

**FLASH REPORT [JAPANESE GAAP] (CONSOLIDATED BASIS)**Company name: **West Japan Railway Company**

Stock listings: Tokyo Stock Exchange

Code number: 9021

URL: <https://www.westjr.co.jp>

President: Kazuaki Hasegawa

For further information, please contact: Yuichi Kozawa, General Manager, Corporate Communications  
Department

Quarterly report filing date (Planned): February 9, 2024

Planned start of dividend payments: —

Quarterly supplemental explanatory material prepared: Yes

Quarterly results briefing held: Yes

(Figures less than ¥1 million have been omitted.)

**1. Results for the Nine Months Ended December 31, 2023 (from April 1, 2023 to December 31, 2023)****(1) Operating results**

Nine months ended December 31

Percentages indicate year-on-year increase/ (decrease).

	Operating revenues		Operating income		Recurring profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2023	1,194,322	22.5	172,446	146.4	161,033	169.1	109,888	25.8
2022	974,845	33.5	69,995	—	59,833	—	87,372	—

(Note) Comprehensive Income: Nine months ended December 31, 2023: ¥115,443 million, 24.9%;

Nine months ended December 31, 2022: ¥92,404 million, —%

	Profit attributable to owners of parent per share	Profit attributable to owners of parent per share after dilution
	Yen	Yen
2023	450.92	—
2022	358.50	—

**(2) Financial position**

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
December 31, 2023	3,658,168	1,227,192	30.4
March 31, 2023	3,735,507	1,144,309	27.7

(Reference) Total shareholders' equity: December 31, 2023: ¥1,113,674 million, March 31, 2023: ¥1,034,477 million

## 2. Dividends

Year ended / ending March 31

	Dividends per share				
	June 30	September 30	December 31	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2023	—	50.00	—	75.00	125.00
2024	—	57.50	—		
2024 (Forecast)				62.50	120.00

(Note) Revision of dividends forecast for this period: Yes

Regarding the revisions to our dividend forecasts, please refer to “Notice Regarding Revision of Dividend Forecasts for the Fiscal Year Ending March 31, 2024,” published on January 31, 2024.

## 3. Forecasts for Fiscal Year ending March 31, 2024

Percentages indicate year-on-year increase / (decrease).

	Operating revenues		Operating income		Recurring profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year	1,632,500	17.0	160,000	90.5	146,000	98.3

	Profit attributable to owners of parent		Profit attributable to owners of parent per share
	Millions of yen	%	Yen
Fiscal year	82,000	(7.4)	336.48

(Note) Revision of earnings forecast for this period: Yes

Regarding the revisions to our full-year results forecasts, please refer to “Notice Regarding Revision of Full-Year Results Forecasts for the Fiscal Year Ending March 31, 2024,” published on January 31, 2024.

## Notes

- (1) Significant changes in subsidiaries during the subject period (Transfer of particular subsidiaries following a change in the scope of consolidation): None
- (2) Adoption of simplified accounting practices and special accounting policy for quarterly financial reporting: None
- (3) Changes in accounting policies, changes in accounting estimates, restatements
- 1) Changes based on revision of accounting standards: None
  - 2) Changes other than 1) above: None
  - 3) Changes in Accounting Estimates: None
  - 4) Restatements: None
- (4) Number of shares outstanding (Common stock)

	Nine months ended December 31, 2023	Year ended March 31, 2023
1) Number of shares issued and outstanding (including treasury stock):	244,001,600	244,001,600
2) Number of treasury stock	291,754	315,970
		Nine months ended December 31, 2022
3) Average number of shares outstanding for each period (cumulative term):	243,700,323	243,715,380

\* Financial results are not subject to auditing.

## Notes

1. The forward-looking statements in this document, including forecasts, etc., are based on information available to the Company at the time of this document's release and on certain assumptions considered reasonable. Actual results, etc., might differ significantly due various factors. Regarding the forecast of financial results, please refer to "Qualitative Information on Consolidated Forecasts" on page 7.
2. Supplementary materials for the financial statements are posted on our homepage. The Company plans to hold a presentation for analysts on January 31, 2024. The Company plans to post the presentation materials on its homepage after the presentation.

