# FY2021.3 Financial Results



巡るたび、出会う旅。東北 2021.4.1~9.30

April 30, 2021

East Japan Railway Company

# Contents


Ⅰ FY2022.3 Business Management in Anticipation of a Post-COVID-19 Society

Changes in the business environment and our management 4
Management Policies amid Speed up “Move up” 5
Initiatives since Announcing Speed up “Move up” 7
Policies for FY2022.3 9
Improve Profitability (Rebuild Growth and Innovation Strategies) 10
Structural Reform (Drastic Strengthening of Management Structure) 15
Implement ESG Management 20
Numerical targets for specific actions (FY2026) and FY2021 results 22
FY2022.3 Plan (non-consolidated / consolidated) 23
Plan for the use of cash in FY2022.3 24

Ⅱ FY2021.3 Financial Results and FY2022.3 Plan

FY2021.3 Financial Results and FY2022.3 Plan (non-consolidated / consolidated) 26
Passenger Revenues - FY2021.3 Results 27
Passenger Revenues - FY2021.3 Results and FY2022.3 Outlook 28
Passenger Revenues - FY2022.3 Plan 29
Operating Expenses (non-consolidated) – FY2021.3 Results 30
Cost Reduction Plan (non-consolidated) 31
Operating Expenses (non-consolidated) - FY2022.3 Plan 32
Cost Reduction Results and Plan 33
Transportation - Results and Plan 34
Retail & Services - Results and Plan 35
Real Estate & Hotels - Results and Plan 36
Hotel Operations - Overview 37
Main Projects and policies 38
Others- Results and Plan 39
Summary of Non-operating Income / Expenses and Extraordinary Gains / Losses (consolidated) 40
Summary of Cash Flows (consolidated) 41
Change in Capital Expenditures (consolidated) 42
Change in Interest-bearing Debt Balance (consolidated) 43
Fund-Raising 44

Ⅲ Reference Materials

>Numerical Targets of “Move Up” 2027 (FY2026)
>Financing and Money usage
>Capital Expenditures Plan (consolidated)
>Debt Management Policy
>FY2022.3 Traffic Volume and Passenger Revenues - Plan
>Suica
>Mobile Suica / eki-net / JRE POINT
>Additional Information for bond Investors

# Ⅰ　FY2022.3 Business Management in Anticipation of a Post-COVID-19 Society

# Changes in the business environment and our management

From the provision of services with railway infrastructures as our basis to the introduction of new values to society, focusing on the affluence of everyone in the daily lives.




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

Practice ESG management + Rebuild growth and innovation strategies + Strengthen management efficiency fundamentally

**Speed up "Move up" 2027**（Released at Sep.2020）

**Changes in the business environment because of COVID-19**

JR East Group Management Vision "Move Up" 2027

New Numerical target of "Move up"2027(FY2026)
（Released at Jan.2021）

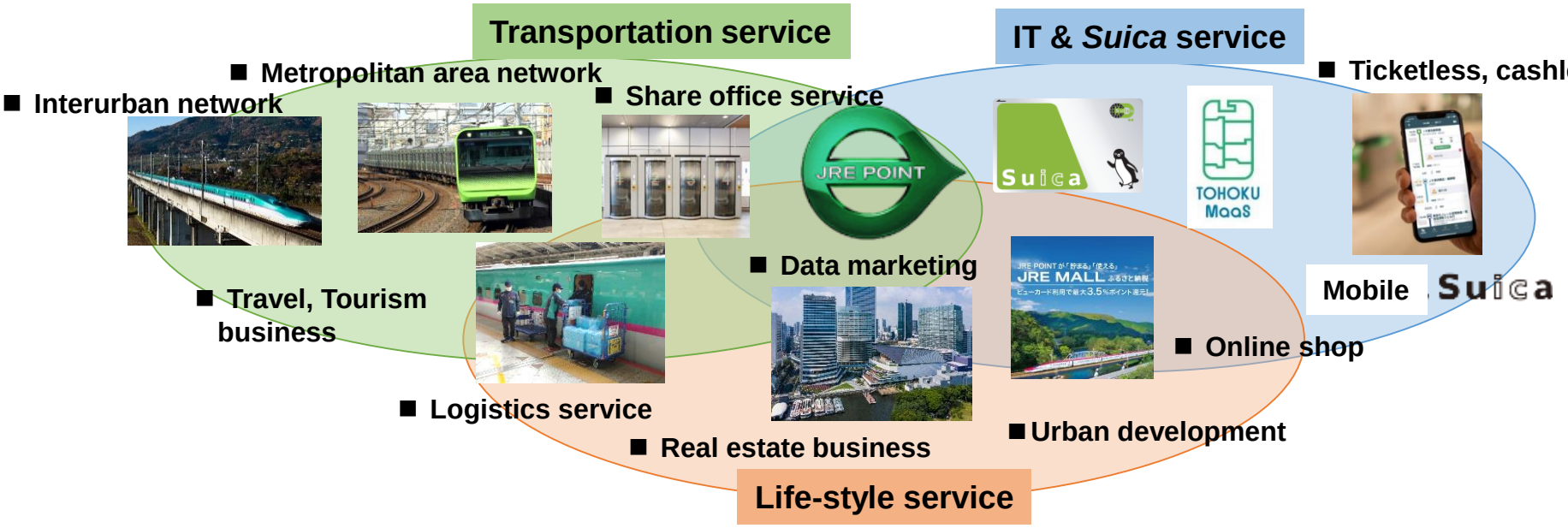
（Time）

2018 2019 2020 2021 2022 2023 2024 2025 2026 2027

# Management Policies amid Speed up “Move up” (1)

**Raising the level and speed of forward-looking initiatives to realize “Move Up” 2027**

- **Proposing new lifestyles and taking on the challenge of new fields** by combining JR East’s strengths in real networks and digital technologies
- Tackling **structural reforms** while working to restore the profitability of transportation services
- Accelerating the growth of life-style services and IT & *Suica* services to achieve a 6:4 ratio between the operating revenue of the Transportation segment and that of other segments by FY2026.3 while aiming to **achieve a 5:5 ratio as soon as possible**




**Create new values through Group’s strength**

# Management Policies amid Speed up “Move up” (2)

## Rebuild growth and innovation strategies

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 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.)
- Utilize JR-East Group Assets (Share 5G antenna infrastructure, etc.)
- Utilize robots
- Development overseas businesses

## Practice ESG management

- Zero-Carbon Challenge 2050
- Contribute to regional revitalization

## Strengthen management efficiency fundamentally

Improve Cash Flows

- Planning cost reductions of approximately ¥150.0 billion (FY2021)
- Reduce fixed costs even further, revise investment needed for the continuous operation of business

Enhance productivity

- Establish efficient sales systems (ticketless, cashless)
- Increase driver-only operation, consider autonomous driving
- Accelerate smart maintenance, shorten construction lead times through new construction methods
- Reform duty execution systems

Provide Services Reflecting Changes in Usage

- Revise fundamental components of operations (transportation timetables, etc.)
- Streamline facilities, Rigorously analyze railcar replacement cycles
- Seek even greater business profitability in large-scale projects

Optimize Group management

- Reorganize the Group (efficient operational management)

# Initiatives since Announcing Speed up “Move up” (1)

## Revised Timetables for Last-Train and First-Train Services



Revised timetables for last-train services
18 line segments

Revised timetables for first-train services
5 line segments

Increased the speed of upgrading and maintenance to enhance services and to implement work-style reform for railway construction work and catered to changes in customers’ behavior that have resulted from COVID-19

## Introduced Automatic Train Operation (ATO) Devices and (Increased Line Segments with) Driver-Only Services, etc.



Introduced and began using **ATO devices** on the Joban Line (local services)



Conducted test runs of a large autonomous driving bus specifically designed for BRT



Increased driver-only services

Uchibo Line, Sotobo Line, Kashima Line, Oga Line, Mito Line

## New *JRE POINT* Awards

Launched new *JRE POINT* awards to suit increasingly diverse commuting styles

\3.15 START/

Off-Peak Point Service



Registered users
Approx.340,000
on April 25

\3.1 START/

Repeater Point Service



Users in March
Approx. 390,000

## Began Introduction of Regional Collaboration IC Cards

Unique regional services, such as bus commuter passes and discounts

*Suica* services, such as tickets and electronic money that can be used in the *Suica* area, etc.

2in1



Promoting introduction outside of the *Suica* usage area

■ Future roadmap (plan)

| Introduction in March 2021 | Spring 2022 | Spring 2023 | From spring 2023 onward |
|---|---|---|---|
| Tochigi Prefecture *totra*<br>Iwate Prefecture *Iwate Green Pass* | Akita Prefecture, Yamagata Prefecture, Gunma Prefecture<br>Aomori Prefecture (Aomori area, Hachinohe area)<br>Iwate Prefecture (additional transportation operators) | Tochigi Prefecture (additional transportation operators) | (Reference)<br>**Expansion of railway area**<br>*Suica* to be usable at 44 railway stations in Aomori Prefecture, Iwate Prefecture, and Akita Prefecture |

# Initiatives since Announcing Speed up “Move up” (2)

## Expanded *STATION WORK*



FY2026.3 target
Establish shared offices at
**1,200 locations in total**

- Established a network of **134 locations nationwide** from Hokkaido to Okinawa as of the end of FY2021.3
- Established Japan’s first **shared office on a platform**

## Expanded *JRE MALL*

- Participation in Hometown Tax Payment
  Enabled donations through ***JRE POINT***
- Taking on the challenge of OMO
  Planning to open **a new-format, OMO-compatible BELLE MAISON store** in Tokyo Station this spring

FY2026.3 target
JRE MALL transactions of
**¥130.0 billion**

**OMO…Online Merges with Offline**



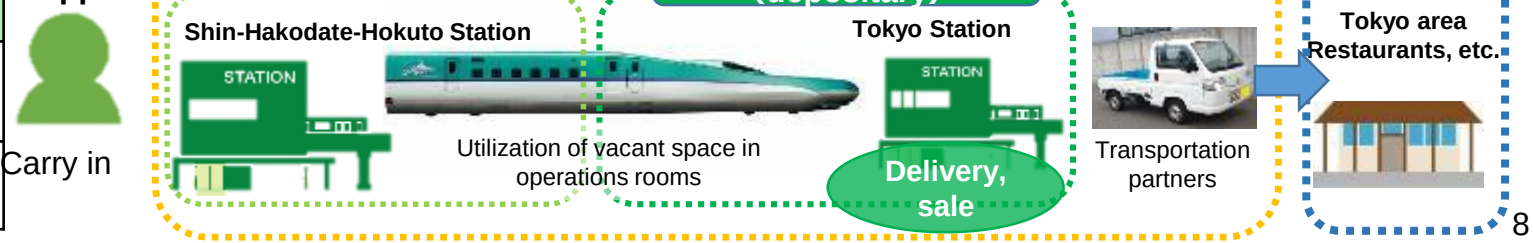

## Further Rollout of Logistics Services That Utilize Trains

- Extend logistics services developed for Ekinaka sales (inside railway stations) to **areas outside railway stations**
- In cooperation with JR East Logistics and JR Hokkaido, **began regular logistics services** using the Hokkaido and Tohoku Shinkansen **on April 15**

Future direction
Deepen cooperation with other companies
Aim to expand services

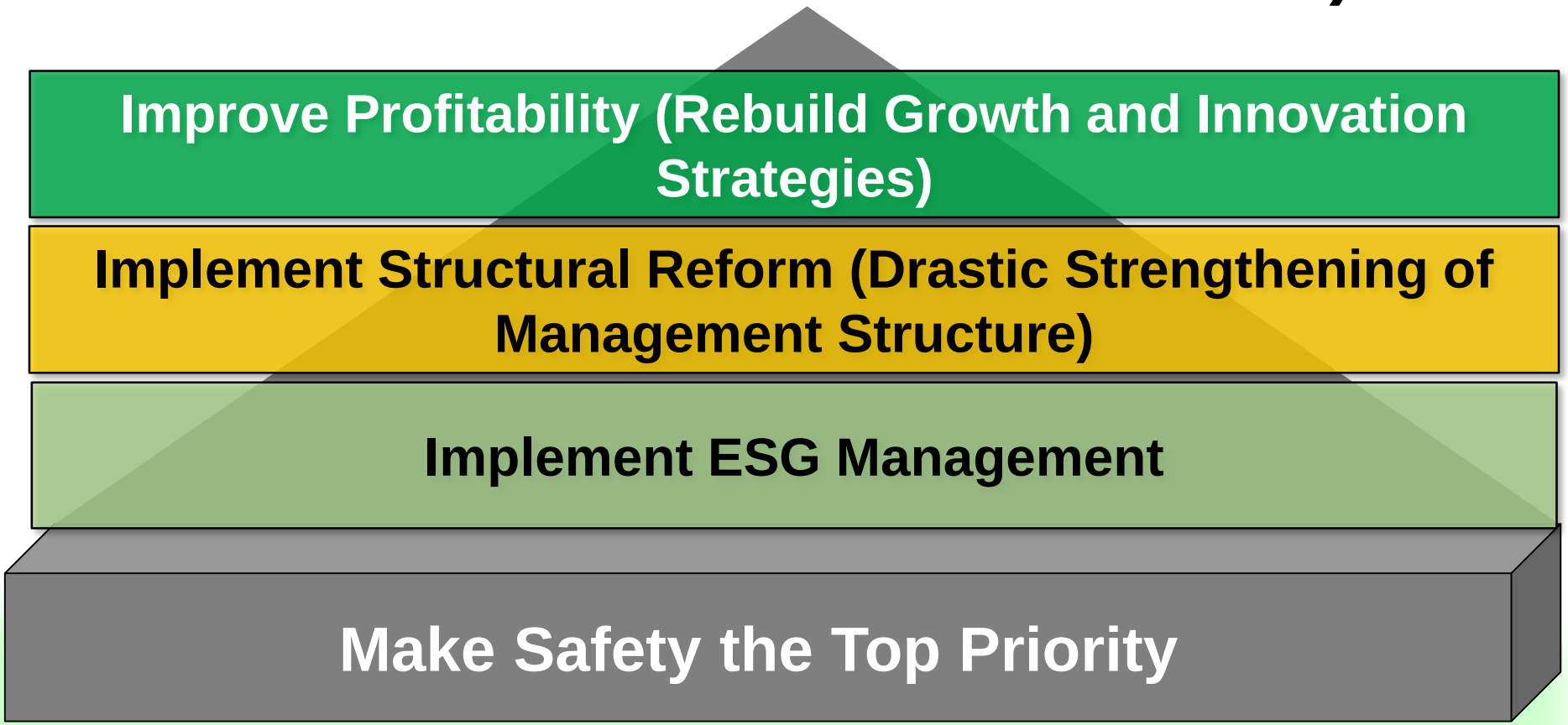
Largest transportation volumes currently

| Goods transported | Volume | Frequency of transportation |
|---|---|---|
| Fish | 60 cases | Approx. 250 days/year (days market open) |
| Box lunches | 4 cases (approx. 80 meals) | Every day |



