FY2021.3 Financial Plan Presentation

September 17, 2020
East Japan Railway Company

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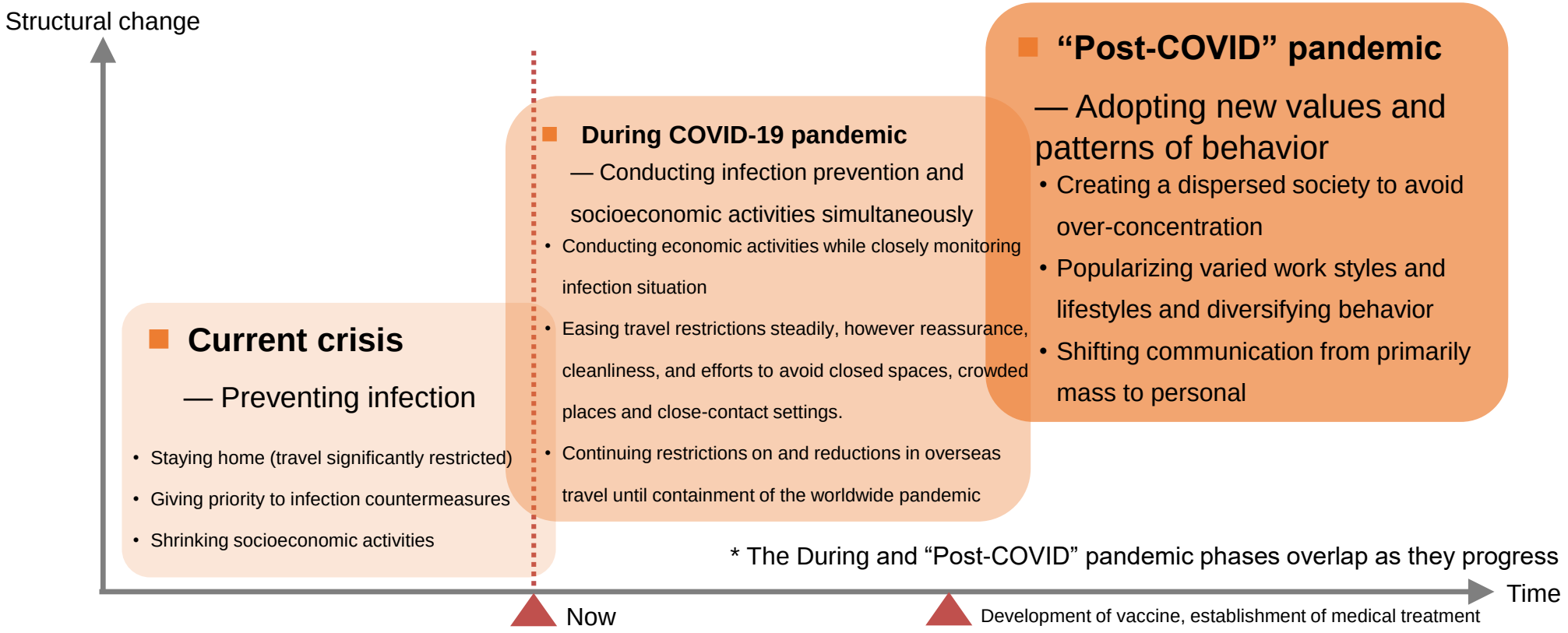
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Ⅰ　Speed up “Move up” 2027

～To realize sustainable JR EAST GROUP～

Trends Envisioned in Society during and after the COVID-19 Pandemic



Current Crisis—Policy on Measures during the COVID-19 Pandemic

Accomplishment of social mission	The Group will accomplish its social mission by contributing to economic recovery through optimal transportation and service provision while implementing such countermeasures as the disinfection and ventilation of railway stations and railcars rigorously so that customers can use them in reassuring, clean environments.
Speed up "Move Up" 2027	The Group will revise investment required for the continuous operation of business, with ensuring safety as a premise, while investing in growth and innovation steadily to realize the JR East Group Management Vision "Move Up" 2027.
Create transportation demand	The Group will make a concerted effort to create transportation demand by leveraging *JRE POINT* to laterally link railway, life-style services, and IT & Suica businesses, by partnering with national and regional governments and local communities to offer products with highly attractive value, and by actively proposing new ways to travel and new lifestyles.

Trends Envisioned in Society during and after the COVID-19 Pandemic

Irreversible Structural Changes of “Post-COVID” Society

Concentration	Company centered	Mass
new values and patterns of behavior ／digital transformation		
Dispersal	**Lifestyle centered**	**Personal**

Practice ESG management +

Rebuild growth and innovation strategies

Strengthen management efficiency fundamentally

Realize the JR East Group Management Vision “Move Up” 2027 by raising the speed and level of forward-looking initiatives

- We will combine our strength in real-world networks with digital technologies to offer ideas for new lifestyles and take on challenges in new fields.
- We aim to adopt a people-focused approach in evolving our railway-centered business model, reform cost structures, and make the JR East Group a sustainable corporate group that coexists with local communities.



Rebuild growth and innovation strategies

	Short term （2020・2021）	Middle term（2022～2024）	Long term （2025～）
Propose new lifestyle ideas	Support work-style reform		
	Create real × digital lifestyles (strengthen e-commerce)		
	Attractive town development		
	Provide reassurance and cleanliness as well as transportation and trips avoiding “Cs”		
	New transportation and trips enabled by MaaS and digital technologies		
	Expand Suica businesses catering to contactless needs		
	Integrate Group strategies for customers		
Take on challenges in new fields	Logistics services that utilize trains		
	Business alliances with start-up companies, etc. (regional agriculture, utilization of unmanned railway stations, etc.)		
	Share 5G antenna infrastructure		
	Utilize robots		
	Development overseas businesses		

Practice ESG management

Short term （2020・2021）	Middle term（2022～2024）	Long term （2025～）
Zero-Carbon Challenge 2050		
Contribute to regional revitalization		

Propose new lifestyle ideas 【Support work-style reform】

We will support customers' diverse work styles, such as telecommuting and workcations.
We will ease congestion during commuting hours and realize environments that customers can use comfortably.

Workcations, Multiple-Residence Lifestyles

- Promote workcations that combine *GALA Yuzawa*, the JR East Group's hotels, local facilities, and events, etc.

Combine usage of Suica for railways, Group hotels, *STATION WORK*, etc., and provide preferential services to repeat customers





Expand *STATION WORK*

- Aim for 100 locations within one year to promote telecommuting and 1,000 locations nationwide by fiscal 2026





Support Diverse Commuting Such as Off-Peak

- Promote off-peak commuting by awarding *JRE POINT*

Award *JRE POINT* to customers using Suica commuter passes during off-peak periods (from spring 2021)

- Benefits for Repeat-Customers

Award passengers who use train services repeatedly *JRE POINT* that is equivalent to points awarded for using *Suica* charging to purchase multiple-ride tickets (from spring 2021)

Propose new lifestyle ideas【Create real × digital lifestyles】

We will incorporate the latest technologies to create railway station spaces that customers find convenient and attractive.
JR East Group will expand and enhance its differentiated lineup and strengthen e-commerce centered on *JRE MALL*.

Create New Railway Station Spaces

- Taking into consideration changes in lifestyles, create railway station spaces that customers find more convenient and attractive

Launch new businesses and through them create new value and lifestyles



BECK'S COFFEE SHOP　acure　NewDays

Customer-focused

JRE MALL　Ecute　GRANSTA



Unmanned store payment system 「TOUCH TO GO」



Locker reservation, luggage collection and sending

MaaS

まもレール





Secondary traffic



Creation of attractive spaces, information dissemination

Create lifestyle

Strengthen *JRE MALL*

- Roll out differentiated, appealing JR East Group products
- Proactively sell agricultural products and online tours with a focus on regional revitalization
- We will enhance the appeal of the products of *JRE MALL* through external alliances with *SENSHUKAI,* with *BELLE MAISON*, among others. Further, through reciprocal customer referral with *BELLE MAISON* members, we will strengthen the membership base of *JRE POINT*.



Sake Brewery Online Tour @Niigata

BELLE MAISON



Alliance with *SENSHUKAI*



Sale of agricultural products in collaboration with regions (rendering)

Propose new lifestyle ideas【Attractive town development】

We will accelerate diverse, attractive town development through initiatives to heighten the area value of the Tokyo metropolitan area, such as the promotion of proposal-type rental apartments and the utilization of JR East's funds for the acquisition of external properties, etc.

