

Fiscal 2024 Financial Results (Japanese GAAP) (Unaudited)

Fiscal 2024 (Year ended March 31, 2024)

All financial information has been prepared in accordance with accounting principles generally accepted in Japan.

"JR East" refers to East Japan Railway Company on a consolidated basis, or if the context so requires, on a non-consolidated basis.

English translation from the original Japanese-language document.

April 30, 2024

East Japan Railway Company

Stock Exchange Listing	Tokyo
Securities Code	9020
URL	https://www.jreast.co.jp/e
Representative	Yoichi Kise, President and CEO
Contact Person	Satoshi Shiohara, General Manager, Corporate Communications Department (Tel. +81-3-5334-1300)
Scheduled Date of Ordinary General Meeting of Shareholders	June 20, 2024
Scheduled Date of Dividend Payment Commencement	June 21, 2024
Scheduled Date for Release of Annual Securities Report	June 20, 2024
Preparation of Supplementary Explanations of Financial Results:	Yes
Financial Results Presentation to Be Held:	Yes

1. Consolidated Results for Fiscal 2024 (Year Ended March 31, 2024)

(Amounts less than one million yen, except for per share amounts, are omitted.)

(1) Consolidated financial results

(Percentages represent percentage changes as compared with the previous fiscal year.)

	Operating revenues		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2024	2,730,118	13.5	345,161	145.4	296,631	167.4	196,449	98.0
Fiscal 2023	2,405,538	21.6	140,628	—	110,910	—	99,232	—

Note: Comprehensive income – Fiscal 2024: 280,837 million yen (191.1%), Fiscal 2023: 96,459 million yen (—%)

	Earnings per share—Basic	Earnings per share—Diluted	Return on average equity	Ratio of ordinary income to average assets	Ratio of operating income to operating revenues
	Yen	Yen	%	%	%
Fiscal 2024	173.82	—	7.6	3.1	12.6
Fiscal 2023	87.79	—	4.1	1.2	5.8

Reference: Equity in net income of affiliated companies – Fiscal 2024: 10,683 million yen, Fiscal 2023: 23,322 million yen

Note: On April 1, 2024, JR East conducted a 3 for 1 stock split for its common shares. Earnings per share - Basic was calculated as though the stock split had been conducted at the beginning of Fiscal 2023.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2024	9,771,479	2,739,232	27.8	2,402.34
Fiscal 2023	9,351,899	2,497,713	26.4	2,188.88

Reference: Shareholders' equity – Fiscal 2024: 2,717,895 million yen, Fiscal 2023: 2,473,251 million yen

Note: On April 1, 2024, JR East conducted a 3 for 1 stock split for its common shares. Shareholders' equity per share was calculated as though the stock split had been conducted at the beginning of Fiscal 2023.

(3) Consolidated cash flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash provided by financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2024	688,103	(690,624)	66,103	280,810
Fiscal 2023	581,755	(565,511)	26,830	215,000

2. Dividends (Year Ended March 31, 2023 and 2024 and Year Ending March 31, 2025)

(Record date)	Dividends per share					Total dividends (annual)	Dividend ratio (consolidated)	Ratio of dividends to shareholders' equity (consolidated)
	1st quarter end	2nd quarter end	3rd quarter end	Year end	Total annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal 2023	—	50.00	—	50.00	100.00	37,759	38.0	1.5
Fiscal 2024	—	55.00	—	85.00	140.00	52,909	26.8	2.0
(Forecast) Fiscal 2025	—	26.00	—	26.00	52.00		28.0	

Note: On April 1, 2024, JR East conducted a 3 for 1 stock split for its common shares. The figures shown above for dividends for Fiscal 2023 and Fiscal 2024 represent the actual amounts of dividend paid before the stock split.

3. Forecasts for Fiscal 2025 (Year Ending March 31, 2025)

(Percentages represent percentage changes as compared with the previous fiscal year.)

	Operating revenues		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share—Basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal 2025	2,852,000	4.5	370,000	7.2	315,000	6.2	210,000	6.9	185.62

Note: On April 1, 2024, JR East conducted a 3 for 1 stock split for its common shares. The forecast figure shown above for Earnings per share - Basic represents the amount after the stock split.

※ **Notes**

(1) Changes to principal subsidiaries during the period (status changes of specified subsidiaries due to changes in the scope of consolidation): No

Newly consolidated — excluded —

(2) Changes in accounting policies, changes in accounting estimates, and restatement of revisions

i Changes in accounting policies with revision of accounting standards : No

ii Changes in accounting policies other than the above : No

iii Changes in accounting estimates : No

iv Restatement of revisions : No

(3) Number of issued shares (common stock)

i Issued shares at period-end (including treasury stock)	Fiscal 2024	1,134,412,200 shares	Fiscal 2023	1,133,797,200 shares
ii Treasury stock at period-end	Fiscal 2024	3,060,141 shares	Fiscal 2023	3,880,800 shares
iii Average number of shares during period	Fiscal 2024	1,130,164,968 shares	Fiscal 2023	1,130,291,871 shares

Note: On April 1, 2024, JR East conducted a 3 for 1 stock split for its common shares. The number of issued shares (common stock) shown above was calculated as though the stock split had been conducted at the beginning of Fiscal 2023.

(Reference) Overview of the Non-consolidated Financial Results

1. Non-consolidated Results for Fiscal 2024 (Year Ended March 31, 2024)

(Amounts less than one million yen, except for per share amounts, are omitted.)

(1) Non-consolidated financial results

(Percentages represent percentage changes as compared with the previous fiscal year.)

	Operating revenues		Operating income		Ordinary income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2024	1,987,298	12.6	253,801	179.1	202,334	339.8	146,693	179.8
Fiscal 2023	1,765,512	24.0	90,932	—	46,001	—	52,423	—

	Earnings per share— Basic	Earnings per share— Diluted
	Yen	Yen
Fiscal 2024	129.46	—
Fiscal 2023	46.28	—

Note: On April 1, 2024, JR East conducted a 3 for 1 stock split for its common shares. Earnings per share - Basic was calculated as though the stock split had been conducted at the beginning of Fiscal 2023.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2024	8,873,344	2,044,684	23.0	1,802.44
Fiscal 2023	8,527,381	1,880,403	22.1	1,659.97

Reference: Shareholders' equity – Fiscal 2024: 2,044,684 million yen, Fiscal 2023: 1,880,403 million yen

Note: On April 1, 2024, JR East conducted a 3 for 1 stock split for its common shares. Shareholders' equity per share was calculated as though the stock split had been conducted at the beginning of Fiscal 2023.

※ **Financial results are not subject to auditing.**

※ **Explanation of appropriate use of forecasts of business results; other important items**

The forecasts of business results and other forward-looking statements in this document are based on information currently available and certain assumptions that JR East deemed reasonable as of the date of this document. Actual results may differ from such forward-looking statements for a variety of reasons. Regarding the forecasts of business results, please refer to "Outlook for the Year Ending March 31, 2025" on page 6 of this document.

