

Consolidated Financial Results for the Three-Month Period Ended June 30, 2020 (Japanese GAAP) (Unaudited)

Fiscal 2021 (Year ending March 31, 2021)

"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, 2020

East Japan Railway Company

Stock Exchange Listing

Tokyo

Securities Code

9020

URL

<https://www.jreast.co.jp/e>

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Scheduled Date for Release of a Quarterly Report

August 6, 2020

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, 2020 (April 1, 2020—June 30, 2020)

(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 2021, 1st Quarter | 332,946 | (55.2) | (178,306) | — | (197,506) | — | (155,377) | — |
| Fiscal 2020, 1st Quarter | 742,382 | 2.2 | 144,633 | 4.3 | 132,741 | 6.7 | 91,575 | 17.1 |

Note: Comprehensive income – Fiscal 2021, 1st Quarter: (156,749) million yen (— %), Fiscal 2020, 1st Quarter: 87,081 million yen (an increase of 4.8%)

| | Earnings per share —Basic | Earnings per share —Diluted |
|---------------------------------|------------------------------|--------------------------------|
| | Yen | Yen |
| Fiscal 2021, 1st Quarter | (411.88) | — |
| Fiscal 2020, 1st Quarter | 240.79 | — |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|---------------------------------|------------------|------------------|--------------|
| | Millions of yen | Millions of yen | % |
| Fiscal 2021, 1st Quarter | 8,672,127 | 2,985,807 | 34.1 |
| Fiscal 2020 | 8,537,059 | 3,173,427 | 36.9 |

Reference: Shareholders' equity – Fiscal 2021, 1st Quarter: 2,959,577 million yen, Fiscal 2020: 3,146,196 million yen

2. Dividends (Year Ended March 31, 2020 and Year Ending March 31, 2021)

| | Annual dividends | | | | |
|------------------------|------------------|-----------------|-----------------|----------|----------|
| | 1st quarter end | 2nd quarter end | 3rd quarter end | Year end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal 2020 | — | 82.50 | — | 82.50 | 165.00 |
| Fiscal 2021 | — | — | — | — | — |
| (Forecast) Fiscal 2021 | — | — | — | — | — |

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

Dividend forecasts for the year ending March 31, 2021 have yet to be determined at this time for the reason stated in "3. Forecasts for Fiscal 2021 (Year Ending March 31, 2021)" below.

3. Forecasts for Fiscal 2021 (Year Ending March 31, 2021)

Consolidated forecasts for the year ending March 31, 2021 have yet to be determined at this time, because the outlook for JR East's revenue trends and other factors have become extremely uncertain as a result of COVID-19. These forecasts will be announced promptly as soon as they can be determined.

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

※ Notes

(1) Changes to principal subsidiaries during the period (status changes of specified subsidiaries due to changes in the scope of consolidation): No

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 2021 | 377,932,400 shares | Fiscal 2020 | 377,932,400 shares |
| ii | Treasury stock at period-end | 1st Quarter, Fiscal 2021 | 691,308 shares | Fiscal 2020 | 691,228 shares |
| iii | Average number of shares during period | 1st Quarter, Fiscal 2021 | 377,241,147 shares | 1st Quarter, Fiscal 2020 | 380,305,262 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 6 in the Attachments. Further, the non-consolidated performance outlook is on the next page.

(Reference)

Forecasts of the Non-consolidated results for Fiscal 2021 (Year Ending March 31, 2021)

Non-consolidated forecasts for the year ending March 31, 2021 have yet to be determined at this time, because the outlook for JR East's revenue trends and other factors have become extremely uncertain as a result of COVID-19. These forecasts will be announced promptly as soon as they can be determined.

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, 2020, to June 30, 2020, and the three months from April 1, 2019, to June 30, 2019.)

(1) Qualitative Information on Consolidated Operating Results

In the first three months of the fiscal year ending March 31, 2021 (from April 1, 2020, to June 30, 2020, the first quarter of fiscal 2021), the Japanese economy faced extremely difficult circumstances due to the spread of COVID-19.

The external environment surrounding the JR East Group was also severe. There was a significant decline in customers using railways following the spread of COVID-19. In addition, with respect to the life-style service business, there have been declines in the use of stores and restaurants within railway stations and station buildings as well as the use of hotels. In light of this situation, the Group has been placing the utmost priority on preventing the spread of COVID-19 to its customers and employees and ensuring the safety and reliability of transportation and the quality of its services. Furthermore, in light of structural changes that will occur in the "post-COVID" society, the Group actively pursued a number of challenges with a view to realizing its management vision "Move Up" 2027.