Real Estate Business

- Aim to reconcentrate and remobilize the potential of the Group's real estate and maximize the Group's asset value
- Advance proposal-type rental apartments based on various concepts to promote the development of line-side areas that people are glad they live in



Nagamachi Station East Exit Development



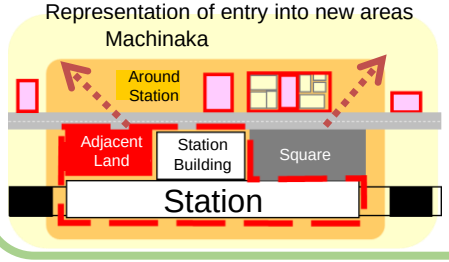
Shared work lounge



View Lieto Gran Shinjuku Toyama

- Participate in real estate funds
  - Accelerate town development by utilizing funds to incorporate the Company's own properties and acquire external properties mainly in areas surrounding railway stations

Representation of entry into new areas



First property (along Sobu Line)



Second property (along Tokaido Line)



Tokyo Metropolis Project

- In an era of global competition among cities, advance town development that enhances and heightens the profile of the appeal and value of the Tokyo metropolitan area as a multilayered, multipurpose area



Propose new lifestyle ideas

【Provide reassurance and cleanliness as well as transportation and trips avoiding closed spaces, crowded places and close-contact settings】

With safety as a base, we will offer ideas for reassuring, comfortable transportation and trips through such measures as the provision of clean environments, the provision of congestion information, and the establishment of products that avoid closed spaces, crowded places and close-contact settings.

Provide clean environments






- Disinfect railway stations, railcars, stores, etc.



- Roll out cleaning business that leverages technological capabilities and know-how

Provide Information on the congestion of Railway Stations and Railcars

Provide congestion information via the *JR EAST APP* and JR East's official website



Discounted Use of Quiet Trains and Periods

- Increase and improve dynamic pricing and limited-time offers

ドクだ値

- Pricing by season
  Flatten usage through such measures as increasing the difference in fares for quiet periods and crowded periods



Comfortable Transportation and Accommodation

- Offer products combining Gran Class / Green Car and guest rooms with open-air hot spring baths, etc.



Staycations at Nearby Hotels

- Discounted use of the JR East Group hotels in the Tokyo metropolitan area and major cities




Propose new lifestyle ideas

【New transportation and trips enabled by MaaS and digital technologies】

We will offer customers comfortable ways of using transportation and taking trips that utilize digital technologies.



Nearby regions

city

countryside

- **“*Hiking from the railway station*” with a smartphone**
  - Reservation, reception
  - Web map of stores where Suica usable
- ***JR-East App***
  - Guidance including walking route from point of departure to destination and information on delays
- ***Ringo Pass***
  - Increase and enhance coordination with secondary transportation (taxis, shared bicycles, etc.) and realize seamless mobility

※images

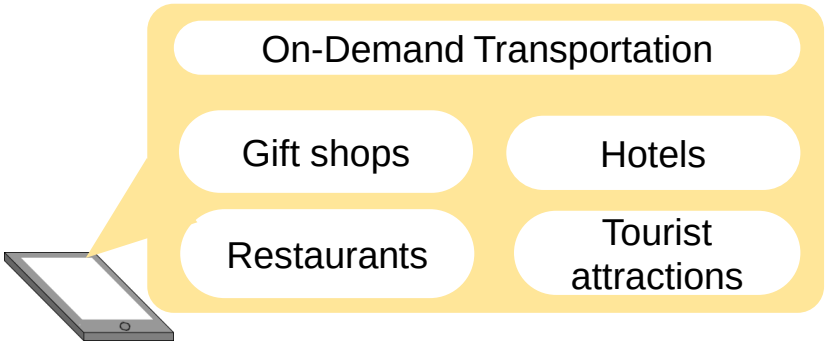






- **Ticketless, smartphone-friendly services**

- **Increase Tourism-Type MaaS**
  - Areas targeted for introduction: Fiscal 2023, 20 areas



- **Tohoku *MaaS & Cashless* Concept**
  - Roll out MaaS in the six prefectures of Tohoku to coincide with the Tohoku Destination Campaign (April–September 2021)
  - Introduce *Suica* electronic money to the main tourism areas and areas nearby the principal railway stations

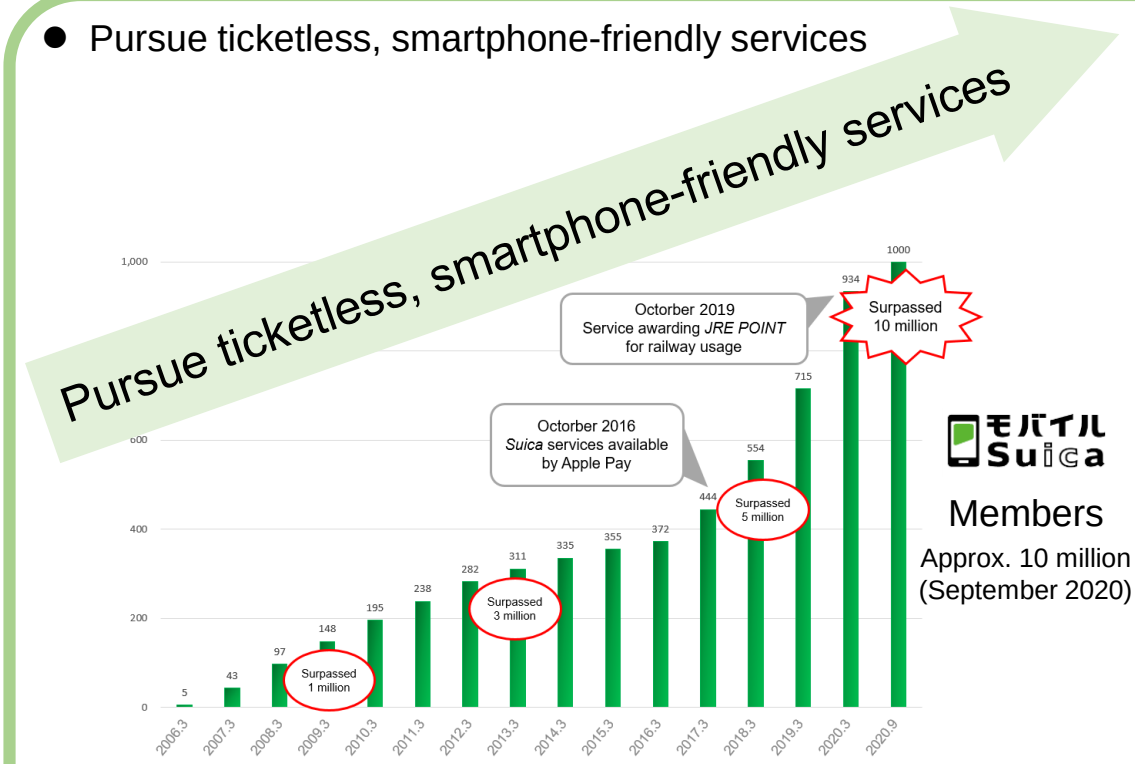
TOHOKU MaaS
Sendai・Miyagi trial
1st.Sep.2020~30th.Nov.2020



Propose new lifestyle ideas【Expand *Suica* businesses catering to contactless needs】

We will accelerate the introduction of ticketless, smartphone-friendly services and realize seamless, stress-free transportation for customers while increasing various services and businesses that cater to contactless needs.

- Pursue ticketless, smartphone-friendly services



モバイルSuica

Members

Approx. 10 million (September 2020)

Transform how trains are ridden
Create New Railway Station Spaces

新幹線eチケット　タッチでGo! 新幹線

えきねっと チケットレスサービス

- ✓ **Contactless / social distancing**
- ✓ **Seamless, stress-free transportation**
- ✓ **Resource saving**

Preferential services for *eki-net* (ticketless) users
（at summer 2021）

- Use of *JRE POINT* to receive privilege tickets
- Service upgrades
- Discounts on *Otona no Kyujitsu Club* products, etc.

