

Consolidated Financial Results for the Three-Month Period Ended June 30, 2019 (Japanese GAAP) (Unaudited)

Fiscal 2020 (Year ending March 31, 2020)

"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 30, 2019

East Japan Railway Company

Stock Exchange Listing	Tokyo
Securities Code	9020
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Scheduled Date for Release of a Quarterly Report	August 6, 2019
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, 2019 (April 1, 2019—June 30, 2019)

(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 2020, 1st Quarter	742,382	2.2	144,633	4.3	132,741	6.7	91,575	17.1
Fiscal 2019, 1st Quarter	726,359	2.0	138,691	0.1	124,407	(2.1)	78,182	(9.4)

Note: Comprehensive income – Fiscal 2020, 1st Quarter: 87,081 million yen (an increase of 4.8%), Fiscal 2019, 1st Quarter: 83,055 million yen (a decrease of 12.8%)

	Earnings per share —Basic	Earnings per share —Diluted
	Yen	Yen
Fiscal 2020, 1st Quarter	240.79	—
Fiscal 2019, 1st Quarter	203.80	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Fiscal 2020, 1st Quarter	8,146,837	3,125,553	38.0
Fiscal 2019	8,359,676	3,094,378	36.7

Reference: Shareholders' equity – Fiscal 2020, 1st Quarter: 3,098,101 million yen, Fiscal 2019: 3,067,173 million yen

2. Dividends (Year Ended March 31, 2019 and Year Ending March 31, 2020)

	Annual dividends				
	1st quarter end	2nd quarter end	3rd quarter end	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2019	—	75.00	—	75.00	150.00
Fiscal 2020	—	—	—	—	—
(Forecast) Fiscal 2020	—	82.50	—	82.50	165.00

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

3. Forecasts for Fiscal 2020 (Year Ending March 31, 2020)

(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, 2019	1,517,000	2.0	288,000	(1.4)	263,000	(1.3)	184,000	2.8	486.11
Fiscal 2020	3,070,000	2.3	488,000	0.6	446,000	0.6	301,000	2.0	795.21

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 2020 381,822,200 shares Fiscal 2019 381,822,200 shares
- ii Treasury stock at period-end 1st Quarter, Fiscal 2020 3,306,615 shares Fiscal 2019 661,645 shares
- iii Average number of shares during period 1st Quarter, Fiscal 2020 380,305,262 shares 1st Quarter, Fiscal 2019 383,624,997 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 5 in the Attachments. Further, the non-consolidated performance outlook is on the next page.

(Reference)

Forecasts of the Non-consolidated Results for Fiscal 2020 (Year Ending March 31, 2020)

(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, 2019	1,074,000	1.0	242,000	(2.5)	227,000	(2.0)	161,000	(2.5)	424.97
Fiscal 2020	2,141,000	1.3	389,000	(0.7)	353,000	(0.5)	250,000	(0.5)	659.89

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, 2019, to June 30, 2019, and the three months from April 1, 2018, to June 30, 2018.)

(1) Qualitative Information on Consolidated Operating Results

In the first three months of the fiscal year ending March 31, 2020 (from April 1, 2019, to June 30, 2019; the first quarter), despite recent signs of weakness particularly in terms of exports, the Japanese economy improved in such areas as employment and income conditions and continued to recover gradually. In light of this, the JR East Group made progress in various initiatives centered on transportation services, life-style services, and IT & *Suica* services in line with “Move Up” 2027, the Group’s management vision announced in July 2018.

As a result, during the first quarter, operating revenues increased 2.2%, to ¥742.3 billion, mainly due to growth in JR East’s transportation revenues, while operating income increased 4.3%, to ¥144.6 billion. In addition, ordinary income was up 6.7%, to ¥132.7 billion, and profit attributable to owners of parent increased 17.1%, to ¥91.5 billion.

① Deepening Trust

【Pursuing ultimate safety levels】

Guided by “Group Safety Plan 2023,” the Group united as one toward the enhancement and innovation of “safety conduct” and “safety management” by each employee as well as the installation of safety equipment that actively leverages new technologies.