(Reference)

**Non-Consolidated Forecasts for the Fiscal Year Ending March 31, 2024 (from April 1, 2023 to March 31, 2024)**

Percentages indicate year-on-year increase / (decrease).

	Operating revenues		Operating income		Recurring profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year	935,500	18.2	106,500	173.4	99,000	260.1

	Net income		Net income per share basic
	Millions of yen	%	Yen
Fiscal year	55,500	(6.6)	227.62

(Note) Revision of earnings forecast for this period: Yes

## 1. QUALITATIVE INFORMATION ON THE RESULTS FOR THE SUBJECT PERIOD

In the subject period (April 1, 2023 to December 31, 2023), ridership and consumer spending increased and demand from foreign tourists strengthened.

As a result, operating revenues expanded 22.5% year on year to ¥1,194.3 billion, and thanks to progress on structural reforms, operating income climbed 146.4% to ¥172.4 billion, recurring profit grew 169.1% to ¥161.0 billion, and profit attributable to owners of parent (excluding corporation taxes, etc.) amounted to ¥109.8 billion (up 25.8%), a reflection of special taxation treatment in the previous fiscal year in accordance with the business adaptation plan.

Based on the JR-West Group Long-Term Vision 2032 and the Medium-Term Management Plan 2025, JR-West will continue to create social and economic value through aggressive expansion in the life design sector and efforts to invigorate operations and return to pre-pandemic levels as soon as possible in the mobility services field while prioritizing improvements to safety in the railway business. Furthermore, JR-West is making every effort to quickly resume operations on sections of track that are being inspected in the wake of the Noto Peninsula Earthquake that struck on January 1, 2024, while working together with local residents to accelerate the reconstruction of affected regions.

### (1) Qualitative Information on Consolidated Business Results

#### Consolidated Results for the Nine Months Ended December 31, 2023 (April – December 2023)

Operating revenues:	¥1,194.3 billion
Operating income:	¥172.4 billion
Recurring profit:	¥161.0 billion
Profit attributable to owners of parent:	¥109.8 billion

The results by business segment are as follows.

In order to steadily advance the rebuilding of its business portfolio, the JR-West Group has changed its segment classifications along with the launch of the in-house Railway Company starting from the first quarter of the current fiscal year. Specifically, the former segments “transportation,” “retail,” “real estate” and “other businesses” have been changed to “mobility,” “retail,” “real estate,” “travel and regional solutions” and “other businesses.”

Segment information for the first, second and third quarter of the previous fiscal year is presented based on these new segment classifications.

#### **a. Mobility Segment**

The JR-West Group remains firm in its resolve to never again allow an accident to happen again like the train accident on the Fukuchiyama Line, and continues to make concerted efforts to face with sincerity all persons affected by the accident and enhance its diligent efforts to improve safety.

In the mobility segment, operating revenues increased 21.8% year on year to ¥727.3 billion and operating income grew 258.7% to ¥116.1 billion, due to an increase in usage as railway demand recovered and strong demand from foreign tourists.

#### **b. Retail Segment**

In the retail segment, operating revenues increased 22.1% year on year to ¥148.3 billion and operating income grew 239.8% year on year to 11.3 billion, owing in part to increased patronage of convenience stores, souvenir stores and guests at VIA INN brand hotels that belong to the retail segment.

#### **c. Real Estate Segment**

In the real estate segment, operating revenues grew 13.8% to ¥156.2 billion and operating income expanded 33.4% to ¥34.6 billion, thanks to stronger demand for accommodations in the hotels business and solid operations in the shopping center business, due to a rebound in consumer spending, while sales of homes were firm in the real estate sales and leasing business.

#### **d. Travel and Regional Solutions Segment**

In the travel and regional solutions segment, operating revenues increased 42.5% to ¥144.1 billion and operating income rose 65.0% to ¥7.9 billion, reflecting an increase in domestic travel demand and strong demand from foreign tourists.

## (2) Qualitative Information on the Consolidated Financial Position

JR-West's total assets at the end of the third quarter of the subject fiscal year (December 31, 2023) amounted to ¥3,658.1 billion, a decrease of ¥77.3 billion from the end of the previous fiscal year (March 31, 2023). This was due mainly to a decrease in cash and cash equivalents.