えきねっと

- Expand electronic money business (affiliated stores) through coordination with mobile ordering, etc.
- Promote the Introduction of *Suica Authentication Information Provision Service* (digital tickets, digital keys, etc.)
- Consider utilization of *NFC Tags* in the transportation and payment fields
- Promote a shift to smartphone usage by diversifying methods of charging *Mobile Suica* through fintech collaborations, etc



Proving trial of *NFC Tag* utilization on buses（out of business hours）

Propose new lifestyle ideas【Integrate Group strategies for customers】

We will achieve unified understanding and analysis of data possessed by the Group and advance comprehensive customer strategies that encompass three businesses, namely, the railway, life-style service, and IT & *Suica* businesses.

Use the JR East Group's services

Deepen data analysis and increase personalization

Provide information on personalized products and services

Customer base

えきねっと

大人の休日倶楽部

Use station buildings or areas inside railway stations

STATION WORK

Prediction technologies

Internet data, etc.

Provide timely recommendations reflecting customers' transportation and life stages

Expand *JRE POINT*

- Integrate *eki-net points* and *JRE POINT*
- Develop and implement loyal customer strategy

Create New Businesses through Collaborations Outside the Group

・Roll out travel expenses settlement business and other services for businesses
・Carry advertising on reservation websites and apps

- Increase average sale per customer and customers' usage frequency through cross data marketing that laterally spans various locations, times, and services

Recommendations reflecting customers travel



Provision of information on *STATION WORK* based on commuting areas



Provision of information on nearby souvenir shopping opportunities based on travel

Provision of service information and recommendations based on customers' life stage

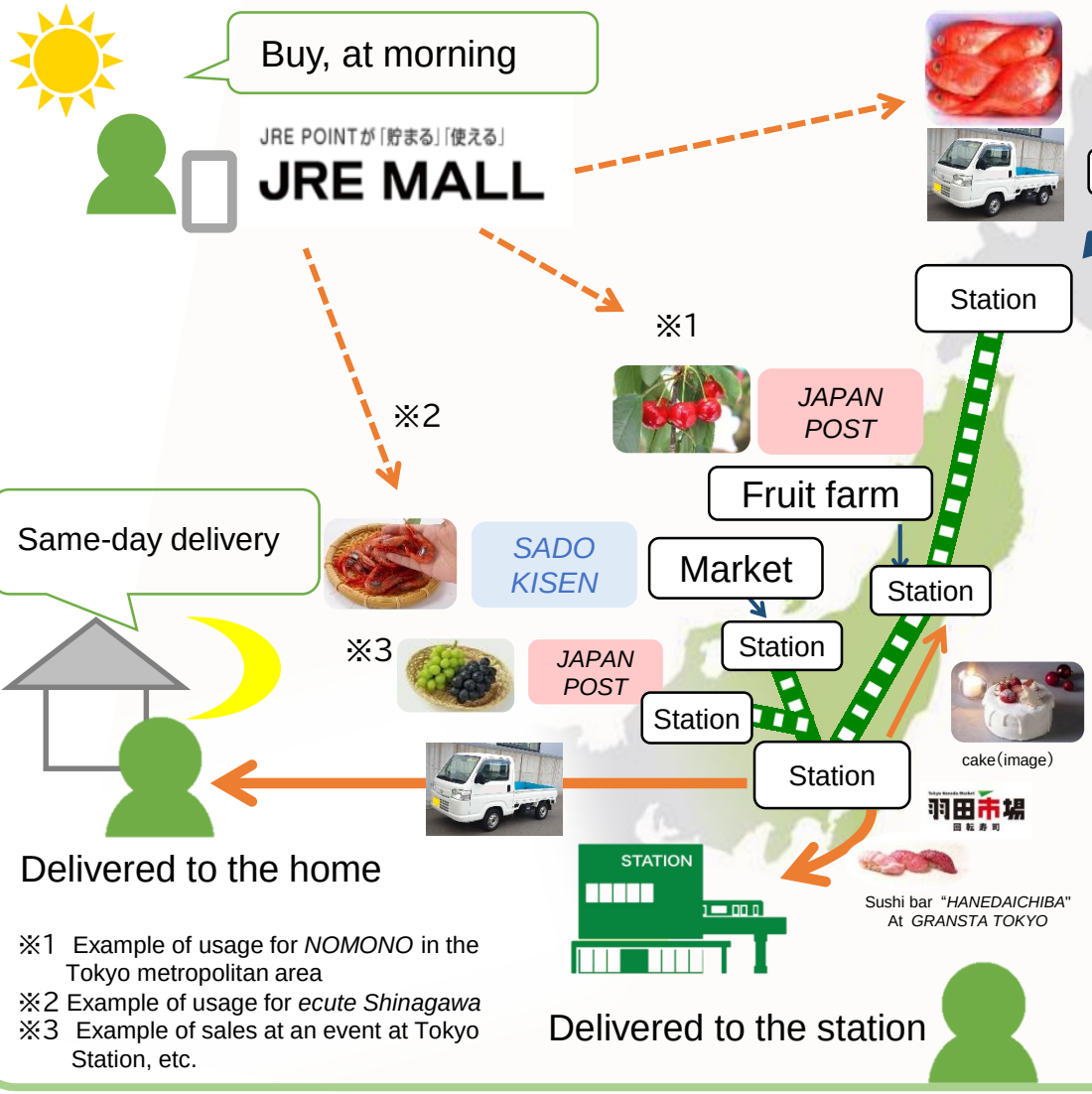


Provide information on joining *JRE CARD* when customers graduate

※Images

Take on challenges in new fields 【Logistics services that utilize trains】

We will leverage the rapid delivery capabilities and regularity of train services to further expand logistics services that utilize Shinkansen and conventional line limited express services, among others.



※1 Example of usage for *NOMONO* in the Tokyo metropolitan area
※2 Example of usage for *ecute Shinagawa*
※3 Example of sales at an event at Tokyo Station, etc.



Rapid Delivery, Regularity



- ✓ **Advance Integration of Internet and Real world**

  Build systems that enable the speedy delivery of fresh items in response to customers' online orders

- ✓ **Expand Businesses beyond the Boundaries of the Group**

  Extend beyond food and regionally manufactured products to include products for which rapid delivery capabilities can be leveraged

- ✓ **Increase Scheduled Transportation**

  Increase included train services based on the needs of cargo owners and enable regular transportation

Take on challenges in new fields

We will provide new value through business alliances with start-up companies among others and such measures as the sharing of 5G antenna infrastructure.

Business Alliances with Start-Up Companies, etc.

- Through JR East Startup Co., Ltd., accelerate business alliances with start-up companies and universities, etc., and aim to introduce new technologies and services

Regional revitalization

Venture companies × Regions × JR East



Regional agriculture that paves the way for the future



Advancement of SDGs that utilizes railway forests

New trips during the COVID-19 pandemic

Improvement in anticipation of the “post-COVID” era



Hotels in prime line-side-area locations



Develop new businesses that utilize unmanned railway stations

Smart life

Propose ideas for new work styles and lifestyles



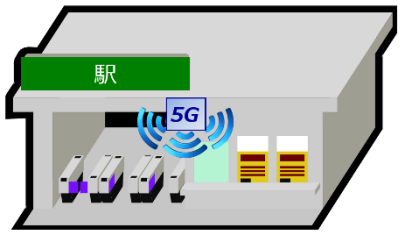
Transportation and lifestyle commuter pass
Promote new lifestyles



Utilize technologies from universities in maintenance

Share 5G antenna infrastructure

- Establish 5G communications environment inside railway stations and begin business for renting out to telecommunications carriers
- Develop through maximum utilization of the Group’s assets (land, buildings), including railway line-side areas



Take on challenges in new fields

- We will proactively introduce robot technologies and achieve innovation in such areas as the provision of guidance information, cleaning, and security.
- We will continue to take on challenges in global businesses, and mainly in Asia we will offer enriched lifestyles.