(Specific measures)

- Introduction and promotion of the use of simulators for train crews that enable training using actual video, as well as implementation of practical education and training activities to deepen each employee’s understanding of the nature of their work
- Additional seismic reinforcement covering more areas and facilities to be prepared for a major earthquake, such as an earthquake directly beneath the Tokyo metropolitan area
- Installation of automatic platform gates to steadily reduce injury- or death-causing accidents on railway platforms; installation completed at 37 railway stations (43 railway stations on a line-by-line basis) as of June 30, 2019

【Service quality reforms】

Based on the “Medium-term Vision for Service Quality Reforms 2020,” the JR East Group accelerated various initiatives, including to prevent transportation service disruptions and their impact on passengers from spreading. Through these initiatives, the Group worked to realize its aim of becoming No. 1 for customer satisfaction in the Japanese railway industry.

(Specific measures)

- Improvement of electrical equipment on conventional lines in the Tokyo metropolitan area to steadily reduce transportation disruptions
- Completion of sequential remodelling of railcars to minimize the impact of ground faults (short) as a measure to address the railcar failure that occurred between Sendai and Furukawa on the Tohoku Shinkansen Line in June 2018
- Replacement of railcar components to address the railcar damage at Fukushima Station on the Tohoku Shinkansen Line and updates to the control unit program to address the substation issue on the Joetsu Shinkansen Line that occurred during Golden Week (extended Japanese holiday from late April to early May) in 2019
- Establishment of JR East Service Creation Co., Ltd., which provides pleasant, comfortable services in a comprehensive manner and greater traveling environment value, in April 2019

【Implementing ESG management】

From the perspectives of environment, social, and governance, the Group implemented ESG management, made concerted efforts to resolve the issues of society through its business, and contributed to the sustainable development of regional communities.

(Specific measures)

- Development of Nobeyama Station (scheduled to begin operations in January 2020) on the Koumi Line and Maebashi Station (scheduled to begin operations in March 2020) on the Ryomo Line as “ecoste” model stations
- Preparations at Oga Station on the Oga Line for use of CO₂-free energy utilizing JR Akita Shimohama Wind Power Station (commenced use in July 2019)
- Preparations for launch of test railcar and start of verification tests by the end of fiscal 2022 for hybrid railcars based on hydrogen energy
- Development of child-rearing support facilities (cumulative total of 138 child-rearing-support facilities as of June 30, 2019)
- Launch of *JR EAST Technical Intern Training*, a human resources development program for foreigners, in April 2019

② Realizing affluent lives for “everyone”

【Reforming transportation service quality】

In addition to improving the quality of its transportation services, the Group will propose reasons for travel (experiences) and promote strategies to attract inbound tourists to further expand opportunities for interaction.

(Specific measures)

- Launch of *ALFA-X*, a test railcar geared toward realizing the next generation Shinkansen, in May 2019 and start of test runs
- Start of environmental assessments of plans for the Haneda Airport Access Line (provisional name)
- Start of construction aimed at noise reduction and measurement of ground based equipment from May 2019 to reduce travel time along the Joetsu Shinkansen Line between Omiya and Niigata stations
- Preparations under way for the November 2019 opening of the Sotetsu-JR direct line, which will connect the Sotetsu Line with the JR Line
- Preparations for start of operations of *SAPHIR ODORIKO*, a limited express service for tourists, from spring 2020, which will promote the “real charm” of the Izu area
- Agreement of strategic partnership with Ctrip.com International Ltd., one of the largest online travel agencies in China, in April 2019 to welcome overseas tourists to eastern Japan
- Progress in restoration work to restore operations between Tomioka and Namie stations on the Joban Line by March 31, 2020
- Reduction of travel time through extension of dedicated bus rapid transit (BRT) routes along the Kesenuma and Ofunato lines

【Lifestyle development (town development)】

In addition to promoting the development of terminal stations, the Group engaged in initiatives with local communities to make regional areas more affluent, such as urban development around regional core stations and the promotion of *sexitic industrialization*.

