

FLASH REPORT (CONSOLIDATED BASIS)Company name: **West Japan Railway Company**

Stock listings: Tokyo, Nagoya and Fukuoka Stock Exchanges

Code number: 9021 URL: <http://www.westjr.co.jp>

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Quarterly report filing date (Planned): February 13, 2015

Planned start of dividend payments: —

Quarterly supplemental explanatory material prepared: Yes

Quarterly results briefing held: None

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

1. Results for the Nine Months Ended December 31, 2014 (from April 1, 2014 to December 31, 2014)**(1) Operating Results**

Nine months ended December 31

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

	Operating revenues		Operating income		Recurring profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2014	996,841	1.1	134,307	11.1	118,924	16.7	79,680	31.1
2013	985,942	1.5	120,875	4.4	101,894	7.3	60,786	4.2

(Note) Comprehensive Income: Nine months ended December 31, 2014: ¥82,053 million, 31.0%;

Nine months ended December 31, 2013: ¥62,646 million, 23.7%

	Net income per share	Net income per share after dilution
	Yen	Yen
2014	411.56	—
2013	313.91	—

(2) Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
December 31, 2014	2,765,241	854,515	29.3
March 31, 2014	2,687,890	807,378	29.2

(Reference) Total shareholders' equity: December 31, 2014: ¥809,794 million, March 31, 2014: ¥783,908 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
2014	—	55.00	—	60.00	115.00
2015	—	60.00	—		
2015 (Forecast)				60.00	120.00

(Note) Revision of dividends forecast for this period: None

3. Forecasts for Fiscal Year Ending March 31, 2015

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

	Operating revenues		Operating income		Recurring profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year	1,339,500	0.6	131,500	(2.3)	112,500	(0.4)

	Net income		Net income per share
	Millions of yen	%	Yen
Fiscal year	68,000	3.6	351.23

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

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: Yes
 - 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, 2014	Year ended March 31, 2014
1) Number of shares issued and outstanding (including treasury stock):	193,735,000	193,735,000
2) Number of treasury stock	129,581	96,571
		Nine months ended December 31, 2013
3) Average number of shares outstanding for each period (cumulative term):	193,605,419	193,641,377

* Indication regarding the status of quarterly review procedures

These financial statements are not subject to quarterly review procedures under the Financial Instruments and Exchange Act. The review of these financial statements in accordance with the Financial Instruments and Exchange Act had not been completed at the time of disclosure.

Notes

1. The forward-looking statements made in this document, including the aforementioned forecasts, are based on all information available to the management at the time of this document's release. Actual results may differ from the results anticipated in the statements.
2. Supplementary materials for the financial statements are posted on our homepage.

(Reference) FLASH REPORT (NON-CONSOLIDATED BASIS)

Forecasts for the Fiscal Year Ending March 31, 2015

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

	Operating revenues		Operating income		Recurring profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year	886,500	1.5	108,000	6.1	88,000	10.0

	Net income		Net income per share
	Millions of yen	%	Yen
Fiscal year	55,000	13.0	283.89

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

1. QUALITATIVE INFORMATION ON THE RESULTS FOR THE SUBJECT PERIOD

On April 25, 2005, JR-West caused an extremely serious accident when one of its trains derailed between Tsukaguchi and Amagasaki stations on the Fukuchiyama Line, resulting in 106 fatalities and more than 500 injuries of passengers. Since the accident JR-West has exerted its full effort with regard to its three pillars of management, specifically “Measures to have ourselves accepted as acting with the best of intentions by the victims of the train accident,” “Measures to enhance safety,” and “Furthering of reform.”

During the subject third quarter cumulative period (April 1, 2014 to December 31, 2014), JR-West conducted a memorial service for the victims of the Fukuchiyama Line accident, held explanatory meetings regarding the proposed preservation of the accident site, and continued to make concerted efforts for all persons affected by the accident. In addition, we implemented measures to help foster a safe and secure society through the JR-West Relief Foundation, a public-interest association established in the wake of the Fukuchiyama Line accident.

For the “JR-West Group Medium-Term Management Plan 2017” and its core component, the “Safety Think-and-Act Plan 2017,” based on the principles of “thinking and acting based on the field” and “customer-based management,” we took deliberate measures to achieve our strategic targets, centered on safety and customer satisfaction.

In particular, for the highest priority measure of “Safety,” JR-West made a concerted effort as a corporate group to implement specific measures in the “Safety Think-and-Act Plan 2017.” We are making a concerted effort to realize our goals of “No accidents that cause injury or death to customers” and “No labor accidents that result in fatalities among our employees.”