JR East is scheduled to hold an analysts' conference on May 1, 2024, to present its operating results for Fiscal 2024. Regarding the presentation materials of such conference, please refer to JR East's website.

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1. Operating Results and Financial Position

(Unless otherwise stated, all comparisons are between the fiscal year under review and the previous fiscal year.)

(1) Analysis of Operating Results

(i) Summary of the Fiscal Year Ended March 31, 2024

Overview

In the consolidated fiscal year ended March 31, 2024, despite some signs of a slowdown, the Japanese economy continued to recover at a moderate pace. In light of this situation, the JR East Group worked to enhance profitability, fundamentally strengthen our management culture, promote strategies designed to form a foundation for growth, and implement ESG management, thereby accelerating our progress toward the achievement of “Move Up” 2027, our Group management vision, while positioning “Safety” as the top management priority.

Aiming to achieve “the best in safety,” the Group united as one group for the final year of the “Group Safety Plan 2023” toward the enhancement and innovation of “safety conduct” and “safety management” by each employee. In terms of safety equipment, the Group steadily moved forward with improvement of its Shinkansen early earthquake detection system, revision to its Shinkansen seismic reinforcement plan in light of the earthquakes off the shore of Fukushima Prefecture in 2021 and 2022, and installation of platform doors using the fare system established by the national government to make train stations barrier-free.

With respect to “enhancing profitability (restructuring our growth and innovation strategies),” the Group worked to promote customer mobility in the JR East area and enhance profit, under the key concepts of “Post-COVID-19” and “Visitors to Japan.” Specific measures included sales of a weekday-only, great value product, “Let’s Travel on Weekdays! Early Booking Discount Pass[▼]”, further enhancement of measures aimed at visitors to Japan, and price revisions of railway passes for foreign travelers visiting Japan. In addition, the Group promoted measures toward business portfolio reform through further growth of businesses that lead to lifestyle solutions, such as the establishment of JR EAST Smart Logistics Co., Ltd. and strategic development of the real estate business.

On “fundamentally strengthening our management culture (reforming our corporate structure),” the Group implemented measures aimed at realizing a flexible cost structure, such as the promotion of off-peak commuter passes for their wider use and acceleration of digital transformation (DX) including the use of AI in maintenance operations. In addition, the Group worked to create values and solve problems quickly and close to customers, and set up more general management centers to further promote the integration and coordination between systems, and between frontline operations and planning departments, in order to realize a more flexible workstyle.

With regards to “promoting strategies designed to form a foundation for growth,” in order to develop diverse human resources with digital technology skills, the Group newly assigned DX professionals as personnel dedicated to lead DX literacy, and also established the “Digital & Data Innovation Center” within the head office as the organization responsible for promoting agile development and responding to governance issues arising from matters such as generative AI. In addition, the Group worked to establish flexible work systems and environment to support employee motivation and diverse workstyles, including raising the starting salary for new graduates and enhancing parenting support.

With regards to “implementing ESG management,” the Group has continued to work on environmental initiatives, such as the Hometown Forest Planting program, to preserve biodiversity and natural capital, whereby trees native to the land are planted to restore the forest, and the maintenance of fishways in areas surrounding the Shinanogawa Hydroelectric Power Station. The Group has also endorsed the recommendations for disclosures as published by the Taskforce on Nature-related Financial Disclosures (TNFD) in September 2023 and became the first railway company registered as a TNFD Adopter by the TNFD in March 2024. Towards the realization of regional revitalization, the Group launched the “Tohoku Treasure Project,” established the “Tohoku Reconstruction Tourism Promotion Network,” and promoted the “Ensen Marugoto Hotel Project”.

We will continue to make Group-wide efforts with the aim of realizing our group management vision “Move Up” 2027.

During the fiscal year under review, operating revenues increased by 13.5% from the previous year to ¥2,730.1 billion, due mainly to revenue increases in all segments, which were attributable to increase in the number of railway passengers, as well as in the sales at stores in stations, hotels and shopping centers. As a result of such increase in operating revenues, operating income increased by 145.4% from the previous year to ¥345.1 billion, ordinary income increased by 167.4% from the previous year to ¥296.6 billion, and profit attributable to owners of parent increased by 98.0% from the previous year to ¥196.4 billion.

Segment Information

Transportation

In the Transportation segment, JR East made concerted Group-wide efforts to ensure the provision of safe and reliable transportation and high-quality services.

As a result, operating revenues in the Transportation segment increased by 14.1%, to ¥1,918.0 billion, due mainly to an increase in passenger revenues, which was attributable to increase in the number of railway passengers, and operating income was ¥170.7 billion (operating loss of ¥24.0 billion in fiscal 2023).

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.

As a result, operating revenues in the Retail & Services segment increased by 14.3%, to ¥415.6 billion, due mainly to an increase in the sales at stores in stations, which was attributable to increase in the purchases by customers, and operating income increased by 53.1%, to ¥54.0 billion.

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.

As a result, operating revenues in the Real Estate & Hotels segment increased by 6.2%, to ¥434.9 billion, due mainly to an increase in the sales at hotels and shopping centers which was attributable to increase in the number of customers. On the other hand, operating income decreased by 10.2%, to ¥100.1 billion due mainly to the decrease of income from sale of real estate.

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*.

As a result, operating revenues in the Others segment increased by 13.9%, to ¥254.0 billion, due mainly to an increase in the sales from the IC card business, and operating income increased by 27.2%, to ¥21.9 billion.

Note: JR East applies Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (Accounting Standards Board of Japan Statement No.17, June 30, 2010) and 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 of each segment of JR East corresponds to the segment income under the said Accounting Standard and Guidance.

(ii) Outlook for the Year Ending March 31, 2025

As the Post-COVID-19 economy begins to fully start by, for example, the Bank of Japan's departure from the negative-interest rate policy, the Group will work to create new values by integrating and coordinating its transportation services, life-style services, and IT & *Suica* services, based on people-focused thinking. The Group also aims to build a management structure supported by two pillars: the mobility segment, which is centered around railways, and the lifestyle solutions segment, which has a wide range of contact points with customers and local communities.

JR East's consolidated performance outlook for the fiscal year ending March 31, 2025, as of the publication date of this document is as follows.

Fiscal 2025 Performance Forecasts

Full fiscal year

Operating Revenues: ¥2,852.0 billion (4.5% year-on-year increase)

Operating Income: ¥370.0 billion (7.2% year-on-year increase)

Ordinary Income: ¥315.0 billion (6.2% year-on-year increase)

Profit Attributable to Owners of Parent: ¥210.0 billion (6.9% year-on-year increase)

(2) Analysis of Financial Position

In the fiscal year ended March 31, 2024, net cash provided by operating activities was ¥688.1 billion, an increase of ¥106.3 billion from the previous fiscal year, due mainly to an increased income before income taxes.

Net cash used in investing activities was ¥690.6 billion, an increase of ¥125.1 billion from the previous fiscal year. This result was mainly due to an increase in payments for purchases of fixed assets.