Utilize Guidance Information, Cleaning, and Security Robots

【Guide】
Introduce AI-enabled robots to reduce the personnel required for guidance information provision duties in railway stations and over-the-counter duties in station buildings

【Cleaning】
Increase the efficiency of cleaning duties through the use of autonomous mobile robots

【Security】 Reduce the personnel required for security duties through the use of autonomous mobile robots and increase safety and reassurance through the enhancement of detection technologies



Develop maintenance robots

【Railroad】
Develop PC tie switching equipment



【Electricity】
Develop galvanized steel coating process



【Others】
Develop heavy load conveyor



Develop overseas businesses

- Acquire new projects mainly in Asia
- Increase the development of railcar manufacturing operations in overseas markets
- Provide new value overseas that capitalizes on the Group's know-how (development of spaces inside railway stations in Singapore, *Hotel Metropolitan Premier Taipei*)
- Pursue business alliances with local venture companies at the *One&Co* workspace in Singapore
- Realize virtual tours of Japan's tourism areas at *JAPAN RAIL CAFÉ*







Practice ESG management 【Zero-Carbon Challenge 2050】

The entire JR East Group will take on the challenge of achieving “net zero” CO_2 emissions by fiscal 2051. We aim to contribute to the achievement of a carbon-free society, enhance the environmental superiority of railways even further, and help realize a sustainable society.

- Introduce environmental and energy technologies to the Shinagawa Development Project



Realize integrated supply and demand energy management

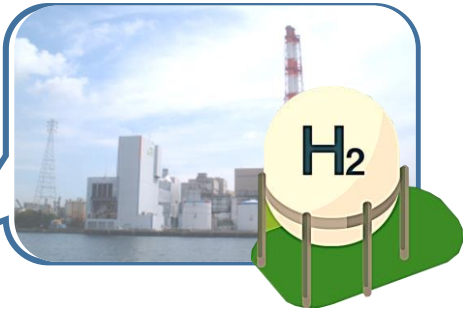
Photovoltaic, wind power generation, solar thermal, earth thermal, sewage heat, biogas systems, cogeneration systems, district heating and cooling, fuel cells



Plan to begin proving trials of hybrid (fuel cell) test trains on the Tsurumi Line and the Nambu Line from fiscal 2022

- Advance carbon-free measures at the Kawasaki Thermal Power Station

Introduce CO_2-free hydrogen power generation

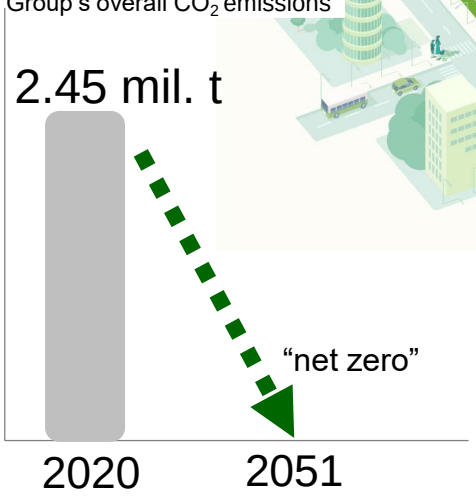


- Advance the development of renewable energy power sources

Develop with the aim of achieving total power output of at least 1 million kW

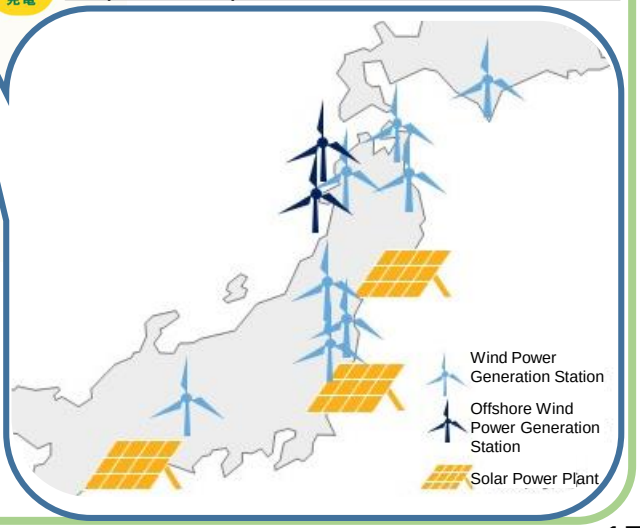


The Group’s overall CO_2 emissions









Practice ESG management【Contribute to regional revitalization】

Anticipating change in society as it moves away from “concentration” and toward “dispersal,” we will help enrich lifestyles by accelerating initiatives in such areas as tourism promotion, regional revitalization, transportation services reform, and town development.

Transportation Services Reform

Reform transportation modes in regions

- Pursue optimal transportation modes
- Realize BRT(Bus Rapid Transit) autonomous driving



Proving trials of BRT autonomous driving buses

Popularize Regional Collaboration IC Cards

Launch *totra* in Utsunomiya region in spring 2021

Make Railway Stations into “Community Hubs”





Integrate management of post office and railway station over-the-counter services (Emi Station, Uchibo Line)

Develop Towns Centered on Railway Stations

・Increase in Related Population
→ Residential Population

countryside

city

Promote Tourism

Tourism Promotion and Visitors to Japan

- Unearth and publicize tourism resources
- Provide information to visitors to Japan
- Develop experiential tourism facilities

巡るたび、出会う旅。東北 2021.4.1~9.30

Tohoku destination campaign



【Tourism orchards】

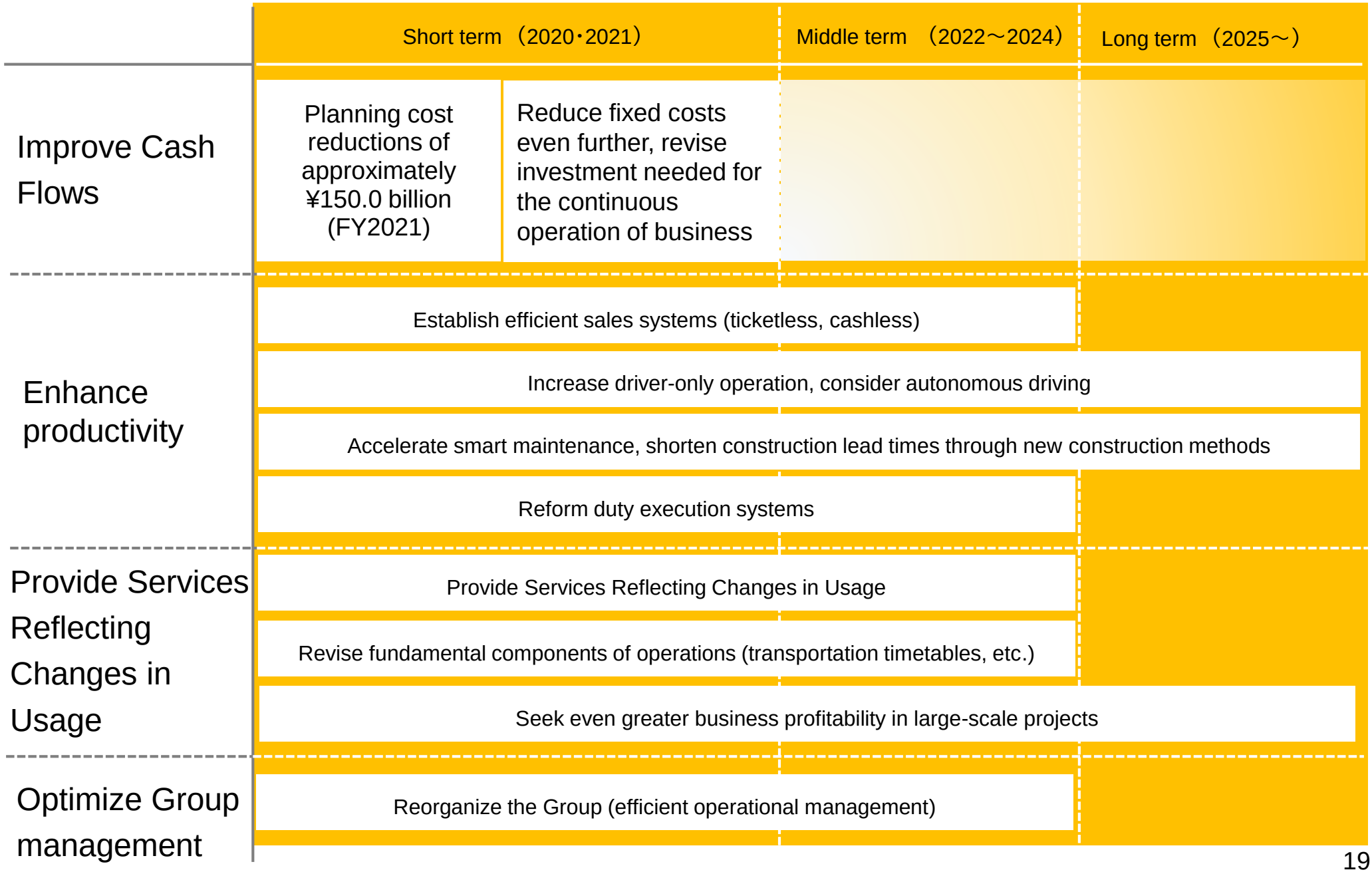
Introduce smart hotels to regional area

Support Workcations, Multiple-Residence Lifestyles

JRE MALL
Sell products rooted in regions, such as agricultural products and online tours

Regional Revitalization

Strengthen management efficiency fundamentally



Strengthen management efficiency fundamentally

With a view to overcoming weak point of the railway business that results from high fixed costs, we will continue reforming cost structures and review investment required for the continuous operation of business. While we will ensure safety and steadily proceed with required replacement of superannuated equipment and facilities as well as maintenance, we will conduct a zero-based review of investment required for the continuous operation of business and operating expenses.

