

TRANSLATION

**NOTICE OF THE 35TH ORDINARY GENERAL MEETING
OF SHAREHOLDERS
TO BE HELD IN TOKYO, JAPAN ON JUNE 22, 2022**

(This is a translation, for information purposes only, of the original Japanese language Notice of the General Meeting of Shareholders which has been dispatched to shareholders in Japan. The financial statements included in this Business Report have been prepared in accordance with the Business Corporation Law and related laws and regulations of Japan.)

**EAST JAPAN RAILWAY COMPANY
TOKYO, JAPAN**

TRANSLATION

May 27, 2022

TO OUR SHAREHOLDERS

East Japan Railway Company
2-2, Yoyogi 2-chome
Shibuya-ku, Tokyo
Japan

Yuji Fukasawa
President and CEO

Notice of Convocation of the 35th Ordinary General Meeting of Shareholders

This is to inform you that the Company's 35th Ordinary General Meeting of Shareholders will be held as described below.

In order to prevent the spread of COVID-19, you are encouraged, to the extent possible, to exercise your voting rights in writing or by an electronic method (via the Internet, etc.) prior to the meeting and refrain from physically attending the meeting.

WHEN YOU EXERCISE YOUR VOTING RIGHTS IN WRITING OR BY AN ELECTRONIC METHOD (VIA THE INTERNET, ETC.), AFTER EXAMINING THE ATTACHED REFERENCE MATERIALS FOR THE GENERAL MEETING OF SHAREHOLDERS, PLEASE EXERCISE YOUR VOTING RIGHTS BY NO LATER THAN 6:00 P.M. ON TUESDAY, JUNE 21, 2022.

[Exercise of voting rights in writing]

Please return by mail the enclosed form after indicating your votes so that it will arrive at the Company by no later than the above-mentioned deadline.

[Exercise of voting rights by an electronic method (via the Internet, etc.)]

Please access the following website (<https://evote.tr.mufg.jp/> (in Japanese only)) and exercise your voting rights, by following the instructions on the website, by no later than the above-mentioned deadline.

PARTICULARS

1. Date: At 10:00 a.m., on Wednesday, June 22, 2022

2. Place: Hotel New Otani (The Main)
4-1, Kioi-cho, Chiyoda-ku, Tokyo, Japan

3. Purpose of Meeting:

Matters to be reported:

1. Presentation of the Business Report and the Consolidated Financial Statements for the 35th fiscal year from April 1, 2021 through March 31, 2022, and Results of Audit by the Accounting Auditor and the Board of Corporate Auditors on the Consolidated Financial Statements
2. Presentation of the Non-Consolidated Financial Statements for the 35th fiscal year from April 1, 2021 through March 31, 2022

Matters to be resolved:

- Agenda Item No. 1: Proposal for appropriation of retained earnings
- Agenda Item No. 2: Partial amendment to the Articles of Incorporation
- Agenda Item No. 3: Election of twelve (12) Directors
- Agenda Item No. 4: Election of one (1) Corporate Auditor

4. Other matters concerning convocation procedures

(1) If you exercise voting rights in writing more than once, only the vote in writing having the latest date will be counted.

(2) If you exercise voting rights by an electronic method (via the Internet, etc.) more than once, only the last vote will be counted.

(3) If you exercise voting rights both in writing and by an electronic method (via the Internet, etc.), only the vote submitted by the electronic method (via the Internet, etc.) will be counted.

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Notes:

* If you attend the Meeting on the appointed date, please bring with you the form for exercising voting rights enclosed herewith, and surrender it to the receptionist at the place of the Meeting.

* In accordance with applicable laws and regulations and Article 16 of the Company's Articles of Incorporation, Internal Control Systems and Status of Operation, Consolidated

Statement of Changes in Net Assets, Notes to Consolidated Financial Statements, Non-Consolidated Statement of Changes in Net Assets and Notes to Non-Consolidated Financial Statements are available at the Company's website (<https://www.jreast.co.jp/e/investor/shareholders/>) and are not included in this Notice of Convocation. Business Report audited by Corporate Auditors and Consolidated Financial Statements and Non-Consolidated Financial Statements audited by Accounting Auditors and Corporate Auditors consist of each statement included in this Notice of Convocation and Internal Control Systems and Status of Operation, Consolidated Statement of Changes in Net Assets, Notes to Consolidated Financial Statements, Non-Consolidated Statement of Changes in Net Assets and Notes to Non-Consolidated Financial Statements available at the Company's website.

* Any changes made to the Reference Materials, Business Report, Consolidated Financial Statements or Financial Statements will be placed on the Company's website (<https://www.jreast.co.jp/e/investor/shareholders/>).

* Matters resolved at the General Meeting of Shareholders will be placed on the Company's website (<https://www.jreast.co.jp/e/investor/shareholders/>).

REFERENCE MATERIALS FOR THE GENERAL MEETING OF SHAREHOLDERS

Agenda and Reference Materials

Agenda Item No. 1: Proposal for appropriation of retained earnings

Our basic approach to capital policy is to keep shareholders' equity at the level required to maintain and grow operational foundations in a sustainable way while paying stable cash dividends and implementing share repurchases flexibly in light of performance to steadily increase returns to shareholders. We are aiming to realize a total return ratio of 40% and dividend payout ratio of 30% over the medium to long term in accordance with the JR East Group Management Vision "Move Up" 2027.

Based on such policy, we propose to appropriate retained earnings as described below.

For this fiscal year, an interim cash dividend of ¥50 per share was previously paid in November 2021, and a year-end cash dividend of ¥50 per share is proposed.

Matters concerning year-end dividend

- (1) Type of dividend
Cash
- (2) Information regarding allotment of dividend to shareholders (including amount)
Dividend per share of the Company's common stock: ¥50
Total amount of dividend paid: ¥18,879,969,500
Total annual dividend will be ¥100 per share including the interim dividend of ¥50 per share.
- (3) Effective date of dividend
June 23, 2022

Agenda Item No. 2: Partial amendment to the Articles of Incorporation

1. Reasons for amendment

Since the revised provisions stipulated in the proviso of Article 1 of the Supplementary Provisions of the Law Partially Amending the Business Corporation Law (Law No. 70 of 2019) will come into effect on September 1, 2022, the Company proposes to amend its Articles of Incorporation in preparation for the introduction of systems for electronic provision of materials for general meetings of shareholders.

(1) Article 16, Paragraph 1, as proposed, stipulates that the Company will take measures for the electronic provision of information contained in the reference materials, etc. for general meetings of shareholders.

(2) Article 16, Paragraph 2, as proposed, establishes a provision to limit the scope of matters to be included in printed copies of documents to be delivered to shareholders who request physical delivery.

(3) Since the provisions for Internet Disclosure and Deemed Delivery of Reference Materials, etc. for General Meeting of Shareholders (Article 16 of the current Articles of Incorporation) will no longer be required, such provisions will be deleted.

(4) In connection with the establishment and deletion of the provisions described above, supplementary provisions regarding the effective date, etc. will be established.

2. Details of amendment

The proposed amendment is as follows:

(Amended language is underlined.)

Current Provisions	Proposed Amendment
<p><u>Article 16. Internet Disclosure and Deemed Delivery of Reference Materials, etc. for General Meeting of Shareholders</u> <u>1. The Company may, in connection with the convocation of a general meeting of shareholders, disclose the information to be stated or indicated in the reference materials for the general meeting of shareholders, business reports, financial statements and consolidated financial statements using Internet in accordance with the provisions of the Ministerial Ordinance of the Ministry of Justice.</u> <u>2. In the case of the previous paragraph, it shall be deemed that the information described in the previous paragraph is provided to shareholders when posted on the Internet.</u></p>	<p>(deleted)</p>
<p>(newly established)</p>	<p><u>Article 16. Electronic Provision of Information</u> <u>1. The Company shall, in connection with the convocation of a general meeting of shareholders, take measures for the electronic provision of information contained in the reference materials, etc. for the general meeting of shareholders in accordance with Article 325-2 of the Business Corporation Law.</u> <u>2. Among the information to be provided electronically, the Company may omit all or part of any items stipulated in the Ministerial Ordinance of the Ministry of Justice from printed copies of documents to be delivered to shareholders who have requested physical delivery by the record date for voting rights in accordance with</u></p>

Current Provisions	Proposed Amendment
	<u>Article 325-5 of the Business Corporation Law.</u>
Articles 17 to Article 38 (text omitted)	Articles 17 to Article 38 (same as present)
Supplementary Provisions (newly established)	<p>Supplementary Provisions</p> <p><u>Transitional Measures concerning Electronic Provision of Information</u></p> <p><u>Article 1</u></p> <p><u>1. The amendment to Article 16 of the Articles of Incorporation shall become effective as of September 1, 2022 (hereinafter the “Effective Date”), which is the effective date of the revised provisions stipulated in the proviso to Article 1 of the Supplementary Provisions of the Law Partially Amending the Business Corporation Law (Law No. 70 of 2019).</u></p> <p><u>2. Notwithstanding the preceding paragraph, Article 16 (Internet Disclosure and Deemed Delivery of Reference Materials, etc. for General Meeting of Shareholders) of the Articles of Incorporation, prior to amendment, shall remain in effect with respect to general meetings of shareholders to be held on a date falling within six (6) months from the Effective Date.</u></p> <p><u>3. These supplementary provisions shall be deleted after the latter of the date that is six (6) months from the Effective Date, and the date that is three (3) months from the date of the general meeting of shareholders referred to in the preceding paragraph.</u></p>

Agenda Item No. 3: Election of twelve (12) Directors

As the term of office of all eleven (11) Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders, it is proposed that twelve (12) Directors be elected.

The Director candidates are set forth below:

No.	Name	Current Position and Business in Charge at the Company
1.	Tetsuro Tomita Reappointment	Chairman (Director)
2.	Yuji Fukasawa Reappointment	President and CEO (Representative Director)
3.	Yoichi Kise Reappointment	Executive Vice President (Representative Director) Assistant to President

- | | | |
|-----|---|--|
| | | Director General of Life-style Business Development Headquarters
In charge of Shinagawa Development
In charge of Work & Welfare Strategies Department;
In charge of Regional Revitalization |
| 4. | Katsumi Ise
<u>Reappointment</u> | Executive Vice President (Representative Director)
Assistant to President
Director General of Technology Innovation Headquarters |
| 5. | Totaro Ichikawa
<u>Reappointment</u> | Executive Vice President (Representative Director)
Assistant to President
Director General of Railway Operations Headquarters
Chief Safety Officer |
| 6. | Atsushi Ouchi
<u>Reappointment</u> | Executive Director
Deputy Director General of Technology Innovation Headquarters
In charge of Electrical & Signal Network System Department, Railway Operations Headquarters
In charge of Energy Strategies |
| 7. | Atsuko Itoh
<u>Reappointment</u> | Executive Director
In charge of Inquiry & Audit Department
In charge of Public Relations Department
In charge of Finance Department
In charge of Corporate & Legal Strategies Department |
| 8. | Chiharu Watari
<u>New Director candidate</u> | – |
| 9. | Motoshige Itoh
<u>Reappointment</u>
<u>Independent director candidate</u>
<u>Outside Director candidate</u> | Director |
| 10. | Reiko Amano
<u>Reappointment</u>
<u>Independent director candidate</u>
<u>Outside Director candidate</u> | Director |
| 11. | Hiroko Kawamoto
<u>Reappointment</u>
<u>Independent director candidate</u>
<u>Outside Director candidate</u> | Director |

12. Toshio Iwamoto —
- New Director candidate
 - Independent director candidate
 - Outside Director candidate

(Reference)

Major Skills Held by each Director candidate

Major skills held by and areas especially expected of each Director candidate are as follows.

Name	Company management and business strategy	Realization of an inclusive society and promotion of ESG management	Finance and accounting	Development of personnel and creation of job satisfaction	Compliance and risk management	Technology innovation and DX (digital transformation)	Global business	Transportation services and safety	Lifestyle services, creating cities and offering new lifestyles	IT, Suica services and MaaS	Regional revitalization
Tetsuro Tomita	●	●	●	●	●		●	●	●	●	●
Yuji Fukasawa	●	●	●	●	●		●	●	●	●	●
Yoichi Kise	●	●	●	●	●		●		●	●	●
Katsumi Ise	●		●	●	●	●	●	●		●	
Totaro Ichikawa	●			●	●		●	●		●	
Atsushi Ouchi	●	●				●	●	●		●	●
Atsuko Itoh	●	●	●		●						●
Chiharu Watari	●	●	●	●	●			●			
Motoshige Itoh	●	●	●		●	●	●		●		
Reiko Amano	●	●			●	●		●			
Hiroko Kawamoto	●	●		●	●			●			
Toshio Iwamoto	●	●	●		●	●	●			●	

Note: The above table does not represent all expertise and experience of each Director candidate.

No. of Candidate	1	<u>Reappointment</u>
Name (Date of Birth)	Tetsuro Tomita (October 10, 1951)	
Brief Personal Record, Position and Business in Charge (Positions at Other Entities)	<p>April 1974 Entered Japanese National Railways</p> <p>April 1987 Entered the Company</p> <p>June 1998 General Manager of Life-Style Business Development Headquarters</p> <p>June 2000 Director and General Manager of Management Administration Department, Corporate Planning Headquarters</p> <p>June 2003 Executive Director and Deputy Director General of Corporate Planning Headquarters</p> <p>July 2004 Executive Director and Deputy Director General of Corporate Planning Headquarters and General Manager of IT Business Department, Corporate Planning Headquarters</p> <p>June 2005 Executive Director and Deputy Director General of Corporate Planning Headquarters</p> <p>June 2008 Executive Vice President and Representative Director and Director General of Life-Style Business Development Headquarters</p> <p>June 2009 Executive Vice President and Representative Director and Director General of Corporate Planning Headquarters</p> <p>April 2012 President and Representative Director and Director General of Corporate Planning Headquarters</p> <p>June 2012 President and Representative Director</p> <p>April 2018 Chairman and Director (continuing to the present)</p> <p>Positions at other entities: Director of Nippon Steel Corporation Director of Nippon Life Insurance Company</p>	
Number of Company Shares owned by Candidate	10,500 shares	
Reason for selection as Director candidate	Mr. Tetsuro Tomita has served as President and Representative Director of the Company, taken on a strong leadership role in overall businesses and led the management of the Group over the	

years. Currently he performs his duties as Chairman and Director and is committed to the proper operation of the Board of Directors from the viewpoint of its chairman based on his broad knowledge and experience in corporate management. He is suitable as a Director based on his execution capability, sound judgment and insight necessary for company management as he is highly acquainted with all aspects of the business.