# Policies for FY2022.3

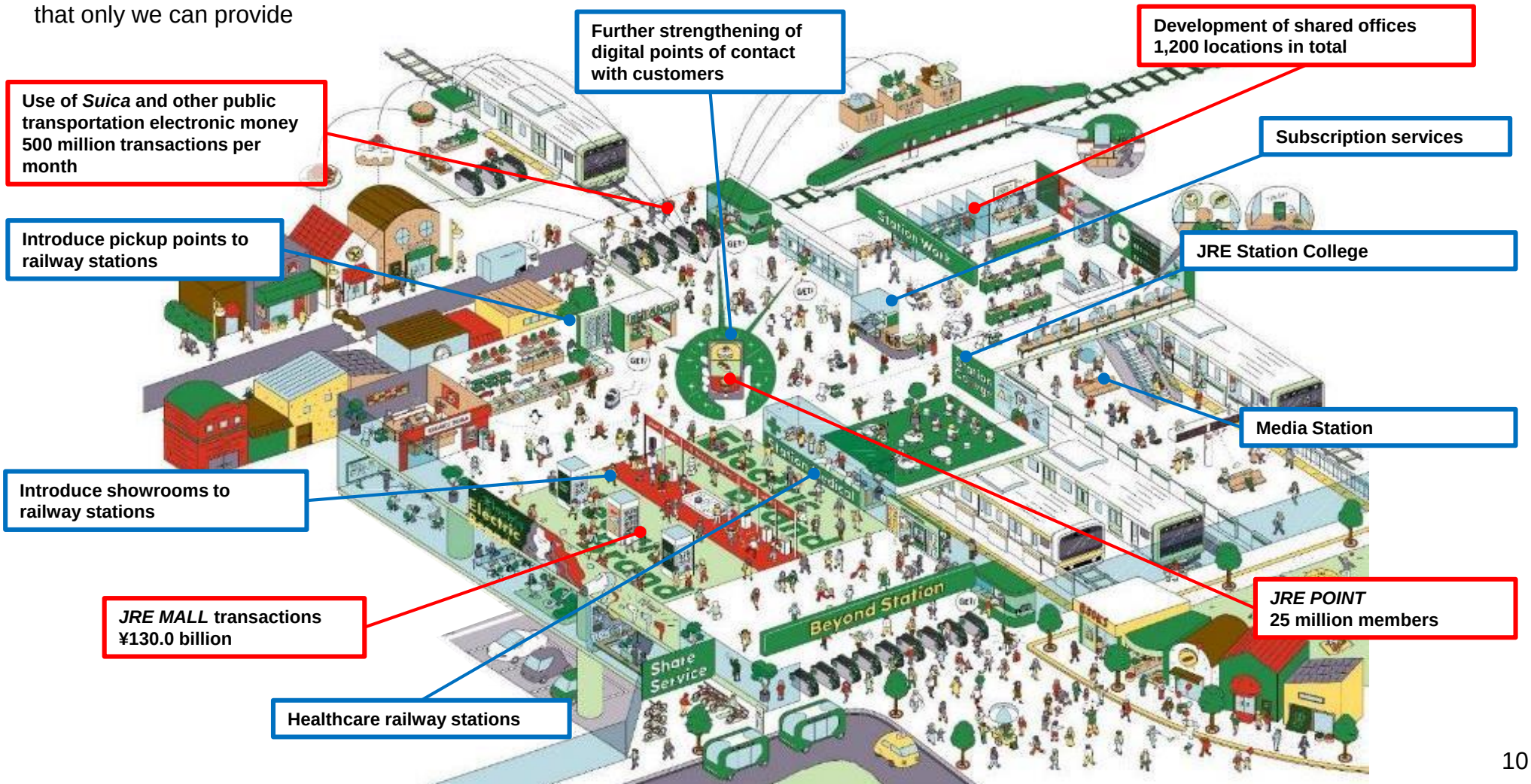
## Return to Profitability in FY2022.3 (Non-Consolidated and Consolidated)



# Improve Profitability (Rebuild Growth and Innovation Strategies) (1)

## “Beyond Stations” Concept

- Go beyond existing roles as transportation hubs where people pass through and gather and transform railway stations into lifestyle platforms that connect
- Respect the value that railway stations have created as real transportation hubs, and while utilizing this strength, realize “affluent lifestyles” that only we can provide

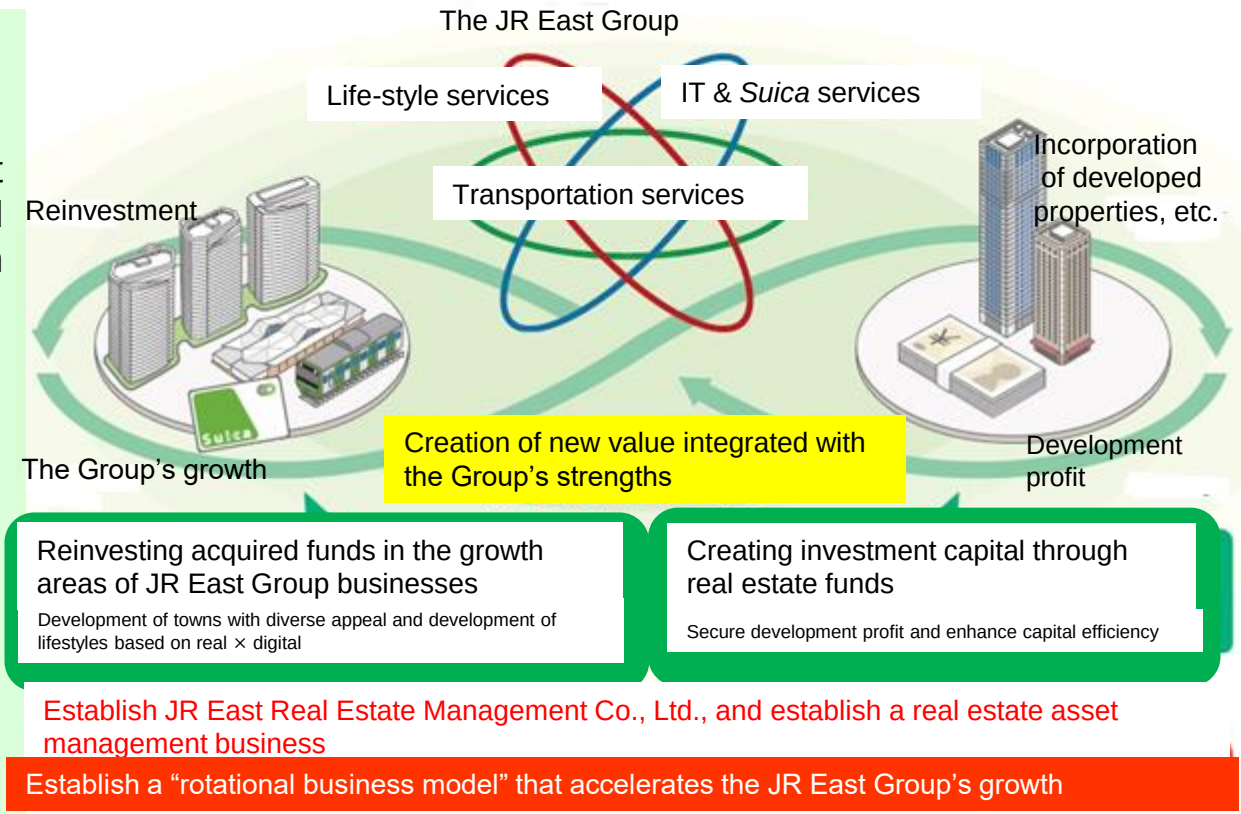


# Improve Profitability (Rebuild Growth and Innovation Strategies) (2)

## Establishment of JR East Real Estate Management Co., Ltd.

### Aims

- Establish a **"rotational business model"** that incorporates properties developed and owned by the Group and reinvests acquired funds in growth areas
- Further speed up JR East's lifestyle and town development through the real estate fund business
- Strengthen the real estate business through the **asset management business** and create new value integrated with the Group's strengths




### Future Prospects

- Aiming to accelerate the formation of private placement funds and increase the scale **to ¥100.0 billion** within a few years
- Consider **the formation of a real estate investment company (REIT)**

**Rotational business model** ⟷ **Long-term-ownership business model**

Speed up transformation by strategically using the two separate business models for different purposes

# Improve Profitability (Rebuild Growth and Innovation Strategies) (3)

## *Tohoku Destination Campaign*

**10 years after the earthquake**, build a "**legacy**" that will attract visitors to and revitalize the Tohoku region going forward

April 1—September 30, 2021
Six Tohoku prefectures
Aomori Prefecture, Iwate Prefecture, Miyagi Prefecture, Akita Prefecture, Yamagata Prefecture, and Fukushima Prefecture

- In addition to operating special campaign trains based on such themes as cuisine, alcoholic beverages, and spectacular scenery, propose fun ways to travel using *TOHOKU MaaS*
- Develop the *Tohoku MONO* branding project to uncover the charms of Tohoku







## *TOHOKU MaaS*

TOHOKU MaaS

### Introduce tourism-type MaaS in earnest

Implement during the Tohoku Destination Campaign (8 areas in 6 prefectures)
After the campaign ends, **plan to refine MaaS and deploy it again in the Tohoku region**

| | |
|---|---|
| **Before departing** | Travel planning service<br>Recommendations function |
| **Convenient transportation** | On-demand transportation reservation and payment<br>Electronic transportation tickets (free-pass type)<br>Electronic transportation tickets (limited capacity express buses, etc.)<br>Railway station car rental reservations |
| **Enjoying the area** | Activities (hands-on experiences, tours, dining, etc.)<br>Electronic tickets |

### Numerical targets

| | |
|---|---|
| Number of newly registered members | **30,000** |
| Number of electronic transportation tickets sold | **30,000** |
| Number of electronic activity tickets sold | **30,000** |

### On-demand transportation

- On-demand rideshare transportation service that allows passengers to make reservations easily when they want to go and explore tourist spots freely
- As well as sightseeing spots, enabling a wide range of use, including stores and facilities used in daily life

**Hirosaki, Kakunodate, Ichinoseki, Akiu (Sendai)**
Develop in each region



# Improve Profitability (Rebuild Growth and Innovation Strategies) (4)

## Create new close range tourism (pursuing micro-tourism)

■ A new *Hiking from the Railway Station* app that makes hiking easy

Release the *Hiking from the Railway Station* app, which for day-trip walking events based around railway stations enables non-face-to-face registration of participants, course searches, and entry into prize competitions



Images of screen

■ Promote a transformation in purchasing style

Consider the launch of free passes, such as passes within Tokyo wards, that can be used through Mobile *Suica*

■ All brunches arrange the rallies that customers can attend any time

Goshuin rally at Ōme Line and Itsukaichi Line



## Getting new customers with the make use of *JRE POINT*

START!
New通勤Style

■ Use Off-Peak Points and Repeater Points to entrench new commuting styles

*STATION WORK*-linked campaign based on accumulated points

■ Encourage railway use through point-reward measures that combine specially planned IC tickets and the use of station buildings

■ Point discount campaign for green car（600pt on usual ⇒ 500pt on campaign）



Scene at Green Car

Boost the demand of occasional users through Repeater Points




JRE POINT

・Start the service at shared office
・JRE MALL, station building, etc.

STATION WORK
JRE MALL
atré



*STATION* WORK




Station building

# Improve Profitability (Rebuild Growth and Innovation Strategies) (5)

## えきねっと Renewal

**New system will be released on July 27th**

**Supply useful, comfortable, and low-priced travel**

Image of new *eki-net*




Begin enabling the use of *JRE POINT* for the acquisition or the upgrading of Shinkansen e-tickets and the privilege tickets of conventional line ticketless services

Enable Shinkansen e-ticket reservations that include *Otona no Kyujitsu Club* discounts and shareholders' preferential discounts

Enable payment at convenience stores and financial institutions in addition to conventional credit card payments

Begin supplying *JRE POINT* by buying tickets through *eki-net*

**Save up**

えきねっと Integrate eki-net point to *JRE POINT*

JRE POINT

**Use**

Begin exchange from *JRE POINT* to benefit tickets



## Getting touring supply by online travel products

■ Maximize the use of available seats by implementing limited-time offers through the variable-price travel product *JR East Dynamic Rail Pack*




### Proceeding workation by partnership with SEIBU PROPERTIES Inc. and NOMURA REAL ESTATE DEVELOPMENT Co.,Ltd.

Plan to leverage the strengths of shared-office services and open workation facilities in KARUIZAWA PRINCE SHOPPING PLAZA



**Scheduled to open in July 2021**

### Proceeding the Flexible Space Project by partnership with KDDI CORPORATION

Create various workstyles that free from time and places by making use of both traffic and communication technologies. Advance "Flexible Space" Project



Promote core-city "Shinagawa development" project

# Structural Reform (Drastic Strengthening of Management Structure) (1)

■ Reduce railway business *Operating Costs** by **¥100.0 billion in FY2028.3 compared to FY2020.3**

■ Aim for a flexible cost structure reflecting usage changes in post-COVID-19 society and future population decline

*Operating expenses, except of depreciation and taxes

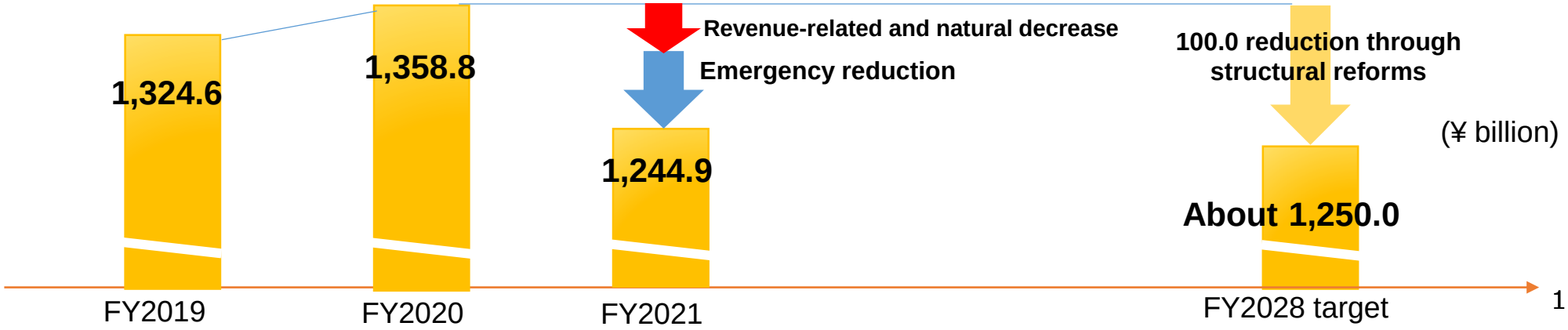
## Cost Reductions in FY2021.3

| | | |
|---|---|---|
| Personnel expenses | | Reduction of bonuses |
| Non-personnel expenses | Maintenance (railcars) | Rigorously analyze the timing of parts and materials replacement |
| | Maintenance (general) | Postpone or cancel certain items |
| | Outsourcing and other | Curb security consignment expenses, publicity and advertising expenses, and goods expenses, etc. |

Advance structural reform measures

| Main Structural Reforms under "Move Up" 2027measures | Reduction Amount (¥ billion) |
|---|---|
| Streamline operation systems,<br>Establish an efficient sales system, etc. | -10.0 |
| Smart maintenance (CBM, Mechanization, etc.)<br>System changes (Use new technologies, etc.)<br>Streamline operation systems (Revise timetables for last-train, etc.)<br>Streamline facilities (Reduce ticket vending machines and automatic ticket gates) | -20.0 |
| Establish an efficient sales system (ticketless, mobile shift, etc.)<br>Structural reform of Group companies (multi-tasking, insourcing, etc.) | -20.0 |
| Additional reduction of *Operating Costs* (+α) | -50.0 |

## Actual and Projected *Operation Costs*



# Structural Reform (Drastic Strengthening of Management Structure) (2)

## Peak shift

**Aims**

- Respond to such social needs as the avoidance of congestion
- Respond to changes in customers' usage needs
- Reduce costs with ensuring safety as a premise

**Measures to Shift Peak Periods**

Started from March 2021

- **Award points for off-peak use**

Aim for early realization

- **consider flexible fare and surcharges (Seasonal or hourly charge)**

**Set Timetables Corresponding to the Above**

- **Reduce the number of trains operating during peak periods**

**Reduce Fixed Costs**

- Reduce capital expenditures (reduce railcars)
- Reduce personnel expenses and, maintenance and power costs, etc.
- Create space (railway stations, storage tracks, etc.)
- Reduce running costs (cleaning, security, etc.)

## Streamline facilities

**Aims**

- Provide facilities that reflect the customer usage situation
- Reduce costs with ensuring safety as a premise

**Streamline Facilities**

**Transportation facilities**

- Replace trains with hybrid railcars, etc. and remove overhead contact lines, substation facilities, etc.
- Remove tracks, signaling equipment, etc. by converting to single tracks, etc.

**Railway station facilities**

- Revise the specifications of and reduce ticket vending machines and automatic ticket gates in anticipation of ticketless operations
- Revise the specifications of and reduce facilities on platforms

**Reduce Fixed Costs**

- Reduce replacement of old equipment
- Reduce personnel expenses and maintenance costs
- Create space

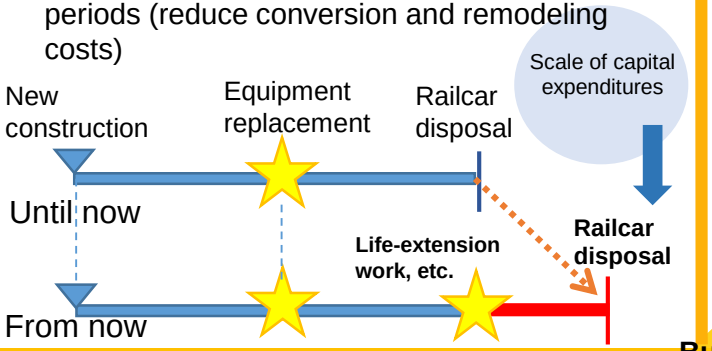
**Building a Sustainable Railway Business**

# Structural Reform (Drastic Strengthening of Management Structure) (3)

## Construct flexible railway systems

### Rigorously Analyze Railcar Replacement Cycles

- With ensuring safety through life-extension work, etc., as a premise, lengthen railcar replacement cycles and reduce the number of new railcars
- Utilize on **the same line segments** for long periods (reduce conversion and remodeling costs)




### Improve the Efficiency of Railcar Usage Plans

- Revise transportation capacity in line with **usage situation**
- Consider **reducing railcars owned**
- Undertake shared operation of railcars on multiple line segments

Scale of capital expenditures

Depreciation

### Accelerate the Increase in Driver-Only Services

- Achieve **driver-only services** as soon as possible (including the Tokyo metropolitan area)
- Establish efficient operation systems

Personnel expenses



**Build flexible railway systems in anticipation of long-term changes in the business environment**

### Advance ESG-Related Investment

- Reduce $CO_2$ emissions in the railway business
- Consider changing over to hybrid diesel railcars and electric railcars

$CO_2$



Reduce the **CO2 emissions of the railway business by 50.0% by 2030**
* Versus FY2014.3

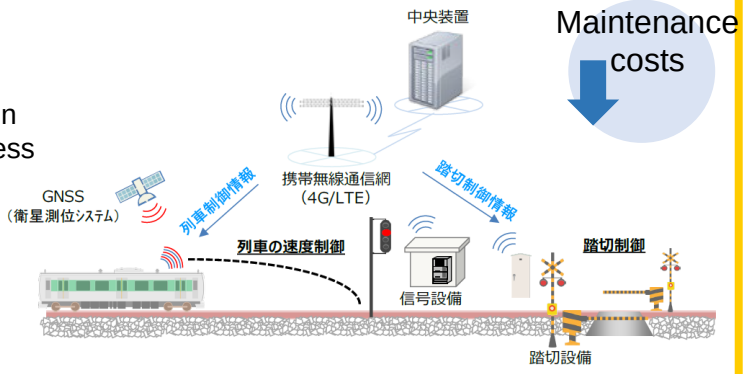
### Utilize New Technologies and Digital Technologies, etc.

