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BASE PROSPECTUS

EAST JAPAN RAILWAY COMPANY

(Incorporated with limited liability under the laws of Japan)

¥1,600,000,000,000
Euro Medium Term Note Programme

Under the Euro Medium Term Note Programme (the "**Programme**") described in this base prospectus (the "**Base Prospectus**"), East Japan Railway Company (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue notes ("**Notes**") denominated in any currency agreed by the Issuer and the relevant Dealer (as defined herein).

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed ¥1,600,000,000,000 (and for this purpose, any Notes denominated in a currency other than Japanese yen shall be translated into Japanese yen at the date of issue of such Notes) (calculated in accordance with the provisions of the Dealer Agreement (as defined under "*Subscription and Sale*")). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement.

This Base Prospectus has been approved as a prospectus issued in compliance with Part 2 of the rules and regulations of the Luxembourg Stock Exchange by the Luxembourg Stock Exchange in its capacity as competent authority under Part IV of the Luxembourg law of 16 July 2019 on prospectuses for securities for the purposes of giving information with regard to the issue of Notes under this Programme. Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme for the period of 12 months from the date of this Base Prospectus to be admitted to listing on the official list of the Luxembourg Stock Exchange (the "**Official List**") and for such Notes to be admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange (the "**Euro MTF Market**"). References in this Base Prospectus to Notes being "**listed**" on the Luxembourg Stock Exchange (and all related references) shall mean that such Notes have been admitted to listing on the Official List and have been admitted to trading on the Euro MTF Market. The Euro MTF Market is not a regulated market for the purposes of the Directive 2014/65/EU on markets in financial instruments (as amended, "**EU MiFID II**"). In relation to Notes listed on the Luxembourg Stock Exchange, this Base Prospectus is valid for a period of one year from the date hereof. However, unlisted Notes may be issued pursuant to the Programme. The Final Terms (as defined herein) in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Luxembourg Stock Exchange (or any other stock exchange).

Notes issued under the Programme may or may not be rated. Any credit ratings assigned to an issue of Notes will be specified in the applicable Final Terms.

Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil its respective obligations under the Notes are discussed under "Risk Factors" below.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States, and Notes in bearer form are subject to U.S. tax law requirements. The Notes may not be offered, sold or (in the case of Notes in bearer form) delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")).

Arranger

Nomura

Dealers

Barclays
BofA Securities
J.P. Morgan
Morgan Stanley
BNP PARIBAS
Daiwa Capital Markets Europe
Mizuho
Nomura
SMBC NIKKO

The date of this Base Prospectus is 25 August 2023.

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IMPORTANT NOTICES

Responsibility for this Base Prospectus

The Issuer accepts responsibility for the information contained in this Base Prospectus and any Final Terms and declares that, to the best of its knowledge, the information contained in this Base Prospectus is, in accordance with the facts and the Base Prospectus makes no omission likely to affect its import.

Final Terms

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**") as completed by a document specific to such Tranche called final terms (the "**Final Terms**"). Copies of Final Terms in relation to Notes to be listed on the Luxembourg Stock Exchange will also be published on the website of the Luxembourg Stock Exchange (*www.LuxSE.com*).

Other Relevant Information

This Base Prospectus must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes, must be read and construed together with the relevant Final Terms.

The Issuer has confirmed to the Dealers named under "*Subscription and Sale*" below that this Base Prospectus contains the information, which according to the particular nature of the Issuer and the Notes, is necessary to enable investors and their investment advisors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Notes; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme and the issue, offering and sale of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

The Issuer confirms that any information from third party sources has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by such third party source, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Each prospective investor who places an order for the Notes consents to the disclosure by the Dealers to the Issuer of the prospective investor's identity, the details of such order and the actual amount of Notes subscribed, if any.

Unauthorised Information

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any Dealer.

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus or any responsibility for the acts or omissions of the Issuer or any other person (other than the relevant Dealer) in connection with the issue and offering of the Notes. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Notes Issued as "Green Bonds", "Social Bonds" or "Sustainability Bonds"

None of the Dealers accepts any responsibility for any social, environmental and sustainability assessment of any Notes issued as "green bonds", "social bonds" or "sustainability bonds" or makes any representation or warranty or assurance as to whether such Notes will meet any investor expectations or requirements regarding such "green", "social", "sustainable" or similar labels. None of the Dealers is responsible for the use or allocation of proceeds for any Notes issued as "green bonds", "social bonds" or "sustainability bonds", nor the impact or monitoring of such use of proceeds nor do any of the Dealers undertake to ensure that, where applicable, there are at any time sufficient eligible projects or financings, as described in the relevant Final Terms ("**Eligible Projects**") to allow for allocation of a sum equal to the net proceeds of the issue of such Notes issued as "green bonds", "social bonds" or "sustainability bonds" in full. In the event any such Notes are, or are intended to be, listed, or admitted to trading on a dedicated "green", "social" or "sustainable" or other equivalently-labelled segment of a stock exchange or securities market, no representation or assurance is given by the Dealers that such listing or admission will be obtained or maintained for the lifetime of the Notes.

In addition none of the Dealers is responsible for the assessment of the Issuer's Sustainability Finance Framework dated December 2022 (the "**Framework**") including the assessment of the applicable eligibility criteria in relation to "green bonds", "social bonds" or "sustainability bonds" set out in therein. DNV Business Assurance Japan K.K. has issued an independent opinion, dated 5 December 2022, on the Framework and related annexes including, among others, the Annex dated 15 February 2023 (together, the "**DNV Opinion**"). The DNV Opinion provides an opinion on certain environmental, social, sustainable and related considerations and is a statement of opinion, not a statement of fact. No representation or assurance is given by the Dealers, or any other person as to the suitability or reliability of the DNV Opinion or any opinion or certification of any third party made available in connection with an issue of Notes issued as "green bonds", "social bonds" or "sustainability bonds". The DNV Opinion and any other such opinion or certification are not intended to address any credit, market or other aspects of an investment in any Notes, including without limitation market price, marketability, investor preference or suitability of any security or any other factors that may affect the value of the Notes. The DNV Opinion and any other such opinion or certification are not, nor should be deemed to be, a recommendation by the Dealers, or any other person to buy, sell or hold any such Notes and is current only as of the date it was issued. The criteria and/or considerations that formed the basis of the DNV Opinion or any such other opinion or certification may change at any time and the DNV Opinion may be amended, updated, supplemented, replaced and/or withdrawn. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein. The Framework may also be subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from time to time. The Framework, the DNV Opinion and any other such opinion or certification do not form part of, nor are incorporated by reference in, this Base Prospectus.

Restrictions on Distribution

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "*Subscription and Sale*".

In particular, the Notes have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and Notes in bearer form are subject to U.S. tax law requirements. The Notes may not be offered, sold or (in the case of Notes in bearer form) delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S).

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

Product Governance under Directive 2014/65/EU (as amended)

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**EU MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the EU MiFID Product Governance Rules.

The Final Terms in respect of any Notes may include a legend entitled "EU MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

Product Governance under UK MiFIR

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR product governance rules set out in the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

The Final Terms in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the UK MiFIR Product Governance Rules is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS: The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of EU MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS: The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended ("**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (as amended, the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Product Classification Pursuant to Section 309B of the Securities and Futures Act 2001

The Final Terms in respect of any Notes may include a legend entitled "*Singapore Securities and Futures Act Product Classification*" which will state the product classification of the Notes pursuant to Section 309B(1) of the Securities and Futures Act 2001 (the "**SFA**"). The Issuer will make a determination and provide the appropriate

written notification to "relevant persons" in relation to each issue about the classification of the Notes being offered for the purposes of Section 309B(1)(a) and Section 309B(1)(c) of the SFA.

Notice to Capital Market Intermediaries and Prospective Investors pursuant to Paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to Prospective Investors

Prospective investors should be aware that certain intermediaries in the context of certain offerings of Notes pursuant to this Programme (each such offering, a "**CMI Offering**"), including certain Dealers, may be "capital market intermediaries" (the "**CMIs**") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "**SFC Code**"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" (the "**OCs**") for a CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an association (an "**Association**") with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer, or any CMI (including its group companies) should specifically disclose this when placing an order for the relevant Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to the relevant CMI Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). A rebate may be offered by the Issuer to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of the relevant CMI Offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate. Details of any such rebate will be set out in the applicable Final Terms or otherwise notified to prospective investors. If a prospective investor is an asset management arm affiliated with any relevant Dealer, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the relevant Dealer or its group company has more than 50% interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". If a prospective investor is otherwise affiliated with any relevant Dealer, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Dealer when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Dealers and/or any other third parties as may be required by the SFC Code, including to the Issuer, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the book-building process for the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

Certain Definitions

In this Base Prospectus, unless otherwise specified, references to the "**Group**" are to the Issuer and its consolidated subsidiaries taken as a whole.

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**¥**", "**Japanese yen**" or "**yen**" are to Japanese yen, references to "**£**", "**GBP**" or "**pounds**" are to pounds sterling, references to "**U.S.$**", "**U.S. dollars**" or "**dollars**" are to United States dollars and references to "**€**", "**EUR**" or "**euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended.

Presentation of Financial and Other Information

In this Base Prospectus, "billion" means thousand million. Unless otherwise specified, in respect of the Issuer's audited annual consolidated financial statements in respect of the fiscal years ended 31 March 2021, 2022 and 2023 and amounts reproduced directly therefrom, where financial information is presented in millions of yen, amounts of less than one million have been rounded up or down to the nearest one million (with 500 thousand being rounded upwards), and where financial information is presented in one hundred millions (one-tenth of a billion) of yen, amounts of less than one-tenth of a billion have been rounded up or down to the nearest one-tenth of a billion (with one-twentieth of a billion being rounded upwards); however in certain cases, the rounding has been adjusted to make the total of individual figures equal to the total figure representing the aggregate of those individual figures. Unless otherwise specified, in respect of the Issuer's unaudited quarterly consolidated financial information, where financial information is presented in millions of yen, amounts of less than one million have been rounded down to the nearest one million, and where financial information is presented in one hundred millions (one-tenth of a billion) of yen, amounts of less than one-tenth of a billion have been rounded down to the nearest one-tenth of a billion; however in certain cases, the rounding has been adjusted to make the total of individual figures equal to the total figure representing the aggregate of those individual figures. All other figures and percentages, including operating data, have been rounded up or down (in the case of percentages, rounded up to the nearest 0.1 per cent. (with 0.05 per cent. being rounded up) or to the nearest 0.01 per cent. (with 0.005 per cent. being rounded up)), unless otherwise specified; however, certain percentages in tables may have been rounded otherwise than up or down to the nearest 0.1 per cent. or 0.01 per cent., as the case may be, to make the total of the relevant items equal to 100 per cent.

Japanese Registration and Taxation

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948) (as amended) (the "**Financial Instruments and Exchange Act**") and are subject to the Special Taxation Measures Act of Japan (Act No. 26 of 1957) (as amended) (the "**Special Taxation Measures Act**"). The Notes may not be offered or sold in Japan or to, or for the benefit of, any resident of Japan (which term as used in this sentence means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and governmental guidelines of Japan. The Notes are not, as part of the distribution by the Dealers at any time, to be directly or indirectly offered or sold to, or for the benefit of, any person other than a beneficial owner that is, (i) for Japanese tax purposes, neither (x) an individual resident of Japan or a Japanese corporation, nor (y) an individual non-resident of Japan or a non-Japanese corporation that in either case is a person having a special relationship with the Issuer as described in Article 6, Paragraph 4 of the Special Taxation Measures Act (a "**Specially-Related Person of the Issuer**") or (ii) a Japanese financial institution, designated in Article 6, Paragraph 11 of the Special Taxation Measures Act.

BY SUBSCRIBING FOR THE NOTES, AN INVESTOR WILL BE DEEMED TO HAVE REPRESENTED THAT IT IS A PERSON WHO FALLS INTO THE CATEGORY OF (i) OR (ii) ABOVE. See "*Subscription and Sale*".

Interest payments on the Notes will generally be subject to Japanese withholding tax unless it is established that such Notes are held by or for the account of a beneficial owner that is (i) for Japanese tax purposes, neither (x) an individual resident of Japan or a Japanese corporation, nor (y) an individual non-resident of Japan or a non-Japanese corporation that in either case is a Specially-Related Person of the Issuer, (ii) a Japanese designated financial institution described in Article 6, Paragraph 11 of the Special Taxation Measures Act which complies with the requirement for tax exemption under that paragraph or (iii) a Japanese public corporation, a Japanese financial institution or a Japanese financial instruments business operator described in Article 3-3, Paragraph 6 of the Special Taxation Measures Act which complies with the requirement for tax exemption under that paragraph.

Interest payments on the Notes to an individual resident of Japan, to a Japanese corporation not described in the preceding paragraph, or to an individual non-resident of Japan or a non-Japanese corporation that in either case is a Specially-Related Person of the Issuer will be subject to deduction in respect of Japanese income tax at a current rate of 15.315 per cent. (15 per cent. on or after 1 January 2038) of the amount of such interest.

The Issuer will not issue Taxable Linked Notes (notes of which the amount of interest is to be calculated by reference to certain indexes (as prescribed by the Cabinet Order No. 43 of 1957 (as amended) (the "**Cabinet Order**") under Article 6, Paragraph 4 of the Special Taxation Measures Act) relating to the Issuer or a Specially-Related Person of the Issuer) under the Programme.

Ratings

Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) described above or the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms.

Stabilisation

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

OVERVIEW

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of listed Notes only and if appropriate, a new Prospectus will be published.

Words and expressions defined in the "*Terms and Conditions of the Notes*" below or elsewhere in this Base Prospectus have the same meanings in this overview.

The Issuer:	East Japan Railway Company
Arranger:	Nomura International plc
Dealers:	Barclays Bank PLC BNP Paribas Daiwa Capital Markets Europe Limited J.P. Morgan Securities plc Merrill Lynch International Mizuho International plc Mizuho Securities Asia Limited Morgan Stanley & Co. International plc Nomura International plc SMBC Nikko Capital Markets Limited and any other Dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche of Notes.
Fiscal Agent, Paying Agent, Registrar and Transfer Agent:	Mizuho Trust & Banking (Luxembourg) S.A.
Luxembourg Listing Agent:	Mizuho Trust & Banking (Luxembourg) S.A.
Description:	Euro Medium Term Note Programme
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restrictions applicable at the date of this Base Prospectus. **Notes having a maturity of less than one year** Notes having a maturity of less than one year will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 (the **FSMA**) unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".
Programme Size:	Up to ¥1,600,000,000,000 (or its equivalent in other currencies calculated as described in the Dealer Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Dealer Agreement.
Issuance in Series:	The Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical with the other Notes in the Series (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue

price, first payment of interest and/or principal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the relevant Final Terms.

Distribution: Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

Currencies: Notes may be denominated in any currency or currencies agreed between the Issuer and the relevant Dealer, subject to any applicable legal or regulatory restrictions.

Maturities: The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.

Issue Price: Notes may be issued at an issue price which is at par or at a discount to, or premium over, par.

Interest: Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.

Fixed Rate Notes: Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.

Redemption: The Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default).

Notes having a maturity of less than one year are subject to restrictions on their denomination and distribution, see "Subscription and Sale — Selling Restrictions — Other UK regulatory restrictions".

Denomination of Notes: The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Subscription and Sale — Selling Restrictions — Other UK regulatory restrictions*".

Taxation: All payments of principal and interest in respect of the Notes will be made without withholding or deduction for or on account of withholding taxes imposed by or within Japan, unless such withholding or deduction is required by law. Interest payments on the Notes will generally be subject to Japanese withholding tax with certain exceptions. See "*Japanese Taxation*". If the payments are subject to Japanese withholding tax, the Issuer will pay such additional amounts (subject to certain exceptions) in respect of Japanese taxes as will result in the payment of amounts otherwise receivable absent any deduction or withholding on account of such Japanese taxes. See Condition 10 (*Taxation*).

Negative Pledge: The terms of the Notes will contain a negative pledge provision as further described in Condition 5 (*Negative Pledge*).

Cross Default: The terms of the Notes will contain a cross default provision as further described in Condition 11 (*Events of Default*).

Listing and Admission to Trading: Applications have been made for Notes to be admitted during the period of twelve months after the date hereof to listing on the Official List and to trading on the Euro MTF Market of the Luxembourg Stock Exchange.

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the

	relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued. The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.
Status:	The Notes are senior, unsubordinated, unconditional and unsecured obligations of the Issuer, as described in Condition 4 (*Status*).
Form of Notes:	The Notes will be issued in bearer or registered form as specified in the applicable Final Terms.
Governing Law:	The Notes, the Agency Agreement, the Deed of Covenant and the Subscription Agreement, and any non-contractual obligations arising out of or in connection therewith, will be governed by English law.
Clearing Systems:	Euroclear Bank SA/NV ("**Euroclear**") or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Final Terms.
Ratings:	Notes issued under the Programme may or may not be rated. Any credit ratings assigned to an issue of Notes will be specified in the applicable Final Terms.
United States Selling Restrictions:	Regulation S, Category 2. TEFRA C or D/TEFRA not applicable, as specified in the applicable Final Terms.
Selling Restrictions:	See "*Subscription and Sale*".
Risk Factors:	Investing in the Notes involves risks. See "*Risk Factors*".
Use of Proceeds:	The net proceeds from each issue of Notes will be used for the general corporate purposes of the Issuer. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms. Notes issued as "green bonds", "social bonds" or "sustainability bonds" will have their use of proceeds detailed in the applicable Final Terms. Such use of proceeds may include, but are not limited to, use for projects such as introduction of advanced-technology rolling stock for improved service standards and safety (for provision of clean transportation and/or affordable basic infrastructure), and the financing and refinancing of renewable energy power generation projects and green building projects.

RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and the industry in which it operates together with all other information contained in this Base Prospectus, including, in particular the risk factors described below. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section.

The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Notes and should be used as guidance only. Additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer, or that either currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the information in this Base Prospectus and their personal circumstances.

Risks Relating to the Group

The Group's business is sensitive to conditions in the Japanese economy and the impact of any outbreak of infectious disease, such as COVID-19.

The Group's business, including its passenger railway operations and its non-transportation businesses, is directly affected by overall economic conditions in its service area and throughout Japan. The use of the Group's transportation for leisure and business travel is affected by the amount of disposable income available to families and individuals and the overall business environment, respectively. Sales of commuter passes are affected by employment conditions and the ability of employers to pay all or a portion of the cost of such passes (which has historically been common practice in Japan). Retail sales, advertising revenues, rent and occupancy rates for office space and rates of hotel occupancy all depend to a large extent on overall economic conditions in Japan. The Group's results of operations could also be impacted by a rise in procurement costs for commodities and resources brought about by changes in the economic conditions in Japan as well as overseas, as well as trends in interest rates, exchange rates, and the price of commodities.

The significant disruption in economic activity as a result of the 2019 Novel Coronavirus ("**COVID-19**") and the measures taken in response have had a significant negative impact on overall economic conditions in Japan, as reflected in the 4.1 per cent. year-over-year decline in real GDP in the year ended 31 March 2020, according to the Cabinet Office of Japan. In the years ended 31 March 2021 and 2022, real GDP increased by 2.6 per cent. and 1.4 per cent. year-over-year, respectively. In July 2023, the Cabinet Office of Japan affirmed that the Japanese economy was expected to continue to recover at a moderate pace, partly due to the effects of various policy measures, as the employment and income situation was improving. However the Cabinet Office also cited downside risks, including potential deterioration in overseas economic conditions as foreign governments continue monetary tightening policies and also the potential impact of price rises due to inflation. Notwithstanding recent increases in GDP, the outlook of the Japanese economy remains uncertain and economic conditions in Japan may not improve or could worsen.

In particular, COVID-19 had a significantly adverse effect on the Group's businesses, as the efforts made to contain COVID-19 (such as requests for business closures, for businesses to permit or encourage remote working by employees (known as "remote working") and for residents to remain at home, as well as other more stringent restrictions on tourists coming to Japan from overseas, business operations and gatherings) significantly impacted demand for the Group's services. In addition, the Tokyo metropolitan area, from which the Group derives the majority of its revenue, was subject to higher numbers of infections than elsewhere in Japan, and accordingly more often subject to stronger national and local government restrictions. Although such restrictive measures have gradually been eased, new or stricter measures may be introduced or re-introduced in the future in the event of an increase in COVID-19 infections, or an outbreak of another critical infectious disease, either domestically or internationally.

In addition to challenges raised by COVID-19, a variety of other macroeconomic and geopolitical factors could weigh on economic conditions in Japan. Geopolitical instability in various parts of the world including the ongoing military conflict between Russia and Ukraine (see "*—The conflict in Ukraine could adversely affect the Group's business and results of operations.*"), changes in developed economies to less accommodative economic policies, material changes in regional economic or political unions or associations between countries, and increased protectionism affecting trade relations globally could also contribute to economic instability in those and other

regions and affect Japanese and global economic conditions. Recent inflationary pressures and supply shortages are also significantly affecting Japanese and global economic conditions, and inflation in major global economies, interest rate increases, monetary policy tightening and high levels of volatility in global financial markets are expected to continue. In December 2022, the Bank of Japan decided to modify its yield curve control policy, including allowing the upper end of its yield target range for 10-year Japanese government bonds to fluctuate in a range of up to 0.5 per cent., an increase from the previous limit of 0.25 per cent. This policy shift and any future actions or inaction by the Bank of Japan could result in increases in interest rates, which could in turn impact economic conditions in Japan. Domestically, the long term impact of such issues as well as others on Japan's economy, trade balance and interest rates remains uncertain.

Any of the foregoing could cause or contribute to a broader global economic downturn, global supply chain disruptions and delays, political instability and conflicts, increases in energy prices globally and increased inflation, which could adversely affect the Group's business, financial condition and results of operations.

The conflict in Ukraine could adversely affect the Group's business and results of operations.

Following the commencement of military conflict between Russia and Ukraine in February 2022, various states and international bodies have implemented sanctions, export controls and other restrictive measures against persons and entities connected with the conflict, including in particular, persons and entities with connections to Russia. As states and international bodies take such steps to restrict dealings between Russia and Russian entities and the global economic system, it is possible that significant consequences for the global economy, and individual national economies (including Japan) may follow. It is not yet possible to predict precisely what those consequences may be, but they may include increases in fuel prices, increased inflationary pressure and possible recessions in states that are impacted by the restrictions. Any such deterioration in the condition of the global economy, could also have negative effects on the Japanese economy, and therefore on the Group's business and results of operations.

In particular, the Russia-Ukraine conflict and the related restrictions imposed by various states and international bodies, have had, and are expected to continue to have, a significant impact on global energy markets, including in particular the market for liquid natural gas. The Group uses significant amounts of energy in its operations, including by using electricity generated from liquid natural gas and other fuel sources. Whilst the Issuer generates a portion of its electricity from its own thermal and hydroelectric plants, any increases in prices for electricity and/or fuel could have an adverse effect on the Group's costs of operations (see "*—The Group's power generation activities are subject to certain risks, and if the Group is required to purchase significantly greater amounts of electricity, its business may be adversely affected.*").

The Group's business is sensitive to social and demographic changes in Japan, and social changes are accelerating as a result of the COVID-19 pandemic.

Due to low fertility rates and other factors, Japan's total population has been declining since 2008. In 2008, people aged 15-64 years old made up 64.5 per cent. of Japan's population; in 2022, the same age group made up 59.4 per cent. of the population. In 2008, Japan's population was 128,084 thousand; in 2022 the population was 124,947 thousand. These trends present significant problems for the Group's transportation business, as population declines may lead to decreased ridership both by regular commuters and by leisure travellers. Decreasing population may also lead to decreases in demand for general commercial and consumer activity, adversely affecting the Group's Retail & Services and Real Estate & Hotels segments. In addition, the domestic and regional demographic makeup has been ageing considerably due to the combined effects of low fertility rates and long average life expectancy. Senior citizens, who are more likely to be retired or working reduced schedules, generally do not commute regularly, and accordingly the expected increase in the proportion of seniors in the general population could have an adverse impact on demand for the Group's services. Accordingly, Japan's demographic trend is expected to have a long-term adverse effect upon the ability of the Group to increase or maintain the operating revenues of its railway operations.

In addition, the digitisation of society, both in Japan and globally, has led to a decrease in the need for physical meetings and interactions, as companies and other teams and groups of individuals have been more able to interact remotely, via video calls, emails and other means, which have become much more widely accessible. These trends also pose a risk to the Group's transportation business, which has been greatly exacerbated by the on-going acceleration of these trends due to the COVID-19 pandemic. Following the greater permeation of remote working experienced over the period of the COVID-19 pandemic, the Issuer believes that it is unlikely that there will be a complete return to total office working, and that customer use of railways will not return to the pre-

COVID-19 pandemic level. Any such trend is expected to result in a corresponding decrease in demand for the Group's transportation businesses, and the Issuer may not be successful in adapting its business to such trends.

The Group may not be able to increase operating revenues from its non-transportation businesses.

As the Group faces potential declines in revenue from its transportation business (see "*—The Group's business is sensitive to conditions in the Japanese economy and the impact of any outbreak of infectious disease, such as COVID-19*" and "*— The Group's business is sensitive to social and demographic changes in Japan, and social changes are accelerating as a result of the COVID-19 pandemic*"), the Group will seek to increase revenues in its non-transportation business, such as retail, real estate and IT and *Suica* business. However, such businesses generally involve a wide range of activities and competitive challenges that the Group does not face in its core transportation business. In these businesses the Group faces significant competition from a wide variety of companies operating in the same or related businesses, such as hotel operators, advertising service providers, traditional and e-commerce retailers, shopping centre operators and credit card companies. Furthermore, these businesses are also highly sensitive to economic downturns (more so than the railway business) as they rely on foot traffic and discretionary spending. In addition, for the Group, the success of these businesses is also linked to its transportation business (for example, as greater use of the Group's transportation services also increase footfall for its retail services). Therefore it may not be possible that these businesses can perform strongly, entirely independently of a strong transportation business. Accordingly, there is no guarantee that the Group will be able to generate meaningful additional revenue, or maintain existing revenue, in these businesses, and in this way counteract the expected declines in its transportation business.

The Group is subject to competition in the various businesses in which it operates.

The Group is subject to significant competition across its railway and other businesses. To the extent it is unable to remain competitive, whether due to changes in customer preferences, evolving customer needs or its ability to respond to them, changes in technology, consolidation of its competitors or other factors, its business and results of operations could be materially and adversely affected.

In the Transportation segment, which includes the Group's railway and other transportation businesses, the Group competes with other transportation service providers of different types, depending on the distance of travel, including other railway operators, long-distance and local bus service operators, the regional highway network, conventional and low-cost airlines, based on factors such as cost, transit time, frequency, comfort, convenience, safety and attractiveness. In respect of longer distance travel, low-cost carrier airlines have expanded their routes and sought to offer increasingly competitive transport options (particularly on the basis of price) and highways are expanding and seeking to offer safer and more comfortable options for long-distance travel. It is also possible that as a result of the COVID-19 pandemic, some travellers may prefer to travel in their own car, as opposed to using public transport. In the Tokyo metropolitan area, the Group's principal competitors are other railway companies, including an extensive subway network, private automobiles, buses and taxis. Competition in this market may increase further in the future with the opening of new subway lines currently under construction, and extensions of existing subway lines.

The Group also experiences competition in its non-transportation business (see "*—The Group may not be able to increase operating revenues from its non-transportation businesses*").

The Group may not be able to continue to deleverage its business, whilst at the same time making necessary investments, or may not be able to obtain the funds it requires for investments on acceptable terms or at all.

At the time of its privatisation in 1987 and following its purchase of Shinkansen facilities in 1991 (see "*Business —Operations —Transportation Business —Shinkansen Services*" for further details on Shinkansen services), the Issuer assumed a large amount of long-term debt. Since that time, the Group has taken steps to deleverage. However, whilst the Group intends to try to maintain its leverage at pre-COVID-19 levels in the medium- and long-term as the Group intends to continue to make necessary investments both in developing its non-transportation business, and in improving and maintaining its transportation business assets, it is possible that certain of those investments may need to be financed through debt, which would increase the Group's leverage. Such increased leverage would expose the Group to increased refinancing risk, and be difficult to reduce without further growth. Furthermore, following the COVID-19 pandemic and since the fiscal year beginning on 1 April 2021, the Issuer has increased its leverage through the issuance of corporate bonds and commercial paper, and borrowing under bank loans, in order to address the expected ongoing impact of the COVID-19 pandemic. Economic conditions may further require the Group to increase its leverage, or prevent the Group from reducing its existing leverage. While the Group's medium- to long-term objective is to reduce the level of its debt, the level

of debt may rise from time to time depending on the capital expenditure requirements as well as the economic and social circumstances at the relevant time.

