

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

Stock listings: Tokyo Stock Exchange, Nagoya and Fukuoka Stock Exchanges

Code number: 9021

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Quarterly report filing date (Planned): August 5, 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 Three Months Ended June 30, 2015 (from April 1, 2015 to June 30, 2015)****(1) Operating Results**

Three months ended June 30

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	%
2015	341,382	8.3	51,016	32.9	45,361	33.9	29,693	5.4
2014	315,216	1.4	38,392	3.5	33,869	11.0	28,182	51.6

(Note) Comprehensive Income: Three months ended June 30, 2015: ¥31,300 million, 9.4%;

Three months ended June 30, 2014: ¥28,614 million, 46.2%

	Net income per share	Net income per share after dilution
	Yen	Yen
2015	153.37	—
2014	145.56	—

**(2) Financial Position**

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
June 30, 2015	2,735,992	865,285	30.0
March 31, 2015	2,786,470	846,701	28.8

(Reference) Total shareholders' equity: June 30, 2015: ¥819,498 million, March 31, 2015: ¥801,264 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
2015	—	60.00	—	65.00	125.00
2016	—				
2016 (Forecast)		65.00	—	65.00	130.00

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

### 3. Forecasts for Fiscal Year ending March 31, 2016

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

	Operating revenues		Operating income		Recurring profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Interim period	698,500	7.2	101,000	22.9	90,000	24.2
Fiscal year	1,411,500	4.5	162,000	15.9	143,500	17.6

	Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Yen
Interim period	59,000	8.4	304.74
Fiscal year	90,500	35.7	467.45

(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

(Note) Please refer to 2. MATTERS REGARDING SUMMARY INFORMATION (NOTES) on page 8.

- (4) Number of shares outstanding (Common stock)

	Three months ended June 30, 2015	Years ended March 31, 2015
1) Number of shares issued and outstanding (including treasury stock):	193,735,000	193,735,000
2) Number of treasury stock	129,581	129,581
		Three months ended June 30, 2014
3) Average number of shares outstanding for each period (cumulative term):	193,605,419	193,605,419

\* Indication regarding the status of auditing procedures

These financial statements are not subject to auditing procedures under the Financial Instruments and Exchange Act. The auditing procedures 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 Fiscal Year ending March 31, 2016**

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

	Operating revenues		Operating income		Recurring profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Interim period	473,000	7.3	87,000	25.8	76,000	32.0
Fiscal year	937,500	5.2	129,500	15.6	111,000	20.5

	Net income		Net income per share
	Millions of yen	%	Yen
Interim period	51,000	30.6	263.25
Fiscal year	72,500	53.0	374.22

(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.”

In April 2015, JR-West held a memorial service for the victims of the Fukuchiyama Line accident, and has continued to make concerted efforts for all persons affected by the accident.

The JR-West Group formulated the “JR-West Group Medium-Term Management Plan 2017” and its core component, the “Safety Think-and-Act Plan 2017,” in March 2013. We designated the five years to FY2018/3 as a “period for contributing to the establishment of a foundation for decisive management,” and are implementing the “Three Basic Strategies” and “Four Business Strategies” as our strategic priorities. In April 2015, we updated the “JR-West Group Medium-Term Management Plan 2017” in accordance with our reflections on the first two years and changes in the operating environment, revising and adding measures to accomplish our objectives.

The operating environment for the JR-West Group remains harsh as a result of such factors as population decline, competition from other modes of transport, rising labor costs, and higher electricity rates. Amid such circumstances, we are pursuing initiatives in response to increases in inbound visitors and demand from seniors, along with measures to maximize the benefits from this spring’s launch of the Nagano-Kanazawa segment of the Hokuriku Shinkansen, and the opening of LUCUA 1100, the West Wing of the North Gate Building of OSAKA STATION CITY. To capture inbound visitor demand, we established the Group Inbound Tourism Promotion Office to implement group-wide measures for transport, travel, and hotels.

