

JR East Group Report

INTEGRATED REPORT 2022

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JR East Group Report 2022 INTEGRATED REPORT



JR East Group Report INTEGRATED REPORT 2022

Hydrogen-hybrid train FV-E991 (HYBARI)
In March 2022, JR East started trials of hybrid fuel cell test trains



Printed in Japan

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Editorial Policy for This Publication

The COVID-19 pandemic and the changes and confusion accompanying it, together with an increasingly complex external environment, are significantly affecting the JR East Group. To provide new value to society and sustain growth, the JR East Group must not only respond to change with agility but also anticipate change ahead of others and continue self-transformation.

JR East Group Integrated Report 2022 focuses on how, amid the challenging environment that has emerged due to the pandemic, the Group has been able to fulfill its mission as a public transportation provider and embark upon a concerted, powerful drive toward new growth thanks to the contributions of employees, from the senior management team of the Group through to its frontline personnel. This report also serves as the safety report that the JR East Group publishes pursuant with the Railway Business Act.

We sincerely hope the report will further understanding of our approach to business management while facilitating communication with diverse stakeholders.

Takashi Takaoka
Executive Officer and General Manager,
Corporate Planning Department,
Corporate Strategies Headquarters,
East Japan Railway Company



References

International Integrated Reporting Framework (International Integrated Reporting Council)
Guidance for Collaborative Value Creation (Ministry of Economy, Trade and Industry, Japan)
Environmental Reporting Guidelines 2018 (Ministry of the Environment, Japan)

Reporting Period

This report principally covers our activities for the fiscal year 2022 from April 1, 2021 to March 31, 2022, although some events presented here took place earlier or in the period between the end of March 2022 and the publication of this report in October 2022.

Boundary of Reporting

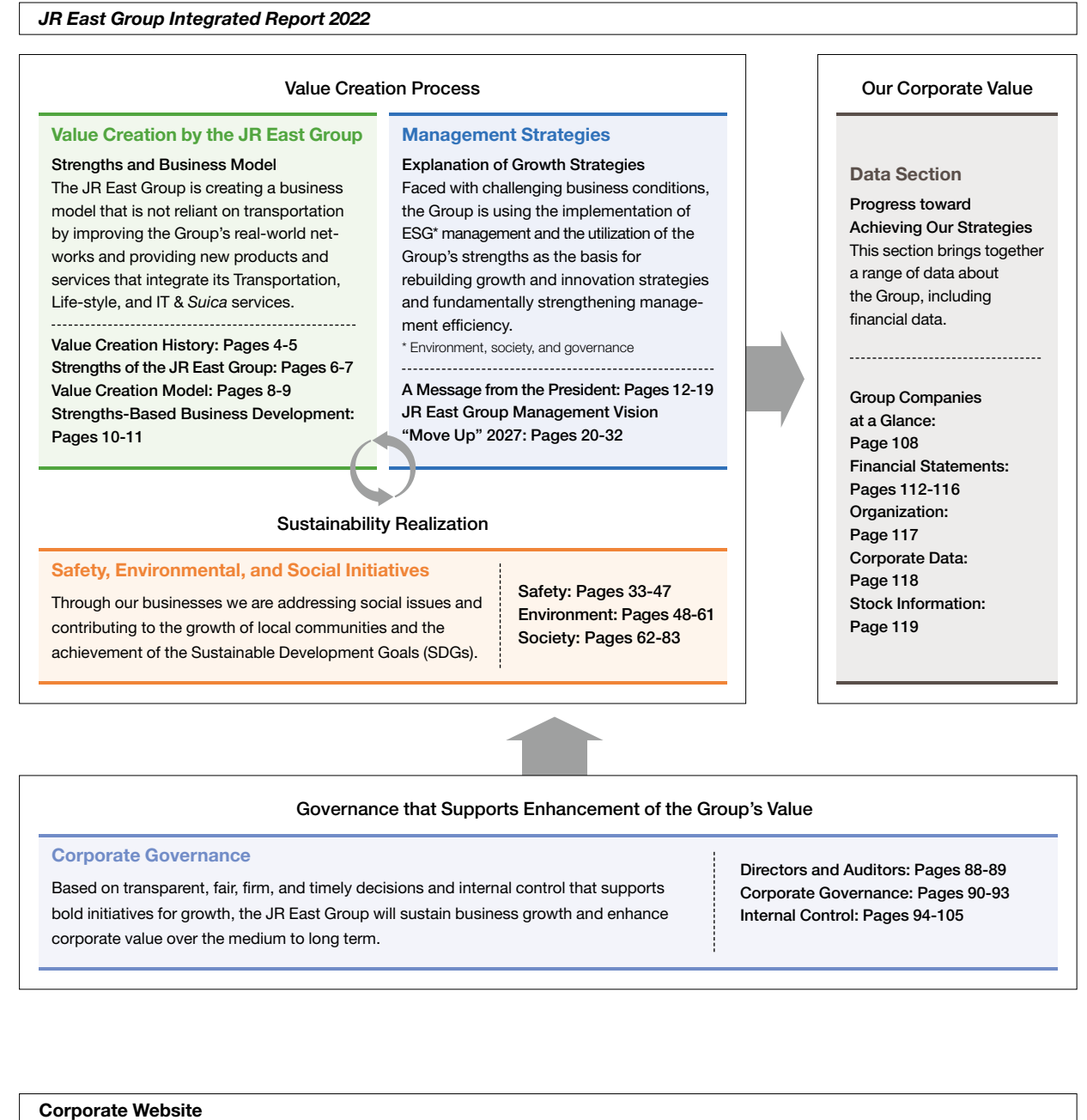
East Japan Railway Company
JR East Group, consolidated subsidiaries (69 companies)
Economic reporting: JR East, consolidated subsidiaries, and equity-method affiliates (six companies)
Environmental reporting: JR East, consolidated Japanese subsidiaries
Social reporting: JR East, consolidated subsidiaries

Figures in This Report

Totals may not match the sum of individual figures due to rounding.

Report Structure

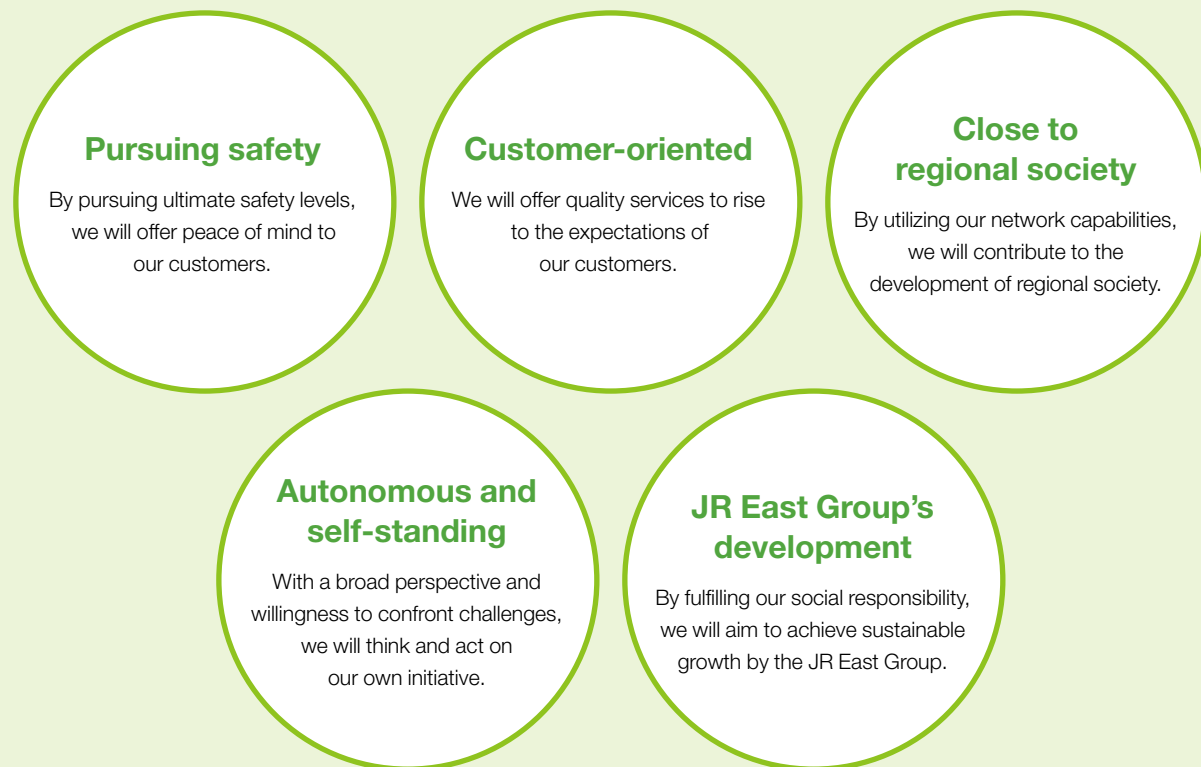
Aiming to further readers’ understanding of our value creation over the medium to long term and to invigorate communication with stakeholders, we have constructed a story line that runs throughout *JR East Group Integrated Report 2022*, enabling readers to grasp how pursuit of the JR East Group Management Vision “Move Up” 2027 will lead to robust growth. Further, a wide range of supplementary information for all types of stakeholders is available on our website. We hope that referring to this information while reading the report will provide an even better understanding of our corporate value.



JR East Group Philosophy

We will earn the trust of our customers as a whole group by aiming for ultimate safety levels as our top priority. We will strengthen our network capabilities focusing on technologies and information, and we are committed to helping our customers and people in communities to realize affluent lives.

Basic Principles



Materiality

Viewing safety as the first priority of business management, the JR East Group will pursue ultimate safety levels. Further, through its businesses, the Group will help address social issues and develop local communities. In these ways, we will earn even greater trust from local communities and customers and continue to grow. To ensure the achievement of the aforementioned goals, we have identified our materiality as comprising the following tasks.

Safety	Environment	Society	Governance
<ul style="list-style-type: none"> Pursuing ultimate safety levels 	<ul style="list-style-type: none"> Realizing a carbon-free society Realizing a resource recycling-based society Preserving biodiversity 	<ul style="list-style-type: none"> Contributing to regional revitalization Promoting diversity Ensuring service quality Contributing to education and cultural development Enhancing quality of life (workstyles and lifestyles) 	<ul style="list-style-type: none"> Exercising internal control Conducting risk management Ensuring compliance
<p>Targeting all employees, the JR East Group will inculcate in them a shared awareness of safety as the first priority of business management and advance concrete Groupwide initiatives in pursuit of ultimate safety levels.</p>	<p>We will further increase the environmental advantage of railways over other forms of transportation and contribute to the realization of a sustainable society.</p>	<p>Through our businesses, we will contribute to the resolution of social issues, the development of local communities, and the achievement of the Sustainable Development Goals (SDGs.).</p>	<p>Based on transparent, fair, firm, and timely decisions and internal control that supports bold initiatives for growth, the JR East Group will sustain business growth and enhance corporate value over the medium to long term.</p>

Effect of Nonfinancial Activities on Corporate Value

We commissioned an analysis of the degree to which initiatives focused on priority issues affect corporate value using an analysis model*1 that clarifies the relationship between non-financial factors and the price-to-book ratio, based on the assumption that non-financial factors and financial factors, namely return on equity (ROE), affect corporate value in terms of the price-to-book ratio. In this analysis, ROE was added as a moderator variable, and the following correlations were detected.

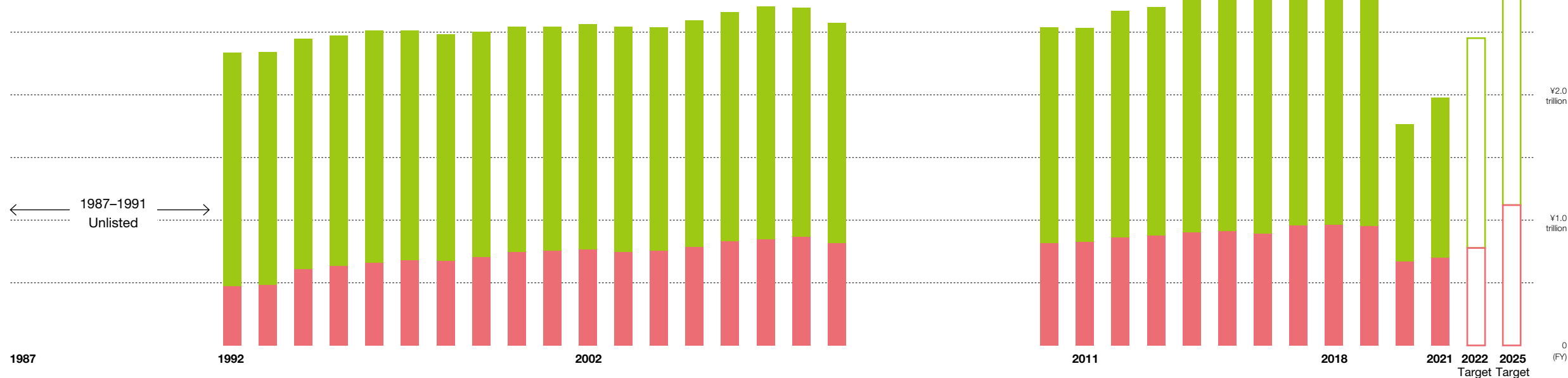
Realizing a carbon-free society	A 1.0% reduction in the CO ₂ emissions of the railway business improves the price-to-book ratio by 1.06% after three years.
Enhancing quality of life (workstyles and lifestyles)	A 1.0% increase in the average annual training hours per employee increases the price-to-book ratio by 0.54% in the same year.

*1 Model: CFO Policy, 2nd edition, Chuokeizai-sha Holdings, Inc., 2021, Ryohei Yanagi, 2020
Analysis implementation: ABeam Consulting Ltd., Digital ESG Platform

Value Creation History

Since its establishment, JR East has pursued the rehabilitation and revitalization of railways, expanded its railway network, and enhanced safety and service quality to increase usage of the Company's transportation services. With safety as the first priority of our business management, we will heighten trust and combine the advantages of real-world networks with digital technologies and *Suica* to propose new lifestyles and take on new business areas.

Consolidated Operating Revenues



1987~

Building Trust as a Private Railway Operator

JR East was established following the division and privatization of Japan National Railways (JNR). In the East Japan area, the Company established a Shinkansen network comprising five lines. After the extension of the Tohoku and Joetsu Shinkansen to Tokyo Station in 1991, the Yamagata Shinkansen, the Akita Shinkansen, and the Nagano Shinkansen were also opened.

Principal Initiatives: Transportation, Life-Style, and IT & Suica Services

- 1988 Opening of Seikan Tunnel
- 1992 Opening of Yamagata Shinkansen
- 1997 Opening of Akita Shinkansen and Nagano Shinkansen
- 1990 Opening of GALA YUZAWA SNOW RESORT
- 1999 Opening of GRANDUO Tachikawa
- 2001 Launch of NEWDAYS
- 1993 Start of ViewCard issuance
- 2000 Start of eki-net service
- 2001 Start of Suica service

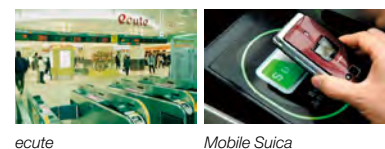


2002~

Becoming Fully Privatized

In 2001, JR East launched *Suica*, an IC card-enabled fare collection system. Usage of the card increased rapidly as it offered the convenience of passing through automatic ticket gates with a simple touch of a card. In 2002, JR East was the first of the seven JR companies, comprising six passenger companies and a freight company, to become fully privatized.

- 2004 Introduction of Green Cars (first-class cars) to local train services (Shonan-Shinjuku, Utsunomiya, and Takasaki lines)
- 2006 Start of direct limited express services with TOBU RAILWAY CO., LTD.
- 2005 Opening of ecute Omiya and ecute Shinagawa
- 2007 Opening of the Railway Museum
- 2006 Start of Mobile Suica service
- 2007 Start of mutual use with PASMO



2011~

Focusing on Restoration and Revitalization after an Earthquake and Stepping Up the Pursuit of Ultimate Safety Levels

The Great East Japan Earthquake forced the JR East Group to suspend operations for a long period. In a concerted effort to overcome this challenge, the Group restored transportation services by introducing a range of transportation modes in step with town recovery initiatives.

- 2012 Start of Kesenuma Line BRT (Bus Rapid Transit) service
- 2015 Opening of Hokuriku Shinkansen to Kanazawa
- 2016 Opening of Purple Line urban railway in Bangkok, Thailand
- 2017 Start of TRAIN SUITE SHIKI-SHIMA operations
- 2014 Opening of nomono Akihabara store
- 2017 Opening of LUMINE SINGAPORE
- 2014 Start of JR East App service
- 2016 Start of JRE POINT service

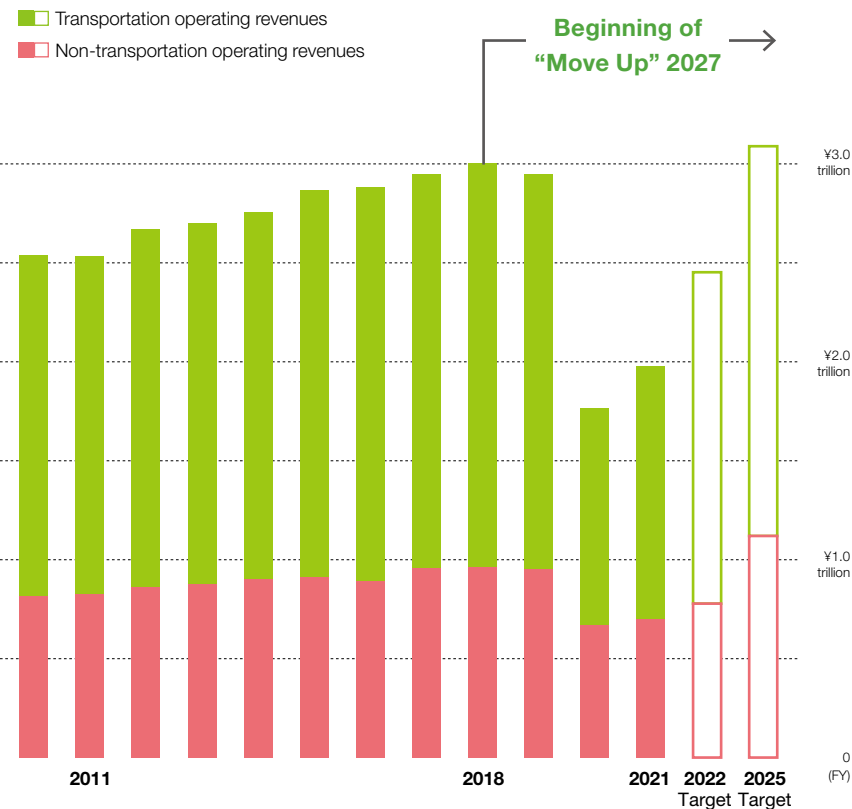


2018~

Seeking Further Dramatic Advances through Changes in Profit Structure

In 2018, we announced the JR East Group Management Vision "Move Up" 2027. With the affluence of everyone's daily lives as our starting point, we will create new services and provide them to society. Beginning from 2020, the business environment changed abruptly due to the COVID-19 pandemic. Restoring earning power in the railway business and focusing management resources on the further development of the Life-style services business and the IT & *Suica* services business, we are energetically integrating the three businesses to create new services and value.

- 2019 Start of direct services between Saikyo and Sotetsu lines (Sagami Railway Co., Ltd.)
- 2020 Opening of Takanawa Gateway Station
- 2021 Launch of full-scale Hakobyun operations (train parcel service)
- 2019 Start of STATION WORK
- 2021 Announcement of Beyond Stations concept
- 2018 Start of Touch de Go! Shinkansen service
- 2020 Start of Shinkansen e-ticket service
- 2021 Start of TOHOKU MaaS



Accumulated Strengths

- 1 **Technical capabilities that underpin safety**
- 2 **Dynamic, real-world gathering places**
- 3 **Relationships with and networks comprising local communities and municipal authorities**
- 4 **Wide-ranging business development**
- 5 **Abundant tangible and intangible assets (real estate, data, etc.)**

▲

Fundamental trust supporting the whole JR East Group

Trust of customers and local communities

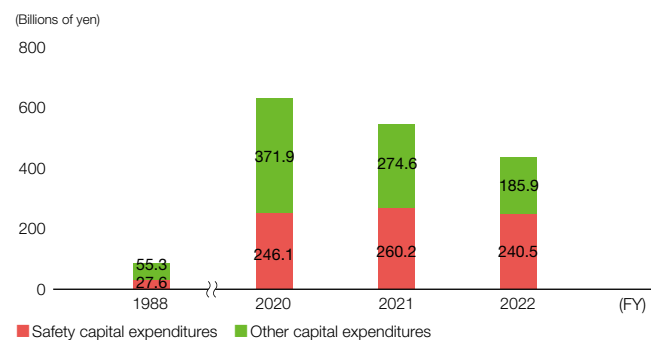
Strengths of the JR East Group

Our strengths lie in a multilayered real-world network, which supports social infrastructure, and in our railway stations (mainly in the Tokyo metropolitan area), which act as hubs for interaction and the exchange and gathering of people, products, money, and information. By leveraging these unique strengths together with technological innovation and data on transportation, shopping, and payment, JR East will create new value in the form of trust and affluence. Focusing on people and advancing initiatives in cities, regions, and the world at large, we will offer value by realizing safety, enhancing people's daily lives, and contributing to the happiness of our employees and their families.

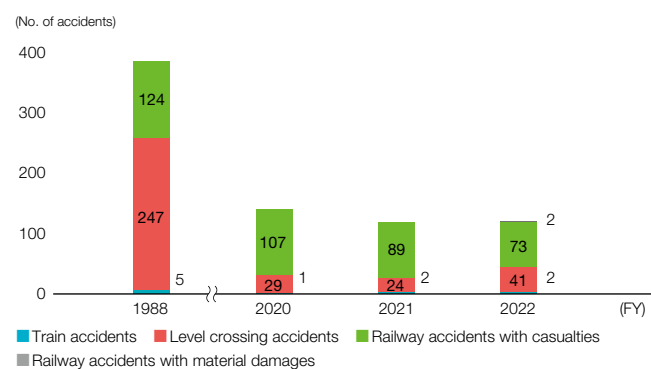
1 Technical Capabilities That Underpin Safety

Since its establishment, JR East has made safety the first priority of business management and continuously conducted Companywide initiatives to heighten safety even further. Also, we have always invested heavily in safety so that we can proactively incorporate leading-edge technologies and mitigate emerging risks.

Safety Capital Expenditures Included in Capital Expenditures (Nonconsolidated)

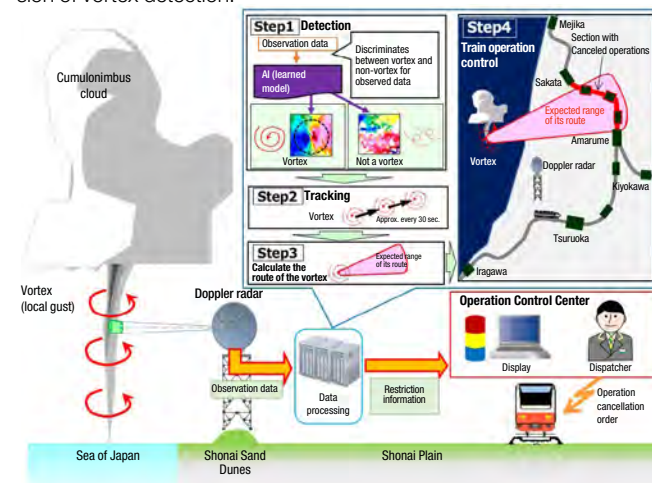


Number of Accidents



Doppler Radar-Enabled Operational Restrictions If Gusts Likely

We use a system that detects vortices—which cause gusts—by using Doppler radar to monitor the movement of raindrops in the air, and other, weather-related phenomena. The system then issues an alert if a train line lies in the predicted path of a vortex. Jointly developed by the Meteorological Research Institute of the Japan Meteorological Agency and JR East, the system was introduced on the Uetsu Main Line and a part of the Rikuu West Line in the winter of 2017. Since then, we have been increasing the areas where the system is used for the restriction of operations and using artificial intelligence (AI) to heighten the precision of vortex detection.



2 Dynamic, Real-World Gathering Places

Our infrastructure comprises a multilayered real-world railway network that spans eastern Japan and railway stations that are hubs for interaction. Moreover, this infrastructure provides a base on which to develop cities and lifestyles that are attractive to customers and local communities.



GRANSTA TOKYO

Average number of passengers per day
Approx.

13.14 million

Number of railway stations

1,677

(Including BRT stations)

Operating kilometers

7,401.7 km

(Including BRT line segments)

JR East shopping centers

191

Hotel guest rooms

9,267

Leasable office space

Approx.

560,000 m²

3 Relationships with and Networks Comprising Local Communities and Municipal Authorities

JR East helps revitalize regions through initiatives such as town developments that reflect changes in railway stations. We also provide services that enrich the day-to-day lives of local communities and customers.

Regional Revitalization in Partnership with Municipal Authorities

The Group's first pick-it-yourself tourist farm, *JR Fruits Park Sendai Arahama*, opened in Arahama as part of a project to utilize areas of Sendai that have been repurposed in the wake of the Great East Japan Earthquake.



Multifunctional IC Cards for Regional Transit

By collaborating with local transportation operators to spread *Suica*-based multifunctional IC cards for regional transit, we are realizing seamless travel that encompasses bus services and other secondary modes of transportation.



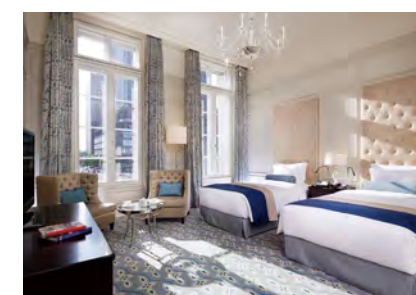
4 Wide-Ranging Business Development

The JR East Group is engaged in an array of different businesses. As well as conducting railway transportation-related businesses, we provide various Life-style and *Suica* services, partner with start-ups, and operate real estate businesses.

Railcar Manufacturing Businesses



Retail Services and Hotel Businesses



E-Money Business



5 Abundant Tangible and Intangible Assets (Real Estate, Data, etc.)

As well as leveraging *Suica* statistical information to enhance town development and revitalize local communities in other ways, we offer employees multifaceted support that covers childcare, nursing care, the creation of a comfortable working environment for individuals with disabilities, career development for non-Japanese personnel, and the needs of LGBTQ+ individuals.

Tangible Assets (Real Estate, etc.)



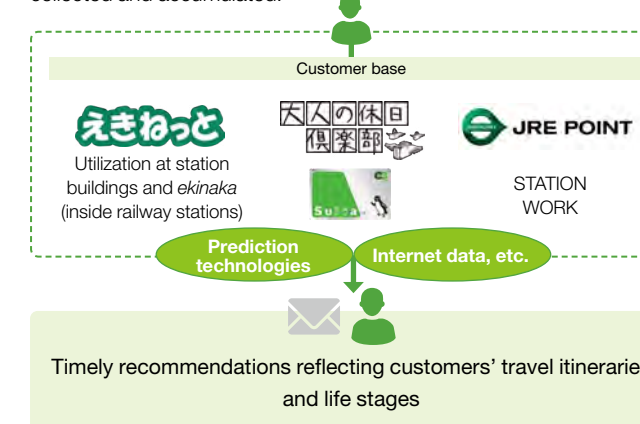
JR Minami Shinjuku Building

Realizing a Sustainable Growth Strategy by Building a Rotational Business

By incorporating its properties into real estate funds, the JR East Group will generate investment capital. We will then accelerate growth strategies by reinvesting this capital in growth areas of our businesses.

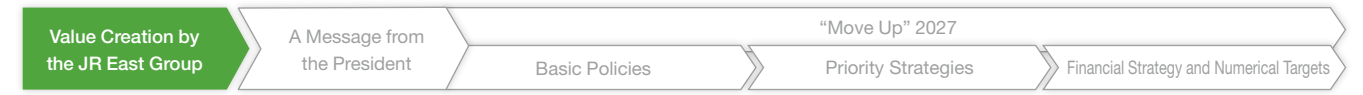
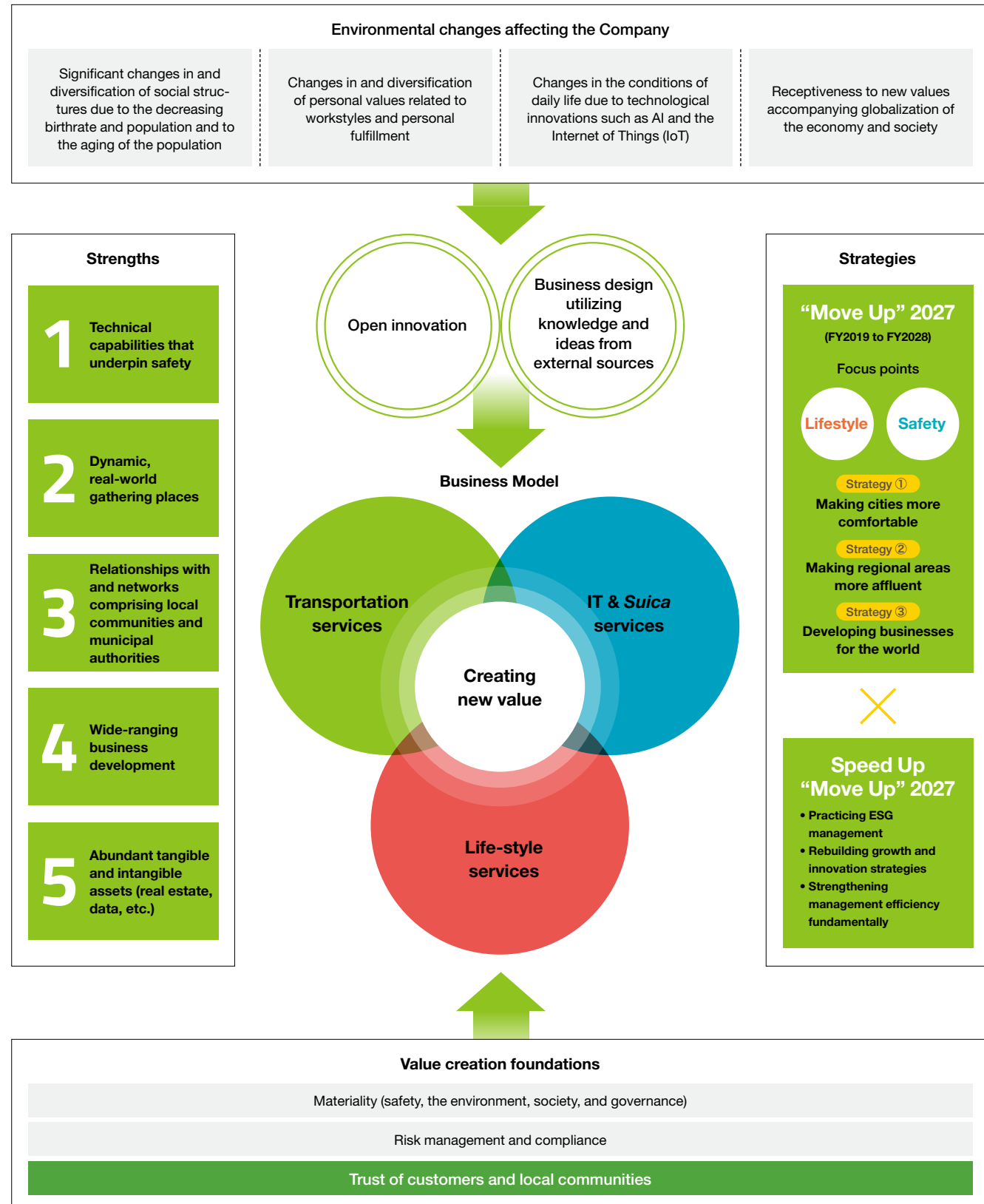
Intangible Assets (Data, etc.)

In new businesses and services, we will utilize the data we have collected and accumulated.

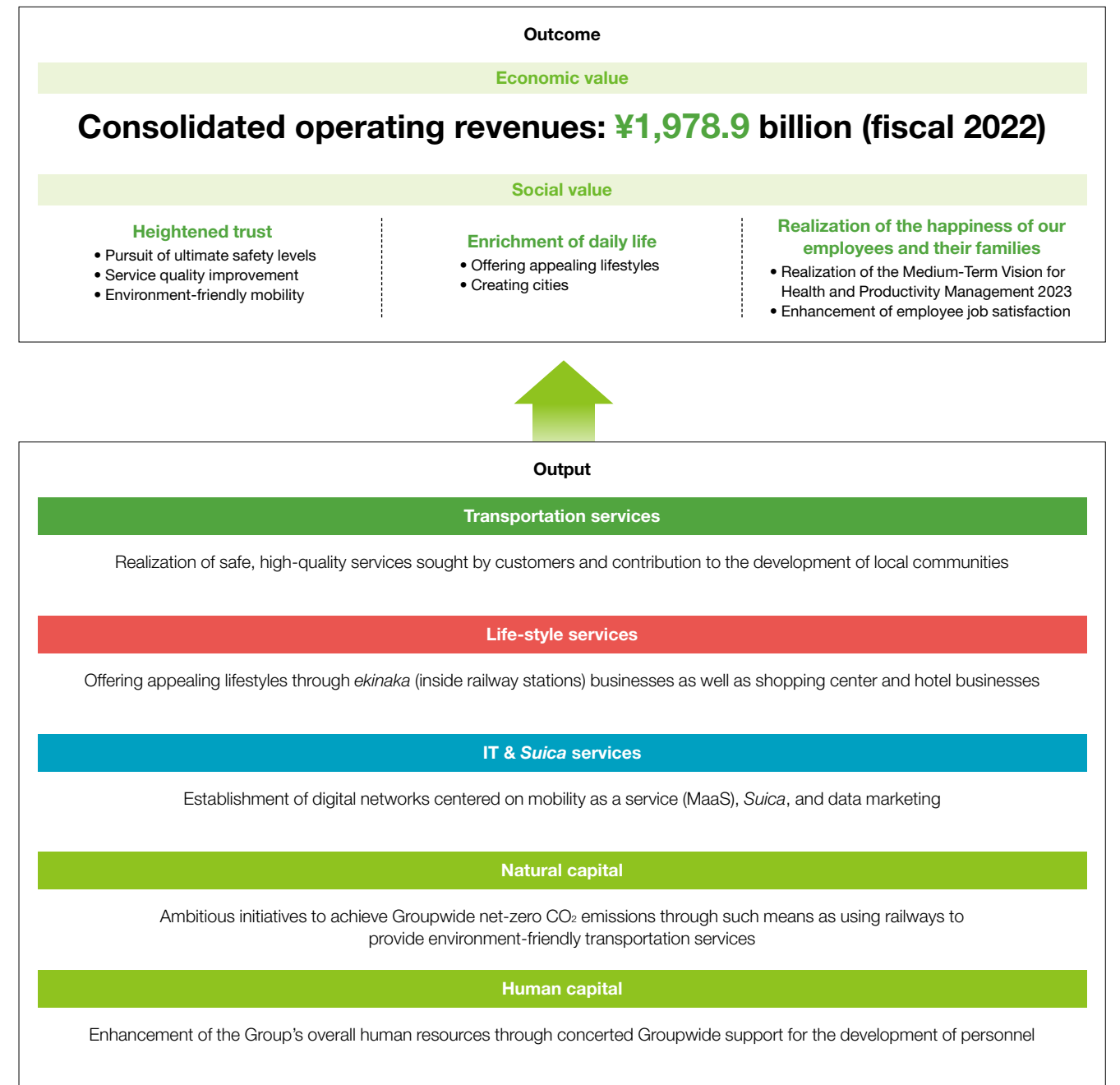


Value Creation Model

To date, the JR East Group has utilized its real-world networks to provide customers with an array of value. Going forward, the Group will offer new value to stakeholders through improvements in its real-world networks; the marketing of new products and services that integrate Transportation, Life-style, and IT & Suica services; and the creation of a business model that is not reliant on transportation. At the same time, we will contribute to the achievement of the SDGs.



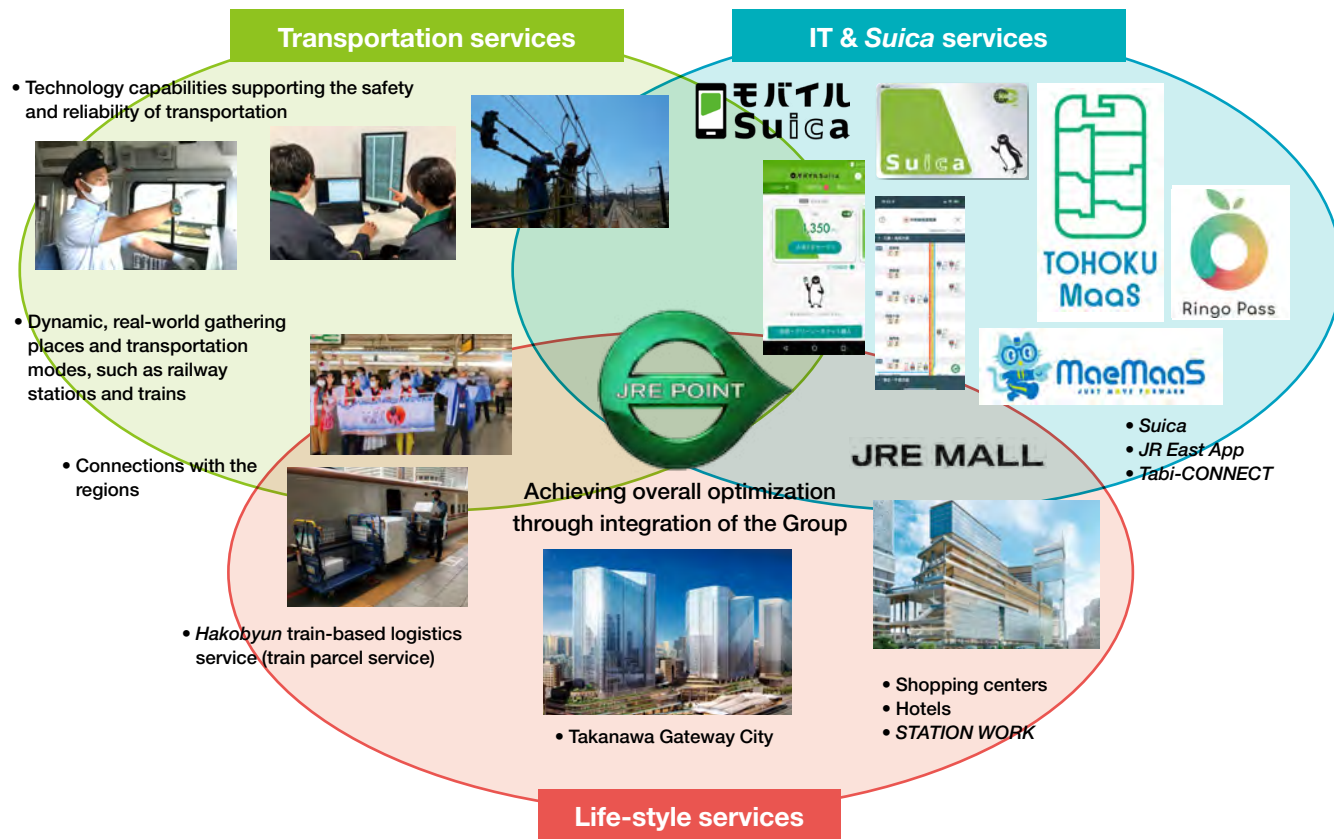
Contributing to the Achievement of the SDGs



Strengths-Based Business Development

While tackling near-term issues based on a *people-focused approach* and *coordination and collaboration*, the Group will maximize its capabilities and create new value by integrating Transportation, Life-style, and IT & Suica services.

Business Domains of the JR East Group



People-focused approach

Each Group employee playing a creative role
Thinking from the viewpoint of customers

Coordination and collaboration

Transcending the boundaries of companies,
systems, organizations, and jobs
Utilizing outside skills, technologies, and expertise

For Transportation segment operating revenues relative to those of other business segments, we aim to achieve a 6:4 ratio by fiscal 2026. The goal is to then reach a 5:5 ratio as soon as possible.

Business Segments

The JR East Group has three business domains—Transportation, Life-style, and IT & Suica services—which the Group advances through the four business segments shown below. By interlinking these business segments, we will realize and deliver value that meets our goals.

Transportation

This segment includes passenger transportation operations centered on railway operations as well as travel agency services, cleaning services, railway station operations, facilities maintenance operations, railcar manufacturing operations, and railcar maintenance operations.

Retail & Services

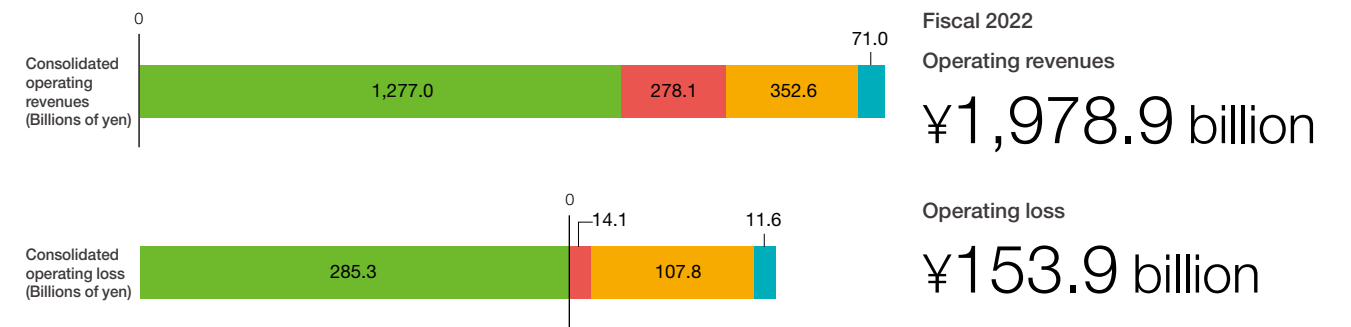
This segment comprises the part of JR East's Life-style service business that includes retail sales and restaurant operations, a wholesale business, a truck transportation business, and advertising and publicity.

Real Estate & Hotels

This segment comprises the part of JR East's Life-style service business that includes shopping center operations, the leasing of office buildings and other properties, and hotel operations.

Others

This segment comprises the IT & Suica business, which includes credit card operations, and information processing operations, among others.



(FY)	2017	2018	2019	2020	2021	2022	2023 (Plan)	2026 (Target)
Transportation	1,989.8	2,017.8	2,038.1	1,994.5	1,095.7	1,277.0	1,675.0	1,970.0
Retail & Services	502.4	514.9	521.8	502.0	318.0	278.1	353.0	550.0
Real Estate & Hotels	326.3	340.1	349.0	348.5	271.2	352.6	353.0	480.0
Others	62.2	77.1	92.9	101.5	79.5	71.0	72.0	90.0

* The forecast for FY2023 is the April 2022 target

A Message from the President

In transforming its railway-centric business model, the JR East Group will integrate its three business domains and create synergies among them to maximize earnings and make fiscal 2023 the JR East Group's revival year.

Despite being affected by the COVID-19 pandemic throughout the year, the JR East Group steadily laid the foundations of transformation.

A Year of Solid Progress toward a Recovery in Growth

Fiscal 2022, ended March 31, 2022, was a year of major upheavals, many of which stemmed from the continued impact of the COVID-19 pandemic and the emergence of geopolitical risks associated with the war in Ukraine. Significantly affected by the pandemic, we recorded a loss for the second consecutive fiscal year. Nonetheless, we fulfilled our social mission by delivering services that are critical to the day-to-day functioning of society. Moreover, without pausing in our drive toward achievement of the JR East Group Management Vision "Move Up" 2027, we have been improving profitability and reforming cost structures in line with our updated vision, Speed Up "Move Up" 2027, which was announced in September 2020.

In particular, taking on various ambitious initiatives in preparation for our next step has changed the mindset of personnel across the Group. Since fiscal 2022, I have observed that a general willingness to embrace ambitious initiatives is creating tremendous momentum at Group workplaces and companies. In terms of building up strength and solidifying foundations, we have made solid progress toward a recovery in growth.

Transformation towards a Less Railway-Centric Business Portfolio

The major changes in how customers work and live that have resulted from the COVID-19 pandemic are forcing our businesses to transform. Now that the lower number of customers using railway stations has made our vulnerability apparent, we are committed to transforming away from a business portfolio that concentrates resources on railways toward one better suited to the post-COVID-19 era. In these efforts, a key task will be flexibly managing our main Transportation services business including its cost structure. Another major task will be the broadening and strengthening of our businesses beyond Transportation services.



Yuji Fukasawa
President and CEO

A Message from the President

Realization of Profitability in Fiscal 2023

In fiscal 2023, the year ending March 31, 2023, the Group has embarked upon concerted initiatives fueled by a determination to return to profitability without fail. We will advance growth and innovation strategies aimed at improving profitability, premised on the number of customers using our railway services gradually approaching pre-COVID-19 levels. Specifically, we project that by the end of the current fiscal year, revenues will reach 95.0% of pre-COVID-19 levels for short-distance services, 90.0% for medium- and long-distance services, and 75.0% for commuter passes. In addition, we will continue implementing bold structural reforms to reduce the fixed costs of railway operations.

Our rebuilding of growth and innovation strategies will focus on efforts to *propose new lifestyle ideas and take on challenges in new fields*. We will fundamentally strengthen profitability by taking measures in the railway business to reduce operation costs and improve the efficiency of maintenance and construction work. Further, we will improve productivity by accelerating digital transformation through the utilization of new technologies that enable smart maintenance and smart project management. At the same time, we will continue forging ahead with three reforms aimed at increasing the job satisfaction of all Group employees: *work reform, workstyle reform, and workplace reform*.

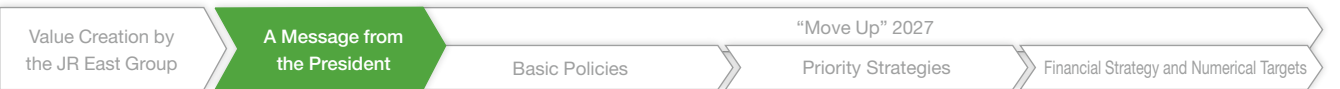
With a century and a half having passed since railways began operating in Japan, we are viewing fiscal 2023 as a year for continuing the pursuit of challenges and transformation without fear of change.

With 2022 marking the 150th anniversary of Japan's first railway, the JR East Group has designated fiscal 2023 a year of revival in which the Group will consistently take on ambitious initiatives without fear of change. As well as being an opportune moment at which to remind stakeholders of the Group's indispensability to society, this milestone year provides a good vantage point from which to envision the coming century. As a first step on our new journey, we have undertaken a major reorganization of our headquarters to facilitate Groupwide reforms and to accelerate integration of our three business domains, namely, Transportation, Life-style, and IT & *Suica* services. Our goal is to achieve a 5:5 ratio for Transportation segment operating revenues relative to those of Life-style and IT & *Suica* services as soon as possible. The key to realizing this goal will lie in combining the advantages of our real-world networks with digital technologies and *Suica*. By incorporating digital technologies into existing businesses that have well-established real-world advantages, we will create new value and services.

We will deliver unprecedented value through initiatives that propose new lifestyle ideas and take on challenges in new fields.

Beyond Stations Concept

The Beyond Stations concept is an initiative to extend the JR East Group's business domains by utilizing the advantages of railway stations as real-world transportation hubs to create customer-driven services that the Group is uniquely qualified to provide. In this way, the Group will transform railway stations from places that sell tickets into business hubs. By linking services



related to mobility, regions, digital technologies, safety, and reliability, we will help to enrich the day-to-day life of each of our customers. A good example of this approach is *STATION WORK*, a shared workspace business that takes advantage of our railway network and business bases. Also, inside railway stations we have established showroaming bases that encourage customers to visit the *JRE MALL* e-commerce website. As well as aligning with new workstyles and lifestyles and increasing our points of contact with customers, these bases promise to strengthen our regional collaborations.

In addition, we will make effective use of the infrastructure and human resources of the Transportation segment to create new businesses and deepen ties with local communities and line-side areas. For example, we will promote 5G infrastructure sharing, and we will actively participate in non-railway operations by enabling employees to work outside our traditional business fields. I am confident that each of the aforementioned initiatives is a seed that will grow and contribute to realization of the Beyond Stations concept.

Real Estate Asset Management

In achieving a 5:5 ratio for Transportation segment operating revenues relative to those of Life-style and IT & *Suica* services, the real estate business will play a crucial role. With this in mind, in April 2021 we established JR East Real Estate Asset Management Co., Ltd., and launched a rotational business model, which is designed to efficiently monetize our properties. Along with the creation of attractive investment opportunities, we will develop towns that maximize the value of real estate in investment target areas and contribute to the realization of a society that enriches day-to-day life in local communities.