＜Improve Cash Flows＞

Reduce Fixed Costs

【Duty execution systems】
- Advance efficiency enhancement
- Revise new-hire numbers
- Streamline organizations

【Maintenance】
- Increase daytime work
- Reduce costs in cooperation with partner companies, etc.

【Others】
- Digitize publicity and advertising
- Reform security systems
- Conduct modulated R&D
- Analyze volume unit prices of contracts

Revise Investment Required for the Continuous Operation of Business

- Analyze renewal timing (railcars and other equipment and facilities) (railcars and other equipment and facilities)
- Reduce railcar numbers

＜Increase Productivity＞

Reform Railway Station Duties

- Advance ticketless services
- Introduce automated reserved-seat ticket vending machines that speak
- Accelerate shift toward sales system not reliant on *Midori no Madoguchi* ticket offices

Driver-Only Services

- Accelerate introduction for trains with more than three cars
- Consider autonomous driving



Smart maintenance

- Advance ※CBM
- Increase the precision of track displacement prediction, increase automated AI assessment of tracks and overhead contact lines
Develop railcar CBM further



※CBM：Condition Based Maintenance

＜Provide Services Reflecting Changes in Usage＞

Revise fundamental components of operations (transportation timetables, etc.)

- Revise timetables for last-train services.
- Revise timetables for rush hour.

Streamline equipment and facilities

Plan for the use of cash in FY2021.3

Capital expenditures	¥711.0 billion
Investment needed for the continuous operation of business *(Safety practice and transportation stability)*	*¥363.0 billion*
Growth investment	*¥284.0 billion*
Priority budget allocation *(Investment in innovation, etc.)*	*¥64.0 billion*
Shareholder returns	¥**100**/ share dividend

Approach to Shareholder Returns: Maintain the Policy of "Move Up" 2027

■ In the medium-to-long term, we are setting our sights on realizing a total return ratio target of 40% and a dividend payout ratio of 30%.
■ We will continue increasing dividends stably while proceeding with share buybacks in light of performance trends.

Ⅱ　FY2021.3 Financial Plan

FY2021.3 Plan（non-consolidated/consolidated）

non-consolidated

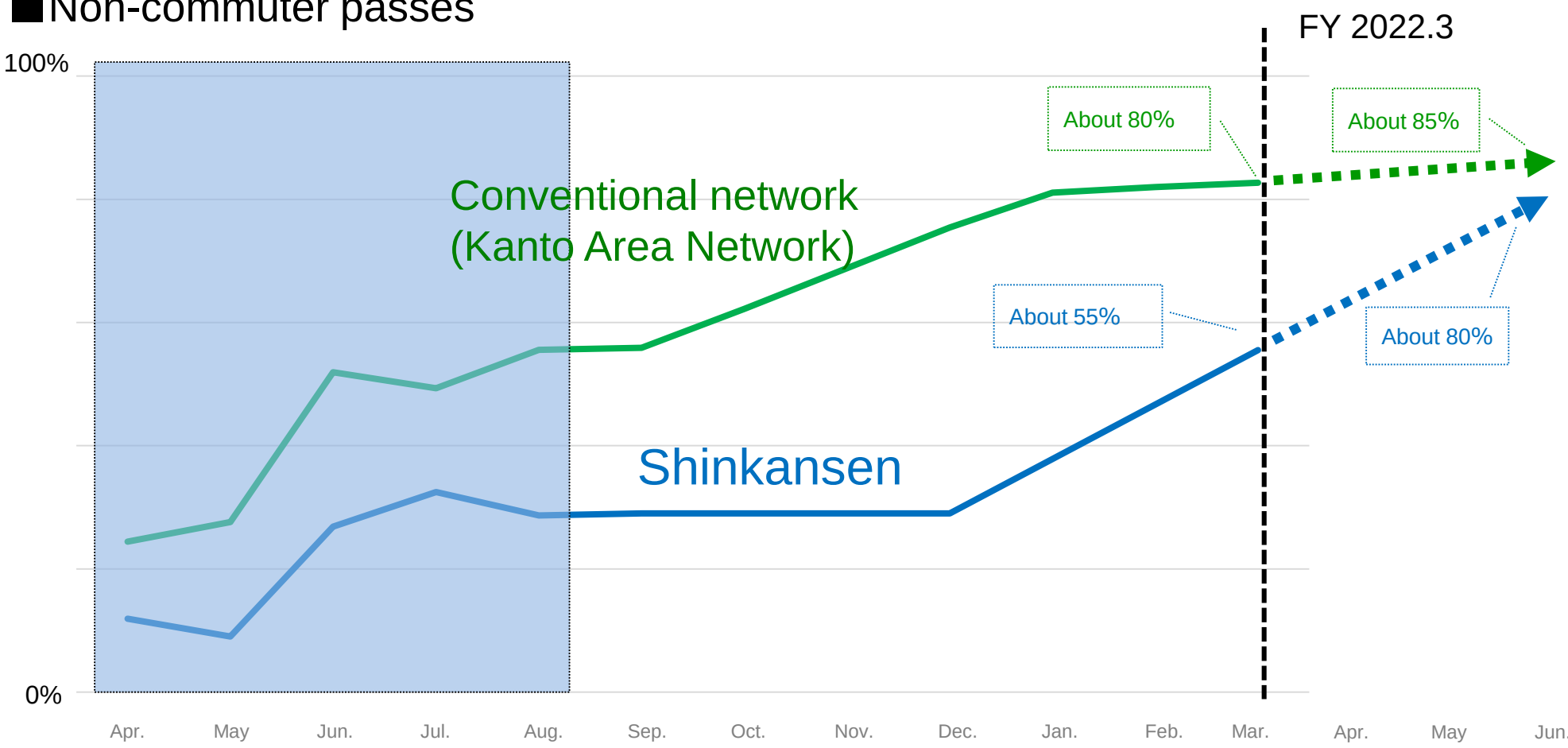
(¥ billion)	2020.3 Results	2021.3 Plan	2021.3/2020.3 Increase /Decrease	2021.3/2020.3 (%)
Operating revenues	2,061.0	**1,251.0**	-810.0	60.7
Passenger revenues	1,792.8	**1,020.0**	-772.8	56.9
Operating income	294.0	**-463.0**	-757.0	–
Ordinary income	260.1	**-501.0**	-761.1	–
Profit	159.0	**-364.0**	-523.0	–

consolidated

(¥ billion)	2020.3 Results	2021.3 Plan	2021.3/2020.3 Increase / Decrease	2021.3/2020.3 (%)
Operating revenues	2,946.6	**1,930.0**	-1,016.6	65.5
Operating income	380.8	**-500.0**	-880.8	–
Ordinary income	339.5	**-549.0**	-888.5	–
Profit attributable to owners of parent	198.4	**-418.0**	-616.4	–

Passenger Revenues – the outlook for recovery

■Non-commuter passes



*This graph excludes special factors (except COVID-19). Trends from April through August 2020 have been prepared using actual results.

■ Commuter passes revenues (Seasonal tickets): Reach approximately 85% at the end of fiscal 2021 and trend at the same level thereafter.