The Group raises working capital and funds required for capital expenditure through various means, including loans from financial institutions, issuances of corporate bonds and issuances of commercial paper. If there are deteriorations in the global financial and credit markets, including reduced lending by financial institutions, the Group may face difficulty raising funds under terms acceptable to it or at all. In addition, increases in interest rates due to monetary policies of different central banks or movements in the financial markets, or potential downgrades to the Issuer's credit ratings could restrict the Group's access to funds, or increase the Group's financing costs. Any such events could adversely affect the Group's results of operations and financial condition.

Many of the Group's businesses have high fixed costs, which can cause relatively small changes in sales to have a material effect on profits.

A high proportion of the Group's operating expenses, including personnel and maintenance costs, are relatively unaffected by changes in the amount of sales, particularly in the case of the Group's transportation business, and the Group's ability to reduce such expenses based on any decline in operating revenues is subject to various limitations. In the Group's railway business, the public nature of its business as well as applicable regulations and other factors significantly restrict its ability to take more drastic cost reduction measures. As a result, a relatively minor decline in sales could have a significant negative impact on the Group's operating income in its railway business. Similarly, in the Group's real estate and leasing businesses, operating costs generally do not decrease in line with declines in rental income and may even increase even if rental income declines; accordingly, decreases in market rents or occupancy rates or the negotiation of lease terms unfavourable to the Group may significantly affect operating income from such businesses. The limited ability of the Group to flexibly reduce operating costs associated with its businesses may adversely affect the Group's profitability from time to time.

The Group may face liabilities or suffer significant revenue losses, increased expenditures and adverse publicity in the event of accidents.

An accident involving the Group's railway or other operations could expose the Group to claims by third parties. Further, a major accident involving the Group's railway system, including as a result of a terrorist attack, could result in significant expenditures associated with repairing or replacing the Group's railway system, revenue loss from disruptions in service, adverse publicity and damage to its reputation. In addition, similar incidents involving other railway operators may also have adverse consequences on the Group, including revenue loss from disruptions in service of such operator if the railway service or system is connected to the Group's railway services or facilities, and adverse publicity with respect to railway services as a whole, which may contribute to a public perception that railway services are less safe than other means of transportation. Even if the Group is insured to the extent possible, such insurance may not be adequate to cover the resulting loss. An accident involving the Group's operations, may also require the Group to increase spending on safety or maintenance measures.

The Group's business is subject to the risks related to climate change and natural and other disasters.

The Group's business operations are subject to the risk of natural disasters such as earthquakes, volcanic eruptions, tsunamis, typhoons, landslides, heavy rain, heavy snowfall, floods or pandemics, man-made disasters such as wars, acts of terrorism or armed conflict, core infrastructure failures such as power grid failures or other localised disasters, particularly those affecting eastern Japan. Many of the Group's businesses rely heavily on physical assets such as railways, trains and commercial buildings. Such a disaster could require significant repairs of these physical assets and their temporary or permanent loss from service, or could potentially result in injury to, or loss of lives of, a large number of customers, which may lead to potential significant claims by customers and others. In addition, such incidents could give rise to a public perception that the Group's services and facilities are unsafe or unreliable, which could damage the Group's reputation and negatively affect demand for the Group's services. In addition, natural and other disasters may also cause damage to the Group's suppliers and result in supply chain disruptions.

Japan has been subject to significant natural disasters, including in particular the Great East Japan Earthquake of 11 March 2011, and in recent years, the risk from natural disasters such as typhoons, heavy rain and flooding are perceived to have been increasing due to the increased prevalence of such events due to global climate change. For example, the Group suffered major damage to its equipment, railcars, and other facilities due to Typhoon No. 15 (Faxai) and Typhoon No. 19 (Hagibis), which landed in the Kanto region in September 2019 and October 2019, respectively. In March 2022, the Fukushima Prefecture offshore earthquake caused damage to

equipment of the Tohoku Shinkansen, forcing suspension of operation in some segments. Most recently, the Group suffered major damage to some of its rail routes in Tohoku region due to heavy rain in August 2022. Accordingly, it is possible that the Group may suffer further damage and losses as a result of such events.

Legally required procedures in relation to fares and surcharges may adversely affect the Group's results of operations.

The Railway Business Act of Japan (Act No. 92 of 1986, as amended, the "**Railway Business Act**") subjects all railway businesses operators, both passenger and freight, to comprehensive regulation by the Ministry of Land, Infrastructure, Transport and Tourism (the "**MLIT**"). Railway companies must obtain prior permission of the Minister of Land, Infrastructure, Transport and Tourism (the "**Minister**") to operate each of their railway lines. Although the regulations on surcharges for the express other than Shinkansen have been relaxed to a certain extent, the upper limit of the fares for passengers and Shinkansen surcharges are still subject to the permission by the Minister, and the Issuer must file a prior notification with the Minister to set or change the fares and surcharges within approved upper limit. These required procedures, or if these regulations are tightened, such tightened procedures, could make it less flexible for the Issuer to change its fares and surcharges, and may adversely affect the Group's results of operations.

The Group's power generation activities are subject to certain risks, and if the Group is required to purchase significantly greater amounts of electricity, its business may be adversely affected.

A majority of the electric power used by the Group's railway operations are provided by the Shinanogawa Power Station (hydro-electric power plant utilising the water from the Shinano River flowing through Nagano and Niigata prefectures) and Kawasaki Thermal Power Station (mostly LNG-fired thermal power plant), both operated by the Group.

In recent years, there has been increasing focus on the environmental and social impact of water concessions, with a general trend towards reduction of water rights granted for power generation. While the Group currently has the necessary licences in place to operate the Shinanogawa Power Station, there can be no assurance that such licences will always be available, or that their scope will not be limited through changes in regulation, licensing measures or other factors.

The Group has been updating its facilities at the Kawasaki Thermal Power Station, with a view to achieving a more efficient power generation at such power station. The Group is also working to develop the usage of renewable energy for its operations. However, with the accelerating move of the society towards decarbonisation, there can be no assurance that, through developments such as imposition of restriction of carbon emissions, the Group's Kawasaki Thermal Power Station will continue to be able to operate in the scale which it currently operates, or that the costs of such operation will not increase through measures such as carbon tax or other governmental policies.

If the Group's power stations cannot be operated at the scale planned by the Group or at all, the Group may need to purchase significantly more electricity from third-party electricity providers or from the market than it currently does, in order to continue its business operations. If the Group is unable to purchase electricity from third-party providers or the market to the full extent that it requires (especially at peak seasons for electricity demand such as a particularly hot summer or a cold winter, or during periods of global energy supply restriction, such as those following the sanctions placed on Russia following its invasion of Ukraine), its railway and other operations may be disrupted. Further, the costs of purchasing electricity from third parties or the market may have an adverse impact on the profitability of the Group, particularly at times of acute demand when electricity prices can increase (or during periods of global energy supply restriction, such as those following the sanctions placed on Russia following its invasion of Ukraine). Any such factors may materially adversely affect the Group's business, results of operations and financial condition.

The Group's businesses are subject to regulation which could restrict its freedom to operate its businesses and impose significant future expenditures upon the Group.

The Group operates its railway business under the Railway Business Act and is subject to regulation and supervision by the Minister. These regulations require the Issuer to file a prior notification to the Minister to suspend or terminate all or a part of its services, and it must be filed at least one year in advance in the case of the termination of a service. In addition, the Issuer must obtain the prior approval of the Minister to construct new railway lines. As a result of these regulations, the Group may not be able to bolster or terminate its rail routes in a

flexible manner depending on the profitability, and therefore, may not able to increase its revenues, improve its profitability or grow its business in a timely manner.

Additionally, while the Issuer is no longer subject to the Act Concerning Passenger Railway Companies and Japan Freight Railway Company of Japan (Act No. 88 of 1986, as amended, the "**JR Companies Act**"), following the effectiveness of amendment to the JR Companies Act, the MLIT published its "Guidelines on Matters to be Considered by the New Companies in Administering their Businesses for Foreseeable Future" (the "**Guidelines**") in 2001. Under the Guidelines, the MLIT requests the Issuer to cooperate with the other JR railway companies on certain matters concerning the setting of fares, to maintain and preserve existing rail routes in light of demand for transportation and to ensure that consideration is given to the interests of small- and medium-sized companies operating similar businesses in the areas in which the Issuer operates. The Minister is empowered to issue guidance and advice to the Issuer on its compliance with the Guidelines and other recommendations. If the Issuer acts in a manner contrary to such recommendations without justifiable reason and certain other conditions are met, the Minister may order the Issuer to take certain recommended measures. As long as these regulatory restrictions apply to the Group's railway businesses, its ability to compete against other modes of transportation to which such restrictions do not apply may be more restricted.

In addition, due to the highly public nature of railway business, the Group may decide not to undertake or be unable to make changes to its railway business based on its determination that the adverse effect on its reputation and other considerations more than offset any anticipated benefits or for fear of receiving, or due to actual, resistance from local governments, residents and others. In the event that significant future negative developments to the Group's railway business arise or become anticipated, the Group may be unable to respond adequately or at all due to the above restrictions and considerations.

The MLIT may also tighten or expand the safety regulations applicable to railway services in Japan, which could impose significant costs upon the Group. If the MLIT changes the standards for the required safety systems in the future, railway companies would be required to take necessary measures to comply with the new standards. Any new regulations could require the Group to make additional capital investments or incur additional expenses for new safety technology.

In addition to the Railway Business Act, the Group is also subject to other laws and regulations, including those relating to its real estate business, employment, working conditions, the environment, and personal and other data protection. New laws, rules or regulations, or revisions to existing laws, rules or regulations, could impose additional restrictions and requirements on the Group's business and operations and could result in additional compliance costs, capital expenditures or other costs. As a result, the Group could experience disruptions to its operations and be unable to execute our business strategy, and its results of operations could be adversely affected. If the Group fails to comply with applicable laws and regulations, it may be subject to investigations, fines, penalties, sanctions and private litigation, and it could lose regulatory permissions or licenses necessary for the business or experience harm to the reputation. If the Group loses or is unable to renew regulatory permissions or licenses necessary for its business or fails to obtain any new required permissions or licenses, the Group may become unable to operate some or all of its businesses, which could materially and adversely affect its business and results of operations. For details of the regulations, see "Business—Regulation".

Change in Shinkansen usage costs may adversely affect the Group's Shinkansen-related results of operations.

The Group operates three Shinkansen lines. Of those lines, the Hokuriku Shinkansen that links the city of Takasaki with the city of Joetsu and the Tohoku Shinkansen that links the city of Morioka with the city of Aomori are rented by the Japan Railway Construction, Transport and Technology Agency (the "**JRTT**"). The construction of the majority of the currently existing Shinkansen lines was funded at the national, prefectural and local government levels. Under the Japan Railway Construction, Transport and Technology Agency Act of Japan (Act No. 180 of 2002, as amended), the Issuer pays the JRTT fixed usage costs following the commencement of operations along the relevant portion of these Shinkansen networks. These usage costs and the payment period are calculated by the JRTT and submitted to the Minister for final approval. The payment period of the usage costs is currently fixed at 30 years from its commencement; however, the period and the amount to be paid as a usage cost are under discussion to be extended or increased, which could mean that the Issuer could be forced to incur further costs. The Group's results of operations may be materially and adversely affected if revenues from Shinkansen-related operations are insufficient to cover them.

The Group may suffer reputational damage or be subject to claims for damages and regulatory actions if it is unable to protect personal and confidential information.

As a corporate group engaged in a variety of different businesses, the Group regularly collects and handles personal information through measures such as the issuance of membership point cards, running of loyalty programmes and obtaining of credit card payment records, as well as through mobile websites, surveys of customers, hotel registers, the sale of commuter passes and *Suica* cards in connection with the railway business, and the collection of customer data in the real estate business. The Group also uses big data collected through the customers' use of *Suica* cards together with third parties. The personal and other data which the Group collects and handles in connection with its business as well as the technologies which the Group uses to manage such data have become increasingly important parts of its business. While the Group makes efforts to manage and protect personal information pursuant to the Act on the Protection of Personal Information of Japan (Act No. 57 of 2003, as amended) or other relevant regulations, a leakage of personal information could result in claims for damages and regulatory actions, may significantly harm the Group's reputation and may impact the results of operations of the Group negatively. The Group may also be required to incur additional expenses to implement corrective measures or enhance the information systems and information management policies and procedures. In addition, such incidents could disrupt the operations or cause significant reputational harm, which could in turn result in the loss of customers. As a result of any of the foregoing, the Group's business, results of operations and financial condition could be materially and adversely affected.

The laws and regulations related to the handling and use of personal, confidential and sensitive information have become and may become stricter in the future and, the interpretation and application of consumer and data protection laws and regulations may develop and be interpreted and applied in a different manner. If the Group were to fail to comply with any such laws and regulations relating to personal, confidential or sensitive information and data privacy, it could have a significant impact on the credibility of the Group, and the Group could suffer damage to its reputation and brand, including loss of confidence in the services offered by the Group or in the Group's ability to manage its business, or be subject to liability, regulatory investigations, or legal or other actions relating to violations of laws and regulations.

Japanese laws subject property owners to strict environmental liabilities, and the environmental assessment of the properties the Group owns may not have uncovered all environmental risks.

The Group owns real properties mainly as part of its railway, real estate and hotel businesses, and in the management of the properties it conducts an environmental assessment of properties where the prior use of properties merits it. The Group conducts environmental assessments to discover hazardous or toxic substances in the soil, groundwater and buildings, including asbestos, which was previously widely used in Japan. However, there can be no assurance that these assessments are adequate to fully uncover the problems of the type they are intended to identify, which are often hidden or impossible to detect without special expertise and equipment.

Under the Soil Contamination Countermeasures Act of Japan (Act No. 53 of 2002, as amended), an owner of land is required to conduct soil contamination assessments in a variety of circumstances, including when the relevant governor determines that soil contamination is likely to exist after receiving notice of a plan to transform land over a specified size, or where a governor determines that human health is likely to be harmed due to soil contamination. If a local governor finds that the level of soil pollution in a given area of land due to hazardous or toxic substances exceeds the standards prescribed by the Ministry of the Environment of Japan and that area of land is polluted to such an extent that it has caused or may cause harm to human health, the governor must designate the area of land as a polluted area and the governor may order the current owner of such land to remove or remediate hazardous or toxic substances on or under the land in accordance with a plan for removal and remediation, in principle, whether or not the current owner knew of, or was responsible for, the presence of such hazardous or toxic substances. Regarding asbestos, while immediate removal of asbestos from existing buildings is not required under current regulations in Japan, the Building Standards Act of Japan (Act No. 201 of 1950, as amended, the "**Building Standards Act**") and the Air Pollution Control Act of Japan (Act No. 97 of 1968, as amended) require the removal of, or certain other actions relating to, asbestos in connection with the demolition, renovation and major repairs of existing buildings. The presence of hazardous or toxic substances, or the failure to properly remediate the contamination, may adversely affect the Group's ability to sell, lease or develop the real property or borrow using the real property as collateral. If hazardous or toxic substances, such as asbestos, are discovered on any of the Group's properties, those properties could fall in value, and the Group may be required to incur substantial costs to remediate the underlying hazard and discharge the related environmental liabilities. If actual harm to human health resulted from the presence of such substances, the Group could be liable for damages. As a result, the Group's business, financial condition or results of operations could be materially and adversely affected.

Problems relating to the Group's information technology systems could disrupt its business.

The Group relies heavily on various information technology ("**IT**") systems to operate its various businesses safely and successfully, particularly its railway business. System interruptions and malfunctions can occur for a number of reasons, including natural disasters, power failures, software errors, hardware problems, network failures, difficulties with the Group's service providers, sabotage, hacking, computer viruses and other cyber-attacks, and similar factors, as well as human error. The Group may also be vulnerable to system failures of other companies to which its operations are closely linked, such as other railway operators, utility providers, telecommunication service providers and financial institutions. Any serious compromise or other issues relating to the Group's IT systems may significantly disrupt the Group's railway operations and other businesses. Furthermore, if system-related problems lead to loss of public confidence in the reliability of the Group, this may result in a decrease in demand for the Group's services.

The Group is subject to the risk of litigation and other legal proceedings in the ordinary course of business.

Due to the nature of its businesses, the Group is subject to the risk of litigation from third parties in connection with claims such as personal injury, breach of contract, labour issues, land ownership, warranty claims and environmental pollution in the ordinary course of business. In the event of an adverse judgment or out of court settlement, the Group's financial condition and results of operations could be adversely affected.

The Group's strategies and plans, as well as its medium-term, long-term and large scale projects may not be successful.

The Group formulates business strategies and plans, with the intention of, amongst other things, addressing issues that face the Group's businesses, or improving the Group's financial position and profitability. The success of the implementation of any of the Group's strategies and plans is subject to various internal and external factors, including general economic and market conditions and demand for the Group's services. There can be no assurance that the Group's strategies or plans will be implemented successfully, that the implementation of such strategies and plans will have its intended effect, that the assumptions underlying the strategies and plans will not differ materially from actual circumstances, that targets (whether quantitative or qualitative, and whether in the long term or short term) set in any such strategy or plan will be met in time or at all, or that such targets and aims will not be changed in the future by the Group's management. In addition, in cases where the assumptions underlying the strategies or plans prove to be inaccurate, the Group may be unable to adjust the strategies or plans in a timely manner to mitigate, or otherwise compensate for, the impact of any inaccurate assumptions. Similarly, the Group also undertakes medium-term, long-term and large scale projects (including real estate projects). However, for the same reasons, those projects may also be unsuccessful or encounter difficulties that could be disruptive or damaging for the Group's business as whole. Any such changes in circumstances, failures to successfully implement strategies or plans, or difficulties with medium-term, long-term and large scale projects, could adversely affect the Group's business, results of operations and financial condition.

The Group's international operations are subject to certain risks.

Outside Japan, the Group is using the technology and expertise that it has thus far accumulated to pursue international operations as a potential future growth opportunity. At the same time, the Group is absorbing overseas expertise and knowledge about services that it cannot acquire in Japan. International operations include a variety of risk factors, such as political instability; changes in local laws and regulations for investment, tax, or the environment; differences in business practices; differences in awareness in relation to the performance of contracts and compliance with rules as well as delays in construction work due to such factors; economic trends (including in relation to energy prices and inflation); difficulties in enforcing contracts or debts and fluctuations in exchange rates such as those observed in the significant weakening of the Japanese yen in 2022 and to date in 2023. While to date the Group has not been involved in large-scale and capital-intensive overseas projects, any investments in new projects can require long periods to realise return on investment, and increases in expenses accompanying investment could surpass increases in revenues. Unexpected changes in situations overseas could affect the Group's business, results of operations and financial condition.

The Group is subject to risks relating to risk management and internal control.

The Group is engaged in a variety of businesses principally in Japan and to a certain extent overseas, and is faced with the need to comply with a wide range of applicable laws and regulations, including those related to matters such as anti-corruption. As such, the Group regularly reviews its risk management and compliance systems with a view to ensuring the appropriateness of its business procedures, and has established certain risk management

and internal control systems and procedures. Certain areas within the risk management and internal control systems may require constant monitoring, maintenance and continuous improvements by the Group's senior management and staff. If the efforts to maintain these systems are found to be ineffective or inadequate, the Group may be subject to administrative or other sanctions or penalties by regulatory authorities, which may have the effect of hindering the Group's execution of its businesses, which may adversely affect the Group's business, reputation, results of operations and financial condition.

The internal control system, no matter how sophisticated in design, still contains inherent limitations caused by misjudgement or fault. Further, the Group also faces the risk of fraudulent activities being conducted either by its employees or customers, such as concealment of improper or unsuccessful activities or misappropriation of customer information. Such types of fraud may be difficult to prevent or detect, however robust an internal control system may be. As such, there can be no assurance that the risk management and internal control systems are adequate or effective notwithstanding the Group's efforts, and any failure to address any internal control matters and other deficiencies could result in investigations and/or disciplinary actions or even prosecution being taken against the Group and/or its employees, disruption to the risk management system, and an adverse effect on the Group's results of operations and financial condition.

The Group is subject to impairment risk.

In conformity with management accounting classifications, the Group generally categorises assets according to operations or properties. For its railway business assets, the Group treats all of its railway lines as a single asset group because the railway network generates cash flows as a whole. The Group also separately categorises assets and idle assets for which transfer or disposal has been decided. As for assets whose fair value has decreased significantly compared with their book value and for assets whose profitability has decreased significantly, the book values are reduced to recoverable amounts, and the reductions are recognised as impairment losses on fixed assets. For example, in the fiscal year ended 31 March 2021, the Group recorded ¥80.0 billion of impairment losses, principally relating to its monorail business (which, as it is operated by a subsidiary of the Issuer, is grouped separately from the railway business) and its hotel and shopping centre business. If market conditions remain difficult (see "*—The Group's business is sensitive to conditions in the Japanese economy and the impact of any outbreak of infectious disease, such as COVID-19*"), and or the profitability of the Group's assets decrease rapidly through developments such as rapid changes in demand, the Group may be required to record further impairment losses, either in the above mentioned businesses or other sections of its business, which may materially adversely affect the Group's results of operations and financial condition.

Unaudited financial statements.

This Base Prospectus contains and incorporates by reference, unaudited interim consolidated financial statements of the Issuer, which have not been audited or reviewed by the Issuer's independent auditors and could be subject to material revisions or corrections. Therefore, the unaudited interim consolidated financial statements of the Issuer, as well as the financial information derived therefrom, may not reveal matters of significance to an investor regarding the Issuer's financial condition or results of operations. Investors should therefore not place undue reliance on such unaudited interim consolidated financial statements or the financial information derived therefrom. Furthermore, the unaudited interim consolidated financial statements of the Issuer omit certain information which is included in the Issuer's Japanese language unaudited interim consolidated financial statements for the same periods.

In addition, there are differences between the categorisation and presentation of information in the unaudited interim consolidated financial statements of the Issuer and the categorisation and presentation of information in the audited consolidated financial statements of the Issuer. As such, information shown in or derived from the unaudited interim consolidated financial statements of the Issuer may not be comparable in all respects with information shown in or derived from the audited consolidated financial statements of the Issuer.

Risks Relating to the Notes

There is no active trading market for the Notes.

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon many factors including prevailing interest rates, the then-current ratings assigned to the Notes (if any), the market for

similar securities, general economic conditions and the results of operations and financial condition of the Issuer. Although applications have been made to the Luxembourg Stock Exchange for the Notes issued under the Programme to be admitted to listing on the Official List and to trading on the Euro MTF Market, there is no assurance that such applications will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Even if a market does develop, it may not be liquid and may not continue for the term of the relevant Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Although Dealers may make a market in the Notes after the relevant offering is completed, such Dealers are under no obligation to do so and may discontinue any market-making activities at any time without notice. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes. If the secondary market for the Notes is limited, this may adversely affect the value of the Notes and the price at which the Noteholder can sell such Notes (if at all).

The Notes may be redeemed prior to maturity in certain circumstances.

Unless in the case of any particular Tranche of Notes the relevant Final Terms specifies otherwise, in the event that, as a result of a change in law or regulation, the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Japan or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes of any Series in accordance with the Conditions.

Market values of Notes issued at a substantial discount or premium may be volatile.

The market values of Notes issued at a substantial discount or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing Notes. Generally, the longer the remaining term of the Notes, the greater the price volatility as compared to conventional interest-bearing Notes with comparable maturities.

Notes issued as "green bonds", "social bonds" or "sustainability bonds" may not be a suitable investment for all investors seeking exposure to green, social and/or sustainable assets.

The Final Terms relating to any particular Tranche of Notes may provide that it is the Issuer's intention to apply the amount equal to the net proceeds of an issuance of those Notes specifically to a "green", "social" or "sustainable" purpose, including, without limitation, for projects and activities that promote climate-friendly and/or other environmental or social purposes (the "**Eligible Projects**") and in accordance with the Issuer's Sustainability Finance Framework dated December 2022 (the "**Framework**"). There can be no assurance that such Notes will be suitable for all investors seeking exposure to green, social or sustainable assets. Prospective investors who intend to invest in such Notes must determine for themselves the relevance of the description of the use of proceeds in the relevant Final Terms for the purposes of any investment by them in such Notes, together with any other investigation that they deem necessary. In particular, no assurance is given to investors that the Eligible Projects will at any time meet investor expectations or requirements regarding "green bond", "social bond" or "sustainability bond", or "green", "social" or "sustainable" projects or other equivalently-labelled projects (including Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the so called 'EU Taxonomy') or Regulation (EU) 2020/852 as it forms part of domestic law in the United Kingdom by virtue of the EUWA). Each prospective investor should have regard to the factors described in the Final Terms and the relevant information contained in this Base Prospectus and seek advice from their independent financial adviser or other professional adviser regarding its purchase of the Notes before deciding to invest. The Issuer's Framework may be subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from time to time. The Framework does not form part of, nor is incorporated by reference, in this Base Prospectus.

In addition, although at the time of issuance of any such Notes, the Issuer may agree to certain obligations relating to use of proceeds with the relevant Dealer(s) and give certain indications in the relevant Final Terms regarding its intentions relating to continuing to report on the allocation of such proceeds, it would not be an event of default under the Notes if the Issuer failed to comply with any such obligations or indications. There can be no assurance that any such Eligible Projects will be available or capable of being implemented in the manner and timeframe anticipated and, accordingly, that the Issuer will be able to use the proceeds for such Eligible Projects as intended. In addition, there can be no assurance that such Eligible Projects will be completed as expected or achieve the impacts or outcomes (environmental, social or otherwise) originally expected or anticipated. None of a failure by the Issuer to allocate the proceeds of any Notes issued as "green bonds", "social bonds" or

"sustainability bonds" or to report on the use of proceeds or Eligible Projects as anticipated or a failure by a third party to issue (or to withdraw) an opinion or certification in connection with an issue of "green bonds", "social bonds" or "sustainability bonds" or the failure of the Notes issued as "green bonds", "social bonds" or "sustainability bonds" to meet investors' expectations or requirements regarding any Notes issued as "green", "social", "sustainable" or similar labels will constitute an Event of Default or breach of contract with respect to any of the Notes issued as "green bonds", "social bonds" or "sustainability bonds".

The net proceeds of the issue of any "green bonds", "social bonds" or "sustainability bonds" which, from time to time, are not allocated as funding for Eligible Projects are intended by the Issuer to be held pending allocation for purposes to be set out in the relevant Final Terms.

The Issuer does not undertake to ensure that there are at any time sufficient Eligible Projects to allow for allocation of a sum equal to the net proceeds of the issue of any Notes issued as "green bonds", "social bonds" or "sustainability bonds" in full.

There is no assurance of suitability or reliability of any Second Party Opinion or any other opinion or certification of any third party relating to any Notes issued as "green bonds", "social bonds" or "sustainability bonds".

In connection with the issuance of such Notes, the Issuer may request consultants and/or institutions with recognised relevant expertise to issue a second-party opinion confirming that the Eligible Projects are aligned with any bond principles then set by the International Capital Market Association, as well as giving its opinion on the contribution of the Eligible Projects to the United Nations' Sustainable Development Goals (any such opinion, a "**Second-party Opinion**"). Further, until an amount equal to the net proceeds of the issuance of such Notes have been allocated to Eligible Projects, the Issuer may appoint a third party to conduct a compliance review on an annual basis to provide assurance that an amount equal to the net proceeds of the issuance of such Notes has been allocated in all material respects in compliance with the criteria for the Eligible Projects.

In relation to the Second-party Opinion, as well as the compliance review by the relevant third party, prospective investors should be aware that:

- the Second-party Opinion is not part of this Base Prospectus or any Final Terms and will not be incorporated in it at any later date;
- Noteholders have no recourse against the provider of any Second-party Opinion;
- the Second-party Opinion may not reflect the potential impact of all risks related to the market, additional risk factors discussed above and other factors that may affect the value of such Notes or the Eligible Projects;
- the Second-party Opinion will not constitute a recommendation to buy, sell or hold securities and will only be current as at the date it is released;
- prospective investors must determine for themselves the relevance of the Second-party Opinion or any compliance review for the purpose of any investment in such Notes; and
- no assurance or representation is given to investors that the Second-party Opinion or compliance review will reflect any present or future criteria or guidelines with which investors or their investments are required to comply.