As a result of the steady implementation during the subject period of measures in accordance with the medium-term management plan, operating revenues rose 8.3% from the same period of the previous fiscal year to ¥341.3 billion. Operating income increased 32.9% from a year earlier to ¥51.0 billion, with recurring profit up 33.9% to ¥45.3 billion, and profit attributable to owners of parent 5.4% to ¥29.6 billion.

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

#### Consolidated Results for the Three Months Ended June 30, 2015 (April – June 2015)

Operating revenues:	¥341.3 billion
Operating income:	¥51.0 billion
Recurring profit:	¥45.3 billion
Profit attributable to owners of parent:	¥29.6 billion

#### Results by Business Segment

##### a. Transportation Operations

JR-West implemented specific safety-related measures based on the “Safety Think-and-Act Plan 2017.”

In response to intensifying natural disasters, JR-West is moving forward with measures to improve disaster resilience during rainfall along railway line, focusing on the Kyoto-Osaka-Kobe area.

For earthquake countermeasures, we conducted seismic retrofitting for pillars supporting elevated tracks, installed derailment prevention guards on the Sanyo Shinkansen, and upgraded our tsunami evacuation equipment. 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.

To enhance safety on platforms, JR-West moved ahead with the installation of “automatic platform gates (rope style)” following trials in the previous fiscal year at Rokkomichi Station showing that practical application was feasible, and will also install the system at Takatsuki Station, planned for completion in spring 2016.

For measures to prevent labor accidents, JR-West revised its “Regulations to Prevent Engineering-Related Worker-Train Accidents on Conventional Lines” aimed at enhancing the level of safety during maintenance operations or inspections. In addition, we conducted trainings utilizing the Safety Perception Refinement Building, constructed in January 2015, within the staff training center.

In addition to the above measures, from the subject fiscal year JR-West also introduced third-party evaluations of its safety management structure in order to enhance and augment the auditing of such structures.

In transportation operations, JR-West implemented a timetable revision in March 2015, began commercial operation of *Kagayaki*, *Hakutaka*, and *Tsurugi* trains following the opening of the Nagano-Kanazawa segment on the Hokuriku Shinkansen, and transferred operation of parallel conventional lines to semi-public corporations. We also implemented other timetable revisions, and worked to enhance convenience by operating additional trains mainly during the “golden week” holidays and weekends, including *Nozomi* and *Mizuho* trains on the Sanyo Shinkansen, *Kagayaki* trains on the Hokuriku Shinkansen, and *Thunderbird* limited express trains.

In marketing initiatives, in conjunction with the opening of the Kanazawa segment of the Hokuriku Shinkansen, JR-West implemented measures to increase use of the service to the Hokuriku area, including expanding the type of tickets available through the “e5489” internet reservation service, and operating sightseeing bus tours departing from Kanazawa and Toyama stations, as well as selling and promoting use of travel packages allowing wide-area excursions across the Hokuriku and Shinetsu (Niigata/Nagano) regions. We also will conduct initiatives to increase the mobility between Kansai and the Hokuriku area.

To promote use of the Sanyo Shinkansen, in conjunction with the campaign commemorating the 40th anniversary of opening all lines of Sanyo Shinkansen JR-West worked to encourage use of the Sanyo Shinkansen by broadcasting television commercials highlighting the appeal of Kansai, launching the early discount tickets “EX Family Haya-toku” and “Kodama WEB Haya-toku 14” promotions, and conducting the travel campaign “Remember Kyushu Campaign.”

JR-West also launched the “Saiyu Kiko Setouchi Area Pass,” a ticket for inbound visitors for the sightseeing route from Kansai to Hakata.

For seniors, JR-West took steps to stimulate demand with the launch of “Otonabi Pass” and “Otonabi WEB Haya-toku” early discount tickets, exclusively for members of the “Otonabi” service

providing special discount tickets and travel packages to persons 50 and older.

In addition, in anticipation of the launch of the *Twilight Express Mizukaze* sleeper train, JR-West established the Mizukaze Promotion Division, and announced the operating routes and other details.