No. of Candidate	2	<u>Reappointment</u>
Name (Date of Birth)	Yuji Fukasawa (November 1, 1954)	
Brief Personal Record, Position and Business in Charge (Positions at Other Entities)	<p>April 1978 Entered Japanese National Railways</p> <p>April 1987 Entered the Company</p> <p>June 2003 General Manager of Investment Planning Department, Corporate Planning Headquarters</p> <p>June 2006 Director and General Manager of Personnel Department and Director of JR East General Education Center</p> <p>June 2008 Executive Director</p> <p>June 2012 Executive Vice President and Representative Director</p> <p>April 2018 President and Representative Director (continuing to the present)</p>	
Number of Company Shares owned by Candidate	7,300 shares	
Reason for selection as Director candidate	<p>Mr. Yuji Fukasawa has been serving as President and Representative Director of the Company, is committed to promote new growth strategies by establishing the Group Management Vision “Move Up” 2027. He also performs his duties by taking on a strong leadership role in speeding up structural reforms responding to the significant impact of the spread of COVID-19 on business results of the Group. He is suitable as a Director based on his execution capability, sound judgment and insight necessary for company management as he is highly acquainted with all aspects of the business.</p>	
No. of Candidate	3	<u>Reappointment</u>
Name (Date of Birth)	Yoichi Kise (August 26, 1964)	

Brief Personal Record, Position and Business in Charge (Positions at Other Entities)	<p>April 1989 Entered the Company</p> <p>June 2014 General Manager of Personnel Department and Director of JR East General Education Center</p> <p>June 2015 Executive Officer and General Manager of Personnel Department</p> <p>June 2017 Executive Officer and General Manager of Management Planning Department, Corporate Planning Headquarters</p> <p>June 2018 Executive Director and Director General of Corporate Planning Headquarters</p> <p>June 2020 Executive Director and Director General of Life-style Business Development Headquarters</p> <p>June 2021 Executive Vice President; Assistant to President; Director General of Life-style Business Development Headquarters; In charge of Shinagawa Development; In charge of Work & Welfare Strategies Department; In charge of Regional Revitalization (continuing to the present)</p>
Number of Company Shares owned by Candidate	2,200 shares
Reason for selection as Director candidate	<p>Mr. Yoichi Kise has been mainly in charge of investment planning, personnel and management planning affairs, and currently performs his duties as Executive Vice President and Representative Director by assisting the President and Representative Director, whose achievements include improvement of existing business for life-style businesses, redevelopment of Tokyo metropolitan area, town development in regional core cities, startup of real estate business, and organizational restructuring aimed at sustainable development of JR East Group. He is suitable as a Director based on his execution capability, sound judgment and insight necessary for company management as he is highly acquainted with all aspects of the business.</p>
No. of Candidate	4 Reappointment
Name (Date of Birth)	Katsumi Ise (February 12, 1965)
Brief Personal Record, Position and Business in Charge	<p>April 1988 Entered the Company</p> <p>May 2015</p>

(Positions at Other Entities)	<p>General Manager of Facilities Department, Railway Operations Headquarters June 2015</p> <p>General Manager of Investment Planning Department, Corporate Planning Headquarters June 2015</p> <p>Executive Officer and General Manager of Investment Planning Department, Corporate Planning Headquarters June 2016</p> <p>Executive Officer and General Manager of Facilities Department, Railway Operations Headquarters June 2018</p> <p>Senior Executive Officer June 2021</p> <p>Executive Vice President; Assistant to President; Director General of Technology Innovation Headquarters (continuing to the present)</p>
Number of Company Shares owned by Candidate	1,100 shares
Reason for selection as Director candidate	Mr. Katsumi Ise has been mainly in charge of railway facility maintenance and investment planning, and currently performs his duties as Executive Vice President and Representative Director by assisting the President and Representative Director, whose achievements include promotion of digital transformation (DX) strategy, improvement of information security, and technology innovation aimed at the next generation. He is suitable as a Director based on his execution capability, sound judgment and insight necessary for company management as he is highly acquainted with all aspects of the business.
No. of Candidate	5 Reappointment
Name (Date of Birth)	Totaro Ichikawa (September 29, 1964)
Brief Personal Record, Position and Business in Charge (Positions at Other Entities)	<p>April 1988 Entered the Company</p> <p>June 2014 General Manager of Transport & Rolling Stock Department, Railway Operations Headquarters</p> <p>June 2015 Life-style Business Development Headquarters (dispatched to JR East Logistics Co., Ltd.)</p> <p>June 2017 Executive Officer and General Manager of Transport & Rolling Stock Department, Railway Operations Headquarters</p> <p>June 2018</p>

	Senior Executive Officer June 2021 Executive Vice President; Assistant to President; Director General of Railway Operations Headquarters; Chief Safety Officer (continuing to the present)
Number of Company Shares owned by Candidate	1,000 shares
Reason for selection as Director candidate	Mr. Totaro Ichikawa has been mainly in charge of transport & rolling stock business of railway operations, and currently performs his duties as Executive Vice President and Representative Director by assisting the President and Representative Director, whose achievements include improvement of safe and stable transportation, recovery of Tohoku Shinkansen affected by the Fukushima Prefecture offshore earthquake, and review of sales system aimed at more flexible fares. He is suitable as a Director based on his execution capability, sound judgment and insight necessary for company management as he is highly acquainted with all aspects of the business.
No. of Candidate	6 Reappointment
Name (Date of Birth)	Atsushi Ouchi (October 24, 1963)
Brief Personal Record, Position and Business in Charge (Positions at Other Entities)	April 1988 Entered the Company June 2014 General Manager of System Planning Department, Corporate Planning Headquarters June 2016 Executive Officer and General Manager of Morioka Branch Office June 2018 Senior Executive Officer and Deputy Director General of Technology Innovation Headquarters June 2021 Executive Director and Deputy Director General of Technology Innovation Headquarters; In charge of Electrical & Signal Network System Department, Railway Operations Headquarters; In charge of Energy Strategies Department (continuing to the present)
	Positions at other entities: Director of NIPPON DENSETSU KOGYO CO., LTD.

Number of Company Shares owned by Candidate	2,000 shares
Reason for selection as Director candidate	Mr. Atsushi Ouchi has been mainly in charge of technology innovation including railway electrical system and system development, and currently performs his duties as Executive Director, whose achievements include development of strategic and efficient operational system through restructuring of energy-related departments and formulation of medium to long term energy strategies aimed at “Zero-Carbon Challenge 2050”. He is suitable as a Director based on his execution capability, sound judgment and insight necessary for company management as he is highly acquainted with all aspects of the business.
No. of Candidate	7 <u>Reappointment</u>
Name (Date of Birth)	Atsuko Itoh (November 15, 1966)
Brief Personal Record, Position and Business in Charge	April 1990 Entered the Company June 2016 General Manager of Management Planning Department, Corporate Planning Headquarters June 2018 Executive Officer and General Manager of Finance Department June 2020 Executive Officer and General Manager of Management Planning Department, Corporate Planning Headquarters June 2021 Executive Director; In charge of Inquiry & Audit Department; In charge of Public Relations Department; In charge of Finance Department; In charge of Corporate & Legal Strategies Department (continuing to the present)
Number of Company Shares owned by Candidate	4,171 shares
Reason for selection as Director candidate	Ms. Atsuko Itoh has been mainly in charge of finance and management planning, and currently performs her duties as Executive Director, whose achievements include diversification of fundraising methods under the spread of COVID-19, reduction of fixed costs aimed at reform of cost structure of railway operations, organizational restructuring of main office and branch offices, and introduction of new audit methods aimed at achievement of “Move Up” 2027. She is suitable as a Director based on her execution capability, sound judgment and insight necessary for

company management as she is highly acquainted with all aspects of the business.

No. of Candidate	8	<u>New Director candidate</u>
Name (Date of Birth)	Chiharu Watari (January 30, 1963)	
Brief Personal Record, Position and Business in Charge	April 1988 Entered the Company June 2013 General Manager of Administration Department June 2013 General Manager of Transport Safety Department, Railway Operations Headquarters June 2014 Executive Officer and General Manager of Transport Safety Department, Railway Operations Headquarters June 2016 Executive Officer and General Manager of Yokohama Branch Office June 2018 Director and Deputy Director General of Corporate Planning Headquarters of Hokkaido Railway Company June 2020 Executive Director and Director General of Corporate Planning Headquarters of Hokkaido Railway Company (scheduled to retire in June 2022)	
Number of Company Shares owned by Candidate	1,500 shares	
Reason for selection as Director candidate	Mr. Chiharu Watari has been mainly in charge of railway operations and general administration, whose achievements include improvement of safe and stable transportation, addressing management challenges in his geographic areas of responsibility and reinforcing collaboration with local communities as general manager of a branch office. He currently performs his duties as Executive Director and Director General of Corporate Planning Headquarters of Hokkaido Railway Company by reinforcing safety management of railway operations and addressing management issues. He is suitable as a Director based on his execution capability, sound judgment and insight necessary for company management as he is highly acquainted with all aspects of the business.	

No. of Candidate	9	<div style="border: 1px solid black; padding: 2px;">Reappointment</div> <div style="border: 1px solid black; padding: 2px;">Independent director candidate</div> <div style="border: 1px solid black; padding: 2px;">Outside Director candidate</div>
Name (Date of Birth)	Motoshige Itoh (December 19, 1951)	
Brief Personal Record, Position and Business in Charge (Positions at Other Entities)	<p>December 1993 Professor of the University of Tokyo, Faculty of Economics</p> <p>April 1996 Professor of the University of Tokyo, Graduate School of Economics</p> <p>October 2007 Dean of the University of Tokyo, Graduate School of Economics and Faculty of Economics</p> <p>June 2015 Director of the Company (continuing to the present)</p> <p>April 2016 Professor of Gakushuin University, Faculty of International Social Sciences</p> <p>Positions at other entities: Corporate Auditor of Hagegoro Foods Corporation Director of The Shizuoka Bank, Ltd. Director of Sumitomo Chemical Company, Limited Director of JX Nippon Mining & Metals Corporation</p>	
Number of Company Shares owned by Candidate	0 share	
Number of years in office as Outside Director	7 years	
Reason for selection as Outside Director candidate and expected roles	<p>Mr. Motoshige Itoh has experience as professor at the University of Tokyo and Gakushuin University, and Dean of the Graduate School of Economics and Faculty of Economics of the University of Tokyo. He is suitable as an outside Director based on his sound judgment and insight necessary for company management and his ability to supervise and advise on the Company's management.</p> <p>If he is elected, he will perform a supervisory function on overall business operations based on his broad experience and academic expertise on international economy, and as a member of the Personnel Deliberation Committee and the Remuneration Deliberation Committee, ensure suitability of director candidates and objectivity and transparency of the process with respect to personnel matters concerning the Company's directors, and ensure objectivity and transparency of the remuneration determination process for the Company's directors.</p>	

Matters relating to independence

Mr. Motoshige Itoh meets the “Independence Standards for Outside Directors and Outside Corporate Auditors” of the Company, and the Company has designated him as independent director as stipulated by stock exchanges. If he is elected, he will continue to be an independent director.

He has worked at the University of Tokyo (National University Corporation, the University of Tokyo) to which the Company makes donation and with which the Company has a transactional relationship, but for the last three (3) fiscal years the amount of donation and other payments to such corporation has been no more than 2% of the annual total income of such corporation and the payment from such corporation to the Company has been no more than 2% of the annual consolidated net sales of the Company. Also, he works at Gakushuin University (The Gakushuin School Corporation) with which the Company has a transactional relationship, but for the last three (3) fiscal years the payment from such corporation to the Company has been no more than 2% of the annual consolidated net sales of the Company.

No. of Candidate

10

Reappointment
Independent director candidate
Outside Director candidate

Name (Date of Birth)

Reiko Amano (January 21, 1954)

Brief Personal Record,
Position and Business in
Charge
(Positions at Other
Entities)

April 1980
Entered Kajima Corporation
April 2005
Senior Manager of Technology Development Department Civil
Engineering Management Division
April 2011
General Manager of Intellectual Property and License
Department
February 2014
Advisor of Intellectual Property and License Department
September 2014
Retired Kajima Corporation
October 2014
Executive Director of Research Center for Reinforcement of
Resilience Function, National Research Institute for Earth
Science and Disaster Resilience
April 2015
Auditor of National Institute for Environmental Studies
April 2016
Executive Director of National Research Institute for Earth
Science and Disaster Resilience
June 2016
Director of the Company (continuing to the present)
September 2019

Auditor of Japan Atomic Energy Agency (continuing to the present)

Positions at other entities:

Director of Yokogawa Bridge Holdings Corp.

Number of Company Shares owned by Candidate

0 share

Number of years in office as Outside Director

6 years

Reason for selection as Outside Director candidate and expected roles

Ms. Reiko Amano held important offices at Kajima Corporation, National Research Institute for Earth Science and Disaster Resilience, National Institute for Environmental Studies and Japan Atomic Energy Agency. She is suitable as an outside Director based on her sound judgment and insight necessary for company management and her ability to supervise and advise on the Company's management.

If she is elected, she will perform a supervisory function on overall business operations based on her broad experience and expertise on technological innovation, disaster prevention and intellectual property strategies, and as a member of the Personnel Deliberation Committee and the Remuneration Deliberation Committee, ensure suitability of director candidates and objectivity and transparency of the process with respect to personnel matters concerning the Company's directors, and ensure objectivity and transparency of the remuneration determination process for the Company's directors.

Matters relating to independence

Ms. Reiko Amano meets the "Independence Standards for Outside Directors and Outside Corporate Auditors" of the Company, and the Company has designated her as independent director as stipulated by stock exchanges. If she is elected, she will continue to be an independent director.

