

Consolidated Financial Results for the Three-Month Period Ended June 30, 2018 (Japanese GAAP) (Unaudited)

Fiscal 2019 (Year ending March 31, 2019)

"First Quarter" means the three months from April 1 to June 30.

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

"JR East" refers to East Japan Railway Company on a consolidated basis, or if the context so requires, on a non-consolidated basis.
English translation from the original Japanese-language document.

July 27, 2018

East Japan Railway Company

Stock Exchange Listing	Tokyo
Securities Code	9020
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Scheduled Date for Release of a Quarterly Report	August 3, 2018
Scheduled Date of Dividend Payment Commencement	Not applicable
Preparation of Supplementary Explanations of Quarterly Financial Results:	No
Quarterly Financial Results Presentation to Be Held:	No

1. Consolidated Results for the Three-Month Period Ended June 30, 2018 (April 1, 2018—June 30, 2018)

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

(1) Consolidated financial results

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

	Operating revenues		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2019, 1st Quarter	726,359	2.0	138,691	0.1	124,407	(2.1)	78,182	(9.4)
Fiscal 2018, 1st Quarter	711,892	2.0	138,601	4.3	127,120	8.6	86,271	7.9

Note: Comprehensive income – Fiscal 2019, 1st Quarter: 83,055 million yen (a decrease of 12.8%), Fiscal 2018, 1st Quarter: 95,253 million yen (an increase of 43.1%)

	Earnings per share —Basic	Earnings per share —Diluted
	Yen	Yen
Fiscal 2019, 1st Quarter	203.80	—
Fiscal 2018, 1st Quarter	222.53	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Fiscal 2019, 1st Quarter	7,873,213	2,913,738	36.7
Fiscal 2018	8,147,676	2,884,552	35.1

Reference: Shareholders' equity – Fiscal 2019, 1st Quarter: 2,888,044 million yen, Fiscal 2018: 2,859,330 million yen

2. Dividends (Year Ended March 31, 2018 and Year Ending March 31, 2019)

	Annual dividends				
	1st quarter end	2nd quarter end	3rd quarter end	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2018	—	70.00	—	70.00	140.00
Fiscal 2019	—	—	—	—	—
(Forecast) Fiscal 2019	—	75.00	—	75.00	150.00

Note: Revisions to the most recently disclosed dividend forecasts: No

3. Forecasts for Fiscal 2019 (Year Ending March 31, 2019)

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

	Operating revenues		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share—Basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six-month period ending September 30, 2018	1,483,000	1.2	287,000	(1.8)	259,000	(2.5)	169,000	(5.4)	442.99
Fiscal 2019	2,994,000	1.5	482,000	0.1	440,000	0.0	289,000	0.0	757.55

Note: Revisions to the most recently disclosed earnings forecasts: No

Notes

(1) Changes to principal subsidiaries during the period : No

(Indicates whether changes have occurred in specified subsidiaries in accordance with changes in the scope of consolidation)

Newly consolidated — excluded —

(2) Application of special accounting treatment in preparing the quarterly consolidated financial statements: No

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

- i Changes in accounting policies with revision of accounting standards : No
- ii Changes in accounting policies other than the above : No
- iii Changes in accounting estimates : No
- iv Restatement of revisions : No

(4) Number of issued shares (common stock)

- i Issued shares at period-end (including treasury stock) 1st Quarter, Fiscal 2019 385,655,500 shares Fiscal 2018 385,655,500 shares
- ii Treasury stock at period-end 1st Quarter, Fiscal 2019 4,160,389 shares Fiscal 2018 659,915 shares
- iii Average number of shares during period 1st Quarter, Fiscal 2019 383,624,997 shares 1st Quarter, Fiscal 2018 387,689,472 shares

※ **The quarterly financial results are not subject to quarterly review procedures by certified public accountants or audit corporations.**

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

The forecasts of business results and other forward-looking statements in this document are based on information available as of the date of this document and on certain assumptions that JR East viewed as reasonable as of the date of this document. Actual results may differ from such forward-looking statements for a variety of reasons.