As a result, during the first quarter, operating revenues decreased 55.2%, to ¥332.9 billion, due mainly to the significant revenue declines in the Transportation, Retail & Services, and Real Estate & Hotels segments, which were attributable to the impact from the spread of COVID-19. In addition, following this decrease in operating revenues, we recorded operating loss of ¥178.3 billion (operating income of ¥144.6 billion in the first quarter of fiscal 2020), ordinary loss of ¥197.5 billion (ordinary income of ¥132.7 billion in the first quarter of fiscal 2020), and loss attributable to owners of parent of ¥155.3 billion (profit attributable to owners of parent of ¥91.5 billion in the first quarter of fiscal 2020).

Deepening trust

【Pursuing ultimate safety levels】

Based on the "Group Safety Plan 2023," the JR East 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)

- Additional seismic reinforcement covering more areas and facilities to prepare for a major earthquake, such as an earthquake directly beneath the Tokyo metropolitan area
- Implementation of practical training for train crew through actual video making use of simulators installed at all workplaces
- Installation of automatic platform gates completed at 51 railway stations (61 railway stations on a line-by-line basis) as of June 30, 2020
- Establishment of anti-flooding measures for critical facilities and equipment and policies on moving railcars to safe places in light of the damage caused by flooded rivers and other hazards brought about by Typhoon No. 19 (Hagibis) in 2019

【Service quality reforms】

Based on "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 as well as to strengthen information provision. 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 with the aim of reducing transportation disruptions
- Establishment of a framework to promptly provide relevant information in the event of a planned suspension of operations when a typhoon approaches
- Implementation of year-round "Assistance and support campaign", which encourages our personnel to proactively ask customers whether they require assistance
- Commencement of the provision of information on the status of congestion inside trains over the last week in 15 sections of 13 line segments in the Tokyo metropolitan area via the JR East corporate website and the *JR East app*
- Preparations under way to expand services from July 2020 on the *JR East app* for providing real-time information on congestion in major line segments in the Tokyo metropolitan area and at stations on the Yamanote Line
- Preparations under way to enable the use of mobile phone services from July 2020 on all train lines, including within tunnels, on the Tohoku, Joetsu, and Hokuriku Shinkansen lines
- Continuing preparations under way to provide services with revamped content, including linkages with *JRE POINT* and support for reserving and purchasing discount tickets, for the online ticket purchase service *eki-net* by around summer 2021

【Implementing ESG management】

From the environment, social, and governance perspectives, the JR East Group implemented ESG management and made efforts to contribute to the sustainable development of local communities by solving social issues through its businesses. At the same time, the Group promoted efforts geared toward achieving the Sustainable Development Goals (SDGs).

(Specific measures)

- Announcement of “Zero-Carbon Challenge 2050”, a goal that aims to achieve net zero CO₂ emissions by fiscal 2051, in May 2020
- Establishment of the Energy Strategy Department in June 2020 to accelerate promotion of energy strategies
- Promotion of the replacement of plastic bags and straws used inside ticket gate areas and at hotels and other locations with those made of substitute materials with a campaign to distribute eco-bags in June 2020, with the aim of reducing plastic
- Preparations under way for launching of test hybrid railcars based on hydrogen energy and starting of verification tests by the end of fiscal 2022
- Expansion of the number of stations offering the *mamorail* service, which watches over children, to 495 railway stations in the Tokyo metropolitan area in April 2020, including stations of the Bureau of Transportation of Tokyo Metropolitan Government and Tokyo Metro Co., Ltd.
- Development of child-rearing support facilities (cumulative total of 144 child-rearing-support facilities as of June 30, 2020)

Realizing affluent lives for “everyone”

【Reforming transportation service quality】

In addition to improving the quality of its transportation services, the JR East Group made such efforts as building momentum for travel and promoting the flow of people while taking measures to prevent the spread of COVID-19.

(Specific measures)

- Implementation of test runs of *ALFA-X*, a test railcar geared toward realizing the next generation Shinkansen
- Promotion of procedures related to environmental assessments for the Haneda Airport Access Line (provisional name)
- Implementation of examinations of technological issues, such as installing new systems and facilities needed to implement driver-less train operations
- Preparations to launch a new fare plan, *Osaki Ni Tokudane Special (50% discount)*, which applies to the Shinkansen services to all directions
- Commencement of dissemination of the online content *Let's Enjoy Trains at Home* from May 2020 with the aim of building momentum for travel via railways while people are currently refraining from travel due to the spread of COVID-19
- Parallelization of the train platforms of the Saikyo Line and the Yamanote Line at Shibuya Station in June 2020, thereby making it easier for customers to transfer trains
- Gradual completion of new Series E235 railcars for the Yokosuka Line and the Sobu Line Rapid Service from June 2020 and commenced preparations under way to put these railcars into operation
- Preparations under way to introduce new railcars in the Boso and Kashima areas around spring 2021

【Lifestyle development (town development)】

The JR East Group promoted such efforts as urban development, terminal station development, and the opening of hotels with the aim of enhancing profitability.