- Reduce facilities along tracks by controlling level crossings and train speeds through GNSS* and wireless communications

  * A satellite positioning system

- Advance **CBM**
- Utilize **BIM and point cloud data**, etc.

Maintenance costs



# Structural Reform (Drastic Strengthening of Management Structure) (4)

## Productivity Improvement (1)

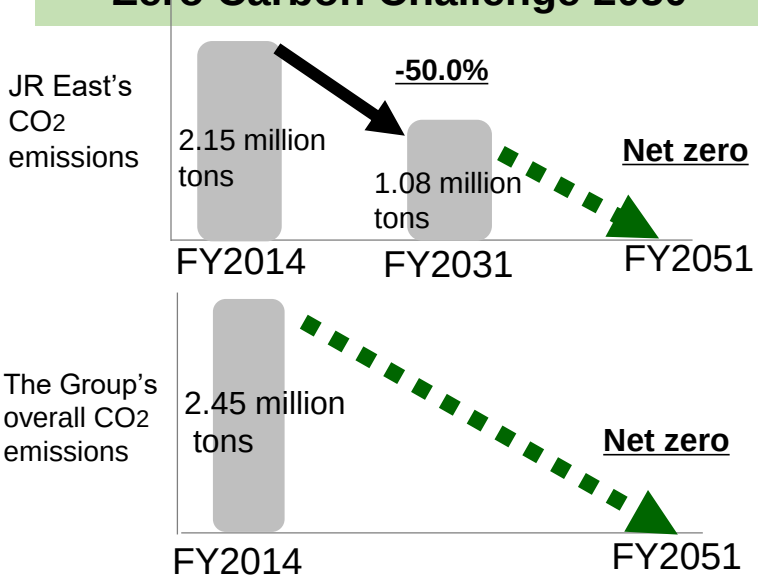
| | | | FY2021.3 initiatives | FY2022.3 initiatives | Medium- and long-term targets |
|---|---|---|---|---|---|
| Establish an efficient sales system | *eki-net* handling percentage FY2021.3: 28.2% | | | Improve the replacement functions of the *eki-net* system | FY2026.3 60% |
| | Improve the in-house Shinkansen ticketless percentage FY2021.3: 33.2% | | Significantly expand the area of *Touch de Go! Shinkansen* | Discontinue handling of certain special tickets (Shinkansen multiple-ride tickets, Shinkansen W tickets, etc.) | FY2026.3 70% |
| | Shift to mobile Mobile *Suica* issuance FY2021.3: 14.1 million subscribers | | Mobile *Suica* app renewal | Increase issuance and promote use | FY2026.3 25.0 million subscribers |
| Streamline operation systems | Advance driver-only services FY2021.3: 41 lines segments | | Expand to Uchibo Line, Sotobo Line, Kashima Line, Oga Line, and Mito Line | Development of railcars and aboveground equipment aimed at further advancement | Extend to more line segments in stages |
| | Autonomous driving | | Introduce automatic train operation (ATO) devices to the Joban Line (local services) | Conduct verification tests for the autonomous driving of not-in-service Series E7 Shinkansen | Introduce ATO to more line segments |
| Smart maintenance | Promote CBM | Equipment | Promote monitoring of track facilities (operating trains) | | FY2023.3 Introduce to 6,540 km, mainly the Tokyo metropolitan area and regional trunk lines |
| | | Electricity | Advance monitoring of overhead contact lines (inspection trains) | Introduce to approx. 5,800 km in regional areas | From FY2022.3 onward Improve inspection accuracy |
| | | Railcars | Use Yamanote and Yokosuka line railcars for monitoring | | FY2025.3 Yamanote and Yokosuka lines 1,295 railcars (approx. 13.0% of the Tokyo metropolitan area) |
| | Improve efficiency of construction through mechanization, etc. | | Improve work efficiency by using the Shinkansen Rail Exchange System (REXS) | | FY2027.3 Introduce to approx. 360 km of the Tohoku Shinkansen |
| Smart project management | Digital technologies | | Advance construction by using JRE-BIM (BIM and point cloud data, etc.) | | Introduce to all construction projects |

# Structural Reform (Drastic Strengthening of Management Structure) (5)

| | | FY2021.3 initiatives | FY2022.3 initiatives | Medium- and long-term targets |
|---|---|---|---|---|
| **Productivity Improvement (2)** | | | | |
| System changes | Increase maintenance efficiency through structural reinforcement | Advance renewal of facilities aimed at reducing maintenance costs and work (Installation of labor-saving track, integrated overhead contact lines, etc.) | | FY2025.3 Labor-saving track Tokyo metropolitan area Install approx. 400 km<br>FY2026.3 Integrated overhead contact lines Tokyo metropolitan area Install approx. 970 km |
| | Increase maintenance efficiency through new technologies | Introduce ATACS to the Tokyo metropolitan area<br>Introduce train control system that uses GNSS and mobile wireless communication network | | FY2025.3<br>Introduce GNSS to the Hachiko Line (level crossing control) |
| **Provide services based on changes in customer usage** | | | | |
| Reform basic business items | Transportation timetables and transportation modes | Revise timetables for last-train and first-train services | Consider transportation timetables with a view to the post-COVID-19 era<br>Consider appropriate transportation modes for regional areas | Provide train timetables that reflect customer usage |
| | Flexible fares and surcharges, etc. | Begin awarding points for off-peak use | Consider systems for fares and surcharges | Realize a new commuter pass service as soon as possible |
| Investment in and management of railcars | Replacement cycles, etc. | | Lengthen railcar replacement cycles through life-extension work, etc.<br>Reduce railcars owned | FY2022.3–FY2026.3 Railcar investment<br>Reduce investment by ¥30.0 billion (versus the FY2020.3 plan) |
| Streamline facilities | Transportation facilities Railway station facilities | Reduce facilities along tracks and consider de-electrification and introduction of single tracks<br>Revise the specifications of and reduce facilities on platforms and reduce the number of tracks<br>Revise the specifications of and reduce ticket vending machines and automatic ticket gates | | FY2028.3 Cost reduction ¥3.0 billion (versus FY2020.3) |
| **Optimize Group management** | | | | |
| Structural reform of Group companies | Reorganize companies | JR East Foods Co., Ltd. | JR East Cross Station Co., Ltd<br>JR Chuo Line Community Design Co., Ltd. | Reorganize companies for optimization |
| | Cost reduction | Increase efficiency by revising work content and personnel allocation and introducing multitasking<br>Reduce the Group's external consignment expenses by revising contracts and bringing work in-house<br>Consolidate and relocate operating bases and streamline the organization | | Create Group value by improving productivity |

# Implement ESG Management (1)

## Zero Carbon Challenge 2050




## Roadmap for achieving net zero $CO_2$ emissions in the railway business

| Energy type (Breakdown of $CO_2$ emissions) | FY2021.3 | ～FY2031.3 | ～FY2041.3 | ～FY2051.3 |
|---|---|---|---|---|
| Electricity (92.0%) | Tohoku area $CO_2$ free by FY2031.3 | | Purchase area $CO_2$ free by FY2051.3 | |
| | Advance the introduction of energy-saving facilities (Deploy new-type railcars, increase introduction of renewable energy facilities at railway stations, etc.) | | | |
| Own power plants (40.0%) | Reduce carbon in step with renewal of power plants and other facilities (reduce $CO_2$ emission factors) | | | Own power plants $CO_2$ free by FY2051.3 (Introduce $CO_2$-free hydrogen power generation) |
| Fuel (8.0%) | Promote introduction of energy-saving facilities (deploy catenary and battery-powered hybrid railcars) | | | |
| | Develop fuel cell railcars and conduct verification tests, etc. | Consider line segments for deployment | | |
| | | | Implement electrification, etc. in step with renewal of facilities | |



**Fuel battery cars**

Around March 2022 (planned)

Fuel cell railcars

HYBARI verification test

Advance carbon-free measures at the Kawasaki Thermal Power Station



Introduce $CO_2$-free hydrogen power generation

Renew the part of facilities at FY2022

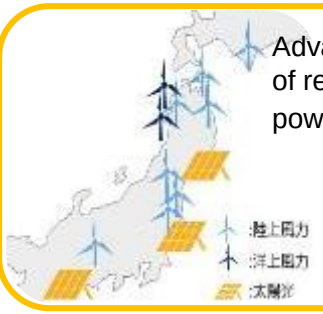
Introduce environmental and energy technologies to the Shinagawa Development Project



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



Advance the development of renewable energy power sources

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

**Fuel battery bus**



Started service:
Tokyo - Around Takeshiba
From Oct 2020

# Implement ESG Management (2)

## Regional Revitalization

### ■ Earthquake Recovery



Tourism farm aimed at recovery from the Great East Japan Earthquake and regional cooperation
JR Fruit Park Sendai *ARAHAMA*

### ■ Brand「TOHOKU MONO」



Branding business stem form Tohoku DC.
JR-Group find charms of Tohoku area with locals.
Arranging the marche or fair of local foods.

### ■ Advance development projects



Development in front of Aomori Station



Development South gate of Iwaki Station

### ■ My Number Card linkage that utilizes the *Suica* authentication function




For the MaaS in Maebashi, provide a service enabling My Number Card holders to receive benefits with a single *Suica* card.

### ■ JRE Agricultural Stations, activate the agriculture



Register the items and number online

sell fresh vegetables by using e-commercel and it shorten the distribution term.

Collecting agricultural produce at regional railway stations
**JRE Agricultural Stations**




JRE POINTが「貯まる」「使える」
JRE MALL
農家の直売所




**To consumers**

- Homes
- Eki-naka
- Super market At Kanto Area

## Promote local DX

We improve the agricultural products pickup point, *JRE Agricultural Station,* and revitalize agricultural logistics through utilizing IT.

We contribute regional revitalization through offer the fresh farm products and progress the profits of the producer.

# Numerical targets for specific actions (FY2026) and FY2021 results

| Values to create | Focus points | Numerical targets for specific actions | FY2021 results | New targets for the fiscal year ending March 31, 2026 (announced in January 2021) |
|---|---|---|---|---|
| Affluence | People's daily lives | Ticketless service usage rate for JR East Shinkansen | 33.2%<br>The highest number (Oct. 2020) | 70% |
| | | Handling percentage of eki-net | 28.2%<br>The highest number (Oct. 2020) | 60% |
| | | Mobile Suica cards issued | 14.1 mil | 25 mil. |
| | | Number of transactions for usage of the services of the MaaS platform, *Mobility Linkage Platform*, provided by JR East | 0.21mil. transactions/month<br>The highest number (Mar. 2021) | 75 mil. transactions/month |
| | | E-money usage such as *Suica* | 250 mil. transactions/month<br>The highest number (Dec. 2019) | 500 mil. transactions/month |
| | | Number of transaction amount of *JRE MALL* | 1.2 bil. Yen | 130 bil. Yen |
| | | Number of *JRE POINT* members | 12 mil. persons | 25 mil. persons |
| | | Number of shared offices | 134 locations in total | 1,200 locations in total |
| | | Number of childcare support facilities | 145 locations in total | 170 locations in total |
| | | Number of homes | about1,600 homes in total | 3,800 homes in total |
| | | Installation area of 5G | 3 Places in total | 100 Places in total |
| Trust | Safety | Accidents due to internal causes | 0 | 0 |
| | | Serious incidents | 0 | 0 |
| | | Railway accidents | 24% reduction *3<br>(21reduction from FY2020) | 20% reduction (from FY2019 level)*1 |
| | | Of which accidents on platforms involving personal injuries | 43% reduction *3<br>(33reduction from FY2020) | 30% reduction (from FY2019 level)*1 |
| | | Transportation disruptions due to internal causes | | |
| | | Conventional lines within 100km range of Tokyo | 35% reduction *3 | 70% reduction (from FY2019 level) |
| | | JR East Shinkansen | 8% increase *3 | 75% reduction (from FY2019 level) |
| | | Total delay time for conventional lines within 100-km range of Tokyo | 2% reduction *3 | 70% reduction (from FY2019 level) |
| | | $CO_2$ emissions of the railway business | 7.5% reduction *4 | 50% reduction (from FY2014 level)*2 |
| | | Development of renewable energy power sources | 82,000kW | 700,000 kW*2 |

*1 Targets for the FY2024.3 *2 Targets for the FY2031.3 *3 preliminary figures *4 Results for the FY2020.3

# FY2022.3 Plan（non-consolidated / consolidated）

## non-consolidated

| (¥ billion) | 2022.3Plan | 2022.3 / 2021.3 | |
|---|---|---|---|
| | | Increase / Decrease | (%) |
| Operating revenues | 1,677.0 | +492.8 | 141.6 |
| Passenger revenues | 1,424.0 | +469.6 | 149.2 |
| Others | 253.0 | +23.1 | 110.1 |
| Operating income | 37.0 | +515.5 | - |
| Ordinary income | 0.0 | +517.7 | - |
| Profit | 25.0 | +531.6 | - |

## consolidated

| (¥ billion) | 2022.3Plan | 2022.3 / 2021.3 | |
|---|---|---|---|
| | | Increase / Decrease | (%) |
| Operating revenues | 2,326.0 | +561.4 | 131.8 |
| Operating income | 74.0 | +594.3 | - |
| Ordinary income | 25.0 | +604.7 | - |
| Profit attributable to owners of parent | 36.0 | +613.9 | - |

# Plan for the use of cash in FY2022.3

| | | |
|---|---|---|
| **Capital expenditures** | | ¥674.0 billion |
| | ***Growth investment*** | ¥270.0 billion |
| | ***Investment needed for the continuous operation of business*** *(Safety practice and transportation stability)* | ¥348.0 billion |
| | ***Priority budget allocation*** *(Investment in innovation, etc.)* | ¥56.0 billion |
| **Shareholder returns** | | ¥**100**/ share dividend |

**Approach to Shareholder Returns**

■ 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 Results and FY2022.3 Plan

[Notes]  Numbers in ［ ］ for consolidated operating revenues and by segment are reference values excluding an effect of application of “Accounting Standards for Revenue Recognition” and other standards.