Regarding the forecasts of business results, please refer to “Qualitative Information on Consolidated Performance Outlook” on page 4 in the Attachments. Further, the non-consolidated performance outlook is on the next page.

(Reference)

Forecasts of the Non-consolidated Results for Fiscal 2019 (Year Ending March 31, 2019)

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

	Operating revenues		Operating income		Ordinary income		Profit		Earnings per share—Basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six-month period ending September 30, 2018	1,063,000	0.7	246,000	(3.6)	228,000	(4.6)	157,000	(6.8)	411.18
Fiscal 2019	2,107,000	0.7	387,000	(2.1)	349,000	(2.8)	240,000	(2.9)	628.56

Note: Revisions to the most recently disclosed earnings forecasts: No

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(Unless otherwise stated, all comparisons are between the three months from April 1, 2018, to June 30, 2018, and the three months from April 1, 2017, to June 30, 2017.)

(1) Qualitative Information on Consolidated Operating Results

In the first three months of the fiscal year ending March 31, 2019 (from April 1, 2018, to June 30, 2018; the first quarter), the Japanese economy improved in such areas as employment and income conditions and continued to recover gradually. Under these conditions, the East Japan Railway Company and its consolidated subsidiaries and equity method affiliates (JR East) steadily executed various initiatives centered on the railway, life-style service, and IT & *Suica* businesses.

As a result of these initiatives, during the first quarter, operating revenues increased 2.0%, to ¥726.3 billion, mainly due to growth in JR East's transportation revenues, while operating income increased 0.1%, to ¥138.6 billion. Ordinary income declined 2.1%, to ¥124.4 billion, owing in part to decreases in insurance proceeds and dividends. Furthermore, as a result of the increase in extraordinary losses due to such factors as the provision for allowance for point card certificates, profit attributable to owners of parent was down 9.4%, to ¥78.1 billion.

Additionally, JR East pushed forward with the formulation of the new Group Management Vision "Move Up" 2027, announced in July 2018. Amid a business environment that is expected to undergo rapid change, this vision aims to realize sustainable growth through our bold undertaking of new growth strategies. In June 2018, JR East established the Technology Innovation Headquarters, which serves as a companywide organization that swiftly promotes operational reform and the creation of new services and value by technological revolution through open innovation, which is adopted as part of the new management vision.

Segment Information

Transportation

In the Transportation segment, with the railway business as its core operations, JR East promoted the use of its railway networks to secure revenues while increasing the safety and reliability of transportation as a priority measure.

With respect to safety, JR East sought to eliminate accidents due to internal causes by conducting more practical educational and training activities to deepen each employee's understanding of the nature of their work while taking such measures as opinion exchange among Group companies and other companies to enhance safety within the Group as a whole. To steadily reduce injury- or death-causing accidents on railway platforms, JR East continued the installation of automatic platform gates based on a policy of introducing them to all 330 railway stations of main conventional lines in the Tokyo metropolitan area by around March 31, 2033. Further, to be prepared for a major earthquake, such as an earthquake directly beneath the Tokyo metropolitan area, JR East moved forward with additional seismic reinforcement, expanding target areas and increasing target facilities. To ensure that customers can use its railways with an even greater peace of mind, JR East made efforts to expand the number of security cameras within railcars on the Shinkansen lines and on conventional lines in the Tokyo metropolitan area.

With respect to service quality, JR East advanced measures based on "Medium-term Vision for Service Quality Reforms 2020," which began in April 2018. Specifically, JR East improved the electrical equipment of its conventional lines in the Tokyo metropolitan area to reduce the transportation disruptions due to internal causes. In addition, after observing the grave inconvenience suffered by many customers from the railcar failure that occurred between Sendai and Furukawa on the Tohoku Shinkansen Line in June 2018, JR East reinforced a structure that enables rapid restoration of the failed railcars and flexible shuttle operations. In conjunction with the opening of the first phase of Niigata Station's elevated station in April 2018, JR East made it possible for customers to transfer between Shinkansen line and conventional lines on the same platform. Aiming to complete countermeasures around the summer of 2020, JR East proceeded with construction work on the Tohoku, Joetsu, and Hokuriku Shinkansen lines to eliminate areas in tunnels where mobile phone connection is poor.