(Specific measures)

- Establishment of Station City Energy Create Co., Ltd. in April 2020 with the aim of managing energy for the Shinagawa Development Project by utilizing advanced environmental technologies
- Preparation for the opening of such attractions as a pavilion that provides a simulated experience of the future and a digital art museum that uses the latest imaging technology for the *Takanawa Gateway Fest* to be held from July 2020
- Preparations under way for various kinds of robot verification tests in July 2020 at Takanawa Gateway Station with a view to introducing robots to perform disinfecting procedures, deliveries, and other work
- Holding of *JR EAST STARTUP PROGRAM 2020*, based on the theme of regional revitalization, in April 2020 with the aim of promoting open innovation
- Establishment of JR East Foods Co., Ltd. in April 2020 through the merger of the subsidiaries Nippon Restaurant Enterprise Co., Ltd. and JR EAST FOOD BUSINESS CO., LTD. with the goal of maximizing station value
- Launch of a service for members of *STATION WORK*, a shared office program within train stations, in June 2020 that enables members to use guest rooms at *JR-EAST HOTEL METS* on a half-day basis to further promote shared office service
- Development of the area surrounding the North Passage in Tokyo Station with the aim of opening *GranSta Tokyo* (Tokyo), one of our largest commercial facilities inside a railway station
- Preparations under way to open station buildings including the following projects in a bid to increase the overall appeal and value of local towns together with local communities:
WATERS takeshiba (theater building) (Tokyo), scheduled for opening after August 2020

HIBIYA OKUROJI (Tokyo), scheduled for opening in September 2020
KAWASAKI DELTA (Kanagawa), scheduled for opening in spring 2021

- Preparations under way to open hotels in Yamagata, Akita, and other areas to establish a hotel chain with more than 10,000 guest rooms

【Regional revitalization】

The JR East Group is working to promote regional revitalization in all areas of East Japan through not only the promotion of tourism and urban development around regional core stations, but also the *sextic industrialization* of the agriculture, forestry, and fishing industries. By doing so, the Group will enrich local communities.

(Specific measures)

- Opening of *A-FACTORY Hirosaki Yoshino-cho Cider Brewery* (Aomori) in April 2020
- June 2020 sale of cherries produced in Yamagata Prefecture in the Tokyo metropolitan area through the utilization of distribution via Shinkansen lines and other measures in collaboration with JAPAN POST Co., Ltd. and others
- Commencement of preparations for the launch of a large-scale tourist orchard at the end of fiscal 2021 in an area of Sendai City that was affected by the Great East Japan Earthquake

【Making *Suica* a shared infrastructure and promoting MaaS】

By enhancing the attractiveness of *JRE POINT* and actively collaborating with other companies, the JR East Group promoted efforts to enable *Suica* use in a variety of lifestyle settings. At the same time, the Group worked to popularize MaaS in Japan.

(Specific measures)

- Establishment of the MaaS & *Suica* Promotion Headquarters in June 2020 to promote a three-pronged approach focused on *Suica*, MaaS, and data marketing
- Participation in a “cashless, consumer-returns business” and, in conjunction with this participation, conducted an original campaign that increased the amount of *JRE POINTs* returned to customers when making purchases with cashless payment at station buildings and inside railway stations
- Implementation of *Gugutto GunMaaS*, a verification test for *tourism-oriented MaaS*, from April to June 2020 in tandem with the *Gunma Destination Campaign*
- Launch of a service that enables *Suica* use with the Rakuten Pay app in May 2020 in collaboration with Rakuten Payment, Inc.
- Preparations under way to introduce *Multi-function Card for Regional Transit*, which combines the functions of *Suica* with those of IC public transportation cards of regional transportation systems to promote increased use of *Suica* in regional areas, in the Utsunomiya and Iwate areas from spring 2021
- Participation in *Individual Number Card Points Program*, starting in July 2020, and proceeded with preparations for the *Earn Individual Number Card Points* with *Suica* campaign to promote *Suica* use

【Tokyo 2020 Olympic and Paralympic Games】

The Tokyo 2020 Olympic and Paralympic Games have been postponed. However, guided by its communication slogan “TICKET TO TOMORROW,” the JR East Group will proceed with preparations as an Official Passenger Rail Transportation Services Partner of the Tokyo 2020 Olympic and Paralympic Games.

(Specific measures)

- Upgrading of railway stations near stadiums including Sendagaya, Shin-Kiba and Shinjuku stations
- 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
- Implementation of display the time until a train arrives at a station and provided real-time information on departing train information boards on platforms of the Yamanote Line
- Continuing of display *TOKYO SPORTS STATION*, a project that introduces the highlights and must-see points of each competition of the Tokyo 2020 Olympic and Paralympic Games, primarily on monitors on trains

【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)

- Preparations under way to open *Hotel Metropolitan Premier Taipei*, the JR East Group’s first overseas hotel, by early 2021
- Provision of opportunities for employees to receive English conversation lessons from foreign instructors with the aim of improving their business-level English