Passenger Revenues – FY2021.3 Plan

(YoY,¥ billion,%)	Total		Main factors behind change	*Basic trend
	1st half	2nd half		
Passenger revenues -773.2	56.9%			100%
	44.8%	70.4%		
Commuter passes (Seasonal tickets) -108.2	78.8%		・Effect of COVID-19 : -109.0 ・Reactionary rise due to the effect of COVID-19 in Jan. – Mar. 2020 : +1.0	100%
	75.2%	82.4%		
Non-commuter passes (Ordinary tickets) -665.0	48.2%			100%
	33.5%	65.3%		
Shinkansen Network -367.3	31.9%		・Effect of COVID-19 : -402.0 ・10-day Golden Week, year-end and New Year Travel, Leap-year (decrease of the number of long holidays to previous year) : -4.0 ・Natural disasters (Typhoon) (decreased occurrence compared to previous year) : +6.5 ・Reactionary rise due to the effect of COVID-19 in Jan. – Mar. 2020 : +32.0	100%
	22.8%	42.8%		
Kanto Area Network of Conventional Lines -275.2	60.4%		・Effect of COVID-19 : -312.5 ・10-day Golden Week, year-end and New Year Travel, Leap-year (decrease of the number of long holidays to previous year) : -3.0 ・Rugby World Cup (held on 2019) : -0.5 ・Natural disasters (Typhoon) (decreased occurrence compared to previous year) : +9.5 ・Reactionary rise due to the effect of COVID-19 in Jan. – Mar. 2020 : +31.5	100%
	41.8%	81.7%		
Other Network of Conventional Lines -22.3	54.2%		・Effect of COVID-19 : -24.5 ・Reactionary rise due to the effect of COVID-19 in Jan. – Mar. 2020 : +2.0	100%
	36.3%	75.6%		

*As the effect of the COVID-19 pandemic on basic revenues cannot be accurately estimated at the present juncture, it has been treated as special factor, and the basic trend has been presented at 100%.

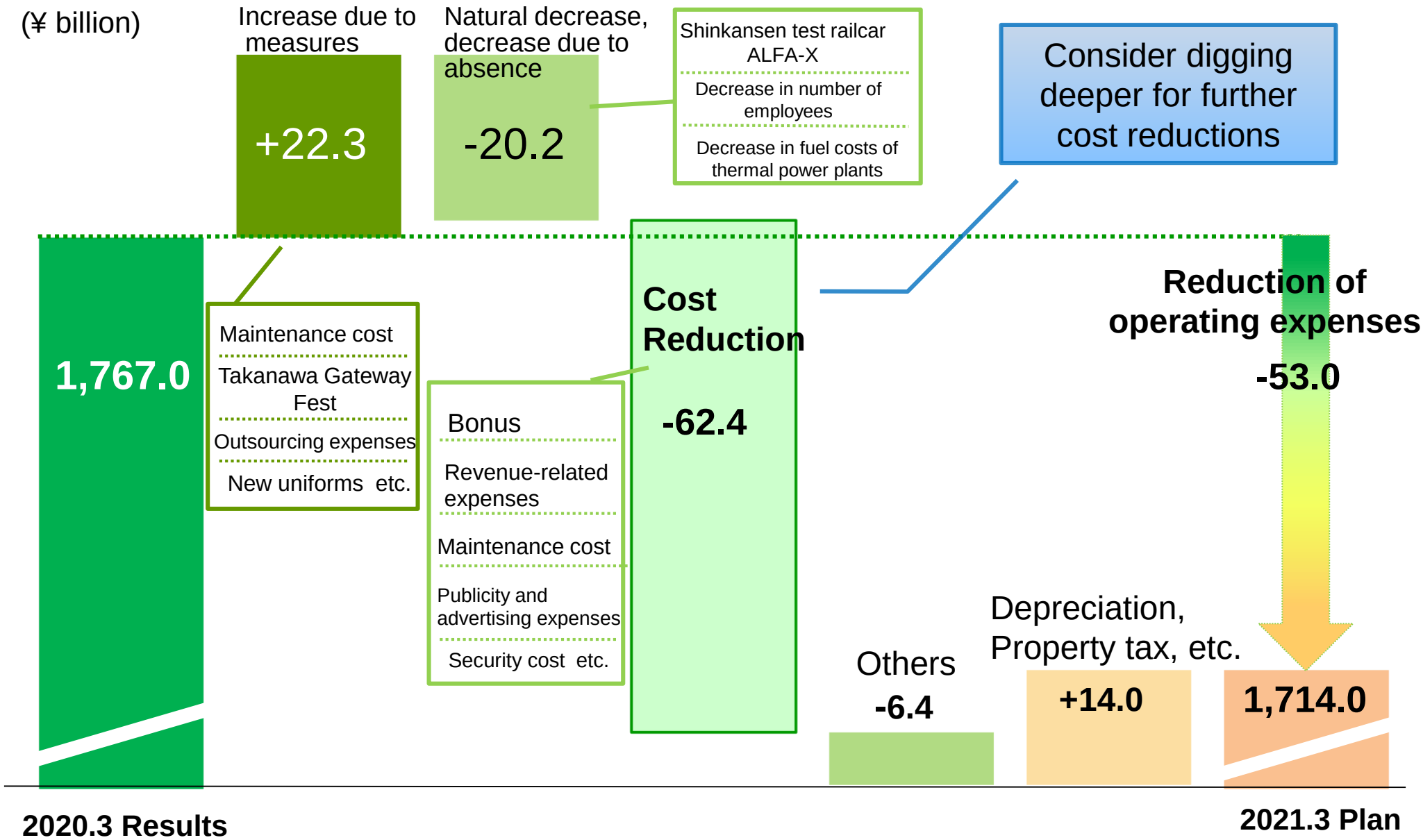
Cost Reduction Plan

- Planning cost reductions of approximately ¥116.0 billion at JR East (non-consolidated)
- Planning total cost reductions of approximately ¥40.0 billion at Group companies

(¥ billion)	Operating Expenses	Capital Expenditures	Total
JR East	62.0	54.0	116.0
Group companies	30.0	10.0	40.0
Total*	92.0	64.0	156.0

*Simple total for respective companies

Cost Reduction Plan (Operating Expenses)



Operating Expenses (non-consolidated) – FY2021.3 Plan

(¥ billion)	2020.3 Results	2021.3 Plan	2021.3/2020.3 Increase / decrease	2021.3/2020.3 (%)	Main factors behind change
Operating expenses	1,767.0	**1,714.0**	-53.0	97.0	
Personnel expenses	444.4	**414.0**	-30.4	93.1	[-] Bonus related [-] Decrease in number of employees
Non-personnel Expenses	831.1	**801.0**	-30.1	96.4	
Energy	64.5	**60.0**	-4.5	92.9	[-] Decrease in fuel costs of thermal power plants
Maintenance	302.1	**297.0**	-5.1	98.3	[-] General maintenance expenses [-] Railcar maintenance expenses
Other	464.4	**444.0**	-20.4	95.6	[-] Shinkansen test railcar *ALFA-X* [+] Takanawa Gateway Fest [+] Outsourcing expenses
Usage fees to JRTT, etc.	83.3	**83.0**	-0.3	99.6	
Taxes	100.6	**100.0**	-0.6	99.4	
Depreciation	307.4	**316.0**	+8.5	102.8	[+] Increase in fixed assets

FY2021.3 Plan (consolidated)

(¥ billion)	2020.3 Results	2021.3 Plan	2021.3/2020.3 Increase / Decrease	2021.3/2020.3 (%)
Operating revenues	2,946.6	**1,930.0**	-1,016.6	65.5
Transportation	1,994.5	**1,170.0**	-824.5	58.7
Retail & Services	502.0	**375.0**	-127.0	74.7
Real Estate & Hotels	348.5	**305.0**	-43.5	87.5
Others	101.5	**80.0**	-21.5	78.8
Operating income	380.8	**-500.0**	-880.8	–
Transportation	250.5	**-529.0**	-779.5	–
Retail & Services	34.3	**-4.0**	-38.3	–
Real Estate & Hotels	74.6	**24.0**	-50.6	32.2
Others	23.8	**11.0**	-12.8	46.1
Adjustment	-2.6	**-2.0**	+0.6	76.9
Ordinary income	339.5	**-549.0**	-888.5	–
Profit attributable to owners of parent	198.4	**-418.0**	-616.4	–

