

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): February 10, 2016

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, 2015 (from April 1, 2015 to December 31, 2015)**(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	%
2015	1,075,828	7.9	165,644	23.3	149,709	25.9	97,806	22.7
2014	996,841	1.1	134,307	11.1	118,924	16.7	79,680	31.1

(Note) Comprehensive Income: Nine months ended December 31, 2015: ¥101,508 million, 23.7%;
 Nine months ended December 31, 2014: ¥82,053 million, 31.0%

	Net income per share	Net income per share after dilution
	Yen	Yen
2015	505.19	—
2014	411.56	—

(2) Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
December 31, 2015	2,816,125	923,062	31.1
March 31, 2015	2,786,470	846,701	28.8

(Reference) Total shareholders' equity: December 31, 2015: ¥875,561 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	—	65.00	—		
2016 (Forecast)				70.00	135.00

(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	%
Fiscal year	1,437,000	6.4	171,500	22.7	153,000	25.4

	Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Yen
Fiscal year	96,000	43.9	495.85

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

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 9.

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

	Nine months ended December 31, 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	129,849	129,581
		Nine months ended December 31, 2014
3) Average number of shares outstanding for each period (cumulative term):	193,605,252	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.

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 conducted a memorial service for the victims of the Fukuchiyama Line accident, and in November held explanatory meetings regarding the proposed preservation of the accident site. We will continue 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 have been 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.

During the subject third quarter cumulative period, transportation revenues increased as a result of favorable use of both the Hokuriku Shinkansen following the opening of the Nagano-Kanazawa segment in March 2015, and the Sanyo Shinkansen marking the 40th anniversary of its opening, along with a boost in railway use centered on seniors. Revenue also increased for the non-railway businesses of retail and real estate, due to extensive utilization of new commercial facilities opened as part of ongoing renovation projects at major stations. As above, JR-West steadily conducted various measures, and implemented its business plan, including investments for future growth.

As a result, on a consolidated basis, operating revenues for the subject third quarter cumulative period (April 1, 2015 to December 31, 2015) rose 7.9% from the same period of the previous fiscal year to ¥1,075.8 billion. Operating income increased 23.3% from a year earlier to ¥165.6 billion, while recurring profit rose 25.9% to ¥149.7 billion, and profit attributable to owners of parent 22.7% to ¥97.8 billion.

Despite positive performance, the operating environment for the JR-West Group remains harsh as a result of such factors as population decline, competition from other modes of transportation, the need to address such risks as intensifying natural disasters and terrorism, and cost increases due to rising labor costs.

Amid such circumstances, we are continuing to pursue measures to maximize the opening effect of the Hokuriku Shinkansen and capture demand from inbound visitors and seniors, as well as implementing initiatives to maximize the opening effect of LUCUA 1100, opened in April 2015, the West Wing of the North Gate Building of OSAKA STATION CITY. In addition, JR-West established the Group Inbound Tourism Promotion Office in June 2015 to implement group-wide measures for transportation, travel, and hotels. We also established the Singapore Office in July 2015 as a local facility to expand railway use among visitors from Southeast Asian countries. In

addition, as part of JR-West's contribution toward coexistence with communities, to provide high-quality medical care and fulfill a role as a central community hospital, in January 2016 we moved and reopened the Hiroshima General Hospital of West Japan Railway Company to a neighboring site, and are making preparations to establish the facility as an incorporated medical institution.

Of note, to achieve sustainable growth and medium to long-term gains in corporate value for the JR-West Group, JR-West provides necessary disclosures regarding the Corporate Governance Code in October 2015, which establishes principles including enhancing the effectiveness of the Board of Directors, building relationships of mutual trust with stakeholders, and appropriate information disclosure.

(1) Qualitative Information on Consolidated Business Results

Consolidated Results for the Nine Months Ended December 31, 2015 (April – December 2015)

Operating revenues: ¥1,075.8 billion

Operating income: ¥165.6 billion

Recurring profit: ¥149.7 billion

Profit attributable to owners of parent: ¥97.8 billion

Results by Business Segment

a. Transportation Operations

JR-West implemented specific safety-related measures based on the "Safety Think-and-Act Plan 2017" formulated in 2013. In particular, as our priorities based on the issues recognized over the last two years, we are implementing measures to cope with intensifying natural disasters, improve safety on platforms, prevent labor accidents that result in fatalities among our employees, strengthen risk management, enhance internal audits, and utilize outside perspectives.