In particular, DNV Business Assurance Japan K.K. has issued an independent opinion, dated 5 December 2022, on the Framework and related annexes including, among others, the Annex dated 25 August 2023 (together, the "**DNV Opinion**"). The DNV Opinion provides an opinion on certain environmental, social, sustainable and related considerations and is a statement of opinion, not a statement of fact. No representation or assurance is given as to the suitability or reliability of the DNV Opinion. The DNV Opinion is not intended to address any credit, market or other aspects of any investment in any Notes, including without limitation market price, marketability, investor preference or suitability of any security or any other factors that may affect the value of the Notes. The DNV Opinion is not, nor should be deemed to be, a recommendation to buy, sell or hold any such Notes and is current only as of the date it was issued.

The criteria and/or considerations that formed the basis of the DNV Opinion may change at any time and the DNV Opinion may be amended, updated, supplemented, replaced and/or withdrawn. Prospective investors

must determine for themselves the relevance of any such opinion or certification and/or the information contained therein. The DNV Opinion and any other such opinion or certification do not form part of, nor are incorporated by reference in this Base Prospectus.

Notes issued as "green bonds", "social bonds" or "sustainability bonds" are not linked to the performance of any Eligible Projects, do not benefit from any arrangements to enhance the performance of the Notes or any contractual rights derived solely from the intended use of proceeds of such Notes.

The performance of Notes issued as "green bonds", "social bonds" or "sustainability bonds" is not linked to the performance of the relevant Eligible Projects or the performance of the Issuer in respect of any environmental or similar targets. There will be no segregation of assets and liabilities in respect of Notes issued as "green bonds", "social bonds" or "sustainability bonds" and such Eligible Projects. Consequently, neither payments of principal and/or interest on the Notes issued as "green bonds", "social bonds" or "sustainability bonds" nor any rights of Noteholders shall depend on the performance of such Eligible Projects or the performance of the Issuer in respect of any such environmental, social, sustainable or similar targets. Holders of any Notes issued as "green bonds", "social bonds" or "sustainability bonds" shall have no preferential rights or priority against the assets of any Eligible Projects nor benefit from any arrangements to enhance the performance of the Notes.

No assurance that "green bonds", "social bonds" or "sustainability bonds" will be admitted to trading on any dedicated "green", "social", "sustainable" (or similar) segment of any stock exchange or market, or that any admission obtained will be maintained.

In the event that such Notes are, or intended to be, listed or admitted to trading on any dedicated "green", "social", "sustainable" or other similarly labelled segment of any stock exchange or securities market, or are included in any dedicated "green", "social", "sustainable" or other equivalently-labelled index, including the Luxembourg Green Exchange (the "**LGX**"), on which an application may be made that such Notes be displayed, no representation or assurance is given by the Issuer that such listing or admission, or inclusion in such index, satisfies whether, in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required, or intends, to comply. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another and that the criteria for inclusion in such index may vary from one index to another. No representation or assurance is given or made by the Issuer that any such listing or admission to trading, or inclusion in any such index, will be obtained in respect of such Notes or, if obtained, that any such listing or admission to trading, or inclusion in such index, will be maintained during the lifetime of the Notes.

If any of the risks outlined in this section materialise this may have a material adverse effect on the value of the Notes and could also result in adverse consequences for certain investors with portfolio mandates to invest in green, social or sustainable assets (which consequences may include the need to sell the Notes as a result of the Notes not falling within the investor's investment criteria or mandate)

Because the Global Notes are held by or on behalf of Euroclear and/or Clearstream, Luxembourg, as applicable, investors will have to rely on their procedures for transfer, payment and communication with the Issuer.

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary or common safekeeper, as applicable, for Euroclear and/or Clearstream, Luxembourg, as applicable. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and/or Clearstream, Luxembourg, as applicable, will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and/or Clearstream, Luxembourg, as applicable.

While the Notes are represented by one or more Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the common depositary or common safekeeper, as applicable, for Euroclear and/or Clearstream, Luxembourg, as applicable, for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and/or Clearstream, Luxembourg, as applicable, to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear

and/or Clearstream, Luxembourg, as applicable, to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against the Issuer in the event of a default under the relevant Notes but will have to rely upon their rights under the Deed of Covenant.

Notes may be issued with a minimum denomination.

Notes may be issued with a minimum denomination. The Final Terms of a Tranche of Notes may provide that, for so long as the Notes are represented by a Global Note and Euroclear and/or Clearstream, Luxembourg (or any other relevant clearing system), as applicable, the Notes will be tradable in principal amounts (a) equal to, or integral multiples of, the minimum denomination, and (b) equal to the minimum denomination plus integral multiples of an amount lower than the minimum denomination.

Where the Final Terms specifies that the Permanent Global Note will be exchangeable "only in the limited circumstances described in the Permanent Global Note", Definitive Notes will only be issued if (a) Euroclear or Clearstream, Luxembourg (or other relevant clearing system), as applicable, is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 11 (*Events of Default*) occurs. The Final Terms may provide that, if Definitive Notes are issued, such Notes will be issued in respect of all holdings of Notes equal to or greater than the minimum denomination. However, Noteholders should be aware that Definitive Notes that have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade. Definitive Notes will under no circumstances be issued to any person holding Notes in an amount lower than the minimum denomination.

Credit ratings may not reflect all risks.

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings are such rating agencies' assessments of the Issuer and such Notes based upon their own rating methodology, and may not reflect the potential impact of all risks related to the structure of the Notes, market factors, additional factors discussed herein, and other factors that may affect the value of the Notes. Further revisions to ratings methodologies and actions on Issuer's ratings by the credit rating agencies may occur in the future, and such revisions may result in the downgrade of certain ratings. A credit rating is not a recommendation to buy, sell or hold securities and may be suspended, revised or withdrawn by the rating agency at any time.

There are no guarantees that any rating assigned to an issue of Notes will continue to be assigned or maintained. The Issuer may determine to no longer maintain one or more ratings, or any credit rating agency may lower or suspend its rating or withdraw its rating if, in the sole judgement of the credit rating agency, the credit quality of the Notes has declined or is in question. In addition, at any time a credit rating agency may revise its relevant rating methodology with the result that, among other things, any rating assigned to the Notes may be lowered. If any of the rating(s) assigned to the Notes (if any) is lowered, suspended or withdrawn, the market value of the Notes may decrease.

Exchange rate risks and exchange controls.

The Issuer will pay principal and interest on Notes in the Specified Currency set out in the relevant Final Terms. This presents certain risks relating to currency conversions if the financial activities of a holder of the Notes are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

INFORMATION INCORPORATED BY REFERENCE

The following shall be deemed to be incorporated in, and to form part of, this Base Prospectus in respect of any Notes issued under the Programme:

(a) the audited consolidated financial statements of the Issuer in respect of the fiscal years ended 31 March 2021 and 31 March 2022 (set out on pages 1 to 30 of the file entitled "Financial Data 2022") and the Independent Auditor's report thereon (set out on pages 41 to 48 of the file entitled "Financial Data 2022");

(b) the audited consolidated financial statements of the Issuer in respect of the fiscal years ended 31 March 2022 and 31 March 2023 (set out on pages 1 to 30 of the file entitled "Financial Data 2023") and the Independent Auditor's report thereon (set out on pages 39 to 46 of the file entitled "Financial Data 2023");

(c) the unaudited interim consolidated financial statements of the Issuer for the three-month period ended 30 June 2023 (set out on pages 2 to 6 of the file entitled "Consolidated Financial Results for the Three-Month Period Ended June 30, 2023 (Japanese GAAP) (Unaudited)");

(d) the most recent audited consolidated financial statements of the Issuer subsequent to the financial statements referred to above and published on the website of the Luxembourg Stock Exchange, including, where so published on the website of the Luxembourg Stock Exchange, the Independent Auditor's Report thereon; and

(e) the most recent unaudited interim consolidated financial statements of the Issuer subsequent to the financial statements referred to above and published on the website of the Luxembourg Stock Exchange, but excluding any information therein that is not described as consolidated financial statements or notes thereto. For the avoidance of doubt, any forward-looking statements, forecasts, information described as qualitative information, or additional information regarding the operating results of the Issuer or the Group, shall not be incorporated in, or form part of, this Base Prospectus.

Any information contained in any of the documents specified above which is not specifically incorporated by reference in this Base Prospectus is either not relevant for investors or is covered elsewhere in this Base Prospectus.

As at the date of this Base Prospectus, copies of the documents specified in paragraphs (a) to (c) above may be inspected, free of charge, at the website of the Luxembourg Stock Exchange at *www.LuxSE.com*, and may be obtained, free of charge, at the respective registered offices of the Issuer at 2-2, Yoyogi 2-chome, Shibuya-ku, Tokyo 151-8578, Japan and the Fiscal Agent. Following the date of this Base Prospectus, copies of the documents specified in paragraphs (d) and (e) above may, following their publication on the website of the Luxembourg Stock Exchange, be inspected, free of charge, at the website of the Luxembourg Stock Exchange at *www.LuxSE.com*, and may be obtained, free of charge, at the respective registered offices of the Issuer at 2-2, Yoyogi 2-chome, Shibuya-ku, Tokyo 151-8578, Japan and the Fiscal Agent.

FORMS OF THE NOTES

Bearer Notes

Each Tranche of Notes in bearer form ("**Bearer Notes**") will initially be in the form of either a temporary global note in bearer form (the "**Temporary Global Note**"), without interest coupons, or a permanent global note in bearer form (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**") which is not intended to be issued in new global note ("**NGN**") form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

On 13 June 2006 the European Central Bank (the "**ECB**") announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "**Eurosystem**"), **provided that** certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

The relevant Final Terms will indicate whether such Bearer Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Bearer Notes are to be so held does not necessarily mean that the Bearer Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria.

In the case of each Tranche of Bearer Notes, the relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Note exchangeable for Permanent Global Notes

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note, duly authenticated and, in the case of a NGN, effectuated, to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

(i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Fiscal Agent; and

(ii) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership.

The principal amount of Notes represented by the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership **provided, however, that** in no circumstances shall the principal amount of Notes represented by the Permanent Global Note exceed the initial principal amount of Notes represented by the Temporary Global Note.

If:

(a) the Permanent Global Note has not been delivered or the principal amount thereof has not been increased by 5.00 p.m. (London time) on the seventh day after the bearer of the Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or

(b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

The Permanent Global Note will become exchangeable, in whole but not in part only and at the request of the bearer of the Permanent Global Note, for Bearer Notes in definitive form ("**Definitive Notes**"):

(a) on the expiry of such period of notice as may be specified in the relevant Final Terms; or

(b) at any time, if so specified in the relevant Final Terms; or

(c) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events occurs:

  (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or

  (ii) an Event of Default as defined in Condition 11 (*Events of Default*) occurs and the Notes become due and payable.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

(a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or

(b) the Permanent Global Note was originally issued in exchange for part only of a Temporary Global Note representing the Notes and such Temporary Global Note becomes void in accordance with its terms; or

(c) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on the date on which such Temporary Global Note becomes void (in the case of (b) above) or at 5.00 p.m. (London time) on such due date ((c) above) and the bearer of the Permanent Global Note will have no further rights thereunder

(but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

Temporary Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

(a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Temporary Global Note for Definitive Notes; or

(b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

Permanent Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

(a) on the expiry of such period of notice as may be specified in the relevant Final Terms; or

(b) at any time, if so specified in the relevant Final Terms; or

(c) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events occurs:

    (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or

    (ii) an Event of Default as defined in Condition 11 (*Events of Default*) occurs and the Notes become due and payable.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

(a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or

(b) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date ((b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

Rights under Deed of Covenant

Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note or a Permanent Global Note which becomes void will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note or Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

Legend concerning United States persons

In the case of any Tranche of Bearer Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"*Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.*"

Registered Notes

Each Tranche of Notes in registered form **("Registered Notes")**, will be represented by either individual note certificates in registered form ("**Individual Note Certificates**") or a global note in registered form (a "**Global Registered Note**"), in each case as specified in the relevant Final Terms.

In a press release dated 22 October 2008, "*Evolution of the custody arrangement for international debt securities and their eligibility in Eurosystem credit operations*", the ECB announced that it has assessed the new

holding structure and custody arrangements for registered notes which the ICSDs had designed in cooperation with market participants and that Notes to be held under the new structure (the "**New Safekeeping Structure**" or "**NSS**") would be in compliance with the "*Standards for the use of EU securities settlement systems in ESCB credit operations*" of the central banking system for the euro (the "**Eurosystem**"), subject to the conclusion of the necessary legal and contractual arrangements. The press release also stated that the new arrangements for Notes to be held in NSS form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2010 and that registered debt securities in global registered form issued through Euroclear and Clearstream, Luxembourg after 30 September 2010 will only be eligible as collateral in Eurosystem operations if the New Safekeeping Structure is used.

The relevant Final Terms will indicate whether such Registered Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Registered Notes are to be so held does not necessarily mean that the Registered Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria.

Each Global Registered Note will either be: (a) in the case of a Note which is not to be held under the New Safekeeping Structure, registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common depositary and will be exchangeable in accordance with its terms; or (b) in the case of a Note to be held under the New Safekeeping Structure, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg and will be exchangeable for Individual Note Certificates in accordance with its terms.

If the relevant Final Terms specifies the form of Notes as being "Individual Note Certificates", then the Notes will at all times be represented by Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

Global Registered Note exchangeable for Individual Note Certificates

If the relevant Final Terms specifies the form of Notes as being "Global Registered Note exchangeable for Individual Note Certificates", then the Notes will initially be in the form of a Global Registered Note which will be exchangeable in whole, but not in part, for Individual Note Certificates:

(a) on the expiry of such period of notice as may be specified in the relevant Final Terms; or

(b) at any time, if so specified in the relevant Final Terms; or

(c) if the relevant Final Terms specifies "in the limited circumstances described in the Global Registered Note", then if either of the following events occurs:

  (i) Euroclear, Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or

  (ii) an Event of Default (as defined in Condition 11 (*Events of Default*)) occurs and the Notes become due and payable.

Whenever a Global Registered Note is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note within five business days of the delivery, by or on behalf of the registered holder of the Global Registered Note to the Registrar of such information as is required to complete and deliver such Individual Note Certificates against the surrender of the Global Registered Note at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled to the Agency Agreement and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

(a) Individual Note Certificates have not been delivered by 5.00 p.m. (London time) on the thirtieth day after they are due to be issued and delivered in accordance with the terms of the Global Registered Note; or

(b) any of the Notes represented by a Global Registered Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the holder of the Global Registered Note in accordance with the terms of the Global Registered Note on the due date for payment,

then the Global Registered Note (including the obligation to deliver Individual Note Certificates) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the holder of the Global Registered Note will have no further rights thereunder (but without prejudice to the rights which the holder of the Global Registered Note or others may have under the Deed of Covenant). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Registered Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Global Registered Note became void, they had been the holders of Individual Note Certificates in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Global Registered Note will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

Legends relating to Japanese Withholding Tax

All Notes (including Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto, and any certificates in relation to Registered Notes (whether in individual or global form)) will bear a legend to the following effect:

> INTEREST PAYMENTS ON THESE SECURITIES WILL GENERALLY BE SUBJECT TO JAPANESE WITHHOLDING TAX UNLESS IT IS ESTABLISHED THAT SUCH SECURITIES ARE HELD BY OR FOR THE ACCOUNT OF A BENEFICIAL OWNER THAT IS (I) FOR JAPANESE TAX PURPOSES, NEITHER (X) AN INDIVIDUAL RESIDENT OF JAPAN OR A JAPANESE CORPORATION, NOR (Y) AN INDIVIDUAL NON-RESIDENT OF JAPAN OR A NON-JAPANESE CORPORATION THAT IN EITHER CASE IS A PERSON HAVING A SPECIAL RELATIONSHIP WITH THE ISSUER AS DESCRIBED IN ARTICLE 6, PARAGRAPH 4 OF THE SPECIAL TAXATION MEASURES ACT (A "**SPECIALLY-RELATED PERSON OF THE ISSUER**"), (II) A JAPANESE DESIGNATED FINANCIAL INSTITUTION DESCRIBED IN ARTICLE 6, PARAGRAPH 11 OF THE SPECIAL TAXATION MEASURES ACT WHICH COMPLIES WITH THE REQUIREMENT FOR TAX EXEMPTION UNDER THAT PARAGRAPH OR (III) A JAPANESE PUBLIC CORPORATION, A JAPANESE FINANCIAL INSTITUTION OR A JAPANESE FINANCIAL INSTRUMENTS BUSINESS OPERATOR DESCRIBED IN ARTICLE 3-3, PARAGRAPH 6 OF THE SPECIAL TAXATION MEASURES ACT WHICH COMPLIES WITH THE REQUIREMENT FOR TAX EXEMPTION UNDER THAT PARAGRAPH.
>
> INTEREST PAYMENTS ON THIS NOTE TO AN INDIVIDUAL RESIDENT OF JAPAN, TO A JAPANESE CORPORATION NOT DESCRIBED IN THE PRECEDING PARAGRAPH, OR TO AN INDIVIDUAL NON-RESIDENT OF JAPAN OR A NON-JAPANESE CORPORATION THAT IN EITHER CASE IS A SPECIALLY-RELATED PERSON OF THE ISSUER WILL BE SUBJECT TO DEDUCTION IN RESPECT OF JAPANESE INCOME TAX AT A CURRENT RATE OF 15.315 PER CENT. (15 PER CENT. ON OR AFTER 1 JANUARY 2038) OF THE AMOUNT OF SUCH INTEREST.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as completed by the relevant Final Terms, will (except for the paragraphs in italics) be endorsed on each Note in definitive form issued under the Programme.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.

1. Introduction

(a) *Programme*: East Japan Railway Company (the **"Issuer"**) has established a Euro Medium Term Note Programme (the **"Programme"**) for the issuance of up to ¥1,600,000,000,000 in aggregate principal amount of notes (the **"Notes"**).

(b) *Final Terms*: Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a final terms (the "**Final Terms**") which supplements these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended and/or replaced by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.

(c) *Agency Agreement*: The Notes are the subject of an amended and restated agency agreement dated 25 August 2023 (the "**Agency Agreement**") between the Issuer, Mizuho Trust & Banking (Luxembourg) S.A. as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes), as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes), as paying agent (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and as transfer agent (together with the Registrar, the "**Transfer Agents**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes). In these Conditions references to the "**Agents**" are to the Paying Agents and the Transfer Agents and any reference to an "**Agent**" is to any one of them.

(d) *Deed of Covenant*: The Notes may be issued in bearer form ("**Bearer Notes**"), or in registered form ("**Registered Notes**"). Registered Notes are constituted by a deed of covenant dated 25 August 2023 (the "**Deed of Covenant**").

(e) *The Notes*: All subsequent references in these Conditions to "**Notes**" are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for viewing during normal business hours at the Specified Offices of each of the Agents, the initial Specified Offices of which are set out below and, where applicable, the Specified Office of the Registrar, the initial Specified Office of which is set out below, save that, if this Note is an unlisted Note of any Series, the applicable Final Terms will only be available for inspection by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the relevant Agent or the Registrar, as the case may be, as to identity. If and for so long as this Note is listed on the Luxembourg Stock Exchange's Euro MTF Market, copies of the applicable Final Terms may be obtained from the website of the Luxembourg Stock Exchange (*www.LuxSE.com*).

(f) *Summaries*: Certain provisions of these Conditions are summaries of the Agency Agreement and the Deed of Covenant and are subject to their detailed provisions. The holders of the Notes (the "**Noteholders**") and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deed of Covenant applicable to them. Copies of the Agency Agreement and the Deed of Covenant are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below.

2. Interpretation

(a) *Definitions*: In these Conditions the following expressions have the following meanings:

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Business Day**" means:

(a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and

(b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

(a) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;

(b) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

(c) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day; and

(d) "**No Adjustment**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"**Cabinet Order**" means Cabinet Order No. 43 of 1957 promulgated under the Special Taxation Measures Act (as amended);

"**Calculation Agent**" means the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

"**Calculation Amount**" has the meaning given in the relevant Final Terms;

"**Coupon Sheet**" means, in respect of a Note, a coupon sheet relating to the Note;

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

(a) if "**Actual/Actual (ICMA)**" is so specified, means:

(i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(ii) where the Calculation Period is longer than one Regular Period, the sum of:

(A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

(b) if "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(c) if "**30/360**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30";

(d) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30; and

(e) if "**30E/360 (ISDA)**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Early Redemption Amount (Tax)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with the relevant Final Terms;

"**Early Termination Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in these Conditions or the relevant Final Terms;

"**Extraordinary Resolution**" has the meaning given in the Agency Agreement;

"**Final Redemption Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"**Fixed Coupon Amount**" has the meaning given in the relevant Final Terms;

"**Holder**", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer - Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer – Title to Registered Notes*);

"**Interest Amount**" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"**Interest Commencement Date**" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"**Interest Payment Date**" means the first Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms as the same may be adjusted in accordance with the relevant Business Day Convention;

"**Interest Period**" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"**Issue Date**" has the meaning given in the relevant Final Terms;

"**Maturity Date**" has the meaning given in the relevant Final Terms;

"**Noteholder**", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer - Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer - Title to Registered Notes*);

"**Payment Business Day**" means:

(a) if the currency of payment is euro, any day which is:

(i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(b) if the currency of payment is not euro, any day which is:

(i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"**Principal Financial Centre**" means, in relation to any currency, the principal financial centre for that currency **provided, however, that**:

(a) in relation to euro, it means the principal financial centre of such Member State of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and

(b) in relation to New Zealand dollars, it means either Wellington or Auckland as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

"**Rate of Interest**" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

"**Redemption Amount**" means, as appropriate, the Final Redemption Amount, the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in the relevant Final Terms;

"**Regular Period**" means:

(a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

(b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and

(c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

"**Relevant Date**" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received by the

Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"**Reserved Matter**" means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

"**Special Taxation Measures Act**" means the Special Taxation Measures Act of Japan (Act No. 26 of 1957, as amended) or any successor legislation thereto;

"**Specially-Related Person of the Issuer**" means an individual non-resident of Japan or a non-Japanese corporation that in either case is a person having a special relationship with the Issuer as described in Article 6, Paragraph 4 of the Special Taxation Measures Act (or any successor provision thereto);

"**Specified Currency**" has the meaning given in the relevant Final Terms;

"**Specified Denomination(s)**" has the meaning given in the relevant Final Terms;

"**Specified Office**" has the meaning given in the Agency Agreement;

"**Subsidiary**" means, in relation to any Person (the "**first Person**") at any particular time, any other Person (the "**second Person**"):

(a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or

(b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

"**Talon**" means a talon for further Coupons;

"**T2**" means the real time gross settlement system operated by the Eurosystem or any successor system; and

"**TARGET Settlement Day**" means any day on which T2 is open for the settlement of payments in euro.

(b) *Interpretation*: In these Conditions:

(i) if the Notes are Registered Notes, references to Coupons and Couponholders are not applicable;

(ii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;

(iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;

(iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 10 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;

(v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 10 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;

(vi) references to Notes being "outstanding" shall be construed in accordance with the Agency Agreement;

(vii) if an expression is stated in Condition 2(a) (*Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes;

(viii) any reference to the Agency Agreement shall be construed as a reference to the Agency Agreement, as amended and/or supplemented up to and including the Issue Date of the Notes; and

(ix) any reference in these Conditions to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

3. **Form, Denomination and Title**

(a) *Bearer Notes:* Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination. Each Bearer Note will have a unique certificate or serial number printed thereon.

(b) *Title to Bearer Notes:* Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, "**Holder**" means the holder of such Bearer Note and "**Noteholder**" and "**Couponholder**" shall be construed accordingly.

(c) *Registered Notes:* Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Final Terms and higher integral multiples of a smaller amount specified in the relevant Final Terms.

(d) *Title to Registered Notes:* The Registrar will maintain the register in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Note Certificate**") will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, "**Holder**" means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.

(e) *Ownership:* The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

(f) *Transfers of Registered Notes:* Subject to Conditions 3(i) (*Closed periods*) and 3(j) (*Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided, however, that** a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.

(g) *Registration and delivery of Note Certificates:* Within five business days of the surrender of a Note Certificate in accordance with Condition 3(f) (*Transfers of Registered Notes*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant

Holder. In this paragraph, "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

(h) *No charge:* The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

(i) *Closed periods:* Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.

(j) *Regulations concerning transfers and registration:* All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

4. Status

The Notes and Coupons constitute direct, unconditional, unsubordinated and (subject to Condition 5 (*Negative Pledge*)) unsecured obligations of the Issuer and rank at all times *pari passu* and rateably without any preference among themselves and (save for such exceptions as may be provided by applicable legislation and subject to Condition 5 (*Negative Pledge*)) at all times rank equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

5. Negative Pledge

(a) *Negative Pledge*: The Issuer will not, so long as any of the Notes or Coupons remain outstanding, create or permit to be outstanding (or to subsist) any pledge, mortgage, charge, lien or other encumbrance or security interest, for the benefit of the holder of any Securities (as defined below) upon the whole or any part of the property, assets or revenue, present or future, of the Issuer to secure (i) any payment due in respect of any Securities or (ii) any payment under any guarantee of Securities or indemnity relating to Securities, without in any such case at the same time according to the Notes the same security as is granted to or is outstanding in respect of such Securities or such guarantee or indemnity or such other security or guarantee as shall be approved by an Extraordinary Resolution of the Noteholders.

(b) *Securities*: For the purposes of this Condition, "**Securities**" means bonds, debentures, notes, loan stock or other similar securities of any person with a stated maturity of more than one year from the creation thereof which (i) either are by their terms payable, or confer a right to receive any payment, in any currency (other than yen) or are denominated in yen and more than 50 per cent. of the aggregate principal amount thereof is initially distributed outside Japan by or with the authorisation of the Issuer and (ii) are for the time being, or are intended to be, quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other similar market outside Japan.

6. Fixed Rate Note Provisions

(a) *Application:* This Condition 6 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.

(b) *Accrual of interest:* The Notes bear interest from (and including) the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 8 (*Payments - Bearer Notes*) and Condition 9 (*Payments - Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

(d) *Notes accruing interest otherwise than a Fixed Coupon Amount:* This Condition 6(d) shall apply to Notes which are Fixed Rate Notes only where the Final Terms for such Notes specify that the Interest Payment Dates are subject to adjustment in accordance with the Business Day Convention specified therein. The relevant amount of interest payable in respect of each Note for any Interest Period for such Notes shall be calculated by the Calculation Agent by multiplying the product of the Rate of Interest and the Calculation Amount by the relevant Day Count Fraction and rounding the resultant figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards). The Calculation Agent shall cause the relevant amount of interest and the relevant Interest Payment Date to be notified to the Issuer, the Paying Agents, the Registrar (in the case of Registered Notes) and the Noteholders in accordance with Condition 17 (*Notices*) and, if the Notes are listed on a stock exchange and the rules of such exchange so requires, such exchange as soon as possible after their determination or calculation but in no event later than the fourth Business day thereafter or, if earlier in the case of notification to the stock exchange, the time required by the rules of the relevant stock exchange.

(e) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

7. **Redemption and Purchase**

(a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 8 (*Payments – Bearer Notes*) and Condition 9 (*Payments – Registered Notes*).

(b) *Redemption for tax reasons:* The Notes may be redeemed at the option of the Issuer in whole, but not in part at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Final Terms, (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 10 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Japan or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes and such obligation cannot be avoided by the Issuer taking reasonable measures available to it, **provided, however, that** no such notice of redemption shall be given earlier than 90 days (or such other period as may be specified in the relevant final terms) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Fiscal Agent (A) a certificate signed by an authorised officer of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred of and (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 7(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 7(b).

(c) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Conditions 7(a) to 7(b) above.

(d) *Purchase:* The Issuer or its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price and such Notes may be held, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation, (**provided that**, if the Notes are to be cancelled, they are purchased together with all unmatured Coupons relating to them).

(e) *Cancellation:* All Notes redeemed by the Issuer or its Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and all Notes so cancelled and any Notes cancelled pursuant to Condition 7(d) (*Purchase*) above (together with all unmatured Coupons cancelled with them) may not be reissued or resold.

8. **Payments – Bearer Notes**

This Condition 8 is only applicable to Bearer Notes.

(a) *Principal:* Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.

(b) *Interest:* Payments of interest shall, subject to Condition 8(i) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in Condition 8(a) above.

(c) *Payments in New York City:* Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the principal or interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such principal or interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions, and (iii) payment is permitted by applicable United States law.

(d) *Payments subject to fiscal laws:* All payments in respect of the Bearer Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 10 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 10 (*Taxation*)) any law implementing an intergovernmental approach thereto.

(e) *Commissions or Expenses:* No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(f) *Deductions for unmatured Coupons:* If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:

(i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

(ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:

(A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided, however, that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

(B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in Condition 8(a) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.

