

July 31, 2019  
East Japan Railway Company

Summary of Telephone Interviews about Financial Results  
in the First Quarter of Fiscal 2020

[Passenger Revenues]

Q. What caused commuter passes revenues to decrease year on year and to be below the plan?

A. With respect to commuter passes revenues, the results for commuter passes valid from April, which were launched in April, were lower year on year. We believe that one of the causes was a delay in the purchase period due to 10-day Golden Week. Sales in May and June trended toward recovery, and our analysis is that there are no particular factors that would cause a significant change in the basic trend.

Q. In non-commuter passes revenues (ordinary tickets), what caused the basic trend of the Kanto area network of conventional lines to be below the plan?

A. Although weekdays and holidays for short distances increased year on year, the traffic volume of the limited express services of the Joban Line and the Chuo Line remained unchanged year on year, and growth was not in accordance with the plan. These are the results of the first quarter, which is a short period. Therefore, we will monitor the trend going forward, including summertime traffic.

Q. Regarding the seating reservation situation in the Bon Festival summer vacation period (August 9–18), why did the number of seats reserved decrease 2% year on year even though the number of reservable Shinkansen seats increased 5% year on year?

A. Due to such factors as the continuation of the rainy season, we believe that reservations for leisure purposes were delayed. Going forward, we will endeavor to increase sales further.

[Operating Expenses]

Q. In other non-personnel expenses, what expenses were recognized for ALFA-X?

A. We plan to recognize expenses accompanying test runs from the second quarter onward. With reference to the results, we expect to recognize expenses in stages.

[Others Segment]

Q. Was the growth in operating revenues and operating income due to a one-time factor? Also, has the forecast for the full fiscal year changed?

A. In the first half of the fiscal year ending March 31, 2020, we expect to recognize significant revenues accompanying the “Detailed Design Study on the High Speed Railway Construction Project in India to Commence” of Japan International Consultants for Transportation Co., Ltd. In addition, the growth of the systems contract revenues of JR East Information Systems Company in the second half of fiscal year ended March 31, 2019, was a factor. Therefore, we do not expect the growth in the operating revenues and operating income of the Others segment in the first quarter of the fiscal year ending March 31, 2020, to continue throughout the full fiscal year. At this point, we believe that it will align with the initial plan.

[MaaS]

Q. What progress has been made with respect to recent initiatives for the mobility linkage platform and with respect to its monetization?

A. Since announcing the JR East Group Management Vision “Move Up” 2027 in July last year, we have implemented the initiatives stated below. In the fiscal year ending March 31, 2020, we will continue implementing various different types of initiatives. Further, although, at this point, we are not at a stage when we can comment on the timing of monetization, we will actively take measures aimed at the realization of Mobility as a Service (MaaS) by accumulating verification tests and considering various possibilities.

## <<Recent Initiatives>>

April 2019

To coincide with the *Shizuoka Destination Campaign*, began verification tests of tourism-type MaaS in the Izu area using the *Izuko* app in collaboration with Tokyu Corporation

April 2019

Established the MaaS Strategy Design & Management Dept. in the Technology Innovation Headquarters

April 2019

Renewed the services of the *JR EAST APP*, which will play an important role in JR East's provision of MaaS going forward

May 2019

Announced collaboration with Miyagi Prefecture and Sendai City aimed at construction of tourism-type MaaS in the Sendai metropolitan area

July 2019

Announced the implementation of tourism-type MaaS verification tests mainly within Niigata City to coincide with the *Niigata Prefecture and Shonai Area Destination Campaign*