[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

# FY2021.3 Financial Results and FY2022.3 Plan (non-consolidated / consolidated)

| non-consolidated (¥ billion) | | 2020.3 Results | 2021.3 Results | 2021.3/2020.3 Increase/ Decrease | 2021.3/2020.3 (%) | 2022.3Plan | 2022.3/2021.3 Increase/ Decrease | 2022.3/2021.3 (%) |
|---|---|---|---|---|---|---|---|---|
| Operating revenues | | 2,061.0 | 1,184.1 | -876.9 | 57.5 | 1,677.0 | +492.8 | 141.6 |
| | Passenger revenues | 1,792.8 | 954.3 | -838.5 | 53.2 | 1,424.0 | +469.6 | 149.2 |
| | Others | 268.2 | 229.8 | -38.4 | 85.7 | 253.0 | +23.1 | 110.1 |
| Operating income | | 294.0 | -478.5 | -772.6 | - | 37.0 | +515.5 | - |
| Ordinary income | | 260.1 | -517.7 | -777.8 | - | 0.0 | +517.7 | - |
| Profit | | 159.0 | -506.6 | -665.6 | - | 25.0 | +531.6 | - |

*Effect of COVID-19 885.9 billion yen

| consolidated (¥ billion) | 2020.3 Results | 2021.3 Results | 2021.3/2020.3 Increase/ Decrease | 2021.3/2020.3 (%) | 2022.3Plan | 2022.3/2021.3 Increase/ Decrease | 2022.3/2021.3 (%) |
|---|---|---|---|---|---|---|---|
| Operating revenues | 2,946.6 | 1,764.5 | -1,182.0 | 59.9 | 2,326.0 [2,475.0] | +561.4 | 131.8 |
| Operating income | 380.8 | -520.3 | -901.1 | - | 74.0 | +594.3 | - |
| Ordinary income | 339.5 | -579.7 | -919.3 | - | 25.0 | +604.7 | - |
| Profit attributable to owners of parent | 198.4 | -577.9 | -776.3 | - | 36.0 | +613.9 | - |

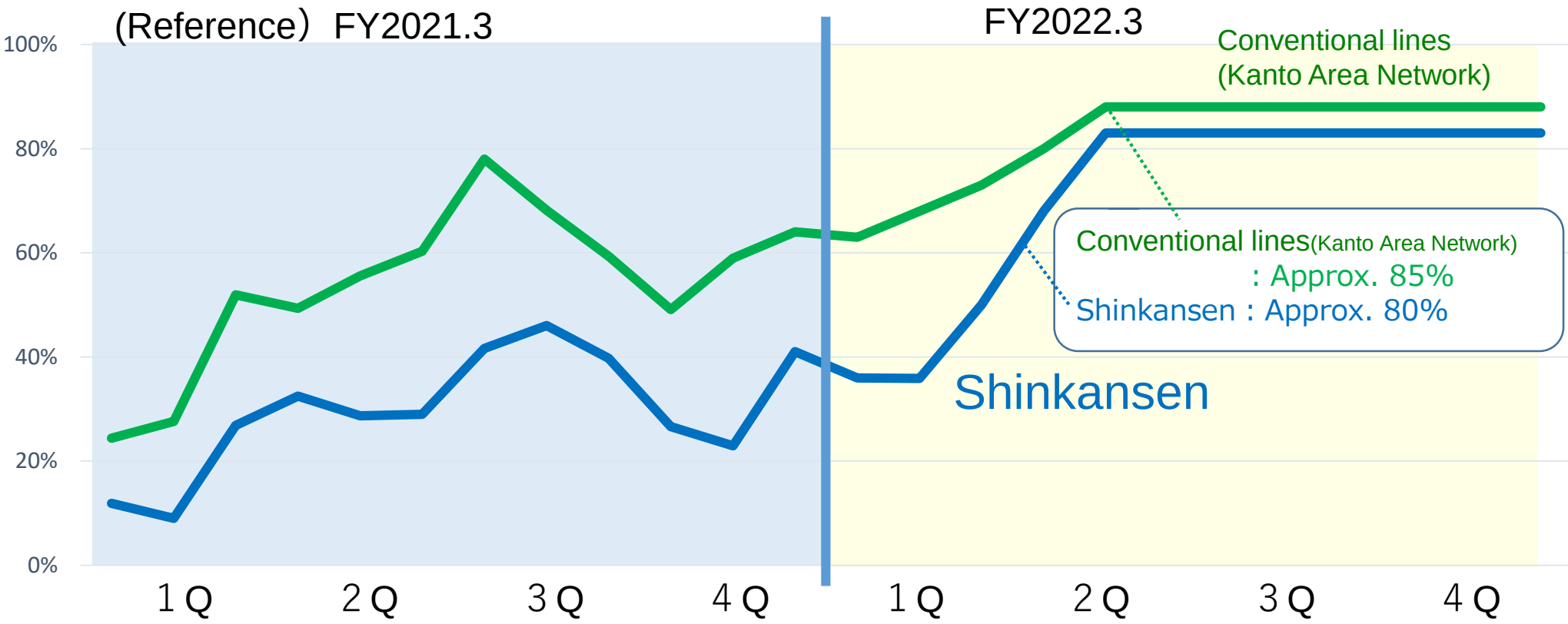
*Effect of COVID-19 1171.0 billion yen

# Passenger Revenues - FY2021.3 Results

| (YoY, ¥ billion, %) | Increase / Decrease | (%) | Factors | Increase / Decrease |
|---|---|---|---|---|
| **Passenger revenues** | **-838.4** | **53.2** | | |
| Commuter passes (Seasonal tickets) | -130.1 | 74.4 | Effect of COVID-19 | -130.0 |
| Non-commuter passes (Ordinary tickets) | -708.3 | 44.8 | | |
| Shinkansen Network | -371.0 | 31.3 | Effect of COVID-19 | -373.0 |
| | | | 10-day Golden Week, year-end and new year Travel, Leap-year (decrease of the number of long holidays to previous year) | -4.0 |
| | | | Earthquake in 2021.Feb | -1.5 |
| | | | Natural disasters (Typhoon) (decreased occurrence compared to previous year) | +6.5 |
| | | | Basic Trend | - |
| Kanto Area Network of Conventional Lines | -311.1 | 55.2 | Effect of COVID-19 | -316.0 |
| | | | 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 in last year) | -0.5 |
| | | | Natural disasters (Typhoon) (decreased occurrence compared to previous year) | +9.5 |
| | | | Basic Trend | - |
| Other Network of Conventional Lines | -26.1 | 46.4 | Effect of COVID-19 | -26.0 |
| | | | Basic Trend | - |

# Passenger Revenues
# - FY2021.3 Results and FY2022.3 Outlook

■ Non-commuter passes：Compared with pre-covid-19 (excludes special factors)




■ Commuter passes revenues (Seasonal tickets)
:Compared with pre-covid-19, reach approximately 80% at 3rd quarter of fiscal 2022 and trend at the same level thereafter.

（Reference）Approximately 75% at the end of fiscal 2021.

# Passenger Revenues - FY2022.3 Plan

| (¥ billion,%)<br>Full-term Plan (YoY basis) | Total (compared to two years ago)<br>1st half | <br>2nd half | Main factors behind change |
|---|---|---|---|
| Passenger revenues<br>+469.6 | 149.2% (79.4%) | | |
| | 151.9% | 147.0% | |
| Commuter passes (Seasonal tickets)<br>+10.7 | 102.8% (76.6%) | | ・Recovery from the effect of COVID-19: +14.0 |
| | 97.8% | 108.0% | |
| Non-commuter passes (Ordinary tickets)<br>+458.9 | 179.8% (80.6%) | | |
| | 195.3% | 168.7% | |
| Shinkansen Network<br>+238.7 | 241.5% (75.5%) | | ・Tokyo Olympics / Paralympics: +1.5<br>・Earthquake (decrease occurrence compared to previous year): +1.5<br>・Recovery from the effect of COVID-19：+237.0 |
| | 262.8% | 227.5% | |
| Kanto Area Network of Conventional Lines<br>+203.7 | 153.1% (84.5%) | | ・Tokyo Olympics / Paralympics：+2.5<br>・Recovery from the effect of COVID-19：+204.0 |
| | 169.1% | 141.2% | |
| Other Network of Conventional Lines<br>+16.4 | 172.8% (80.1%) | | ・Recovery from the effect of COVID-19：+16.5 |
| | 172.0% | 173.4% | |

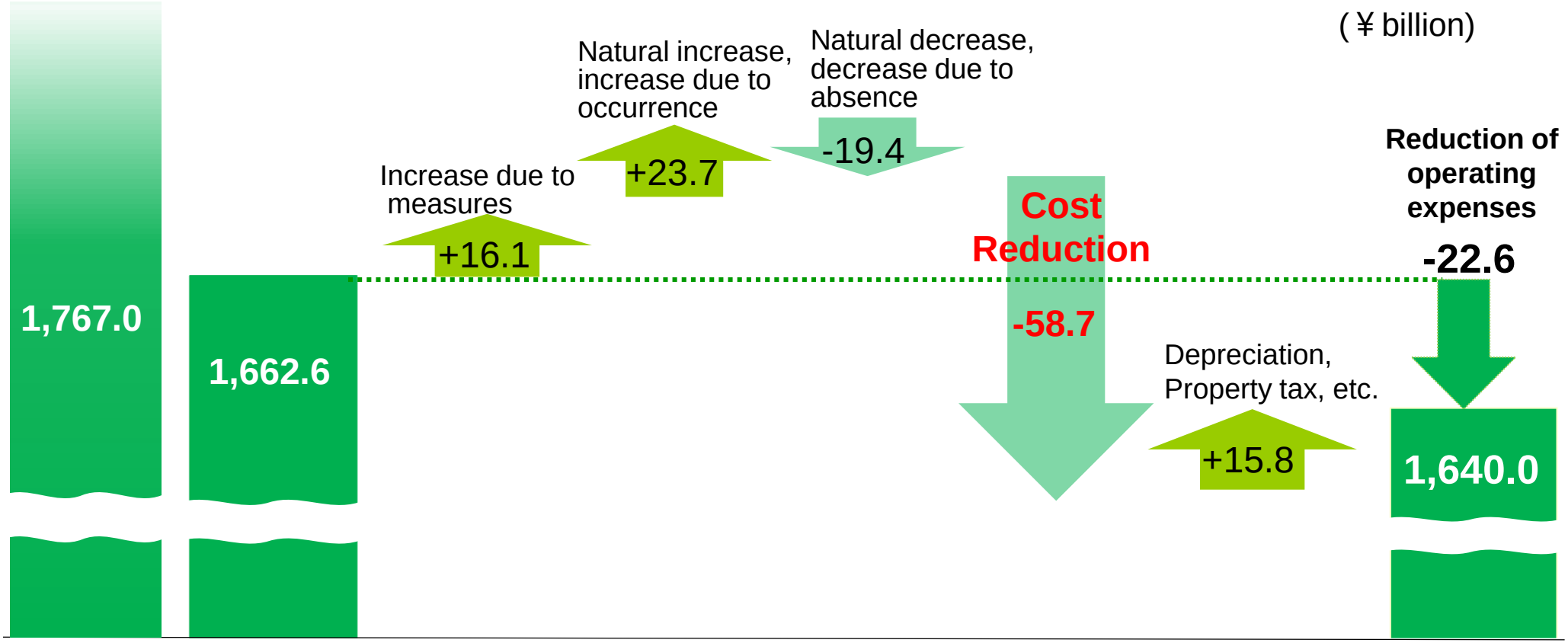
* Including effects of COVID-19 as special factors until FY2021.3 and not including FY2022.3

# Operating Expenses (non-consolidated) – FY2021.3 Results

| (¥ billion) | 2020.3 Results | 2021.3 Results | 2021.3/2020.3 Increase / Decrease | 2021.3/2020.3 (%) | 2021.3/2020.3 Main factors behind change |
|---|---|---|---|---|---|
| Operating expenses | 1,767.0 | 1,662.6 | -104.3 | 94.1 | |
| Personnel expenses | 444.4 | 388.8 | -55.5 | 87.5 | ・Bonus related: -42.8<br>・Decrease in number of employees: -6.5 |
| Non-personnel expenses | 831.1 | 773.0 | -58.0 | 93.0 | |
| Energy | 64.5 | 56.4 | -8.1 | 87.5 | ・Decrease in fuel costs of thermal power plants: -6.8 |
| Maintenance | 302.1 | 292.7 | -9.4 | 96.9 | ・Railcar maintenance expenses: -5.5<br>・General maintenance expenses: -3.8 |
| Other | 464.4 | 423.8 | -40.5 | 91.3 | ・Revenue-related expenses：-15.9<br>・Shinkansen test railcar ALFA-X：-10.4 |
| Usage fees to JRTT, etc. | 83.3 | 82.9 | -0.3 | 99.6 | |
| Taxes | 100.6 | 96.4 | -4.1 | 95.9 | |
| Depreciation | 307.4 | 321.2 | +13.8 | 104.5 | ・Increase due to capital expenditures |

# Cost Reduction Plan (non-consolidated)

(¥ billion)




**2020.3 Results** | **2021.3 Results** | **2022.3 Plan**

| Increase due to measures | | Natural increase, increase due to occurrence | | Natural decrease, decrease due to absence | | Cost Reduction | |
|---|---|---|---|---|---|---|---|
| Expenses for Tokyo Olympics / Paralympics | | Revenue-related expenses | | Decrease due to the application of new accounting standards | | Maintenance cost | -30.8 |
| Expenses for Information processing | etc. | Increase in fuel costs of thermal power plants | | Decrease in number of employees | | Publicity and advertising expenses | -5.3 |
| | | Compensation for Works | | Takanawa Gateway Fest | | Decrease in number of goods | -2.4 |
| | | *JRE POINT* | | New uniforms etc. | | Salary increase restraint | -2.3 |
| | | Revenue-related expenses | etc. | | | Security cost | -1.8 |

# Operating Expenses (non-consolidated) – FY2022.3 Plan

| (¥ billion) | 2021.3 Results | 2022.3 Plan | 2022.3/2021.3 Increase / Decrease | 2022.3/2021.3 (%) | Main factors behind change |
|---|---|---|---|---|---|
| Operating expenses | 1,662.6 | 1,640.0 | -22.6 | 98.6 | |
| Personnel expenses | 388.8 | 383.0 | -5.8 | 98.5 | [-] Decrease in number of employees<br>[-] Salary increase restraint |
| Non-personnel Expenses | 773.0 | 741.0 | -32.0 | 95.8 | |
| Energy | 56.4 | 62.0 | +5.5 | 109.8 | [+] Increase in fuel costs of thermal power plants |
| Maintenance | 292.7 | 265.0 | -27.7 | 90.5 | [-] General maintenance expenses<br>[-] Railcar maintenance expenses |
| Other | 423.8 | 414.0 | -9.8 | 97.7 | [-] Publicity and advertising expenses<br>[-] Application of new accounting standards<br>[+] Revenue-related expenses |
| Usage fees to JRTT, etc. | 82.9 | 85.0 | +2.0 | 102.5 | |
| Taxes | 96.4 | 104.0 | +7.5 | 107.8 | |
| Depreciation | 321.2 | 327.0 | +5.7 | 101.8 | [+] Increase due to capital expenditures |

# Cost Reduction Results and Plan

FY2022.3Plan

- Planning cost reductions of approximately ¥59.0 billion at JR East (non-consolidated)
- Planning total cost reductions of approximately ¥11.0 billion at Group companies
- Investment needed for the continuous operation of business will be the same level of FY2021.3

(¥ billion)

| | FY2021.3 Plan (Released at Jan.2021) | | FY2021.3 Results | | FY2022.3 Plan |
|---|---|---|---|---|---|
| | Operating Expenses | Capital Expenditures | Operating Expenses | Capital Expenditures | Operating Expenses |
| JR East | 96.5 | 54.0 | 103.0 | 70.0 | 59.0 |
| Group companies* | 35.0 | 10.0 | 42.0 | 10.0 | 11.0 |
| Total | 131.5 | 64.0 | 145.0 | 80.0 | 70.0 |

*Simple total for respective companies

# Transportation - Results and Plan

| (¥ billion) | 2020.3 | 2021.3 | 2021.3/ 2020.3 |
|---|---|---|---|
| Operating revenues | 1,994.5 | 1,095.7 | -898.7<br>54.9% |
| Operating income | 250.5 | -532.3 | -782.9<br>- |

| 2022.3 Plan | 2022.3/ 2021.3 | Outlook of operating revenues |
|---|---|---|
| 1,604.0<br>[1,599.0] | +508.2<br>146.4% | **<Passenger Revenues of JR East>**<br>Shinkansen: approx. 80%<br>Conventional lines (Kanto Area Network): approx. 85%<br>Commuter passes: approx. 80%<br>*As of the 3rd quarter of this fiscal year<br>*Compared with the revenue of pre-covid-19 |
| -40.0 | +492.3<br>- | |

| Operating revenues (¥ billion) Main positive and negative factors in FY2021.3 | | |
|---|---|---|
| JR East | -858.1 (54.5%) | Decrease in passenger revenues due to the effect of COVID-19 |

Effect of COVID-19 ¥-886.0 bn

* Advertisement revenues and incomes of JR-East changed from Transportation segment to Retail & Services segment in FY2022.3

(Reference) Shinkansen traffic volume by line (% compared with same month of previous year)

| | Apr. | May | Jun. | Jul. | Aug. | Sep. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Full year |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Tohoku Shinkansen* (Total of Furukawa-Kitakami and Omiya-Utsunomiya) | 13 | 11 | 27 | 33 | 25 | 39 | 51 | 49 | 40 | 27 | 25 | 82 | 33 |
| Joetsu Shinkansen (Omiya-Takasaki) | 16 | 13 | 31 | 34 | 26 | 39 | 44 | 44 | 41 | 28 | 37 | 87 | 35 |
| Hokuriku Shinkansen (Omiya-Takasaki) | 12 | 10 | 28 | 34 | 28 | 41 | 69 | 63 | 48 | 27 | 35 | 91 | 37 |

* Tohoku Shinkansen includes Tsubasa and Komachi.