She has worked at Kajima Corporation with which the Company has a transactional relationship, but for the last three (3) fiscal years the volume of business has been no more than 2% of the annual consolidated net sales of both companies. Also she worked as executive director at National Research Institute for Earth Science and Disaster Resilience with which the Company has a transactional relationship, but for the last three (3) fiscal years the payment from the Company to such corporation has been no more than 2% of the annual consolidated net sales of such corporation. She works at National Institute for Environmental Studies and Japan Atomic Energy Agency with which the Company has no

relationship that needs to be disclosed for the last three (3) fiscal years.

No. of Candidate	11	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr> <td style="padding: 2px;">Reappointment</td> </tr> <tr> <td style="padding: 2px;">Independent director candidate</td> </tr> <tr> <td style="padding: 2px;">Outside Director candidate</td> </tr> </table>	Reappointment	Independent director candidate	Outside Director candidate
Reappointment					
Independent director candidate					
Outside Director candidate					
Name (Date of Birth)	Hiroko Kawamoto (February 13, 1957)				
Brief Personal Record, Position and Business in Charge (Positions at Other Entities)	<p>July 1979 Entered ALL NIPPON AIRWAYS CO., LTD.</p> <p>April 2013 Director and Executive Officer; Deputy Director of Operating Division; General Manager of Inflight Services Center</p> <p>April 2014 Executive Director and Executive Officer; In charge of Women's Promotion; Deputy Director of Operating Division; General Manager of Inflight Services Center</p> <p>April 2015 Executive Director and Executive Officer; In charge of Women's Promotion; In charge of ANA Brand Inflight Services Division</p> <p>January 2016 Executive Director and Executive Officer; In charge of Women's Promotion; In charge of ANA Brand Inflight Services Division; Promotion Officer for the Tokyo Olympic and Paralympic Games</p> <p>April 2016 Director and Senior Executive Officer; In charge of Women's Promotion of ANA Group; Promotion Officer for the Tokyo Olympic and Paralympic Games</p> <p>April 2017 Vice President and Representative Director of ANA Strategic Research Institute Co., Ltd.</p> <p>April 2020 Chairman and Director of ANA Strategic Research Institute Co., Ltd.</p> <p>June 2020 Director of the Company (continuing to the present)</p> <p>April 2021 Advisor of ANA Strategic Research Institute Co., Ltd. (continuing to the present)</p> <p>Positions at other entities: Director of Sumitomo Mitsui Trust Holdings, Inc. Director of RENAISSANCE INCORPORATED</p>				
Number of Company Shares owned by Candidate	0 share				

Number of years in office as Outside Director	2 years						
Reason for selection as Outside Director candidate and expected roles	<p>Ms. Hiroko Kawamoto held important offices at ALL NIPPON AIRWAYS CO., LTD. and ANA Strategic Research Institute Co., Ltd. She is suitable as an outside Director based on her sound judgment and insight necessary for company management and her ability to supervise and advise on the Company's management.</p> <p>If she is elected, she will perform a supervisory function on overall business operations based on her broad experience and expertise on customer service and diversity promotion, and as a member of the Personnel Deliberation Committee and the Remuneration Deliberation Committee, ensure suitability of director candidates and objectivity and transparency of the process with respect to personnel matters concerning the Company's directors, and ensure objectivity and transparency of the remuneration determination process for the Company's directors.</p>						
Matters relating to independence	<p>Ms. Hiroko Kawamoto meets the "Independence Standards for Outside Directors and Outside Corporate Auditors" of the Company, and the Company has designated her as independent director as stipulated by stock exchanges. If she is elected, she will continue to be an independent director.</p> <p>She has worked at ALL NIPPON AIRWAYS CO., LTD. with which the Company has a transactional relationship, but for the last three (3) fiscal years the volume of business has been no more than 2% of the annual consolidated net sales of both companies. She works at ANA Strategic Research Institute Co., Ltd. with which the Company has no relationship that needs to be disclosed for the last three (3) fiscal years.</p>						
No. of Candidate	<table border="1" style="border-collapse: collapse; margin-left: 20px;"> <tr> <td style="padding: 2px;">12</td> <td style="padding: 2px;">New Director candidate</td> </tr> <tr> <td style="padding: 2px;"></td> <td style="padding: 2px;">Independent director candidate</td> </tr> <tr> <td style="padding: 2px;"></td> <td style="padding: 2px;">Outside Director candidate</td> </tr> </table>	12	New Director candidate		Independent director candidate		Outside Director candidate
12	New Director candidate						
	Independent director candidate						
	Outside Director candidate						
Name (Date of Birth)	Toshio Iwamoto (January 5, 1953)						
Brief Personal Record, Position and Business in Charge (Positions at Other Entities)	<p>April 1976 Entered Nippon Telegraph and Telephone Public Corporation</p> <p>June 2004 Director; Head of Payment Solution Sector of NTT DATA Corporation</p> <p>June 2007 Director, Executive Vice President; Head of Financial Business Sector</p> <p>June 2008</p>						

Director, Executive Vice President; In charge of Financial Business
 June 2009
 Representative Director, Senior Executive Vice President
 June 2012
 Representative Director, President and Chief Executive Officer
 June 2018
 Advisor of NTT DATA Corporation (continuing to the present)

Positions at other entities:
 Corporate Auditor of IHI Corporation
 Director of Daiwa Securities Group Inc.

Number of Company Shares owned by Candidate 0 share

Reason for selection as Outside Director candidate and expected roles Mr. Toshio Iwamoto held important offices including Representative Director, President and Chief Executive Officer at NTT DATA Corporation. He is suitable as an outside Director based on his sound judgment and insight necessary for company management and his ability to supervise and advise on the Company's management.

If he is elected, he will perform a supervisory function on overall business operations based on his broad experience and expertise on company management leading IT, technology and global businesses, and as a member of the Personnel Deliberation Committee and the Remuneration Deliberation Committee, ensure suitability of director candidates and objectivity and transparency of the process with respect to personnel matters concerning the Company's directors, and ensure objectivity and transparency of the remuneration determination process for the Company's directors.

Matters relating to independence Mr. Toshio Iwamoto meets the "Independence Standards for Outside Directors and Outside Corporate Auditors" of the Company. If he is elected, the Company will designate him as independent director as stipulated by stock exchanges. He has been working at NTT DATA Corporation with which the Company has a transactional relationship, but for the last three (3) fiscal years the volume of business has been no more than 2% of the annual consolidated net sales of both companies.

(Notes)

1. There is no special interest between the Company and these candidates.
2. Mr. Motoshige Itoh, Ms. Reiko Amano, Ms. Hiroko Kawamoto and Mr. Toshio Iwamoto are Outside Director candidates.

Although Mr. Motoshige Itoh and Ms. Reiko Amano have not engaged in company management, we believe that they can perform duties as outside Directors based on “Reason for selection as Outside Director candidate” stated above.

3. The Company has executed agreements with Mr. Motoshige Itoh, Ms. Reiko Amano and Ms. Hiroko Kawamoto to limit their liability as provided in Article 423, Paragraph 1 of the Business Corporation Law. The liability limit under each such agreement shall be the amount stipulated by law or regulation. If they are elected, the Company intends to extend such agreements. If Mr. Toshio Iwamoto is elected, the Company intends to execute such agreement with him.

4. The Company has executed a directors and officers liability insurance agreement with an insurance company in accordance with Article 430-3, Paragraph 1 of the Business Corporation Law. The insurance agreement covers the legal costs and damages incurred by the insured, including the Company’s Directors, due to third-party lawsuits and shareholder derivative lawsuits, excluding in the event the Company pursues liability for damages against the insured. The insurance premiums are fully borne by the Company and the agreement is renewed annually. If each candidate is elected as Director, he or she will be the insured under this insurance agreement.

Agenda Item No. 4: Election of one (1) Corporate Auditor

As Mr. Seishi Kanetsuki will resign as Corporate Auditor at the conclusion of this Ordinary General Meeting of Shareholders, it is proposed that one (1) Corporate Auditor be elected as his replacement.

The Board of Corporate Auditors has approved this agenda item.

Information on the Corporate Auditor candidate is set forth below:

New Corporate Auditor candidate
Independent corporate auditor candidate
Outside Corporate Auditor candidate

Name (Date of Birth)	Hiroshi Koike (July 3, 1951)
Brief Personal Record and Position	April 1977 Assistant Judge of the Osaka District Court
(Positions at Other Entities)	August 2004 Judge of the Tokyo District Court (Presiding Judge)
	January 2006 Director General of Financial Bureau, General Secretariat of the Supreme Court
	July 2010 Chief Judge of the Mito District Court
	March 2012 Judge of the Tokyo High Court (Presiding Judge)
	July 2013 Chief Judge of the Tokyo District Court

April 2014
President of the Tokyo High Court
April 2015
Justice of the Supreme Court
July 2021
Retirement from the Supreme Court

Number of
Company
Shares owned
by Candidate

0 share

Reason for selection as
Outside Corporate
Auditor candidate

Mr. Hiroshi Koike has broad experience and achievements in the legal community. He is suitable to audit the execution of duties by Directors of the Company based on his sound judgment and insight necessary for audit of business operation.

Matters relating to
independence

Mr. Hiroshi Koike meets the “Independence Standards for Outside Directors and Outside Corporate Auditors” of the Company. If he is elected, the Company will designate him as independent corporate auditor as stipulated by the stock exchanges.

He has worked at courts with which the Company has no relationship that needs to be disclosed for the last three (3) fiscal years.

(Notes)

1. There is no special interest between the Company and the candidate.
2. Mr. Hiroshi Koike is an Outside Corporate Auditor candidate.

Although he has not engaged in company management, we believe that he can perform duties as an outside Corporate Auditor based on “Reason for selection as Outside Corporate Auditor candidate” stated above.

3. If Mr. Hiroshi Koike is elected, the Company intends to execute an agreement with him to limit his liability as provided in Article 423, Paragraph 1 of the Business Corporation Law. The liability limit under such agreement shall be the amount stipulated by law or regulation.

4. The Company has executed a directors and officers liability insurance agreement with an insurance company in accordance with Article 430-3, Paragraph 1 of the Business Corporation Law. The insurance agreement covers the legal costs and damages incurred by the insured, including the Company’s Corporate Auditors, due to third-party lawsuits and shareholder derivative lawsuits, excluding in the event the Company pursues liability for damages against the insured. The insurance premiums are fully borne by the Company and the agreement is renewed annually. If Mr. Hiroshi Koike is elected as Corporate Auditor, he will be the insured under this insurance agreement.

(Reference) Independence Standards for Outside Directors and Outside Corporate Auditors

1. Outside directors and outside corporate auditors of the Company shall be deemed to be independent if they do not fall under any of the following categories:

- (1) a major business partner (a vendor) of the Company or a consolidated subsidiary thereof (Note 1), or an executive of a corporation that is such partner (Note 2);
- (2) a major business partner (a customer) of the Company or a consolidated subsidiary thereof (Note 3), or an executive of a corporation that is such partner;
- (3) a consultant, certified public accountant or other accounting expert, or attorney or other legal expert who has received money or other property benefits other than remuneration for directors in excess of JPY10 million per annum from the Company or a consolidated subsidiary thereof during any of the immediately preceding three (3) year fiscal years of the Company or a consolidated subsidiary thereof; or a consultant, certified public accountant or other accounting expert, or attorney or other legal expert who belongs to a corporation or other entity whose property benefits received from the Company or a consolidated subsidiary thereof has exceeded 2% of its annual income for any of the immediately preceding three (3) fiscal years of such corporation or other entity;
- (4) a major shareholder of the Company (Note 4), or an executive of a corporation that is such shareholder;
- (5) a certified public accountant or a member, partner, or employee of an auditing firm which was an outside accounting auditor of the Company for the most recent three (3) fiscal years, and was actually in charge of audit work of the Company (except administrative or ancillary staff);
- (6) a major lender to the Company or a consolidated subsidiary thereof (Note 5), or an executive of a corporation that is such lender;
- (7) a recipient of donations in excess of JPY10 million per annum from the Company or a consolidated subsidiary thereof during any of the immediately preceding three (3) fiscal years of the Company or a consolidated subsidiary thereof; or an executive of a corporation whose donations received from the Company or a consolidated subsidiary thereof has exceeded 2% of its annual sales or annual total income for any of the immediately preceding three (3) fiscal years of such corporation;
- (8) the spouse or relative by blood or marriage within the second degree of the executive (including directors who are not executives if an outside corporate auditor is designated as an independent corporate auditor) of the Company or a subsidiary thereof (to the extent such person is deemed to be an important party (Note 6));
- (9) the spouse or relative by blood or marriage within the second degree of a party falling under items (1) to (7) (to the extent such person is deemed to be an important party); or

(10) in addition to the preceding items, a person who is unable to perform duties as an outside director or an outside corporate auditor with independence due to a conflict of interest with the Company or other special circumstance.

2. If an outside director or an outside corporate auditor who is deemed to be independent based on the foregoing standards subsequently falls within any of the items of 1 above, such director or corporate auditor shall immediately notify the Company.

Notes:

- (1) A major business partner (a vendor) of the Company or a consolidated subsidiary thereof means a recipient of payment from the Company or a consolidated subsidiary thereof in excess of 2% of the annual consolidated sales during any of the immediately preceding three (3) fiscal years of such party.
- (2) An executive means an executive director or other director executing the business of the corporation, executive officer, or employee of the corporation (the same applies in the following items).
- (3) A major business partner (a customer) of the Company or a consolidated subsidiary thereof means a payer to the Company or a consolidated subsidiary thereof in excess of 2% of the annual consolidated sales during any of the immediately preceding three (3) fiscal years of the Company or a consolidated subsidiary thereof.
- (4) A major shareholder of the Company means a shareholder who has held, either directly or indirectly, 10% or more of the total number of voting rights during any of the immediately preceding three (3) fiscal years of the Company.
- (5) A major lender to the Company or a consolidated subsidiary thereof means a financial institution that has provided a loan to the Company or a consolidated subsidiary thereof in excess of 2% of the consolidated total assets during any of the immediately preceding three (3) fiscal years of the Company or a consolidated subsidiary thereof.
- (6) An important party means a person in a position at least equivalent to that of an important employee (the same applies in item (9)).