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 “a new job rotation system” in April 2020 that aims to flexibly respond to the diverse ambitions of employees and promote an even more active role and further the growth of each employee in a broad range of fields
- Renewal of uniforms for station and railcar attendants in May 2020 as a symbol for taking on challenges with a new sense of enthusiasm under the aim of realizing “Move Up” 2027
- Revision of systems for enhancing job fulfillment for employees through such means as further enhancing child-rearing and nursing-care leave. At the same time, promotion of the introduction of flextime at certain on-site work locations
- Promotion of a *cross-organizational project* in which employees at on-site work locations go beyond the framework of their position to create opportunities to leverage their creativity more closely with customers

Segment Information

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 to secure revenues after giving first priority to establishing an environment where customers can use its railways safely. Specifically, we engaged in PR activities that focused on safety and sanitation, which involved such efforts as disinfecting and ventilating areas within stations and railcars as well as requiring all station staff and train crew to wear masks. In addition, we encouraged the use of touchless payment services such as *Suica* and Shinkansen e-tickets. Furthermore, as a means to promote the flow of people, in June 2020 we established bargain travel products that involved limited departure dates with the aim of spreading out peak travel times.

Despite these efforts, operating revenues in the Transportation segment were down 57.0%, to ¥226.1 billion, owing to major revenue declines in the railway and bus businesses caused by the impact from the spread of COVID-19. In addition, the segment recorded operating loss of ¥162.9 billion (operating income of ¥108.2 billion in the first quarter of fiscal 2020).

Retail & Services

In the Retail & Services segment, JR East made efforts toward lifestyle development (town development) by opening new stores and enhancing the value of existing businesses. Specifically, we renovated and reopened *Gyutan Street* and *Sushi Street* at Sendai Station in May 2020. In the same month, we opened the *KINOKUNIYA JR Kyoto Isetan* branch (Kyoto), which represents the first *KINOKUNIYA* store to open outside of JR East's area of operation. Furthermore, in June 2020 we opened four new stores in the newly developed area of *ecute Ueno* (Tokyo).

However, operating revenues in the Retail & Services segment were down 51.6%, to ¥68.1 billion, due in part to the significant revenue declines at stores and restaurants within railway stations and in advertising and publicity services, which were the result of the impact from the spread of COVID-19. Furthermore, the segment recorded operating loss of ¥10.3 billion (operating income of ¥8.9 billion in the first quarter of fiscal 2020).

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 opened *mesm Tokyo*, *Autograph Collection* (Tokyo), and *HOTEL METROPOLITAN KAMAKURA* (Kanagawa) in April 2020. In May 2020, we opened *HOTEL METROPOLITAN KAWASAKI* (Kanagawa). We also opened *JR-EAST HOTEL METS YOKOHAMA* (Kanagawa) and *JR-EAST HOTEL METS YOKOHAMA SAKURAGICHO* (Kanagawa) in June 2020. Furthermore, in the same month we opened *atré Takeshiba* (Phase I opening) (Tokyo), *CIAL YOKOHAMA* (Kanagawa), and *NEWoMan YOKOHAMA* (Kanagawa). Additionally, to promote lifestyle development in line-side areas, in June 2020 we began accepting tenants at *View Lieto Gran Shinjuku Toyama* (Tokyo), a large-scale rental housing complex.

Despite these efforts, operating revenues in the Real Estate & Hotels segment were down 42.7%, to ¥52.9 billion, as the spread of COVID-19 led to a major revenue decline at station buildings, which saw temporary closings and reduced operating hours, as well as significantly lower revenue at hotels. The segment also posted operating loss of ¥6.3 billion (operating income of ¥23.2 billion in the first quarter of fiscal 2020).

Others

In *Suica* shopping services (electronic money), JR East continued efforts to expand the number of compatible stores by enabling *Suica* use at restaurants and other locations. As of June 30, 2020, approximately 83.43 million *Suica* cards were issued.

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 “Detailed Design Study on the High Speed Railway Construction Project in India” and supervised the construction of a training center for National High Speed Rail Corporation

Limited (NHSRCL) in India.

However, with the impact from the spread of COVID-19, operating revenues from Others were down 7.3%, to ¥51.4 billion, as revenue from the credit card business decreased significantly as a result of a decrease in the number of customers using railway services and station buildings and other facilities. In addition, operating income declined 79.3%, to ¥0.8 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 (loss) of each segment of JR East corresponds to the segment income (loss) under the said Accounting Standard and Guidance.

(2) Qualitative Information on Consolidated Performance Outlook

The spread of COVID-19 has significantly impacted the entire Japanese economy, and for the time being, we have recognized that we will continue to face an extremely severe situation, including a major reduction in transportation demand. Furthermore, over the medium to long term, we anticipate dramatic and rapid changes in the external business environment, such as further decline and aging of Japan's population and progress of technological innovation, including automated driving, and digital transformation (often referred to as "DX"). In addition, transformation in people's behavior and values in the post-COVID society will accelerate such changes.