Net cash provided by financing activities was ¥66.1 billion, an increase of ¥39.2 billion from the previous fiscal year.

Consequently, cash and cash equivalents as of March 31, 2024, were ¥280.8 billion, an increase of ¥65.8 billion from March 31, 2023.

In addition, net interest-bearing debt was ¥4,587.4 billion as of March 31, 2024. Please note that net interest-bearing debt represents the balance of consolidated interest-bearing debt minus the balance of consolidated cash and cash equivalents at the fiscal year-end.

Cash flow indicators of JR East are presented in the table below:

	Fiscal 2022	Fiscal 2023	Fiscal 2024
Equity ratio (%)	26.3	26.4	27.8
Equity ratio on market-value basis (%)	29.5	29.5	33.8
Interest-bearing debt / net cash provided by operating activities (times)	24.7	8.2	7.1
Interest coverage ratio (times)	3.1	9.4	10.2

Notes: Equity ratio: Shareholders' equity / Total assets

Equity ratio on market-value basis: Market capitalization / Total assets

Interest coverage ratio: Net cash provided by operating activities / Payments of interest

1. Indicators are derived from the consolidated financial statements.

2. Market capitalization is calculated by multiplying the closing share price at the fiscal year-end by the total number of shares issued (less treasury shares).

(3) Basic Dividend Policy and Dividends for Fiscal 2024 and Fiscal 2025

JR East's 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.

With respect to shareholder returns, JR East will implement share repurchases in a flexible manner, in addition to achieving stable increases in dividends, with the aim of realizing a total return ratio of 40% and dividend payout ratio of 30% over the medium to long term in accordance with its management vision "Move Up" 2027. As a basic policy, the repurchased shares will be canceled.

Based on this policy, JR East plans to pay (payment scheduled to begin on June 21, 2024) year-end cash dividends of ¥85 per share, which are in addition to the interim cash dividends of ¥55 per share, for full-year cash dividends of ¥140 per share.

On April 1, 2024, JR East conducted a 3 for 1 stock split for its common shares. For the fiscal year ending March 31, 2025, JR East plans to pay cash dividends of ¥52 per share, including interim cash dividends of ¥26 per share, in light of the performance outlook, etc.

Further, JR East does not plan to pay dividends other than with respect to the record date as of the end of the second quarter and the record date as of the end of the fiscal year.

2. Basic Policy for Selection of Accounting Standards

As of now, the JR East Group's plan is to continue using Japanese GAAP. However, in light of developments in the Group's overseas businesses and general trends in Japan and overseas in the selection of accounting standards, it will consider the adoption of International Financial Reporting Standards (IFRS).

3. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheets (Unaudited)

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES

Millions of Yen

	Fiscal 2023	Fiscal 2024
ASSETS		
Current Assets	¥1,052,784	¥1,191,932
Cash and time deposits	215,193	281,000
Notes, accounts receivable-trade and contract assets	568,880	629,721
Fares receivable	66,104	78,183
Real estate for sale	45,177	38,076
Inventories	90,491	100,310
Other	70,044	67,215
Allowance for doubtful accounts	(3,105)	(2,574)
Fixed Assets	8,299,114	8,579,547
Property, plant and equipment, net of accumulated depreciation	7,214,561	7,472,378
Buildings and structures (net)	3,856,298	3,889,877
Machinery, rolling stock and vehicles (net)	712,443	721,465
Land	2,185,869	2,232,095
Construction in progress	399,205	562,275
Other (net)	60,744	66,665
Intangible assets	198,805	201,452
Investments and other assets	885,747	905,716
Investments in securities	357,341	463,879
Long-term loans receivable	2,437	2,308
Deferred tax assets	432,011	342,540
Net defined benefit assets	961	1,584
Other	94,438	97,116
Allowance for doubtful accounts	(1,442)	(1,712)
Total Assets	¥9,351,899	¥9,771,479

Note: Amounts less than one million yen are omitted.

Millions of Yen

	Fiscal 2023	Fiscal 2024
LIABILITIES		
Current Liabilities	¥1,532,252	¥1,616,731
Notes and accounts payable-trade	44,250	47,754
Short-term loans and current portion of long-term loans	150,000	179,147
Current portion of bonds	214,999	145,000
Current portion of long-term liabilities incurred for purchase of railway facilities	4,065	4,297
Payables	493,162	514,469
Accrued consumption taxes	43,960	40,667
Accrued income taxes	16,186	22,040
Fare deposits received with regard to railway connecting services	36,314	44,475
Prepaid railway fares received	78,047	86,632
Allowance for bonuses to employees	59,905	69,738
Allowance for disaster-damage losses	12,349	3,796
Other	379,009	458,710
Long-Term Liabilities	5,321,933	5,415,516
Bonds	2,760,870	2,969,967
Long-term loans	1,333,950	1,263,150
Long-term liabilities incurred for purchase of railway facilities	311,001	306,703
Deferred tax liabilities	2,367	2,320
Provision for large-scale renovation of Shinkansen infrastructure	168,000	192,000
Allowance for disaster-damage losses	2,024	3,146
Net defined benefit liabilities	445,843	399,184
Other	297,875	279,043
Total Liabilities	¥6,854,186	¥7,032,247
NET ASSETS		
Shareholders' Equity	¥2,419,581	¥2,580,817
Common stock	200,000	200,000
Capital surplus	96,445	97,602
Retained earnings	2,132,049	2,289,194
Treasury stock, at cost	(8,913)	(5,979)
Accumulated Other Comprehensive Income	53,670	137,077
Net unrealized holding gains (losses) on securities	43,302	100,606
Net deferred gains (losses) on derivatives under hedge accounting	2,548	3,430
Revaluation reserve for land	(35)	(16)
Foreign currency translation adjustments	284	135
Remeasurements of defined benefit plans	7,570	32,921
Non-Controlling Interests	24,462	21,337
Total Net Assets	2,497,713	2,739,232
Total Liabilities and Net Assets	¥9,351,899	¥9,771,479

Note: Amounts less than one million yen are omitted.

(2) Consolidated Statements of Income and Comprehensive Income (Unaudited)

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES

(i) Consolidated Statements of Income

Millions of Yen

	Fiscal 2023	Fiscal 2024
Operating Revenues	¥2,405,538	¥2,730,118
Operating Expenses	2,264,909	2,384,956
Transportation, other services and cost of sales	1,687,833	1,765,637
Selling, general and administrative expenses	577,075	619,319
Operating Income	140,628	345,161
Non-Operating Income	42,086	29,195
Interest income	93	71
Dividend income	4,861	5,389
Gains on sales of equipment	1,331	1,299
Insurance proceeds and dividends	5,481	4,924
Equity in net income of affiliated companies	23,322	10,683
Other	6,996	6,828
Non-Operating Expenses	71,804	77,726
Interest expense	63,754	69,978
Losses on sales of equipment	203	152
Other	7,846	7,595
Ordinary Income	110,910	296,631
Extraordinary Gains	93,213	40,600
Gains on sales of fixed assets	4,790	7,813
Construction grants received	40,925	24,083
Other	47,497	8,702
Extraordinary Losses	75,749	63,158
Losses on sales of fixed assets	327	105
Losses from disposition of fixed assets	2,484	2,264
Losses on reduction entry for construction grants	36,331	17,954
Impairment losses on fixed assets	19,063	24,479
Intensive seismic reinforcement costs	4,643	6,779
Other	12,898	11,574
Income before Income Taxes	128,375	274,072
Income Taxes	27,830	76,727
Current	14,666	22,115
Deferred	13,163	54,611
Profit	100,545	197,345
Profit Attributable to Non-Controlling Interests	1,312	895
Profit Attributable to Owners of Parent	¥ 99,232	¥ 196,449

Note: Amounts less than one million yen are omitted.