Total liabilities amounted to ¥2,430.9 billion, a decrease of ¥160.2 billion from the end of the previous fiscal year. This was due mainly to a decrease in bonds.

Total net assets amounted to ¥1,227.1 billion, an increase of ¥82.8 billion from the end of the previous fiscal year. This was due mainly to an increase in retained earnings.

## (3) Qualitative Information on Consolidated Forecasts

JR-West forecasts an increase in revenue due to the robust recovery in consumer spending and usage by residents and non-residents of Japan. These forecasts take into account extraordinary losses for the anticipated amount of JR-West's contribution to the plan for rebuilding operations on the Johana Line and Himi Line.

JR-West accordingly decided to raise its forecasts (disclosed on October 31, 2023) for operating revenues, operating income, recurring profit and profit attributable to owners of parent for the fiscal year ending March 31, 2024.

Looking ahead, JR-West will steadily implement necessary measures while giving utmost priority to safety in the fourth quarter of the current fiscal year, despite uncertainties in the business environment surrounding the Group, such as rising commodity prices and geopolitical risks. Moreover, JR-West will reinforce its business foundation and sustain growth with the intention of achieving its targets set forth in the JR-West Group Railway Safety Think-and-Act Plan 2027, the JR-West Group Long-Term Vision 2032 and the Medium-Term Management Plan 2025.

### Full-year forecasts for FY2024.3

Operating revenues:	¥1,632.5 billion (up 17.0% YoY)
Operating income:	¥160.0 billion (up 90.5% YoY)
Recurring profit:	¥146.0 billion (up 98.3% YoY)
Profit attributable to owners of parent:	¥82.0 billion (down 7.4% YoY)

Note: Forecasts are based on certain assumptions considered reasonable at the time of this announcement, and are subject to change.

## 2. CONSOLIDATED FINANCIAL STATEMENTS

### (1) Consolidated Balance Sheets

	Millions of yen	
	March 31, 2023	December 31, 2023
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash	290,138	218,988
Notes and accounts receivable-trade	43,886	51,347
Railway fares receivable	41,472	40,490
Accounts receivable	115,535	74,343
Securities	36	1
Inventories	153,234	186,055
Other current assets	73,844	76,456
Less allowance for doubtful accounts	(1,616)	(503)
Total current assets	716,532	647,178
<b>Non-current assets:</b>		
<b>Property, plant and equipment:</b>		
Buildings and structures	1,230,595	1,224,493
Machinery and transport equipment	399,001	399,143
Land	782,965	794,825
Construction in progress	117,193	124,133
Other property, plant and equipment	51,447	49,623
Total property, plant and equipment	2,581,205	2,592,220
<b>Intangible assets</b>	49,254	43,820
<b>Investments and other assets:</b>		
Investments in securities	101,980	121,782
Net defined benefit asset	3,173	3,188
Deferred tax assets	232,895	197,345
Other investments and assets	53,558	56,003
Less allowance for doubtful accounts	(3,761)	(3,685)
Total investments and other assets	387,846	374,634
Total non-current assets	3,018,306	3,010,674
<b>Deferred assets:</b>		
<b>Share issuance cost</b>	668	314
<b>Total deferred assets</b>	668	314
<b>Total assets</b>	<b>3,735,507</b>	<b>3,658,168</b>

	Millions of yen	
	March 31, 2023	December 31, 2023
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Notes and accounts payable-trade	66,020	48,020
Short-term loans payable	17,483	19,383
Current portion of bonds	100,000	70,000
Current portion of long-term debt	39,553	74,785
Current portion of long-term payables for acquisition of railway properties	1,245	1,285
Accounts payable	122,108	87,851
Accrued consumption tax	23,451	21,840
Accrued income tax	13,600	8,175
Prepaid railway fares received	37,244	39,946
Advances received	44,052	56,133
Allowance for bonuses	29,540	15,133
Allowance for loss on disaster	396	315
Allowance for point program	706	294
Other current liabilities	163,060	179,245
Total current liabilities	658,464	622,412
<b>Non-current liabilities:</b>		
Bonds	859,992	799,993
Long-term debt	557,482	502,212
Long-term payables for acquisition of railway properties	97,436	96,783
Deferred tax liabilities	1,474	1,657
Allowance for large scale renovation of Shinkansen infrastructure	29,166	32,291
Allowance for environmental safety measures	3,414	2,816
Allowance for loss on liquidation of railway belts	15,794	15,396
Net defined benefit liability	223,318	208,784
Other long-term liabilities	144,653	148,625
Total non-current liabilities	1,932,733	1,808,562
<b>Total liabilities</b>	2,591,198	2,430,975