(g) *Unmatured Coupons void*: If the relevant Final Terms specifies that this Condition 8(g) is applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 7(b) (*Redemption for tax reasons*) or Condition 11 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

(h) *Payments on business days:* If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(i) *Payments other than in respect of matured Coupons:* Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by Condition 8(c) above).

(j) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

(k) *Exchange of Talons:* On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 12 (*Prescription*)). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

9. **Payments - Registered Notes**

This Condition 9 is only applicable to Registered Notes.

(a) *Principal:* Payments of principal shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

(b) *Interest:* Payments of interest shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

(c) *Payments subject to fiscal laws:* All payments in respect of the Registered Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the

provisions of Condition 10 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 10 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

(d) *Payments on business days:* Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 9 arriving after the due date for payment or being lost in the mail.

(e) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Registered Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.

(f) *Record date:* Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

10. **Taxation**

(a) *Gross-up*: All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Japan or any political subdivision therein or any authority therein or thereof having power to tax ("**Taxes**"), unless the withholding or deduction of such Taxes is required by law. In that event, the Issuer shall pay such additional amounts ("**Additional Amounts**") as will result in receipt by the Holders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable:

(i) to, or to a third party on behalf of, any Holder or beneficial owner of a Note or Coupon that is an individual non-resident of Japan or a non-Japanese corporation and is liable for such Taxes in respect of such Note or Coupon by reason of such Holder's or beneficial owner's (1) having some connection with Japan other than the mere holding of such Note or Coupon or (2) being a Specially-Related Person of the Issuer;

(ii) to, or to a third party on behalf of, any Holder or beneficial owner of a Note or Coupon that would otherwise be exempt from any such withholding or deduction but that fails to comply with any applicable requirement to provide certification, information, documents or other evidence concerning its nationality, residence, identity or connection with Japan, including any requirement to provide Interest Recipient Information (as defined below) or to submit a Written Application for Tax Exemption (as defined below) to the Fiscal Agent, the Paying Agent or the Registrar (as the case may be), or whose Interest Recipient Information is not duly communicated through the relevant Participant (as defined below) and the relevant international clearing organisation to such Fiscal Agent, Paying Agent or Registrar (as the case may be);

(iii) to, or to a third party on behalf of, any Holder or beneficial owner of a Note or Coupon that is for Japanese tax purposes treated as an individual resident of Japan or a Japanese corporation, except for:

(A) a Designated Financial Institution (as defined below) that complies with the requirement to provide Interest Recipient Information or to submit a Written Application for Tax Exemption; and

(B) an individual resident of Japan or a Japanese corporation that duly notifies (directly or through the Participant or otherwise) the Fiscal Agent, the Paying Agent or the Registrar (as the case may be) of its status as not being subject to Taxes to be withheld or deducted by the Issuer by reason of such individual resident of Japan or Japanese corporation receiving interest on the relevant Note or Coupon through a payment handling agent in Japan appointed by it;

(iv) where the relevant Note or Coupon or Note Certificate is presented or surrendered (where presentation or surrender is required, as the case may be) for payment more than 30 days after the Relevant Date except to the extent that the Holder or the beneficial owner of such Note or Coupon would have been entitled to such Additional Amounts on presenting or surrendering such Note or Coupon or Note Certificate for payment on the last day of such period of 30 days;

(v) to, or to a third party on behalf of, any Holder or beneficial owner of a Note or Coupon that is a fiduciary, partnership or person other than the sole beneficial owner of any payment of the principal of, or any interest on, any Note or Coupon and Japanese law requires such payment to be included for Japanese tax purposes in income of a beneficiary or settlor with respect to the fiduciary, or a member of that partnership or other beneficial owner, in each case, who would not have been entitled to such Additional Amounts had it been the Holder or the beneficial owner of such Note or Coupon;

(vi) where Definitive Notes or Coupons are issued so that they are independently traded; or

(vii) in any case that is a combination of any of (i) through (vi) above.

No Additional Amounts will be payable for or on account of any deduction or withholding from a payment on, or in respect of, any Note where such deduction or withholding is imposed pursuant to Sections 1471-1474 of the U.S. Internal Revenue Code and the U.S. Treasury regulations thereunder ("**FATCA**"), any agreement entered into to comply with FATCA, any intergovernmental agreement entered into with respect to FATCA, or any law, regulation or other official guidance enacted or issued in any jurisdiction implementing, or relating to, FATCA or any such intergovernmental agreement.

(b) *Definitions:* For the purposes of these Conditions:

(i) Where a Note or Coupon is held through a participant of an international clearing organisation or a financial intermediary (each, a "**Participant**"), in order to receive payments free of withholding or deduction by the Issuer for, or on account of, any Taxes, if the relevant beneficial owner of the Note or Coupon is:

(A) an individual non-resident of Japan or a non-Japanese corporation that in either case is not a Specially-Related Person of the Issuer; or

(B) a Japanese financial institution (a "**Designated Financial Institution**") falling under certain categories prescribed by Article 6, Paragraph 11 of the Special Taxation Measures Act and the Cabinet Order (together with the ministerial ordinance and other regulations thereunder, the "**Act**"),

all in accordance with the Act, that beneficial owner must, at the time it entrusts a Participant with the custody of the relevant Note or Coupon, provide certain information prescribed by the Act (the "**Interest Recipient Information**") to enable the Participant to establish that the beneficial owner is exempted from the requirement for Taxes to be withheld or deducted, and advise the Participant if that beneficial owner ceases to be so exempted (including the case where the beneficial owner who is an individual non-resident of Japan or a non-Japanese corporation became a Specially-Related Person of the Issuer).

(ii) Where a Note or Coupon is not held by a Participant, in order to receive payments free of withholding or deduction by the Issuer for, or on account of, any Taxes, if the relevant beneficial owner of the Note or Coupon is:

(A) an individual non-resident of Japan or a non-Japanese corporation that in either case is not a Specially-Related Person of the Issuer; or

(B) a Designated Financial Institution,

all in accordance with the Act, that beneficial owner must, prior to each time it receives interest, submit to the Fiscal Agent, Paying Agent or Registrar (as the case may be) a written application for tax exemption (*Hikazei Tekiyo Shinkokusho*) (a "**Written Application for Tax Exemption**"), in the form obtainable from the Fiscal Agent, Paying Agents and the Registrar. The Written Application for Tax Exemption must state, among other things:

(1) the name and address (and, if applicable, the Japanese individual or corporation identification number) of the beneficial owner of the Note or Coupon;

(2) the title of the Notes;

(3) the relevant interest payment date;

(4) the amount of interest payable; and

(5) the fact that the beneficial owner of the Note or Coupon is qualified to submit the Written Application for Tax Exemption, together with documentary evidence regarding its identity and residence.

(c) *Deemed representation*: By subscribing for the Notes, a Holder will be deemed to have represented that it is a beneficial owner who is, (i) for Japanese tax purposes, neither an individual resident of Japan or a Japanese corporation, nor an individual non-resident of Japan or a non-Japanese corporation that in either case is a Specially Related Person of the Issuer or (ii) a Designated Financial Institution.

(d) *Reimbursement*: If (i) subsequent to making a payment on the Notes or the Coupons without withholding or deduction of Japanese taxes, the Issuer is required to remit to the Japanese taxing authority any amount in respect of Japanese taxes that should have been withheld or deducted from such payment (together with any interest and penalties) due to the failure of the beneficial owner to provide accurate Interest Recipient Information or to otherwise properly claim an exemption from Japanese taxes imposed with respect to such payment, and (ii) such beneficial owner would not have been entitled to receive Additional Amounts with respect to such payment had Japanese taxes been withheld from the payment when it was made, such beneficial owner (but not any subsequent beneficial owner of the Notes or the Coupons) shall be required to reimburse the Issuer, in Japanese Yen, for the amount remitted by the Issuer to the Japanese taxing authority.

(e) *Taxing jurisdiction*: If the Issuer becomes subject at any time to any taxing jurisdiction other than Japan, references in these Conditions to Japan shall be construed as references to Japan and/or such other jurisdiction.

11. Events of Default

If any of the following events (each an "**Event of Default**") occurs and is continuing, the holder of any Note may give written notice addressed by the Holder thereof to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, be declared immediately due and payable, whereupon it shall become due and payable at its Early Termination Amount together with accrued interest (if any) without further action or formality upon the date falling seven days after the date on which such written notice is received by the Issuer or the Fiscal Agent unless within such seven days such Event of Default shall have been remedied:

(a) default being made for a period of more than 14 days in the payment of principal in respect of any of the Notes when and as the same ought to be paid in accordance with the terms of the Notes; or

(b) default being made for a period of more than 14 days in the payment of interest in respect of any of the Notes when and as the same ought to be paid in accordance with the terms of the Notes; or

(c) a default is made in the performance or observance by the Issuer of any other obligation under the Notes and such default shall continue for 30 days after the date on which written notice requiring such default to be remedied shall have been delivered to the Issuer or the Specified Office of the Fiscal Agent at any Noteholder; or

(d) any other bonds, debentures, notes or other indebtedness for money borrowed (together and individually, "**Indebtedness**") of the Issuer, having an aggregate outstanding principal amount of at least U.S.$10,000,000 (or its equivalent in any other currency or currencies), becomes prematurely repayable following a default which shall not have been remedied or steps are taken to enforce any security therefor, or the Issuer defaults in the repayment of any such Indebtedness at the maturity thereof and at the expiration of any applicable grace period therefor or any guarantee of or indemnity in respect of any Indebtedness of others given by the Issuer and having an aggregate outstanding principal amount of at least U.S.$10,000,000 (or its equivalent as aforesaid) shall not be honoured when due and called upon; or

(e) an effective resolution is passed or an order of a court of competent jurisdiction is made that the Issuer be wound up or dissolved otherwise than (i) for the purposes of or pursuant to and followed by a consolidation, amalgamation, merger or reconstruction, the terms of which have previously been approved by an Extraordinary Resolution of Noteholders, or (ii) for the purposes of or pursuant to and followed by a consolidation, amalgamation, merger or reconstruction relating to such Issuer under which the continuing entity or the entity formed as a result thereof assumes the entire obligations of the Issuer under the Notes, the Coupons, the Dealer Agreement, the Agency Agreement and the Deed of Covenant; or

(f) a decree or order by a court having jurisdiction shall have been entered adjudging the Issuer to be bankrupt or insolvent, or approving a petition seeking reorganisation (such reorganisation being otherwise than for the purposes of a consolidation, amalgamation, merger or reconstruction for the purposes set out in Condition 11(e) above) of the Issuer under any applicable bankruptcy or reorganisation law, and such decree or order shall have continued undischarged and unstayed for a period of 60 days; or if a decree or order of a court having jurisdiction for the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of the Issuer or of all or substantially all of the property, or for the winding-up or liquidation of the affairs, of the Issuer shall have been entered, and such decree or order shall have continued undischarged and unstayed for a period of 60 days; or

(g) the Issuer shall institute proceedings to be adjudicated a voluntary bankruptcy or shall consent to the filing of bankruptcy proceedings against it, or shall file a petition seeking reorganisation or arrangement (such reorganisation or arrangement being otherwise than for the purposes of a consolidation, amalgamation, merger or reconstruction for the purposes set out in Condition 11(e) above) under any applicable bankruptcy or reorganisation law, or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of the Issuer or its property, or shall make an assignment for the benefit of creditors, or there shall be a moratorium in respect of payments made by it, or shall admit in writing its inability to pay its debts generally as they become due, or corporate action shall be taken by the Issuer in furtherance of any of the aforesaid purposes; or

(h) the Issuer ceases, or through an official action of the Board of Directors of the Issuer threatens to cease, to carry on business (otherwise than in connection with or in pursuance of a consolidation, amalgamation, merger or reconstruction as set out in Condition 11(e) above); or

(i) steps are taken to enforce any security or a distress, execution or seizure before judgment is levied or enforced upon or sued out against all or substantially all of the property of the Issuer and is not discharged within 60 days thereof; or

(j) an encumbrancer takes possession, or a trustee or receiver is appointed, of all or substantially all of the assets or undertaking of the Issuer.

For the purpose of Condition 11(d), any Indebtedness which is in a currency other than U.S. dollars may be translated into U.S. dollars at the spot rate for the sale of U.S. dollars against the purchase of the relevant currency quoted by the Fiscal Agent or any leading bank on any day when a quotation is required for such purpose.

12. **Prescription**

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date. Claims for principal and interest on redemption in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

13. **Replacement of Notes and Coupons**

If any Note, Note Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Note Certificates or Coupons must be surrendered before replacements will be issued.

14. **Agents**

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves the right any time to vary or terminate the appointment of any Agent and to appoint a successor fiscal agent or registrar or Calculation Agent and additional or successor paying agents; **provided, however, that***:*

(a) the Issuer shall at all times maintain a fiscal agent and a registrar; and

(b) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent; and

(c) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Issuer shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

15. **Meetings of Noteholders; Modification and Waiver**

(a) *Meetings of Noteholders*: The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by it upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; **provided, however, that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution

duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

Any such meeting of the Noteholders may be convened at a physical location, or such other method (which may include, without limitation, a conference call or video conference) as the Fiscal Agent may determine in accordance with the provisions of the Agency Agreement.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

(b) *Modification:* The Notes, the Deed of Covenant and these Conditions may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

16. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

17. **Notices**

(a) *Bearer Notes:* Notices to the Holders of Bearer Notes shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) and, if the Bearer Notes are admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange and it is a requirement of applicable law or regulations, a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) or published on the website of the Luxembourg Stock Exchange (*www.LuxSE.com*). Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.

(b) *Registered Notes:* Notices to the Holders of Registered Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register and, if the Registered Notes are admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange and it is a requirement of applicable law or regulations, notices to Noteholders will be published on the date of such mailing in a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) or published on the website of the Luxembourg Stock Exchange (*www.LuxSE.com)*. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

18. **Currency Indemnity**

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

19. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

20. **Governing Law and Jurisdiction**

(a) *Governing law*: The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by English law.

(b) *English courts*: The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes).

(c) *Appropriate forum*: The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

(d) *Rights of the Noteholders to take proceedings outside England*: Notwithstanding Condition 20(b) (*English courts*), any Noteholder may take proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions.

(e) *Service of process*: The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Mizuho Bank, Ltd., London Branch at Mizuho House, 30 Old Bailey, London EC4M 7AU, United Kingdom (marked for the attention of the Head of Legal Department, or to such other person with an address in England or Wales and/or at such other address in England or Wales as the Issuer may specify by notice in writing to the Noteholders. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

(f) *Waiver of immunity*: To the extent that the Issuer may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Issuer or its assets or revenues, the Issuer agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

FORM OF FINAL TERMS

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (as amended, the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

[EU MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in EU MiFID II; or (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MiFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**")]/[distributor] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**Singapore Securities and Futures Act Product Classification –** Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).]

Final Terms dated [•]

East Japan Railway Company
(Legal entity Identifier (LEI): 353800SENYJ2DSM6PS44)

Issue of [Aggregate Principal Amount of Tranche] [Title of Notes]

under its
¥1,600,000,000,000 Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation (EU) 2017/1129 (the "**EU Prospectus Regulation**") or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation, in each case, in relation to such offer.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 25 August 2023 [and the supplement(s) to it dated •] (the "**Base Prospectus**"). This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information on the Issuer and the offer of the Notes. The Base Prospectus [and the supplemental Base Prospectus(es)] [is/are] available for viewing at the registered office of the Issuer at 2-2, Yoyogi 2-chome Shibuya-ku, Tokyo 151-8578 Japan.

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.*]

1.	(i)	Issuer:	East Japan Railway Company
2.	(i)	Series Number:	[•]
	(ii)	Tranche Number:	[•]
	(iii)	Date on which the Notes become fungible:	[Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [*insert description of the Series*] on [*insert date*/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 22 below [which is expected to occur on or about [*insert date*]].]
3.	Specified Currency or Currencies:		[•]
4.	Aggregate Principal Amount:		[•]
	[(i)]	Series:	[•]
	[(ii)	Tranche:	[•]]
5.	Issue Price:		[•] per cent. of the Aggregate Principal Amount [plus accrued interest from [•]]
6.	(i)	Specified Denominations:	[•]
	(ii)	Calculation Amount:	[•]
7.	(i)	Issue Date:	[•]
	(ii)	Interest Commencement Date:	[[•]/Issue Date/Not Applicable]]

8.	Maturity Date:	[*Specify date*]
9.	Interest Basis:	[[•] per cent. Fixed Rate]
10.	Redemption/Payment Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [•]/[100] per cent. of their principal amount.
11.	Change of Interest or Redemption/Payment Basis:	Not Applicable
12.	Put/Call Options:	Not Applicable
13.	Status of the Notes:	Senior
	[Date on which [Board] approval for issuance of Notes] obtained:	[•] [and [•], respectively] *(N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	**Fixed Rate Note Provisions**		Applicable
	(i)	Rate[(s)] of Interest:	[•] per cent. per annum payable in arrear on each Interest Payment Date
	(ii)	Interest Payment Date(s):	[•] in each year [adjusted in accordance with the [[Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention] [with Additional Business Centre(s) being [London/Tokyo/New York] [(save that notwithstanding such adjustment, the amount of interest payable in respect of each Note on each Interest Payment Date shall be the Fixed Coupon Amount, and the provisions of Condition 6(d) shall not apply to the Notes)]] / not adjusted]
	(iii)	Fixed Coupon Amount[(s)]:	[•] per Calculation Amount
	(iv)	Fixed Coupon Amount for a short or long Interest Period ("**Broken Amount(s)**")	[[•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]/Not Applicable]
	(v)	Day Count Fraction:	[30/360 / Actual/Actual (ICMA/ISDA) / other]
	(vii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Paying Agent):	[Paying Agent]/[[•] shall be the Calculation Agent]
	(viii)	Unmatured Coupons void:	Condition 8(g) (*Unmatured Coupons void*) is [Applicable/Not Applicable]
15.	**Floating Rate Note Provisions**		Not Applicable
16.	**Zero Coupon Note Provisions**		Not Applicable

PROVISIONS RELATING TO REDEMPTION

17.	Call Option	Not Applicable
18.	Put Option	Not Applicable
19.	Change of Control Put Option/ Put Event:	Not Applicable
20.	Final Redemption Amount of each Note	[•] per Calculation Amount
21.	Early Redemption Amount	
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption:	[[•] per Calculation Amount/Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22.	Form of Notes:	[Bearer Notes, represented by [Temporary Global Note exchangeable for] [Permanent Global Note exchangeable for Definitive Notes [on [•] days' notice/at any time/only in the limited circumstances specified in the Permanent Global Note]] [Definitive Notes]] (*Bearer Notes issued under TEFRA D must initially be represented by a Temporary Global Note, exchangeable for a Permanent Global Note or Definitive Notes upon certification of non-U.S. beneficial ownership.*) [Registered Notes, evidenced by a Global Registered Note. [The Notes evidenced by the Global Registered Note will not be held under the new safekeeping structure ("**New Safekeeping Structure**" or "**NSS**"), and will instead be registered in the name of a common depositary (or its nominee) for [Euroclear and/or Clearstream, Luxembourg] [•] and the Global Registered Note will be deposited on or around the Issue Date with the common depositary.] [The Notes evidenced by the Global Registered Note will be held under the new safekeeping structure ("**New Safekeeping Structure**" or "**NSS**"), be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and the Global Registered Note will be deposited on or around the Issue Date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg.]] [Registered Notes, evidenced by Individual Note Certificates.]
23.	New Global Note:	[Yes] [No]
24.	Additional Financial Centre(s) or other special provisions relating to payment dates:	[Not Applicable/*give details. Note that this paragraph relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which sub-paragraph 15(v) relates*]
25.	Talons for future Coupons to be attached to Definitive Notes (and	[Yes/No. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into

dates on which such Talons mature):	definitive form, more than 27 coupon payments are left./Not Applicable]

HONG KONG SFC CODE OF CONDUCT

26.	Hong Kong SFC Code of Conduct provisions:	[Applicable/ Not applicable] (*if not applicable delete the remaining sub-paragraphs of this paragraph*)
(i)	Rebates:	[A rebate of [•] bps is being offered by the [Issuer] to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate.]/[Not Applicable]
(ii)	Contact email addresses [of the Overall Coordinators] where underlying investor information in relation to omnibus orders should be sent:	[*Include relevant contact email addresses of the Overall Coordinators where the underlying investor information should be sent – Overall Coordinators to provide*]/[Not Applicable]
(iii)	Marketing and Investor Targeting Strategy:	[*Provide details if different from the Programme Base Prospectus*]]

[LISTING AND ADMISSION TO TRADING APPLICATION

This Final Terms comprises the final terms required to have the Notes admitted to the Official List of the Luxembourg Stock Exchange and admitted to trading to the Euro MTF Market of the Luxembourg Stock Exchange pursuant to the Issuer's Medium Term Note Programme.]

SIGNED on behalf of **EAST JAPAN RAILWAY COMPANY**:

By:

.....
Duly authorised

PART B – OTHER INFORMATION

1. **LISTING AND ADMISSION TO TRADING**

(i)	Admission to Trading:	[Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be admitted to listing on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange] [and the Luxembourg Green Exchange] [Application [has been made/is expected to be made] for the Notes to be admitted to listing on [*specify – note that this must not be an EEA or UK regulated market*]] (*When documenting a fungible issue need to indicate that original Notes are already admitted to trading.)* [Not Applicable]
(ii)	Estimate of total expenses related to admission to trading:	[•]

2. **RATINGS**

	The Notes to be issued [have been/are expected to be] rated]
Ratings:	[Moody's: [•]] [Standard & Poor's: [•]] [[Other]: [•]] [A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.] *(If the Notes are rated, include appropriate CRA disclosure here.)*

3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

(Need to include a description of any interest, including a conflict of interest, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below:)

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. The Issuer may engage in a currency hedging transaction and/or an interest rate hedging transaction directly or indirectly with one or more of the Managers in connection with the issue and offering of the Notes. (*Amend as appropriate if there are other interests*)]

4. **YIELD**

Indication of yield:	Calculated as [*include specific details of method of calculation in summary form*] on the Issue Date.

	As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

5. **OPERATIONAL INFORMATION**

ISIN:	[•]
Common Code:	[•]
[FISN:]	[[See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available][•]]
[CFI Code:]	[[See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available][•]]
Legal Entity Identifier:	353800SENYJ2DSM6PS44
Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking S.A. and the relevant identification number(s):	[Not Applicable/[*name of alternative clearing system*], [*address*]]
Delivery:	Delivery [against/free of] payment
Names and addresses of additional Paying Agent(s) (if any):	
Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] [*include this text for Registered Notes*] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/ [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper[[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] [*include this text for Registered Notes*]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

6. **DISTRIBUTION**

(i)	Method of Distribution:		[Syndicated/Non-syndicated] [Not Applicable/*give names*]
(ii)	If syndicated:		[Not Applicable/*give names*]
	(A)	Names of Managers	
	(B)	Stabilisation Manager(s), if any:	[Not Applicable/*give names*]
(iii)	If non-syndicated, name of Dealer:		[Not Applicable/*give names*]
(iv)	U.S. Selling Restrictions:		Reg S Compliance Category 2; [TEFRA C/TEFRA D/TEFRA not applicable]

7. **REASONS FOR THE OFFER AND ESTIMATED NET AMOUNT OF PROCEEDS**

Reasons for the offer:	[See ["*Use of Proceeds*"] in Base Prospectus/Give details] [*If reasons differ from what is disclosed in the Base Prospectus including for green bond, social bond or sustainability bond, give details here*.]

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Initial Issue of Notes

If the Global Notes or Regulation S Global Registered Notes are stated in the applicable Final Terms to be issued in NGN form or to be held under the NSS (as the case may be), on or prior to the original issue date of the Tranche the Global Notes or Regulation S Global Registered Notes, the Common Safekeeper and Euroclear and Clearstream, Luxembourg will be informed whether or not the Notes are intended to be held as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem ("**Eurosystem eligible collateral**").

Depositing the Global Notes or the Regulation S Global Registered Notes intended to be held as Eurosystem eligible collateral with a Common Safekeeper does not necessarily mean that the Notes will be recognised as Eurosystem eligible collateral either upon issue, or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met. In the case of Notes issued in NGN form or to be held under the NSS (as the case may be) which are not intended to be held as Eurosystem eligible collateral as of their issue date, should the Eurosystem eligibility criteria be amended in the future so that such Notes are capable of meeting the eligibility criteria, such Notes may then be deposited with Euroclear or Clearstream, Luxembourg as Common Safekeeper.

Clearing System Accountholders

In relation to any Tranche of Notes represented by a Global Note in bearer form, references in the Terms and Conditions of the Notes to "Noteholder" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a CGN, or a common safekeeper, in the case of an NGN for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

In relation to any Tranche of Notes represented by a Global Registered Note, references in the Terms and Conditions of the Notes to "Noteholder" are references to the person in whose name such Global Registered Note is for the time being registered in the Register which, for so long as the Global Registered Note is held by or on behalf of a depositary or a common depositary or a common safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or common safekeeper or a nominee for that depositary or common depositary or common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note or a Global Registered Note (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the holder of such Global Note or Global Registered Note and in relation to all other rights arising under such Global Note or Global Registered Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under a Global Note or Global Registered Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note or Global Registered Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the holder of such Global Note or Global Registered Note.

Conditions applicable to Global Notes

Each Global Note or Global Registered Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note or Global Registered Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Note or Global Registered Note which, according to the Terms and Conditions of the Notes, require presentation and/or surrender of a Note, Note Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note or Global Registered Note to or to the order of any Paying

Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

Payment Business Day: In the case of a Global Note or Global Registered Note, shall be: if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

Payment Record Date: Each payment in respect of a Global Registered Note will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Registered Note is being held is open for business.

Notices: Notwithstanding Condition 17 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) or a Global Registered Note and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are), or Global Registered Note is deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 17 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, except that, for so long as such Notes are admitted to trading on the Euro MTF Market and it is a requirement of applicable law or regulations, such notices shall also be published in a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) or published on the website of the Luxembourg Stock Exchange (*www.LuxSE.com*).

Electronic Consent and Written Resolution: While any Global Note or Global Registered Note is held on behalf of a clearing system, then:

(a) approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes outstanding (an "**Electronic Consent**" as defined in the Agency Agreement) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which a special quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons and Talons whether or not they participated in such Electronic Consent; and

(b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Agency Agreement) has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer by (a) accountholders in the clearing system with entitlements to such Global Note or Global Registered Note and/or, where (b) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the "**relevant clearing system**") and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall, in the absence of manifest error, be conclusive

and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Creation Online system) in accordance with its usual procedures and in which the accountholder of a particular principal amount of the Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

USE OF PROCEEDS

General

The net proceeds from each issue of Notes will be used for the general corporate purposes of the Issuer. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

Notes issued as "green bonds", "social bonds" or "sustainability bonds"

Notes issued as "green bonds", "social bonds" or "sustainability bonds" will have their use of proceeds detailed in the applicable Final Terms. Such use of proceeds may include, but are not limited to, use for projects such as introduction of advanced-technology rolling stock for improved service standards and safety (for provision of clean transportation and/or affordable basic infrastructure), and the financing and refinancing of renewable energy power generation projects and green building projects.

CAPITALISATION AND INDEBTEDNESS

The following table sets forth the consolidated capitalisation and indebtedness of the Issuer as of 31 March 2023:

	As of 31 March 2023
	(Millions of yen)
Short-term debt:	
Short-term borrowings	—
Current portion of long-term debt	¥365,000
Commercial paper	—
Current portion of long-term liabilities incurred for purchase of railway facilities[(1)]	4,065
Total short-term debt[(2)]	369,065
Long-term debt:	
Unsecured bonds issued in 2002 to 2023 with interest rates ranging from 0.001 per cent. to 2.55 per cent. due in 2024 to 2072	1,956,989
Unsecured loans falling due in the period 2024 to 2060 principally from banks and insurance companies with interest rates mainly ranging from 0.07 per cent. to 2.80 per cent.	1,333,950
Euro-pound/euro bonds issued in 2006 to 2023 with interest rates ranging from 0.77 per cent. to 5.25 per cent. due in 2025 to 2043	803,882
Long-term liabilities incurred for purchase of railway facilities[(1)]	311,002
Total long-term debt[(2)]	4,405,822
Net assets:	
Shareholders' equity:	
Common stock without par value:	
Authorised — 1,600,000,000 shares	
Issued — 377,932,400 shares; outstanding — 376,638,800 shares	200,000
Additional paid-in capital	96,446
Retained earnings	2,132,050
Treasury stock, at cost — 1,293,600 shares	(8,914)
Total shareholders' equity	2,419,581
Accumulated Other Comprehensive Income:	
Net unrealised holding gains on securities	43,302
Net deferred gains (losses) on derivatives under hedge accounting	2,549
Revaluation reserve for land	(35)
Foreign currency translation adjustments	284
Remeasurements of defined benefit plans	7,570
Non-controlling interests	24,462
Total net assets	2,497,714
Total capitalisation and indebtedness[(7)]	¥7,272,601

Notes:

(1) Long-term liabilities incurred for purchase of railway facilities are liabilities with regard to the Japan Railway Construction, Transport and Technology Agency and, pursuant to the Act Related to the Transference of Shinkansen Railway Facilities of Japan (Act No. 45 of 2001, as amended), comprise principally interest-bearing debt related to the Issuer's purchase of Shinkansen railway facilities for a total purchase price of ¥3,106,970 million from the Shinkansen Holding Corporation on 1 October 1991.

