



# FY2020.3 Financial Results Presentation



**April 30, 2020**

**East Japan Railway Company**

## **I. Effect of Spread of COVID-19 and Near-Term Management Direction**

Effect of Spread of COVID-19	4	Retail & Services - Results	22
Near-Term Management Direction	5	Real Estate & Hotels - Results	23

Others - Results	24
Summary of Non-operating Income / Expenses and Extraordinary Gains / Losses (consolidated) - Results	25

## **II. JR East Group Management Vision "Move Up" 2027**

Numerical targets (FY2023)	7	Summary of Cash Flows (consolidated)	26
Main Initiatives in Relation to MaaS, Suica, and Data Marketing	13	Change in Capital Expenditures (consolidated)	27
Major Projects Going Forward	14	Change in Interest-bearing Debt Balance (consolidated)	28

## **III. FY2020.3 Financial Results**

FY2020.3 Financial Results (non-consolidated)	17
Passenger Revenues - FY2020.3 Results	18
Operating Expenses (non-consolidated) - FY2020.3 Results	19
FY2020.3 Financial Results (consolidated)	20
Transportation - Results	21

## **IV. Reference Materials**

> FY2020.3 Traffic Volume and Passenger Revenues - Results
> Inbound Tourism
> Major Subsidiaries - Results
> Hotel Operations - Overview
> Suica
> ESG ~Overview~
> ESG ~Making regional areas more affluent~
> Numerical targets (FY2023)
> Additional Information for bond Investors

# **I. Effect of Spread of COVID-19 and Near-Term Management Direction**

# Effect of Spread of COVID-19

## ■ Revenue decreases in FY2020.3 approx. ¥94 billion

Revenue decreases in each business segment

- Transportation approx. ¥71 billion
- Retail & Services approx. ¥14 billion
- Real Estate & Hotels approx. ¥9 billion
- ※JR East (non-consolidated) approx. ¥69 billion (Passenger revenues approx. ¥67 billion, Others approx. ¥2 billion)

## ■ Current situation/Near-term situation

### Revenue

Upper row: Revenue, P: preliminary, (%) / Lower row: Estimated figure for the usage of the Company portion in revenue, E: estimate, (%)

FY2020.3/FY2019.3	Commuter Passes	Non-commuter Passes			Grand Total
		Short Distance	Mid to Long Distance	Subtotal	
1st Apr. - 19th Apr.	P 49.6	P 29.8	P 4.1	P 13.4	P 27.9
	E 48.6	E 29.8	E 3.8	E 16.7	E 30.0

※ Figures above show percentage changes in revenue before settlement with other JR companies or private railways. The revenue includes consumption tax.

※ "The usage of the Company portion" is a figure estimated by the Company by deducting from revenue the portion of usage of other JR companies, private railway operators, and so on that the Company sold.

※ On October 1, 2019, consumption tax increased from 8% to 10%. To reflect this increase, JR East raised fares and surcharges on the same date.

### Cash Management

- Securing a certain amount of cash on hand through “early, abundant, long-term” funding
- Further, commercial paper (¥240 billion) and bonds (¥125 billion) were issued in March and April.

## “Accomplishment of social mission”

- ❑ Implement COVID-19 countermeasures rigorously, secure required transportation, and provide services
- ❑ Implement achievable social contributions, such as medical examinations and hospitalization at hospitals and provision of hotels

## “Advancement of “Move Up” will not stop.”

- ❑ Steadily implement investment in growth and innovation required to realize “Move Up” 2027
- ❑ With ensuring safety as premise, reform investment required for the continuous operation of business

## “Seek rapid recovery in transportation demand in aftermath”

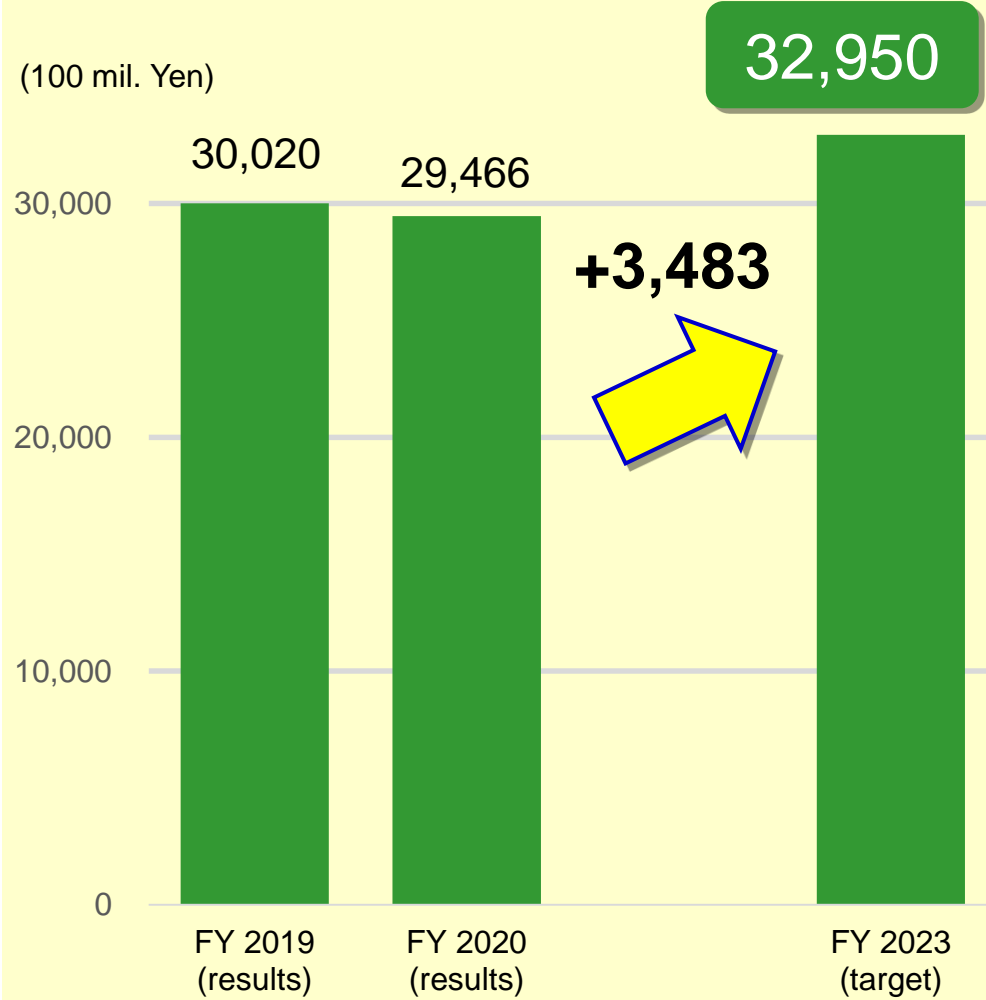
- ❑ Leverage *JRE POINT* in taking lateral measures spanning railway and life-style services
- ❑ Partner with national government and regions in providing appealingly priced products

## **II. JR East Group Management Vision “Move Up” 2027**

# Numerical targets (FY2023)

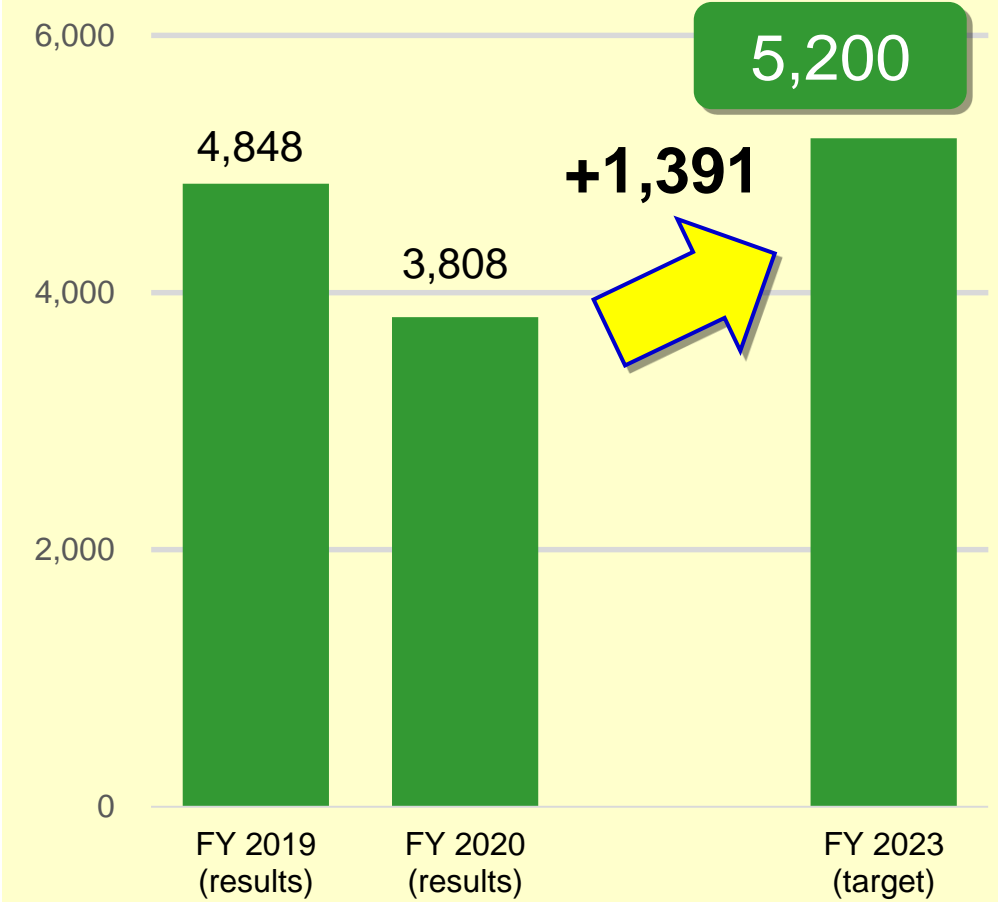
## Consolidated operating revenue

(100 mil. Yen)



## Consolidated operating income

(100 mil. Yen)