***Suica*-Enabled Data Business**

In June 2022, the number of issued *Suica* cards surpassed 90 million. After deleting personal information, we utilized the vast amount of data associated with these cards to compile statistical information on each railway station, which allowed us to launch the *Eki Karte* analysis report service. In addition to using these analysis reports for the marketing activities of station buildings and the enhancement of its services, the Group has begun selling the report service to municipal authorities and other external entities. Also, we will further strengthen the connection between customers and the Group by increasing and enhancing the linkage between *Suica* usage and *JRE POINT* initiatives. Thus, the Group will use *Suica* as the basis for marketing activities. Going forward, we will continue to focus on using the data to develop products and services that create new value.

MaaS-Based Transportation Strategy

For six months beginning from April 2021, we held the *Tohoku Destination Campaign*, which encompassed the Tohoku region's six prefectures. With 10 years having elapsed since the Great East Japan Earthquake, we wanted to draw attention once again to the Tohoku region and thereby establish foundations for tourism-oriented Mobility as a Service (MaaS). At present, we are using the foundations laid by the *Tohoku Destination Campaign* to roll out tourism-oriented MaaS in other regions. We expect that these activities will give us a definite advantage in regional revitalization.

We will fundamentally revamp and strengthen management structures Groupwide to lay the foundations for growth.

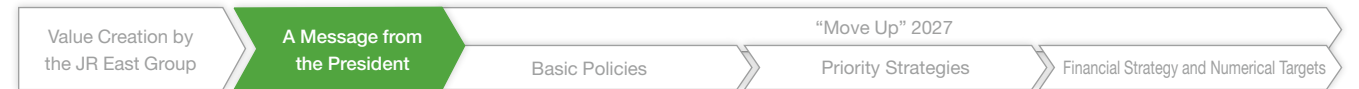
Reorganization Aimed at Optimizing Group Management

To cement the foundations for growth going forward, we are optimizing Group management. We aim to speed up decision-making, realize business management that is focused on consolidated cash flows, and create synergies through the integration of the three business domains. Mindful of these goals as well as the perspective of business execution and supervision, we are constantly reforming our decision-making processes, target management, and delegation of authority.

The reorganization implemented in June 2022 established the Marketing Headquarters, which spans existing organizations so that it can conduct customer-driven marketing in the Transportation, Life-style, and IT & *Suica* services business domains. The new headquarters will enable faster decision-making and service development and provide new value to customers. Further, integration of the three business domains will create and accelerate the development of new businesses. Another aim of the reorganization is to greatly increase the involvement of frontline offices in planning work. We are placing importance on empowering frontline personnel to create value and maximizing talent utilization and motivation. For example, the *Traveling in Kitashinano* project for regional tourism-oriented MaaS, which was implemented to coincide with Zenkoji Temple's special public exhibitions from April to June 2022, was conceived by frontline office personnel and realized through the combined efforts of the headquarters and branch offices. Further, the range of emerging initiatives includes energy-saving train operations that are achieved through analysis of power usage and railcar operation data conducted by Yamanote Line train crew members.

Reform of Work, Workstyles, and Workplaces

Since becoming president, I have advocated three reforms: *work reform*, *workstyle reform*, and *workplace reform*. The decreasing footfall that accompanied the COVID-19 pandemic over the past two years prompted all Group employees to begin considering how best to respond to new conditions. These discussions led us to reaffirm the importance of advancing the aforementioned three reforms while cultivating a mindset that empowers individual employees to think and take action to provide customers with new value.



For example, when focusing on the many maintenance tasks that we perform on platform equipment and other facilities, we decided to verify whether each piece of equipment and task was truly necessary. As a result of launching projects and holding discussions at frontline offices, we were able to set out road maps for simplifying and heightening the efficiency of an array of maintenance tasks. The cross-divisional deployment of such initiatives will dramatically reform workstyles and reduce costs Groupwide.

Furthermore, the management team must recognize this proactive mindset and use it to advance into the next phase of the Group's development. To give another example, the JR East Group needs to introduce a flexible human resource system. The Group has approximately 71,000 employees, each of whom has great potential. We must establish flexible management structures that realize more of this potential, thereby enabling us to enhance the value of our human capital and diversify our businesses.

ESG initiatives are the foundations of trust and indispensable to the Group's growth.

Positioned at the core of our business management, environmental, social, and governance (ESG) initiatives are essential for building trust and sustaining growth. By practicing ESG-oriented management, we will help address social issues through our businesses. In this way, the Group will contribute to the sustained development of local communities and advance initiatives aimed at achieving the Sustainable Development Goals (SDGs).

Realization of Zero Carbon Challenge 2050

With regard to the environment, we are implementing various measures to realize Zero Carbon Challenge 2050. Our goals are to halve CO₂ emissions by fiscal 2031 compared with those of fiscal 2014 and to achieve net-zero CO₂ emissions by fiscal 2051. To these ends, we are introducing energy-saving measures to all of our business bases, conducting verification tests of a hydrogen hybrid railcar, developing renewable energy sources, and studying the conversion of fuel for our thermal power plants to hydrogen fuel. Thus, by playing a leading role in Japan's national effort to achieve a carbon-free society, we will demonstrate our sincerity and high aspirations.

Emphasis on Regional Revitalization in Addressing Social Issues

We view regional revitalization as our social mission. As the populations of line-side areas decline, we will fulfill our social responsibility as a provider of regional mobility and continue contributing to regional revitalization through such initiatives as the utilization of MaaS. Railways are a labor-intensive undertaking in which a certain number of personnel are required to be assigned to respective business bases. Looking at the matter from a different perspective, however, such personnel have the potential to partner with local communities in the creation of initiatives that generate considerable impetus. With this in mind, we will consider town development, tourism, and other ways of revitalizing each region and then roll out initiatives differentiated by our unique capabilities. In conjunction with initiatives that contribute to the recovery from the Great East Japan Earthquake, on which we will continue to focus as one of our missions, we will pursue similar initiatives in other regions within our service area.



Accurate Identification of Risks and Further Enhancement of Risk Management

Corporate governance is the foundation upon which the JR East Group builds trust with its stakeholders. Given the changes in conditions in recent years, internal control and risk management initiatives have become more important than ever. As president, I have set myself the mission of providing a secure environment that is based on wide-ranging risk management guidelines and is conducive to growth. Since ambitious new initiatives accompany risks, we must rigorously analyze them. Meanwhile, we have zero tolerance for accidents or other incidents that would undermine the trust of local communities and our customers. Accordingly, we will pursue both conventional defensive and offensive risk management that facilitates risk taking. In a railway business, safety is paramount and we tend to adopt a conservative approach, inhibiting certain courses of action. Foraying into new business fields calls for different criteria. I want to communicate the message both internally and externally that among all the railway companies, JR East is pursuing the most proactive initiatives.

Advancement of Diversity and Inclusion Through Human Resource Development

By taking a variety of measures focused on human resource development, which is the key to our growth, we will promote diversity and inclusion and create a culture that welcomes new challenges. The key words are flexibility and diversity. The cumulative effect of consistently ensuring that women account for at least 30.0% of new hires has lifted the percentage of female employees in the Company as a whole to just under 20.0%. Further, we are progressing with the promotion of women to managerial positions. Initiatives for women are only one facet of our human resource development measures. We are also building a system that promotes diversity and inclusion by actively diversifying workforce composition through the increased hiring of non-Japanese personnel. Before the pandemic, we had been preparing for the distribution of Joi-Tab tablet computers to all employees as a way of encouraging a range of different workstyles. The resulting preparedness enabled a smooth transition to remote working during the pandemic. Building such systems that facilitate a variety of workstyles increases the flexibility and diversity of employees and contributes to their well-being.

Even as the business portfolio transforms, safety will always be our first priority and core principle.

Safety has been the first priority and basic premise of business activities since our founding. Even as our business portfolio changes, continuing to pursue ultimate safety levels will remain our mission. We rigorously ensure each Group employee understands that the commitment to safety is the source and foundation of trust in the Group. Moreover, this safety and trust are integral to our brand, and are major assets when expanding into new business fields. Safety, however, gradually deteriorates if it is not actively promoted. So, through training centers, the Accident History Exhibition Hall, and other initiatives, we will record and recall past accidents and continue inculcating in our executives and employees a philosophy that focuses on the critical importance of safety and which sets out ultimate safety levels as our first priority.



We remain committed to meeting our responsibilities to all of our stakeholders.

As I mentioned at the outset, fiscal 2023 will be a year of revival for the JR East Group. Group employees will boldly take on the challenge of integrating our three business domains and creating new value and services. I would like employees to play leading roles so that together we can create a new JR East Group that benefits society. Therefore, the senior management team will spare no effort in establishing systems that encourage employees to become more proactive.

Further, we will continue fulfilling our social responsibilities with respect to local communities and customers. As we will provide services in a wide spectrum of fields, including the proposal of new ideas for lifestyles, please look forward to the JR East Group's future from a similarly broad perspective. As for local lines, we will meet our responsibilities as an operator that provides forward-looking, sustainable regional mobility. At the same time, we will work with local communities to address tasks such as the revitalization of local communities through initiatives to develop lifestyle services and to realize local digital transformation.

In closing, I would like to take this opportunity to apologize to our shareholders and other investors for the inconvenience and concern caused by two consecutive fiscal years of losses. In fiscal 2023, we will achieve profitability and realize further growth by steadily forging ahead with growth strategies and structural reforms. Our strengths and value creation model are based on the trust of stakeholders. To continue providing them with value, we are determined to develop our strengths and value creation model even further. As we transform, I would like to ask our stakeholders to continue supporting the JR East Group and looking forward to its future.

August 2022
President and CEO

Business Management Strategy

JR East Group Management Vision “Move Up” 2027

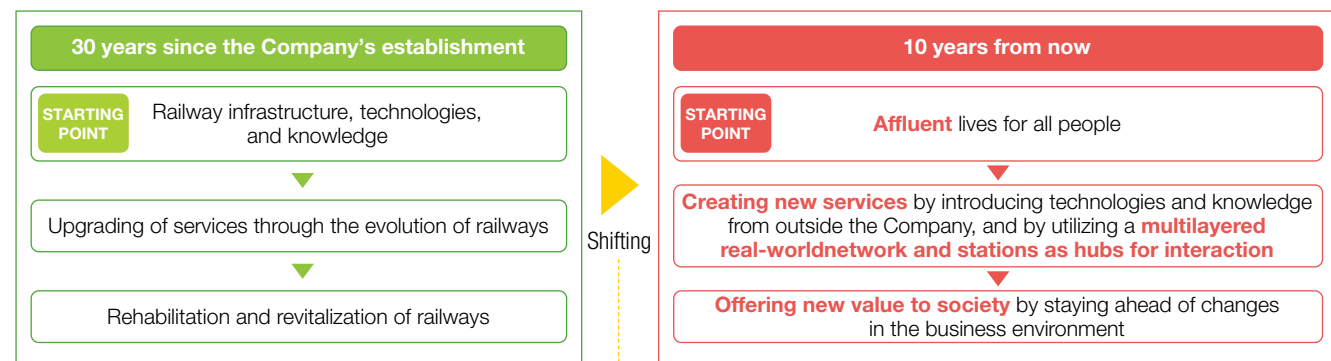
Providing services that match customers’ new ways of working and living, and transforming into a social infrastructure company in the post-COVID-19 era

Changes in the Business Environment

Economic conditions in Japan have been greatly affected by the COVID-19 pandemic. For some time to come, the JR East Group is likely to continue to experience a very challenging environment due to a decline in demand for transportation and other factors. Over the medium to long term, a transformation of the business environment is likely to result from the further decline and aging of the population, technological innovations such as autonomous driving technology, and changes in the nature of globalization. Further, as the Group was established over 30 years ago, it must address various tasks arising from changes to railway systems and the rapid transition to the next generation of employees.

Basic Policies of “Move Up” 2027

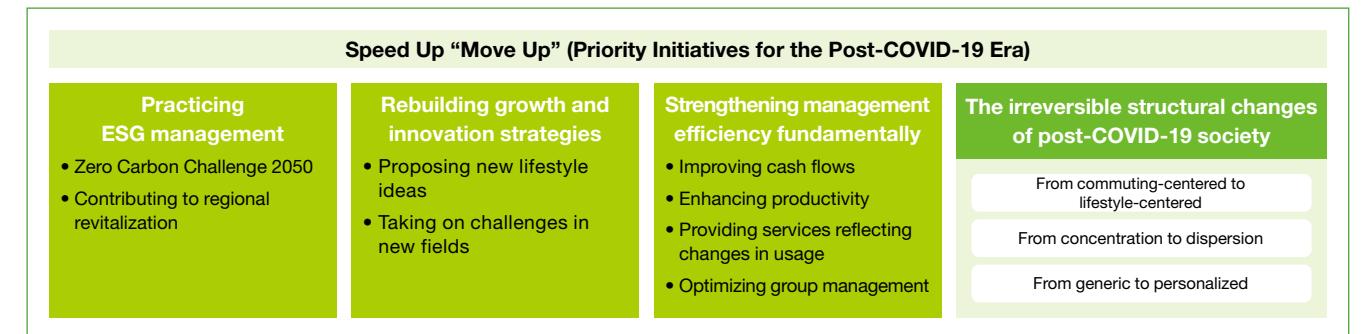
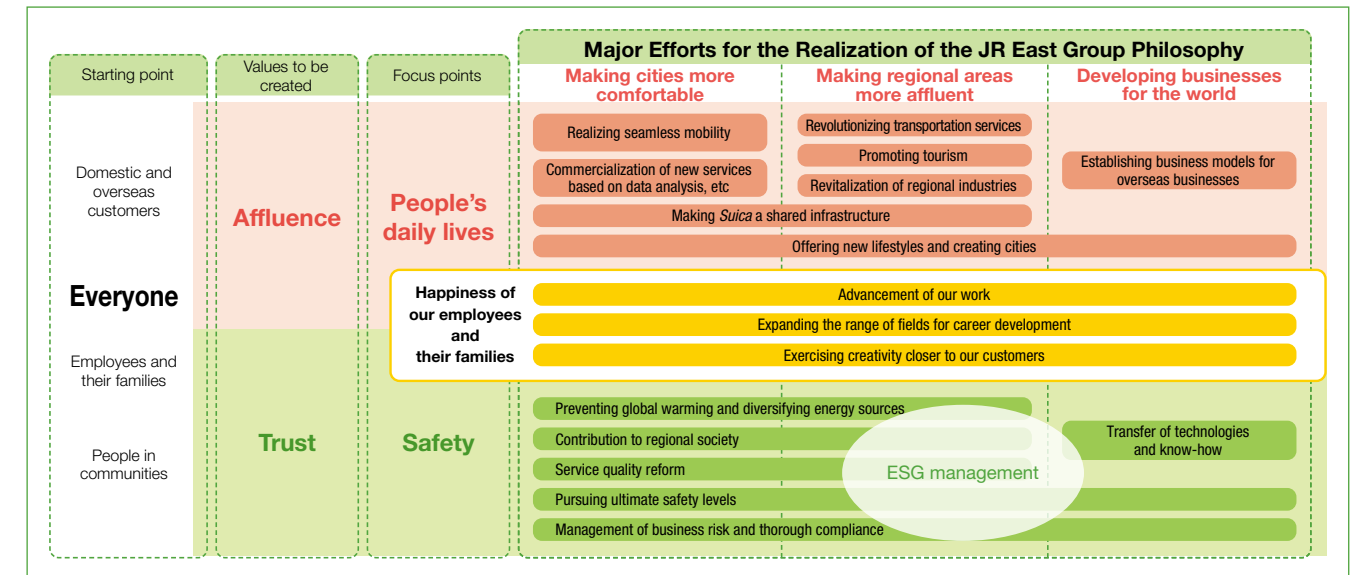
During the 30 years following its establishment, JR East developed a business model that generated profits by encouraging many customers to use railway services and railway stations through the enhancement of their convenience. With the affluence of everyone in their daily lives as our starting point, we will create new services and provide them to society by utilizing real-world networks and introducing technologies and knowledge from outside the Company.



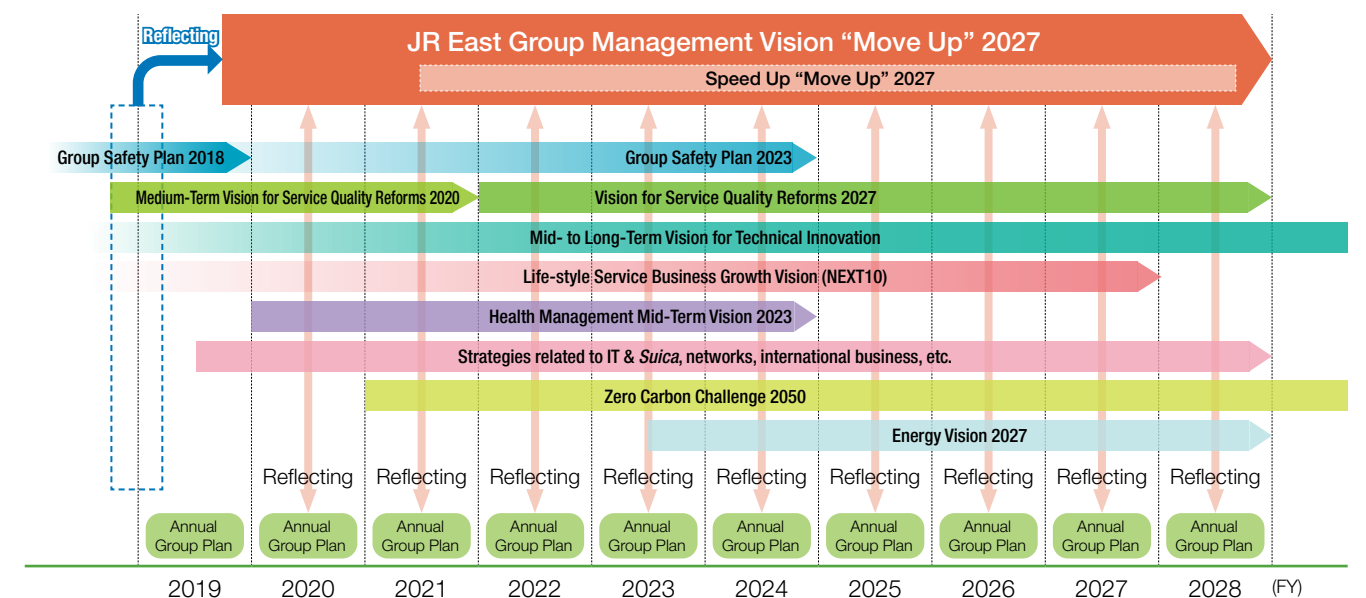
1. Drastic changes in social structures due to the decreasing birthrate and population and to the aging of the population
2. Changes in values related to what it means to work and be affluent
3. Changes in our living environment due to technological innovations such as AI and the IoT
4. Spread of new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



Overview of “Move Up” 2027



Business Plans for Achieving “Move Up” 2027



“Move Up” 2027 Specific Measures—Targets and Progress

Values to Create	Focus Points		Numerical Targets for Specific Actions FY2022 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	38.9% The highest number: February 2022	70.0%
		Handling percentage of eki-net	35.0% The highest number: December 2021	60.0%
		Mobile Suica cards issued	16.62 million	25.0 million
		Number of transactions for usage of the services of the MaaS platform, Mobility Linkage Platform, provided by JR East	0.46 million transactions/month The highest number: March 2022	75 million transactions/month
		E-money usage, such as Suica	250 million transactions/month The highest number: December 2019	500 million transactions/month
		Value of transactions on JRE MALL	¥2.5 billion	¥130 billion
		Number of JRE POINT members	12.59 million people	25 million people
		Number of shared offices	503 locations in total	1,200 locations in total
		Number of childcare support facilities	158 locations in total	170 locations in total
		Number of homes	1,909 homes in total	3,800 homes in total
		5G installation locations	16 places in total	100 places in total
Trust	Safety	Accidents due to internal causes	0	0
		Serious incidents	0	0
		Railway accidents	23.0% reduction*3	20.0% reduction (from FY2019 level)*1
		Of which accidents on platforms involving personal injuries	55.0% reduction*3	30.0% reduction (from FY2019 level)*1
		Transport disruptions due to internal causes		
		Conventional lines within 100 km of Tokyo	55.0% reduction*3	70.0% reduction (from FY2019 level)
		JR East Shinkansen	56.0% reduction*3	75.0% reduction (from FY2019 level)
		Total delay time for conventional lines within 100 km of Tokyo	190.0% increase*3	70.0% reduction (from FY2019 level)
		CO ₂ emissions of the entire JR East Group	11.2% reduction	50.0% reduction (from FY2014 level)*2
		Development of renewable energy power sources	130,500 kW	700,000kW*2

*1 Targets for FY2024 *2 Targets for FY2031 *3 Preliminary figures



Fiscal 2022 Progress

Fiscal 2022 Strategy

Positioning safety as the unchanging first priority of business management, we will improve profitability, implement structural reform, and practice ESG management.

Speed Up “Move Up” 2027

Enhancing Profitability (Restructuring Our Growth and Innovation Strategies)

Reforming the Corporate Structure (Fundamental Strengthening of Management Foundation)

Practicing ESG Management

Safety Is Our Top Priority

Priority Strategies

Enhancing Profitability (Restructuring Our Growth and Innovation Strategies)

Proposing New Lifestyles

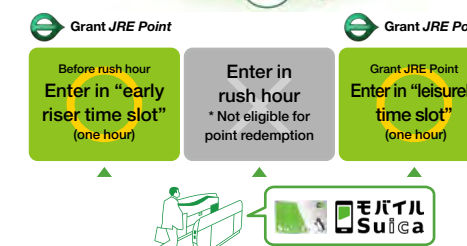
Beyond Stations concept

- Going beyond existing role of railway stations as transportation hubs where people pass through and gather and transforming railway stations into lifestyle platforms designed to connect people, things, and experiences
- Respecting and utilizing as a strength the value created by railway stations as real-world transportation hubs while realizing the type of fulfilling lifestyles that only we can provide



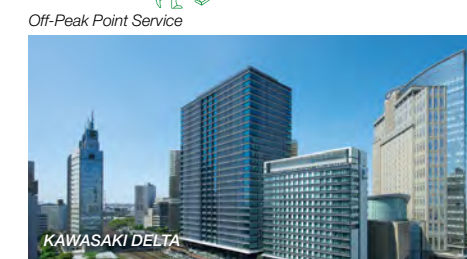
New JRE POINT-enabled services

- Catering to diversifying commuting styles by offering Repeater Point Service and Off-Peak Point Service
- Integrating eki-net points and JRE POINT
- Advancing comprehensive, cohesive customer strategies among our three business domains through data-enabled cross marketing



Town development and creation of appealing lifestyles

- Expanding STATION WORK and other shared office businesses
- Promoting KAWASAKI DELTA and JR Kawasaki Tower



New ways of taking trips

- Ticketless, smartphone-friendly services
- Expansion of MaaS

Taking on Challenges in New Fields

5G infrastructure installation

- Installing shared devices and antennas for 5G inside railway stations and in line-side areas and implementing a new business based on leasing to telecommunications carriers

Business alliances with start-ups

- Partnering with SATOYUME CO., LTD., to develop Ensen Marugoto Hotel microtourism that uses unstaffed railway stations as starting points



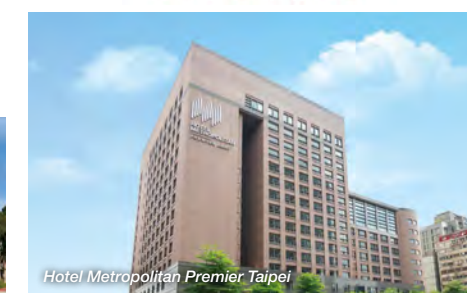
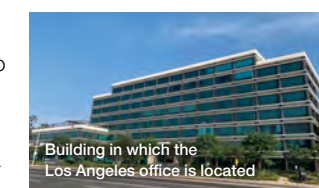
Train-based logistics services

- Transporting specialty products from various regions with high freshness by Shinkansen and other trains and selling them at ekinaka outlets (shops inside stations) to promote regional appeal



Advancement of sustainable overseas businesses that utilize our comprehensive strength

- Generating profits and developing globally competent personnel
- Steadily advancing the Indian High Speed Rail Project
- Opening the Los Angeles office in March 2022 to attract more visitors to Japan and strengthen business incubation capabilities
- Expanding the Life-style service business in Asia



Priority Strategies

Reforming the Corporate Structure: Fundamental Strengthening of Management Foundation

Improvement of cash flows

- Making rigorous efforts to increase revenues
- Reducing fixed costs
- Implementing capital expenditures that reflect changes in the business environment (revising investment needed for the continuous operation of business)

Productivity enhancement

- Reforming railway station operations (Plus Value)
- Increasing driver-only services
- Advancing smart maintenance and smart project management

Provision of services reflecting changes in usage

- Reforming transportation modes in regions
- Revising fundamental components of operations (timetables, flexible fares, and charges, etc.)
- Streamlining facilities

Increasing Driver-Only Services



Series E131 operating line segments: Driver-only services have begun on the Utsunomiya, Nikko, and Sagami lines. Line segments with driver-only services have been increased on certain other lines.

Advancing Smart Maintenance



East-i is an electricity and track general inspection railcar equipped with overhead wire equipment monitoring systems.



SMART-i is a dedicated maintenance railcar equipped with Shinkansen track equipment monitoring systems.



Advancing Smart Project Management



Construction plan for Shibuya Station improvement work: We use digital technologies such as building information modeling and point cloud data in construction work.



For inaccessible areas of sites, we use small drones specially designed for restricted spaces to acquire images and point cloud data.

Practicing ESG Management

Realizing a Carbon-Free Society

Zero Carbon Challenge 2050

- Advancing Groupwide efforts to achieve net-zero CO₂ emissions by fiscal 2051
- Realizing net-zero CO₂ emissions in all phases, from the production of energy through to its consumption



Verification test of the hydrogen hybrid railcar HYBARI



Fuel cell bus operation (JR Takeshiba Hydrogen Shuttle Bus)



Kawasaki Thermal Power Station

Contributing to Regional Revitalization

Collaborative initiatives with many different stakeholders, including the government, municipal authorities, and destination marketing organizations

- Facilitating farmer's markets, retail, train parcel services, multiple-residence lifestyles, etc.
- Utilizing unstaffed railway stations, traditional Japanese-style homes, and other regional resources effectively

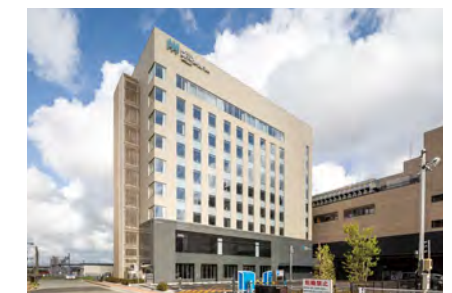
Tohoku Destination Campaign (April–September 2021)

- Marking the 10th anniversary of the Great East Japan Earthquake by continuing to build a legacy that will help attract customers to and invigorate the Tohoku region
- Moving forward with *TOHOKU MaaS*, the introduction of cashless transactions, and other digitalization initiatives
- Operating the pick-it-yourself tourist farm, *JR Fruits Park Sendai Arahama*
- Creating a new Tohoku brand by advancing the *TOHOKU MONO project*



Development of towns focused on railway stations

- Promoting the newly opened *Hotel Metropolitan Akita North Wing*
- Advancing the Iwaki Station South Entrance and Aomori Station East Entrance development projects



Hotel Metropolitan Akita North Wing

Introduction of multifunction IC cards for regional transit

Utilization of *JRE POINT* in developing partnerships with regions



JRE MALL Furusato Nozei (Hometown tax donations)



Aomori Station East Entrance



Iwaki Station South Entrance

Priority Strategies

TOPIC: Investing in Future Growth

Development of Takanawa Gateway City

Global Gateway Development Concept

In the first phase of the Shinagawa Development Project, the JR East Group is advancing the development of Takanawa Gateway City. “Global Gateway” has been chosen as a development concept to reflect the history of Shinagawa, which was a gateway to Edo (Tokyo’s previous name) and associated with such innovations as Japan’s first railway, as well as to reflect the present-day characteristics of the area, which offers excellent access to Tokyo International Airport (Haneda Airport). Based on this concept, we will create a city that continuously creates new cultures and businesses, thereby providing a testing ground for enriched lifestyles a century from now. Further, the Takanawa Embankment—designated as a national historic site—will be preserved at the location and integrated into the development.



Takanawa Gateway City: Layout drawing of buildings to be developed



A Testing Ground for Enriched Lifestyles a Century from Now

Facilitating demonstration tests through the provision of a range of open spaces

We will establish a range of open spaces that people can use in different ways. Approximately 3.5 hectares of linked public space beginning from the automatic ticket gates of Takanawa Gateway Station as well as a plaza space with a total area of approximately 20,000 square meters will provide a testing ground for supporting initiatives that create the future.

Supporting demonstration tests that create, foster, and popularize new paradigms

In preparation for the opening of Takanawa Gateway City, we are conducting tests aimed at realizing the Global Gateway development concept. Once the city opens, by bringing together relevant experts and co-creation partners at such locations as business creation facilities and the Culture Creation Building, we will support demonstration experiments throughout the city and form value-creating virtuous cycles, or ecosystems, that create, foster, and popularize new paradigms.

Initiatives to Realize a Global Gateway

Establishment of a preparatory organization for operating the Culture Creation Building, the East Japan Railway Foundation for Cultural Innovations

The Culture Creation Building will become a symbol of the city. Mahoro Uchida, who is active both in Japan and overseas, has been appointed head of a preparatory office for the building, and we have established an organization tasked with planning and preparing for operation of the building. With all of its planning and operation directly managed by JR East-related organizations, the building will be a facility that presents new cultural formats to the world, thereby acting as a bridge to culture 100 years from now.

Establishment of an area management organization, Takanawa Gateway Area Management

Aiming to further enhance the appeal and value of the area around Takanawa Gateway Station, we have established an area management organization. By utilizing open spaces and advancing area management activities in partnership with the surrounding community, the organization will develop a city that is safe, secure, vibrant, and attractive.

Initiatives to Address Social Issues

- Promotion of the creation of a progressive, sustainable, environment-friendly city that has net-zero CO₂ emissions
- Acquisition of LEED environmental certification for green buildings (Acquisition of LEED v4 ND*1 Plan gold certification for the entire city, acquisition of LEED v4 BD + C: CS*2 gold preliminary certification for Complex Building I, and acquisition of LEED v4 BD + C: CS silver preliminary certification for Complex Building II)
- Development of an urban operating system that integrates various kinds of data about the city and consideration of utilization of the system to improve operational efficiency and introduce new services

*1 Neighborhood Development
*2 Building Construction and Design: Core and Shell



The above logo is a registered trademark of the U.S. Green Building Council®

Plans for Respective Buildings

Complex Building I (North and South)	Complex Building II	Culture Creation Building	Residence Building
Schedule	Opening at the end of fiscal 2025 (March 2025)		
Main Facilities		Main Facilities	
Offices, hotel, commercial facilities, convention facilities, conference facilities, and child-rearing support facilities	Offices, commercial facilities, gym, clinics, and child-rearing support facilities	Exhibition spaces, halls, and restaurants	Housing and international school
Features	Features		Features
High-quality offices, convention and conference facilities designed to attract international conferences, high-end hotel, rooftop restaurants, and commercial facilities on lower floors	Energy center and district heating and cooling facilities that support the resilience of the city, supply of environment-friendly energy to the entire city, and assured supplies of power and heat even in a disaster	Plan for integration of lower floors with a park and expression of Japan's four seasons throughout the building through a spiral formed by greenery and trees	International school and residences including high-rise premium-quality rental housing and terraced housing that is compliant with international standards and suitable for non-Japanese business people

Priority Strategies

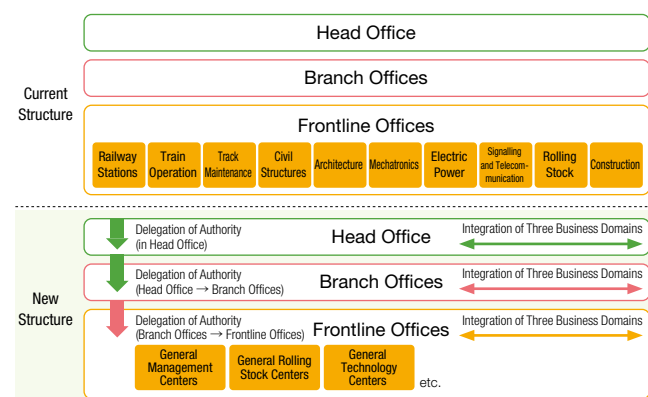
TOPIC: Organizational Reform

Reforming Workstyles and Organizations to Ensure Sustainable Growth

We are reforming workstyles and organizations to enhance the job satisfaction and productivity of each employee, thereby increasing management efficiency. Moreover, these reforms will enable us to adapt flexibly to changing times and realize the JR East Group Management Vision “Move Up” 2027.

Reform Strategies and Goals

- ▶ With the aims of achieving a 5:5 ratio for Transportation segment operating revenues relative to those of other business segments and improving profitability, we will realize synergies among our three business domains: Transportation, Life-style, and IT & Suica services. In this way, we will further promote our updated vision Speed Up “Move Up”2027.
- ▶ We will create new systems that enable us to operate railways sustainably while maintaining the highest levels of safety and strong connections with regions.
- ▶ To provide customers with rapid, local value creation and issue resolution, we will delegate authority, integrate systems, merge frontline offices and planning departments, extend the scope of all employees’ activities, and increase the flexibility of workstyles and career development.



	Fiscal 2022	Fiscal 2023		Fiscal 2024
	4th quarter	First half	Second half	First half
Head Office		<ul style="list-style-type: none"> June: Reorganization 	<ul style="list-style-type: none"> October: Establishment of the Tokyo Metropolitan Area Headquarters and Tohoku Area Headquarters 	<ul style="list-style-type: none"> June: Completion
Branch Offices		<ul style="list-style-type: none"> June: Reorganization of construction offices 	<ul style="list-style-type: none"> October: Establishment of the Tokyo Metropolitan Area Headquarters and Tohoku Area Headquarters 	<ul style="list-style-type: none"> June: Completion
Frontline Offices		<ul style="list-style-type: none"> Establishment of general management centers 	<ul style="list-style-type: none"> October: Commencement 	<ul style="list-style-type: none"> June: Completion

Head Office

The head office has been reorganized into five headquarters and five departments. The five headquarters include the Corporate Strategies Headquarters, Marketing Headquarters, and Innovation Strategy Headquarters. This reorganization will enable adaptable, expedited business management and strengthen strategy-focused work, such as the formulation of the Group’s management strategies and target profile and the creation of new businesses.

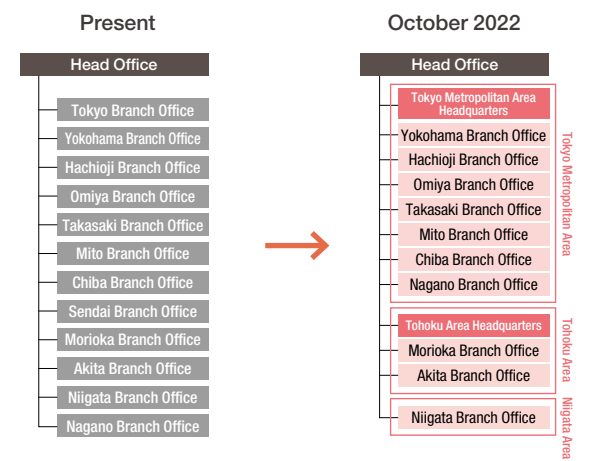
Present	June 2022
Corporate Auditors Office	Corporate Auditors Office
External Relations Office	Corporate Planning Dept.
Corporate Planning Headquarters	Finance & Investment Planning Dept.
Shinagawa & Large-scale Developments Dept.	Shinagawa & Large Scale Developments Dept.
Management Planning Dept.	Corporate Communications Dept.
Investment Planning Dept.	Strategies & Business Platform Dept.
Technology Innovation Headquarters	Lifestyle Creation & Community Vitalization Dept.
MaaS & Suica Headquarters	Community Development Coordination Dept.
International Affairs Headquarters	Innovation Strategy Headquarters
Inquiry & Audit Dept.	Transport Safety Dept.
Railway Operations Headquarters	Customer Service Quality Reformation Dept.
Transport Safety Dept.	Marketing Dept.
Customer Service Quality Reformation Dept.	Transport & Rolling Stock Dept.
Marketing Dept.	Facilities Dept.
Transport & Rolling Stock Dept.	Electrical & Signal Network System Dept.
Facilities Dept.	Life-style Business Development Headquarters
Electrical & Signal Network System Dept.	Construction Dept.
Life-style Business Development Headquarters	Energy Strategies Dept.
Construction Dept.	Public Relations Dept.
Energy Strategies Dept.	Finance Dept.
Public Relations Dept.	Work & Welfare Strategies Dept.
Finance Dept.	Corporate & Legal Strategies Dept.
Work & Welfare Strategies Dept.	
Corporate & Legal Strategies Dept.	



Branch Offices, etc.

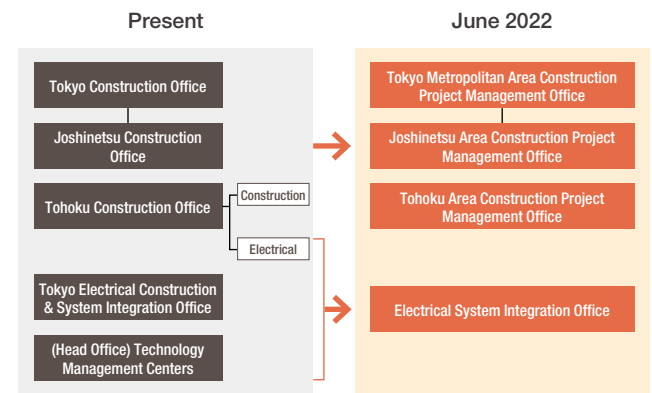
Branch offices

The Company’s 12 branch offices will be divided into three areas: the Tokyo metropolitan area, Tohoku, and Niigata, with the Tokyo Branch Office becoming the Tokyo Metropolitan Area Headquarters and the Sendai Branch Office becoming the Tohoku Area Headquarters. Starting with readily transferrable operations, branch office operations in each area will then be steadily consolidated at their respective headquarters. This reorganization will allow us to maintain the paramount importance of safety and our strong connections with regions while realizing timely business management that matches the needs of each region and line segment. At the same time, the consolidation of technologies, skills, and expertise will elevate our technical competence even further.



Construction offices

Construction offices have been renamed “construction project management offices.” In addition, the electrical operations of the Tohoku Construction Office have been merged with the operations of the Tokyo Electrical Construction & System Integration Office to form a new organization: the Electrical System Integration Office. Under this revamped structure, we will be able to enhance technologies, skills, and expertise as well as increase the safety and efficiency with which we realize projects for the creation of next-generation services that meet customer needs.



Frontline Offices

Certain planning work will be transferred to and conducted under a new management system. As for rolling stock, rolling stock centers and general rolling stock centers will become the frontline offices of the Tokyo Metropolitan Area Headquarters, the Tohoku Area Headquarters, and the Niigata Branch Office. With respect to facilities, general technology centers will be established in each system. Since the timetable revision of March 2022, we have been establishing general management centers, integrating railway station and train crew systems, and merging frontline offices and planning departments. We will continue steadily expanding these activities.

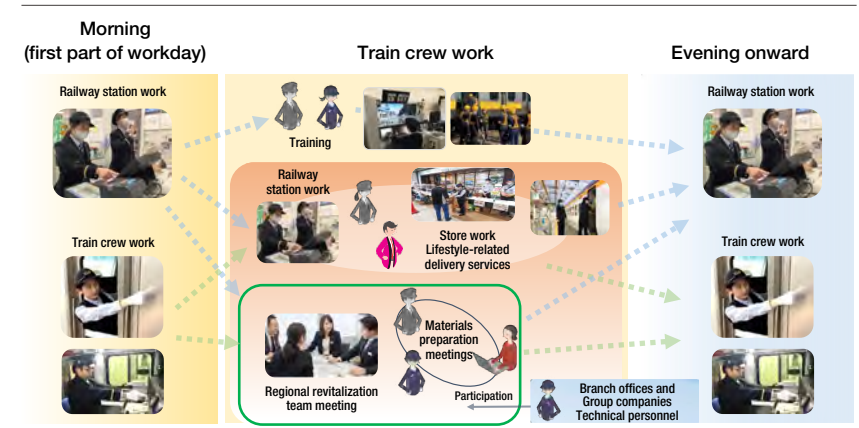
General technology centers:

In each facilities system and electrical system, merging technology centers and sections previously under the management of branch offices; responsible for operations from planning work through to maintenance and construction supervision

General management centers:

Establishing shared workplaces for railway station personnel and train crews; responsible for railway station work, train crew work, and planning work

Workstyles at General Management Centers



Priority Strategies

A Message from the Director General of the Corporate Strategies Headquarters



While paying due attention to financial stability, the JR East Group will implement investments that encourage synergies among its three business domains and help enrich the lives of customers and local communities.

Chiharu Watari
Executive Director

In fiscal 2022, ended March 31, 2022, although revenues increased year on year due to an easing of COVID-19-related restrictions compared with those of fiscal 2021 and the recognition of sales in real estate businesses thanks to the introduction of a rotational business model, business performance did not return to pre-COVID-19 levels. Consequently, at the end of fiscal 2022 the Group recorded the second lowest operating revenues in its history. Further, the Group recognized an operating loss for the second consecutive fiscal year, incurring an operating loss of ¥153.9 billion.

As for fiscal 2023, ending March 31, 2023, we expect mitigation of the pandemic-related downward pressure on revenues because overall passenger revenues are already nearing 90% of pre-COVID-19 levels—the steady post-COVID-19 state we previously thought likely to be reached by the end of fiscal 2023. Nonetheless, given the continuing high level of investment in the Shinagawa Development Project and other projects, interest-bearing debt is expected to increase in fiscal 2023, and the realization of positive free cash flows is likely to be in fiscal 2024.

Regarding the capital expenditures plan, the JR East Group will implement investments that encourage synergies among the three business domains of Transportation, Life-style, and IT & Suica services, thereby creating new value for customers and society and helping enrich the lives of customers and local communities in accordance with the Group Philosophy. Specifically, with steady investment in countermeasures for major earthquakes and other safety enhancement measures as a given, we will not miss opportunities to

implement investments that improve profitability. Also, we will advance investment aimed at contributing to regional revitalization and the realization of a decarbonized society and at accelerating business reforms.

To offset the risk of deterioration in financing conditions, we will pursue a policy of procuring early, abundant, long-term funding. In addition, while carefully analyzing revenue trends going forward, we will flexibly procure funds and repay debt. In conjunction with these measures, we will extend the terms of short-term debt and ensure financial stability.

Mindful of facilitating communication with rating agencies, we use as a debt management indicator the ratio of net interest-bearing debt to EBITDA (earnings before interest, taxes, depreciation, and amortization), which is calculated by using net interest-bearing debt to show the actual balance of debt and EBITDA to show earning capacity in cash terms. We aim to reduce the ratio of net interest-bearing debt to EBITDA to five times or less by fiscal 2026 through efforts to increase revenues, reduce costs, revise capital expenditures, and accelerate development of the rotational business, a new core business that utilizes real estate funds. After fiscal 2026, we will continue to ensure financial soundness and pursue further improvements.

With regard to shareholder returns, over the medium to long term we are targeting a total return ratio of 40% and a dividend payout ratio of 30%. In light of performance trends, we will stably increase dividends and flexibly buy back shares.

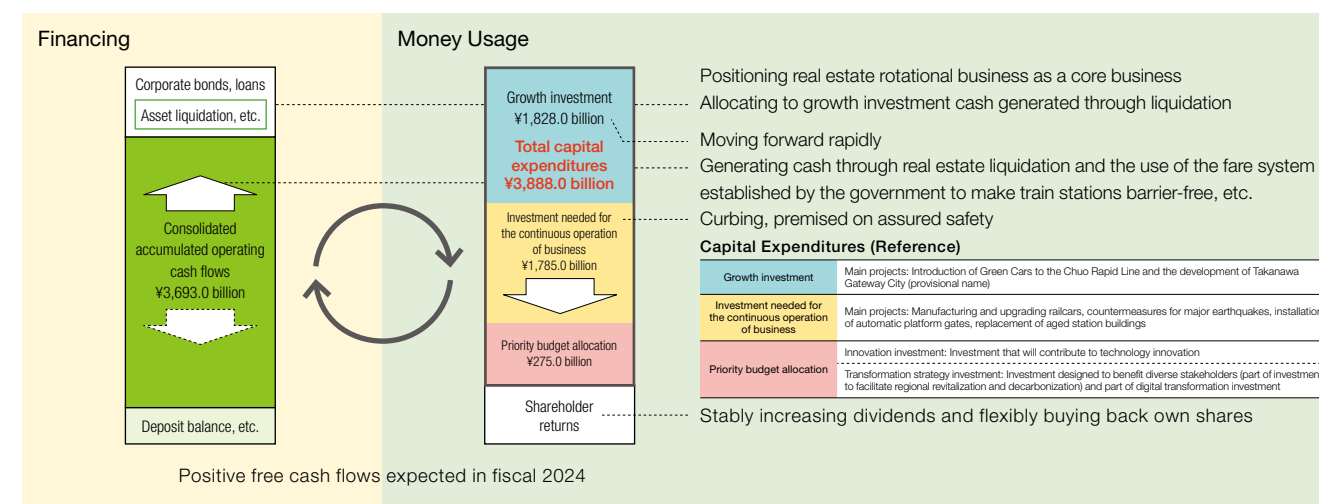
“Move Up” 2027 Numerical Targets

Given dramatic changes in the business environment stemming from the COVID-19 pandemic, we have moved the target year for the numerical targets of the JR East Group Management Vision “Move Up” 2027 from fiscal 2023 to fiscal 2026.