# Retail & Services - Results and Plan

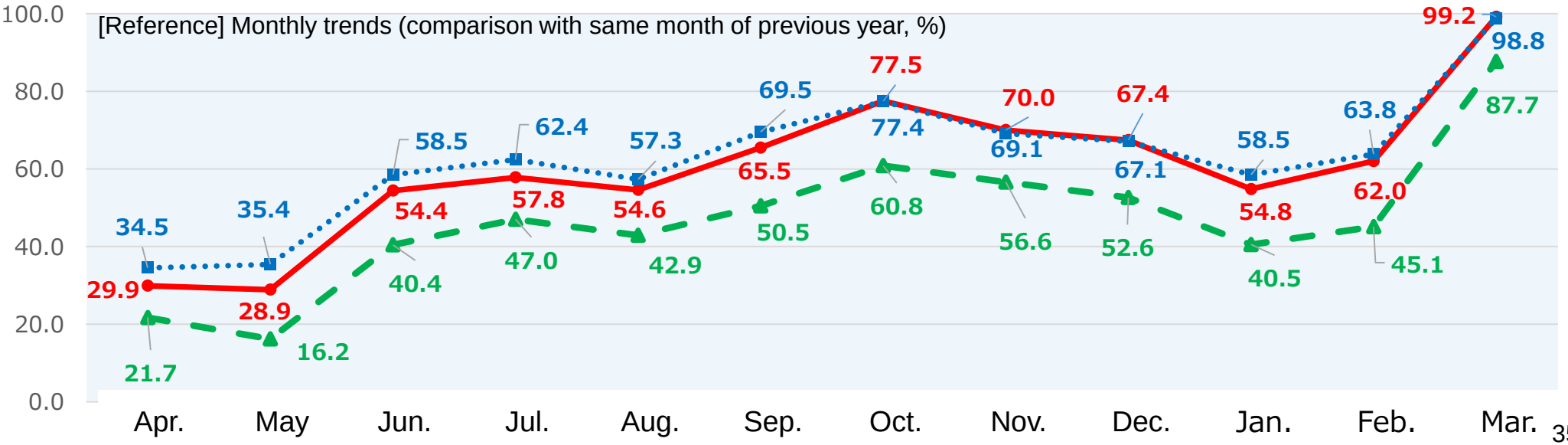
| (¥ billion) | 2020.3 | 2021.3 | 2021.3/ 2020.3 | 2022.3 Plan | 2022.3/ 2021.3 | Outlook of operating revenues |
|---|---|---|---|---|---|---|
| Operating revenues | 502.0 | 318.0 | -183.9<br>63.4% | 337.0<br>[448.0] | +18.9<br>105.9% | **<EKINAKA Stores>**<br>Approximately 90% of pre-COVID-19 level at the end of fiscal year |
| Operating income | 34.3 | -13.5 | -47.9<br>- | 42.0 | +55.5<br>- | **<Advertisement business>**<br>Approximately 90% of pre-COVID-19 level at the end of fiscal year |

| Operating revenues (¥ billion) | | Main positive and negative factors (FY2021.3) |
|---|---|---|
| J-Retail | -83.1 (61.8%) | Decrease due to the effect of COVID-19 |
| Tetsudo Kaikan | -27.6 (41.4%) | Decrease due to the effect of COVID-19 |
| JR East Marketing & Communications | -23.0 (71.5%) | Decrease due to the effect of COVID-19 |

Effect of COVID-19 ¥-177.0 bn

*Advertisement revenues and incomes of JR-East changed from Transportation segment to Retail & Services segment in FY2022.3

| Full year | |
|---|---|
| Retails & Restaurant Total | 60.5 |
| J-Retail(existing stores) | 62.2 |
| JR East foods(existing stores) | 45.3 |



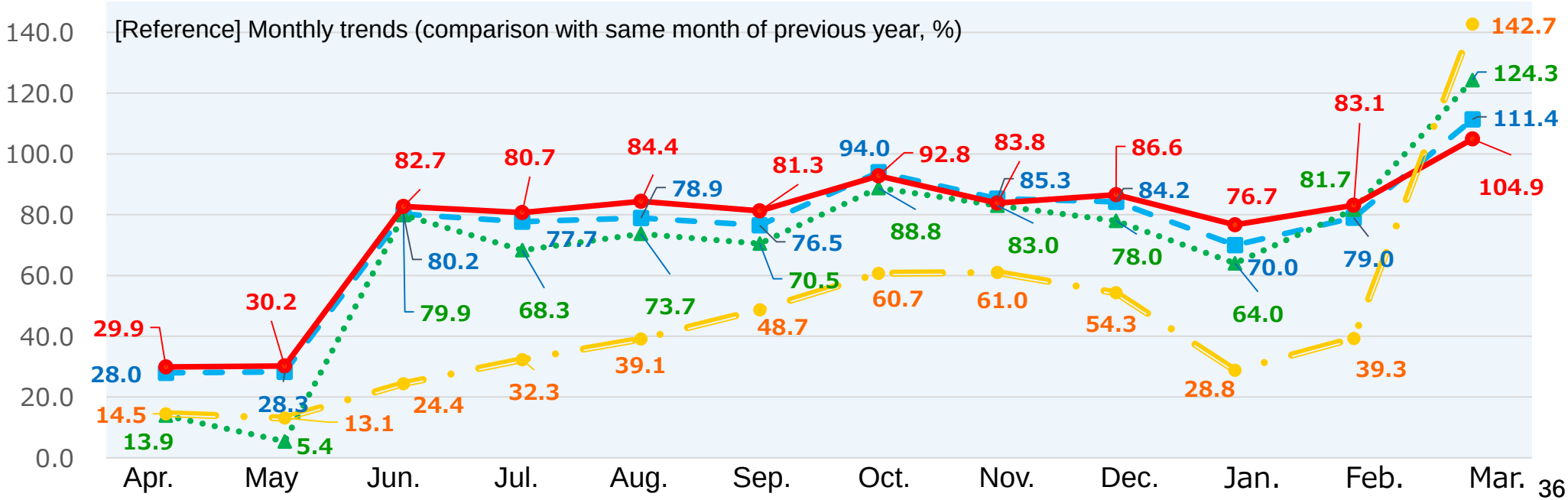
# Real Estate & Hotels - Results and Plan

| (¥ billion) | 2020.3 | 2021.3 | 2021.3/ 2020.3 |
|---|---|---|---|
| Operating revenues | 348.5 | 271.2 | -77.2<br>77.8% |
| Operating income | 74.6 | 15.1 | -59.4<br>20.3 |

| 2022.3 Plan | 2022.3/ 2021.3 | Outlook of operating revenues |
|---|---|---|
| 313.0<br>[343.0] | +41.7<br>115.4% | **<Shopping center business>**<br>Approximately 90% of pre-COVID-19 level at the end of fiscal year<br>**<Office buildings business>**<br>Approximately the same level of pre-COVID-19 level through the year<br>**<Hotel Business>**<br>Approximately 80% of pre-COVID-19 level at the end of fiscal year |
| 58.0 | +42.8<br>382.7% | |

| Operating revenues (¥ billion) | | Main positive and negative factors (FY2021.3) |
|---|---|---|
| Nippon Hotel | -22.4 (40.8%) | Decrease due to the effect of COVID-19 |
| LUMINE | -21.9 (70.8%) | Decrease due to the effect of COVID-19 |
| atré | -9.4 (79.2%) | Decrease due to the effect of COVID-19 |
| JR East Building | +2.2 (104.8%) | Increase in opening of JR Yokohama Tower, etc. |

| Full year | |
|---|---|
| Shopping Centers Total | 74.2 |
| LUMINE(existing stores) | 68.0 |
| atré (existing stores) | 76.0 |
| Hotel | 41.9 |



# Hotel Operations - Overview

Operating revenues *1 23.5 billion (2021.3)

Operating income *1 -20.4 billion (2021.3)

*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

Menus to boost the operating revenues

①Micro tourism
②Take in demand of teleworks through *STATION WORK*, etc.
③Strengthen CRM*
④Make use of local governments policies

*Customer Relationship Management

［Reference］ JR East hotels at a glance

■ *Metropolitan Hotels* (14 hotels, 4,021 guest rooms)

Operating revenues *2 ¥ 11.9 billion (2021.3) Occupancy rate:28.5 %

■ *JR-EAST HOTEL METS* chain (29 hotels, 4,009 guest rooms)

Operating revenues *2 ¥ 7.2 billion (2021.3) Occupancy rate:56.4 %

■ *The Tokyo Station Hotel* (150 guest rooms)
■ *mesm Tokyo, AUTOGRAPH COLLECTION* (265 guest rooms)
■ *Familio, Folkloro* (8 hotels, 344 guest rooms)
■ *wanoi Kakunodate* (3 guest rooms)
■ *Hotel Dream Gate Maihama*, *Hotel Dream Gate Maihama Annex* (160 guest rooms)
■ *Hotel New Grand* (238 guest rooms)

*2 Simple sum of operating revenues from each hotel.

(As of Mar. 31,2021)

# Main Projects and policies

## (Reference) FY2021

## （Plan）FY2022

### Transportation

From 2020.3



Limited express *Saphir ODORIKO* From 2020.3



New commuting seated service (Tokaido Line limited Express)



Tohoku destination campaign



Renewal the Eki-net



Production of Shinkansen (Series E7)



New Dynamic Rail Pack service

### Real estate



JR Yokohama tower



HIBIYA OKUROJI



**WATERS takeshiba**



**KAWASAKI DELTA**

### Hotels



mesm Tokyo, AUTOGRAPH COLLECTION



Hotel Metropolitan KAMAKURA



Hotel Metropolitan YAMAGATA South Tower



Hotel Metropolitan AKITA North wing



Hotel Metropolitan PREMIER TAIPEI

### Retail & Services



**GRANSTA TOKYO**



tekute SENDAI

# Others- Results and Plan

| (¥ billion) | 2020.3 | 2021.3 | 2021.3/ 2020.3 | 2022.3 Plan | 2022.3/ 2021.3 | Outlook of operating revenues |
|---|---|---|---|---|---|---|
| Operating revenues | 101.5 | 79.5 | -21.9 78.3% | 72.0 [85.0] | -7.5 90.5% | **<Credit card business>** Approximately the same level of pre-COVID-19 level through the year |
| Operating income | 23.8 | 14.7 | -9.1 61.8% | 16.0 | +1.2 108.4% | |

## Operating revenues (¥ billion) main positive and negative factors (FY2021.3)

| | | |
|---|---|---|
| JR East Information Systems | -7.5 (50.5%) | Decrease in systems contract revenues |
| JR East Mechatronics | -6.8 (72.7%) | Decrease in sales of IC-related equipment |
| Japan International Consultants for Transportation | -2.9 (67.8%) | Decrease in consultation services for the Detailed Design Study on the High Speed Railway Construction Project in India |
| Viewcard | -2.9 (90.2%) | Decrease in franchise fees due to the effect of COVID-19 |

Effect of COVID-19 ¥-9.0 bn

## IT & *Suica* operating results (FY2021.3)

Operating revenues: ¥52.9 billion (84.0%) *Operating revenues: ¥125.7 billion (88.4%) (including revenues inside group)
(operating revenues from outside customers)*

Operating income: ¥8.7 billion (52.5%)

## (Reference) Number of e-money transactions per month

Including mutual-usage affiliated stores
(Top row: Millions of transactions,
Bottom row: % compared with same month of previous year)

| Apr. | May | Jun. | Jul. | Aug. | Sep. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Full year |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 130 (63.8) | 127 (59.1) | 187 (87.5) | 202 (87.6) | 212 (90.9) | 209 (92.2) | 220 (90.1) | 211 (85.0) | 210 (83.4) | 177 (73.9) | 174 (77.0) | 208 (99.2) | 2,269 (82.6) |

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

| (¥ billion) | 2020.3 Results | 2021.3 Results | Increase/ Decrease | 2022.3 Plan | Increase/ Decrease |
|---|---|---|---|---|---|
| Operating income | 380.8 | -520.3 | -901.1 | 74.0 | +594.3 |
| Non-operating income or expenses | -41.3 | -59.4 | -18.1 | -49.0 | +10.4 |
| Non-operating income | 23.9 | 22.4 | -1.4 | | |
| Equity in net income of affiliated companies | 5.6 | - | -5.6 | | |
| Dividend income | 6.1 | 4.9 | -1.1 | | |
| Subsidies for employment adjustment | - | 5.0 | +5.0 | | |
| Other | 12.1 | 12.4 | +0.2 | | |
| Non-operating expenses | 65.2 | 81.9 | +16.6 | | |
| Equity in net losses of affiliated companies | - | 13.4 | +13.4 | | |
| Interest expense | 60.7 | 60.6 | -0.1 | | |
| Other | 4.4 | 7.8 | +3.3 | | |
| Ordinary income | 339.5 | -579.7 | -919.3 | 25.0 | +604.7 |
| Extraordinary gains or losses | -55.3 | -123.7 | -68.4 | 38.0 | +161.7 |
| Extraordinary gains | 64.2 | 43.4 | -20.8 | | |
| Construction grants received | 45.6 | 28.9 | -16.7 | | |
| Insurance proceeds related to disaster | 5.5 | - | -5.5 | | |
| Gains on sales of fixed assets | 7.2 | 11.6 | +4.3 | | |
| Other | 5.7 | 2.8 | -2.8 | | |
| Extraordinary losses | 119.6 | 167.2 | +47.6 | | |
| Impairment losses on fixed assets | 7.5 | 80.0 | +72.4 | | |
| Environmental conservation costs | 11.1 | 36.9 | +25.7 | | |
| Provision for allowance for disaster-damage losses | 12.4 | 6.9 | -5.4 | | |
| Disaster-damage losses | 19.3 | 0.5 | -18.7 | | |
| Losses on reduction entry for construction grants | 39.7 | 16.8 | -22.9 | | |
| Other | 29.3 | 25.8 | -3.4 | | |
| Income before income taxes | 284.1 | -703.5 | -987.7 | | |

Interest expense : 33.6 (+0.5)
Bond interest : 27.0 (-0.6)

# Summary of Cash Flows (consolidated)

| (¥ billion) | 2020.3 | 2021.3 | Increase/ Decrease |
|---|---|---|---|
| | Decrease in income before income taxes: -987.7 | | |
| **Cash Flows from Operating Activities (I)** | 548.6 | -189.9 | -738.6 |
| | Increase in payments for purchases of fixed assets: -61.5 | | |
| **Cash Flows from Investing Activities (II)** | -701.6 | -749.3 | -47.7 |
| ***Free Cash Flows (I) + (II)*** | -152.9 | -939.3 | -786.4 |
| | Increase in proceeds from procurements with interest-bearing debt: +892.6 | | |
| **Cash Flows from Financing Activities (III)** | 43.4 | 983.3 | +939.9 |
| **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)** | -109.5 | 44.0 | +153.5 |
| **Cash and Cash Equivalents at Beginning of the Year** | 263.7 | 153.7 | -109.9 |
| **Increase in Cash and Cash Equivalents due to Merger** | - | 0.1 | +0.1 |
| **Decrease in Cash and Cash Equivalents due to Corporate Division** | -0.3 | - | +0.3 |
| **Cash and Cash Equivalents at End of the Year** | 153.7 | 197.9 | +44.1 |

# 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 (Results) | 2022.3 Plan |
|---|---|---|---|---|---|
| Transportation Services | Growth investment | 93.5 | 110.7 | 79.0 | 65.0 |
| | Investment needed for the continuous operation of business | 307.2 | 313.3 | 309.9 | 305.0 |
| | Priority budget allocation (Investment in innovation, etc.) | 31.4 | 46.7 | 62.6 | 54.0 |
| | Total | 432.3 | 470.7 | 451.6 | 424.0 |
| Lifestyle services, IT & *Suica* services | Growth investment | 160.5 | 234.5 | 212.4 | 205.0 |
| | Investment needed for the continuous operation of business | 32.5 | 32.2 | 26.3 | 43.0 |
| | Priority budget allocation (Investment in innovation, etc.) | 4.4 | 3.0 | 1.8 | 2.0 |
| | Total | 197.6 | 269.8 | 240.6 | 250.0 |
| | Growth investment | 254.1 | 345.2 | 291.4 | 270.0 |
| | Investment needed for the continuous operation of business | 339.8 | 345.5 | 336.3 | 348.0 |
| | (Depreciation) | 368.7 | 374.7 | 388.8 | 393.0 |
| | Priority budget allocation (Investment in innovation, etc.) | 35.9 | 49.7 | 64.4 | 56.0 |
| | Total | 629.9 | 740.6 | 692.2 | 674.0 |

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

# Change in Interest-bearing Debt Balance (consolidated)

| (¥ billion) | 2017.3 (Results) | 2018.3 (Results) | 2019.3 (Results) | 2020.3 (Results) | 2021.3 (Results) |
|---|---|---|---|---|---|
| Bonds | 1,839.9<br>(1.73%) | 1,770.1<br>(1.68%) | 1,730.1<br>(1.61%) | 1,710.2<br>(1.56%) | 2,020.3<br>(1.32%) |
| Long-term loans | 1,030.1<br>(1.14%) | 1,072.9<br>(1.10%) | 1,101.4<br>(1.06%) | 1,124.3<br>(0.99%) | 1,291.8<br>(0.89%) |
| Long-term liabilities incurred for purchase of railway facilities | 340.9<br>(6.45%) | 336.5<br>(6.47%) | 332.1<br>(6.49%) | 327.7<br>(6.51%) | 323.0<br>(6.53%) |
| Other interest-bearing debt | - | - | - | 150.0<br>(-) | 715.0<br>(0.11%) |
| Total | 3,211.0<br>(2.04%) | 3,179.6<br>(1.99%) | 3,163.7<br>(1.93%) | 3,312.3<br>(1.79%) | 4,350.2<br>(1.38%) |
| Net interest-bearing debt | 2,923.9 | 2,864.7 | 2,899.9 | 3,158.5 | 4,152.2 |

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

Top : Balance
Bottom: Average interest rate

# Fund-Raising

## ■ Policy

- Secure adequate liquidity through “early, abundant, long-term” funding
- Take flexible measures (funding, repayment) while carefully analyzing revenue trends going forward
- Ensure the financial stability, extending the terms of existing debt.

## ■ Fund-Raising Situation (Apr. 2020 - Mar. 2021)

- Long-term fund-raising (bonds, borrowing) : Totaled 607.5 billion yen.
- Short-term fund-raising (CP, special bank overdraft facilities):
  Balance at the end of March was 715.0 billion yen.

## ■ Issuance facility and contract value (1,580.0 billion yen)

CP 700 billion yen*, Special bank overdraft facilities 520 billion yen,
Commitment lines 300 billion yen, General bank overdraft facilities 60 billion yen.

*Increased amount of CP issuance facility from 500 billion yen in Apr. 2021 and at the same time updated credit rating.

## ■ Credit ratings

- Long-term credit ratings

| Rating agency | Rating |
|---|---|
| Moody’s | A1 (Stable) |
| Standard & Poor’s (S&P) | A+ (Stable) |
| 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+ |

# Ⅲ　Reference Materials

# Numerical Targets of “Move Up” 2027 (FY2026)

| | Consolidated operating revenues *1 | Consolidated operating income |
|---|---|---|
| Transportation | 1,970.0 billion yen [1,980.0 billion yen] | 252.0 billion yen |
| Retail & Services | 550.0 billion yen [709.0 billion yen] | 57.0 billion yen |
| Real Estate & Hotels | 480.0 billion yen [535.0 billion yen] | 113.0 billion yen |
| Others | 90.0 billion yen [101.0 billion yen] | 30.0 billion yen |
| Total | 3,090.0 billion yen [3,325.0 billion yen] | 450.0 billion yen |

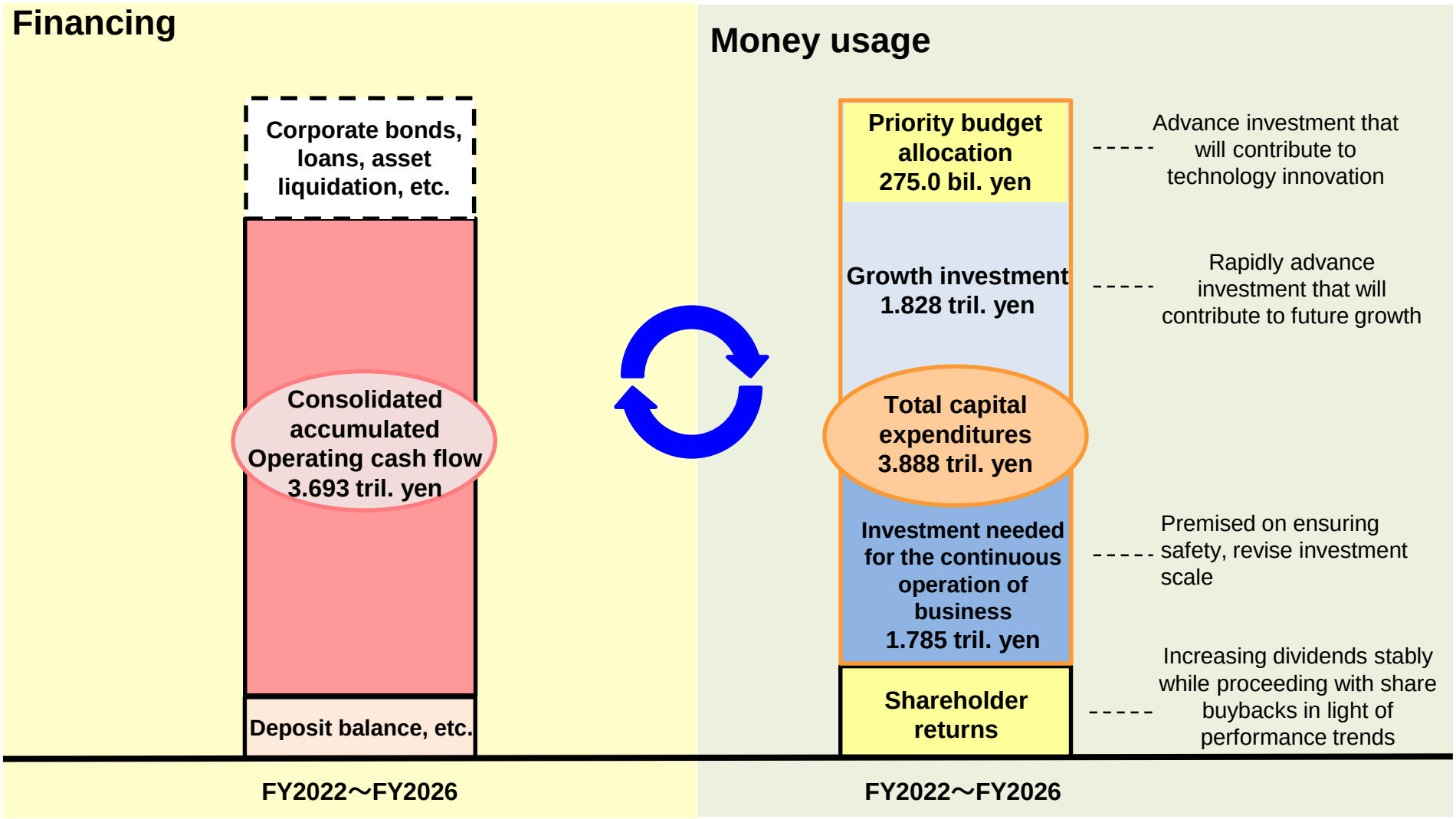
| | |
|---|---|
| Consolidated operating cash flow | 3,693.0 billion yen *2 |
| Consolidated ROA | Around 4.5% |
| Net interest-bearing debt/EBITDA *3 | 5 times or less |

*1 Numbers in brackets for consolidated operating revenues and by segment are reference values excluding an effect of application of “Accounting Standards for Revenue Recognition” and other standards.

*2 Total amount covering five years from the fiscal year ending March 31, 2022 to the fiscal year ending March 31, 2026

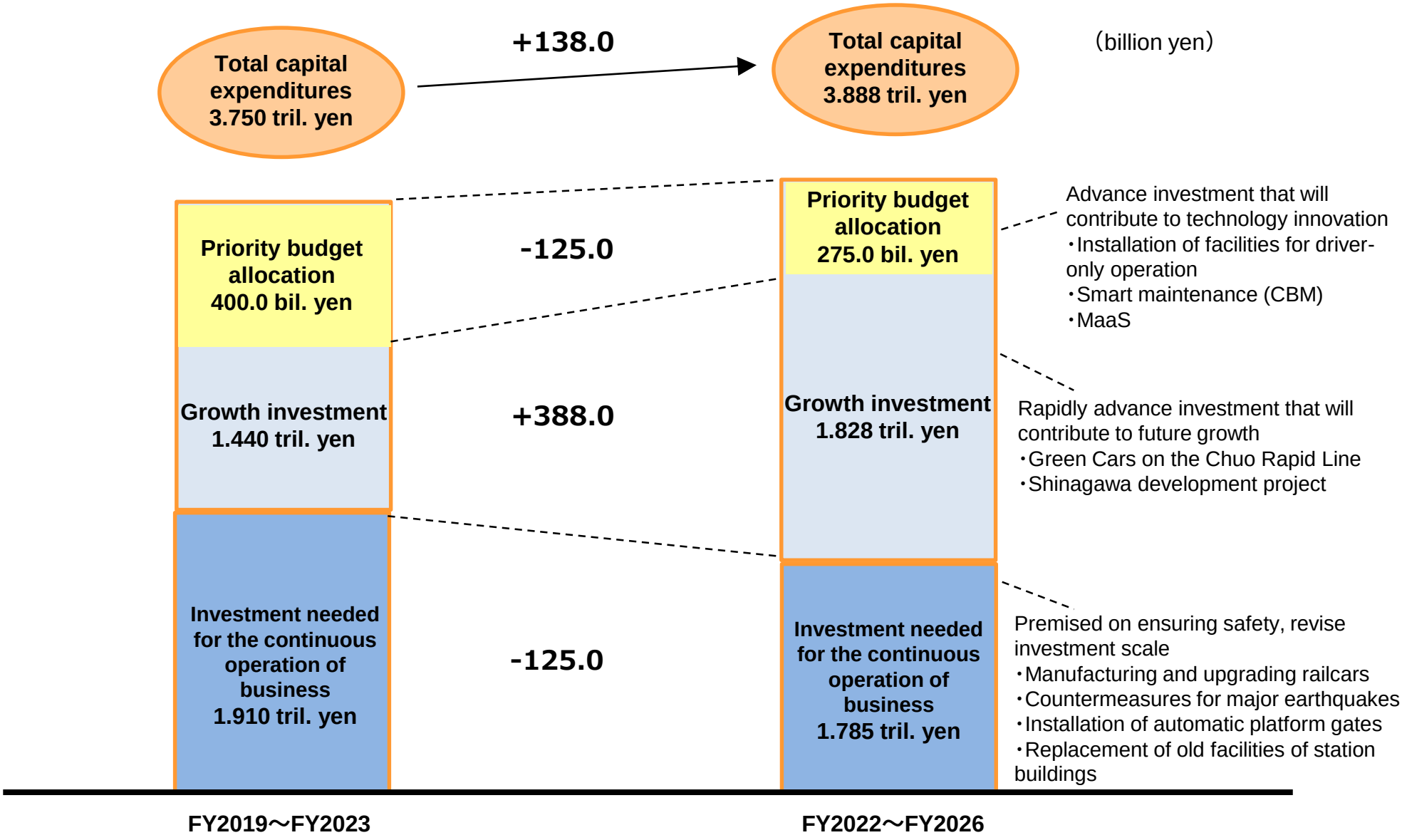
*3 Net interest-bearing debt means Balance of consolidated interest-bearing debt *minus* Balance of consolidated cash and cash equivalents. EBITDA means Consolidated operating income *plus* Consolidated depreciation expense.

# Financing and Money usage



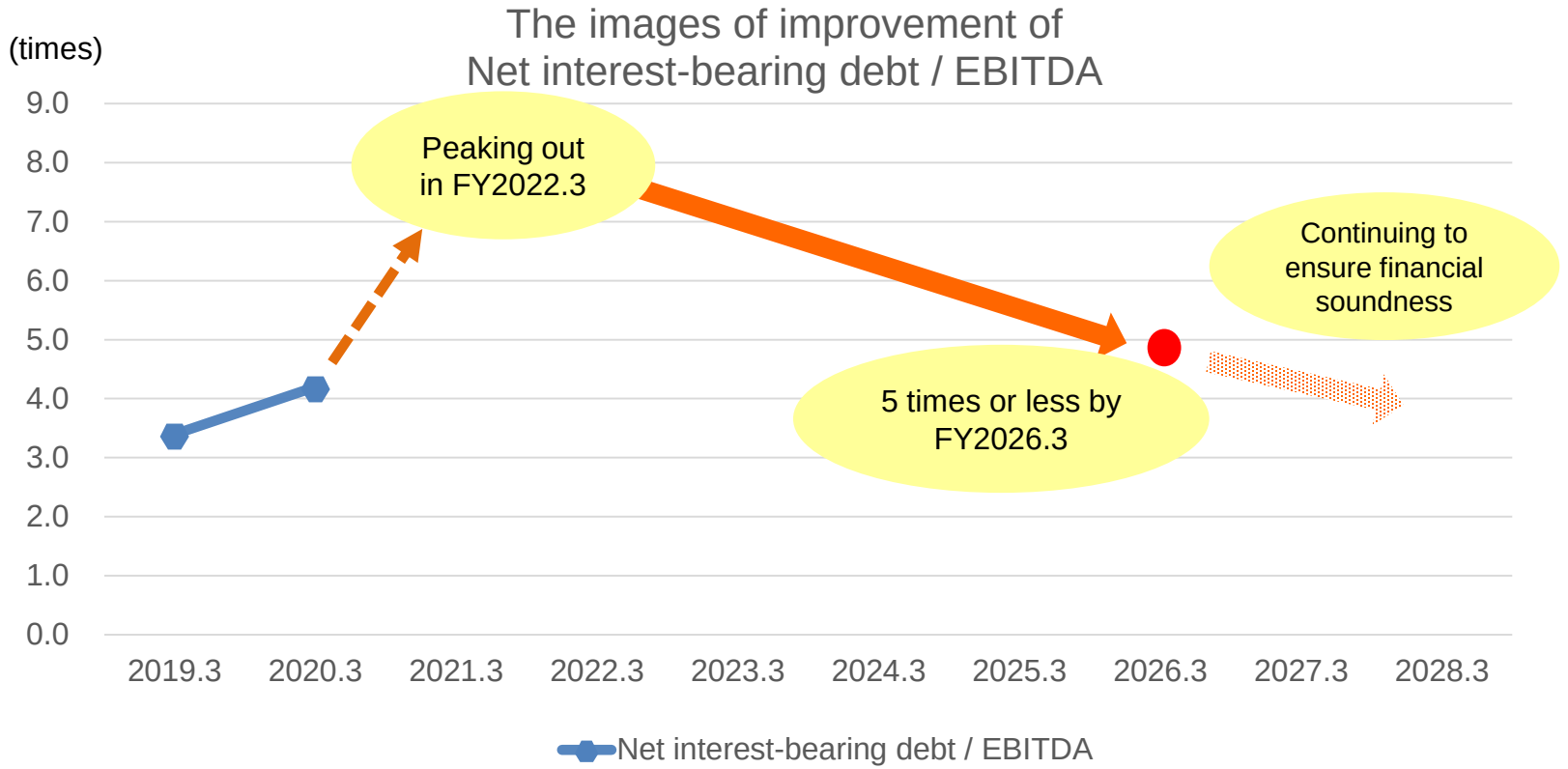

■ Expecting to achieve positive free cash flows in FY2024.3

# Capital Expenditures Plan (consolidated)



# Debt Management Policy

- Maintain the approach to interest-bearing debt set out in “Move Up” 2027
  “Seek net interest-bearing debt / EBITDA of about 3.5 times over the medium to long term”
- Abovementioned ratio is going to rise to the FY 2022.3 temporarily. However, improve to 5 times or less by FY2026.3 and continue to endeavor to ensure financial soundness thereafter




*Net interest-bearing debt means Balance of consolidated interest-bearing debt *minus* Balance of consolidated cash and cash equivalents.
*EBITDA means Consolidated operating income *plus* Consolidated depreciation expense.