In addition, in accordance with the "JR East 2020 Project," which brings together JR East's objectives as an Official Passenger Rail Transportation Services Partner of the Tokyo 2020 Olympic and Paralympic Games, JR East upgraded railway stations near competition venues with the aim of completing these efforts around spring 2020. In conjunction with these efforts, JR East proceeded with construction work toward the provisional opening of Shinagawa New Station (provisional name) in spring 2020.

With respect to marketing and sales activities, JR East conducted the *Honmono no Deai Tochigi* Destination Campaign from April 2018 to increase inter-regional railway travel. Through the operation of the *TRAIN SUITE SHIKI-SHIMA* cruise train, JR East identified and distributed information about the many different attractions of regional areas. JR East prepared for the operation of a new limited express service for tourists from spring 2020, which will promote the "real charm" of the Izu area. JR East concluded an agreement with JAPAN POST Co., Ltd. in June 2018 geared toward revitalizing regional communities. The JR East Group as a whole promoted the sale of products aimed at visitors to Japan. These included such products as *air and land* Japan visit travel packages that include railway services and flights and which are coordinated with airlines in Asia.

In *Suica* operations, from May 2018 JR East introduced compatibility with the Google Pay payment service and

increased the convenience of *Suica* in relation to mobile terminals. The number of *Suica* cards issued and outstanding was approximately 71.11 million as of June 30, 2018. In collaboration with CENTRAL SECURITY PATROLS CO., LTD., in April 2018 JR East expanded the *mamorail* service that watches over children to cover 244 railway stations on 15 line segments in the Tokyo metropolitan area. To encourage ticketless use of Shinkansen services, including the segment between Tokyo and Nasushiobara on the Tohoku Shinkansen Line, in April 2018 JR East began a new service called *Touch de Go! Shinkansen*, which enables the use of *Suica* for non-reserved seats in ordinary cars on the segment's Shinkansen services. In conjunction with these efforts, JR East began preparing for a new IC ticket service for Shinkansen services, which will be linked with the *eki-net* Internet service for applying for JR tickets, to be introduced at the end of the fiscal year ending March 31, 2020.

As a result of these initiatives, JR East's number of passengers for railway operations exceeded that during the same period of the previous fiscal year, and operating revenues in the Transportation segment increased 1.1%, to ¥516.7 billion. On the other hand, operating income declined 0.1%, to ¥104.5 billion, due in part to increases in non-personnel expenses.

To restore line segments on the Pacific coast severely damaged by the Great East Japan Earthquake, JR East worked in close collaboration with the national government and relevant local authorities and made progress in the rebuilding of the area as a whole. With a view to opening in March 2019, JR East made efforts to restore the line segment between Miyako and Kamaishi on the Yamada Line, the operation of which is to be transferred to Sanriku Railway Company. Further, JR East made progress in restoring operations between Tomioka and Namie on the Joban Line, which it aims to complete by March 31, 2020.

In June 2017 JR East and Fukushima Prefecture concluded an agreement to restore operations on the line segment between Aizu-Kawaguchi and Tadami on the Tadami Line, which have been suspended since July 2011 due to damage sustained from heavy rains, through a scheme of separating ownership of railway facilities and operations. Based on this agreement, JR East commenced construction work to restore operations on this line segment in June 2018.

Retail & Services

In the Retail & Services segment, JR East linked *JRE POINT* with the *JRE MALL* shopping website and implemented a direct marketing campaign geared toward *JRE POINT* members. To strengthen development capabilities for stores in station concourses, in April 2018 JR East subsidiary JR East Retail Net Co., Ltd. conducted an absorption-type merger of subsidiary JR East Station Retailing Co., Ltd., and made JR East Water Business Co., Ltd. a 100% subsidiary. At *NewDays* convenience stores, JR East renewed private brand products. In addition, JR East advanced sextic industrialization of agriculture in coordination with regional producers, processors and other participants with the launch of products that use local goods from regions in eastern Japan and other measures.

As a result of these initiatives, as well as favorable sales at stores in Tokyo Station and other stations, operating revenues of the Retail & Services segment increased 3.2%, to ¥140.6 billion, and operating income increased 2.7%, to ¥8.9 billion.