JR-West considers the fiscal year ending March 2015 as a key year for building the foundations to ensure future growth, with upfront costs to facilitate this growth including preparations for the opening of the Kanazawa segment of the Hokuriku Shinkansen, and the renovation of the West Wing of the OSAKA STATION CITY North Gate Building. For the Hokuriku Shinkansen, the express train charges have been approved by the Minister of Land, Infrastructure, Transport and Tourism, we have announced the operating timetable, and are steadily making progress with preparations for the transfer of the parallel conventional lines. For the West Wing of the North Gate Building, we have decided that the new commercial facility will be called LUCUA 1100, and are making preparations for opening in April.

The business environment for JR-West remains harsh, due to such factors as population decline and competition from other modes of transport, measures to counter natural disasters such as increasingly frequent localized torrential rains, as well as rising costs for labor, electricity and other expenses. At the same time, we consider new sources of demand, such as overseas visitors to Japan and seniors, as a business opportunity, and are enhancing our products and services. Amid such circumstances, with the aim of heightening corporate value over the medium to long term, by deepening interaction and ties with communities, and working together as a corporate group to develop businesses with close ties to specific areas, JR-West took steps to enhance the quality of the railway, to expand non-transportation operations, and to promote new business creation, thereby establishing a foundation for sustainable growth.

Of note, for the Kosei Line, in July 2014 the lease period from the Japan Railway Construction, Transport and Technology Agency (JR-CTTA) terminated, and JR-West received the line with compensation. Also, as of October 2014, JR-West is no longer subject to the provisions of the WTO Agreement on Government Procurement. However, we will continue to enhance transparency in procurement, and pursue non-discriminatory procurement, treating domestic and foreign interests equally, of exceptional products that are safe and high quality at reasonable prices, and for which sufficient after-sales service is included. We will also make efforts to actively utilize domestic and foreign technologies, in order to provide a safer and higher quality rail transport service.

As a result, in the subject third quarter cumulative period, performance was boosted by firm domestic travel demand, increasing numbers of foreign visitors to Japan with the weaker yen, and efforts related to various business measures. On a consolidated basis, operating revenues rose 1.1% from the same period of the previous fiscal year to ¥996.8 billion. Operating income increased 11.1% from a year earlier to ¥134.3 billion, with recurring profit up 16.7% to ¥118.9 billion, and net income 31.1% to ¥79.6 billion.

(1) Qualitative Information on Consolidated Business Results

Consolidated Results for the Nine Months Ended December 31, 2014

Operating revenues:	¥996.8 billion
Operating income:	¥134.3 billion
Recurring profit:	¥118.9 billion
Net income:	¥79.6 billion

Results by Business Segment

a. Transportation Operations

As part of the specific measures for the “Safety Think-and-Act Plan 2017,” JR-West continued to push forward with its “Continual effort to realize safe, reliable transport service.” For measures to “Increase the level of risk assessment,” we created a Risk Assessment Handbook systematically organizing relevant information, and distributed it among all employees. Further, to achieve the goal of “Increasing safety awareness and implementing think-and-act initiatives with the highest priority on human life,” we conducted employee training and other measures through the Railway Safety Education Center, established to teach systematically the lessons learned from accidents. We also conducted trainings in accordance with the “Rules for Tsunami Evacuation Guidance” and other manuals formulated based on the lessons of the Great East Japan Earthquake, and took other steps to facilitate communication of information on earthquakes and tsunami, and to provide for the smooth evacuation of passengers. JR-West also enhanced safety for level crossing systems, and implemented safety measures for platforms. Based on the trial for the “automatic platform gates (rope stype)” at Sakurajima Station, in December 2014 we began a trial operation at Rokkomichi Station to test functions and operation with trains of varying configuration. We also completed construction and began

using the station extension at Amagasaki Station, designed to ease congestion on the platform. For measures to limit damage from earthquakes and tsunami, we conducted seismic retrofitting for pillars supporting elevated tracks, continued work to install derailment prevention guards on the Sanyo Shinkansen, and upgraded our tsunami evacuation equipment. For measures to counter strong winds, we decided to extend the protective wind fence on the Kosei Line between Shiga and Hira stations by January 2016, and on the Hokuriku Main Line between Komaiko and Mikawa stations, and Komatsu and Meiho stations by June 2016.

In transportation operations, JR-West took steps to enhance convenience by increasing the frequency of Shinkansen and conventional line limited express trains, centering on the spring Golden Week and mid-summer Obon holidays, and weekends. Further, in anticipation of the opening of the Kanazawa segment of the Hokuriku Shinkansen in March 2015, we are steadily making preparations to ensure a safe and reliable transport service, including beginning trial runs between Nagano Station and the Hakusan Car Maintenance Center, and announcing the operating timetables.

