

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

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

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Quarterly report filing date (Planned): August 10, 2017 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, 2017 (from April 1, 2017 to June 30, 2017)**(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	%
2017	352,526	4.3	54,794	20.9	50,520	24.7	34,740	26.0
2016	338,148	(0.9)	45,321	(11.2)	40,506	(10.7)	27,568	(7.2)

(Note) Comprehensive Income: Three months ended June 30, 2017: ¥36,004 million, 38.5%;

Three months ended June 30, 2016: ¥25,998 million, (16.9)%;

	Net income per share	Net income per share after dilution
	Yen	Yen
2017	179.44	—
2016	142.40	—

(2) Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
June 30, 2017	2,960,603	1,055,065	32.5
March 31, 2017	3,007,852	1,032,610	31.3

(Reference) Total shareholders' equity: June 30, 2017: ¥962,131 million, March 31, 2017: ¥940,437 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
2017	—	70.00	—	70.00	140.00
2018	—				
2018 (Forecast)		80.00	—	80.00	160.00

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

3. Forecasts for Fiscal Year ending March 31, 2018

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

	Operating revenues		Operating income		Recurring profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Interim period	722,000	3.1	101,500	3.2	92,000	3.9
Fiscal year	1,492,000	3.5	183,500	4.0	168,500	4.8

	Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Yen
Interim period	60,500	5.9	312.49
Fiscal year	109,000	19.4	563.00

(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: None
 - 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 7.

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

	Three months ended June 30, 2017	Years ended March 31, 2017
1) Number of shares issued and outstanding (including treasury stock):	193,735,000	193,735,000
2) Number of treasury stock	129,899	129,899
		Three months ended June 30, 2016
3) Average number of shares outstanding for each period (cumulative term):	193,605,101	193,605,151

* Indication regarding the status of auditing procedures

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 to passengers. We would like to express once more our deepest regret and condolences to the victims of this accident and the bereaved families, as well as all of the injured and their families. The criminal trial over this accident of the three former representative directors of JR-West concluded in June 2017. However, this does not change the fact that JR-West caused a serious accident, and we remain acutely aware of the weight of responsibility for this accident. JR-West will continue to make concerted efforts to face with sincerity all persons affected by the accident, and enhance our diligent efforts to improve safety.

The JR-West Group, based on the “JR-West Group Medium-Term Management Plan 2017” and the “Safety Think-and-Act Plan 2017”, the core component of the plan, steadily implemented various measures to enhance enterprise value over the medium to long term, including improving safety, boosting the competitiveness of the Sanyo Shinkansen, launching operations on the Hokuriku Shinkansen, constructing new stations and other efforts to enhance the value of the railway belts in the Kansai Urban Area, expanding the sales of goods and food services, and real estate businesses, and pursuing challenges in new business fields.

These measures have begun to show results, but to ensure their success, JR-West has designated the subject fiscal year (FY2018.3), the final year of the management plan, as a period to “further refine the results achieved up to now, and achieve our targets.” The outlook for the business environment remains unclear as a result of such factors as trends in consumer spending, foreign exchange rates, and other aspects of domestic and overseas circumstances, as well as fiercer competition from other modes of transportation, and intensifying natural disasters. However, JR-West will remain alert to growth opportunities and implement necessary measures based on the changes in the business environment, and will make a concerted effort as a corporate group to achieve the goals of its medium-term management plan and safety think-and-act plan.

During the subject first quarter period (April 1, 2017 to June 30, 2017), transportation revenues rose on extensive railway use amid the steady economic situation, along with a rebound from the downturn following the Kumamoto earthquake. The retail and real estate businesses also grew steadily. As a result, operating revenues for the subject period rose 4.3% from the same period of the previous fiscal year to ¥352.5 billion, with operating income up 20.9% to ¥54.7 billion, recurring profit up 24.7% to ¥50.5 billion, and profit attributable to owners of parent up 26.0% to ¥34.7 billion.

In addition, as part of its measures to pursue challenges in new business fields, JR-West launched a business for land-based fish farming of high value-added mackerel, and through JR West Innovations Co., Ltd., invested in a business to restore old traditional Japanese houses, and others.

JR-West also announced its intention to proceed with negotiations with related organizations and companies for the construction of the Naniwasuji Line.

JR-West will continue to pursue measures for growth over the medium to long term, taking into consideration the period of the next medium-term management plan.

(1) Qualitative Information on Consolidated Business Results

Consolidated Results for the Three Months Ended June 30, 2017 (April – June 2017)

Operating revenues:	¥352.5 billion
Operating income:	¥54.7 billion
Recurring profit:	¥50.5 billion
Profit attributable to owners of parent:	¥34.7 billion

Results by Business Segment

a. Transportation Operations

Safety Enhancements

Safety is the most important among JR-West's basic strategies. We took steps to enhance safety in terms of both physical and intangible aspects based on risk assessment, including making steady progress overall with the measures in the safety think-and-act plan, and implementing safety-related investments in line with plan. To enhance safety on platforms, the aspect of particular relevance to customer safety, JR-West moved steadily forward with its plan to install platform gates at stations with more than 100,000 daily passengers boarding and alighting, and continued with installation of remote security cameras. We also took steps to address intensifying natural disasters, including countermeasures for earthquakes, tsunami, and heavy rains.

JR-West began soliciting third-party evaluations of its safety management structure in the previous fiscal year, and received the evaluation result for FY2017.3 in June 2017. JR-West is working to implement improvements, including the newly received advice, and is considering and making steady progress with completing improvements in a manner best suited to the company.

(Main Specific Measures)

1. Platform safety enhancements

- Platform gates installed on tracks 6 and 7 at Osaka Station (April/May)
- Remote security cameras that notify station staff of abnormal occurrences on platforms installed at Tennoji and Tsuruhashi stations (Both in April)

2. Natural disaster risk reduction

- Installation of derailment prevention guards continued on the Sanyo Shinkansen
- Educational material for train crew utilizing virtual reality created and distributed as a tsunami protection measure for the Kisei Line
- Slope disaster prevention work conducted, including reinforcement of slopes, and installation of drainage facilities
- Implementation of a weather hazard response system to provide unified management of weather-related phenomena including rain, wind, and earthquakes (Within FY2018.3)

Marketing Initiatives

JR-West has included customer satisfaction as one of the basic strategies in its Group Medium-Term Management Plan, and is implementing measures to meet various customer needs, while also working to capture and create business and tourism demand.

For the Shinkansen, following completion of the installation of a new automatic train control (ATC) system, JR-West shortened travel times for *Kodama* trains, and made other improvements to its transport service. We also took steps to enhance the value of the railway belts in the Kansai Urban Area, and promote region-affiliated tourism in western Japan and other areas. Further, JR-West worked to develop a framework to welcome overseas visitors to Japan, and enhance the

appeal of the “Otonabi” member organization for seniors, along with the following measures.

(Main Specific Measures)

1. Customer satisfaction

- Launched train location information service on JR-West website (April)
- Expanded guidance service for customers (Enhanced functionality and expanded use of tablets by station staff) (June)

2. Shinkansen

- Completed installation of the new automatic train control (ATC) system on the Sanyo Shinkansen, and timetable revisions including shortening travel time for *Kodama* trains (March)
- Launched the “e5489” settlement service at convenience stores and other locations (May)
- Conducted the “Beauty of Japan Is in Hokuriku” campaign and other travel campaigns (April-November)

3. Kansai Urban Area

- Introduction of new 323-model trains on the Osaka Loop Line
- Kyoto Railway Museum grand opening first anniversary campaign

4. