

April 28, 2021

East Japan Railway Company

Summary of Telephone Interviews about Financial Results for Fiscal 2021

[Fiscal 2022 Operating Revenue]

Q. What is the outlook for passenger revenues and operating revenue from non-transportation operations in fiscal 2022?

A. In terms of passenger revenues, we expect Shinkansen network non-commuter passes (ordinary tickets) to return to 80% of pre-COVID-19 levels around August and conventional lines non-commuter passes (ordinary tickets) to return to 85% around the same time. Previously, we expected commuter passes (seasonal tickets) to return to approximately 85% of the pre-COVID-19 level. However, based on recent trends, we now expect them to return to approximately 80% of the pre-COVID-19 level in the third quarter. Regarding non-transportation operations, we expect that the Retail & Services segment will reach approximately 90% of its pre-COVID-19 level at the end of the fiscal year. As for the Real Estate & Hotels segment, we expect that shopping centers will reach approximately 90% of the pre-COVID-19 level at the end of the fiscal year; office buildings business will be at the same level as the pre-COVID-19 level throughout the fiscal year; hotels will reach approximately 80% of the pre-COVID-19 level at the end of the fiscal year; and the credit card business, which belongs to the Others segment, will be at the same level as the pre-COVID-19 level throughout the fiscal year.

[Cost Reduction]

Q. What are the actual and planned cost reductions for JR East on a non-consolidated basis in fiscal 2021 and fiscal 2022? Also, what is the approach to cost reduction in fiscal 2022?

A. In terms of operating expenses, we implemented cost reduction of ¥103 billion in fiscal 2021. We plan cost reduction of ¥59 billion in fiscal 2022. We plan a total cost reduction of ¥59 billion through cost reductions of ¥2 billion in personnel expenses and ¥31 billion in maintenance together with accumulated cost reductions in publicity and advertising expenses, goods expenses,

and business consignment expenses. With the aim of returning to profitability, we will continue concentrating efforts on cost reduction in fiscal 2022. While placing the highest priority on safety, plans call for taking measures a step further forward. In the next fiscal year and beyond, we will keep a close eye on levels.

[Segmentation Change in Relation to Advertising and Publicity]

Q. Why is the operating income of the Retail & Services segment at the high level of ¥42 billion for fiscal 2022?

A. There are two factors behind the operating income figure for the Retail & Services segment. The first factor is a recovery in demand. The second factor is a change in segmentation, which resulted in the transfer of JR East's advertising and publicity from the Transportation segment to the Retail & Services segment. The effect on the operating income of the Retail & Services segment of the change in the advertising and publicity's business segment is approximately ¥18 billion. Further, there is no effect on consolidated operating revenue.