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	Millions of yen	
	March 31, 2023	December 31, 2023
<b>NET ASSETS</b>		
<b>Shareholders' equity:</b>		
Common stock	226,136	226,136
Capital surplus	183,904	183,934
Retained earnings	626,108	703,594
Treasury stock, at cost	(1,378)	(1,261)
Total shareholders' equity	1,034,772	1,112,404
<b>Valuation and translation adjustments:</b>		
Net unrealized holding gain on securities	1,061	3,285
Deferred gains or losses on hedges	(9)	41
Remeasurements of defined benefit plans	(1,347)	(2,057)
Total Valuation and translation adjustments	(295)	1,269
<b>Non-controlling interests</b>	109,832	113,518
<b>Total net assets</b>	1,144,309	1,227,192
<b>Total liabilities and net assets</b>	3,735,507	3,658,168

## (2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

### Consolidated Statements of Income

Nine months ended December 31

	Millions of yen	
	2022	2023
<b>Operating revenues</b>	974,845	1,194,322
<b>Operating expenses:</b>		
Transportation, other services and cost of sales	776,700	869,373
Selling, general and administrative expenses	128,149	152,503
Total operating expenses	904,850	1,021,876
<b>Operating income</b>	69,995	172,446
<b>Non-operating revenues:</b>		
Interest income	28	44
Dividend income	981	856
Transfer from administrative fee of contracted construction	132	259
Equity in earnings of affiliates	1,150	1,137
Other	4,966	2,678
Total non-operating revenues	7,260	4,976
<b>Non-operating expenses:</b>		
Interest expense	15,722	15,150
Other	1,700	1,238
Total non-operating expenses	17,422	16,389
<b>Recurring profit</b>	59,833	161,033
<b>Extraordinary profits:</b>		
Gain on contribution for construction	7,439	7,614
Compensation income for expropriation	456	261
Other	6,905	2,143
Total extraordinary profits	14,801	10,019
<b>Extraordinary losses:</b>		
Loss on deduction of contributions received for construction from acquisition costs of property, plant and equipment	6,899	7,391
Loss on reduction for expropriation	455	261
Other	2,917	2,527
Total extraordinary losses	10,272	10,180
<b>Profit before income taxes</b>	64,361	160,872
<b>Income taxes- Current</b>	8,142	12,231
<b>Income taxes- Deferred</b>	(34,196)	35,001
<b>Total income taxes</b>	(26,054)	47,233
<b>Profit</b>	90,416	113,639
<b>Profit attributable to non-controlling interests</b>	3,043	3,750
<b>Profit attributable to owners of parent</b>	87,372	109,888

## Consolidated Statements of Comprehensive Income

Nine months ended December 31

	Millions of yen	
	2022	2023
Profit	90,416	113,639
Other comprehensive income:		
Valuation difference on available-for-sale securities	2,202	2,428
Deferred gains or losses on hedges	6	62
Remeasurements of defined benefit plans, net of tax	(100)	(690)
Share of other comprehensive income of associates accounted for using equity method	(120)	4
Total of other comprehensive income	1,987	1,804
Comprehensive income	92,404	115,443
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	89,291	111,453
Comprehensive income attributable to non-controlling interests	3,113	3,989

### (3) Note on Assumptions for Going Concern

Not applicable

### (4) Note in the Event of Major Change in Shareholders' Equity

Not applicable

### (5) Other

(Additional Information)

#### i. Stock Split and Partial Amendments to Articles of Incorporation Regarding Stock Splits)

At the Board of Directors meeting held on October 31, 2023, JR-West approved a resolution to conduct a stock split and partially amend the Articles of Incorporation with regards to stock splits.

#### a. Purpose of stock split

The purpose of the stock split is to broaden the investor base by making it easier for investors to invest in JR West by lowering the price per investment unit for its shares.