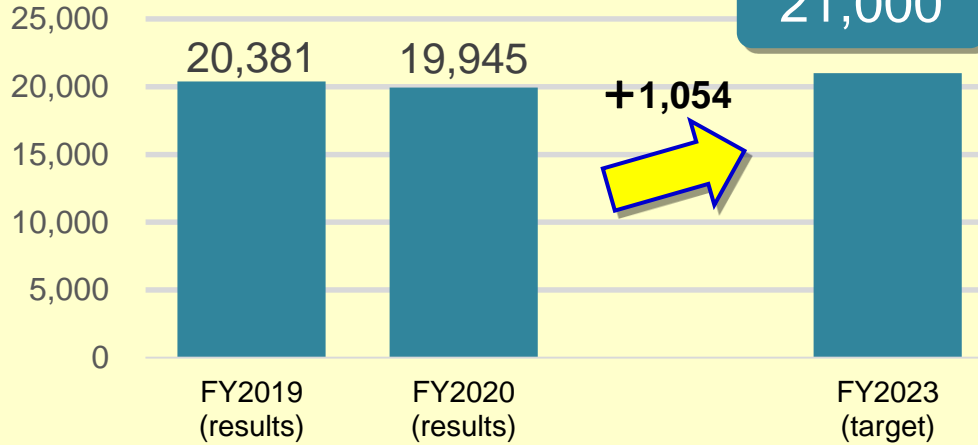


# Numerical targets (FY2023)

## Transportation

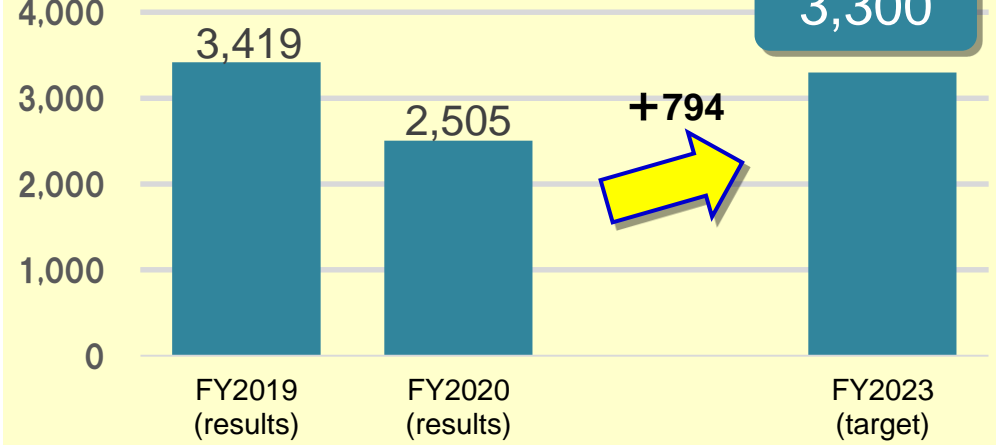
### Operating revenue

(100 mil. Yen)



### Operating income

(100 mil. Yen)



### Toward Achievement of FY2023.3 (Goals)

Train Operation Diagram based on Demand

Create Destinations

Capture Demand from Visitors to Japan

Enhance Convenience



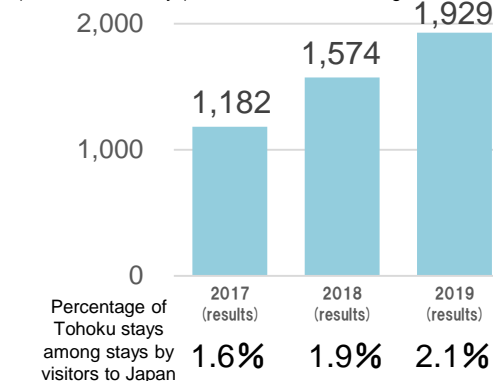
Increase in frequency of Shinkansen



Tohoku Destination Campaign (Apr. 2021 to Sep. 2021)

The cumulative total number of foreign tourists visiting Tohoku region\*

\*Six Tohoku Prefectures + Niigata



Shinkansen e-ticket service

Ticketless service usage rate for JR East Shinkansen  
17.1% (March 2020)



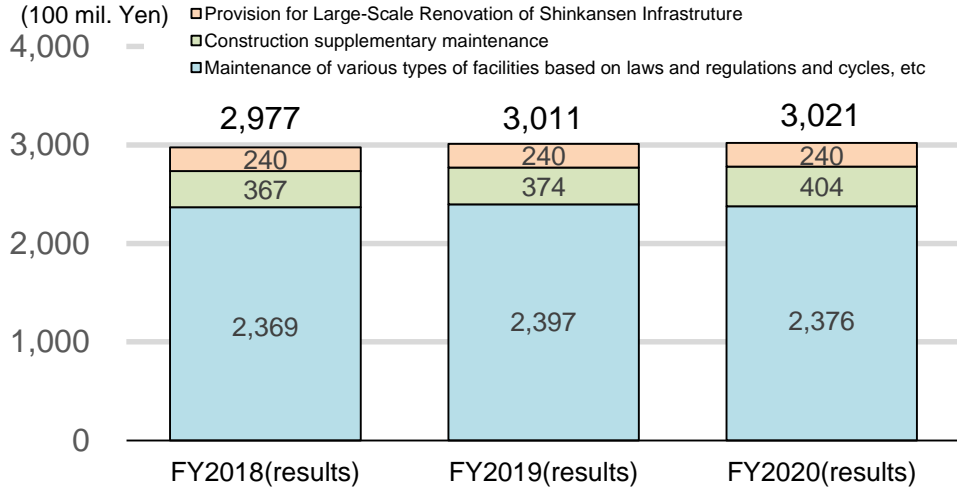
SAPHIR ODORIKO



# Numerical targets (FY2023)

## East Japan Railway Company

### Maintenance Cost



【Causes of Increases and Decreases in the Period through FY2023.3】

#### Causes of Cost Increases

- Increase of old and new facilities
- Increase of construction supplementary maintenance
- Increase of labor costs

#### Cost Reduction Measures

- Maintenance saving
- Introduction of new technologies such as CBM

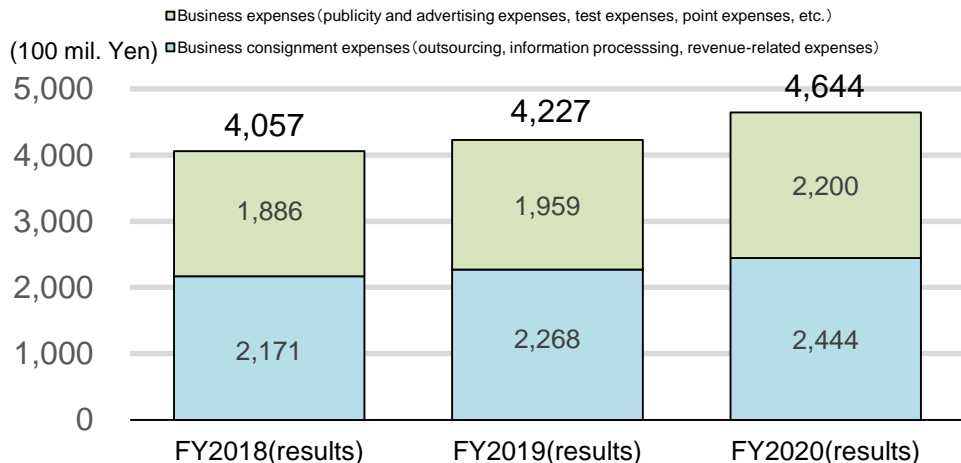
⇒ Continue keeping costs around ¥300 billion

【Track facility monitoring devices】  
Plan to introduce to 50 line segments and cover approximately 70% of JR East line by end of FY 2021.3



Dedicated maintenance vehicle (SMART-i)

### Non-personnel Expenses (Other)



【Causes of Increases and Decreases in the Period through FY2023.3】

#### Causes of Cost Increases

- Increase of outsourcing
- Increase of point expenses and information processing
- Increase of labor costs

#### Cost Reduction Measures

- In-depth analysis of existing expenses (unit cost and amount)
- Further advancement of mechanization and systemization



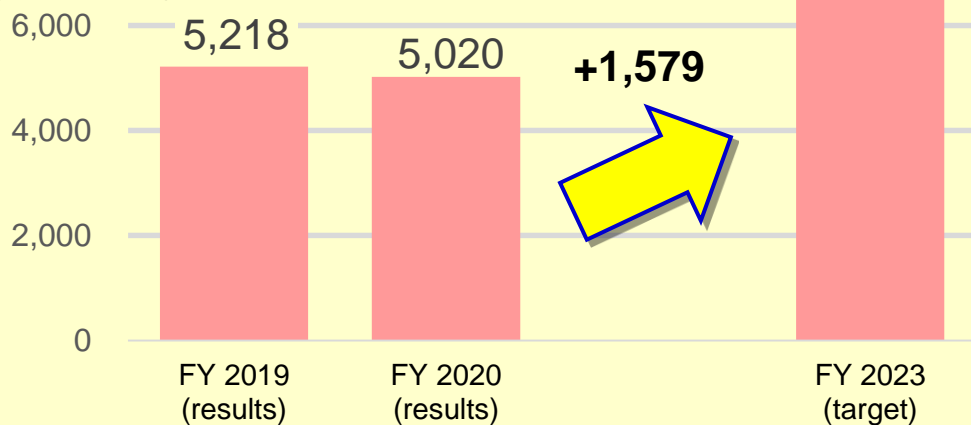
Automated reserved-seat ticket vending machine that speaks

# Numerical targets (FY2023)

## Retail & Services

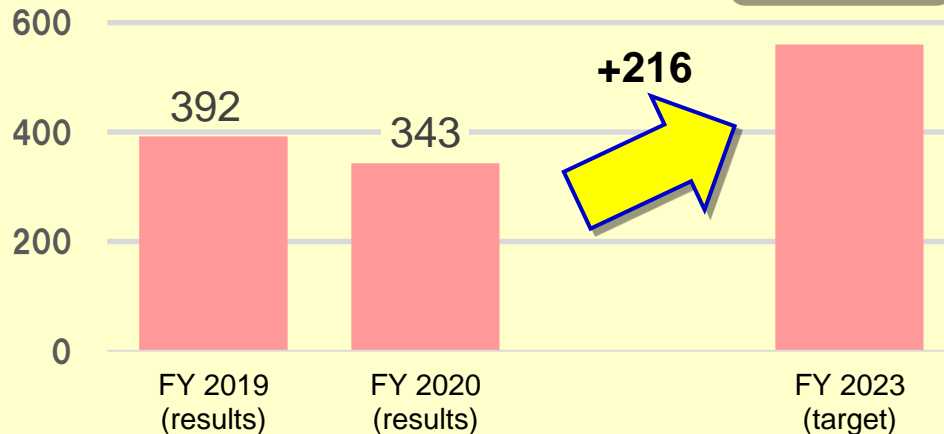
### Operating revenue

(100 mil. Yen)



### Operating income

(100 mil. Yen)



Toward Achievement of FY2023.3 (Goals)

### Enhancement of Existing Stores

Operating revenue  
FY2021.3~FY2023.3 plan  
Target +¥15.0 billion

Comprehensive remodeling  
*ecute Omiya North, ecute Nippori, etc*



Medium-size railway  
stations Gotanda



Group reorganization

Merge Nippon Restaurant Enterprise Co., Ltd., and JR EAST FOOD BUSINESS CO., LTD.  
Establish JR East Foods Co., Ltd.



### Large-Scale Development

*GRANSTA Tokyo*  
Operating revenues  
(Full-year basis)  
¥15 billion per year

### Non-JR East Sites

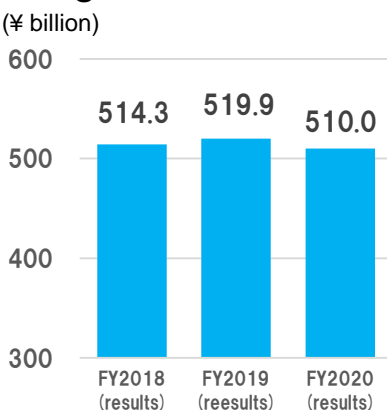
*KINOKUNIYA*  
(Haneda Airport Garden, JR Kyoto Isetan, etc.)