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 and tsunami 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. JR-West is also installing anti-wind barriers along the Kosei Line and Hokuriku Line as a preventative measure against strong winds.

To enhance safety on platforms, JR-West is building new platforms at Takatsuki Station for special rapid service and limited express trains, to be utilized in conjunction with timetable revisions to be implemented in March 2016. We are also moving forward with the installation of "automatic platform gates (rope style)." At the Sanyo Shinkansen Shin-Kobe Station, in March 2016 we began trial operation of new movable platform gates. In addition, we conducted a campaign aimed at preventing passengers from falling from platforms, including TV commercials calling for enhanced safety awareness, and posters.

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.

Of note, in an effort to prevent serious accidents by further instilling a culture of reporting railway operations accidents, from April 2016 JR-West will no longer in principle count incidents resulting from human error as subject to disciplinary procedures or negative evaluations.

At the same time, JR-West caused incidents that considerably inconvenienced passengers, including in November 2015 the severing of an overhead contact line between Motomachi and Kobe stations on the JR Kobe Line, and in December 2015 the obstruction of a track on the JR Kobe Line when scaffolding collapsed during construction of new station between Rokkomichi and Nada stations. In addition, in December 2015 several workers were injured in a fall during work to paint a bridge on the Sanyo Shinkansen.

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

In marketing initiatives, JR-West is pursuing various measures to maximize the opening effect of the Hokuriku Shinkansen, promote use of the Sanyo Shinkansen, capture demand from inbound visitors and seniors, enhance the value of our railway belts in the Kyoto-Osaka-Kobe area, and encourage tourism in the western Japan area.

For the Hokuriku Shinkansen, JR-West enhanced the range of products available through the “e5489” internet reservation service in conjunction with the opening of the Kanazawa segment of the Hokuriku Shinkansen, operated sightseeing bus tours departing from Kanazawa and Toyama stations, sold travel packages allowing wide-area excursions across the Hokuriku and Shinetsu (Niigata/Nagano) regions. In addition, from October 2015, three prefectures in the Hokuriku region, the Hokuriku Economic Federation, and the JR Group conducted the “Hokuriku Destination Campaign.” JR-West took measures to highlight the appeal of the region including introducing and operating in conjunction with the campaign “Hanayome Noren” and “Belles montagnes et mer” sightseeing trains. As a result, the Hokuriku Shinkansen was widely used on weekdays as well as holidays. Further, as part of efforts to expand two-way passenger traffic between the Kansai and Hokuriku areas, we held “Kansai-Hokuriku exchange meetings” centered on not only tourism but also industry, culture, and learning, to discuss initiatives to broaden exchange. Work continues to extend the Hokuriku Shinkansen and open the Kanazawa-Tsuruga segment in the end of FY2023.3, and JR-West is making preparations as well. We will closely monitor the developments in the ruling party’s investigative commission regarding the route westward from Tsuruga.

For the Sanyo Shinkansen, in conjunction with the campaign marking the 40th anniversary of the opening of the Sanyo Shinkansen, JR-West broadcast TV commercials highlighting the appeal of the Kansai region, and to promote use of the Kodama service, we operated the “500 TYPE EVA” train, a collaboration project with Evangelion. In addition, JR-West conducted the “Remember Kyushu Campaign,” sold “Kodama WEB Haya-toku 14” early discount tickets, and implemented other measures, resulting in a steady increase in use.

In addition, with increase in inbound visitors to Japan, JR-West placed or increased staff at principal stations able to provide guidance in English, Chinese, and other languages, sold the Saiyu Kiko Setouchi Area Pass for a sightseeing tour route from Kansai to Hakata, and developed other products specifically for foreign tourists, promoting use of JR-West services.

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. These packages have been popular with customers.

In addition, for the Kyoto Umekoji area, JR-West worked in conjunction with local governments to vitalize the Umekoji area, and made preparations for the opening of the Kyoto Railway Museum in April 2016, seeking to make it a “hub of railway culture together with the local community.”

Further, in anticipation of the launch of services for the Twilight Express Mizukaze sleeper train in spring 2017, JR-West established the Mizukaze Planning Division in June 2015, and determined the operating routes, train designs and other details. In December 2015 we announced the uniform designs for the train crew, and are preparing measures designed to provide high-quality, comfortable travel, and invigorate service areas.

