yen)	Exceeding 1 year but less than 2 years (millions of yen)	Exceeding 2 years but less than 3 years (millions of yen)	Exceeding 3 years but less than 4 years (millions of yen)	Exceeding 4 years but less than 5 years (millions of yen)	Exceeding 5 years (millions of yen)
Short-term loans	60,749	–	–	–	–	–
Bonds	111,000	215,000	145,000	80,000	90,000	1,902,258
Long-term loans	141,500	150,000	179,100	141,200	185,650	654,000
Long-term liabilities incurred for purchase of railway facilities	3,806	4,030	4,280	4,563	4,864	297,327

Year ended March 31, 2023

	1 year or less (millions of yen)	Exceeding 1 year but less than 2 years (millions of yen)	Exceeding 2 years but less than 3 years (millions of yen)	Exceeding 3 years but less than 4 years (millions of yen)	Exceeding 4 years but less than 5 years (millions of yen)	Exceeding 5 years (millions of yen)
Short-term loans	–	–	–	–	–	–
Bonds	215,000	145,000	207,545	90,000	100,000	2,218,864
Long-term loans	150,000	179,100	141,200	185,150	266,000	562,500
Long-term liabilities incurred for purchase of railway facilities	4,065	4,274	4,557	4,858	5,179	292,131

3. Items relating to the breakdown by levels of the fair values for financial instruments

The fair values of financial instruments are categorized in three levels described below according to the observability and importance of the inputs for the estimation of fair values.

Level 1 fair values: Fair values estimated by (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 fair values: Fair values estimated by inputs other than those used in Level 1 that are directly or indirectly observable

Level 3 fair values: Fair values estimated by inputs that are important and unobservable

When more than one input which significantly affects the estimation of the fair values is used, the fair value is categorized under the level of input with lowest priority in the estimation of fair values.

(1) Financial assets and liabilities recognized in the consolidated financial statements using the fair values

Year ended March 31, 2022

(Millions of yen)

Classification	Fair values			
	Level 1	Level 2	Level 3	Total
Securities:				
Available-for-sale securities	184,070	–	–	184,070
Equity shares	184,064	–	–	184,064
Government, municipal bonds, etc.	6	–	–	6
Derivative transactions				
Currency swap	–	3,545	–	3,545
Earthquake derivatives	–	1,451	–	1,451
Assets	184,070	4,997	–	189,067
Derivative transactions				
Forward exchange contracts	–	0	–	0
Liabilities	–	0	–	0

Year ended March 31, 2023

(Millions of yen)

Classification	Fair values			
	Level 1	Level 2	Level 3	Total
Securities:				
Available-for-sale securities	177,297	–	–	177,297
Equity shares	177,291	–	–	177,291
Government, municipal bonds, etc.	6	–	–	6
Derivative transactions				
Currency swap	–	3,615	–	3,615
Earthquake derivatives	–	1,441	–	1,441
Assets	177,297	5,057	–	182,354
Derivative transactions				
Forward exchange contracts	–	0	–	0
Liabilities	–	0	–	0

(*) This table does not include investment trusts whose investment trust assets are real estate, to which Paragraph (24)-9 of the 2021 Revised Accounting Standard for Measurement of Fair Value has been applied. The amount recognized in the consolidated balance sheets related to such investment trusts is ¥900 million.

(2) Financial assets and liabilities recognized in the consolidated financial statements not using the fair values

Year ended March 31, 2022

(Millions of yen)

Classification	Fair values			
	Level 1	Level 2	Level 3	Total
Bonds				
Domestic bonds	2,127,891	–	–	2,127,891
Foreign currency denominated bonds	–	508,945	–	508,945
Long-term loans	–	1,489,012	–	1,489,012
Long-term liabilities incurred for purchase of railway facilities	–	639,574	–	639,574
Liabilities	2,127,891	2,637,532	–	4,765,423

Year ended March 31, 2023

(Millions of yen)

Classification	Fair values			
	Level 1	Level 2	Level 3	Total
Bonds				
Domestic bonds	2,068,587	–	–	2,068,587
Foreign currency denominated bonds	–	858,475	–	858,475
Long-term loans	–	1,490,273	–	1,490,273
Long-term liabilities incurred for purchase of railway facilities	–	579,022	–	579,022
Liabilities	2,068,587	2,927,770	–	4,996,358

(Note) Description of valuation methods used in the estimation of the fair values and inputs involved in the calculation of the fair value

Securities and investments in securities

The fair values of listed securities and government, municipal bonds, etc. are estimated based on market prices. Since they are traded on active markets, their fair values are categorized under Level 1.

Derivative transactions

The fair values of currency derivative transactions and forward exchange contracts are estimated based on currency exchange rates at the time of contracts, and categorized under Level 2. The fair values of earthquake derivative transactions are estimated based on the terms of contracts and other criteria of the contracts for such transactions, and categorized under Level 2.

Bonds

The fair values of domestic bonds issued by the Company are estimated based on market prices and categorized under Level 1. The fair values of foreign currency denominated bonds, which are subject to treatment using foreign currency swaps, are estimated by discounting the foreign currency swaps and future cash flows treated in combination with them based on estimated interest rates if similar domestic bonds were newly issued, and categorized under Level 2.

Long-term loans

The fair values of Long-term loans are estimated by discounting future cash flows based on estimated interest rates if similar new loans were implemented. Further, the fair values of certain Long-term loans, which are subject to treatment using foreign currency swaps or interest rate swaps, are estimated by discounting the foreign currency swaps or interest rate swaps and future cash flows treated in combination with them based on estimated interest rates if similar new loans were implemented, and categorized under Level 2.

Long-term liabilities incurred for purchase of railway facilities

Because these liabilities are special monetary liabilities that are subject to constraints pursuant to laws and statutory regulations and not based exclusively on free agreement between contracting parties in accordance with market principles, and because repeating fund raising using similar methods would be difficult, as stated in “1. Items relating to the status of financial instruments, (2) Details of financial instruments and related risk,” the fair values of Long-term liabilities incurred for purchase of railway facilities are estimated by assuming that future cash flows were raised through bonds, the Company’s basic method of fund raising, and discounting them based on estimated interest rates if similar domestic bonds were newly issued, and categorized under Level 2. Further, certain Long-term liabilities incurred for purchase of railway facilities with variable interest rates are estimated based on the most recent interest rates, notification of which is provided by the Japan Railway Construction, Transport and Technology Agency.

Notes to Securities

1. Held-to-maturity debt securities:

	Category	Year ended March 31, 2022			Year ended March 31, 2023		
		Consolidated balance sheets amount (millions of yen)	Fair values (millions of yen)	Difference (millions of yen)	Consolidated balance sheets amount (millions of yen)	Fair values (millions of yen)	Difference (millions of yen)
Of which market value exceeds the amount on balance sheets:	(1) Government, municipal bonds, etc.	10	10	0	10	10	0
	(2) Bonds	–	–	–	–	–	–
Of which market value does not exceed the amount on balance sheets:	(1) Government, municipal bonds, etc.	–	–	–	–	–	–
	(2) Bonds	440	440	–	440	440	–
Total		450	450	0	450	450	0

2. Available-for-sale securities

	Category	Year ended March 31, 2022			Year ended March 31, 2023		
		Acquisition cost (millions of yen)	Consolidated balance sheets amount (millions of yen)	Difference (millions of yen)	Acquisition cost (millions of yen)	Consolidated balance sheets amount (millions of yen)	Difference (millions of yen)
Of which amount on balance sheets exceeds the acquisition cost:	(1) Equity shares	72,995	149,597	76,602	68,631	135,228	66,597
	(2) Debt securities						
	(i) Government, municipal bonds, etc.	6	6	0	6	6	0
	(ii) Bonds	–	–	–	–	–	–
	(3) Other	–	–	–	–	–	–
	Subtotal	73,001	149,603	76,602	68,637	135,234	66,597
Of which amount on balance sheets does not exceed the acquisition cost:	(1) Equity shares	44,498	34,466	(10,031)	50,695	42,062	(8,633)
	(2) Debt securities						
	(i) Government, municipal bonds, etc.	–	–	–	–	–	–
	(ii) Bonds	100	100	–	–	–	–
	(3) Other	110	110	–	1,058	1,058	–
	Subtotal	44,708	34,676	(10,031)	51,754	43,121	(8,633)
Total		117,709	184,280	66,570	120,391	178,355	57,964

(Note) In the previous fiscal year, impairment losses of ¥323 million were recognized for available-for-sale securities, excluding securities and investments with no market value.

In the current fiscal year, no impairment loss was recognized for available-for-sale securities, excluding securities and investments with no market value.

Impairment loss is recognized when the fair value at the end of the fiscal period has declined by 50% or more compared to the acquisition cost. When the fair value has declined by 30% or more but less than 50%, the amount of impairment loss that must be recognized is determined based on the possibility of recovery and other factors.

3. Available-for-sale securities sold during the fiscal year

Category	Year ended March 31, 2022			Year ended March 31, 2023		
	Sale proceeds (millions of yen)	Total gain on sale (millions of yen)	Total loss on sale (millions of yen)	Sale proceeds (millions of yen)	Total gain on sale (millions of yen)	Total loss on sale (millions of yen)
Equity shares	39,392	20,169	55	17,135	9,632	–

Notes to Derivatives Transactions

1. Derivative transactions with hedge accounting not applied

Classification	Category	Year ended March 31, 2022				Year ended March 31, 2023			
		Contract amount, etc. (millions of yen)	For contracts with terms over one year, etc. (millions of yen)	Fair values (millions of yen)	Valuation gain or loss (millions of yen)	Contract amount, etc. (millions of yen)	For contracts with terms over one year, etc. (millions of yen)	Fair values (millions of yen)	Valuation gain or loss (millions of yen)
Non-market transactions	Earthquake derivative transactions	1,451	–	1,451	–	1,441	–	1,441	–
Total		1,451	–	1,451	–	1,441	–	1,441	–

2. Derivative transactions with hedge accounting applied

Method of accounting for hedge transactions	Category	Main hedged items	Year ended March 31, 2022			Year ended March 31, 2023		
			Contract amount, etc. (millions of yen)	For contracts with terms over one year, etc. (millions of yen)	Fair values (millions of yen)	Contract amount, etc. (millions of yen)	For contracts with terms over one year, etc. (millions of yen)	Fair values (millions of yen)
Principle method of accounting	Currency swap transactions Japanese Yen paid / U.S. dollars received	Long-term loans	20,000	20,000	3,545	20,000	20,000	3,615
	Forward exchange contract transactions Shorting Singapore dollars	Foreign currency receivables	1	–	(0)	3	–	(0)
Allocation of currency swaps	Currency swap transactions Japanese yen paid / British pounds received	Foreign currency denominated bonds	285,592 (€1,400 million)	285,592 (€1,400 million)	(Note)	285,592 (€1,400 million)	285,592 (€1,400 million)	(Note)
	Currency swap transactions Japanese yen paid / Euros received		156,666 (€1,200 million)	156,666 (€1,200 million)	(Note)	518,817 (€3,800 million)	518,817 (€3,800 million)	(Note)

Special treatment of interest rate swaps	Interest rate swap transactions Fixed payment /Floating receipt	Long-term loans	18,000	18,000	(Note)	18,000	18,000	(Note)
Total			480,259	480,258	3,545	842,413	842,409	3,615

(Note) Allocation treatment of currency swaps and exceptional treatment of interest rate swaps are accounted for as an integral part of foreign currency-denominated bonds payable and Long-term loans payable which are hedged items; therefore, their fair values are included in the fair values of bonds payable and Long-term loans payable.

Notes to Retirement Benefits

1. Overview of retirement benefit plans adopted

The Company and its consolidated subsidiaries have established a defined benefit corporate pension plan and a retirement allowance plan as defined benefit programs, as well as a defined contribution pension plan as a defined contribution program. In addition, some consolidated subsidiaries have enacted a comprehensive corporate pension fund plan on top of the above plans. Some consolidated subsidiaries have established a retirement benefit trust.

As of the end of the current fiscal year, 63 companies have adopted a retirement allowance benefit plan, 10 companies a defined benefit corporate pension plan, 14 companies a defined contribution pension plan, and 1 company a comprehensive corporate pension fund plan, and some consolidated subsidiaries have adopted the above plans in combination.

2. Defined benefit plans (including simplified method plans)

(1) Changes in retirement benefit obligations

	Year ended March 31, 2022	Year ended March 31, 2023
Balance of retirement benefit obligations at beginning of period	¥493,420 million	¥475,925 million
Service cost	¥28,351 million	¥28,724 million
Interest cost	¥2,935 million	¥2,835 million
Actuarial gains and losses accrued	¥(3,780) million	¥(5,017) million
Retirement benefits paid	¥(44,993) million	¥(46,187) million
Past service cost (amount)	¥36 million	¥10 million
Other	¥(43) million	¥55 million
Balance of retirement benefit obligations at end of period	¥475,925 million	¥456,347 million

(2) Changes in plan assets

	Year ended March 31, 2022	Year ended March 31, 2023
Balance of plan assets at beginning of period	¥11,729 million	¥11,382 million
Expected return on plan assets	¥143 million	¥127 million
Actuarial gains and losses accrued	¥(752) million	¥(312) million
Contribution from employer	¥828 million	¥781 million
Retirement benefits paid	¥(410) million	¥(513) million
Other	¥(157) million	–
Balance of plan assets at end of period	¥11,382 million	¥11,464 million

(3) Reconciliation between ending balance of retirement benefit obligations and plan assets, and retirement benefit liability/asset recorded in the consolidated balance sheets

	Year ended March 31, 2022	Year ended March 31, 2023
Retirement benefit obligations of funded plans	¥12,867 million	¥12,872 million
Plan assets	¥(11,382) million	¥(11,464) million
	¥1,485 million	¥1,407 million
Retirement benefit obligations of unfunded plans	¥463,058 million	¥443,474 million
Net amount of liabilities and assets recorded in the consolidated balance sheets	¥464,543 million	¥444,882 million
Net retirement benefit liabilities	¥465,346 million	¥445,843 million
Net defined benefit assets	¥(803) million	¥(961) million
Net amount of liabilities and assets recorded in the consolidated balance sheets	¥464,543 million	¥444,882 million

(4) Amounts of retirement benefit expenses and their components

	Year ended March 31, 2022	Year ended March 31, 2023
Service cost	¥28,351 million	¥28,724 million
Interest cost	¥2,935 million	¥2,835 million
Expected return on plan assets	¥(143) million	¥(127) million
Amortization of actuarial gains and losses	¥(2,981) million	¥(3,071) million
Amortization of past service cost	¥(667) million	¥14 million
Other	¥218 million	¥215 million
Net interest expenses on retirement benefits	¥27,712 million	¥28,592 million

(Note) Service cost includes retirement benefit expenses of consolidated subsidiaries using the simplified method. The “Other” category includes temporary severance payments and required contributions to a comprehensive corporate pension fund. The required contribution to the comprehensive corporate pension fund was ¥177 million in the previous fiscal year and is ¥176 million in the current fiscal year.