Real Estate & Hotels

In the Real Estate & Hotels segment, JR East completely opened the *COTONIOR GARDEN Shin-Kawasaki* (Kanagawa) facility for exchanges among multiple generations in April 2018 as well as *PERIE CHIBA* (Chiba) in June 2018. JR East undertook construction work for phase 1 (East Bldg.) of *SHIBUYA SCRAMBLE SQUARE* (Tokyo), which is scheduled for opening in the fiscal year ending March 31, 2020; the *Yokohama Station West Exit Station Building* (provisional name), which is scheduled for opening in 2020; the *Gotanda East Exit Building* (provisional name), which is scheduled to open in spring 2020; the *Takeshiba Waterfront Development Project*, which is slated for completion in phases starting in spring 2020; the *Kawasaki Station West Exit Development Plan*, which is scheduled to be completed in spring 2021; and the *World Trade Center South Hall* (Tokyo), which is slated to open in 2021. To establish a hotel chain with more than 10,000 guest rooms by around 2020, JR East undertook construction work for *HOTEL METS Sapporo* (provisional name), which is scheduled for opening in February 2019; *HOTEL METS Akihabara* (provisional name) and *HOTEL METS Shin-Kiba* (provisional name), which are scheduled for opening in autumn 2019; and *HOTEL Metropolitan Kamakura* (provisional name), which is scheduled for opening in spring 2020. With respect to the area surrounding Shinagawa Station and Tamachi Station, aiming to develop an internationally attractive exchange hub, JR East is moving forward in cooperation with the Government of Japan, Tokyo Metropolitan Government, relevant wards, and other stakeholders toward its opening around 2024.

With respect to child-rearing-support facilities, JR East is making efforts to open a cumulative total of 130 such facilities inside station buildings and other buildings by April 2020. JR East had a cumulative total of 128 child-rearing-support facilities as of June 30, 2018.

With respect to town development centered on regional core railway stations, JR East opened a sports medicine clinic in May 2018 near Akita station, in addition to the construction of *JR Akita Gate Arena* (provisional name), which is scheduled for completion in winter 2019. JR East proceeded with construction work toward the complete renewal and reopening of Tsuchiura Station Building as a base with various facilities for cyclists from autumn 2019.

As a result of these initiatives, as well as increased revenues following the opening of *PERIE CHIBA* (Chiba) and *Hotel Metropolitan Sendai East* (Miyagi), operating revenues of the Real Estate & Hotels segment increased 3.1%, to ¥90.4 billion. Similarly, operating income increased 0.3%, to ¥21.9 billion.

Others

In *Suica* shopping services (electronic money), JR East continued to actively increase the number of compatible stores through efforts that included the introduction of *Suica* electronic money to chain stores with extensive operating areas. As a result, in May 2018 monthly transactions for *Suica* and other public transportation electronic money surpassed 180 million transactions. To provide a points service that makes it easier for customers to save and use points, JR East integrated *JRE POINT* with *View Thanks Point* in June 2018. JR East moved forward with preparations for the issuance in July 2018 of the *JRE CARD* credit card, which will offer bargains for shopping at *JRE POINT* compatible stores.

With respect to participation in overseas railway projects, subsidiary Japan International Consultants for Transportation Co., Ltd. provided consultation services for the "General Consultancy of The Mumbai-Ahmedabad High Speed Railway Project." At the same time, the subsidiary supervised the construction of a training center under a project that it received from the National High Speed Rail Corporation Limited (NHSRC) in India.

As a result, operating revenues from Others increased 7.8%, to ¥50.5 billion, due mainly to increased revenues from information processing operations and "General Consultancy of The Mumbai-Ahmedabad High Speed Railway Project." However, operating income declined 3.1%, to ¥2.7 billion, owing to such factors as an increase in non-personnel expenses.

- Notes: 1. JR East applies the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (Accounting Standards Board of Japan Statement No.17, June 30, 2010) and the Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (Accounting Standards Board of Japan Guidance No.20, March 21, 2008). The operating income of each segment of JR East corresponds to the segment income under the said Accounting Standard and Guidance.
2. Google Pay is a trademark of Google LLC.

