JR-EAST

TICKET TO TOMORROW

FY2019.3 Financial Results Presentation



April 26, 2019

East Japan Railway Company

Contents

I. JR East Group Management Vision "Move Up" 2027

Basic Policies① 4
Basic Policies② 5
Numerical targets (FY2023) 6
FY2020.3 Goals and Tasks 8
"Move Up" 2027 Has Begun ("Trust"/"Affluence"/"Tokyo 2020 Games") 9
"Move Up" 2027 Has Begun (Topics①～⑥) 10
Plan for the use of cash in FY2020.3 16
Main Points of FY2020.3 Capital Expenditures 17

II. FY2019.3 Financial Results and FY2020.3 Plan

FY2019.3 Financial Results and FY2020.3 Plan (non-consolidated) 19
Passenger Revenues - FY2019.3 Results 20
Passenger Revenues - FY2020.3 Plan 21
Operating Expenses (non-consolidated) - FY2019.3 Results 22
Operating Expenses (non-consolidated) - FY2020.3 Plan 23
FY2019.3 Financial Results and FY2020.3 Plan (consolidated) 24
Transportation - Results and Plan 25
Retail & Services - Results and Plan 26
Real Estate & Hotels - Results and Plan 27
Others - Results and Plan 28
Summary of Non-operating Income / Expenses and Extraordinary Gains / Losses (consolidated) - Results and Plan 29
Summary of Cash Flows (consolidated) 30
Change in Capital Expenditures (consolidated) 31
Change in Interest-bearing Debt Balance (consolidated) 32

III. Reference Materials

> FY2020.3 Traffic Volume and Passenger Revenues - Plan
> Inbound Tourism
> Operation Suspended Lines and Segments Damaged by Tsunami during Great East Japan Earthquake
> Revision of Elder Employee System
> Major Subsidiaries - Results and Plan
> Hotel Operations - Overview
> Shinagawa Development Project
> Major Projects Going Forward
> Suica
> Numerical targets (Capital expenditures)
> Additional Information for bond Investors

I. JR East Group Management Vision
“Move Up” 2027

Basic Policies of “Move Up” 2027①

■ Stories to create values: From the provision of services with railway infrastructure as our basis to the introduction of new values to society, focusing on the affluence of everyone in their daily lives.

30 years since the company’s establishment

Base point: Railway infrastructure, technologies and knowledge

↓

Upgrading of services through the evolution of railways

↓

Rehabilitation and revitalization of railways

Shifting

10 years from now

Base point: **Affluent** lives for all people

↓

Creating new services by introducing technologies and knowledge from outside the company, by utilizing a **multilayered “real” network and stations as hubs for interaction**

↓

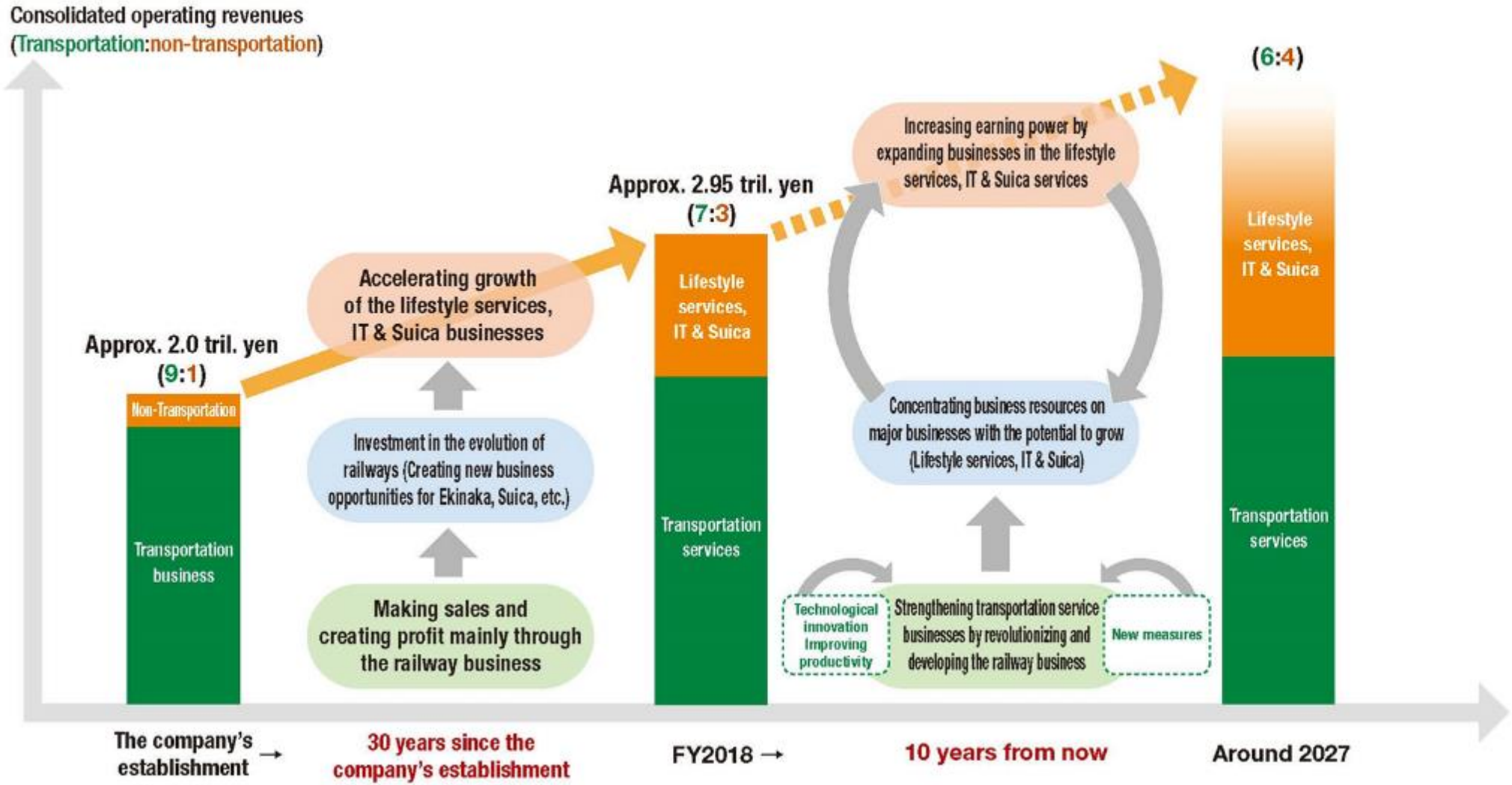
Offering new values to society by staying ahead of changes in the business environment



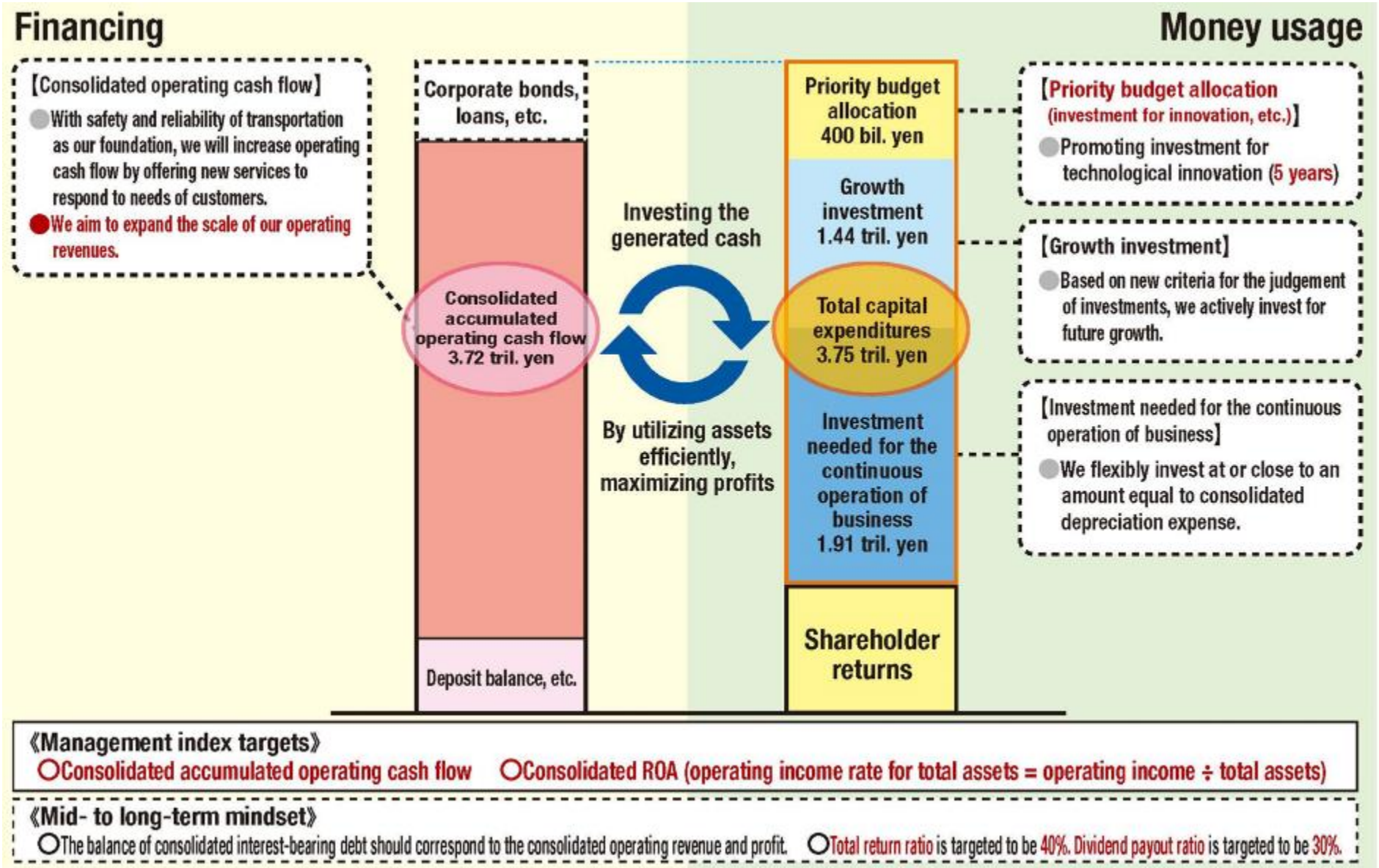
① Drastic changes and diversification in social structures due to the decreasing birth rate and population and aging of the population
② Changes and diversification in values related to what it means to work and be affluent
③ Changes in our living environment due to technological innovations such as AI and IoT
④ Acceptance of new values through globalization of economy and society

Basic Policies of “Move Up” 2027②

- There is an urgent need to qualitatively reform, revolutionize and develop transportation services mainly by railways.
- Further allocate management resources to lifestyle services and IT & Suica businesses, developing them as our new growth engine.



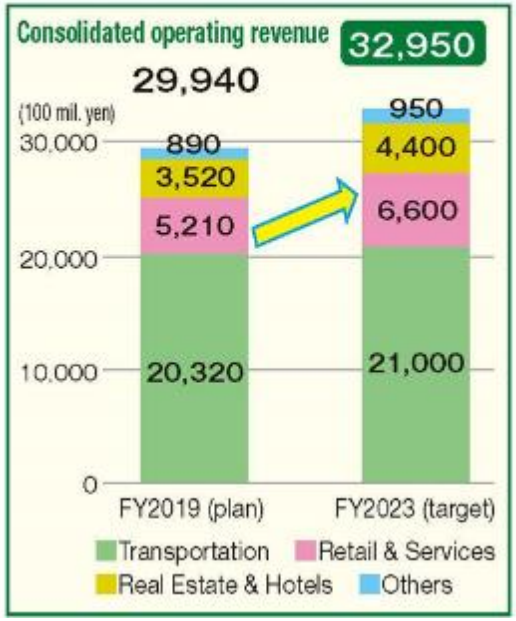
Numerical targets (FY2023)

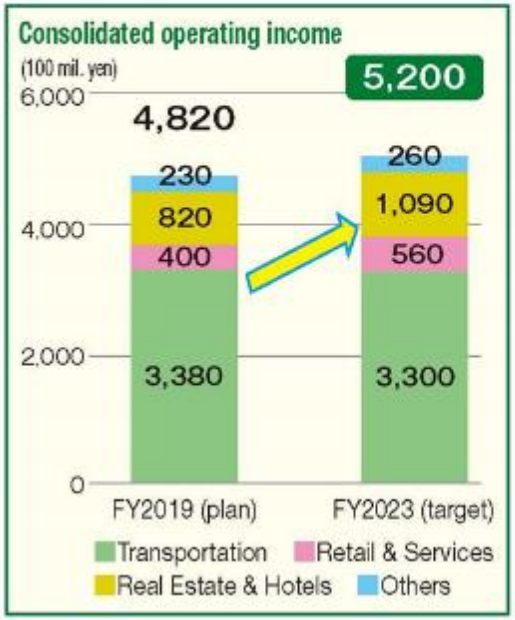


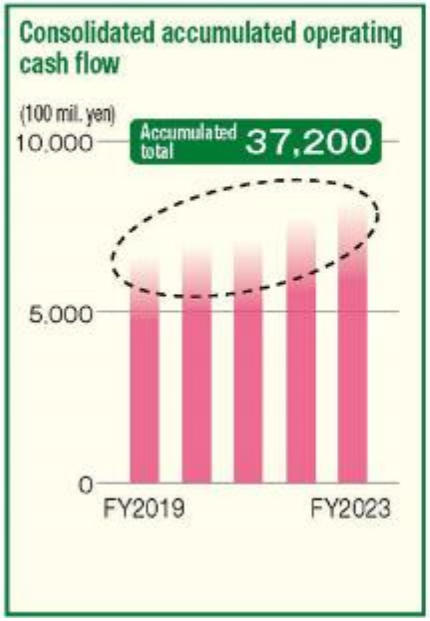
○Net interest-bearing debt / EBITDA should be about 3.5 times.