(5) Remeasurements of defined benefit plans

The components of remeasurements of defined benefit plans (before deduction of tax effects) are as follows:

	Year ended March 31, 2022	Year ended March 31, 2023
Past service cost	¥(703) million	¥3 million
Actuarial gains and losses	¥35 million	¥1,633 million
Total	¥(668) million	¥1,636 million

(6) Remeasurements of defined benefit plans

The components of remeasurements of defined benefit plans (before deduction of tax effects) are as follows:

	Year ended March 31, 2022	Year ended March 31, 2023
Unrecognized past service cost	¥17 million	¥21 million
Unrecognized actuarial gains and losses	¥10,294 million	¥11,928 million
Total	¥10,312 million	¥11,949 million

(7) Plan assets

(i) Major components of plan assets

The ratio of each major category to total plan assets is as follows:

	Year ended March 31, 2022	Year ended March 31, 2023
Debt securities	7%	6%
Equity shares	19%	19%
Life insurance general account	45%	46%
Other	29%	29%
Total	100%	100%

(ii) Method for setting the Long-term expected rate of return on plan assets

To determine the Long-term expected rate of return on plan assets, the Company takes into account current and expected allocation of plan assets, and current and expected Long-term return rate on various types of assets constituting plan assets.

(8) Actuarial assumptions

Major actuarial assumptions

	Year ended March 31, 2022	Year ended March 31, 2023
Discount rate	Mainly 0.6%	Mainly 0.6%
Long-term expected rate of return	Mainly 1.7%	Mainly 1.5%

3. Defined contribution plans

The amounts of required contributions to defined contribution plans of the Company and certain consolidated subsidiaries of the Company were ¥1,059 million Year ended March 31, 2022 and ¥1,223 million Year ended March 31, 2023.

Notes to Deferred Tax Accounting

1. Major components of deferred tax assets and liabilities

	(Millions of yen)	
	Year ended March 31, 2022	Year ended March 31, 2023
Deferred tax assets		
Tax loss carryforwards (Note 2)	275,825	272,502
Net defined benefit liabilities	142,656	136,814
Impairment losses on fixed assets	40,325	40,817
Unrealized gains on fixed assets	24,886	25,674
Allowance for bonuses to employees	16,323	18,543
Environmental conservation costs	16,342	15,163
Contract liabilities and provisions related to points	11,815	14,919
Other	69,365	53,723
Deferred tax assets subtotal	597,539	578,159
Valuation allowance related to tax loss carryforwards (Note 2)	(28,573)	(25,860)
Valuation allowance related to the total of future deductible temporary differences	(62,669)	(59,863)
Valuation allowance subtotal (Note 1)	(91,242)	(85,724)
Total deferred tax assets	506,297	492,434
Offset against deferred tax liabilities	(63,735)	(60,423)
Net deferred tax assets	442,562	432,011
Deferred tax liabilities		
Reserve for deferred gain of fixed assets	(31,962)	(31,241)
Net unrealized holding gains (losses) on securities	(23,251)	(19,979)
Difference in the valuation of assets of consolidated subsidiaries	(2,272)	(2,260)
Other	(8,557)	(9,307)
Total deferred tax liabilities	(66,044)	(62,790)
Offset against deferred tax assets	63,735	60,423
Net deferred tax liabilities	(2,309)	(2,367)

(Notes) 1. The valuation allowance decreased by ¥5,517 million from the previous fiscal year. This was mainly due to a decrease in valuation allowance related to tax loss carryforwards.

2. Tax loss carryforwards and their deferred tax asset carryforwards by expiration date

Year ended March 31, 2022

(Millions of yen)

	1 year or less	Exceeding 1 year but less than 2 years	Exceeding 2 years but less than 3 years	Exceeding 3 years but less than 4 years	Exceeding 4 years but less than 5 years	Exceeding 5 years	Total
Tax loss carryforwards (*1)	617	198	176	269	300	274,261	275,825
Valuation allowance	(576)	(198)	(176)	(269)	(300)	(27,050)	(28,573)
Deferred tax assets	40	-	-	-	-	247,211	247,252 (*2)

(*1) Tax loss carryforwards are calculated by multiplying the effective statutory tax rate.

(*2) Regarding tax loss carryforwards that are deemed recoverable based on estimates of future taxable income and other factors, no valuation allowance is recognized.

Year ended March 31, 2023

(Millions of yen)

	1 year or less	Exceeding 1 year but less than 2 years	Exceeding 2 years but less than 3 years	Exceeding 3 years but less than 4 years	Exceeding 4 years but less than 5 years	Exceeding 5 years	Total
Tax loss carryforwards (*1)	198	176	104	77	24	271,920	272,502
Valuation allowance	(196)	(176)	(74)	(76)	(24)	(25,312)	(25,860)
Deferred tax assets	2	–	30	0	–	246,608	(*2) 246,641

(*1) Tax loss carryforwards are calculated by multiplying the effective statutory tax rate.

(*2) Regarding tax loss carryforwards that are deemed recoverable based on estimates of future taxable income and other factors, no valuation allowance is recognized.

2. Reconciliation of the causes of significant differences between the effective statutory tax rate and the actual effective rate of income taxes after application of deferred tax accounting

(%)

Year ended March 31, 2023

Effective statutory tax rate	30.5
(Adjustments)	
Equity method investment profit/loss	(5.5)
Increase/decrease in valuation allowance	(4.4)
Expenses not deductible permanently, such as entertainment expenses	1.0
Other	0.1
Effective rate of income taxes after application of deferred tax accounting	21.7

(Note) The previous fiscal year is omitted due to a net loss for the period before adjustments for taxes and other factors.

Notes to Investment and Rental Property

The Company and some of its consolidated subsidiaries own rental office buildings and rental commercial facilities (“investment and rental property”) principally within the Company’s service area. Rental income related to investment and rental property was ¥67,431 million for the previous fiscal year, and ¥69,018 million for the current fiscal year (rental income was included in operating revenue and major rental expenses were included in operating expenses).

Carrying amounts in the consolidated balance sheets, increase or decrease and fair values at the end of the fiscal year of the investment and rental property are as follows:

(Millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
Consolidated balance sheets amount		
Beginning balance	854,254	854,886
Increase or decrease during period	631	(3,549)
Ending balance	854,886	851,336
Fair value at end of period	2,433,278	2,438,027

(Notes) 1. The consolidated balance sheets amount is the amount equal to acquisition cost, less accumulated depreciation.

2. Of the amount of increase/decrease during the period, the increase in the previous fiscal year was mainly related to real estate acquisition and renewal (¥66,870 million), while the decrease was mainly related to depreciation (¥31,805 million) and transfer to real estate for sale (¥18,026 million). In addition, the increase in the current fiscal year was mainly related to real estate acquisition and renewal (¥46,561 million), while the decrease was mainly related to depreciation (¥30,779 million) and transfer to real estate for sale (¥29,722 million).

3. Regarding fair values at the end of the fiscal year, the amount for significant properties is based on real-estate appraisals prepared by external real-estate appraisers, and the amount for other properties is estimated by the Company based on certain appraisal values or indicators that reflect appropriate market prices. However, if there has not been any material change, since the time of acquisition from a third party or the time of the most recent valuation, in any such appraisal value or indicator that we believe reflects the appropriate market price, the amount is

adjusted using such appraisal value or indicator.

4. Because fair values are extremely difficult to determine, this table does not include property that is being constructed or developed for future use as investment property. The consolidated balance sheets value of assets under development was ¥147,533 million at the end of the previous fiscal year, and ¥185,609 million at the end of the current fiscal year.

Notes to Revenue Recognition

1. Breakdown of revenues from contracts with customers

Year ended March 31, 2022

(Millions of yen)

	Transportation			Retail & Services	Real Estate & Hotels	Others (Note 1)	Total
	Passenger transport		Other				
	Commuter passes	Non-Commuter passes					
Revenues from contracts with customers	379,581	741,765	128,656	263,888	139,089	71,059	1,724,040
Revenues from other sources (Note 2)	–	–	27,032	14,297	213,582	14	254,926
Total	379,581	741,765	155,688	278,186	352,671	71,073	1,978,967

(Notes) 1. “Others” represents categories of business that are not included in reportable segments and includes IT & *Suica* business including credit card business, information processing and certain other businesses.

2. Revenues from other sources include income from lease of real estate and other leases.

Year ended March 31, 2023

(Millions of yen)

	Transportation			Retail & Services	Real Estate & Hotels	Others (Note 1)	Total
	Passenger transport		Other				
	Commuter passes	Non-Commuter passes					
Revenues from contracts with customers	393,275	1,049,901	123,443	312,280	156,726	76,903	2,112,530
Revenues from other sources (Note 2)	–	–	51,931	15,580	225,490	5	293,007
Total	393,275	1,049,901	175,374	327,860	382,216	76,909	2,405,538

(Notes) 1. “Others” represents categories of business that are not included in reportable segments and includes IT & *Suica* business including credit card business, information processing and certain other businesses.

2. Revenues from other sources include income from lease of real estate and other leases.

2. Basic information to understand revenues from contracts with customers

The basis for understanding revenues arising from contracts with customers is described in “4. Matters regarding accounting standards, (6) Basis for recognition of significant revenues and costs” under “Basic Matters in Preparing Consolidated Financial Statements.”

3. Information on the relationship between fulfillment of performance duties under contracts with customers and cash flows from such contracts, and the amount and timing of revenues from contracts with customers existing as of the end of this fiscal year, which are estimated to be recognized in or after the following fiscal year.

(1) Balance of contract assets and liabilities

(Millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
Credit from contracts with customers (balance at the fiscal year start)	98,290	114,725
Credit from contracts with customers (balance at the fiscal year end)	114,725	133,474
Contract assets (balance at the fiscal year start)	2,506	4,202
Contract assets (balance at the fiscal year end)	4,202	2,583
Contract liabilities (balance at the fiscal year start)	120,215	117,660
Contract liabilities (balance at the fiscal year end)	117,660	144,350

The contract liabilities mainly consist of advance fares received prior to satisfaction of performance obligations, primarily with respect to passenger rail transportation services, as well as any unused “*JRE POINT*” credits granted for use at railways and station buildings. These contract liabilities will be released when revenue is recognized from the satisfaction of performance obligations. The amount of the balance of contract liabilities at the fiscal year start included in the amount of revenues recognized during the previous fiscal year was ¥76,704 million. The amount of the balance of contract liabilities at the fiscal year start included in the amount of revenues recognized during this fiscal year was ¥72,119 million.

(2) Transaction prices allocated to residual performance liabilities

The Company and its consolidated subsidiaries apply practical expedient for the notes on transaction prices allocated to residual performance liabilities, and do not include contracts with originally expected terms of one year or less in the scope of such notes. The total amount of transaction prices allocated to residual performance liabilities and anticipated terms of recognition of revenues are as follows.

(Millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
1 year or less	31,600	18,561
Exceeding 1 year but less than 2 years	6,079	11,395
Exceeding 2 years but less than 3 years	23,055	9,214
Exceeding 3 years	113,422	159,614
Total	174,157	198,786

Segment Information

[Segment information]

1. General information about reportable segments

Transportation, Retail & Services, and Real Estate & Hotels comprise JR East's three reportable segments. Each reportable segment is in turn comprised of business units within the Group with respect to which separate financial information is obtainable. These reportable segments are reviewed periodically by the Company's Board of Directors and form the basis on which to evaluate business performance and decide on how to allocate management resources of the Company.

The Transportation segment includes passenger transportation operations centered on railway operations, as well as travel agency services, cleaning services, station operations, building and facility construction, railcar manufacturing operations, and railcar maintenance operations. The Retail & Services segment consists of the part of the Company's life-style service business that includes retail sales and restaurant operations, a wholesale business, a truck transportation business, and advertising and publicity. The Real Estate & Hotels segment consists of the part of the Company's life-style service business that includes shopping center operations, leasing of office buildings and other properties, and hotel operations, as well as development and sales of real estate for such operations.

2. Basis of measurement about reportable segment operating revenues, segment income or loss, segment assets, and other material items

The accounting treatment for each reportable segment is largely the same as that set forth in the "Important Items that Form the Basis for Preparing Consolidated Financial Statements." Moreover, intersegment transactions are between consolidated subsidiaries and based on market prices and other fair values.

Changes in accountings estimates

The Company records remaining charged balance and deposits of *Suica* as current liabilities and recognizes unused balance as revenues after a certain period of time. Reasonable time has passed after the commencement of *Suica* service and sufficient amount of data has been accumulated, which enabled us to reasonably estimate the timing of revenue recognition of unused balance. Therefore, the method of accounting estimate was changed to be based on such data.

As a result, in comparison to figures calculated by the previous method, operating revenues of the Transportation segment for fiscal 2023 increased by ¥25,918 million, together with an increase by the same amount in the segment income.

3. Information about reportable segment operating revenues, segment income or loss, segment assets, and other material items

Fiscal 2022 (Year ended March 31, 2022)

(Millions of Yen)

	Transportation	Retail & Services	Real Estate & Hotels	Others (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
Operating revenues							
Outside customers	1,277,035	278,186	352,671	71,073	1,978,967	–	1,978,967
Inside group	55,803	34,068	23,024	137,424	250,319	(250,319)	–
Total	1,332,838	312,254	375,696	208,497	2,229,286	(250,319)	1,978,967
Segment income (loss)	(285,346)	14,116	107,807	11,643	(151,780)	(2,158)	(153,938)
Segment assets	6,913,713	340,789	1,766,162	991,749	10,012,413	(920,989)	9,091,424
Other items							
Depreciation	297,037	16,711	55,421	23,455	392,626	–	392,626
Increase in fixed assets (Note 5)	376,369	18,463	107,458	41,406	543,698	–	543,698

(Notes) 1. "Others" represents categories of business that are not included in reportable segments and includes IT & *Suica* business including credit card business, information processing and certain other businesses.

2. The ¥(2,158) million downward adjustment to segment income (loss) includes a ¥(2,378) million elimination of unrealized holding gains (losses) on fixed assets and inventory assets and a ¥220 million elimination for intersegment transactions. Moreover, the ¥(920,989) million downward adjustment to segment assets includes a ¥(1,186,246) million elimination of intersegment claims and obligations, offset by ¥265,256 million in corporate assets not allocated to each reporting segment.

3. Segment income (loss) is adjusted to ensure consistency with the operating loss set forth in the consolidated statements of income.