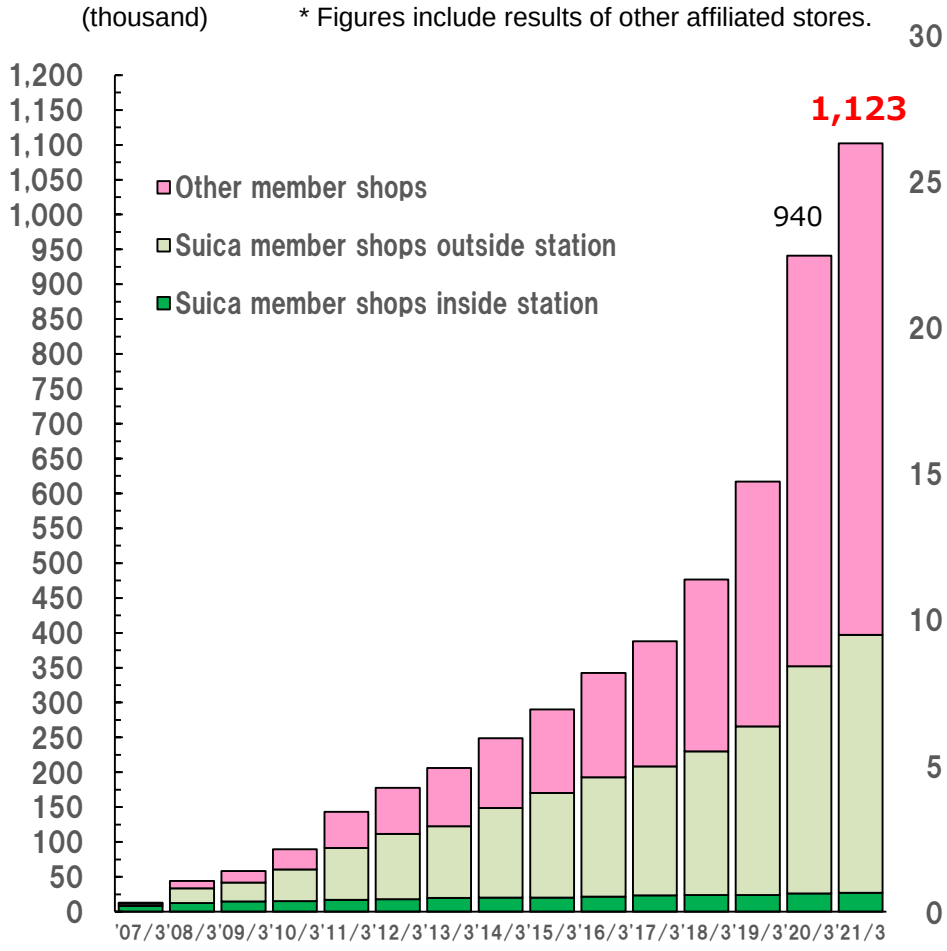
# FY2022.3 Traffic Volume and Passenger Revenues - Plan

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

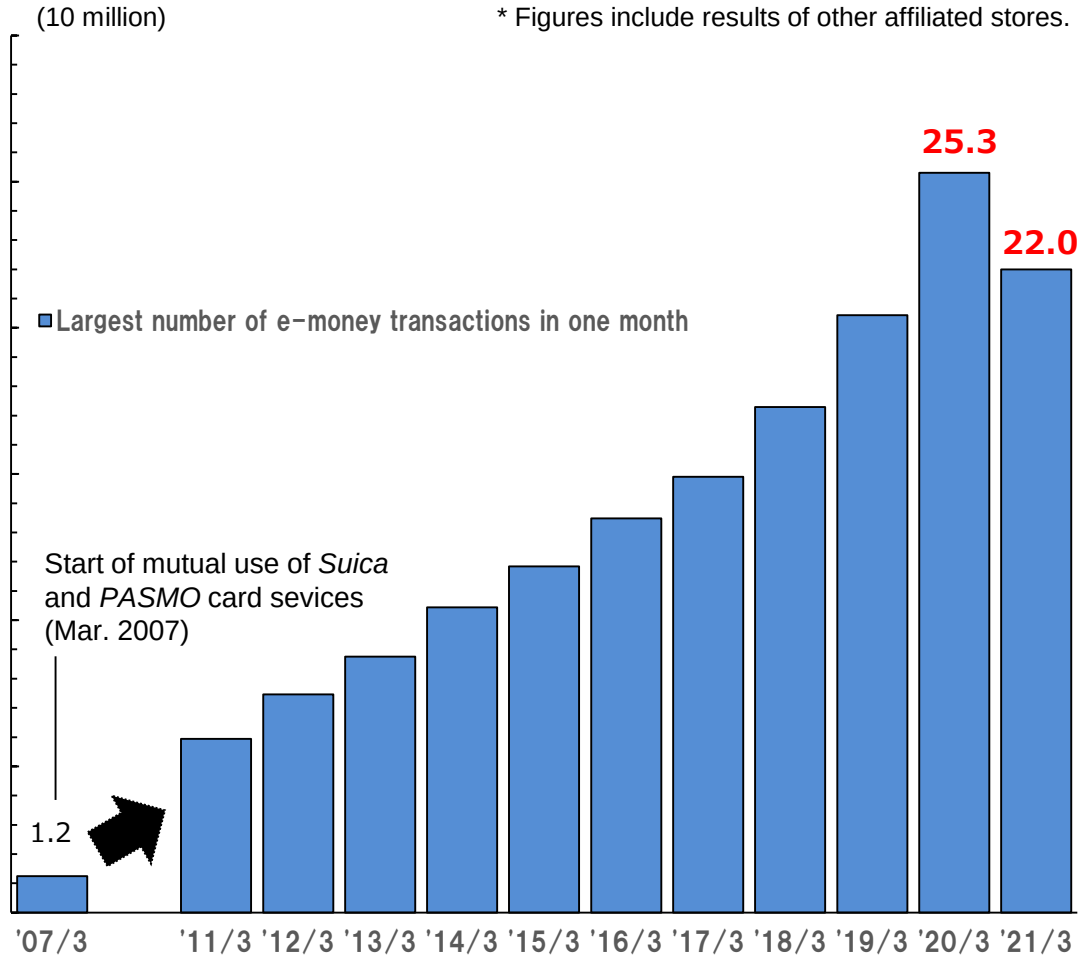
| | | | Traffic Volume (million passenger kilometers) | | | | Passenger Revenues (¥ billion) | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | 2021.3 Results | 2022.3 Plan | Increase / Decrease | (%) | 2021.3 Results | 2022.3 Plan | Increase / Decrease | (%) |
| Shinkansen | | Commuter Passes | 1,531 | 1,581 | +49 | 103.2 | 20.9 | 21.5 | +0.5 | 102.8 |
| | | Non-commuter Passes | 6,419 | 15,732 | +9,312 | 245.1 | 168.6 | 407.4 | +238.7 | 241.5 |
| | | Total | 7,950 | 17,313 | +9,362 | 217.8 | 189.6 | 428.9 | +239.3 | 226.2 |
| Conventional Lines | Kanto Area Network | Commuter Passes | 52,995 | 53,766 | +771 | 101.5 | 342.8 | 352.5 | +9.7 | 102.8 |
| | | Non-commuter Passes | 19,800 | 30,289 | +10,489 | 153.0 | 383.7 | 587.4 | +203.7 | 153.1 |
| | | Total | 72,795 | 84,056 | +11,260 | 115.5 | 726.5 | 940.0 | +213.4 | 129.4 |
| | Other Network | Commuter Passes | 2,614 | 2,625 | +11 | 100.4 | 15.4 | 15.8 | +0.4 | 102.8 |
| | | Non-commuter Passes | 1,190 | 2,001 | +811 | 168.1 | 22.6 | 39.1 | +16.4 | 172.8 |
| | | Total | 3,804 | 4,626 | +832 | 121.6 | 38.0 | 54.9 | +16.9 | 144.4 |
| | Total | Commuter Passes | 55,609 | 56,391 | +782 | 101.4 | 358.3 | 368.4 | +10.1 | 102.8 |
| | | Non-commuter Passes | 20,990 | 32,291 | +11,300 | 153.8 | 406.3 | 626.5 | +220.2 | 154.2 |
| | | Total | 76,599 | 88,682 | +12,083 | 115.8 | 764.6 | 995.0 | +230.3 | 130.1 |
| Total | | Commuter Passes | 57,140 | 57,973 | +832 | 101.5 | 379.2 | 390.0 | +10.7 | 102.8 |
| | | Non-commuter Passes | 27,410 | 48,023 | +20,613 | 175.2 | 575.0 | 1,034.0 | +458.9 | 179.8 |
| | | Total | 84,550 | 105,996 | +21,445 | 125.4 | 954.3 | 1,424.0 | +469.6 | 149.2 |

# *Suica*

## ■Number of e-money available shops




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

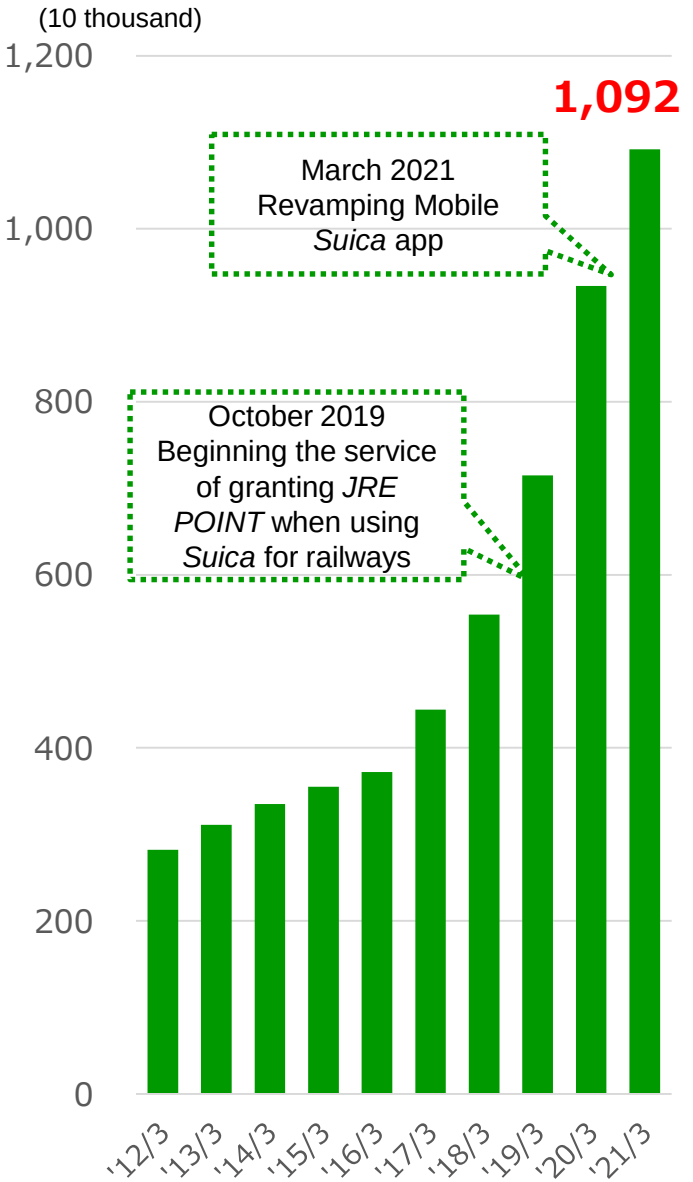



【Compatible stores】 1,123,520 (119.4%)
【Compatible locations (terminals)】 1,908,720 (120.1%)
[Figures are as of Mar. 31, 2021.]
* Figures in parentheses are percentage changes from the previous year.

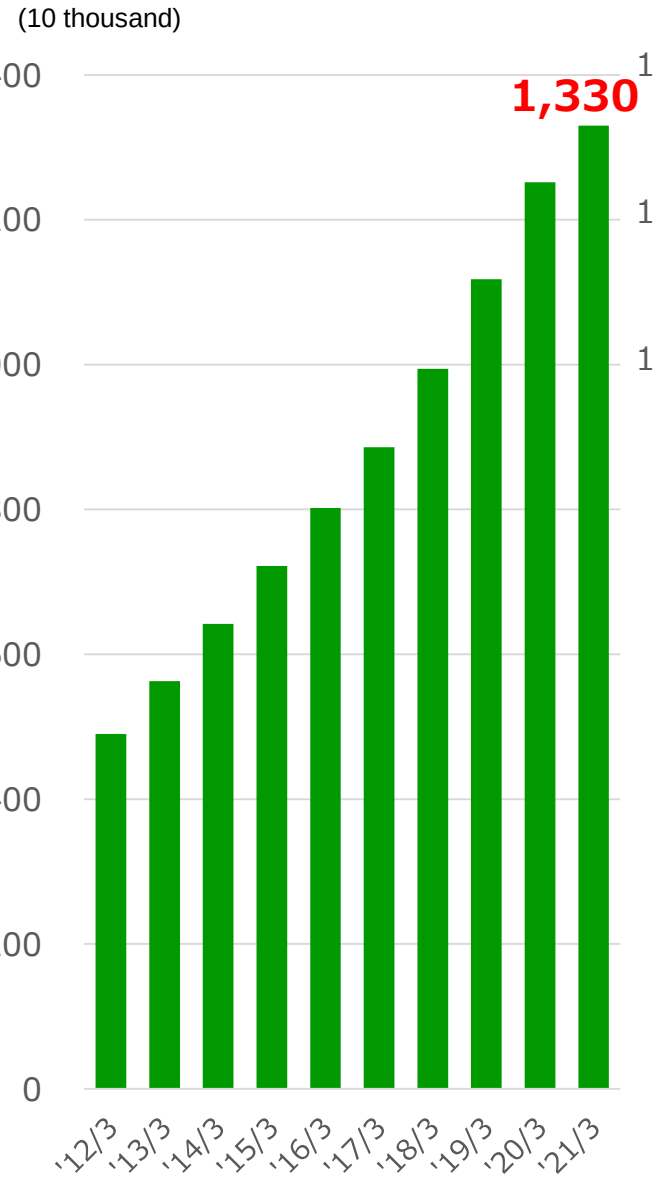
【*Suica* cards issued】 85.89 million (103.8%)
【Transaction per month (highest ever)】 252.61 million (Dec. 2019)
【Transaction per day (highest ever)】 9.58 million (20 Dec. 2019)
[Figures are as of Mar. 31, 2021.]
* Figures in parentheses are percentage changes from the previous year.