Further, as part of our measures for sustainable transportation systems, JR-West conveyed to local governments its intention to begin considerations regarding the Sanko Line.

Of note, in December 2015 the Minister of Land, Infrastructure, and Transport and Tourism identified JR-West as a company that an allowance for the large-scale renovation of Shinkansen infrastructure as prescribed by the Nationwide Shinkansen Railway Development Act was “necessary and appropriate.” Accordingly, JR-West is preparing an allowance reserve plan for the large-scale renovation of Shinkansen infrastructure as specified in the law.

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 7.7% from the same period of the previous fiscal year, to ¥704.2 billion, with operating income up 21.6%, to ¥124.1 billion.

b. Retail Business

As measures to enhance the appeal of stations, in December 2015, JR-West held the grand opening for Eki Marché Shin-Osaka, the facility inside the area through ticket gates at Shin-Osaka Station, for which we had been making preparations. We also opened the “Enmusubi-dori Zone” at Shamine Matsue in Matsue Station, resulting in extensive use.

For our business alliance with Seven-Eleven Japan, we opened 69 new franchised stores to date in FY 2016.3 for a total of 139 locations. New store sales are steady.

Further, in response to the increased demand in recent years from overseas visitors to Japan, JR-West decided to open new locations of the Via Inn budget hotels at Tennoji and Umeda in 2017.

Of note, in August 2015 JR-West's consolidated subsidiary West Japan Railway Food Service Net Company acquired shares in Karafuneya Coffee Co., Ltd. with the aim of opening locations in urban areas.

Shops at major stations where renovation work had been conducted were 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 4.7% from the same period of the previous fiscal year, to ¥174.4 billion, with operating income up 59.9%, to ¥5.1 billion.

c. Real Estate Business

JR-West is implementing measures to maximize the opening effect of LUCUA 1100, the West Wing of the North Gate Building of OSAKA STATION CITY, opened in April 2015. We are also moving with renovations to commercial facilities at major stations, to support future growth.

The West Wing of the North Gate Building of OSAKA STATION CITY has recorded a steady increase in sales and visitors since the grand opening of LUCUA 1100.

In addition, in conjunction with the opening of the Kanagawa segment of the Hokuriku Shinkansen, the number of customers to the newly opened and renovated shopping centers in the Toyama and Kanazawa areas has increased with the greater railway use.

Furthermore, in April 2015 JR-West opened Sun Station Terrace Kurashiki in the Kurashiki Station building, followed in May by expansion and renovation of Hiroshima Shinkansen Meitengai in Hiroshima Station, and in July by the "arde! Shin-Osaka" commercial facility on the second floor of Shin-Osaka Station. In addition to continual renovations to commercial facilities, JR-West also made efforts for condominium sales in areas along railway lines and other areas.

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.

As a result, operating revenues for the Real Estate Business segment increased 19.1% from the same period of the previous fiscal year, to ¥77.2 billion, with operating income up 21.2%, to ¥25.5 billion.

d. Other Businesses

In hotel operations, JR-West made efforts to expand sales in order to gain business from overseas visitors, resulting in extensive use. 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.

In addition, with the aim of human resources development and the acquisition of overseas management experience and technology, in December 2015 JR-West concluded an agreement with Mitsui & Co., Ltd. to acquire shares in the Japanese corporation Guarana Urban Mobility Incorporated, which invests in urban passenger transportation companies in Brazil.

In the construction business, JR-West enhanced safety and quality in construction projects, leading to an increase in new order contracts.

For the ICOCA e-money service, we conducted various events and campaigns marking the 10th anniversary of the service, further promoting use.

As a result, operating revenues for the Other Businesses segment increased 7.3% from the same period of the previous fiscal year, to ¥119.8 billion, with operating income up 42.6%, to ¥10.6 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, 2015) amounted to ¥2,816.1 billion, an increase of ¥29.6 billion from the end of the previous fiscal year (March 31, 2015). This was due mainly to an increase in construction in progress.

Total liabilities amounted to ¥1,893.0 billion, a decrease of ¥46.7 billion from the end of the previous fiscal year. This was due mainly to a decrease in accounts payable.