(ii) Consolidated Statements of Comprehensive Income

	Millions of Yen	
	Fiscal 2023	Fiscal 2024
Profit	¥100,545	¥197,345
Other Comprehensive Income	(4,085)	83,492
Net unrealized holding gains (losses) on securities	(5,684)	55,862
Net deferred gains (losses) on derivatives under hedge accounting	48	679
Foreign currency translation adjustments	26	(102)
Remeasurements of defined benefit plans.....	1,262	24,341
Share of other comprehensive income of associates accounted for using equity method	261	2,711
Comprehensive Income	¥ 96,459	¥280,837
Comprehensive Income attributable to		
Comprehensive income attributable to owners of the parent	¥ 95,139	¥279,879
Comprehensive income attributable to non-controlling interests.....	¥ 1,320	¥ 958

Note: Amounts less than one million yen are omitted.

(3) Consolidated Statements of Changes in Net Assets (Unaudited)

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES

Fiscal 2023

Millions of Yen

	Shareholders' Equity				
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock, at Cost	Total Shareholders' Equity
Balance at the fiscal year start	200,000	96,411	2,047,407	(5,563)	2,338,255
Changes of items during the fiscal year					
Issuance of new shares					—
Cash dividends			(37,759)		(37,759)
Profit attributable to owners of parent			99,232		99,232
Increase/decrease due to merger			873		873
Purchase of treasury stock				(1,139)	(1,139)
Disposal of treasury stock					—
Change in equity in affiliates accounted for by equity method-treasury stock				(2,210)	(2,210)
Change in scope of consolidation					—
Change in scope of equity method			22,198		22,198
Capital increase of consolidated subsidiaries					—
Purchase of shares of consolidated subsidiaries		34			34
Reversal of revaluation reserve for land			96		96
Net changes of items other than shareholders' equity					
Total changes of items during the fiscal year	—	34	84,641	(3,350)	81,326
Balance at the fiscal year end	200,000	96,445	2,132,049	(8,913)	2,419,581

	Accumulated Other Comprehensive Income						Non-Controlling Interests	Total Net Assets
	Net Unrealized Holding Gains (Losses) on Securities	Net Deferred Gains (Losses) on Derivatives under Hedge Accounting	Revaluation Reserve for Land	Foreign currency translation adjustments	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income		
Balance at the fiscal year start	47,830	2,464	(256)	257	6,377	56,672	23,182	2,418,110
Changes of items during the fiscal year								
Issuance of new shares								—
Cash dividends								(37,759)
Profit attributable to owners of parent								99,232
Increase/decrease due to merger								873
Purchase of treasury stock								(1,139)
Disposal of treasury stock								—
Change in equity in affiliates accounted for by equity method-treasury stock								(2,210)
Change in scope of consolidation								—
Change in scope of equity method								22,198
Capital increase of consolidated subsidiaries								—
Purchase of shares of consolidated subsidiaries								34
Reversal of revaluation reserve for land								96
Net changes of items other than shareholders' equity	(4,527)	84	221	26	1,192	(3,002)	1,279	(1,723)
Total changes of items during the fiscal year	(4,527)	84	221	26	1,192	(3,002)	1,279	79,602
Balance at the fiscal year end	43,302	2,548	(35)	284	7,570	53,670	24,462	2,497,713

Fiscal 2024

Millions of Yen

	Shareholders' Equity				
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock, at Cost	Total Shareholders' Equity
Balance at the fiscal year start	200,000	96,445	2,132,049	(8,913)	2,419,581
Changes of items during the fiscal year					
Issuance of new shares		1,171			1,171
Cash dividends			(39,647)		(39,647)
Profit attributable to owners of parent			196,449		196,449
Increase/decrease due to merger			418		418
Purchase of treasury stock				(73)	(73)
Disposal of treasury stock			(43)	3,131	3,087
Change in equity in affiliates accounted for by equity method-treasury stock				(122)	(122)
Change in scope of consolidation			(13)		(13)
Change in scope of equity method					—
Capital increase of consolidated subsidiaries		(28)			(28)
Purchase of shares of consolidated subsidiaries		14			14
Reversal of revaluation reserve for land			(19)		(19)
Net changes of items other than shareholders' equity					
Total changes of items during the fiscal year	—	1,157	157,144	2,934	161,236
Balance at the fiscal year end	200,000	97,602	2,289,194	(5,979)	2,580,817

	Accumulated Other Comprehensive Income						Non- Controlling Interests	Total Net Assets
	Net Unrealized Holding Gains (Losses) on Securities	Net Deferred Gains (Losses) on Derivatives under Hedge Accounting	Revaluation Reserve for Land	Foreign currency translation adjustments	Remeasure- ments of Defined Benefit Plans	Total Accumulated Other Comprehensive Income		
Balance at the fiscal year start	43,302	2,548	(35)	284	7,570	53,670	24,462	2,497,713
Changes of items during the fiscal year								
Issuance of new shares								1,171
Cash dividends								(39,647)
Profit attributable to owners of parent								196,449
Increase/decrease due to merger								418
Purchase of treasury stock								(73)
Disposal of treasury stock								3,087
Change in equity in affiliates accounted for by equity method-treasury stock								(122)
Change in scope of consolidation								(13)
Change in scope of equity method								—
Capital increase of consolidated subsidiaries								(28)
Purchase of shares of consolidated subsidiaries								14
Reversal of revaluation reserve for land								(19)
Net changes of items other than shareholders' equity	57,304	881	19	(148)	25,351	83,407	(3,124)	80,282
Total changes of items during the fiscal year	57,304	881	19	(148)	25,351	83,407	(3,124)	241,518
Balance at the fiscal year end	100,606	3,430	(16)	135	32,921	137,077	21,337	2,739,232

(4) Consolidated Statements of Cash Flows (Unaudited)