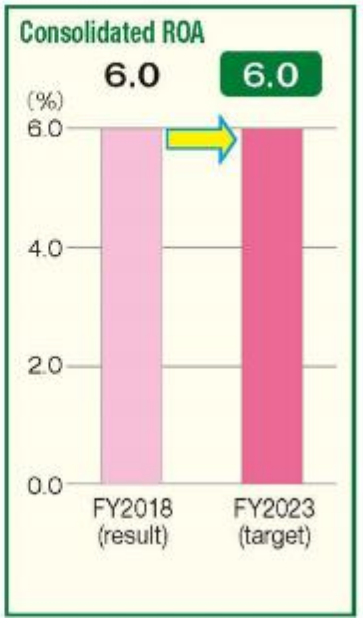
Numerical targets (FY2023), etc.

To achieve our reforms in the coming 10 years, we will set numerical targets for the first 5 years (FY2023), i.e. for the first half of the period.









Values to create Focus points	Numerical targets for specific actions (FY2023)	FY2019.3 results
"Affluence" People's Daily lives	○Mobility Linkage Platform :Service usage: 30 mil. Transactions/month ○Ticketless service usage rate for JR East Shinkansen: 50% ○No. of childcare support facilities: 150 locations in total ○No. of shared offices: 30 locations in total ○No. of JRE MALL members: 0.7mil. persons ○No. of JRE POINT members: 16 mil. persons ○E-money usage such as Suica: 0.30 bn. transactions/month	— 8.2 % 131 locations 3 locations 0.114 mil. persons 9.98 mil. persons 0.20 bn. Transactions
"Trust" Safety	○Accidents due to internal causes: 0 ○Serious incidents: 0 ○Railway accidents: 20% reduction (from FY2018 level) Of which accidents on platforms involving personal injuries: 30% reduction (from FY2018 level) ○Transportation disruptions due to internal causes (from FY2018 level) Conventional lines within 100-km range of Tokyo: 50% reduction JR East Shinkansen: 75% reduction ○Total delay time for conventional lines in Tokyo metropolitan area: 20% reduction (from FY2018 level)	0 0 155（5 reduction from FY 2018） 65（2 increase from FY2018） 36% increase※ 10% reduction※ 13% reduction※ ※ preliminary figures

FY2020.3 Goals and Tasks

Until now: Establishing foundations for the powerful advancement of “Move UP” 2027

“Life-Style Service Business Growth Vision (NEXT10)” “Medium-term Vision for Service Quality Reforms 2020” “Group Safety Plan 2023” “Establishment of the Technology Innovation Headquarters and the Shinkansen General Management Department”

FY2020.3 Goals

Begin full-fledged implementation phase of “Move UP” 2027
Use strength of the whole Group to open the way to a new era and realize a “moving-up story”

Task(1)

“Trust”

Further heighten trust, the foundation of all development of the Group

Task(2)

“Affluence”

With the aim of realizing “affluent” lifestyles, implement qualitative reform of transportation services, make *Suica* a shared infrastructure, and take on the challenge of creating new lifestyles

Task(3)

“Work Reform”
“Productivity Enhancement”

Implement work reform, productivity enhancement, and innovation to establish opportunities and environments that enable each employee to grow and contribute

“Tokyo 2020 Games”

Leaving a legacy through helping to ensure that the Games proceed without issues, contributing to the growing enthusiasm surrounding the event and providing high-quality services in all business fields

* JR East is a Tokyo 2020 Olympic and Paralympic Official Partner (for Passenger Rail Transportation Services)

“Move Up” 2027 Has Begun (“Trust” / “Affluence” / “Tokyo 2020 Games”)

Heighten the trust that customers and local communities have in JR East

Pursuing ultimate safety levels

Advance of automatic platform gate installation



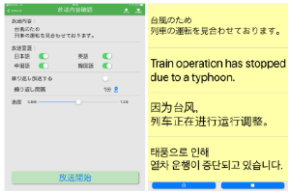
Seismic reinforcement measures



Evolution and moving up of each person’s “safety actions”
Evolution and moving of “safety management”
Maintenance of safety equipment by actively utilizing new technologies

Service quality reform

App for providing information in multiple languages during service disruptions



Aim to become No. 1 for customer satisfaction in the Japanese railway industry
Offer peace of mind by providing safe and reliable transportation services

ESG management

JR EAST Technical Intern Training



Fuel cell test railcar that uses hydrogen energy



Regional redevelopment project



JR East Group will strive to solve social issues through our businesses
Link the development of local communities with the sustained growth of the Group as a whole

Heighten the capabilities of networks and realize affluent lives for “everyone”

Qualitative reform of transportation services

Shinkansen test railcar ALFA-X





The direct Sotetsu-JR line Service Commencement date: November 30, 2019



Izu area limited express service for tourists



Joban Line restoration work







Mobility revolution
Making transportation more fun, comfortable and convenient

Offering new lifestyles and creating cities

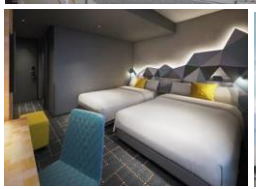
Development of hotel operations



Regional core railway stations (Niigata Station underpass development)



NORTHERN STATION GATE AKITA





NORTHERN STATION GATE AKITA

People feel are good to live in, good to work in, and good to visit
Toward compact cities and networking and making stations into hubs

Advance the “JR EAST 2020 Project”

The Tokyo 2020 Olympic and Paralympic Games

Railway station upgrading/ barrier-free facility establishment



Enhancement of railway security



Fostering enthusiasm for the Games



Leaving a legacy for society beyond 2020

* JR East is a Tokyo 2020 Olympic and Paralympic Official Partner (for Passenger Rail Transportation Services)

“Move Up” 2027 Has Begun (Topics①)

Topics① Promotion of Haneda Airport Access Line concept

Haneda Airport Access Line (provisional name) environmental impact assessment procedures

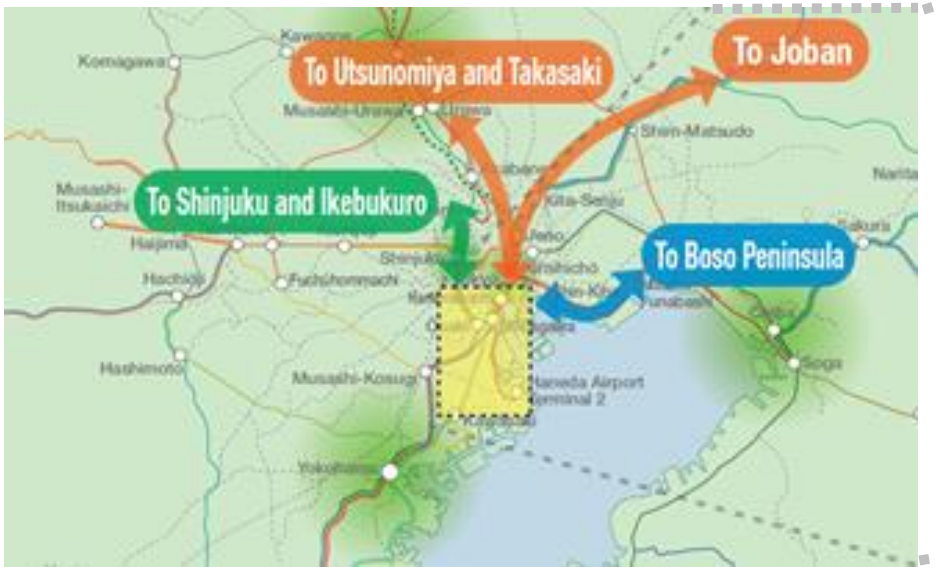
【**Summary**】Preparing to begin environmental impact assessment procedures based on the Tokyo Metropolitan Government’s ordinance on environmental impact assessment

【**Target**】 An approximately 12.4 km line segment, or “Access new line,” to be newly established in order to connect Haneda Airport and the East Yamanote route, which will use an existing freight line (commonly known as the Oshio Line)

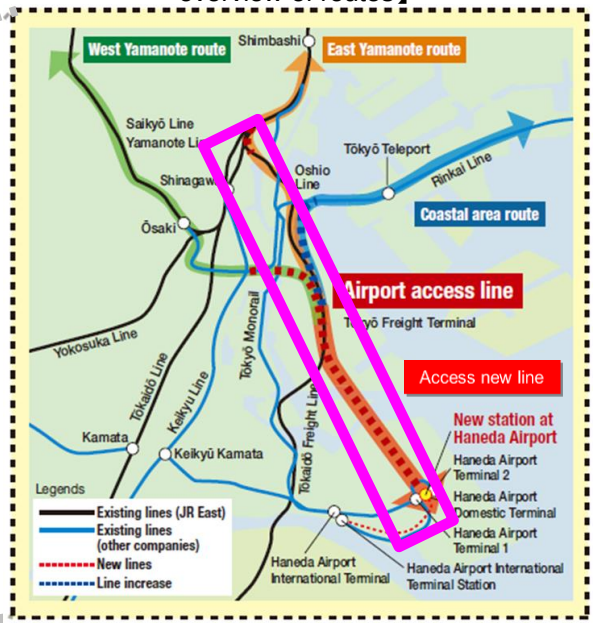
【**Going Forward**】Plan to file with the Tokyo Metropolitan Government an “environmental impact assessment survey plan,” which will include project details, environmental impact assessment items, and assessment methods, etc.

East Yamanote route (Approximately 7.4 km)
Near Tamachi station ～Oshio Line～Near Tokyo Freight Terminal

Access new line (Approximately 5.0km)
Near Tokyo Freight Terminal ～New station at Haneda Airport



【Haneda Airport Access Line (provisional name) overview of routes】



Planned extent of implementation of environmental impact assessment procedures (East Yamanote route/Access new line)

Use the Tokyo metropolitan area railway network to realize direct access to Haneda Airport from multiple directions

“Move Up” 2027 Has Begun (Topics②)

Topics② Offering new lifestyles and creating cities / Progresss of NEXT10

Shinagawa Development Project

■ Promotion of Urban Development





Promotion of new urban development (opening of town scheduled for around 2024) centering on Takanawa Gateway (opening scheduled for spring 2020)

■ Prepare to open Takanawa Gateway Station, which will showcase the new technologies that the JR East Group is taking on





■The site in front of Takanawa Gateway Station selected as a “Tokyo 2020 Live Site” venue

The largest scale Yamanote Line railway station development project, aiming to form a new international hub connected to the world and to regions

SHIBUYA SCRAMBLE SQUARE Phase 1 (East Tower)

■Opening: November 2019 (Plan)
■47 stories
■Observation Deck Facilities SHIBUYA SKY/ Communication Facilities SHIBUYA QWS/ Commerce/Offices





With “create through intermixing and send creations to the world” as a concept, the facility will be a source of new ideas at the center of Shibuya and a platform for creating new culture.

Takeshiba Water Development Project “WATERS takeshiba”

■Opening: Apr, 2020 (Plan) -High-rise building / Parking lot building
2020 (Plan) -Theater Building
■Operating company (Plan)
Hotels: NIPPON HOTEL Co., Ltd.
Offices: JR East Building Co.,Ltd.
Commerce: atré Co., Ltd. Theatre: SHIKI THEATRE COMPANY



Based on a vision of “a town that will enrich the future,” JR East will advance development of a multipurpose town that is centered on culture and art and leverages its waterside location.

JR Yokohama Tower, JR Yokohama Tsuruya-cho Building

■ Opening: 2020(Aiming to open before the Tokyo 2020 Games)
■JR Yokohama Tower: Complex including NEWoMan Yokohama, CIAL YOKOHAMA, T•JOY Yokohama
■JR Yokohama Tsuruya-cho Building: Complex including JR Yokohama Parking, CIAL YOKOHAMA ANNEX, JR-EAST HOTEL METS YOKOHAMA, JEXER Fitness & Spa Yokohama)



The building will become a landmark and the first JR East station building to be a multipurpose entertainment complex.