(2) As of 31 March 2023, none of the Group's long-term debt and short-term debt were secured or guaranteed.

(3) As of 31 March 2023, the Group had ¥11,307 million of contingent liabilities in respect of a guarantee of the liabilities of Japan Transportation Technology (Thailand) Co., Ltd. (such guarantee amount being the joint liability of three companies including the Issuer).

(4) Since 31 March 2023, the Issuer has issued ¥80,000 million in principal amount of domestic unsecured bonds due from 2033 through 2073.

(5) Since 31 March 2023, among the current portion of long-term debt, bonds in the amount of ¥65,000 million were redeemed.

(6) Save as described above, there has been no material change in the Issuer's capitalisation and indebtedness or in the amount of any contingent liabilities, since 31 March 2023.

(7) Total capitalisation and indebtedness in the table above is the total of Total short-term debt, Total long-term debt and Total net assets.

RECENT BUSINESS

The following discussion and analysis should be read in conjunction with the consolidated financial statements incorporated by reference in this Base Prospectus. Such financial statements have been prepared in accordance with Japanese GAAP, which differs in certain significant respects from International Financial Reporting Standards or accounting principles generally accepted in jurisdictions other than Japan. This section contains forward-looking statements that involve risks, uncertainties and assumptions. The Issuer's actual results may differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including, but not limited to, those set forth under "Risk Factors" and elsewhere in this Base Prospectus.

Overview

The Issuer is the largest passenger railway company in Japan and one of the largest in the world in terms of number of passengers and revenue. It serves the eastern part of Honshu, the main island of Japan, including Tokyo and adjacent areas.

The Group conducts its business and reports its results of operations in three reportable segments, namely the Transportation business, the Retail & Services business and the Real Estate & Hotels business; categories of business that are not included in reportable segments are reported as the Other segment, and includes the information technology and the *Suica* business.

In the year ended 31 March 2023, the Group derived 67.3 per cent. of its operating revenues from outside customers from its transportation segment and 32.7 per cent. of its operating revenues from outside customers from its three other segments collectively. Operating revenue of the Group in its transportation segment is primarily comprised of revenue from passenger transportation operations, as well as travel agency services, cleaning services, station operations, facilities maintenance operations, railcar manufacturing operations, and railcar maintenance operations.

As of 31 March 2023, the Issuer had 134 subsidiaries, of which 69 were consolidated, and 11 affiliates accounted for by the equity method.

Critical Accounting Policies and Estimates

The Issuer prepares its consolidated financial statements in accordance with Japanese GAAP. Forward-looking estimates included in the consolidated financial statements are based on a variety of factors that, in light of the Group's past performance and current circumstances, can be reasonably assumed to have affected the reported amount of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. While the Issuer continuously assesses these factors, actual results may differ materially from those estimates, given the uncertainty of forward-looking statements. Estimates and assumptions that are used in the preparation of consolidated financial statements and which may have a significant effect on the Issuer's financial condition and results of operations are set out below.

Recoverability of Deferred Tax Assets

Deferred tax assets are recognised for the future reversal of deductible temporary differences in future fiscal years and for the estimated amount of reduced taxes pertaining to the offsetting of tax losses carried forward against taxable income, judged by their recoverability based on estimates of future taxable income and other factors.

See also "—Accounting Estimates relating to the Impact from the Spread of COVID-19" below.

Accounting Estimates relating to the Impact from the Spread of COVID-19

With regard to accounting estimates with respect to the recoverability of deferred tax assets as of 31 March 2023, the Issuer assumed that in the fiscal year ending 31 March 2024 the operating revenues from the railway transportation business will recover to a level exceeding 90 per cent. as compared to the level before the spread of the COVID-19.

If operating revenues were not to recover as expected, requiring a change to the assumptions regarding taxable income, this may affect management's judgements regarding the recoverability of deferred tax assets in the following fiscal year.

Impairment of Fixed Assets

With respect to the fixed assets of the Company's railway business, as cash flows are generated by the entire network of railway lines, the entire network of railway lines is considered as one asset group. Following consecutive losses from operating activities using the fixed assets for railway operations due to the spread of COVID-19, the Company determined that there had been indication of impairment on fixed assets for railway operations.

In the recognition of impairment losses on fixed assets, the future cash flows of an asset group for which there is an indication of impairment losses on fixed assets are estimated, and impairment losses on fixed assets are recognised if the total of undiscounted future cash flows is less than the book value of said asset group. For this reason, the future cash flows of railway business fixed assets were estimated, but as undiscounted future cash flows exceeded the book value of railway business fixed assets, impairment losses on fixed assets have not been recognised.

Estimates of future cash flows are calculated based on medium-to long-term plans that assume that, in the fiscal year ending 31 March 2024, passenger revenues will recover to a level exceeding 90 per cent. compared to the level before the COVID-19 pandemic and that the level will continue and based on the recoverable amounts of railway business fixed assets after specified periods of time.

If the recovery of passenger revenues does not proceed as expected and changes in estimates become necessary, or if the recoverable amounts of railway business fixed assets fall significantly, impairment losses may be recognised in the consolidated financial statements of the following fiscal year.

Estimates Relating to Retirement Benefit Obligations

Retirement benefit obligations and service costs in relation to employees are estimated based on the utilisation of actuarial assumptions about factors including the discount rate, the rate of increase in salary, the retirement rate, and the mortality rate. If differences arise between actuarial assumptions and results or if actuarial assumptions change, retirement benefit obligations and service costs may be affected in the following fiscal year and in the fiscal years thereafter.

Consolidated Results for the Fiscal Year Ended 31 March 2023 Compared to the Fiscal Year Ended 31 March 2022

In this section, where figures for operating revenues are presented on a per segment basis, such figures represent the operating revenues from outside customers, whereas segment income and segment asset figures set out below represent the total operating income or total assets for such segment without taking into account any inter-segment eliminations.

Overview

In the fiscal year ended 31 March 2023, despite signs of gradual recovery, the Japanese economy continued to be in a difficult state due to the effects of COVID-19, rising prices of goods and services, supply constraints, changes in the financial and capital markets, and other factors.

During the period, the Group focussed on safety through initiatives such as the reforming of rules and systems in view of large-scale disasters and other new risks, and the installation of new safety equipment such as vehicles used for replacement of utility poles for anti-earthquake features with respect to Shinkansen.

While the business environment surrounding the Group's transportation business was challenging, seeking to stimulate demand for travel and transportation, the Group launched various initiatives in connection with its "RAILWAY 150th Anniversary" and "SHINKANSEN YEAR 2022" projects. The Group also implemented initiatives to improve productivity, such as the expansion of "conductorless" operations, the promotion of automated operation technology, and "smart maintenance".

Consolidated Results

Operating Revenues

Consolidated operating revenues for the Group in the fiscal year ended 31 March 2023 increased by 21.6 per cent. to ¥2,405.5 billion, compared to ¥1,979.0 billion for the fiscal year ended 31 March 2022, principally reflecting revenue increases in all segments, which were principally attributable to the continued recovery from decreased sales impacted by the on-going impact of COVID-19 during the previous fiscal year.

Operating Expenses

Operating expenses for the Group in the fiscal year ended 31 March 2023 increased by 6.2 per cent. to ¥2,264.9 billion, compared to ¥2,132.9 billion for the fiscal year ended 31 March 2022. Transportation, other services and cost of sales in the fiscal year ended 31 March 2023 increased by 5.7 per cent. to ¥1,687.8 billion, compared to ¥1,596.1 billion for the fiscal year ended 31 March 2022, principally reflecting an increase in non-personnel expenses. Selling, general and administrative expenses in the fiscal year ended 31 March 2023 increased by 7.5 per cent. to ¥577.1 billion, compared to ¥536.8 billion for the fiscal year ended 31 March 2022, also principally reflecting an increase in non-personnel expenses. The ratio of operating expenses to operating revenues decreased from 107.8 per cent. for the fiscal year ended 31 March 2022 to 94.2 per cent. for the fiscal year ended 31 March 2023.

Operating Income (Loss)

As a result of the above, operating income for the fiscal year ended 31 March 2023 amounted to ¥140.6 billion, compared to an operating loss of ¥153.9 billion recorded in the fiscal year ended 31 March 2022.

Other Income (Expenses)

Other expenses, net (other expenses net of other income) in the fiscal year ended 31 March 2023 decreased by 53.9 per cent. to ¥12.3 billion, compared to ¥26.6 billion for the fiscal year ended 31 March 2022. This principally reflected an increase in compensation income received.

Income (Loss) Before Income Taxes

As a result of the above, income before income taxes for the fiscal year ended 31 March 2023 amounted to ¥128.4 billion, compared to loss before income taxes of ¥180.5 billion recorded in the fiscal year ended 31 March 2022.

Profit (Loss) Attributable to Owners of Parent

After deduction of income taxes and profit attributable to non-controlling interests, the Group's income attributable to owners of parent for the fiscal year ended 31 March 2023 amounted to ¥99.2 billion, compared to loss attributable to owners of parent of ¥94.9 billion for the fiscal year ended 31 March 2022, principally due to an increase in operating revenues.

Results by Segment

Transportation

Operating revenues from outside customers in the Transportation business in the fiscal year ended 31 March 2023 increased by 26.7 per cent. to ¥1,618.6 billion, compared to ¥1,277.0 billion for the fiscal year ended 31 March 2022. This reflected, among other factors, an increase in railway transport revenues, which were attributable to the recovery from the impact of COVID-19, as well as the change in the timing of recording liabilities relating to *Suica* in revenues.

Segment loss for the fiscal year ended 31 March 2023 amounted to ¥24.1 billion, compared to a segment loss of ¥285.3 billion recorded in the fiscal year ended 31 March 2022.

Shinkansen Network

Regarding the Shinkansen network, the number of passenger kilometres for the fiscal year ended 31 March 2023 increased by 58.8 per cent. from the previous fiscal year to 16.5 billion passenger kilometres, principally reflecting a reduction in the effect of the COVID-19 pandemic compared to the previous fiscal year. Shinkansen commuter pass revenues increased by 4.6 per cent. in the fiscal year ended 31 March 2023 to ¥21.2 billion, and non-commuter pass revenues for the fiscal year increased by 68.5 per cent. compared to the previous fiscal year to ¥400.7 billion. The total of Shinkansen commuter pass revenues and non-commuter pass revenues for the fiscal year ended 31 March 2023 increased by 63.5 per cent. compared to the previous fiscal year to ¥421.9 billion.

Conventional Lines (Kanto Area Network)

For conventional lines in the Kanto area network, passenger kilometres in the fiscal year ended 31 March 2023 increased compared to the previous fiscal year by 12.5 per cent. to 86.4 billion passenger kilometres, due mainly to a reduction in the effect of the COVID-19 pandemic compared to the previous fiscal year. Commuter pass revenues in the fiscal year increased by 3.6 per cent. compared to the previous fiscal year to ¥354.2 billion, while non-commuter pass revenues in the fiscal year increased by 28.0 per cent. compared to the previous fiscal year to ¥602.1 billion. The total of commuter pass revenues and non-commuter pass revenues for the fiscal year ended 31 March 2023 increased by 17.8 per cent. compared to the previous fiscal year, to ¥956.3 billion.

Conventional Lines (Other Network)

For conventional lines other than the Kanto area network, passenger kilometres in the fiscal year ended 31 March 2023 increased compared to the previous fiscal year by 13.3 per cent. to 4.6 billion passenger kilometres, due mainly to a reduction in the effect of the COVID-19 pandemic compared to the previous fiscal year. Commuter pass revenues in the fiscal year increased by 0.8 per cent. compared to the previous fiscal year to ¥16.1 billion, while non-commuter pass revenues in the fiscal year increased by 38.3 per cent. compared to the previous fiscal year to ¥37.4 billion. The total of commuter pass revenues and non-commuter pass revenues for the fiscal year ended 31 March 2023 increased by 24.4 per cent. compared to the previous fiscal year, to ¥53.5 billion.

Retail & Services

Operating revenues from outside customers in the Retail & Services business in the fiscal year ended 31 March 2023 increased by 17.9 per cent. to ¥327.9 billion, compared to ¥278.2 billion for the fiscal year ended 31 March 2022. This was primarily due to an increase in sales at stores in stations, which was attributable to the recovery from decreased sales during the previous fiscal year as a result of the COVID-19 pandemic.

Segment income for the fiscal year ended 31 March 2023 amounted to ¥35.3 billion, compared to a segment income of ¥14.1 billion recorded in the fiscal year ended 31 March 2022.

Real Estate & Hotels

Operating revenues from outside customers in the Real Estate & Hotels business in the fiscal year ended 31 March 2023 increased by 8.4 per cent. to ¥382.2 billion, compared to ¥352.7 billion for the fiscal year ended 31 March 2022. This reflected, among other factors, an increase in sales at hotels and shopping centres, which was attributable to the recovery from decreased sales during the previous fiscal year as a result of the COVID-19 pandemic.

Segment income for the fiscal year ended 31 March 2023 amounted to ¥111.6 billion compared to ¥107.8 billion recorded in the fiscal year ended 31 March 2022.

Others

Operating revenues from outside customers in the Others segment in the fiscal year ended 31 March 2023 increased by 8.2 per cent. to ¥76.9 billion, compared to ¥71.1 billion for the fiscal year ended 31 March 2022. This reflected, among other factors, an increase in sales from credit card business.

Segment income for the fiscal year ended 31 March 2023 amounted to ¥17.2 billion, an increase of 47.9 per cent. compared to ¥11.6 billion recorded in the fiscal year ended 31 March 2022.

Other Financial Information

The following sets out certain other financial information of the Group with respect to the periods indicated:

	As of and for the Fiscal Year Ended 31 March		
	2021	2022	2023
	(Billions of yen except for percentages and ratios)		
EBITDA[1]	¥(131.5)	¥238.7	¥530.5
Net interest-bearing debt[2]	4,152.3	4,532.7	4,559.9
Net interest-bearing debt / EBITDA[3]	—	19.0	8.6
Interest coverage ratio (times)[4][5]	—	3.1	9.4

Notes:

(1) EBITDA = Operating income + Depreciation (in each case, as set out in the Issuer's financial statements for the relevant periods).

(2) Net interest-bearing debt = Interest-bearing debt (as set out below) – Cash and cash equivalents (as set out in the Issuer's consolidated financial statements for the relevant periods)

Interest-bearing debt = Short-term borrowings + Current portion of long-term debt + Current portion of long-term liabilities incurred for purchase of railway facilities + Long-term debt + Long-term liabilities incurred for purchase of railway facilities + Commercial paper – Loan without interest (as set out in the Issuer's financial statements for the relevant periods, other than Commercial paper and Loan without interest, in each case as set out below)

Loan without interest is derived from the Issuer's management accounts, and represents loan without interest outstanding as of the end of such period.

Commercial paper derived from the Issuer's Japanese language financial statements for the relevant periods, and represents commercial paper outstanding as of the end of such period.

(3) Net interest-bearing debt / EBITDA for the fiscal year ended 31 March 2021 is not stated because EBITDA is negative.

(4) Interest coverage ratio = Net cash provided by operating activities / Payments of interest for the period.

(5) Interest coverage ratio for the fiscal year ended 31 March 2021 is not stated because net cash provided by operating activities is negative.

Financial Condition

Consolidated Balance Sheets as of 31 March 2023 Compared to as of 31 March 2022

The Group's consolidated total assets as of 31 March 2023 amounted to ¥9,351.9 billion, an increase of 2.9 per cent. compared to ¥9,091.4 billion as of 31 March 2022. In the Transportation business, segment assets as of 31 March 2023 amounted to ¥7,087.2 billion, an increase of 2.5 per cent. compared to ¥6,913.7 billion as of 31 March 2022, reflecting factors such as instituting countermeasures for large-scale earthquakes, installation of platform gates, production of new railcars and the construction of Makuharitoyosuna station. In the Retail & Services business, segment assets as of 31 March 2023 amounted to ¥353.5 billion, an increase of 3.7 per cent. compared to ¥340.8 billion as of 31 March 2022; in the fiscal year ended 31 March 2023, the Group invested ¥15.6 billion in the development of new stores and the improvement of existing stores, such as under the railway viaduct north of Sendai Station. In the Real Estate & Hotels business, segment assets as of 31 March 2023 amounted to ¥1,815.1 billion, an increase of 2.8 per cent. compared to ¥1,766.2 billion as of 31 March 2022, reflecting factors such as the construction of properties such as shopping centres, office buildings and hotels, including developments of Iwaki Station South Exit and east side of Aomori Station. In the Others segment, segment assets as of 31 March 2023 amounted to ¥1,073.8 billion, an increase of 8.3 per cent. compared to ¥991.7 billion as of 31 March 2022; in the fiscal year ended 31 March 2023, the Group made investments such as an investment of ¥55.7 billion in system development in this segment.

Consolidated total liabilities as of 31 March 2023 amounted to ¥6,854.2 billion, an increase of 2.7 per cent. compared to ¥6,673.3 billion as of 31 March 2022, principally reflecting increases in bonds and long-term loans. Net interest-bearing debt (the balance of consolidated interest-bearing debt less the balance of consolidated cash and cash equivalents) as of 31 March 2023 amounted to ¥4,559.9 billion, compared to ¥4,532.7 billion as of 31 March 2022.

Consolidated total net assets as of 31 March 2023 amounted to ¥2,497.7 billion, an increase of 3.3 per cent. compared to ¥2,418.1 billion as of 31 March 2022, principally reflecting an increase in retained earnings.

Liquidity and Capital Resources

Consolidated Cash Flows for the Fiscal Year Ended 31 March 2023 Compared to the Fiscal Year Ended 31 March 2022

In the fiscal year ended 31 March 2023, net cash provided by operating activities amounted to ¥581.8 billion, compared to net cash provided by operating activities of ¥190.5 billion in the fiscal year ended 31 March 2022. This principally reflected the recording of an income before income taxes in the fiscal year ended 31 March 2023 compared to a loss in the previous fiscal year.

Net cash used in investing activities amounted to ¥565.5 billion in the fiscal year ended 31 March 2023, an increase of ¥39.2 billion compared to the previous fiscal year. This result was mainly due to an increase in payments for purchases of investments in securities.

The difference between net cash provided by operating activities and net cash used in investing activities mentioned in the above paragraphs is referred to as free cash flows, which amounted to ¥16.2 billion in the fiscal year ended 31 March 2023, an increase of ¥352.1 billion compared to the previous fiscal year.

In the fiscal year ended 31 March 2023, net cash provided by financing activities amounted to ¥26.8 billion, a decrease of ¥277.8 billion compared to the previous fiscal year. This principally reflected a decrease in interest-bearing debt.

Consequently, cash and cash equivalents as of 31 March 2023 amounted to ¥215.0 billion, an increase of ¥44.0 billion from ¥171.0 billion as of 31 March 2022.

Consolidated Results for the Three-Month Period Ended 30 June 2023

The Group's operating revenues in the three-month period ended 30 June 2023 saw an increase of 12.9 per cent. as compared to the same period in the previous year, to ¥629.5 billion, as revenues in the Transportation, Retail & Services and Real Estate & Hotels businesses all saw an increase. Due to the increase in operating revenues, the Group's operating income and profit attributable to owners of parent for the three-month period ended 30 June 2023 were ¥80.2 billion and ¥44.8 billion, respectively.

The Group's total assets as of 30 June 2023 decreased by ¥48.9 billion from 31 March 2023, to ¥9,303.0 billion, reflecting factors such as a decrease in fixed assets, while total liabilities as of 30 June 2023 decreased by ¥98.2 billion from 31 March 2023, to ¥6,756.0 billion, reflecting factors such as a decrease in payables. Total net assets as of 30 June 2023 increased by ¥49.2 billion from 31 March 2023, to ¥2,546.9 billion, reflecting factors such as an increase in net unrealised holding gains on securities.

Funding

With a view to an early achievement of the Group's Management Vision "Move Up" 2027, with regard to capital expenditures, the Group intends to implement active growth investments for improvements in profitability and productivity. In terms of maintenance and renewal investments, the Group intends to continue to investment steadily, for example by making investments in instituting countermeasures for large-scale earthquakes and the installation of platform doors that improve safety. Further, the Group intends to carefully select and implement capital expenditures with a focus on its environmental goals, regional revitalisation and digital transformation (DX). Regarding the necessary funds to achieve this, in addition to operating cash flows, the Group procures funds through such means as issuing bonds and borrowing from financial institutions. The Issuer's medium- to long-term approach to interest-bearing debt is to aim for a level that corresponds to consolidated operating revenues and income.

Net interest-bearing debt (the balance of consolidated interest-bearing debt less the balance of consolidated cash and cash equivalents) as of 31 March 2023 amounted to ¥4,559.9 billion, compared to ¥4,532.7 billion as of 31 March 2022.

The Group operates a cash management system that integrates the management of the surplus funds and the fund-raising of companies within the Group participating in the cash management system with the aim of enhancing capital efficiency on a consolidated basis. Further, the Issuer employs such capital management methods as the offsetting of internal settlements among subsidiaries and the operation of a payment agency system that consolidates payment operations within the Group.

The Issuer procures funds through such means as issuing bonds and borrowing from financial institutions in accordance with its basic policy of maintaining and improving the Group's financial position and securing sufficient liquidity on hand. Further, with the aim of controlling the risk of rising interest rates, the Issuer establishes long-term fixed interest rates through long-term fund procurement periods. Additionally, by choosing the fund procurement period, which contributes to controlling and levelling debt repayment amounts each fiscal year, the Group strives to curtail future refinancing risks.

In the fiscal year ended 31 March 2023, the Issuer issued 13 series of unsecured straight bonds in Japan, with a total principal amount of ¥182.0 billion and maturities from 2025 through 2072. Further, the Issuer issued four series of unsecured straight bonds overseas, with a total principal amount of €2,600 million and maturities from 2025 through 2043. In addition, the Issuer entered into unsecured and unguaranteed loans from banks in the amount of ¥174.5 billion.

Long-term liabilities incurred for purchase of railway facilities associated with the Group's assumption of Shinkansen railway facilities stood at ¥314.7 billion, payable at a fixed annual interest rate of 6.55 per cent. through 30 September 2051. In addition, as of 31 March 2023, the Group had long-term liabilities incurred for purchase of railway facilities of ¥0.3 billion (incurred by Tokyo Monorail Co., Ltd.).

In order to respond to short-term financing requirements, the Group had bank overdraft facilities with its principal banks totalling ¥360.0 billion as of 31 March 2023. As of 31 March 2023, the Group had no outstanding bank overdrafts and outstanding balance in commercial paper issued by it. The Group has also in place a committed bank credit line (a financing framework that permits unrestricted borrowing within contract limits based on certain conditions) with an amount of ¥300.0 billion; there was no use of this credit line as of 31 March 2023.

See also "Capitalisation and Indebtedness".

Capital Expenditure

Capital expenditures in the fiscal year ended 31 March 2023 were as follows:

In the Transportation business, the Group invested in instituting countermeasures for large-scale earthquakes, installation of platform gates, production of new railcars and the construction of Makuharitoyosuna station. In the Retail & Services business, the Group invested in the development of new stores and the improvement of existing stores, such as under the railway viaduct north of Sendai Station. In the Real Estate & Hotels business, the Group invested in the construction of properties such as shopping centres, office buildings and hotels, including developments of Iwaki Station South Exit and east side of Aomori Station. In the Others segment, the Group made investments such as system development investments.

BUSINESS

This section includes certain forward-looking statements that are based on various assumptions and beliefs. Many of these assumptions and beliefs relate to matters that are outside of the Group's control, including factors affecting the business and economic environment. Although in some cases the Group has indicated a timeline by which it aims to achieve certain targets or financial goals, the Group cannot provide any representation or guarantee as to whether the targets or financial goals will be achieved in the indicated timeframe or at all. Investors should be aware that actual results may vary, potentially materially, from such forward-looking statements.

Introduction

The Issuer is the largest passenger railway company in Japan and one of the largest in the world in terms of number of passengers and revenue. It serves the eastern part of Honshu, the main island of Japan, including Tokyo and adjacent areas. The prefectures in which the Issuer provides services have a population of approximately 56.9 million as of October 2022 and an estimated total gross domestic product of ¥274 trillion as of the year ended 31 March 2020 (sources: Ministry of Internal Affairs and Communications and Cabinet Office, Government of Japan, Yamagata Prefecture Government, Tochigi Prefectural Government and Metropolis of Tokyo Government).

The Group's railway network consists of high-speed intercity Shinkansen and conventional railway lines. As of 31 March 2023, the Group operates a 7,302.2 kilometre network comprising of 1,629 stations which were used by 13.1 million and 14.6 million passengers per day on average in the fiscal years ended 31 March 2022 and 2023, respectively.

In addition to railway services and other transportation services, the Group engages in other operations which are related or complementary to its railway operations, or which otherwise utilise the Group's extensive network of stations and related assets or its large volume of passengers. Such operations include: the operation and leasing of retail outlets and restaurants, as well as the leasing of advertising space, in railway stations; the development of real estate, leasing of office buildings and development and operation of hotels and shopping centres in areas surrounding its lines including large scale terminal stations; and other businesses such as operations related to information processing, credit cards, and the operation of the *Suica* card.

History

The Issuer was incorporated as a joint stock corporation (*kabushiki kaisha*) under the laws of Japan on 1 April 1987 as one of several successors to the railway operations of Japanese National Railways ("**JNR**"). Japan's national passenger and freight railway network was reorganised in 1949 after World War II and JNR was established as a state entity to own and operate the nationwide railway network. In 1986, legislation was passed to restructure and privatise JNR and create six regional passenger railway companies (one of which was the Issuer) (the "**JR Passenger Companies**") and one freight railway company (together, the "**JR Companies**") to assume the railway operations of JNR. Certain other businesses and related assets and liabilities were transferred to other successor entities to JNR, including the Shinkansen Holding Corporation to which the Shinkansen facilities previously held by JNR were transferred. The Issuer initially leased the *Tohoku* and *Joetsu* Shinkansen lines from the Shinkansen Holding Corporation, but eventually purchased such facilities on 1 October 1991.

Initially, all issued shares of each of the JR Companies, including the Issuer, were owned by the JNR Settlement Corporation. On 26 October 1993, the Issuer's shares were listed on the Tokyo, Osaka, and Nagoya stock exchanges in conjunction with the sale by JNR Settlement Corporation of 2,500,000 shares to the public. The remaining 1,500,000 shares of the Issuer were sold through public offerings in August 1999 and June 2002.

Strengths

The Group believes that its key strengths include the following:

A solid operating base and a well-balanced revenue structure that generate stable cash flow

The size of the Group's railway operations, based in the Tokyo metropolitan area

The Group is the largest passenger rail company in Japan, having the Tokyo metropolitan area as the operating service area, with a balanced passenger mix which generates stable cash flow. The Group's railway business has a solid railway network servicing the densely populated area of Tokyo and surrounding areas (with a population of approximately 56.9 million in the Group's service area (as of October 2022)). As of 31 March 2023, the Group operates a 7,302.2 kilometre network comprising of 1,629 stations which were used by 13.1 million and 14.6 million passengers per day on average in the fiscal years ended 31 March 2022 and 2023, respectively. While the general demographic trend of Japan is showing a decrease in population, the population of the Tokyo metropolitan area is generally expected to decline more slowly than in other areas in Japan. With this solid railway business network, the Group is the largest railway operator in Japan, and one of the largest railway operators in the world, in terms of the number of passenger transport per day and passenger-kilometres operated.