#### b. Summary of stock split

##### 1. Method of stock split

JR West shall conduct a stock split at a ratio of two shares for every one share of common stock held by shareholders recorded on the final shareholder registry as of March 31, 2024 (Sunday).

##### 2. Number of shares to be increased by stock split

Total shares issued prior to the stock split	244,001,600 shares
Increase in shares due to the stock split	244,001,600 shares
Total shares issued after the stock split	488,003,200 shares
Total issuable shares after the stock split	1,600,000,000 shares

##### 3. Schedule

Date of public notice of record date	March 15, 2024 (Friday)
Record date	March 31, 2024 (Sunday)
Effective date	April 1, 2024 (Monday)

#### 4. Per-share information and impact

Per-share information assuming the stock split was conducted at the beginning of the previous consolidated fiscal year is as follows.

	Nine months ended December 31, 2022 (April 1, 2022 to December 31, 2022)	Nine months ended December 31, 2023 (April 1, 2023 to December 31, 2023)
Profit attributable to owners of parent per share	179.25 yen	225.46 yen
Profit attributable to owners of parent per share after dilution	—	—

#### c. Partial Amendments to the Articles of Incorporation Regarding Stock Splits

##### 1. Reason for the amendments

In accordance with this stock split, pursuant to provisions in Article 184, Paragraph 2 of the Companies Act, the total number of issuable shares in Article 6 of the Company's Articles of Incorporation will be amended effective April 1, 2024.

##### 2. Amendments

The proposed amendments are as follows. (Underlined text indicates changes.)

Current Articles of Incorporation	Amendments
(Total number of issuable shares) Article 6 The total number of shares that can be issued is <u>0.8</u> billion shares.	(Total number of issuable shares) Article 6 The total number of shares that can be issued is <u>1.6</u> billion shares.

##### 3. Schedule

Effective date April 1, 2024

#### ii. JR-West's contribution to Johana Line and Himi Line Railway Operations Redevelopment Plan

On December 22, 2023, JR-West, along with regional stakeholders, submitted to the Minister of Land, Infrastructure, Transport and Tourism the Johana Line and Himi Line Railway Operations Redevelopment Plan based on the Act on Revitalization and Rehabilitation of Local Public Transportation Systems for the Johana Line (Takaoka-Johana) and Himi Line (Takaoka-Himi) sections operated by JR-West.

This plan changes the operator of the Johana Line and Himi Line from JR-West to Ainokaze Toyama Railway, with JR-West contributing ¥15.0 billion as funding needed to implement the plan. If the Minister of Land, Infrastructure, Transport and Tourism approves the plan, JR-West projects a loss of ¥15.0 billion in the fiscal year that the plan is approved.

## **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

- This report contains forward-looking statements that are based on JR-West's current expectations, assumptions, estimates and projections about its business, industry, and capital markets around the world.
- These forward-looking statements are subject to various risks and uncertainties. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "may", "will", "expect", "anticipate", "plan" or similar words. These statements discuss future expectations, identify strategies, contain projections of results of operations or of JR-West's financial condition, or state other forward-looking information.
- Known or unknown risks, uncertainties and other factors could cause the actual results to differ materially from those contained in any forward-looking statements. JR-West cannot promise that the expectations expressed in these forward-looking statements will turn out to be correct. JR-West's actual results could be materially different from and worse than expectations.
- Important risks and factors that could cause actual results to be materially different from expectations include, but are not limited to:
  - expenses, liability, loss of revenue or adverse publicity associated with property or casualty losses;
  - economic downturn, deflation and population decreases;
  - adverse changes in laws, regulations and government policies in Japan;
  - service improvements, price reductions and other strategies undertaken by competitors such as passenger railway and airlines companies;
  - infectious disease outbreak and epidemic;
  - earthquake and other natural disaster risks; and
  - failure of computer telecommunications systems disrupting railway or other operations
- All forward-looking statements in this release are made as of January 2024 based on information available to JR-West as of January 2024 and JR-West does not undertake to update or revise any of its forward-looking statements or reflect future events or circumstances.
- Compensation for damages caused by the accident on the Fukuchiyama Line that occurred on April 25, 2005, is NOT considered in this report.