In light of these circumstances, the JR East Group will use its best efforts to respond to the impact of the spread of COVID-19 to achieve early recovery of its business performance. The JR East Group will achieve both its own growth and the development of regional society, while take greater steps than ever before to accelerate efforts geared toward realizing its management vision "Move Up" 2027.

In addition, we have yet to determine our consolidated performance forecasts for the fiscal year ending March 31, 2021, as revenue trends and other factors are extremely uncertain due to the impact of COVID-19 and reasonable projections are difficult to make at this time. These forecasts will be announced promptly as soon as they can be determined.

(3) Our Approach toward COVID-19

Since the spread of COVID-19 intensified, customer use of each of the JR East Group's businesses, including railways, declined significantly (the downward impact of the spread of COVID-19 was approximately ¥398.0 billion in operating revenues for the first quarter).

The Group has implemented responses to the COVID-19 pandemic based on the following three pillars.

- Thoroughly enforce measures to ensure that our customers can use our services in a safe and sanitary environment, including disinfecting and ventilating areas within railway stations and railcars. At the same time, fulfill our social mission by providing optimized transportation and other services in order to realize an economic recovery.
- With securing safety as a prerequisite, review the Group's approach to maintenance and renewal investment and costs, and steadily make growth investments for the future and investments geared toward innovation to achieve the Group's management vision "Move Up" 2027.
- Unite as one to create transportation demand through such efforts as implementing measures that utilize *JRE POINT* across the transportation, life-style and IT & *Suica* service businesses; introducing products with highly attractive value in collaboration with government agencies, municipalities, and local communities; and actively proposing new ways to travel and new lifestyles.

In addition, in the post-COVID society, it is certain that irreversible structural changes will occur such as from life based on commuting to life based on daily living, from concentration to dispersion, and from mass to personal. Considering these situations, the Group will make efforts based on the following policies.

- By restructuring our growth and innovation strategies, and by utilizing MaaS and digital marketing, provide new services that respond to changes in customer behavior and values.
- Make fundamental efforts to strengthen our management foundation and promote structural reforms centered on the railway business, which has a large fixed cost ratio. In addition, further accelerate DX such as through ticketless, driverless operations and smart maintenance, and examine more flexible management of the fundamentals for the operation of the railway business, such as train fare systems and train schedules, based on the status of service use.
- Implement ESG management to a greater extent than ever before and contribute to the development of local communities and the achievement of the SDGs through the further promotion of regional revitalization and other efforts.

The external environment is undergoing dramatic changes, and it is times like these when we must come together as a group to overcome these challenging circumstances so that we may further accelerate initiatives to provide new values by focusing on people.

2. Quarterly Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheets (Unaudited)

EAST JAPAN RAILWAY COMPANY AND SUBSIDIARIES

| Millions of Yen | | |
|--|--|---|
| | Fiscal 2020 (As of March 31, 2020) | Fiscal 2021, 1st Quarter (As of June 30, 2020) |
| ASSETS | | |
| Current Assets | ¥ 857,624 | ¥ 926,881 |
| Cash and time deposits | 153,967 | 360,847 |
| Notes and accounts receivable-trade | 516,388 | 385,542 |
| Fares receivable | 59,267 | 25,145 |
| Real estate for sale | 1,875 | 1,812 |
| Inventories | 69,652 | 82,728 |
| Other | 58,410 | 72,909 |
| Allowance for doubtful accounts | (1,936) | (2,105) |
| Fixed Assets | 7,679,435 | 7,745,246 |
| Property, plant and equipment, net of accumulated depreciation | 6,962,034 | 6,978,684 |
| Buildings and fixtures (net) | 3,592,627 | 3,666,097 |
| Machinery, rolling stock and vehicles (net) | 753,979 | 735,683 |
| Land | 2,121,843 | 2,136,563 |
| Construction in progress | 412,753 | 358,649 |
| Other (net) | 80,830 | 81,691 |
| Intangible assets | 124,280 | 126,287 |
| Investments and other assets | 593,120 | 640,274 |
| Investments in securities | 295,469 | 289,231 |
| Long-term loans receivable | 1,478 | 1,527 |
| Deferred tax assets | 217,781 | 271,635 |
| Net defined benefit assets | 225 | 300 |
| Other | 78,913 | 78,367 |
| Allowance for doubtful accounts | (747) | (788) |
| Total Assets | ¥8,537,059 | ¥8,672,127 |

Note: Amounts less than one million yen are omitted.