(2) Qualitative Information on Consolidated Performance Outlook

In July 2018, in addition to revising its Group Philosophy, JR East formulated the JR East Group Management Vision, "Move Up" 2027.

1. Basic management policy (Group Philosophy)

We will earn the trust of our customers as a whole group by aiming for ultimate safety levels as our top priority. We will strengthen our network capabilities focusing on technologies and information, and we are committed to helping our customers and people in communities to realize affluent lives.

2. Medium-term strategies for the Company's management

The JR East Group will continue to view safety as the first priority of its business management and to pursue "extreme safety levels." Through these efforts, the JR East Group will further heighten the trust of customers and local communities, which is the foundation of the Group's various activities. In addition, to anticipate and respond to the dramatic changes occurring in the business environment, such as the population decline and the practical application of autonomous driving, the JR East Group will boldly implement new growth strategies by shifting from services focused on railways to the creation of values and services focused more on people.

One of the JR East Group's major strengths is its multilayered "real" network, which supports social infrastructure. In recognition of this, the Group will contribute to the realization of affluent lives for everyone by enhancing the strengths of this network, which centers on technology and information. In response to the changing times, the Group will continue to take on challenges by viewing change as a business opportunity. In doing so, the Group will meet customer needs to an even greater extent and achieve sustainable growth as a corporate group that contributes to the development of regional areas.

After reviewing the operating results for the first quarter ended June 30, 2018, JR East has maintained its consolidated first-half and full-term business forecasts for the fiscal year ending March 31, 2019, which it announced on April 27, 2018.

2. Quarterly Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheets (Unaudited)

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES

	Millions of Yen	
	Fiscal 2018 (As of March 31, 2018)	Fiscal 2019, 1st Quarter (As of June 30, 2018)
ASSETS		
Current Assets	¥ 951,898	¥ 728,007
Cash and time deposits	255,102	92,817
Notes and accounts receivable-trade	475,522	447,881
Fares receivable	48,217	40,002
Short-term loans receivable	4,686	4,870
Securities	60,000	10,000
Real estate for sale	451	1,397
Inventories	62,061	75,932
Other	47,378	56,636
Allowance for doubtful accounts	(1,521)	(1,530)
Fixed Assets	7,195,580	7,144,938
Property, plant and equipment, net of accumulated depreciation	6,500,745	6,458,645
Buildings and fixtures (net)	3,362,214	3,337,108
Machinery, rolling stock and vehicles (net)	726,158	709,497
Land	2,020,741	2,025,096
Construction in progress	319,903	317,496
Other (net)	71,727	69,445
Intangible assets	112,499	107,205
Investments and other assets	582,335	579,087
Investments in securities	287,544	302,344
Long-term loans receivable	2,065	2,044
Deferred tax assets	228,086	211,043
Net defined benefit assets	173	315
Other	65,433	64,321
Allowance for doubtful accounts	(968)	(982)
Deferred Assets	197	267
Total Assets	¥8,147,676	¥7,873,213

Note: Amounts less than one million yen are omitted.