Further, as part of our measures to realize the goal of “coexistence with communities,” JR-West held the Local Traditional Art Festival to convey information on local areas.

In bus and ferry (the Miyajima Line) services, with a basis in safety, JR-West worked to enhance convenience by implementing transport improvements based on customer usage patterns.

As a result of these measures, operating revenues for the Transportation Operations segment increased 8.1% from the same period of the previous fiscal year, to ¥224.3 billion, with operating income up 35.2%, to ¥40.1 billion.

## **b. Retail Business**

For the JR Osaka Mitsukoshi Isetan department store, at the end of July 2014 JR-West began renovation work, and in April 2015 opened the store in LUCUA 1100 as “isetan,” with revised strength in sales space creation. We also recorded favorable usage of Eki Marché Shin-Osaka, a commercial facility opened in March inside the area through the ticket gates at Shin-Osaka Station.

In addition, for our business alliance with Seven-Eleven Japan Co., Ltd. we opened 16 new allied stores for a total of 86, with sales solidly increasing.

The Retail Business was affected by renovation work to stations and other facilities during the previous fiscal year, but stores have been opened as planned, and business performance is firm on the increase in railway use. As a result, operating revenues in the Retail Business segment increased 0.1% from the same period of the previous fiscal year, to ¥55.4 billion, with operating income up 42.3%, to ¥1.3 billion.

## **c. Real Estate Business**

JR-West is moving forward with renovation work to commercial facilities at major stations, to support future growth. In April, we opened Sun Station Terrace Kurashiki in the Kurashiki Station building, and in May, renovated and expanded the floor space for the Hiroshima Shinkansen Meitengai in the Hiroshima Station concourse.

For the West Wing of the North Gate Building of OSAKA STATION CITY, on April 2, 2015, JR-West held the grand opening of LUCUA 1100, a new type of commercial facility that integrates “isetan” with specialty shops that draw customers and generate buzz. In addition, to stimulate business in the area around Osaka Station, JR-West conducted area management activities in association with local business operators.

Of note, in April 2015 JR-West merged two consolidated subsidiaries operating shopping centers at JR Osaka Station and other areas, with the aim of developing and operating more convenient and attractive commercial facilities.

In addition to these measures, revenue from condominium sales in areas along railway lines had declined in the previous fiscal year due to the impact from the consumption tax hike, but the effects have now abated. As a result, operating revenues for the Real Estate Business segment increased 9.5% from the same period of the previous fiscal year, to ¥22.5 billion, with operating income up 13.7%, to ¥7.9 billion.

#### **d. Other Businesses**

In hotel operations, JR-West worked to expand sales, including measures to capture inbound visitor demand.

In travel agency operations, JR-West strengthened marketing efforts to capture inbound visitor demand, expanded internet sales, and took steps to increase sales of products that utilize railways.

For the ICOCA e-money service, JR-West worked to enhance convenience by expanding the network of member stores.

In the construction business, JR-West enhanced safety and quality in construction projects, and worked to expand new order contracts.

As a result, operating revenues for the Other Businesses segment increased 23.4% from the same period of the previous fiscal year, to ¥38.9 billion, with operating income up 283.7%, to ¥1.1 billion.

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

JR-West's total assets at the end of the first quarter of the subject fiscal year (June 30, 2015) amounted to ¥2,735.9 billion, a decrease of ¥50.4 billion from the end of the previous fiscal year (March 31, 2015). This was due mainly to a decrease in accounts receivable.

Total liabilities amounted to ¥1,870.7 billion, a decrease of ¥69.0 billion from the end of the previous fiscal year. This was due mainly to a decrease in accounts payable.

Total net assets amounted to ¥865.2 billion, an increase of ¥18.5 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**

For the fiscal year ending March 31, 2016, based on trends in rail transport revenues and other factors, JR-West is revising upward its forecasts for operating revenues, operating income, recurring profit, and profit attributable to owners of parent from the forecasts announced on April 30, 2015.