JR-West is also taking steps to enhance safety and comfort, and ensure transport quality, including introducing 227 Series suburban-type trains in the Hiroshima district during this fiscal year, and 323 Series trains on the Osaka Loop Line from fiscal 2017.

For the sections of the San-in Line, Yamaguchi Line, and Sanko Line where services had been suspended from the previous fiscal year as a result of heavy rains, with the cooperation of local authorities and residents, we were able to resume operations by August 2014.

During the subject fiscal year, services were also suspended from August to September 2014 on segments of the Fukuchiyama and Kabe lines, but full operations have now resumed. Of note, with the approach of Typhoon Vongfong in October 2014, to prevent damage we suspended all operations on conventional lines in the Kyoto-Osaka-Kobe area, giving prior notice to customers.

In marketing initiatives, to compete with other modes of transport, JR-West made efforts to promote use of the Shinkansen, including expanding the segments for the “Super Haya-toku” early discount ticket, conducting the “Remember Kyushu Campaign,” and extending the operating period for the “Plarail Car” on the 500 Series Kodama trains of the Sanyo Shinkansen.

JR-West also worked to stimulate tourism in cooperation with local communities, including holding the “Wakayama Destination Campaign” as the nationwide promotion by JR Group companies, and running the “Yamaguchi Line/San-in Line Service Resumption Campaign” in conjunction with the resumption of services on the Yamaguchi and San-in lines. In anticipation of the opening of the Kanazawa segment of the Hokuriku Shinkansen, we made efforts to increase use of railways to the Hokuriku region, including promoting use of the “e5489 Hayatoku3” discount ticket allowing reservations to be made conveniently online. JR-West also expanded services for overseas visitors to Japan, including broadening the areas of free public Wi-Fi services, launching a free public Wi-Fi service on Haruka limited express trains, and setting up a new ticket reservation office for overseas visitors at Kansai Airport Station. In addition, we took steps to stimulate demand among seniors by launching special discount “Nori-nori Kippu” tickets and the “San-in Meguri Pass 50” for customers 60 and older, and launching the special service

“Otonabi” for persons 50 and older, which provides special discount tickets and travel packages to members.

In terms of measures to establish mutually beneficial relationships with local communities, JR-West opened a special website for the “San-in limono Tankentai” program conducted in conjunction with regional areas, and concluded a comprehensive agreement with Okayama Prefecture regarding stimulating tourism and other measures.

In bus services, JR-West worked to enhance customer convenience with measures including transportation improvements and flexible pricing schemes designed around usage trends.

In ferry services (the Miyajima Line), JR-West established a sales structure to handle the peak customer season, and took other steps to secure revenue.

As a result, operating revenues for the Transportation Operations segment increased 1.9% from the same period of the previous fiscal year, to ¥653.7 billion, with operating income up 13.6%, to ¥102.0 billion.

b. Retail Business

For the JR Osaka Mitsukoshi Isetan department store, at the end of July 2014 we began renovation work, and in April 2015 will open the store in LUCUA 1100 as “isetan,” with revised strength in sales space creation. We also took steps to enhance the appeal of stations, including a business alliance with Seven-Eleven Japan Co., Ltd. to open 44 allied stores, including at Komatsu Station, the first in the Hokuriku area.

As a result, operating revenues in the Retail Business segment declined 7.1% from the same period of the previous fiscal year, to ¥166.6 billion, with operating income down 17.0% from a year earlier to ¥3.2 billion.

c. Real Estate Business

JR-West has been conducting renovation work at major stations, including Shin-Osaka, Hiroshima, and Kanazawa stations, to support future growth. In July 2014, in anticipation of the opening of the Kanazawa segment of the Hokuriku Shinkansen, we renovated the “Kanazawa 100 Bangai Anto” commercial facility underneath the elevated tracks at Kanazawa Station with expanded floor space. For the OSAKA STATION CITY North Gate Building, in August 2014 JR-West renovated the East Wing LUCUA section. We have also decided to name the West Wing “LUCUA 1100,” and to make it a new type of commercial facility that integrates “isetan” with specialty shops that draw customers and generate buzz.

To stimulate business in the area around Osaka Station, JR-West conducted area management activities in association with local business operators. We also developed residential apartments in areas along railway lines.