BUSINESS REPORT

For the fiscal year from April 1, 2021 through March 31, 2022

I. ITEMS CONCERNING STATUS OF THE GROUP

1. Business Progress and Results

(1) Overview

In the consolidated fiscal year ended March 31, 2022, despite signs of recovery seen temporarily, the Japanese economy continued to be sluggish due to the ongoing spread of COVID-19. Moreover, the Fukushima Prefecture offshore earthquake that occurred on March 16, 2022 caused damage to railcars and equipment of the Tohoku Shinkansen, forcing suspension of operation in some segments. We apologize for the inconvenience. However, as a result of the hard efforts of the relevant parties for recovery, operations resumed on all lines from April 14, 2022.

In light of this situation, the Group made its utmost efforts to prevent the spread of COVID-19 to its customers and employees and to ensure the safety and reliability of transportation and the quality of its services. Under Speed Up “Move Up” 2027 announced in September 2020 as a policy tailored to the post-COVID-19 society, the Group worked to enhance profitability, fundamentally strengthen our management foundation, and implement ESG management, thereby accelerating our progress toward the achievement of “Move Up” 2027 management vision.

During the fiscal year under review, operating revenues increased 12.1%, to ¥1,978.9 billion, due mainly to revenue increases, which were attributable to the recovery from decreased sales impacted by the spread of COVID-19 during the previous fiscal year and sales realized in the real estate business leveraging its “rotational business model”. As a result of such increase in operating revenues, we recorded operating loss of ¥153.9 billion (operating loss of ¥520.3 billion in fiscal 2021), ordinary loss of ¥179.5 billion (ordinary loss of ¥579.7 billion in fiscal 2021), and loss attributable to owners of parent of ¥94.9 billion (loss attributable to owners of parent of ¥577.9 billion in fiscal 2021).

【Safety is Our Top Priority】

Based on the “Group Safety Plan 2023,” the JR East Group united as one group toward the enhancement and innovation of “safety conduct” and “safety management” by each employee as well as the installation of safety equipment that actively leverages new technologies.

(Specific measures)

- Acceleration of seismic reinforcement of elevated concrete pillars along the railway tracks of the Shinkansen due to damages incurred from the February 2021 earthquake off the coast of Fukushima Prefecture
- Construction work between fiscal 2022 and fiscal 2024 at approximately 200 locations on the Shinkansen lines along embankment, cutting, and natural slopes where a mudslide may occur as a result of record-breaking rainfall and other factors
- Installation of automatic platform gates completed at 80 railway stations (92 railway stations on a line-by-line basis) as of March 31, 2022

- Preparation for introducing new testing equipment for performance and durability of bogies at the JR East Research and Development Center in anticipation of the start of operations around summer 2024, in order to verify reliability and evaluate durability of bogies
- Implementation of education and training programs to prepare for terrorist attacks, tsunami, etc. with the aim of improving the ability of station staff and train crew to respond to emergencies, as well as installation of self-defence tools on train cars

【Enhancing Profitability (Restructuring our growth and innovation strategies)】

While the business environment surrounding the railway business becomes increasingly severe, we believe the diversification of lifestyles presents a significant opportunity for the Group. Accordingly, the Group reestablished its growth and innovation strategies, combined physical networks, an area of the Group's strength, with digital technologies, and made efforts to propose new lifestyles and take on the challenge of entering new fields.

(Specific measures)

- Implementation of the *TOHOKU Destination Campaign* for six months from April 2021 to highlight attractions of the six Tohoku prefectures, and continuation of the promotion for the fall and winter season after the end of the campaign
- Launch of the *SHINKANSEN YEAR 2022* campaign in January 2022 using CG videos showing the futuristic appeal of Shinkansen, etc. for promotion
- Receipt of order by Japan Transport Engineering Company to supply 304 railcars for extension of the North-South Commuter Railway in the Philippines and conclusion of agreement in March 2022
- Establishment of JR East Real Estate Asset Management Co., Ltd. in April 2021 to strengthen real estate business through the provision of asset management services
- Establishment of *JRE MALL* showrooms within railway stations and promotion of online consultations and sales
- Naming of cargo transport railway service as *Hakobyun* (Train Parcel Service) and increasing cargo handling capacity as part of full-fledged expansion as new business
- Expansion to 503 locations as part of the *STATION WORK* shared office business by March 2022, including the introduction of *STATION BOOTH* in West Japan Railway Company stations
- Conclusion of agreement for business alliance with HIKKY Co., Ltd. in the XR (extended reality technology) field in August 2021, and opening of *Virtual AKIBA World*, the first metaverse station in the world, in March 2022
- Revision of *VIEW Plus service*, which provides *VIEW card* users with additional *JRE POINTs*, in July 2021 resulting in increase in rate of points awarded for *eki-net* and other services

【Fundamental Strengthening of Management Foundation (Reforming the corporate structure)】

The Group forged ahead with its three reforms “operational reform,” “working style reform” and “worksite reform” to enhance the job satisfaction of all Group employees, while further accelerating our digital transformation efforts, which include the use of new technology and the promotion of Smart Maintenance, to enhance productivity.

(Specific measures)

- Introduction of new E131 Series railcars on the Sagami Line in November 2021, and on the Utsunomiya Line and the Nikko Line in March 2022, and commencement of their conductorless operations in March 2022 along with the Hachiko Line and the Kawagoe Line
- Introduction of an overhead wire condition monitoring system to automatically assess the condition of wires and other equipment from November 2021 and a snow detection system for image analysis to detect snow remaining on the water-sprinkler snow-melting equipment of the Joetsu Shinkansen from December 2021, utilizing cameras and AI installed on the electricity and track general inspection cars (East-i)
- Trial operations along Kesenuma Line BRT (between Yanaizu Station and Rikuzen-Yokoyama Station) in pursuit of level 3 self-driving, with a test-ride event to offer first-hand experience of self-driving held in September 2021
- Implementation of test runs for introduction of automated operations during operating hours of the Joetsu Shinkansen (between Niigata Station and the Niigata Shinkansen Rolling Stock Center) in October 2021 and the Yamanote Line in February 2022
- Establishment of CalTa Inc. in July 2021 through subsidiaries JR East Start UP Co., Ltd. and JR East Consultants Company and other parties with the aim of acquiring point cloud data through compact drones for use in construction and maintenance work
- Introduction of a monitoring system in November 2021 for railway infrastructure designed to prevent the tilting of railway electric poles, in collaboration with Sonas, Inc.
- Establishment of JR East Cross Station Co., Ltd. and merger of the subsidiaries JR East Retail Net Co., Ltd., JR East Foods Co., Ltd., JR East Water Business Co., Ltd. and Tetsudo Kaikan Co., Ltd. in April 2021 in order to maximize station value
- Commencement of COVID-19 vaccinations to employees in June 2021
- Commencement of a moonlighting program at Group companies in July 2021

【Implementing ESG Management】

To achieve net zero CO₂ emissions for the entire Group by fiscal 2051, JR East promoted the introduction of energy-saving equipment and development of renewable energy sources. While working to realize regional revitalization through co-creation with communities, the Group provided safe and stable transportation throughout the period of the Tokyo 2020 Olympic and Paralympic Games as an Official Partner (Passenger and Rail Transportation Services).

- With respect to the JR East Group “Zero-Carbon Challenge 2050,” setting of a new CO₂ emissions reduction target for the entire Group of 50% by fiscal 2031 compared to fiscal 2014, and expansion of the scope of application of internal carbon pricing
- Promotion of development of renewable energy sources, and commencement of operations of Ichikai Solar Power Plant (Tochigi) in April 2021, Daigo Solar Power Plant (Ibaraki) in November 2021, and Noheji-Shibasaki Wind Power Plant (Aomori) in March 2022
- Completion of replacement of No. 1 unit at Kawasaki Thermal Power Station and commencement of operations in June 2021, contributing to reduced CO₂ emissions due to its highly efficient facility fueled by natural gas
- Commencement in March 2022 of verification tests for the hydrogen-powered hybrid train *HYBARI* on the Nambu Line (Kawasaki-Noborito), the Tsurumi Line and the Nambu Line Shitte Branch Line

- Investment in Ensen Marugoto Co., Ltd. in December 2021 to roll out the *Ensen Marugoto HOTEL* business through the use of old Japanese-style houses
- Implementation of measures to enhance railway security during the Tokyo 2020 Olympic and Paralympic Games, such as baggage checks that include the use of detection dogs to sniff out hazardous materials and security cameras designed to detect suspicious individuals and objects, and the adoption of wearable cameras in security services
- Revision of the Company's corporate governance guidelines in November 2021 in line with the amendment of the TSE Corporate Governance Code in June 2021
- Finalization of transition to Prime Market in the new market segments of TSE starting in April 2022 pursuant to the Company's selection and application made in November 2021

(2) Summary of Operations by Business Segment

(a) Transportation

In the Transportation segment, JR East made concerted groupwide efforts to enforce rigorous measures in response to COVID-19 while ensuring the provision of safe and reliable transportation and high-quality services.

(Specific measures)

- Renewal of *eki-net* service in June 2021 to enable linkage with *JRE POINT* and support for reserving and purchasing discount tickets, and commencement in March 2022 of a service to show a link to *eki-net* on Google Maps
- Introduction of E7 Series Hokuriku Shinkansen railcars equipped with wheelchair-designated free spaces in July 2021
- Promotion of measures to increase users of the *Off-Peak Point Service* for customers who commute during off-peak times using the *Suica* commuter pass
- Commemorative campaign marking the 30th anniversary of *JR SKISKI* to spur demand for snow-related activities
- Merger of the Yamanote Line Outer Loop platform and the Keihin-Tohoku Line Northbound platform at Shinagawa Station in December 2021 to enable easier transfers and to reduce congestion of the Yamanote Line platform
- Revision of the Green Car Fees of the Shinkansen and limited express trains, and making all cars of the Yamagata Shinkansen reserved-seats-only in March 2022
- Implementation from March 2022 of a system in which train crew helps customers in wheelchairs get on/off trains by using a portable slope at certain stations of the Senseki Line, the Ban-etsu-West Line, the Koumi Line, etc.

As a result, operating revenues in the Transportation segment increased 15.8%, to ¥1,332.8 billion, due mainly to increases in passenger revenues, which were attributable to the recovery from decreased sales impacted by the spread of COVID-19 during fiscal 2021, and operating loss was ¥285.3 billion (operating loss of ¥548.5 billion in fiscal 2021).

(b) Retail & Services

In the Retail & Services segment, JR East pressed forward with the “Beyond Stations” concept to transform railway stations from transportation hubs to lifestyle platforms designed to connect people, things, and experiences.

(Specific measures)

- Opening of new *KINOKUNIYA* stores in Hiroshima in May 2021, in Nagoya in November 2021, and in Osaka in March 2022
- Full-scale opening of new stores of *ecute EDITION* at Iidabashi Station in July 2021 and at Shinbashi Station in March 2022
- Trial operation of *JRE Passport*, a subscription-based service for use of coffee, eki soba (noodles served at stations) and shared office spaces, from July to September 2021, and promotion of preparations for full-scale commencement of the service in April 2022
- Launch of *EKITOMA TICKET*, *JRE MALL*'s electronic ticket service in October 2021 usable for dining, shopping and other purposes in local communities
- Promotion of preparations for opening of a Hybrid Clinic that provides comprehensive medical examination for multiple clinical categories not only in person but also online on the platform of Nishi-Kokubunji Station of the Chuo Line in April 2022

As a result, despite the increase in the sales at stores in stations, which were attributable to the recovery from decreased sales impacted by the spread of COVID-19 during fiscal 2021, operating revenues in the Retail & Services segment decreased 17.8%, to ¥312.2 billion due to the application of “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, revised on March 31, 2020) (hereinafter “Accounting Standard for Revenue Recognition”), and operating income increased 440.3%, to ¥14.1 billion.

(c) Real Estate & Hotels

In the Real Estate & Hotels segment, JR East proceeded with the lifestyle development (town development) such as development of large-scale terminal stations and in line-side areas and enhanced the appeal of local towns and communities.

(Specific measures)

- Full-scale opening of *KAWASAKI DELTA* (Kanagawa), a large-scale mixed-use development of buildings with offices, commercial facilities, and a hotel, in May 2021
- Opening of *HOTEL METROPOLITAN AKITA North Wing* in May 2021
- Opening of *HOTEL METROPOLITAN PREMIER TAIPEI* (Taiwan), the JR East Group's first hotel established overseas, in August 2021
- Campaign at subsidiary NIPPON HOTEL Co., Ltd. to provide hotel gift certificates to those with proof of COVID-19 vaccination since July 2021
- Commencement of its “rotational business model” in the real estate business and liquidation of real estate held by the Company in December 2021
- Launch of hotel packages by NIPPON HOTEL Co., Ltd. that include admission tickets to Yokohama Hakkeijima Seaparadise and Seibuen Amusement Park as part of comprehensive partnership with SEIBU HOLDINGS INC.
- Completion in March 2022 of *JR MEGURO MARC BUILDING*, the office building of *MEGURO MARC* (Tokyo), which is an urban development complex consisting of three buildings for rental apartments, condominiums, and offices

As a result, operating revenues in the Real Estate & Hotels segment increased 28.9%, to ¥375.6 billion, due mainly to increased sales at station buildings, which were attributable to the recovery from decreased sales impacted by the spread of COVID-19 during fiscal 2021, and to increased income from office building leases as well as sales realized in the real estate business leveraging the “rotational business model”, and operating income increased 611.3%, to ¥107.8 billion.

(d) Others

In the Others segment, JR East promoted measures such as the enhancement of the MaaS Platform, which realizes seamless and stress-free mobility, and further expanded the scope of use of *Suica*.