“Move Up” 2027 Has Begun (Topics③)

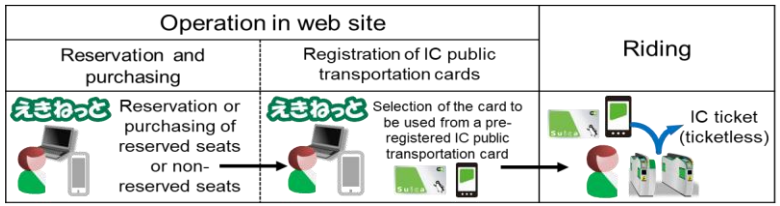
Topics③ Making *Suica* a shared infrastructure and *JRE POINT*

New mobility

Shinkansen

New Shinkansen IC ticket service
(end of FY2020.3)

Reserved/
Non-Reserved seat



- Realize ticketless, expedited Shinkansen use
- JR East, JR Hokkaido, and JR West to provide service

Using the cloud

Shinkansen / Conventional lines

Introduce *Welcome Suica* for visitors to Japan



Expand the area of *Suica* introduction

Advance development of low-cost, flexible systems

Regional Society

Advance the development of a regionally linked IC card
(provide from spring 2021)



- Enable the use of unique regional services and *Suica* services with one card

Further enhance strengths of *Suica* in the public transportation area

New lifestyles

Customer-reward point system
JRE POINT

Enhance attractiveness of use that includes railway transportation

Increase and improve the functions of the *JRE POINT* app with a view to cardless use

Granting refunds in the form of the *JRE POINT* when consumption tax increases

Establish wide-ranging links between *JRE POINT* and various services and achieve one-stop provision of diverse services

Fintech connection

Advance cooperation and collaboration between advanced settlement services and *Suica* value

- Prepare for verification testing of charging the *Suica* app using J-Coin Pay
  (planned for October 2019)



Verification services

Utilizing the authentication functions of *Suica* to create systems that give access to various services

- Common tickets for tourism facilities

Payment environment

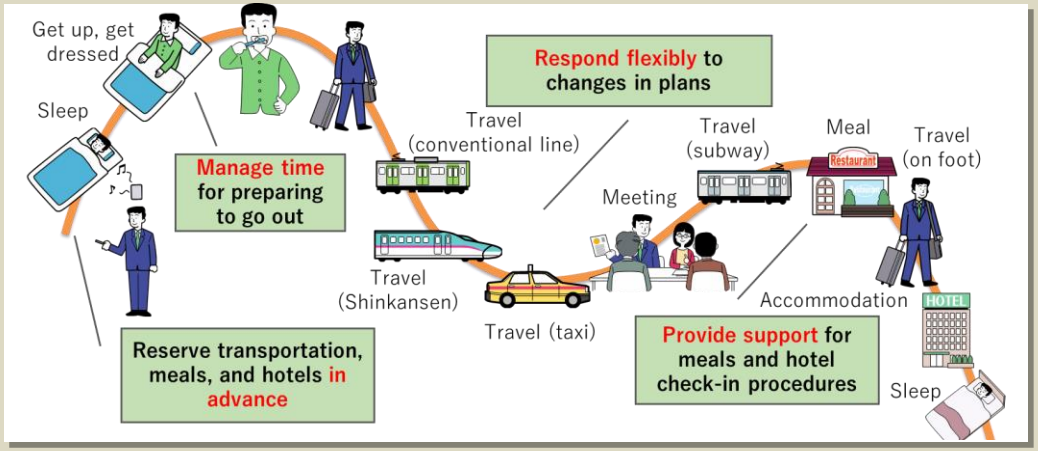
Extend the introduction of *Suica* electronic money to chain stores and regional retail stores

Collaborate with a variety of payment methods and apps and enable the use of *Suica* in all kinds of situations

“Move Up” 2027 Has Begun (Topics④)

Topics④ Provision of convenient and comfortable MaaS

《Targets》Realization of platforms which provide various services 24 hours a day and “one-stop”



《Establishing “MaaS Ecology System”》

Expansion of demands through stress-free travel and a reduction in total travel time

Customers

Happiness of customers
- Movement selection according to purpose and means
- Reduction in travel time
- Stress-free “travel avoiding congestion”
- Movement selection at times of transport disruption

JR East

Expansion of business opportunities
- Network effect of platform business
- Increase in commission revenue
- Increase in advertising revenue
- Synergetic effects between railway and lifestyle service

Social

Revitalization of urban and regional area
- Increase in public transportation use
- Reduce congestion, mitigate crowding
- Increase passenger flows in areas without railways
- Offer new regional transportation

Competitors

Cooperation with other MaaS companies
- Strengthening coalition with other transportation companies
- Enhance services through data cooperation
- Acquire and keep customers (payment data)
- Strengthen competitiveness in relation to adversarial competitors

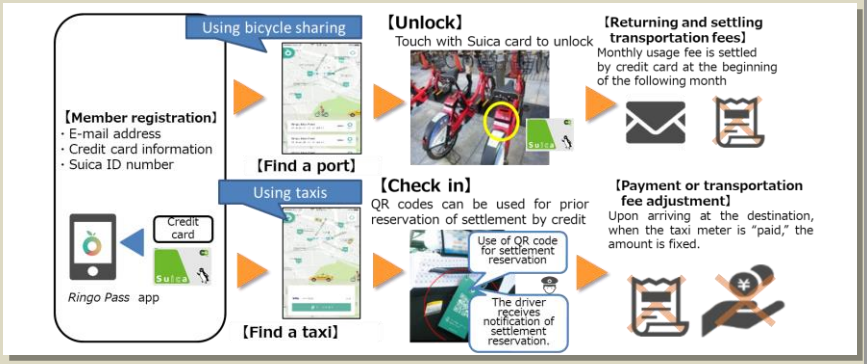
【Going forward】

Establish a new organization dedicated to MaaS operations

Establish a new “MaaS Strategy Design & Management Dept.” (April 2019) to plan and prepare strategies for MaaS operations in an integrated manner and advance strategies proactively and rapidly

Provision of “Mobility linkage platform” services by the application “Ringo Pass”

We start service provision based on demonstration experiment



Verification experiments of Regional (including tourism type) MaaS

Verification experiments following the verification experiments in Izu

Eki-net Revolution

- Renew and enhance the functions of systems in preparation for future ticketing
- Establish a system for the all-in-one provision of travel-related information, purchasing, and settlement (replace system at the end of FY2021.3)

Reinforcing our network strength by focusing on technologies and information

“Move Up” 2027 Has Begun (Topics⑤)

Topics⑤ Further improving productivity through work reform

《Targets》

Provision of creative value that only people can perform

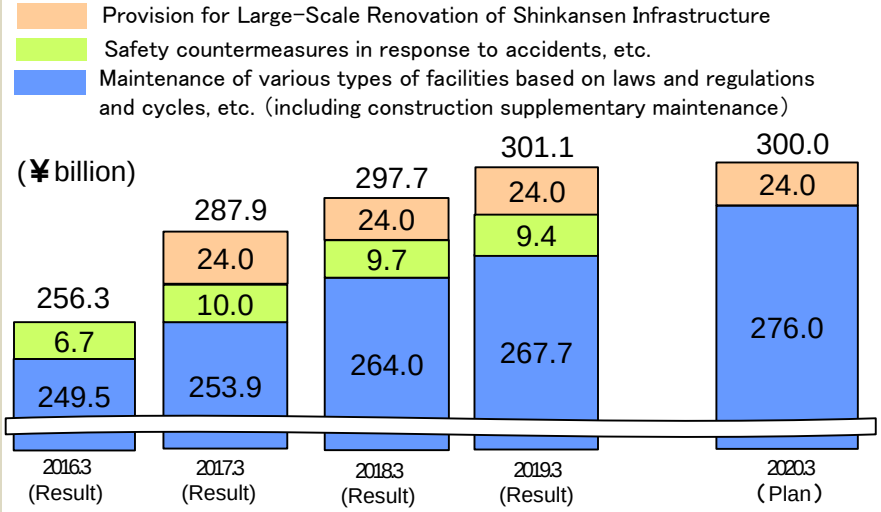
Realize creative systems and flexible measures and reduce routine tasks significantly and streamline work

《The future of maintenance》

Realization of smart maintenance

① Introduction of new technologies
② Economization of maintenance manpower
③ Reviewing systems and mechanisms of maintenance

《Reference》Trend and plan of maintenance cost



【Going forward】

Realization of qualitative reform of railways and Smart trains

【Station】

- Promotion of ticketless
- Travel guidance leveraging AI and IoT



【Transportation】

- Expansion of one-man train operation
- Technological development for driverless operation



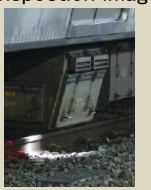
【Rolling Stock】【Equipment】

- CBM type maintenance method

Monitoring device



Inspection image



Inspection



Data analysis



- Low-maintenance facilities

Integrated overhead contact lines



ATACS(Saikyo line)



- Horizontal division of labor with group companies





We aim to improve productivity and earning power, and establish sustainable operating system by investment for innovation

“Move Up” 2027 Has Begun (Topics⑥)

Topics⑥ Advance the “JR EAST 2020 Project”

Inbound tourism strategies

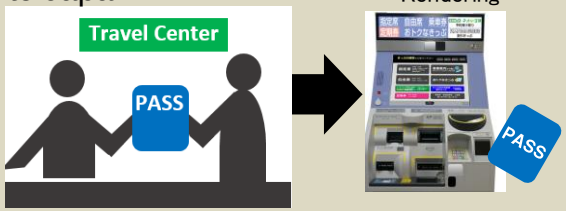
■Form a strategic alliance between the JR East Group and Ctrip



■Ctrip
- Foundation: 1999
- A major travel service provider that is based in China and which reserves accommodation, issues transportation tickets, and arranges package tours and company trips
- In China, the largest scale handling volume of domestic online transactions for accommodation facilities and transportation tickets in the industry

Conduct sales and joint promotions of railway passes, etc., through an alliance with the largest scale online travel company in China

■Consider stress-free reservation and collection of products for visitors to Japan



Renew reservation and collection environment by replacing the JR-EAST Train Reservation service

■Roll out promotions in North America, Europe, and Australia

Increase the languages catered for by multilingual websites and use the Rugby World Cup 2019 as a promotional hook

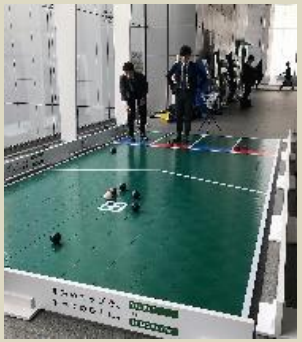




Support the management of the Games and contribute to the growing enthusiasm

■Implement initiatives supporting para sports, etc

Install para sports facilities (head office) and hold experience events





Hold seminars conducted by para athletes



Conduct study tours of TETSUDOU KOUSAIKAI Prosthetics and Orthotics Support Center (prosthetic leg experience)



Conduct study tours of JR East Green Partners (uniform dispatching practical training)

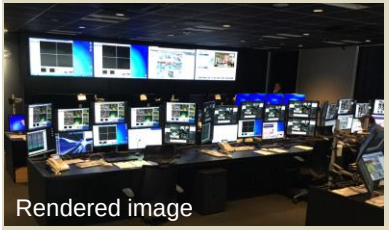


■Upgrade the preparation and measures of specific transportation plans

Strengthening security

■Tangible measure

Conduct centralized monitoring via the security center
Increase the installation of security cameras



Maintenance of fence



■Intangible measure

Conduct training and education in coordination with the police and security companies



Under the “TICKET TO TOMORROW” slogan, the JR East Group will provide high-quality services in all business fields and leave a legacy for society beyond 2020.

Plan for the use of cash in FY2020.3

■ Plan for FY2020.3

Capital expenditures	¥768.0 billion
Investment needed for the continuous operation of business *(Safety practice and transportation stability)*	*¥361.0 billion*
Growth investment	*¥338.0 billion*
Priority budget allocation *(Investment in innovation, etc.)*	*¥69.0 billion*
Shareholder returns	¥**165** / share dividend Share buybacks *

* Share buybacks of max. 5.0 million shares or ¥40.0 billion (May 15 to Jul. 31, 2019)

Main Points of FY2020.3 Capital Expenditures

Investment needed for the continuous operation of business

¥361.0 billion

Manufacturing railroad cars of conventional line and Shinkansen



Seismic reinforcement against large-scale earthquakes



Introduction of automatic gate installation



Station upgrades towards "Tokyo 2020 Games"



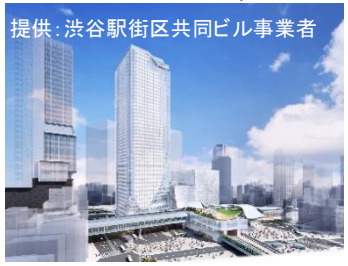
Growth investment

¥338.0 billion

WATERS takeshiba Development



SHIBUYA SCRAMBLE SQUARE Development



JR Yokohama Tower
JR Yokohama Tsuruya-cho Building



Kawasaki Station West Exit Development



Construction of Takanawa Gateway station



Manufacturing of limited express trains for tourists



Replacement of *Eki-net* system

えきねっと

Criteria for investment decisions
(Life-style service business)
WACC (weighted average cost of capital) : 4.4%
Decision index: IRR　Final cash flow valuation: Terminal value

Priority budget allocation (Investment in innovation, etc.)