Consolidated Management Targets	Fiscal 2026 Targets (Announced in January 2021)
Operating revenues	¥3,090.0 billion (¥3,325.0 billion)*1
Operating income	¥450.0 billion
Operating cash flows	¥3,693.0 billion*2
ROA*3	Around 4.5%
Net interest-bearing debt to EBITA ratio*4	5 times or less

*1 Numbers in parentheses are reference values that exclude the effect of the application of the Accounting Standard for Revenue Recognition and other factors.
 *2 Total for fiscal 2022 through fiscal 2026
 *3 ROA = Operating income ÷ Total assets
 *4 Net interest-bearing debt = Balance of interest-bearing debt - Balance of cash and cash equivalents
 EBITDA = Operating income + Depreciation

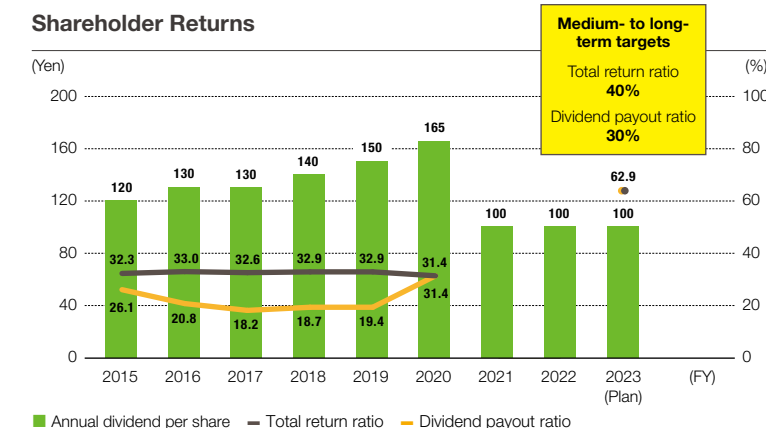
Financing and Money Usage (Fiscal 2022–Fiscal 2026)



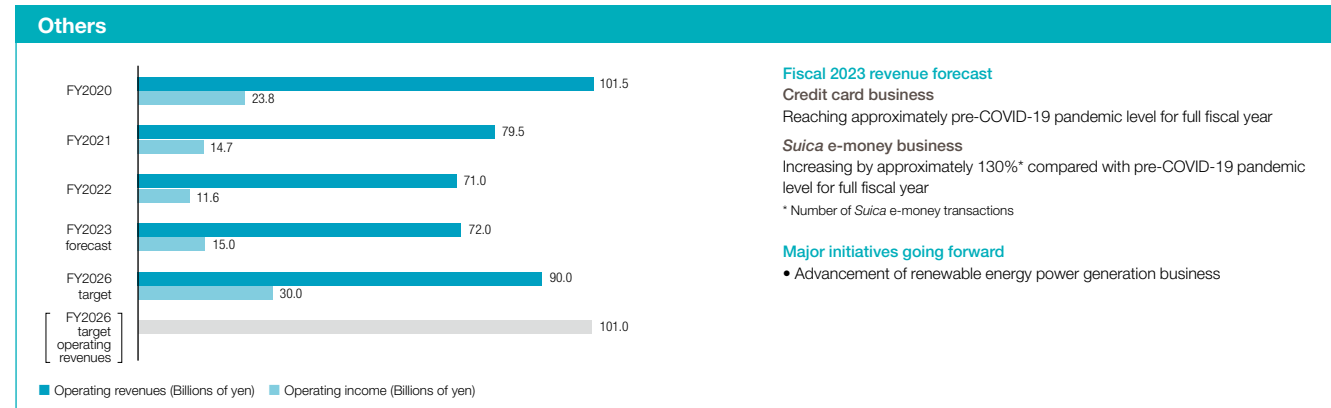
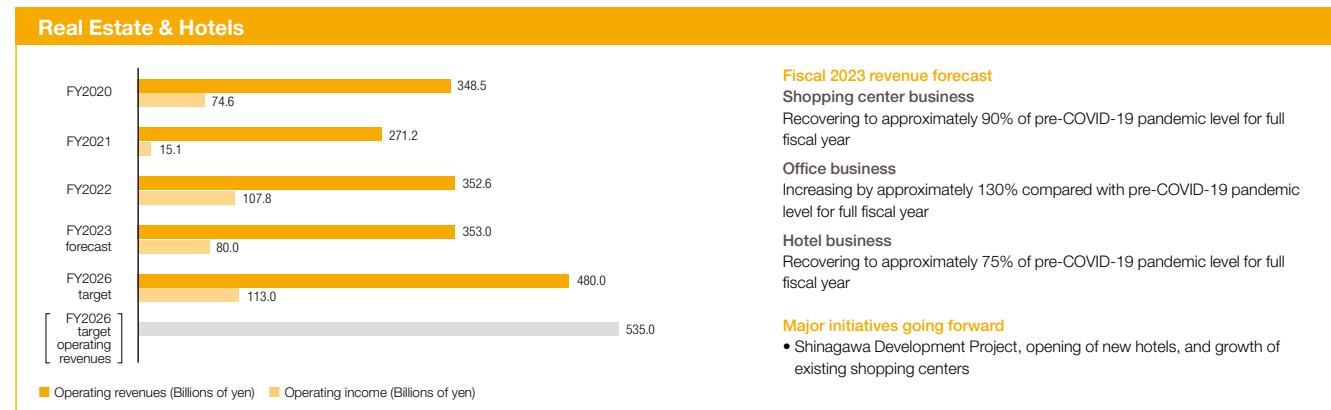
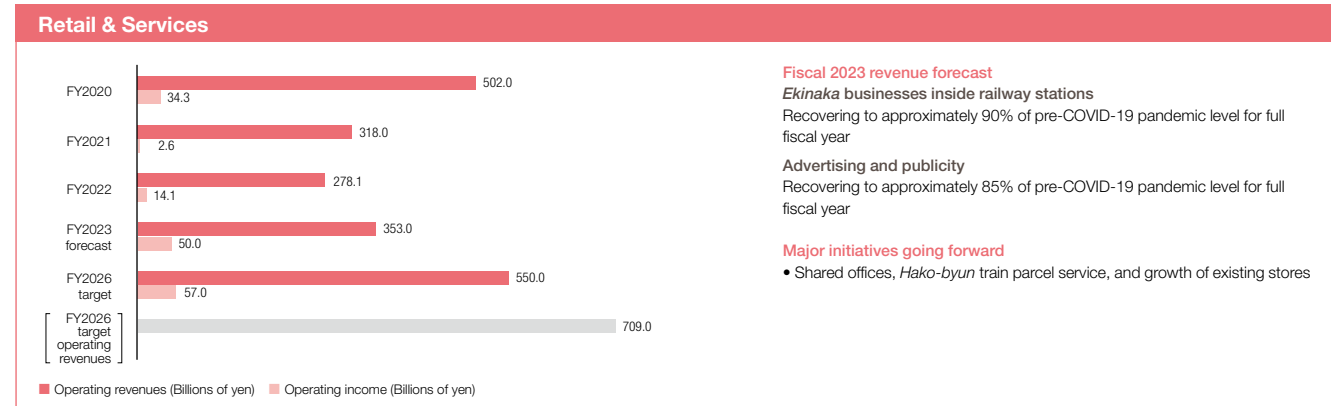
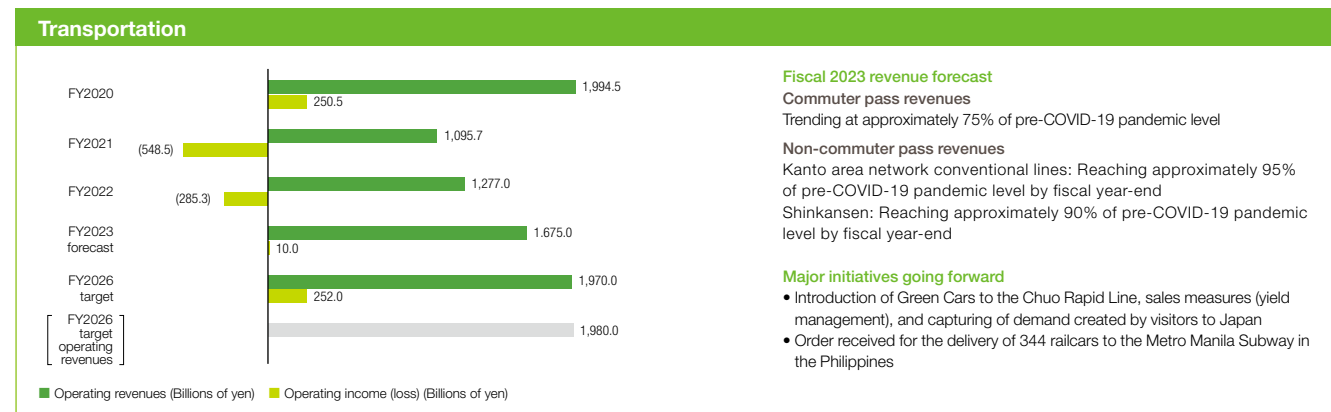
Shareholder Returns

• Over the medium to long term, we are targeting a total return ratio of 40% and a dividend payout ratio of 30%.

• In light of performance trends, we will stably increase dividends and flexibly buy back shares.



Business Segment Results and Targets



- Accounting Standard for Revenue Recognition has been applied since FY2022.
- Number in brackets for consolidated operating revenue is a reference value excluding an effect of application of Accounting Standard for Revenue Recognition and other standards.
- The forecast for FY2023 is the April 2022 target.
- The target for FY2026 was announced in January 2021.
- The breakdown by segment for fiscal 2021 is based on the classification of reporting segments after the change in the Company's advertising and publicity.



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Priority commitment goals



Related goals



Message from the Chief Safety Management Officer

Taking a bird's-eye view, we will continue to ensure safety with an enterprising spirit as we inherit and hone the safety philosophy cultivated by our predecessors.



Totaro Ichikawa
 Executive Vice President

In 2022, JR East celebrates 150 years in business. Throughout this period, our predecessors in the railway industry have made daily efforts to ensure and enhance safety. We inherit their spirit and achievements, and still strive to continue to steadily enhance safety. We provide stable transportation and quality services on the foundation of safety, so our customers can use our services with peace of mind.

During the past two years, we have taken measures to prevent customers from becoming infected with COVID-19; each and every employee of the JR East Group has worked to prevent infection and continues to contribute to safety, ensuring that we are fulfilling our mission to “provide appropriate transportation as a designated public agency.”

Based on the General Principles of Safety prescribed in our Code of Conduct and our philosophy of “stopping the train when it is unsafe to proceed,” we have been pursuing effective and efficient technologies and mechanisms to maintain and improve safety; our past accomplishments and current efforts are described in this report. Railways are a system that integrates expertise in various fields. Convenient equipment and systems emerge, and when introducing them, we carefully assess not only their individual functions, but also

the railway system as a whole to ensure that fail-safes are maintained and safety levels are improved.

To create transportation services that are safe and reliable for coming generations, we must adhere to this approach while accelerating efforts to create disaster-resistant structures and software responses, automated operations (automated operation planning and operation management), maintenance and warning systems using condition monitoring, and on-demand information provision. In this connection, we will continue to challenge ourselves to evolve and change, acutely aware that even small changes in safety can be alarming and lead to the disruption of normal operations.

Despite the difficult business conditions, we will continue to invest management resources in ensuring safety and further enhancing our operations to pass them on to the next generation.

Safety

Our Fundamental Concept of Safety

Since the establishment of JR East, safety has been our top management priority, and we have worked relentlessly to heighten our levels of safety. Our earnest efforts to learn from unfortunate accidents in the past have enabled JR East to further the prevention of future accidents through our continued development of both tangible and intangible measures. To further reduce potential risk, JR East is committed to steadily improving tangible countermeasures and also to ensuring that each one of its employees takes all possible intangible measures. Our quest to ensure safety never ceases. The JR East Group will continue to work together to take on the constant challenge of improving safety.

General Principles of Safety

JR East has prescribed General Principles of Safety in the Code of Conduct for its safety-related employees.

General Principles of Safety

- I. Safety is the most important mission in transportation.
- II. Ensuring safety is based on exact observance of rules and procedures, and is achieved through constant practice.
- III. Enforcement of confirmation and complete contact is most important for ensuring safety.
- IV. For ensuring safety, we should cooperate together and go beyond our official responsibility.
- V. When we have questions or must choose among several options, we should remain calm, think by ourselves, and take the safest course after thorough consideration.

安全綱領

一 安全は輸送業務の最大の使命である。
 二 安全の確保は、規程の遵守及び執務の厳正から始まり、不断の修練によって築きあげられる。
 三 確認の動行と連絡の徹底は、安全の確保に最も大切である。
 四 安全の確保のためには、職責をこえて一致協力しなければならない。
 五 疑わしいときは、あわてず、自ら考えて、最も安全と認められるみちを採らなければならない。

Group Safety Plan 2023

Since our establishment, JR East has been implementing a series of five-year safety plans. In November 2018, we formulated Group Safety Plan 2023, which is our seventh safety plan. JR East Group companies, partner companies, and affiliated companies will together aim for ultimate safety levels starting with the safety actions of each person. JR East Group Safety Plan 2023 consists of two building blocks: Evolution, and Move Up, which are based on three pillars: (1) Evolution and enhancement of each person's safety actions (2) Evolution and enhancement of safety management (3) Maintenance of safety equipment by actively utilizing new technologies. In consideration of rapid environmental changes both within and outside the Group, we will take specific measures to respond properly to these changes.

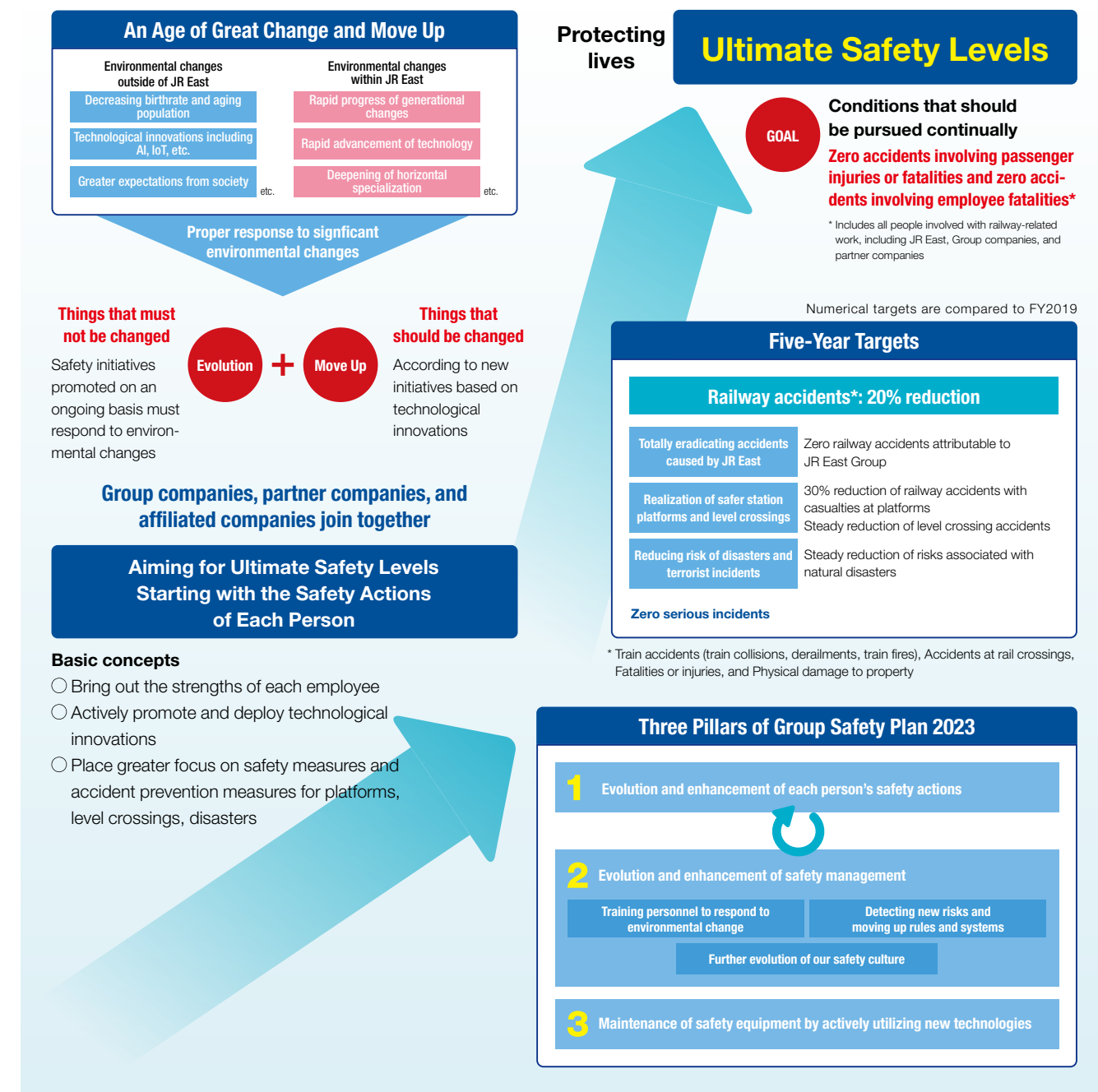
Further Evolution of Our Safety Culture

The safety culture, upon which JR East Group has continually placed great value, including the Five Cultures, the CS (Challenge Safety) Activity, and the Three Actualities Principle, is the foundation of various safety initiatives.

Stop the train when it is unsafe to proceed

Safe and stable transport is important for our railways. Safety means protecting lives, while stability means ensuring the on-time operation of our trains. However, although stable transport is important for us, safety comes first. Trying too hard to keep to schedule sometimes results in not properly following safety confirmation procedures, which leads to placing the safety of train operations at risk. To secure the safety of our railway operations, the whole JR East Group will always follow our firm Code of Conduct to stop the train when it is unsafe to proceed.

Overview of Group Safety Plan 2023



For more information, please see: https://www.jreast.co.jp/e/data/pdf/group_safety_plan.pdf

Further ingraining the Five Cultures

- A culture of proper reporting** The prompt and proper reporting of accidents and incidents, and the prevention of the recurrence of accidents
- A culture of noticing** The recognition and sharing of information regarding the potential sources of accidents in order to prevent accidents and incidents
- A culture of direct confrontation and debate** The open and frank discussion and exchange of opinion in investigating the causes of accidents and incidents in order to identify the causes of accidents and to take truly effective countermeasures against their recurrence
- A culture of learning** The continuous awareness of others; learning from accidents and incidents that occur in all places of work, not just in one's own workplace; and the implementation of appropriate countermeasures
- A culture of action** Safety can be ensured only by taking safe actions. Think and act by yourself. This is at the core of our safety.

Safety

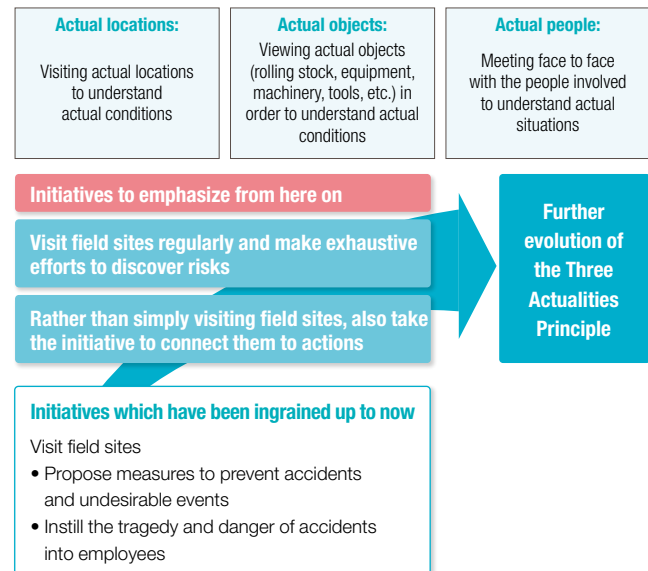
CS (Challenge Safety) Activity

We encourage all employees to use their initiative in taking charge of safety, and we encourage them to participate in safety-related deliberation in the workplace. Through our CS Activity, we aim to change our emphasis from reactive safety to proactive safety, such that each employee thinks about safety and addresses issues. We cultivate a culture of ongoing efforts to enhance safety, where individual employees are aware of safety, and where field sites, branch offices and the head office, are united in the process of discussing safety and formulating safety measures. To share information useful to these activities, we periodically publish a safety newsletter, Challenge Safety Aoshingo.

The Three Actualities Principle

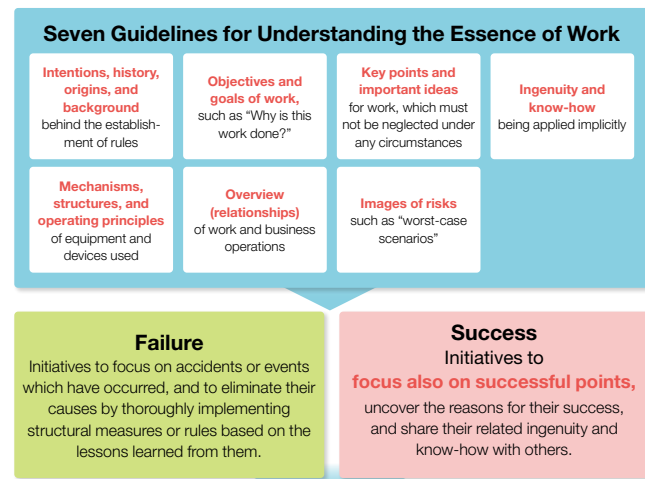
Accidents and incidents always occur at the *Genba**. This means that the sources of accident prevention can also be found at the *Genba*. JR East Group continues to search for answers which cannot be found on paper, using on the Three Actualities Principle as its standard for action—actual locations, actual objects, and actual people.

* *Genba* refers to the actual locations, objects, and people directly related to the safety of our operations, including points of contact with our customers, and fields or workplaces of transport or services.



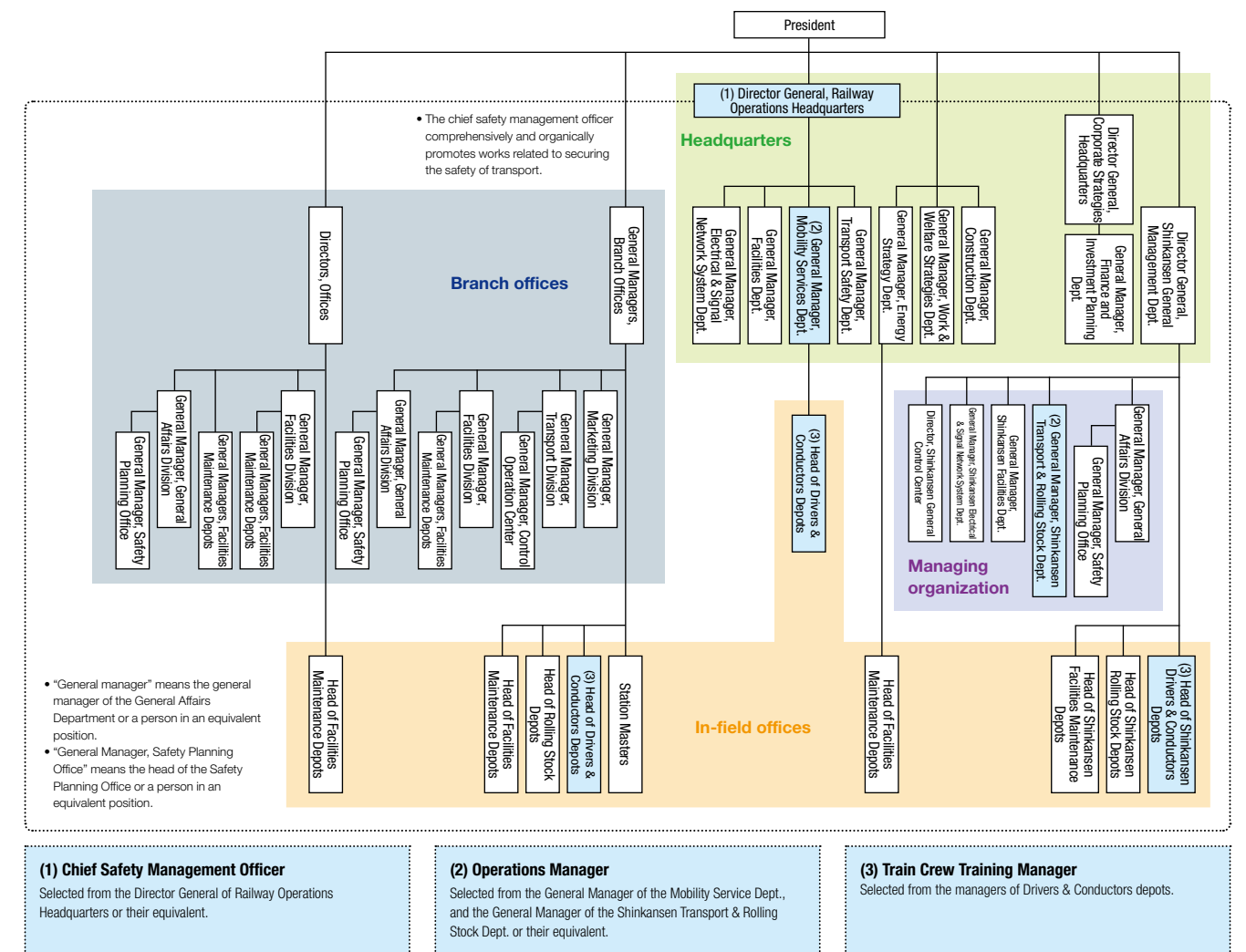
Facilitating understanding of the Essence of Work

To properly respond to significant environmental changes, rather than merely learning the procedures and methods of work, we must be conscious of the Seven Guidelines which include the purposes of work, the origins of rules, and the operating principles of equipment, to deepen our understanding of the essence of work.



Complementary effects of both sides
Promote initiatives to not only learn from failures but also focus on successful points

Management Structure for Transport Safety



How We Organize Safety Management

Safety Management Regulations

In response to a revision of the Railway Business Act, JR East formulated its safety management regulations in October 2006. These stipulate various safety management-related matters such as the responsibilities of top management executives in ensuring the safety of operations and in organizational matters and the selection of chief safety management officers, operation managers, and train crew training managers. To ensure transportation safety, we have built a system to promote operations centered on safety management officers and involving executives responsible for safety through to front-line staff. In April 2019, we established the Shinkansen General Management Department to integrate and manage Shinkansen-related operations.

Structures to Promote Safety Measures

In 1987, we established the Railway Safety Promotion Committee, chaired by the director general of the Railway Operations Headquarters, at head office. This committee aims to enhance railway safety and prevent accidents by elucidating the causes of major accidents, formulating measures to prevent recurrence, and determining and promoting measures for safety-related equipment and rolling stock. We also have Regional Safety Promotion Committees, which are chaired by the heads of the Shinkansen General Management Department, branch offices, and construction offices. These committees enhance railway safety at branch offices and seek to prevent accidents. They also liaise with the Railway Safety Promotion Committee to conduct specific measures.

Rules for Reporting Accidents and Incidents

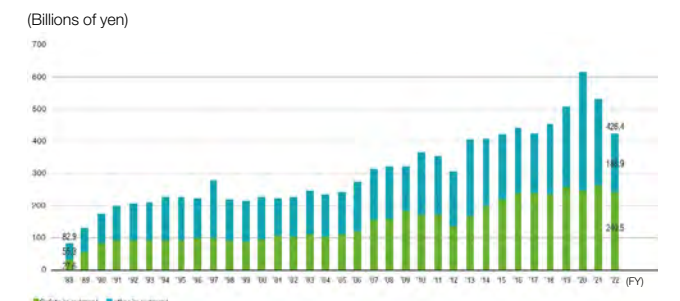
We endeavor to accurately understand accidents and incidents, analyze their causes, and implement measures to prevent them from occurring and recurring. To this end, we work to further enhance safety through accident reporting and the establishment of rules pertaining to classes of accidents.



Investment in Safety Facilities

JR East has invested more than ¥5.0 trillion in safety since its establishment. In its Group Safety Plan 2023, JR East plans to invest approximately ¥1.2 trillion in safety measures during the five years from fiscal 2020 to fiscal 2024. We will continue to focus on putting safety facilities in place. At the same time, we will actively embrace new technologies and respond to new risks.

Trends in Safety Investment



Safety

Efforts to Further Improve Safety Levels

Fostering Safety-Oriented Personnel

Safety education and training

To heighten safety awareness among employees by placing priority on safety education and training, JR East is offering education training opportunities to its employees at the JR East General Education Center in Shirakawa City, Fukushima Prefecture, at general training centers at its branch offices, and through on-the-job training in each workplace.

The JR East General Education Center offers group training for personnel development and the improvement of knowledge and skills, fostering the development of new train crew members and also providing the necessary training for job transfers.



JR East General Education Center



Practical drills on training tracks

Accident History Exhibition Hall

In November 2002, we established the Accident History Exhibition Hall within the JR East General Education Center. This facility provides opportunities for all employees to learn about and reflect on the tragedies of past accidents and the major social responsibility borne by railways. In October 2018, we expanded the Accident History Exhibition Hall and displayed the rolling stock from a 2014 accident involving a derailed Keihin-Tohoku Line train at Kawasaki Station and the construction vehicle that collided with the train. We also opened the Interactive Learning Hall to encourage people to think about train derailment accidents from various perspectives.



Accident History Exhibition Hall

Promoting the use of education training facilities

As one aspect of its efforts toward training personnel to respond to environmental change, JR East is promoting the establishment of education training facilities that facilitate an understanding of the essence of work. By the end of fiscal 2020, we had installed crew training simulators at all transportation-related workplaces. We also opened the Shinkansen Education and Training Center with the aim of teaching staff about the specific rules and mechanisms of the Shinkansen through the use of related equipment.

In addition, at each branch office we have educational facilities for learning about major incidents and accidents that occurred within that branch office's jurisdiction, looking at preceding events and counter-measures. We are promoting better safety awareness among all employees of JR East, Group companies, and partner companies to achieve ultimate safety levels.



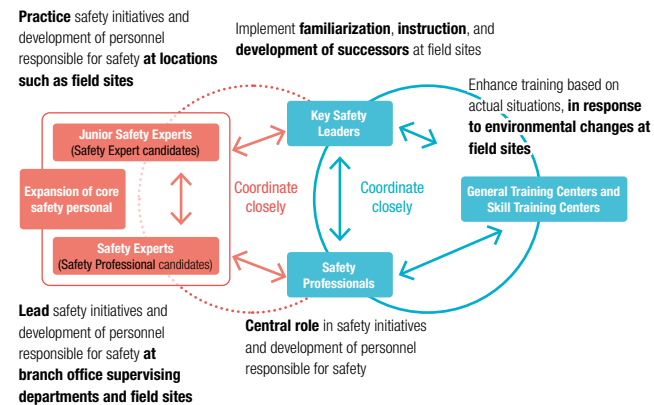
A simulator brings the crew-member training experience to life using actual video



Kokku Benrei Sha Safety Learning Center, Takasaki Branch Office

Development of personnel responsible for safety

We are responding to the rapid transition to the next generation of employees by advancing a variety of initiatives that emphasize the cultivation of employees that treat safety as a core value.



Safety Storytellers (Narrators of oral history)

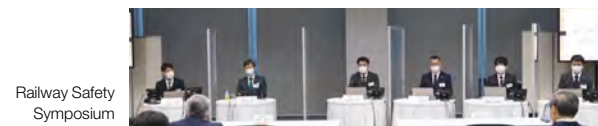
To educate employees who can share and pass on safety-related knowledge, leadership, and technological capabilities within the Company, we have appointed highly experienced and technologically capable personnel in various specialized fields as safety storytellers, or narrators of oral history.



Safety storyteller swearing-in ceremony

The Railway Safety Symposium

To further enhance rail safety, each year we hold the Railway Safety Symposium. We strive to gain knowledge through discussion among local experts and share examples of good practice at workplaces.



Railway Safety Symposium

Safety Measures for Train Operation and Maintenance Work

Measures to prevent train collisions

ATS and ATC:

To prevent collisions between trains, JR East has installed ATS (Automatic Train Stop) and ATC (Automatic Train Control) systems for its conventional lines and ATC systems for Shinkansen lines throughout its railway network.

Legend

- Lines with digital ATC
- Lines with ATC, ATS-P
- Lines with ATACS*
- Lines with ATS-Ps
- Stations with ATS-P currently installed
- Stations with ATS-Ps currently installed
- Stations planned to be equipped with ATS-P

(As of the end of March 2022)

* ATACS: Advanced train administration and communications system



Installation plan for ATS-P and ATS-Ps systems

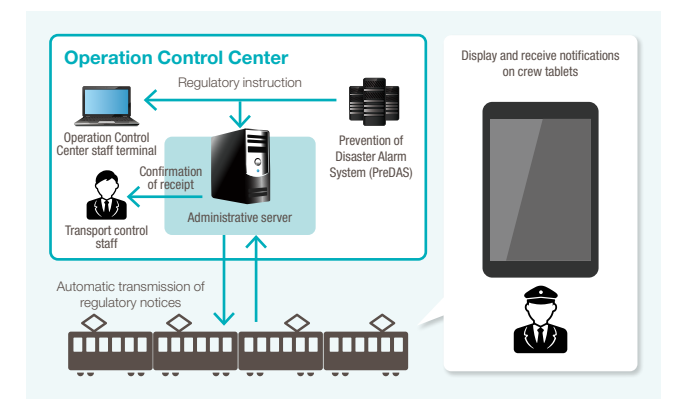
	Areas for planned installation	Installation status as of the end of FY2022
ATS-P system	Mainly for railway sections with frequent train operations in the Tokyo metropolitan area	Completed installation in 21 major stations and railway sections for 2,484.7 km*
ATS-Ps system	Provincial city areas and major railway sections excluding the Tokyo metropolitan area	Completed installation in 71 major stations and railway sections for 210.8 km*

* Service km

Driving restriction notification system

If observed values exceed specified limits at times of heavy rain or strong winds, train speeds are restricted to ensure safety. In the past, the dispatcher transmitted the restrictions to the driver by wireless, but in September 2019, we introduced an automated notification system, thereby helping prevent human error.

How the driving notification system works

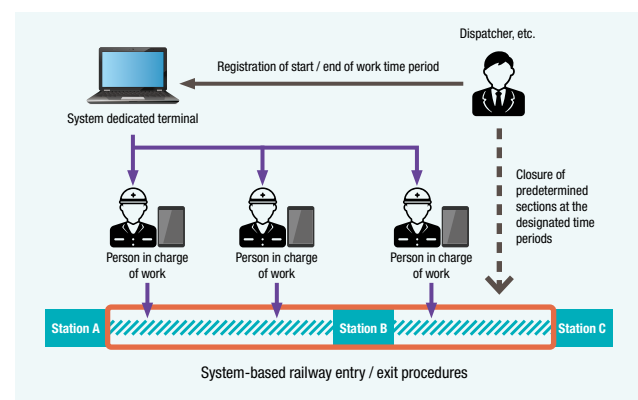


Safety

Improving the safety of maintenance work

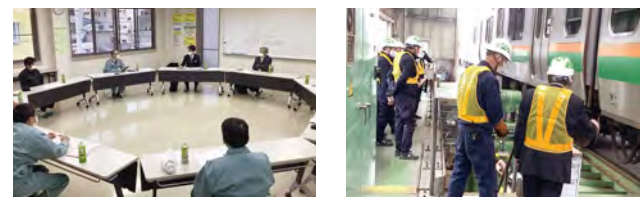
During track maintenance work, we ensure the safety of workers by using a track closure procedure, which prevents trains from entering the area while the work is taking place. This involves meetings between the person in charge of the work and the person in charge of managing train operations. Recognizing the possibility of human error in communication between people, from December 2020 we introduced a system that closes the track in advance in a predetermined section for a particular period of time. Staff working on the track enter and leave using the system. This eliminates the need for meetings on the day of work, reduces human error during communications, and eliminates complicated procedures to improve safety.

System-based Railway Entry/Exit Procedures



Safety Activities at JR East and Group Companies

The division of work continues between JR East and Group companies. In order to improve safety, however, we must have the same sense of values. We built JR East Safety Network (JES-Net), and 39 companies have now joined it. JES-Net carries out checks to ensure that safety works have been carried out correctly, facilitates the exchange of opinions, and works to solve problems and improve safety levels across JES-Net.



Confirmation of work by JES-Net

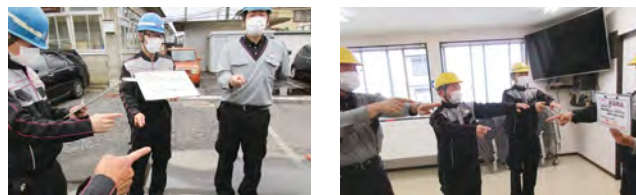
Employee Voices



Katsuta Branch Office
JR Mito Railway Services Co., Ltd.

JR Mito Railway Services Co., Ltd.

We had a number of workplace accidents at the company in FY2020 and were considering what we could do to reduce them. At that time, we became aware that JR Chiba Railway Service, a JES-Net member company, had been engaged in workplace accident reduction efforts for the past 10 years. With the cooperation of JR Chiba Railway Service, we began training KYT (danger prediction training) trainers. Today, KYT trainers are assigned to each workplace, and they play a central role in promoting safety first hazard prediction activities. This has allowed us to incorporate "one-point KYT" and "touch and call" before work, and all employees are implementing initiatives aimed at preventing the occurrence of injuries.



Touch and call

Preparedness Against Natural Disaster

Our measures against earthquakes

Seismic reinforcement measures
Since 1993, we have been enacting measures to prevent bridge collapses and to seismically reinforce elevated railway track pillars and bridge piers. Since fiscal 2013, following the Great East Japan Earthquake, we have proceeded with measures on sections identified as high priority. Based on knowledge gained from leading-edge earthquake research, in fiscal 2018 we expanded the countermeasure area and began new reinforcement measures targeting Shinkansen girder seams. The Fukushima Prefecture Offshore earthquake on February 13, 2021, caused damage to utility poles in particular, and we have been working to review countermeasure priorities and improve reinforcement methods. In addition, we are implementing new measures for facilities that would severely impact transportation in the event of a disaster.



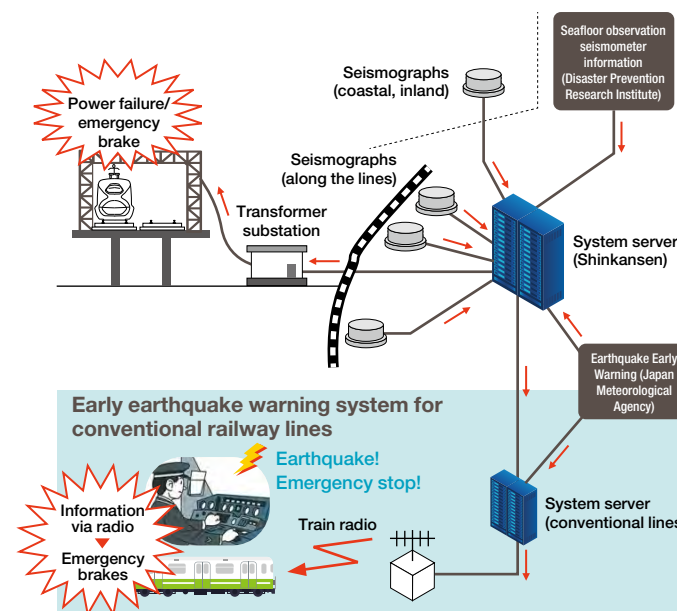
Seismic reinforcement of elevated railway tracks

Structural reinforcement of utility poles

Measures for emergency stopping of trains

We are constructing systems to ensure that high-speed trains can stop as quickly as possible in the event of an earthquake. For the Shinkansen, we have installed seismographs along our railway lines, in coastal areas and inland, to provide early warnings of even minor movements. In addition, we employ Earthquake Early Warnings from the Japan Meteorological Agency and underwater seismograph information from the National Research Institute for Earth Science and Disaster Resilience in our Shinkansen early earthquake detection system. Using the seismic information provided by this Shinkansen system, we have also installed an early earthquake warning system on conventional lines to provide emergency stop notification if large-scale earthquakes are observed.

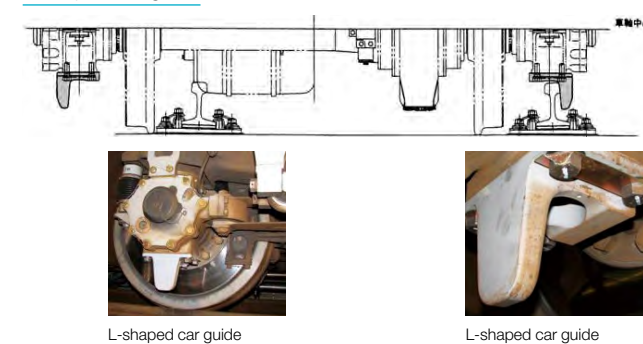
Shinkansen Early Earthquake Detection System



Measures to prevent derailment on Shinkansen lines

We have measures in place to prevent Shinkansen trains from deviating too far from the track even in the event of derailment due to an earthquake.

L-shaped car guide



L-shaped car guide

L-shaped car guide

Preventing breaks at glued insulated joints



General emergency drills

Every year, we conduct a comprehensive disaster-preparedness drill, assuming an earthquake has struck. These drills are timed around the Group's disaster prevention week, which includes September 1(Disaster Prevention Day in Japan). Training includes countermeasure headquarters operational drills, rescue/lifesaving training, and training on evacuation guidance. We conduct such training in cooperation with local government agencies.

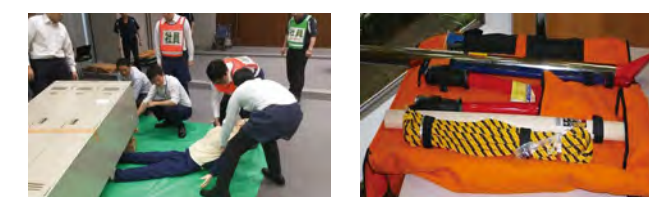


On-site disaster countermeasure headquarters operational drill

Firefighter drill for rescuing passengers

Preparing rescue kits and first aid kits

In the case of an earthquake with an epicenter directly beneath the Tokyo metropolitan area, many passengers could be injured and we might need to save the lives of passengers with the help of a limited number of our employees. JR East has prepared first aid kits and is also conducting drills to give personnel the necessary first aid skills in the event of a major earthquake.



JR East Japan rescue/lifesaving course

Rescue kits

Measures against tsunamis

Before the Great East Japan Earthquake, we had set operational restriction methods and tsunami danger zones for each location, prepared manuals, and were holding study sessions and conducting drills on guiding passengers to alight from trains for evacuation. We believe that these efforts led to the prompt evacuation of passengers away from tsunami danger zones at the time of the earthquake.



Tsunami evacuation manual

Drill to guide passengers to alight from a train for evacuation

Safety

Formulating action guidelines for evacuation to avoid tsunamis
To prepare for a situation when there is limited time to act before the arrival of a tsunami, JR East in 2012 formulated action guidelines for evacuation during tsunamis for each one of its employees to follow.

Action Guidelines for Evacuation To Avoid Tsunamis

- (1) At a time of a large earthquake, be prepared for tsunamis. Gather information by yourselves and if communication lines are disconnected, make your own decisions for evacuation. (Do not hesitate because you are worried about evacuating and then later realizing that a tsunami has not in fact occurred.)
- (2) Having decided to evacuate, by judging the conditions of passengers, promptly guide passengers to evacuate.
- (3) In alighting from trains, evacuating and gathering information, ask passengers and local people to cooperate.
- (4) Even after evacuation, go to a higher place without being satisfied and thinking this would be high enough.
- (5) Stay evacuated with customers and do not return to field offices or trains while tsunami warnings are still being issued.

Tsunami evacuation navigation system

Learning from the tsunami evacuation at the time of the Great East Japan Earthquake, we have developed and introduced tools to help crew on trains in operation to guide passenger evacuations in unfamiliar locations.



Tsunami evacuation navigation

Measures for rainfall

To prevent landslides due to rainfall, we are systematically implementing disaster prevention measures along slopes and other areas throughout the entire railway network. Starting in FY2022, we have been proceeding with rainfall disaster prevention work on Shinkansen routes to prepare for the increased risk of disasters due to record-breaking rainfall and other events expected in the future. In August 2020, new regulations were introduced requiring the temporary suspension of operations on Shinkansen sections when rainfall along the line reaches levels that usually occur only once every several decades, based on rainfall observed by weather radar. Weather radar enables more precise operation control in the event of record or localized heavy rainfall, in addition to conventional operation control using rain gauges.



Cutting slope protection (spray framework)



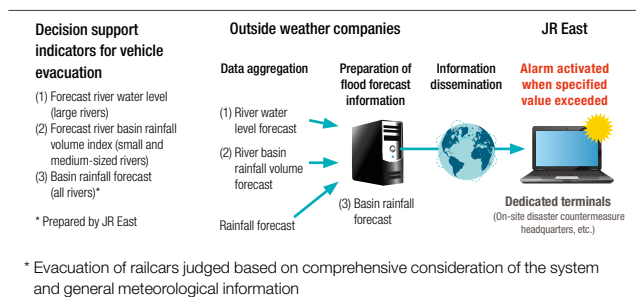
Embankment slope protection (spray framework)

Initiatives to address flooding

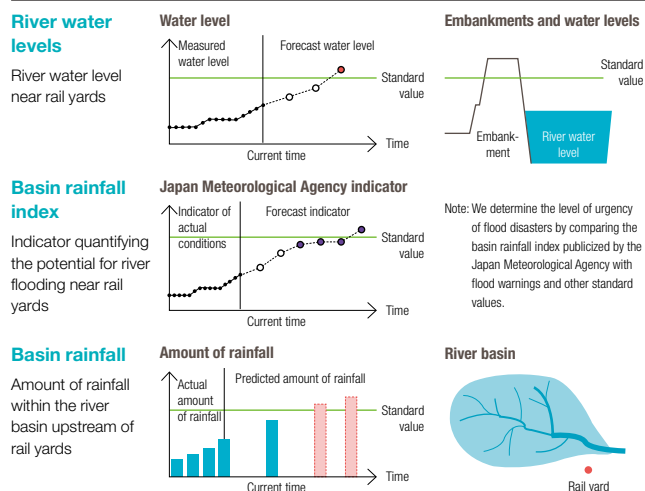
We have been working to enhance flood-response measures, having suffered significant damage from Typhoon No. 19 (Hagibis) in October 2019, when overflowing rivers caused damage to railcars on the Hokuriku Shinkansen.

For railway facilities, we have been setting priorities for each facility and implementing hardware measures. In addition, utilizing hazard maps, we have introduced a Vehicle Evacuation Judgment Support System at rail yards where there is a risk of flooding, to promptly evacuate vehicles in the event of a disaster. With this system, we have developed indicators to support decisions on vehicle evacuation, and when each indicator reaches the set value, an alarm sounds to notify the people concerned.

Vehicle Evacuation Judgment Support System



Indicators to Aid Decisions About Evacuating Railcars



Note: In addition to these indicators, we use general meteorological information to make a comprehensive decision on railcar evacuation.

Protecting against strong winds and gusts

Since a train accident on the Uetsu Main Line in December 2005, we have introduced the major wind-related initiatives described below.

Increased number of anemometers (wind meters)

We typically install multiple anemometers on sections where wind-based operating restrictions are in effect. We have also increased the number of anemometers in locations where windbreaks have been installed. To ensure accuracy, we are also moving toward the installation of dual anemometers.

Installation of windbreak fences

We install windbreaks to protect railcars from the wind.

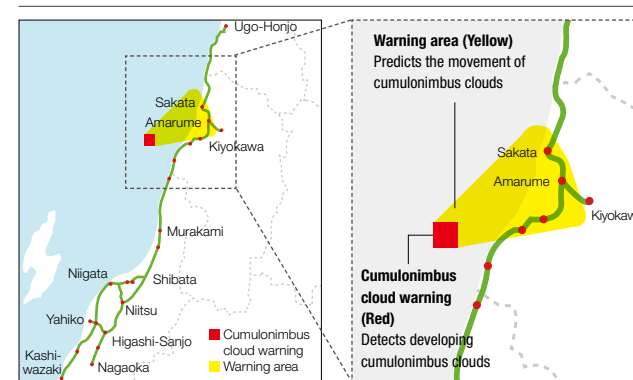


Uetsu Main Line, between Sagoshi and Kita-Amarume

Utilizing meteorological information for operation control

We have developed a method to restrict operations using meteorological information, such as rain intensity measured by the Japan Meteorological Agency's weather radar and the agency's "nowcasts" on the likelihood of tornadoes, to predict gusts of wind that could be generated by cumulonimbus clouds. We are currently using this system along sections on the Sea of Japan in winter.

Display Image of Operation Control Area Using Meteorological Information



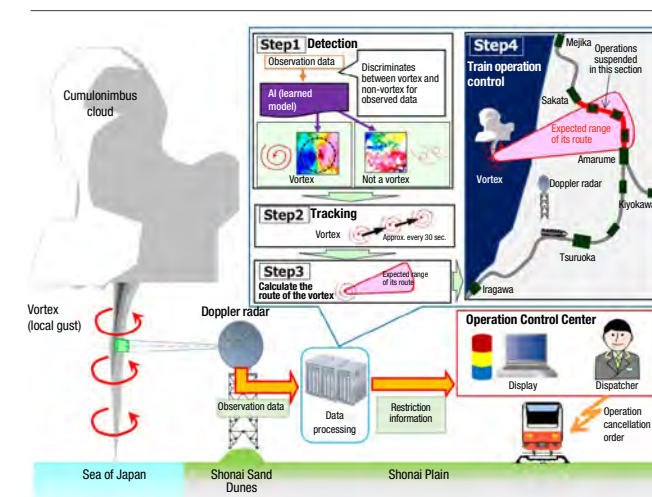
Operation control method against wind gusts using Doppler radar

The system uses Doppler radar to detect vortices that cause wind gusts by observing the movement of raindrops and other objects in the sky, and it issues an alarm when a train track is located within the predicted path of the vortex. This system was jointly developed with the Japan Meteorological Agency's Meteorological Research Institute, and has been in operation on the Uetsu Main Line and in some sections of the Rikuu West Line since winter 2017. Since then, we have continued to expand the scope of train operation regulations and to improve the accuracy of vortex detection using AI.



Doppler radar installed at Kurumori, Sakata

Operation Control Method against Wind Gusts Using Doppler Radar



Safety Measures at Level Crossings

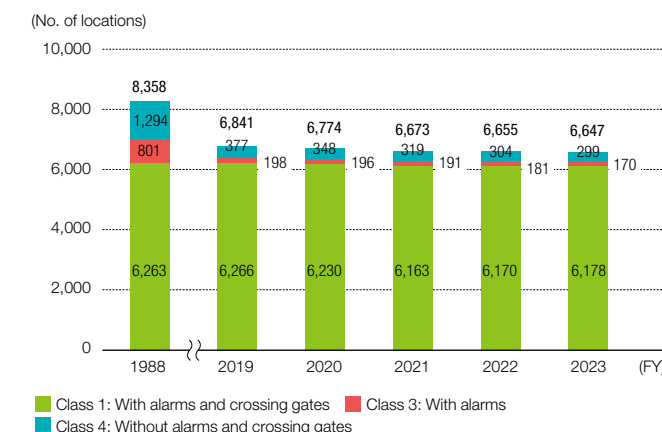
Our efforts to eliminate level crossings

Our principal measure for preventing accidents at level crossings is to eliminate such crossings. We are working with people in local communities to elevate, consolidate, and eliminate level crossings. Where eliminating level crossings is difficult, such as for Class 3 and Class 4 crossings, we are converting them to Class 1 crossings.