Well-balanced revenue structure and the ability to generate stable cash flow

The Group's railway business has a balanced customer portfolio of commuters, business travellers and leisure travellers, enabling the Group to maintain balanced revenue streams from commuters and other passengers in the Kanto area conventional line network, as well as the business and leisure passengers in its Shinkansen network, which serve to generate stable cash flows in the Group's Transportation business. Further, the densely populated nature of the central Tokyo area, which falls within the Group's service area, and the fine-tuned nature of the Group's railway network and operations, enables it to compete effectively with other modes of transportation such as buses and automobiles which are often affected by heavy traffic and limited parking space.

Wholly integrated railway operations with high barriers to entry, and continuous operations that enable the provision of safe and stable operations that helps to secure stable customer demand

The Group's railway operations are wholly integrated between upstream and downstream operations, from infrastructure ownership, management and maintenance to railway operation and passenger sales. This enables the Group to maintain a strong competitive position, as barriers to entry into the rail transport industry in the Group's service area is very high, due principally to significant expenses required for land, railway facilities and equipment when building new infrastructure, as well as the specialised nature of railway technology requiring skilled engineers and employees which the Group has built up through the long history of its railway operations. In addition, the Group is committed to placing safety as its top priority, and has a track record of greatly reducing railway accidents (with railway accidents with casualties having reduced from 124 in the fiscal year ended 31 March 1988 to 73 in the fiscal year ended 31 March 2022, and level crossing accidents having reduced from 247 in the fiscal year ended 31 March 1988 to 41 in the fiscal year ended 31 March 2022). The Group also ranks among the world's top companies in terms of punctuality and express delivery, and this high level of service quality has ensured stable customer demand.

Attractive lifestyle business forming synergies with the Transportation business, enabling it to enhance cash flow generation capability

The Group seeks to develop its non-transportation businesses through making stations attractive and convenient, and is pursuing its strategy of accelerating the growth of lifestyle services and IT & *Suica* services to enhance its cash flow generation capability.

The Group seeks to take advantage of the convenience of its real estate portfolio being directly connected to railway stations as the Group owns shopping centres with approximately 1,020 thousand square metres of leased floor space, office buildings with approximately 560 thousand square metres of leased floor space and hotels with a total of 9,693 guest rooms as of 31 March 2023. The Group is developing a number of Lifestyle service real estate projects for a variety of uses (including retail, hotel and office uses). Such projects include the current Takanawa Gateway City project, which is a major "transit-oriented development" project connecting public transit (trains, buses, bicycles and so on) and

multi-purpose urban complexes with multiple pedestrian networks, including the opening of a new railway station (opened in 2020), and the construction of numerous office buildings (with a part expected to become a hotel connected to the station) as well as residential and cultural areas. The Takanawa Gateway City project is also expected to benefit from the development of the Chuo Shinkansen Project, being undertaken by Central Japan Railway Company, which is expected to increase foot-traffic at Shinagawa station. The Group's ambition is for the Takanawa Gateway City project to become an international hub, servicing a variety of international companies and customers.

Furthermore, the number of *Suica* cards issued has been increasing significantly since its debut on 18 November 2001 (the number of *Suica* cards issued to Japan's population of approximately 120 million is 95.6 million as of 31 March 2023, the number of Mobile *Suica* issued is 20.3 million, and the number of JRE POINT members is 13.8 million as of 31 March 2023), and the Group's IT & *Suica* businesses boast a large number of members and have become an important customer base for the Group. The Group has been expanding the use of *Suica* as an infrastructure for transportation and payment based on the railway network and intends to strive towards further expansion of the digital network and creation of new services.

Strong balance sheet with disciplined financial strategy

The Group raises the funds which it requires from cash flow from operations as well as the issuance of bonds and borrowing from financial institutions. The Group's basic policy is to maintain and improve its sound financial position and ensure sufficient liquidity on hand. In addition, with a view to curbing the risk of rising interest rates, the Group seeks to borrow long-term under fixed interest rates (whether through fixed rate borrowing or through interest rate swaps). Further, the Group works to reduce future refinancing risks by selecting tenors for its borrowing that contributes to the reduction and levelling of the amount of debt required to be repaid in each year.

Until the fiscal year ended 31 March 2019, the Group had steadily worked to reduce its debt through a disciplined financial strategy (from ¥4.32 trillion of debt as of 31 March 2002 to ¥3.16 trillion as of 31 March 2019). Pursuant to the Group's management vision "Move UP 2027" announced in July 2018, the Group has started to move more towards having a debt level commensurate with its earnings power, rather than simply seeking to reduce outstanding debt.

Following the onset of COVID-19, the Group recognised that it was more important than ever to accelerate the implementation of the measures and reforms set under the "Move UP 2027" management vision. With a view to achieving an early realisation of the targets set under the management vision, with regard to capital expenditures, the Group intends to proactively make growth investments that are expected to contribute to improving future earnings capability, at the same time as steadily implementing priority investments that contribute to business reforms; regarding maintenance and renewal investments, the Group intends to review the scale of investments, always premised on ensuring safety.

Under the "Move UP 2027" management vision, the Group's medium- to long-term aim is to set the balance of its consolidated interest-bearing debt at a level that is in line with consolidated net sales and the level of profits, taking into consideration the ability to repay debt. Specifically, the Group has set a target to reach a level of about 5 times and 3.5 times in respect of its net interest-bearing debt/EBITDA ratio in the medium- and long-term respectively. (See "Recent Business—Other Financial Information" for the definition of net interest-bearing debt and EBITDA).

Strategy

In July 2018, the Group announced its management vision "Move Up 2027" aimed at transforming the Group's business model for the 10 fiscal years ending 31 March 2028, in light of population decline and changes in people's lifestyles due to development of e-commerce. The basic policies under the management vision include the following:

- shifting from services focused on railways to the creation of values and services focused more on people; and
- promoting qualitative reform to revolutionise and develop transportation services, while further allocating management resources to lifestyle services (Retail & Services and Real Estate and Hotels businesses) and IT & *Suica* businesses with a view to developing them as the Group's new growth engines.

The spread of COVID-19 from early 2020, which led to a steep decrease in the number of customers using railway services, has accentuated the need for the Group to speed up the reforms and investments into growth and innovation planned within the "Move UP 2027" management vision.

In the financial year ended 31 March 2023 67.3 per cent. of the Group's operating revenues from outside customers were derived from the Transportation business. The Group intends to work towards accelerating the growth of its lifestyle services (Retail & Services and Real Estate and Hotels businesses) and IT & *Suica* businesses, towards achieving a more balanced business portfolio through leveraging on the Group's strengths in its physical network at the same time as introducing further digitisation and data integration throughout the transportation, shopping and payment services, with a view to creating new values through promoting new lifestyle proposals and entering new business domains.

In light of the above, the Group is pursuing a strategy which includes the following key elements:

Improving profitability by restructuring the Group's growth and innovation strategies, proposing new lifestyles and taking on challenges in new business areas

While the business environment surrounding the railway business was severe during and immediately following the COVID-19 pandemic, this situation has improved and the diversification of lifestyles also presents a significant business opportunity for the Group. Accordingly, at that time, the Group re-established its growth and innovation strategies, combining digital technologies with physical networks, an area of the Group's strength, and made efforts to propose new lifestyles and take on the challenge of entering new business areas. For example, the Group intends to provide value suitable for new ways of working, such as satellite offices, shared offices, and work vacations (i.e. working away from one's usual place of work), and intends to work to revitalise local areas by making local specialties and fresh foods available for purchase at JRE MALL (the Group's e-commerce site).

Specifically, the Group is promoting the "Beyond Stations" concept towards implementing its growth and innovation strategy in this area. Under this concept, the Group is working towards railway stations becoming beyond a mere "transportation hub" — a place where people simply "pass through" — to a "connection platform for day-to-day living", making the most of the Group's strengths gained through operating stations, a physical interaction platform, to offer enrichment to the society through connecting customers with services that support their lives, communities and regions, digital services and safety and security, as well as connecting customers to customers, through offering an increasingly wider variety of services in collaboration with external partners. Examples of measures introduced or being introduced under this concept include the opening of a hybrid clinic that provides in person and online "smart health" services in a station, introduction of "station colleges" to offer online education and field work with a focus on creating solutions to issues faced by areas surrounding the Group's business locations, opening OMO (online merges with offline) model showrooms within station facilities, introducing services to enable collection of goods purchased online or at station shops at ticket gates, and offering subscription services to commuting pass holders for usage of services such as shared offices, restaurants and cafés located within stations.

Drastic strengthening of management structure with a view to achieving thorough cost reduction

While maintaining safety as a top priority, the Group intends to implement a variety of structural reforms to improve productivity and achieve a flexible cost structure, with a view to achieving thorough cost reduction throughout its businesses. The Group will continue to work on cost reduction following the normalisation of free cash flow, which had turned negative due to the impact of COVID-19. Although the Group will work to reduce its overall capital investment, it will continue to steadily make investments that are necessary for ensuring safety and for future growth. The Group will strive to further improve its financial stability by monitoring revenue trends.

With regard to the reduction of fixed costs, which is the most important issue to hand, the Group intends to steadily promote medium- and long-term structural reforms to achieve a flexible cost structure to cope with the changes in usage in the post-COVID-19 society and the future population decline. Specifically, the Group intends to take the following measures:

- *Streamline the operational system by expanding conductorless operations*. In anticipation of long-term changes in the business environment, the Group intends to build a flexible

railway system by expanding and accelerating conductorless operations in areas including the Tokyo metropolitan area, which is expected to lead to reductions in fixed costs.

- *Reform station operations (establish an efficient sales system) through ticketless and mobile shifts*. By promoting the increased use of digital sales systems (such as shifting towards the increased use of the *eki-net* online reservation and payment system rather than ticket windows, and shifting towards the use of *Mobile Suica* (prepaid rechargeable mobile app) rather than physical tickets or *Suica* cards), the Group intends to improve the efficiency of its sales system to improve productivity.

- *Promote smart maintenance through CBM and mechanization*. The Group will strive to promote smart maintenance by promoting condition-based maintenance ("**CBM**") with regard to facilities, power and vehicles, and improving construction efficiency through mechanisation.

- *Streamline facilities*. While based on the premise of ensuring safety, the Group will work towards reduction of fixed costs through reviewing and streamlining various transportation facilities and station facilities, through measures such as reduction of equipment according to the usage levels by customers.

- *Promote productivity improvements at group companies, including multitasking*. The Group intends to take measures throughout the Group towards reduction of operational expenses and improving management efficiency, through measures such as reorganising Group companies to achieve cost synergies and promoting multi-tasking of staff.

Promoting ESG-based management for sustainable growth

The Group will strive to implement environmental, social, and governance (ESG) management and solve social issues through its businesses with a view to contributing to the development of local communities and the achievement of the Sustainable Development Goals (SDGs).

With respect to the environment, the Group formulated its "Zero Carbon Challenge 2050" long-term environmental objectives, and is striving towards the establishment of energy-efficient facilities, the development of renewable energy sources and other initiatives in pursuit of realising zero CO_2 emissions in the Tohoku region by the fiscal year ending 31 March 2031, and net zero CO_2 emissions for the entire Group by the fiscal year ending 31 March 2051. As regard the Group's power plants, the Group intends to continue to reduce CO_2 emissions in the three phases of "electricity production", "transmission and storage", and "use". In addition, the Group considers that the use of hydrogen will be a key factor towards decarbonisation in the future. The Group is committed to the realisation of a hydrogen society, and is working with various companies on initiatives such as hydrogen power generation, fuel cell vehicles, and integrated hydrogen stations, including by utilising land adjacent to its stations for such purposes.

As for the society, the Group intends to work on regional development and focus on how to revitalise local areas. The Group intends to further expand its efforts in tourism and take on the challenge of new measures, including local digital transformation (DX) such as provision of mobility as a service (MaaS). The Group also intends to work together with local governments to promote urban development around stations. Moving to the countryside has become one of the options for new ways of working with the expansion of DX and remote working, and the Group intends to promote work vacations projects and attractive urban development to meet these needs.

With regard to the enhancement of governance, the Group aims to increase the Group's corporate value by working on risk management from the perspective of expanding into new business fields, in addition to compliance, ensuring safety and security, preventing financial losses, and ensuring a sound financial structure.

Operations

The Group conducts its business and reports its results of operations in three reportable segments, namely the Transportation business, the Retail and Services business and the Real Estate and Hotels business; categories of business that are not included in reportable segments are reported as the Other segment, and includes the information technology and the *Suica* business.

In the year ended 31 March 2023, the Issuer derived 67.3 per cent. of its operating revenues from outside customers from its transportation segment and 32.7 per cent. of its operating revenues from outside customers from its three other segments collectively.

The following table sets forth the operating revenues and operating income of each of the four segments for the year ended 31 March 2023:

	Fiscal Year Ended 31 March 2023						
	Transportation	Retail & Services	Real Estate & Hotels	Others[1]	Total	Adjustment[2]	Consolidated[3]
	(Billions of yen)						
Operating revenues:							
Outside customers	¥1,619	¥328	¥382	¥77	¥2,406	¥—	¥2,406
Inside group	62	36	28	146	271	(271)	—
Total	1,680	364	410	223	2,677	(271)	2,406
Segment income (loss)	¥(24)	¥35	¥112	¥17	¥140	¥0.6	¥141

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) Adjustment comprises intra-group transactions.
(3) Segment income (loss) is adjusted to ensure consistency with the operating loss set forth in the consolidated statements of income.

Transportation Business

The Issuer's transportation segment includes passenger transportation operations centred on railway operations, as well as travel agency services, cleaning services, station operations, construction and facility operations, railcar manufacturing operations, and railcar maintenance operations. The Issuer's passenger transportation operations are generally divided into two categories: Shinkansen services; and conventional railway services. The Issuer also records its revenue from passenger transportation services which is derived from commuter passes (see below).

Revenues from sales of ordinary tickets and commuter passes in passenger railway operations are generally a function of passenger ridership and applicable fares and surcharges. Passenger ridership is the number of passengers moving from one station to another and is measured by the record of purchased tickets, adjusted for cancelled tickets. Passenger kilometres is derived by multiplying passenger ridership with the distance in operating kilometres between stations travelled by such passengers.

The following table sets forth operating and revenue data for the Issuer's passenger railway operations for the periods indicated:

Operating Revenue Data for Passenger Railway Operations

	Fiscal Year Ended 31 March	
	2022	2023
Number of operating kilometres (kilometres):		
Shinkansen network	1,194.2	1,194.2
Conventional lines	6,108.5	6,108.0
Total	7,302.7	7,302.2
Passenger train travel kilometres (thousands of kilometres):		
Shinkansen network	506,386	493,528
Conventional lines	1,743,028	1,717,560
Total	2,249,414	2,211,088
Number of passengers (thousands):		
Commuter passes	3,044,111	3,184,088
Ordinary tickets	1,749,643	2,139,530
Total	4,793,755	5,323,619
Passenger kilometres (thousands of passenger kilometres):		
Shinkansen network services:		
Commuter passes	1,473,564	1,563,002
Ordinary tickets	8,910,940	14,931,346
Total	10,384,504	16,494,348

	Fiscal Year Ended 31 March	
	2022	**2023**
Conventional line services:		
Kanto area network:		
Commuter passes	52,049,846	54,766,761
Ordinary tickets	24,733,231	31,590,035
Total	76,783,077	86,356,796
Other network		
Commuter passes	2,655,981	2,697,719
Ordinary tickets	1,427,040	1,929,024
Total	4,083,022	4,626,743
Total passenger kilometres:		
Total commuter pass passenger kilometres	56,179,392	59,027,482
Total ordinary ticket passenger kilometres	35,071,211	48,450,406
Total	91,250,604	107,477,888
Boarding efficiency (per cent.):		
Shinkansen network	29.5%	48.1%
Conventional lines	33.2%	37.8%
Total	32.8%	39.1%
Revenues from railway passenger tickets (billions of yen):		
Shinkansen network services:		
Commuter passes	¥20.3	¥21.2
Ordinary tickets	237.8	400.7
Total	258.1	421.9
Conventional line services:		
Kanto area network:		
Commuter passes	341.7	354.2
Ordinary tickets	470.4	602.1
Total	812.1	956.3
Other network:		
Commuter passes	16.0	16.1
Ordinary tickets	27.0	37.4
Total	43.0	53.5
Total passenger revenues:		
Total commuter pass revenues	378.0	391.5
Total ordinary ticket revenues	735.2	1,040.2
Total	¥1,113.2	¥1,431.8

Recovery in Passengers following COVID-19

During the COVID-19 pandemic, demand for the Group's passenger transportation services was severely reduced. However, following the reduction in travel restrictions and the resumption of certain activities, the Group has seen a recovery in that demand. In particular, following the relaxation of border control measures in Japan in October 2022 and as a result of various initiatives from the Group aimed at attracting demand from visitors to Japan (referred to as its "inbound" demand), the Group has seen an increase in such "inbound" demand. In the year ended 31 March 2023, the Issuer's revenue that it determines to be related to transportation and attributed to such "inbound" demand was ¥10.3 billion. In addition, the Group aims to recover from such reduced demand by creating additional demand from domestic passengers. The Group has attempted to encourage new tourism, first from rural areas to the Tokyo metropolitan area through advertising campaigns and second, from the senior generation by accelerating senior membership programs.

The following sets out the Issuer's commuter pass revenues, non-commuter pass (medium to long-distance) revenues and non-commuter pass (short-distance) revenues, for each of the three-month periods set out below, being three-month periods in the financial years ended 31 March 2023 and 2024 (during and after the COVID-19 pandemic) as a percentage of the Issuer's commuter pass revenues during equivalent three-month periods that fell in the financial year ended 31 March 2019 (prior to the COVID-19 pandemic):

Commuter pass revenues

	Railway Operating Revenues for the Three-Month Period Ended			
	30 June	30 September	31 December	31 March
	(per cent. compared to the same period in Financial Year Ended 31 March 2019)			
Financial Year Ended 31 March 2023.....	79.5	78.9	79.8	77.8
Financial Year Ended 31 March 2024.....	84.8	—	—	—

Non-commuter pass (medium to long-distance) revenues

	Railway Operating Revenues for the Three-Month Period Ended			
	30 June	30 September	31 December	31 March
	(per cent. compared to the same period in Financial Year Ended 31 March 2019)			
Financial Year Ended 31 March 2023.....	61.0	62.5	76.4	82.8
Financial Year Ended 31 March 2024.....	84.9	—	—	—

Non-commuter pass (short-distance) revenues

	Railway Operating Revenues for the Three-Month Period Ended			
	30 June	30 September	31 December	31 March
	(per cent. compared to the same period in Financial Year Ended 31 March 2019)			
Financial Year Ended 31 March 2023.....	85.8	83.1	90.2	94.0
Financial Year Ended 31 March 2024.....	98.0	—	—	—

In addition, in the one-month period ended 31 July 2023, the Issuer's commuter pass revenues, non-commuter pass (medium to long-distance) revenues and non-commuter pass (short-distance) revenues were equal to 81.0%, 93.4% and 100.4% of the Issuer's commuter pass revenues during the equivalent one-month period ended 31 July 2018 (though the Issuer estimates that recorded non-commuter pass (medium to long-distance) revenues for the one-month period ended 31 July 2023 were higher than the actual non-commuter pass (medium to long-distance) revenues for that period, due to a repair of the *eki-net* system that took place in July 2021).

Shinkansen Services

Shinkansen trains are high-speed intercity passenger trains which travel at speeds of up to 320 kilometres per hour (around 200 miles per hour) and are key components of Japan's long-distance passenger transportation infrastructure. The Issuer operates three Shinkansen lines and two hybrid Shinkansen lines. The Tohoku Shinkansen links Tokyo with the city of Aomori in northern Honshu, over a total distance of 713.7 kilometres. The Joetsu Shinkansen links Tokyo with the city of Niigata on the Japan Sea coast, via Omiya station approximately 30 kilometres northwest of Tokyo where the line branches off from the Tohoku Shinkansen line, with a total distance of 303.6 kilometres between Omiya and Niigata. The Hokuriku Shinkansen links the city of Takasaki on the Joetsu Shinkansen to the city of Joetsu near the Japan Sea coast. The Akita and Yamagata hybrid Shinkansen lines provide through-service from the Tohoku Shinkansen to the city of Akita branching off from the city of Morioka, and to the cities of Yamagata and Shinjo branching off from the city of Fukushima, respectively.

Passengers on the Shinkansen lines are primarily tourists and business travellers, but in recent years the number of commuters had been increasing, reflecting the increase in the number of workers commuting by Shinkansen from nearby regional cities. It is unclear the extent to which this trend will continue.

Conventional Line Services

The Issuer's conventional line services have a total operating distance of 6,108.0 kilometres as of 31 March 2023. This network includes the Kanto area, including Tokyo and most adjacent densely populated areas, including the major cities of Yokohama and Kawasaki. At the core of the Issuer's ordinary intercity services are a variety of express lines providing services to and among cities not served by Shinkansen lines. The conventional line network also includes certain longer distance lines which have heavy commuter traffic to and from the Tokyo area. The Issuer's passengers on the conventional line network consist primarily of commuters and consequently the Issuer runs trains more frequently during the morning and evening rush hours. Some of the intercity express trains referred to above, and other express trains covering longer journeys, in certain areas run over tracks owned by other JR Passenger Companies

and other railway operators. Passengers on the Issuer's intercity train services, such as the Issuer's Narita Express service that links Tokyo station and other major stations in the Tokyo area to the Tokyo International Airport at Narita, approximately 60 kilometres outside of Tokyo, are mainly business travellers and tourists. Hybrid Shinkansen services are also included in this segment. The Group is also proceeding with plans for a new line which will provide direct access to Haneda Airport from various directions including central Tokyo.

Commuter Passes

Commuter passes are long-term tickets purchased by regular passengers, usually workers or students, which allow travel between two stations for a period of one, three or six months. In Japan, it has been common practice for employers to purchase commuter passes for their employees, due in part to the favourable tax treatment accorded such expenses. The Issuer previously viewed commuter pass revenues as a substantial and comparatively stable revenue source, but such revenues are expected to be significantly impacted by the increase of remote working following the COVID-19 pandemic and long-term demographic trends which indicate that the population of persons between the ages of 15 and 64, which constitute the bulk of the commuting student and worker population, is decreasing in the Tokyo area and in Japan as a whole.

Railway Fares

A fare is required for all passenger services, while a surcharge is added to applicable fares for the use of railway passenger services, including use of certain express trains or reservation of seats. The Issuer generally calculates its fares and surcharges in proportion to the distance travelled under a system in which the per-kilometre fare decreases as the distance travelled increases.

The Issuer has not raised fares or surcharges for its Shinkansen or conventional railway operations since its inception in 1987, except for (i) increases accompanying the introduction of a 3.0 per cent. consumption tax in 1989, the 2.0 per cent. and 3.0 per cent. increases in the consumption tax rate which came into effect in 1997 and 2014, respectively, and the 2.0 per cent. increase in the consumption tax rate which came into effect in 2019; (ii) revision to the seasonal surcharges effective as of April 2022 with a view to relieving passenger congestion which provides for a total of four tiers of surcharges ("off season", "regular", "busy season" and "peak season") compared to the previous three tiers of surcharges ("off season", "regular" and "busy season"), in respect of limited express tickets for reserved seats on the Tohoku, Yamagata, Akita, Joetsu and Hokuriku Shinkansen, as well as certain express trains and (iii) under the MLIT scheme announced in December 2021, described below. All railway companies, including the Issuer, must obtain the approval of the Minister to establish the upper limits for their fares and Shinkansen surcharges, and must give prior notification to the Minister to set or revise fares and Shinkansen surcharges within such approved upper limits.

The Issuer also amended its commuter pass prices in March 2023 in order to incentivise passengers to use off-peak services and thereby reduce congestion, reduce variation in passenger volume and increase cost flexibility in its transportation segment. The price of the off-peak commuter pass has been reduced by approximately 10%, and the price of the regular commuter pass has been increased by approximately 1.4%.

The MLIT requests the Issuer to cooperate with the other JR railway companies on certain matters concerning the setting of fares, to maintain and preserve the existing rail routes in light of demand for transportation and to ensure that consideration is given to the interests of small- and medium-sized businesses in the areas in which the Issuer operates.

In December 2021, MLIT announced a scheme under which railway companies such as the Issuer could charge additional fares in order to develop "barrier-free" facilities at stations. This process would include adding elevators, escalators and platform doors to stations. The Issuer took part in this scheme and following the introduction of the programme in spring 2023, additional fare charges of ¥10 for standard fares, and between ¥280 and ¥1,420 for commuter pass fares (in each case, only within certain areas in Tokyo and excluding students' commuter pass fares) were applied. Furthermore, in light of the significant changes to the way in which Japanese citizens are using railway services for work and life, the Issuer is discussing potential broader revisions to the fare system (possibly including greater flexibility in fares) with MLIT.

Rolling Stock

The Issuer owns most of the rolling stock it operates. The Issuer manufactures advanced commuter railcars for its own use at the Group's plants in Yokohama and Niigata.

Retail & Services Business

The Issuer's Retail & Services segment forms part of what the Issuer refers to as its "lifestyle service" business and includes retail sales and restaurant operations, as well as a wholesale business, a truck transportation business, and advertising and publicity.

The Issuer operates a network of restaurants, coffee shops and retail outlets located within station premises throughout its service area. Such outlets include kiosk newspaper and snack booths, bookstores, pharmacies, and other specialty shops, as well as the Issuer's own chain of NEWDAYS convenience stores. The Issuer also conducts sales of food and refreshments inside trains on its Shinkansen and certain other lines. Most of the retail outlets and restaurants located within station premises are operated by the Group, although in some cases, space is leased to third-party operators. In addition, the Issuer has arrangements with a number of leading retailers to use their brand names and store layouts and to sell merchandise purchased wholesale from them. The Issuer seeks to match the goods and services offered by its retail outlets closely with the needs of commuters, travellers and other users of its stations and related facilities.

Real Estate & Hotels Business

The Issuer's Real Estate & Hotels segment forms part of what the Issuer refers to as its "lifestyle service" business and includes shopping centre operations, leasing of office buildings and other properties, and hotel operations.

The Issuer leases space to retailers and other tenants, including some of the Issuer's consolidated subsidiaries, in shopping centres and office buildings developed on property already owned by the Issuer within or near station premises throughout its service area. As of 31 March 2023, the Issuer operated approximately 1,020 thousand square metres of leased floor space in 191 locations used primarily as shopping centres, 560 thousand square metres of leased floor space in 47 buildings used primarily as office space, and 9,693 total hotel guest rooms in 58 hotels. The Issuer endeavours to create an attractive tenant mix using a variety of methods, including by actively inviting leading retailers and restaurants to become tenants in its shopping centres.

In addition, in April 2021 the Group established JR East Real Estate Asset Management Co., Ltd, a consolidated subsidiary of the Issuer, to act as the asset manager of certain real estate funds. Since this establishment, the Group has sold certain real estate assets to such real estate funds (including the sale of the JR Minami-Shinjuku Building in December 2021) and will continue to seek to improve the financial efficiency of the Group through the monetisation of its properties, including by way of sales to such real estate funds, as well through securitisations and other divestitures. The income from such sales is used for capital expenditure and to finance the Group's strategy. The Group refers to this as its "rotational business model".

In December 2022, the Group established JR East Private REIT Investment Corporation, an unlisted open-ended real estate investment corporation targeting investments in a variety of real estate assets, to further facilitate sales as part of its rotational business model. JR East Real Estate Asset Management Co., Ltd will provide asset management services to JR East Private REIT Investment Corporation. The Issuer provides certain sponsor support to JR East Private REIT Investment Corporation. The Issuer estimates the total market value of the real estate assets owned by JR East Private REIT Investment Corporation and otherwise managed by JR East Real Estate Asset Management Co., Ltd as at 31 March 2023 to have been approximately JPY150 billion.

The Group owns rental office buildings and rental commercial facilities (hereafter "investment and rental property") principally within the Group's service area. The amounts recognised in the consolidated balance sheets and fair values related to investment and rental property were as follows:

	As of 31 March							
	2016	2017	2018	2019	2020	2021	2022	2023
	(Billions of yen)							
Fair value[1].....	1,861.4	1,925.4	2,013.1	2,140.3	2,285.3	2,404.3	2,433.3	2,438.0
Consolidated balance sheet amount [2]	592.1	622.4	648.4	674.2	736.5	854.3	854.9	851.3

Notes:

(1) Regarding fair values at the end of fiscal year, the amount for significant properties is based on real-estate appraisals prepared by external real-estate appraisers, and the amount for other properties is estimated by the Issuer based on certain appraisal values or indicators that reflect appropriate market prices. If, after obtaining a property from a third party or since the most recent appraisal, there has been no material change in the relevant appraisal values or indicators that reflect the appropriate market prices, the amount is based on such appraisal values or indicators.

