

Balance Sheet

(As of March 31, 2026)

(Million yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	88,916	Current liabilities	50,529
Cash and deposits	1,628	Accounts payable - other	15,174
Trade accounts receivable	32,573	Accrued expenses	208
Accounts receivable	452	Income taxes payable	718
Consumption taxes receivable	3,570	Unearned revenue	300
Merchandise	103	Deposits received from customers	33,061
Short-term loans receivable	46,617	Current portion of guarantee deposits and leasehold deposits received	67
Current portion of long-term loans receivable	2,520	Provision for bonuses	662
Prepaid expenses	1,144	Provision for sales promotion expenses	71
Other	305	Other	265
Non-current assets	125,451	Non-current liabilities	22,455
Property, plant and equipment	83,012	Guarantee deposits and leasehold deposits received	18,850
Buildings	73,911	Provision for retirement benefits	2,098
Structures	596	Asset retirement obligations	1,464
Machinery and equipment	207	Other	41
Furniture and fixtures	3,394		
Land	4,294		
Construction in progress	606		
		Total liabilities	72,985
Intangible assets	1,911	(Net assets)	
Software	1,879	Shareholders' equity	140,816
Other	31	Share capital	2,375
Investments and other assets	40,527	Capital surplus	5,964
Investment securities	862	Legal capital surplus	5,964
Shares of subsidiaries and associates	1,897	Retained earnings	132,476
Long-term prepaid expenses	3,158	Legal retained earnings	596
Guarantee deposits and leasehold deposits	4,462	Other retained earnings	131,880
Long-term loans receivable	25,967	General reserve	121,622
Deferred tax assets	4,867	Reserve for special depreciation	306
Other	36	Retained earnings brought forward	9,951
Allowance for doubtful accounts	(725)	Valuation and translation adjustments	566
		Valuation difference on available-for-sale securities	566
		Total net assets	141,382
Total assets	214,367	Total liabilities and net assets	214,367

Statement of Income

(From April 1, 2025, to March 31, 2026)

(Million yen)

Item	Amount	
Net sales		
Real estate lease revenue	82,132	
Net sales of directly managed businesses	1,669	83,801
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Cost of sales		
Cost of sales of directly managed businesses		405
		<hr/>
Gross profit		83,395
Selling, general and administrative expenses		71,209
		<hr/>
Operating income		12,185
Non-operating income		
Interest income	664	
Dividend income	37	
Other non-operating income	145	848
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Non-operating expenses		
Foreign exchange losses	34	
Other non-operating expenses	959	994
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Ordinary profit		12,039
Extraordinary income		
Early cancellation fees received	13	
Gain on sales of investment securities	3,367	
Other extraordinary income	9	3,390
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Extraordinary losses		
Loss on retirement of non-current assets	146	
Removal expenses for non-current assets	552	
Other extraordinary losses	156	855
	<hr/>	<hr/>
Profit before income taxes		14,574
Income taxes - current	2,821	
Income taxes - deferred	1,618	4,439
	<hr/>	<hr/>
Profit		10,135

1 Notes on Significant Accounting Policies

1. Valuation Standards and Methods for Assets

(1) Valuation standards and methods for securities

Stocks of subsidiaries and affiliates

Stated at cost based on the moving average method.

Other securities

- Securities other than shares, etc. without market price

Stated at fair market value based on the market price, etc. at the end of the fiscal year (valuation differences are directly charged or credited to net assets, and the costs of securities sold are calculated by the moving average method).

- Shares, etc. without market price

Stated at cost based on the moving average method.

(2) Valuation standards and methods for inventories

Merchandise

Stated at cost based on the specific identification method (the balance sheet value is calculated by reducing the book value based on declines in profitability).

2. Depreciation and Amortization Methods for Non-current Assets

(1) Property, plant and equipment (excluding leased assets)

Depreciation is computed by the declining-balance method. However, buildings and structures acquired on or after April 1, 2024, are depreciated by the straight-line method.

Useful lives and residual values are calculated using the same standards as those prescribed in the Corporation Tax Act.

(2) Intangible assets

Amortization is computed by the straight-line method.

Useful lives are calculated using the same standards as those prescribed in the Corporation Tax Act. However, software (for internal use) is amortized using the straight-line method based on the period during which it can be used internally (5 years).

(3) Leased assets

Leased assets related to finance lease transactions without transfer of ownership

The straight-line method is used with the lease period as the useful life and the residual value as zero.

(4) Long-term prepaid expenses

Amortization is principally computed by the declining-balance method.

The amortization period is based on the same standards as those prescribed in the Corporation Tax Act.

3. Standards for Recording Provisions

(1) Allowance for doubtful accounts

To provide for losses on bad debts, an allowance for doubtful accounts is provided by recording estimated unrecoverable amounts based on the historical bad debt ratio for general receivables and examination of the collectability of individual receivables for specific receivables such as doubtful and distressed receivables.

(2) Provision for bonuses

To provide for the payment of bonuses to employees, a provision for bonuses is recorded based on the estimated amount of payment.