### New Businesses

TOUCH TO GO



STATION WORK



### E-commerce

No. of JRE MALL members  
0.26 mil. persons (FY2020)

➡ 1 mil. persons (target)

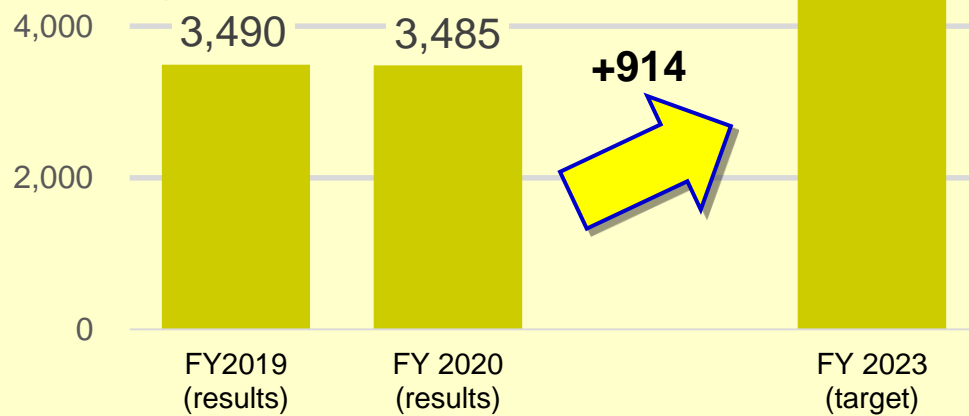


# Numerical targets (FY2023)

## Real Estate & Hotels

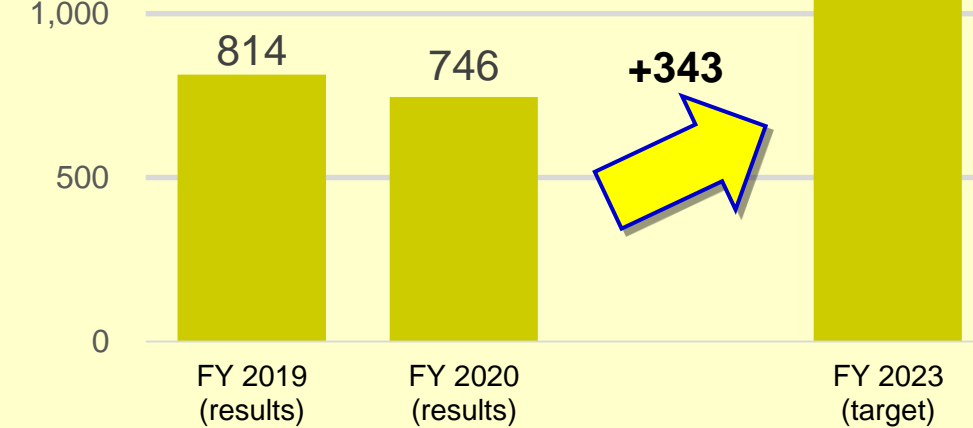
### Operating revenue

(100 mil. Yen)



### Operating income

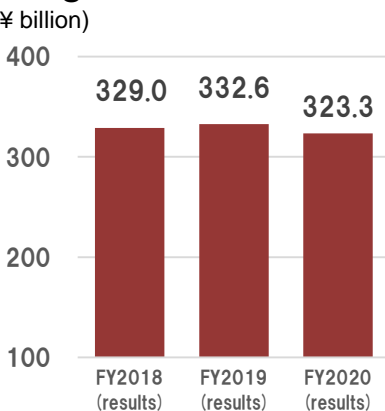
(100 mil. Yen)



Toward Achievement of FY2023.3 (Goals)

## Enhancement of Existing Stores

Operating revenue  
FY2021.3~FY2023.3 plan  
Target +¥10.5 billion



### JRE POINT customer loyalty strategy



Foster loyal customers with high purchase levels by encouraging customers to proceed through the stages of first becoming web members, then becoming JRE CARD members, and ultimately becoming engaged with JRE MALL

### Sendai

Tourist information counter and renewal



### Akita

Hotel Metropolitan Akita  
Expansion of annex



## Real Estate Strategy

Development of rental apartments



## Large-Scale Development

WATERS takeshiba

JR Yokohama Tower / JR Yokohama Tsuruya-cho Building  
KAWASAKI DELTA

Operating revenues (Full-year basis) ¥23 billion per year

## Non-JR East Sites

Taiwan



Haneda Innovation City

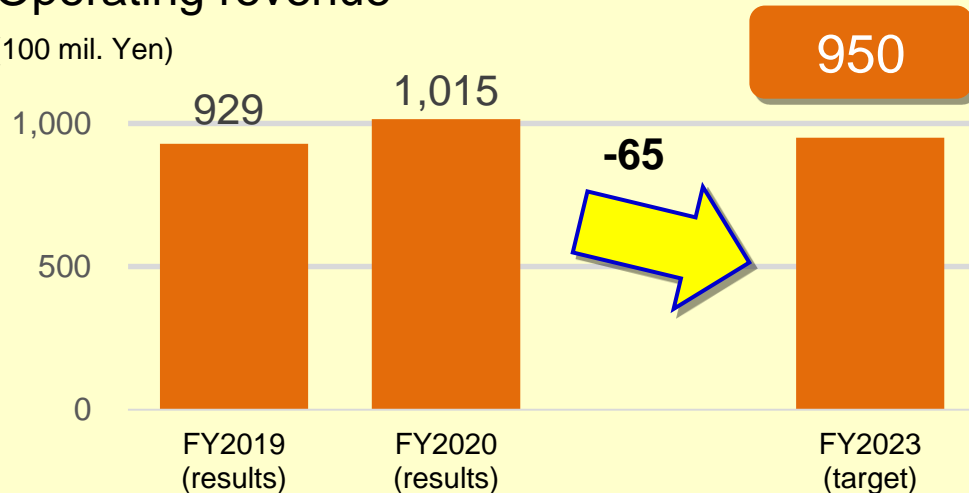


# Numerical targets (FY2023)

## Others

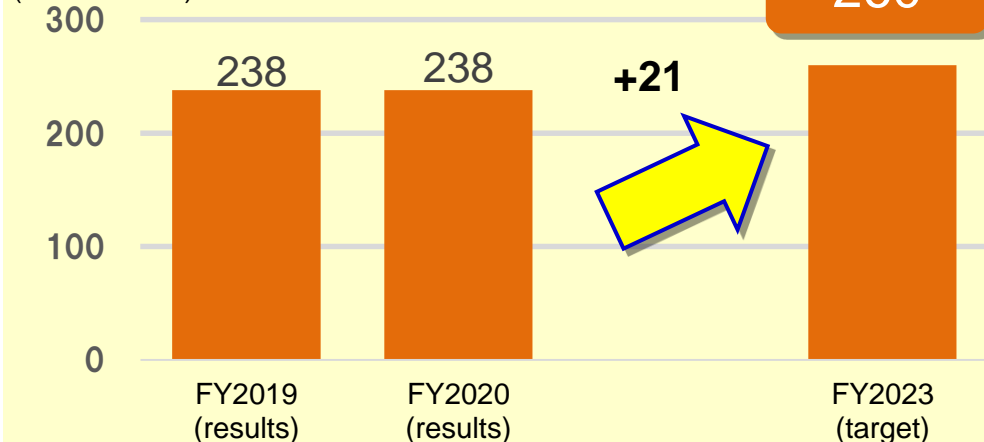
### Operating revenue

(100 mil. Yen)



### Operating income

(100 mil. Yen)

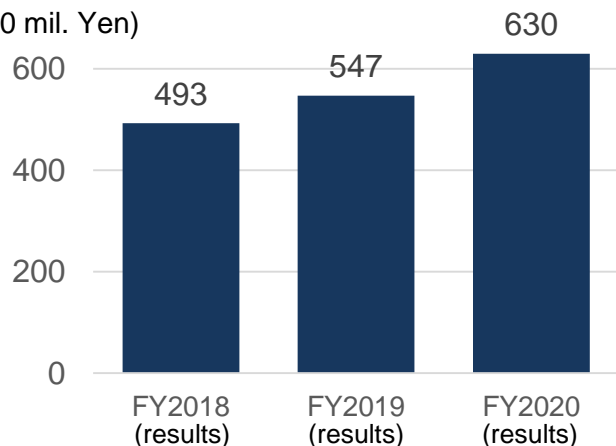


Toward Achievement of FY2023.3 (Goals)

## IT & Suica

### Operating revenue

(100 mil. Yen)



### Suica electronic money revenue



E-money usage such as *Suica*  
 FY2023 target 0.30 bn.\*  
 FY2019 results 0.20 bn.\*  
 FY2020 results 0.25 bn.\*  
 \*transactions/month

### Franchise fees



Number of e-money available stores  
 About 940 thousand stores  
 (152.5% year-on-year)

### Sales of IC-related equipment



No. of *JRE POINT* members  
 FY2023 target 16 mil. persons  
 FY2019 results 9.98 mil. persons  
 FY2020 results 12.05 mil. persons

# Main Initiatives in Relation to MaaS, Suica, and Data Marketing

## Advancement of MaaS

■ Realize seamless, stress-free mobility

■ Expand and develop tourism-type MaaS



Expand and enhance the JR EAST APP



Increase alliances based on Ringo Pass



Conduct verification tests of tourism-type MaaS

## Make Suica a Shared Infrastructure

■ Advance introduction of ticketless service usage, cashlessness, and shift to mobile phones

■ Expand services and usage area of Suica



Encourage use of Shinkansen e-ticket service



Tie-up with Rakuten Pay



Regional collaboration IC card



Expand usage area of Suica electronic money

## Increase JRE POINT Membership and Encourage Use within JR East Group

■ Increase appeal of point program even further

Expand and enhance point awards and point usage menu for railways even further (Awards for repeated use of railway services / upgrades for Shinkansen services, exchange for privilege tickets, etc.)

Prepare with a view to JRE POINT awards for eki-net use (planned from spring 2021)



Advance Data Marketing Vigorously

Target direction

Provide new services that integrate JR East Group's services

Realize services that cater to needs of each customer

# Major Projects Going Forward

## FY2025.3 Shinagawa Development Project (Block 1,2,3,and 4)

Project cost (Plan) approx. ¥550 billion

Forecast for operating revenues (Full-year basis)  
approx. ¥50 billion



Leveraging 5G and IoT to introduce new mobility and create new businesses

5G・IoT

Realizing town development through creation together

Future-focused test sites



Start-ups and High-value-added craft

Utilizing diverse renewable energy



## FY2024.3 and beyond

Oimachi

Implementation of development of terminal stations (Shinjuku, Omiya etc.)