Looking ahead, while the economic outlook is turbid, and the situation for revenues is expected to remain uncertain, JR-West will continue to steadily implement its "Safety Think-and-Act Plan 2017," and based on the "JR-West Group Medium-Term Management Plan 2017" updated in April 2015, through initiatives targeting increased demand by inbound visitors and seniors, and by maximizing the effects of the opening of the Nagano-Kanazawa segment of the Hokuriku Shinkansen and the "LUCUA 1100" the West Wing of the North Gate Building of OSAKA STATION CITY, JR-West will strengthen its business foundation and achieve sustained growth.

#### Consolidated Forecasts for the Six Months Ending September 30, 2015

Operating revenues:	¥698.5 billion	(up 7.2% YoY)
Operating income:	¥101.0 billion	(up 22.9% YoY)
Recurring profit:	¥90.0 billion	(up 24.2% YoY)
Profit attributable to owners of parent:	¥59.0 billion	(up 8.4% YoY)

## Consolidated Forecasts for the Year Ending March 31, 2016

Operating revenues:	¥1,411.5 billion	(up 4.5% YoY)
Operating income:	¥162.0 billion	(up 15.9% YoY)
Recurring profit:	¥143.5 billion	(up 17.6% YoY)
Profit attributable to owners of parent:	¥90.5 billion	(up 35.7% 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 subject fiscal year, the Company has applied “Revised Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013, hereafter “Business Combinations Accounting Standard”), “Revised Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013, hereafter “Consolidation Accounting Standard”), and “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013, hereafter “Business Divestitures Accounting Standard”), recording as capital surplus the variance on changes in equity interests in subsidiaries where the Company retains control, and changing the method for recording acquisition-related expenses as expenses for the consolidated fiscal year.

Also, for business combinations conducted from the beginning of the subject fiscal year, the Company has changed to a method to reflect the revisions to the allocated amount of acquisition cost determined by provisional accounting treatment in the consolidated financial statements for the quarterly accounting period of the date of the business combination. In addition, the Company has made changes to the presentation of net income, and changed the presentation of minority interests to non-controlling interests. The consolidated financial statements for the previous first quarter period and previous fiscal year have been reclassified to reflect the subject changes in presentation.

For the application of the Business Combinations Accounting Standard and other standards, the Company follows the transitional treatment prescribed by Article 58-2 (4) of the Business Combinations Accounting Standard, Article 44-5 (4) of the Consolidation Accounting Standard, and Article 57-4 (4) of the Business Divestitures Accounting Standard, applying such from the beginning of the first quarter period of the subject fiscal year and going forward.

There is no effect on the consolidated financial statements as a result of this change.



### 3. CONSOLIDATED FINANCIAL STATEMENTS

#### (1) Consolidated Balance Sheets

	Millions of yen	
	March 31, 2015	June 30, 2015
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash	53,592	41,555
Notes and accounts receivable-trade	33,922	26,325
Railway fares receivable	35,098	27,288
Accounts receivable	79,074	38,631
Securities	32,000	45,000
Inventories	57,755	65,489
Deferred income taxes	18,475	12,404
Other current assets	54,397	57,331
Less allowance for doubtful accounts	(770)	(724)
Total current assets	363,544	313,302
<b>Non-current assets:</b>		
<b>Property, plant and equipment:</b>		
Buildings and structures	1,080,084	1,069,539
Machinery and transport equipment	315,824	313,275
Land	671,123	671,093
Construction in progress	61,453	77,099
Other property, plant and equipment	35,759	33,526
Total property, plant and equipment	2,164,245	2,164,535
<b>Intangible assets</b>	31,359	29,348
<b>Investments and other assets:</b>		
Investments in securities	61,723	63,807
Net defined benefit asset	2,592	2,638
Deferred tax assets	134,591	134,359
Other investments and assets	29,415	29,007
Less allowance for doubtful accounts	(1,043)	(1,040)
Total investments and other assets	227,278	228,772
Total fixed assets	2,422,882	2,422,656
<b>Deferred income taxes</b>	43	33
<b>Total assets</b>	<b>2,786,470</b>	<b>2,735,992</b>

