

October 31, 2017

East Japan Railway Company

Condensed Transcript from Q&A Session of Financial Results Presentation
for the Second Quarter of Fiscal 2018

[Hokkaido Shinkansen]

Q. I believe you are rolling out a variety of measures to address the fact that performance on the Hokkaido Shinkansen was slightly below forecast. Are you planning any additional measures to boost revenue from the Hokkaido Shinkansen or are you considering any additional collaboration with JR Hokkaido?

A. As the presentation materials indicate, as measures to boost revenue on the Hokkaido Shinkansen we are working to increase the sale of travel products in collaboration with JR Hokkaido and endeavoring to further enhance our ties in marketing and sales activities. In particular, we are engaging in measures to promote further usage of the Shinkansen network in conjunction with the Tohoku and Hokkaido regions.

[Revenues from Non-Commuter Passes (Ordinary Tickets) on the Kanto Area Network of Conventional Lines]

Q. Regarding revenues from non-commuter passes (ordinary tickets) on the Kanto area network of conventional lines, there was some explanation of favorable performance during the Golden Week holidays and other special factors. However, basic revenues were up substantially even excluding these special factors. It may be difficult to accurately identify the reasons for this increase in basic revenues; what is your sense for this within the Company?

A. One factor is the ongoing flow of population into the Tokyo metropolitan area. Another is the increased use of Green cars (upper grade) on regular trains. This factor had a ¥0.5 billion higher-than-expected impact in the first half. We plan to monitor this trend in the second half, as well. However, basically we believe the movement of people centered on Tokyo is favorable.

[Safety and Reliability of Transportation]

Q. The number of serious incidents related to the safety and reliability of transportation do not seem to have fallen much since the collapse of an electrical pole on the Yamanote Line in April 2015. How is internal awareness on this topic? Are new incidents occurring despite the introduction of countermeasures, or are measures in place in this area but not in others?

A. In recent years, we have experienced an ongoing number of major incidents related to the safety

and reliability of transportation, including service disruptions stemming from our own equipment. We recognize that this has major implications for society as a whole. As many of these incidents involve electricity, we are putting additional safety measures in place. Nevertheless, we have experienced two more incidents this year. We are considering specific measures to prevent accidents, and the entire company is working together to address this issue.

[Expenses]

Q. Was the increase in construction supplementary maintenance expenses due to an increase in unit costs or a greater number of projects? If a rise in the number of projects was the reason, is this because of an increase in the number of major incidents related to the safety and reliability of transportation?

A. Rather than higher unit costs, construction supplementary maintenance expenses grew because of an increase in major construction, such as removal of the Tonegawa Bridge. We also expect performance to be affected in the second half by these expenses to a certain extent, as we anticipate construction related to development of the area in and around the north passage of Tokyo Station.

[Shinagawa Development Project]

Q. With regard to the Shinagawa development project, the presentation materials indicate the provisional opening of a new station in 2020. What is your schedule going forward?

A. As our presentation materials indicate, our overall schedule going forward is the provisional opening of a new station in 2020, and we plan the town opening around 2024. We are currently moving forward with preparations for the new station opening. We plan to open the new station ahead of the Tokyo 2020 Olympic and Paralympic Games, so we are considering methods of provisional use in the area around the new station.

We expect specific town construction to occur from fiscal 2020, with the town opening around 2024. Thereafter, our schedule calls for the overall town to be completed in the 2030s.

The presentation materials indicate the formulation of town-building guidelines. We are engaging in discussions about this town construction now, and we will communicate this information at the appropriate time.