	Millions of Yen	
	Fiscal 2018, (As of March 31, 2018)	Fiscal 2019, 1st Quarter (As of June 30, 2018)
LIABILITIES		
Current Liabilities	¥1,434,328	¥1,145,138
Notes and accounts payable-trade	59,536	50,856
Short-term loans and current portion of long-term loans	119,707	119,552
Current portion of bonds	164,999	135,000
Current portion of long-term liabilities		
incurred for purchase of railway facilities	4,257	4,257
Payables	492,574	244,301
Accrued consumption taxes	22,316	31,136
Accrued income taxes	64,712	22,359
Fare deposits received with regard to railway connecting services	24,431	21,121
Prepaid railway fares received	100,523	111,733
Allowance for bonuses to employees	76,544	44,734
Allowance for earthquake-damage losses	1,940	1,912
Allowance for partial transfer costs of railway operation	10,332	10,147
Other	292,451	348,025
Long-Term Liabilities	3,828,795	3,814,336
Bonds	1,605,134	1,605,149
Long-term loans	964,138	973,440
Long-term liabilities incurred for purchase of railway facilities	332,288	332,288
Deferred tax liabilities	3,053	3,203
Provision for large-scale renovation		
of Shinkansen infrastructure	48,000	54,000
Allowance for earthquake-damage losses	9,110	8,984
Allowance for partial transfer costs of railway operation	2,688	2,688
Net defined benefit liabilities	601,163	590,730
Other	263,216	243,851
Total Liabilities	¥5,263,124	¥4,959,474
NET ASSETS		
Shareholders' Equity	¥2,787,347	¥2,811,727
Common stock	200,000	200,000
Capital surplus	96,729	96,796
Retained earnings	2,496,074	2,557,924
Treasury stock, at cost	(5,457)	(42,994)
Accumulated Other Comprehensive Income	71,983	76,316
Net unrealized holding gains (losses) on securities	63,338	66,598
Net deferred gains (losses) on derivatives under		
hedge accounting	730	1,372
Revaluation reserve for land	(473)	(473)
Foreign currency translation adjustments	—	(0)
Remeasurements of defined benefit plans	8,387	8,820
Non-Controlling Interests	25,222	25,694
Total Net Assets	2,884,552	2,913,738
Total Liabilities and Net Assets	¥8,147,676	¥7,873,213

Note: Amounts less than one million yen are omitted.

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

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES

(i) Consolidated Statements of Income

	Millions of Yen	
	Fiscal 2018, 1st Quarter (Three months ended June 30, 2017)	Fiscal 2019, 1st Quarter (Three months ended June 30, 2018)
Operating Revenues	¥711,892	¥726,359
Operating Expenses	573,290	587,667
Transportation, other services and cost of sales	434,742	442,641
Selling, general and administrative expenses	138,547	145,025
Operating Income	138,601	138,691
Non-Operating Income	6,672	3,809
Interest income	4	4
Dividend income	2,937	2,987
Other	3,731	817
Non-Operating Expenses	18,153	18,094
Interest expense	16,393	15,805
Equity in net losses of affiliated companies	1	636
Other	1,758	1,653
Ordinary Income	127,120	124,407
Extraordinary Gains	6,077	32,289
Construction grants received	926	32,156
Other	5,150	132
Extraordinary Losses	7,893	40,244
Losses on reduction entry for construction grants	726	32,123
Other	7,166	8,121
Income before Income Taxes	125,304	116,452
Income Taxes	38,513	37,746
Current	22,537	21,757
Deferred	15,975	15,988
Profit	86,791	78,706
Profit Attributable to Non-Controlling Interests	519	523
Profit Attributable to Owners of Parent	¥ 86,271	¥ 78,182

Note: Amounts less than one million yen are omitted.

(ii) Consolidated Statements of Comprehensive Income

	Millions of Yen	
	Fiscal 2018, 1st Quarter (Three months ended June 30, 2017)	Fiscal 2019, 1st Quarter (Three months ended June 30, 2018)
Profit	¥86,791	¥78,706
Other Comprehensive Income	8,462	4,349
Net unrealized holding gains (losses) on securities	7,606	2,566
Net deferred gains (losses) on derivatives under hedge accounting	196	354
Foreign currency translation adjustments	—	(0)
Remeasurements of defined benefit plans	(40)	(54)
Share of other comprehensive income of associates accounted for using equity method	699	1,484
Comprehensive Income	¥95,253	¥83,055
Comprehensive Income attributable to		
Comprehensive income attributable to owners of the parent	¥94,729	¥82,516
Comprehensive income attributable to non-controlling interests	¥ 523	¥ 539

Note: Amounts less than one million yen are omitted.