# *Mobile Suica / eki-net / JRE POINT*

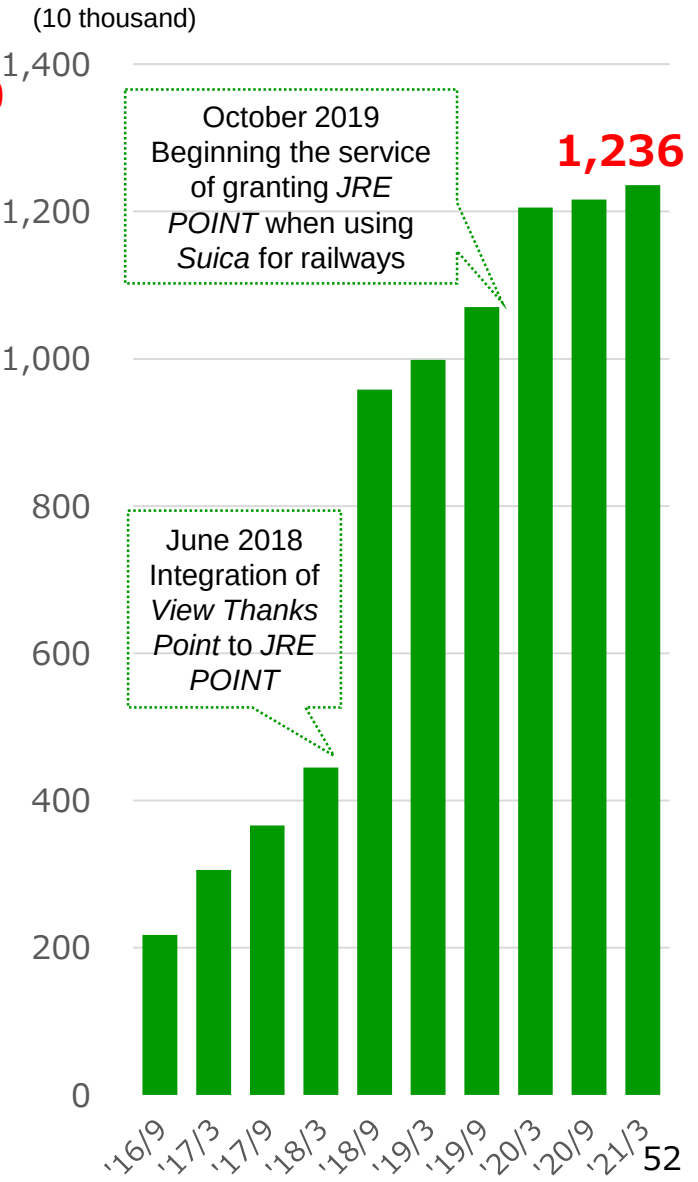
## ■Number of *Mobile Suica* members




## ■ Number of *eki-net* members



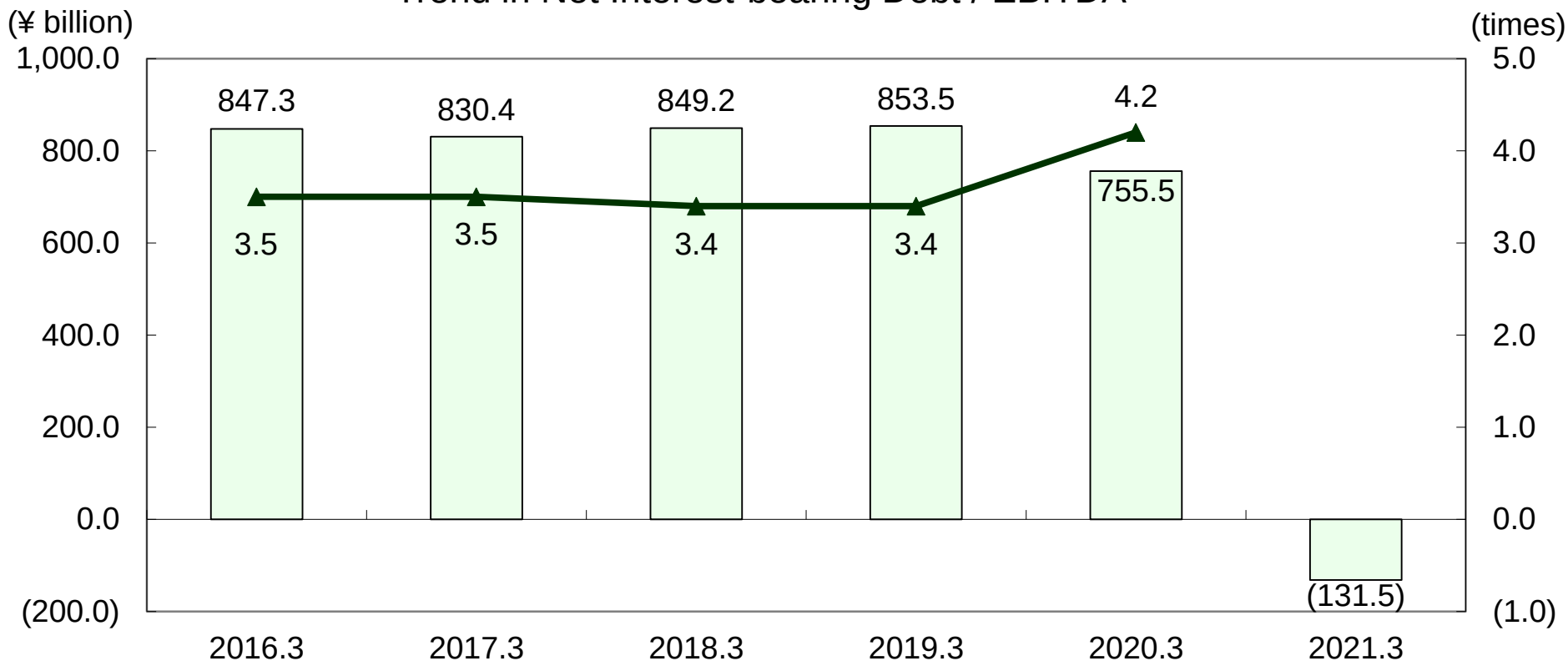

## ■ Number of *JRE POINT* members



# Key Financial Indicators(1)

Additional Information for bond Investors

Trend in Net Interest-bearing Debt / EBITDA



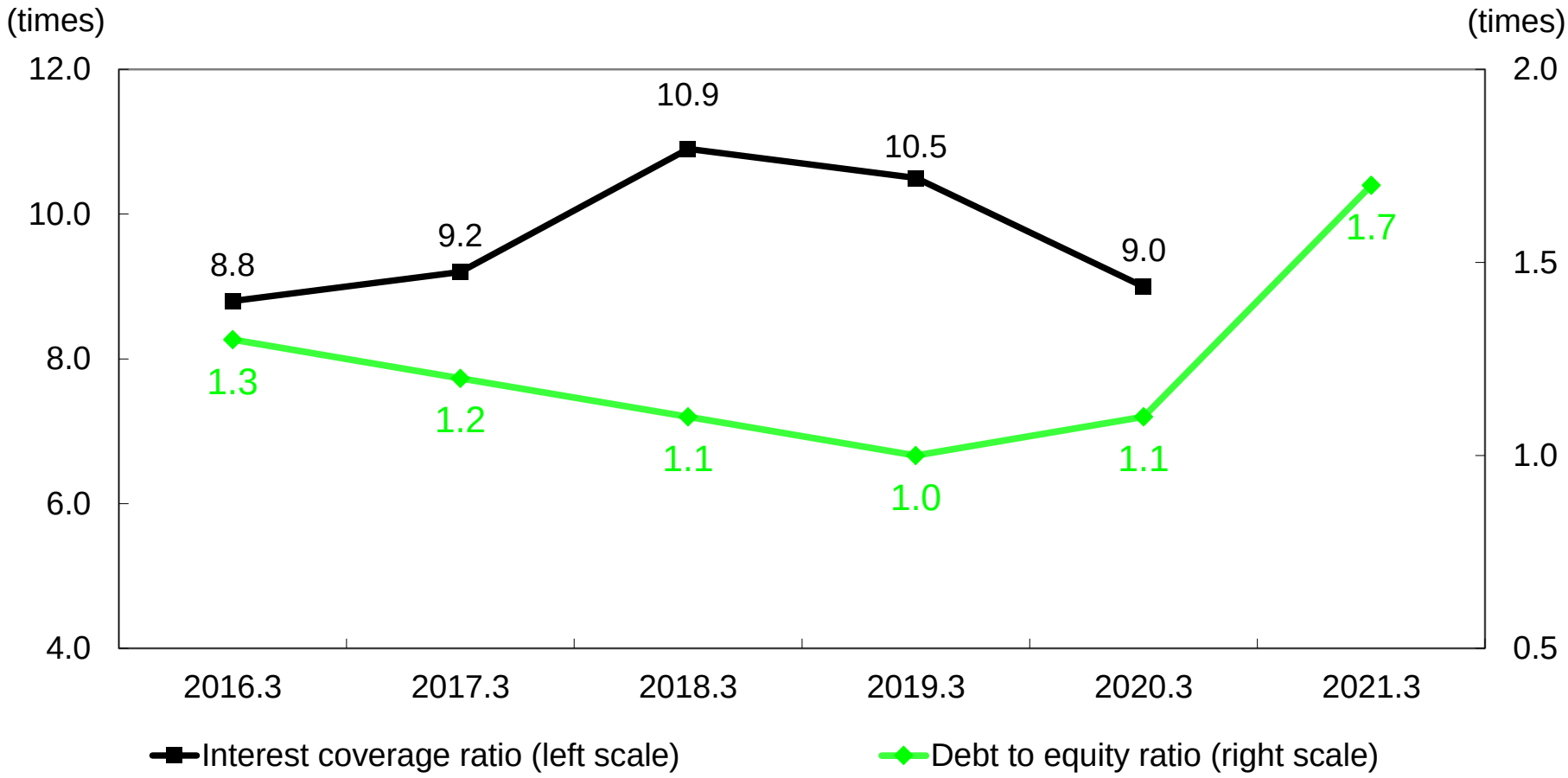

[Reference]

| | 2016.3 | 2017.3 | 2018.3 | 2019.3 | 2020.3 | 2021.3 |
|---|---|---|---|---|---|---|
| Net interest-bearing debt (¥ billion) | 2,934.1 | 2,923.9 | 2,864.7 | 2,899.9 | 3,158.5 | 4,152.2 |

# Key Financial Indicators(2)

Additional Information for bond Investors

## 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
3) Interest coverage ratio in FY2021.3 is not stated because it is negative.

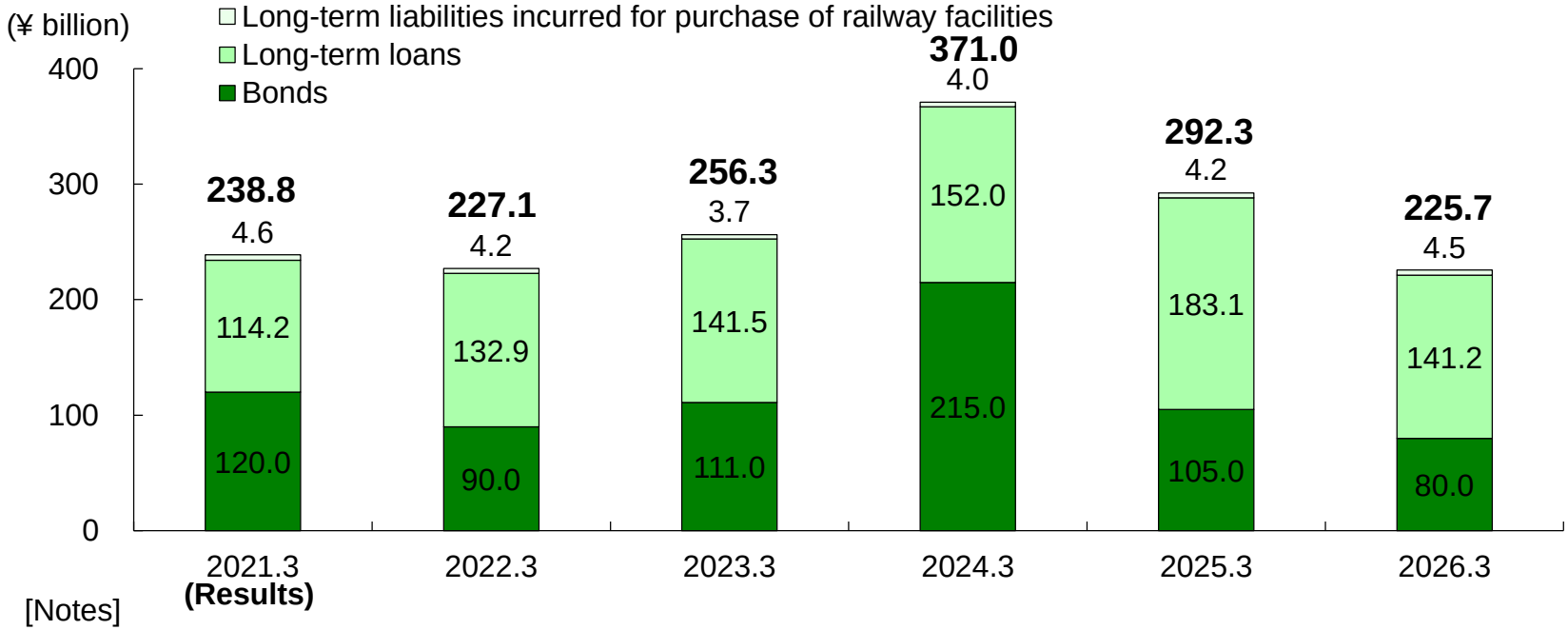
# Interest-bearing Debt Breakdown and Maturity Outlook

Additional Information for bond Investors

Breakdown of consolidated interest-bearing debt (As of Mar. 31, 2021)

| | Balance (¥ billion) | Breakdown | Average interest rate | Average maturity |
|---|---|---|---|---|
| Bonds | 2,020.3 | 46.5% | 1.32% | 13.78 years |
| Long-term loans | 1,291.8 | 29.7% | 0.89% | 6.61 years |
| Long-term liabilities incurred for purchase of railway facilities | 323.0 | 7.4% | 6.53% | 19.99 years |
| Other interest-bearing debt | 715.0 | 16.4% | 0.11% | 0.33 years |
| Total | 4,350.2 | 100.0% | 1.38% | 9.90 years |

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

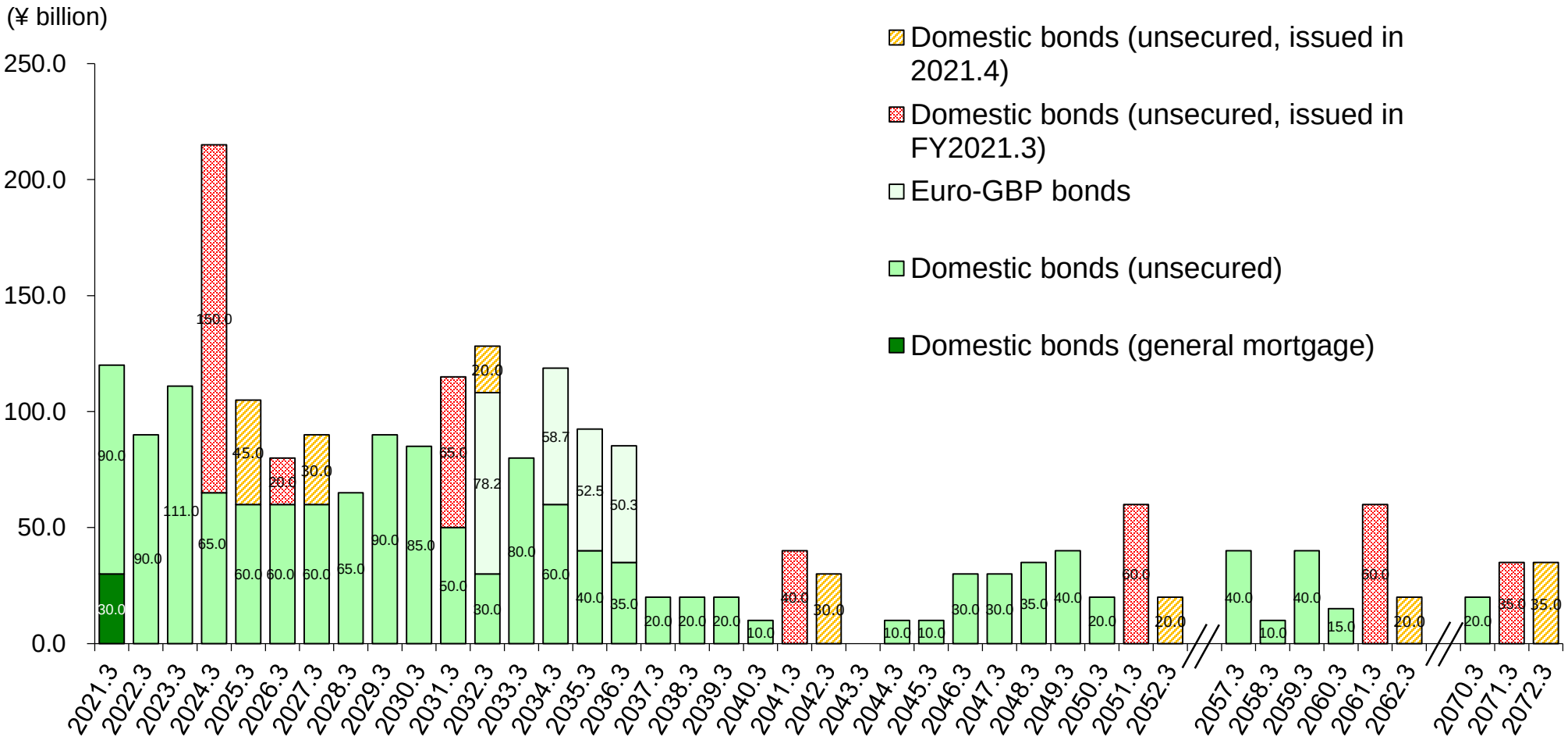



[Notes]
1) Outlook as of Apr. 30, 2021
2) Bond redemptions are at face value

# Outlook of Bond Maturity

Additional Information for bond Investors

## Redemption ladder of bonds(non-consolidated)




[Notes]
1) Outlook as of Apr. 30, 2021
2) Redemptions are at face value

# Bonds Issuance in FY2021.3

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 |
| 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 |
| 157 | 3 | ¥ 100.0 billion | 0.001% | ¥100.003 | 0.000% | - | 2020.10.20 | 2023.10.20 |

# Bonds Issuance in FY2021.3

Additional Information for bond Investors

| Series | Tenor | Total amount of issue | Coupon | Issue price | Reoffer yield | JGB Spread | Issue date | Maturity date |
|---|---|---|---|---|---|---|---|---|
| 158 | 20 | ¥ 20.0 billion | 0.560% | ¥100 | 0.560% | +17.5bp | 2020.12.18 | 2040.12.18 |
| 159 | 30 | ¥ 30.0 billion | 0.836% | ¥100 | 0.836% | +19.5bp | 2020.12.18 | 2050.12.16 |
| 160 | 40 | ¥ 25.0 billion | 0.970% | ¥100 | 0.970% | +30bp | 2020.12.18 | 2060.12.17 |
| 161 | 50 | ¥ 15.0 billion | 1.152% | ¥100 | 1.152% | - | 2020.12.18 | 2070.12.18 |
| 2nd Sustainability Bonds | 10 | ¥ 30.0 billion | 0.205% | ¥100 | 0.205% | +17.5bp | 2021.1.25 | 2031.1.24 |

# Bonds Issuance in 2021.4

Additional Information for bond Investors

| Series | Tenor | Total amount of issue | Coupon | Issue price | Reoffer yield | JGB Spread | Issue date | Maturity date |
|---|---|---|---|---|---|---|---|---|
| 162 | 3 | ¥ 45.0 billion | 0.001% | ¥100.003 | 0.000% | - | 2021.4.15 | 2024.4.15 |
| 163 | 5 | ¥ 30.0 billion | 0.050% | ¥100 | 0.050% | - | 2021.4.15 | 2026.4.15 |
| 164 | 10 | ¥ 20.0 billion | 0.245% | ¥100 | 0.245% | +14.5bp | 2021.4.15 | 2031.4.15 |
| 165 | 20 | ¥ 30.0 billion | 0.596% | ¥100 | 0.596% | +13.5bp | 2021.4.15 | 2041.4.15 |
| 166 | 30 | ¥ 20.0 billion | 0.847% | ¥100 | 0.847% | +18bp | 2021.4.15 | 2051.4.14 |
| 167 | 40 | ¥ 20.0 billion | 0.978% | ¥100 | 0.978% | +29.5bp | 2021.4.15 | 2061.4.15 |
| 168 | 50 | ¥ 35.0 billion | 1.142% | ¥100 | 1.142% | - | 2021.4.15 | 2071.4.15 |

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.