(Specific measures)

- Urban planning for the Shinagawa Development Project (Phase 1) finalized in April 2019 and its realization under way for its opening in around 2024
- Construction under way for start of operations of Takanawa Gateway Station in spring 2020
- JR EAST STARTUP PROGRAM 2019 held from April 2019 in an effort to promote open innovation while also focusing on collaboration at Takanawa Gateway Station
- Verification test for shared office business *STATION WORK* inside stations conducted at *ecute Tachikawa* (Tokyo) and preparations under way for full-fledged start of its operations
- Promotion of urban development centered on Akita Station and construction in progress for *Akita Northern Gate Square* (Akita) and other projects
- Preparations under way for the launch of a large-scale tourist orchard at the end of fiscal 2021 in an area of Sendai City affected by the Great East Japan Earthquake
- Preparations under way for the trial deliveries of fresh fruits from Nagano Prefecture to Tokyo Station through a partnership with Japan Post’s logistics network
- The following projects, which will increase the overall appeal and value of local towns together with local communities, are currently under construction:
 - Phase 1 (East Bldg.) of *SHIBUYA SCRAMBLE SQUARE* (Tokyo), scheduled for opening in November 2019
 - Phase 1 of *WATERS takeshiba* high-rise building and parking lot building (Tokyo), scheduled for opening in April 2020
 - JR Yokohama Tower* and *JR Yokohama Tsuruyacho Building* (Kanagawa), scheduled for opening in 2020
 - Phase 2 of *WATERS takeshiba* theater building (Tokyo), scheduled for opening in 2020
 - The Kawasaki Station West Exit Development Plan*, scheduled for completion in spring 2021
- Construction under way for the hotels in Akihabara, Shin-Kiba, Kamakura, Kawasaki, Gotanda, Sakuragicho and other areas to establish a hotel chain with more than 10,000 guest rooms by around 2020

【Making Suica a shared infrastructure and promoting MaaS】

The Group has promoted efforts to enable *Suica* to be used in various day-to-day activities by enhancing the appeal of *JRE POINT*, the JR EAST Group’s integrated point system, and actively establishing partnerships with other companies. Thanks to such efforts, approximately 77.8 million *Suica* cards were issued as of June 30, 2019. The Group will also launch JR EAST’s MaaS, which provides search, reservation, and payment functions all in one, and promoted efforts to expand this service to regional areas.

(Specific measures : Making *Suica* a shared infrastructure)

- Preparations under way for the September 2019 launch of *Welcome Suica*, a new IC card for overseas visitors to Japan
- Preparations under way for commencement of verification tests in October 2019 with Mizuho Bank, Ltd. for charging digital currency onto the *Suica* app
- Preparations for a new IC ticket service, which will enable ticketless usage of Shinkansen lines through online reservation services such as *eki-net*, to be introduced as of March 31, 2020
- Preparations under way for the spring 2020 launch of a collaborative service with Rakuten Payment, Inc. for

- issuing *Suica* through the Rakuten Pay app
- Increase in membership for *JRE POINT* (approximately 10.1 million members as of June 30, 2019)

(Specific measures: Promoting MaaS)

- Establishment of a dedicated structure in April 2019 for preparations for the integrated planning and design of business strategies and implementing measures in a timely manner
- Implementation of verification tests on tourism-oriented MaaS utilizing the *Izuko* app dedicated for such service from April 2019 in collaboration with TOKYU CORPORATION and other companies
- Renewal of services in April 2019 for the *JR EAST app*—which plays a significant role in MaaS—such as adding Route Search function to basic functions and establishing clear designs
- Commencement of discussions on tourism-oriented MaaS for the Sendai region through collaboration with Miyagi Prefecture and Sendai City

【Tokyo 2020 Olympic and Paralympic Games】

Guided by its communication slogan “TICKET TO TOMORROW,” the Group will raise the quality of its services in all of its business domains and pass down its “legacy” to everyone in the Group and society in 2020 and beyond as an Official Passenger Rail Transportation Services Partner of the Tokyo 2020 Olympic and Paralympic Games.

(Specific measures)

- Upgrade of railway stations near stadiums to be completed in around spring 2020
- Preparations under way for implementing measures to deal with the issue of morning rush hour traffic
- Discussions under way for extending services into late-night hours and increasing services during the daytime
- Provision of protective materials to stations and trains to heighten security through employees and monitoring through the use of networks and increased installation of security cameras to strengthen security measures for railways
- Promotion of the use of translation apps and other language-related tools to provide guidance in multiple languages under extraordinary circumstances

【Developing businesses for the world】

The JR East Group developed transportation services and life-style services overseas to meet the needs of each country and offer more affluent lifestyles.