| | Millions of Yen | |
|---|---|---|
| | Fiscal 2020, (As of March 31, 2020) | Fiscal 2021, 1st Quarter (As of June 30, 2020) |
| LIABILITIES | | |
| Current Liabilities | ¥1,549,236 | ¥1,588,307 |
| Notes and accounts payable-trade | 47,981 | 30,879 |
| Short-term loans and current portion of long-term loans | 115,293 | 385,089 |
| Current portion of bonds | 120,000 | 120,000 |
| Current portion of long-term liabilities | | |
| incurred for purchase of railway facilities | 4,307 | 4,307 |
| Payables | 551,696 | 259,570 |
| Accrued consumption taxes | 6,832 | 6,644 |
| Accrued income taxes | 32,251 | 14,613 |
| Fare deposits received with regard to railway connecting services | 24,665 | 23,612 |
| Prepaid railway fares received | 96,780 | 89,073 |
| Allowance for bonuses to employees | 75,869 | 44,561 |
| Allowance for disaster-damage losses | 10,837 | 13,411 |
| Other | 462,720 | 596,542 |
| Long-Term Liabilities | 3,814,395 | 4,098,012 |
| Bonds | 1,590,249 | 1,715,263 |
| Long-term loans | 1,010,492 | 1,160,145 |
| Long-term liabilities incurred for purchase of railway facilities | 323,404 | 323,404 |
| Deferred tax liabilities | 4,830 | 4,696 |
| Provision for large-scale renovation | | |
| of Shinkansen infrastructure | 96,000 | 102,000 |
| Allowance for disaster-damage losses | 3,811 | 700 |
| Allowance for partial transfer costs of railway operation | 1,759 | 1,739 |
| Net defined benefit liabilities | 512,063 | 504,225 |
| Other | 271,784 | 285,836 |
| Total Liabilities | ¥5,363,632 | ¥5,686,319 |
| NET ASSETS | | |
| Shareholders' Equity | ¥3,100,618 | ¥2,914,222 |
| Common stock | 200,000 | 200,000 |
| Capital surplus | 96,796 | 96,796 |
| Retained earnings | 2,809,369 | 2,622,973 |
| Treasury stock, at cost | (5,546) | (5,547) |
| Accumulated Other Comprehensive Income | 45,577 | 45,354 |
| Net unrealized holding gains (losses) on securities | 32,975 | 33,344 |
| Net deferred gains (losses) on derivatives under | | |
| hedge accounting | 2,405 | 2,571 |
| Revaluation reserve for land | (418) | (418) |
| Foreign currency translation adjustments | (15) | (91) |
| Remeasurements of defined benefit plans | 10,629 | 9,949 |
| Non-Controlling Interests | 27,231 | 26,229 |
| Total Net Assets | 3,173,427 | 2,985,807 |
| Total Liabilities and Net Assets | ¥8,537,059 | ¥8,672,127 |

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 2020, 1st Quarter (Three months ended June 30, 2019) | Fiscal 2021, 1st Quarter (Three months ended June 30, 2020) |
| Operating Revenues | ¥742,382 | ¥332,946 |
| Operating Expenses | 597,748 | 511,252 |
| Transportation, other services and cost of sales | 449,974 | 388,411 |
| Selling, general and administrative expenses | 147,774 | 122,841 |
| Operating Income (Loss) | 144,633 | (178,306) |
| Non-Operating Income | 5,272 | 4,946 |
| Interest income | 2 | 4 |
| Dividend income | 3,784 | 3,074 |
| Other | 1,485 | 1,868 |
| Non-Operating Expenses | 17,163 | 24,146 |
| Interest expense | 15,310 | 15,139 |
| Equity in net losses of affiliated companies | 18 | 5,609 |
| Other | 1,834 | 3,397 |
| Ordinary Income (Loss) | 132,741 | (197,506) |
| Extraordinary Gains | 3,689 | 3,481 |
| Construction grants received | 3,549 | 3,078 |
| Other | 140 | 402 |
| Extraordinary Losses | 4,661 | 14,842 |
| Losses on reduction entry for construction grants | 2,920 | 3,043 |
| Environmental conservation costs | — | 3,978 |
| Other | 1,741 | 7,820 |
| Income (Loss) before Income Taxes | 131,770 | (208,867) |
| Income Taxes | 39,943 | (52,350) |
| Current | 24,255 | 1,857 |
| Deferred | 15,687 | (54,208) |
| Profit (Loss) | 91,827 | (156,516) |
| Profit (Loss) Attributable to Non-Controlling Interests | 251 | (1,139) |
| Profit (Loss) Attributable to Owners of Parent | ¥ 91,575 | ¥(155,377) |

Note: Amounts less than one million yen are omitted.