As a result, operating revenues for the Real Estate Business segment decreased 8.3% from the same period of the previous fiscal year to ¥64.8 billion, though operating income increased 4.7% from a year earlier to ¥21.1 billion.

d. Other Businesses

In hotel operations, JR-West worked to expand sales, including measures to capture inbound demand. In travel agency operations, JR-West strengthened marketing for inbound tourism, expanded internet sales, and took steps to increase sales of products that utilize railways. For the ICOCA e-money service, we maximized the effect of nationwide reciprocal service of transport IC cards, and worked to expand opportunities to use the service, including introducing services at large commercial facilities around town. In terms of taking on the challenge of new business fields, for the agriculture business, to support the development of agriculture in the West Japan region, in April 2014, JR-West made a capital investment in Farm Alliance Management Co., Ltd., and in October 2014, established a business alliance with the rice wholesaler SHINMEI Co., Ltd. For the foods business, JR-West made a capital investment in the food production company Gomangoku Chisatosanso Co., Ltd., and concluded a business alliance with Glocal-i Co., Ltd., in the business of promoting functional foods.

For the golf business, which we expect will face a difficult business environment, with the consent of the local community and club members, in October 2014 we transferred the business to the major golf course operating company Accordia Golf Co., Ltd.

Of note, two companies, DAITETSU KOGYO CO., LTD. and JR WEST BUILT CO., LTD., became consolidated subsidiaries in April 2014. We will continue to pursue efforts to enhance safety and quality in construction and other businesses.

As a result, operating revenues for the Other Businesses segment increased 18.2% from the same period of the previous fiscal year, to ¥111.6 billion, with operating income up 23.0%, to ¥7.4 billion.

(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, 2014) amounted to ¥2,765.2 billion, an increase of ¥77.3 billion from the end of the previous fiscal year (March 31, 2014). This was due mainly to an increase in construction in progress.

Total liabilities amounted to ¥1,910.7 billion, an increase of ¥30.2 billion from the end of the previous fiscal year. This was due mainly to an increase in net defined benefit liability.

Total net assets amounted to ¥854.5 billion, an increase of ¥47.1 billion from the end of the previous fiscal year. This was due mainly to the inclusion of DAITETSU KOGYO CO., LTD. and its subsidiary as consolidated subsidiaries.

(3) Qualitative Information on Consolidated Forecasts

In consideration of railway transportation revenues and other results during the subject third quarter cumulative period, JR-West is revising upward its forecasts for operating revenues, operating income, recurring profit, and net income for the fiscal year ending March 31, 2015, from those announced on October 29, 2014.

Going forward, to respond appropriately to changes in the business environment, JR-West will steadily implement measures for future growth, including opening of the Kanazawa segment of the

Hokuriku Shinkansen, and the renovation of the West Wing of the OSAKA STATION CITY North Gate Building.

Consolidated Forecasts for the Year Ending March 31, 2015

Operating revenues:	¥1,339.5 billion	(up 0.6% YoY)
Operating income:	¥131.5 billion	(down 2.3% YoY)
Recurring profit:	¥112.5 billion	(down 0.4% YoY)
Net income:	¥68.0 billion	(up 3.6% YoY)

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

2. MATTERS REGARDING SUMMARY INFORMATION (NOTES)

(1) Changes in Accounting Policies, Changes in Accounting Estimates, Restatements

(Changes in Accounting Policies)

From the beginning of the first quarter period of the subject fiscal year, the Company has applied “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26, May 17, 2012, “Retirement Benefits Accounting Standard”) and “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, May 17, 2012, “Retirement Benefits Application Guidance”), as prescribed by Paragraph 35 of the Accounting Standard for Retirement Benefits, and Paragraph 67 of the Retirement Benefits Application Guidance. The method for calculating retirement benefit obligations and service cost has been revised, with the period attribution method for projected benefit obligations changed from straight-line attribution to a benefit formula standard, and a change in the method for determining the discount rate.

For the application of the Retirement Benefits Accounting Standard, in accordance with provisional treatment as prescribed by Paragraph 37 of the Retirement Benefits Accounting Standard, from the beginning of the third quarter cumulative period of the subject fiscal year, the amount of financial impact resulting from the change in the method for calculating retirement benefit obligations and service cost, has been assessed to retained earnings.

As a result, net defined benefit liability at the beginning of the third quarter cumulative period of the subject fiscal year increased ¥50,992 million, and retained earnings decreased ¥32,454 million. The impact on operating income, recurring profit, and income before income taxes for the third quarter cumulative period of the subject fiscal year, is negligible.

3. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheets

	Millions of yen	
	March 31, 2014	December 31, 2014
ASSETS		
Current assets:		
Cash	55,203	38,206
Notes and accounts receivable-trade	20,794	26,278
Railway fares receivable	36,721	25,882
Accounts receivable	57,365	38,204
Securities	18,000	60,000
Inventories	44,215	86,379
Deferred income taxes	18,622	11,438
Other current assets	48,129	60,804
Less allowance for doubtful accounts	(638)	(747)
Total current assets	298,414	346,446
Fixed assets:		
Property, plant and equipment:		
Buildings and structures	1,073,890	1,059,085
Machinery and transport equipment	292,710	274,594
Land	659,947	668,770
Construction in progress	75,521	122,681
Other property, plant and equipment	33,129	30,169
Total property, plant and equipment	2,135,199	2,155,301
Intangible fixed assets	30,243	27,407
Investments and other assets:		
Investments in securities	67,359	60,082
Net defined benefit asset	1,469	1,870
Deferred tax assets	128,520	147,884
Other investments and assets	27,738	27,302
Less allowance for doubtful accounts	(1,136)	(1,105)
Total investments and other assets	223,950	236,032
Total fixed assets	2,389,393	2,418,742
Deferred income taxes	83	53
Total assets	2,687,890	2,765,241

	Millions of yen	
	March 31, 2014	December 31, 2014
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	53,542	55,644
Short-term loans payable	25,754	18,327
Current portion of bonds	20,000	20,000
Current portion of long-term debt	25,625	37,936
Current portion of long-term payables for acquisition of railway properties	38,073	37,508
Current portion of long-term accounts payable	31	31
Accounts payable	118,198	57,958
Accrued consumption tax	4,069	17,166
Accrued income tax	29,419	9,676
Prepaid railway fares received	50,997	39,611
Advances received	28,165	46,835
Allowance for bonuses	35,921	18,442
Allowance for point program	1,418	2,075
Other current liabilities	108,302	131,156
Total current liabilities	539,520	492,372
Fixed liabilities:		
Bonds	439,975	469,977
Long-term debt	285,189	302,713
Long-term payables for acquisition of railway properties	171,795	156,342
Long-term accounts payable	96	72
Deferred tax liabilities	405	4,035
Allowance for environmental safety measures	10,204	9,649
Provision for unredeemed gift certificates	2,568	2,263
Net defined benefit liability	326,823	374,507
Other long-term liabilities	103,934	98,790
Total fixed liabilities	1,340,991	1,418,353
Total liabilities	1,880,511	1,910,726

(continued on page 12)

	Millions of yen	
	March 31, 2014	December 31, 2014
NET ASSETS		
Total shareholders' equity:		
Common stock	100,000	100,000
Capital surplus	55,000	55,000
Retained earnings	632,187	656,165
Treasury stock, at cost	(359)	(480)
Total shareholders' equity	786,828	810,685
Valuation and translation adjustments:		
Net unrealized holding gain on securities	3,429	3,708
Deferred gains or losses on hedges	557	170
Remeasurements of defined benefit plans	(6,906)	(4,769)
Total Valuation and translation adjustments	(2,920)	(890)
Minority interests	23,470	44,721
Total net assets	807,378	854,515
Total liabilities and net assets	2,687,890	2,765,241

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

Consolidated Statements of Income

Nine months ended December 31

	Millions of yen	
	2013	2014
Operating revenues	985,942	996,841
Operating expenses:		
Transportation, other services and cost of sales	734,149	727,123
Selling, general and administrative expenses	130,917	135,410
Total operating expenses	865,066	862,534
Operating income	120,875	134,307
Non-operating revenues:		
Interest income	40	47
Dividend income	395	665
Transfer from administrative fee of contracted construction	201	158
Equity in earnings of affiliates	957	2,044
Other	1,372	1,792
Total non-operating revenues	2,966	4,709
Non-operating expenses:		
Interest expense	21,184	19,532
Other	762	560
Total non-operating expenses	21,947	20,093
Recurring profit	101,894	118,924
Extraordinary profits:		
Gain on contributions received for construction	4,408	22,054
Gain on bargain purchase	—	6,635
Other	1,394	2,364
Total extraordinary profits	5,803	31,054
Extraordinary losses:		
Loss on deduction of contributions received for construction from acquisition costs of property, plant and equipment	4,268	21,749
Other	3,548	8,443
Total extraordinary losses	7,817	30,193
Income before income taxes	99,881	119,785
Income taxes- Current	32,477	29,721
Income taxes- Deferred	5,949	10,199
Total income taxes	38,427	39,921
Income before minority interests	61,453	79,864
Minority interests in income (loss)	667	183
Net income	60,786	79,680