(Specific measures)

- Issuance of approximately 89.6 million *Suica* cards in total, achievement of 16.6 million members for Mobile *Suica*, and expansion of store network accepting *Suica* electronic payment to 1.3 million stores by March 31, 2022, as a result of promoting a shared platform for *Suica*
- Commencement of commemorative campaign in November 2021 marking the 20th anniversary of the launch of *Suica* service
- Expansion of the multi-function regional IC card service areas to nine areas, where a single card can be used to receive both unique regional services, including bus commuter pass services, and *Suica* services, by March 31, 2022, to expand the *Suica* user base in local areas
- Preparation of *Eki Karte*, a formal report on *Suica*-related statistical information, aimed to be utilized for town development and regional revitalization, and promotion of preparations for commencement of sales in May 2022
- Launch of regional and tourism-oriented MaaS services in six Tohoku prefectures and Karuizawa, and commencement of operation of *Tabi-CONNECT*, a regional and tourism-oriented MaaS package available outside of the JR East area, in November 2021
- Promotion of establishment of 5G base stations inside train stations as an infrastructure sharing business for telecommunications carriers, and completion of establishment of 19 base stations in total by March 31, 2022

However, with the decline in the sales from the IC card business and effect of the application of Accounting Standard for Revenue Recognition, operating revenues from Others decreased 14.4%, to ¥208.4 billion. In addition, operating income declined 21.1%, to ¥11.6 billion.

(e) Financial Results by Segment

Financial results by segment of the Group for this fiscal year are as set forth below.

(Billions of yen)

	Transportation	Retail & Services	Real Estate & Hotels	Others	Total	Adjustment	Consolidated
Operating revenues							
Outside customers	1,277.0	278.1	352.6	71.0	1,978.9	-	1,978.9
Inside group	55.8	34.0	23.0	137.4	250.3	(250.3)	-
Total	1,332.8	312.2	375.6	208.4	2,229.2	(250.3)	1,978.9
Segment income (loss)	(285.3)	14.1	107.8	11.6	(151.7)	(2.1)	(153.9)

(Note) The Company applies the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (Accounting Standards Board of Japan Statement No.17, June 30, 2010) and the Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (Accounting

Standards Board of Japan Guidance No.20, March 21, 2008). The operating income (loss) of each segment of the Company corresponds to the segment income (loss) under the said Accounting Standard and Guidance.

(3) Challenges

1. Basic Management Policies (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.

2. Changes to the Business Environment

As the Japanese economy has been significantly affected by the spread of COVID-19, although we expect customer use of railways will steadily recover, we believe it is unlikely to return to the pre-COVID-19 pandemic level due to the transformation in people's lifestyles. Faced also by the situation in Ukraine and other uncertainties, there are concerns about a rise in raw materials prices and fluctuations in financial and capital markets.

In addition, over the medium to long term, Japan's population is anticipated to further decline and age. At the same time, significant changes to the business environment are expected, including automated driving and other technological innovations as well as changes in globalization.

Further, as more than 30 years have passed since its establishment, the JR East Group faces various changes, including changes to railway systems and the rapid transition to the next generation of employees.

3. Medium-Term Management Strategies

The Group had been managing its operations in line with the "Move Up" 2027 management vision in anticipation of changes to its business environment, but in September 2020, based on our belief that customer use of railways will not return to the pre-COVID-19 pandemic level, the Group announced Speed Up "Move Up" 2027, a policy tailored to the post-COVID-19 society. By increasing the level and pace of its various initiatives, the Group will work to expedite its progress toward the achievement of "Move Up" 2027.

The Group will combine physical networks, in which the Group has an advantage, and digital technologies. In conjunction, the Group will evolve the railway-centered business model by placing greater emphasis on people and promote to reform the corporate structure to realize sustainable growth of the Group.

We will maximize the Group's capabilities and create new value through the fusion of services in the three areas of transportation, life-style, and IT & Suica, so that the Transportation segment covers 60% of operating revenues by fiscal 2026 (with the other

segments accounting for the remaining 40%). The Group will continue to invest management resources in growth areas in an effort to decrease the Transportation segment's share of operating revenues to 50% as swiftly as possible.

4. Management Benchmarks

In the wake of a drastic downturn to its business environment, in January 2021 the Group established the following numerical targets for the fiscal year ending March 31, 2026, and we will continue to work as a united group to achieve our goals.

	Billions of Yen			
	Fiscal 2026 Targets	Plans for Fiscal 2022 (as of October 2021)	Actual Fiscal 2022	Actual/Plan Fiscal 2022
Operating Revenues	3,090.0	2,057.0	1,978.9	96.2%
Transportation	1,970.0	1,336.0	1,277.0	95.6%
Retail & Services	550.0	290.0	278.1	95.9%
Real Estate & Hotels	480.0	361.0	352.6	97.7%
Others	90.0	70.0	71.0	101.5%
Operating Income (Loss)	450.0	(115.0)	(153.9)	-
Transportation	252.0	(257.0)	(285.3)	-
Retail & Services	57.0	24.0	14.1	58.8%
Real Estate & Hotels	113.0	106.0	107.8	101.7%
Others	30.0	14.0	11.6	83.2%
Adjustment	(2.0)	(2.0)	(2.1)	-
				(Rate of Progress)
Consolidated operating cash flow ..	3,693.0 (Note 1)	-	190.5	5.2%
Consolidated ROA (%)	Around 4.5	-	(1.7)	-
Net interest-bearing debt / EBITDA (times) (Note 2)	5 or less	-	19.0	-

- Notes: 1. Total amount covering five years from the fiscal year ending March 31, 2022 to the fiscal year ending March 31, 2026
2. Net interest-bearing debt means Balance of consolidated interest-bearing debt *minus* Balance of consolidated cash and cash equivalents
EBITDA means Consolidated operating income *plus* Consolidated depreciation expense

5. Initiatives to Realize “Move Up” 2027

With the aim of realizing its management vision “Move Up” 2027, the Group will pursue efforts to enhance profitability (restructuring of growth and innovation strategies), reform the corporate structure (fundamental strengthening of management foundation), and implement ESG management, while continuing to position safety at the top of its management priorities.

○ Safety is Our Top Priority

The Group will further refine our safe and stable transportation and earn deeper trust from customers and communities, which is fundamental to the Group's entire operations. In addition, each employee will work while being cognizant of the nature of his or her duties and proactively address risks, and we will devote our resources to reducing disaster-related risks given the increasing severity of natural disasters in recent years. Through these efforts, the Group will minimize the risk of occurrence of major accidents and will aim to achieve zero accidents involving passenger injuries or fatalities and zero accidents involving employee fatalities.

The Group will also expand and accelerate installation of automatic platform gates and other features by using the fare system established by the government to make train stations barrier-free.

- Enhancing profitability (Restructuring our growth and innovation strategies)

While working to recover railway users by stimulating their demand for travel and movement, the Group will also launch new products and services that match the changes in lifestyles of people and venture into new fields taking advantage of the Group's strengths.

The Group will implement the group-wide "RAILWAY 150th Anniversary" project and promote the "Beyond Stations" concept, such as showrooming of stations and making stations the customer pickup sites for *JRE MALL* products. The Group will also promote town-building toward the full-scale opening of the "Takanawa Gateway City (temporary name)" scheduled during fiscal 2026 while working to launch sustainable international businesses by combining our Group capabilities.

- Fundamental strengthening of management foundation (Reforming the corporate structure)

The Group will aim to establish a flexible cost structure through reduction of operation costs in railway business and other efforts. The Group will also work on its structural reform by thoroughly implementing use of new technologies, streamlining of equipment, and revision of work processes.

The Group will conduct review to achieve more flexible management of the fundamentals for the operation of the railway business, such as train fare systems and train schedules, based on how services are used. At the same time, for local lines, we will advance discussions with local municipalities, etc. in areas alongside the railway lines to establish sustainable transportation systems.

Moreover, JR East will restructure its organization in June 2022 and thereafter with the aim of flexibly responding to the rapidly changing business environment and enhancing management structure through the improvement of each employee's motivation for work and the improvement of productivity. We will promote the transfer of authority and integration among systems or between on-site work locations and planning departments in order to create value and solve problems more speedily and at locations closer to customers.

- Implementing ESG management

From the environment, social, and governance perspectives, the JR East Group will pursue ESG management and make efforts to contribute to the sustainable development of local communities by solving social issues through its businesses. At the same time, the Group will promote efforts geared toward achieving the Sustainable Development Goals (SDGs).

With respect to the environment, the Group will pursue reducing CO₂ emissions by fiscal 2031 to zero in the Tohoku Region toward "Zero-Carbon Challenge 2050". With respect to regional revitalization, the Group will promote a range of initiatives, including opening of new stations, town-building centered around regional core stations, and promoting sextic

industrialization to stimulate local economies. With respect to internal controls, we will adopt the broad concept of risk management from a viewpoint of improving the Group's value, and support and encourage employees taking on challenges for their development.

2. Capital Investment

We made capital investments with a focus on safe and stable transportation, improvement of station services, reduction in maintenance cost, increase in profitability and other tasks. The total amount of capital investment during this fiscal year was ¥520.0 billion. Major investments are as described below:

(1) Major Construction Projects Completed

- (a) Transportation
 - Installation of automatic platform gates (21 stations)
 - Construction to prepare for large-scale earthquakes (reinforcement of approximately 900 pillars of the elevated railway tracks, etc.)
 - Installation of tactile paving tiles on the platform edge with markings showing non-track side (9 stations)
 - Installations of elevators (8 stations, total 14 elevators)
 - New construction of rolling stock for the Shinkansen (142 cars)
 - New construction of commuter train rolling stock for the Tokyo metropolitan area (104 cars)
 - New construction of rolling stock for local lines (67 cars)
- (b) Real Estate & Hotels
 - KAWASAKI DELTA
 - Hotel Metropolitan Akita North Wing

(2) Major Construction Projects in Progress

- (a) Transportation
 - Installation of the Automatic Train Stop system (ATS-P) (Uetsu Main Line, etc.)
 - Installation of automatic platform gates (Iidabashi Station, etc.)
 - Construction to prepare for large-scale earthquakes
 - Installations of elevators
 - New construction of rolling stock for the Shinkansen (Joetsu Shinkansen Line and Hokuriku Shinkansen Line, etc.)
 - New construction of commuter train rolling stock for the Tokyo metropolitan area (Yokosuka Line, Sobu Line Rapid Service, etc.)
 - Construction to introduce ATACS to major line segments in the Tokyo metropolitan area
 - New construction of approaching line in Fukushima Station
 - Construction for conductorless operations in major line segments in the Tokyo metropolitan area
 - New construction of Makuhari-Toyosuna Station

- Construction of ground equipment with the aim of increasing train speeds between Morioka Station and Shin-Aomori Station on the Tohoku Shinkansen Line
 - New construction of outbound platform of Musashi-Kosugi Station on the Yokosuka Line
 - Renovation of passage, new station facility and development of station building at Nakano Station
 - Renovation of passage and station facility above the bridge at Hamamatsucho Station north exit
 - Renovation of station facility and station building at Shinagawa Station north exit
 - New construction of station facility above the bridge at Shibuya Station south exit
 - Renovation and construction of station building at Matsudo Station
 - Construction of continuous elevated railroad around Jujo Station
 - Renovation of east-west free passage at Tokyo Station south section
- (b) Retail & Services
- Development under the elevated railway tracks at Niigata Station
- (c) Real Estate & Hotels
- Development of MEGURO MARC
 - Development of Iwaki Station South Exit
 - Construction of station building at Shin-koiwa Station South Exit
 - Construction of Phase 2 (Central Bldg. and West Bldg.) of SHIBUYA SCRAMBLE SQUARE
 - Takanawa Gateway City (provisional name)

3. Fund Raising

We issued bonds and borrowed long-term loans mainly to use the funds to prepare for the impact of COVID-19 and for redemption of interest-bearing debts, as detailed below.

	Amount	Details
Bonds	¥612.3 billion	Domestic straight bonds: ¥410.0 billion Euro GBP bonds: ¥45.6 billion Euro EUR bonds: ¥156.6 billion
Long-term loans	¥298.6 billion	
Total	¥910.9 billion	

4. Changes in Results of Operations and Assets

(Billions of yen, except per share amount)

	32nd Fiscal Year (April 2018 to March 2019)	33rd Fiscal Year (April 2019 to March 2020)	34th Fiscal Year (April 2020 to March 2021)	35th Fiscal Year (April 2021 to March 2022)
Operating revenues	3,002.0	2,946.6	1,764.5	1,978.9
Ordinary income (loss)	443.2	339.5	(579.7)	(179.5)
Profit (Loss) attributable to owners of parent	295.2	198.4	(577.9)	(94.9)
Earnings (Loss) per share	773 yen	524 yen	(1,531) yen	(251) yen
Total assets	8,359.6	8,537.0	8,916.4	9,091.4
Net assets	3,094.3	3,173.4	2,557.3	2,418.1

5. Major Businesses (As of March 31, 2022)

The Group is engaged in transportation business, retail & services business, real estate & hotels business and others.

(1) Transportation

We are engaged in passenger transportation services with a focus on railway operations. A summary of the railway operations of the Company is set forth below.

Branch office	Number of stations	Operating kilometers (Kilometers)		
		Conventional lines	Shinkansen lines	Total
Tokyo Branch Office	81	177.5	17.8	195.3
Yokohama Branch Office	109	327.9	-	327.9
Hachioji Branch Office	95	287.1	-	287.1
Omiya Branch Office	79	313.0	166.5	479.5
Takasaki Branch Office	90	367.5	165.5	533.0
Mito Branch Office	113	469.8	-	469.8
Chiba Branch Office	158	592.2	-	592.2
Sendai Branch Office	281	1,089.1	223.6	1,312.7
Morioka Branch Office	174	724.3	316.3	1,040.6
Akita Branch Office	141	634.9	-	634.9
Niigata Branch Office	193	776.7	168.0	944.7
Nagano Branch Office	114	348.5	136.5	485.0
Total	1,628	6,108.5	1,194.2	7,302.7

The number of units of rolling stock is 12,548 (11,792 electric railcars, 46 passenger railcars, 571 diesel railcars, 59 locomotives and 80 other rolling stock).

In relation to transportation business, we also operate travel agency services, cleaning services, station operations, facilities maintenance operations, railcar manufacturing operations, railcar maintenance operations, passenger bus transport services and monorail services.

(2) Retail & Services

This segment consists of the part of our life-style service business that includes retail sales and restaurant operations, a wholesale business, a truck transportation business, and advertising and publicity.