4. Segment information on liabilities was omitted from record, as it is not a metric used in deciding the allocation of management resources or evaluating earnings performance.
5. Increase in fixed assets includes a portion contributed mainly by national and local governments.

	Transportation	Retail & Services	Real Estate & Hotels	Other (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
Operating revenues							
Outside customers	1,618,551	327,860	382,216	76,909	2,405,538	–	2,405,538
Inside group	61,797	35,716	27,547	146,231	271,292	(271,292)	–
Total	1,680,348	363,576	409,764	223,140	2,676,831	(271,292)	2,405,538
Segment income (loss)	(24,097)	35,281	111,577	17,222	139,984	644	140,628
Segment assets	7,087,186	353,503	1,815,095	1,073,813	10,329,598	(977,699)	9,351,899
Other items							
Depreciation	289,574	16,853	54,867	28,589	389,885	–	389,885
Increase in fixed assets (Note 5)	396,519	15,650	110,245	55,762	578,178	–	578,178

(Notes) 1. “Others” represents categories of business that are not included in reportable segments and includes IT & *Suica* business including credit card business, information processing and certain other businesses.

2. The ¥644 million upward adjustment to segment income (loss) includes a ¥946 million elimination of unrealized holding gains(losses) on fixed assets and inventory assets and a ¥(321) million elimination for intersegment transactions. Moreover, the ¥(977,699) million downward adjustment to segment assets includes a ¥(1,292,355) million elimination of intersegment claims and obligations, offset by ¥314,656 million in corporate assets not allocated to each reporting segment.
3. Segment income (loss) is adjusted to ensure consistency with the operating profit set forth in the consolidated statements of income.
4. Segment information on liabilities was omitted from record, as it is not a metric used in deciding the allocation of management resources or evaluating earnings performance.
5. Increase in fixed assets includes a portion contributed mainly by national and local governments.

[Relevant information]

1. Information about products and services

Information about products and services is omitted as JR East classifies such segments in the same way as it does its reportable segments.

2. Information about geographical areas

(1) Operating revenues

Information about geographic areas is omitted as operating revenues attributable to outside customers in Japan exceed 90% of the operating revenues reported in the Consolidated Statements of Income.

(2) Property, plant and equipment

Information about geographic areas is omitted as property, plant and equipment in Japan exceed 90% of the property, plant and equipment reported in the Consolidated Balance Sheets.

3. Information about major customers

Information about major customers is omitted as no single outside customer contributes 10% or more to operating revenues in the Consolidated Statements of Income.

[Information about impairment loss of fixed assets in reportable segments]

Year ended March 31, 2022

	Transportation (millions of yen)	Retail & Services (millions of yen)	Real Estate & Hotels (millions of yen)	Others (Note) (millions of yen)	Total (millions of yen)
Impairment losses on fixed assets	4,622	2,711	2,317	1	9,652

(Note) The amount under “Others” represents amounts from business segments and other units excluded from the reportable segments.

Year ended March 31, 2023

	Transportation (millions of yen)	Retail & Services (millions of yen)	Real Estate & Hotels (millions of yen)	Other (Note) (millions of yen)	Total (millions of yen)
Impairment losses on fixed assets	3,204	3,402	12,438	17	19,063

(Note) The amount under “Others” represents amounts from business segments and other units excluded from the reportable segments.

[Information about amortized amount of goodwill and unamortized balance of goodwill by reportable segments]

Information about amortized amount of goodwill and unamortized balance of goodwill by reportable segments is omitted as the amount was insignificant.

[Information about gain on negative goodwill by reportable segments]

None

[Related party information]

None

Per Share Information

	Year ended March 31, 2022	Year ended March 31, 2023
Shareholders' equity per share	¥6,348.57	¥6,566.64
Earnings (losses) per share-basic	¥(251.69)	¥263.38
Earnings per share-diluted	Not shown because there are no convertible securities	Not shown because there are no convertible securities

(Note) The basis of calculation of earnings (losses) per share is as shown below.

	Year ended March 31, 2022	Year ended March 31, 2023
Profit (loss) attributable to owners of parent	¥(94,948) million	¥99,232 million
Amount not attributable to common stockholders	—	—
Profit (loss) attributable to owners of parent related to common stock	¥(94,948) million	¥99,232 million
Average number of common shares	377,239,488	376,763,957

Significant Subsequent Events

None

(v) Annexed Consolidated Schedules

Consolidated Detailed Schedule of Corporate Bonds

Company name	Issue name	Date of issuance	Balance at the fiscal year start (millions of yen)	Balance at the fiscal year end (millions of yen)	Interest rate (%)	Pledge	Repayment period
East Japan Railway Company	Unsecured straight bonds, 21st issue, East Japan Railway Company	September 20, 2002	20,000	–	2.02	None	September 20, 2022
East Japan Railway Company	Unsecured straight bonds, 22nd issue, East Japan Railway Company	October 16, 2002	20,000	20,000	2.34	None	May 20, 2032
East Japan Railway Company	Unsecured straight bonds, 24th issue, East Japan Railway Company	December 17, 2002	16,000	–	1.71	None	September 20, 2022
East Japan Railway Company	Unsecured straight bonds, 26th issue, East Japan Railway Company	April 21, 2003	10,000	–	1.19	None	December 20, 2022
East Japan Railway Company	Unsecured straight bonds, 28th issue, East Japan Railway Company	December 4, 2003	9,996	9,997	2.47	None	September 20, 2033
East Japan Railway Company	Unsecured straight bonds, 29th issue, East Japan Railway Company	December 11, 2003	9,999	10,000 (10,000)	2.01	None	September 20, 2023
East Japan Railway Company	Unsecured straight bonds, 32nd issue, East Japan Railway Company	April 30, 2004	9,998	9,999 (9,999)	2.26	None	March 19, 2024
East Japan Railway Company	Unsecured straight bonds, 34th issue, East Japan Railway Company	July 30, 2004	14,999	14,999	2.53	None	June 20, 2024
East Japan Railway Company	Unsecured straight bonds, 36th issue, East Japan Railway Company	February 9, 2005	9,999	9,999	2.11	None	December 20, 2024
East Japan Railway Company	Unsecured straight bonds, 39th issue, East Japan Railway Company	July 26, 2005	14,998	14,999	2.05	None	June 20, 2025
East Japan Railway Company	Unsecured straight bonds, 42nd issue, East Japan Railway Company	October 20, 2005	19,996	19,997	2.11	None	September 19, 2025
East Japan Railway Company	Unsecured straight bonds, 45th issue, East Japan Railway Company	July 19, 2006	10,000	10,000	2.55	None	July 17, 2026
East Japan Railway Company	Unsecured straight bonds, 47th issue, East Japan Railway Company	October 27, 2006	9,998	9,998	2.46	None	September 18, 2026
East Japan Railway Company	Unsecured straight bonds, 49th issue, East Japan Railway Company	April 17, 2007	19,998	19,998	2.26	None	April 16, 2027

Company name	Issue name	Date of issuance	Balance at the fiscal year start (millions of yen)	Balance at the fiscal year end (millions of yen)	Interest rate (%)	Pledge	Repayment period
East Japan Railway Company	Unsecured straight bonds, 51st issue, East Japan Railway Company	October 26, 2007	19,996	19,997	2.39	None	September 17, 2027
East Japan Railway Company	Unsecured straight bonds, 53rd issue, East Japan Railway Company	April 22, 2008	20,000	20,000	2.35	None	April 21, 2028
East Japan Railway Company	Unsecured straight bonds, 55th issue, East Japan Railway Company	July 25, 2008	20,000	20,000	2.357	None	July 25, 2028
East Japan Railway Company	Unsecured straight bonds, 57th issue, East Japan Railway Company	December 12, 2008	25,000	25,000	2.376	None	December 12, 2028
East Japan Railway Company	Unsecured straight bonds, 65th issue, East Japan Railway Company	December 22, 2009	30,000	30,000	2.149	None	December 21, 2029
East Japan Railway Company	Unsecured straight bonds, 67th issue, East Japan Railway Company	March 24, 2010	15,000	15,000	2.249	None	March 22, 2030
East Japan Railway Company	Unsecured straight bonds, 71st issue, East Japan Railway Company	September 29, 2010	20,000	20,000	1.905	None	September 27, 2030
East Japan Railway Company	Unsecured straight bonds, 73rd issue, East Japan Railway Company	December 22, 2010	20,000	20,000	2.098	None	December 20, 2030
East Japan Railway Company	Unsecured straight bonds, 75th issue, East Japan Railway Company	March 24, 2011	10,000	10,000	2.137	None	March 24, 2031
East Japan Railway Company	Unsecured straight bonds, 78th issue, East Japan Railway Company	July 22, 2011	15,000	15,000	2.029	None	July 22, 2031
East Japan Railway Company	Unsecured straight bonds, 80th issue, East Japan Railway Company	September 29, 2011	15,000	15,000	1.923	None	September 29, 2031
East Japan Railway Company	Unsecured straight bonds, 83rd issue, East Japan Railway Company	December 22, 2011	20,000	20,000	1.633	None	December 22, 2026
East Japan Railway Company	Unsecured straight bonds, 85th issue, East Japan Railway Company	July 24, 2012	30,000	–	0.874	None	July 22, 2022
East Japan Railway Company	Unsecured straight bonds, 86th issue, East Japan Railway Company	July 24, 2012	15,000	15,000	1.732	None	July 23, 2032
East Japan Railway Company	Unsecured straight bonds, 87th issue, East Japan Railway Company	September 27, 2012	20,000	–	0.869	None	September 27, 2022

Company name	Issue name	Date of issuance	Balance at the fiscal year start (millions of yen)	Balance at the fiscal year end (millions of yen)	Interest rate (%)	Pledge	Repayment period
East Japan Railway Company	Unsecured straight bonds, 88th issue, East Japan Railway Company	September 27, 2012	20,000	20,000	1.751	None	September 27, 2032
East Japan Railway Company	Unsecured straight bonds, 90th issue, East Japan Railway Company	December 27, 2012	15,000	–	0.745	None	December 27, 2022
East Japan Railway Company	Unsecured straight bonds, 91st issue, East Japan Railway Company	December 27, 2012	25,000	25,000	1.751	None	December 27, 2032
East Japan Railway Company	Unsecured straight bonds, 93rd issue, East Japan Railway Company	July 30, 2013	15,000	15,000 (15,000)	0.923	None	July 28, 2023
East Japan Railway Company	Unsecured straight bonds, 94th issue, East Japan Railway Company	July 30, 2013	20,000	20,000	1.807	None	July 29, 2033
East Japan Railway Company	Unsecured straight bonds, 95th issue, East Japan Railway Company	October 28, 2013	20,000	20,000 (20,000)	0.748	None	October 27, 2023
East Japan Railway Company	Unsecured straight bonds, 96th issue, East Japan Railway Company	October 28, 2013	20,000	20,000	1.634	None	October 28, 2033
East Japan Railway Company	Unsecured straight bonds, 98th issue, East Japan Railway Company	January 30, 2014	10,000	10,000 (10,000)	0.757	None	January 30, 2024
East Japan Railway Company	Unsecured straight bonds, 99th issue, East Japan Railway Company	January 30, 2014	10,000	10,000	1.623	None	January 30, 2034
East Japan Railway Company	Unsecured straight bonds, 100th issue, East Japan Railway Company	January 30, 2014	10,000	10,000	1.981	None	January 29, 2044
East Japan Railway Company	Unsecured straight bonds, 102nd issue, East Japan Railway Company	July 25, 2014	20,000	20,000	0.63	None	July 25, 2024
East Japan Railway Company	Unsecured straight bonds, 103rd issue, East Japan Railway Company	July 25, 2014	20,000	20,000	1.502	None	July 25, 2034
East Japan Railway Company	Unsecured straight bonds, 105th issue, East Japan Railway Company	January 29, 2015	15,000	15,000	0.325	None	January 29, 2025
East Japan Railway Company	Unsecured straight bonds, 106th issue, East Japan Railway Company	January 29, 2015	20,000	20,000	0.981	None	January 29, 2035
East Japan Railway Company	Unsecured straight bonds, 107th issue, East Japan Railway Company	January 29, 2015	10,000	10,000	1.415	None	January 27, 2045

Company name	Issue name	Date of issuance	Balance at the fiscal year start (millions of yen)	Balance at the fiscal year end (millions of yen)	Interest rate (%)	Pledge	Repayment period
East Japan Railway Company	Unsecured straight bonds, 108th issue, East Japan Railway Company	July 28, 2015	10,000	10,000	0.588	None	July 28, 2025
East Japan Railway Company	Unsecured straight bonds, 109th issue, East Japan Railway Company	July 28, 2015	20,000	20,000	1.283	None	July 27, 2035
East Japan Railway Company	Unsecured straight bonds, 110th issue, East Japan Railway Company	July 28, 2015	20,000	20,000	1.76	None	July 28, 2045
East Japan Railway Company	Unsecured straight bonds, 112th issue, East Japan Railway Company	January 28, 2016	15,000	15,000	0.41	None	January 28, 2026
East Japan Railway Company	Unsecured straight bonds, 113th issue, East Japan Railway Company	January 28, 2016	15,000	15,000	1.037	None	January 28, 2036
East Japan Railway Company	Unsecured straight bonds, 114th issue, East Japan Railway Company	January 28, 2016	10,000	10,000	1.577	None	January 26, 2046
East Japan Railway Company	Unsecured straight bonds, 115th issue, East Japan Railway Company	July 28, 2016	10,000	10,000	0.06	None	July 28, 2026
East Japan Railway Company	Unsecured straight bonds, 116th issue, East Japan Railway Company	July 28, 2016	10,000	10,000	0.21	None	July 28, 2036
East Japan Railway Company	Unsecured straight bonds, 117th issue, East Japan Railway Company	July 28, 2016	20,000	20,000	0.39	None	July 27, 2046
East Japan Railway Company	Unsecured straight bonds, 118th issue, East Japan Railway Company	July 28, 2016	20,000	20,000	0.5	None	July 28, 2056
East Japan Railway Company	Unsecured straight bonds, 119th issue, East Japan Railway Company	January 27, 2017	10,000	10,000	0.2	None	January 27, 2027
East Japan Railway Company	Unsecured straight bonds, 120th issue, East Japan Railway Company	January 27, 2017	10,000	10,000	0.675	None	January 27, 2037
East Japan Railway Company	Unsecured straight bonds, 121st issue, East Japan Railway Company	January 27, 2017	10,000	10,000	0.953	None	January 25, 2047
East Japan Railway Company	Unsecured straight bonds, 122nd issue, East Japan Railway Company	January 27, 2017	20,000	20,000	1.119	None	January 26, 2057
East Japan Railway Company	Unsecured straight bonds, 123rd issue, East Japan Railway Company	July 27, 2017	15,000	15,000	0.28	None	July 27, 2027