¥69.0 billion

MaaS



Introduction of facilities for one-man train operation



New Shinkansen IC ticket service
Security measure

Enhance cycle that makes investments traceable in subsequent plans

II. FY2019.3 Financial Results and FY2020.3 Plan

FY2019.3 Financial Results and FY2020.3 Plan (non-consolidated)

(¥ billion)	*2018.3 Results*	2019.3 Results	[Plan]	2019.3/2018.3 Increase / Decrease	2019.3/2018.3 (%)	2020.3 Plan	2020.3/2019.3 Increase / Decrease	2020.3/2019.3 (%)
Operating revenues	*2,093.2*	2,113.3	[2,107.0]	+20.0	101.0	2,141.0	+27.6	101.3
Passenger revenues	*1,836.7*	1,856.7		+20.0	101.1	1,880.0	+23.2	101.3
Others	*256.5*	256.5		+0.0	100.0	261.0	+4.4	101.7
Operating expenses	*1,698.1*	1,721.4		+23.3	101.4	1,752.0	+30.5	101.8
Personnel expenses	*456.2*	449.9		-6.2	98.6	443.0	-6.9	98.5
Non-personnel expenses	*764.3*	790.0		+25.6	103.4	822.0	+31.9	104.0
Energy	*60.8*	66.1		+5.3	108.7	67.0	+0.8	101.3
Maintenance	*297.7*	301.1		+3.4	101.1	300.0	-1.1	99.6
Other	*405.7*	422.7		+16.9	104.2	455.0	+32.2	107.6
Usage fees to JRTT, etc.	*87.4*	84.7		-2.6	96.9	84.0	-0.7	99.2
Taxes	*94.3*	97.5		+3.2	103.4	100.0	+2.4	102.5
Depreciation	*295.7*	299.2		+3.4	101.2	303.0	+3.7	101.3
Operating income	*395.1*	391.8	[387.0]	-3.2	99.2	389.0	-2.8	99.3
Ordinary income	*358.9*	354.8	[349.0]	-4.0	98.9	353.0	-1.8	99.5
Profit	*247.0*	251.1	[240.0]	+4.0	101.7	250.0	-1.1	99.5

Passenger Revenues – FY2019.3 Results

(YoY, ¥ billion,%)	Increase / decrease	(%)
Passenger revenues	+20.0	101.1
Commuter passes (Seasonal tickets)	+3.3	100.7
Non-commuter passes (Ordinary tickets)	+16.6	101.3
Shinkansen Network	+8.6	101.5
Kanto Area Network of Conventional Lines	+8.0	101.1
Other Network of Conventional Lines	+0.0	100.1

(YoY, ¥ billion)	Positive and Negative Factors	Increase / Decrease
Passenger revenues		+20.0
Commuter passes revenues (Seasonal Tickets)		+3.3
Non-commuter passes revenues (Ordinary Tickets)		+16.6
Shinkansen (+8.6)	Three consecutive holidays	+1.5
	Golden Week, Obon festival, year-end and New Year travel	+1.5
	Inbound tourism	+1.0
	Absence of previous year's natural disasters	+1.0
	"Otona no Kyujitsu Club"	+0.5
	Natural disasters (Typhoon etc.)	-1.0
	Basic Trend	+4.0
Kanto Area Network (+8.0)	Absence of previous year's natural disasters	+3.0
	Inbound tourism	+1.5
	Three consecutive holidays	+1.0
	Golden Week, year-end and New Year travel	+1.0
	Increase in the frequency of trains on Ueno-Tokyo Line	+0.5
	Natural disasters (Typhoon etc.)	-3.0
	Basic Trend	+4.0
Other Network (+0.0)	Basic Trend	-

Passenger Revenues – FY2020.3 Plan

(YoY, ¥ billion)	Total		Main factors behind change	Basic Trend
	1st half	2nd half		
Passenger revenues +23.2 billion	101.3%			100.5%
	101.1%	101.4%		
Commuter passes (Seasonal tickets) +3.8 billion	100.8%			100.6%
	100.7%	100.8%		
Non-commuter passes (Ordinary tickets) +19.3 billion	101.4%			100.5%
	101.3%	101.6%		
Shinkansen Network +7.2 billion	101.3%		•Inbound tourism: +2.5 •Leap-year: +1.5 •10-day Golden Week: +1.0	100.4%
	101.3%	101.3%		
Kanto Area Network of Conventional Lines +11.8 billion	101.6%		•Inbound tourism: +1.5 •Leap-year: +1.5 •10-day Golden Week, year-end and New Year travel: +1.5 •Chuo Line limited express–Fujikyuko limited express direct service: +1.0 •Rugby World Cup: +1.0 •Natural disasters (decreased occurrence compared to previous year): +0.5	100.5%
	101.4%	101.9%		
Other Network of Conventional Lines +0.2 billion	100.5%			99.7%
	100.3%	100.7%		

Operating Expenses (non-consolidated) – FY2019.3 Results

(¥ billion)	*2018.3 Results*	2019.3 Results	2019.3/2018.3 Increase / decrease	2019.3/2018.3 (%)	Main factors behind change
Operating expenses	*1,698.1*	1,721.4	+23.3	101.4	
Personnel expenses	*456.2*	449.9	-6.2	98.6	•Decrease in number of employees (Standard wages: -7.4, Bonus related: -4.6) •Increase regarding revision of elder employee system
Non-personnel expenses	*764.3*	790.0	+25.6	103.4	
Energy	*60.8*	66.1	+5.3	108.7	•Increase in fuel costs of thermal power plants: +6.7
Maintenance	*297.7*	301.1	+3.4	101.1	•Railcar maintenance expenses: +2.6 •General maintenance expenses: +0.7 (Construction supplementary maintenance: +0.6, etc.)
Other	*405.7*	422.7	+16.9	104.2	•Outsourcing expenses: +13.2
Usage fees to JRTT, etc.	*87.4*	84.7	-2.6	96.9	
Taxes	*94.3*	97.5	+3.2	103.4	•Increase in property tax, etc.: +3.8
Depreciation	*295.7*	299.2	+3.4	101.2	•Increase due to capital expenditures

Operating Expenses (non-consolidated) – FY2020.3 Plan

(¥ billion)	*2019.3 Results*	2020.3 Plan	2020.3/2019.3 Increase / Decrease	2020.3/2019.3 (%)	Main factors behind change
Operating expenses	*1,721.4*	1,752.0	+30.5	101.8	
Personnel expenses	*449.9*	443.0	-6.9	98.5	•Decrease in number of employees •Increase regarding revision of elder employee system, etc.
Non-personnel expenses	*790.0*	822.0	+31.9	104.0	
Energy	*66.1*	67.0	+0.8	101.3	•Increase in fuel costs of thermal power plants
Maintenance	*301.1*	300.0	-1.1	99.6	•Decrease due to end of safety countermeasures in response to accidents •Increase due to higher unit cost of labor •Increase related to consumption tax increases •Increase in construction supplementary maintenance
Other	*422.7*	455.0	+32.2	107.6	•Increase due to test runs of next-generation Shinkansen •Increase in outsourcing
Usage fees to JRTT, etc.	*84.7*	84.0	-0.7	99.2	
Taxes	*97.5*	100.0	+2.4	102.5	•Increase in property tax, etc.
Depreciation	*299.2*	303.0	+3.7	101.3	•Increase due to capital expenditures

FY2019.3 Financial Results and FY2020.3 Plan (consolidated)

(¥ billion)	*2018.3*	2019.3		2019.3/2018.3		2020.3	2020.3/2019.3	
	Results	Results	[Plan]	Increase / Decrease	(%)	Plan	Increase / Decrease	(%)
Operating revenues	*2,950.1*	3,002.0	[2,994.0]	+51.8	101.8	3,070.0	+67.9	102.3
Transportation	*2,017.8*	2,038.1		+20.3	101.0	2,080.0	+41.8	102.1
Retail & Services	*514.9*	521.8		+6.9	101.3	524.0	+2.1	100.4
Real Estate & Hotels	*340.1*	349.0		+8.8	102.6	362.0	+12.9	103.7
Others	*77.1*	92.9		+15.7	120.5	104.0	+11.0	111.9
Operating income	*481.2*	484.8	[482.0]	+3.5	100.7	488.0	+3.1	100.6
Transportation	*340.4*	341.9		+1.5	100.5	342.0	+0.0	100.0
Retail & Services	*38.9*	39.2		+0.2	100.6	40.0	+0.7	102.0
Real Estate & Hotels	*80.9*	81.4		+0.4	100.5	83.0	+1.5	101.9
Others	*22.5*	23.8		+1.2	105.4	25.0	+1.1	105.0
Adjustment	*-1.6*	-1.5		+0.1	91.4	-2.0	-0.4	129.5
Ordinary income	*439.9*	443.2	[440.0]	+3.2	100.7	446.0	+2.7	100.6
Profit attributable to owners of parent	*288.9*	295.2	[289.0]	+6.2	102.2	301.0	+5.7	102.0

Transportation - Results and Plan

(¥ billion)	*2018.3*	2019.3	2019.3/2018.3	2020.3 Plan	2020.3/2019.3
Operating revenues	*2,017.8*	2,038.1	+20.3 101.0%	2,080.0	+41.8 102.1%
Operating income	*340.4*	341.9	+1.5 100.5%	342.0	+0.0 100.0%

Operating revenues - main positive and negative factors (FY2019.3) (¥ billion)

JR East	+19.1	Increase in passenger revenues

FY2020.3 Topics *(FY2019.3 opening is in italics)*

- *Began Joetsu Shinkansen Series E7 (Mar. 2019)*
- *Unifying Chuo line limited express to Series E353, and Debuted Fujikaiyu –Fujikyuko limited express direct service (Mar. 2019)*
- *Shizuoka* Destination Campaign (Apr. – Jun. 2019)
- *Niigata Prefecture* and *Shonai* area Destination Campaign (Oct. – Dec. 2019)
- Test runs of Shinkansen test railcar ALFA-X (Plan to complete in May 2019)
- Direct Sotetsu-JR line (Nov. 30, 2019)
- Open Takanawa Gateway Station (Spring 2020)
- Izu area limited express service for tourists (Spring 2020)
- Open the entire Joban Line (plan to resume operations by the end of FY2020.3)
- New Shinkansen IC ticket service (the end of FY2020.3)

Shizuoka Destination Campaign





Direct Sotetsu-JR line



New Izu area limited express service for tourists

Niigata Prefecture and *Shonai* area Destination Campaign

日本海美食旅

New tourist train *Kairi*





Open Takanawa Gateway Station



[Notes] Operating revenues : operating revenues from outside customers
Operating income : operating revenues from outside customers + operating revenues inside group - purchases from outside suppliers - purchases inside group

Retail & Services - Results and Plan

(¥ billion)	*2018.3*	2019.3	2019.3/2018.3	2020.3 Plan	2020.3/2019.3
Operating revenues	*514.9*	521.8	+6.9 101.3%	524.0	+2.1 100.4%
Operating income	*38.9*	39.2	+0.2 100.6%	40.0	+0.7 102.0%

Operating revenues
- main positive and negative factors (FY2019.3) (¥ billion)

Tetsudo Kaikan	+2.9	Increase in sales of Marunouchi underground area
East Japan Marketing & Communications	+2.2	Increase in advertising materials
Kinokuniya	+1.5	Increase due to full-period contribution from new stores

FY2020.3 Topics

- Advance opening of phase II of area in and around north passage of Tokyo Station (Summer 2019)

[Reference] Monthly trends (comparison with same month of previous year, %)

	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	2nd-half total	Full year
Retails & Restaurant Total	100.4	101.7	101.7	100.2	99.5	100.0	100.6	101.3
J-Retail (existing stores)	98.8	101.5	101.2	99.7	99.7	100.3	100.2	100.3
NRE (existing stores)	100.7	101.1	103.3	99.3	98.4	99.3	100.4	100.0

[Notes] Operating revenues : operating revenues from outside customers
Operating income : operating revenues from outside customers + operating revenues inside group - purchases from outside suppliers - purchases inside group

Real Estate & Hotels - Results and Plan

(¥ billion)	*2018.3*	2019.3	2019.3/2018.3	2020.3 Plan	2020.3/2019.3
Operating revenues	*340.1*	349.0	+8.8 102.6%	362.0	+12.9 103.7%
Operating income	*80.9*	81.4	+0.4 100.5%	83.0	+1.5 101.9%

Operating revenues
- main positive and negative factors (FY2019.3) (¥ billion)

Nippon Hotel	+2.8	Favorable performance of JR-EAST HOTEL METS Increase due to full-period contribution from *Hotel Dream Gate Maihama Annex*
Chiba Station Building	+2.0	Increase in full opening of *Perie Chiba* (Shopping Center)
JR East Urban Development	+1.4	Renewal opening of *Shapo Funabashi*
atré	+1.2	Renewal opening of *atré Kawasaki*
LUMINE	+1.0	Existing stores' favorable performance

FY2020.3 Topics
(FY2019.3 opening is in italics)

- *Perie Chiba (Shopping Center) (Jun. 2018 fully Opened)*
- *JR-EAST HOTEL METS SAPPORO (Feb. 2019 Opened)*
- Lieto-garden MITAKA (rental apartment) (Jul. 2019 Opening of town)
- JR-EAST HOTEL METS AKIHABARA (Oct. 2019)
- JR-EAST HOTEL METS TOKYO BAY SHINKIBA (Nov. 2019)
- SHIBUYA SCRAMBLE SQUARE Phase 1 (East Tower) (Nov. 2019)
- HOTEL METROPOLITAN KAMAKURA (Mar. 2020)
- JR-EAST HOTEL METS GOTANDA (provisional name) (Spring 2020)

[Reference] Monthly trends (comparison with same month of previous year, %)

	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	2nd-half total	Full year
Shopping Centers Total	102.8	102.5	103.4	100.8	101.6	102.3	102.3	102.8
LUMINE (existing stores)	100.9	101.2	102.7	99.0	101.8	103.6	101.6	101.5
atré (existing stores)	102.3	100.8	101.9	100.1	99.5	99.0	100.6	100.9
Hotel	107.0	106.4	106.2	104.6	103.0	105.6	105.6	105.2

[Notes] Operating revenues : operating revenues from outside customers
Operating income : operating revenues from outside customers + operating revenues inside group - purchases from outside suppliers - purchases inside group

Others - Results and Plan

(¥ billion)	*2018.3*	2019.3	2019.3/2018.3	2020.3 Plan	2020.3/2019.3
Operating revenues	*77.1*	92.9	+15.7 120.5%	104.0	+11.0 111.9%
Operating income	*22.5*	23.8	+1.2 105.4%	25.0	+1.1 105.0%

Operating revenues - main positive and negative factors (FY2019.3) (¥ billion)

JR East Information Systems	+9.2	Increase in systems contract revenues
Viewcard	+2.1	Increase in franchise fees
JR East Mechatronics	+2.1	Increase in sales of IC-related equipment
JR East	+1.1	Increase in *Suica* electronic money revenue