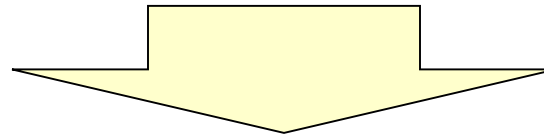
From concentration  
to dispersion

# Irreversible Structural Changes in Post-COVID-19 Society

Acceleration from  
“real” to “digital”

From commuting-centered  
to daily life-centered

Acceleration from  
“mass” to “personal”



Rebuilding of growth and innovation strategy

Fundamental strengthening of management efficiency

## **III. FY2020.3 Financial Results**

---



# FY2020.3 Financial Results (non-consolidated)

(¥ billion)	2019.3 <i>Results</i>	2020.3		2020.3/2019.3	
		Results	[Jan. Plan]	Increase / Decrease	(%)
Operating revenues	2,113.3	2,061.0	[2,125.0]	-52.2	97.5
Passenger revenues	1,856.7	1,792.8		-63.9	96.6
Others	256.5	268.2		+11.6	104.5
Operating expenses	1,721.4	1,767.0		+45.5	102.6
Personnel expenses	449.9	444.4		-5.5	98.8
Non-personnel expenses	790.0	831.1		+41.1	105.2
Energy	66.1	64.5		-1.5	97.6
Maintenance	301.1	302.1		+0.9	100.3
Other	422.7	464.4		+41.6	109.9
Usage fees to JR TT, etc.	84.7	83.3		-1.4	98.3
Taxes	97.5	100.6		+3.1	103.2
Depreciation	299.2	307.4		+8.1	102.7
Operating income	391.8	294.0	[362.0]	-97.7	75.0
Ordinary income	354.8	260.1	[328.0]	-94.7	73.3
Profit	251.1	159.0	[216.0]	-92.1	63.3

# Passenger Revenues – FY2020.3 Results

(YoY, ¥ billion,%)	Increase / decrease	(%)	(YoY, ¥ billion)	Positive and Negative Factors	Increase / Decrease
<b>Passenger revenues</b>	<b>-63.9</b>	<b>96.6</b>	Passenger revenues		-63.9
			Commuter passes revenues (Seasonal tickets)		+3.0
<b>Commuter passes (Seasonal tickets)</b>	<b>+3.0</b>	<b>100.6</b>	Effect of COVID-19		-1.0
			Non-commuter passes revenues (Ordinary tickets)		-66.9
<b>Non-commuter passes (Ordinary tickets)</b>	<b>-66.9</b>	<b>95.0</b>	<b>Shinkansen (-32.7)</b>	Effect of COVID-19	-30.5
				Natural disasters ( Include absence of previous year's natural disasters)	-5.5
Inbound tourism	-1.0				
Leap-year	+0.5				
10-day Golden Week, year-end and New Year Travel	+3.5				
Basic Trend	+1.0				
<b>Shinkansen Network</b>	<b>-32.7</b>	<b>94.3</b>	<b>Kanto Area Network (-32.1)</b>	Effect of COVID-19	-31.0
				Natural disasters ( Include absence of previous year's natural disasters)	-6.5
				Direct Sotetsu-JR line	+Several hundred million
				Rugby World Cup	+0.5
				Leap-year	+1.5
				10-day Golden Week, year-end and New Year Travel	+1.5
Basic Trend	+1.0				
<b>Kanto Area Network of Conventional Lines</b>	<b>-32.1</b>	<b>95.6</b>	<b>Other Network (-2.0)</b>	Effect of COVID-19	-2.0
				Basic Trend	-
<b>Other Network of Conventional Lines</b>	<b>-2.0</b>	<b>96.0</b>			

# Operating Expenses (non-consolidated) – FY2020.3 Results

(¥ billion)	2019.3 Results	2020.3 Results	2020.3/2019.3		Main factors behind change	2021.3 Point
			Increase / decrease	(%)		
Operating expenses	1,721.4	1,767.0	+45.5	102.6		
Personnel expenses	449.9	444.4	-5.5	98.8	<ul style="list-style-type: none"> <li>•Decrease in number of employees (Standard wages: -8.4, Bonus related: -4.3)</li> <li>•Increase in number of elder employees, etc.</li> </ul>	(-) Decrease in number of employees
Non-personnel Expenses	790.0	831.1	+41.1	105.2		
Energy	66.1	64.5	-1.5	97.6	•Decrease in fuel costs of thermal power plants: -1.6	(-) Decrease in fuel costs of thermal power plants
Maintenance	301.1	302.1	+0.9	100.3	<ul style="list-style-type: none"> <li>•Railcar maintenance expenses: +2.8</li> <li>•General maintenance expenses: -1.8</li> </ul>	
Other	422.7	464.4	+41.6	109.9	<ul style="list-style-type: none"> <li>•Outsourcing expenses: +16.1</li> <li>•Shinkansen test railcar ALFA-X: +11.1</li> <li>•Non-life insurance premiums: +2.7</li> <li>•JRE POINT measures: +2.1</li> <li>•Publicity and advertising: +1.9</li> </ul>	<ul style="list-style-type: none"> <li>(+) Takanawa Gateway Fest</li> <li>(+) New uniforms</li> <li>(+) Non-life insurance premiums</li> <li>(+) JRE POINT measures</li> </ul>
Usage fees to JR TT, etc.	84.7	83.3	-1.4	98.3		
Taxes	97.5	100.6	+3.1	103.2	•Increase in property tax, etc.: +2.4	(+) Increase in property tax, etc.
Depreciation	299.2	307.4	+8.1	102.7	•Increase due to capital expenditures	(+) Increase due to capital expenditures

# FY2020.3 Financial Results (consolidated)

(¥ billion)	2019.3 <i>Results</i>	2020.3		2020.3/2019.3	
		Results	[Jan. Plan]	Increase / Decrease	(%)
<b>Operating revenues</b>	<b>3,002.0</b>	<b>2,946.6</b>	<b>[3,041.0]</b>	<b>-55.4</b>	<b>98.2</b>
Transportation	2,038.1	1,994.5		-43.6	97.9
Retail & Services	521.8	502.0		-19.8	96.2
Real Estate & Hotels	349.0	348.5		-0.4	99.9
Others	92.9	101.5		+8.5	109.2
<b>Operating income</b>	<b>484.8</b>	<b>380.8</b>	<b>[459.0]</b>	<b>-104.0</b>	<b>78.5</b>
Transportation	341.9	250.5		-91.3	73.3
Retail & Services	39.2	34.3		-4.8	87.7
Real Estate & Hotels	81.4	74.6		-6.8	91.6
Others	23.8	23.8		+0.0	100.3
Adjustment	-1.5	-2.6		-1.0	168.5
<b>Ordinary income</b>	<b>443.2</b>	<b>339.5</b>	<b>[418.0]</b>	<b>-103.7</b>	<b>76.6</b>
<b>Profit attributable to owners of parent</b>	<b>295.2</b>	<b>198.4</b>	<b>[265.0]</b>	<b>-96.7</b>	<b>67.2</b>

# Transportation - Results

(¥ billion)	2019.3	2020.3	2020.3/2019.3
Operating revenues	2,038.1	1,994.5	-43.6 97.9%
Operating income	341.9	250.5	-91.3 73.3%

## Operating revenues - main positive and negative factors (FY2020.3) (¥ billion)

JR East	-58.9	Decrease in passenger revenues
---------	-------	--------------------------------

## FY2021.3 Topics (*FY2020.3 topics is in italics*)

- *Test runs of ALFA-X next-generation Shinkansen*
- *Beginning of service for accumulating JRE POINT when using Suica for railways*
- *Increase due to absence of Typhoon No. 19*
- *Direct Sotetsu-JR line*
- *Opening of Takanawa Gateway Station*
- *New tourist limited express train SAPHIR ODORIKO in Izu area*
- *Shinkansen e-ticket service*
- *Gunma Destination Campaign*

# Retail & Services - Results

(¥ billion)	2019.3	2020.3	2020.3/2019.3
Operating revenues	521.8	502.0	-19.8 96.2%
Operating income	39.2	34.3	-4.8 87.7%

## Operating revenues - main positive and negative factors (FY2020.3) (¥ billion)

J-Retail	-9.6	Decrease due to the effect of COVID-19
NRE	-9.3	Decrease due to establishment of onboard service division as separate company and the effect of COVID-19
Tohoku Sougou Service	-1.3	Decrease due to the effect of COVID-19
Water Business	-1.0	Decrease due to the effect of COVID-19

## FY2021.3 Topics

- KINOKUNIYA JR Kyoto Isetan Store
- Renewal of Sendai Station's *Gyutandori* (ox tongue street) and *Sushidori* (sushi street)
- GRANSTA Tokyo
- ecute Edition Yurakucho
- ecute Nippori

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

	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Full year
Retails & Restaurant Total	93.4	100.3	100.5	100.5	94.9	65.4	96.1
J-Retail (existing stores)	93.6	99.1	100.6	101.9	95.4	67.1	96.6
NRE (existing stores)	90.5	100.5	99.0	99.7	86.8	47.6	90.9

[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

(¥ billion)	2019.3	2020.3	2020.3/2019.3
Operating revenues	349.0	348.5	-0.4 99.9%
Operating income	81.4	74.6	-6.8 91.6%

Operating revenues  
- main positive and negative factors (FY2020.3) (¥ billion)

LUMINE	-2.4	Decrease due to the effect of COVID-19
Nippon Hotel	-2.1	Decrease due to the effect of COVID-19
JR East Department Store	-1.7	Decrease due to lackluster clothing sales and COVID-19
atré	-1.1	Decrease due to the effect of COVID-19

FY2021.3 Topics (FY2020.3 opening is in italics)

- SHIBUYA SCRAMBLE SQUARE Phase 1 (East Tower)
- Hotel (Akihabara, Shin-Kiba, Gotanda)
- WATERS takeshiba (High-rise building, Parking lot building, Theater building)
- KAWASAKI DELTA
- JR Yokohama Tower, JR Yokohama Tsuruya-cho Building
- Hibiya OKUROJI
- Hotel (Kamakura, Sakuragicho, Taiwan)

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

	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Full year
Shopping Centers Total	91.6	99.3	98.6	99.0	98.9	69.6	97.0
LUMINE (existing stores)	90.1	98.3	97.8	97.5	98.6	59.1	95.6
atré (existing stores)	93.9	99.8	99.3	98.7	99.4	76.9	97.3
Hotel	95.4	103.0	99.0	105.2	91.1	35.1	95.3

[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

(¥ billion)	2019.3	2020.3	2020.3/2019.3
Operating revenues	92.9	101.5	+8.5 109.2%
Operating income	23.8	23.8	+0.0 100.3%

## Operating revenues - main positive and negative factors (FY2020.3) (¥ billion)

JR East Mechatronics	+4.5	Increase in sales of IC-related equipment
Viewcard	+2.0	Increase in franchise fees
JR East	+2.0	Increase in <i>Suica</i> electronic money revenue

## FY2021.3 Topics (*FY2020.3 topics is in italics*)

- *Participating in “cashless, consumer-returns business” and conducting of unique JRE POINT reward campaign in conjunction with this business*
- Increasing *Suica* usage through Rakuten Pay tie-up
- Introducing regional collaboration IC cards (Utsunomiya and Iwate areas)

## FY2020.3 IT & *Suica* operating results

Operating revenues    ¥63.0 billion (115.1%)  
(operating revenues from outside customers)\*

Operating income        ¥16.7 billion (126.4%)

\*Operating revenues: ¥142.1 billion (110.1%)  
(including revenues inside group)