Transportation/Retail & Services

■ Transportation

(¥ billion)	2020.3 Results	2021.3 Plan	2021.3/2020.3 Increase/decrease (%)	
Operating revenues	1,994.5	1,170.0	-824.5	58.7
Operating income	250.5	-529.0	-779.5	–

FY2021.3 Topics

- Decrease in net sales due to the COVID-19 pandemic
- SAPHIR ODORIKO (March 2020)
- Takanawa Gateway Station (March 2020)
- Shinkansen e-ticket service (March 2020)



SAPHIR ODORIKO



Takanawa Gateway Station

■ Retail & Services

(¥ billion)	2020.3 Results	2021.3 Plan	2021.3/2020.3 Increase/decrease (%)	
Operating revenues	502.0	375.0	-127.0	74.7
Operating income	34.3	-4.0	-38.3	–

FY2021.3 Topics

- Decrease in net sales due to the COVID-19 pandemic
- *KINOKUNIYA* JR Kyoto Isetan Store
- Renewal (*ecute* Omiya North, *ecute* Nippori)
- *GRANSTA* Tokyo
- New Business (Expand *STATION WORK*)
- Strengthen E-commerce (*JREMALL*)

(Reference) Monthly Trends (YoY %)

	Apr.	May	Jun.	Jul.	Aug.	Total
Retails & Restaurant Total	29.9	28.9	54.4	57.8	54.6	46.0
J-Retail (existing stores)	34.4	35.3	58.6	62.3	57.2	56.6
JR East foods（existing stores)	21.7	16.1	40.4	47.0	44.0	33.8

※ As these are preliminary figures, they may change at the time of financial settlement.

[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/Others

■ Real Estate & Hotels

(¥ billion)	2020.3 Results	2021.3 Plan	2021.3/2020.3 Increase/decrease (%)	
Operating revenues	348.5	305.0	-43.5	87.5
Operating income	74.6	24.0	-50.6	32.2

FY2021.3 Topics

・Decrease in net sales due to the COVID-19 pandemic
(It contains rent payment grace for tenants of Shopping Centers)
・*WATERS takeshiba* (High-rise building, Parking lot building, Theater building)
・*KAWASAKI DELTA*
・*JR Yokohama Tower, JR Yokohama Tsuruya-cho Building*
・*Hibiya OKUROJI*
・Hotels (*mesm Tokyo, METROPOLITAN KAMAKURA, METS YOKOHAMA SAKURAGICHO* etc.)

(Reference) Monthly Trends (YoY %)

	Apr.	May	Jun.	Jul.	Aug.	Total
Shopping Centers Total	28.0	28.3	80.2	77.7	78.9	58.7
LUMINE (existing stores)	13.9	5.4	81.2	68.3	73.7	46.1
atré (existing stores)	29.9	30.2	83.3	80.7	84.4	61.4
Hotel	14.5	13.1	24.4	32.3	39.1	24.1

※ As these are preliminary figures, they may change at the time of financial settlement.

■ Others

(¥ billion)	2020.3 Results	2021.3 Plan	2021.3/2020.3 Increase/decrease (%)	
Operating revenues	101.5	80.0	-21.5	78.8
Operating income	23.8	11.0	-12.8	46.1

FY2021.3 Topics

・Decrease in net sales due to the COVID-19 pandemic
・Service awarding *JRE POINT* for railway usage (from October 2019)
・Increase in *Suica* usage through collaboration with *Rakuten Pay*
・Participation of *Suica* in the *Individual Number Card Points Program*
・Introduction of Regional collaboration IC card (Utsunomiya and Iwate areas)







[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

Change in Capital Expenditures (consolidated)

(¥ billion)			2017.3 (Results)	2018.3 (Results)
Transportation		Growth investment	54.8	97.4
		Investment needed for the continuous operation of business	328.3	326.9
		Total	383.1	424.4
Non-Transportation		Growth investment	115.1	120.8
		Investment needed for the continuous operation of business	8.4	5.1
		Total	123.5	126.0
		Growth investment	169.9	218.3
		Investment needed for the continuous operation of business	336.7	332.0
		(Priority budget allocation)	(23.5)	(25.3)
		(Depreciation)	364.1	367.9
		Total	506.7	550.4

(¥ billion)		2019.3 (Results)	2020.3 (Results)	2021.3 (Plan)
Transportation Services	Growth investment	93.5	110.7	68.0
	Investment needed for the continuous operation of business	307.2	313.3	324.0
	Priority budget allocation (Investment in innovation, etc.)	31.4	46.7	61.0
	Total	432.3	470.7	453.0
Lifestyle services, IT & Suica services	Growth investment	160.5	234.5	216.0
	Investment needed for the continuous operation of business	32.5	32.2	39.0
	Priority budget allocation (Investment in innovation, etc.)	4.4	3.0	3.0
	Total	197.6	269.8	258.0
	Growth investment	254.1	345.2	284.0
	Investment needed for the continuous operation of business	339.8	345.5	363.0
	(Depreciation)	368.7	374.7	386.0
	Priority budget allocation (Investment in innovation, etc.)	35.9	49.7	64.0
	Total	629.9	740.6	* 711.0

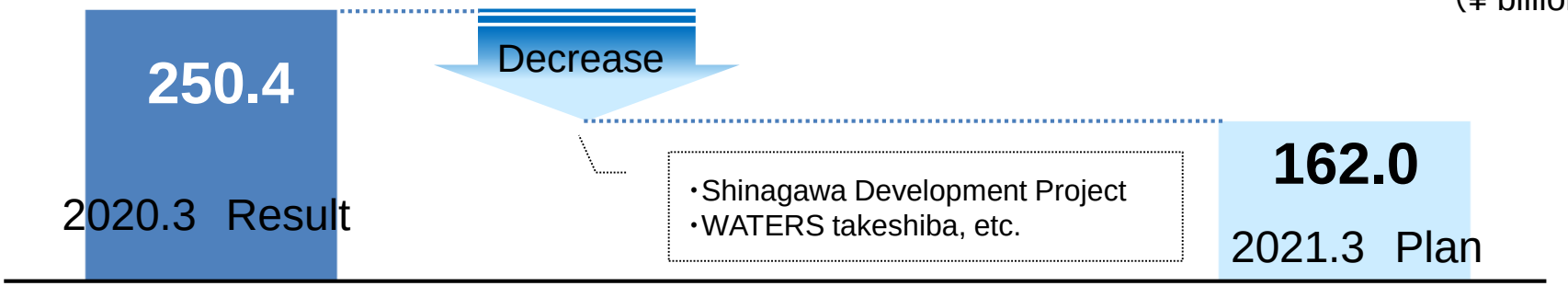
* Capital Expenditures (non-consolidated): ¥511.0 billion

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

Cost Reduction Plan (Capital Expenditures)

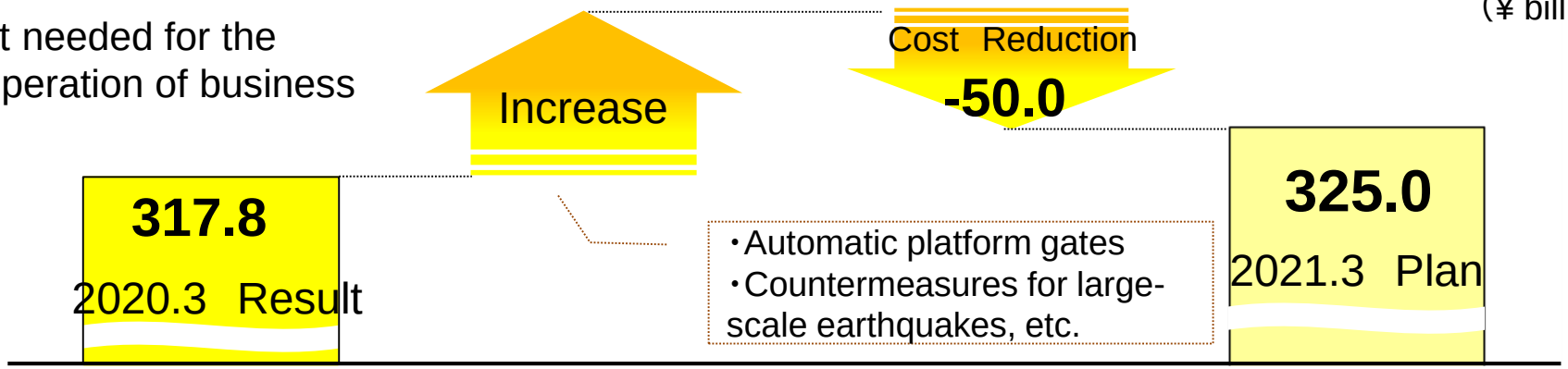
■ Growth investment

(¥ billion)