FY2020.3 Topics

- Japan International Consultants for Transportation (General Consultancy of The Mumbai - Ahmedabad High Speed Railway Project)

FY2019.3 IT & *Suica* operating results

Operating revenues: ¥54.7 billion (111.0%)
(operating revenues from outside customers)*

Operating income: ¥13.2 billion (121.0%)

*Operating revenues: ¥129.1 billion (107.9%)
(including revenues inside group)

[Notes] Operating revenues : operating revenues from outside customers
Operating income : operating revenues from outside customers + operating revenues inside group - purchases from outside suppliers - purchases inside group

Summary of Non-operating Income / Expenses and Extraordinary Gains / Losses (consolidated) - Results and Plan

(¥ billion)	*2018.3 Results*	2019.3 Results	Increase/ decrease	2020.3 Plan	Increase/ decrease
Operating income	*481.2*	484.8	+3.5	488.0	+3.1
Non-operating income or expenses	*-41.3*	-41.5	-0.2	-42.0	-0.4
Non-operating income	*27.8*	25.7	-2.1		
Insurance proceeds and dividends	11.2	8.4	-2.8		
Dividend income	4.9	5.3	+0.3		
Equity in net income of affiliated companies	5.1	5.8	+0.7		
Other	6.5	6.0	-0.4		
Non-operating expenses	*69.1*	67.3	-1.8		
Interest expense	*64.7*	62.5	-2.1		
Other	*4.4*	4.7	+0.2		
Ordinary income	*439.9*	443.2	+3.2	446.0	+2.7
Extraordinary gains or losses	*-18.3*	-14.6	+3.7	-10.0	+4.6
Extraordinary gains	*30.8*	74.7	+43.9		
Construction grants received	*23.8*	59.8	+36.0		
Gains on sales of fixed assets	*0.4*	2.6	+2.2		
Other	*6.5*	12.1	+5.6		
Extraordinary losses	*49.1*	89.3	+40.1		
Losses on reduction entry for construction grants	*23.1*	59.4	+36.2		
Provision for allowance for point card certificates	*-*	6.0	+6.0		
Provision for allowance for partial transfer costs	*2.7*	-	-2.7		
Other	*23.3*	23.8	+0.5		
Income before income taxes	*421.5*	428.6	+7.0		

Interest expense : 33.5 (-0.1)
Bond interest : 28.9 (-2.0)

Summary of Cash Flows (consolidated)

(¥ billion)	2018.3	2019.3	Increase/ decrease
		Increase in major receivables: -27.9	
Cash Flows from Operating Activities (I)	704.1	663.8	-40.3
		Increase in payments for purchases of fixed assets: -70.8	
Cash Flows from Investing Activities (II)	-541.8	-594.4	-52.5
Free Cash Flows (I) + (II)	162.3	69.3	-92.9
		Increase in proceeds from procurements with interest-bearing debt: +23.5	
Cash Flows from Financing Activities (III)	-135.1	-120.6	+14.4
Effect of Exchange Rate Changes on Cash and Cash Equivalents (Ⅳ)	-	-0.0	-0.0
Net Change in Cash and Cash Equivalents (I) + (II) + (III) + (Ⅳ)	27.2	-51.3	-78.6
Cash and Cash Equivalents at Beginning of the Year	287.1	314.9	+27.8
Increase in Cash and Cash Equivalents from Newly Consolidated Subsidiary	0.5	0.0	-0.4
Increase in Cash and Cash Equivalents due to Merger	-	0.0	+0.0
Increase in Cash and Cash Equivalents Resulting from Absorption-Type Demerger	0.0	-	-0.0
Cash and Cash Equivalents at End of the Year	314.9	263.7	-51.1

Change in Capital Expenditures (consolidated)

(¥ billion)		2016.3 (Results)	2017.3 (Results)	2018.3 (Results)
Transportation *	Growth investment	47.0	54.8	97.4
	Investment needed for the continuous operation of business	345.2	328.3	326.9
	Total	392.2	383.1	424.4
Non-Transportation *	Growth investment	136.4	115.1	120.8
	Investment needed for the continuous operation of business	13.3	8.4	5.1
	Total	149.7	123.5	126.0
	Growth investment	183.4	169.9	218.3
	Investment needed for the continuous operation of business	358.5	336.7	332.0
	(Priority budget allocation)	(18.1)	(23.5)	(25.3)
	(Depreciation)	359.5	364.1	367.9
	Total	541.9	506.7	550.4

(¥ billion)		2019.3 (Results)	2020.3 (Plan)
Transportation Services	Growth investment	81.9	127.0
	Investment needed for the continuous operation of business	318.9	326.0
	Priority budget allocation (Investment in innovation, etc.)	31.4	62.0
	Total	432.3	515.0
Lifestyle services, IT & Suica Businesses	Growth investment	154.5	211.0
	Investment needed for the continuous operation of business	38.6	35.0
	Priority budget allocation (Investment in innovation, etc.)	4.4	7.0
	Total	197.6	253.0
	Growth investment	236.4	338.0
	Investment needed for the continuous operation of business	357.5	361.0
	(Depreciation)	368.7	370.0
	Priority budget allocation (Investment in innovation, etc.)	35.9	69.0
	Total	629.9	768.0

* The results show investment amounts for transportation and non-transportation based on the previous segment before FY2017.3.

Change in Interest-bearing Debt Balance (consolidated)

(¥ billion)	2015.3 (Results)	2016.3 (Results)	2017.3 (Results)	2018.3 (Results)	2019.3 (Results)
Bonds	1,764.8 (1.84%)	1,809.9 (1.83%)	1,839.9 (1.73%)	1,770.1 (1.68%)	1,730.1 (1.61%)
Long-term loans	965.4 (1.30%)	993.7 (1.23%)	1,030.1 (1.14%)	1,072.9 (1.10%)	1,101.4 (1.06%)
Long-term liabilities incurred for purchase of railway facilities	545.2 (5.97%)	438.3 (6.18%)	340.9 (6.45%)	336.5 (6.47%)	332.1 (6.49%)
Total	3,275.5 (2.37%)	3,241.9 (2.23%)	3,211.0 (2.04%)	3,179.6 (1.99%)	3,163.7 (1.93%)
Net interest-bearing debt	3,030.3	2,934.1	2,923.9	2,864.7	2,899.9

[Notes]
Net interest-bearing debt = Balance of consolidated interest-bearing debt – Balance of consolidated cash and cash equivalents

Top : Balance
Bottom: Average interest rate

III. Reference Materials

FY2020.3 Traffic Volume and Passenger Revenues - Plan

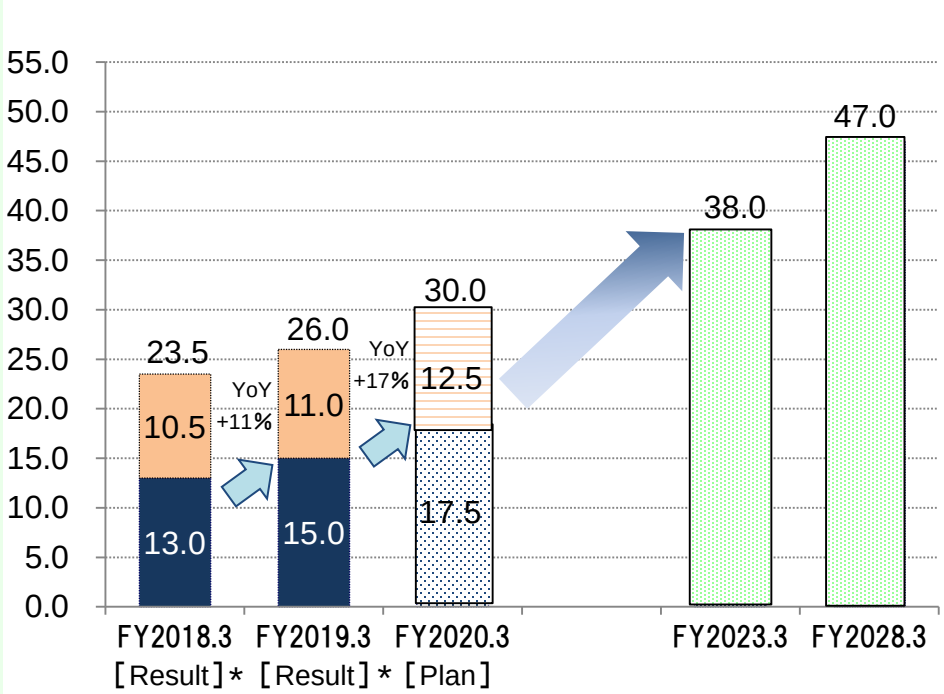
Commuter Passes: Seasonal Tickets
Non-commuter Passes: Ordinary Tickets

			Traffic Volume (million passenger kilometers)				Passenger Revenues (¥ billion)			
			2019.3 Results	2020.3 Plan	Increase / decrease	(%)	*2019.3 Results*	2020.3 Plan	Increase / decrease	(%)
Shinkansen		Commuter Passes	*1,813*	1,897	+83	104.6	*24.6*	25.7	+1.1	104.6
		Non-commuter Passes	*21,929*	22,208	+278	101.3	*572.5*	579.7	+7.2	101.3
		Total	*23,742*	24,105	+362	101.5	*597.1*	605.5	+8.4	101.4
Conventional Lines	Kanto Area Network	Commuter Passes	*71,215*	71,616	+400	100.6	*463.3*	465.9	+2.6	100.6
		Non-commuter Passes	*37,036*	37,640	+603	101.6	*726.9*	738.8	+11.8	101.6
		Total	*108,252*	109,256	+1,004	100.9	*1,190.2*	1,204.7	+14.4	101.2
	Other Network	Commuter Passes	*3,063*	3,080	+17	100.6	*18.4*	18.5	+0.1	100.6
		Non-commuter Passes	*2,540*	2,553	+13	100.5	*50.8*	51.1	+0.2	100.5
		Total	*5,603*	5,634	+30	100.5	*69.2*	69.6	+0.3	100.5
	Total	Commuter Passes	*74,278*	74,696	+418	100.6	*481.7*	484.4	+2.7	100.6
		Non-commuter Passes	*39,577*	40,194	+616	101.6	*777.8*	789.9	+12.1	101.6
		Total	*113,856*	114,891	+1,034	100.9	*1,259.5*	1,274.3	+14.8	101.2
Total		Commuter Passes	*76,092*	76,594	+501	100.7	*506.3*	510.2	+3.8	100.8
		Non-commuter Passes	*61,506*	62,402	+895	101.5	*1,350.3*	1,369.7	+19.3	101.4
		Total	*137,598*	138,996	+1,397	101.0	*1,856.7*	1,879.9	+23.2	101.3

Inbound Tourism

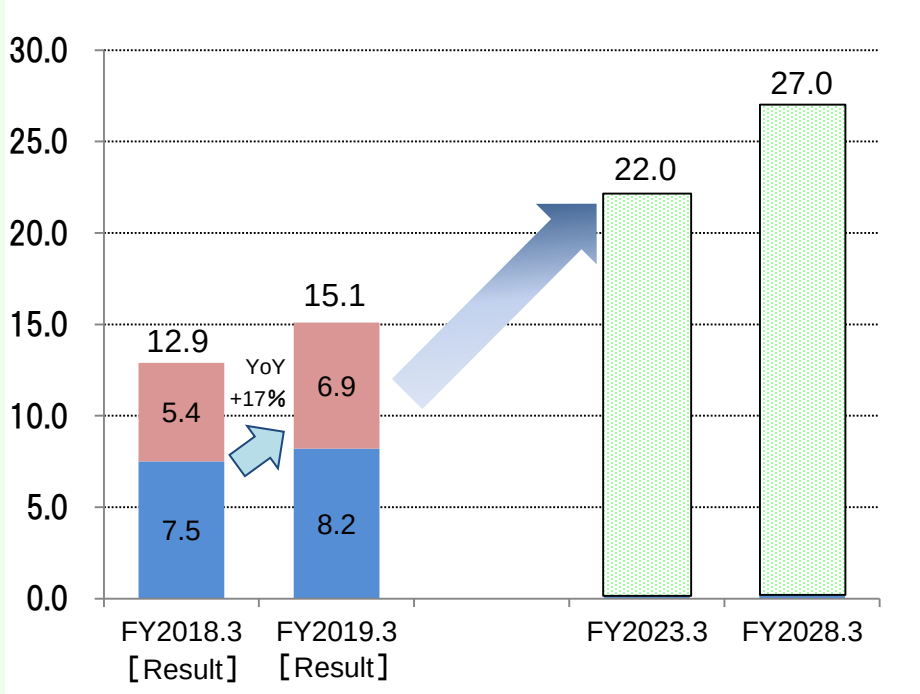
■Railway business

（¥ billion）



■Life-style service business

（¥ billion）



* In addition to the above, a revision of the commission paid to overseas sales agents who sell *JAPAN RAIL PASS* resulted in an approximately ¥0.5 billion increase in earnings in FY2018.3, and approximately ¥1.5 billion increase in earnings in FY2019.3.

*1 Aggregate of visitors to Japan accommodation revenue from *Metropolitan Hotels* and *JR-EAST HOTEL METS (The number includes a part of the revenue of GALA YUZAWA which is derived from visitors to Japan after FY2019.3.)*
*2 Aggregate of total sales volume at tax-free counters and tax-free sales at stores (In tax-free sales, the amounts corresponding to rent, etc., are the Company's earnings.)