Company name	Issue name	Date of issuance	Balance at the fiscal year start (millions of yen)	Balance at the fiscal year end (millions of yen)	Interest rate (%)	Pledge	Repayment period
East Japan Railway Company	Unsecured straight bonds, 124th issue, East Japan Railway Company	July 27, 2017	10,000	10,000	0.713	None	July 27, 2037
East Japan Railway Company	Unsecured straight bonds, 125th issue, East Japan Railway Company	July 27, 2017	25,000	25,000	1.133	None	July 26, 2047
East Japan Railway Company	Unsecured straight bonds, 126th issue, East Japan Railway Company	January 26, 2018	10,000	10,000	0.275	None	January 26, 2028
East Japan Railway Company	Unsecured straight bonds, 127th issue, East Japan Railway Company	January 26, 2018	10,000	10,000	0.675	None	January 26, 2038
East Japan Railway Company	Unsecured straight bonds, 128th issue, East Japan Railway Company	January 26, 2018	10,000	10,000	1.037	None	January 24, 2048
East Japan Railway Company	Unsecured straight bonds, 129th issue, East Japan Railway Company	January 26, 2018	10,000	10,000	1.302	None	January 25, 2058
East Japan Railway Company	Unsecured straight bonds, 130th issue, East Japan Railway Company	September 27, 2018	15,000	15,000	0.295	None	September 27, 2028
East Japan Railway Company	Unsecured straight bonds, 131st issue, East Japan Railway Company	September 27, 2018	10,000	10,000	0.709	None	September 27, 2038
East Japan Railway Company	Unsecured straight bonds, 132nd issue, East Japan Railway Company	September 27, 2018	20,000	20,000	1.011	None	September 25, 2048
East Japan Railway Company	Unsecured straight bonds, 133rd issue, East Japan Railway Company	September 27, 2018	15,000	15,000	1.246	None	September 27, 2058
East Japan Railway Company	Unsecured straight bonds, 134th issue, East Japan Railway Company	December 21, 2018	10,000	10,000	0.25	None	December 21, 2028
East Japan Railway Company	Unsecured straight bonds, 135th issue, East Japan Railway Company	December 21, 2018	10,000	10,000	0.685	None	December 21, 2038
East Japan Railway Company	Unsecured straight bonds, 136th issue, East Japan Railway Company	December 21, 2018	10,000	10,000	1.007	None	December 21, 2048
East Japan Railway Company	Unsecured straight bonds, 137th issue, East Japan Railway Company	December 21, 2018	15,000	15,000	1.247	None	December 20, 2058
East Japan Railway Company	Unsecured straight bonds, 138th issue, East Japan Railway Company	March 20, 2019	10,000	10,000	0.782	None	March 19, 2049

Company name	Issue name	Date of issuance	Balance at the fiscal year start (millions of yen)	Balance at the fiscal year end (millions of yen)	Interest rate (%)	Pledge	Repayment period
East Japan Railway Company	Unsecured straight bonds, 139th issue, East Japan Railway Company	March 20, 2019	10,000	10,000	0.997	None	March 19, 2059
East Japan Railway Company	Unsecured straight bonds, 140th issue, East Japan Railway Company	July 23, 2019	10,000	10,000	0.1	None	July 23, 2029
East Japan Railway Company	Unsecured straight bonds, 141st issue, East Japan Railway Company	July 23, 2019	10,000	10,000	0.488	None	July 23, 2049
East Japan Railway Company	Unsecured straight bonds, 142nd issue, East Japan Railway Company	July 23, 2019	20,000	20,000	0.809	None	July 23, 2069
East Japan Railway Company	Unsecured straight bonds, 143rd issue, East Japan Railway Company	December 23, 2019	10,000	10,000	0.444	None	December 23, 2039
East Japan Railway Company	Unsecured straight bonds, 144th issue, East Japan Railway Company	December 23, 2019	10,000	10,000	0.606	None	December 23, 2049
East Japan Railway Company	Unsecured straight bonds, 145th issue, East Japan Railway Company	December 23, 2019	15,000	15,000	0.771	None	December 23, 2059
East Japan Railway Company	Unsecured straight bonds, 146th issue, East Japan Railway Company	April 22, 2020	50,000	50,000 (50,000)	0.15	None	April 21, 2023
East Japan Railway Company	Unsecured straight bonds, 147th issue, East Japan Railway Company	April 22, 2020	20,000	20,000	0.265	None	April 22, 2030
East Japan Railway Company	Unsecured straight bonds, 148th issue, East Japan Railway Company	April 22, 2020	10,000	10,000	0.569	None	April 20, 2040
East Japan Railway Company	Unsecured straight bonds, 149th issue, East Japan Railway Company	April 22, 2020	10,000	10,000	0.697	None	April 22, 2050
East Japan Railway Company	Unsecured straight bonds, 150th issue, East Japan Railway Company	April 22, 2020	15,000	15,000	0.832	None	April 22, 2060
East Japan Railway Company	Unsecured straight bonds, 151st issue, East Japan Railway Company	April 22, 2020	20,000	20,000	0.992	None	April 22, 2070
East Japan Railway Company	Unsecured straight bonds, 152nd issue, East Japan Railway Company	July 20, 2020	20,000	20,000	0.09	None	July 18, 2025
East Japan Railway Company	Unsecured straight bonds, 153rd issue, East Japan Railway Company	July 20, 2020	15,000	15,000	0.23	None	July 19, 2030

Company name	Issue name	Date of issuance	Balance at the fiscal year start (millions of yen)	Balance at the fiscal year end (millions of yen)	Interest rate (%)	Pledge	Repayment period
East Japan Railway Company	Unsecured straight bonds, 154th issue, East Japan Railway Company	July 20, 2020	10,000	10,000	0.61	None	July 20, 2040
East Japan Railway Company	Unsecured straight bonds, 155th issue, East Japan Railway Company	July 20, 2020	20,000	20,000	0.763	None	July 20, 2050
East Japan Railway Company	Unsecured straight bonds, 156th issue, East Japan Railway Company	July 20, 2020	20,000	20,000	0.902	None	July 20, 2060
East Japan Railway Company	Unsecured straight bonds, 157th issue, East Japan Railway Company	October 20, 2020	100,001	100,000 (100,000)	0.001	None	October 20, 2023
East Japan Railway Company	Unsecured straight bonds, 158th issue, East Japan Railway Company	December 18, 2020	20,000	20,000	0.56	None	December 18, 2040
East Japan Railway Company	Unsecured straight bonds, 159th issue, East Japan Railway Company	December 18, 2020	30,000	30,000	0.836	None	December 16, 2050
East Japan Railway Company	Unsecured straight bonds, 160th issue, East Japan Railway Company	December 18, 2020	25,000	25,000	0.97	None	December 17, 2060
East Japan Railway Company	Unsecured straight bonds, 161st issue, East Japan Railway Company	December 18, 2020	15,000	15,000	1.152	None	December 18, 2070
East Japan Railway Company	Unsecured straight bonds, 162nd issue, East Japan Railway Company	April 15, 2021	45,000	45,000	0.001	None	April 15, 2024
East Japan Railway Company	Unsecured straight bonds, 163rd issue, East Japan Railway Company	April 15, 2021	30,000	30,000	0.05	None	April 15, 2026
East Japan Railway Company	Unsecured straight bonds, 164th issue, East Japan Railway Company	April 15, 2021	20,000	20,000	0.245	None	April 15, 2031
East Japan Railway Company	Unsecured straight bonds, 165th issue, East Japan Railway Company	April 15, 2021	30,000	30,000	0.596	None	April 15, 2041
East Japan Railway Company	Unsecured straight bonds, 166th issue, East Japan Railway Company	April 15, 2021	20,000	20,000	0.847	None	April 14, 2051
East Japan Railway Company	Unsecured straight bonds, 167th issue, East Japan Railway Company	April 15, 2021	20,000	20,000	0.978	None	April 15, 2061
East Japan Railway Company	Unsecured straight bonds, 168th issue, East Japan Railway Company	April 15, 2021	35,000	35,000	1.142	None	April 15, 2071

Company name	Issue name	Date of issuance	Balance at the fiscal year start (millions of yen)	Balance at the fiscal year end (millions of yen)	Interest rate (%)	Pledge	Repayment period
East Japan Railway Company	Unsecured straight bonds, 169th issue, East Japan Railway Company	July 15, 2021	10,000	10,000	0.165	None	July 15, 2031
East Japan Railway Company	Unsecured straight bonds, 170th issue, East Japan Railway Company	July 15, 2021	15,000	15,000	0.523	None	July 12, 2041
East Japan Railway Company	Unsecured straight bonds, 171st issue, East Japan Railway Company	July 15, 2021	25,000	25,000	0.808	None	July 14, 2051
East Japan Railway Company	Unsecured straight bonds, 172nd issue, East Japan Railway Company	July 15, 2021	25,000	25,000	1.002	None	July 15, 2061
East Japan Railway Company	Unsecured straight bonds, 173rd issue, East Japan Railway Company	July 15, 2021	25,000	25,000	1.209	None	July 15, 2071
East Japan Railway Company	Unsecured straight bonds, 174th issue, East Japan Railway Company	December 17, 2021	40,001	40,000	0.001	None	December 17, 2024
East Japan Railway Company	Unsecured straight bonds, 175th issue, East Japan Railway Company	December 17, 2021	10,000	10,000	0.817	None	December 15, 2051
East Japan Railway Company	Unsecured straight bonds, 176th issue, East Japan Railway Company	December 17, 2021	10,000	10,000	0.993	None	December 16, 2061
East Japan Railway Company	Unsecured straight bonds, 177th issue, East Japan Railway Company	December 17, 2021	20,000	20,000	1.179	None	December 17, 2071
East Japan Railway Company	Unsecured straight bonds, 178th issue, East Japan Railway Company	April 14, 2022	–	10,000	0.195	None	April 14, 2027
East Japan Railway Company	Unsecured straight bonds, 179th issue, East Japan Railway Company	April 14, 2022	–	15,000	0.866	None	April 14, 2042
East Japan Railway Company	Unsecured straight bonds, 180th issue, East Japan Railway Company	April 14, 2022	–	20,000	1.543	None	April 14, 2072
East Japan Railway Company	Unsecured straight bonds, 181st issue, East Japan Railway Company	July 15, 2022	–	15,000	0.24	None	July 15, 2025
East Japan Railway Company	Unsecured straight bonds, 182nd issue, East Japan Railway Company	July 15, 2022	–	10,000	1.448	None	July 12, 2052
East Japan Railway Company	Unsecured straight bonds, 183rd issue, East Japan Railway Company	July 15, 2022	–	20,000	1.854	None	July 15, 2072

Company name	Issue name	Date of issuance	Balance at the fiscal year start (millions of yen)	Balance at the fiscal year end (millions of yen)	Interest rate (%)	Pledge	Repayment period
East Japan Railway Company	Unsecured straight bonds, 184th issue, East Japan Railway Company	October 14, 2022	–	15,000	0.21	None	October 14, 2025
East Japan Railway Company	Unsecured straight bonds, 185th issue, East Japan Railway Company	October 14, 2022	–	10,000	0.549	None	October 14, 2032
East Japan Railway Company	Unsecured straight bonds, 186th issue, East Japan Railway Company	October 14, 2022	–	10,000	1.587	None	October 11, 2052
East Japan Railway Company	Unsecured straight bonds, 187th issue, East Japan Railway Company	October 14, 2022	–	10,000	1.985	None	October 14, 2072
East Japan Railway Company	Unsecured straight bonds, 188th issue, East Japan Railway Company	January 20, 2023	–	12,000	2.103	None	January 20, 2053
East Japan Railway Company	Sustainability bonds and unsecured straight bonds, 1st issue, East Japan Railway Company	January 27, 2020	30,000	30,000	0.22	None	January 25, 2030
East Japan Railway Company	Sustainability bonds and unsecured straight bonds, 2nd issue, East Japan Railway Company	January 25, 2021	30,000	30,000	0.205	None	January 24, 2031
East Japan Railway Company	Sustainability bonds and unsecured straight bonds, 3rd issue, East Japan Railway Company	January 21, 2022	30,000	30,000	0.264	None	January 21, 2032
East Japan Railway Company	Sustainability bonds and unsecured straight bonds, 4th issue, East Japan Railway Company	January 20, 2023	–	25,000	0.687	None	January 20, 2028
East Japan Railway Company	Sustainability bonds and unsecured straight bonds, 5th issue, East Japan Railway Company	January 20, 2023	–	10,000	0.994	None	January 20, 2033
East Japan Railway Company	Euro GBP straight bonds, 1st issue	January 25, 2006	50,274 [£250 million]	50,281 [£250 million]	4.5	None	January 25, 2036
East Japan Railway Company	Euro GBP straight bonds, 2nd issue	June 14, 2006	52,290 [£250 million]	52,312 [£250 million]	4.875	None	June 14, 2034
East Japan Railway Company	Euro GBP straight bonds, 3rd issue	December 8, 2006	78,239 [£350 million]	78,245 [£350 million]	4.75	None	December 8, 2031
East Japan Railway Company	Euro GBP straight bonds, 4th issue	April 24, 2007	58,575 [£250 million]	58,591 [£250 million]	5.25	None	April 22, 2033
East Japan Railway Company	Euro GBP straight bonds, 5th issue	September 15, 2021	45,634 [£300 million]	45,634 [£300 million]	1.162	None	September 15, 2028

Company name	Issue name	Date of issuance	Balance at the fiscal year start (millions of yen)	Balance at the fiscal year end (millions of yen)	Interest rate (%)	Pledge	Repayment period
East Japan Railway Company	Euro EUR straight bonds, 1st issue	September 15, 2021	65,280 [€500 million]	65,280 [€500 million]	0.773	None	September 15, 2034
East Japan Railway Company	Euro EUR straight bonds, 2nd issue	September 15, 2021	91,386 [€700 million]	91,386 [€700 million]	1.104	None	September 15, 2039
East Japan Railway Company	Euro EUR straight bonds, 3rd issue	April 13, 2022	–	87,738 [€650 million]	1.85	None	April 13, 2033
East Japan Railway Company	Euro EUR straight bonds, 4th issue	September 8, 2022	–	97,545 [€700 million]	2.614	None	September 8, 2025
East Japan Railway Company	Euro EUR straight bonds, 5th issue	September 8, 2022	–	69,675 [€500 million]	3.245	None	September 8, 2030
East Japan Railway Company	Euro EUR green bonds and straight bonds, 1st issue	February 22, 2023	–	107,192 [€750 million]	4.11	None	February 22, 2043
Total	–	–	2,542,665	2,975,870 (214,999)	–	–	–

(Notes) 1. For the balance at the end of the current period, amounts in parentheses () are bonds scheduled for redemption within a year.