Number of Level Crossings Eliminated over Past Five Years (Including Those Transferred to Third-Sector Operators)

FY	2018	2019	2020	2021	2022
Reduction	19	67	101	18	8

Changes to the Number of Level Crossings (as of April 1)



Safety

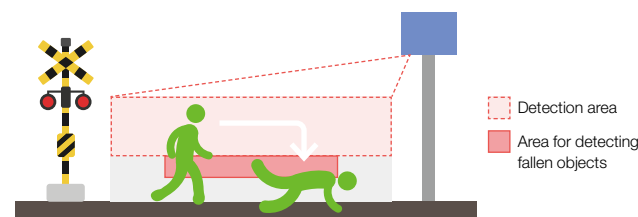
Installing obstacle detectors

To prevent train derailment due to collisions with vehicles of all sizes, we are installing equipment to detect vehicles stuck at level crossings where trains will be passing through. Our obstacle detectors use 3D laser radar that covers the overall level crossing areas and goes beyond conventional functionality, with a newly developed function that improves the detection of people who have fallen. We began installing these devices in fiscal 2020 and are steadily increasing their number.



3D laser radar obstacle detector

Increasing the Level of Sophistication of Obstacle Detectors with 3D Laser Radar



Function for detecting fallen objects

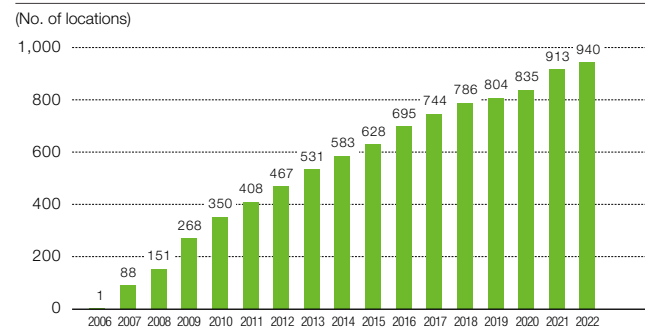
To avoid oversensitivity to small animals, the devices we used previously did not detect objects beneath a certain height.

We overcame this shortcoming by adding a function that broadens the detection area around the obstacle in question.

Noise removal function

We added a function to reduce false positives for floating objects such as snowfall.

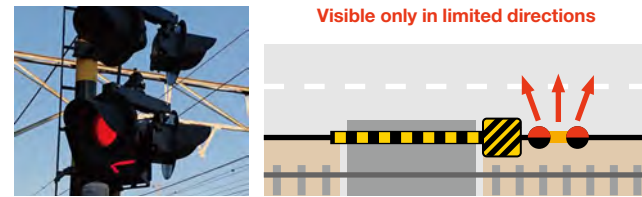
Number of locations of 3D laser radar obstacle detectors (as of March 31)



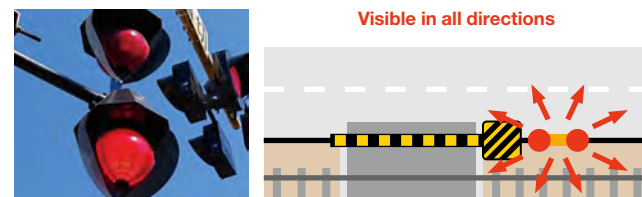
Installing omnidirectional warning lights

Regarding level crossing warning lights to notify the approaching of a train, we are replacing conventional warning lights with omnidirectional warning lights so that they can be easily seen by elderly people with lower sight lines and automobile drivers who enter level crossings from roads.

Conventional Warning Light



Omnidirectional Warning Light



Level crossings for easier passage

Based on the Act on Promotion of Level Crossings, we are elevating and widening roads at level crossings designated for improvement. In addition, where necessary we are using colored pavements or adopting other approaches for roads that cross railways such as building pedestrian overpasses, and making improvements as dictated by local conditions.



In cooperation with road administrators, we are increasing the width of level crossings and separating crossings for pedestrians from those for automobiles by changing the colors of the roads and walkways.

Initiatives involving Class 4 level crossings

Class 4 level crossings are not equipped with alarms or crossing gates. We are working with local communities to eliminate such crossings or upgrade them to Class 1 level crossings. In addition, as another measure to prevent accidents at level crossings, we are erecting signs calling for caution and erecting whistle boards to warn people at crossings of approaching trains.



Class 4 level crossing

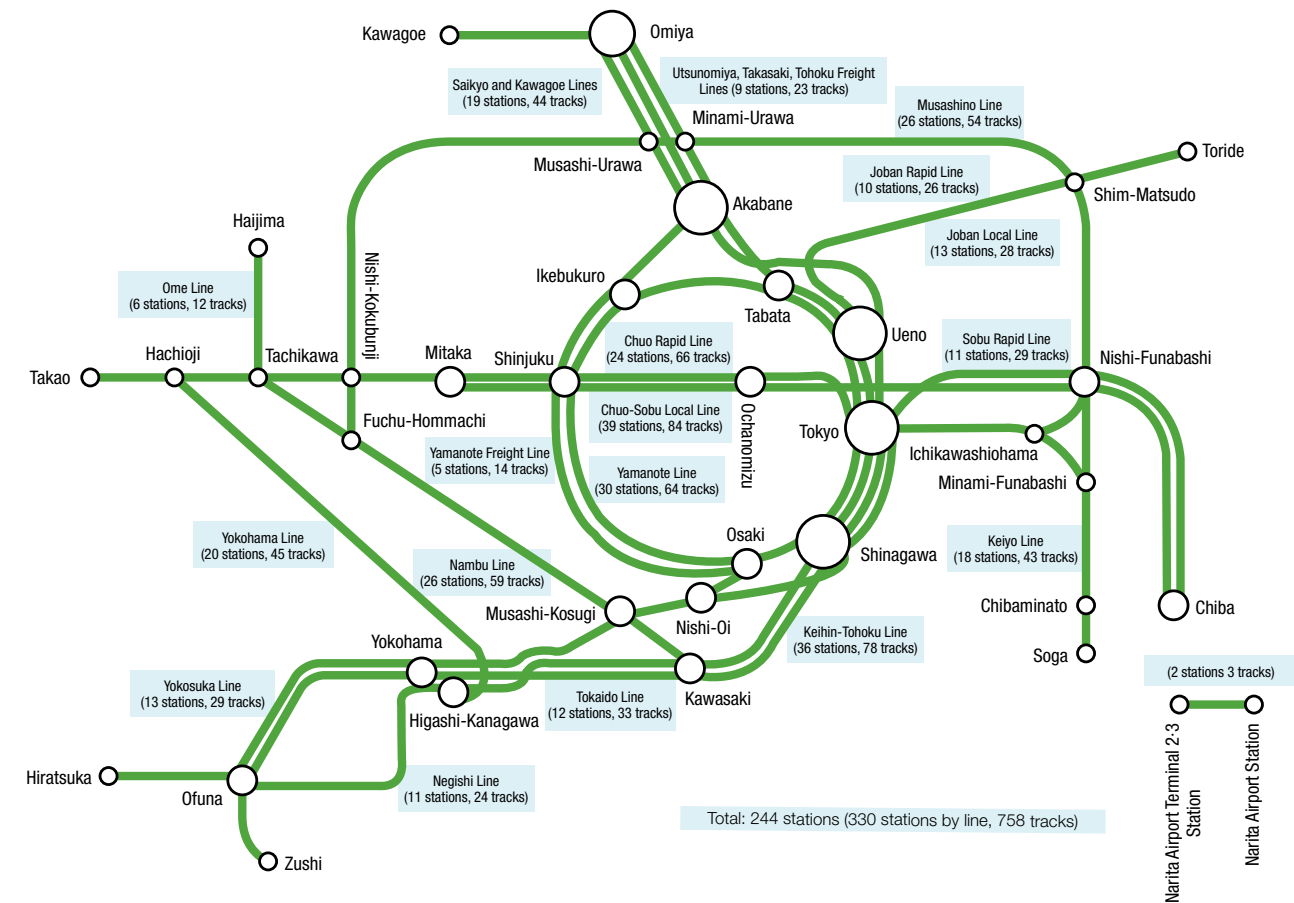
Platform Safety Measures

To prevent accidents involving customers falling from platforms or coming into contact with trains, we are installing platform doors. By the end of fiscal 2022 we had completed the installation of platform doors at 80 stations (a total of 92 stations* by line) on 183 tracks, mainly on the Yamanote, Keihin-Tohoku, and Negishi lines.

Thus far, we have given priority to platform door construction work on about 660 major tracks, with the goal of installing platform doors at 243 stations (330 stations by line) on major conventional lines in the Tokyo metropolitan area by the end of FY2033. In response to demand for even faster construction, we will expand the scope of construction to 244 stations (330 stations by line) on 758 tracks of conventional lines in the Tokyo area, including passing siding. We aim to complete construction by the end of FY2032, one year earlier than before, by introducing lightweight Smart Platform Doors® and reducing the construction period through a review of design loads.

* Number of stations is counted by line, e.g., Yurakucho Station is counted as two stations, one for the Yamanote Line and one for the Keihin-Tohoku Line.

Railway Lines Where Platform Doors are Scheduled for Installation by the End of FY2032 (as of April 2022)



Employee Voices



Service Quality Reform Office, General Affairs Department, Tokyo Branch Office, Tokyo Metropolitan Area Platform Door Promotion Office

Further increasing the pace of provision of platform doors

To further increase the pace of platform door installation, we have been studying ways to standardize survey and design work, improve construction efficiency, and increase the time available for construction through collaboration among design and construction companies and across departments and lines of business within the company.

In the design process, verification results and building code-based conditions are reflected in standard designs to simplify embankment-type platform improvement work and to improve workability by unifying construction materials and reducing their weight.

In addition, platform improvement work is usually done at night but we are also working to shorten the construction period by carrying out works during daytime intervals between trains, following several discussions with related sections.

We will continue our efforts to provide safer and more secure platforms as quickly as possible for our customers.

Safety

CP (color psychology) lines



These lines use colors that people associate with danger to encourage a visual and psychological connection between danger and the edges of platforms.

Braille blocks that indicate which direction is away from the edge of the platform



We have designed linear protrusions on the insides of platforms and put in place blocks that make it easy to distinguish the inside of the platform from the platform edge.

Installation of high-resolution ITVs



We have installed high-resolution ITVs for station staff and conductors to monitor the platforms and tracks.



Fall detection mat



A mat placed on the tracks along the platform detects whether a person has fallen onto the tracks and notifies incoming trains to stop.

Emergency stop buttons on platforms



We have installed emergency stop buttons on platform pillars so that people can notify drivers, conductors, and station staff of danger.

Platform doors

We are installing platform doors to prevent people from coming into contact with trains or falling onto tracks.



Smart Platform Door®

Safety Efforts with Customers and People in Local Communities

Rather than conducting initiatives on our own as a railway operator, we engage with the people who use our services and elicit their cooperation in our efforts to enhance the safety of station platforms and level crossings. We also collaborate with related institutions in conducting awareness-raising activities for schools. Every year we carry out joint campaigns with other railway companies, broadcasting awareness videos and radio commercials in East Japan.



Current Safety Record of JR East

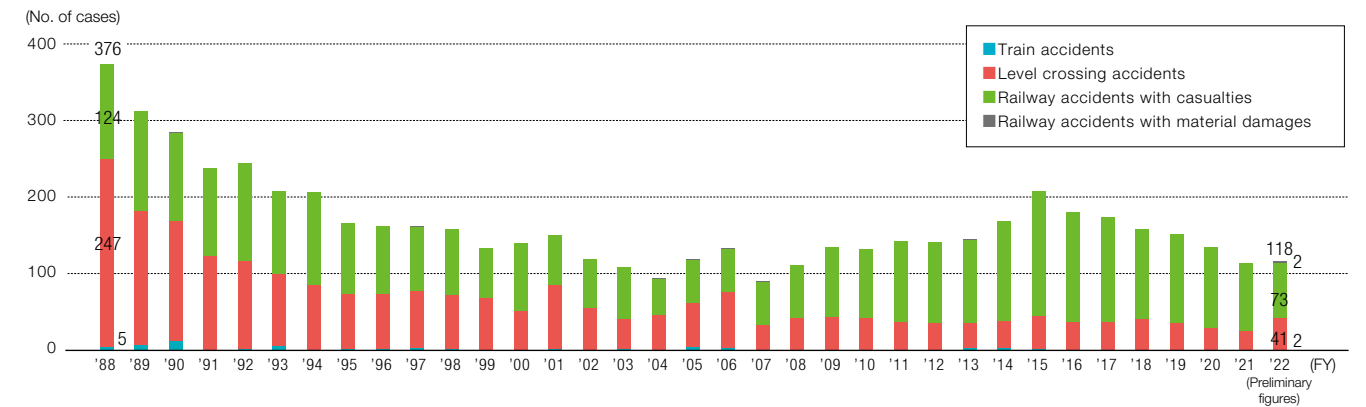
Railway Accidents

In fiscal 2022, JR East recorded 118 railway accidents, down significantly from the level at the Company's foundation. Railway accidents with casualties account for approximately 60% of the total number of railway accidents. Regarding train accidents, in the year under review two accidents occurred. The first was a train derailment on the Ofunato Line between Mataki and Rikuchu-Kanzaki stations due to a train riding up on a fallen tree on the rails. The second was a train derailment accident between Fukushima and Shiroshizao stations on the Tohoku Shinkansen Line due to an earthquake with an epicenter off the coast of Fukushima Prefecture with a maximum intensity of 6 upper on the Japanese scale.

Train accidents	Train collisions, derailments, and train fires
Level crossing accidents	People or vehicles being hit by trains
Railway accidents with casualties	People killed or injured by train operation excluding suicide
Railway accidents with material damages	Accidents causing more than ¥5 million damage to property by train operation

Occurrences of Railway Accidents

* From the third quarter of FY2014, incidents which can not be determined as suicides are classified as level crossing accidents or railway accidents with casualties.



Transportation Disruptions

JR East recorded 1,543 cases of transportation disruption in fiscal 2022.

Transportation disruption	Excepting railway accidents, there are transportation disruptions, which encompass train service cancellations due to failures of trains or facilities, mishandling by employees, or disasters, and delays to passenger trains by over 30 minutes or other trains by over an hour.
Disaster	Natural phenomena such as powerful storms, heavy rainfall, heavy snowfall, flooding, high tides, earthquakes, tsunamis, etc.
External factors	External factors such as trespassing or suicide
Internal factors	Internal factors such as those related to staff, trains, or facilities

Incidents

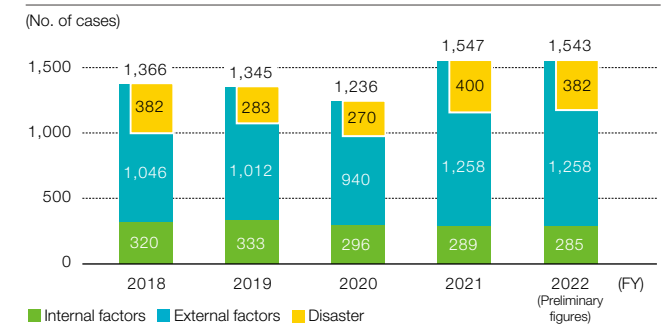
In fiscal 2022, there were no incidents.

Incidents	A situation that could lead to a railway accident. The definitions of incidents are stipulated by the rules and regulations for railway accidents that require reporting.
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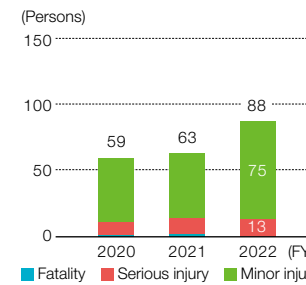
Employee Accidents

In fiscal 2022, there were no fatal accidents and there were 189 accidents that required time off from work (including those involving employees of JES-Net and other partner and affiliated companies).

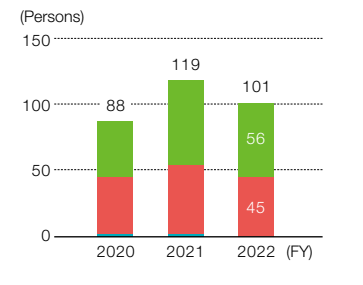
Number of Transportation Disruptions



Accidents with Lost Work Time and Fatality (JR East Employees)



Accidents with Lost Work Time and Fatality (Employees of JES-Net, etc.)



Environment

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Priority commitment goals



Priority commitment goals

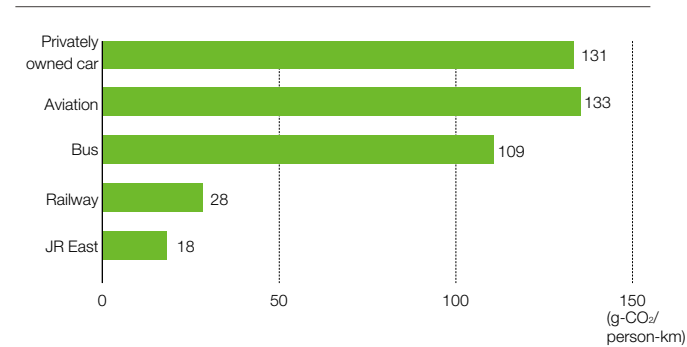


Efforts to Realize a Sustainable Society

The JR East Group is engaged in businesses, mainly railways, that are widely interrelated with the daily lives of customers and indispensable to local communities and society. In "Move Up" 2027, we took the Sustainable Development Goals (SDGs) into account and set forth our commitment to solving social issues through our business and achieving the sustainable development of local communities. We have recognized environmental initiatives as an important issue since the company's establishment, and are promoting efforts to realize a decarbonized and resource recycling-based society and conserve biodiversity.

In October 2020 Japan declared its aim to realize carbon neutrality by 2050. Within the transportation sector, railways are an environment-friendly mode of transportation with relatively low CO₂ emissions per transportation volume, but they also consume a large amount of energy. We will continue to take on the challenge of solving social issues through our business activities in order to improve the environmental superiority of railways in the future, keep them as the transportation system of choice, and realize a sustainable society.

CO₂ Emissions per Transport Volume (Passenger Transportation) (FY2021)



Source: Adapted from the website of the Ministry of Land, Infrastructure, Transport and Tourism

Efforts to Realize a Decarbonized Society

Towards Achieving the Zero Carbon Challenge 2050

Our Group management vision "Move Up" 2027 positions ESG as core management, while Zero Carbon Challenge 2050 targets net zero CO₂ emissions for the JR East Group by fiscal 2051 and to halve emissions (compared with fiscal 2013) by fiscal 2031.

In May 2022, ENEOS Corporation and JR East signed a partnership agreement to jointly study the expansion of CO₂-free hydrogen utilization for the decarbonization of railways. The two companies are collaborating to develop an integrated hydrogen station that will supply CO₂-free hydrogen to hydrogen hybrid trains, various fuel cell (FC) mobility vehicles (cars, buses, trucks, etc.), and facilities around stations.

By promoting collaboration outside the company, we will contribute to realizing a decarbonized society by leveraging the knowledge we have accumulated through our railway and energy businesses to drive the construction of a CO₂-free hydrogen supply chain that spans the entire process of production, transportation, and utilization.



Integrated hydrogen station

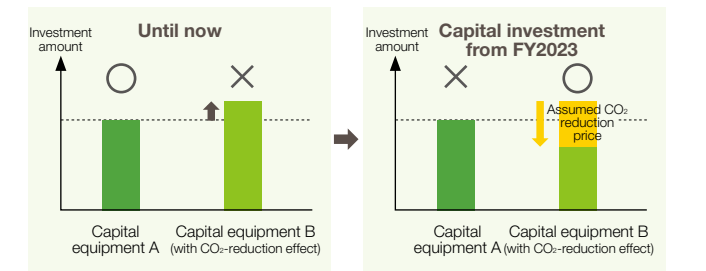
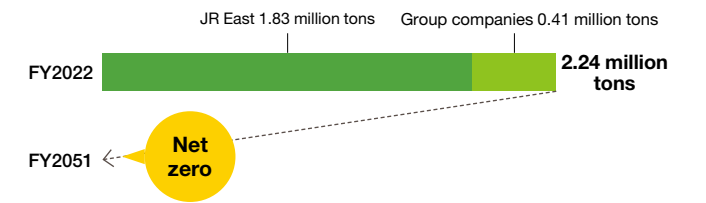
Medium- and long-term environmental targets for Zero Carbon Challenge 2050

- (1) Achieve net zero CO₂ emissions for the JR East Group by FY2051
- (2) Reduce CO₂ emissions of JR East Group by 50% from the FY2013 level by FY2031
- (3) Achieve net zero CO₂ emissions for train operations in the Tohoku area by FY2031

Introduction of internal carbon pricing

Starting with capital investment in fiscal 2023, we will adopt internal carbon pricing (ICP) to accelerate the introduction of energy-saving equipment that contributes to CO₂ emissions reduction. The internal carbon price is currently set at 5,000 yen/t-CO₂.

FY2051 CO₂ Emission Reduction Targets



Targets for reducing CO₂ emissions and energy consumption by FY2031

Performance Indicators		Base Value (Baseline Fiscal Year)	FY2031 Target	FY2022 Result
Total reduction	Railway business CO ₂ emissions (10 thousand t-CO ₂)	215 (FY2014)	108 (50% reduction)	183* (14.9% reduction)
Reduction in energy consumption intensity	Electricity consumption for train operation (Shinkansen) (kWh/car-km)	2.31 (FY2021)	2.09 (9.6% reduction)	2.34* (1.3% increase)
	Electricity consumption for train operation (conventional lines) (kWh/car-km)	1.47 (FY2021)	1.33 (9.6% reduction)	1.48* (0.2% increase)
	Energy consumption at branch offices, etc. (kL/m ²)	0.0354 (FY2021)	0.032 (9.6% reduction)	0.0346* (2.3% reduction)

Performance Indicators	Numerical Targets	FY2022 Result	
Reduction in energy consumption intensity	Reduction rate of energy consumption intensity of each JR East subsidiary	1% annual reduction (5-year average)	No overall changes

Other targets for reducing energy consumption by FY2031

Performance Indicators	Numerical Targets	FY2022 Result	
Details of initiative	Switching platform and concourse lighting to LEDs	Total of 415,000 units	Total of 105,000 units
	Improving efficiency of large-scale air-conditioning systems	Total of 38 locations	Total of 19 locations
	Improving efficiency of small-scale air-conditioning systems	3,300 units	618 units
	Developing renewable energy-based power sources	700 MW	131MW

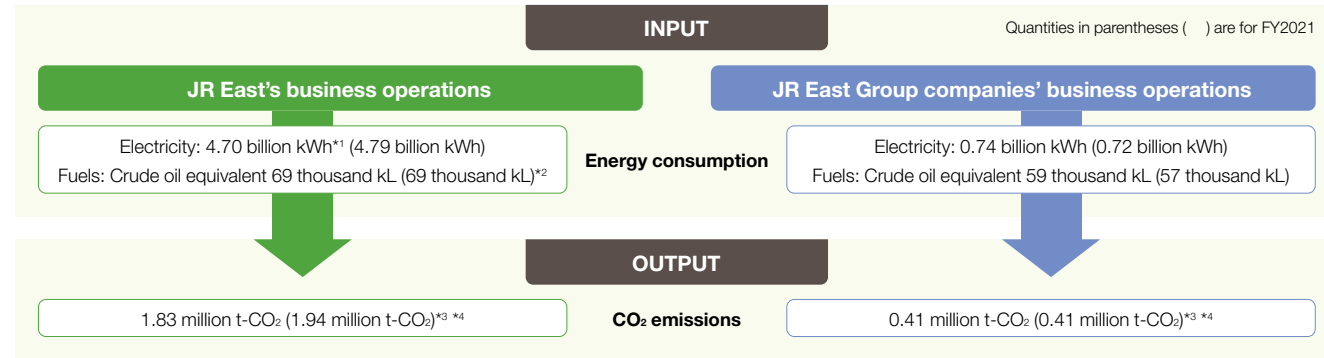
■ Indicates targets for JR East Group companies.

Note: External assurance on environmental performance

KPMG AZSA Sustainability Co., Ltd. has been engaged in providing external assurance on a set of selected environmental performance indicators (see pages 49-57) so that the reliability of the data in this report is ensured. The particular indicators that have been assured are marked with a * for clarity.

Environment

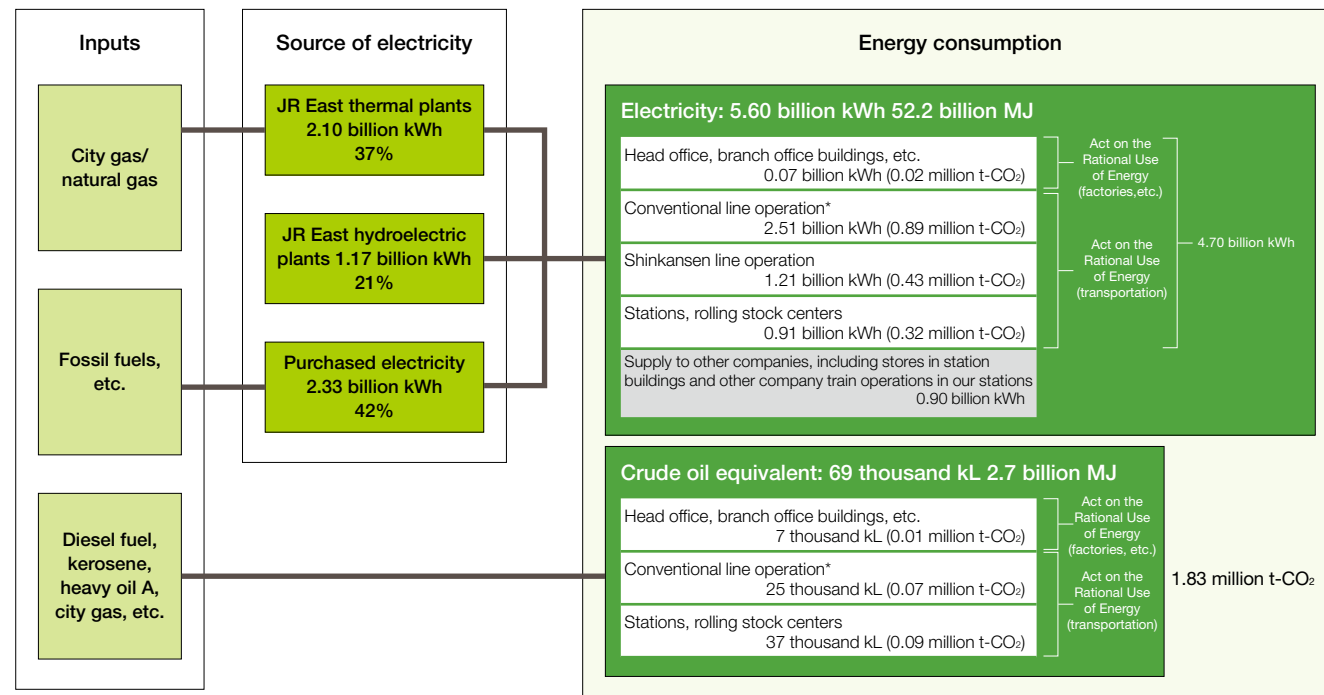
Energy consumption and CO₂ emissions of the entire JR East Group*: FY2022 Results



*1 Electricity: Both electricity generated in JR East's power plants for internal use and electricity purchased from electric companies are included. For details regarding electricity generation and use please refer to the JR East Energy Flow Map below.
 *2 Fuels: Natural gas and other fuels used for generating electricity in JR East's thermal power plants are not included.
 *3 CO₂ emissions by Scope: Scope 1 emissions of the entire Group are 1.51 million t-CO₂ and Scope 2 emissions are 1.25 million t-CO₂.
 *4 CO₂ emissions attributable to electricity purchased from external suppliers are calculated based on adjusted emission factors.

JR East Energy Flow Map*

This shows the flow of energy at the company from input to consumption. Power supplied by our own power plants and electric companies is used for train operation, station, office lighting, and air-conditioning. Diesel fuel and kerosene, etc. are also used to operate diesel trains, stations, and office air-conditioning.

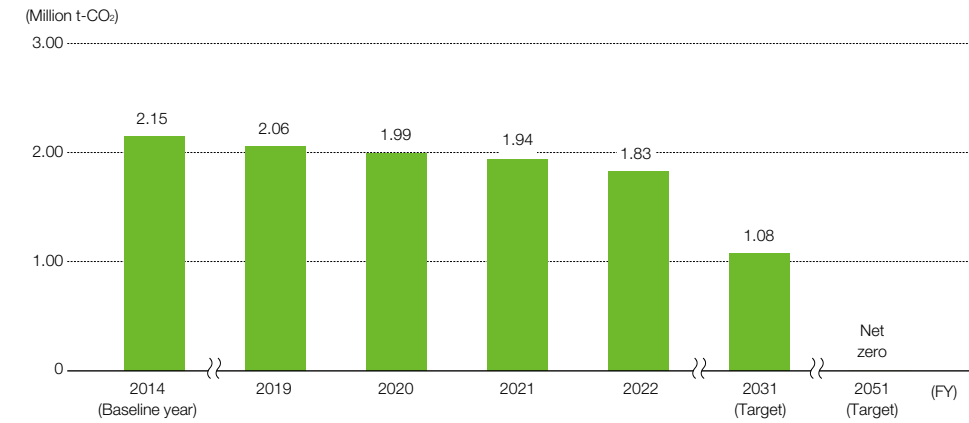


* Including BRT (Bus Rapid Transit)

Boundary
 Although in principle the boundary for energy consumption is only JR East, it includes energy consumption for the applicable operations of the companies to which we entrust station operations. On the other hand, the energy consumption of shops on station premises which are operated by JR East Group companies is not included in the boundary. We match the boundary for the energy consumption for the entire JR East business with that of transportation, plants, and others defined by the Act on the Rational Use of Energy (The Energy Saving Act)

Calculation method
 Energy consumption was calculated by the method defined by the Energy Saving Act. Also, CO₂ emissions attributable to electricity purchased from external suppliers are calculated based on adjusted emission factors.

CO₂ Emissions from Railway Business*



Boundary of data
 The boundary of CO₂ emissions is the same as the boundary of energy consumption described on page 50.

Calculation methods
 Our calculation of CO₂ emissions is based on the methods set forth in the Act on Promotion of Global Warming Countermeasures. However, for CO₂ emissions for energy provided from external sources and used as electric power in railway transportation, our calculations use adjusted emission factors for each electric power company. Using basic emission factors, CO₂ emissions for fiscal 2022 were 1.86 million t-CO₂ (decrease of 0.10 million t-CO₂ year on year).

CO₂ Emissions by Scope (Non-Consolidated)

Item	Scope 1*	Scope 2*	Scope 3*
CO ₂ emissions in FY2022 (non-consolidated)	1.41 million t-CO ₂	1.04 million t-CO ₂	3.52 million t-CO ₂

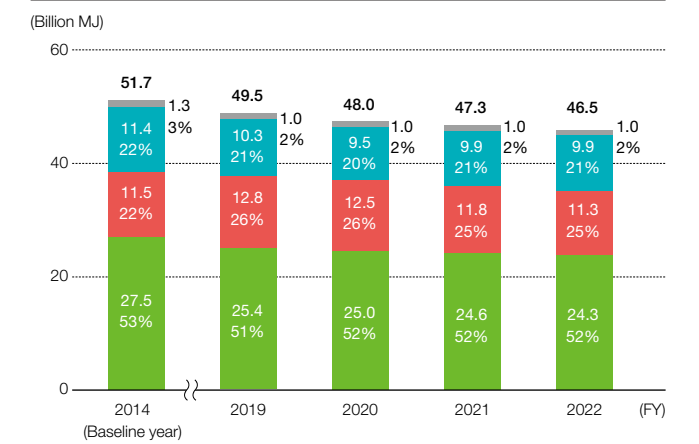
Scope 1: All CO₂ emissions directly attributable to fuel consumed in the operation of diesel railcars, operation of JR East thermal electric power plant, etc.
 Scope 2: CO₂ emissions indirectly emitted from the use of electricity purchased from electric companies
 Scope 3: CO₂ emitted by other companies which are related to our business activities
 * The sum of Scope 1 and Scope 2 emissions and the total CO₂ emissions do not match, since the former includes emissions associated with the production of electricity supplied to other companies.
 * Scope 3 emissions include 0.82 million t-CO₂ (0.98 million t-CO₂) for Category 1, 1.94 million t-CO₂ (2.38 million t-CO₂) for Category 2, 0.48 million t-CO₂ (0.46 million t-CO₂) for Category 3, and 0.29 million t-CO₂ (0.27 million t-CO₂) for Category 13. Figures in parentheses are values for fiscal 2021.

Calculation standards
 Calculation standards for each category are as follows.
 Category 1: Calculated by multiplying the amount spent on the purchase of products and services (JR East only) in relation to repairs or for system use by the emission factor*1 for each product and service
 Category 2: Calculated by multiplying the amount of capital expenditure (JR East only) by the emission factor*2 per unit price of capital goods in the railway transport department
 Category 3: Calculated by multiplying purchased fuel, electricity, and heat used (JR East only) by the emission factor*3 for each type of energy by amount used
 Category 13: Calculated by multiplying the total floor area of buildings owned by JR East by the emission factor*3 per unit area for each type of building
 *1 Uses emission factor data from the Embodied Energy and Emission Intensity Data for Japan Using Input-Output Tables (3EID) (2005 edition)
 *2 (FY 2022): Uses emission factor data from the Emission Intensity Database for the Calculation of an Organization's Greenhouse Gas Emissions Generated by the Supply Chain, Ministry of the Environment. Uses the basic unit data of Database (Ver.3.2) (March 2022) (Emission Intensity Database V3.2). For calculations of category 13 for multipurpose facilities, the emission factor of the application with the largest percentage is used as a representative value.
 (FY2021): Uses emission factor data from the Emission Intensity Database for the Calculation of an Organization's Greenhouse Gas Emissions Generated by the Supply Chain, Ministry of the Environment. Uses Database (Ver.3.1) (March 2021). For calculations of category 13 for multipurpose facilities, the emission factor of the application with the largest percentage is used as a representative value.
 *3 (FY 2022): For fuel, uses IDEA (Inventory Database for Environmental Analysis). Emission Intensity Database for the Calculation of an Organization's Greenhouse Gas Emissions Generated by the Supply Chain (Ver. 2.3) (December 27, 2019); for electricity and heat, uses emission factor data from Emission Intensity Database (V3.2). (FY2021): For fuel, uses IDEA (Inventory Database for Environmental Analysis). Emission Intensity Database for the Calculation of an Organization's Greenhouse Gas Emissions Generated by the Supply Chain (Ver. 2.3) (December 27, 2019); for electricity and heat, uses emission factor data from Emission Intensity Database (V3.1).

Energy consumption

This chart shows the energy consumption of the railway business and its breakdown. Train operation accounts for approximately 80% of the total energy consumption, and the remaining 20% is used at stations, rolling stock centers, and head office and branch office buildings. The amount of energy consumed in fiscal 2022 was 46.5 billion MJ, a reduction of 5.2 billion MJ compared to fiscal 2014.

Energy Consumption in Railway Business Activities*



Hydraulic power generated by JR East
 The energy consumption outlined above is calculated based on the Energy Saving Act, but hydraulic power generated by JR East is calculated by multiplying JR East hydraulic power generation by 9.76MJ/kWh. In the reports required by the Energy Saving Act, we report hydraulic power as OMJ.

Environment

Formulation of the medium-term Energy Vision 2027—Connect

In July 2022, we formulated Energy Vision 2027—Connect, which presents our energy strategy to realize a sustainable society and contribute to local communities and society. The JR East Group places paramount importance on the incorporation of ESG-oriented management practices under its group management vision “Move Up” 2027, and we are working to solve social issues through energy initiatives such as Zero Carbon Challenge 2050. The environment in which we operate has been changing drastically, including change in lifestyles due to the COVID-19 pandemic, the acceleration of global efforts toward decarbonization, and the energy situation.

To respond to these changes and increase the level of commitment to and speed up the implementation of “Move Up” 2027, we aim to improve the “3E’s” (environment, economic efficiency, and energy security) of the JR East Group’s strong energy network, which integrates generation, transmission and storage, and consumption in order to support the sustainable development of local communities.



Create

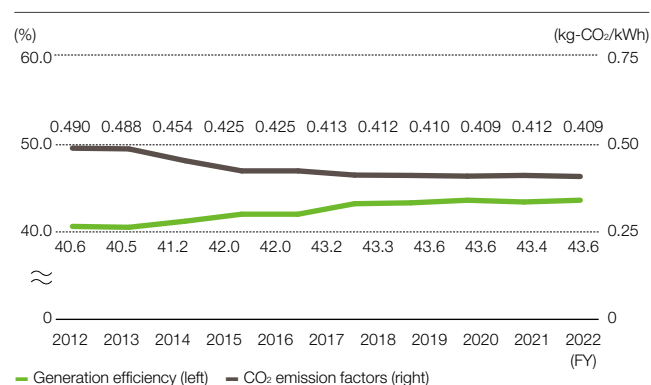
Electricity generated by JR East’s power plants

JR East operates a thermal power plant in Kawasaki City, Kanagawa Prefecture with a total output of 809,000 kW, fueled by city gas and natural gas. We have been promoting the introduction of highly efficient combined cycle power generation units*, and Unit 1 came into operation in June 2021. We will continue to promote higher efficiency in our power generation facilities and consider the use of hydrogen power generation and carbon capture, usage, and storage (CCUS) technology in order to reduce CO₂ emissions.

Our hydroelectric power plants (in Tokamachi City and Ojiya City, Niigata Prefecture) have a total output of 449,000 kW and support our rail transportation as a clean energy source that does not emit CO₂. We also aim to coexist with the local community and harmonize with the river environment through the development of fishways and the release of salmon fry.

* A combined-cycle power generation unit is a power generation unit that combines gas turbines propelled by the combustion of gas with steam turbines driven by steam generated from exhaust heat.

CO₂ Emission Factors and Power Generation Efficiency at JR East’s Thermal Power Plant*



Calculation method

CO₂ emission factors for JR East’s thermal power plant are based on the Act on Promotion of Global Warming Countermeasures, and power generation efficiency is based on the method stipulated in the Energy Saving Act.

CO₂ emission factor of electricity generated by JR East (thermal power and hydroelectric power):

The adjusted emission factor in FY2022 was 0.284 (kg-CO₂/kWh).

Create

Progress in introducing renewable energy

We have installed solar panels on platforms and roofs of station buildings and rolling stock centers to generate power for use on-site and for train operation via our power distribution lines. For example, we have installed a small wind turbine generator at Oga Station to supply electricity used at the station, and use some of this electricity to operate the AC battery-driven ACCUM trains.

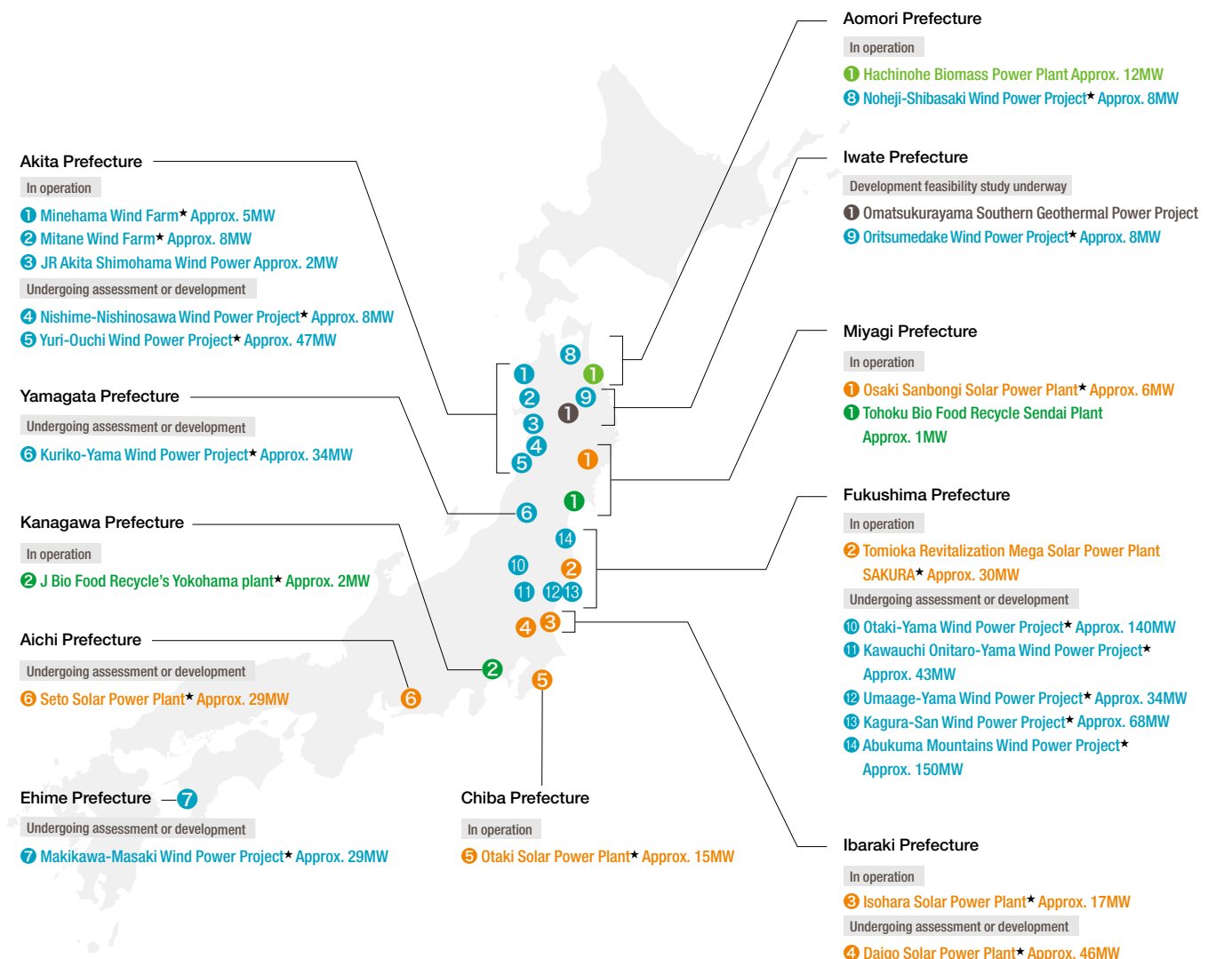
Through these efforts, in fiscal 2022 we generated approximately 1.90 million kWh of energy for our own consumption. In addition, we are working with JR East Energy Development Co., Ltd. to develop renewable energy, and proactively introduce renewable energy (wind, solar, and geothermal) initiatives centered in the Tohoku area. Taking advantage of the feed-in tariff (FIT) system, we have steadily launched operations at mega solar power plants and large wind power generation plants. In fiscal 2022, we generated approximately 132.70 million kWh

of electricity. Through the use of non-fossil fuel certificates obtained from renewable energy, we plan to supply CO₂-free electricity, and aim to achieve net-zero CO₂ emissions for our train operations in the Tohoku area by fiscal 2031.

Future development goals

We achieved an output of 131,000 kW by FY2022 in cooperation with JR East Energy Development Co. Ltd. We will continue to develop renewable energy sources, and aim to generate 700,000 kW by FY2031 and 1,000,000 kW by FY2051. This should mean that approximately 30-40% of the energy used by the railway business will come from renewable energy sources by FY2051. If JR East-operated hydroelectric power plants are also included as renewable energy sources, approximately 50-60% of our energy will come from renewable sources.

The JR East Group’s Current Renewable Energy Development Plan



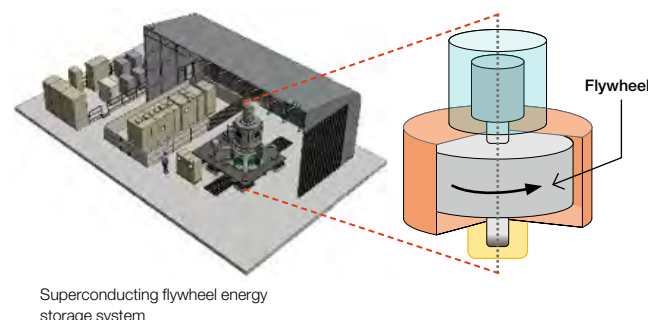
The star(★) indicates JR East Energy Development Co., Ltd. development and investment project.
 ● Wind power generation ● Solar power generation ● Geothermal power generation
 ● Wood biomass power generation ● Biogas power generation

Environment

Deliver • Store

Superconducting flywheel energy storage system

In order to effectively utilize the regenerative electric energy generated during train braking, we are working to store it as electric power in storage batteries installed on the ground. To diversify storage media, we are conducting demonstration tests of flywheels that convert electric energy into rotational energy. We are improving maintenance by making the bearings non-contact through the use of superconductivity technology.



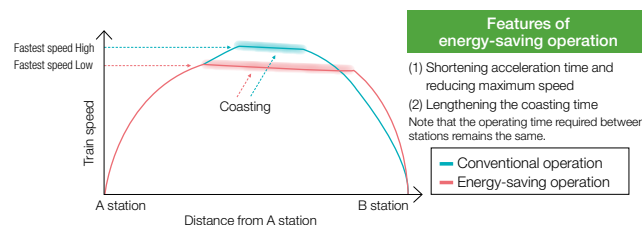
Superconducting flywheel energy storage system

Use

Reducing energy consumption in train operations

Regarding trains, we are promoting the introduction of energy-saving vehicles equipped with regenerative braking that converts kinetic energy during deceleration into electrical energy, as well as variable voltage variable frequency (VVVF) inverters that convert direct currents to alternating currents for efficient motor control. In addition, we have replaced some diesel vehicles in non-electrified sections of the railway with diesel hybrid vehicles and battery-powered trains (nicknamed ACCUM). As of the end of March 2022, 99.1% of the vehicles (12,104 railcars) were energy-saving vehicles.

we will continue to further reduce energy consumption and introduce the concept of energy-saving operation to automatic train operation (ATO), and eventually expand this initiative to other line sections.



Comparison of operation curves between conventional and energy-saving operation



Series E235 (Yokosuka Line)



Series EV-E801 (Oga Line)

Employee Voices



Osaki Transportation Depot,
Tokyo Branch Office

Utilization of hydrogen energy

In March 2022, we started trials of hybrid fuel cell test trains (hydrogen-hybrid advanced rail vehicles for innovation, nicknamed *HYBARI*) on the Tsurumi and the Nambu lines, and will promote their adoption in the future based on the outcome of the trials.

Also, some of our sales offices offer a “new environmentally friendly traveling experience” by lending our hydrogen-fueled fuel cell electric vehicles (FCEVs) and promoting the environmental superiority of railways in an effort to make hydrogen more accessible to the public. We also operate a daily hydrogen shuttle bus (FC bus) that circulates from Tokyo Station to Takeshiba and the surrounding areas. We will continue to diversify our energy sources and promote a variety of initiatives based on the resources we have at our stations as well as our rail lines to realize a hydrogen society and increase demand.



Hydrogen-hybrid train FV-E991 (*HYBARI*)

Efforts to reduce energy consumption through energy-saving operations

We have been working with the Environmental Engineering Research Laboratory to reduce energy consumption since the introduction of the E235 Series. We promote energy-saving operation, a method that visualizes the amount of electricity used based on driving data obtained from trains, and reduces overall energy by optimizing train operation. We have cooperated with the Ikebukuro Transportation Depot to reduce the amount of electricity used on the Yamanote Line.

The result was achieved through the efforts of each and every driver in their daily operations. In order to achieve further reduction,

Efforts to Realize a Resource-Recycling Society

In order to realize a resource-recycling society, the JR East Group has set targets of reducing the amount of various types of waste generated and disposed of in our business activities by fiscal 2031. We will continue mobilizing the power of the JR East Group to further promote waste separation, chemical recycling, reduction of food loss and waste, and other initiatives.