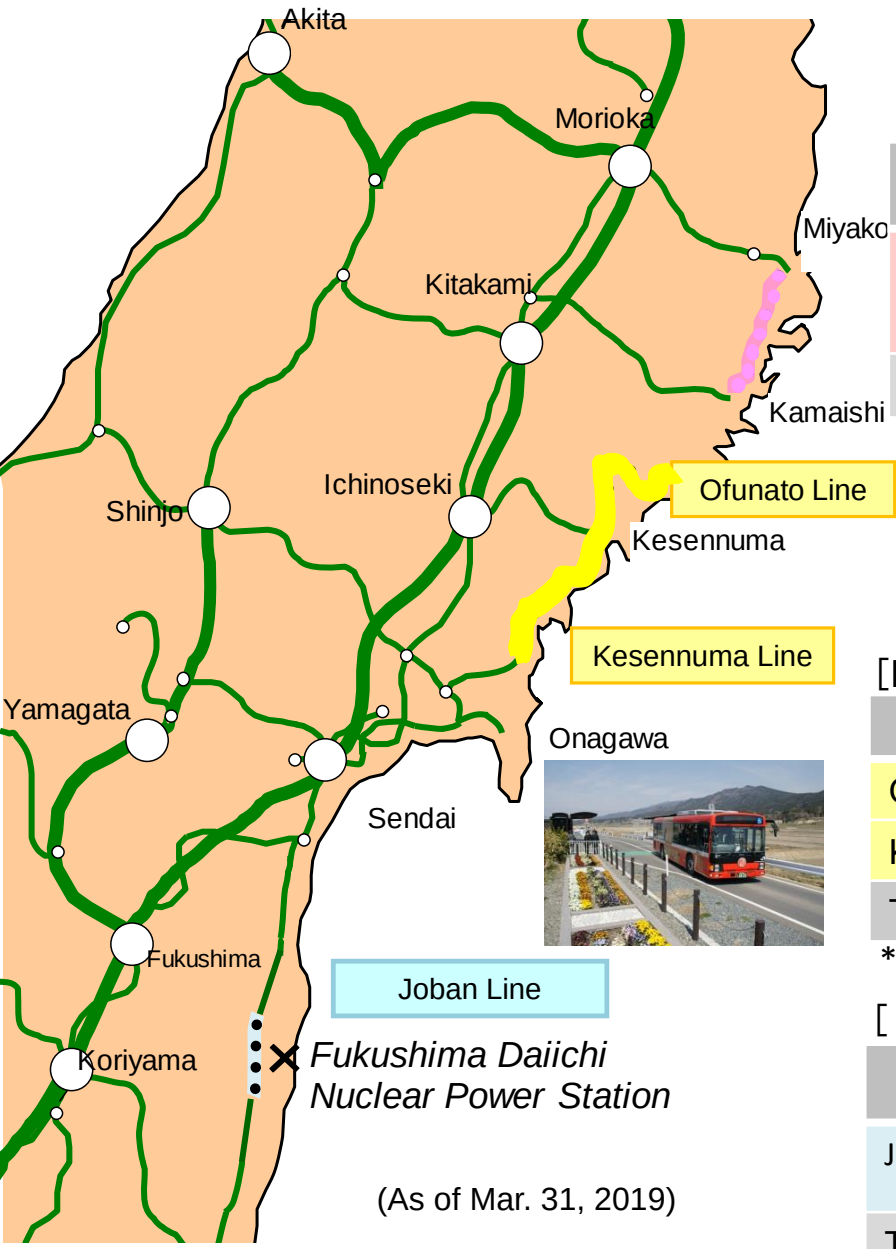
［Promoting inbound tourism strategies］

■ Roll out promotions in the North American, European, and Australian markets in collaboration with overseas bases and expand overseas sales network

■ Increase revenues through a new collaborative scheme with OTA (Online Travel Agent) of China and roll out promotions aimed at attracting customers to Tohoku

■ Create excursions and travel to the eastern Japan area by utilizing *Welcome Suica*, conducting promotions that reflect the shift toward digitization, and establishing infrastructure to support tourists

Operation Suspended Lines and Segments Damaged by Tsunami during Great East Japan Earthquake



■ Current status of conventional lines along the Pacific coast damaged by tsunami

[Restoration work and transfer of management to Sanriku Railway Company]

	Line segments on which operations suspended	Distance	Notes
Yamada Line	Miyako-Kamaishi	55.4km	Transfer of management to Sanriku Railway Company (Mar. 23, 2019 Opened)
Total		55.4km	

Events related to the opening





[Bus Rapid Transit (BRT) systems operating (agreement reached on full-scale restoration)]

	Line segments	Distance
Ofunato Line	Kesennuma-Sakari	43.7km
Kesennuma Line	Yanaizu-Kesennuma	55.3Km
Total		99.0km

*Railway services have been restored on other line segments (approx. 224 km)

[Restoration work underway]

	Line segments on which operations suspended	Distance	Notes
Joban Line	Tomioka-Namie	20.8km	Plan to resume operations by end of FY2020.3
Total		20.8km	

Revision of Elder Employee System

■The goal of this revision is to better utilize the expertise of elder employees for operating the business of the Company, cultivating human resources, and transferring techniques.

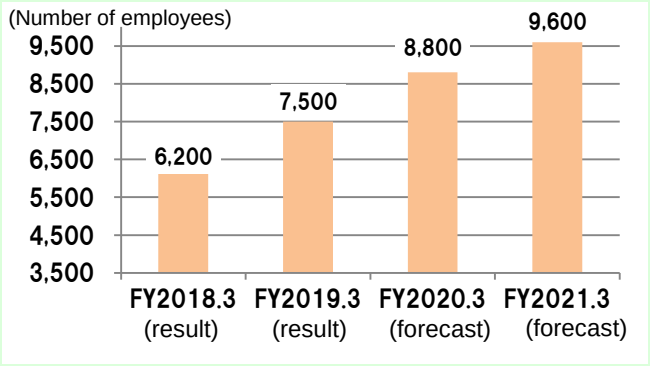
■Timing of Implementation
Apr. 2018

■Main revisions

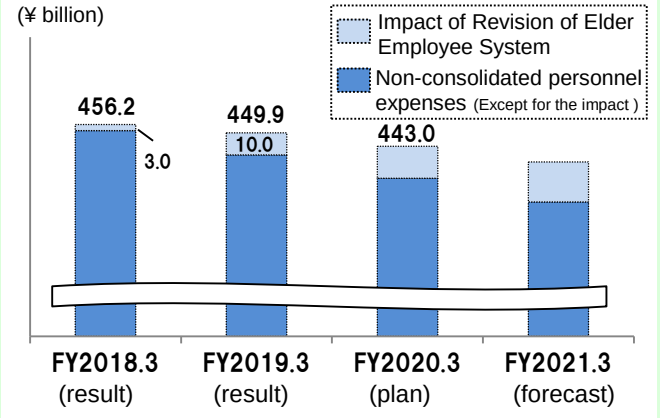
	Before revision	After revision
Employment format	Performance of duties based on temporary transfers to Group companies, etc. (Certain employees work at JR East for personnel development purposes, etc.)	Although the basic principle of temporary transfers to Group companies, etc., will remained unchanged, the range of duties performed in JR East will be expanded to achieve the abovementioned goal.
Full attendance allowance	¥300,000 annually (fixed amount)	Change to calculation based on end-of-period bonuses of employees (for example, basic wages × number of months)

*The annual income of elder employees before revision was less than 50% of what their salary was prior to retirement when including public pension and other income sources. The revision to the elder employee system raises this level to less than 60%.

Average number of elder employee during the period



Non-consolidated personnel expenses



■ Impact of Revision of Elder Employee System on Total Personnel Expenses

(Impact on Non-consolidated personnel expenses)

• Even if the expenses created by the revisions to labor conditions are included in non-consolidated personnel expenses, at the present juncture non-consolidated personnel expenses are expected to decline as a result of decreases in personnel expenses due to such factors as differences between the numbers of new hires and retirees.

(Impact on consolidated personnel expenses)

•Regarding total consolidated personnel expenses, although lower non-consolidated personnel expenses are expected to be a cost-decreasing factor, such cost-increasing factors as a rise in employees accompanying an increase in Group companies' business lines and higher labor unit costs are also expected.

Major Subsidiaries - Results and Plan

(¥ billion)		*2018.3 Results*	2019.3 Results	2019.3/ 2018.3 (%)	2020.3 Plan	2020.3/ 2019.3 (%)
JR East Retail Net (J-Retail)	Operating revenues	*197.5*	229.9	116.4	230.3	100.2
	Operating income	*2.6*	5.0	187.2	5.4	107.6
Nippon Restaurant Enterprise (NRE)	Operating revenues	*59.6*	58.0	97.3	46.6	80.4
	Operating income	*0.4*	0.4	97.3	0.5	126.8
East Japan Marketing & Communications	Operating revenues	*115.9*	119.0	102.6	121.0	101.7
	Operating income	*3.6*	3.1	88.5	3.2	101.5
LUMINE	Operating revenues	*75.8*	76.8	101.3	81.3	105.8
	Operating income	*13.4*	13.7	102.7	14.7	107.2

* Non-consolidated operating revenues / operating income

- JR East Retail Net Co., Ltd., results for FY2018.3 are the results of the company on a standalone basis before company reorganization. Further, the FY2019.3 results and the FY2020.3 plan are the results and plan for the company on a standalone basis after company reorganization.

Hotel Operations - Overview

Operating revenues*1 ¥56.2billion (2019.3)

Operating incomes*1 ¥4.3 billion (2019.3)

*1 Simple total of the revenues and expenses of the hotel businesses of Group companies and the revenues and expenses of the hotel businesses of non-consolidated JR East

[Reference] JR East hotels at a glance

■ *Metropolitan Hotels* (12 hotels, 3,471 guest rooms)

Marunouchi, Hotel Metropolitan (Ikebukuro), *Edmont* (Iidabashi), *Saitama Shintoshin*, *Takasaki, Nagano, Sendai, Sendai East, Yamagata, Morioka, Morioka New Wing, and Akita*

Operating revenues*2 : ¥ 37.6 billion (2019.3) Occupancy rate: 82.7%

■ *JR-EAST HOTEL METS* chain (25 hotels, 3,057 guest rooms)

Shibuya, Mejiro, Komagome, *Tabata, Koenji, Musashisakai, Kokubunji, Kumegawa, Tachikawa, Akabane, Urawa, Kawasaki, Yokohama Tsurumi* (Tsurumi), *Mizonokuchi* (Musashi-Mizonokuchi), *Kamakura Ofuna* (Ofuna), Funabashi, *Tsudanuma, Mito, Utsunomiya, Nagaoka, Niigata, Fukushima, Kitakami, Hachinohe, and Sapporo*

Operating revenues*2 : ¥ 10.6 billion (2019.3) Occupancy rate: 89.2%

*2 Simple sum of operating revenues from each hotel.

■ *The Tokyo Station Hotel* (150 guest rooms)

■ *Familio,Folkloro* (8 hotels, 344 guest rooms)

■ *Hotel Dream Gate Maihama*, *Hotel Dream Gate Maihama Annex* (160 guest rooms)

■ *Hotel New Grand* (238 guest rooms)

(As of Mar. 31, 2019)

Shinagawa Development Project

Schedule for the Formation of an International Exchange Hub

Town able to continue growing

JR East aims to use the opening of Takanawa Gateway Station in spring 2020 and the subsequent town opening as an opportunity to establish a town that continues to grow as a hub of international exchanges.

Phase 1 development: Areas 1, 2, 3, and 4 (opening of town scheduled for around 2024)
Phase 2 development: Areas 5 and 6 (full opening from 2030) *Rendered image



Continuing growth as international exchange hub

Shinagawa Development Project (Phase.1)
Received a city planning determination on April 17, 2019

Opening of town (partial opening)

Pedestrian deck of the new station (fusing station building fused with surrounding neighborhood) * Rendered image



Present



Station opening

Takanawa Gateway Station
* Rendered image



Opening of Takanawa Gateway Station

Opening of Linear Chuo Shinkansen (plan)

2019 2020 Around 2024 2027 2030s～

Major Projects Going Forward

(FY) 2018 2019 2020 2021 2022 2023 2024 and beyond

Railway operations

- Station improvement for stations near the venues for the Tokyo 2020 Olympic and Paralympic Games
- Ashikaga Flower Park Station (Apr. 2018)
- Joban Line J-Village Station (Apr. 2019)
- Takanawa Gateway Station (Spring 2020)

Takanawa Gateway Station

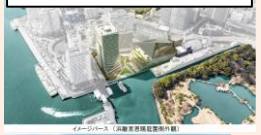


- Makuhari New Station (provisional name)
- Began Joetsu Shinkansen Series E7 Unifying *Azusa* and *Kaiji* Chuo line limited express to Series E353 Debuted Fujikaiyu Chuo Line limited express (Mar. 2019)
- Debuted new tourist train *Kairi* in *Niigata Prefecture* and *Shonai* area (Oct. 2019)
- Debuted new tourist train in Izu (Spring 2020)
- Introduction of *Green Cars* to Chuo Line Rapid Service, etc. (end of FY2024.3)
- Test runs of Shinkansen test railcar (ALFA-X) (Plan to complete in May 2019)
- "Touch de Go! Shinkansen" (Apr. 2018)
- New Shinkansen IC ticket service (end of FY2020.3)
- Provision of a regionally linked IC card (spring 2021)
- Low-cost and flexible *Suica* systems
- Direct Sotetsu - JR line (Nov. 2019)
- Haneda Airport Access Line concept