Total net assets amounted to ¥923.0 billion, an increase of ¥76.3 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

At present, the JR-West Group's consolidated results for the subject period are mainly in line with expectations. As such, there is no change to our consolidated forecasts for the fiscal year ending March 2016 from the forecasts issued on October 30, 2015.

Of note, although not incorporated in the current results forecasts, JR-West has been considering the possibility of estimating disposal costs for waste with low concentration PCB, taking into consideration previous disposal costs and other factors. Going forward, if the accounting requirements are satisfied, we will record an allowance for environmental safety measures.

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 third quarter cumulative 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.

For the subject third quarter cumulative period, the effect on the consolidated financial statements as a result of this change is negligible.

3. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheets

	Millions of yen	
	March 31, 2015	December 31, 2015
ASSETS		
Current assets:		
Cash	53,592	43,449
Notes and accounts receivable-trade	33,922	27,817
Railway fares receivable	35,098	28,836
Accounts receivable	79,074	41,384
Securities	32,000	72,000
Inventories	57,755	80,382
Deferred income taxes	18,475	11,791
Other current assets	54,397	69,010
Less allowance for doubtful accounts	(770)	(796)
Total current assets	363,544	373,875
Non-current assets:		
Property, plant and equipment:		
Buildings and structures	1,080,084	1,067,944
Machinery and transport equipment	315,824	324,945
Land	671,123	672,824
Construction in progress	61,453	92,971
Other property, plant and equipment	35,759	33,885
Total property, plant and equipment	2,164,245	2,192,572
Intangible assets	31,359	26,050
Investments and other assets:		
Investments in securities	61,723	64,392
Net defined benefit asset	2,592	2,718
Deferred tax assets	134,591	129,553
Other investments and assets	29,415	27,707
Less allowance for doubtful accounts	(1,043)	(760)
Total investments and other assets	227,278	223,612
Total fixed assets	2,422,882	2,442,235
Deferred income taxes	43	13
Total assets	2,786,470	2,816,125

	Millions of yen	
	March 31, 2015	December 31, 2015
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Notes and accounts payable-trade	82,558	55,275
Short-term loans payable	16,335	17,012
Current portion of bonds	—	30,000
Current portion of long-term loans payable	48,098	33,089
Current portion of long-term payables for acquisition of railway properties	33,613	33,269
Current portion of long-term accounts payable	31	31
Accounts payable	96,636	56,995
Accrued consumption tax	15,704	16,665
Accrued income tax	20,757	21,952
Prepaid railway fares received	38,412	40,657
Advances received	16,350	27,945
Allowance for bonuses	37,166	18,596
Allowance for point program	1,566	2,320
Other current liabilities	119,800	135,967
Total current liabilities	527,032	489,777
Non-current liabilities:		
Bonds payable	479,977	464,978
Long-term loans payable	304,291	336,824
Long-term payables for acquisition of railway properties	138,140	123,022
Long-term accounts payable	64	41
Deferred tax liabilities	4,040	4,098
Allowance for environmental safety measures	9,627	9,751
Provision for unredeemed gift certificates	2,551	2,238
Net defined benefit liability	375,285	362,479
Other long-term liabilities	98,758	99,849
Total fixed liabilities	1,412,736	1,403,285
Total liabilities	1,939,768	1,893,062

(continued on page 12)

	Millions of yen	
	March 31, 2015	December 31, 2015
NET ASSETS		
Total shareholders' equity:		
Common stock	100,000	100,000
Capital surplus	55,000	55,068
Retained earnings	643,198	716,125
Treasury stock, at cost	(480)	(481)
Total shareholders' equity	797,717	870,713
Valuation and translation adjustments:		
Net unrealized holding gain on securities	4,955	5,204
Deferred gains or losses on hedges	638	(144)
Remeasurements of defined benefit plans	(2,047)	(211)
Total Valuation and translation adjustments	3,547	4,848
Non-controlling interests	45,436	47,500
Total net assets	846,701	923,062
Total liabilities and net assets	2,786,470	2,816,125