(2) The consolidated balance sheet amount is an amount equal to acquisition cost, less accumulated depreciation.

(3) As fair values are extremely difficult to determine, the above figures do not include property that is being constructed or developed for future use as investment property. The amount recognised in the consolidated balance sheets related to such property were ¥147,533 million and ¥185,609 million as of 31 March 2022 and 2023, respectively.

Others

The Group's "Others" segment represents categories of business that are not included in reportable segments and includes the IT & *Suica* business and the information processing businesses.

IT & Suica Business

The Issuer's IT & *Suica* business predominantly comprises the offering and operation of a credit card (the View Card), the JRE POINT loyalty point programme, and the *Suica* Card, a prepaid rechargeable contactless smart card that was originally used for train fares, and can now also be used as e-money for other cashless purchases at an increasing number of locations. *Suica* cards can be issued in physical card or mobile app form, and as of 31 March 2023, approximately 95.6 million physical *Suica* cards and 20.3 million mobile *Suica* cards were in issue, respectively.

As of 31 March 2023, JRE POINT, a point system that allows points to be accumulated by users of *Suica* cards and View Card upon use of such cards, among others, on railway fare payment and for shopping at station shops and JRE MALL (e-commerce mall operated by the Group), had approximately 13.8 million members as of 31 March 2023.

Information Processing Business

Using its extensive experience and know-how in the development and operation of railway, financial and related information systems, the Group provides information processing services for the benefit of other JR Companies, private railway companies, local government agencies and universities.

Competition

Competition in the Transportation Business

In its railway passenger operations, the Issuer is subject to competition from other modes of passenger transport (including domestic airlines (conventional full service carriers and low cost carriers ("**LCC**"))), and from other passenger railway companies. New entry into the railway business is limited by high entry costs associated with purchasing the necessary land, railcars and other facilities and the laying of tracks. However, following the COVID-19 pandemic and related impact on demand for transportation services, together with the impact of the declining birth-rate on the commuting population size, existing competition has intensified due to the consequential decrease in the number of users and related reduction in fares of competitors. Furthermore, in the railway business, the expanding routes of LCCs, the expanding of automobile highways, and the potential practical application of autonomous driving technology, all represent further and expanded competition for the Issuer.

Competition for Shinkansen Travel

Shinkansen services predominantly face competition from domestic airlines (including LCCs) with respect to passenger travel. The main factors of competition are safety, reliability, punctuality, convenience (including frequency and capacity), overall travel time (including transfer and access time from airports to city centres in case of airline travel) and price. Competition with airlines has intensified due to improvements to the attractiveness of air travel, including through intense price-cutting by airlines, the expansion of landing slots at airports and the improvement of access to airports from city centres. Generally, the normal fares and surcharge for the Issuer's Shinkansen services are lower than those of airlines, while various discount menus offered by airlines do not allow for a simplistic price comparison.

Competition for Conventional Railway Travel

The Issuer's conventional railways compete principally with other railway companies (including subway operators), automobiles and, to a lesser extent, buses. The main factors of competition are safety, reliability, punctuality, convenience (including frequency and capacity), travel time and price.

Competition in Non-transportation Businesses

In its non-transportation businesses, the Issuer faces significant competition from a wide variety of companies operating in the same or related businesses, such as hotel operators, shopping centres, office buildings, retailers and travel agencies.

Regulation

The MLIT is the principal regulator of the railway industry in Japan. The Railway Business Act is the principal statute governing the railway industry in Japan. The Railway Business Act subjects all railway companies in Japan, both passenger and freight, including the Issuer, to comprehensive regulation by the MLIT. The Railway Business Act requires the Issuer to file a prior notification to the Minister to suspend or terminate all or a part of its services, and it must be filed at least one year in advance in the case of the termination of a service. In addition, the Issuer must obtain the prior approval of the Minister to construct new railway lines. The Issuer may be subject to legal sanctions if it fails to comply with the requirements of the Railway Business Act.

For a limited but unspecified period of time, the Issuer is also subject to the Guidelines published by the MLIT in 2001. Under the Guidelines, the MLIT requests the Issuer to cooperate with the other JR railway companies on certain matters concerning the setting of fares, to maintain and preserve existing rail routes in light of demand for transportation and to ensure that consideration is given to the interests of small- and medium-sized companies operating similar businesses in the areas in which the Issuer operates. The Minister is empowered to issue guidance and advice to the Issuer on its compliance with the Guidelines and other recommendations. If the Issuer acts in a manner contrary to such recommendations without justifiable reason and certain other conditions are met, the Minister may order the Issuer to take certain recommended measures.

The Group's real estate business is also subject to certain additional regulations. These include the Building Lots and Buildings Transaction Business Act of Japan (Act No. 176 of 1952, as amended), which regulates the lease, sale and purchase of buildings and building lots and other real estate- related transactions, and which requires a license from the MLIT, the Building Standards Act, which subjects the Group's building operations to extensive regulation regarding construction and safety matters, and a number of other national and local regulations, concerning matters such as zoning, public bidding procedures, environmental manners and health and safety compliance.

In addition, the Group's operation of buses, travel agencies and hotels is based on the permission under the Road Transportation Act of Japan (Act No. 183 of 1951, as amended), the Travel Business Act of Japan (Act No. 239 of 1952, as amended) and the Hotel Business Act of Japan (Act No. 138 of 1948, as amended), respectively.

Safety

The Issuer regards the maintenance of safe and reliable railway services as its highest management priority. Since its establishment, the Issuer has implemented a series of five-year safety plans. Most recently, in November 2018, the Issuer formulated "Group Safety Plan 2023", which is the seventh such safety plan.

"Group Safety Plan 2023" focuses on improving individuals "safety actions", developing "safety management" and utilising new technologies to maintain safety equipment.

In accordance with this emphasis on safety, the Issuer invests significant resources toward continuously maintaining and enhancing the safety of its railway operations and all related facilities, including tracks, stations and rolling stock. In the years ended 31 March 2021 and 2022, ¥260 billion and ¥240 billion, or approximately 49 per cent. and 56 per cent., respectively, of the Issuer's non-consolidated capital investment, was for safety measures.

As part of its focus on safety, measures taken by the Issuer include the following:

Training: The Issuer offers educational and training opportunities to its employees at the JR East General Education Center (Shirakawa City, Fukushima Prefecture) and General Training Centres (at branch offices), and on-the-job training in each workplace. The JR East General Education Center offers group training for personnel development and improvement of knowledge and skills. The Issuer has installed simulators for training of crew members in all transport-related workplaces and opened the Shinkansen Education and Training Center, for training on the specific rules and mechanisms of the Shinkansen. In addition, at each branch office the Issuer has educational facilities for learning about major incidents and accidents that occurred within that branch office's jurisdiction, and reviewing preceding events and countermeasures.

Platform Safety: To prevent accidents involving customers falling from platforms or coming into contact with trains, the Issuer is in the process of installing platform doors and automatic gate platforms. In the fiscal year ended 31 March 2023, the Issuer completed the installation of platform doors at 99 stations.

Level Crossings: The Issuer's principal policy for preventing accidents at level crossings is to eliminate such crossings. Accordingly the Issuer works with people in local communities to elevate, consolidate, and eliminate tracks. Where eliminating level crossings is difficult, crossings are updated and safety improved. For example, obstacle detectors to prevent train derailment due to collisions with automobiles or other large items are being installed. Such obstacle detectors use 3D laser radar to survey the overall level crossing areas. Going beyond conventional functionality (where only walking pedestrians could be detected), the new devices feature technologies to detect fallen pedestrians.

Natural Disasters: Seismic reinforcement measures focus on protecting against damage from earthquakes, due to bridge and other terrain or structure collapses, and include seismically reinforced elevated railway track pillars and bridge piers. Following the Great East Japan Earthquake, the Issuer has proceeded with measures on sections identified as high priority. Based on knowledge gained from earthquake research, in 2018 the Issuer expanded its relevant countermeasure area and began reinforcement measures targeting Shinkansen girder seams. For example, the Group has worked on shortening the time required between the detection of earthquakes and emergency train stops by adopting measures that enable earlier detection of earthquakes such as improving early-detection seismometers. Furthermore, having suffered significant damage due to the impact of Typhoon No. 19 (Hagibis) in October 2019, as overflowing rivers caused damage to railcars on the Hokuriku Shinkansen, the Issuer has focussed on improving flood prevention measures. For each railway facility, the Issuer implements both tangible and intangible flood countermeasures given an assumed scale of rainfall including standards for railcar evacuation. The Issuer also sets operational restriction methods and tsunami danger zones for each location, prepares manuals, and holds study sessions and drills on guiding passengers to deboard trains for evacuation in the case of tsunami.

Railway accidents with casualties have declined from 90 in the fiscal year ended 31 March 2021, to 73 in the fiscal year ended 31 March 2022.

Environmental, Social and Governance

The Issuer believes that as a member of society it has a responsibility to participate in practising "Environmental, Social and Governance" ("**ESG**") management, and strives to resolve social issues through its businesses, by contributing to both the development of local communities and the achievement of the Sustainability Development Goals ("**SDGs**").

As part of its ESG management, the Issuer aims to contribute to realising a carbon-free society. In particular, in May 2020, the Issuer formulated a long-term environmental goal of achieving net zero CO_2 emissions by 2051 and in October 2020 formalised this goal as the target of the Group. In pursuing this

goal, the Issuer is introducing renewable energy, engaging in energy-saving technological innovation, and working to use hydrogen as energy when operating railways and developing cities. The Group is working to develop renewable energy (wind, solar and geothermal) power generating projects particularly in the Tohoku area, at the same time as increasing the efficiency of the power generation at its Kawasaki Thermal Power Station through updating the generation facilities, with a view to reducing CO_2 emissions upon operation of railways. The Group has formulated its Energy Vision 2027 which aims to optimise energy use and storage through a variety of measures, including by implementing and enhancing hydrogen stations, introducing fuel cell buses and vehicles and developing trial fuel cell railcars.

With regard to contributions to the society, the Group focuses on improving relationships with passengers, society and employees. With regard to relationship with passengers, the Group focuses on preventing transport disruption, minimising effects of disruptions on passengers, providing information during emergencies, realising railway services which passengers can use comfortably, and providing impressive passenger services. With regard to relationship with society, the Group works to strengthen collaboration with communities, including through measures such as development of large-scale terminal train stations while modernising areas around the train station through collaboration with local governments and residents to enhance the overall value of the area, and collaborating with municipalities, business operators and other relevant entities in relation to town development focused on stations in core regional cities. With regard to relationship with employees, in an effort to help individual employees each play a leading role, the Group works to enhance employee skills, endeavouring to pass on the technologies and skills gained with a view to realising the highest levels of safety in its operations, at the same time as helping employees develop their career plans, and cultivate employee motivation.

Furthermore, the Issuer established a Sustainability Finance Framework in 2022 which aims to continue to expand ESG finance and promote ESG management.

Research and Development

Looking ahead to the progress of technologies such as Internet of Things (IoT), big data and artificial intelligence "AI", the Group has formulated a medium- to long-term vision for technological innovation with a view to realising technological innovation that is ahead of the times. The main contents are as follows:

- Utilising tools such as IoT, big data and AI, the Group intends to thoroughly review the services provided by it from the customer's perspective, with an aim to realising a "mobility revolution" beyond the framework of conventional ideas.

- In the four fields of "safety and security", "service and marketing", "operation and maintenance", and "energy and environment", the Group intends to create new value through tools such as AI from data obtained from all of the Group's business activities.

- With a view to achieving the above, the Group intends to promote further open innovation and build an "innovation ecosystem" that will continue to provide innovative services in the mobility field in order to incorporate the world's cutting-edge technology.

The Issuer's total expenditures for research and development in the fiscal year ended 31 March 2023 were ¥19.4 billion, and principally related to the Transportation business. The Issuer's recent research and development activities include:

- Conducting tests for the use of a next generation Shinkansen vehicle known as "ALFA-X";

- Installing devices that monitor tracks, electric power facilities and railway car equipment while running on operating trains;

- Developing a system which automatically detects obstacles in real time by installing a stereo camera at the front of the train, thereby improving the safety of train operations and facilitating driverless train operations in the future; and

- Manufacturing and conducting demonstration tests for the hydrogen-powered train known as "HYBARI".

Overseas Business

The Issuer engages in certain overseas businesses, including proving support to the Japanese government in its negotiations with overseas governments and entities, providing support and operational assistance to its subsidiaries and affiliates that own stakes in or participate in overseas rail projects, and providing direct technical support to overseas rail projects.

In Thailand, an affiliate of the Issuer has been providing ten-year maintenance services for rolling stock and ground facilities for the Bangkok Purple Line. In India, the Group is involved in consulting services with respect to the high-speed railway link between Mumbai and Ahmedabad. In Taiwan, the Group was involved in the provision of hospitality services at the opening of the Hotel Metropolitan Premier Taipei in August 2021 and taking part in a fitness gym business with Jexer Fitness & Spa in August 2023. In Singapore, the Group, through a joint venture, opened a shopping centre with approximately 1,560 square metres at Woodlands station in July 2022.

The Group is also involved in certain shopping operations in Singapore and Indonesia.

Insurance

The Issuer maintains insurance against third-party claims arising from injuries related to its passenger railway operations. The Issuer also maintains a range of insurance policies to cover its buildings, railway fixtures and other assets and other aspects of its business at levels it believes to be adequate.

Litigation

The Issuer is involved in various legal proceedings in Japan. The Issuer does not consider any of such claims to be material. The Issuer believes that the outcome of these proceedings will not have a material adverse effect on its financial condition or results of operations.

From time to time and given the nature of its business, the Issuer may be subject to or affected by legal claims or challenges (including in connection with environmental laws and regulations and related matters) initiated by residents or other interested parties along existing and proposed train routes.

SUBSIDIARIES AND AFFILIATES

As of 31 March 2023, the Issuer had 134 subsidiaries, of which 69 were consolidated, and 11 affiliates accounted for by the equity method. The Issuer is the parent company of the Group.

The following table sets out certain information relating to the Issuer's significant consolidated subsidiaries and affiliates accounted for by the equity method as of 31 March 2023:

Name	Paid-up capital	Percentage owned directly or indirectly by the Issuer	Principal business
	(*millions of yen*)	(*per cent.*)	
Consolidated Subsidiaries			
Viewcard Co., Ltd.	¥5,000	100.0	Credit card operations
JR East Cross Station Co., Ltd.	4,101	100.0	Retail and restaurant operations
JR Bus Kanto Co., Ltd.	4,000	100.0	Bus services
Japan Transport Engineering Company	3,100	100.0	Railcar manufacturing operations
Tokyo Monorail Co., Ltd.[1]	3,000	79.0	Railway passenger transport services
JRE Business Development Taiwan, Inc.	714,000 (*thousands* of *Taiwan dollars*)	100.0	Overseas living services business
LUMINE Co., Ltd.	2,375	95.1	Shopping centre operations
JR Bus Tohoku Co., Ltd.	2,350	100.0	Passenger automobile transportation business
JREFU Hotel Management & Consulting Co., Ltd	500,000 (*thousands* of *Taiwan dollars*)	95.0	Hotel operations
Sendai Terminal Building Co., Ltd.	1,800	99.5	Hotel operations and shopping centre operations
atré Co., Ltd.	1,630	92.1	Shopping centre operations
East Japan Marketing & Communications, Inc.	1,550	100.0	Advertising and publicity
JR East Urban Development Corporation	1,450	100.0	Shopping centre operations and retail sales
JR Chuo Line Community Design Co., Ltd.	1,230	95.2	Shopping centre operations
JR East Department Store Co., Ltd.	1,140	84.6	Shopping centre operations
JR East Business Development SEA Pte. Ltd.	12,305 (*Thousands of Singapore dollars*)	100.0	Overseas living services business
Morioka Terminal Building Co., Ltd.	900	100.0	Hotel operations and shopping centre operations
Shinjuku South Energy Service Co., Ltd.	750	57.6	Community central heating and air-conditioning services
EAST JAPAN RAILWAY TRADING CO., LTD.	560	100.0	Wholesale
The Orangepage Inc.	500	100.0	Publishing
JR East Information Systems Company	500	100.0	Information processing
NIPPON HOTEL Co., Ltd.	500	100.0	Hotel operations
Station City Energy Create Co., Ltd.	495	85.0	District heat and cooling services
JR EAST TOHOKU SOUGOU SERVICE COMPANY	490	100.0	Retail and station operations
JR East Building Co., Ltd.	480	100.0	Leasing of office buildings
JR East Net Station Co., Ltd.	460	100.0	Information Processing
Akita Station Building Co., Ltd.	450	98.2	Hotel operations and shopping centre operations
Station Building MIDORI Co., Ltd.	450	100.0	Shopping centre operations
JR East Sports Co., Ltd.	400	100.0	Sports & Leisure
JR East Niigata City Create Inc.	400	100.0	Retail sales and Hotel operations and shopping centre operations
GALA Yuzawa Corporation	300	92.7	Sports & Leisure
JR East Real Estate Asset Management Co., Ltd.	300	90.2	Real estate management and Asset Management

JR East Aomori Business Development Company Co., Ltd.	280	100.0	Shopping centre operations
JR East Rail Car Technology & Maintenance Co., Ltd.	200	100.0	Railcar maintenance operations
Shonan Station Building Co., Ltd.	200	90.7	Shopping centre operations
Chiba Station Building Co., Ltd.	200	100.0	Shopping centre operations
Yokohama Station Building Co., Ltd.	200	90.3	Shopping centre operations
JR East Rental & Lease Co., Ltd.	165	89.4	Car rental business
Kinshicho Station Building Co., Ltd.	160	71.3	Shopping centre operations
JR East Environment Access Co., Ltd.	120	100.0	Cleaning services
Union Construction Co., Ltd.	120	90.0	Construction
JR East Media Co., Ltd.	105	100.0	Advertising agency
JR East Green Partners Co., Ltd.	100	100.0	Recruitment agency
JR East Start UP Co., Ltd.	100	100.0	Investment
JR-East Personnel Service Co., Ltd.	100	100.0	Recruitment agency
JR EAST VIEW TOURISM AND SALES COMPANY LIMITED	100	100.0	Travel agency services
JR East Logistics Co., Ltd.	100	100.0	Truck transportation business
JR East Mechatronics Co., Ltd.	100	100.0	Maintenance services and IC card operations
JR East Linen Co., Ltd.	100	100.0	Linen supply service
Japan International Consultants for Transportation Co., Ltd.	100	63.8	Overseas railway consulting service
JR East Management Service Co., Ltd	80	100.0	Financial services
KINOKUNIYA Co., Ltd.	50	100.0	Retail
JR-EAST Energy Development Co., Ltd.	50	96.5	The power generation business
JR East Design Corporation	50	100.0	Architectural design
JR East Consultants Company	50	100.0	Construction consultation
JR East Service Creation Co., Ltd.	50	100.0	Services in the car
JR East Station Service Co., Ltd.	50	100.0	Station operations
JR East Facility Management Co., Ltd.	50	100.0	Building maintenance
Affiliates Accounted for by the Equity Method			
UQ Communications Inc.(2)	71,425	17.6	Telecommunication business
TEKKEN CORPORATION(2)	18,294	17.9	Construction
NIPPON DENSETSU KOGYO CO., LTD.(2)	8,494	19.1	Facilities maintenance operations
DAIICHI KENSETSU Co., LTD. (2)	3,302	18.9	Construction
Central Security Patrols Co., Ltd.	2,924	25.4	Security service
TOTETSU KOGYO CO., LTD. (2)	2,810	20.0	Construction
NIPPON RIETEC CO., LTD.(2)	1,431	17.5	Facilities maintenance operations
SENKEN KOGYO CO.,LTD. (2)	250	17.6	Construction
Kotsukensetsu Corporation	115	18.3	Construction
JTB Corp.	100	21.9	Travel agency services
Total Electric Management Service Co., Ltd.(2)	97	11.3	Facilities maintenance operations

Notes:

(1) Tokyo Monorail Co., Ltd. had negative net assets of ¥42,042 million as of 31 March 2023.

(2) Although the percentage of voting rights held by the Issuer is less than 20 per cent., these companies are affiliates of the Issuer as the Issuer has substantial influence over these companies.

MANAGEMENT AND EMPLOYEES

Management

Under the Companies Act of Japan, as amended (the "**Companies Act**"), joint stock corporations in Japan may adopt a corporate governance structure comprised of a board of directors and an audit and supervisory committee, commonly referred to as the audit and supervisory committee system, in lieu of the traditional structure comprised of a board of directors and a board of corporate auditors or the alternative structure comprised of a board of directors and three statutory committees. The Issuer adopted an audit and supervisory committee system in June 2023.

Pursuant to the audit and supervisory committee system, the Board of Directors is comprised of Directors who are Audit and Supervisory Committee members and Directors who are not. The Articles of Incorporation provide for the Board of Directors consisting of not more than twenty Directors, not more than five of whom are Audit and Supervisory Committee members. All Directors are elected by shareholders of the Issuer at a general meeting of shareholders, with Directors who are Audit and Supervisory Committee members elected separately from other Directors. The normal term of office of Directors who are not Audit and Supervisory Committee members expires at the close of the ordinary general meeting of shareholders held with respect to the last fiscal year ended within one year after their election, and the normal term of office of Directors who are Audit and Supervisory Committee members expires at the close of the ordinary general meeting of shareholders held with respect to the last fiscal year ended within two years after their election; however, Directors may serve any number of consecutive terms.

The Board of Directors has the ultimate responsibility for the administration of the Issuer. The Board of Directors elects, from among its members who are not Audit and Supervisory Committee members, a President. In addition, the Board of Directors may elect, from among its members who are not Audit and Supervisory Committee members, a Chairman and one or more Vice Chairmen, Executive Vice Presidents, Senior Executive Directors and Executive Directors. The President is a Representative Director, and one or more additional Representative Directors may be elected by the Board of Directors from among its members who are not Audit and Supervisory Committee members. The Board of Directors, by its resolution, may delegate to individual Directors its authority to make a decision on important business and affairs except for certain matters prescribed in the Companies Act.

Directors who are Audit and Supervisory Committee members are not required to be certified public accountants, but the Companies Act provides that they may not be current executive Directors, managers or any other type of employees of the Issuer or its subsidiaries, and requires the members of the Audit and Supervisory Committee consist of three or more Directors and at least half of them are outside Directors who satisfy the requirement under the Companies Act.

The Audit and Supervisory Committee has a statutory duty (i) to audit the administration of affairs of the Issuer by Directors, to examine the financial statements and business reports to be submitted to the shareholders by a Representative Director and to prepare its audit report thereon each year, (ii) to determine details of proposals concerning the appointment and dismissal of independent accountants and the refusal to reappoint independent accountants for submission to general meetings of shareholders, and (iii) to decide opinions on appointment or dismissal or resignation of Directors who are not Audit and Supervisory Committee members, in which case the Audit and Supervisory Committee may express its opinion at the general meeting of shareholders, and to decide opinions on compensation of Directors who are not Audit and Supervisory Committee members, in which case the Audit and Supervisory Committee may express its opinion at the general meeting of shareholders. An Audit and Supervisory Committee member may note his or her opinion in the audit report issued by the Audit and Supervisory Committee if such an opinion differs from that expressed in the audit report.

The Issuer must appoint independent certified public accountants. Such independent accountants have statutorily mandated duties with respect to the examination of the financial statements proposed to be submitted by the Representative Director to the general meetings of shareholders. The Issuer's independent accountants must also report on these financial statements to the relevant Audit and Supervisory Committee members and the relevant Directors. KPMG AZSA LLC is the Issuer's independent certified public accountants.

As of the date of this Base Prospectus, the Directors of the Issuer are as follows:

Name	Title and Principal Functions within the Issuer	Principal Functions outside the Issuer
Tetsuro Tomita	Chairman	
Yuji Fukasawa[1]	President and Chief Executive Officer	
Yoichi Kise[1]	Executive Vice President (Director General of Marketing Headquarters, in charge of Shinagawa Developments and Regional Revitalisation)	
Katsumi Ise[1]	Executive Vice President (Director General of Innovation Strategy Headquarters)	
Chiharu Watari[1]	Executive Vice President (Director General of Railway Business Headquarters, and Chief Safety Officer)	
Atsuko Itoh	Executive Director (Director General of Corporate Strategies Headquarters)	
Hitoshi Suzuki	Executive Director (Deputy Director General of Railway Business Headquarters)	
Motoshige Itoh[2]	Director	
Reiko Amano[2]	Director	
Hiroko Kawamoto[2]	Director	
Toshio Iwamoto[2]	Director	Adviser, NTT DATA Corporation
Takashi Kinoshita[2]	Director Full-time Audit and Supervisory Committee member	
Masaki Ogata	Director Full-time Audit and Supervisory Committee member	
Kimitaka Mori[2]	Director Audit and Supervisory Committee member	
Hiroshi Koike[2]	Director Audit and Supervisory Committee member	

Notes:
(1) Representative Director.
(2) Outside Director.

All of the above-listed Directors are engaged in the business of the Issuer on a full-time basis, with the exception of Mr. Motoshige Itoh, Ms. Reiko Amano, Ms. Hiroko Kawamoto, Mr. Toshio Iwamoto, Mr. Kimitaka Mori and Mr. Hiroshi Koike. The business address of all of the above-listed Directors is 2-2, Yoyogi 2-chome, Shibuya-ku, Tokyo 151-8578, Japan.

The aggregate remuneration of the Issuer's Directors (excluding the Outside Directors), Corporate Auditors (excluding the Outside Corporate Auditors), and Outside Directors and Outside Corporate Auditors for the fiscal year ended 31 March 2023 paid by the Issuer was ¥464 million, ¥12 million and ¥144 million, respectively.

As of 31 March 2023, no Director of the Issuer had an interest in any transaction which was unusual in its nature or conditions or significant to the business of the Group which was effected by the Issuer. As of 31 March 2023, there were no outstanding loans granted by the Issuer to the Issuer's Directors, and no guarantees provided by the Issuer for the benefit of any of the Issuer's Directors.

The Issuer's Articles of Incorporation provide that the Issuer may enter into liability limitation contracts with any of its Directors (excluding those who are executive Directors, etc. as defined under the Companies Act) in accordance with Article 427, Paragraph 1 of the Companies Act to limit the maximum amount of damages under Article 423, Paragraph 1 of the Companies Act.

Employees

The Group had 69,235 full-time employees as of 31 March 2023. For the fiscal year ended 31 March 2023, the Group had an average of 24,190 temporary employees. The following table sets out the number of full-time employees of the Group as of the dates indicated, divided according to business segments:

	As of 31 March	
	2022	**2023**
Transportation	55,921	53,808
Retail & Services	5,963	5,895
Real Estate & Hotels	4,878	4,934
Others[(1)]	4,478	4,598
Total	71,240	69,235

Note:
(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.

As of 31 March 2023, 3,267 of the Issuer's employees belonged to the East Japan Railways Workers' Union, the largest of the Issuer's 11 labour unions, accounting for most of the Issuer's unionised employees, 2,169 of the Issuer's employees belonged to the JR East Transport Service Workers' Union, 412 of the Issuer's employees belonged to the JR East Workers' Union and 847 of the Issuer's employees belonged to other labour unions of the Issuer. As of 31 March 2023, JR East Transport Service Workers' Union had filed four unfair labour practice case and National Railway Workers' Union had filed three unfair labour practice cases, each with the Labour Relations Commission; as of the same date, two court cases regarding Labour Relations Commission Orders were outstanding. The Group has not experienced any material strikes or material labour disputes in recent years.

JAPANESE TAXATION

The following is a general description of certain Japanese tax aspects of the Notes and does not purport to be a comprehensive description of the tax aspects of the Notes. Prospective purchasers should note that, although the general tax information on Japanese taxation is described hereunder for convenience, the statements below are general in nature and not exhaustive. Prospective purchasers are advised to consult their own legal, tax, accountancy or other professional advisors in order to ascertain their particular circumstances regarding taxation.

The statements below are based on current tax laws and regulations in Japan and current tax treaties executed by Japan all as in effect on the date hereof and all of which are subject to change or differing interpretations (possibly with retroactive effect). Neither such statements nor any other statements in this Base Prospectus are to be regarded as advice on the tax position of any beneficial owner of the Notes or any person purchasing, selling or otherwise dealing in the Notes or any tax implication arising from the purchase, sale or other dealings in respect of the Notes.