Resource recycling targets by FY2031

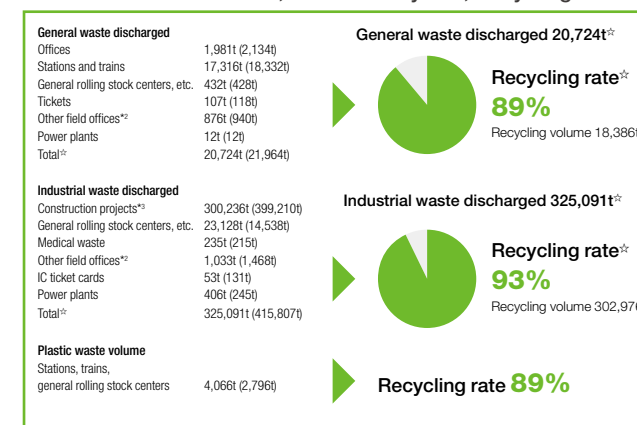
Performance Indicators		FY2031 Target (%)	FY2022 Result (%)
Raise recycling ratios (per fiscal year)	Recycling rate for waste generated at stations and on trains	94	93
	Recycling rate for PET bottles in waste generated at stations and on trains	100	99
	Recycling rate for waste generated at general rolling stock centers, etc.	96	95
	Recycling rate for waste generated in facility construction projects	96	93
Reduce emission Intensity (FY2021 standard)	Provided by B2C (Business to consumer)		
	Reduction in single use plastics	25	22
	Switching from single use plastic containers and packaging to renewable materials	60	11
Reduce emission Intensity (FY2014 standard)	Reduction rate of final disposal amount of food waste	50	54
	Waste (general/industrial) reduction rate and recycling rate*1		
	Reduction ratio*2	32	45
	Recycling rate*2	73	73

■ Indicates targets for JR East Group companies
 *1 Excludes overseas JR East Group companies
 *2 Excludes companies that do not generate waste

Groupwide waste generation, amount recycled, recycling rate: FY2022 results

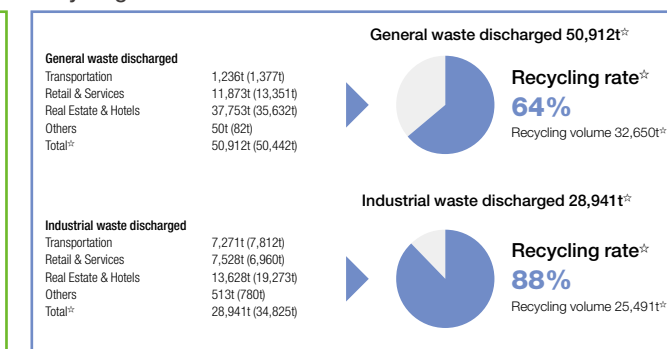
() shows data for FY2021

JR East Waste Generation, Amount Recycled, Recycling Rate*1



*1 Waste includes salable waste
 *2 Other field offices: Technical centers, equipment maintenance centers, and other locations such as train crew offices
 *3 Construction projects: Waste generated by our construction projects, but for which contractors legally become the waste-discharging entities, is included in industrial waste

JR East Group Companies' Waste Generation, Amount Recycled, Recycling Rate*1



Recycling includes thermal recycling* where general waste is treated at incineration plants, etc. and industrial waste is incinerated as intermediate treatment for heat recovery.

* Thermal recycling: A recycling method that recovers waste heat from burning waste to produce steam and hot water to be used for power generation, hot water supply, etc.

Water and office paper usage by the entire Group

() shows data for FY2021

JR East Usage Volume



* Water use comprises the total of tap water, industrial water, and groundwater consumption

JR East Group Companies' Usage Volumes



Environment

JR East Group is working as one of the three Rs (Reduce, Reuse, Recycle) to reduce the amount of various types of waste generated and disposed of in its business activities.

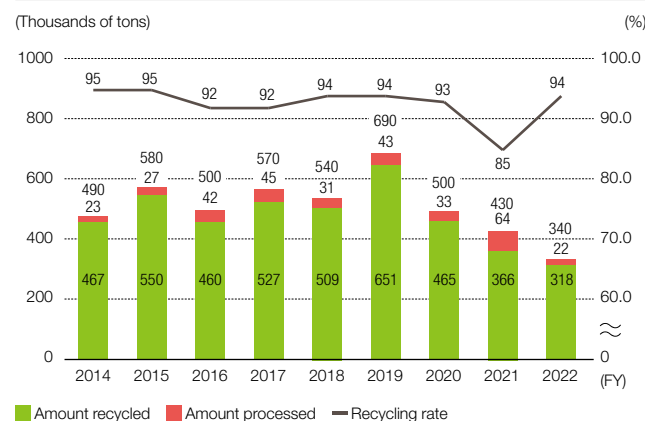
Resource Flow in a Recycling-Oriented Society (Circular Economy)



Collecting and reusing waste from stations and trains

The recycling rate of waste generated from stations and trains is being improved through thorough sorting of waste by people and machines at the JR East Tokyo Resource Recycling Center (operated by JR East Environmental Access Co., Ltd.) and other facilities. Magazines and newspapers are recycled into office paper, etc., and all used tickets are recycled into toilet paper, etc.

Waste from Stations, Trains, General Rolling Stock Centers, and Construction Projects



Reducing and recycling waste from construction projects and general rolling stock centers

With construction projects, which account for about 70% of the waste we generate, we are working to reduce waste by appropriately treating construction by-products and standardizing in-house design and construction methods.

At general rolling stock centers, we rigorously separate waste into approximately 30 types and promote waste reduction and recycling.



Sorting waste at rolling stock centers

Initiatives for recycling waste plastic

Since 2021, we have continued to recycle a portion of waste plastic into RPF*, which is used in one of our recycling methods.

As part of this effort, we conducted a demonstration experiment at Musashi-Mizonokuchi Station in January 2021 to promote proper separation of waste plastic. In the experiment, visually-intuitive trash cans were installed exclusively for waste plastic along with conventional trash cans, and posters were displayed to encourage customers to separate their waste plastic. With the support from Kawasaki City, we were able to receive wide understanding from our customers regarding the experiment.



* Refuse derived paper and plastics densified fuel in a high-grade solid fuel made from used paper and waste plastics sourced mainly from industrial waste

Initiatives to tackle food waste

Publication of the Save Food Get Started Book

Together with The Orangepage Inc. we have published a web-based booklet that provides an opportunity to think about and act on food-related issues. This booklet not only contains information about food issues that businesspeople should know about but also actions that consumers can put into practice.



Take-out mottECO for leftovers

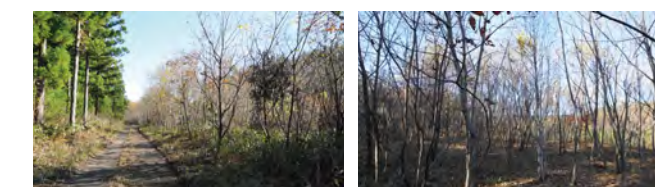
Nippon Hotel Co. Ltd. introduced mottECO at Tokyo Station Hotel and nine other hotels in April 2022 as an initiative to reduce food loss. The program aims to reduce food loss and waste by encouraging guests to take home leftover food at their own risk, as well as to promote and raise awareness of a "take home your own food" culture.

The Ministry of the Environment adopted Nippon Hotel's efforts as a mottECO introduction model project for fiscal 2022.



Biodiversity Initiatives

We have been continuously implementing the Hometown Forest Planting program, an activity to plant native trees and regenerate forests to protect the richness of the land since fiscal 2005. To date, we have planted a total of approximately 170,000 trees in four prefectures in our service area.



Adataro Hometown Forestation (Otama Village and Nihonmatsu City, Fukushima Prefecture)

In addition, in an effort to protect ocean diversity, we are working at Takeshiba tideland, which is adjacent to the WATERS takeshiba development, to revitalize the environment of Tokyo Bay Edomae and create a place for learning. In fiscal 2022, WATERS takeshiba held events to survey tideland organisms and water quality, experience goby fishing, and clean up the area. In addition, artworks using marine debris were exhibited, and lectures on the relationship between the sea and tidal flats were held. We hosted a total of 24 events with approximately 1,300 participants.



Others

Chemical Substance Management

Under the Act for Rational Use and Proper Management of Fluorocarbons

We endeavor to reduce the use of substances specified as controlled in compliance with the Act on the Protection of the Ozone Layer Through the Control of Specified Substances and Other Measures and to adopt substitutes that have less impact on the environment. Under the Act on Rational Use and Appropriate Management of Fluorocarbons, we reported a leakage amount of 3 thousand t-CO₂e* for fiscal 2022.

Chemical substance management and reduction

The Company is classified as a business operator handling over a certain amount of specified chemical substances under Japan's pollutant release and transfer register (PRTR) system.* Accordingly, 11 of our sites reported emissions and transfer amounts to the relevant local government bodies in fiscal 2022. Also, considering the impact on ecosystems, we are working to reduce and substitute chemical substances, for example, by introducing stainless steel railcars that do not require painting.

* This is a system whereby companies notify their releases and transfers of chemical substances as required by the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof. It encourages the monitoring and control of toxic chemical substances emitted into the environment and measures to prevent negative impact on the environment.

Environment

TCFD Recommendation-Related Initiatives

Since the adoption of the Paris Agreement, countries and governments around the world have made major shifts toward decarbonization. Companies must now ascertain the financial impact of climate change-related risks and disclose relevant information to their stakeholders. In January 2020, JR East announced its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Using objective data, JR East undertakes a quantitative evaluation of the financial impact of future climate change on its Transportation services business. This business is vulnerable to weather and other natural disasters, which have been worsening as climate change progresses.

Disclosure of Information Based on TCFD Recommendations*1

Recommendations	JR East's Initiatives
Governance	<p>The JR East Sustainability Strategy Committee, chaired by the president and representative director, oversees and makes decisions mainly regarding the establishment and progress of climate change targets, and the management of risks and opportunities. The committee includes the vice presidents, and executive directors as well as full-time corporate auditors, and outside directors also attend its meetings. The committee is held twice a year, and the Zero Carbon Working Group and Hydrogen Working Group report and discuss the progress of CO₂ emissions reductions and hydrogen utilization.</p> <p>Promotion structure</p> <p>JR East Sustainability Strategy Committee chairperson: President and representative director Aiming to realize a sustainable society, we will establish and promote the Group's basic policies and other measures to solve social issues such as global environmental problems.</p> <p>Committee members Vice presidents, executive directors, outside directors, full-time corporate auditors</p> <p>Secretariat Coordination of each working group and consideration of overall policy development Reports to JR East Sustainability Strategy Committee and coordinates promotion of measures</p> <p>Zero Carbon Working Group Considers energy conservation measures, introduction of renewable energy, etc.</p> <p>Hydrogen Working Group Considers utilization of hydrogen</p>
Strategy	In the JR East Group Management Vision, "Move Up" 2027, we have committed to practicing ESG management, with the prevention of global warming and energy diversification as our guiding principles. To achieve these goals, we identify and assess the key risks and opportunities that climate change poses to our business activities and verify the appropriateness of our business strategies. In this disclosure, we identify physical risks related to natural disasters as important risks, and conduct scenario analysis using elaborate methods based on hazard information and other information published by the government.
Risk management	Within the framework of risk management, each department identifies risks influenced by climate change and specific measures are taken to avoid or reduce them. With regard to climate change mitigation, at least once every six months we compile and conduct a detailed analysis of energy consumption, CO ₂ emissions, chlorofluorocarbon (CFC) leakage, and financial status for each business. We also identify, specify, and assess risks based on revisions to laws and regulations and other important changes in the external environment. With regard to adaptation to climate change, we are strengthening and promoting efforts to reduce physical risks in the Transportation services business due to acute and chronic weather-related disasters.
Metrics and targets	We have set Zero Carbon Challenge 2050 as a goal for the entire JR East Group, aiming to reduce CO ₂ emissions by 50% by fiscal 2031 (compared to fiscal 2014) and to achieve net zero CO ₂ emissions in fiscal 2051. In addition to regularly monitoring progress towards these targets, we are promoting Groupwide initiatives to further ensure our contribution to the realization of a decarbonized society. Please refer to pages 49-51 for the scope of our targets and progress toward achieving them.

*1 Please visit the following URL for details of the JR East Group's information disclosure based on the TCFD recommendations (Japanese only): <https://www.jreast.co.jp/eco/pdf/taskforce.pdf>

Details of strategies

(1) Awareness of risks and opportunities

We recognize that there are two kinds of risks and opportunities associated with climate change. One is physical, for example, the intensification of weather-related disasters caused by global warming. The other is a transition in the social environment, for example, the strengthening of regulations and technological progress aimed at mitigating climate change. The main risks and opportunities that we have identified are as follows.

Main Risks and Opportunities		Business Impact*2	Timing of Manifestation*3
Physical risks	Damage to railway facilities and equipment, and suspension of operations due to windstorms, floods, etc.	Large	Short term
	Decrease in passenger volume due to extreme weather (heavy rain, heat)	Small	Long term
Transition risks	Increased costs due to the introduction and strengthening of the carbon pricing system	Not rated	Medium term
	Decrease in passenger volume due to competition from other modes of transportation, such as electric vehicles	Large	Long term
	Decrease in passenger volume due to damage or change in tourism resources	Not rated	Long term

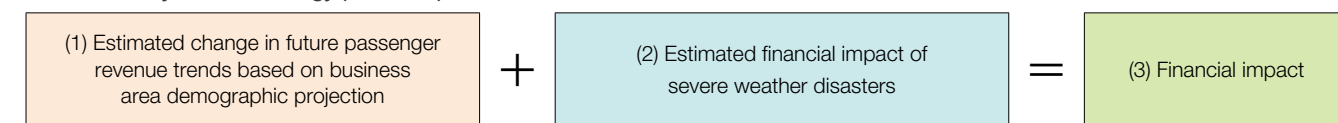
*2 Scale of business impact: Large: events with a financial impact of ¥500 million or more in revenues and expenses

*3 Timing of manifestation—scale of time: Short term: within one year; Medium term: more than one year but within five years; Long term: more than five years

(2) Details of scenario analysis (physical risks)

As a baseline for the analysis, passenger revenue is estimated based on future demographics, and a scenario analysis is conducted for the Transportation services business. In the Transportation services business, future passenger volume is expected to decrease due to Japan's declining birthrate and aging population, and the impact is expected to be particularly significant in rural areas. In order to ascertain the financial impact of these factors and to verify the appropriateness of our business and environmental strategies, we conducted the following scenario analysis for fiscal 2051.

Scenario Analysis Methodology (Overview)



(1) Estimated passenger revenue trends based on business area demographic projections

We estimated changes in passenger revenue up to fiscal 2051 based on data such as the Shared Socioeconomic Pathways (SSPs) data on population*4 and gross domestic product (GDP)*5, which are used across a range of fields in climate change research (Graph 1, see page 60). There was approximately 11% difference in the population estimate for fiscal 2051 between the scenario of Sustainability (SSP1), which is our goal, and the opposing scenario of Regional Rivalry (SSP3), and a ¥350 billion difference in estimated passenger revenue (Graph 2, page 60). Our estimate of passenger revenue is based on projections for the post-COVID-19 era.

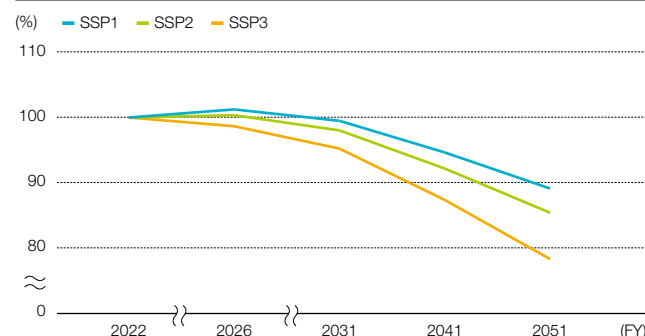
Shared Socioeconomic Pathways (SSPs)

Scenario	State of Domestic Society	Birth Rate	Mortality Rate
SSP1 (2°C)	Sustainability: Development of renewable energy and environmental technology, urban concentration, compact development with robust networks	High	Moderate
SSP2 (Middle)	Middle of the Road: Maintain the status quo, current trends progress relatively unchanged	Moderate	Moderate
SSP3 (4°C)	Regional Rivalry: Uniform population decline, depopulation of regional areas	Low	Moderate

Environment

(1) Estimated Passenger Revenue Trends Based on Business Demographic Projections (continued)

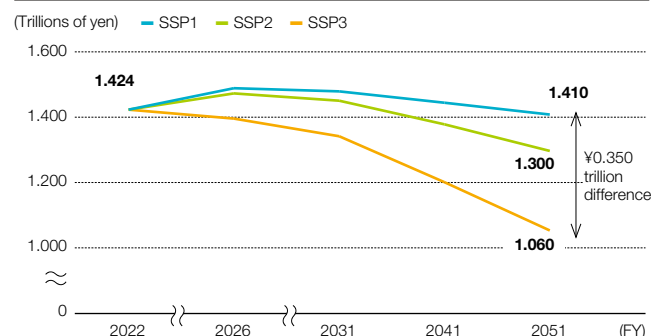
Graph 1: Estimated Population of Our Business Area by Scenario



Estimates of future population in our business areas based on Japanese SSP population estimates by municipality, GDP and other data

*4 Socioeconomic Scenarios
 *5 Population data source: Japanese SSP Population Estimates by City, Town, and Village, National Institute for Environmental Studies (NIES)
 GDP data source: International Institute for Applied Systems Analysis (IIASA)

Graph 2: Trends in Passenger Revenue by Scenario



Estimated future passenger revenues by SSP based on future population estimates within our business areas

(2) Estimation of financial impact of severe weather disasters
 Since most of our major railway assets and lines with large passenger revenues are concentrated in and around the Tokyo metropolitan area, a widespread disaster in this area would have a significant financial impact. We therefore selected flooding caused by the overflow of Class A rivers flowing through the Kanto region (due to projected rainfall) as a specific disaster event for scenario analysis. We conducted a quantitative assessment of the financial impact of this scenario using the inundation assumptions published by the government, the asset value of major lines, and passenger revenue trends.

1. Baseline assessment

For each of the rivers selected for evaluation, the financial impact is quantitatively evaluated in terms of the loss of passenger revenue due to planned service suspensions and the time required for restoration, as well as the cost of restoring railway assets such as stations and tracks, in the event of flooding due to planned rainfall.

2. Assessment of climate change impact

Based on the results of the baseline assessment, the financial impact of climate change up to fiscal 2051 is estimated by taking into account future changes in the probability of flooding under multiple climate change scenarios.*6

3. Verification of effectiveness of flood control measures
 Based on planned rainfall, JR East is taking disaster countermeasures, both in terms of physical facilities and human responses, such as raising the height of electrical equipment considered of critical importance to operations and installing water stop plates at building openings, in accordance with the degree of importance of the facilities. In addition, we developed a decision support system on railcar evacuation and prepared a vehicle evacuation manual (see “Initiatives to address flooding” on page 42). We intend to verify the effectiveness of these measures by estimating the financial impact of climate change in each case with and without the measures, thereby assessing the loss reduction effect of the implementation of the measures.

4. Summary of analysis results

The financial impact of climate change was found to be slightly smaller in the RCP*7 2.6 (2°C increase) scenario than in the RCP8.5 (4°C increase) scenario, which was common to all rivers in the time of fiscal 2051. Also, we found that inundation measures are effective for loss reductions regardless of the climate change scenario, and that loss reductions due to vehicle evacuation are significant.



*6 Yukiko Hirabayashi et al. (2013). Global flood risk under climate change. *Nature*
 *7 RCP (Representative Concentration Pathways scenario)

Estimated Financial Impact for Flooding of the Arakawa River (Upstream)*8

Rivers Expected to Overflow	Lines Expected to Be Significantly Affected				
	Joetsu Shinkansen	Keihin-Tohoku Line	Utsunomiya Line	Joban Line	
Arakawa River (upstream)					
	Tohoku Shinkansen	Saikyo Line	Kawagoe Line	Sobu Line	

Climate Change Scenarios	Flood Control Measures (Physical Facilities and Human Responses)	Increase in Financial Impact (Loss) (Billions of yen)	
		FY2051	FY2022-2051, Cumulative Total
RCP2.6 (2°C increase)	No countermeasures	+3.0	+45.0
	With countermeasures	+1.2	+17.7
	Loss reduction effects of countermeasures	(1.8)	(27.3)
RCP8.5 (4°C increase)	No countermeasures	+3.0	+45.5
	With countermeasures	+1.2	+18.9
	Loss reduction effects of countermeasures	(1.8)	(26.6)



Estimated Financial Impact for Flooding of the Tonegawa River

Rivers Expected to Overflow	Lines Expected to Be Significantly Affected	
	Tohoku Shinkansen	Joban Line
Tonegawa River		

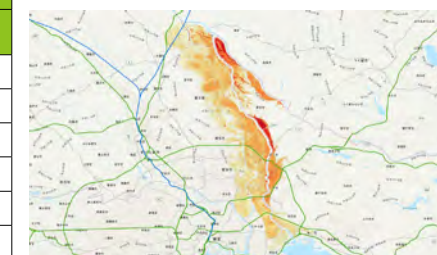
Climate Change Scenarios	Flood Control Measures (Physical Facilities and Human Responses)	Increase in Financial Impact (Loss) (Billions of yen)	
		FY2051	FY2022-2051, Cumulative Total
RCP2.6 (2°C increase)	No countermeasures	+0.3	+4.1
	With countermeasures	+0.3	+3.9
	Loss reduction effects of countermeasures	0.0	(0.2)
RCP8.5 (4°C increase)	No countermeasures	+0.3	+4.5
	With countermeasures	+0.3	+4.2
	Loss reduction effects of countermeasures	0.0	(0.3)



Estimated Financial Impact for Flooding of the Edogawa River

Rivers Expected to Overflow	Lines Expected to Be Significantly Affected	
	Joban Line	Sobu Line
Edogawa River		

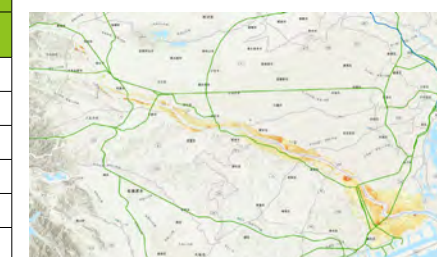
Climate Change Scenarios	Flood Control Measures (Physical Facilities and Human Responses)	Increase in Financial Impact (Loss) (Billions of yen)	
		FY2051	FY2022-2051, Cumulative Total
RCP2.6 (2°C increase)	No countermeasures	+0.6	+8.5
	With countermeasures	+0.2	+2.2
	Loss reduction effects of countermeasures	(0.4)	(6.3)
RCP8.5 (4°C increase)	No countermeasures	+0.7	+9.7
	With countermeasures	+0.2	+2.4
	Loss reduction effects of countermeasures	(0.5)	(7.3)



Estimated Financial Impact for Flooding of the Tamagawa River

Rivers Expected to Overflow	Lines Expected to Be Significantly Affected		
	Keihin-Tohoku Line	Nambu Line	Tokaido Line
Tamagawa River			

Climate Change Scenarios	Flood Control Measures (Physical Facilities and Human Responses)	Increase in Financial Impact (Loss) (Billions of yen)	
		FY2051	FY2022-2051, Cumulative Total
RCP2.6 (2°C increase)	No countermeasures	+0.4	+5.4
	With countermeasures	+0.3	+4.1
	Loss reduction effects of countermeasures	(0.1)	(1.3)
RCP8.5 (4°C increase)	No countermeasures	+0.4	+6.3
	With countermeasures	+0.3	+4.6
	Loss reduction effects of countermeasures	(0.1)	(1.7)



*8 The amount of increase in financial impact (loss) for the Arakawa River (upstream) has changed from the figure presented in the JR East Group Report 2021 due to a change in the external information referenced from the IPCC Fifth Assessment Report to the Sixth Assessment Report and a review of the calculation method for utilizing the latest information.
 *9 Map of flooded areas (yellow to red) caused by projected rainfall on rivers expected to flood and our operating lines (blue: Shinkansen, green: conventional lines)

Society

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Priority commitment goals



Related goals



Contributing to Regional Revitalization

Strengthening Collaboration with Communities

Through collaboration with external networks and local governments, we aim to transform stations into lifestyle platforms that connect people, things, and services, as well as to provide value for individual customers, and enhance and revitalize local communities in response to changes in lifestyles and workstyles by discovering attractive local resources and combining our unique tangible strengths with digital technology.

Town development focused on stations in core regional cities

We are promoting town development in cooperation with local governments and communities with the aim of creating sustainable communities in a society with a declining population. At Akita Station, development around the station has been underway since 2015, and the *Hotel Metropolitan Akita North Wing* opened in 2021, with knock-on benefits for businesses in the area. Other examples of our contribution to urban development include the revitalization of central city areas through the development of Iwaki Station South Entrance in fiscal 2023, the development under the elevated railway tracks of Niigata Station in fiscal 2025, and the opening of the fully redeveloped Aomori Station East Entrance. In fiscal 2023, we aim to start operating the *Kasama Kuri Factory*, a processing facility for locally produced chestnuts, in cooperation with Kasama City and JA-Hitachi, with the goal of revitalizing the local economy in a sustainable manner.



Aomori Station East Entrance station building development



Kasama Kuri Factory



Iwaki Station South Entrance exterior



Development beneath elevated railway tracks at Niigata Station

Hako-byun (luggage transportation service by Shinkansen and other trains)

The JR East Group offers *Hako-byun* as a service for transporting goods by Shinkansen and other trains. We carry specialty products from various regions by Shinkansen and other trains and sell the fresh produce at in-station (*ekinaka*) direct markets, thereby communicating the attractiveness of the region and promoting regional development in a way that only our Group is capable of.

In addition to transporting food products for *ekinaka* and *ekisoto* (out of station) stores, we are also engaged in transporting medical supplies and machine parts that need immediate delivery. By expanding our rail cargo transportation network, we also aim to contribute to solving social issues such as labor shortages and CO₂ emissions in the logistics industry.



Ensen Marugoto Hotel

We established Ensen Marugoto Co. Ltd. on December 3, 2021.

Through this company, we aim to develop new businesses along the Ome Line, transforming existing local resources (resident guides, vacant houses, local foods, villages, and unstaffed stations, etc.) into high-value-added services with the support of local government subsidies.

This project contributes to solving regional issues (vacant houses due to depopulation and aging, declining tourism, and the need for business succession), so we are working both to gain the understanding and cooperation of the local community (local government, businesses, and residents) and to boost the image of the entire region, raising awareness through branding on our railway lines and policies to promote the use of land and assets along railways.



Ensen Marugoto Hotel business

Community activities

Proposing well-being and new ways of working

To establish new ways of working that are not restricted by time and place, we are developing work environments such as *STATION WORK* and Shinkansen office projects that utilize our railway network and business locations. We are also promoting “workation”* projects that contribute to corporate human resource management and the enhancement of corporate and individual well-being.

In addition to providing other companies with opportunities to experience such programs and support with introducing them, and promoting collaboration with various local content, we are also expanding efforts within the Company as part of our commitment to offering our employees flexible workstyles.

Through these efforts, we aim to increase the expansion of workations, thereby contributing to regional development by revitalizing mobility, increasing the number of participants, in workations and stimulating tourism demand.

* Telecommuting from vacation-like settings



Completely private STATION BOOTH workspaces



Workation in a resort area

Housing business

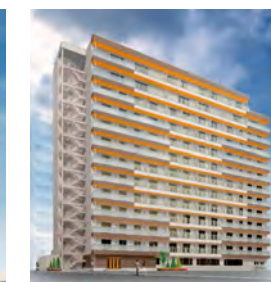
To promote the development of railway lines that offer attractive living environments, we are working on housing development, with a focus on rental housing. In fiscal 2022 we started operations with View Lieto Shinkoiva proposal-type rental housing in city centers, equipped with lounges where people can telecommute and offering plazas allowing households with children to rear their children and support their interaction with others. We aim to provide living spaces as well as spaces that enable various lifestyles. In addition, we are constructing rental condominiums for single adults—mainly students and newly graduated

workers—at the west and east entrance of Morioka Station as regional development rental condominiums to promote immigration, settlement of the younger generation, and revitalization of the city centre.

We will continue to promote the project as an essential menu item for realizing the “proposal of new lifestyles (creation of diverse and attractive communities)” as stated in Speed Up “Move Up” 2027, and aim to develop 3,800 units by the end of fiscal 2026.



View Lieto Shinkoiva



Morioka Station East Entrance Rural apartments for rent

Beyond Stations concept

We are looking to transform railway stations from transportation hubs to lifestyle platforms. We are transforming the layout and functions of station spaces, starting from the richness of people’s lives, and connecting with the lives of customers and people living along our railway lines by expanding the scope of *JRE POINT*.

As part of our efforts to create links with the community, we opened a hybrid clinic that combines in-person and online services, offering lifestyles that transcend the customer’s physical location, as a measure to provide “smart health” services at our station. We also opened the *JRE Station College*, a learning center for developing leaders who can identify issues and create sustainable businesses, that uses stations, which are regional hubs, as a “campus”.

In the area of creating digital platforms that connect to the lives of our customers, we have established a world-class content center with the virtual recreation of the station and streets of Akihabara. The opening of *Virtual AKIBA World*, a space that creates connections with people in both the real and virtual worlds, as a “metaverse station” where people can experience the station and the streets of Akihabara from their smartphones, is also part of the Group’s strategy of seeing things through our customers’ eyes. The Group has also promoted the full-scale development of *JRE Passport*, a subscription service for all *Suica* customers to use mainly at *ekinaka* outlets and other stores.



Smart health station



JRE Station College



Virtual AKIBA World



JRE Passport

Society

Takanawa Gateway City

In the urban development of Takanawa Gateway City, under the development concept of Global Gateway we are taking steps to enrich the lifestyles of people from different generations, as an experimental playground where we create ways to lead a fulfilled life a century into the future.

In 2021, we promoted the *Hop Community Activity* by growing hops, which are also an ingredient of beer, and *Green Slow Mobility* aimed at solving local transportation issues and encouraging interaction and cooperation with the local community. Going forward, we will continue to build further relationships and foster a sense of unity with businesses, schools, and residents in the surrounding area.



Green Slow Mobility

Development of large-scale terminal stations and multi-function urban areas

In the development of large-scale terminal stations, we not only seek to improve the convenience and comfort of the stations, but also to redevelop the areas surrounding the stations in close cooperation with local governments and community residents. Aiming to enhance the value of the area, we promote development that integrates the station and the local area.

In Shinjuku Station Southwest Gate Area, we are working to create a multi-layered pedestrian network connecting the station and the city, foster the tourism industry, and develop facilities for information dissemination, in line with the reorganization and improvement of Shinjuku Station.

In *MEGURO MARC* between Gotanda and Meguro stations, *JR MEGURO MARC BUILDING* was completed to create a city environment where people of various generations can work and live safely in spaces in plazas surrounded by lush greenery.



Shinjuku Station Southwest Gate Area



MEGURO MARC (From left to right: JR MEGURO MARC BUILDING [office building], rental housing building, and condominium building)

Employee Voices



Business Promotion Division
Lifestyle Creation & Community Vitalization
Department
Marketing Headquarters

JRE MALL: Fusion of real and digital (EC)

The *JRE MALL* celebrated its fourth anniversary in March 2022. Key elements of the Group's digital strategy center on *JRE POINT*, and we are continuously expanding the services on offer, such as *JRE MALL Furusato Nozei** and *Ekitoma Ticket* in addition to regular e-commerce (EC).

JRE MALL Cafe, an interactive showroom store where customers can see and sample the food products on sale at *JRE MALL*, opened at Yokohama Station in November 2021.

We will further expand *JRE MALL* to create a "real x digital lifestyle", including a demonstration test of merchandise deliveries at station ticket gates and lockers.

* Japan's Furusato Nozei hometown tax system allows people to make donations to a municipality or prefecture of their choice in exchange for local products, handicrafts, or tour packages.



JRE MALL Cafe event

Tohoku DC achievements and connections to the future

The *Tohoku Destination Campaign (Tohoku DC)*, which ran from April 2021 to September 2021, created a showcase highlighting Tohoku's attractions from each of the region's prefectures. Communicating these attractions widely both in Japan and abroad, the campaign promoted the Tohoku brand to tourists, and increased the flow of visitors to the area.

In order to promote excursions to Tohoku's attractions, we implemented digital stamp rallies, operated sightseeing trains, developed secondary transportation, and combined digital and real-life information dissemination.

Using the experience we gained during the *Tohoku DC*, we will continue to promote the area as a destination, and increase visitor numbers in fiscal 2023 through tourism campaigns in the South Tohoku and North Tohoku regions.



Tohoku DC (from April to September 2021)

巡るたび、
出会う旅。東北
宮城・山形・福島

South Tohoku campaign (from April to June 2022)

Employee Voices



Development & Strategy Division
Community Development Coordination
Department
Marketing Headquarters

#Tohoku Six-Prefecture Eki-connect Project

We launched the *#Tohoku Six Prefecture Eki-connect Project* based on our sense of the need for collaboration among sites beyond the branch offices in preparation for the *Tohoku DC*.

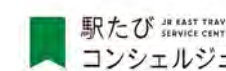
At first the initiative started as a joint project among the three branches of Sendai, Morioka, and Akita, taking advantage of existing connections between colleagues. Later, it grew into a large community of more than 300 people, using the in-house bulletin board to invite staff in other locations to participate.

By connecting people and organizations across branches, systems, and companies, many projects were born to enliven Tohoku. I feel that these connections will continue to be used in various situations in the future as part of *Tohoku DC's* legacy.



Posters created for the #Tohoku Six Prefecture Eki connect Project

Ekitabi Concierge



JR East *Ekitabi Concierge*, which provides a wide range of tourist information at stations, was opened at various locations in the East Japan area

from March 2021, with a total of 25 outlets opened as of April 1, 2022 (Tokyo, Hamamatsucho*, Haneda Airport, Shinagawa, Shibuya, Shinjuku [East Exit and New South Gate], Ikebukuro, Ueno, Kashiwa, Kawasaki, Yokohama, Tachikawa, Omiya, Funabashi, Narita Airport, Airport Terminal 2; Fukushima; Sendai; Yamagata; Morioka; Aomori; Akita; Niigata; and Nagano).

Through events and seminars, we provide customers with real-time information on seasonal sightseeing in the East Japan area. From June 2022, in addition to *EkiTabi Concierge*, we have been offering customers a richer everyday life connected to the region and local areas through such campaigns as *Seasonal Shop "Have you eaten this yet?"* and by opening *STATION BOOTH* facilities and *EkiTabi* markets.

* As of April 1, 2022, the Hamamatsucho branch is temporarily closed.



Seminar in Omiya

Issuing Sustainability Bonds

The proceeds of sustainability bonds are used to finance projects that contribute to solving environmental and social problems.

We have been issuing sustainability bonds every year. We issued our third sustainability bond in January 2022. The funds raised through the issuance of the sustainability bonds will be used to refurbish wards and other facilities at JR Tokyo General Hospital and for our *KAWASAKI DELTA* development.

The 1st and 2nd Sustainability Bonds received the Bronze Award for two consecutive years at the ESG Finance Awards Japan (Fund Procurement Category) organized by the Ministry of the Environment, for their contribution to the expansion of ESG finance.



Society

Restoring Sections Where Disasters Caused Long-Term Suspension of Operations

Sections of the line that were suspended for long periods of time as a result of the Great East Japan Earthquake and torrential rains in July 2011 have now been restored, not only as a means of transportation but also as a means of regional revitalization. The Company has continued to foster closer relationships in the region after the restoration of operations.

Recovering from the Great East Japan Earthquake

With the understanding and cooperation of local communities we managed to restore approximately 400 kilometers of Pacific Coast railway lines that were severely damaged by the 2011 tsunami, starting with the sections where safety could be assured. By March 2020, all sections were back in operation

Since the resumption of full operations, we have been working to revitalize the affected areas and the entire Tohoku region as part of the second stage of reconstruction.

We are working to make Kesennuma Line BRT* and Ofunato Line BRT more convenient, by linking them with highway buses to improve

access to Sendai, enabling boarding of BRT vehicles at roadside stations, building or relocating stations based on requests from people living or working along the lines, and by constructing dedicated roads. We are also working to revitalize the area through tourism in cooperation with the local community.

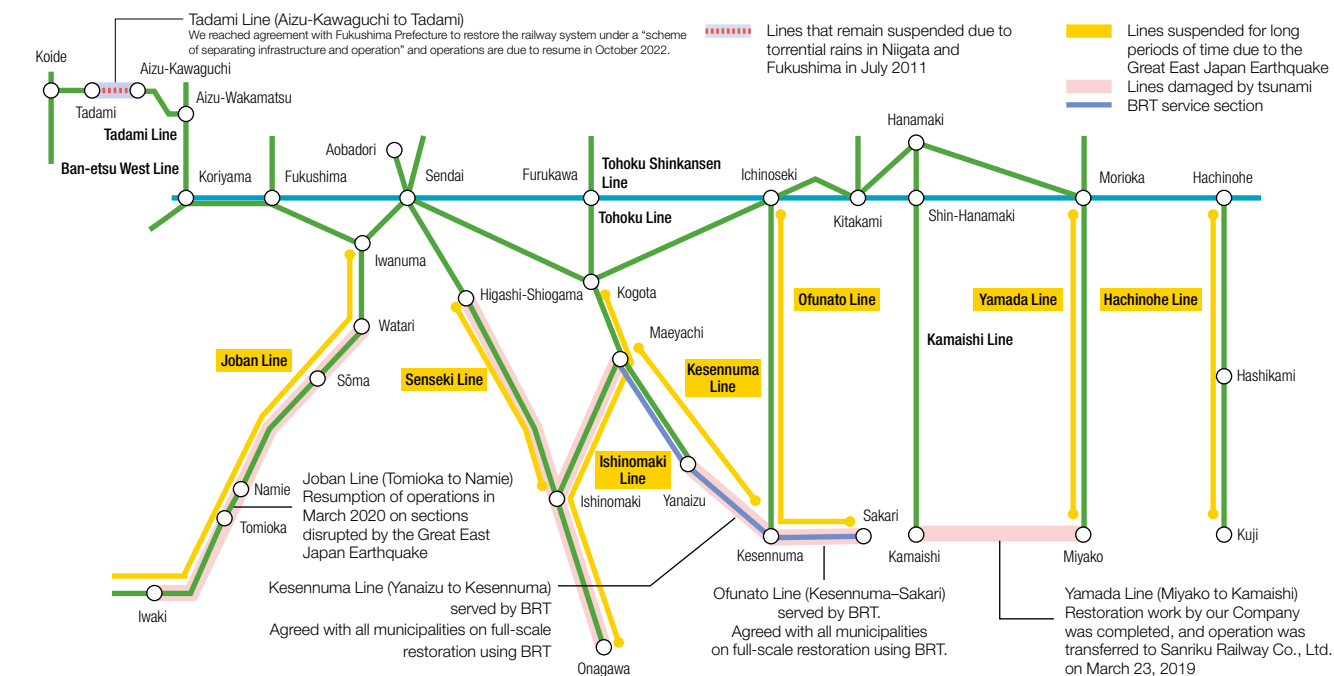
In the Joban Line area, which includes the difficult-to-restore areas within a 20 km radius of the Fukushima Daiichi Nuclear Power Plant, we are also striving to increase the interaction and the number of visitors by promoting tourism through, for example, the *Joban Line First Anniversary Campaign*, and the showcasing of local specialty products—transported using the Hitachi limited express train service—at our *Marché* retail markets.

* Bus rapid transit

Status of the Tadami Line (between Aizu Kawaguchi and Tadami) which was damaged by the Niigata-Fukushima torrential rains in July 2011

In response to requests from Fukushima Prefecture and local governments along the railway line, we reached an agreement with Fukushima Prefecture in June 2017 to restore the railway by separating infrastructure and operation; normal operations are due to resume in October 2022.

Restoration Status as of April 2022



Boarding Kesennuma Line BRT at Oyakaigan Station



Hamakaide Gourmet Ride to commemorate the first anniversary of the resumption of operation of the Joban Line



Tadami Line restoration work (No. 7 Tadami River Bridge)

Promoting Diversity

Promotion of Human Resources Diversity

We are working to improve the systems and environment within the company and to raise awareness of the importance of human resources diversity. In order for all employees to develop and demonstrate their individual strengths, we are making various efforts to create a diverse organization and a flexible corporate culture. For details, please refer to Nurturing Employee Diversity on page 101.

Empowering women and General Business Owner Action Plan

Since our inception we have been doing all we can to promote the activities of female employees by creating an environment in which women can work comfortably, recognizing that it is common for employees in the railway business to work irregular hours. We employ women in every area of the Company and their average length of employment is increasing. Under our First General Business Owner Action Plan, which covered the five years starting in 2014, we championed the employment of women, supported them with childcare and continued employment, and encouraged their promotion to more senior positions. In fiscal 2020, we implemented a revised Second General Business Owner Action Plan, which continues our initiatives to promote the employment of women, lengthen their average years of service, strengthen childcare-support measures, and encourage their promotion to more senior positions.

Setting goals to promote women in the workplace

- Aim for at least 30% of new graduate employees to be women
- Promote the establishment of women's facilities in workplaces and create an environment in which women can actively participate at all workplaces
- Improve the convenience of on-site daycare centers at workplaces and give ample support to employees who are working while engaged in childcare or nursing care
- Accommodate a range of workstyles and create an environment in which all employees can happily continue to work for the Company
- Have women fill at least 10% of management positions

Eruboshi Certification Ratings for Group Companies

Company Name	Eruboshi Rating
JR East Management Service Co., Ltd.	★★★★
JR East Logistics Co., Ltd.	★★★★
JR East Information Systems Company	★★★★
JR East Personnel Service Co., Ltd.	★★★★
JR East Marketing & Communications, Inc.	★★★★

Initiatives to promote understanding of LGBTQ+ employees



We recognize members of the LGBTQ+ community as an important part of diversity and consider it our duty to create a comfortable work environment for LGBTQ+ employees that is free from discrimination. Thus far, we have

expanded the scope of our human resources and benefits systems to include same-sex partners. We have also implemented training and seminars on LGBTQ+ inclusivity for executives and all Group employees. In addition, in 2017 we added a section on the importance of understanding LGBTQ+ employees to our Compliance Action Plan Handbook. We strive to educate all employees on these issues every year. Further, for five consecutive years the Company has received a Gold rating (the highest) on the PRIDE Index, which evaluates companies' LGBTQ+ initiatives.

Promoting diversity: Key indicators

Indicators of Employee Activity

	Fiscal 2021 (as of April 1, 2020)	Fiscal 2022 (as of April 1, 2021)	Fiscal 2023 (as of April 1, 2022)
Number of employees	51,560	49,780	48,040
Male	43,226	41,175	39,400
Female	8,334	8,605	8,640
Ratio of women to total employees	16.20%	17.30%	18.00%
Ratio of women to managers	6.3%	7.2%	8.2%
Average age	38.9	38.5	39.3
Male	40.2	39.7	40.5
Female	32.2	32.7	34.4
Average years of employment	17.0	16.3	17.2
Male	18.4	17.6	18.4
Female	9.5	10.0	11.8
Turnover rate (excluding mandatory retirement)	1.10%	1.54%	—
Employment rate of persons with disabilities (non-consolidated, as of June 1)	2.58%	2.59%	2.63%

Indicators Related to Childcare Leave

	Fiscal 2020	Fiscal 2021	Fiscal 2022
Childcare leave (newly taken)	739	766	774
Male	221	316	418
Female	518	450	356
Percentage of male employees taking childcare leave	12.20%	18.70%	24.0%
Percentage of male employees taking spousal maternity leave	72.60%	68.80%	68.6%

Society

Contributing to Education and Culture

Realizing an inclusive society

Since many of our customers use our services, we are working proactively with them to realize an inclusive society in which everyone can play an active role, regardless of disability.

Support for parasports

We are promoting efforts to deepen understanding of an inclusive society by playing and supporting boccia and other sports for people with disabilities. In August 2020, we established a Gold Partner agreement with the Japan Boccia Association to support athletes by providing training facilities and conducting other activities to promote the sport.



Cooperation with the Prosthetics and Orthotics Support Center of the Japan Railway Workers' Association

We are working with the Prosthetics and Orthotics Support Center to deepen employee understanding of disabilities through a range of events including opportunities to experience what it is like to have a prosthetic leg.



Human rights awareness

We have established a human rights awareness promotion committee at head office, which is working to improve employees' understanding of human rights. In addition, we are striving to establish an inclusive workplace environment for everyone.

Concrete measures

- Implementing human rights seminars and study conferences
- Implementing measures to increase consideration of human rights (company reports, creation of a human rights awareness slogan)
- Exchanging information with other corporate members of the Industrial Federation for Human Rights, Tokyo Corporate Correspondence Society to increase mutual awareness

Company Sports Initiatives

Company sports teams such as the JR East Baseball Team (Tokyo), the JR East Tohoku Baseball Team (Miyagi), the JR East Running Team (Tokyo), the JR East Women's Judo Team (Tokyo), and the JR East Akita Basketball Team (Akita) are active in their respective regions and contribute to their communities by organizing initiatives such as sports classes for local elementary schools.



JR East Women's Judo Team



JR East Baseball Team



JR East Running Team



JR East Akita Basketball Team



JR East Tohoku Baseball Team



Junior Kendo Tournament organized by JR East

Contributing to Community Medical Care

As a contribution to regional medical care, we are strengthening emergency medical services by encouraging the admission of patients to our Community Comprehensive Care Unit and the Recovery and Rehabilitation Unit, which provide convalescent care in cooperation with other hospitals.

We provide safe, high-quality medical care that meets the needs of patients in the community by offering unique features not found in other hospitals, such as orthopedic surgery, lymphatic surgery, and a wide range of physiotherapy.

In addition, JR Tokyo General Hospital is reconstructing its wards and other facilities, which are scheduled for partial completion in fiscal 2025. We are making ongoing efforts to earn the trust of residents and become their hospital of choice.

As a response to the spread of COVID-19, we are working with the government to provide medical treatment, hospitalization, and other care for those suspected of being infected with the virus, as well as vaccination services.

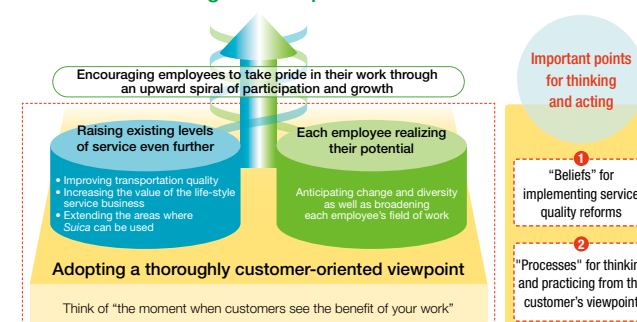


Service Quality and Transportation Services

Raising the Level of Safe and Reliable Transportation

Since its establishment, the JR East Group has been striving to rehabilitate and revitalize its railway services. Through the concerted efforts of all Group employees to reform transportation and service quality, the number of operating accidents on our railways has halved since the Group was established, and we have made progress in expanding our railway network, including Shinkansen lines. In order to continue to meet customer expectations and contribute to society as a trusted corporate group, we will achieve service quality reforms by encouraging every employee to "think and act" from a customer perspective, based on our Vision for Service Quality Reforms 2027.

Realizing "Move Up" 2027



Vision for Service Quality Reforms 2027

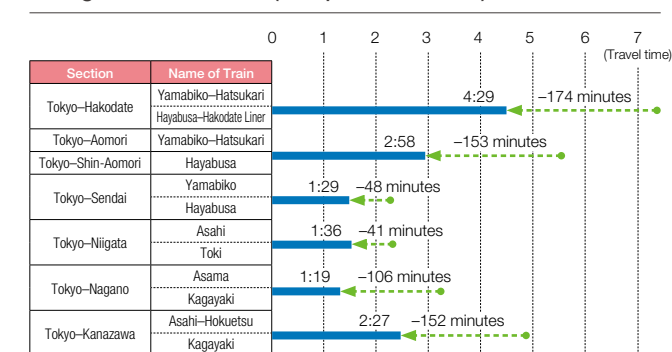
Expanding the rail network and aiming for sustainable railways

Compared to 1987, when the company was established, the Shinkansen network has expanded and train performance has improved, resulting in shorter journey times and greater convenience for our customers. As we advance, we will continue to shorten travel times and shorten the distance between Tokyo and the regions by improving facilities and introducing new trains, thereby making an even more significant impact on regional economies.

In addition, in March 2022, we reviewed our transportation system, including the number of trains operated during morning commuting times and the number of express trains, in response to changes in customer behavior triggered by the COVID-19 pandemic.

Specifically, we have established a transportation system that allows for flexible train scheduling, such as reducing the number of trains with low rates of usage while maintaining a certain level of frequency on Shinkansen and priority trains, and increasing the number of trains depending on the recovery of rates of usage and reservation levels. For regular trains on conventional lines, we are striving for sustainable railway business operations by establishing an efficient transportation system that reduces the number of trains in response to usage conditions, including during commuting hours, shortens train formation in some line sections, and converts to driver-only operation, while taking care not to cause excessive congestion.

Changes in Travel Times (Compared with 1987)



* Tokyo to Hakodate segment's top line shows time required after schedules were revised in March 1988 (when the Seikan Tunnel was opened)
* The shortened time between Tokyo and Hakodate is as a result of the time saved by high speed travel through the Seikan Tunnel.

Tackling the COVID-19 pandemic

The JR East Group takes measures to ensure that customers can use railways with peace of mind, in accordance with the government's Guidelines for Railway Operators to Prevent the Spread of COVID-19.

In addition to regular disinfection and sterilization at stations and the wearing of masks by staff, train interiors are disinfected and sterilized, and train windows are opened for ventilation.