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

(¥ billion)	2019.3 Results	2020.3 Results	Increase/ decrease
Operating income	484.8	380.8	-104.0
Non-operating income or expenses	-41.5	-41.3	+0.2
Non-operating income	25.7	23.9	-1.8
Insurance proceeds and dividends	8.4	6.8	-1.5
Equity in net income of affiliated companies	5.8	5.6	-0.2
Dividend income	5.3	6.1	+0.7
Other	6.0	5.3	-0.7
Non-operating expenses	67.3	65.2	-2.0
Interest expense	62.5	60.7	-1.7
Other	4.7	4.4	-0.3
Ordinary income	443.2	339.5	-103.7
Extraordinary gains or losses	-14.6	-55.3	-40.7
Extraordinary gains	74.7	64.2	-10.4
Construction grants received	59.8	45.6	-14.1
Other	14.8	18.6	+3.7
Extraordinary losses	89.3	119.6	+30.2
Disaster-damage losses	-	19.3	+19.3
Provision for allowance for disaster-damage losses	-	12.4	+12.4
Environmental conservation costs	0.5	11.1	+10.6
Provision for allowance for point card certificates	6.0	-	-6.0
Losses on reduction entry for construction grants	59.4	39.7	-19.6
Other	23.3	36.8	+13.5
Income before income taxes	428.6	284.1	-144.4

Interest expense : 33.1 (-0.4)  
Bond interest : 27.6 (-1.3)

# Summary of Cash Flows (consolidated)

(¥ billion)	2019.3	2020.3	Increase/ decrease
Cash Flows from Operating Activities (I)	Income before income taxes: -144.4		
	663.8	548.6	-115.1
Cash Flows from Investing Activities (II)	Increase in payments for purchases of fixed assets: -54.8		
	-594.4	-701.6	-107.1
<i>Free Cash Flows (I) + (II)</i>	69.3	-152.9	-222.2
Cash Flows from Financing Activities (III)	Increase in proceeds from issuance of commercial paper: +150.0		
	-120.6	43.4	+164.1
Effect of Exchange Rate Changes on Cash and Cash Equivalents (IV)	-0.0	-0.0	-0.0
Net Change in Cash and Cash Equivalents (I) + (II) + (III) + (IV)	-51.3	-109.5	-58.2
Cash and Cash Equivalents at Beginning of the Year	314.9	263.7	-51.1
Increase in Cash and Cash Equivalents from Newly Consolidated Subsidiary	0.0	-	-0.0
Increase in Cash and Cash Equivalents due to Merger	0.0	-	-0.0
Decrease in Cash and Cash Equivalents due to Corporate Division	-	-0.3	-0.3
Cash and Cash Equivalents at End of the Year	263.7	153.7	-109.9

# Change in Capital Expenditures (consolidated)

(¥ billion)		2017.3 (Results)	2018.3 (Results)	(¥ billion)		2019.3 (Results)	2020.3 (Results)
Transportation *	Growth investment	54.8	97.4	Transportation Services	Growth investment	93.5	110.7
	Investment needed for the continuous operation of business	328.3	326.9		Investment needed for the continuous operation of business	307.2	313.3
	<b>Total</b>	<b>383.1</b>	<b>424.4</b>		<b>Total</b>	<b>432.3</b>	<b>470.7</b>
Non-Transportation *	Growth investment	115.1	120.8	Lifestyle services, IT & Suica services	Growth investment	160.5	234.5
	Investment needed for the continuous operation of business	8.4	5.1		Investment needed for the continuous operation of business	32.5	32.2
	<b>Total</b>	<b>123.5</b>	<b>126.0</b>		<b>Total</b>	<b>197.6</b>	<b>269.8</b>
	Growth investment	169.9	218.3		Growth investment	254.1	345.2
	Investment needed for the continuous operation of business	336.7	332.0		Investment needed for the continuous operation of business	339.8	345.5
	(Priority budget allocation)	(23.5)	(25.3)		(Depreciation)	368.7	374.7
	(Depreciation)	364.1	367.9		Priority budget allocation (Investment in innovation, etc.)	35.9	49.7
	<b>Total</b>	<b>506.7</b>	<b>550.4</b>		<b>Total</b>	<b>629.9</b>	<b>740.6</b>

\* 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)	2016.3 (Results)	2017.3 (Results)	2018.3 (Results)	2019.3 (Results)	2020.3 (Results)
Bonds	1,809.9 (1.83%)	1,839.9 (1.73%)	1,770.1 (1.68%)	1,730.1 (1.61%)	1,710.2 (1.56%)
Long-term loans	993.7 (1.23%)	1,030.1 (1.14%)	1,072.9 (1.10%)	1,101.4 (1.06%)	1,124.3 (0.99%)
Long-term liabilities incurred for purchase of railway facilities	438.3 (6.18%)	340.9 (6.45%)	336.5 (6.47%)	332.1 (6.49%)	327.7 (6.51%)
Other interest-bearing debt	-	-	-	-	150.0 (-)
Total	3,241.9 (2.23%)	3,211.0 (2.04%)	3,179.6 (1.99%)	3,163.7 (1.93%)	3,312.3 (1.79%)
Net interest-bearing debt	2,934.1	2,923.9	2,864.7	2,899.9	3,158.5

[Notes]

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

Top : Balance

Bottom: Average interest rate

## **IV. Reference Materials**

---

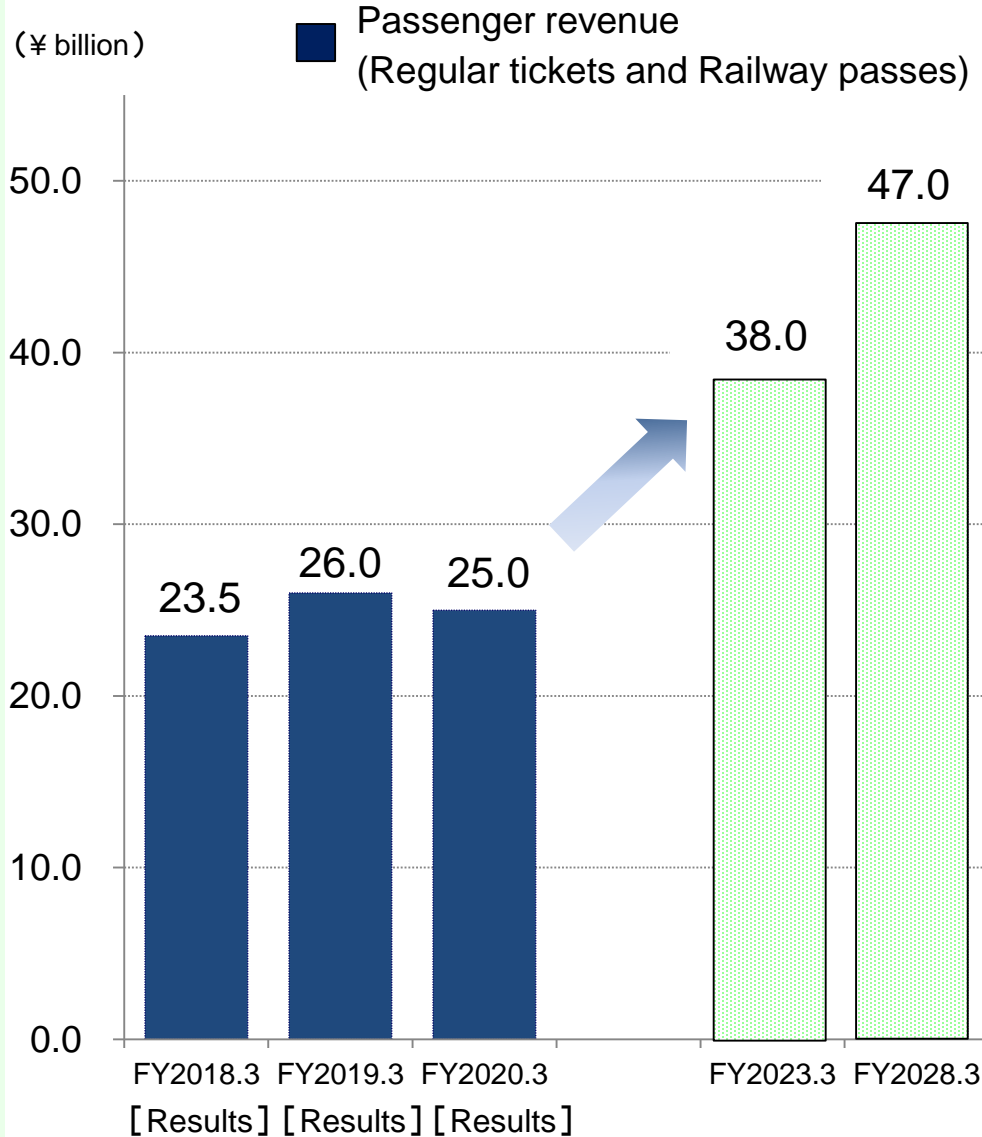
# FY2020.3 Traffic Volume and Passenger Revenues - Results

		Commuter Passes: Seasonal Tickets		Non-commuter Passes: Ordinary Tickets	
Conventional Lines	Shinkansen	Commuter Passes			
		Non-commuter Passes			
		Total			
	Kanto Area Network	Commuter Passes			
		Non-commuter Passes			
		Total			
	Other Network	Commuter Passes			
		Non-commuter Passes			
		Total			
Total	Commuter Passes				
	Non-commuter Passes				
	Total				
Total	Commuter Passes				
	Non-commuter Passes				
	Total				