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES

Millions of Yen

	Fiscal 2023	Fiscal 2024
Cash Flows from Operating Activities		
Income before income taxes	¥ 128,375	¥ 274,072
Depreciation	389,885	392,172
Impairment losses on fixed assets.....	19,063	24,479
Amortization of long-term prepaid expense	10,623	11,118
Net change in provision for large-scale renovation of Shinkansen infrastructure	24,000	24,000
Net change in net defined benefit liabilities.....	(17,915)	(11,823)
Interest and dividend income.....	(4,955)	(5,460)
Interest expense.....	63,754	69,978
Construction grants received.....	(40,925)	(24,083)
Losses from disposition of fixed assets	34,633	37,202
Losses from provision for cost reduction of fixed assets.....	36,331	17,954
Net change in major receivables	(57,767)	(96,963)
Net change in major payables	72,464	58,338
Other.....	(34,842)	1,572
Sub-total	622,725	772,557
Proceeds from interest and dividends	7,512	9,150
Payments of interest.....	(62,008)	(67,464)
Insurance proceeds related to disaster.....	4,534	—
Payments of disaster-damage losses.....	(10,275)	(12,975)
Proceeds from compensation.....	27,595	3,044
Payments of partial transfer costs of railway operation	(142)	—
Payments of income taxes.....	(8,186)	(16,208)
Net cash provided by operating activities.....	581,755	688,103
Cash Flows from Investing Activities		
Payments for purchases of fixed assets	(555,583)	(714,912)
Proceeds from sales of fixed assets	6,409	8,334
Proceeds from construction grants	12,528	49,111
Payments for purchases of investments in securities	(36,394)	(21,357)
Proceeds from sales of investments in securities	21,958	7,040
Payments from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(2,660)
Other.....	(14,430)	(16,180)
Net cash used in investing activities.....	(565,511)	(690,624)
Cash Flows from Financing Activities		
Net change in short-term loans.....	(60,749)	(1,123)
Net change in commercial papers	(330,000)	—
Proceeds from long-term loans.....	174,500	108,300
Payments of long-term loans	(142,000)	(150,000)
Proceeds from issuance of bonds	544,151	354,044
Payments for redemption of bonds.....	(111,000)	(215,000)
Payments of liabilities incurred for purchase of railway facilities	(3,806)	(4,065)
Cash dividends paid.....	(37,759)	(39,647)
Other.....	(6,504)	13,596
Net cash provided by financing activities.....	26,830	66,103
Effect of Exchange Rate Changes on Cash and Cash Equivalents.....	124	299
Net Change in Cash and Cash Equivalents	43,200	63,882
Cash and Cash Equivalents at Beginning of the Year.....	171,023	215,000
Increase in Cash and Cash Equivalents from Newly Consolidated Subsidiary	—	880
Increase in Cash and Cash Equivalents due to Merger	776	1,047
Cash and Cash Equivalents at End of the Year.....	¥ 215,000	¥ 280,810

Note: Amounts less than one million yen are omitted.

(5) Notes to Consolidated Financial Statements (Unaudited)

(Notes on Going Concern Assumption (Unaudited))

None

(Segment Information (Unaudited))

(i) Segment Information

i) General information about reportable segments

Transportation, Retail & Services, and Real Estate & Hotels comprise JR East's three reportable segments. Each reportable segment is in turn comprised of business units within the Group with respect to which separate financial information is obtainable. These reportable segments are reviewed periodically by JR East's Board of Directors and form the basis on which to evaluate business performance and decide on how to allocate management resources of the Company.

The Transportation segment includes passenger transportation operations centered on railway operations, as well as travel agency services, cleaning services, station operations, building and facility construction, railcar manufacturing operations, and railcar maintenance operations. The Retail & Services segment consists of the part of JR East's life-style service business that includes retail sales and restaurant operations, a wholesale business, a truck transportation business, and advertising and publicity. The Real Estate & Hotels segment consists of the part of JR East's life-style service business that includes shopping center operations, leasing of office buildings and other properties, and hotel operations, as well as development and sales of real estate for such operations.

ii) Basis of measurement about reportable segment operating revenues, segment income or loss, segment assets, and other material items

The accounting treatment for each reportable segment is largely the same as that set forth in the "Important Items that Form the Basis for Preparing Consolidated Financial Statements" in the recent Annual Securities Report released on June 22, 2023. Moreover, intersegment transactions are between consolidated subsidiaries and based on market prices and other fair values.

iii) Information about reportable segment operating revenues, segment income or loss, segment assets, and other material items

Fiscal 2023 (Year ended March 31, 2023)	Millions of Yen						Adjustment (Note 2)	Consolidated (Note 3)
	Transportation	Retail & Services	Real Estate & Hotels	Others (Note 1)	Total			
Operating Revenues								
Outside customers.....	¥1,618,551	¥327,860	¥ 382,216	¥ 76,909	¥ 2,405,538	¥ —	¥2,405,538	
Inside group	61,797	35,716	27,547	146,231	271,292	(271,292)	—	
Total	1,680,348	363,576	409,764	223,140	2,676,831	(271,292)	2,405,538	
Segment income (loss)	¥ (24,097)	¥ 35,281	¥ 111,577	¥ 17,222	¥ 139,984	¥ 644	¥ 140,628	
Segment Assets	¥7,087,186	¥353,503	¥1,815,095	¥1,073,813	¥10,329,598	¥(977,699)	¥9,351,899	
Depreciation	289,574	16,853	54,867	28,589	389,885	—	389,885	
Increase in fixed assets (Note 5)	396,519	15,650	110,245	55,762	578,178	—	578,178	

- Notes: 1. "Others" represents categories of business that are not included in reportable segments and includes IT & *Suica* business including credit card business, information processing and certain other businesses.
2. The ¥644 million upward adjustment to segment income (loss) includes a ¥946 million elimination of unrealized holding gains (losses) on fixed assets and inventory assets and a ¥(321) million elimination for intersegment transactions. Moreover, the ¥(977,699) million downward adjustment to segment assets includes a ¥(1,292,355) million elimination of intersegment claims and obligations, offset by ¥314,656 million in corporate assets not allocated to each reporting segment.
3. Segment income (loss) is adjusted to ensure consistency with the operating income set forth in the consolidated statements of income.
4. Segment information on liabilities was omitted from record, as it is not a metric used in deciding the allocation of management resources or evaluating earnings performance.
5. Increase in fixed assets includes a portion contributed mainly by national and local governments.