Moreover, our *JR East App* provides information on congestion, and we are working on providing reserved seats with more space between seats, seat selection using seat maps, and clarifying the language on signs displayed on the floors of train carriages.

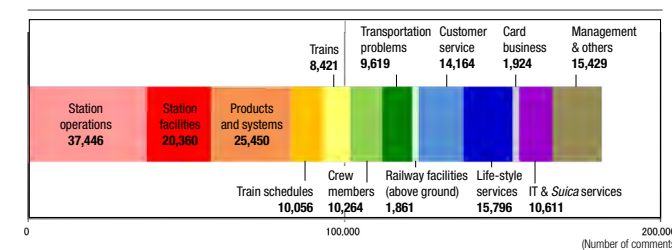
Constant Attention to Passenger Comments

Collecting and analyzing customer opinions

We collect and analyze customer opinions on a daily basis to understand the concerns and frustrations of our customers, and we respond to them promptly.

Customer opinions collected through various channels, including the internet and telephone, as well as those that employees receive directly from customers, are promptly shared and analyzed in the company-wide database system, New Green Information System, and used to improve our services and reevaluate our Company policies.

Itemized Breakdown of Passenger Comments in FY2022 (Total Number of Comments: 181,401)



* The number of comments differs from the number of passengers, as some passengers make multiple comments.

Society

Using social media

One way in which we learn about passengers' needs is through the feedback they provide directly to us. We also recognize the need to actively gather and analyze passenger feedback from a range of other sources. To this end, we foster communications with customers through our official Facebook and Twitter pages. We proactively send out information about various measures and campaigns, while working to understand customer needs and opinions through "Like!" responses and other customer postings.



JR East official Facebook page

Managing Transportation Services

Five main tasks

In the field of railway transportation services, which forms the core of our business, we are working on five priority areas that include preventing transportation disruptions and creating a comfortable environment for customers. All employees of the Group are striving together to enhance the quality of our transportation services.



Preventing Transportation Disruptions

We are working to prevent transportation problems by focusing on and analyzing the causes of such problems, identifying priority issues that need to be addressed, and taking action to prevent disruptions.

Rolling stock

- Introduction of new rolling stock, such as the Series E235, with enhanced reliability though backup systems for major equipment
- Upgrading of rolling stock equipment

Equipment

- Promotion of condition-based maintenance (CBM) using monitoring data
- Simplification and integration of electrical facilities (simple overhead wire configuration)

Other

- As part of our suicide prevention efforts, our employees call out to people at stations. We have also been using former employees to patrol stations, and using station displays and social media to publicize counseling services.
- To prevent collisions between animals and trains, we have been spraying animal repellents around railways and introducing repellent devices using laser light and sound.

Minimizing the Effects of Disruptions on Customers

We make our customers our top priority and seek to minimize the impact of any incident on them by considering the best way to resume operations as quickly as possible.

Prompt resumption of train operations after transportation disruptions and customer rescue initiatives

To minimize the impact on passengers, we try to turn trains back before they enter a disrupted section or operate other routes wherever possible. In addition, through training and other means, we continue to improve our ability to respond to customer needs after a transportation disruption occurs.

Furthermore, when trains are stopped between stations, we are working to rescue and transport customers using all options available, including not only buses and cabs but also commercial and maintenance vehicles.



Exit guide drill



Passenger rescue using maintenance vehicles

Providing Information during Emergencies

Seeing things from a customer point of view, we provide information to help people make quick, appropriate decisions about transportation

Information enhancement

We share details about train operation and other useful information with our customers through various media.

Guidance displays in emergency situations, LCD displays in trains

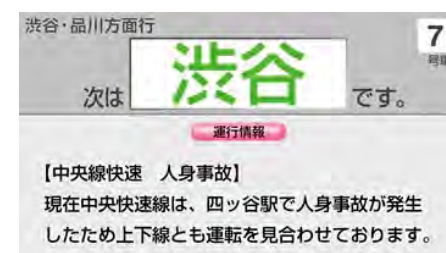
In addition to providing information on services in the event of transportation disruptions, such as suspended operations, we also provide passengers with details of other lines to which they can transfer (available in Japanese, English, Chinese, and Korean).



Large LCD guidance display on platform



Detail of LCD guidance display for emergency situation



LCD display in train

Our website

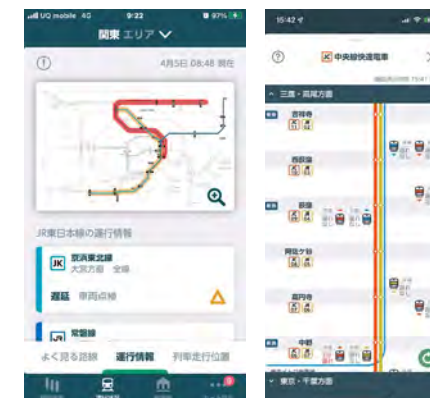
We provide information on operation and suspension of Shinkansen trains and limited express trains on conventional lines in the event of transportation disruptions, etc. on our website (available in Japanese, English, Chinese, and Korean).

DOKOTORE website

This website provides information on train delays and the location of trains (available in Japanese and English), especially in regional areas.

JR East App

You can use this app to check the operation status of each line in the event of a transportation disruption (available in Japanese only).



Screen image of JR East App operation status

Location of trains

Social media

Providing information via Twitter (Japanese, English) and Weibo We provide real-time information on the status of damage caused by natural disasters, and we also provide information on operations and operation plans on these social media platforms.



JR East official Twitter account

Announcement of train service resumption times during disruptions

We aim to announce the anticipated time at which operations should resume within about 30 minutes of the occurrence of a transportation disruption, and within 15 minutes in the case of accidents resulting in casualties. The announcement rate meeting this criteria was 94% in fiscal 2022. We will continue to provide information promptly to help customers make decisions on their next moves.

Planned suspension of operations

Planned suspensions are implemented to minimize damage and transportation disruptions by adjusting the number of trains in operation in advance, when weather conditions and other factors are expected to have a significant impact on passengers due to prolonged suspensions or major delays.

In the case of typhoons, we make comprehensive assessments of a typhoon's path and magnitude, and provide information to customers and employees from an early stage using a variety of media (internet, social media, etc.) to help them decide what to do.

Once inspections and restoration work are completed, we review the specific operation resumption plan and announce the operation schedule to customers.

Society

Notice of special arrangements and initiatives concerning train operations

JR East has been making efforts to ensure that our customers can use our trains with peace of mind in terms of both hardware and other aspects of our services, including responses to natural disasters and emergencies such as strong winds, typhoons, and heavy snowfall that can significantly affect train operations, and through various campaigns calling for consideration of others when using our trains. We have created the JR East Naruhodo Q&A Guide and posted it on our website to inform as many customers as possible of these efforts.

For your safety and comfort

- Emergency (SOS button, door emergency opening devices, railway crossing, platform emergency button, etc.)
- Consideration for others (priority seating and free space, talking to and supporting others, walking while using a smartphone)



<https://www.jreast.co.jp/saferelease/operationguide/>

Efforts to address natural disasters

- Our approach to addressing wind, rain, typhoons, snow, earthquakes, and volcanic eruptions

Initiatives for safe and stable transportation

- Addressing transportation disruptions (turnaround operation, separate line operation, transfer operation, etc.)
- Providing information (various information provision tools such as JR East App)

Providing Customer Services that Cater Precisely to Customers' Needs

We are striving to further improve the mindsets and skills of the entire Group by accurately understanding the kinds of situations that develop, how our customers react, and how to respond appropriately.

Assistance and Support campaign

To help realize an inclusive society, we are working with transportation companies and organizations for people with disabilities throughout Japan. Initiatives include approaching all customers, including those with disabilities, who need assistance, and requesting the cooperation of all customers using our rail services.

In fiscal 2022, a drive to strengthen the Assistance and Support campaign was conducted in collaboration with 83 company bureaus and seven organizations. We intend to take the lead in creating an environment where all customers can live safely and with peace of mind by nurturing a culture that supports customers in need throughout society.



Assistance and Support campaign

Improving passenger service

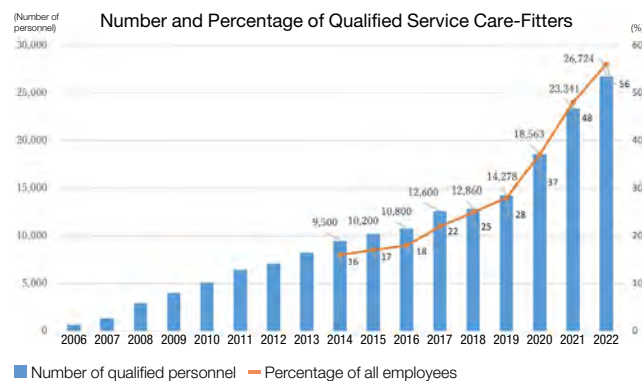
We use the Green Handbook, which sets out the concepts necessary for our Company's services and the basics of hospitality required of employees, at workplace study sessions aimed at enhancing passenger service among all employees.

Acquiring service care-fitter qualifications

We encourage our staff to acquire qualifications aligned with the "spirit of hospitality and assistance skills" to enhance customer care and ensure that people can use our services with peace of mind. As of the end of March 2022, more than 26,700 employees had acquired the certification.



The name badges of qualified employees include the title of service care-fitter.



Employee Voices



Hachinohe Office
JR Morioka Railway Service Co., Ltd.

Our hospitality

We are actively working to create a comfortable environment for a wide variety of customers by improving flooring, providing braille blocks, installing information displays, etc., and sharing examples of good practices in the Voice and Support campaign, based on our customers' expectations and satisfaction.

We also worked together with members of the JR East Group and the people of Hachinohe City to ensure that customers could enjoy their Tohoku trip with a smile, by cleaning up the Kabushima coastline, decorating Hachinohe Station, and putting up a welcoming TOHOKU EMOTION sign with a big fishing flag.

We will continue to provide a clean and comfortable station and always welcome our customers with a smile.

Realizing Railway Services Passengers Can Use Comfortably

By accurately understanding changing social trends, laws, and customer needs, we are working to create an environment in which all customers can use our services comfortably and without stress.

On the initiative of our employees working in the field, we have created a model that provides services taking the perspective of each and every community member and customer.

We are also working together with local residents and customers to further improve the accessibility of our facilities and to expand the scope of inclusivity through "barrier-free mindset".

App to alert personnel to passengers boarding and disembarking from trains

We have developed an app to automatically notify stations and railcar attendants when passengers in wheelchairs request assistance with boarding and disembarking from trains. We introduced the system on the Nambu Line in March 2020, the Keiyo Line in November 2020, and on the Yamanote Line in March 2021. We plan to expand the app's coverage, mainly in the Tokyo metropolitan area, in order to reduce customer waiting times and to provide more reliable assistance.



App to alert personnel to passengers boarding and disembarking from trains

Barrier-free stations

Eliminating steps by installing elevators and other equipment JR East has been working with local governments and other entities to install equipment at stations in accordance with the New Barrier-Free Law (the Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, etc.). As of the end of March 2022, we had completed the installation of equipment in 485 stations.

Upgrading environments for people in wheelchairs



Comb-shaped sections

To narrow the gap between station platforms and railcar doors, we are installing platform doors equipped with slopes that lift up when trains arrive. To reduce the gap between the train and the platform, comb-shaped materials have been

installed at each end of the platforms (two per platform) at some stations on the Yamanote Line, the Keihin-Tohoku/Negishi Line, the Chuo-Sobu Local Line, and the Joban Local Line. At some stations on the Yamanote, Keihin-Tohoku/Negishi, and the Joban Local lines, we are reducing wait times at train stations for customers who prefer to get off the train unaided by eliminating the need to contact stations where they will disembark.

Barrier-free railcars

In order to provide a safe and comfortable ride for wheelchair and baby carriage users, we have added priority seating in every carriage of the new Series E235 commuter trains, introduced on the Yamanote Line and the Sobu-Yokosuka Rapid Line, and in the new Series E131, introduced on the Sagami Line.

Since July 2021, we have also been steadily increasing the number of Series E7 trains with wheelchair-accessible free spaces on the Hokuriku Shinkansen. Multipurpose rooms and large toilets for handle-type electric wheelchairs have been installed in newly-built Narita Express Series E259 and later limited express trains and newly-built Shinkansen Series E5 and later trains.

We have also installed multi-purpose rooms and large toilets with improved handles for electric wheelchairs in the new Series E259 limited express trains and post-E5 series Shinkansen trains.



Series E7 Shinkansen free space for wheelchairs



Series E7 Shinkansen large toilet

Assisting Wheelchair Users with Boarding and Disembarking from Trains

At some stations in the Sendai, Miyagi, Fukushima, Yamagata, and Nagano areas, where there are no station attendants or where attendants are only available during certain hours, the driver or conductor will use a portable slope to help passengers get on and off the train. We will continue to deepen our relationship with customers and local communities, and contribute to the realization of safer and more comfortable railways and an inclusive society through continuous improvements.

Employee Voices



Kogota Transportation Depot
Sendai Branch Office

Working closely with customers to overcome accessibility challenges

When we assist wheelchair users with boarding and disembarking from trains at unstaffed stations, it sometimes takes time to coordinate. We launched this project with the idea that we, the train crew, could help the passengers ourselves. Since then, all crew members have been training on a regular basis to improve our response skills.

We will continue to realize an inclusive society and improve the quality of our services by engaging in improvement activities, valuing daily insights and customer feedback.

Society

Opportunities to learn together with customers with disabilities and the community

Employees in front-line offices are working to enhance their customer service skills from a wide range of customer perspectives. Together with schools for special needs education and local communities, we conduct training on how to use the equipment on platforms and safely board and disembark from trains. Through these opportunities, we are working together with a "barrier-free mindset" to create an environment that reduces the anxiety of all customers and makes our railways more accessible to them.



Students from a school for the blind participate in railway disaster drills.



Sign language study sessions by employees who are deaf or hard of hearing.

Employee Voices



Chiba Branch Office, Oami Station

Aiming to be a station loved by and connected to the community

Our goal is to be a station that is loved by and connected to the local community. We think about what we can do for the community and put our ideas into practice step by step. While exploring how we could help our community, we found out that Oamishirasato City is trying to assist people with dementia.

All station employees have taken a dementia supporter training course sponsored by the City, and they share their knowledge with peers at other workplaces and Group companies in the area to improve our ability to respond to customers with dementia who need assistance. We will continue to work toward the realization of an inclusive society in cooperation with the local community.

Implementing measures to reduce congestion in morning commuter rush hours

We have implemented a range of initiatives to spread out our customers' boarding times and encourage off-peak commuting. Congestion is one of the main causes of delays during morning commuting, so station employees and train crews, who are in daily contact with customers,



Queuing lines on the platform



Information poster for the first train (Musashi-Urawa Station)

take the lead in keeping customers informed of congestion trends by updating train and car numbers on posters at stations in some line sections. At particularly congested stations, staff ensure smooth customer flow using designated queuing areas and no-stopping zones. We also use our off-peak commuting campaign posters to encourage people to travel at different times.

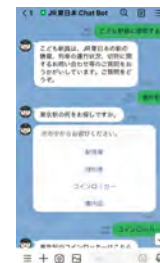
System for responding to inquiries

Our contact center fields several thousand inquiries each day. We strive to respond to queries promptly and accurately and use regular call monitoring and evaluation to help us to improve the quality of our responses.

As part of our efforts to enhance passenger convenience, the *JR East ChatBot* is accessible through our official LINE account to respond to inquiries on variety of matters.



Lost Property Chat fields inquiries about lost property



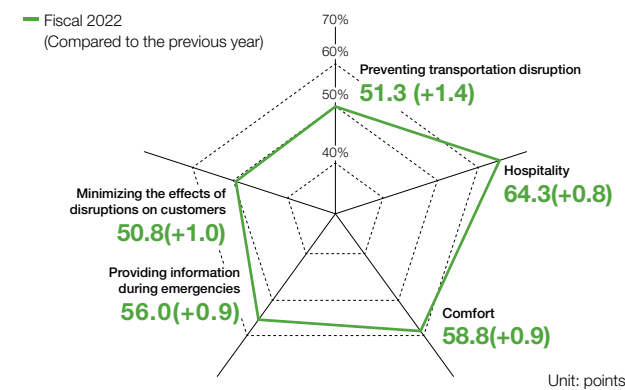
The Child Station Crew Q&A fields queries about congestion and various other services

Confirming Results and Making Improvements

Identifying issues and using service quality diagnosis to confirm the effectiveness of measures

In order to further improve our service quality, we conduct an annual service quality assessment to provide a quantitative evaluation of the current status of our transportation services and customer satisfaction.

We conducted an internet-based survey of approximately 10,000 customers on the five priority items of preventing transportation disruption, minimizing the effects of disruptions on customers, providing information during emergencies, comfort, and hospitality, and in fiscal 2022, our scores for all items improved from the previous year. By disclosing the details of the service quality assessment results to all employees, we are able to grasp our strengths and weaknesses in each area, as well as changes in customer needs. Many frontline employees are using the results to implement new initiatives and improvements in order to continue to meet customer expectations.



IT & Suica Services

IT & Suica Services

Suica celebrated its 20th anniversary on November 18, 2021. As of April 1, 2022, *Suica* can be used in 840 stations in our service area. It can also be used at approximately 5,000 stations nationwide, including those of other companies.

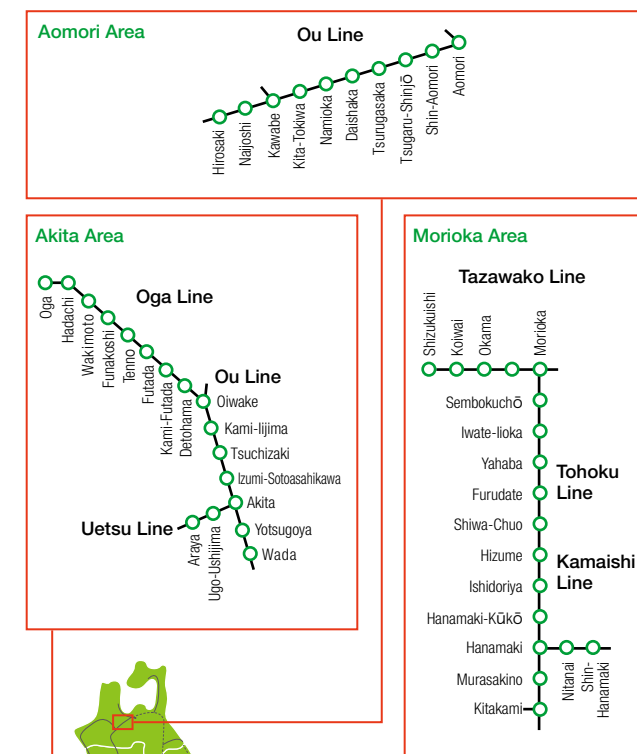


We collaborate with other transportation operators throughout Japan, including companies outside the Group, to enhance passenger convenience and promote the use of *Suica*. We also cultivate member stores where *Suica* can be used as e-money, helping to encourage the transformation to a cashless society.

Expansion of *Suica* service area into three northern Tohoku prefectures

In order to improve convenience for our customers, we will expand the areas where *Suica* can be used to lines in Aomori, Iwate and Akita prefectures from spring 2023. In this expansion, we plan to use a new ticketing system that integrates the functions of ticket gates into a central server.

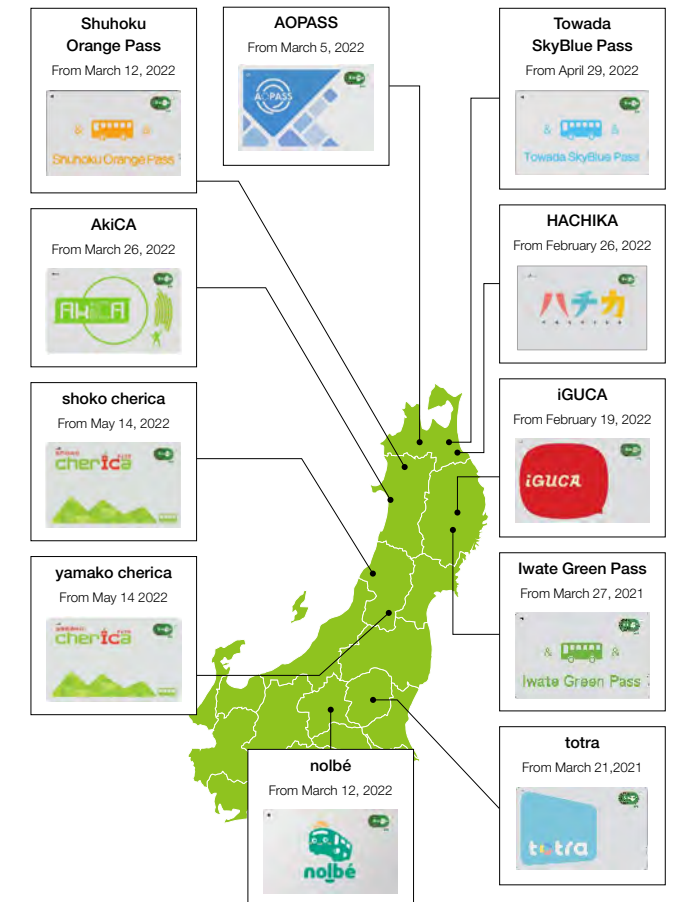
Suica Service Area



Multi-function card for regional transit

We developed regional collaboration IC cards for regional transit, that make region-specific and *Suica* services available in a single card.

The service was launched in the Utsunomiya and Morioka areas in March 2021. We plan to expand the service to other regional transportation operators in the East Japan area.



Mobile *Suica* for even greater convenience

More than 17 million *Suica* have been issued on *Mobile Suica*. We are working in partnership with other companies to improve user experiences, such as new top-up options for the *Mobile Suica* platform. These include links to other companies' payment methods, such as the au PAY application provided by KDDI Corporation, to provide more convenient usage options. In addition, new functions have been added to the application to meet customer needs, such as the issuance of IC transit passes and online commuter pass applications, enhancing convenience and ease of use.



Society

JRE POINT

JRE POINT, the Group's shared loyalty points program, has more than 12.5 million members and represents an important customer base for the Group.

Through Groupwide campaigns, such as promoting the use of accumulated points within the Group, we are implementing various measures to achieve a virtuous cycle of point accumulation and use, thereby promoting customer usage of the products and services of the entire Group and enhancing its attractiveness.

Employee Voices



Data-Driven Marketing Division
Strategies & Business Platform Department
Marketing Headquarters

Promoting data marketing

In addition to the data related to *Suica*, *JRE POINT*, and *ViewCard*, various data within the Group is analyzed and used for marketing and promoting the Group. We take care to handle the data in accordance with applicable laws and regulations and rules.

In addition, we have begun providing analysis reports outside the Company, created by statistically processing *Suica* data for the purpose of community development and other regional revitalization initiatives. For example, from December 2020, we provided this service to Fujisawa City for the study of tourism promotion measures. And from May 2022, we began selling *Eki Karte* analysis reports, standardized reports that give due consideration to privacy so that they can be widely used.

We also provide a corporate service that streamlines the administrative processes of corporate travel expense reimbursement procedures by providing the *Suica* usage history of consenting employees.

Expanding the network of Suica member stores

The number of stores where *Suica* can be used is increasing not only among *ekinaka* outlets (shops inside stations) but also at in-town stores.

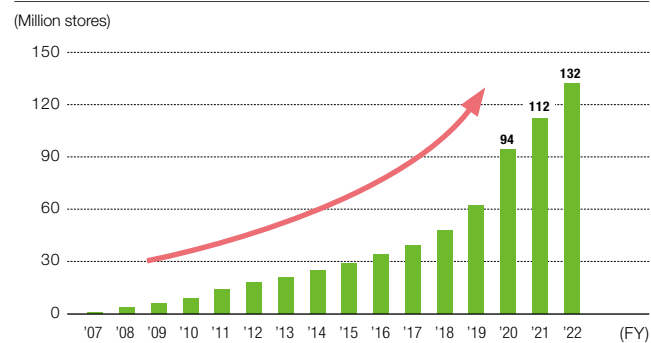
Stores where the *Suica* cards can be used:

Approximately 1.32 million stores
(including approximately: 460 thousand *Suica* member stores)

In addition, we focused on developing member stores that accept *Suica* e-money not only in the Tokyo metropolitan area but also in regional areas, such as developing member stores in the Tohoku area in conjunction with *Tohoku DC* and the service launch of regionally linked IC card services.

We also promoted the development of e-money member stores through the direct sales activities of our frontline employees, who regularly engage in community-based activities.

Number of Stores where Suica E-Money is Accepted



Further expansion of Suica usage with authentication function

The *Suica* authentication function verifies users using a unique number (*Suica* ID) assigned to each *Suica*. *Suica* is used for office access, shared cycle keys, digital stamps, and other applications by matching the pre-registered *Suica* ID with the *Suica* ID read at the time of service use.

Going forward, we intend to expand the service into various areas beyond the railway system by linking it with internal and external services and systems.

Digital Stamp Card
(NewDays app)



Evolving eki-net

On June 27, 2021, *eki-net* underwent a major upgrade to improve convenience by overhauling the ticket booking application process, offering new services using *JRE POINT*, and expanding payment methods. In addition, from March 29, 2022, we launched a service that allows users to transition to *eki-net* while retaining their search information on Google Maps, in order to further improve convenience. In fiscal 2023 and beyond, we will continue to expand and improve our service functions to make it easier for customers to use our website.



Renewal of JR East View Dynamic Rail Pack

On March 1, 2022, we released the new *JR East View Dynamic Rail Pack (New DP)*. *New DP* offers customers a variety of travel options by providing easy-to-understand and simple reservation operations and screen transitions, as well as train and accommodation prices that fluctuate according to supply and demand.

From December 2022, we plan to sell day trip products and inn only plans.

JR東日本びゅう ダイナミックレールパック



Further promotion of ticketless boarding

In the Shinkansen business, we have been offering the Osakini-Tokudane discount on Green Cars on the Yamagata and Akita Shinkansen since March 2022. Furthermore as part of the Shinkansen Year 2022 campaign, the number of *JRE POINT Reward Ticket* redemption points has been reduced to less than half of the usual number during the campaign period to further expand the use of ticketless travel on the Shinkansen.

In the case of limited express services on conventional lines, we will further expand ticketless travel by, for example, offering highly discounted ticketless limited express tickets for the Boso Limited Express and Narita Express services.



Employee Voices



Marketing Department
Chiba Branch Office

Aiming to increase uptake of stress-free ticketless rides

We have been promoting the use of ticketless express tickets as a stress-free way to board the train, allowing passengers to make reservations from their smartphones and other devices right up to the time of boarding. With the added benefit of reducing the chance of passenger contact amid the COVID-19

pandemic, we are further promoting the use of ticketless express tickets as a tool for safer and more secure rail travel.

In addition to improving transportation services by increasing the number of sections where the Boso Limited Express *eki-net* Tokudane (ticketless limited express ticket) is available for purchase and by increasing the number of Narita Express stops, we are working to quickly promote ticketless boarding by offering a limited-time *JRE POINT* reward campaign to create opportunities for customers to try ticketless boarding and encourage them to continue to use it.

Society

Promoting MaaS

With Mobility as a Service (MaaS), we are building *Mobility Linkage Platform (MLP)* to provide customers with all-in-one information, purchasing, and payment for mobility, aiming to offer seamless mobility, reduce total transport time, and support stress-free travel.

JR East App

With the *JR East App*, we have started to collaborate with other railway companies on a real-time route search function that also considers other options for optimal travel for customers, including buses, airplanes, and walking. In addition, we have expanded the provision of real-time train congestion information to major lines in the Tokyo metropolitan area.



Route search result

Ringo Pass

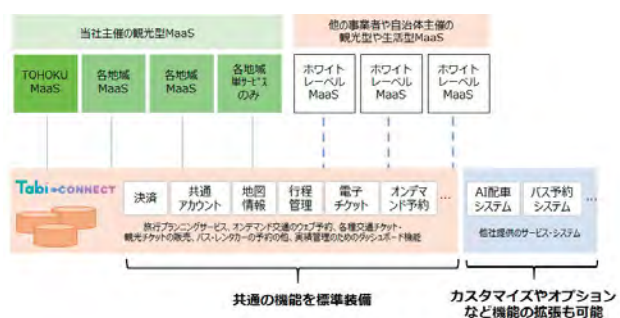
We have increased the number of cabs linked to *Ringo Pass*, an app which integrates the procedures for using various mobility services into a single system. Furthermore, through collaboration with HELLO CYCLING and DOCOMO BIKESHARE, *Ringo Pass* users now have access to approximately 40,000 shared bicycles.



Tabi-CONNECT

In November 2021, *Tabi-CONNECT*, which brings together common functions of regional and tourism-oriented MaaS from *MLP* in a single package and can be provided to external organizations, began operation. Using the experience gained from pilot projects conducted to date, *Tabi-CONNECT* allows the developers of new services to select necessary functions and customize content, shortening the preparation period until a service is launched and thereby reducing costs.

Tabi-CONNECT



Tabi-CONNECT provides a package of common functions

Regional and tourism-oriented MaaS initiatives

The regional and tourism-oriented MaaS *Kaiyu Karuizawa* was implemented from January to March 2022 as part of a comprehensive collaboration with SEIBU HOLDINGS INC. The *Yobunoru Karuizawa* on-demand transport system and electronic tickets (for transportation, food and beverages, merchandise sales, etc.) made the service convenient not only for tourists but also for local residents.



Vehicles operated by Yobunoru Karuizawa

The regional and tourism-oriented MaaS *Tabisuru Kitashinano* was implemented in conjunction with the Zenkoji Temple's *Gokaicho* (temple-opening ceremony) from April to June 2022. Based on the idea of a Nagano branch office employee, it was the first MaaS project to be realized as a joint effort by a field office, branch office, and headquarters.



Employee Voices



Marketing Department
Akita Branch Office

On-demand transport Yobunoru Kakunodate in operation

The on-demand transport service, which we have been operating in different areas since the *Tohoku DC* in 2021 as part of *TOHOKU MaaS*, is a new mobility service that can be used not only as secondary transportation for customers visiting tourist destinations by Shinkansen, but also for local residents for shopping, hospital visits, and other purposes.

As a new initiative, in May 2022, we began the *Yobunoru Kakunodate* on-demand transport service, which is operated jointly with Senboku City in Akita Prefecture. Going forward, we will continue to work with local governments and other partners in the region on joint operations and expansion into more places.



Overseas Business

Developing our Business on the World Stage

We aim to establish a business model for international business that can deploy the JR East Group's high-quality, highly efficient railway infrastructure system with the combined strength of not only the Transportation services business but also the Life-style services business.

We also focus on human resource development through the challenge of overseas projects, and return the technical skills and insights we have gained through our international business both domestically and internationally. We will continue to conduct sustainable management and provide more affluent lifestyles on the world stage.

Supporting the Indian High Speed Rail Project

JR East provides support in inter-governmental negotiations, while Japan International Consultants for Transportation Co., Ltd. (JIC) prepares the detailed design documents, bidding documents, and training program and materials for National High Speed Rail Corporation Limited (NHSRCL) core staff.

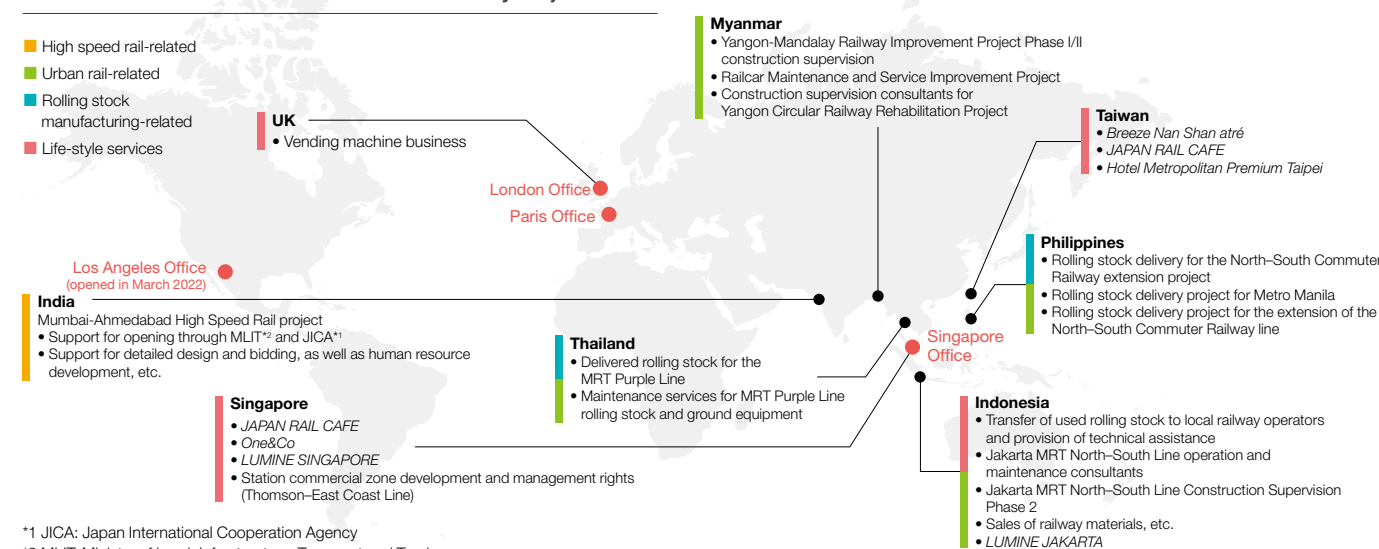


Image of Indian High Speed Rail Project (courtesy of JICA*)



Viaduct construction site (courtesy of JICA*)

JR East Overseas Offices and International Railway Projects



*1 JICA: Japan International Cooperation Agency
*2 MLIT: Ministry of Land, Infrastructure, Transport and Tourism

Participation in the MRT Purple Line Project

The JR East Group provided rolling stock for the MRT Purple Line, an urban railway in Bangkok, Thailand, that opened in August 2016. Maintenance services for rolling stock and ground facilities are provided by Japan Transportation Technology (Thailand) Co., Ltd., a local affiliate established by JR East in conjunction with corporations Marubeni and Toshiba, contributing to reliable railway services for Bangkok on par with those in Japan.



Technical support for railway operators overseas

In response to a request from an Indonesian railway operator, we transferred a total of 812 cars of Series 205 rolling stock to the operator from 2013 to 2020, and have been providing a range of technical support in such areas as rolling stock maintenance, crew skills improvement, and service quality enhancement. Due to the influence of the Covid-19 pandemic, we provided three training sessions online—safety training, Series 205 light maintenance, and heavy maintenance.



Series 205 trains transferred from Japan in service in Jakarta



Online heavy maintenance training



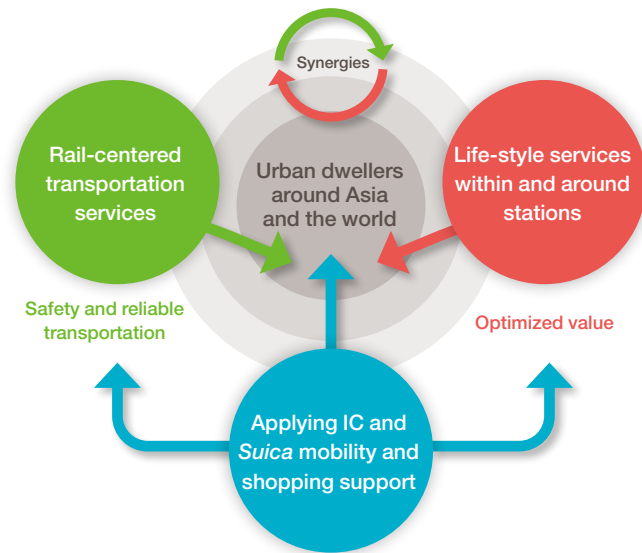
Video training at the Omiya General Rolling Stock Center Jakarta

Society

New business undertakings

Through the challenge of overseas projects, the JR East Group is nurturing new talent and constantly honing its technology for the future. This new technology and expertise can in turn benefit domestic initiatives as well. With careful risk management, we are raising up a business model for our international operations that combines and integrates the Group's strengths and will remain sustainable over the long term. In so doing, our hope is to make a worthwhile contribution to the lifestyles of people around the world, particularly in Asia.

JR East Group Business Concept



Developing life-style services business overseas

The JR East Group is using the expertise and experience it has gained in Japan to promote business overseas.

In Taiwan, the *Hotel Metropolitan Premier Taipei* opened in August 2021, the first overseas opening of a hotel by our Group. In addition to welcoming visitors to Taiwan from Japan, the hotel provides Taiwanese guests with the opportunity to experience high-quality Japanese hospitality, thereby contributing to the expansion of our hotel business revenues.

In Singapore, the company is promoting the development of a commercial zone inside a station on the Thomson–East Coast Line. This is the first attempt by a Japanese railway company to develop *eki-naka* stores on an overseas railway line, and it will contribute to the development of railway lines by enhancing convenience for railway users.



Hotel Metropolitan Premier Taipei



Thomson–East Coast Line *eki-naka* development

Employee Voices



HRD and O&M Support Division
Indian HSR Project Support Department
International Affairs Headquarters

Human resource development and O&M initiatives

The division to which I belong is engaged in supporting the development of human resources responsible for the operation and maintenance (O&M) of Indian high-speed railways. This year, we are planning a training program in Japan for 13 people in charge of building the O&M system, and I am responsible for preparing programs and educational materials on the subject of track maintenance and coordinating with the places that have requested training. We haven't offered a long-term training program for supervisor-level foreign nationals before, so we need to create a suitable program that also takes into account differences in language and culture. We are responsible for implementing the training program and will help to promote it.



Global Business Risk Management Group
International Affairs Headquarters

Improving international business skills

Our division is responsible for identifying risks in advance for each international business project and examining countermeasures.

In order for the JR East Group to raise the level and speed of its transformation and improve the profitability of its international business, each and every employee involved in each business must hone their sensitivity to risk and control it more systematically than ever before.

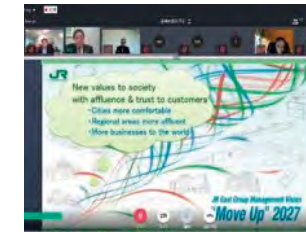
To this end, we are currently creating educational materials and planning training programs that will enable a wide range of employees to learn about the risks of international business, regardless of their workplaces or area of work, with the aim of developing risk-sensitive global human resources. We will continue to promote this initiative and contribute to improving the profitability of our international business.

Contributing to global society through international cooperation and institutions

In fiscal 2020, a total of 630 people from overseas railway companies from about 40 countries visited our company's facilities. By receiving these visitors and having discussions with them, we helped build mutual understanding. We also actively gather and disseminate information through international conferences and events coordinated by organizations that we are members of, such as the International Union of Railways (UIC) and the International Association of Public Transport (UITP).



Observing Shinkansen under maintenance



Online conference (UITP Asia-Pacific regional board meeting)

Human resource development

We provide overseas on-the-job training programs (OJT) in which employees from Japan receive guidance from local experts and take part in actual work for about three months to enhance their knowledge, experience, and technical skills.

In fiscal 2022, we established a new online course for helping build overseas business and language skills, providing a knowledge base for our employees located abroad and further developing our international human resources.

We will continue to develop human resources who can work on overseas projects on an ongoing basis, using online training as well as study abroad and overseas training.



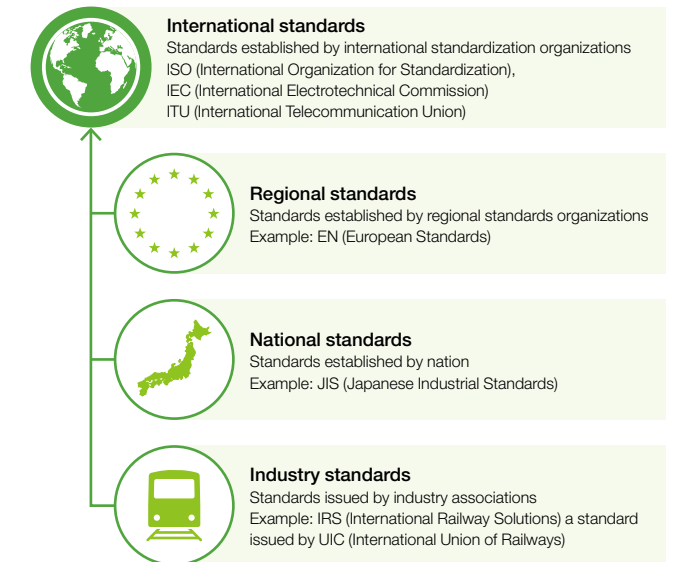
OJT at the Singapore Office



Online meetings for OJT students

Activities for international standardization

In the overseas projects in which our Group has participated to date, we have faced various challenges due to differences in technical specifications between Japan and overseas, including the need to comply with international and European standards. To resolve these issues, and with the aim of facilitating our overseas business development, we are working with the national government and related organizations to incorporate Japanese technology into international and industry standards related to railways, or to make Japanese technology partially compatible with international standards. We will continue to promote the international diffusion of Japanese railway technologies and expand business opportunities for our Group's overseas business through our strategic efforts in international standardization.

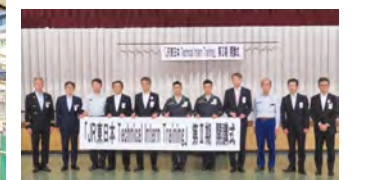


Developing international railway personnel

As one aspect of ESG-oriented management, we are working to develop international railway personnel. We have launched the JR East Technical Intern Training program, based on a technical internship system. The first batch of 11 trainees came to Japan from Vietnam and spent about three years at the Omiya General Rolling Stock Center and JR East Rail Car Technology & Maintenance CO., Ltd learning how to maintain air-conditioning equipment and bogie wheelsets. After completing their training course in March 2022, they returned to their home country. Two new Vietnamese trainees arrived in Japan in May 2022 and are currently undergoing similar training at the Koriyama General Rolling Stock Center and JR East Rail Car Technology & Maintenance Co. Ltd. In the future, we intend to expand the fields of training and the countries from which we accept trainees to contribute to the sustainable economic development of the Asian region.



OJT trainee at the Omiya General Rolling Stock Center during practical training



Opening ceremony for second group of trainees at the Koriyama General Rolling Stock Center

Society

Promoting Innovation

Technical Innovation

The Group's medium- and long-term vision for technical innovation, as formulated in November 2016, is to accelerate research and development activities for the creation of new value based on artificial intelligence (AI) from data gathered through business activities of the entire Group in four key areas—Safety and Security, Services and Marketing, Operations and Maintenance, and Energy and the Environment.

Development of next-generation Shinkansen trains

The ALFA-X train was launched as a testing platform in May 2019, running mainly on the Tohoku Shinkansen between Sendai and Shin-Aomori.

In fiscal 2022, we undertook tests to assess the impact of the high-speed operation on ground facilities, and to confirm various aspects of development, including environmental impact and braking performance.

Introduction of robots

The Mobility Innovations Consortium was formed in 2017 as a forum for fostering mobility through open innovation. Membership includes more than 140 companies and organizations, including Japanese and overseas manufacturers and research institutes. The consortium is conducting various pilot projects, some involving the use of robots. As part of these activities, Takanawa Gateway Station, which opened in March 2020, features state-of-the-art station services. Robots provide guidance using AI, and autonomous mobile security and cleaning robots have been deployed on a trial basis. We have also introduced AI-based guide robots at four stations in the Tohoku region and at Kaihimmakuhari Station [in Chiba Prefecture].



AI-based guidance robot at Takanawa Gateway Station

Challenge of automated driving

JR East is conducting test runs on Series E235 rolling stock on the Yamanote Line to develop a high-performance ATO* for driverless operation. We have also been conducting ATO tests using Series E7 Shinkansen cars. In fiscal 2022, we conducted demonstration tests of automatic operation of a train circulating between Niigata Station and Niigata Shinkansen Rolling Stock Center.



Demonstration test of automatic operation of a detour train

* ATO: Automatic train operation

Practical application of BRT automated driving

In preparation for the realization of bus rapid transit (BRT) automated driving, we conducted driving tests from April to September 2021. In September, we held a test-ride event for automated driving, where local residents experienced automated driving at 60 km/h and an automated stopping test assuming the entry of people on a dedicated road, etc. The test was well received.



Bus rapid transit (BRT) bus



Automated stopping test assuming the entry of people into a dedicated BRT road

Realization of smart maintenance

JR East is drawing up plans to optimize spending on maintenance management by transitioning to condition-based maintenance (CBM), which is based on equipment degradation forecasts and breakdown predictions. We have, to date, focused on periodic inspections for managing maintenance of rolling stock and aboveground equipment that supports railway operations.



Confirmation of monitoring data

By proactively using technological innovation for situational awareness, our maintenance engineers focus on the evaluation duties to raise safety and quality to higher levels.

Examples of CBM

Rolling stock	The status of major equipment is monitored to identify signs of failure and for reviewing inspection methods.
Track	We collect data on track displacement (slight distortion and/or gap of track width) and track materials (rail fastening devices), etc., and use it for prediction of track displacement, confirmation of the material condition, planning support, etc.
Electricity	We collect data on abrasion of trolley wires (wearing of wires caused by friction) etc. and use the data for wear prediction and factor analysis.

In order to achieve smart maintenance, we are installing monitoring devices on commercial trains to observe the status of railway equipment, tracks, and electric power facilities.

For Series E235 rolling stock, which has railcar equipment with condition monitoring functions installed, JR East has taken a new approach to maintenance—the utilization of condition monitoring data.

Since June 2018, some scheduled inspections have been replaced with mid-operation data-driven functional verifications.

In addition, some rolling stock allows for the accumulation of condition monitoring data, which is analyzed to gain insights about the degradation of equipment and to predict serviceable life, and we are looking into the use of such data for future maintenance.

We had installed monitoring equipment on approximately 6,500 km of railway tracks, or about 70% of the tracks in our service area, on a total of 50 lines. By acquiring monitoring data, we are able to carry out preventive maintenance, including implementing timely repairs.



Track equipment monitoring systems (conventional lines)



The SMART-i dedicated maintenance railcar with Shinkansen track equipment monitoring systems for Shinkansen Lines has been introduced on a trial basis.

Realization of smart project management

We will promote the improvement of workstyles at construction sites by conducting demonstration tests. Initiatives include using digital twin technology to reproduce a construction site in a virtual space through images and data acquired on-site, and utilizing 5G, which offers high-speed and large-capacity communications, to transmit the data so that quality confirmation and other operations can be performed in real time at offices and other off-site locations.



Image of remote construction supervision using 5G and digital twin technology

Use of Joi-Tab tablet computers

We began deploying Joi-Tabs (tablet computers) in fiscal 2015 to improve customer services, business operations, and education and training. We currently have approximately 68,500 terminals in use by all employees, including those who do not have PCs at work.



Using a Joi-Tab at a work site

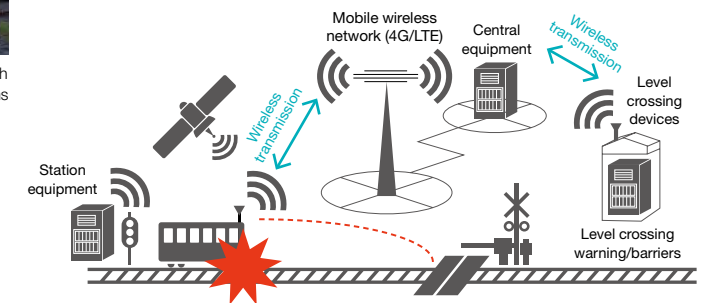
As Joi-Tabs have become more widespread, they are being applied as a human resource development tool that fosters autonomy, with employees themselves devising creative and ingenious ways of using them, and they have become indispensable as web conferencing tools for both internal and external use. In the future, we will position Joi-Connect365 as a core device for total communication, including for employees who are away from our business offices on childcare leave or for other reasons, to enhance job satisfaction for our employees.

GNSS wireless railway crossing control system

We are developing a new GNSS wireless level crossing control system for deployment on local lines. The system uses satellite positioning technology to determine the location of a train, and utilizes mobile communication networks to transmit data between the train and the wayside equipment to provide level crossing warnings and control train speed.

We have been developing and testing level crossing warning control functions, and will continue to develop and test wireless automatic train stop systems (ATS) to further simplify the wayside equipment.

This system is expected to improve safety and streamline level crossing equipment including cables for information transmission, thereby reducing equipment maintenance costs.



Employee Voices



Sendai Transportation Depot
Sendai Branch Office

Accelerating digital transformation through collaboration between railway operations facilities and planning departments

The JR East Group is promoting initiatives to improve the level of safe and reliable transportation using the latest technology.

The Sendai Transport District, where I work, collaborated with the Innovation Strategy Headquarters to develop technology for an application to support crew members in their driving duties.

By including IT companies outside the company in the system and sharing roles through agile development, we were able to complete the application just three months after being set the task.