Life-style service business

- Marunouchi underground area of Tokyo Station (Jul. 2016 – Aug. 2017)
- Development of area in and around north passage of Tokyo Station (Summer 2019 begin operation in advance, 2020 fully Open)
- Main building and facilities of Chiba Station (Nov. 2016 – Jun. 2018)
- 「WATERS takeshiba」 (After Apr. 2020)

WATERS takeshiba



- JR Yokohama Tower/ JR Yokohama Tsuruya-cho Building (2020)
- Kawasaki Station West Exit Development Project (Spring 2020 – Spring 2021)

JR Yokohama Tower



SHIBUYA SKY



- SHIBUYA SCRAMBLE SQUARE Phase 1 (East Tower) (Joint development) (Nov. 2019)
- SHIBUYA SCRAMBLE SQUARE Phase 2 (Center & West Tower) (Joint development) (FY2028.3)
- Shinagawa Development
- JR-EAST HOTEL METS SAPPORO (Feb. 2019)
- JR-EAST HOTEL METS AKIHABARA/TOKYO BAY SHINKIBA/GOTANDA(provisional name), HOTEL METROPOLITAN KAMAKURA (FY2020.3)
- JR-EAST HOTEL METS SAKURAGICHO (provisional name) (FY2021.3)

[Legend]
- Retail & Services
- Real Estate & Hotels

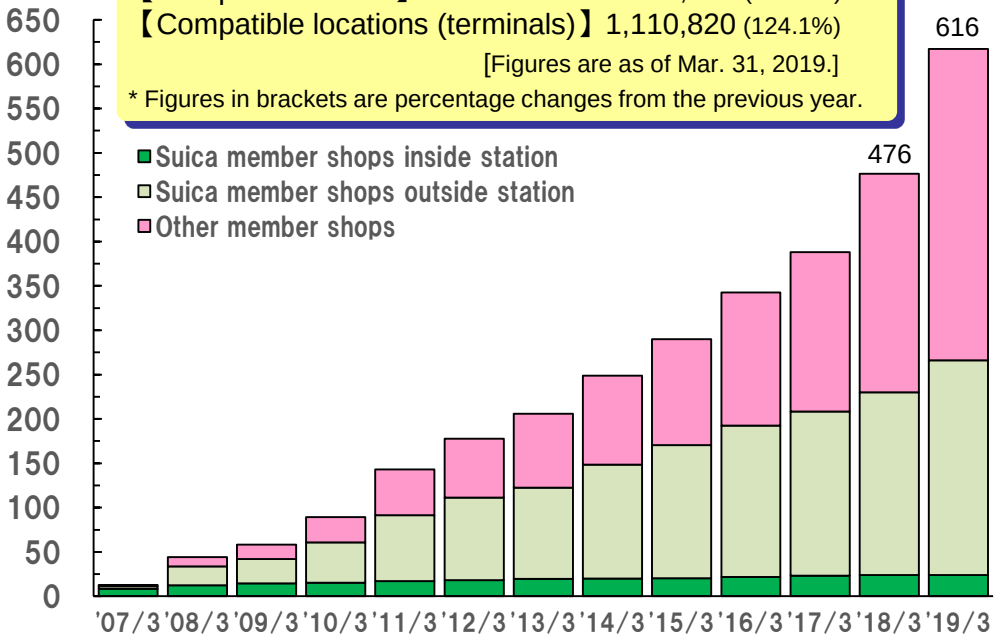
Suica

■Number of e-money available shops

（thousand）

* Figures include results of other affiliated stores.

【Compatible stores】 616,410 (129.4%)
【Compatible locations (terminals)】1,110,820 (124.1%)
[Figures are as of Mar. 31, 2019.]
* Figures in brackets are percentage changes from the previous year.

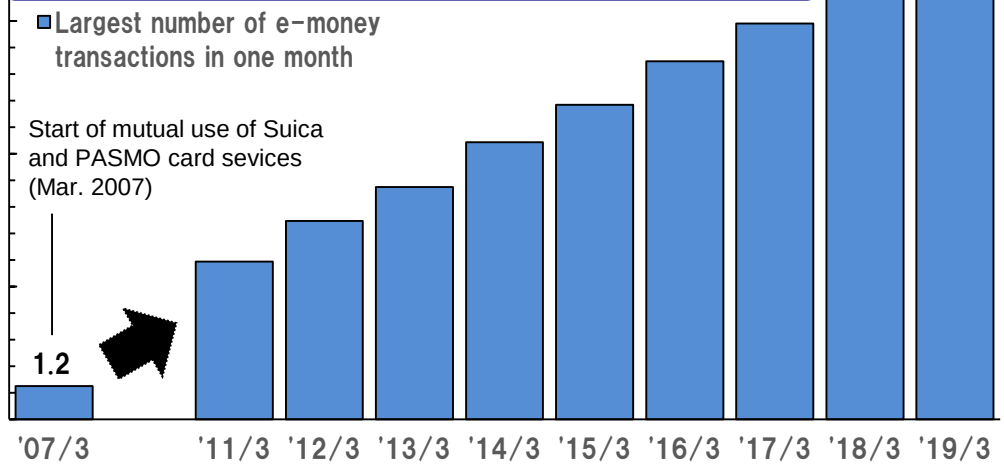


■Largest number of e-money transactions in one month

（10 million）

* Figures include results of other affiliated stores.

【*Suica* cards issued】 75.87 million (109.3%)
【*Mobile Suica* members】 7.15 million (128.9%)
【Transaction per month(highest ever)】 204.32 million (Jul. 2018)
【Transaction per day(highest ever)】 7.84 million (3 Aug. 2018)
[Figures are as of Mar. 31, 2019.]
* Figures in brackets are percentage changes from the previous year.



■Progress in FY2019.3

［Enhanced profitability］

【Increased affiliated stores】
Yoshinoya, Matsumotokiyoshi, Nikko Toshogu Shrine
【Card strategy】Began issuing *JRE CARD*
【Customer-reward point strategy】
Integrated *View Thanks Point* with *JRE POINT*

Yoshinoya Campaign



JRE POINT Campaign



［Making *Suica* a shared infrastructure］

【Collaboration with various means of transportation】
Conducted verification testing of *Ringo Pass* app
【Expanding collaboration with other companies】
Made *Suica* services compatible with Google Pay (May 2018)
Mizuho Suica (August 2018)　Began charging through Seven Bank (October 2018)

Google Pay



Mizuho Suica



Charging through Seven Bank



Numerical targets (Capital expenditures)

Breakdown of capital expenditures

FY2019 to FY2023 Total capital expenditures: 3.75 tril. yen

- **Priority budget allocation: 400 bil. yen**
- **Growth investment: 1.44 tril. yen**
- **Investment needed for the continuous operation of business: 1.91 tril. yen**

  (of which, 1.2 tril. yen is for safety measures)

Breakdown of capital expenditures

Priority budget allocation (Investment in innovation, etc.)

- Smart maintenance (CBM, etc.)
- Next-generation ticketing system
- Revolution in transportation duties in the Tokyo metropolitan area
- Training simulators for train crews, etc.



Smart maintenance (CBM, etc.)



Next-generation ticketing system

Growth investment

- Shinagawa development project
- Introduction of first-class (green) cars to Chuo line rapid service, etc.
- Oimachi development project (provisional name)
- Yokohama station west exit development building (provisional name)
- Kawasaki station west exit development project
- Takeshiba waterfront development project etc.



Shinagawa new station (provisional name)



Introduction of first-class (green) cars to Chuo line rapid service, etc.

Investment needed for the continuous operation of business

- Countermeasures for large-scale earthquakes
- Installation of platform doors
- Production of rolling stock for conventional lines (Series E235, etc.)
- Production of rolling stock for Shinkansen (Series E5 and E7, etc.)
- Renovation of stations (Shibuya station, etc.)



Countermeasures for large-scale earthquakes

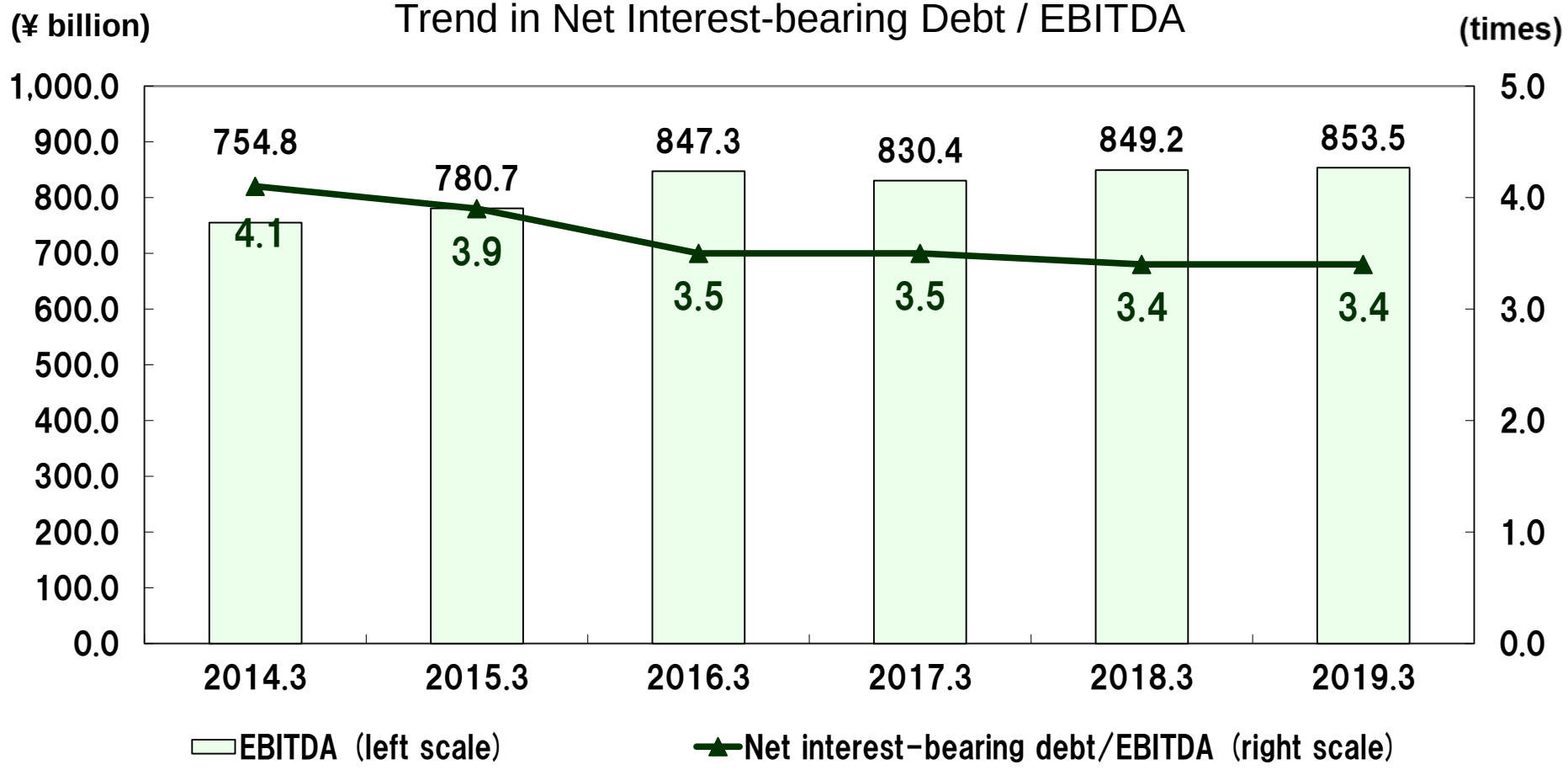


Installation of platform doors

Key Financial Indicators(1)

Additional Information for bond Investors

Trend in Net Interest-bearing Debt / EBITDA



[Reference]

	2014.3	2015.3	2016.3	2017.3	2018.3	2019.3
Net interest-bearing debt (¥ billion)	3,102.3	3,030.3	2,934.1	2,923.9	2,864.7	2,899.9