(Specific measures)

- Opening of *JW360°*, a store featuring restaurants, retail outlets, and other establishments, within Singapore’s Jewel Changi Airport, in April 2019 by a local subsidiary of JR East in collaboration with a local subsidiary of Mitsui & Co., Ltd.
- Preparations under way for start of trial operation of vending machines from July 2019 at West Midlands Railway stations in the United Kingdom
- Preparations under way for opening of *One&Co*, an interactive platform for Japanese companies with locations in Singapore’s central business district, in August 2019

③ Happiness of employees and their families

The JR East Group made efforts to promote operational and working style reforms, strengthen its corporate structure, and realize the happiness of its employees and their families with the goal of creating a sense of fulfillment in work for its employees, who represent the foundation for the sustainable growth “Move Up” 2027 aims to achieve.

(Specific measures)

- Establishment of new Shinkansen General Management Department, which integrates operations in a centralized, specialized manner, in April 2019 with the aim of providing safer, higher-quality services on the Shinkansen
- Formulation of “Medium-term Vision for Health and Productivity Management 2023” in April 2019 to improve the health and energy of each employee
- Preparations under way for the introduction of new job rotation system with improved career advancement capabilities from April 2020 to improve the quality of safety and services of station attendants, drivers, and other employees through gaining a wide range of experience

Overview by Segment

Transportation

In the Transportation segment, JR East made efforts that gave priority to increasing the safety and reliability of transportation. At the same time, JR East advanced measures centered on railways to promote the use of its transportation networks and thereby achieve reliable revenues. Specifically, we held the Shizuoka Destination Campaign and various other campaigns with the aim of expanding opportunities for interaction. We also began operations of J-Village Station, a new railway station along the Joban Line, in April 2019. Further, we addressed the high demand during the 10-day Golden Week period by temporarily increasing the number of services.

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 1.8%, to ¥525.9 billion.

Similarly, operating income increased 3.5%, to ¥108.2 billion.

Retail & Services

In the Retail & Services segment, JR East made efforts toward lifestyle development (town development) and enhanced the value of existing businesses. Specifically, we opened new stores and renewed existing stores in *GranSta* (Tokyo) in April 2019. In June 2019, we also commenced deliveries of deep-water shrimp from Niigata Prefecture and raw sea urchin from Iwate Prefecture on the Shinkansen and conducted verification tests on sales at seafood shops inside *ecute Shinagawa* (Tokyo). Further, we partnered with JAPAN POST Co., Ltd. and other companies to launch *JJ+T*, which provides one-stop solutions for lifestyle development, inside *ecute Tachikawa* in May 2019.

As a result of these initiatives as well as strong sales at stores in Tokyo Station and other stations, operating revenues of the Retail & Services segment increased 0.1%, to ¥140.7 billion. Operating income decreased 0.2%, to ¥8.9 billion, due to the weak sales of advertising and publicity services.

Real Estate & Hotels

In the Real Estate & Hotels segment, JR East proceeded with development projects that reflected an awareness of lifestyle development (town development) in line-side areas and surrounding areas, including large-scale terminal stations in the Tokyo metropolitan area, to increase the overall appeal and value of local towns together with local communities. Specifically, we moved ahead with construction for the remodeling and reopening of the Tsuchiura Station Building and newly began operations of the restaurant area, retail stores, and other establishments at *PLAY atre TSUCHIURA* (Ibaraki), one of Japan's largest resorts for cyclists. We also underwent renewal and began operations of the *Ekichica Kitchen* area inside *S-PAL Sendaï's* main building (Miyagi) in April 2019.

In addition increased revenues from office buildings and Lumine Co., Ltd. contributed to the operating revenues of the Real Estate & Hotels segment to increase 2.2%, to ¥92.4 billion. Similarly, operating income increased 5.6%, to ¥23.2 billion.

Others

In *Suica* shopping services (electronic money), JR EAST continued to actively increase the number of compatible stores through efforts that included advancing the introduction of *Suica* electronic money to taxis. As a result, in May 2019 monthly transactions for *Suica* and other public transportation electronic money surpassed 210 million transactions.