2. The scheduled amount of redemption of bonds within five years after the consolidated balance sheets date on a yearly basis is as follows:

1 year or less (millions of yen)	Exceeding 1 year but less than 2 years (millions of yen)	Exceeding 2 years but less than 3 years (millions of yen)	Exceeding 3 years but less than 4 years (millions of yen)	Exceeding 4 years but less than 5 years (millions of yen)
215,000	145,000	207,545	90,000	100,000

Consolidated Detailed Schedule of Borrowings

Classification	Balance at the fiscal year start (millions of yen)	Balance at the fiscal year end (millions of yen)	Average interest rate (%)	Payment due
Short-term loans	60,749	–	–	–
Current portion of Long-term loans	141,500	150,000	0.90	–
Current portion of lease obligation	5,509	4,888	–	–
Long-term loans (excluding current portion due within one year)	1,309,950	1,333,950	0.83	September 27, 2024 to January 28, 2060
Lease obligation (excluding current portion due within one year)	11,796	9,368	–	April 30, 2024 to August 31, 2032
Other interest-bearing liabilities				
Commercial paper (due within one year)	330,000	–	–	–
Long-term liabilities incurred for purchase of railway facilities	318,873	315,067	6.54	September 30, 2029 to September 30, 2051
Total	2,178,378	1,813,274	–	–

(Notes) 1. “Average interest rate” represents weighted average interest rate with respect to the balance at the fiscal year end.

However, lease liabilities are included in consolidated balance sheets calculations as the amounts before deducting the interest equivalent included in the total lease payments, so the “average interest rate” for lease obligation is not recorded.

2. The annual repayment schedule of Long-term borrowings, lease obligation, and other interest-bearing liabilities (excluding current portion due within one year) within five years after the consolidated balance sheets date is as follows:

Classification	Exceeding 1 year but less than 2 years (millions of yen)	Exceeding 2 years but less than 3 years (millions of yen)	Exceeding 3 years but less than 4 years (millions of yen)	Exceeding 4 years but less than 5 years (millions of yen)
Long-term loans	179,100	141,200	185,150	266,000
Lease obligation	3,510	2,260	1,268	678
Other interest-bearing liabilities	4,274	4,557	4,858	5,179

Consolidated Detailed Schedule of Asset Retirement Obligations

The preparation of an asset retirement obligation schedule is omitted, because the amounts of asset retirement obligations at this fiscal year start and end were not more than 1% of the total of liabilities and net assets at this fiscal year start and end, respectively.

(2) Other Information

Quarterly information for the fiscal year ended March 31, 2023

	Consolidated cumulative first quarter (April 1, 2022 to June 30, 2022)	Consolidated cumulative second quarter (April 1, 2022 to September 30, 2022)	Consolidated cumulative third quarter (April 1, 2022 to December 31, 2022)	Consolidated fiscal year under review (April 1, 2022 to March 31, 2023)
Operating revenues (millions of yen)	557,618	1,115,073	1,727,084	2,405,538
Profit before income taxes (millions of yen)	26,208	38,305	97,236	128,375
Profit attributable to owners of parent (millions of yen)	18,922	27,106	72,595	99,232
Earnings per share (yen)	50.16	71.86	192.66	263.38

	First quarter (April 1, 2022 to June 30, 2022)	Second quarter (July 1, 2022 to September 30, 2022)	Third quarter (October 1, 2022 to December 31, 2022)	Fourth quarter (January 1, 2023 to March 31, 2023)
Earnings per share (yen)	50.16	21.69	120.72	70.71

2. Non-consolidated Financial Statements and Main Notes

(1) Non-consolidated Financial Statements

(i) Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current Assets		
Cash and time deposits	137,461	172,099
Fares receivable	259,337	349,086
Accounts receivable-trade	94,175	112,852
Short-term loans to affiliated companies receivable	118,076	61,972
Real estate for sale	*3 13,733	*3 25,723
Inventories	27,677	30,540
Prepaid expenses	8,088	7,906
Other	13,049	17,608
Allowance for doubtful accounts	(1,769)	(85)
Total current assets	669,830	777,703
Fixed Assets		
Fixed assets for railway operations		
Property, plant and equipment	11,894,696	12,048,459
Accumulated depreciation	(6,758,835)	(6,899,374)
Property, plant and equipment (net)	5,135,861	5,149,085
Intangible assets	41,315	41,465
Total	*1, *2, *5 5,177,176	*1, *2, *5 5,190,551
Fixed assets for other operations		
Property, plant and equipment	1,151,508	1,159,791
Accumulated depreciation	(256,902)	(275,285)
Property, plant and equipment (net)	894,605	884,506
Intangible assets	1,544	2,203
Total	*1, *3 896,149	*1, *3 886,709
Fixed assets relating to both operations		
Property, plant and equipment	889,925	895,170
Accumulated depreciation	(570,340)	(586,035)
Property, plant and equipment (net)	319,585	309,134
Intangible assets	11,071	9,833
Total	*1 330,656	*1 318,967
Construction in progress		
Railway operations	250,752	275,880
Other operations	51,267	88,227
Relating to both operations	11,587	11,868
Total	313,607	375,976
Investments and other assets		
Investments in securities	186,584	179,850
Stocks of subsidiaries and affiliated companies	179,335	192,800
Long-term loans to affiliated companies receivable	179,701	219,009
Long-term prepaid expenses	49,031	49,759
Deferred tax assets	387,278	372,103
Other investment and other assets	12,546	13,105
Allowance for doubtful accounts	(46,903)	(49,156)
Total investments and other assets	947,574	977,472
Total fixed assets	7,665,164	7,749,677
Total Assets	8,334,994	8,527,381

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current Liabilities		
Short-term loans	60,000	–
Short-term loans from affiliated companies	188,730	211,581
Current portion of bonds	111,000	214,999
Current portion of Long-term loans	141,500	150,000
Current portion of Long-term liabilities incurred for purchase of railway facilities	*5 3,723	*5 3,971
Lease obligation	10,845	10,795
Payables	371,102	442,568
Accrued expenses	30,859	33,922
Accrued consumption taxes	22,182	30,188
Accrued income taxes	2,768	4,737
Fare deposits received with regard to railway connecting services	28,208	36,802
Deposits received	27,605	21,035
Prepaid railway fares received	69,249	77,687
Advances received	115,763	106,229
Prepaid contribution for construction	6,908	7,089
Allowance for bonuses to employees	37,168	41,936
Allowance for disaster-damage losses	22,441	12,348
Allowance for environmental conservation costs	3,118	8,681
Allowance for partial transfer costs of railway operation	128	–
Allowance for point card certificates	11,498	16,087
Asset retirement obligations	657	362
Other	372,107	50,264
Total current liabilities	1,637,567	1,481,289
Long-Term Liabilities		
Bonds	2,431,665	2,760,870
Long-term loans	1,309,950	1,333,950
Long-term loans from affiliated companies	43,914	47,940
Long-term liabilities incurred for purchase of railway facilities	*5 314,749	*5 310,778
Lease obligation	21,676	20,061
Long-term deferred contribution for construction	76,892	69,029
Provision for large-scale renovation of Shinkansen infrastructure	*6 144,000	*6 168,000
Employees' severance and retirement benefits	412,975	392,403
Allowance for disaster-damage losses	2,591	2,024
Allowance for environmental conservation costs	45,913	38,975
Asset retirement obligations	7,976	7,738
Other	12,936	13,917
Total Long-term liabilities	4,825,242	5,165,688
Total Liabilities	6,462,810	6,646,978

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Net Assets		
Shareholders' Equity		
Common stock	200,000	200,000
Capital surplus		
Additional paid-in capital	96,600	96,600
Total capital surplus	96,600	96,600
Retained earnings		
Legal reserve	22,173	22,173
Other retained earnings		
Reserve for special depreciation	1,541	1,881
Reserve for investment losses on developing new business	82	80
Reserve for deferred gain of fixed assets	64,638	63,113
General reserve	1,220,000	1,220,000
Retained earnings carried forward	226,445	242,295
Total retained earnings	1,534,881	1,549,544
Treasury stock, at cost	(3,426)	(3,436)
Total shareholders' equity	1,828,055	1,842,708
Valuation and Translation Adjustment		
Net unrealized holding gains (losses) on securities	41,665	35,182
Net deferred gains (losses) on derivatives under hedge accounting	2,464	2,512
Total valuation and translation adjustments	44,129	37,695
Total Net Assets	1,872,184	1,880,403
Total Liabilities and Net Assets	8,334,994	8,527,381

(ii) Non-consolidated Statements of Income

(Millions of yen)

	Year ended March 31, 2022		Year ended March 31, 2023	
Railway Operations				
Operating Revenues				
Passenger transportation		1,113,245		1,431,767
Trackage revenue		6,243		5,663
Miscellaneous income of transportation		135,234		170,944
Total operating revenues		1,254,724		1,608,376
Operating Expenses				
Transportation expenses	*1	919,721	*1	993,141
General and administrative expenses		197,105		220,859
Taxes		87,451		93,607
Depreciation		304,228		297,755
Total operating expenses	*2	1,508,507	*2	1,605,363
Operating Income (Loss) from Railway Operations		(253,783)		3,012
Operating Income from Other Operations				
Operating Revenues				
Revenue from real estate lease		86,780		85,898
Revenue from real estate sales		68,031		54,092
Miscellaneous revenue		14,614		17,145
Total operating revenues		169,426		157,136
Operating Expenses				
Cost of sales		9,348		11,748
Selling, general and administrative expenses		19,214		22,384
Taxes		11,404		10,804
Depreciation		25,259		24,280
Total operating expenses	*2	65,226	*2	69,217
Operating Income from Other Operations		104,199		87,919
Total Operating Income (Loss)		(149,583)		90,932
Non-Operating Income				
Interest income		774		949
Dividend income	*3	27,455	*3	15,459
Gains on sales of equipment		1,398		1,318
Insurance proceeds and dividends		6,036		5,074
Other		5,533		4,205
Total non-operating income	*3	41,198	*3	27,007
Non-Operating Expenses				
Interest expense		34,521		33,840
Interest on bonds		28,633		30,943
Cost of issuance of bonds		2,937		2,549
Losses on sales of equipment		159		197
Other		3,080		4,407
Total non-operating expenses		69,332		71,938
Ordinary Income (Loss)		(177,718)		46,001

(Millions of yen)

		Year ended March 31, 2022		Year ended March 31, 2023
Extraordinary Gains				
Gains on sales of fixed assets	*4	2,207	*4	2,705
Construction grants received	*5	20,008	*5	40,728
Compensation income	*6	4,944	*6	27,595
Other		30,059		26,809
Total extraordinary gains		57,219		97,839
Extraordinary Losses				
Losses on sales of fixed assets	*7	32	*7	159
Losses on reduction entry for construction grants	*8	14,631	*8	35,451
Impairment losses on fixed assets		4,796		14,274
Environmental conservation costs	*9	5,505	*9	1,024
Provision of allowance for doubtful accounts for subsidiaries and affiliated companies		6,591		3,800
Disaster-damage losses		48		1,622
Provision for allowance for disaster-damage losses		21,231		3,177
Other		20,386		13,142
Total extraordinary losses		73,222		72,652
Income (Loss) before Income Taxes		(193,720)		71,188
Current		379		368
Deferred		(94,940)		18,396
Total Income Taxes		(94,560)		18,764
Profit (Loss)		(99,159)		52,423

Itemized account of operating expenses

		Year ended March 31, 2022		Year ended March 31, 2023	
Classification	Note	Amount (millions of yen)		Amount (millions of yen)	
I Operating expenses of railway operations					
1. Transportation expenses	*1				
(1) Personnel expenses		300,438		312,798	
(2) Expenses		619,282		680,343	
Total			919,721		993,141
2. General and administrative expenses	*2				
(1) Personnel expenses		64,016		76,840	
(2) Expenses		133,089		144,019	
Total			197,105		220,859
3. Taxes			87,451		93,607
4. Depreciation			304,228		297,755
Total operating expenses of railway operations			1,508,507		1,605,363
II Operating expenses of other operations					
1. Cost of sales	*3		9,348		11,748
2. Selling, general and administrative expenses	*4				
(1) Personnel expenses		4,740		4,964	
(2) Expenses		14,473		17,419	
Total			19,214		22,384
3. Taxes			11,404		10,804
4. Depreciation			25,259		24,280
Total operating expenses of other operations			65,226		69,217
Total operating expenses			1,573,734		1,674,580

(Note) Expenses that exceed 5/100 of total operating expenses by operation, and the allowance included in total operating expenses are as follows.

(Millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023	
*1	Operating expenses of railway operations - Transportation expenses		
	Repair expenses	238,080	248,613
	Salary and wages	208,590	212,609
	Outsourcing expenses	129,169	137,137
	Power expenses	61,414	91,398
	Usage fees to JR TT, etc.	84,778	84,301
*2	Operating expenses of railway operations - General and administrative expenses		
	Outsourcing expenses	74,343	83,688
*3	Operating expenses of other operations - Cost of sales		
	Cost of sales - real estate sales	8,045	10,501
*4	Operating expenses of other operations - Selling, general and administrative expenses		
	Outsourcing expenses	6,620	7,775
5.	Allowance included in total operating expenses		
	Allowance for bonuses to employees	35,285	39,850
	Provision for large-scale renovation of Shinkansen infrastructure	24,000	24,000
	Retirement benefit expenses	19,631	20,354

(iii) Non-consolidated Statements of Changes in Net Assets
Year ended March 31, 2022

(Millions of yen)

	Shareholders' equity		
	Common stock	Capital surplus	
		Additional paid-in capital	Total capital surplus
Balance at the fiscal year start	200,000	96,600	96,600
Changes of items during the fiscal year			
Provision of reserve for special depreciation			
Reversal of reserve for special depreciation			
Provision of reserve for investment losses on developing new business			
Reversal of reserve for investment losses on developing new business			
Provision of reserve for deferred gain of fixed assets			
Reversal of reserve for deferred gain of fixed assets			
Reversal of general reserve			
Dividends			
Loss			
Purchase of treasury stock			
Disposal of treasury stock			
Net changes of items other than shareholders' equity			
Total changes of items during the fiscal year	–	–	–
Balance at the fiscal year end	200,000	96,600	96,600

	Shareholders' equity						
	Retained earnings						
	Legal reserve	Other retained earnings					Total retained earnings
Reserve for special depreciation		Reserve for investment losses on developing new business	Reserve for deferred gain of fixed assets	General reserve	Retained earnings carried forward		
Balance at the fiscal year start	22,173	1,560	82	64,796	1,720,000	(136,811)	1,671,801
Changes of items during the fiscal year							
Provision of reserve for special depreciation		363				(363)	–
Reversal of reserve for special depreciation		(382)				382	–
Provision of reserve for investment losses on developing new business			82			(82)	–
Reversal of reserve for investment losses on developing new business			(82)			82	–
Provision of reserve for deferred gain of fixed assets				3,631		(3,631)	–
Reversal of reserve for deferred gain of fixed assets				(3,789)		3,789	–
Reversal of general reserve					(500,000)	500,000	–
Dividends						(37,760)	(37,760)
Loss						(99,159)	(99,159)
Purchase of treasury stock							
Disposal of treasury stock						(0)	(0)
Net changes of items other than shareholders' equity							
Total changes of items during the fiscal year	–	(19)	–	(158)	(500,000)	363,257	(136,919)
Balance at the fiscal year end	22,173	1,541	82	64,638	1,220,000	226,445	1,534,881

(Millions of yen)

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gains (losses) on securities	Net deferred gains (losses) on derivatives under hedge accounting	Total valuation and translation adjustments	
Balance at the fiscal year start	(3,416)	1,964,985	47,105	2,137	49,243	2,014,228
Changes of items during the fiscal year						
Provision of reserve for special depreciation		-				-
Reversal of reserve for special depreciation		-				-
Provision of reserve for investment losses on developing new business		-				-
Reversal of reserve for investment losses on developing new business		-				-
Provision of reserve for deferred gain of fixed assets		-				-
Reversal of reserve for deferred gain of fixed assets		-				-
Reversal of general reserve		-				-
Dividends		(37,760)				(37,760)
Loss		(99,159)				(99,159)
Purchase of treasury stock	(10)	(10)				(10)
Disposal of treasury stock	0	0				0
Net changes of items other than shareholders' equity			(5,440)	326	(5,113)	(5,113)
Total changes of items during the fiscal year	(10)	(136,929)	(5,440)	326	(5,113)	(142,043)
Balance at the fiscal year end	(3,426)	1,828,055	41,665	2,464	44,129	1,872,184

Year ended March 31, 2023

(Millions of yen)

	Shareholders' equity		
	Common stock	Capital surplus	
		Additional paid-in capital	Total capital surplus
Balance at the fiscal year start	200,000	96,600	96,600
Changes of items during the fiscal year			
Provision of reserve for special depreciation			
Reversal of reserve for special depreciation			
Provision of reserve for investment losses on developing new business			
Reversal of reserve for investment losses on developing new business			
Provision of reserve for deferred gain of fixed assets			
Reversal of reserve for deferred gain of fixed assets			
Reversal of general reserve			
Dividends			
Profit			
Purchase of treasury stock			
Disposal of treasury stock			
Net changes of items other than shareholders' equity			
Total changes of items during the fiscal year	-	-	-
Balance at the fiscal year end	200,000	96,600	96,600

	Shareholders' equity						
	Retained earnings						
	Legal reserve	Other retained earnings					Total retained earnings
Reserve for special depreciation		Reserve for investment losses on developing new business	Reserve for deferred gain of fixed assets	General reserve	Retained earnings carried forward		
Balance at the fiscal year start	22,173	1,541	82	64,638	1,220,000	226,445	1,534,881
Changes of items during the fiscal year							
Provision of reserve for special depreciation		788				(788)	–
Reversal of reserve for special depreciation		(447)				447	–
Provision of reserve for investment losses on developing new business			80			(80)	–
Reversal of reserve for investment losses on developing new business			(82)			82	–
Provision of reserve for deferred gain of fixed assets				1,586		(1,586)	–
Reversal of reserve for deferred gain of fixed assets				(3,111)		3,111	–
Reversal of general reserve							
Dividends						(37,759)	(37,759)
Profit						52,423	52,423
Purchase of treasury stock							
Disposal of treasury stock							
Net changes of items other than shareholders' equity							
Total changes of items during the fiscal year	–	340	(1)	(1,525)	–	15,850	14,663
Balance at the fiscal year end	22,173	1,881	80	63,113	1,220,000	242,295	1,549,544

(Millions of yen)

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gains (losses) on securities	Net deferred gains (losses) on derivatives under hedge accounting	Total valuation and translation adjustments	
Balance at the fiscal year start	(3,426)	1,828,055	41,665	2,464	44,129	1,872,184
Changes of items during the fiscal year						
Provision of reserve for special depreciation		-				-
Reversal of reserve for special depreciation		-				-
Provision of reserve for investment losses on developing new business		-				-
Reversal of reserve for investment losses on developing new business		-				-
Provision of reserve for deferred gain of fixed assets		-				-
Reversal of reserve for deferred gain of fixed assets		-				-
Reversal of general reserve		-				-
Dividends		(37,759)				(37,759)
Profit		52,423				52,423
Purchase of treasury stock	(10)	(10)				(10)
Disposal of treasury stock		-				-
Net changes of items other than shareholders' equity			(6,482)	48	(6,434)	(6,434)
Total changes of items during the fiscal year	(10)	14,652	(6,482)	48	(6,434)	8,218
Balance at the fiscal year end	(3,436)	1,842,708	35,182	2,512	37,695	1,880,403

Notes to Non-consolidated Financial Statements

Significant Accounting Policies

1. Basis and method of valuation of securities

(1) Held-to-maturity debt securities

Amortized cost method (straight-line method)

(2) Equity shares issued by subsidiaries and affiliated companies

Moving-average cost method

(3) Available-for-sale securities

(i) Securities other than securities and investments without market value

Market method (net unrealized gains or losses on these securities are reported as a separate item in net assets, and the cost of sales is determined by the moving-average cost method)

(ii) Securities and investments without market value

Moving-average cost method

(iii) Partnership capital (deemed securities in accordance with Article 2, Paragraph (2) of the Financial Instruments and Exchange Act (Act No. 25 of 1948))

The Company uses the most recent financial statements available as of the reporting date stipulated in the partnership contract as the basis for determining the net amount of its equity interest in the partnership.

2. Basis and method of valuation of derivatives

Derivatives are valued according to market method.

3. Basis and method of valuation of inventories

Real estate for sale: identified cost method (carrying amount in the balance sheet is calculated with consideration given to write-downs due to decreased profitability of inventories)

Inventories: moving-average cost method (carrying amount in the balance sheet is calculated with consideration of write-downs due to decreased profitability of inventories)

4. Accumulated depreciation of property, plant and equipment

(1) Property, plant and equipment

Property, plant and equipment are depreciated using the declining balance method; however, buildings (excluding fixtures) acquired on or after April 1, 1998, fixtures and structures acquired on or after April 1, 2016 are depreciated using the straight-line method. Replacement assets included in structures of railway fixed assets are depreciated using the replacement method.

Methods to determine the number of years of useful life and residual value are as stipulated in the Corporation Tax Act.

With respect to the depreciation and amortization method for lease assets related to finance lease transactions that do not transfer ownership to the lessee, the Company has adopted a straight-line method that assumes the years of useful lives are lease periods and residual values are zero.

(2) Intangible assets

Intangible assets are amortized using the straight-line method.

The method to determine the number of years of useful life is as stipulated in the Corporation Tax Act.

Software designed for internal use is amortized using the straight-line method based on the expected useful life as used in the Company (five years).

With respect to the depreciation and amortization method for lease assets related to finance lease transactions that do not transfer ownership to the lessee, the Company has adopted a straight-line method that assumes the years of useful lives are lease periods and residual values are zero.

(3) Long-term prepaid expenses

Intangible assets are amortized using the straight-line amortization.

The method to determine the number of amortization period is as stipulated in the Corporation Tax Act.

5. Accounting for deferred assets

Cost of issuance of bonds: Charged to income when paid.

6. Accounting for important allowances

(1) Allowance for doubtful accounts

For general receivables, the allowance is provided based on past loan loss experience. For receivables from debtors in financial difficulty, allowance is provided for estimated unrecoverable amounts on an individual basis.

(2) Allowance for bonuses to employees

The allowance for bonuses to employees is provided based upon the expected amount to be paid.

(3) Provision for large-scale renovation of Shinkansen infrastructure

The provision for large-scale renovation of Shinkansen infrastructure is recognized based on Article 17 of the Nationwide Shinkansen Railway Development Act (Act No. 71 of 1970).

On March 29, 2016, the Company received approval for a Plan for Provision for Large-Scale Renovation of Shinkansen Infrastructure from the Minister of Land, Infrastructure, Transport and Tourism based on Article 16, Paragraph (1) of the Nationwide Shinkansen Railway Development Act. As a result, from fiscal 2017 until fiscal 2031, a provision of ¥24,000 million (total: ¥360,000 million) will be recognized each fiscal year, and from fiscal 2032, until fiscal 2041, a reversal of ¥36,000 million (total: ¥360,000 million) will be recognized each fiscal year.

(4) Employees' severance and retirement benefits

The Company accrues liabilities for severance and retirement benefits at the end of the balance sheets date in an amount calculated based on the actuarial present value of all severance and retirement benefits attributable to employee services rendered prior to the balance sheets date.

(i) Method of attributing expected retirement benefits to periods

In calculating the liabilities for severance and retirement benefits, estimated retirement benefits are attributed to the accounting period prior to the balance sheets date in accordance with the benefit formula basis.

(ii) Amortization of prior service costs and actuarial gains and losses

The prior service costs are amortized by the straight-line method and charged to income over the number of years (10 years) which does not exceed the average remaining years of employment at the time when the prior service costs incurred.

Actuarial gains and losses are recognized in expenses using the straight-line method over constant years (10 years) within the average of the estimated remaining service lives of employees at the time when the actuarial gains and losses are incurred in each period, commencing with the following fiscal year.

(5) Allowance for disaster-damage losses

The allowance for disaster-damage losses is established based upon the estimated restoration and other expenses arising from Typhoon No. 15 (Faxai) and Typhoon No. 19 (Hagibis), which landed on September 9, 2019 and October 12, 2019, respectively. Also, the allowance for disaster-damage losses is established based upon the estimated amount of restoration and other expenses arising from Fukushima Prefecture offshore earthquakes that occurred on March 16, 2022.

Further, the allowance for disaster-damage losses is established based upon the estimated amount of restoration and other expenses arising from damage sustained from heavy rains that occurred in August 2022.

(6) Allowance for environmental conservation costs

In accordance with Soil Contamination Countermeasures Law, the allowance for environmental conservation costs is established based upon the estimated amount of expenses for disposal of contaminated soil. Disposal expenses that are difficult to reasonably estimate at this time are not included in the allowance for environmental conservation costs.

Also, in accordance with the Cultural Property Protection Law, the allowance is established based upon the estimated amount of expenses for record-keeping surveys of buried cultural properties and other expenses.

In addition, in accordance with Law on Special Measures concerning the Proper Treatment of Polychlorinated Biphenyl Waste, the allowance is established based upon the estimated amount of expenses for disposal of low-concentration PCB wastes stored in the Company. Expenses for disposal of high-concentration PCB wastes are recorded in current liabilities.

(7) Allowance for point card certificates

The allowance for point card certificates is established based upon the estimated amount of future usage of "JRE POINT" at the end of the balance sheets date. The points awarded to customers according to the usage at railways and station buildings are recognized as separate performance obligations and recorded as other current liabilities.

7. Basis for recognition of revenues and costs

The Company is engaged in railway operations and other operations. Revenues from these businesses are recorded mainly based on contracts with customers, and transaction prices are based on the consideration under contracts with customers.

Details of major performance obligations and timing of satisfaction of performance obligations for each business relating to the recording of revenues are as described below.

(1) Railway operations

Railway operations mainly provide passenger transport services. Revenues from commuter passes are recorded as “Commuter Passes Revenue,” and revenues from additional charge tickets other than commuter passes and fare tickets are recorded as “Non-Commuter Passes Revenue.”

Performance obligation under Commuter Passes Revenue is to provide customers with passenger transport services for the sections designated by commuter passes within the validity period, and such performance obligation is fulfilled upon expiration of the validity period of commuter passes.

Performance obligation under Non-Commuter Passes Revenue is to provide customers with passenger transport services for the sections or trains designated by train tickets or fare tickets, and such performance obligation is fulfilled at the time of provision of passenger transport service to the customer.

(2) Other operations

Other operations mainly conduct leasing operation of real estate owned by the Company and sales operation of real estate developed by the Company.

Leasing operation of real estate mainly involves lease of office buildings and commercial facilities. Revenues from lease of real estate are recorded during the lease contract period according to the “Accounting Standards for Lease Transactions.”

Performance obligation in sales operation of real estate is to deliver real estate to customers, and such performance obligation is fulfilled at the time of delivery of real estate.

8. Method of accounting for hedge transactions

(1) Method of accounting for hedge transactions

Hedge transactions are based on deferral hedge accounting. Currency swap transactions and forward exchange contracts fulfilling the requirement of appropriation accounting are based on appropriation accounting, and interest swap transactions fulfilling special accounting are based on special accounting.

(2) Hedging instruments and hedged items

The Company uses currency swaps and forward exchange contracts to hedge foreign currency exchange rate fluctuation risks associated with foreign currency-denominated bonds. The Company also enters into interest rate swaps to hedge the risk of fluctuations in interest rates related to interest on borrowings.

(3) Hedging policy

The Company enters into derivatives transactions to hedge risks associated with foreign exchange fluctuation, taking into consideration market trends, and contract amounts, terms, and characteristics, among other factors. In addition, the Company enters into derivatives transactions to hedge risks associated with interest rate fluctuation, taking into consideration market trends, and capital amounts, and terms, among other factors.

(4) Methods of evaluating the effectiveness of hedging

The Company assesses the effectiveness of hedging activity by verifying correspondence between hedging instruments and hedged items on a quarterly basis.

However, if the key conditions of the hedging instrument and the hedged item are identical or nearly identical, the effectiveness of the hedge is not assessed. In such cases, we continue to monitor the correspondence between the hedging instruments and the hedged items on a quarterly basis.

9 Accounting for severance and retirement benefits

Accounting methods for the unrecognized actuarial differences and unrecognized prior service costs for severance and retirement benefits are different from those of consolidated financial statements.

10 Accounting for direct deduction from acquisition cost of fixed assets regarding construction grants

The Company receives construction grants from local public and other entities as part of construction costs for rail line elevation for serial overpasses in its railway operations.

These construction grants are recognized by directly deducting the amount equal to such construction grants from the acquisition cost of fixed assets at the time of completion of construction.

In the statement of income, construction grants are stated in extraordinary gains as “Construction grants received” including the amount received for condemnation, and the amount directly deducted from the acquisition cost of fixed assets are stated in extraordinary losses as “Losses on reduction entry for construction grants” including the reduction for condemnation.