Fiscal 2024 (Year ended March 31, 2024)	Millions of Yen						Adjustment (Note 2)	Consolidated (Note 3)
	Transportation	Retail & Services	Real Estate & Hotels	Others (Note 1)	Total			
Operating Revenues								
Outside customers.....	¥1,853,610	¥379,629	¥ 405,822	¥ 91,056	¥ 2,730,118	¥ —	¥2,730,118	
Inside group	64,457	36,044	29,158	163,042	292,703	(292,703)	—	
Total	1,918,067	415,673	434,980	254,099	3,022,821	(292,703)	2,730,118	
Segment income.....	¥ 170,719	¥ 54,031	¥ 100,153	¥ 21,914	¥ 346,819	¥ (1,657)	¥ 345,161	
Segment Assets	¥7,254,986	¥390,323	¥1,982,094	¥1,174,133	¥10,801,538	¥(1,030,058)	¥9,771,479	
Depreciation	288,248	17,611	54,479	31,833	392,172	—	392,172	
Increase in fixed assets (Note 5)	457,236	22,588	225,618	28,883	734,326	—	734,326	

- Notes: 1. "Others" represents categories of business that are not included in reportable segments and includes IT & *Suica* business including credit card business, information processing and certain other businesses.
2. The ¥(1,657) million downward adjustment to segment income includes a ¥(1,199) million elimination of unrealized holding gains(losses) on fixed assets and inventory assets and a ¥(448) million elimination for intersegment transactions. Moreover, the ¥(1,030,058) million downward adjustment to segment assets includes a ¥(1,433,409) million elimination of intersegment claims and obligations, offset by ¥403,351 million in corporate assets not allocated to each reporting segment.
3. Segment income is adjusted to ensure consistency with the operating income set forth in the consolidated statements of income.
4. Segment information on liabilities was omitted from record, as it is not a metric used in deciding the allocation of management resources or evaluating earnings performance.
5. Increase in fixed assets includes a portion contributed mainly by national and local governments.

(ii) Relevant Information

i) Information about products and services

Information about products and services is omitted as JR East classifies such segments in the same way as it does its reportable segments.

ii) Information about geographic areas

a. Operating Revenues

Information about geographic areas is omitted as operating revenues attributable to outside customers in Japan exceed 90% of the operating revenues reported in the Consolidated Statements of Income.

b. Property, plant and equipment

Information about geographic areas is omitted as property, plant and equipment in Japan exceed 90% of the property, plant and equipment reported in the Consolidated Balance Sheets.

iii) Information about major customers

Information about major customers is omitted as no single outside customer contributes 10% or more to operating revenues in the Consolidated Statements of Income.

(iii) Information about Impairment Loss on Fixed Assets in Reportable Segments

Fiscal 2023 (Year ended March 31, 2023)	Millions of Yen				Total
	Transportation	Retail & Services	Real Estate & Hotels	Others (Note)	
Impairment losses on fixed assets	3,204	3,402	12,438	17	19,063

Note: The amount under "Others" represents amounts from business segments and other units excluded from the reportable segments

Fiscal 2024 (Year ended March 31, 2024)	Millions of Yen				Total
	Transportation	Retail & Services	Real Estate & Hotels	Others (Note)	
Impairment losses on fixed assets	1,381	3,167	19,930	0	24,479

Note: The amount under "Others" represents amounts from business segments and other units excluded from the reportable segments

(iv) Information about Amortized Amount of Goodwill and Unamortized Balance of Goodwill by Reportable Segments

Information about amortized amount of goodwill and unamortized balance of goodwill by reportable segments is omitted as the amount was insignificant.

(v) Information about Gain on Negative Goodwill by Reportable Segments

None

(Per Share Information (Unaudited))

	Fiscal 2023	Fiscal 2024
Shareholders' equity per share	¥2,188.88	¥2,402.34
Earnings per share—Basic	¥ 87.79	¥ 173.82
Earnings per share—diluted	Not shown because there are no convertible securities	Not shown because there are no convertible securities

Notes: 1. On April 1, 2024, JR East conducted a 3 for 1 stock split for its common shares. Shareholders' equity per share and Earnings per share - Basic were calculated as though the stock split had been conducted at the beginning of Fiscal 2023.

2. The basis of calculation of earnings per share is as shown below.

	Fiscal 2023	Fiscal 2024
Profit attributable to owners of parent	¥99,232 million	¥196,449 million
Amount not attributable to common stockholders	—	—
Profit attributable to owners of parent related to common stock	¥99,232 million	¥196,449 million
Average number of common shares	1,130,291,871	1,130,164,968

(Significant Subsequent Events (Unaudited))

(Stock split and related partial amendment to the articles of incorporation)

JR East conducted a stock split and a related partial amendment to its Articles of Incorporation on April 1, 2024 pursuant to the resolution of the Board of Directors meeting held on January 31, 2024.

1. Stock split

(1) Purpose of the stock split

The purpose of the stock split is to lower the minimum price per investment unit of the shares of the Company in order to foster an environment where investors can invest with greater ease and to expand our investor base.

(2) Overview of the stock split

(i) Method of the stock split

The record date of the stock split is Sunday, March 31, 2024 (Friday, March 29, 2024 for practical purposes as March 31, 2024 is a non-business day of the administrator of the shareholder register). Each share of the Company's common stock held by shareholders recorded in the shareholder register as of the close of business of the record date was split into 3 shares.

(ii) Number of shares to be increased by the stock split

Total number of issued shares prior to the stock split	378,137,400 shares
Increase in total number of issued shares as a result of the stock split	756,274,800 shares
Total number of issued shares after the stock split	1,134,412,200 shares
Total number of shares authorized to be issued after the stock split	4,500,000,000 shares

(3) Schedule of the stock split

Date of public notice of record date: Friday, March 15, 2024
Record date: Sunday, March 31, 2024
(Friday, March 29, 2024 for practical purposes)
Effective date: Monday, April 1, 2024

(4) Others

(i) Changes to the amount of stated capital

There will be no change to the amount of stated capital in connection with the stock split.

(ii) Year-end dividend for the fiscal year ended March 31, 2024

As the effective date of the stock split is April 1, 2024, the year-end dividend for the fiscal year ended March 31, 2024, with a record date of March 31, 2024, will be paid on the shares prior to the stock split.

2. Partial amendment to the Articles of Incorporation

(1) Reason for amendment

In connection with the stock split, the total number of shares authorized to be issued as stipulated in Article 6 of the Company's Articles of Incorporation was amended as of April 1, 2024, pursuant to the provisions of Article 184, Paragraph 2 of the Companies Act.

(2) Detail of amendment

Detail of the amendment is as follows:

(Amended language is underlined.)

Current provision	After the amendment
Article 6 (Total Number of Shares Authorized to be Issued) The total number of shares authorized to be issued by the Company shall be <u>1,600,000,000</u> .	Article 6 (Total Number of Shares Authorized to be Issued) The total number of shares authorized to be issued by the Company shall be <u>4,500,000,000</u> .