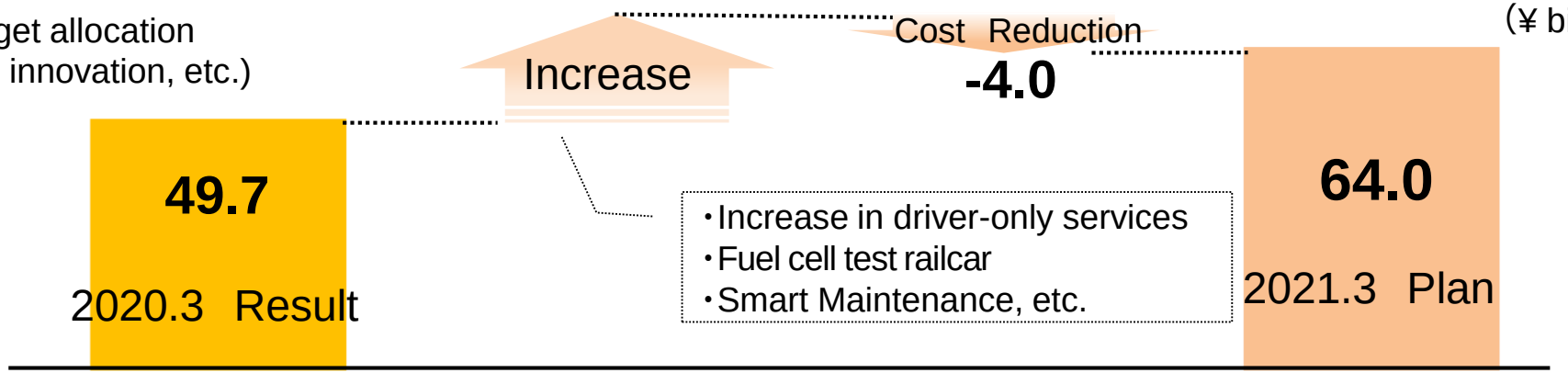
■ Investment needed for the continuous operation of business

(¥ billion)



■ Priority budget allocation (Investment in innovation, etc.)

(¥ billion)



Fund-Raising Policy

■ Policy

- Secure adequate liquidity through “early, abundant, long-term” funding
- Take flexible measures (funding, repayment) while carefully analyzing revenue trends going forward
- Ensure that the utilization of short-term fund-raising does not accumulate excessive interest-bearing debt

■ Fund-Raising Situation(Mar.- Aug. 2020)

- Long-term fund-raising (bonds, borrowing) :Totaled 360 billion yen.
- Short-term fund-raising (CP, special bank overdraft facilities, commitment lines, general bank overdraft facilities):Balance at the end of August is 680 billion yen.

■ Credit ratings

- Long-term credit ratings

Rating agency	Rating
Moody’s	A1 (Stable)
Standard & Poor’s (S&P)	AA- (Negative)
Rating and Investment Information (R&I)	AA+ (Stable)

- Short-term credit ratings

Rating agency	Rating
Rating and Investment Information (R&I)	a-1+
Japan Credit Rating Agency (JCR)	J-1+

* With respect to the CP issuance facility until March 2020 (¥150.0 billion), Moody’s has provided a rating of P-1.

Ⅲ　Reference Materials

FY2021.3 Traffic Volume and Passenger Revenues - Plan

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

			Traffic Volume (million passenger kilometers)				Passenger Revenues (¥ billion)			
			2020.3 Results	2021.3 Plan	Increase / Decrease	(%)	2020.3 Results	2021.3 Plan	Increase / Decrease	(%)
Shinkansen		Commuter Passes	1,909	1,587	-321	83.2	25.8	21.4	-4.3	83.2
		Non-commuter Passes	20,615	6,583	-14,031	31.9	539.7	172.3	-367.3	31.9
		Total	22,524	8,171	-14,353	36.3	565.5	193.8	-371.7	34.3
Conventional Lines	Kanto Area Network	Commuter Passes	71,720	56,286	-15,434	78.5	465.2	365.1	-100.1	78.5
		Non-commuter Passes	35,620	21,508	-14,112	60.4	694.8	419.5	-275.2	60.4
		Total	107,341	77,794	-29,547	72.5	1,160.1	784.7	-375.4	67.6
	Other Network	Commuter Passes	3,045	2,424	-621	79.6	18.2	14.5	-3.7	79.6
		Non-commuter Passes	2,473	1,341	-1,132	54.2	48.8	26.4	-22.3	54.2
		Total	5,519	3,765	-1,753	68.2	67.0	41.0	-26.0	61.1
	Total	Commuter Passes	74,766	58,710	-16,055	78.5	483.5	379.7	-103.8	78.5
		Non-commuter Passes	38,094	22,849	-15,245	60.0	743.6	446.0	-297.6	60.0
		Total	112,861	81,560	-31,301	72.3	1,227.2	825.7	-401.4	67.3
Total		Commuter Passes	76,675	60,298	-16,377	78.6	509.4	401.2	-108.2	78.8
		Non-commuter Passes	58,710	29,433	-29,277	50.1	1,283.3	618.3	-665.0	48.2
		Total	135,385	89,731	-45,654	66.3	1,792.8	1,019.5	-773.2	56.9

FY2021.3 First Quarter Financial Results (non-consolidated)

(¥ billion)	2019.6 Results	2020.6 Results	2020.6/2019.6 Increase / Decrease	2020.6/2019.6 (%)
Operating revenues	525.5	231.3	-294.2	44.0
Passenger revenues	463.1	180.2	-282.9	38.9
Others	62.4	51.1	-11.2	81.9
Operating expenses	404.0	378.3	-25.6	93.7
Personnel expenses	113.3	98.0	-15.2	86.5
Non-personnel expenses	165.3	154.5	-10.7	93.5
Energy	14.1	12.1	-2.0	85.4
Maintenance	54.1	53.8	-0.3	99.4
Other	96.9	88.5	-8.3	91.4
Usage fees to JRTT, etc.	20.7	20.6	-0.0	99.6
Taxes	30.8	28.3	-2.4	92.0
Depreciation	73.7	76.7	+2.9	104.0
Operating income	121.5	-147.0	-268.6	-
Ordinary income	123.8	-147.8	-271.6	-
Profit	91.2	-106.0	-197.3	-

FY2021.3 First Quarter Financial Results (consolidated)

(¥ billion)	2019.6 Results	2020.6 Results	2020.6/2019.6 Increase / Decrease	2020.6/2019.6 (%)
Operating revenues	742.3	332.9	-409.4	44.8
Transportation	505.8	208.7	-297.1	41.3
Retail & Services	125.6	56.9	-68.6	45.4
Real Estate & Hotels	87.3	48.5	-38.8	55.5
Others	23.4	18.7	-4.7	79.7
Operating income	144.6	-178.3	-322.9	-
Transportation	108.2	-162.9	-271.1	-
Retail & Services	8.9	-10.3	-19.2	-
Real Estate & Hotels	23.2	-6.3	-29.5	-
Others	3.9	0.8	-3.1	20.7
Adjustment	0.2	0.4	+0.1	160.4
Ordinary income	132.7	-197.5	-330.2	-
Profit attributable to owners of parent	91.5	-155.3	-246.9	-

Bonds Issuance in FY2021.3

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
152	5	¥ 20.0 billion	0.090%	¥100	0.090%	-	2020.7.20	2025.7.18
153	10	¥ 15.0 billion	0.230%	¥100	0.230%	+21.5bp	2020.7.20	2030.7.19
154	20	¥ 10.0 billion	0.610%	¥100	0.610%	+22bp	2020.7.20	2040.7.20
155	30	¥ 20.0 billion	0.763%	¥100	0.763%	+21bp	2020.7.20	2050.7.20
156	40	¥ 20.0 billion	0.902%	¥100	0.902%	+33bp	2020.7.20	2060.7.20

* As of Aug. 31, 2020

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.