

January 30, 2019

East Japan Railway Company

Summary of Telephone Interviews about Financial Results
in the Third Quarter of Fiscal 2019

[Passenger Revenues]

Q. What is your analysis of the year-on-year increase in passenger revenues in the third quarter (October–December)?

A. The causes included the absence of the decrease in revenues that resulted from two typhoons in October 2017 as well as an increase in three-day holidays and favorable weekend travel in the current fiscal year.

Q. Why was the basic trend in non-commuter passes revenues (ordinary tickets) of the Kanto area network of conventional lines above the plan, and why was the basic trend in commuter passes revenues (seasonal tickets) not as far below the plan as it was in second quarter?

A. Regarding the basic trend in non-commuter passes revenues (ordinary tickets) of the Kanto area network of conventional lines, the causes were the use of *Green Cars* (upper grade) on commuter trains and customers' favorable use during the period of events held in respective areas of the Tokyo metropolitan area and stamp rally measures. Further, regarding the basic trend in commuter passes revenues (seasonal tickets), analysis shows that it was below the plan. However, the number of users of automatic ticket gates on weekdays in the Tokyo metropolitan area is trending firmly, and we will continue to carefully monitor the trend.

[Operating Expenses]

Q. Why do non-consolidated operating expenses seem to be above the plan for the full fiscal year?

A. In the third quarter, maintenance and other non-personnel expenses increased. In the fourth quarter (January–March), we expect progress in maintenance expenses, such as construction supplementary maintenance for future openings of station buildings and other purposes, as well as an increase in other non-personnel expenses accompanying the strengthening of security.

Q. Contract security expenses and other business consignment expenses are increasing. Is total cost control of business consignment expenses together with personnel expenses progressing steadily?

A. In the third quarter, the total of business consignment expenses and personnel expenses increased due to a rise in contract security accompanying the strengthening of security. However, we will implement firm cost control.

[Real Estate & Hotels Segment]

Q. What is your analysis of the year-on-year decrease in the income of the Real Estate & Hotels segment in the third quarter (October–December)?

A. This was due to such factors as increases in the Company's non-personnel expenses and depreciation.

[Others Segment]

Q. What is your analysis of the year-on-year decrease in the income of the Others segment in the third quarter (October–December)?

A. This was mainly due to such factors as an increase in the expenses of Group company Viewcard Co., Ltd., in relation to an alliance with another company.

[MaaS]

Q. You announced an alliance with Odakyu Electric Railway Co., Ltd., in relation to MaaS. What measures will you take going forward?

A. In addition to Odakyu Electric Railway Co., Ltd., we have announced an alliance and other measures in the Izu area with Tokyu Corporation. Also, in September last year we collaborated with transportation operators, manufacturers in Japan and overseas, universities, research institutes, and others and established the Mobility Innovation Consortium, and verification tests of MaaS have begun. We view the promotion of MaaS as measures that facilitate seamless mobility, reduction in total travel time, and other benefits, and we will continue vigorously advancing collaborations with other companies.