(3) Real Estate & Hotels

This segment consists of the part of our life-style service business that includes shopping center operations, leasing of office buildings and other properties, hotel operations and development and sale of real estate to operate those businesses.

(4) Others

We conduct IT & *Suica* businesses, which include credit card operations, and information processing, among others.

6. Main Business Offices and Other Information (As of March 31, 2022)

(1) The Company

Head Office: 2-2, Yoyogi 2-chome, Shibuya-ku, Tokyo

Organizations affiliated with Head Office:

Research & Development Center of JR East Group (Saitama)
JR East General Education Center (Fukushima)
JR Tokyo General Hospital
JR East Health Promotion Center (Tokyo)
Structural Engineering Center (Tokyo)

Organization to integrate Shinkansen operations

Shinkansen General Management Department (Tokyo)

Branch Offices, etc.:

Tokyo Branch Office, Yokohama Branch Office
Hachioji Branch Office, Omiya Branch Office
Takasaki Branch Office, Mito Branch Office
Chiba Branch Office, Sendai Branch Office
Morioka Branch Office, Akita Branch Office
Niigata Branch Office, Nagano Branch Office
Tokyo Construction Office
Tokyo Electrical Construction & System Integration Office
Tohoku Construction Office (Miyagi)
Joshinetsu Construction Office (Gunma)

Yamagata Branch, Fukushima Branch, Aomori Branch

(2) Subsidiaries

Viewcard Co., Ltd. (Tokyo)
 JR East Cross Station Co., Ltd. (Tokyo)
 JR BUS KANTO CO., LTD. (Tokyo)
 Japan Transport Engineering Company (Kanagawa)
 TOKYO MONORAIL CO., LTD. (Tokyo)
 LUMINE Co., Ltd. (Tokyo)
 Sendai Terminal Building Co., Ltd. (Miyagi)
 atré Co., Ltd. (Tokyo)
 East Japan Marketing & Communications, Inc. (Tokyo)
 JR East Urban Development Corporation (Tokyo)
 JR East Information Systems Company (Tokyo)
 NIPPON HOTEL Co., Ltd. (Tokyo)
 JR EAST TOUHOKU SOUGOU SERVICE COMPANY (Miyagi)
 JR East Building Co., Ltd. (Tokyo)
 JR East Rail Car Technology & Maintenance Co., LTD. (Tokyo)
 JR East Environment Access Co., Ltd. (Tokyo)
 JR East Mechatronics Co., Ltd. (Tokyo)
 JR East Station Service Co., Ltd. (Tokyo)
 JR East Facility Management Co., Ltd. (Tokyo)

7. **Employees** (As of March 31, 2022)

Business segment	Number of employees	
Transportation	55,921	(13,960)
Retail & Services	5,963	(8,766)
Real Estate & Hotels	4,878	(1,477)
Others	4,478	(873)
Total	71,240	(25,076)

(Notes)

1. “Number of employees” shows the number of persons at work (excluding those seconded to other companies and including those seconded from other companies for each of the Group companies). The number of temporary employees is shown in parentheses and is not included in “Number of employees.”
2. The number of temporary employees includes those re-employed after the age-limit retirement such as those designated as “elder employees” of the Company, but does not include dispatched employees and part-timers working for a short time.
3. “Number of employees” decreased by 733 (temporary employees decreased by 1,109) compared to as of March 31, 2021.

8. Principal Subsidiaries (As of March 31, 2022)

(1) Principal Subsidiaries

Name of subsidiary	Stated capital (Millions of yen)	Percentage of voting rights held by the Company (%)	Main business
Viewcard Co., Ltd.	5,000	100.0	Credit card services
JR Cross Station Co., Ltd.	4,101	100.0	Retail sales, restaurant business and shopping center operations
JR BUS KANTO CO., LTD.	4,000	100.0	Passenger bus transport services
Japan Transport Engineering Company	3,100	100.0	Railcar manufacturing operations
TOKYO MONORAIL CO., LTD.	3,000	79.0	Monorail transport services
LUMINE Co., Ltd.	2,375	95.1	Shopping center operations
Sendai Terminal Building Co., Ltd.	1,800	99.5 (2.9)	Hotel operations and shopping center operations
atré Co., Ltd.	1,630	92.1 (0.6)	Shopping center operations
East Japan Marketing & Communications, Inc.	1,550	100.0	Advertising and publicity
JR East Urban Development Corporation	1,450	100.0	Shopping center operations and retail sales
JR East Information Systems Company	500	100.0	Information processing
NIPPON HOTEL Co., Ltd.	500	100.0	Hotel operations
JR EAST TOUHOKU SOUGOU SERVICE COMPANY	490	100.0	Retail sales and station operations
JR East Building Co., Ltd.	480	100.0	Office building lease
JR East Rail Car Technology & Maintenance Co., LTD.	200	100.0	Railcar maintenance operations
JR East Environment Access Co., Ltd.	120	100.0	Cleaning services
JR East Mechatronics Co., Ltd.	100	100.0	Maintenance services and IC card services

JR East Station Service Co., Ltd.	50	100.0	Station operations
JR East Facility Management Co., Ltd.	50	100.0	Building maintenance

(Note) The percentage of voting rights in parentheses represents shares held indirectly by the Company and is included in the “Percentage of voting rights held by the Company.”

(2) Progress in and Results of Group Activities During this Fiscal Year

As of March 31, 2022, the Company had 69 consolidated subsidiaries, including 19 principal subsidiaries described in (1) above, and six affiliated companies accounted for by the equity method. During this fiscal year, two companies, JR East Real Estate Asset Management Co., Ltd. and JREFU Hotel Management & Consulting Co., Ltd, were newly consolidated and four companies, JR Tokyo West Development Co., Ltd., JR East Water Business Co., Ltd., JR East Foods Co., Ltd. and Tetsudo Kaikan Co., Ltd., were excluded from consolidation. There was no change as to the affiliated companies accounted for by the equity method during this fiscal year.

Consolidated operating revenues for this fiscal year amounted to ¥1,978.9 billion, an increase of 12.1% compared with the previous fiscal year. Loss attributable to owners of parent amounted to ¥94.9 billion, compared with the loss attributable to owners of parent of ¥577.9 billion for the previous fiscal year.

9. Principal Lenders (As of March 31, 2022)

Name of lender	Borrowings outstanding (Millions of yen)
Mizuho Bank, Ltd.	216,600
MUFG Bank, Ltd.	198,749
Sumitomo Mitsui Banking Corporation	187,800
Nippon Life Insurance Company	74,500
Sumitomo Life Insurance Company	54,500
The Chiba Bank, Ltd.	44,000
The Dai-ichi Life Insurance Company, Limited	35,000
Meiji Yasuda Life Insurance Company	32,000
Joyo Bank, Ltd.	25,200

II. ITEMS CONCERNING SHARES (As of March 31, 2022)

- Total number of shares authorized to be issued by the Company
1,600,000,000 shares

2. Total number of issued shares
377,932,400 shares

(Note) The total number of issued shares includes 333,010 shares of treasury stock.

3. Total number of shareholders
299,999 persons

4. Principal shareholders

Name of shareholder	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

(Note) The shareholding percentage is calculated based on the total number of issued shares excluding 333,010 shares of treasury stock.

III. ITEMS CONCERNING DIRECTORS AND CORPORATE AUDITORS

1. Directors and Corporate Auditors (As of March 31, 2022)

Position and name		Duties or principal occupation and important concurrent positions at other entities
Chairman	Tetsuro Tomita	Director of Nippon Steel Corporation; Director of Nippon Life Insurance Company
President and CEO (Representative Director)	Yuji Fukasawa	
Executive Vice President (Representative Director)	Yoichi Kise	Assistant to President, Director General of Life-style Business Development Headquarters; In charge of Shinagawa Developments; In charge of Work & Welfare Strategies Department; In charge of Regional Revitalization
Executive Vice President (Representative Director)	Katsumi Ise	Assistant to President, Director General of Technology Innovation Headquarters
Executive Vice President (Representative Director)	Totaro Ichikawa	Assistant to President, Director General of Railway Operations Headquarters, Chief Safety Officer
Executive Director	Kiwamu Sakai	Director General of Corporate Planning Headquarters; In charge of Customer Service Quality Reformation Department, Railway Operations Headquarters
Executive Director	Atsushi Ouchi	Deputy Director General of Technology Innovation Headquarters; In charge of Electrical & Signal Network System Department, Railway Operations Headquarters; In charge of Energy Strategies Department; Director of NIPPON DENSETSU KOGYO CO., LTD.
Executive Director	Atsuko Itoh	In charge of Inquiry & Audit Department; In charge of Public Relations Department; In charge of Finance Department; In charge of Corporate & Legal Strategies Department
Director	Motoshige Itoh	Professor of Gakushuin University, Faculty of International Social Sciences; Corporate Auditor of Hagaromo Foods Corporation; Director of The Shizuoka

Director	Reiko Amano	Bank, Ltd.; Director of Sumitomo Chemical Company, Limited Auditor of Japan Atomic Energy Agency; Director of Yokogawa Bridge Holdings Corp.
Director	Hiroko Kawamoto	Adviser of ANA Strategic Research Institute Co., Ltd.; Director of Sumitomo Mitsui Trust Holdings, Inc.; Director of RENAISSANCE INCORPORATED
Full-time Corporate Auditor	Keiji Takiguchi	
Full-time Corporate Auditor	Takashi Kinoshita	
Corporate Auditor	Seishi Kanetsuki	
Corporate Auditor	Kimitaka Mori	Certified public accountant; Director of Japan Exchange Group, Inc.; Corporate Auditor of MITSUI & CO., LTD.; Director of Sumitomo Life Insurance Company
Corporate Auditor	Nobuyuki Hashiguchi	

(Notes)

1. Mr. Motoshige Itoh, Ms. Reiko Amano and Ms. Hiroko Kawamoto, Directors, are outside directors. Messrs. Keiji Takiguchi and Takashi Kinoshita, Full-time Corporate Auditors, and Messrs. Seishi Kanetsuki and Kimitaka Mori, Corporate Auditors, are outside corporate auditors. The Company designates all of them as independent directors and corporate auditors as stipulated by stock exchanges.
2. Mr. Motoshige Itoh, Director, retired as Professor of Gakushuin University as of March 31, 2022. Mr. Itoh is also an outside director of The Shizuoka Bank, Ltd. and Sumitomo Chemical Company, Limited, and an outside corporate auditor of Hagoromo Foods Corporation, and appointed as an outside director of JX Nippon Mining & Metals Corporation as of April 1, 2022; there is no relationship that is required to be disclosed between either of these companies and the Company.
3. Ms. Reiko Amano retired as Auditor of National Institute for Environmental Studies as of July 6, 2021. Ms. Amano is also an outside director of Yokogawa Bridge Holdings Corp.; there is no relationship that is required to be disclosed between that company and the Company.
4. Ms. Hiroko Kawamoto, Director, is also an outside director of Sumitomo Mitsui Trust Holdings, Inc. and RENAISSANCE INCORPORATED; there is no relationship that is required to be disclosed between either of these companies and the Company.

5. Mr. Kimitaka Mori is a certified public accountant and has considerable knowledge of finance and accounting. Mr. Mori is also an outside director of Japan Exchange Group, Inc. and an outside corporate auditor of MITSUI & CO., LTD.; there is no relationship that is required to be disclosed between these companies and the Company. Mr. Mori is also an outside director of Sumitomo Life Insurance Company, from which the Company borrows funds.

6. Mr. Masaki Sakuyama, Director, resigned as of July 5, 2021. At the time of resignation he was also Chairman and Director of Mitsubishi Electric Corporation, with which the Company has a business relationship relating to railcar equipment. Mr. Sakuyama was also an outside corporate auditor of The Japan Atomic Power Company, Ltd.; there is no relationship that is required to be disclosed between that company and the Company.

2. Overview of the Agreement on Limitation of Liability of Outside Directors and Outside Corporate Auditors

In accordance with the provisions of Article 427, Paragraph 1 of the Business Corporation Law, the Company has executed agreements with Directors who are not executive directors, etc. as defined under the Business Corporation Law and Corporate Auditors to limit their liability as provided in Article 423, Paragraph 1 of the Business Corporation Law. The maximum amount of such liability under each such agreement shall be the amount stipulated by law or regulation.

3. Overview of Directors and Officers Liability Insurance Agreement

In accordance with Article 430-3, Paragraph 1 of the Business Corporation Law, the Company has executed a directors and officers liability insurance agreement with an insurance company. The scope of the insured under the insurance agreement is the Company's Directors, Corporate Auditors, Executive Officers, employee managers and retired directors and officers, including those newly appointed during the period of insurance. The insurance agreement covers the legal costs and damages incurred by the insured due to third-party lawsuits and shareholder derivative lawsuits. The insurance premiums are fully borne by the Company and the agreement is renewed annually. In order to ensure that the appropriateness of the execution of duties by the insured is not impaired, the insurance agreement has a disclaimer in the event the Company pursues liability for damages against the insured.

4. Remuneration of Directors and Corporate Auditors

(1) Total amount of remuneration of Directors and Corporate Auditors

Title	Total amount of remuneration (millions)	Total amount of remuneration by types (millions)		Number of persons
		Basic remuneration	Performance-based remuneration	
Directors	¥440	¥390	¥49	15
Corporate Auditors	¥99	¥99	-	5
Total	¥539	¥489	¥49	20

(Notes)

1. The maximum amount of remuneration to Directors was established to be ¥900 million per year (including ¥70 million to outside Directors) pursuant to a resolution adopted at the 29th Ordinary General Meeting of Shareholders held on June 23, 2016. As of the conclusion of this General Meeting of Shareholders, the number of Directors is 16 (including 3 outside directors).

2. The maximum amount of remuneration to Corporate Auditors was established to be ¥11 million per month pursuant to a resolution adopted at the 17th Ordinary General Meeting of Shareholders held on June 23, 2004. As of the conclusion of this General Meeting of Shareholders, the number of Corporate Auditors is 5 (including 4 outside corporate auditors).

3. The amount of remuneration includes the amount paid to three Directors retired at the conclusion of the 34th Ordinary General Meeting of Shareholders held on June 22, 2021 and one Director retired as of July 5, 2021.

