

Opening Remarks by the Chairman Mr. Masafumi Shukuri

Good evening to my friends in the United States and good morning to our friends in Japan.

My name is Masafumi Shukuri, and I am the chairman of the Japan International Transport and Tourism Institute (JITTI USA) and the Japan Transport and Tourism Research Institute (JTTRI). I would like to thank Mr. Skoutelas, President and CEO from the American Public Transportation Association (APTA) for holding this joint Japan-US Railway online conference with the APTA today. I am very pleased that we were able to hold this session.

Today, we are joined by executives from three US commuter railway companies: Mr. Jim Derwinski, CEO of Metra; Ms. Catherine Rinaldi, President of MTA Metro-North Railroad; and Ms. Michelle Bouchard, Acting Executive Director from Caltrain. Thank you very much for being here this evening. I would also like to thank Mr. Matthew Tucker, APTA secretary/treasurer, for kindly serving as a moderator for the Q&A session. I also sincerely appreciate the participation of many CEOs from US railway companies. Finally, I would like to express thanks to the APTA secretariat members for successfully holding this meeting today.

Shortly after I assumed my position as the chairman of JTTRI and JITTI USA in June 2018, I had the pleasure of visiting the APTA headquarters in Washington, DC, in October 2018. Ever since I met with Mr. Skoutelas and

the executive team, I have focused on strengthening the relationship between APTA and JTTRI as well as JITTI USA. Even though this event is being held in an online format today, I am extremely pleased that we are able to co-host this event with APTA.

US railway CEOs and Japanese management strategy leaders from major railway companies are here today to directly share the most up-to-date information with each other and engage in discussions. This is indeed a valuable opportunity.

Today's topic is "Initiatives for Recovery from the COVID-19 Pandemic and Strategies to ensure the Resilience by Rail companies in the US and Japan."

In Japan, a high-speed railway system, or the Shinkansen bullet train network, connects cities, and commuter railways operate in major metropolitan areas along with subway systems in city centers. The railway network is very dense in many areas.

Before the COVID-19 pandemic, the daily ridership in January 2020 was 68 million people a day, and railway systems in Japan transports an enormous number of people. This figure declined dramatically to 38 million people in May 2020 after the onset of COVID-19.

In Japan, railway systems are operated mainly by private companies, and rail services have continued to be provided as normal as an essential service

during the COVID-19 pandemic. Therefore, the significant decline in ridership due to COVID-19 has become a major challenge for operators.

In fiscal year 2019, before the COVID-19 pandemic, all major railway operators in Japan were profitable, but in fiscal year 2020, all operators marked losses for the year. Therefore, operators are preparing for a post-COVID-19 future and are trying to strengthen their overall business foundations.

First, considering the diversification of user lifestyles, new initiatives are being attempted; for example, the introduction of various measures to encourage peak time users to stagger their rides and the development of shared office spaces in order to utilize commercial spaces in train stations. In addition, by using digital technology data analysis is going to be used for more efficient maintenance in addition to other measures to improve cost structures of railways.

Aside from the railway business, efforts have been made to strengthen distribution services as well as the real estate business: for example, e-commerce where receivers pick up packages at the train station; productive engagement in wayside community development; and various efforts toward increasing the attractiveness of the areas through synergies between railways and wayside communities.

From Japan, we will hear details from the various company executives about these initiatives. First, we will invite East Japan Railway Company,

JR-EAST, the largest railway operator in Japan which was formed through the privatization of the Japan National Railways in 1987. We will also hear from Tokyu Railways, which has developed its railways as well as wayside areas in an integrated manner since its foundation in 1918 as a private company. Finally, we will be joined by Tokyo Metro, which operates a dense subway network in the central area of Tokyo.

In conclusion, I hope that through the presentations from the US and Japan, this conference will serve to be a great opportunity for us to think about the future strategies for railways and future initiatives.

Thank you very much, Mr. Skoutelas, CEO of APTA, and all those in the U.S. and Japan for their efforts in organizing this co-hosted event.

Thank you very much once again.