The Issuer will not issue Taxable Linked Notes (notes of which the amount of interest is to be calculated by reference to certain indexes (as prescribed by the Cabinet Order under Article 6, Paragraph 4 of the Special Taxation Measures Act) relating to the Issuer or a Specially-Related Person of the Issuer (as defined below)) under the Programme.

Capital Gains, Stamp Tax and Other Similar Taxes, Inheritance and Gift Taxes

Gains derived from the sale of Notes outside Japan by an individual non-resident of Japan or a non-Japanese corporation having no permanent establishment within Japan are, in general, not subject to Japanese income tax or corporate tax.

No stamp, issue, registration or similar taxes or duties will, under current Japanese law, be payable in Japan by holders of Notes in connection with the issue of the Notes, nor will such taxes be payable by holders of Notes in connection with their transfer if such transfer takes place outside Japan.

Japanese inheritance tax or gift tax at progressive rates may be payable by an individual, wherever resident, who has acquired Notes from another individual as legatee, heir or donee.

Representation by Investor upon Distribution of Notes

BY SUBSCRIBING FOR THE NOTES, AN INVESTOR WILL BE DEEMED TO HAVE REPRESENTED THAT IT IS A PERSON WHO FALLS INTO THE CATEGORY OF (i) OR (ii) BELOW. The Notes are not, as part of the distribution by the Dealers at any time, to be directly or indirectly offered or sold to, or for the benefit of, any person other than a beneficial owner that is, (i) for Japanese tax purposes, neither (x) an individual resident of Japan or a Japanese corporation, nor (y) an individual non-resident of Japan or a non-Japanese corporation that in either case is a Specially-Related Person of the Issuer or (ii) a Designated Financial Institution (as defined below).

Interest and Redemption Gain or Redemption Loss on Notes

The following description of Japanese taxation (limited to national taxes) applies exclusively to interest on Notes and the redemption gain or the redemption loss, meaning any positive or negative difference between the acquisition price of the interest-bearing Notes of the holder and the amount which the holder receives upon redemption of such interest-bearing Notes (the "**Redemption Gain**" or the "**Redemption Loss**" as the case may be), where such Notes are issued by the Issuer outside Japan and payable outside Japan, and does not address the Japanese tax treatment of the original issue discount of Notes that constitute "discounted bonds" under the Special Taxation Measures Act. In addition, the following description assumes that only global notes are issued for the Notes, and no definitive notes or coupons or receipts that are independently traded are issued, in which case different tax consequences may apply. It is not intended to be exhaustive and prospective purchasers are recommended to consult their tax advisers as to their exact tax position, including any tax consequences resulting from the Redemption Loss of the Notes owned by such purchasers.

1. ***Non-resident Investors***

If the recipient of interest on the Notes or of the Redemption Gain with respect to interest-bearing Notes is an individual non-resident of Japan or a non-Japanese corporation for Japanese tax purposes, as described below, the Japanese tax consequences on such individual non-resident of Japan or non-Japanese corporation are significantly different depending upon whether such individual non-resident of Japan or non-Japanese corporation is a Specially-Related Person of the Issuer. Most importantly, if such individual non-resident of Japan or non-Japanese corporation is a Specially-Related Person of the Issuer, income tax at the rate of 15.315 per cent. (15 per cent. on or after 1 January 2038) of the amount of such interest will be withheld by the Issuer under Japanese tax law.

(a) *Interest*

(1) If the recipient of interest on the Notes is an individual non-resident of Japan or a non-Japanese corporation having no permanent establishment within Japan or having a permanent establishment within Japan but where the receipt of the interest on the Notes is not attributable to the business of such individual non-resident of Japan or non-Japanese corporation carried on within Japan through such permanent establishment, no Japanese income tax or corporate tax is payable with respect to such interest whether by way of withholding or otherwise, if certain requirements are complied with, *inter alia*:

(i) if the relevant Notes are held through a Participant, the requirement that such recipient provide, at the time of entrusting a Participant with the custody of the relevant Notes, the Interest Recipient Information, and advise the Participant if such individual non-resident of Japan or non-Japanese corporation ceases to be exempted from the requirement for Japanese tax to be withheld or deducted (including the case where it became a Specially-Related Person of the Issuer), and that the Issuer prepare and file an a certain confirmation prescribed by the Act (an "**Interest Recipient Confirmation**") with the competent local tax office in a timely manner based upon the Interest Recipient Information communicated through the Participant and the relevant clearing organisation; and

(ii) if the relevant Notes are not held by a Participant, the requirement that such recipient submit to the relevant Paying Agent a Written Application for Tax Exemption, together with certain documentary evidence, and that the Issuer file the Written Application for Tax Exemption so received with the competent local tax office in a timely manner.

Failure to comply with such requirements described above (including the case where the Interest Recipient Information is not duly communicated as required under the Act) will result in the withholding by the Issuer of income tax at the rate of 15.315 per cent. (15 per cent. on or after 1 January 2038) of the amount of such interest.

(2) If the recipient of interest on the Notes is an individual non-resident of Japan or a non-Japanese corporation having a permanent establishment within Japan and the receipt of interest is attributable to the business of such individual non-resident of Japan or non-Japanese corporation carried on within Japan through such permanent establishment, such interest will not be subject to a 15.315 per cent. (15 per cent. on or after 1 January 2038) withholding tax by the Issuer, if the requirements concerning the Interest Recipient Information and the Interest Recipient Confirmation or the Written Application for Tax Exemption as set out in paragraph (a)(1) above are complied with. Failure to do so will result in the withholding by the Issuer of income tax at the rate of 15.315 per cent. (15 per cent. on or after 1 January 2038) of the amount of such interest. The amount of such interest will be subject to regular income tax or corporate tax, as appropriate.

(3) Notwithstanding paragraphs (a)(1) and (2) above, if an individual non-resident of Japan or a non-Japanese corporation mentioned above is a person who has a special relationship with the Issuer (that is, in general terms, a person who directly or indirectly controls, or is directly or indirectly controlled by, or is under direct or indirect common control with, the Issuer) within the meaning prescribed by the Cabinet Order under Article 6, Paragraph 4 of the Special Taxation Measures Act (such person is referred to as a "**Specially-Related Person of the Issuer**") as of the beginning of the fiscal year of the Issuer in which the relevant interest payment date falls, the exemption from Japanese withholding tax on interest mentioned above will not apply, and income tax at the rate of 15.315 per cent. (15 per cent. on or after 1 January 2038) of the amount of such interest will be withheld by the Issuer. If such individual non-resident of Japan or non-Japanese corporation has a permanent establishment within Japan, regular income tax or corporate tax, as appropriate, collected otherwise than by way of withholding, could apply to such interest under Japanese tax law.

(4) If an individual non-resident of Japan or a non-Japanese corporation (regardless of whether it is a Specially-Related Person of the Issuer) is subject to Japanese withholding tax with respect to interest on the Notes under Japanese tax law, a reduced rate of withholding tax or exemption from such withholding tax may be available under the relevant income tax treaty between Japan and the country of tax residence of such individual non-resident of Japan or non-Japanese corporation. As of the date of this Base Prospectus, Japan has income tax treaties, conventions or agreements whereby the above-mentioned withholding tax rate is reduced, generally to 10 per cent. with, *inter alia*, Australia, Canada, Finland, France, Hong Kong, Ireland, Italy, Luxembourg, the Netherlands, New Zealand, Norway, Portugal and Singapore. Under the tax treaties between Japan and Austria, Belgium, Denmark, Germany, Spain, Sweden, Switzerland, the United Kingdom or the United States of America, interest paid to qualified Austrian, Belgian, Danish, German, Spanish, Swedish, Swiss, United Kingdom or United States residents is generally exempt from Japanese withholding tax (for Belgium, only for a Belgian enterprise). Under the current income tax treaties between Japan and Australia, France, the Netherlands or New Zealand, certain limited categories of qualified Australian, French, Dutch or New Zealand residents receiving interest on the Notes may, subject to compliance with certain procedural requirements under Japanese law, be fully exempt from Japanese withholding tax for interest on the Notes (**provided that** no exemption will apply to pension funds in the case of Australia and New Zealand). In order to avail themselves of such reduced rate of, or exemption from, Japanese withholding tax under any applicable income tax treaty, individual non-residents of Japan or non-Japanese corporations which are entitled, under any applicable income tax treaty, to a reduced rate of, or exemption from, Japanese withholding tax on payment of interest by the Issuer are required to submit an Application Form for Income Tax Convention regarding Relief from Japanese Income Tax and Special Income Tax for Reconstruction on Interest (as well as any other required forms and documents) in advance through the Issuer to the relevant tax authority before payment of interest.

(5) Under the Act, (A) if an individual non-resident of Japan or a non-Japanese corporation that is a beneficial owner of the Notes becomes a Specially-Related Person of the Issuer, or an individual non-resident of Japan or a non-Japanese corporation that is a Specially-Related Person of the Issuer becomes a beneficial owner of the Notes, and (B) if such Notes are held through a Participant, then such individual non-resident of Japan or non-Japanese corporation should notify the Participant of such change in status by the immediately following interest payment date of the Notes. As described in paragraph (a)(3) above, as the status of such individual non-resident of Japan or non-Japanese corporation as a Specially-Related Person of the Issuer for Japanese withholding tax purposes is determined based on the status as of the beginning of the fiscal year of the Issuer in which the relevant interest payment date falls, such individual non-resident of

Japan or non-Japanese corporation should, by such notification, identify and advise the Participant of the specific interest payment date on which Japanese withholding tax starts to apply with respect to such individual non-resident of Japan or non-Japanese corporation as being a Specially-Related Person of the Issuer.

(b) *Redemption Gain or Redemption Loss*

(1) If the recipient of the Redemption Gain is an individual non-resident of Japan or a non-Japanese corporation having no permanent establishment within Japan or having a permanent establishment within Japan but where the receipt of such Redemption Gain is not attributable to the business of such individual non-resident of Japan or non-Japanese corporation carried on within Japan through such permanent establishment, no income tax or corporate tax is payable by way of withholding or otherwise with respect to such Redemption Gain. If there is any Redemption Loss, such Redemption Loss will be disregarded for purposes of regular income tax or corporate tax, as appropriate, of the recipient.

(2) If the recipient of the Redemption Gain is an individual non-resident of Japan or a non-Japanese corporation having a permanent establishment within Japan and the receipt of such Redemption Gain is attributable to the business of such individual non-resident of Japan or non-Japanese corporation carried on within Japan through such permanent establishment, such Redemption Gain will not be subject to any withholding tax but will be subject to regular income tax or corporate tax, as appropriate. If there is any Redemption Loss, such Redemption Loss may be taken into account in computing the net taxable income, if any, for purposes of regular income tax or corporate tax, as appropriate, of the recipient.

(3) Notwithstanding paragraphs (b)(1) and (2) above, if an individual non-resident of Japan or a non-Japanese corporation mentioned above is a Specially-Related Person of the Issuer as of the beginning of the fiscal year of the Issuer in which such individual non-resident of Japan or non-Japanese corporation acquired such Notes, the Redemption Gain will not be subject to withholding tax but will be subject to regular income tax or corporate tax, as appropriate, under Japanese tax law, regardless of whether such individual non-resident of Japan or non-Japanese corporation has a permanent establishment within Japan, provided that exemption may be available under the relevant income tax treaty. If there is any Redemption Loss, such Redemption Loss may be taken into account in computing the net taxable income, if any, for purposes of regular income tax or corporate tax, as appropriate, of the recipient.

2. ***Resident Investors***

If the recipient of interest on the Notes is an individual resident of Japan or a Japanese corporation for Japanese tax purposes, as described below, regardless of whether such recipient is a Specially-Related Person of the Issuer, in addition to any applicable local tax, income tax will be withheld at the rate of 15.315 per cent. (15 per cent. on or after 1 January 2038) of the amount of such interest, if such interest is paid to an individual resident of Japan or a Japanese corporation (except for (i) a Designated Financial Institution which complies with the requirement for tax exemption under Article 6, Paragraph 11 of the Special Taxation Measures Act or (ii) a Public Corporation (as defined below) or a Specified Financial Institution (as defined below) to which such interest is paid through the Japanese Custodian (as defined below) in compliance with the requirement for tax exemption under Article 3-3, Paragraph 6 of Special Taxation Measures Act). In addition to the withholding tax consequences upon resident investors as explained in this section 2, resident investors should consult their own tax advisors regarding their regular income tax or corporate tax consequences otherwise than by way of withholding, including the treatment of the Redemption Loss, bearing in mind, especially for individual residents of Japan, the change to the taxation regime of Notes that took effect on 1 January 2016.

(a) *Interest*

(1) If an individual resident of Japan or a Japanese corporation (other than a Specified Financial Institution or a Public Corporation, who complies with the requirement as referred to in paragraph (a)(2) below) receives payments of interest on the Notes through certain Japanese payment handling agents as defined in Article 2-2, Paragraph 2 of the Cabinet Order (each a "**Japanese Payment Handling Agent**"), income tax at the rate of 15.315 per cent. (15 per cent. on or after 1 January 2038) of the amount of such interest will be withheld by the Japanese Payment Handling Agent rather than by the Issuer. As the Issuer is not in a position to know in advance the recipient's status, the recipient of interest falling within this category should inform the Issuer through a Paying Agent of its status in a timely manner. Failure to so inform may result in double withholding.

(2) If the recipient of interest on the Notes is a Japanese public corporation or a Japanese public-interest corporation designated by the relevant law *(kokyohojin tou)* (a "**Public Corporation**") or a Japanese bank, a Japanese insurance company, a Japanese financial instruments business operator or other Japanese financial institution falling under certain categories prescribed by the relevant Cabinet Order under Article 3-3, Paragraph 6 of the Special Taxation Measures Act (each, a "**Specified Financial Institution**") that keeps its Notes deposited with, and receives the interest through, a Japanese Payment Handling Agent with custody of the Notes (the "**Japanese Custodian**") and such recipient submits through such Japanese Custodian to the competent tax authority the report prescribed by the Act, no withholding tax is levied on such interest. However, since the Issuer is not in a position to know in advance the recipient's such tax exemption status, the recipient of interest falling within this category should inform the Issuer through a Paying Agent of its status in a timely manner. Failure to so notify the Issuer may result in the withholding by the Issuer of a 15.315 per cent. (15 per cent. on or after 1 January 2038) income tax.

(3) If an individual resident of Japan or a Japanese corporation (except for a Designated Financial Institution which complies with the requirements described in paragraph (a)(4) below) receives interest on the Notes not through a Japanese Payment Handling Agent, income tax at the rate of 15.315 per cent. (15 per cent. on or after 1 January 2038) of the amount of such interest will be withheld by the Issuer.

(4) If a Japanese bank, a Japanese insurance company, a Japanese financial instruments business operator or other Japanese financial institution falling under certain categories prescribed by the Cabinet Order under Article 6, Paragraph 11 of the Special Taxation Measures Act (each, a "**Designated Financial Institution**") receives interest on the Notes not through a Japanese Payment Handling Agent and the requirements concerning the Interest Recipient Information and the Interest Recipient Confirmation or the Written Application for Tax Exemption as referred to in paragraph 1(a)(1) above are complied with, no withholding tax will be imposed.

(b) *Redemption Gain*

If the recipient of the Redemption Gain is an individual resident of Japan or a Japanese corporation, such Redemption Gain will not be subject to any withholding tax.

3. ***Special Additional Tax for Reconstruction From the Great East Japan Earthquake***

Due to the imposition of a special additional withholding tax of 0.315 per cent. (or 2.1 per cent. of 15 per cent.) to secure funds for reconstruction from the Great East Japan Earthquake, the withholding tax rate has been effectively increased to 15.315 per cent. during the period beginning on 1 January 2013 and ending on 31 December 2037. On or after 1 January 2038, the withholding tax rate will be 15 per cent., where the foregoing references to the withholding tax rate of 15.315 per cent. shall read 15 per cent. There will also be certain special additional tax imposed upon regular income tax due other than by way of

withholding for individual non-residents of Japan, as referred to in the foregoing descriptions, for the period designated above.

SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of Barclays Bank PLC, BNP Paribas, Daiwa Capital Markets Europe Limited, J.P. Morgan Securities plc, Merrill Lynch International, Mizuho International plc, Mizuho Securities Asia Limited, Morgan Stanley & Co. International plc, Nomura International plc and SMBC Nikko Capital Markets Limited (the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and subscribed by, Dealers are set out in an amended and restated dealer agreement dated 25 August 2023 (the "**Dealer Agreement**") and made between the Issuer and the Dealers. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer and a single Dealer for that Tranche to be issued by the Issuer and subscribed by that Dealer, the method of distribution will be described in the relevant Final Terms as "Non-Syndicated" and the name of that Dealer and any other interest of that Dealer which is material to the issue of that Tranche beyond the fact of the appointment of that Dealer will be set out in the relevant Final Terms. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer and more than one Dealer for that Tranche to be issued by the Issuer and subscribed by those Dealers, the method of distribution will be described in the relevant Final Terms as "Syndicated", the obligations of those Dealers to subscribe the relevant Notes will be several but not joint or joint and several, as agreed between the Issuer and the relevant Dealers, and the names and addresses of those Dealers and any other interests of any of those Dealers which is material to the issue of that Tranche beyond the fact of the appointment of those Dealers (including whether any of those Dealers has also been appointed to act as Stabilisation Manager in relation to that Tranche) will be set out in the relevant Final Terms.

Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be subscribed by the Dealer(s) and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such subscription. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

The relevant Dealers will be entitled in certain circumstances to be released and discharged from their obligations in respect of a proposed issue of notes under or pursuant to the Dealer Agreement prior to the closing of the issue of such Notes, including in the event that certain conditions precedent are not delivered or met to their satisfaction on or before the issue date of such Notes. In this situation, the issuance of such Notes may not be completed. Investors will have no rights against the issuer or the relevant Dealers in respect of any expense incurred or loss suffered in these circumstances.

Selling Restrictions

Notice to Capital Market Intermediaries and Prospective Investors pursuant to Paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to CMIs (Including Private Banks)

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for the relevant CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the relevant Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer or any CMI (including its group companies) and inform the relevant Dealers accordingly.

CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for the relevant CMI Offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this Base Prospectus and/or the applicable Final Terms.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the relevant Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the relevant Notes. CMIs are informed that a private bank rebate may be payable as stated above and in the applicable Final Terms, or otherwise notified to prospective investors.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Dealers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the relevant Notes, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Dealer(s) (if any) to categorise it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any "Associations" (as used in the SFC Code);
- Whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code); and
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to the Dealers named in the relevant Final Terms.

By placing an order, prospective investors (including any underlying investors in relation to omnibus orders) are deemed to represent to the Dealers that it is not a Sanctions Restricted Person. A "**Sanctions Restricted Person**" means an individual or entity (a "**Person**"): (a) that is, or is directly or indirectly owned or controlled by a Person that is, described or designated in (i) the most current "Specially Designated Nationals and Blocked Persons" list (which as of the date hereof can be found at: *http://www.treasury.gov/ofac/downloads/sdnlist.pdf*) or (ii) the Foreign Sanctions Evaders List (which as of the date hereof can be found at: http://www.treasury.gov/ofac/downloads/fse/fselist.pdf) or (iii) the most current "Consolidated list of persons, groups and entities subject to EU financial sanctions" (which as of the date hereof can be found at: *https://eeas.europa.eu/headquarters/headquartershomepage_en/8442/Consolidated%20list%20of%20sanctions*); or (b) that is otherwise the subject of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of: (i) their inclusion in the most current "Sectoral Sanctions

Identifications" list (which as of the date hereof can be found at: *https://www.treasury.gov/ofac/downloads/ssi/ssilist.pdf*) (the "**SSI List**"), (ii) their inclusion in Annexes 3, 4, 5 and 6 of Council Regulation No. 833/2014, as amended by Council Regulation No. 960/2014 (the "**EU Annexes**"), (iii) their inclusion in any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes, (iv) them being the subject of restrictions imposed by the U.S. Department of Commerce's Bureau of Industry and Security ("**BIS**") under which BIS has restricted exports, re-exports or transfers of certain controlled goods, technology or software to such individuals or entities; (v) them being an entity listed in the Annex to the new Executive Order of 3 June 2021 entitled "Addressing the Threat from Securities Investments that Finance Certain Companies of the People's Republic of China" (known as the Non-SDN Chinese Military-Industrial Complex Companies List), which amends the Executive Order 13959 of 12 November 2020 entitled "Addressing the Threat from Securities Investments that Finance Chinese Military Companies"; or (vi) them being subject to restrictions imposed on the operation of an online service, Internet application or other information or communication services in the United States directed at preventing a foreign government from accessing the data of U.S. persons; or (c) that is located, organised or a resident in a comprehensively sanctioned country or territory, including Cuba, Iran, North Korea, Syria, the Crimea region of Ukraine, the Donetsk's People's Republic or Luhansk People's Republic. "**Sanctions Authority**" means: (a) the United States government; (b) the United Nations; (c) the European Union (or any of its member states); (d) the United Kingdom; (e) any other equivalent governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; and (f) the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury, the United States Department of State, the United States Department of Commerce and His Majesty's Treasury.

United States of America

The Notes have not been and will not be registered under the Securities Act and or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

Prohibition of Sales to EEA Retail Investors

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**"); or

(ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II.

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Prohibition of Sales to UK Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms thereto in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Other UK regulatory restrictions

Each Dealer has represented, warranted and agreed that:

(a) ***No deposit-taking:*** in relation to any Notes having a maturity of less than one year:

(i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

(ii) it has not offered or sold and will not offer or sell any Notes other than to persons:

(A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or

(B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) ***Financial promotion:*** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(c) ***General compliance***: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(1) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) (the "**SFO**") other than (a) to "professional investors" as defined in the SFO and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(2) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Republic of Italy

The offering of the Notes has not been registered with *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, save as set out below, it has not offered or sold, and will not offer or sell, any Notes in the Republic of Italy in an offer to the public and that sales of the Notes in the Republic of Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

Accordingly, each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver any Notes or distribute copies of this Base Prospectus and any other document relating to the Notes in the Republic of Italy except:

(a) to qualified investors (*investitori qualificati*), as defined in Regulation (EU) 2017/1129 of 14 June 2017, as amended (the "**EU Prospectus Regulation**"); or

(b) in any other circumstances which are exempted from the rules on public offerings pursuant to the EU Prospectus Regulation, Legislative Decree No. 58 of 24 February 1998, as amended (the "**Decree No. 58**") and CONSOB Regulation No. 11971 of 14 May 1999, as amended ("**Regulation No. 11971**").

Any such offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy must be:

(A) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September 1993 as amended, Decree No. 58, CONSOB Regulation No. 20307 of 15 February 2018, as amended and any other applicable laws and regulations;

(B) in compliance with Article 129 of Legislative Decree No. 385 of 1 September 1993, as amended, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy and the relevant implementing guidelines of the Bank of Italy issued on 25 August 2015 (as amended on 10 August 2016 and on 2 November 2020); and

(C) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

Provisions relating to the secondary market in the Republic of Italy

Investors should also note that, in any subsequent distribution of the Notes in the Republic of Italy, the EU Prospectus Regulation and Decree No. 58 may require compliance with the law relating to public offers of securities. Furthermore, Article 100-*bis* of Decree No. 58 provides that where the Notes are placed solely with "**qualified investors**" and are then systematically resold on the secondary market at any time in the 12 months following such placing, purchasers of Notes who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the Notes were purchased, unless an exemption provided for under the EU Prospectus Regulation or Decree No. 58 applies.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act and will be subject to the Special Taxation Measures Act. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that (i) it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used in this item (i) means any person that is a resident of Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and governmental guidelines of Japan; and (ii) it has not, directly or indirectly, offered or sold and will not, as part of its distribution at any time, directly or indirectly offer or sell any Notes to, or for the benefit of, any person other than a beneficial owner that is, (a) for Japanese tax purposes, neither (x) an individual resident of Japan or a Japanese corporation, nor (y) an individual non-resident of Japan or a non-Japanese corporation that in either case is a Specially-Related Person of the Issuer or (b) a Japanese financial institution, designated in Article 6, Paragraph 11 of the Special Taxation Measures Act.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, *that* it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

General

Each Dealer has represented, warranted and agreed that, to the best of its knowledge and belief, it has complied and will comply in all material respects with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, of applicable laws and regulations after the date hereof, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or in a supplement to this Base Prospectus.

GENERAL INFORMATION

1. **Listing and Admission to Trading**

Application has been made to list the Notes issued under the Programme on the Official List and for such Notes to be admitted to trading on the Euro MTF Market. Any Tranche of Notes intended to be admitted to listing on the Official List and admitted to trading on the Euro MTF Market will be so admitted to listing and trading upon submission to the Luxembourg Stock Exchange of the relevant Final Terms and any other information required by the Luxembourg Stock Exchange, subject in each case to the issue of the relevant Notes. Transactions will normally be effected for delivery on the third working day in London after the day of the transaction.

2. **Authorisation**

The establishment of the Programme was authorised by a resolution of the Board of Directors of the Issuer passed on 17 March 2021. The update of the Programme was authorised by a resolution of the Board of Directors of the Issuer passed on 15 March 2023. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

3. **Legal and Arbitration Proceedings**

Save as disclosed in this Base Prospectus, there are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer and its Subsidiaries.

4. **No Material Change**

Save as disclosed in this Base Prospectus, there has been no material change in the prospects and the financial position of the Issuer and its Subsidiaries since 31 March 2023.

5. **Independent Auditor**

The audited consolidated financial statements of the Issuer as of 31 March 2022 and 31 March 2023 and for the years then ended, incorporated by reference in the Base Prospectus, have been audited by KPMG AZSA LLC, the independent auditor to the Issuer, a member of the Japanese Institute of Certified Public Accountants.

6. **Documents on Display**

So long as Notes are capable of being issued under the Programme and remain listed on the Euro MTF Market, copies of the following documents will, when published, be available, without charge, from the registered office of the Issuer, and at the offices of the Fiscal Agent and the Luxembourg Listing Agent:

(i) the Agency Agreement (which includes the forms of the Notes in global and definitive form);

(ii) the Deed of Covenant;

(iii) the Issuer-ICSDs Agreement;

(iv) the Articles of Incorporation and Regulations of the Board of Directors of the Issuer;

(v) the audited consolidated financial statements of the Issuer for the financial years ended 31 March 2021, 31 March 2022 and 31 March 2023, together with the audit reports thereon;

(vi) each Final Terms (only to be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer, the Fiscal Agent and the Luxembourg Listing Agent (as applicable) as to its holding of Notes and identity); and

(vii) a copy of this Base Prospectus together with any Supplement to this Base Prospectus or further Base Prospectus.

7. **Clearing of the Notes**

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code, the International Securities Identification Number (ISIN), and where applicable the FISN and the CFI code, in relation to the Notes of each Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium. The address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms.

8. **Notes Having a Maturity of Less than One Year**

Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the FSMA by the Issuer.

9. **Issue Price and Yield**

Notes may be issued at any price. The issue price of each Tranche of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions and the issue price of the relevant Notes or the method of determining the price and the process for its disclosure will be set out in the applicable Final Terms. In the case of different Tranches of a Series of Notes, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche.

The yield of each Tranche of Notes set out in the applicable Final Terms will be calculated as of the relevant issue date on an annual or semi-annual basis using the relevant issue price. It is not an indication of future yield.

10. **Conflicts of Interest**

Certain of the Dealers and their respective affiliates have engaged, and may in the future engage, in various activities, which may include investment banking and/or commercial banking transactions, financial advisory, securities trading, investment research, hedging, financing, and brokerage activities with, and may perform services for the Issuer and its affiliates in the ordinary course of business. Certain of the Dealers and their respective affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer and its affiliates. Certain of the Dealers of their respective affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer and its affiliates consistent with their customary risk management

policies. Typically, such Dealers and their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

11. **Legal Entity Identifier (LEI)**

The Legal Entity Identifier (LEI) of the Issuer is 353800SENYJ2DSM6PS44.

12. **Issuer website**

The Issuer's website is *https://www.jreast.co.jp/e/*. Unless specifically incorporated by reference into this Base Prospectus, information contained on the website does not form part of this Base Prospectus.

REGISTERED HEAD OFFICE OF THE ISSUER

East Japan Railway Company
2-2, Yoyogi 2-chome
Shibuya-ku, Tokyo 151-8578
Japan

ARRANGER

Nomura International plc
1 Angel Lane
London EC4R 3AB
United Kingdom

DEALERS

Barclays Bank PLC
1 Churchill Place
London E14 5HP
United Kingdom

BNP Paribas
16, Boulevard des Italiens
75009 Paris
France

Daiwa Capital Markets Europe Limited
5 King William Street
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