(3) Notes to Quarterly Consolidated Financial Statements (Unaudited)

(Notes on Going Concern Assumption (Unaudited))

None

(Segment Information (Unaudited))

(Information related to amounts of operating revenues, income, and loss of each reportable segment)

Fiscal 2018, 1st Quarter (Three months ended June 30, 2017)	Millions of Yen						Quarterly Consolidated Statements of Income (Note 3)
	Transportation	Retail & Services	Real Estate & Hotels	Others (Note 1)	Total	Adjustment (Note 2)	
Operating Revenues							
Outside customers	¥491,853	¥122,559	¥82,873	¥14,604	¥711,892	¥ —	¥711,892
Inside group	19,337	13,671	4,856	32,336	70,202	(70,202)	—
Total	511,191	136,231	87,730	46,941	782,095	(70,202)	711,892
Segment income	¥104,642	¥ 8,709	¥21,921	¥ 2,878	¥138,152	¥ 449	¥138,601

- Notes: 1. "Others" represents categories of business that are not included in reportable segments and includes IT & *Suica* business including credit card business, information processing and certain other businesses.
2. The ¥449 million adjustment to segment income includes a ¥459 million elimination of unrealized holding gains (losses) on fixed assets and inventory assets and a ¥31 million elimination for intersegment transactions.
3. Segment income is adjusted to ensure consistency with the operating income set forth in the quarterly consolidated statements of income.

Fiscal 2019, 1st Quarter (Three months ended June 30, 2018)	Millions of Yen						Quarterly Consolidated Statements of Income (Note 3)
	Transportation	Retail & Services	Real Estate & Hotels	Others (Note 1)	Total	Adjustment (Note 2)	
Operating Revenues							
Outside customers	¥496,836	¥125,701	¥85,348	¥18,473	¥726,359	¥ —	¥726,359
Inside group	19,871	14,945	5,064	32,108	71,989	(71,989)	—
Total	516,708	140,646	90,412	50,581	798,348	(71,989)	726,359
Segment income	¥104,554	¥ 8,941	¥21,993	¥ 2,790	¥138,280	¥ 411	¥138,691

- Notes: 1. "Others" represents categories of business that are not included in reportable segments and includes IT & *Suica* business including credit card business, information processing and certain other businesses.
2. The ¥411 million adjustment to segment income includes a ¥550 million elimination of unrealized holding gains (losses) on fixed assets and inventory assets and a ¥(97) million elimination for intersegment transactions.
3. Segment income is adjusted to ensure consistency with the operating income set forth in the quarterly consolidated statements of income.

(Notes on Significant Changes in the Value of Shareholders' Equity (Unaudited))

The balance of treasury stock as of June 30, 2018 was ¥42,994 million, an increase of ¥37,536 million from March 31, 2018. This was mainly due to the Company's acquisition of 3,500,300 shares of its common stock for ¥37,534 million on the Tokyo Stock Exchange from May 1 through June 30, 2018, in accordance with a resolution of the Board of Directors on April 27, 2018.

(Additional Information)

Application of "Partial Amendments to Accounting Standard for Tax Effect Accounting"

From the beginning of fiscal 2019 first quarter, JR East has applied "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018). Accordingly, deferred tax assets are classified as part of "Investments and other assets," and deferred tax liabilities are classified as part of "Long-term liabilities."

(Additional Information Regarding Operating Results)

Consolidated Principal Indicators

	Fiscal 2018, 1st Quarter (Three months ended June 30, 2017)	Fiscal 2018 (Year ended March 31, 2018)	Fiscal 2019, 1st Quarter (Three months ended June 30, 2018)	Increase (Decrease)
	(A)	(B)	(C)	(C)-(A)
Ratio of operating income to average assets (ROA) (%)	1.8	6.0	1.7	(0.0)
Return on average equity (ROE) (%)	3.2	10.5	2.7	(0.5)

Numerical Targets for the Fiscal Year Ending March 31, 2023

	Billions of Yen				
	Actual Fiscal 2018	Forecast Fiscal 2019	Fiscal 2023 Targets	Change	
	(A)	(B)	(C)	Increase (Decrease) (C)-(A)	% (C)/(A)x100
Operating Revenues	2,950.1	2,994.0	3,295.0	344.8	111.7
Transportation	2,017.8	2,032.0	2,100.0	82.1	104.1
Retail & Services	514.9	521.0	660.0	145.0	128.2
Real Estate & Hotels	340.1	352.0	440.0	99.8	129.4
Others	77.1	89.0	95.0	17.8	123.1
Operating Income	481.2	482.0	520.0	38.7	108.0
Transportation	340.4	338.0	330.0	(10.4)	96.9
Retail & Services	38.9	40.0	56.0	17.0	143.6
Real Estate & Hotels	80.9	82.0	109.0	28.0	134.6
Others	22.5	23.0	26.0	3.4	115.1
Elimination and/or corporate	(1.6)	(1.0)	(1.0)	0.6	59.2

Note: The breakdown of operating revenues by business segment shows sales to outside customers.