The amount in “Construction grants received” excluding the amount received for condemnation and the amount in “Losses on reduction entry for construction grants” excluding the reduction for condemnation are as follows:

	Year ended March 31, 2022	Year ended March 31, 2023
Amount in “Construction grants received” excluding amount received for condemnation	¥12,857 million	¥33,890 million
Amount in “Losses on reduction entry for construction grants” excluding reduction for condemnation	¥12,706 million	¥30,895 million

Major Accounting Estimates

Recoverability of deferred tax assets

1. Amount established in the Non-consolidated financial statements for this fiscal year

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Deferred tax assets	387,278	372,103

2. Information regarding major accounting estimates pertaining to identified items

Omitted because the same information is presented in “Major Accounting Estimates” in the consolidated financial statements.

Impairment of fixed assets

1. Amount established in the Non-consolidated financial statements for this fiscal year

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Fixed assets for railway operations	5,177,176	5,190,551
Construction in progress	250,752	275,880

2. Information regarding major accounting estimates pertaining to identified items

Omitted because the same information is presented in “Major Accounting Estimates” in the consolidated financial statements.

Changes in Accounting Policies

Changes in accountings estimates

JR East records remaining charged balance and deposits of *Suica* as current liabilities and recognizes unused balance as revenues after a certain period of time. Reasonable time has passed after the commencement of *Suica* service and sufficient amount of data has been accumulated, which enabled us to reasonably estimate the timing of revenue recognition of unused balance.

Therefore, the method of accounting estimate was changed to be based on such data

As a result, compared with the previous method, in this fiscal year, operating revenues increased ¥25,918 million, and operating profit, ordinary profit, and profit before income taxes increased by the same amount.

Changes in Presentation

Non-consolidated Statements of Income

1. “Gains on sales of investments in securities,” which was presented separately in the fiscal year ended March 31, 2022, is included in “Others” under extraordinary gains in the fiscal year ended March 31, 2023, due to low financial significance. As a result, ¥20,169 million presented in “Gains on sales of investments in securities” in the Non-consolidated statements of income for the fiscal year ended March 31, 2022, has been reclassified as “Other” under extraordinary gains.
2. “Insurance proceeds related to disaster,” which was presented separately in the fiscal year ended March 31, 2022, is included in “Others” under extraordinary gains in the fiscal year ended March 31, 2023, due to low financial significance. As a result, ¥6,000 million presented in “Insurance proceeds related to disaster” in the Non-consolidated statements of income for the fiscal year ended March 31, 2022, has been reclassified as “Other” under extraordinary gains.
3. “Compensation income,” which was included in “Other” under extraordinary gains in the fiscal year ended March 31, 2022, has been separately presented from the fiscal year ended March 31, 2023, since the amount exceeded 10% of the total amount of extraordinary gains. As a result, ¥4,944 million presented in “Other” in the Non-consolidated statements

of income for the fiscal year ended March 31, 2022, has been reclassified as “Compensation income” under extraordinary gains.

4. “Losses on valuation of stocks of subsidiaries and affiliated companies,” which was presented separately in the fiscal year ended March 31, 2022, is included in “Others” under extraordinary losses in the fiscal year ended March 31, 2023, due to low financial significance. As a result, ¥13,657 million presented in “Losses on valuation of stocks of subsidiaries and affiliated companies” in the Non-consolidated statements of income for the fiscal year ended March 31, 2022, has been reclassified as “Other” under extraordinary losses.

Notes to Non-consolidated Balance Sheets

*1 Accumulated amount of construction grants directly deducted from acquisition cost of fixed assets is as follows:

	As of March 31, 2022	As of March 31, 2023
	¥953,540 million	¥976,327 million

Accumulated reduction in value received for expropriation directly deducted from the acquisition cost of fixed assets is as follows:

	As of March 31, 2022	As of March 31, 2023
	¥352,228 million	¥356,380 million

*2 Reduction for each fiscal year regarding substitute assets for expropriation is as follows:

	As of March 31, 2022	As of March 31, 2023
	¥1,925 million	¥4,555 million

*3 Amount transferred from fixed assets to real estate for sale due to the change to the purpose of ownership is as follows:

	As of March 31, 2022	As of March 31, 2023
	¥21,380 million	¥22,129 million

*4 Contingent liabilities are as follows:

Contract guarantee:

	As of March 31, 2022	As of March 31, 2023
Japan Transportation Technology (Thailand) Co., Ltd.	¥10,839 million (Japanese yen equivalent)	¥11,306 million (Japanese yen equivalent)

(Note) The above contract performance guarantee is a joint liability on guarantee among three companies including the Company.

*5 In accordance with the “Act on Transfer, etc. of Railway Facilities for Shinkansen,” the Company acquired Shinkansen railway facilities from the Shinkansen Railway Holding Organization for ¥3,106,969 million on October 1, 1991, and the assets were classified as railway business fixed assets.

The amount of debt owed to the Japan Railway Construction, Transport and Technology Agency is recorded as liabilities (interest-bearing), and is classified as Long-term arrearage for purchase of railway facilities or Long-term arrearage for purchase of railway facilities to be paid within a year.

*6 Provision for large-scale renovation of Shinkansen infrastructure recognized based on Article 17 of the Nationwide Shinkansen Railway Development Act (Act No. 71 of 1970) is as follows:

	As of March 31, 2022	As of March 31, 2023
	¥144,000 million	¥168,000 million

Notes to Non-consolidated Statements of Income

- *1 Provision for large-scale renovation of Shinkansen infrastructure, which is recorded in accordance with Article 17 of the Nationwide Shinkansen Railway Development Act (Act No. 71 of 1970), included in operating expenses of railway business, is as follows.

	Year ended March 31, 2022	Year ended March 31, 2023
	¥24,000 million	¥24,000 million

- *2 Operating expenses related to subsidiaries and associates are as follows:

	Year ended March 31, 2022	Year ended March 31, 2023
	¥367,937 million	¥432,151 million

- *3 Non-operating income related to subsidiaries and associates is as follows:

	Year ended March 31, 2022	Year ended March 31, 2023
Dividend income	¥22,654 million	¥11,454 million
Other	¥3,664 million	¥2,844 million

- *4 Breakdown of gains on sales of fixed assets is as follows:

	Year ended March 31, 2022		Year ended March 31, 2023
(1) Nishikoiwa, Edogawa-ku, Tokyo (Land)	¥1,321 million	(1) Kanagawa-ku, Yokohama-shi, Kanagawa (Land)	¥2,391 million

- *5 Breakdown of contributions received for construction is as follows:

	Year ended March 31, 2022		Year ended March 31, 2023
(1) Improvement of Iidabashi Station	¥2,781 million	(1) Elevated construction work near Niigata Station on the Shinetsu Line	¥13,192 million
(2) New construction of station facility above the bridge at Ugo-Honjo Station	¥1,384 million	(2) Construction of new east-west non-fare passageway at Shinjuku Station	¥4,706 million
(3) Renovation of station facility and station building at Shinagawa Station north exit	¥1,196 million	(3) New construction of Makuhari-Toyosuna Station	¥2,993 million

- *6 Compensation income

Regarding damage resulted from the accidents at TEPCO Holdings' Fukushima Daiichi Nuclear Power Station and Fukushima Daini Nuclear Power Station, compensation income based on the agreement with Tokyo Electric Power Company Holdings, Inc. is recorded as compensation income.

- *7 The loss on the sale of fixed assets is due to the transfer of land, and other factors.

- *8 Breakdown of reduced amount for construction is as follows:

	Year ended March 31, 2022		Year ended March 31, 2023
(1) Improvement of Iidabashi Station	¥2,781 million	(1) Elevated construction work near Niigata Station on the Shinetsu Line	¥13,192 million
(2) New construction of station facility above the bridge at Ugo-Honjo Station	¥1,384 million	(2) Construction of new east-west non-fare passageway at Shinjuku Station	¥4,706 million
(3) Renovation of station facility and station building at Shinagawa Station north exit	¥1,196 million	(3) New construction of Makuhari-Toyosuna Station	¥2,993 million

- *9 The environmental allowance, included in environmental conservation costs, is as follows:

	Year ended March 31, 2022	Year ended March 31, 2023
	¥4,990 million	¥1,024 million

Notes to Non-consolidated Statements of Changes in Net Assets

Class and number of treasury shares

	As of March 31, 2022	As of March 31, 2023
Common stock	333,010 shares	334,494 shares

Notes to Securities

As of March 31, 2022

Equity shares issued by subsidiaries and affiliated companies

Classification	Non-consolidated balance sheets amount (millions of yen)	Fair values (millions of yen)	Difference (millions of yen)
Stocks of subsidiaries	–	–	–
Stocks of affiliated companies	10,705	33,211	22,506
Total	10,705	33,211	22,506

(Note) Non-consolidated balance sheets amount for investments and securities without market value that are not included above

Classification	Non-consolidated balance sheet amount (millions of yen)
Stocks of subsidiaries	151,246
Stocks of affiliated companies	17,383

As of March 31, 2023

Equity shares issued by subsidiaries and affiliated companies

Classification	Non-consolidated balance sheets amount (millions of yen)	Fair values (millions of yen)	Difference (millions of yen)
Stocks of subsidiaries	–	–	–
Stocks of affiliated companies	25,601	60,685	35,084
Total	25,601	60,685	35,084

(Note) Non-consolidated balance sheets amount for investments and securities without market value that are not included above

Classification	Non-consolidated balance sheets amount (millions of yen)
Stocks of subsidiaries	149,068
Stocks of affiliated companies	18,130

Notes to Deferred Tax Accounting

1. Major components of deferred tax assets and liabilities

	(Millions of yen)	
	As of March 31, 2022	As of March 31, 2023
Deferred tax assets		
Tax loss carryforwards	238,551	235,235
Employees' severance and retirement benefits	125,974	119,698
Loss on valuation of securities	22,402	24,153
Impairment losses on fixed assets	13,908	15,455
Environmental conservation costs	16,324	15,147
Allowance for doubtful accounts	14,847	15,020
Contract liabilities and provisions related to points	11,768	14,872
Other	63,344	47,888
Deferred tax assets subtotal	507,122	487,472
Valuation allowance for tax loss carryforwards	–	–
Valuation allowance related to the total of future deductible temporary differences	(66,194)	(66,037)
Valuation allowance subtotal	(66,194)	(66,037)
Total deferred tax assets	440,928	421,434
Deferred tax liabilities		
Reserve for deferred gain of fixed assets	(28,371)	(27,702)
Net unrealized holding gains (losses) on securities	(21,432)	(17,840)
Other	(3,845)	(3,788)
Total deferred tax liabilities	(53,649)	(49,331)
Net deferred tax assets	387,278	372,103

2. Reconciliation of the causes of significant differences between the effective statutory tax rate and the actual effective rate of income taxes after application of deferred tax accounting

	(%)
	As of March 31, 2023
Effective statutory tax rate	30.5
(Adjustments)	
Income not taxable permanently, such as dividend income	(5.0)
Other	0.9
Effective rate of income taxes after application of deferred tax accounting	26.4

(Note) The previous fiscal year is omitted due to a pre-tax net loss for the fiscal year.

Notes to Revenue Recognition

Information that provides a basis for understanding revenue generated from contracts with customers is described in "Significant Accounting Policies, 7. Basis for recognition of revenues and costs."

Per Share Information

Items	Year ended March 31, 2022	Year ended March 31, 2023
Net assets per share	¥4,958.12	¥4,979.91
Earnings (loss) per share	¥(262.60)	¥138.83

Subsequent Events

Not applicable.

(iv) Annexed Schedules
Schedule of Securities
[Equity shares]

Issue name	Number of shares (shares)	Non-consolidated balance sheets amount (millions of yen)
(Investments in securities)		
[Available-for-sale securities]		
Oriental Land Co., Ltd.	1,413,700	32,006
Mitsubishi UFJ Financial Group, Inc.	10,276,593	8,713
Tokio Marine Holdings, Inc.	3,354,750	8,544
Central Japan Railway Company	518,800	8,202
Mizuho Financial Group, Inc.	4,067,380	7,638
TOBU RAILWAY CO., LTD.	2,024,800	6,418
Mitsui Fudosan Co., Ltd.	2,444,000	6,070
Sumitomo Mitsui Financial Group, Inc.	1,120,062	5,934
MITSUBISHI ESTATE CO., LTD.	3,760,000	5,927
Kyushu Railway Company	1,974,100	5,821
Mitsubishi Heavy Industries, Ltd.	1,158,500	5,648
Sumitomo Realty & Development Co., Ltd.	1,593,000	4,750
West Japan Railway Company	866,700	4,729
Kawasaki Heavy Industries, Ltd.	1,534,400	4,440
MS&AD Insurance Group Holdings, Inc.	1,041,630	4,276
Japan Airlines Co., Ltd.	1,600,200	4,131
ANA HOLDINGS INC.	1,387,800	3,991
SEIBU HOLDINGS INC.	2,630,100	3,574
Sompo Holdings, Inc.	610,032	3,203
ENEOS Holdings, Inc.	6,722,810	3,127
Keio Corporation	670,200	3,113
TOKYU CORPORATION	1,764,000	3,108
Tokyo Waterfront Area Rapid Transit Inc.	60,000	3,000
Nippon Steel Corporation	940,800	2,935
Tokyu Fudosan Holdings Corporation	4,607,400	2,925
Yakult Honsha Co., Ltd.	279,700	2,693
Japan Airport Terminal Co., Ltd.	357,000	2,356
Senshukai Co., Ltd.	5,714,200	2,314
Others (41 issues)	13,414,074	13,977
Total	77,906,731	173,576

[Other]

Category and issue name	Number of investment ports, etc. (ports)	Non-consolidated balance sheets amount (millions of yen)
(Investments in securities)		
[Available-for-sale securities]		
Preferred equity securities (1 issue)	27,195	1,359
Investment in limited partnership (9 issues)	–	4,013
Real estate investment trust (1 issue)	900	900
Total	–	6,273

Itemized Account of Property, Plant and Equipment

Category of asset	Balance at the fiscal year start (millions of yen)	Increase during the fiscal year (millions of yen)	Decrease during the fiscal year (millions of yen)	Balance at the fiscal year end (millions of yen)	Accumulated depreciation or amortization at the fiscal year end (millions of yen)	Amortization for the fiscal year (millions of yen)	Remaining balance at the fiscal year end (millions of yen)
Property, plant and equipment							
Land	2,065,997	45,496	23,288 (2,415)	2,088,206	–	–	2,088,206
Buildings	2,275,380	72,949	54,896 (11,523)	2,293,433	1,174,028	60,766	1,119,404
Structures	6,495,572	171,386	67,127 (236)	6,599,831	4,203,391	91,512	2,396,439
Vehicles	1,888,893	67,684	64,856 (–)	1,891,720	1,462,051	85,885	429,668
Automobiles	10,179	733	1,799 (–)	9,114	6,646	1,151	2,467
Machinery and equipment	1,030,033	48,095	28,518 (19)	1,049,610	771,880	55,498	277,730
Tools, furniture and fixtures	170,072	8,162	6,730 (79)	171,504	142,696	13,138	28,808
Construction in progress	313,607	474,565	412,196 (–)	375,976	–	–	375,976
Total property, plant and equipment	14,249,737	889,073	659,412 (14,273)	14,479,398	7,760,695	307,953	6,718,702
Intangible assets							
Leaseholds	13,185	80	0 (–)	13,265	–	–	13,265
Facility usage rights	1,068	69	88 (1)	1,049	343	47	705
Software	84,130	15,891	15,688 (–)	84,332	45,237	14,692	39,095
Other	811	13	4 (–)	820	385	57	435
Total intangible assets	99,195	16,055	15,781 (1)	99,468	45,966	14,797	53,502
Long-term prepaid expenses	76,063	10,795	8,037 (–)	78,821	29,062	8,504	49,759
Deferred assets							
–	–	–	–	–	–	–	–
Total deferred assets	–	–	–	–	–	–	–

(Note) The main items of the fiscal year increase/decrease are as follows.