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

Consolidated Statements of Income

Nine months ended December 31

	Millions of yen	
	2014	2015
Operating revenues	996,841	1,075,828
Operating expenses:		
Transportation, other services and cost of sales	727,123	775,768
Selling, general and administrative expenses	135,410	134,415
Total operating expenses	862,534	910,184
Operating income	134,307	165,644
Non-operating revenues:		
Interest income	47	75
Dividend income	665	548
Transfer from administrative fee of contracted construction	158	227
Equity in earnings of affiliates	2,044	1,162
Other	1,792	1,479
Total non-operating revenues	4,709	3,494
Non-operating expenses:		
Interest expense	19,532	18,357
Other	560	1,072
Total non-operating expenses	20,093	19,429
Recurring profit	118,924	149,709
Extraordinary profits:		
Gain on contributions received for construction	22,054	4,876
Gain on bargain purchase	6,635	—
Insurance income	—	2,000
Other	2,364	1,649
Total extraordinary profits	31,054	8,526
Extraordinary losses:		
Loss on deduction of contributions received for construction from acquisition costs of property, plant and equipment	21,749	4,659
Other	8,443	4,126
Total extraordinary losses	30,193	8,786
Income before income taxes	119,785	149,449
Income taxes- Current	29,721	38,065
Income taxes- Deferred	10,199	11,051
Total income taxes	39,921	49,117
Net income	79,864	100,331
Profit attributable to non-controlling interests	183	2,524
Profit attributable to owners of parent	79,680	97,806

Consolidated Statements of Comprehensive Income

Nine months ended December 31

	Millions of yen	
	2014	2015
Net income	79,864	100,331
Other comprehensive income:		
Valuation difference on available-for-sale securities	639	262
Deferred gains or losses on hedges	(484)	(981)
Remeasurements of defined benefit plans, net of tax	2,169	1,817
Share of other comprehensive income of associates accounted for using equity method	(135)	79
Total other comprehensive income	2,188	1,177
Comprehensive income	82,053	101,508
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	81,710	99,108
Comprehensive income attributable to non-controlling interests	343	2,400

Business Segment Information

Nine months ended December 31

		Billions of yen		
		2014	2015	Change from the same period of the previous period
Transportation	Operating revenues	653.7	704.2	50.5
	Operating income	102.0	124.1	22.0
Retail	Operating revenues	166.6	174.4	7.8
	Operating income	3.2	5.1	1.9
Real Estate	Operating revenues	64.8	77.2	12.4
	Operating income	21.1	25.5	4.4
Other Businesses	Operating revenues	111.6	119.8	8.1
	Operating income	7.4	10.6	3.1

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	December 31, 2015	Change
	Billions of yen	Billions of yen	Billions of yen
ASSETS			
Current assets:			
Total current assets	235.2	280.6	45.3
Fixed assets:			
Fixed assets for railway operations	1,796.1	1,791.5	(4.5)
Construction in progress	58.6	76.7	18.0
Investments and other assets	354.4	316.8	(37.5)
Total fixed assets	2,209.1	2,185.1	(24.0)
Total assets	2,444.4	2,465.7	21.3

	March 31, 2015	December 31, 2015	Change
	Billions of yen	Billions of yen	Billions of yen
LIABILITIES AND NET ASSETS			
Current liabilities:			
Current portion of long-term debt	79.7	94.5	14.7
Accounts payable	451.9	411.6	(40.2)
Total current liabilities	531.6	506.1	(25.4)
Fixed liabilities:			
Bonds and long-term debt	917.9	921.5	3.5
Accrued retirement benefits	349.8	339.3	(10.5)
Other long-term liabilities	13.3	13.9	0.6
Total fixed liabilities	1,281.1	1,274.8	(6.3)
Total liabilities	1,812.8	1,780.9	(31.8)
Total shareholders' equity:			
Common stock	100.0	100.0	—
Capital surplus	55.0	55.0	—
Retained earnings	472.4	525.5	53.0
Treasury stock, at cost	(0.0)	(0.0)	(0.0)
Total shareholders' equity	627.4	680.4	53.0
Valuation and translation adjustments	4.1	4.2	0.1
Total net assets	631.5	684.7	53.1
Total liabilities and net assets	2,444.4	2,465.7	21.3