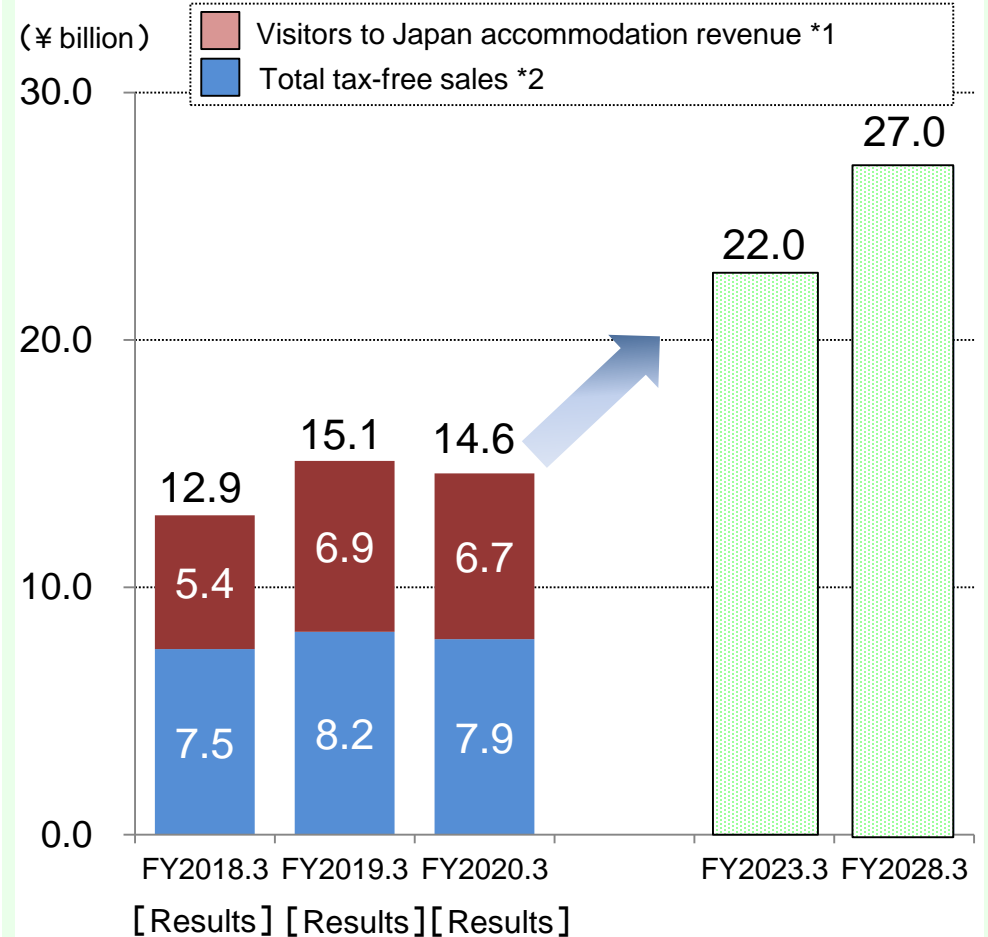
Traffic Volume (million passenger kilometers)			
2019.3 Results	2020.3 Results	Increase / decrease	(%)
1,813	1,909	+95	105.3
21,929	20,615	-1,313	94.0
23,742	22,524	-1,217	94.9
71,215	71,720	+505	100.7
37,036	35,620	-1,416	96.2
108,252	107,341	-911	99.2
3,063	3,045	-17	99.4
2,540	2,473	-66	97.4
5,603	5,519	-84	98.5
74,278	74,766	+487	100.7
39,577	38,094	-1,482	96.3
113,856	112,861	-995	99.1
76,092	76,675	+583	100.8
61,506	58,710	-2,796	95.5
137,598	135,385	-2,212	98.4

Passenger Revenues (¥ billion)			
2019.3 Results	2020.3 Results	Increase / decrease	(%)
24.6	25.8	+1.1	104.8
572.5	539.7	-32.7	94.3
597.1	565.5	-31.5	94.7
463.3	465.2	+1.9	100.4
726.9	694.8	-32.1	95.6
1,190.2	1,160.1	-30.1	97.5
18.4	18.2	-0.1	99.4
50.8	48.8	-2.0	96.0
69.2	67.0	-2.1	96.9
481.7	483.5	+1.8	100.4
777.8	743.6	-34.1	95.6
1,259.5	1,227.2	-32.3	97.4
506.3	509.4	+3.0	100.6
1,350.3	1,283.3	-66.9	95.0
1,856.7	1,792.8	-63.9	96.6

## Railway business



## Life-style service business



\*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.)

# Major Subsidiaries - Results

(¥ billion)		2019.3 Results	2020.3 Results	2020.3/ 2019.3 (%)
JR East Retail Net (J-Retail)	Operating revenues	229.9	221.9	96.5
	Operating income	5.0	3.9	79.1
Nippon Restaurant Enterprise (NRE)	Operating revenues	58.0	44.3	76.4
	Operating income	0.4	-0.1	-
East Japan Marketing & Communications	Operating revenues	119.0	120.8	101.5
	Operating income	3.1	3.0	95.0
LUMINE	Operating revenues	76.8	74.3	96.8
	Operating income	13.7	11.5	84.1

\* Non-consolidated operating revenues / operating income

\* On April 1, 2020, Nippon Restaurant Enterprise Co., Ltd., and JR EAST FOOD BUSINESS CO., LTD., merged.  
The name of the new company is JR EAST FOODS CO., LTD.



# Hotel Operations - Overview

Operating revenues \*1    ¥ 53.4 billion    (2020.3)

Operating income \*1       ¥ 0.9 billion    (2020.3)

\*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)

Operating revenues \*2    ¥ 34.7 billion (2020.3)    Occupancy rate 75.3%

■ *JR-EAST HOTEL METS chain* (28 hotels, 3,608 guest rooms)

Operating revenues \*2    ¥ 11.5 billion (2020.3)    Occupancy rate 85.5%

\*2 Simple sum of operating revenues from each hotel.

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

■ *Familio, Folkloro, Wanoi* (9 hotels, 347 guest rooms)

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

■ *Hotel New Grand* (238 guest rooms)

(As of Mar. 31, 2020)

## Number of e-money available shops

\* Figures include results of other affiliated stores.

### 【Compatible stores】

940,290 (152.5%)

### 【Compatible locations (terminals)】

1,589,110 (143.1%)

[Figures are as of Mar. 31, 2020.]

\* Figures in brackets are percentage changes from the previous year.

## Largest number of e-money transactions in one month

\* Figures include results of other affiliated stores.

### 【Suica cards issued】

82.73 million (109.0%)

### 【Mobile Suica members】

9.34 million (130.6%)

### 【Transaction per month (highest ever)】

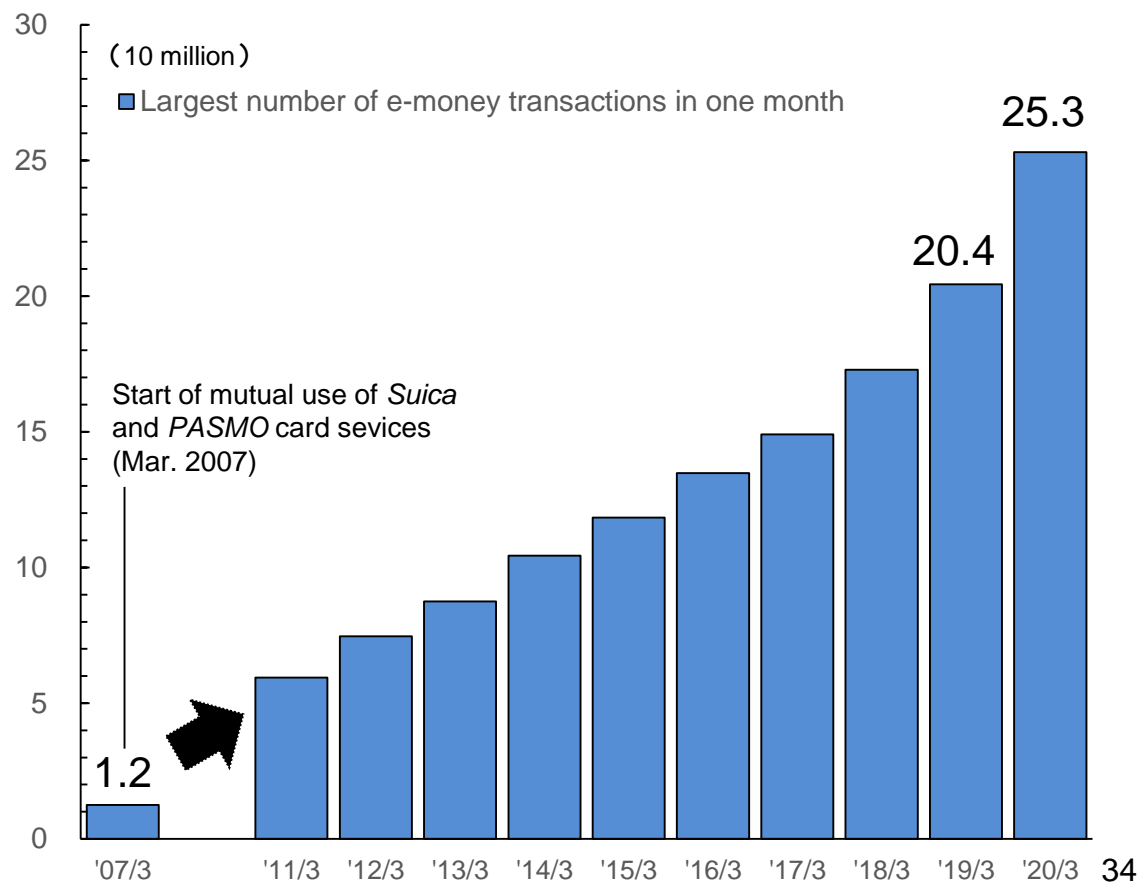
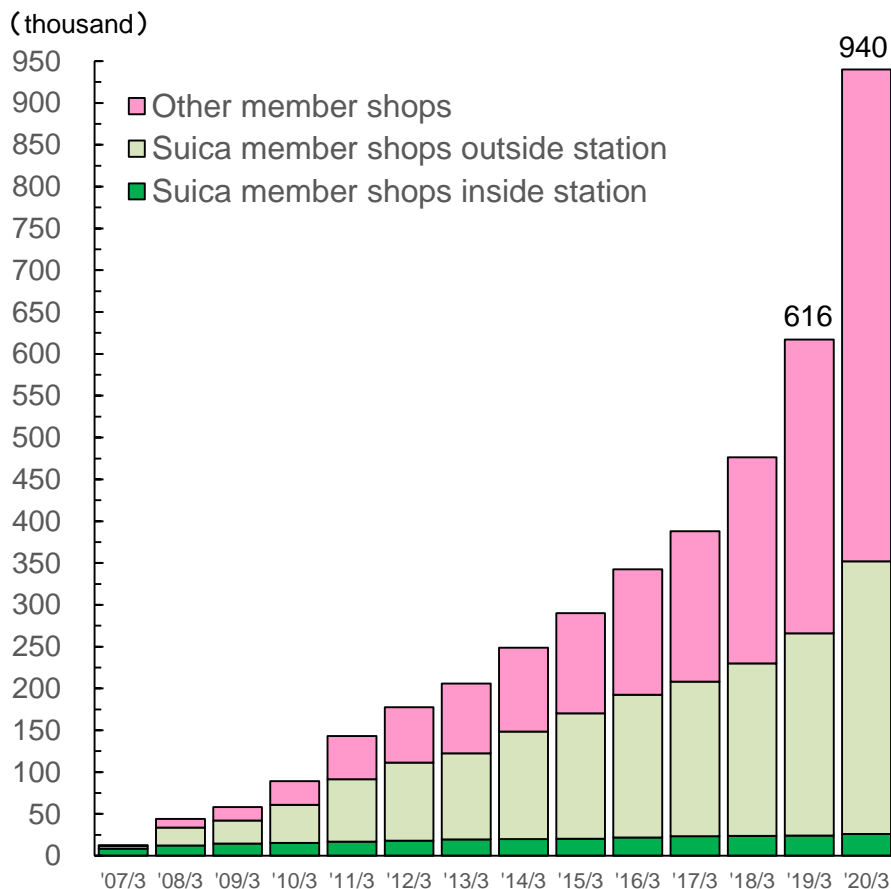
252.61 million (Dec. 2019)

### 【Transaction per day (highest ever)】

9.58 million (20 Dec. 2019)

[Figures are as of Mar. 31, 2020.]

\* Figures in brackets are percentage changes from the previous year.