Consolidated Statements of Comprehensive Income

Nine months ended December 31

	Millions of yen	
	2013	2014
Income before minority interests	61,453	79,864
Other comprehensive income		
Valuation difference on available-for-sale securities	1,621	639
Deferred gains or losses on hedges	(503)	(484)
Remeasurements of defined benefit plans, net of tax	—	2,169
Share of other comprehensive income of associates accounted for using equity method	74	(135)
Total of other comprehensive income	1,192	2,188
Comprehensive income	62,646	82,053
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	62,037	81,710
Comprehensive income attributable to minority interests	608	343

Business Segment Information

Nine months ended December 31

		Billions of yen		
		2013	2014	Change from the same period of the previous year
Transportation	Operating revenues	641.3	653.7	12.3
	Operating income	89.8	102.0	12.1
Retail	Operating revenues	179.4	166.6	(12.8)
	Operating income	3.8	3.2	(0.6)
Real Estate	Operating revenues	70.6	64.8	(5.8)
	Operating income	20.1	21.1	0.9
Other Businesses	Operating revenues	94.4	111.6	17.2
	Operating income	6.0	7.4	1.3

Note: Revenues by each segment are from third parties.

(3) Other

(Material subsequent events)

Business Combination through Acquisition

DAITETSU KOGYO CO., LTD., an equity-method affiliate in the previous fiscal year, acquired treasury stock, and reduced the total number of voting rights. As a result, the proportion of JR-West's voting rights in the company increased, and it became a subsidiary on April 24, 2014.

1. Overview of the Business Combination

(1) Name of the acquired company

DAITETSU KOGYO CO., LTD.

(2) Description of business of the acquired company

Contracting for construction and track work; contracting for surveying, design, and supervision

(3) Main reasons for the business combination

To enhance the safety and quality of the company's construction work

(4) Date of the business combination

April 24, 2014

(5) Legal form of the business combination

Acquisition of treasury stock through an equity-method affiliate

(6) Name of the company after the combination

The company name was unchanged after the combination.

(7) Proportion of voting rights

Prior to the acquisition: 37.90%

After the acquisition: 51.63%

(8) Basis for the determination of the acquiring company

JR-West holds a majority of voting rights in the acquired company, so is the acquiring company.

2. Period in which the earnings of the acquired company will be included in the quarterly consolidated income statement for the quarterly consolidated cumulative period

April 1, 2014, to December 31, 2014

3. Acquisition cost of the acquired company

The acquisition cost of the acquired company is ¥14,234 million.

4. Amount of negative goodwill generated and cause of generation

(1) Amount of negative goodwill generated

¥5,195 million

(2) Cause of generation

Because the market value of net assets at the time of the combination exceeded the acquisition cost of the acquired company, the difference was recognized as negative goodwill.

5. Other

As DAITETSU KOGYO CO., LTD. became a consolidated subsidiary, the subject company's consolidated subsidiary noted below also became a consolidated subsidiary of JR-West on the same date.

(1) Name of company

JR WEST BUILT CO., LTD.

(2) Description of business of the company

Design, execution, and supervision for construction and civil engineering works, and consulting

(3) Name of the company after the combination

The company name was unchanged after the combination.

Reference Materials

1. NON-CONSOLIDATED BALANCE SHEETS

	March 31, 2014	December 31, 2014	Change
	Billions of yen	Billions of yen	Billions of yen
ASSETS			
Current assets:			
Total current assets	207.7	207.9	0.1
Fixed assets:			
Fixed assets for railway operations	1,773.4	1,739.8	(33.5)
Construction in progress	72.9	116.0	43.1
Investments and other assets	338.4	373.1	34.7
Total fixed assets	2,184.8	2,229.1	44.3
Total assets	2,392.6	2,437.1	44.4

	March 31, 2014	December 31, 2014	Change
	Billions of yen	Billions of yen	Billions of yen
LIABILITIES AND NET ASSETS			
Current liabilities:			
Current portion of long-term debt	81.7	93.4	11.7
Accounts payable	462.9	415.8	(47.1)
Total current liabilities	544.7	509.3	(35.3)
Fixed liabilities:			
Bonds and long-term debt	890.5	923.9	33.3
Accrued retirement benefits	295.0	345.7	50.7
Other long-term liabilities	22.8	13.3	(9.5)
Total fixed liabilities	1,208.4	1,283.0	74.5
Total liabilities	1,753.1	1,792.3	39.2
Total shareholders' equity:			
Common stock	100.0	100.0	—
Capital surplus	55.0	55.0	—
Retained earnings	481.6	486.5	4.9
Treasury stock, at cost	(0.0)	(0.0)	—
Total shareholders' equity	636.6	641.5	4.9
Valuation and translation adjustments	2.8	3.1	0.2
Total net assets	639.4	644.7	5.2
Total liabilities and net assets	2,392.6	2,437.1	44.4