(3) Schedule of amendment

Date of resolution of the Board of Directors: Wednesday, January 31, 2024
Effective date: Monday, April 1, 2024

4. Non-consolidated Financial Statements
(1) Non-consolidated Balance Sheets (Unaudited)
EAST JAPAN RAILWAY COMPANY

Millions of Yen

	Fiscal 2023	Fiscal 2024
ASSETS		
Current Assets	¥ 777,703	¥ 881,777
Cash and time deposits	172,099	233,745
Fares receivable	349,086	402,729
Accounts receivable-trade	112,852	112,950
Short-term loans to affiliated companies receivable	61,972	54,314
Real estate for sale	25,723	23,265
Inventories	30,540	33,777
Prepaid expenses	7,906	7,775
Other	17,608	13,270
Allowance for doubtful accounts	(85)	(51)
Fixed Assets	7,749,677	7,991,566
Fixed assets for railway operations	5,190,551	5,264,398
Property, plant and equipment	12,048,459	12,253,666
Accumulated depreciation	(6,899,374)	(7,032,664)
Intangible assets	41,465	43,396
Fixed assets for other operations	886,709	882,875
Property, plant and equipment	1,159,791	1,174,139
Accumulated depreciation	(275,285)	(293,606)
Intangible assets	2,203	2,343
Fixed assets relating to both operations	318,967	312,748
Property, plant and equipment	895,170	900,406
Accumulated depreciation	(586,035)	(596,687)
Intangible assets	9,833	9,028
Construction in progress	375,976	531,160
Railway operations	275,880	322,187
Other operations	88,227	196,495
Relating to both operations	11,868	12,477
Investments and other assets	977,472	1,000,383
Investments in securities	179,850	261,130
Stocks of subsidiaries and affiliated companies	192,800	201,057
Long-term loans to affiliated companies receivable	219,009	231,059
Long-term prepaid expenses	49,759	50,771
Deferred tax assets	372,103	288,008
Other investment and other assets	13,105	13,912
Allowance for doubtful accounts	(49,156)	(45,556)
Total Assets	¥8,527,381	¥8,873,344

Note: Amounts less than one million yen are omitted.

Millions of Yen

	Fiscal 2023	Fiscal 2024
LIABILITIES		
Current Liabilities	¥1,481,289	¥1,547,654
Short-term loans from affiliated companies.....	211,581	224,264
Current portion of bonds.....	214,999	145,000
Current portion of long-term loans.....	150,000	179,100
Current portion of long-term liabilities		
incurred for purchase of railway facilities.....	3,971	4,235
Lease obligation.....	10,795	11,654
Payables.....	442,568	459,527
Accrued expenses.....	33,922	36,659
Accrued consumption taxes.....	30,188	28,654
Accrued income taxes.....	4,737	5,150
Fare deposits received with regard to railway connecting services.....	36,802	45,077
Deposits received.....	21,035	20,103
Prepaid railway fares received.....	77,687	86,203
Advances received.....	106,229	113,927
Prepaid contribution for construction.....	7,089	26,138
Allowance for bonuses to employees.....	41,936	48,962
Allowance for disaster-damage losses.....	12,348	3,796
Allowance for environmental conservation costs.....	8,681	38,493
Allowance for point card certificates.....	16,087	17,828
Asset retirement obligations.....	362	437
Other.....	50,264	52,438
Long-Term Liabilities	5,165,688	5,281,005
Bonds.....	2,760,870	2,969,967
Long-term loans.....	1,333,950	1,263,150
Long-term loans from affiliated companies.....	47,940	50,380
Long-term liabilities incurred for purchase of railway facilities.....	310,778	306,542
Lease obligation.....	20,061	26,992
Long-term deferred contribution for construction.....	69,029	54,789
Provision for large-scale renovation		
of Shinkansen infrastructure.....	168,000	192,000
Employees' severance and retirement benefits.....	392,403	377,564
Allowance for disaster-damage losses.....	2,024	3,146
Allowance for environmental conservation costs.....	38,975	9,781
Asset retirement obligations.....	7,738	8,209
Other.....	13,917	18,481
Total Liabilities	¥6,646,978	¥6,828,660

Note: Amounts less than one million yen are omitted.

Millions of Yen

	Fiscal 2023	Fiscal 2024
NET ASSETS		
Shareholders' Equity	¥1,842,708	¥1,954,273
Common stock.....	200,000	200,000
Capital surplus.....	96,600	97,771
Additional paid-in capital.....	96,600	97,771
Retained earnings.....	1,549,544	1,656,541
Legal reserve.....	22,173	22,173
Other retained earnings		
Reserve for special depreciation.....	1,881	2,104
Reserve for investment losses on developing new business.....	80	73
Reserve for deferred gain of fixed assets.....	63,113	62,198
General reserve.....	1,220,000	1,220,000
Retained earnings carried forward.....	242,295	349,991
Treasury stock, at cost.....	(3,436)	(38)
Valuation and Translation Adjustment	37,695	90,410
Net unrealized holding gains (losses) on securities.....	35,182	87,218
Net deferred gains (losses) on derivatives under hedge accounting ...	2,512	3,192
Total Net Assets	1,880,403	2,044,684
Total Liabilities and Net Assets	¥8,527,381	¥8,873,344

Note: Amounts less than one million yen are omitted.

(2) Non-consolidated Statements of Income (Unaudited)

EAST JAPAN RAILWAY COMPANY

Millions of Yen

	Fiscal 2023	Fiscal 2024
Railway Operations		
Operating Revenues	¥1,608,376	¥1,848,115
Passenger transportation	1,431,767	1,676,582
Trackage revenue	5,663	5,389
Miscellaneous income of transportation	170,944	166,143
Operating Expenses	1,605,363	1,650,136
Transportation expenses	993,141	1,024,204
General and administrative expenses	220,859	231,301
Taxes	93,607	96,518
Depreciation.....	297,755	298,111
Operating Income from Railway Operations	3,012	197,978
Other Operations		
Operating Revenues	157,136	139,183
Revenue from real estate lease	85,898	85,885
Revenue from real estate sales	54,092	34,292
Miscellaneous revenue	17,145	19,005
Operating Expenses	69,217	83,360
Cost of sales.....	11,748	18,702
Selling, general and administrative expenses.....	22,384	28,524
Taxes	10,804	12,775
Depreciation	24,280	23,359
Operating Income from Other Operations	87,919	55,822
Total Operating Income	90,932	253,801
Non-Operating Income	27,007	27,147
Interest income	949	1,339
Dividend income	15,459	15,779
Gains on sales of equipment	1,318	1,216
Insurance proceeds and dividends	5,074	4,504
Other.....	4,205	4,307
Non-Operating Expenses	71,938	78,613
Interest expense	33,840	34,672
Interest on bonds	30,943	36,718
Cost of issuance of bonds	2,549	1,820
Losses on sales of equipment	197	151
Other.....	4,407	5,250
Ordinary Income	46,001	202,334

Note: Amounts less than one million yen are omitted.

Millions of Yen

	Fiscal 2023	Fiscal 2024
Extraordinary Gains	97,839	42,932
Gains on sales of fixed assets	2,705	9,492
Construction grants received	40,728	23,690
Other	54,405	9,749
Extraordinary Losses	72,652	36,607
Losses on sales of fixed assets	159	37
Losses on reduction entry for construction grants	35,451	17,554
Impairment losses on fixed assets	14,274	3,985
Intensive seismic reinforcement costs	4,643	6,779
Environmental conservation costs	1,024	1,719
Provision of allowance for doubtful accounts for subsidiaries and affiliated companies	3,800	1,200
Disaster-damage losses	1,622	—
Provision for allowance for disaster-damage losses	3,177	4,087
Other	8,498	1,242
Income before Income Taxes	71,188	208,660
Income Taxes	18,764	61,966
Current	368	401
Deferred	18,396	61,564
Profit	¥ 52,423	¥ 146,693

Note: Amounts less than one million yen are omitted.