- (3) Provision for sales promotion expenses
To provide for future expenditures related to the utilization of “ONE LUMINE Shopping Ticket,” the amount expected to be utilized in the future is recorded based on the historical utilization rate.
- (4) Provision for retirement benefits
- 1) Method of attribution of projected retirement benefits to period
In calculating retirement benefit obligations, the benefit formula standard is used to attribute the estimated amount of retirement benefits to the period up to the end of the current fiscal year.
- 2) Amortization of actuarial gains and losses and prior service cost
Prior service cost is amortized on a straight-line basis over a fixed number of years (10) within the average remaining service period of employees at the time of occurrence.
Actuarial gains and losses are amortized by the straight-line method over a fixed number of years (10) within the average remaining service period of employees at the time of recognition in each fiscal year, and allocated proportionately from the fiscal year following the respective fiscal year of occurrence.
4. Standards for Recording Revenues and Expenses
The Company engages in real estate leasing and directly managed businesses. Revenues from these businesses are mainly recorded in accordance with contracts with customers, and transaction prices are calculated based on the consideration of contracts with customers. However, in the case of businesses in which the Company conducts transactions as an agent, revenues are calculated using the net amount obtained by deducting the amount actually paid to other business operators that provide goods and services from the consideration received from customers for the transaction price.
Revenues from real estate leasing are mainly from the management and operation of stores, etc. in the form of commercial station buildings and are recorded over the lease term in accordance with accounting standards for lease transactions.
Revenues from the Company’s directly managed businesses are generated through sales of products and restaurants, and the Company bears the performance obligation to deliver products and provide services to customers. This performance obligation is met at the time of delivery of goods and provision of services. However, with respect to sales of products via the Internet, revenue is recognized at the time of product shipment based on Paragraph 98 of the Guidance on Accounting Standard for Revenue Recognition, because the transactions are sales in Japan, and the period from the time of shipment to the time when control of the product is transferred to the customer is the ordinary period.
5. Standards for Translation of Assets and Liabilities Denominated in Foreign Currencies into Japanese Currency
Monetary claims and obligations denominated in foreign currencies are translated into Japanese yen at the spot exchange rate prevailing on the balance sheet date, and any translation differences are charged or credited to income.

2 Notes to the Balance Sheet

- (1) Accumulated depreciation of property, plant and equipment 140,238 million yen
- (2) Future lease payments on non-cancelable operating lease transactions
(As lessee)
- | | |
|-----------------|--------------------|
| Within one year | 2,100 million yen |
| Over one year | 8,575 million yen |
| Total | 10,675 million yen |
- (3) Monetary claims against and obligations to subsidiaries and associates
- | | |
|---------------------------------|-----------------|
| Short-term monetary claims | 742 million yen |
| Short-term monetary obligations | 880 million yen |
| Long-term monetary claims | 324 million yen |
| Allowance for doubtful accounts | 724 million yen |

3 Notes to Tax Effect Accounting

The main reasons for the occurrence of deferred tax assets are impairment losses and over-depreciation. The main reason for the occurrence of deferred tax liabilities is denial of non-current asset retirement expenses, etc. The valuation allowance deducted from deferred tax assets is 745 million yen.

4 Notes on Transactions with Related Parties

(1) Parent company and major corporate shareholders, etc.

(Million yen)

Type	Name of company	Percentage of voting rights, etc. held of (or by) the related party	Relationship with the related party	Nature of the transaction	Transaction amount	Item	Balance as of March 31, 2025
Parent company	East Japan Railway Company	Directly owns 100.0% of the company	Concurrent appointment of officers, lease of land for station buildings, etc.	Payment of lease fees for land and buildings	10,987	Accounts payable - other	158
				Share transfer (*1)	3,627	-	-

(*1) During this fiscal year, there was a transfer of assets that fall under the category of transfer adjustment assets. The transfer price of such assets was determined through negotiations between the parties involved, taking into account the evaluation results of a third-party organization.

(2) Affiliated companies, etc.

(Million yen)

Type	Name of company	Percentage of voting rights, etc. held of (or by) the related party	Relationship with the related party	Nature of the transaction	Transaction amount	Item	Balance as of March 31, 2025
Subsidiary of the parent company	Viewcard Co., Ltd.	None	Merchant agreement	Transfer of credit card receivables	197,558	Trade accounts receivable	11,239
Subsidiary of the parent company	JR East Marketing & Communications, Inc.	None	Subcontracting agreement	Payment of commission fees for planning and production of advertising and sales promotions	4,078	Accounts payable - other	781
Subsidiary of the parent company	JR East Building Co., Ltd.	None	Lease agreements	Payment of lease fees for buildings	8,134	Prepaid expenses Leasehold deposits	628 2,052
Subsidiary of the parent company	JR East Facility Management Co., Ltd.	None	Lease agreements	Payment of commission fees for management of buildings	3,824	Accounts payable - other	432

Transaction conditions and policy for determining transaction conditions, etc.

(Note 1) The transfer of credit card receivables is determined after price negotiations, taking into consideration the prevailing market conditions.

(Note 2) Terms and conditions related to commission fees are determined after price negotiations, taking into consideration the prevailing market conditions.

(Note 3) Terms and conditions related to lease fees are determined after price negotiations, taking into consideration the prevailing market conditions.

5 Notes to Per Share Information

(1) Net assets per share	2,008.90 yen
(2) Profit per share	144.01 yen