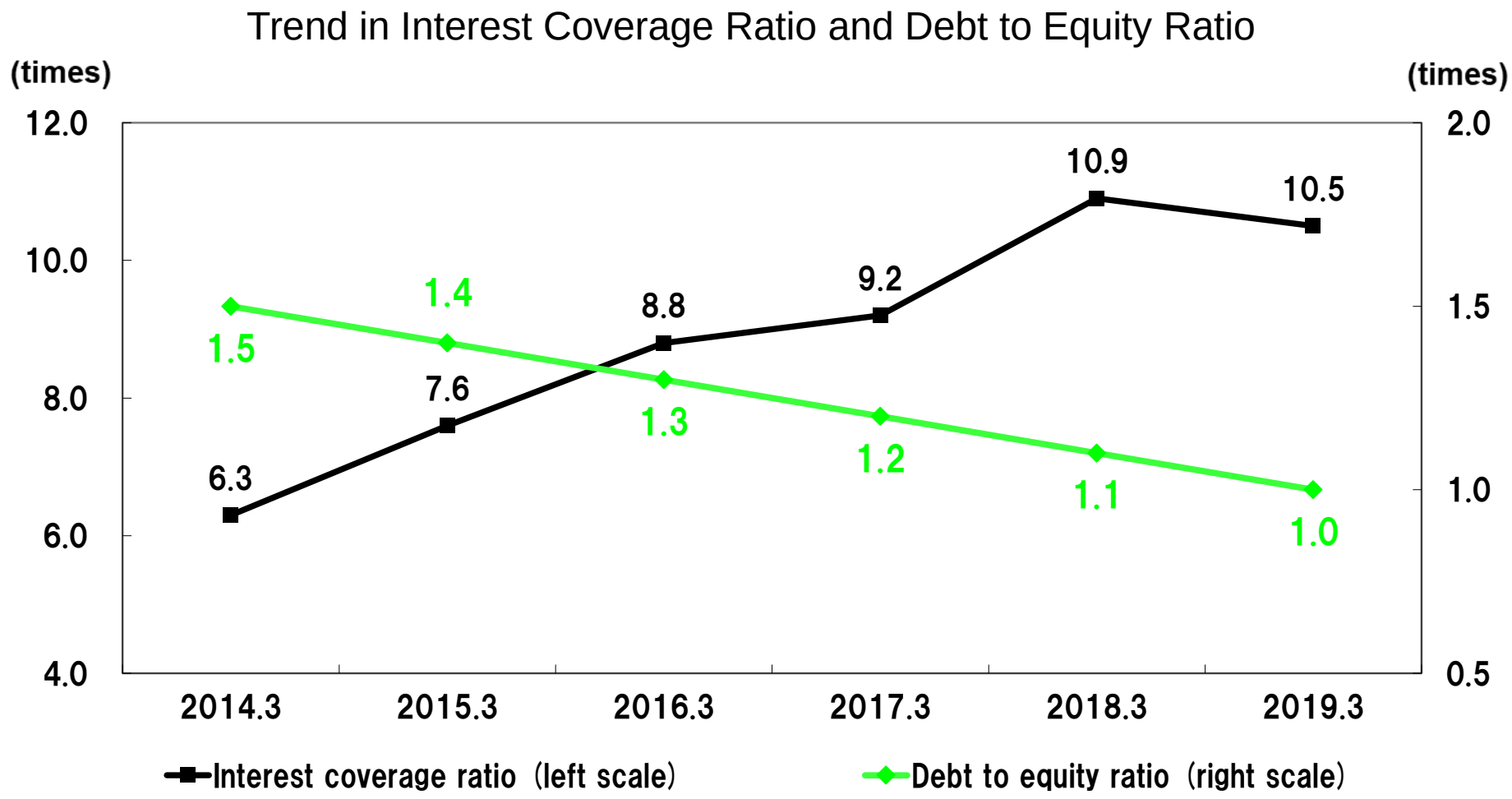
[Notes]

1) Net interest-bearing debt = Balance of consolidated interest-bearing debt – Balance of consolidated cash and cash equivalents

2) EBITDA = Consolidated operating income + Consolidated depreciation expense

Key Financial Indicators(2)

Additional Information for bond Investors



[Notes]
1) Interest coverage ratio = Net cash provided by operating activities / payments of interest
2) Debt to Equity Ratio = Interest-bearing debt / Shareholder's equity

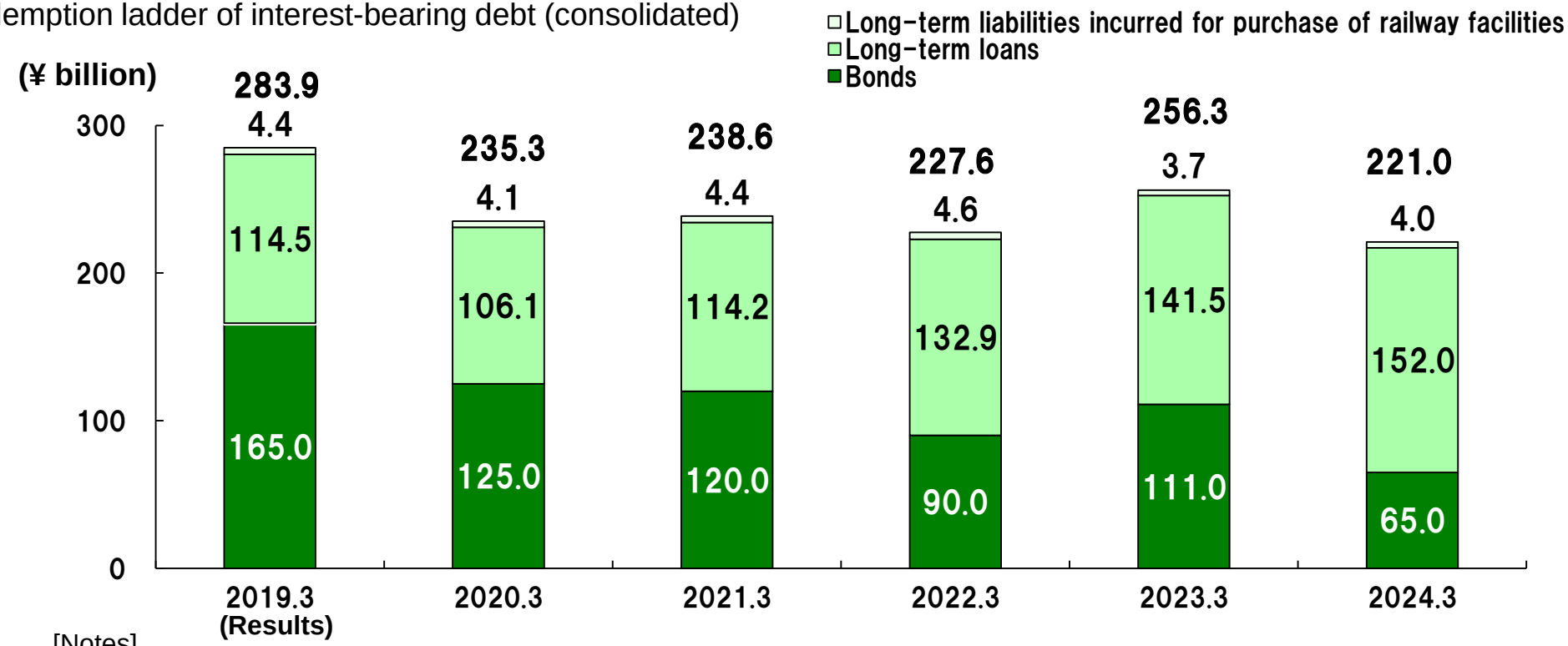
Interest-bearing Debt Breakdown and Maturity Outlook

Additional Information for bond Investors

Breakdown of consolidated interest-bearing debt (As of Mar. 31, 2019)

	Balance (¥ billion)	Breakdown	Average interest rate	Average maturity
Bonds	1,730.1	54.7%	1.61%	11.98 years
Long-term loans	1,101.4	34.8%	1.06%	7.19 years
Long-term liabilities incurred for purchase of railway facilities	332.1	10.5%	6.49%	21.43 years
Total	3,163.7	100.0%	1.93%	11.31 years

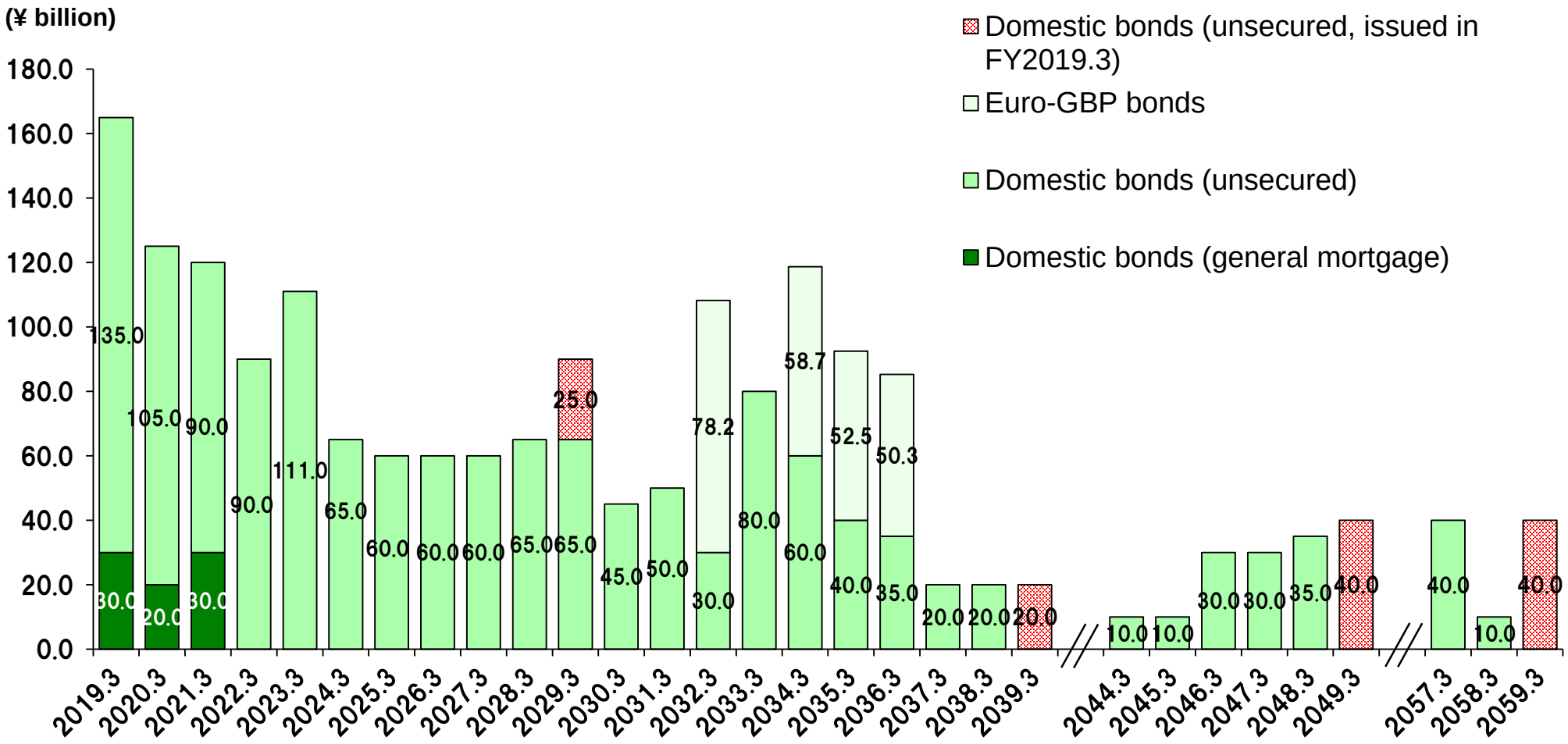
Redemption ladder of interest-bearing debt (consolidated)



[Notes]
1) Outlook as of Mar. 31, 2019
2) Bond redemptions are at face value

Outlook of Bond Maturity

Redemption ladder of bonds(non-consolidated)



[Notes]
1) Outlook as of Mar. 31, 2019
2) Redemptions are at face value

Bonds Issuance in FY2019.3

Additional Information for bond Investors

Series	Tenor	Total amount of issue	Coupon	Issue price	Reoffer yield	JGB spread	Issue date	Maturity date
130	10	¥ 15.0 billion	0.295%	¥100	0.295%	+18.5bp	2018.9.27	2028.9.27
131	20	¥ 10.0 billion	0.709%	¥100	0.709%	+10bp	2018.9.27	2038.9.27
132	30	¥ 20.0 billion	1.011%	¥100	1.011%	+18.5bp	2018.9.27	2048.9.25
133	40	¥ 15.0 billion	1.246%	¥100	1.246%	+29.5bp	2018.9.27	2058.9.27
134	10	¥ 10.0 billion	0.250%	¥100	0.250%	+18.5bp	2018.12.21	2028.12.21
135	20	¥ 10.0 billion	0.685%	¥100	0.685%	+9.5bp	2018.12.21	2038.12.21
136	30	¥ 10.0 billion	1.007%	¥100	1.007%	+18.5bp	2018.12.21	2048.12.21
137	40	¥ 15.0 billion	1.247%	¥100	1.247%	+30bp	2018.12.21	2058.12.20
138	30	¥ 10.0 billion	0.782%	¥100	0.782%	+18.5bp	2019.3.20	2049.3.19
139	40	¥ 10.0 billion	0.997%	¥100	0.997%	+31bp	2019.3.20	2059.3.19

Long-term Funding and Liquidity

■ Long-term Funding

- Constraining the risks of rising interest rates by raising long-term fund at fixed interest rates and smoothing redemption ladder

Long-term credit ratings

Rating agency	Rating
Moody's	Aa3 (Stable)
Standard & Poor's (S&P)	AA- (Stable)
Rating and Investment Information (R&I)	AA+ (Stable)

■ Liquidity

- Daily cash revenues from railway operations
  (Passenger revenues were approx. ¥ 5.0 billion / day in FY2019.3)
- CP issuance facility: ¥ 150.0 billion

Short-term credit ratings

Rating agency	Rating
Moody's	P-1
Rating and Investment Information (R&I)	a-1+

- Bank overdraft facility: ¥ 330.0 billion
- Earthquake response commitment line: ¥60.0 billion

These materials and the video of the presentation can be viewed at the JR East's web site.

JR East Web site, IR (Investor Relations)
https://www.jreast.co.jp/e/investor/index.html

Forward-Looking Statements

Statements contained in this report with respect to JR East's plans, strategies and beliefs that are not historical facts are forward-looking statements about the future performance of JR East, which are based on management's assumptions and beliefs in light of the information currently available to it. These forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause JR East's actual results, performance or achievements to differ materially from the expectations expressed herein. These factors include, without limitation, (i) JR East's ability to successfully maintain or increase current passenger levels on railway services, (ii) JR East's ability to improve the profitability of railway and other operations, (iii) JR East's ability to expand non-transportation operations, and (iv) general changes in economic conditions and laws, regulations and government policies in Japan.