(3) Non-consolidated Statements of Changes in Net Assets (Unaudited)

Fiscal 2023

Millions of Yen

	Shareholders' Equity		
	Common Stock	Capital Surplus	
		Additional Paid-in Capital	Total Capital Surplus
Balance at the fiscal year start	200,000	96,600	96,600
Changes of items during the fiscal year			
Issuance of new shares			
Provision of reserve for special depreciation			
Reversal of reserve for special depreciation			
Provision of reserve for investment losses on developing new business			
Reversal of reserve for investment losses on developing new business			
Provision of reserve for deferred gain of fixed assets			
Reversal of reserve for deferred gain of fixed assets			
Dividends			
Profit			
Purchase of treasury stock			
Disposal of treasury stock			
Net changes of items other than shareholders' equity			
Total changes of items during the fiscal year	—	—	—
Balance at the fiscal year end	200,000	96,600	96,600

	Shareholders' Equity						
	Retained Earnings						
	Legal Reserve	Other Retained Earnings					Total Retained Earnings
	Reserve for Special Depreciation	Reserve for Investment Losses on Developing New Business	Reserve for Deferred Gain of Fixed Assets	General Reserve	Retained Earnings Carried Forward		
Balance at the fiscal year start	22,173	1,541	82	64,638	1,220,000	226,445	1,534,881
Changes of items during the fiscal year							
Issuance of new shares							
Provision of reserve for special depreciation		788				(788)	—
Reversal of reserve for special depreciation		(447)				447	—
Provision of reserve for investment losses on developing new business			80			(80)	—
Reversal of reserve for investment losses on developing new business			(82)			82	—
Provision of reserve for deferred gain of fixed assets				1,586		(1,586)	—
Reversal of reserve for deferred gain of fixed assets				(3,111)		3,111	—
Dividends						(37,759)	(37,759)
Profit						52,423	52,423
Purchase of treasury stock							
Disposal of treasury stock							
Net changes of items other than shareholders' equity							
Total changes of items during the fiscal year	—	340	(1)	(1,525)	—	15,850	14,663
Balance at the fiscal year end	22,173	1,881	80	63,113	1,220,000	242,295	1,549,544

	Shareholders' Equity		Valuation and Translation Adjustments			Total Net Assets
	Treasury Stock, at Cost	Total Shareholders' Equity	Net Unrealized Holding Gains (Losses) on Securities	Net Deferred Gains (Losses) on Derivatives under Hedge Accounting	Total Valuation and Translation Adjustments	
Balance at the fiscal year start	(3,426)	1,828,055	41,665	2,464	44,129	1,872,184
Changes of items during the fiscal year						
Issuance of new shares		—				—
Provision of reserve for special depreciation		—				—
Reversal of reserve for special depreciation		—				—
Provision of reserve for investment losses on developing new business		—				—
Reversal of reserve for investment losses on developing new business		—				—
Provision of reserve for deferred gain of fixed assets		—				—
Reversal of reserve for deferred gain of fixed assets		—				—
Dividends		(37,759)				(37,759)
Profit		52,423				52,423
Purchase of treasury stock	(10)	(10)				(10)
Disposal of treasury stock		—				—
Net changes of items other than shareholders' equity			(6,482)	48	(6,434)	(6,434)
Total changes of items during the fiscal year	(10)	14,652	(6,482)	48	(6,434)	8,218
Balance at the fiscal year end	(3,436)	1,842,708	35,182	2,512	37,695	1,880,403

Fiscal 2024

Millions of Yen

	Shareholders' Equity		
	Common Stock	Capital Surplus	
		Additional Paid-in Capital	Total Capital Surplus
Balance at the fiscal year start	200,000	96,600	96,600
Changes of items during the fiscal year			
Issuance of new shares		1,171	1,171
Provision of reserve for special depreciation			
Reversal of reserve for special depreciation			
Provision of reserve for investment losses on developing new business			
Reversal of reserve for investment losses on developing new business			
Provision of reserve for deferred gain of fixed assets			
Reversal of reserve for deferred gain of fixed assets			
Dividends			
Profit			
Purchase of treasury stock			
Disposal of treasury stock			
Net changes of items other than shareholders' equity			
Total changes of items during the fiscal year	—	1,171	1,171
Balance at the fiscal year end	200,000	97,771	97,771

	Shareholders' Equity						
	Retained Earnings						Total Retained Earnings
	Legal Reserve	Other Retained Earnings					
	Reserve for Special Depreciation	Reserve for Investment Losses on Developing New Business	Reserve for Deferred Gain of Fixed Assets	General Reserve	Retained Earnings Carried Forward		
Balance at the fiscal year start	22,173	1,881	80	63,113	1,220,000	242,295	1,549,544
Changes of items during the fiscal year							
Issuance of new shares							
Provision of reserve for special depreciation		787				(787)	—
Reversal of reserve for special depreciation		(564)				564	—
Provision of reserve for investment losses on developing new business			73			(73)	—
Reversal of reserve for investment losses on developing new business			(80)			80	—
Provision of reserve for deferred gain of fixed assets				2,018		(2,018)	—
Reversal of reserve for deferred gain of fixed assets				(2,932)		2,932	—
Dividends						(39,647)	(39,647)
Profit						146,693	146,693
Purchase of treasury stock							
Disposal of treasury stock						(49)	(49)
Net changes of items other than shareholders' equity							
Total changes of items during the fiscal year	—	222	(7)	(914)	—	107,695	106,996
Balance at the fiscal year end	22,173	2,104	73	62,198	1,220,000	349,991	1,656,541

	Shareholders' Equity		Valuation and Translation Adjustments			Total Net Assets
	Treasury Stock, at Cost	Total Shareholders' Equity	Net Unrealized Holding Gains (Losses) on Securities	Net Deferred Gains (Losses) on Derivatives under Hedge Accounting	Total Valuation and Translation Adjustments	
Balance at the fiscal year start	(3,436)	1,842,708	35,182	2,512	37,695	1,880,403
Changes of items during the fiscal year						
Issuance of new shares		1,171				1,171
Provision of reserve for special depreciation		—				—
Reversal of reserve for special depreciation		—				—
Provision of reserve for investment losses on developing new business		—				—
Reversal of reserve for investment losses on developing new business		—				—
Provision of reserve for deferred gain of fixed assets		—				—
Reversal of reserve for deferred gain of fixed assets		—				—
Dividends		(39,647)				(39,647)
Profit		146,693				146,693
Purchase of treasury stock	(14)	(14)				(14)
Disposal of treasury stock	3,412	3,362				3,362
Net changes of items other than shareholders' equity			52,035	679	52,715	52,715
Total changes of items during the fiscal year	3,397	111,565	52,035	679	52,715	164,281
Balance at the fiscal year end	(38)	1,954,273	87,218	3,192	90,410	2,044,684