Consolidated Capital Expenditures

	Billions of Yen					
	Actual Fiscal 2018, 1st Quarter (Three months ended June 30, 2017)	Actual Fiscal 2019, 1st Quarter (Three months ended June 30, 2018)	Change		Plans for Fiscal 2019	Change
	(A)	(B)	Increase (Decrease) (B)-(A)	% (B)/(A)x100		Increase (Decrease) year on year
Capital expenditures ..	71.8	73.6	1.7	102.5	645.0	94.5
Transportation	38.1	34.6	(3.4)	90.9	480.0	55.5
Non-transportation	33.7	38.9	5.2	115.5	165.0	38.9

Forward-Looking Statements

Statements contained in this report with respect to JR East's plans, strategies, and beliefs that are not historical facts are forward-looking statements about the future performance of JR East, which are based on management's assumptions and beliefs in light of the information currently available to it. These forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause JR East's actual results, performance, or achievements to differ materially from the expectations expressed herein. These factors include, without limitation, (i) JR East's ability to successfully maintain or increase current passenger levels on railway services, (ii) JR East's ability to improve the profitability of railway and other operations, (iii) JR East's ability to expand non-transportation operations, and (iv) general changes in economic conditions and laws, regulations, and government policies in Japan.

Passenger Kilometers and Passenger Revenues of Parent Company

	Passenger Kilometers				Revenues from Passenger Tickets			
	Millions		%		Billions of yen		%	
	Fiscal 2018, 1st Quarter (Three months ended June 30, 2017) (A)	Fiscal 2019, 1st Quarter (Three months ended June 30, 2018) (B)	Change Increase (Decrease) (B)-(A)	(B)/(A)x100	Fiscal 2018, 1st Quarter (Three months ended June 30, 2017) (C)	Fiscal 2019, 1st Quarter (Three months ended June 30, 2018) (D)	Change Increase (Decrease) (D)-(C)	(D)/(C)x100
Shinkansen Network								
Commuter Passes	450	455	4	101.1	6.2	6.2	0.0	100.9
Other	5,091	5,173	81	101.6	131.7	134.4	2.6	102.0
Total	5,542	5,628	86	101.6	137.9	140.7	2.7	102.0
Conventional Lines								
<i>Kanto Area Network</i>								
Commuter Passes	18,005	18,094	88	100.5	117.0	117.6	0.6	100.6
Other	9,077	9,131	54	100.6	179.8	180.7	0.8	100.5
Total	27,083	27,226	143	100.5	296.9	298.4	1.5	100.5
<i>Other Network</i>								
Commuter Passes	792	789	(2)	99.7	4.7	4.7	(0.0)	99.6
Other	608	606	(1)	99.7	12.2	12.2	0.0	100.0
Total	1,400	1,396	(4)	99.7	16.9	16.9	(0.0)	99.9
<i>Total</i>								
Commuter Passes	18,797	18,884	86	100.5	121.7	122.4	0.6	100.5
Other	9,685	9,738	52	100.5	192.1	192.9	0.8	100.5
Total	28,483	28,622	138	100.5	313.9	315.4	1.5	100.5
Total								
Commuter Passes	19,248	19,339	91	100.5	128.0	128.7	0.6	100.5
Other	14,777	14,911	133	100.9	323.8	327.4	3.5	101.1
Total	34,025	34,250	225	100.7	451.8	456.1	4.2	100.9

Notes:1. Amounts less than one million passenger kilometers and 100 million yen are omitted.

2. The Kanto Area Network includes the areas covered by Tokyo Branch Office, Yokohama Branch Office, Hachioji Branch Office, Omiya Branch Office, Takasaki Branch Office, Mito Branch Office, and Chiba Branch Office.