2. NON-CONSOLIDATED STATEMENTS OF INCOME

	Nine months ended December 31		Change from the same period of the previous year		Forecasts for year ending March 31, 2015	
	2013	2014			Change	
	Billions of yen	Billions of yen	Billions of yen	%	Billions of yen	
Operating revenues:						
Transportation	589.7	601.7	12.0	2.0	793.5	12.8
Transportation incidentals	14.2	13.9	(0.3)	(2.4)	18.7	(0.4)
Other operations	17.4	17.6	0.2	1.5	23.4	0.2
Miscellaneous	36.6	37.3	0.6	1.9	50.9	0.1
	658.1	670.7	12.6	1.9	886.5	12.8
Operating expenses:						
Personnel costs	175.6	174.4	(1.2)	(0.7)	233.0	(2.4)
Non personnel costs:						
Energy costs	32.2	33.8	1.6	5.1	45.5	2.3
Maintenance costs	92.7	95.9	3.2	3.5	146.5	7.4
Miscellaneous costs	120.8	123.1	2.3	2.0	176.0	6.4
	245.7	253.0	7.3	3.0	368.0	16.3
Rental payments, etc	17.7	13.8	(3.9)	(22.1)	18.5	(5.1)
Taxes	25.8	25.7	(0.1)	(0.6)	32.0	0.3
Depreciation	95.3	92.5	(2.7)	(2.9)	127.0	(2.3)
	560.3	559.5	(0.7)	(0.1)	778.5	6.6
Operating income	97.7	111.1	13.3	13.7	108.0	6.2
Non-operating revenues and expenses, net:						
Non-operating revenues	2.3	2.2	(0.0)	—	—	—
Non-operating expenses	21.2	19.7	(1.5)	—	—	—
	(18.8)	(17.4)	1.4	(7.7)	(20.0)	1.7
Recurring profit	78.8	93.6	14.8	18.8	88.0	8.0
Extraordinary profit and loss, net:						
Extraordinary profit	5.3	23.5	18.2	—	—	—
Extraordinary loss	6.0	27.4	21.3	—	—	—
	(0.7)	(3.8)	(3.1)	—	(8.5)	(9.7)
Income before income taxes	78.1	89.8	11.6	15.0	79.5	(1.6)
Income taxes	29.9	28.2	(1.6)	(5.6)	24.5	(8.0)
Net income	48.1	61.5	13.3	27.8	55.0	6.3

Passenger-Kilometers and Transportation Revenues

	Millions of Passenger-Kilometers				Billions of yen			
	Passenger-Kilometers				Transportation Revenues			
	Nine months ended December 31		Change		Nine months ended December 31		Change	
	2013	2014	Amount	%	2013	2014	Amount	%
Sanyo Shinkansen								
Commuter Passes	561	556	(5)	(1.0)	6.9	7.0	0.0	0.5
Non-Commuter Passes	12,849	13,204	355	2.8	269.9	277.2	7.3	2.7
Total	13,411	13,760	349	2.6	276.9	284.2	7.3	2.7
Conventional Lines								
Commuter Passes	17,431	17,262	(168)	(1.0)	107.2	108.2	1.0	1.0
Non-Commuter Passes	11,317	11,593	276	2.4	205.6	209.2	3.5	1.7
Total	28,749	28,856	107	0.4	312.8	317.5	4.6	1.5
Kansai Urban Area								
Commuter Passes	14,080	13,990	(89)	(0.6)	86.5	87.3	0.8	1.0
Non-Commuter Passes	7,698	7,872	174	2.3	133.2	135.6	2.3	1.8
Total	21,779	21,863	84	0.4	219.8	223.0	3.2	1.5
Other Lines								
Commuter Passes	3,350	3,271	(78)	(2.3)	20.6	20.9	0.2	1.3
Non-Commuter Passes	3,619	3,720	101	2.8	72.3	73.5	1.1	1.6
Total	6,969	6,992	23	0.3	93.0	94.4	1.4	1.6
Total								
Commuter Passes	17,993	17,818	(174)	(1.0)	114.1	115.3	1.1	1.0
Non-Commuter Passes	24,167	24,798	631	2.6	475.6	486.4	10.8	2.3
Total	42,160	42,617	456	1.1	589.7	601.7	12.0	2.0