(ii) Consolidated Statements of Comprehensive Income

| | Millions of Yen | |
|--|--|--|
| | Fiscal 2020, 1st Quarter (Three months ended June 30, 2019) | Fiscal 2021, 1st Quarter (Three months ended June 30, 2020) |
| Profit (Loss) | ¥91,827 | ¥(156,516) |
| Other Comprehensive Income | (4,745) | (233) |
| Net unrealized holding gains (losses) on securities | (4,045) | 303 |
| Net deferred gains (losses) on derivatives under hedge accounting | 45 | 67 |
| Foreign currency translation adjustments | 3 | (75) |
| Remeasurements of defined benefit plans | (121) | (766) |
| Share of other comprehensive income of associates accounted for using equity method | (626) | 238 |
| Comprehensive Income | ¥87,081 | ¥(156,749) |
| Comprehensive Income attributable to | | |
| Comprehensive income attributable to owners of the parent | ¥86,833 | ¥(155,599) |
| Comprehensive income attributable to non-controlling Interests | ¥ 247 | ¥ (1,149) |

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 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.

| Fiscal 2021, 1st Quarter (Three months ended June 30, 2020) | 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 | ¥ 208,738 | ¥ 56,977 | ¥48,522 | ¥18,708 | ¥ 332,946 | ¥ — | ¥ 332,946 |
| Inside group | 17,395 | 11,212 | 4,477 | 32,700 | 65,784 | (65,784) | — |
| Total | 226,133 | 68,189 | 52,999 | 51,408 | 398,731 | (65,784) | 332,946 |
| Segment income (loss) ... | ¥(162,901) | ¥(10,300) | ¥ (6,351) | ¥ 826 | ¥(178,727) | ¥ 420 | ¥(178,306) |

- 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 ¥420 million adjustment to segment income (loss) includes a ¥440 million elimination of unrealized holding gains (losses) on fixed assets and inventory assets and a ¥(19) million elimination for intersegment transactions.
3. Segment income (loss) is adjusted to ensure consistency with the operating loss set forth in the quarterly consolidated statements of income.

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

None

(Significant Subsequent Events (Unaudited))

(i) Issuance of Bonds

JR East issued the following straight bonds.

1. Unsecured straight bonds, 152nd issue, East Japan Railway Company

- (1) Issue date: July 20, 2020
- (2) Amount: ¥20,000 million
- (3) Issue price: ¥100 per ¥100
- (4) Coupon rate: 0.090% per annum
- (5) Maturity date: July 18, 2025
- (6) Use of proceeds: the repayment of interest-bearing debt, etc.

2. Unsecured straight bonds, 153rd issue, East Japan Railway Company

- (1) Issue date: July 20, 2020
- (2) Amount: ¥15,000 million

- (3) Issue price: ¥100 per ¥100
- (4) Coupon rate: 0.230% per annum
- (5) Maturity date: July 19, 2030
- (6) Use of proceeds: the repayment of interest-bearing debt, etc.

3. Unsecured straight bonds, 154th issue, East Japan Railway Company

- (1) Issue date: July 20, 2020
- (2) Amount: ¥10,000 million
- (3) Issue price: ¥100 per ¥100
- (4) Coupon rate: 0.610% per annum
- (5) Maturity date: July 20, 2040
- (6) Use of proceeds: the repayment of interest-bearing debt, etc.

4. Unsecured straight bonds, 155th issue, East Japan Railway Company

- (1) Issue date: July 20, 2020
- (2) Amount: ¥20,000 million
- (3) Issue price: ¥100 per ¥100
- (4) Coupon rate: 0.763% per annum
- (5) Maturity date: July 20, 2050
- (6) Use of proceeds: the repayment of interest-bearing debt, etc.

5. Unsecured straight bonds, 156th issue, East Japan Railway Company

- (1) Issue date: July 20, 2020
- (2) Amount: ¥20,000 million
- (3) Issue price: ¥100 per ¥100
- (4) Coupon rate: 0.902% per annum
- (5) Maturity date: July 20, 2060
- (6) Use of proceeds: the repayment of interest-bearing debt, etc.

(ii) Other Procurement of Significant Funds

JR East conducted the following fund-raising with the aim of securing funds in anticipation of the impact of COVID-19.

Issuance of commercial paper

- (1) Issue date: July 22, 2020
- (2) Amount: ¥150,000 million
- (3) Coupon rate: (0.002)-(0.000)% per annum
- (4) Maturity date: January 22, 2021
- (5) Existence of collateral, etc.: unsecured, unguaranteed

(Additional Information (Unaudited))

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

For accounting estimates of impairment losses on fixed assets and recoverability of deferred tax assets, we assume that structural changes to society, such as widespread adoption of teleworking, will continue, although demand which declined due to the spread of COVID-19 will recover to a certain level within the current consolidated fiscal year.