With respect to participation in overseas railway projects, through the subsidiary Japan International Consultants for Transportation Co., Ltd., JR East provided consultation services for the "General Consultancy of The Mumbai-Ahmedabad High Speed Railway Project" and supervised the construction of a training center for National High Speed Rail Corporation Limited (NHSRC) in India.

In addition revenues from information processing operations and credit card operations increased. As the result operating revenues from Others increased 9.6%, to ¥55.4 billion and operating income increased 42.9%, to ¥3.9 billion.

Note: 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) Qualitative Information on Consolidated Performance Outlook

In line with the Group Mission and "Move Up" 2027, the JR East Group's management vision, we will continue to position safety as management's top priority, strive to further enhance the trust of our customers, strengthen our network capabilities centered on technology and information, and realize affluent lives for customers and everyone in communities. The business environment surrounding the Group is undergoing significant changes, such as the continuous population decline as well as autonomous driving and other technological innovations. However, we are moving ahead with efforts such as the introduction of various innovations that look ahead to the future and the active formation of partnerships with external organizations in order to raise our profitability and productivity while shifting our business story from a railway perspective to a human perspective to advance new growth strategies.

After reviewing the operating results for the first quarter ended June 30, 2019, JR East has maintained its consolidated first-half and full-term business forecasts for the fiscal year ending March 31, 2020, which it announced on April 25, 2019.

2. Quarterly Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheets (Unaudited)

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES

	Millions of Yen	
	Fiscal 2019 (As of March 31, 2019)	Fiscal 2020, 1st Quarter (As of June 30, 2019)
ASSETS		
Current Assets	¥ 978,775	¥ 774,003
Cash and time deposits	173,908	93,469
Notes and accounts receivable-trade	533,453	476,004
Fares receivable	55,518	45,477
Securities	90,010	10
Real estate for sale	1,393	1,675
Inventories	60,253	74,641
Other	66,257	84,717
Allowance for doubtful accounts	(2,019)	(1,991)
Fixed Assets	7,380,364	7,372,213
Property, plant and equipment, net of accumulated depreciation	6,692,223	6,706,032
Buildings and fixtures (net)	3,427,567	3,400,612
Machinery, rolling stock and vehicles (net)	740,570	730,270
Land	2,064,590	2,097,559
Construction in progress	385,348	404,362
Other (net)	74,146	73,227
Intangible assets	109,757	107,876
Investments and other assets	578,383	558,305
Investments in securities	298,796	293,294
Long-term loans receivable	1,471	1,514
Deferred tax assets	209,049	194,979
Net defined benefit assets	298	330
Other	69,736	69,152
Allowance for doubtful accounts	(968)	(965)
Deferred Assets	536	620
Total Assets	¥8,359,676	¥8,146,837

Note: Amounts less than one million yen are omitted.

	Millions of Yen	
	Fiscal 2019, (As of March 31, 2019)	Fiscal 2020, 1st Quarter (As of June 30, 2019)
LIABILITIES		
Current Liabilities	¥1,438,975	¥1,190,279
Notes and accounts payable-trade	64,610	52,471
Short-term loans and current portion of long-term loans	110,453	110,305
Current portion of bonds	125,000	125,000
Current portion of long-term liabilities		
incurred for purchase of railway facilities	4,199	4,199
Payables	516,309	247,730
Accrued consumption taxes	22,532	32,269
Accrued income taxes	58,882	23,658
Fare deposits received with regard to railway connecting services	29,672	25,184
Prepaid railway fares received	105,214	113,287
Allowance for bonuses to employees	76,376	45,063
Allowance for earthquake-damage losses	9,133	8,976
Other	316,591	402,133
Long-Term Liabilities	3,826,322	3,831,004
Bonds	1,605,192	1,605,206
Long-term loans	996,685	996,134
Long-term liabilities incurred for purchase of railway facilities	327,926	327,926
Deferred tax liabilities	3,703	3,635
Provision for large-scale renovation		
of Shinkansen infrastructure	72,000	78,000
Allowance for partial transfer costs of railway operation	2,417	2,409
Net defined benefit liabilities	554,236	542,466
Other	264,159	275,224
Total Liabilities	¥5,265,297	¥5,021,283
NET ASSETS		
Shareholders' Equity	¥2,996,473	¥3,032,142
Common stock	200,000	200,000
Capital surplus	96,796	96,796
Retained earnings	2,705,184	2,768,147
Treasury stock, at cost	(5,507)	(32,801)
Accumulated Other Comprehensive Income	70,700	65,958
Net unrealized holding gains (losses) on securities	58,965	54,390
Net deferred gains (losses) on derivatives under		
hedge accounting	1,584	1,368
Revaluation reserve for land	(418)	(418)
Foreign currency translation adjustments	(5)	(2)
Remeasurements of defined benefit plans	10,574	10,621
Non-Controlling Interests	27,204	27,452
Total Net Assets	3,094,378	3,125,553
Total Liabilities and Net Assets	¥8,359,676	¥8,146,837

