

April 15, 2026

This document is an English translation of a statement written originally in Japanese. The Japanese original should be considered as the primary version.

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Announcement Regarding Absorption-Type Merger between
JR East Real Estate Co., Ltd. and ITOCHU Property Development, Ltd.

East Japan Railway Company (“JR East”) and ITOCHU Corporation (“ITOCHU”) have resolved to implement an absorption-type merger between their respective subsidiaries, JR East Real Estate Co., Ltd. (“JERE”) and ITOCHU Property Development, Ltd. (“IPD”), and today entered into an integration agreement (the “Agreement”) among the four parties. Details are as follows.

The Agreement is further strengthening the strategic alliance in the real estate business sector of both groups and to achieve significant growth of both groups’ real estate businesses.

1. Purpose of the Absorption-Type Merger

JR East and ITOCHU have decided to conduct an absorption-type merger of their respective subsidiaries JERE and IPD, in which IPD will be the surviving company and JERE will be the absorbed company, thereby establishing a structure to operate their real estate businesses in an integrated manner.

The companies aim to further expand their real estate business as a comprehensive developer, by combining JERE’s capabilities in acquiring and developing real estate primarily along JR East Group railway lines, with IPD’s expertise in the residential property development and sales business and rental property development business, together with JR East Group’s railway infrastructure network and ITOCHU Group’s global commercial network.

2. Overview of the Integrated Company

(1) Method of Merger

An absorption-type merger in which IPD will be the surviving company and JERE will be the absorbed company.

In connection with this merger, JERE will transfer all its rights and obligations to IPD, and IPD will issue common shares to JR East.

(2) Integration Ratio (merger exchange ratio)

JERE : IPD = 6 : 4

*This merger exchange ratio has been determined after comprehensive consideration of both companies' financial conditions, business activities, asset composition, future earnings outlook, and business risks. Specifically, the parties carefully discussed and examined the merger exchange ratio by referring to a share valuation conducted by a third-party valuation firm, and reviewed recent business performance trends, asset details, business synergies, and medium- to long-term business plans, and concluded that the above merger exchange ratio is appropriate.

The integration ratio has been determined with due regard to the interests of shareholders of both companies and was decided with the aim of ensuring stable business operations and sustainable growth after the merger, and has been deemed reasonable for both parties.

3. Overview of the Merging Companies (as of April 15, 2026)

	Surviving Company	Absorbed Company
(1) Name	ITOCHU Property Development, Ltd.	JR East Real Estate Co., Ltd.
(2) Location	9-11 Akasaka 2-chome, Minato-ku, Tokyo	1-6, Shinjuku 4-chome, Shinjuku-ku, Tokyo
(3) Name and Title of Representative	MATSU Norio, Representative Director and President	TASAKI Masashi, Representative Director and President
(4) Business Description	• Construction and sales of condominiums and houses • Management and operation of housing-related facilities • Development of office buildings and commercial facilities • Real estate asset management and consulting • Other businesses relating to real estate	• Real estate purchase and sale, leasing, brokerage, consulting, and property management businesses
(5) Amount of share capital	10,698 million yen	1,000 million yen
(6) Date of incorporation	December 1, 1997	July 1, 2024
(7) Number of issued shares	363,500 shares	40,000 shares
(8) Fiscal year-end	March 31	March 31
(9) Major shareholders and shareholding ratio	ITOCHU Corporation 100%	East Japan Railway Company 100%
(10) Financial position and operating results of the last fiscal year (Fiscal year ended March 31, 2025)		
Net assets	25,785 million yen	51,751 million yen
Total assets	108,519 million yen	56,982 million yen
Net assets per share	70,937.49 yen	1,293,780.41 yen
Operating revenues	58,889 million yen	19,508 million yen
Operating income	7,459 million yen	13,451 million yen
Ordinary income	7,662 million yen	13,454 million yen
Net profit	5,621 million yen	8,930 million yen
Earnings per share	15,467.38 yen	223,252.69 yen

4. Overview of the Surviving Company after the Merger

(1) Name	JREAST & ITOCHU REAL ESTATE DEVELOPMENT Co., Ltd.
(2) Location	1-6, Shinjuku 4-chome, Shinjuku-ku, Tokyo
(3) Name and Title of Representative	To be determined
(4) Business Description	• Construction and sales of condominiums and houses • Management and operation of housing-related facilities • Development of office buildings and commercial facilities • Real estate purchase and sale, exchange, and leasing; real estate brokerage; real estate ownership, management, utilization, and consulting • Other businesses related to real estate
(5) Amount of share capital	To be determined
(6) Fiscal year-end	March 31
(7) Major shareholders and shareholding ratio	East Japan Railway Company 60% ITOCHU Corporation 40%
(8) Consolidation status	Consolidated subsidiary of East Japan Railway Company and Equity-method associated company of ITOCHU Corporation

5. Schedule

1. Approval of Merger Agreement	April 15, 2026
2. Execution of Merger Agreement	April 15, 2026
3. Effective Date of Merger (scheduled)	October 1, 2026

6. Future Outlook

JREAST & ITOCHU REAL ESTATE DEVELOPMENT Co., Ltd. (the “Integrated Company”) will focus on real estate development centered around railway stations and along the railway, combining development, holding, and rotational business model. The company aims to achieve significant growth over the next five years, targeting revenue of approximately 250.0 billion yen by the fiscal year ending March 2031. The above figures are based on current plans and are subject to change depending on market conditions.

The impact of this integration on the consolidated financial results of JR East and ITOCHU will be reflected in their earnings forecasts and disclosed, as necessary, in future financial results announcements and other disclosures.