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, 2016	
	2014	2015	Billions of yen	%	Billions of yen	Change
	Billions of yen	Billions of yen				Billions of yen
Operating revenues:						
Transportation	601.7	646.3	44.5	7.4	847.0	49.9
Transportation incidentals	13.9	13.7	(0.1)	(0.8)	18.3	(0.1)
Other operations	17.6	19.4	1.7	10.1	25.6	1.9
Miscellaneous	37.3	43.5	6.2	16.7	58.1	6.3
	670.7	723.1	52.4	7.8	949.0	58.0
Operating expenses:						
Personnel costs	174.4	174.0	(0.4)	(0.2)	233.0	(0.0)
Non personnel costs:						
Energy costs	33.8	33.4	(0.4)	(1.2)	46.5	1.1
Maintenance costs	95.9	100.8	4.8	5.0	153.5	6.7
Miscellaneous costs	123.1	138.5	15.3	12.4	190.5	13.5
	253.0	272.8	19.7	7.8	390.5	21.4
Rental payments, etc	13.8	20.1	6.3	46.2	26.5	7.7
Taxes	25.7	26.1	0.3	1.5	32.0	(0.0)
Depreciation	92.5	96.7	4.1	4.5	132.0	5.9
	559.5	589.8	30.2	5.4	814.0	35.0
Operating income	111.1	133.3	22.1	20.0	135.0	22.9
Non-operating revenues and expenses, net:						
Non-operating revenues	2.2	2.2	(0.0)	—	—	—
Non-operating expenses	19.7	19.2	(0.4)	—	—	—
	(17.4)	(16.9)	0.4	(2.6)	(18.5)	1.3
Recurring profit	93.6	116.3	22.6	24.2	116.5	24.3
Extraordinary profit and loss, net:						
Extraordinary profit	23.5	7.5	(15.9)	—	—	—
Extraordinary loss	27.4	7.1	(20.2)	—	—	—
	(3.8)	0.3	4.2	—	(3.0)	1.5
Income before income taxes	89.8	116.7	26.8	29.9	113.5	25.9
Income taxes	28.2	38.4	10.1	36.0	37.5	(2.7)
Net income	61.5	78.2	16.7	27.2	76.0	28.6

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	
	2014	2015	Amount	%	2014	2015	Amount	%
Shinkansen								
Commuter Passes	556	605	49	9.0	7.0	7.6	0.6	8.8
Non-Commuter Passes	13,204	15,036	1,831	13.9	277.2	326.9	49.6	17.9
Total	13,760	15,642	1,881	13.7	284.2	334.5	50.2	17.7
Conventional Lines								
Commuter Passes	17,262	17,414	151	0.9	108.2	107.1	(1.1)	(1.0)
Non-Commuter Passes	11,593	11,400	(193)	(1.7)	209.2	204.6	(4.6)	(2.2)
Total	28,856	28,814	(41)	(0.1)	317.5	311.7	(5.7)	(1.8)
Kansai Urban Area								
Commuter Passes	13,990	14,282	292	2.1	87.3	87.7	0.3	0.5
Non-Commuter Passes	7,872	8,160	287	3.7	135.6	140.7	5.0	3.7
Total	21,863	22,443	580	2.7	223.0	228.4	5.4	2.4
Other Lines								
Commuter Passes	3,271	3,131	(140)	(4.3)	20.9	19.4	(1.5)	(7.3)
Non-Commuter Passes	3,720	3,239	(481)	(12.9)	73.5	63.8	(9.6)	(13.1)
Total	6,992	6,371	(621)	(8.9)	94.4	83.3	(11.1)	(11.8)
Total								
Commuter Passes	17,818	18,020	201	1.1	115.3	114.7	(0.5)	(0.4)
Non-Commuter Passes	24,798	26,436	1,638	6.6	486.4	531.5	45.0	9.3
Total	42,617	44,457	1,839	4.3	601.7	646.2	44.5	7.4

3. CAPITAL EXPENDITURES

Consolidated Basis

	Nine months ended December 31		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	132.4	136.8	4.4	3.4	—
Capital expenditures, excluding contributions received for constructions	118.7	131.2	12.4	10.5	231.0
Contributions received for constructions	13.6	5.6	(7.9)	(58.7)	—

Non-Consolidated Basis

	Nine months ended December 31		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	110.5	118.5	8.0	7.3	—
Capital expenditures, excluding contributions received for constructions	96.9	112.9	16.0	16.5	199.0
[Safety-related capital expenditures]	[39.4]	[70.9]	[31.5]	[80.0]	[123.0]
Contributions received for constructions	13.6	5.6	(7.9)	(58.7)	—

Major Capital Expenditures

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

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 2016 based on information available to JR-West as of January 2016 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.