3. CAPITAL EXPENDITURES

Consolidated Basis

	Nine months ended December 31		Change from the same period of the previous year		Plan for fiscal year ending March 31, 2015
	2013	2014	Billions of yen	%	
	Billions of yen	Billions of yen			
Capital expenditures	91.9	132.4	40.4	44.0	—
Capital expenditures, excluding contributions received for constructions	82.3	118.7	36.4	44.2	224.0
Contributions received for constructions	9.5	13.6	4.0	42.8	—

Non-Consolidated Basis

	Nine months ended December 31		Change from the same period of the previous year		Plan for fiscal year ending March 31, 2015
	2013	2014	Billions of yen	%	
	Billions of yen	Billions of yen			
Capital expenditures	78.9	110.5	31.6	40.0	—
Capital expenditures, excluding contributions received for constructions	69.4	96.9	27.5	39.7	188.0
[Safety-related capital expenditures]	[42.7]	[39.4]	[(3.2)]	[(7.7)]	[90.0]
Contributions received for constructions	9.5	13.6	4.0	42.8	—

Major Capital Expenditures

Capital investments included earthquake and tsunami countermeasures, new rolling stock (227 series commuter train), and expenditures related to the opening of the Hokuriku Shinkansen.

4. REVISION TO FORECASTS FOR THE FISCAL YEAR ENDING MARCH 31, 2015

	Nine months ended December 31		Change	
	2013	2014		
	A	B	B-A	B/A
	Billions of yen	Billions of yen	Billions of yen	%
Consolidated-basis:	<1.50>	<1.49>		
Operating revenues	985.9	996.8	10.8	1.1
Operating income	120.8	134.3	13.4	11.1
Recurring profit	101.8	118.9	17.0	16.7
	<1.26>	<1.29>		
Net income	60.7	79.6	18.8	31.1
Non-consolidated-basis:				
Operating revenues	658.1	670.7	12.6	1.9
Transportation	589.7	601.7	12.0	2.0
Operating expenses	560.3	559.5	(0.7)	(0.1)
Operating income	97.7	111.1	13.3	13.7
Recurring profit	78.8	93.6	14.8	18.8
Net income	48.1	61.5	13.3	27.8

Note: Figures in brackets < > are the consolidated-to-parent ratio.

	Year ended March 31, 2014	Year ending March 31, 2015		Change		
		Previous forecasts (Oct. 29)	Current forecasts (Jan. 30)	C-A	C/A	C-B
	A	B	C	Billions of yen	%	Billions of yen
	Billions of yen	Billions of yen	Billions of yen	Billions of yen	%	Billions of yen
Consolidated-basis:	<1.52>	<1.51>	<1.51>			
Operating revenues	1,331.0	1,330.0	1,339.5	8.4	0.6	9.5
Operating income	134.5	124.0	131.5	(3.0)	(2.3)	7.5
Recurring profit	112.9	105.0	112.5	(0.4)	(0.4)	7.5
	<1.35>	<1.31>	<1.24>			
Net income	65.6	65.5	68.0	2.3	3.6	2.5
Non-consolidated-basis:						
Operating revenues	873.6	881.0	886.5	12.8	1.5	5.5
Transportation	780.6	788.0	793.5	12.8	1.6	5.5
Operating expenses	771.8	779.5	778.5	6.6	0.9	(1.0)
Operating income	101.7	101.5	108.0	6.2	6.1	6.5
Recurring profit	79.9	81.5	88.0	8.0	10.0	6.5
Net income	48.6	50.0	55.0	6.3	13.0	5.0

Note: Figures in brackets < > are the consolidated-to-parent ratio.

		Year ended March 31, 2014	Year ending March 31, 2015		Change	
			Previous forecasts (Oct. 29)	Current forecasts (Jan.30)	C-A	C-B
		A	B	C	C-A	C-B
		Billions of yen	Billions of yen	Billions of yen	Billions of yen	Billions of yen
Transportation	Operating revenues	851.3	859.3	864.8	13.4	5.5
	Operating income	91.0	90.3	96.8	5.7	6.5
Retail Business	Operating revenues	240.1	214.3	217.8	(22.3)	3.5
	Operating income	4.4	1.0	1.5	(2.9)	0.5
Real Estate Business	Operating revenues	102.2	89.2	86.7	(15.5)	(2.5)
	Operating income	27.7	23.7	23.7	(4.0)	—
Other Businesses	Operating revenues	137.1	167.2	170.2	33.0	3.0
	Operating income	11.8	9.5	10.0	(1.8)	0.5

Note: Revenues by each segment are from third parties.

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 2015 based on information available to JR-West as of January 2015 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 Fukuchiyama Line happened on April 25, 2005 is NOT considered in this report.