	Millions of yen	
	March 31, 2015	June 30, 2015
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Notes and accounts payable-trade	82,558	57,727
Short-term loans payable	16,335	17,799
Current portion of long-term loans payable	48,098	47,234
Current portion of long-term payables for acquisition of railway properties	33,613	33,602
Current portion of long-term accounts payable	31	31
Accounts payable	96,636	51,415
Accrued consumption tax	15,704	11,828
Accrued income tax	20,757	9,849
Prepaid railway fares received	38,412	40,611
Advances received	16,350	27,745
Allowance for bonuses	37,166	18,570
Allowance for point program	1,566	1,797
Other current liabilities	119,800	119,297
Total current liabilities	527,032	437,513
<b>Non-current liabilities:</b>		
Bonds payable	479,977	479,978
Long-term loans payable	304,291	323,546
Long-term payables for acquisition of railway properties	138,140	138,151
Long-term accounts payable	64	56
Deferred tax liabilities	4,040	4,121
Allowance for environmental safety measures	9,627	9,112
Provision for unredeemed gift certificates	2,551	2,477
Net defined benefit liability	375,285	376,730
Other long-term liabilities	98,758	99,018
Total fixed liabilities	1,412,736	1,433,194
<b>Total liabilities</b>	<b>1,939,768</b>	<b>1,870,707</b>

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	Millions of yen	
	March 31, 2015	June 30, 2015
<b>NET ASSETS</b>		
<b>Total shareholders' equity:</b>		
Common stock	100,000	100,000
Capital surplus	55,000	55,000
Retained earnings	643,198	660,298
Treasury stock, at cost	(480)	(480)
Total shareholders' equity	797,717	814,818
<b>Valuation and translation adjustments:</b>		
Net unrealized holding gain on securities	4,955	6,162
Deferred gains or losses on hedges	638	(26)
Remeasurements of defined benefit plans	(2,047)	(1,456)
Total Valuation and translation adjustments	3,547	4,679
<b>Non-controlling interests</b>	45,436	45,786
<b>Total net assets</b>	846,701	865,285
<b>Total liabilities and net assets</b>	2,786,470	2,735,992

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

### Consolidated Statements of Income

Three months ended June 30

	Millions of yen	
	2014	2015
<b>Operating revenues</b>	315,216	341,382
<b>Operating expenses:</b>		
Transportation, other services and cost of sales	232,024	246,138
Selling, general and administrative expenses	44,799	44,226
Total operating expenses	276,823	290,365
<b>Operating income</b>	38,392	51,016
<b>Non-operating revenues:</b>		
Interest income	19	28
Dividend income	196	162
Transfer from administrative fee of contracted construction	13	25
Equity in earnings of affiliates	1,230	231
Other	694	601
Total non-operating revenues	2,154	1,049
<b>Non-operating expenses:</b>		
Interest expense	6,496	6,063
Other	181	641
Total non-operating expenses	6,677	6,704
<b>Recurring profit</b>	33,869	45,361
<b>Extraordinary profits:</b>		
Gain on contributions received for construction	1,392	2,044
Gain on bargain purchase	6,403	—
Other	634	822
Total extraordinary profits	8,430	2,867
<b>Extraordinary losses:</b>		
Loss on deduction of contributions received for construction from acquisition costs of property, plant and equipment	1,350	1,972
Other	1,210	1,481
Total extraordinary losses	2,561	3,454
<b>Income before income taxes</b>	39,738	44,773
<b>Income taxes- Current</b>	5,333	8,920
<b>Income taxes- Deferred</b>	6,253	5,622
<b>Total income taxes</b>	11,587	14,543
<b>Net income</b>	28,151	30,230
<b>Profit (loss) attributable to non-controlling interests</b>	(30)	537
<b>Profit attributable to owners of parent</b>	28,182	29,693