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 2019, 1st Quarter (Three months ended June 30, 2018)	Fiscal 2020, 1st Quarter (Three months ended June 30, 2019)
Operating Revenues	¥726,359	¥742,382
Operating Expenses	587,667	597,748
Transportation, other services and cost of sales	442,641	449,974
Selling, general and administrative expenses	145,025	147,774
Operating Income	138,691	144,633
Non-Operating Income	3,809	5,272
Interest income	4	2
Dividend income	2,987	3,784
Other	817	1,485
Non-Operating Expenses	18,094	17,163
Interest expense	15,805	15,310
Equity in net losses of affiliated companies	636	18
Other	1,653	1,834
Ordinary Income	124,407	132,741
Extraordinary Gains	32,289	3,689
Construction grants received	32,156	3,549
Other	132	140
Extraordinary Losses	40,244	4,661
Losses on reduction entry for construction grants	32,123	2,920
Other	8,121	1,741
Income before Income Taxes	116,452	131,770
Income Taxes	37,746	39,943
Current	21,757	24,255
Deferred	15,988	15,687
Profit	78,706	91,827
Profit Attributable to Non-Controlling Interests	523	251
Profit Attributable to Owners of Parent	¥ 78,182	¥ 91,575

Note: Amounts less than one million yen are omitted.

(ii) Consolidated Statements of Comprehensive Income

	Millions of Yen	
	Fiscal 2019, 1st Quarter (Three months ended June 30, 2018)	Fiscal 2020, 1st Quarter (Three months ended June 30, 2019)
Profit	¥78,706	¥91,827
Other Comprehensive Income	4,349	(4,745)
Net unrealized holding gains (losses) on securities	2,566	(4,045)
Net deferred gains (losses) on derivatives under hedge accounting	354	45
Foreign currency translation adjustments	(0)	3
Remeasurements of defined benefit plans	(54)	(121)
Share of other comprehensive income of associates accounted for using equity method	1,484	(626)
Comprehensive Income	¥83,055	¥87,081
Comprehensive Income attributable to		
Comprehensive income attributable to owners of the parent	¥82,516	¥86,833
Comprehensive income attributable to non-controlling interests	¥ 539	¥ 247

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 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.

Fiscal 2020, 1st Quarter (Three months ended June 30, 2019)	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	¥505,893	¥125,631	¥87,386	¥23,470	¥742,382	¥ —	¥742,382
Inside group	20,081	15,131	5,054	31,983	72,251	(72,251)	—
Total	525,975	140,762	92,441	55,454	814,633	(72,251)	742,382
Segment income	¥108,233	¥ 8,926	¥23,224	¥ 3,986	¥144,371	¥ 262	¥144,633

- 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 ¥262 million adjustment to segment income includes a ¥283 million elimination of unrealized holding gains (losses) on fixed assets and inventory assets and a ¥(21) 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, 2019 was ¥32,801 million, an increase of ¥27,294 million from March 31, 2019. This was mainly due to the Company's acquisition of 2,644,700 shares of its common stock for ¥27,291 million through open market purchase on the Tokyo Stock Exchange from May 15 through June 30, 2019, in accordance with a resolution at a meeting of the Board of Directors held on April 25, 2019.