Since then, we have continued to enhance its functions from the user's point of view, and we are now using this application in our work. We will continue to develop this approach not only in our own workplace but also across the Company, in order to improve the level of safe and reliable transportation in the Group and to further reform our operations utilizing data.



Governance

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Priority commitment goal



Related goal



A Discussion between the President and CEO, an Outside Director, and an Outside Auditor

We will strengthen governance to support ambitious initiatives aimed at achieving “Move Up” 2027.



Kimitaka Mori
Corporate Auditor
(Outside Auditor)

Hiroko Kawamoto
Outside Director

Yuji Fukasawa
President and CEO

To reflect the new market environment that is emerging as the population declines and lifestyles change, we are transforming our business portfolio and creating new value by advancing the JR East Group Management Vision “Move Up” 2027. Outside Director Hiroko Kawamoto, Outside Auditor Kimitaka Mori, and President and CEO Yuji Fukasawa discuss how the Group should evolve its governance to facilitate realization of this vision.

Yuji Fukasawa: As the railway business plays an extremely important role as part of society’s infrastructure, the establishment of governance that guarantees safe, reliable services is the major premise of the JR East Group’s business management. In addition to this prerequisite, we must establish governance that ensures business continuity so that the Group can stay profitable even in a volatile environment. Given the greater-than-expected impact of the COVID-19 pandemic on our businesses, we should analyze risks associated with a range of completely different factors that could threaten the stability of our businesses. Also, we are keenly aware that the stable cash flows of the railway business will not continue forever.

Therefore, now more than ever, we have to take a people-focused approach to governance. In structurally reforming businesses and creating new value, the establishment of a business execution system that encourages employees to take on new challenges is essential. We must place renewed emphasis on the importance of the Group’s existence for stakeholders.

Hiroko Kawamoto: I agree. The JR East Group is one of Japan’s flagship corporate groups, and I feel that its governance is very well developed. However, as a corporate group that provides part of society’s critical infrastructure, this level of governance should be a given. Of importance is how governance systems are managed. In other words, their content is important. In particular, we should focus on realizing business management that is resilient amid change. The ramifications of Darwin’s theory of evolution for organisms hold true for organizations and their realization of sustainable growth—adaptability is more important than strength.

Kimitaka Mori: In achieving adaptability, the incorporation of outside experience is important. I sense that the Company is willing to actively utilize outside opinions. For example, four of the Company’s five auditors are outside directors. In particular, as its businesses provide important public services, the Company needs to analyze the future from medium-, long-, and ultra-long-term viewpoints. I believe that increasing the percentage of outside directors and

objectively monitoring the direction of business management will enable the senior management team to accelerate decisively toward growth.

Fukasawa: As you mentioned, we have appointed directors and auditors with a wide range of expertise and experience. Therefore, we have access to a greater diversity of opinions than before, and I feel that discussions at meetings of the Board of Directors have become livelier. The Personnel Deliberation Committee and the Remuneration Deliberation Committee have likewise become important forums for analyzing business management going forward.

Kawamoto: Furthermore, given that two outside directors and one inside director are women and that its skills matrix is wide ranging, the Board of Directors has been enriched in terms of diversity. I think the Company’s efforts to remain fully informed about developments in an extensive range of fields is praiseworthy.

Strengthening of Group Management

Fukasawa: The railway business is suited to a management approach that progresses incrementally through the achievement of results and targets. On the other hand, the Life-style services and IT & Suica services businesses require business management that backcasts from a long-term target profile and numerical targets. With the aim of realizing both types of business management, we began a large-scale reorganization in 2022. The main goals of this reorganization are to increase our ability to formulate Groupwide strategies and to increase the level and speed of reform that is being advanced under “Move Up” 2027. The second goal will be achieved by transferring authority to sites closer to customers so that the Group evolves into an organization where employees think and take appropriate action on their own initiative.

A Discussion between the President and CEO, an Outside Director, and an Outside Auditor



Up” 2027 is helping all Group employees envision the same future. Once again, I am reminded of the importance of management leadership in accomplishing change.

Kawamoto: I think this shared vision is auspicious and an indication that the Company’s purpose and the purposes of individual employees have begun to align. With respect to business management at this juncture, rather than implementing measures in a uniform top-down manner, employees at each work site should have some leeway in how they tackle measures. In other words, the key is to strike a balance between exercising a certain degree of governance and giving employees some authority and discretion. Such a management approach will enable the maximum utilization of frontline employees’ creativity and ingenuity.

Mori: Achieving such a balance is another important aspect of governance. The aim is not only to control the organization but also to create a free and vigorous corporate culture. Without a liberal culture, no organization can be vitalized.

Role of the Board of Directors

Fukasawa: I would like to make the Board of Directors a forum for an even greater number of constructive discussions on the Company’s fundamental policies based on “Move Up” 2027, specifically management strategies and management plans. Even in a business environment where such factors as the COVID-19 pandemic bring about discontinuous changes, we will pursue sustainable growth and enhancement of the Group’s value over the medium to long term.

Kawamoto: We have discussed long-term strategy in the past, but we need to deepen these discussions even further. Two specific topics we should discuss are the allocation of management resources and global strategy. With regard to management resources, we need to decide where to invest current resources and how to collaborate not only throughout the Group as a whole but also with external startups and venture companies.

Kawamoto: In realizing these reforms, all the Group employees must understand that, paradoxically, maintenance of the status quo in fact poses the greatest risk of all. Of course, being risk averse is extremely important in the railway business. However, when engaging in new businesses, a willingness to accept risks and embrace new challenges is indispensable. As risk always accompanies change, the management team must build a governance system that anticipates and counters risk.

Mori: When I became an outside auditor six years ago, the Company’s risk management and internal control were perfectly suited to supporting the railway business. I have, however, continued to assert that a different approach to governance is needed because governance that suits the railway business is not necessarily applicable to the Life-style services and IT & *Suica* services businesses.

I believe the evolution that the Company’s governance is currently undergoing is the result of the senior management team’s commitment to changing the ratio of transportation and non-transportation operating revenues from the previous level of 7:3 to 5:5. Further, the powerful drive toward “Move

In addition, since global businesses are likely to face more risk than domestic businesses, the discussion and selection of strategies by the Board of Directors will become even more important.

Mori: From the standpoint of an auditor, I believe that enhancement of supervisory capabilities is necessary. Two of the important roles of supervision are to provide an environment in which the executive side can accelerate measures decisively and, at the same time, to always remain vigilant so that the brakes can be firmly applied at critical moments.

A further task from the supervisory point of view is facilitation of the management of the Group. While continuing with thoroughgoing organizational reform of the railway business is important, the Group as a whole needs to build a system that promotes ambitious new initiatives. Accordingly, depending on the situation, I would like to support the functioning of business management by fulfilling the role of better-performing brakes.

Fukasawa: Until now, to some extent we have left management strategies up to each Group company. Going forward, I believe we can maximize the value that the Group provides by having Group companies work together based on a shared vision of the Group’s future.



Roles of Outside Directors in Strengthening Governance

Kawamoto: Rather than being bound by the title of outside director, I would like to draw attention to a wider range of matters that concern me. Based on my experience at an airline, I appreciate that safety is the bedrock of any transportation provider. With this in mind, it is important to initiate discussions by bringing up the ideas and concerns that come to mind when one uses railways as an ordinary passenger.

Mori: As I am an auditor, I focus on overseeing directors’ execution of duties. Rather than simply focusing on compliance, my intention is to examine the effectiveness and efficiency of operations. In supporting the Group’s business management as an auditor, I will draw on my experience both as an accounting auditor and as a management consultant.

Fukasawa: The professional experience of our outside directors is exceptionally varied, and I hope to continue benefiting from opinions and recommendations that are informed by diverse perspectives. Moreover, we will ensure that such insights inspire as many employees as possible by actively providing opportunities for outside directors to visit workplaces and talk with personnel. I am certain these initiatives will help the JR East Group to “Move Up.”

Directors and Auditors (As of July 2022)

Directors

(P: Personnel Deliberation Committee member, C: Compensation Advisory Committee, ①: Number of years in office, ②: Attendance at FY2022 Board of Directors meetings)



Chairman of the Board of Directors

Tetsuro Tomita

① Five years
② 16/16



President and CEO

Yuji Fukasawa

P C

① Five years
② 16/16



Executive Vice President

Yoichi Kise

P C

① Two years
② 16/16



Executive Vice President

Katsumi Ise

① Two years
② 11/12



Executive Vice President

Totaro Ichikawa

① Two years
② 12/12



Executive Director

Atsushi Ouchi

① Two years
② 12/12



Executive Director

Atsuko Ito

① Two years
② 12/12



Executive Director

Chiharu Watari

① One year



Outside Director

Motoshige Ito

P C

① Eight years
② 15/16



Outside Director

Reiko Amano

P C

① Seven years
② 16/16



Outside Director

Hiroko Kawamoto

P C

① Three years
② 16/16



Outside Director

Toshio Iwamoto

P C

① One year

Directors' Skills Matrix

Name	Position and Responsibilities	Corporate Management and Business Strategy	Realization of an Inclusive Society and Promotion of ESG Management	Accounting and Finance	Human Resource Development and Job Satisfaction	Compliance and Risk Management	Technology Innovation and Digital Transformation (DX)	Global Business	Transportation Services and Safety	Life-style Services / Community Development / Lifestyle Development	IT & Svcs Services, MaaS	Regional Development
Tetsuro Tomita	Chairman of the Board of Directors	●	●	●	●	●	●	●	●	●	●	●
Yuji Fukasawa	President and CEO	●	●	●	●	●	●	●	●	●	●	●
Yoichi Kise	Executive Vice President; Director; Executive Vice President and Representative Director and Assistant to the President and Director General Life-style Business Development Headquarters; In charge of Shinagawa Development; In charge of Work & Welfare Strategies Department; In charge of Regional Revitalization	●	●	●	●	●	●	●	●	●	●	●
Katsumi Ise	Executive Vice President; Director; Executive Vice President and Representative Director and Assistant to President and Director General of Technology Innovation Headquarters	●	●	●	●	●	●	●	●	●	●	●
Totaro Ichikawa	Executive Vice President; Director; Executive Vice President and Representative Director and Assistant to President and Director General of Railway Operations and Chief Safety Officer	●	●	●	●	●	●	●	●	●	●	●
Atsushi Ouchi	Executive Director; Deputy General Manager, Technology Innovation Headquarters; In charge of Electrical & Signal Network System department; Deputy General Manager, Railway Operation Division (Electricity), Energy Strategy	●	●	●	●	●	●	●	●	●	●	●
Atsuko Ito	Executive Director; In charge of Inquiry & Audit Department, Group Corporate Strategy Division, Corporate Communications Division, In charge of Corporate and Legal Strategies Department, Reorganization	●	●	●	●	●	●	●	●	●	●	●
Chiharu Watari	Executive Director; Executive Director; In charge of Inquiry & Audit Department, Public Relations Department, Finance Department, and Corporate & Legal Strategies Department	●	●	●	●	●	●	●	●	●	●	●
Motoshige Ito	Outside Director	●	●	●	●	●	●	●	●	●	●	●
Reiko Amano	Outside Director	●	●	●	●	●	●	●	●	●	●	●
Hiroko Kawamoto	Outside Director	●	●	●	●	●	●	●	●	●	●	●
Toshio Iwamoto	Outside Director	●	●	●	●	●	●	●	●	●	●	●

Note: The above list does not represent the entire expertise and experience of each director.

Auditors

①: Number of years in office, ②: Attendance at the FY2022 Board of Directors meetings, ③: Attendance at the meetings of the Board of Auditors in FY2022



Full-Time Corporate Auditor (Outside Auditor)

Keiji Takiguchi

① Four years
② 16/16
③ 16/16



Full-Time Corporate Auditor (Outside Auditor)

Takashi Kinoshita

① Four years
② 16/16
③ 16/16



Corporate Auditor (Outside Auditor)

Kimitaka Mori

① Six years
② 15/16
③ 16/16



Corporate Auditor

Nobuyuki Hashiguchi

① Four years
② 15/16
③ 15/16



Corporate Auditor (Outside Auditor)

Hiroshi Koike

① One year

Corporate Governance

Basic corporate governance philosophy

To achieve sustained business growth and to improve its medium- to long-term corporate value, JR East pursues the achievement of ultimate safety to enhance reliability for customers, and the creation of affluent lives for people as our business, so that the expectations of all our stakeholders—including shareholders, customers, and local communities—will be met by making transparent, fair, firm, and timely decisions.

JR East has set Corporate Governance Guidelines which were developed by the Board of Directors. These guidelines show the basic concept of our corporate governance and its concrete activities and are published on our corporate website.

Governance system

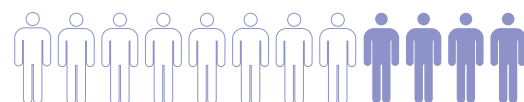
Our Board of Directors consists of 12 members including four outside directors (as of July 2022), and it generally meets monthly to decide statutory requirements and other key operational matters and to supervise overall business operations. The Board of Directors has established an Executive Committee consisting of eight directors and 12 senior executive officers. This Executive Committee generally meets once a week and deliberates on matters to be decided by the Board of Directors, and other important management issues. In addition, the Group Strategy Formulation Committee, consisting of eight directors, 12 senior executive officers, and three executive officers, was formed to develop strategy across the entire Group all and it meets as required to discuss important Group issues such as management strategies for each business field.

Before resolving agenda items to appoint or dismiss directors or the president and representative director, in the interests of objectivity, appropriateness, and transparency, the Board first consults with the Personnel Deliberation Committee, which comprises independent outside directors and other directors.

When determining director compensation, the Board first consults with the Remuneration Deliberation Committee, consisting of independent outside directors and other directors.

Board of Directors

12 (including 4 outside directors)



Auditors

5 (including 4 outside auditors)



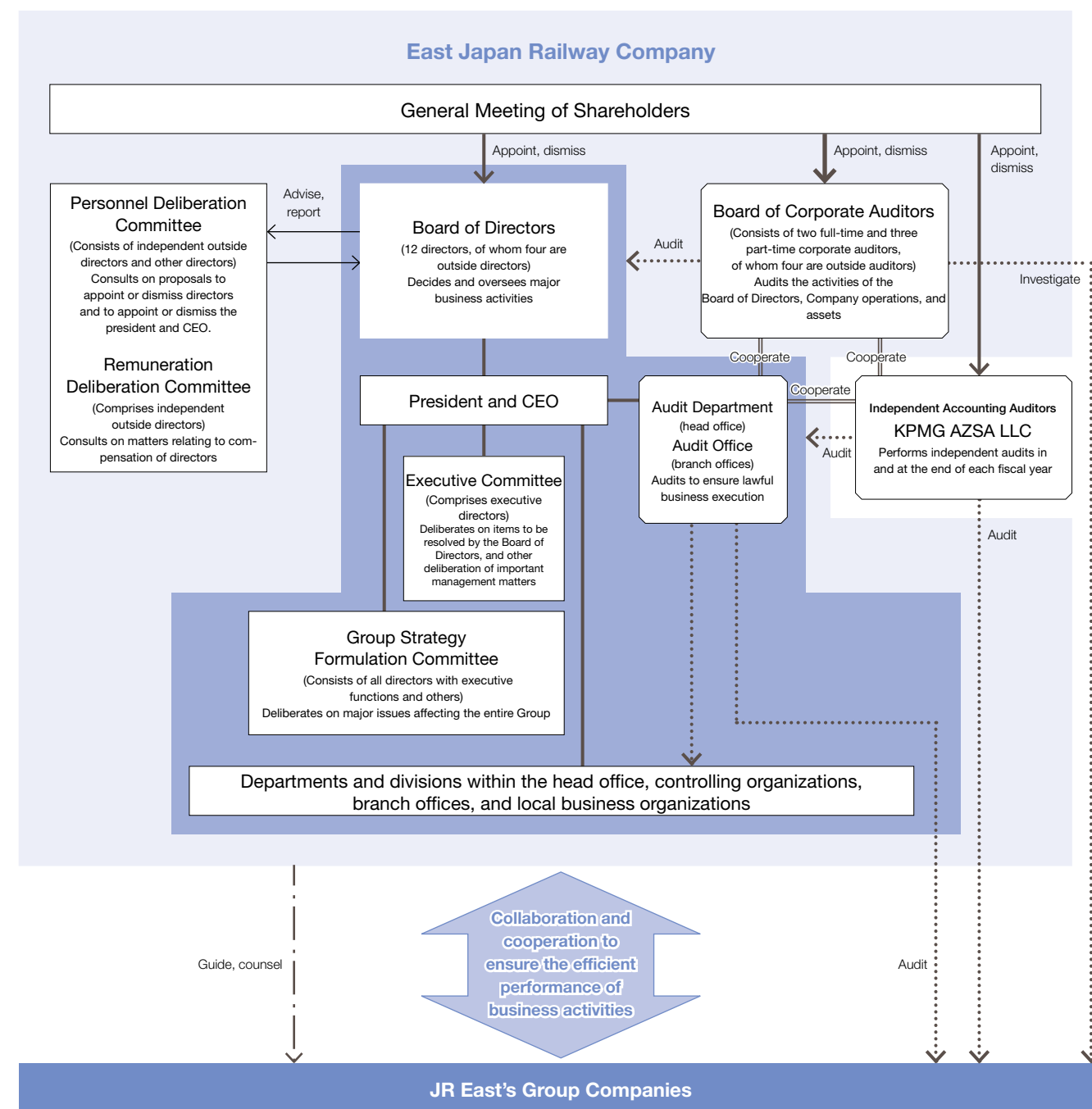
Reasons for adopting our current corporate governance system

We have established a Board of Directors due to the need to make decisions that reflect various types of expertise and experience in areas such as safety assurance in the railway business, which accounts for the majority of earnings, and from a medium- to long-term perspective. We also have in place a Board of Corporate Auditors, which is made up of corporate auditors and is independent from the Board of Directors.

Changes in the Number of Directors (Up to the Introduction of Japan's Corporate Governance Code)



Corporate Governance System (as of June 22, 2022)



Corporate Governance

Audits by corporate auditors, internal audits, and accounting audits

The Company has five corporate auditors, two full-time and three part-time, and four of whom are outside corporate auditors. One of the part-time corporate auditors is qualified as a certified public accountant and has extensive experience related to finance and accounting. We assign around 10 dedicated staff members to assist the corporate auditors.

In accordance with the policy determined by the Board of Corporate Auditors, the corporate auditors attend the meetings of the Board of Directors and other important meetings, listen to reports on the status of the execution of duties from directors and the Internal Audit Department, inspect important approval documents, audit the status of business and financial assets, and listen to reports on the status of the execution of duties from the accounting auditor, with whom they also discuss major audit matters. Furthermore, the corporate auditors communicate with and exchange information with the directors and corporate auditors of Group companies, and obtain reports as needed on the operations of Group companies. In fiscal 2022, due to the COVID-19 pandemic, some audit activities were conducted online. The Company's representative directors and outside directors regularly exchange opinions.

Internal audits are conducted by the Audit Department (at head office) and the Audit Office (at each branch office), staffed with approximately 100 full-time employees, to evaluate and make recommendations on the status of business execution, risk control, and management of measures to realize the JR East Group Management Vision "Move Up" 2027 from the perspectives of effectiveness, efficiency, legality, and adequacy. Based on the audit plan, the staff conduct audits of the head office, controlling bodies, branch offices, and local business organizations. If there is need for improvement, we ask for a report on the situation and provide advice. We also conduct audits of Group companies, and report the audit results to the president and representative directors approximately once a quarter.

There were no major violations of laws or regulations in the matters relating to products and service in fiscal 2022. Accounting auditor KPMG AZSA LLC, which has an audit agreement in place with the Company, conducts audits during and at the end of the fiscal year. As for the mutual cooperation between internal audits, audits by corporate auditors, and accounting audits, regular liaison meetings are held between corporate auditors and officers in charge of the internal audit division and others. Corporate auditors listen to reports about and discuss the status of the execution of duties by the accounting auditor, and corporate auditors, the internal audit division, and the accounting auditor exchange opinions with each other.

Ensuring the effectiveness of the Board of Directors

Every year we perform an analysis and assessment of the effectiveness of the Board of Directors, as described below.

- The effectiveness of the Board of Directors is assessed from the perspective of the Board's roles and responsibilities, including transparent, fair, quick, and decisive decision-making.
- Regarding the assessment method, all directors independently evaluate the Board of Directors' effectiveness. The results of this evaluation are analyzed, independent outside directors are consulted on their opinions, and the Board of Directors' method of operations may be revised, if necessary.

Results of the analysis and assessment of Board of Directors' effectiveness at the Board of Directors meeting on May 13, 2022

The results of the self-assessment confirmed that the Board of Directors appropriately considers matters for deliberation, conducts sufficient reporting to fulfill its role in supervising business execution, and that it has a compliance system in place. On the basis of these results, we determined that its Board of Directors is sufficiently fulfilling its roles and responsibilities, and judged the Board as being effective.

Reflecting the opinions of the independent outside directors, to further enhance the effectiveness of the Board of Directors we have augmented director training through such measures as holding site visits for independent outside directors and hosting lectures by outside experts. In addition, we have worked to strengthen the reporting of the status of progress toward realizing "Move Up" 2027 and to accelerate discussions on business direction and strategy beyond the COVID-19 pandemic.

Approach to Evaluating the Effectiveness of the Board of Directors



Executive compensation

The Company pays directors who are not outside directors base compensation based on their roles as consideration for their everyday business execution, within the scope of the compensation amount resolved at the General Meeting of Shareholders. In addition, these directors receive performance-linked compensation based on management performance, shareholder dividends, and their degree of contribution to operating performance and the achievement of the Company's medium-term management vision during the fiscal year.

In consideration of their job responsibilities, outside directors and corporate auditors receive no performance-linked compensation. They receive base compensation as consideration for business execution within the scope of the compensation amount resolved at the General Meeting of Shareholders.

Details of the Company's executive compensation for fiscal 2022 are shown in the table below.

	People	Total Amount
Directors (excluding outside directors)	11	¥391 million (Base compensation: ¥341 million)
Corporate auditors (excluding outside auditors)	1	¥12 million (Base compensation: ¥12 million)
Outside executives	8	¥136 million (Base compensation: ¥136 million)
Total	20	¥539 million (Base compensation: ¥489 million)

Notes:

- 1) These figures include compensation paid to three directors who stepped down at the close of the 34th Ordinary General Meeting of Shareholders on June 22, 2021 and one director who resigned on July 5, 2021.
- 2) In response to the impact of the COVID-19 pandemic on our business performance, directors (excluding outside directors) voluntarily returned 10% or 20% of their base compensation from April 2021 to March 2022. In addition, full-time corporate auditors received a 10% reduction in base remuneration as decided by the Board of Corporate Auditors. The amounts of base remuneration for directors and corporate auditors in the table above include the amount of remuneration voluntarily returned and the remuneration reductions.

Indices for performance-linked compensation and the reason for their selection

In addition to a director's performance during the year, a director's success during a given business year is measured through an overall assessment of indices including operating results such as operating income, profit attributable to owners of parent during the year, and shareholder returns (business characteristics strongly associated with cooperation among business departments); and level of contribution to "Move Up" 2027 (business characteristics associated with a long span of time from the planning stage to the appearance of results). To assess performance during the year and the level of contribution, the president and representative director conducts goal-setting and tracing interviews with individual directors regarding the achievement level of annual plans and "Move Up" 2027.

Performance-linked compensation is paid as cash remuneration at a fixed time each year. In fiscal 2022, however, performance-linked compensation was reduced beyond the prescribed reduction range in light of the impact on performance exerted by the COVID-19 pandemic.

No non-monetary remuneration is paid.

Ratio of base compensation and compensation linked to performance

The ratio of base compensation to performance-linked compensation for directors who are not outside directors is typically around 4:1, excluding the variable portion for an individual director's performance so that performance-linked compensation accounts for a certain percentage of total compensation. Of this amount, performance-linked compensation will be added to or subtracted from the basic amount for each position within the range of 30% to 40%, depending on the performance of each director. Further reductions may be made after considering circumstances related to the Company's management, including business results for the current fiscal year and business forecast for the next fiscal year.



JR East Group's Internal Control System

Basic concept of internal control system

In the midst of a drastically changing environment surrounding our Group, in order to speed up our transformation and steadily achieve "Move Up" 2027, it is essential to develop and properly operate an internal control system that is appropriate for our management and business environment.

We consider its internal control system to be the combination of efforts by all Group employees to realize the Group's philosophy and the Group's management vision in an appropriate and efficient manner. In addition to compliance, ensuring safety and security, preventing financial losses, and making sure of the soundness of financial statements, we are working on risk management from the perspective of expanding into new business fields, with the aim of developing our Group and increasing its value. The internal control system also motivates employees and supports them in taking on new challenges that will lead to our Group's growth and structural reforms.

We view it as a broad concept that includes systems to ensure the appropriateness of business operations based on the Companies Act and systems to ensure the appropriateness of financial information, based on the Financial Instruments and Exchange Act.

Efforts to develop our Group and increase its value

We support and encourage our Group employees to boldly take on challenges for growth by revitalizing the workplace through the promotion of improvement activities, creating systems to support the realization of ideas, and providing timely awards.

Our Group employees, who play a leading role in the transformation process of our Group, participate in these systems and share their originality and ingenuity, taking on bold challenges that contribute not only to their personal growth but also to the growth of our Group.

In addition, we are constantly improving the environment to promote bold challenges through flexible workstyles and human resource development management that respond to each employee's desire to grow and expand his or her field of activity.

Through these efforts, we aim to ensure stable, appropriate business operations whilst increasing employee engagement, thereby developing our Group and enhancing its value.

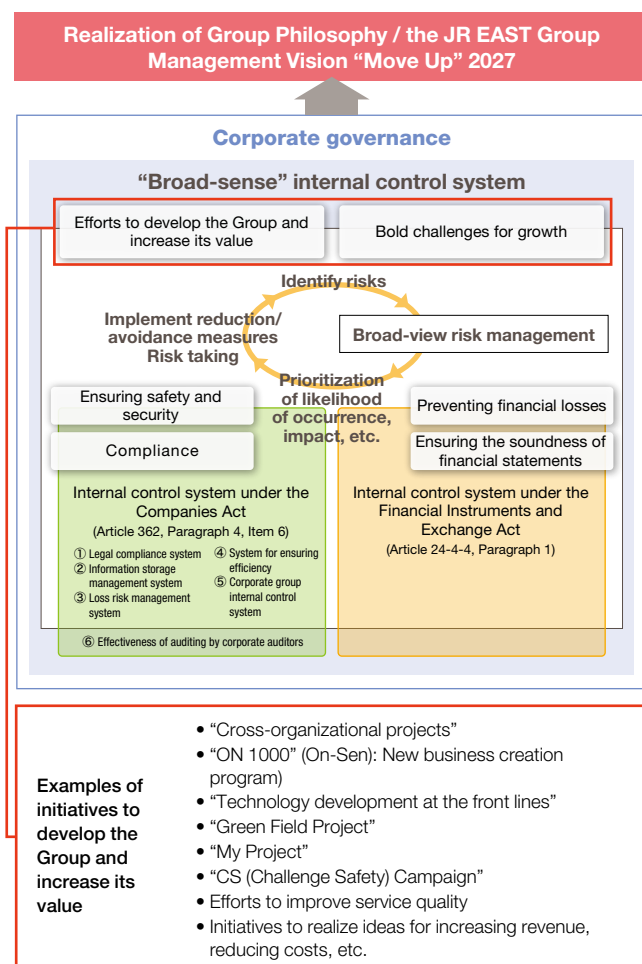
The JR East Group's concept of human capital management

Amid structural changes in the market environment, diversification of values, and changes in the way we work and live as digital transformation (DX) and information and communications technology become more familiar to us, triggered by the COVID-19 pandemic

and other factors, we are also promoting human capital management in line with the times in order to enhance our corporate value sustainably. Specifically, we have already set forth in "Move Up" 2027 the goal of realizing the happiness of our employees and their families. Allowing each our Group employee to play a leading role, we will offer them job satisfaction that contributes to the sustainable growth of all our employees and our Group.

Based on these ideas, we are promoting reforms in workstyles and will work to expand opportunities for employees to play active roles in our Company, and improve job satisfaction and ease of work even in difficult conditions, while responding quickly and flexibly to rapid changes in the business environment. To this end, we are promoting initiatives that integrate top-down and bottom-up approaches and improve employee engagement, so that each and every employee has a sense of participation in management and creates growth opportunities to boldly take on challenges. In addition, we will enhance the wellbeing of our employees through their personal growth and sense of achievement in the workplace, which will lead to the sustainable growth of all our employees and our Group.

JR East Group's Basic Approach to Its Internal Control System



A System That Encourages Group Employees to Boldly Take On New Challenges

Communication with employees

Through on-site visits and other means, executives and senior managers from the head office and branch offices actively communicate with Group employees. Since fiscal 2019, we have been holding talks in which directors (including outside directors) and head office executives exchange opinions and engage in discussions with employees in each area, with the aim of spreading the Group Management Vision "Move Up" 2027 to each workplace and encouraging proactive challenges and transformations by Group employees.

In fiscal 2022, in light of the spread of COVID-19 infections and other factors, executives and head office executives visited each area in person and also participated in online meetings (95 times in fiscal

2022, including Group and partner companies). In addition, communication between executives and employees in the planning department and frontline employees has been stimulated through communication tools such as an intranet for Group employees on which they can post information and comments, and which includes an in-house social networking service.



"Cross-Organizational Projects"

We promote cross-organizational projects to create job satisfaction for our employees and continue to grow sustainably by exercising our creativity in places close to our customers and creating new value that transcends business divisions and organizations. As of July 2022, 34 projects are in progress, with employees from different workplaces forming teams to take on the challenge of solving issues in their areas and line districts.

You Go Project TAKASAKI

In an effort to expand our operations, we have established a general management center that manages an entire area beyond business divisions, and are experimenting with assigning staff to dual roles as station and transportation depot managers.

Through experience with both types of work, we aim to develop managers who can not only expand their own areas of work but also identify and resolve issues in the area as a whole, and examine, make decisions, and develop human resources across the organization.



Employee Voices Keiyo Bayside Line Project

I'm a member of the *Keiyo Bayside Line Project*, which is working to enhance the value and attractiveness of the Keiyo Line and make it the preferred choice of customers and local residents. Our four goals are as follows: bringing smiles to the faces of customers and local residents, creating a unified railway line, pursuing convenience and comfort, and collaborating with local communities to capitalize on the special characteristics of the neighborhoods around each station.

Under the brand concept *Wakuwaku Zokuzoku Keiyo Line* (Exhilarating Keiyo Line), we are implementing a wide range of activities, including Hiking from Stations (in cooperation with local governments), Concerts from Stations (in cooperation with high school brass bands along the line), and the operation of a Wedding Train (in cooperation with local businesses).



Tsudanuma Station, Chiba Branch Office

Diorama exhibition under an elevated station

Employee Voices Rikuu East&West Tozai Line Area Project

The members of our project team are working with the enthusiasm of pioneers opening up new paths! We've organized opportunities for work experience as a train driver, a seafood market, and other events, and have grown as individuals through our work in coordinating with branch offices and people from outside our department. It has reminded us once again of the importance of making connections with many people as we plan and realize our goals.

While we've had many successes, there are still issues to address, especially with attracting customers, and we will investigate how to use newspapers and social media for advertising. We'll continue our activities to make local people smile!



Shinjo Operation Depot, Sendai Branch Office

Shinjo Operation Depot employees selling products at seafood market

JR East Group's Internal Control System

“ON 1000” ((On-Sen): New business creation program)

This initiative invites Group employees to submit stand-alone ideas for new businesses, which are then assessed and incubated with the goal of commercializing them. Some of these ideas have already been turned into enterprises, such as “babycal”, a baby stroller rental service. In fiscal 2022, employees submitted 1,005 applications, and a commercialization verification review was conducted in March 2022.

Examples of Initiatives

* All of the following is current at the time of the feasibility study review.

Support with balancing work and medical treatment: An app for sharing your daily physical condition

This app, which allows people to share data about their physical health, is designed for cancer patients who may be anxious about their daily physical condition and struggle to balance their work commitments with medical treatment, and also for the people that support them. By visualizing their physical condition, the app aims to provide patients with a sense of security and connection with their surroundings, and to expand the circle of understanding among those around them.

(An initiative by employees of JR Tokyo General Hospital, and the life-style Business Development Headquarters [now the Marketing Headquarters])

EV charge from overhead contact lines

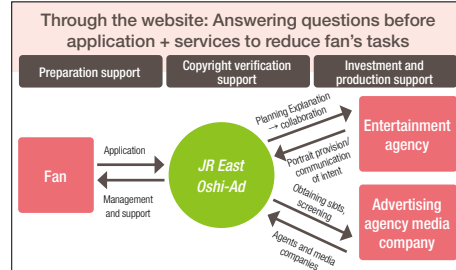
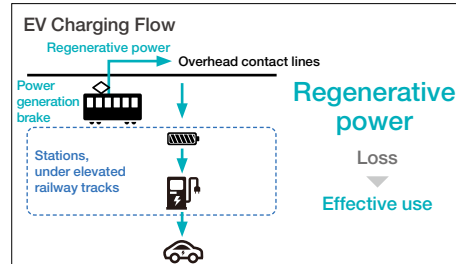
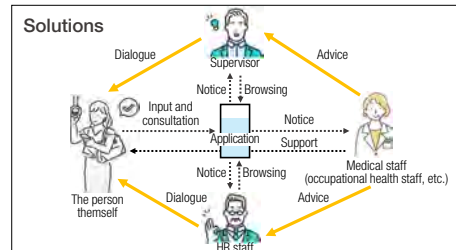
This project provides electric vehicle (EV) recharging services at stations and parking lots along train lines, utilizing the environmentally friendly regenerative power generated by trains. The project aims to provide more convenient recharging facilities for people and businesses that use EVs, for example, on bus routes or while shopping.

(An initiative proposed by an employee at the Facilities Department of the Chiba Branch Office)

JR East Oshi-Ad: Helping fans support their favorite idols (Support with placing fan-funded advertisements for idols)

JR East Oshi-Ad aims to help people who enjoy doing things to support their favorite idols. The service is designed to facilitate a series of processes from conception to publication of fan-funded advertisements for favorite idols. The service aims to provide support according to fans' needs, including copyright checks, coordination with advertising agencies, fund management, and advertisement design.

(Conceived by an employee of the Saitama Operation Depot of the Omiya Branch Office)



Technology Development at the Front Lines

This is an effort to solve technical problems and improve operations on the front lines of the workplace. Timely and meticulous technological development efforts have produced significant results, including improved work safety, labor savings, cost reductions, and workplace revitalization. Between 200 and 300 cases of developments have been reported annually, many of which have resulted in practical applications.

Examples of Initiatives

Development of an access control system using one-time passwords

We have developed an access control system that uses electronic locks with one-time passwords to simplify procedures for station employees when they enter stations for construction, inspection, and troubleshooting, and to enable prompt entry and exit from the station.

This system enables direct access to unstaffed stations by issuing employees with a one-time password that can be used only on the specified date and time following application for entry and station approval on the system from an external terminal. This eliminates the need to lend or borrow keys, reducing administrative work and improving productivity by saving time.

Demonstration tests are under way with the aim of field deployment at various facilities.

(Mechatronics Technology Center, Mito Branch Office, Facilities Department)



Development of wearable terminal with kilometer range display

During structural surveys and inspections, location information is recorded based on kilometer posts (distance markers) and markings on rails. Due to weathering and other factors, however, it sometimes takes time to identify a location.

In response, we developed a wearable, waterproof terminal that can be used for a long period of time, enabling real-time location monitoring.

We are expanding the devices to workplaces with similar challenges within the company and to partner companies.

(Morioka Branch Office, Morioka Civil Structure Technology Center)



Initiatives to Realize Ideas for Increasing Revenue and Reducing Costs

We are working to realize various ideas at each workplace, in cooperation with others inside and outside the Group, such as increasing revenue by revitalizing our events program, reducing costs by reviewing and devising new operations, and working with local governments to revitalize local communities.

Examples of Initiatives

JRE MALL hometown tax return products:

Kofu Station Master for a Day & Kofu Train Station Experience

In response to the local government's request for a "unique hometown tax return gift that is distinctly JR East," Kofu Station and Transportation Depot employees worked together to come up with the idea of the Kofu Station Master for a Day & Kofu Train Station Experience, which took more than six months to plan.

The event was realized through discussions with branch office staff on how to provide hospitality commensurate with the donation amount (¥300,000 per person), including employees themselves taking etiquette courses, and how to ensure the safety of customers. The event attracted a great deal of media attention as a new form of regional cooperation and community revitalization.

The event continues to be held on an ongoing basis and contributes to increased revenues.

(Hachioji Branch Office, Kofu Station [currently Kofu General Management Center], Kofu Transportation Depot)



Initiatives at Group Companies

Group companies are also taking steps to encourage employees to take on new challenges. The results and processes of these efforts are actively shared on the Group's portal site and through other means, leading to the creation of a Groupwide culture of challenge.

Examples of Initiatives

In-house competition for new business proposals: “Today” (JR East Urban Development Co., Ltd.)

This project is being promoted by a voluntary organization within the company to create an environment where many employees are willing to take on challenges, and where there are many people who understand and support them.

Prior to the competition, we hold lectures, workshops, and one-on-one consultations with outside consultants to provide employees with opportunities to grow and take on challenges in stages. Those who pass the screening process are transferred to related departments and assigned full-time work, creating an environment in which they can devote themselves to commercialization, while executives and partner companies also support their challenges.

In 2021, two businesses were actually launched: CHARICO, a fixed-rate rental service for electric bicycles for children with dedicated bicycle parking, and EKIPICK, an unstaffed sales service in station buildings for products that can be purchased outside of business hours.



JR East Group's Internal Control System

Realizing Flexible Workstyles and Diverse Activities of Employees

In order to respond to the growth aspirations of each of our employees and to expand their fields of activity, we have made changes including the establishment of a new on-site business organization (see page 28), and the integration of job titles that used to differ by division, to realize flexible workstyles unrestricted by conventional roles.



Wheelchair assistance by crew members and ticket gate guidance by train inspection employees (Nagano Branch Office, Koumi Line Control Center)

At the Koumi Line Control Center, where station employees, crew members, and employees in charge of vehicle inspection and maintenance work together in the same workplace, station employees used to assist wheelchair users, but at the initiative of an employee who wanted to try integrating the different operations, a trial is under way to have crew members assist wheelchair users instead.

Also at the initiative of an employee, employees in charge of vehicle inspection and repair, who had little contact with customers, began working on station ticket gates and customer information services, thereby improving customer service throughout the center.

We are reexamining our work structure beyond the boundaries of our existing operations and taking on the challenge of new ways of working.



Training in assisting wheelchair users



Vehicle inspection employee providing information at the ticket gate

Employee Voices



Niigata Branch Shonai Regional Center

Management that supports bold challenges

On March 12, 2022, Tsuruoka Station, Sakata Station, and Sakata Transportation District merged to form the Shonai Regional Center. In order to implement a flexible workstyle that is not bound by existing frameworks, the Shonai Regional Center is working on inter-operation of station employees, integration of station transportation operations by crew members, and the transfer of operations from branch offices to support the speedy execution of operations.

As a manager, I value communication with employees. Through conversations with each individual, I am working to create a cooperative workplace.

We will continue to create an attractive Shonai Regional Center where employees can grow and feel fulfilled by their work.



Guidance for crew members performing station transportation services



Assistance in planning operations

Achieving Flexible Workstyles and Improving Well-Being

We believe that having a diverse group of employees who work with vigor and increase their productivity will not only lead to the growth of each individual employee but also to the growth of the company and the creation of new value for society.

Support for employees engaged in childcare or nursing care

To create an environment in which a diverse range of employees can thrive, we offer support to employees who are engaged in childcare or nursing care regardless of gender. Our current system (three years of childcare leave, one year of nursing care leave) surpasses the support required by law (three years of childcare leave, one year of nursing care leave), and includes options to take time off, work shorter hours, and work fewer days. Moreover, we are moving forward with changes that will add measures such as granting time off for spouses of those who have recently given birth and the expansion of leave for childcare and nursing care. Also, we have established on-site nurseries in all 12 branch office areas, which provide 24-hour childcare and other support for employees who work irregular hours. We plan to implement training and seminars to promote understanding when it comes to employees working and engaged in childcare or nursing care. We will also sponsor our Work-Life Program at workplaces. The program delivers information about working while juggling childcare or nursing care responsibilities.

Introduction of remote working, expansion of flextime

Since 2019, JR East has offered some employees a flexible workstyle, allowing them to work remotely from anywhere. We believe a better work-life balance can be attained by reducing the amount of time spent commuting to work and working more efficiently, and using the freed-up time to enhance personal lifestyles. Since 1997, JR East has had a flextime system in place for the Corporate Planning and other departments, allowing employees to adopt more flexible work schedules. In 2019, JR East adjusted its systems in view of actual conditions, introducing a flextime system without a core work time alongside the rollout of remote work, while also expanding its satellite offices. In 2020, the Company expanded its flextime system to include construction offices, general rolling stock centers, power plants, and other worksites and we will continue to support diversification of workstyles.

In 2020, we introduced a flextime system to our current business institutions, and as of April 2022, all personnel are covered by this system. In addition, we have named telecommuting at travel destinations using our own travel products Workation@JRE and have been promoting it since 2021.



Teleworking at the destination (Workation@JRE)

Expansion of the reemployment support system

Since 1994, we have been implementing a reemployment support system for employees who leave the Company in order to raise children or provide nursing care. This system offers such employees information on job vacancies within the JR East Group. In 2019, we removed eligibility restrictions, making it available to all regardless of the reason cited for leaving the Company, and revised the system to allow us to attract a broad range of human resources who used to work for the Company.

JR East Group's Internal Control System

Creating Opportunities for Diverse Work Experiences and Challenges

In order to realize "Move Up" 2027, it is important to develop employees who will boldly take on the challenge of tackling difficult tasks. We are striving to improve the human resource capabilities of the entire Group by steadily passing on technologies and skills, supporting employees with developing their career visions, and expanding initiatives that motivate them.

Expansion of activities to satisfy the motivations of employees

With the aim of responding to the individual motivations of every employee and developing their respective abilities, we are enhancing our elective training and online education opportunities. Specifically, we hold Practical Manager Development Training to cultivate future managers and we have Technological Academy programs to provide educational programs for a wide range of career specialisms and stages.

In addition to traditional group training, we are also working to create an environment where employees can learn what they want to learn, when they want to learn it, using online tools and a library portal that provides access to a variety of video lectures. We also provide opportunities for employees to exchange opinions through head office visits as well as other initiatives to broaden their perspectives and clarify their career visions.



Practical Manager Development Training

Developing human resources to lead DX

To promote digital transformation (DX), it is vital to develop employees with skills in digital technology (digital human resources) as well as knowledge of their particular business fields.

To develop digital human resources throughout the company, we are striving to improve the digital literacy of our employees by encouraging them to obtain the IT Passport basic qualification.

Promoting on-site initiatives (deepening on-site learning)

We have introduced the My Project system, which encourages employees to improve their work and solve problems on their own initiative. We see My Project activities as opportunities for human resource development. This is part of our effort to develop employees who can use their discretion to take action.

We are also encouraging employees to develop their skills by providing training based on initiatives needed by employees in the field, who plan and manage what they want to learn at each site. We are promoting initiatives that enhance employees' ability to learn on their own, and that respond to their desire to grow by planning and managing their own training programs.

Open recruitment system

We offer an open recruitment system as an opportunity for employees to challenge themselves and think about their own career paths. In fiscal 2022, we recruited people for positions in three areas—the Life-style services business, service quality improvement, and international business, and more than 150 of our existing employees have started new career paths with us.

Expansion of opportunities for work experience in Group companies (side jobs)

We are working to expand opportunities for our employees to be active in their own businesses, to provide them with opportunities for growth through diverse work experiences outside the company, and to create new services and added value through the insights gained from these experiences. As of April 2022, approximately 50 employees were engaged in side jobs at Group companies.



Employees engaged in side jobs

Education of next-generation executives and managers of Group companies

We conduct the JR East Executive Management Development Seminars to cultivate next-generation executives and managers of Group companies. We have been implementing the General Manager Course since fiscal 2016, the Section Manager Course since fiscal 2017, and the Next Generation Manager course since fiscal 2021. The Practical Manager Development Training and Technological Academy are also open to employees of Group companies to develop human resources who will play an active role in our Group.



JR East Group Executive Management Development Seminar

Groupwide improvement activities

We hold the My Project Exchange Meeting and the JR East Group Improvement Activity Report Meeting every year to share examples of improvement activities at each company in our Group.

We have presented the KAIZEN President's Award to examples of improvements that serve as a model for promoting standardization of operations within the Group and since fiscal 2021, improvement efforts by each Group company are also eligible for the award. We have been distributing various debriefing sessions online to share best practices with non-participants, giving added impetus to improvement activities.



JR East Group Improvement Activity Report Meeting

Nurturing Employee Diversity

We recognize that the strength of our Group lies in the various perspectives and values that reflect the diversity of employees working in the Group. We will continue to actively promote diversity in order to enable our diverse workforce to maximize their abilities.

Employing people with disabilities

We will continue to create an environment in which employees with disabilities can work actively in various positions, and continue an active recruitment policy. We have about 800 employees with disabilities as of June 2022, and an employment rate of 2.63%, which is above the statutory rate of 2.3%. We will continue our efforts to create a comfortable working environment for all employees.

Employment of senior employees

In fiscal 2009, we introduced a reemployment system—the Elder Employees System—for those between the ages of 60 and 65, so that employees nearing retirement age can count on a stable lifestyle before they become eligible to draw their national pension. The system, which has been extended to include JR East and its Group companies, is also designed to ensure personnel training and the passing on of technical knowledge throughout the Group as large numbers of the employees of Japan's national railways retire at once. As of April 2022, approximately 9,800 employees are enrolled and active as Elder Employees.

Promoting foreign employees

We strive to employ the best candidates regardless of nationality. As of April 2022, we employ approximately 90 foreign nationals in a wide range of areas including at stations and on train crews, as well as in the planning department and other areas.

Employee Voices



JR East Green Partners Co. Ltd.

JR East Green Partners, Co. Ltd., a special subsidiary of JR East, was established in April 2009. It primarily employs people with intellectual disabilities and is mainly responsible for managing JR East uniforms. The company also creates name tags, prints various training and other materials, manages plants, collects and sorts business supplies, and manages amenity goods for TRAIN SUITE SHIKI-SHIMA.

Recently, the company has been involved in the production of wooden straws made from thinned wood and business cards made from a new material, LIMEX. We aim to be environment-friendly and to provide opportunities for staff with disabilities to play an active role in the company.

JR East Group's Internal Control System

Promoting employee success regardless of sexual identity

In addition to supporting the working lives of female employees since the company's inception, we are working to promote understanding of diverse sexual identities (LGBTQ+) and to develop systems to support LGBTQ+ employees. For more details, please refer to page 67.

Opening diversity consultation counters

We have established a Diversity Consultation Window offering consultations for our employees on all diversity-related questions or concerns.

Promotion of Health Management

Health Management Mid-Term Vision 2023

The JR East Group aims to ensure the physical and mental health of all our employees. To maximize their enthusiasm and capabilities and facilitate vigor at work, we are promoting employee health improvements based on our Health Management Mid-term Vision 2023.

Health Management Declaration

The health and vitality of each employee is paramount for the JR East Group to realize "Our Ideal Future" set forth in the management vision "Move Up" 2027 as employees assume the leading role in realizing this vision.

We aim to become a Group that takes the lead for the health and longevity of Japanese society by realizing a spiritually rich life for all people through the practice of health management.

Health management promotion structure

To promote health management, we have established dedicated departments at our head office and branch offices, the JR East Health Promotion Center, the JR Sendai Hospital Health Management Center, and seven railway health examination centers. In addition, we support the health of our employees and contribute to regional medical care in cooperation with JR Tokyo General Hospital and JR Sendai Hospital, both of which are directly operated by JR East.

Health management initiatives in the workplace

- Boosting participation in Companywide walking events
- Conducting online seminars
- Providing exercise video recommendations
- Offering Workplace-based initiatives centered on committees, the My Project program, and other teams related to health promotion
- Supporting employees in developing exercise habits using walking and other exercises, improving diet, sharing accurate health information, etc.
- Presenting awards to workplaces and Group companies that have made progressive efforts and achieved outstanding results, and introducing examples of good practice on a website shared with Group companies
- Improving the work environment using analysis of stress check results



Kenko Yorukatsu (Health promotion activity)



Award to Excellent Workplace (Kawasaki Track Maintenance Technology Center)

In recognition of our various efforts, we have been certified as a White 500 in the Excellent Health Management Corporation 2021 (Large-scale Corporation Category) by the Japan Health Council and the Ministry of Economy, Trade and Industry.