4. The amount of remuneration includes remuneration to eight outside Directors and outside Corporate Auditors, including the one person retired as of July 5, 2021 (¥136 million).

5. In light of the impact of COVID-19 on the business results, the Company's Directors (excluding outside directors) voluntarily returned 10% or 20% of their basic remuneration from April 2021 to March 2022. Also, remuneration to Full-time Corporate Auditors was reduced by 10% from the basic amount as determined by the Board of Corporate Auditors. The amount of basic remuneration in the above table includes the amount voluntarily returned and reduced.

(2) Policy for determining the remuneration for each director

i) Method of determining the policy regarding details of remuneration for each director

The policy for determining details of remuneration for each director was resolved at a meeting of the Board of Directors held on February 17, 2021.

ii) Overview of policy

A. Basic policy

The Company pays basic remuneration to non-outside directors based on their positions as compensation for the execution of daily business operations within the limits of remuneration resolved at the General Meeting of Shareholders. The Company also pays performance-based remuneration based on business results, dividends to shareholders, and the level of contribution of such directors toward achieving the business results for the fiscal year and the Medium-Term Management Vision. The Company does not pay performance-based remuneration to outside directors in light of their responsibilities, but provides basic remuneration as compensation for the execution of duties within the limits of remuneration resolved at the General Meeting of Shareholders.

B. Matters concerning the determination of details of remuneration for each director

Decisions on the amount of remuneration for each director (basic remuneration and performance-based remuneration) are made by resolution of the Board of Directors, subject to the President and CEO's discretion. From the viewpoint of ensuring transparency and fairness in the determination of the amount of remuneration for directors, the President and CEO consults in advance with the Remuneration Deliberation Committee, which is composed of independent outside directors and other directors, and makes decisions based on reports from the Remuneration Deliberation Committee.

C. Policy on determination of basic remuneration

The basic remuneration for the Company's directors is a fixed monthly remuneration and determined by taking into account the duties of directors according to their positions and the business characteristics of the Company.

D. Policy on determination of performance-linked remuneration

For performance-linked remuneration, in addition to evaluating the results of each director's performance during the fiscal year, the Company evaluates operating results of the current fiscal year including operating income and profit and shareholder returns, given that a strong business characteristic of its divisions are that they collaborate with one another. Also, given that our business characteristic is that we require a long period from the planning stage to the achievement of results, the Company evaluates the level of contribution toward achieving the Group Management Vision and other indicators in a comprehensive manner and reflects these results in the calculation of remuneration. In evaluating the performance, the President and CEO confirms the results and contribution of relevant directors by conducting interviews to set targets aimed at achieving the annual plan and the Group Management Vision and follow-up interviews to track progress.

Performance-based remuneration is paid at a certain time each year as cash remuneration. The Company does not pay non-monetary remuneration.

E. Policy on determination of the remuneration ratio (basic remuneration and performance-linked remuneration) for each director

The ratio of basic remuneration and performance-linked remuneration for non-outside directors is approximately 4:1, except for the variable portion due to the performance of each director, so that the performance-linked remuneration accounts for a certain percentage of the total remuneration. Performance-linked remuneration will be increased or decreased within a range between a 30% increase and a 40% decrease from the basic amount for each position, depending on the performance of each director. In addition, the Company may make further deductions in light of various factors related to the Company's operation, including business results for the fiscal year and the forecast of business results for the next fiscal year.

iii) Reasons for the Board of Directors to determine that details of remuneration for each director for the fiscal year are in accordance with the policy

The Remuneration Deliberation Committee provides a report after confirming that the details of remuneration for each director are consistent with the policy. The Board of Directors generally respect such a report, and is of the view that that details of remuneration for each director are in accordance with the policy.

(3) Indicators for performance-based remuneration, reasons for their adoption, and results

In addition to evaluating the results of each director's performance during the fiscal year, the Company evaluates operating results of the current fiscal year including operating income and profit and shareholder returns, given that a strong business characteristic of its divisions are that they collaborate with one another. Also, given that our business characteristic is that we require a long period from the planning stage to the achievement of results, the Company evaluates the level of contribution toward achieving the Group Management Vision "Move Up" 2027 and other indicators in a comprehensive manner and reflects these results in the calculation of remuneration. In evaluating the performance, the President and CEO confirms the results and contribution of relevant directors by conducting interviews to set targets aimed at achieving the annual plan and the Group Management Vision "Move Up" 2027 and follow-up interviews to track progress.

Performance-based remuneration is paid at a certain time each year as cash remuneration. However, for the performance-based remuneration for the 35th fiscal year, the Company made deductions exceeding the range described in (2)(ii)(E) in light of the impact of COVID-19, etc. on the business results for the 35th fiscal year ended March 31, 2022.

The Company does not pay non-monetary remuneration.

(4) Matters concerning delegation of determination of remuneration for each director

In evaluating the performance of directors, the President and CEO confirms their results and contribution by conducting interviews to set targets aimed at achieving the annual plan and the Group Management Vision "Move Up" 2027 and tracing interviews.

Accordingly, the determination of the remuneration for each director has been resolved by the Board of Directors, subject to the discretion of Yuji Fukazawa, President and CEO. For this fiscal year, it was resolved at the meeting of the Board of Directors held on June 22, 2021 to delegate the determination of the amount of remuneration for each director to the President and CEO. From the viewpoint of ensuring transparency and fairness in the determination of the amount of remuneration for directors, the President and CEO consults in advance with the Remuneration Deliberation Committee, which is composed of independent outside directors and other directors, and makes decisions based on reports from the Remuneration Deliberation Committee.

5. Principal Activities of Outside Directors and Outside Corporate Auditors, and Summary of Duties Performed by Outside Directors to Fulfill their Expected Roles

Title	Name	Status of attendance to meetings of the Board of Directors	Principal activities
Outside Director	Motoshige Itoh	15 out of all 16 meetings Attendance rate: 94%	<p>At the meetings of the Board of Directors, spoke on the Company’s management issues based on his broad experience as an academic expert, especially his considerable insight on the overall economy.</p> <p>Also as a member of the Personnel Deliberation Committee, attended all 2 meetings held during the 35th fiscal year (attendance rate 100%), and performed a supervisory function to ensure suitability of director candidates and objectivity and transparency of the process with respect to the personnel matters concerning the Company’s directors. Further, as a member of the Remuneration Deliberation Committee, performed a supervisory function to ensure objectivity and transparency of the process with respect to the determination of remuneration to the Company’s directors. Mr. Itoh was appointed as a chairman of the Personnel Deliberation Committee and the Remuneration Deliberation Committee during the 35th fiscal year. As the committee advised on performance-based remuneration for the 35th fiscal year at its meeting held in the 36th fiscal year (April 2022), no meeting was held during the 35th fiscal year.</p>

Outside Director	Reiko Amano	16 out of all 16 meetings Attendance rate: 100%	<p>At the meetings of the Board of Directors, spoke on the Company's management issues based on her broad experience in the private sector and other organizations, especially her considerable insight into disaster prevention, risk management and intellectual property strategies.</p> <p>Also, as a member of the Personnel Deliberation Committee, attended all 2 meetings held during the 35th fiscal year (attendance rate 100%), and performed a supervisory function to ensure suitability of director candidates and objectivity and transparency of the process with respect to the personnel matters concerning the Company's directors. Further, as a member of the Remuneration Deliberation Committee, performed a supervisory function to ensure objectivity and transparency of the process with respect to the determination of remuneration to the Company's directors. As the committee advised on performance-based remuneration for the 35th fiscal year at its meeting held in the 36th fiscal year (April 2022), no meeting was held during the 35th fiscal year.</p>
Outside Director	Masaki Sakuyama	4 out of all 5 meetings Attendance rate: 80%	<p>At the meetings of the Board of Directors held before his resignation as of July 5, 2021, spoke on the Company's management issues based on his broad experience in the private sector and other organizations, especially his considerable insight into overall corporate management.</p> <p>Also, as a chairman of the Personnel Deliberation Committee, attended 1 meeting held before his resignation during the 35th fiscal year (attendance rate 100%), and performed a supervisory function to ensure suitability of director candidates and objectivity and transparency of the process with respect to the personnel matters concerning the Company's directors. Further, as a chairman of the Remuneration Deliberation Committee, performed a supervisory function to ensure objectivity and transparency of the process with respect to the determination of remuneration to the Company's directors.</p> <p>Mr. Sakuyama resigned as Director as of July 5, 2021, and concurrently resigned as chairman of</p>

the Personnel Deliberation Committee and the Remuneration Deliberation Committee.

Outside Director	Hiroko Kawamoto	16 out of all 16 meetings Attendance rate: 100%	At the meetings of the Board of Directors, spoke on the Company's management issues based on her broad experience in the private sector and other organizations, especially her considerable insight into personnel development and improvement of service quality.
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Also, as a member of the Personnel Deliberation Committee, attended all 2 meetings held during the 35th fiscal year (attendance rate 100%), and performed a supervisory function to ensure suitability of director candidates and objectivity and transparency of the process with respect to the personnel matters concerning the Company's directors. Further, as a member of the Remuneration Deliberation Committee, performed a supervisory function to ensure objectivity and transparency of the process with respect to the determination of remuneration to the Company's directors. As the committee advised on performance-based remuneration for the 35th fiscal year at its meeting held in the 36th fiscal year (April 2022), no meeting was held during the 35th fiscal year.

Title	Name	Status of attendance to meetings of the Board of Directors	Status of attendance to meetings of the Corporate Auditors	Principal activities
Outside Corporate Auditor	Keiji Takiguchi	16 out of all 16 meetings Attendance rate: 100%	16 out of all 16 meetings Attendance rate: 100%	At the meetings of the Board of Directors and the Board of Corporate Auditors, spoke on the Company's management issues based on his broad experience in the government.
Outside Corporate Auditor	Takashi Kinoshita	16 out of all 16 meetings Attendance rate: 100%	16 out of all 16 meetings Attendance rate: 100%	At the meetings of the Board of Directors and the Board of Corporate Auditors, spoke on the Company's management issues based on his broad

				experience in the government.
Outside Corporate Auditor	Seishi Kanetsuki	16 out of all 16 meetings Attendance rate: 100%	16 out of all 16 meetings Attendance rate: 100%	At the meetings of the Board of Directors and the Board of Corporate Auditors, spoke on the Company's management issues based on his broad experience as a judge.
Outside Corporate Auditor	Kimitaka Mori	15 out of all 16 meetings Attendance rate: 94%	16 out of all 16 meetings Attendance rate: 100%	At the meetings of the Board of Directors and the Board of Corporate Auditors, spoke on the Company's management issues based on his broad experience as a certified public accountant.

IV. STATUS OF THE ACCOUNTING AUDITOR

1. Name of the Accounting Auditor

KPMG AZSA LLC

2. Amount of Remuneration to the Accounting Auditor for this Fiscal Year

- (1) Total amount to be paid by the Company as remuneration to the accounting auditor: ¥245 million
- (2) Total amount of cash and other monetary benefits to be paid by the Company and subsidiaries: ¥752 million

(Notes)

- The amount in (1) above includes remuneration for audits conducted under the Financial Instruments and Exchange Law, since no classification is provided in the audit agreement between the Company and the accounting auditor with respect to remuneration for audits conducted under the Business Corporation Law and audits conducted under the Financial Instruments and Exchange Law, and it is practically impossible to separate the two types of payment.
- The Board of Corporate Auditors of the Company verifies the audit plan of the accounting auditor, its performance of duties and basis for calculation of estimate of remuneration, and agrees on remuneration to the accounting auditor.

3. Description of Non-Audit Services

The Company paid to the accounting auditor compensation for preparation of comfort letters which are outside the scope of services provided in Article 2, Paragraph 1 of the Certified Public Accountants Law.

4. Policy on Dismissal or Non-Reappointment of Accounting Auditors

The Board of Corporate Auditors of the Company will determine an agenda to dismiss or not to reappoint an accounting auditor to be proposed to the General Meeting of Shareholders when it is deemed appropriate, such as when an accounting auditor does not fully perform its duties or its social credibility is significantly impaired.

Also, the Board of Corporate Auditors of the Company will, upon unanimous approval of Corporate Auditors, dismiss an accounting auditor when it is deemed to fall under any of the items of Article 340, Paragraph 1 of the Business Corporation Law. In such case, a Corporate Auditor selected by the Board of Corporate Auditors will report the dismissal of an accounting auditor and the reason of such dismissal at the first General Meeting of Shareholders held after such dismissal.

* * * * *

All yen amounts given in this report are shown by rounding down any amounts less than the units shown.

CONSOLIDATED BALANCE SHEET

(As of March 31, 2022)

(Millions of yen)

Assets

Current Assets:

Cash and time deposits	¥171,194
Notes, accounts receivable – trade and contract assets	503,581
Fares receivable	53,246
Securities	100
Real estate for sale	18,006
Inventories	94,213
Other	69,459
Allowance for doubtful accounts	(2,802)
Total current assets	<u>907,001</u>

Fixed Assets:

Property, plant and equipment, net of accumulated depreciation	
Buildings and fixtures	3,861,442
Machinery, rolling stock and vehicles	747,230
Land	2,164,997
Construction in progress	334,610
Other	69,575
Total property, plant and equipment, net of accumulated depreciation	<u>7,177,855</u>

Intangible assets	<u>169,970</u>
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Investments and other assets:

Investments in securities	301,490
Long-term loans receivable	1,987
Deferred tax assets	442,562
Net defined benefit assets	803
Other	90,968
Allowance for doubtful accounts	(1,214)
Total investments and other assets	<u>836,597</u>

Total fixed assets	<u>8,184,423</u>
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Total Assets	<u>¥9,091,424</u>
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Liabilities	<i>(Millions of yen)</i>
Current Liabilities:	
Notes and accounts payable-trade	¥47,876
Short-term loans and current portion of long-term loans	202,249
Current portion of bonds	111,000
Current portion of long-term liabilities incurred for purchase of railway facilities	3,806
Payables	422,653
Accrued consumption taxes	34,654
Accrued income taxes	10,938
Fare deposits received with regard to railway connecting services	27,847
Prepaid railway fares received	69,598
Allowance for bonuses to employees	52,715
Allowance for disaster-damage losses	22,465
Allowance for partial transfer costs of railway operations	128
Other	682,624
Total current liabilities	1,688,558
Long-term Liabilities:	
Bonds	2,431,665
Long-term loans	1,309,950
Long-term liabilities incurred for purchase of railway facilities	315,067
Deferred tax liabilities	2,309
Provision for large-scale renovation of Shinkansen infrastructure	144,000
Allowance for disaster-damage losses	2,591
Net defined benefit liabilities	465,346
Other	313,823
Total long-term liabilities	4,984,754
Total Liabilities	¥6,673,313
Net Assets	
Shareholders' Equity:	
Common stock	¥200,000
Capital surplus	96,411
Retained earnings	2,047,407
Treasury stock, at cost	(5,563)
Total Shareholders' Equity	2,338,255
Accumulated Other Comprehensive Income:	
Net unrealized holding gains (losses) on securities	47,830
Net deferred gains (losses) on derivatives under hedge accounting	2,464
Revaluation reserve for land	(256)
Foreign currency translation adjustments	257
Remeasurements of defined benefit plans	6,377
Total Accumulated Other Comprehensive Income	56,672
Non-Controlling Interests	23,182
Total Net Assets	2,418,110
Total Liabilities and Total Net Assets	¥9,091,424

(Note) Amounts less than one million yen are omitted.