## Consolidated Statements of Comprehensive Income

Three months ended June 30

	Millions of yen	
	2014	2015
Net income	28,151	30,230
Other comprehensive income:		
Valuation difference on available-for-sale securities	211	1,291
Deferred gains or losses on hedges	(354)	(833)
Remeasurements of defined benefit plans, net of tax	796	590
Share of other comprehensive income of associates accounted for using equity method	(189)	21
Total other comprehensive income	463	1,069
Comprehensive income	28,614	31,300
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	28,607	30,826
Comprehensive income attributable to non-controlling interests	7	473

## Business Segment Information

Three months ended June 30

		Billions of yen		
		2014	2015	Change from the same period of the previous period
Transportation	Operating revenues	207.5	224.3	16.8
	Operating income	29.6	40.1	10.4
Retail	Operating revenues	55.4	55.4	0.0
	Operating income	0.9	1.3	0.4
Real Estate	Operating revenues	20.6	22.5	1.9
	Operating income	6.9	7.9	0.9
Other Businesses	Operating revenues	31.6	38.9	7.3
	Operating income	0.3	1.1	0.8

Note: Revenues by each segment are from third parties.

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

Not applicable

**(4) Notes in the Event of Major Change in Shareholders' Equity**

Not applicable

## Reference Materials

### 1. NON-CONSOLIDATED BALANCE SHEETS

	March 31, 2015	<b>June 30, 2015</b>	Change
	Billions of yen	Billions of yen	Billions of yen
<b>ASSETS</b>			
<b>Current assets:</b>			
Total current assets	235.2	233.0	(2.2)
<b>Fixed assets:</b>			
Fixed assets for railway operations	1,796.1	1,781.3	(14.7)
Construction in progress	58.6	68.4	9.7
Investments and other assets	354.4	328.9	(25.4)
Total fixed assets	2,209.1	2,178.7	(30.4)
<b>Total assets</b>	2,444.4	2,411.7	(32.6)

	March 31, 2015	<b>June 30, 2015</b>	Change
	Billions of yen	Billions of yen	Billions of yen
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current liabilities:</b>			
Current portion of long-term debt	79.7	78.8	(0.8)
Accounts payable	451.9	385.4	(66.5)
Total current liabilities	531.6	464.3	(67.3)
<b>Fixed liabilities:</b>			
Bonds and long-term debt	917.9	937.5	19.5
Accrued retirement benefits	349.8	352.1	2.2
Other long-term liabilities	13.3	12.7	(0.5)
Total fixed liabilities	1,281.1	1,302.4	21.2
<b>Total liabilities</b>	1,812.8	1,766.7	(46.1)
<b>Total shareholders' equity:</b>			
Common stock	100.0	100.0	—
Capital surplus	55.0	55.0	—
Retained earnings	472.4	484.9	12.4
Treasury stock, at cost	(0.0)	(0.0)	—
Total shareholders' equity	627.4	639.9	12.4
<b>Valuation and translation adjustments</b>	4.1	5.1	1.0
<b>Total net assets</b>	631.5	645.0	13.4
<b>Total liabilities and net assets</b>	2,444.4	2,411.7	(32.6)