## Environment (E)

### ■ Advancement of energy-saving and carbon-free society



Continued introduction of energy-saving railcars



Enhancement of environmental performance when upgrading railway stations



Increase in generation of renewable energy



Advancement of replacement of aging facilities of Kawasaki Power Station Unit 1

### ■ Use of hydrogen



Development of test railcar for hybrid railcar (fuel cell) that uses hydrogen as energy source



Development of hydrogen station in Shinagawa Development Project



### ■ Use of new technology



Verification tests of superconducting flywheel power storage system for railways



Operation of scheduled tourism buses that use biodiesel fuel

### ■ Advancement of countermeasures for ocean plastic pollution

Reduction of plastic bags at stores and straws or changing of materials



### ■ Response to climate change

- Analysis and disclosure of effect of climate change on corporate activities and reflection in management strategies

### ■ Continued issuance of Sustainability Bonds

- Raising of funds for projects that help solve both environmental and social issues

## Social (S)

### ■ Advancement of barrier-free environments

(Including barrier-free mindset)

### ■ Establishment of new childcare support facilities



Asagaya

Also in...  
Yokohama, Sakuragicho,  
Musashi-Urawa, Takasaki

### ■ Contribution to human resources development and cultural support activities

- Expansion of development of international railway personnel through taking in of trainees from Asia, etc. and taking in of technical interns by JR East and Group companies
- Support for regional cultural businesses through East Japan Railway Culture Foundation

### ■ Provision of high-quality health care

- Contribution to regional health care through directly managed hospitals
- Advancement of infectious disease countermeasures

### ■ Food waste countermeasures

- Reduction of food waste at hotels and railway stations
- Advancement of 3010 campaign

## Governance (G)

### ■ Strengthening of risk management

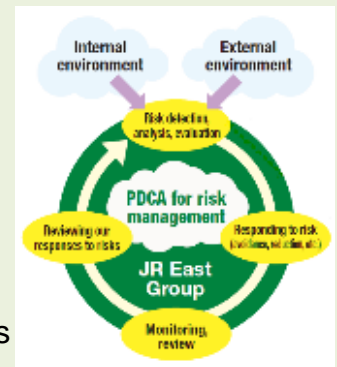
- Enhancement of risk management
- Identification of compliance violations in operational practices and implementation of countermeasures

### ■ Advancement of compliance

- Conducting of education for all Group employees
- Expansion and enhancement of whistle-blowing system

### ■ Qualitative reform of internal audits

- Expansion and enhancement of highly effective audits that reflect importance of risks
- Analysis and use of information system data



# ESG ~Making regional areas more affluent~

## Operation of sight-seeing train

TRAIN SUITE SHIKI-SHIMA



Support from local people  
(TOHOKU EMOTION)



## Responding to inbound travel demand from overseas

Providing information overseas  
(JAPAN RAIL CAFE)

- Singapore
- Taiwan



Free Wi-Fi in Shinkansen, etc.



## Measures towards Tourism Type MaaS



## Compact cities around stations

NORTHERN STATION GATE AKITA



- Renewal of Akita Station as a base for tourism
- Opening of an arena, a sports orthopedic clinic, a student condominium and training camp facility

Development around Niigata station



- Elevation of tracks and development of underpass at Niigata Station

Promoting the sextic industrialization of agriculture, forestry and fisheries including processing, logistics and marketing

Sextic industrialization

Primary industry (production)

Secondary industry (processing)

Tertiary industry (sales)

Satsukino coriander factory



# Numerical targets (FY2023)

Values to create  
Focus points

Numerical targets for specific actions (FY2023)

FY2020 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

0.004 mil. transactions/month  
17.1 %  
139 locations  
8 locations  
0.26 mil. persons  
12.05 mil. persons  
0.25 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)

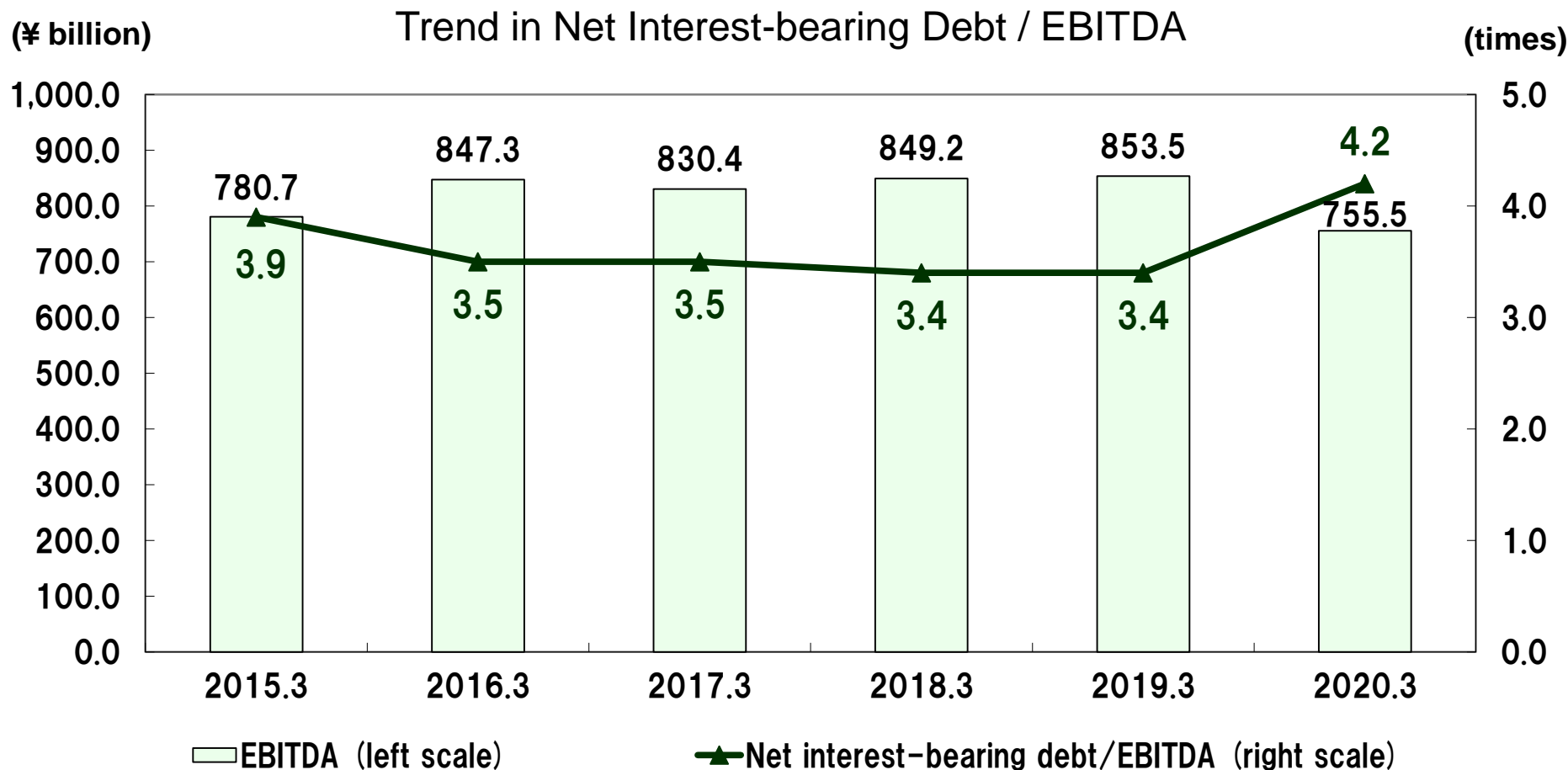
0  
0  
134 \*  
(20 reduction from FY 2019)  
70 \*  
(5 increase from FY2019)

※ preliminary figures

16% reduction \*  
50% reduction \*  
13% reduction \*

# Key Financial Indicators(1)

Additional Information for bond Investors

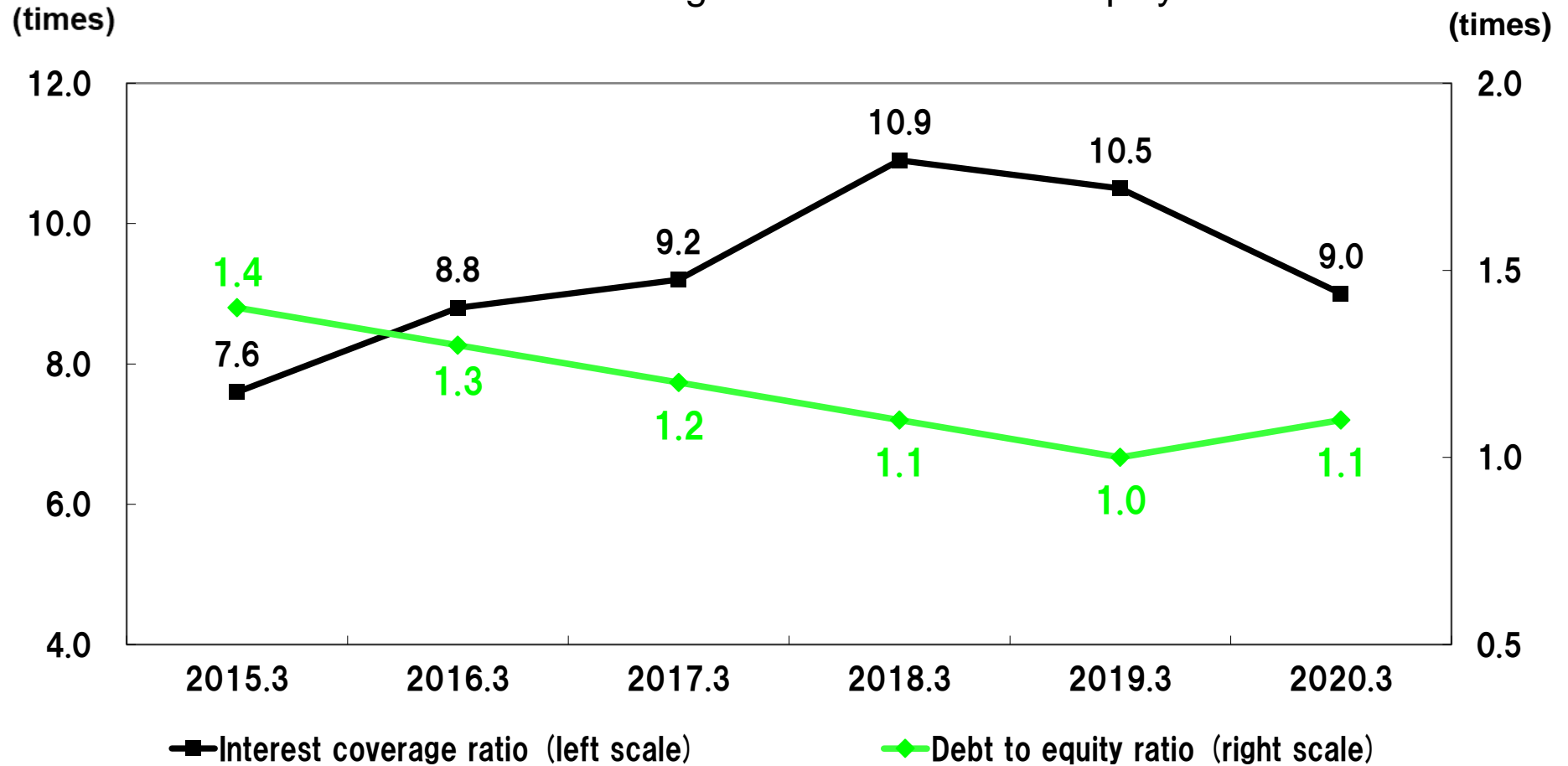


[Reference]	2015.3	2016.3	2017.3	2018.3	2019.3	2020.3
Net interest-bearing debt (¥ billion)	3,030.3	2,934.1	2,923.9	2,864.7	2,899.9	3,158.5