(Additional Information Regarding Operating Results)

Consolidated Principal Indicators

| | Fiscal 2020, 1st Quarter (Three months ended June 30, 2019) | Fiscal 2020 (Year ended March 31, 2020) | Fiscal 2021, 1st Quarter (Three months ended June 30, 2020) | Increase (Decrease) |
|---|--|--|--|------------------------|
| | (A) | (B) | (C) | (C)-(A) |
| Ratio of operating income to average assets (ROA) (%) | 1.8 | 4.5 | (2.1) | (3.8) |
| Return on average equity (ROE) (%) | 3.0 | 6.4 | (5.1) | (8.1) |

Numerical Targets for the Fiscal Year Ending March 31, 2023

| | Billions of Yen | | | |
|------------------------------------|-----------------------|------------------------|------------------------|-------------|
| | Actual Fiscal 2020 | Fiscal 2023 Targets | Change | |
| | | | Increase (Decrease) | % |
| | (A) | (B) | (B)-(A) | (B)/(A)x100 |
| Operating Revenues | 2,946.6 | 3,295.0 | 348.3 | 111.8 |
| Transportation | 1,994.5 | 2,100.0 | 105.4 | 105.3 |
| Retail & Services | 502.0 | 660.0 | 157.9 | 131.5 |
| Real Estate & Hotels | 348.5 | 440.0 | 91.4 | 126.2 |
| Others | 101.5 | 95.0 | (6.5) | 93.6 |
| Operating Income | 380.8 | 520.0 | 139.1 | 136.5 |
| Transportation | 250.5 | 330.0 | 79.4 | 131.7 |
| Retail & Services | 34.3 | 56.0 | 21.6 | 162.9 |
| Real Estate & Hotels | 74.6 | 109.0 | 34.3 | 146.1 |
| Others | 23.8 | 26.0 | 2.1 | 108.9 |
| Elimination and/or corporate | (2.6) | (1.0) | 1.6 | 38.4 |

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

Consolidated Capital Expenditures

| | | Billions of Yen | | | |
|--|---|---|---|------------------------|-------------|
| | | Actual Fiscal 2020, 1st Quarter (Three months ended June 30, 2019) | Actual Fiscal 2021, 1st Quarter (Three months ended June 30, 2020) | Change | |
| | | | | Increase (Decrease) | % |
| | | (A) | (B) | (B)-(A) | (B)/(A)x100 |
| Capital expenditures | | 107.0 | 119.8 | 12.7 | 112.0 |
| Segment | | | | | |
| Transportation Services | Transportation | 39.1 | 42.8 | 3.7 | 109.6 |
| Life-style Services, IT & Suica Services | Retail & Services Real Estate & Hotels Others | 67.8 | 76.9 | 9.0 | 113.3 |

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 2020, 1st Quarter (Three months ended June 30, 2019) (A) | Fiscal 2021, 1st Quarter (Three months ended June 30, 2020) (B) | Change | | Fiscal 2020, 1st Quarter (Three months ended June 30, 2019) (C) | Fiscal 2021, 1st Quarter (Three months ended June 30, 2020) (D) | Change | |
| | | | Increase (Decrease) (B)–(A) | (B)/(A)x100 | | | Increase (Decrease) (D)–(C) | (D)/(C)x100 |
| Shinkansen Network | | | | | | | | |
| Commuter Passes | 459 | 399 | (60) | 86.9 | 6.3 | 5.5 | (0.7) | 88.3 |
| Other | 5,328 | 738 | (4,590) | 13.9 | 138.9 | 21.1 | (117.8) | 15.2 |
| Total | 5,788 | 1,137 | (4,650) | 19.7 | 145.2 | 26.6 | (118.5) | 18.4 |
| Conventional Lines | | | | | | | | |
| <i>Kanto Area Network</i> | | | | | | | | |
| Commuter Passes | 18,072 | 13,333 | (4,739) | 73.8 | 117.6 | 85.7 | (31.8) | 73.0 |
| Other | 9,319 | 3,076 | (6,242) | 33.0 | 183.0 | 60.4 | (122.5) | 33.0 |
| Total | 27,391 | 16,409 | (10,981) | 59.9 | 300.6 | 146.2 | (154.4) | 48.6 |
| <i>Other Network</i> | | | | | | | | |
| Commuter Passes | 778 | 601 | (177) | 77.2 | 4.6 | 3.5 | (1.1) | 76.2 |
| Other | 625 | 190 | (434) | 30.5 | 12.5 | 3.6 | (8.8) | 29.3 |
| Total | 1,404 | 792 | (612) | 56.4 | 17.2 | 7.2 | (10.0) | 42.0 |
| <i>Total</i> | | | | | | | | |
| Commuter Passes | 18,851 | 13,934 | (4,916) | 73.9 | 122.2 | 89.3 | (32.9) | 73.1 |
| Other | 9,945 | 3,267 | (6,677) | 32.9 | 195.6 | 64.1 | (131.4) | 32.8 |
| Total | 28,796 | 17,202 | (11,594) | 59.7 | 317.9 | 153.5 | (164.4) | 48.3 |
| Total | | | | | | | | |
| Commuter Passes | 19,310 | 14,333 | (4,976) | 74.2 | 128.6 | 94.9 | (33.6) | 73.8 |
| Other | 15,273 | 4,006 | (11,267) | 26.2 | 334.5 | 85.2 | (249.2) | 25.5 |
| Total | 34,584 | 18,340 | (16,244) | 53.0 | 463.1 | 180.1 | (282.9) | 38.9 |

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.