## 2. NON-CONSOLIDATED STATEMENTS OF INCOME

	Three months ended June 30		Change from the same period of the previous year		Forecasts for year ending March 31, 2016	
	2014	2015	Billions of yen	%	Billions of yen	Change
	Billions of yen	Billions of yen				Billions of yen
<b>Operating revenues:</b>						
Transportation	190.8	205.8	14.9	7.8	836.0	38.9
Transportation incidentals	4.5	4.5	0.0	0.0	18.3	(0.1)
Other operations	5.8	6.4	0.5	10.0	25.6	1.9
Miscellaneous	12.1	13.9	1.8	15.1	57.6	5.8
	213.4	230.8	17.3	8.1	937.5	46.5
<b>Operating expenses:</b>						
Personnel costs	58.4	57.9	(0.5)	(0.9)	233.0	(0.0)
Non personnel costs:						
Energy costs	10.8	11.3	0.4	4.1	47.0	1.6
Maintenance costs	27.5	28.0	0.5	1.9	149.5	2.7
Miscellaneous costs	40.2	43.6	3.4	8.5	188.0	11.0
	78.6	83.0	4.3	5.6	384.5	15.4
Rental payments, etc	4.6	6.6	1.9	42.5	26.5	7.7
Taxes	8.3	8.4	0.1	1.6	32.0	(0.0)
Depreciation	30.4	31.1	0.7	2.4	132.0	5.9
	180.5	187.1	6.6	3.7	808.0	29.0
<b>Operating income</b>	32.9	43.6	10.6	32.5	129.5	17.4
<b>Non-operating revenues and expenses, net:</b>						
Non-operating revenues	0.9	0.9	(0.0)	—	—	—
Non-operating expenses	6.5	6.6	0.1	—	—	—
	(5.5)	(5.7)	(0.1)	3.0	(18.5)	1.3
<b>Recurring profit</b>	27.3	37.8	10.5	38.5	111.0	18.8
<b>Extraordinary profit and loss, net:</b>						
Extraordinary profit	1.4	2.3	0.8	—	—	—
Extraordinary loss	2.1	3.0	0.8	—	—	—
	(0.6)	(0.6)	(0.0)	—	(3.0)	1.5
<b>Income before income taxes</b>	26.6	37.1	10.5	39.4	108.0	20.4
<b>Income taxes</b>	9.2	12.1	2.8	31.2	35.5	(4.7)
<b>Net income</b>	17.4	25.0	7.6	43.8	72.5	25.1



## Passenger-Kilometers and Transportation Revenues

	Millions of Passenger-Kilometers				Billions of yen			
	Passenger-Kilometers				Transportation Revenues			
	Three months ended June 30		Change		Three months ended June 30		Change	
	2014	2015	Amount	%	2014	2015	Amount	%
Shinkansen								
Commuter Passes	180	207	27	15.1	2.3	2.5	0.1	7.5
Non-Commuter Passes	4,024	4,609	585	14.5	85.9	101.7	15.7	18.4
Total	4,204	4,816	612	14.6	88.3	104.3	15.9	18.1
Conventional Lines								
Commuter Passes	5,908	5,987	78	1.3	36.4	36.0	(0.4)	(1.1)
Non-Commuter Passes	3,570	3,573	2	0.1	66.0	65.5	(0.5)	(0.9)
Total	9,478	9,560	81	0.9	102.5	101.5	(1.0)	(1.0)
Kansai Urban Area								
Commuter Passes	4,772	4,899	126	2.7	29.3	29.4	0.1	0.6
Non-Commuter Passes	2,477	2,604	127	5.1	43.8	45.8	2.0	4.6
Total	7,250	7,504	253	3.5	73.1	75.3	2.1	3.0
Other Lines								
Commuter Passes	1,135	1,087	(47)	(4.2)	7.0	6.5	(0.5)	(8.1)
Non-Commuter Passes	1,092	968	(124)	(11.4)	22.2	19.6	(2.5)	(11.6)
Total	2,228	2,056	(172)	(7.7)	29.3	26.1	(3.1)	(10.8)
Total								
Commuter Passes	6,088	6,194	106	1.7	38.8	38.5	(0.2)	(0.6)
Non-Commuter Passes	7,595	8,182	587	7.7	152.0	167.2	15.1	10.0
Total	13,683	14,377	693	5.1	190.8	205.8	14.9	7.8

### 3. CAPITAL EXPENDITURES

#### Consolidated Basis

	Three months ended June 30		Change from the same period of the previous period		Plan for fiscal year ending March 31, 2016
	2014	2015	Billions of yen	%	
	Billions of yen	Billions of yen			
Capital expenditures	38.7	33.1	(5.5)	(14.4)	—
Capital expenditures, excluding contributions received for constructions	37.1	31.6	(5.4)	(14.7)	231.0
Contributions received for constructions	1.6	1.4	(0.1)	(7.0)	—