CONSOLIDATED STATEMENT OF INCOME

(Year ended March 31, 2022)

	<i>(Millions of yen)</i>
Operating revenues	¥1,978,967
Operating expenses:	
Transportation, other services and cost of sales	1,596,068
Selling, general and administrative expenses	536,836
Total operating expenses	<u>2,132,905</u>
Operating loss	<u>(153,938)</u>
Non-operating income:	
Interest income	149
Dividend income	9,651
Equity in net income of affiliated companies	12,015
Other	22,422
Total non-operating income	<u>44,239</u>
Non-operating expenses:	
Interest expense	62,158
Other	7,644
Total non-operating expenses	<u>69,802</u>
Ordinary loss	<u>(179,501)</u>
Extraordinary gains:	
Gains on sales of fixed assets	6,498
Gains on sales of investments in securities	20,651
Construction grants received	20,784
Other	16,183
Total extraordinary gains	<u>64,117</u>
Extraordinary losses:	
Losses on reduction entry for construction grants	15,269
Impairment losses on fixed assets	9,652
Disaster-damage losses	376
Provision for allowance for disaster-damage losses	21,255
Other	18,563
Total extraordinary losses	<u>65,118</u>
Loss before income taxes	<u>(180,502)</u>
Income taxes-current	12,527
Income taxes-deferred	(98,505)
	<u>(85,977)</u>
Loss	(94,525)
Profit attributable to non-controlling interests	423
Loss attributable to owners of parent	<u>¥(94,948)</u>

(Note) Amounts less than one million yen are omitted.

NON-CONSOLIDATED BALANCE SHEET

(As of March 31, 2022)

(Millions of yen)

Assets

Current Assets:

Cash and time deposits	¥137,461
Fares receivable	259,337
Accounts receivable-trade	94,175
Short-term loans receivable	118,076
Real estate for sale	13,733
Inventories	27,677
Prepaid expenses	8,088
Other	13,049
Allowance for doubtful accounts	(1,769)
Total current assets	<u>669,830</u>

Fixed Assets:

Fixed assets for railway operations	5,177,176
Fixed assets for other operations	896,149
Fixed assets relating to both operations	330,656
Construction in progress	313,607
Investments and other assets:	
Investments in securities	186,584
Stocks of subsidiaries and affiliated companies	179,335
Long-term loans receivable	180,646
Long-term prepaid expenses	49,031
Deferred tax assets	387,278
Other investments and other assets	11,600
Allowance for doubtful accounts	(46,903)
Total investments and other assets	<u>947,574</u>
Total fixed assets	<u>7,665,164</u>
Total Assets	<u>¥8,334,994</u>

Liabilities	<i>(Millions of yen)</i>
Current Liabilities:	
Short-term loans	¥248,730
Current portion of bonds	111,000
Current portion of long-term loans	141,500
Current portion of long-term liabilities incurred for purchase of railway facilities	3,723
Lease obligation	10,845
Payables	371,102
Accrued expenses	30,859
Accrued consumption taxes	22,182
Accrued income taxes	2,768
Fare deposits received with regard to railway connecting services	28,208
Deposits received	27,605
Prepaid railway fares received	69,249
Advances received	122,672
Allowance for bonuses to employees	37,168
Allowance for disaster-damage losses	22,441
Allowance for environmental conservation costs	3,118
Allowance for partial transfer costs of railway operation	128
Allowance for point card certificates	11,498
Asset retirement obligations	657
Other	372,107
Total current liabilities	<u>1,637,567</u>
Long-term Liabilities:	
Bonds	2,431,665
Long-term loans	1,353,864
Long-term liabilities incurred for purchase of railway facilities	314,749
Lease obligation	21,676
Provision for large-scale renovation of Shinkansen infrastructure	144,000
Employees' severance and retirement benefits	412,975
Allowance for disaster-damage losses	2,591
Allowance for environmental conservation costs	45,913
Asset retirement obligations	7,976
Other	89,829
Total long-term liabilities	<u>4,825,242</u>
Total Liabilities	<u>¥6,462,810</u>

Net Assets

Shareholders' Equity:

Common stock	¥200,000
Capital surplus:	
Additional paid-in capital	96,600
Total capital surplus	<u>96,600</u>
Retained earnings:	
Legal reserve	22,173
Other retained earnings:	
Reserve for special depreciation	1,541
Reserve for investment losses on developing new business	82
Reserve for deferred gain of fixed assets	64,638
General reserve	1,220,000
Retained earnings carried forward	226,445
Total other retained earnings	<u>1,512,707</u>
Total retained earnings	<u>1,534,881</u>
Treasury stock, at cost	(3,426)
Total Shareholders' Equity	<u>1,828,055</u>
Valuation and Translation Adjustment:	
Net unrealized holding gains (losses) on securities	41,665
Net deferred gains (losses) on derivatives under hedge accounting	2,464
Total Valuation and Translation Adjustment	<u>44,129</u>
Total Net Assets	<u>1,872,184</u>
Total Liabilities and Total Net Assets	<u>¥8,334,994</u>

(Note) Amounts less than one million yen are omitted.

NON-CONSOLIDATED STATEMENT OF INCOME

(Year ended March 31, 2022)

(Millions of yen)

Railway operations:	
Operating revenues	¥1,254,724
Operating expenses	1,508,507
Operating loss	(253,783)
Other operations:	
Operating revenues	169,426
Operating expenses	65,226
Operating income	104,199
Total operating loss	(149,583)
Non-operating income:	
Interest income	774
Dividend income	27,455
Other	12,968
Total non-operating income	41,198
Non-operating expenses:	
Interest expense	34,521
Interest on bonds	28,633
Other	6,177
Total non-operating expenses	69,332
Ordinary loss	(177,718)
Extraordinary gains:	
Gains on sales of investments in securities	20,169
Construction grants received	20,008
Insurance proceeds related to disaster	6,000
Other	11,042
Total extraordinary gains	57,219
Extraordinary losses:	
Losses on reduction entry for construction grants	14,631
Losses on valuation of stocks of subsidiaries and affiliated companies	13,657
Disaster-damage losses	48
Provision for allowance for disaster-damage losses	21,231
Other	23,653
Total extraordinary losses	73,222
Loss before income taxes	(193,720)
Income taxes-current	379
Income taxes-deferred	(94,940)
	(94,560)
Loss	¥(99,159)

(Note) Amounts less than one million yen are omitted.

**Copy of Audit Report of the Accounting Auditor concerning
Consolidated Financial Statements**

[English Translation of the Independent Auditor's Report
Originally Issued in the Japanese Language]

Independent Auditor's Report

May 6, 2022

The Board of Directors
East Japan Railway Company

KPMG AZSA LLC
Tokyo Office, Japan
Kazuhiko Azami (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant
Hideki Yoshida (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant
Naoki Saito (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the related notes of East Japan Railway Company (“the Company”) and its consolidated subsidiaries (collectively referred to as “the Group”), as at March 31, 2022 and for the year from April 1, 2021 to March 31, 2022 in accordance with Article 444-4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the consolidated financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules.

Management is responsible for the preparation and presentation of the other information. Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Corporate auditors and the board of corporate auditors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties including the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement

resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with corporate auditors and the board of corporate auditors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide corporate auditors and the board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Note to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act for the convenience of the reader.

**Copy of Audit Report of the Accounting Auditor concerning
Non-Consolidated Financial Statements**

[English Translation of the Independent Auditor's Report
Originally Issued in the Japanese Language]

Independent Auditor's Report

May 6, 2022

The Board of Directors
East Japan Railway Company

KPMG AZSA LLC
Tokyo Office, Japan

Kazuhiko Azami (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Hideki Yoshida (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Naoki Saito (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the supplementary schedules of East Japan Railway Company (“the Company”) as at March 31, 2022 and for the year from April 1, 2021 to March 31, 2022 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and Others* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements and the accompanying supplementary schedules does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements and the accompanying supplementary schedules, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Corporate Auditors and the Board of Corporate Auditors for the Financial Statements and Others

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties including the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and Others

Our objectives are to obtain reasonable assurance about whether the financial statements and the supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the supplementary schedules.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements and the supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and the supplementary schedules, including the disclosures, and whether the financial statements and the supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with corporate auditors and the board of corporate auditors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide corporate auditors and the board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Note to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act for the convenience of the reader.

Copy of Audit Report of the Board of Corporate Auditors

[English Translation of the Audit Report of the Board of Corporate Auditors
Originally Issued in the Japanese Language]

Audit Report

Regarding the performance of duties by Directors for the 35th fiscal year from April 1, 2021 to March 31, 2022, the Board of Corporate Auditors hereby submits its audit report as a collective opinion of all Corporate Auditors, which has been prepared through discussions based on the audit reports prepared by the respective Corporate Auditors, as follows:

1. Methods and Contents of Audit by Corporate Auditors and the Board of Corporate Auditors

(1) The Board of Corporate Auditors determined, among other things, the auditing policies for this fiscal year and work responsibilities; received reports regarding the status of execution of audit and its results from each Corporate Auditor; received reports from Directors, other relevant employees and accounting auditors concerning the performance of their duties; and, when necessary, requested them to provide explanations.

(2) In accordance with the Corporate Auditors' auditing standards specified by the Board of Corporate Auditors and in conformity with auditing policies for this fiscal year and work responsibilities, each Corporate Auditor ensured to communicate effectively with Directors, employees in the internal audit division and other relevant employees; made efforts to collect necessary information and improve auditing environment, and conducted audit in the following methods.

(a) The Corporate Auditors attended the meetings of the Board of Directors and other important meetings; received reports from Directors, employees in the internal audit division and other relevant employees regarding the performance of their duties; requested them to provide explanations when necessary; examined important approval documents and associated information; and studied the operations and financial conditions at the head office as well as other principal offices. As for the subsidiaries, the Corporate Auditors ensured to communicate effectively with directors, corporate auditors and other personnel of subsidiaries and to exchange information therewith, and, when necessary, received reports from the subsidiaries regarding their business.

(b) The Corporate Auditors monitored and verified the contents of resolutions of the Board of Directors regarding the implementation of systems required to be implemented to ensure the proper operations of corporate groups consisting of corporations and their subsidiaries under Article 100, Paragraphs 1 and 3 of the Enforcement Regulations of the Business Corporation Law including a system to ensure that the performance of duties by Directors is in compliance with the laws, regulations and the Articles of Incorporation, and the status of the system (internal control system) implemented according to such resolutions.

(c) The Corporate Auditors monitored and verified whether the accounting auditors were maintaining their independence and properly performing audits; received reports from the accounting auditors on the performance of their duties; and, when necessary, requested them to provide explanations. The Corporate Auditors also received from the accounting auditors a notice confirming that “the system to ensure proper performance of duties” (matters stipulated in each Item of Article 131 of Corporate Accounting Regulations) was properly implemented according to the “Standards on Quality Control for Audit” (October 28, 2005, Business Accounting Council) and other relevant standards, and, when necessary, requested them to provide explanations.

Based on the aforementioned methods, the Corporate Auditors examined the business report and its supporting schedules, the financial statements (balance sheet, the statement of income, the statement of changes in net assets and the related notes) and their supporting schedules, and the consolidated financial statements (consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the related notes) for this fiscal year.

2. Audit Results

(1) Audit results concerning business report, etc.

(a) In our opinion, the business report and supporting schedules fairly represent the Company’s condition in accordance with the related laws and regulations, and the Articles of Incorporation.

(b) With regard to the performance of duties by the Directors, we have found no evidence of wrongful action or material violation of related laws and regulations, nor of the Articles of Incorporation.

(c) In our opinion, resolutions of the meetings of the Board of Directors regarding the internal control system are fair and reasonable. Furthermore, we have found no matters to remark regarding the description in the business report and the performance of duties by Directors in relation to the internal control system.

(2) Audit results concerning financial statements and supporting schedules

In our opinion, the methods and results employed and rendered by the accounting auditors, KPMG AZSA LLC, are fair and reasonable.

(3) Audit results concerning consolidated financial statements

In our opinion, the methods and results employed and rendered by the accounting auditors, KPMG AZSA LLC, are fair and reasonable.

May 12, 2022

Board of Corporate Auditors
East Japan Railway Company

Full-time Corporate Auditor	Keiji Takiguchi [seal]
Full-time Corporate Auditor	Takashi Kinoshita [seal]
Corporate Auditor	Seishi Kanetsuki [seal]
Corporate Auditor	Kimitaka Mori [seal]
Corporate Auditor	Nobuyuki Hashiguchi [seal]

(Note)

Messrs. Keiji Takiguchi, Takashi Kinoshita, Seishi Kanetsuki and Kimitaka Mori, Corporate Auditors, are outside corporate auditors as prescribed in Article 2, Item 16 of the Business Corporation Law.