(Additional Information Regarding Operating Results)

Consolidated Principal Indicators

	Fiscal 2019, 1st Quarter (Three months ended June 30, 2018)	Fiscal 2019 (Year ended March 31, 2019)	Fiscal 2020, 1st Quarter (Three months ended June 30, 2019)	Increase (Decrease)
	(A)	(B)	(C)	(C)-(A)
Ratio of operating income to average assets (ROA) (%)	1.7	5.9	1.8	0.0
Return on average equity (ROE) (%)	2.7	10.0	3.0	0.3

Numerical Targets for the Fiscal Year Ending March 31, 2023

	Billions of Yen				
	Actual Fiscal 2019	Forecast Fiscal 2020	Fiscal 2023 Targets	Change	
	(A)	(B)	(C)	Increase (Decrease) (C)-(A)	% (C)/(A)x100
Operating Revenues	3,002.0	3,070.0	3,295.0	292.9	109.8
Transportation	2,038.1	2,080.0	2,100.0	61.8	103.0
Retail & Services	521.8	524.0	660.0	138.1	126.5
Real Estate & Hotels	349.0	362.0	440.0	90.9	126.1
Others	92.9	104.0	95.0	2.0	102.2
Operating Income	484.8	488.0	520.0	35.1	107.2
Transportation	341.9	342.0	330.0	(11.9)	96.5
Retail & Services	39.2	40.0	56.0	16.7	142.7
Real Estate & Hotels	81.4	83.0	109.0	27.5	133.9
Others	23.8	25.0	26.0	2.1	109.2
Elimination and/or corporate	(1.5)	(2.0)	(1.0)	0.5	64.7

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

Consolidated Capital Expenditures

	Billions of Yen						
	Actual Fiscal 2019, 1st Quarter (Three months ended June 30, 2018)	Actual Fiscal 2020, 1st Quarter (Three months ended June 30, 2019)	Change		Plans for Fiscal 2020	Change Increase (Decrease)	
	(A)	(B)	Increase (Decrease) (B)-(A)	% (B)/(A)x100	(C)	year on year	
Capital expenditures	73.6	107.0	33.3	145.3	768.0	138.0	
Segment							
Transportation Services	Transportation	34.6	39.1	4.4	112.8	515.0	82.6
Life-style Services, IT & Suica Services	Retail & Services Real Estate & Hotels Others	38.9	67.8	28.9	174.2	253.0	55.3

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 2019, 1st Quarter (Three months ended June 30, 2018) (A)	Fiscal 2020, 1st Quarter (Three months ended June 30, 2019) (B)	Change Increase (Decrease) (B)-(A)	(B)/(A)x100	Fiscal 2019, 1st Quarter (Three months ended June 30, 2018) (C)	Fiscal 2020, 1st Quarter (Three months ended June 30, 2019) (D)	Change Increase (Decrease) (D)-(C)	(D)/(C)x100
Shinkansen Network								
Commuter Passes	455	459	3	100.9	6.2	6.3	0.0	100.7
Other	5,173	5,328	155	103.0	134.4	138.9	4.4	103.3
Total	5,628	5,788	159	102.8	140.7	145.2	4.4	103.2
Conventional Lines								
<i>Kanto Area Network</i>								
Commuter Passes	18,094	18,072	(22)	99.9	117.6	117.6	(0.0)	99.9
Other	9,131	9,319	187	102.1	180.7	183.0	2.3	101.3
Total	27,226	27,391	165	100.6	298.4	300.6	2.2	100.7
<i>Other Network</i>								
Commuter Passes	789	778	(10)	98.6	4.7	4.6	(0.0)	98.7
Other	606	625	19	103.2	12.2	12.5	0.3	102.8
Total	1,396	1,404	8	100.6	16.9	17.2	0.2	101.7
<i>Total</i>								
Commuter Passes	18,884	18,851	(32)	99.8	122.4	122.2	(0.1)	99.9
Other	9,738	9,945	207	102.1	192.9	195.6	2.6	101.4
Total	28,622	28,796	174	100.6	315.4	317.9	2.4	100.8
Total								
Commuter Passes	19,339	19,310	(28)	99.9	128.7	128.6	(0.1)	99.9
Other	14,911	15,273	362	102.4	327.4	334.5	7.0	102.2
Total	34,250	34,584	333	101.0	456.1	463.1	6.9	101.5

- 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.