Among Group companies, JR East Sports Corporation was selected as a 2022 Health and Productivity Management Organization (Large Enterprise Category) White 500, and JR East Urban Development Co., Ltd. was selected as a 2022 Health and Productivity Management Organization (Large Enterprise Category). JR East Commercial Development Co., Ltd., JR East Management Service Co., Ltd., and Union-Kensetsu Co., Ltd. have all been certified as a Health and Productivity Management Excellent Corporation 2022 (SME category).

Employee Voices



JR East Nagano Health Promotion Center

Achieving employee health and longevity

A workplace environment that tolerates smoking and drinking has been a problem at the Nagano Branch Office.

We started with a focus on anti-smoking measures. In 2017, we measured levels of particulates in smoking areas and gave our findings to each workplace the following year. These findings prompted us to eliminate a number of smoking areas, ban smoking in our buildings, and provide health education and support for individuals to stop smoking. As a result, the smoking rate of employees decreased from 28.5% in 2017 to 22.5% in 2021. We will continue to aim to reduce the smoking rate to less than 15%.

Our next priority is the development of alcohol countermeasures, which we launched with a lecture on alcohol consumption in 2021. Nagano Prefecture aims to be the prefecture with the healthiest and longest-living people in the world. We will continue our efforts to promote healthy living so that our employees can maintain good physical and mental health and live long and healthy lives.



Risk Management

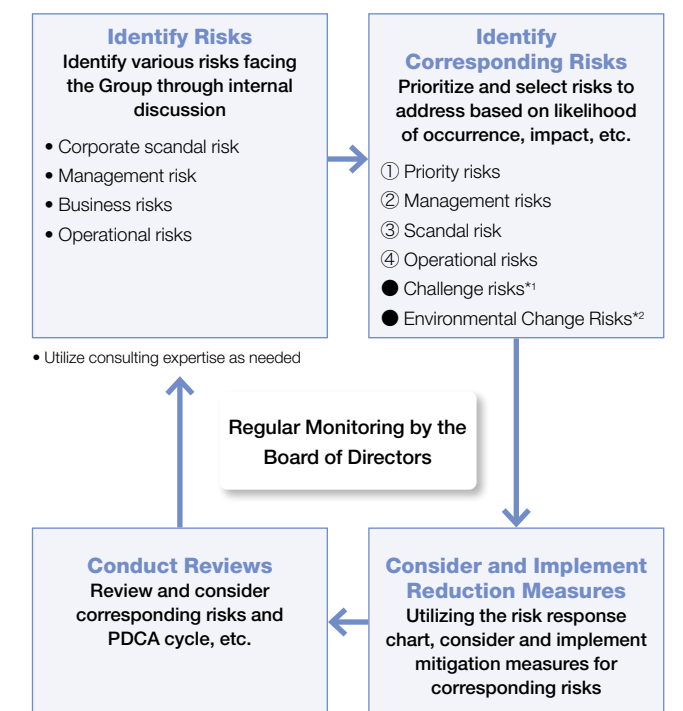
Basic approach to risk management

In addition to the development and operation of the Company's System for Ensuring the Appropriateness of Business Operations, based on the Companies Act, and the System for Ensuring the Appropriateness of Financial Information, based on the Financial Instruments and Exchange Act, we have been working to improve our risk management system. We strive to identify various risks* faced by the Group, prioritizing them based on their likelihood of occurrence and impact, and implement a PDCA (plan-do-check-act) cycle to consider and implement measures to avoid or reduce them, in an effort to curb the occurrence of risks and minimize their impact if they do occur.

Nevertheless, in order for the Group to improve profitability and undertake structural reforms to speed up "Move Up" 2027, we recognize the importance of broad-based risk management from the perspective of proactively increasing the value of the Group, including risk-taking, in addition to considering risks from the perspective of reducing negative factors such as avoiding losses. In addition to ensuring stable and appropriate business operations, the Group's risk management is designed to support and encourage all Group employees to boldly take on challenges toward growth.

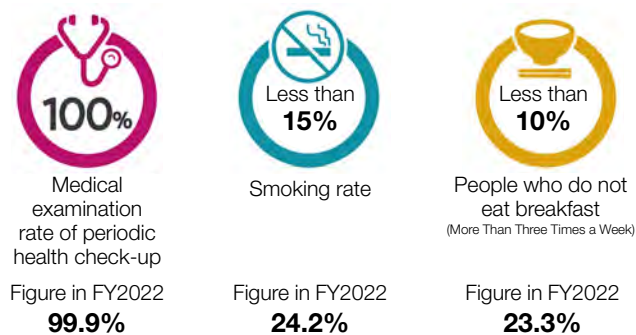
* These include not only risks related to compliance, safety assurance, and natural disasters, but also those related to market changes, competitor trends, social and economic conditions in Japan and overseas, and management decisions related to new businesses.

Risk Management Initiatives



*1 Challenge risks are risks that should be considered when implementing new measures or entering new businesses.
*2 Environmental change risks are risks that increase in importance with changes in the business environment.

Numerical Targets for the End of FY2024



JR East Group's Internal Control System

Compliance

Basic concept of compliance

JR East positions compliance as a basic policy of corporate management to build a better relationship of trust with regional communities and society. We adopted the Policy on Legal and Regulatory Compliance and Corporate Ethics as the Group's corporate activity guidelines, and we comply with all related laws including the Railway Business Act in our various business fields, such as Transportation services, Life-style services and IT & Suica services, and we conduct business in accordance with our corporate ethics.

Overview of Compliance at the JR East Group



Policy on Legal and Regulatory Compliance and Corporate Ethics

We uphold regulatory compliance and corporate ethics in accordance with the Group's philosophy and principles. To improve the efficacy of this policy, we have distributed the Compliance Action Plan Handbook to all members of the Group. This handbook outlines the actions expected of every employee. It is updated periodically to reflect changes in laws and the social environment and was revised to its fifth edition in April 2022.

Furthermore, in conjunction with the development of our overseas business, we formulated and announced the Basic Policy for the Prevention of Bribery Relating to Foreign Public Officials.

Promoting compliance

We conduct training for all staff each year, to help every Group employee better understand the importance of compliance. In fiscal 2022, we discussed the importance of adhering to rules and regulations by systematically highlighting inappropriate events that have occurred within the Company in the past, in an effort to raise awareness. We have also recently introduced video messages from directors and training for managers to keep this knowledge fresh in people's minds.

In addition, we hold annual compliance seminars to consider compliance from a broad perspective, and talks are given by outside lecturers to provide alternative perspectives for future business operations.

The head of each workplace continuously checks operational appropriateness. We use the Basic Items Confirmation Support Sheet, which summarizes fundamental compliance-related matters, for continual checking and confirmation.

Compliance hotline

We have established consultation desks both internally and outside the Group to facilitate compliance-related consultation and reporting. We accept consultations and reports from business partners and retirees and publish our responses to them on our website. To enhance the effectiveness of our internal reporting system, we registered for certification with Japan's Whistleblowing Compliance Management System (WCMS) in May 2021, through the program's "self-declaration of conformity."

In fiscal 2022, we received about 200 consultations and messages on a wide range of issues, from the handling of laws and regulations to problems in human relations including harassment, and we responded to them appropriately and respectfully.

Ensuring information security

JR East has designed and introduced an information security management system outlined by the JR East Group's Basic Policy for Information Security and led by the general manager of the Innovation Strategy Division as the chief information security officer (CISO).

We strive to minimize information security risks by promoting security measures based on the following basic concepts: in-depth defense with multiple security measures, development of a system to promptly detect and respond to cyberattacks, timely software upgrades to address vulnerabilities, and Groupwide deployment of security measures. In addition, we continuously conduct information security education to raise employee awareness of cybersecurity and conduct drills to confirm initial responses in the event of a security incident.

Specific initiatives

- Detecting of fraudulent communications by the Security Operations Center (SOC)
- Implementing vulnerability assessments and countermeasures for business personal computers and systems
- Providing Computer Security Incident Response Team (CSIRT) training on the assumption of cyberattacks
- Thoroughly familiarizing all employees with 10 Points on Information Security (rules for using information equipment)
- Providing annual security training for all employees and periodic targeted email training



10 Points on Information Security

Personal data protection

Pursuant to applicable laws and regulations including the Act on the Protection of Personal Information, JR East Group has published its Basic Policy for Personal Information Handling and formulated the Regulations for the Management of Personal Information, as well as improving our handling of personal information in tandem with legal revisions.

In addition, we are revising our rules to reinforce our personal information management system and reduce the risk of information leaks. We have also appointed chief privacy officers who have the responsibility of strictly protecting personal data. Furthermore, as one of several measures responding to the European Union's General Data Protection Regulation, which came into force in May 2018, we have now published an English-language version of our privacy policy and other materials on our website.

Through leaflets for raising employee awareness, articles in our internal magazines, and compliance education, we are also working to ensure that all employees remain fully aware of the need for the strict handling and management of personal data. Furthermore, in order to ensure proper control of personal data, the Group conducts periodic internal workplace audits.



Leaflet on precautions to take when handling personal information

Dialogue with Investors and Shareholders

We create opportunities for constructive dialogue with shareholders and investors to deepen their understanding of the JR East Group's businesses and to build long-term, trust-based relationships. By building long-term relationships of trust, we aim to achieve sustainable business growth and enhance our corporate value over the medium to long term.

Specific initiatives

- Holding financial results briefings, individual meetings, meetings on themes of particularly high interest, site visits to facilities, and managing overseas investor relations
- Hosting shareholder-only events and seminars for individual investors, and distributing investor relations information via e-mail



Discussion with investors with outside directors (IR Day, March 25, 2022)

The 35th Annual General Meeting of Shareholders (June 22, 2022)

- Attendance: 465 persons
- Voting rights exercised: 82.0%



Intellectual Property Activities

Basic approach to intellectual property activities

In order to promote the Group's management vision "Move Up" 2027 and support the three businesses of Transportation services, Life-style services, and IT & Suica services, we recognize the importance of the appropriate management of intellectual property and the execution of intellectual property strategies that are linked to business strategies.

The JR East Group's basic policy is to appropriately manage our intellectual property which comprises important intangible assets, and, to promote intellectual property activities that create value in the form of trust and affluence based on the Group's philosophy. Specifically, we are enhancing the power of our network by utilizing information (data), technology, and brands, and conducting intellectual property activities that support innovation and offer new lifestyles to our customers. We also respect the intellectual property of third parties as part of our commitment to earning the trust of all stakeholders, local communities, and the international community.

Intellectual property management structure

The Intellectual Property Center of the R&D Unit, Innovation Strategy Headquarters, which is in charge of patents, designs, and technical information, and the Legal Division of the Corporate & Legal Strategies Department, which is in charge of trademarks and copyrights, work together to acquire and utilize intellectual property rights, and formulate and implement intellectual property strategies for the purpose of business co-creation and other activities.

Employee Voices



Innovation Strategy Headquarters
R&D Unit
Intellectual Property Center

Speeding Up "Move Up" 2027 through Intellectual Property Activities

While employed as a conductor, I began working on acquiring qualifications related to intellectual property and applied for a position at the Intellectual Property Center. Now, as an in-house patent attorney, I am working on acquiring electrical-related intellectual property rights, searching for patents from other companies, and making other efforts to implement appropriate management of intellectual property. I am also engaged in proposing new businesses through IP landscapes, an analysis that combines intellectual property-related and other kinds of information.

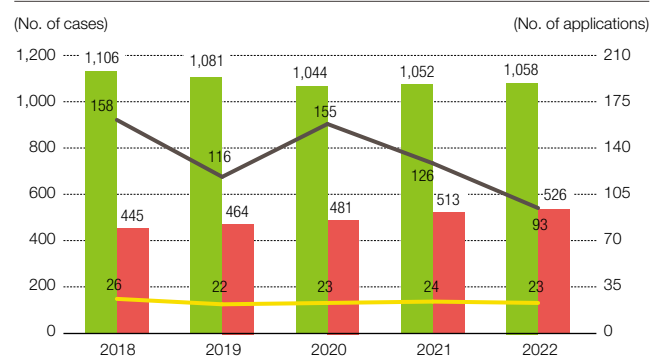
Specific intellectual property activities

The Intellectual Property Center and the Legal Division are engaged in activities such as education and training on intellectual property, portfolio building through the acquisition of patents and trademarks, and the development of intellectual property human resources in the Transportation services, Life-style services, and IT & Suica services businesses.

In terms of awareness-raising and education on intellectual property, we aim to improve the intellectual property literacy of each and every employee through regular training sessions and the use of educational materials and manuals based on past inappropriate events to ensure that all employees are aware of the proper handling of intellectual property.

In building the portfolio, the Company determines whether or not to apply for and maintain patents based on its policy of enhancing the quality of patents and other rights.

Number of Intellectual Property Rights Held and Applications Filed



Left: ■ No. of patents, utility models, and designs held ■ No. of trademarks held
Right: — No. of applications (patents, utility models, designs) — No. of applications (trademarks)

As an example of how we have built a portfolio of three businesses, here are some examples of the design rights we have acquired.

IT & Suica services
JR East App
Registration number D 1661710
(User interface of real-time route search)

Life-style services
STATION BOOTH
Registration number D1653617
(Private telecommuting booths that combine comfort and space saving)

Transportation services
ALFA-X
Left: Registration number D1638210, Right: Registration number D1638283
(Next-generation Shinkansen test train designed to improve safety, stability, comfort, environmental performance, and maintainability)

In building a portfolio of patents and other assets, we are promoting intellectual property activities with the aim of increasing the ratio of the portfolio related to the Life-style services business and the IT & Suica services business, in line with our goal of achieving a 5:5 profit ratio between the Transportation segment and other business segments through Speed Up "Move Up" 2027.

Sustainable Procurement

In line with the Group's management vision "Move Up" 2027, the Group is committed to the realization of a sustainable society by solving social issues through its business operations under the slogan "Practicing ESG Management."

In particular, we communicate with our suppliers in our procurement activities and implement procurement that takes human rights and the environment into consideration throughout the supply chain.

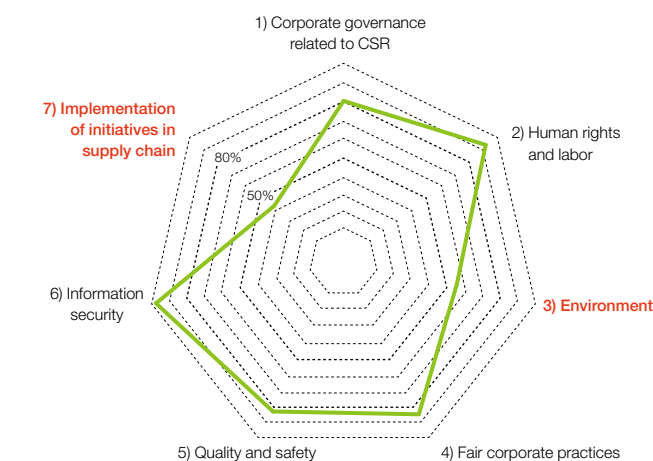
Procurement Policy briefings

We hold briefings on our Procurement Policy for our suppliers and ask for their cooperation in sustainable procurement.

In fiscal 2022, the program was conducted online to prevent the spread of COVID-19, and a total of 347 companies participated.

Questionnaire on Sustainable Procurement

In fiscal 2022, we revamped our corporate social responsibility (CSR) questionnaire, which had previously been sent to our business partners, and asked them to respond to a total of 57 questions under the following seven sections.



The results of five of the seven sections of the survey indicated that over 80% of our business partners have an internal framework in place to carry out sustainability initiatives.

Going forwards, we will focus on discussing items 3 (Environment) and 7 (Implementation of initiatives in supply chain), sharing our business partners' challenges and working together to resolve them.

Communication about quality control

Every year, we visit 20 to 30 manufacturing sites to check quality control and share ideas. We will continue to engage with our suppliers on quality control to ensure that our customers can use our trains safely and securely.

Business continuity planning (BCP)

To ensure that we can immediately procure necessary supplies in the event of an emergency, we communicate with our suppliers on a regular basis and we have an emergency communication system in place that allows us to assess damage in the event of a disaster.

Declaration of Partnership Building

As a supporter of the Declaration of Partnership Building promoted by the government and the business community, JR East aims to build new partnerships and promote cooperation, coexistence, and co-prosperity with our supply chain partners and other value-creating businesses.



JR East Group Procurement Representatives' Conference

We hold liaison meetings among procurement managers from each Group company to share information related to procurement. The meeting is designed to share information on quality control, BCP, human rights, the environment, and other issues, as well as to promote socially responsible procurement.



Compliance consultation

In order to ensure fair and equitable transactions, we have established a contact point for suppliers and others to report compliance concerns related to procurement.

Group Companies at a Glance

Transportation

JR BUS KANTO Co., Ltd.
 JR Bus Tohoku Co., Ltd.
 Tokyo Monorail Co., Ltd.
 JR EAST VIEW Travel Service Co., Ltd.
 JR East Rental & Lease Co., Ltd.
 JR East Net Station Co., Ltd.
 JR East TESSEI Co., Ltd.
 JR East Transportation Services Co., Ltd.
 JR East Environment Access Co., Ltd.
 JR East Station Service Co., Ltd.
 JR Takasaki Railway Services Co., Ltd.
 JR Mito Railway Services Co., Ltd.
 JR Chiba Railway Services Co., Ltd.
 JR East Techno Service Co., Ltd.
 JR Morioka Railway Service Co., Ltd.
 JR Akita Railway Services Co., Ltd.
 JR Niigata Railway Services Co., Ltd.
 JR Nagano Railway Services Co., Ltd.
 JR Higashinohon Linen Co., Ltd.
 JR East Service Creation Co., Ltd.
 JR East Design Corporation
 JR East Facility Management Co., Ltd.
 Union Construction Co., Ltd.
 Japan Railway Track Technology Consultants Co., Ltd.
 Japan Transport Engineering Company
 JR East Rail Car Technology & Maintenance Co., Ltd.

Retail & Services

JR East Cross Station Co., Ltd.
 KINOKUNIYA Co., Ltd.
 JR East TOHOKU SOUGOU SERVICE Co., Ltd.
 East Japan Railway Trading Co., Ltd.
 JR East Logistics Co., Ltd.
 JR East Sports Co., Ltd.
 GALA YUZAWA Co., Ltd.
 JR East Marketing & Communications, Inc.
 JR East Media Co., Ltd.
 The Orangepage, Inc.
 JRE Business Development Taiwan, Inc.
 JR East Business Development SEA Pte. Ltd.

Real Estate & Hotels

atré Co., Ltd.
 LUMINE Co., Ltd.
 Yokohama Station Building Co., Ltd.
 Shonan Station Building Co., Ltd.
 JR Chuo Line Community Design Co., Ltd.
 JR East Department Store Co., Ltd.
 Kinshicho Station Building Co., Ltd.
 Chiba Station Building Co., Ltd.
 JR East Aomori Business-Development Company Co., Ltd.
 JR East Niigata City Create Inc.
 Station Building MIDORI Co., Ltd.
 JR East Building Co., Ltd.
 Nippon Hotel Co., Ltd.
 Sendai Terminal Building Co., Ltd.
 Morioka Terminal Building Co., Ltd.
 Akita Station Building Co., Ltd.
 JR East Urban Development Corporation
 JR East Real Estate Asset Management Co., Ltd.
 JREFU Hotel Management & Consulting Co., Ltd.

Others

JR East Information Systems Company
 JR East Management Service Co., Ltd.
 JR East Personnel Service Co., Ltd.
 JR East Green Partners Co., Ltd.
 Viewcard Co., Ltd.
 JR East Consultants Company
 JR East Mechatronics Co., Ltd.
 Japan International Consultants for Transportation Co., Ltd.
 JR East Energy Development Co., Ltd.
 Shinjuku South Energy Service Co., Ltd.
 Ekimachi Energy Create Co., Ltd.
 JR East Start UP Co., Ltd.

Third-Party Assurance Report



Independent Assurance Report

To the President and CEO of East Japan Railway Company

We were engaged by East Japan Railway Company (the "Company") to undertake a limited assurance engagement of the environmental performance indicators marked with ☆ for the period from April 1, 2021 to March 31, 2022 included in its JR East Group Report INTEGRATED REPORT 2022 (the "Report") for the fiscal year ended March 31, 2022.

The Company's Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the "Company's reporting criteria"), as described in the Report.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the 'International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information' and the 'ISAE 3410, Assurance Engagements on Greenhouse Gas Statements' issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company's responsible personnel to obtain an understanding of its policy for preparing the Report and reviewing the Company's reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria, and recalculating the Indicators.
- Visiting two of the Company's domestic business sites selected on the basis of a risk analysis.
- Evaluating the overall presentation of the Indicators.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the Report.

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Kazuhiko Saito, Partner, Representative Director
 KPMG AZSA Sustainability Co., Ltd.
 Tokyo, Japan
 September 30, 2022

Consolidated 11-Year Financial and Non-Financial Summary

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Millions of Yen											
Operations Results											
Operating Revenues	¥2,532,174	¥2,671,823	¥2,702,917	¥2,756,165	¥2,867,200	¥2,880,802	¥2,950,157	¥3,002,043	¥2,946,639	¥1,764,585	¥1,978,967
Operating Expenses	2,172,149	2,274,260	2,296,123	2,328,643	2,379,379	2,414,492	2,468,861	2,517,182	2,565,798	2,284,943	2,132,906
Operating Income (Loss)	360,025	397,563	406,794	427,522	487,821	466,310	481,296	484,861	380,841	(520,358)	(153,939)
Profit (Loss) Attributable to Owners of Parent	108,738	175,385	199,940	180,398	245,310	277,925	288,957	295,216	198,429	(577,900)	(94,949)
Comprehensive Income	109,304	197,740	214,632	229,293	217,419	293,471	300,647	295,928	173,329	(565,771)	(100,543)
Operating Revenues by Segment*1											
Transportation	¥1,705,794	¥1,809,554	¥1,827,467	¥1,852,040	¥1,954,588	¥1,989,839	¥2,017,877	¥2,038,195	¥1,994,523	¥1,095,730	¥1,277,036
Retail & Services	396,168	404,207	400,948	396,368	399,960	502,414	514,963	521,878	502,075	318,076	278,186
Real Estate & Hotels	229,637	238,945	251,070	254,997	255,979	326,312	340,144	349,014	348,521	271,248	352,672
Others	200,575	219,117	223,432	252,760	256,673	62,237	77,173	92,956	101,520	79,531	71,073
Total	2,532,174	2,671,823	2,702,917	2,756,165	2,867,200	2,880,802	2,950,157	3,002,043	2,946,639	1,764,585	1,978,967
Financial Position											
Total Assets	¥7,060,409	¥7,223,205	¥7,428,304	¥7,605,690	¥7,789,762	¥7,911,115	¥8,147,676	¥8,359,676	¥8,537,060	¥8,916,420	¥9,091,425
Consolidated Interest-Bearing Debt	3,340,233	3,307,483	3,288,401	3,275,523	3,241,979	3,211,074	3,179,660	3,163,731	3,312,344	4,350,250	4,703,739
Shareholders' Equity	1,874,404	2,030,666	2,180,633	2,285,658	2,442,129	2,653,419	2,859,330	3,067,174	3,146,196	2,535,027	2,394,928
Cash Flows											
Cash Flows from Operating Activities	¥ 558,650	¥ 588,529	¥ 562,764	¥ 622,762	¥ 673,110	¥ 652,907	¥ 704,194	¥ 663,801	¥ 548,693	¥ (189,968)	¥ 190,507
Cash Flows from Investing Activities	(370,685)	(465,952)	(474,698)	(476,844)	(499,575)	(557,539)	(541,857)	(594,426)	(701,601)	(749,397)	(526,358)
Cash Flows from Financing Activities	(152,428)	(101,151)	(91,367)	(86,636)	(110,266)	(116,280)	(135,100)	(120,693)	43,410	983,386	304,642
Stock Information											
Earnings per Share	¥ 275	¥ 444	¥ 507	¥ 459	¥ 626	¥ 714	¥ 749	¥ 773	¥ 525	¥ (1,532)	¥ (252)
Shareholders' Equity per Share	4,739	5,136	5,529	5,818	6,232	6,826	7,427	8,047	8,340	6,720	6,349
Cash Dividends per Share*2	110	120	120	120	130	130	140	150	165	100	100
Financial Indicators											
Profit / Operating Revenues (%)	4.3	6.6	7.4	6.5	8.6	9.6	9.8	9.8	6.7	(32.7)	(4.8)
Return on Average Equity (ROE) (%)	5.9	9.0	9.5	8.1	10.4	10.9	10.5	10.0	6.4	(20.3)	(3.9)
Ratio of Operating Income to Average Assets (ROA) (%)	5.1	5.6	5.6	5.7	6.3	5.9	6.0	5.9	4.5	(6.0)	(1.7)
Equity Ratio (%)	26.5	28.1	29.4	30.1	31.4	33.5	35.1	36.7	36.9	28.4	26.3
Interest-Bearing Debt to Shareholders' Equity (times)	1.8	1.6	1.5	1.4	1.3	1.2	1.1	1.0	1.1	1.7	2.0
Interest Coverage Ratio (times)	5.5	6.2	6.3	7.6	8.8	9.2	10.9	10.5	9.0	—	3.1
Interest-Bearing Debt / Net Cash Provided by Operating Activities (times)	6.0	5.6	5.8	5.3	4.8	4.9	4.5	4.8	5.8	—	24.7
Total Return Ratio (%)	—	31.8	29.3	32.3	33.0	32.6	32.9	32.9	31.4	—	—
Others											
Depreciation	¥ 358,704	¥ 346,808	¥ 348,042	¥ 353,251	¥ 359,515	¥ 364,129	¥ 367,998	¥ 368,723	¥ 374,743	¥ 388,828	¥ 392,626
Capital Expenditures*3	370,199	480,717	525,708	522,127	541,949	506,727	550,478	629,925	740,648	692,250	520,018
Interest Expenses	101,073	95,312	88,279	81,962	76,332	70,258	64,733	62,545	60,786	60,663	62,158
Non-Financial Data											
Number of Consolidated Subsidiaries (As of March 31)	72	72	73	72	67	67	69	70	71	71	69
Number of Employees	71,729	73,017	73,551	73,329	73,053	73,063	73,193	72,402	71,812	71,973	71,240
Personnel Expenses	¥ 692,663	¥ 716,700	¥ 728,000	¥ 721,676	¥ 728,296	¥ 722,279	¥ 725,320	¥ 727,627	¥ 729,231	¥ 660,424	¥ 632,412
Operating Revenues from Non-Transportation Operations (%)	32.6	32.3	32.4	32.8	31.8	32.0	31.6	32.1	32.3	37.9	35.5

*1 Due to a change in the reporting segment classification from fiscal 2018, figures for fiscal 2017 onward have been reclassified to reflect the new segment classification.

*2 The total amount of dividends for each fiscal year consists of interim dividends and year-end dividends.

*3 Total capital expenditures do not include expenditures funded by the government or other third parties.

Consolidated Balance Sheets

East Japan Railway Company and Subsidiaries
March 31, 2021 and 2022

	Millions of Yen		Millions of U.S. Dollars
	2021	2022	2022
Assets			
Current Assets:			
Cash and cash equivalents	¥ 197,960	¥ 171,023	\$ 1,402
Receivables:			
Accounts receivable—trade	499,105	542,996	4,451
Contract assets	—	4,202	34
Unconsolidated subsidiaries and affiliated companies	12,725	9,954	82
Other	5,628	6,949	57
Allowance for doubtful accounts	(2,572)	(2,802)	(23)
	514,886	561,299	4,601
Inventories	83,647	94,214	772
Real estate for sale	4,081	18,006	148
Other current assets	97,833	62,459	511
Total current assets	898,407	907,001	7,434
Investments:			
Unconsolidated subsidiaries and affiliated companies	80,410	91,194	747
Other	237,317	212,565	1,743
	317,727	303,759	2,490
Property, Plant and Equipment:			
Buildings	3,166,124	3,261,492	26,734
Structures	6,413,547	6,515,476	53,406
Machinery, rolling stock, and vehicles	2,976,147	3,016,675	24,727
Land	2,145,695	2,164,997	17,746
Construction in progress	361,627	334,610	2,743
Other	302,586	308,269	2,525
	15,365,726	15,601,519	127,881
Less accumulated depreciation	8,247,575	8,423,663	69,046
Net property, plant and equipment	7,118,151	7,177,856	58,835
Other Assets:			
Deferred tax assets	344,825	442,562	3,628
Other	237,310	260,247	2,133
	582,135	702,809	5,761
	¥ 8,916,420	¥ 9,091,425	\$ 74,520

	Millions of Yen		Millions of U.S. Dollars
	2021	2022	2022
Liabilities and Net Assets			
Current Liabilities:			
Short-term borrowings	¥ 300,000	¥ 60,749	\$ 498
Current portion of long-term debt	223,320	252,500	2,070
Current portion of long-term liabilities incurred for purchase of railway facilities	4,215	3,806	31
Prepaid railway fares received	77,526	69,599	570
Payables:			
Accounts payable—trade	50,255	46,036	377
Unconsolidated subsidiaries and affiliated companies	104,521	87,627	718
Other	640,184	587,835	4,819
	794,960	721,498	5,914
Accrued expenses	100,680	92,116	755
Accrued consumption taxes	7,857	34,655	284
Accrued income taxes	22,074	10,938	90
Allowance for partial transfer costs of railway operation	—	129	1
Other current liabilities	502,218	442,569	3,628
Total current liabilities	2,032,850	1,688,559	13,841
Long-Term Liabilities:			
Long-term debt	3,089,181	3,741,616	30,669
Long-term liabilities incurred for purchase of railway facilities	318,874	315,067	2,583
Net defined benefit liability	482,222	465,347	3,814
Deposits received for guarantees	151,849	151,972	1,246
Deferred tax liabilities	5,221	2,310	19
Allowance for partial transfer costs of railway operation	1,131	—	—
Provision for large-scale renovation of Shinkansen infrastructure	120,000	144,000	1,180
Other long-term liabilities	157,731	164,443	1,348
Total long-term liabilities	4,326,209	4,984,755	40,859
Contingent Liabilities			
Net Assets:			
Common stock:			
Authorized 1,600,000,000 shares;			
Issued, 2022—377,932,400 shares;			
Outstanding, 2022—377,238,734 shares	200,000	200,000	1,639
Capital surplus	96,523	96,411	790
Retained earnings	2,181,571	2,047,408	16,782
Treasury stock, at cost, 693,666 shares in 2022	(5,554)	(5,564)	(46)
Accumulated other comprehensive income:			
Net unrealized holding gains (losses) on securities	54,322	47,830	392
Net deferred gains (losses) on derivatives under hedge accounting	2,137	2,464	20
Revaluation reserve for land	(434)	(257)	(2)
Foreign currency translation adjustments	(25)	258	2
Remeasurements of defined benefit plans	6,487	6,378	53
Non-controlling interests	22,334	23,183	190
Total net assets	2,557,361	2,418,111	19,820
	¥ 8,916,420	¥ 9,091,425	\$ 74,520

Consolidated Statements of Operations and Comprehensive Income

East Japan Railway Company and Subsidiaries
Years ended March 31, 2021 and 2022

(I) Consolidated Statements of Operations

	Millions of Yen		Millions of U.S. Dollars
	2021	2022	2022
Operating Revenues	¥1,764,585	¥1,978,967	\$16,221
Operating Expenses:			
Transportation, other services and cost of sales	1,724,645	1,596,069	13,083
Selling, general and administrative expenses	560,298	536,837	4,400
	2,284,943	2,132,906	17,483
Operating Income (Loss)	(520,358)	(153,939)	(1,262)
Other Income (Expenses):			
Interest expense on short- and long-term debt	(39,396)	(41,114)	(337)
Interest expense incurred for purchase of railway facilities	(21,267)	(21,044)	(172)
Loss on sales of fixed assets	(160)	(166)	(1)
Impairment losses on fixed assets	(80,032)	(9,652)	(79)
Interest and dividend income	5,044	9,801	80
Equity in net income (loss) of affiliated companies	(13,417)	12,016	98
Gain on sales of investment in securities	369	20,652	169
Gain on sales of fixed assets	11,660	6,498	53
Provision for allowance for earthquake-damage	(6,968)	(21,256)	(174)
Disaster-damage losses	(593)	(377)	(3)
Subsidies for cooperation income	184	6,627	54
Other, net	(38,657)	11,452	94
	(183,233)	(26,563)	(218)
Income (Loss) before Income Taxes	(703,591)	(180,502)	(1,480)
Income Taxes:			
Current	13,264	12,528	103
Deferred	(134,154)	(98,505)	(808)
Profit (Loss)	(582,701)	(94,525)	(775)
Profit (Loss) Attributable to Non-Controlling Interests	(4,801)	424	3
Profit (Loss) Attributable to Owners of Parent	¥ (577,900)	¥ (94,949)	\$ (778)

	Yen		U.S. Dollars
Earnings per Share	¥ (1,532)	¥ (252)	\$ (2)
Cash Dividends Applicable to the Year	100	100	1

(II) Consolidated Statements of Comprehensive Income

	Millions of Yen		Millions of U.S. Dollars
	2021	2022	2022
Profit (Loss)	¥(582,701)	¥ (94,525)	\$(775)
Other Comprehensive Income:			
Net unrealized holding gains (losses) on securities	16,930	(6,018)	(49)
Net deferred gains (losses) on derivatives under hedge accounting	20,844	(5,650)	(46)
Foreign currency translation adjustments	(260)	327	2
Remeasurements of defined benefit plans	(10)	257	2
Share of other comprehensive income of associates accounted for using equity method	(4,439)	(784)	(6)
	795	(168)	(1)
Comprehensive Income	¥(565,771)	¥(100,543)	\$(824)
Comprehensive Income Attributable to:			
Comprehensive income attributable to owners of parent	¥(560,990)	¥(100,973)	\$(828)
Comprehensive income attributable to non-controlling interests	(4,781)	430	4

Consolidated Statements of Changes in Net Assets

East Japan Railway Company and Subsidiaries
Years ended March 31, 2021 and 2022

	Shares						Millions of Yen					
	Number of Issued Shares of Common Stock	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Net Unrealized Holding Gains (Losses) on Securities	Net Deferred Gains (Losses) on Derivatives under Hedge Accounting	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Remeasurements of Defined Benefit Plans	Non-Controlling Interests	Total
Balance at March 31, 2020	377,932,400	¥200,000	¥96,796	¥2,809,369	¥(5,547)	¥32,976	¥2,405	¥(418)	¥(15)	¥10,630	¥27,231	¥3,173,427
Cash dividends (¥100 per share)				(50,032)								(50,032)
Loss attributable to owners of parent				(577,900)								(577,900)
Increase/decrease due to merger				134								134
Purchase of treasury stock					(8)							(8)
Disposal of treasury stock				(0)	1							1
Change of scope of consolidation												
Capital increase of consolidated subsidiaries			(66)									(66)
Purchase of shares of consolidated subsidiaries			(207)									(207)
Reversal of revaluation reserve for land												
Other						21,346	(268)	(16)	(10)	(4,143)	(4,897)	12,012
Balance at March 31, 2021	377,932,400	¥200,000	¥96,523	¥2,181,571	¥(5,554)	¥54,322	¥2,137	¥(434)	¥(25)	¥6,487	¥22,334	¥2,556,132
Cumulative effects of changes in accounting policies				(1,229)								(1,229)
Restated balance		200,000	96,523	2,180,342	(5,554)	54,322	2,137	(434)	(25)	6,487	22,334	2,556,132
Cash dividends (¥100 per share)				(37,760)								(37,760)
Loss attributable to owners of parent				(94,949)								(94,949)
Increase/decrease due to merger			(13)	667								654
Purchase of treasury stock					(11)							(11)
Disposal of treasury stock				(0)	1							1
Change of scope of consolidation				(715)								(715)
Capital increase of consolidated subsidiaries			(99)									(99)
Purchase of shares of consolidated subsidiaries												
Reversal of revaluation reserve for land				(177)								(177)
Other						(6,492)	327	177	283	(109)	849	(4,955)
Balance at March 31, 2022	377,932,400	¥200,000	¥96,411	¥2,047,408	¥(5,564)	¥47,830	¥2,464	¥(257)	¥258	¥6,378	¥23,183	¥2,418,111

	Shares						Millions of U.S. Dollars					
	Number of Issued Shares of Common Stock	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Net Unrealized Holding Gains (Losses) on Securities	Net Deferred Gains (Losses) on Derivatives under Hedge Accounting	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Remeasurements of Defined Benefit Plans	Non-Controlling Interests	Total
Balance at March 31, 2021	377,932,400	\$1,639	\$791	\$17,882	\$(46)	\$446	\$18	\$(4)	\$(0)	\$53	\$183	\$20,962
Cumulative effects of changes in accounting policies				(10)								(10)
Restated balance		1,639	791	17,872	(46)	446	18	(4)	(0)	53	183	20,952
Cash dividends (\$1 per share)				(310)								(310)
Loss attributable to owners of parent				(778)								(778)
Increase/decrease due to merger			(0)	5								5
Purchase of treasury stock					(0)							(0)
Disposal of treasury stock				(0)	0							0
Change of scope of consolidation				(6)								(6)
Capital increase of consolidated subsidiaries			(1)									(1)
Purchase of shares of consolidated subsidiaries												
Reversal of revaluation reserve for land				(1)								(1)
Other						(54)	2	2	2	(0)	7	(41)
Balance at March 31, 2022	377,932,400	\$1,639	\$790	\$16,782	\$(46)	\$392	\$20	\$(2)	\$2	\$53	\$190	\$19,820

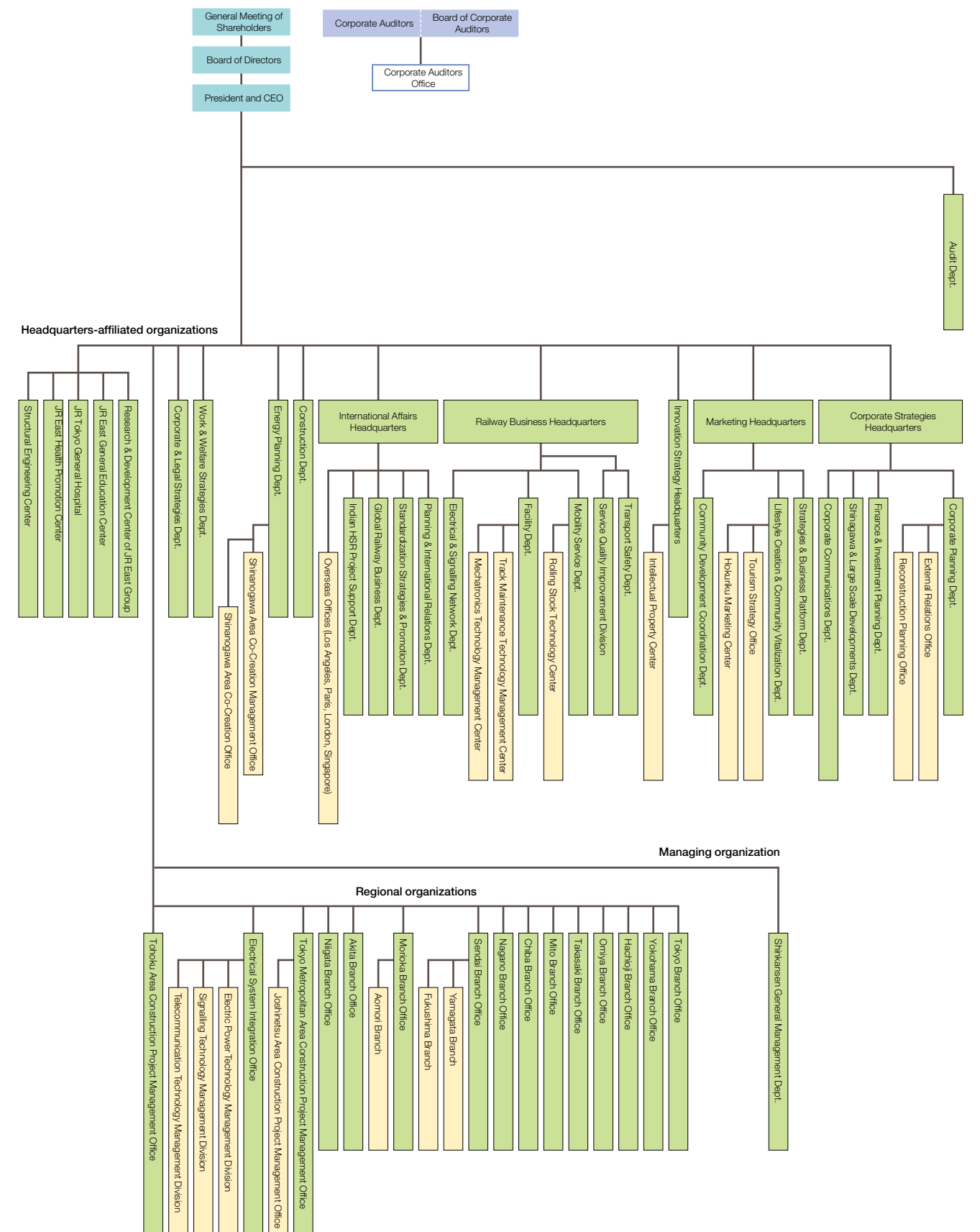
Consolidated Statements of Cash Flows

East Japan Railway Company and Subsidiaries
Years ended March 31, 2021 and 2022

	Millions of Yen		Millions of U.S. Dollars
	2021	2022	2022
Cash Flows from Operating Activities:			
Income (Loss) before income taxes	¥(703,591)	¥(180,502)	\$(1,480)
Depreciation	388,828	392,626	3,218
Impairment losses on fixed assets	80,032	9,652	79
Amortization of long-term prepaid expenses	11,170	11,280	92
Net change in provision for large-scale renovation of Shinkansen infrastructure	24,000	24,000	197
Net change in net defined benefit liability	(36,057)	(17,595)	(144)
Interest and dividend income	(5,044)	(9,801)	(80)
Interest expense	60,663	62,158	509
Construction grants received	(28,957)	(20,784)	(170)
Loss from disposition and provision for cost reduction of fixed assets	55,783	47,359	388
Net change in major receivables	67,593	(43,869)	(360)
Net change in major payables	6,715	(27,555)	(226)
Other	(15,650)	21,662	178
Sub-total	(94,515)	268,631	2,201
Proceeds from interest and dividends	6,498	11,821	97
Payments of interest	(60,555)	(61,426)	(503)
Insurance proceeds related to earthquake	—	6,000	49
Payments of Disaster-damage losses	(12,375)	(8,948)	(73)
Payments of partial transfer costs of railway operation	(997)	(1,157)	(9)
Payments of income taxes	(28,024)	(24,414)	(200)
Net cash provided by (used in) operating activities	(189,968)	190,507	1,562
Cash Flows from Investing Activities:			
Payments for purchases of fixed assets	(765,483)	(583,055)	(4,779)
Proceeds from sales of fixed assets	13,921	8,108	66
Proceeds from construction grants	30,699	34,482	283
Payments for purchases of investment in securities	(7,125)	(10,248)	(84)
Proceeds from sales of investment in securities	1,356	40,159	329
Other	(22,765)	(15,804)	(129)
Net cash used in investing activities	(749,397)	(526,358)	(4,314)
Cash Flows from Financing Activities:			
Net change in short-term loans	300,000	(239,251)	(1,961)
Commercial paper	265,000	(85,000)	(697)
Proceeds from long-term loans	281,700	298,650	2,448
Payments of long-term loans	(115,293)	(139,393)	(1,143)
Proceeds from issuance of bonds	430,003	612,303	5,019
Payments for redemption of bonds	(120,000)	(90,000)	(738)
Payments of liabilities incurred for purchase of railway facilities	(4,624)	(4,215)	(35)
Cash dividends paid	(50,032)	(37,760)	(310)
Other	(3,368)	(10,692)	(86)
Net cash provided by financing activities	983,386	304,642	2,497
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(18)	283	2
Net Change in Cash and Cash Equivalents	44,003	(30,926)	(253)
Cash and Cash Equivalents at Beginning of Year	153,794	197,960	1,622
Increase in Cash and Cash Equivalents from Newly Consolidated Subsidiary	—	3,300	27
Increase in Cash and Cash Equivalents due to Merger	163	689	6
Cash and Cash Equivalents at End of Year	¥ 197,960	¥ 171,023	\$ 1,402

Organization

As of October 2022



Corporate Data

As of March 31, 2022

Paid-in Capital

¥200,000 million

Rating Information

AA+ (Rating and Investment Information, Inc.)

A+ (S&P Global Ratings Japan Inc.)

A1 (Moody's Japan K.K.)

Comparison of Market Capitalization

INTERNATIONAL

Total Stock Market Value

Millions of U.S. Dollars



DOMESTIC

Total Stock Market Value

Billions of Yen

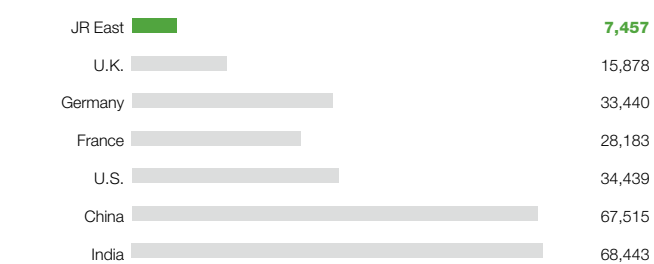


International Railway Comparisons*

TRANSPORTATION MARKET

Railway Line Networks

Kilometers

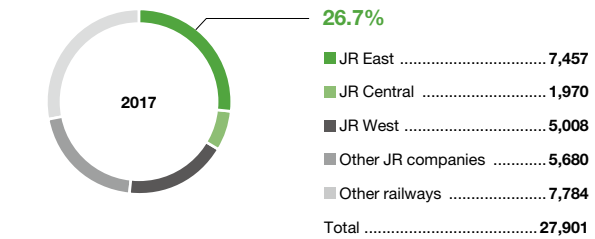


Railway Operations in Japan

SHARE OF DOMESTIC RAILWAYS

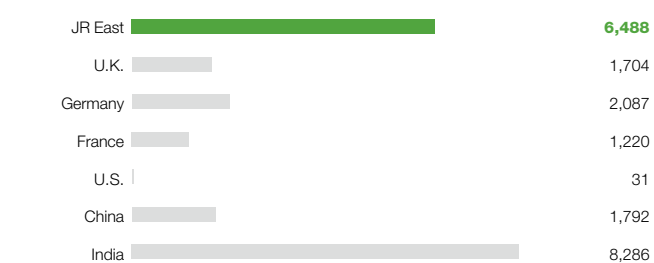
Passenger Line Network

Kilometers



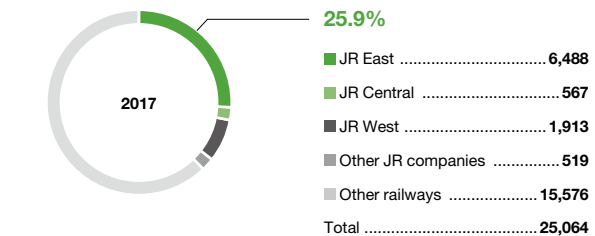
Number of Passengers

Millions



Number of Passengers

Millions



* Figures are for the years ended March 2018 for JR East, September 2018 for the U.K. (Office of Rail and Road), December 2018 for Germany (Deutsche Bahn), December 2018 for France (Société Nationale des Chemins de fer Français [SNCF]), September 2018 for the U.S. (Amtrak), December 2018 for China (CHINA RAILWAY), and March 2018 for India (Indian Railways).

Stock Information

As of March 31, 2022

Fiscal Year

April 1 to March 31

Total Number of Shares Issued

377,932,400

Number of Shareholders

299,999

Stock Exchange Listing

Tokyo

Transfer Agent

Mitsubishi UFJ Trust and Banking Corporation
4-5, Marunouchi 1-chome,
Chiyoda-ku, Tokyo 100-8212, Japan

Major Shareholders

Names of Shareholders	Number of Shares Held (Shares)	Shareholding Percentage (%)
The Master Trust Bank of Japan, Ltd. (as Trustee)	52,894,600	14.01
Custody Bank of Japan, Ltd. (as Trustee)	15,212,500	4.03
Mizuho Bank, Ltd.	13,000,000	3.44
The JR East Employees Shareholding Association	12,693,807	3.36
MUFG Bank, Ltd.	8,138,000	2.16
Nippon Life Insurance Company	8,015,560	2.12
Sumitomo Mitsui Banking Corporation	6,845,000	1.81
STATE STREET BANK WEST CLIENT - TREATY 505234	5,984,644	1.58
The Dai-ichi Life Insurance Company, Limited	5,200,000	1.38
Mitsubishi UFJ Trust and Banking Corporation	5,000,000	1.32

The shareholding percentage is calculated based on the total number of issued shares excluding 333,010 shares of treasury stock.

Stock Price

Yen