1. Increase in structures

railway facilities	¥85,647 million
Electrical facilities	¥59,118 million
railway stopping facilities	¥23,154 million

2. Increase/decrease in construction suspense account

The increase in the construction suspense account is related to maintenance and renewal investment (mobility) of ¥301,186 million, growth investment (mobility) of ¥75,043 million, growth investment (Life-style solutions) of ¥67,384 million.

million, etc. The decrease in the account is transfer of: ¥169,941 million to structures, ¥72,118 million to buildings, ¥67,529 million to new railcar construction (including remodeling), ¥39,449 million to machinery and equipment, and others.

3. Figures in parentheses in the “Decrease during the fiscal year” column is inclusive and indicate the amount of impairment loss recognized for the fiscal year.

Schedule of Provisions

Classification	Balance at the fiscal year start (millions of yen)	Increase during the fiscal year (millions of yen)	Decrease during the fiscal year (Intended use) (millions of yen)	Decrease during the fiscal year (Others) (millions of yen)	Balance at the fiscal year end (millions of yen)
Allowance for doubtful accounts	48,673	3,811	151	3,091	49,242
Allowance for bonuses to employees	37,168	41,936	37,168	–	41,936
Provision for large-scale renovation of Shinkansen infrastructure	144,000	24,000	–	–	168,000
Allowance for disaster-damage losses	25,032	3,177	12,946	892	14,372
Allowance for environmental conservation costs	49,031	1,024	2,398	–	47,657
Allowance for partial transfer costs of railway operation	128	–	112	16	–
Allowance for point card certificates	11,498	20,647	16,058	–	16,087

- (Notes) 1. “Decrease during the fiscal year (Others)” in allowance for doubtful accounts is due to the write-off following a review of the recoverability of specific provisions for doubtful accounts.
2. “Decrease during the fiscal year (Others)” in allowance for disaster-damage losses is due to the write-off following completion of restoration work related to the Great East Japan Earthquake and the 2021 Fukushima Prefecture Offshore Earthquake.
3. “Decrease during the fiscal year (Others)” in allowance for partial transfer costs of railway operation is due to the write-off following completion of restoration work.

(2) Major Assets and Liabilities

Omitted due to the preparation of consolidated financial statements.

(3) Other Information

Not applicable.

No. 6: Overview of Reporting Company's Stock Management

Fiscal period	From April 1 to March 31												
Ordinary General Meeting of Shareholders	During June												
Record date	March 31												
Dividend record date	March 31, September 30												
Number of shares per unit	100 shares												
Purchase and sale of shares less than one unit	(Special account)												
Handling location	Mitsubishi UFJ Trust and Banking Corporation, Securities Agency Department, 4-5 Marunouchi 1-chome, Chiyoda-ku, Tokyo												
Shareholder Registry Administrator	(Special account) Mitsubishi UFJ Trust and Banking Corporation, 4-5 Marunouchi 1-chome, Chiyoda-ku, Tokyo												
Brokerage Office	—												
Purchase and sales commission	—												
Method of public notice	Electronic public notice												
Shareholder privilege (shareholder benefit discount coupons)	<p>1. The following discount coupons will be distributed to shareholders listed or recorded in the final shareholder registry as of March 31, in proportion to the number of shares held.</p> <table style="margin-left: 20px;"> <tr> <td>100 to 1,000 shares:</td> <td>1 coupon for every 100 shares</td> </tr> <tr> <td>1,000+ to 10,000 shares:</td> <td>10 coupons + 1 coupon for every 200 shares held in excess of 1,000 shares</td> </tr> <tr> <td>10,000+ to 20,000 shares:</td> <td>55 coupons + 1 coupon for every 300 shares in excess of 10,000 shares</td> </tr> <tr> <td>20,000+ to 50,000 shares:</td> <td>100 coupons</td> </tr> <tr> <td>50,000+ to 100,000 shares:</td> <td>250 coupons</td> </tr> <tr> <td>100,000+ shares:</td> <td>500 coupons</td> </tr> </table> <p>* For shareholders listed or recorded in the final shareholder registry as of March 31, who own 100 or more shares of the Company stock and have continuously held 100 or more shares for at least three years, an additional shareholder benefit discount coupon will be issued.</p> <p>2. Method of use</p> <ul style="list-style-type: none"> · A discount coupon can be used for discounts on either the fare, the fee, or both. · Each discount coupon may be used for one discount per person. <p>3. Discount rate</p> <ul style="list-style-type: none"> · A discount coupon provides a 40% discount. <p>4. Discounts</p> <ul style="list-style-type: none"> · Fares shall be for regular one-way tickets within the Company operating routes. · The fare applies to one-way limited express, express, green car, and reserved seat tickets on the Company operating routes, limited to a single train. <p>* When using GranClass, Premium Green, private compartments, and sleeper trains (including sleeping cars and seat cars on trains with beds), only the fare is subject to the discount.</p> <p>* May not be applied in combination with other discounts.</p> <p>5. The discount coupons issued in FY2023 shall be valid for one year, from July 1 to June 30 of the following year.</p>	100 to 1,000 shares:	1 coupon for every 100 shares	1,000+ to 10,000 shares:	10 coupons + 1 coupon for every 200 shares held in excess of 1,000 shares	10,000+ to 20,000 shares:	55 coupons + 1 coupon for every 300 shares in excess of 10,000 shares	20,000+ to 50,000 shares:	100 coupons	50,000+ to 100,000 shares:	250 coupons	100,000+ shares:	500 coupons
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50,000+ to 100,000 shares:	250 coupons												
100,000+ shares:	500 coupons												

Shareholder privilege (shareholder service coupons)	1. A single booklet of service coupons will be distributed to each shareholder holding 100 or more shares who is listed or recorded in the final shareholders' registry as of March 31 (the number of each service coupon per booklet is as shown in the table below).																																				
	<table border="1"> <thead> <tr> <th>Category</th> <th>Details</th> <th>Number of coupons</th> </tr> </thead> <tbody> <tr> <td>JRE MALL Coupon</td> <td>500 yen coupon redeemable for purchases of 1,000 yen (including tax) or more at JRE MALL, an e-commerce site directly managed by JR East (one use only).</td> <td>1 coupon</td> </tr> <tr> <td>Discount coupon to the Railway Museum</td> <td>50% discount off the regular admission fee to the Railway Museum (one use only).</td> <td>2 coupons</td> </tr> <tr> <td>Tokyo Station Gallery discount coupon</td> <td>50% discount on admission to Tokyo Station Gallery (one use only). * Not redeemable on advance tickets.</td> <td>2 coupons</td> </tr> <tr> <td>Shareholder hotel discount coupon</td> <td>Shareholder discount on stays at participating hotels (approximately 10% to 20% discount off the regular price) (one use only).</td> <td>6 coupons</td> </tr> <tr> <td>Discount coupon for restaurants and bars owned by the Company</td> <td>10% discount off the regular price at restaurants and bars of Tokyo Station Hotel, mesm Tokyo, and Metropolitan Hotels (one use only). * Some restaurants are excluded.</td> <td>3 coupons</td> </tr> <tr> <td>GALA Yuzawa Snow Resort Shareholder lift ticket discount coupon</td> <td>Lift tickets can be purchased at JRE MALL GALA Yuzawa Kayahirado at a 10% to 20% discount off the regular price (maximum of 4 tickets per purchase).</td> <td>6 coupons</td> </tr> <tr> <td>Station rental car discount coupon</td> <td>30% discount on the basic fare of station rental cars within the JR East area, insurance coverage included (one use only). * One-way car rental fees and optional fees are not eligible for discount. * Light vehicles (<i>kei</i> cars) are not eligible for discount. * Some sales offices are excluded.</td> <td>3 coupons</td> </tr> <tr> <td>STATION BOOTH coupon</td> <td>Up to 1 hour free use of STATION BOOTH, located at JR East stations and other locations (one use only).</td> <td>1 coupon</td> </tr> <tr> <td>BECK'S COFFEE SHOP drink discount coupon</td> <td>100 yen discount on drinks at BECK'S COFFEE SHOP (one use only). * Alcoholic beverages are excluded. * Some shops are excluded.</td> <td>3 coupons</td> </tr> <tr> <td>Irori An Kiraku and Sobaichi coupon for free choice of topping</td> <td>One free topping at Irori An Kiraku and Sobaichi restaurants (one use only). * Cannot be used in combination with other discount programs. * Some restaurants are excluded.</td> <td>3 coupons</td> </tr> <tr> <td>RelaXE discount coupon</td> <td>15% discount on the regular price of relaxation and other services at RelaXE (one use only). * Some menu items are excluded. * Some stores are excluded.</td> <td>3 coupons</td> </tr> </tbody> </table>	Category	Details	Number of coupons	JRE MALL Coupon	500 yen coupon redeemable for purchases of 1,000 yen (including tax) or more at JRE MALL, an e-commerce site directly managed by JR East (one use only).	1 coupon	Discount coupon to the Railway Museum	50% discount off the regular admission fee to the Railway Museum (one use only).	2 coupons	Tokyo Station Gallery discount coupon	50% discount on admission to Tokyo Station Gallery (one use only). * Not redeemable on advance tickets.	2 coupons	Shareholder hotel discount coupon	Shareholder discount on stays at participating hotels (approximately 10% to 20% discount off the regular price) (one use only).	6 coupons	Discount coupon for restaurants and bars owned by the Company	10% discount off the regular price at restaurants and bars of Tokyo Station Hotel, mesm Tokyo, and Metropolitan Hotels (one use only). * Some restaurants are excluded.	3 coupons	GALA Yuzawa Snow Resort Shareholder lift ticket discount coupon	Lift tickets can be purchased at JRE MALL GALA Yuzawa Kayahirado at a 10% to 20% discount off the regular price (maximum of 4 tickets per purchase).	6 coupons	Station rental car discount coupon	30% discount on the basic fare of station rental cars within the JR East area, insurance coverage included (one use only). * One-way car rental fees and optional fees are not eligible for discount. * Light vehicles (<i>kei</i> cars) are not eligible for discount. * Some sales offices are excluded.	3 coupons	STATION BOOTH coupon	Up to 1 hour free use of STATION BOOTH, located at JR East stations and other locations (one use only).	1 coupon	BECK'S COFFEE SHOP drink discount coupon	100 yen discount on drinks at BECK'S COFFEE SHOP (one use only). * Alcoholic beverages are excluded. * Some shops are excluded.	3 coupons	Irori An Kiraku and Sobaichi coupon for free choice of topping	One free topping at Irori An Kiraku and Sobaichi restaurants (one use only). * Cannot be used in combination with other discount programs. * Some restaurants are excluded.	3 coupons	RelaXE discount coupon	15% discount on the regular price of relaxation and other services at RelaXE (one use only). * Some menu items are excluded. * Some stores are excluded.	3 coupons
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Shareholder privilege (discount coupons for medical check-ups at JR Tokyo General Hospital)	1. One discount coupon for a comprehensive medical check-up at JR Tokyo General Hospital will be distributed to those shareholders holding 1,000 or more shares and listed or recorded in the final shareholders' registry as of March 31.																																				
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(Note) Pursuant to the Company's Articles of Incorporation, shareholders of the Company shall have the rights set forth in each item of Article 189, Paragraph (2) of the Companies Act, the right to make a request pursuant to Article 166, Paragraph (1) of the Companies Act, the right to receive allotment of offered shares and offered stock acquisition rights in proportion to the number of shares held by the shareholder, and the right to request the sale of shares less than one unit. The Company does

not have any rights other than the right to request the sale of shares less than one unit in accordance with the number of shares held by shareholders.

No. 7: Reference Information on Reporting Company

1. Information on Parent Company of the Reporting Company

The Company has no parent company.

2. Other Reference Information

The Company submitted the following documents between the beginning of the current fiscal year and the date of submission of the Annual Securities Report.

(1) Annual Securities Report and attachments and confirmation note	35th fiscal year (from April 1, 2021 to March 31, 2022)	Submitted to the Director-General of the Kanto Local Finance Bureau on June 22, 2022
(2) Internal Control Report	35th fiscal year (from April 1, 2021 to March 31, 2022)	Submitted to the Director-General of the Kanto Local Finance Bureau on June 22, 2022
(3) Extraordinary Report	Pursuant to the Provision of Article 19, Paragraph (2), Item (ix-ii) of the Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc. (results of exercise of voting rights at the general meeting of shareholders)	Submitted to the Director-General of the Kanto Local Finance Bureau on June 23, 2022
(4) Quarterly Report and Confirmation	First quarter of 36th fiscal year (from April 1, 2022 to June 30, 2022)	Submitted to the Director-General of the Kanto Local Finance Bureau on August 4, 2022
(5) Quarterly Report and Confirmation	Second quarter of 36th fiscal year (from July 1, 2022 to September 30, 2022)	Submitted to the Director-General of the Kanto Local Finance Bureau on November 9, 2022
(6) Quarterly Report and Confirmation	Third quarter of 36th fiscal year (from October 1, 2022 to December 31, 2022)	Submitted to the Director-General of the Kanto Local Finance Bureau on February 7, 2023
(7) Shelf Registration Statement and attachments		Submitted to the Director-General of the Kanto Local Finance Bureau on March 27, 2023

Part II. Information on the Reporting Company's Guarantee Companies

Not applicable.