#### Non-Consolidated Basis

	Three months ended June 30		Change from the same period of the previous period		Plan for fiscal year ending March 31, 2016
	2014	2015	Billions of yen	%	
	Billions of yen	Billions of yen			
Capital expenditures	29.3	28.8	(0.4)	(1.6)	—
Capital expenditures, excluding contributions received for constructions	27.7	27.3	(0.3)	(1.3)	199.0
[Safety-related capital expenditures]	[10.9]	[19.2]	[8.2]	[75.0]	[123.0]
Contributions received for constructions	1.6	1.4	(0.1)	(7.0)	—

#### Major Capital Expenditures

Capital investments included earthquake and tsunami countermeasures, new rolling stock (Shinkansen N700A series, 227 series commuter train)

#### 4. REVISION TO FORECASTS FOR THE FISCAL YEAR ENDING MARCH 31, 2016

	Three months ended June 30		Change	
	2014	2015		
	A	B	B-A	B/A
	Billions of yen	Billions of yen	Billions of yen	%
<b>Consolidated-basis :</b>	<1.48>	<1.48>		
Operating revenues	315.2	341.3	26.1	8.3
Operating income	38.3	51.0	12.6	32.9
Recurring profit	33.8	45.3	11.4	33.9
Profit attributable to owners of parent	<1.62> 28.1	<1.18> 29.6	1.5	5.4
<b>Non-consolidated-basis :</b>				
Operating revenues	213.4	230.8	17.3	8.1
Transportation	190.8	205.8	14.9	7.8
Operating expenses	180.5	187.1	6.6	3.7
Operating income	32.9	43.6	10.6	32.5
Recurring profit	27.3	37.8	10.5	38.5
Net income	17.4	25.0	7.6	43.8

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

	Year ended March 31, 2015	Year ending March 31, 2016		Change		
		Previous forecasts (Apr. 30)	Current forecasts (July 30)			
	A	B	C	C-A	C/A	C-B
	Billions of yen	Billions of yen	Billions of yen	Billions of yen	%	Billions of yen
<b>Consolidated-basis :</b>	<1.52>	<1.51>	<1.51>			
Operating revenues	1,350.3	1,391.5	1,411.5	61.1	4.5	20.0
Operating income	139.7	148.5	162.0	22.2	15.9	13.5
Recurring profit	121.9	130.0	143.5	21.5	17.6	13.5
Profit attributable to owners of parent	<1.41> 66.7	<1.28> 81.5	<1.25> 90.5	23.7	35.7	9.0
<b>Non-consolidated-basis :</b>						
Operating revenues	890.9	919.5	937.5	46.5	5.2	18.0
Transportation	797.0	818.0	836.0	38.9	4.9	18.0
Operating expenses	778.9	803.0	808.0	29.0	3.7	5.0
Operating income	112.0	116.5	129.5	17.4	15.6	13.0
Recurring profit	92.1	98.0	111.0	18.8	20.5	13.0
Net income	47.3	63.5	72.5	25.1	53.0	9.0

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

## Business Segment Information

		Year ended March 31, 2015	Year ending March 31, 2016		Change	
			Previous forecasts (Apr. 30)	Current forecasts (July 30)		
		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	868.4	895.6	913.6	45.1	18.0
	Operating income	100.6	103.3	116.3	15.6	13.0
Retail Business	Operating revenues	220.1	227.0	229.0	8.8	2.0
	Operating income	1.5	4.1	4.6	3.0	0.5
Real Estate Business	Operating revenues	87.2	102.6	102.6	15.3	—
	Operating income	25.1	30.3	30.3	5.1	—
Other Businesses	Operating revenues	174.4	166.3	166.3	(8.1)	—
	Operating income	15.6	14.0	14.0	(1.6)	—

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