[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

## Trend in Interest Coverage Ratio and Debt to Equity Ratio



[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

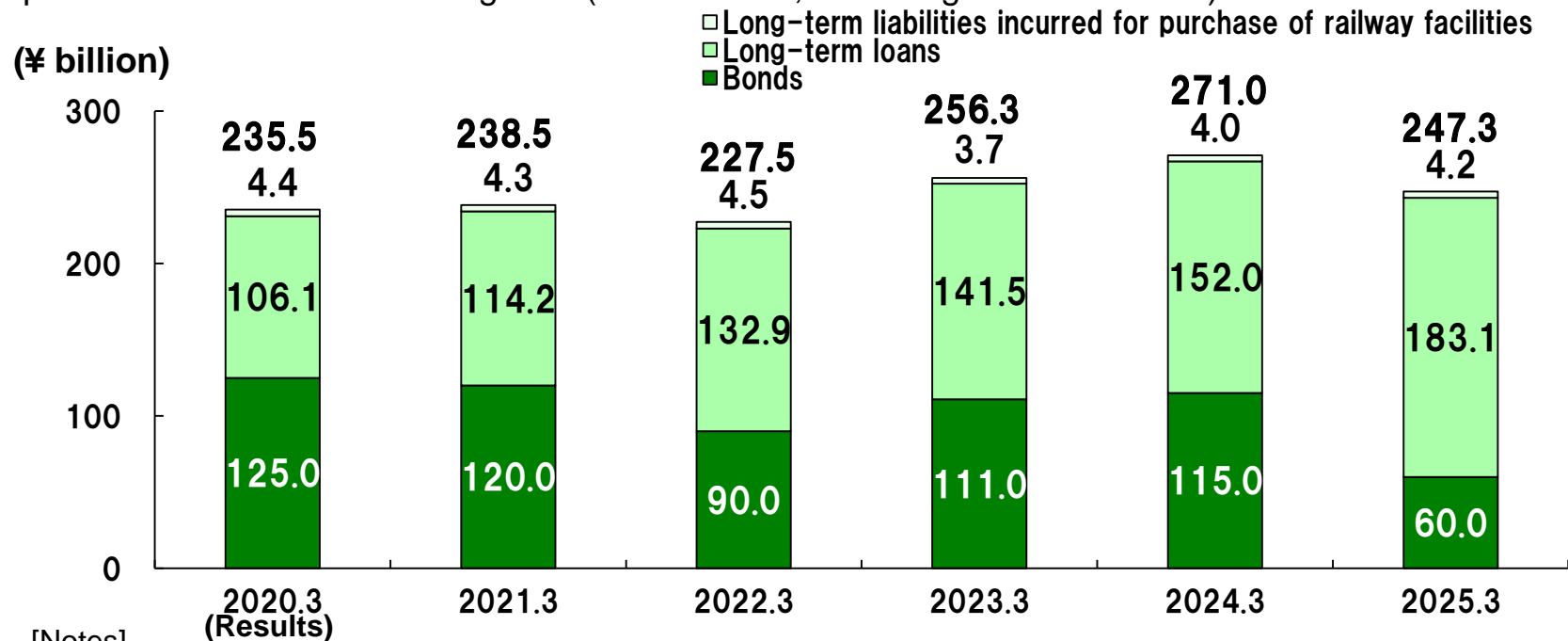
Additional Information for bond Investors



Breakdown of consolidated interest-bearing debt (As of Mar. 31, 2020)

	Balance (¥ billion)	Breakdown	Average interest rate	Average maturity
Bonds	1,710.2	51.6%	1.56%	12.74 years
Long-term loans	1,124.3	34.0%	0.99%	7.00 years
Long-term liabilities incurred for purchase of railway facilities	327.7	9.9%	6.51%	20.71 years
Other interest-bearing debt	150.0	4.5%	0.00%	0.53 years
<b>Total</b>	<b>3,312.3</b>	<b>100.0%</b>	<b>1.79%</b>	<b>11.03 years</b>

Redemption ladder of interest-bearing debt (consolidated, excluding short-term debt)

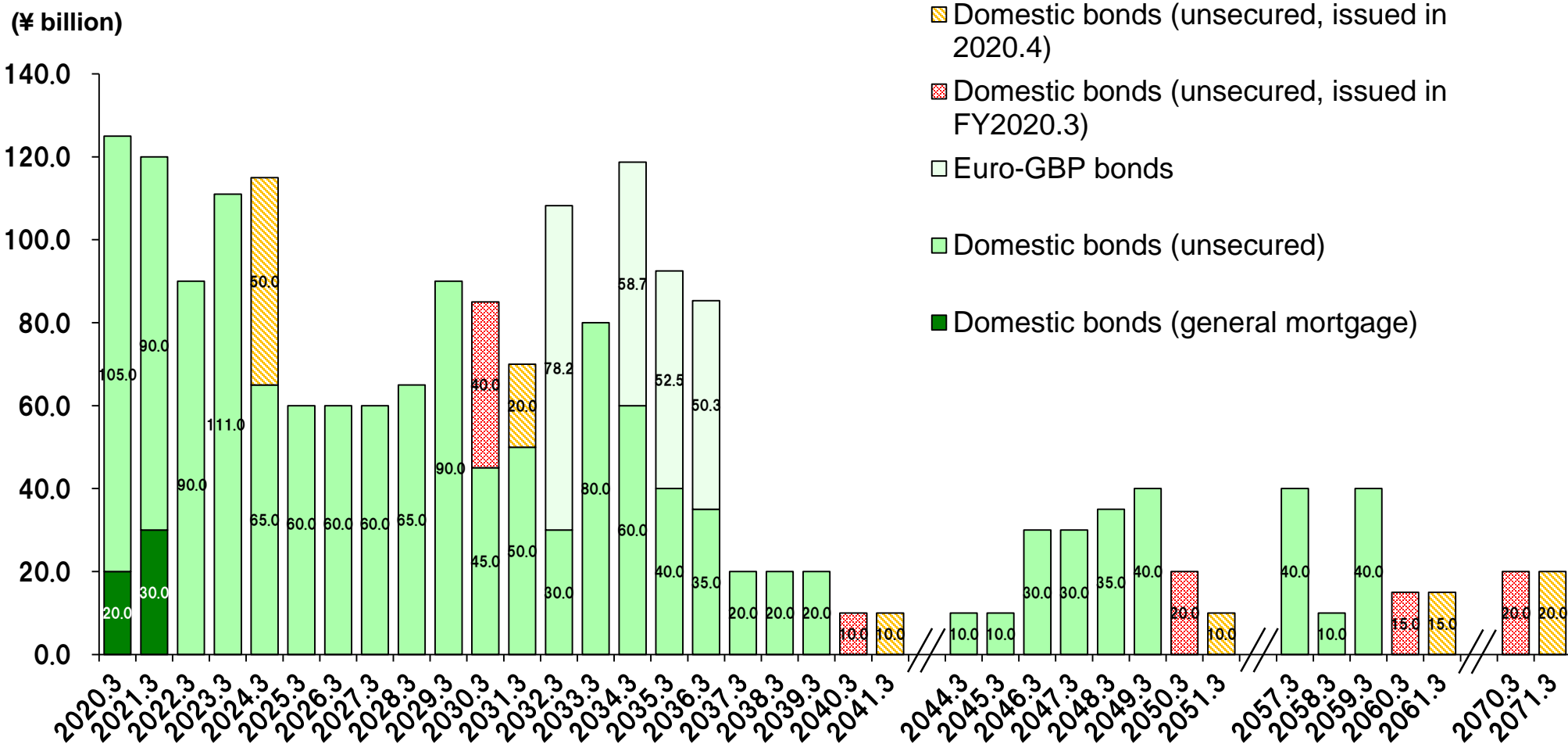


[Notes]

- 1) Outlook as of Apr. 30, 2020
- 2) Bond redemptions are at face value



## Redemption ladder of bonds(non-consolidated)



[Notes]

1) Outlook as of Apr. 30, 2020

2) Redemptions are at face value

# Bonds Issuance in FY2020.3

Additional Information for bond Investors



Series	Tenor	Total amount of issue	Coupon	Issue price	Reoffer yield	JGB spread	Issue date	Maturity date
140	10	¥ 10.0 billion	0.100%	¥100	0.100%	-	2019.7.23	2029.7.23
141	30	¥ 10.0 billion	0.488%	¥100	0.488%	+16bp	2019.7.23	2049.7.23
142	50	¥ 20.0 billion	0.809%	¥100	0.809%	-	2019.7.23	2069.7.23
143	20	¥ 10.0 billion	0.444%	¥100	0.444%	+13.5bp	2019.12.23	2039.12.23
144	30	¥ 10.0 billion	0.606%	¥100	0.606%	+15.5bp	2019.12.23	2049.12.23
145	40	¥ 15.0 billion	0.771%	¥100	0.771%	+29.5bp	2019.12.23	2059.12.23
1st Sustainability Bonds	10	¥ 30.0 billion	0.220%	¥100	0.220%	+21.5bp	2020.1.27	2030.1.25

# Bonds Issuance in 2020.4

Additional Information for bond Investors



Series	Tenor	Total amount of issue	Coupon	Issue price	Reoffer yield	JGB spread	Issue date	Maturity date
146	3	¥ 50.0 billion	0.150%	¥100	0.150%	-	2020.4.22	2023.4.21
147	10	¥ 20.0 billion	0.265%	¥100	0.265%	+25.5bp	2020.4.22	2030.4.22
148	20	¥ 10.0 billion	0.569%	¥100	0.569%	+24bp	2020.4.22	2040.4.20
149	30	¥ 10.0 billion	0.697%	¥100	0.697%	+25bp	2020.4.22	2050.4.22
150	40	¥ 15.0 billion	0.832%	¥100	0.832%	+36bp	2020.4.22	2060.4.22
151	50	¥ 20.0 billion	0.992%	¥100	0.992%	-	2020.4.22	2070.4.22

## ■ 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	Notes
Moody's	Aa3	Reviewing for downgrade in March 2020
Standard & Poor's (S&P)	AA-	Reviewing for downgrade in April 2020
Rating and Investment Information (R&I)	AA+ (Stable)	

## ■ Liquidity

- Using diverse fund-raising methods to secure liquidity
- CP issuance facility: ¥ 500.0 billion (increased amount in April 2020)

### Short-term credit ratings with respect to CP issuance facility

Rating agency	Rating	Notes
Rating and Investment Information (R&I)	a-1+	Updated rating in April 2020 (when issuance facility increased)
Japan Credit Rating Agency (JCR)	J-1+	Assigned rating in April 2020 (when issuance facility increased)

\* With respect to the CP issuance facility until March 2020 (¥150.0 billion), Moody's has provided a rating of P-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.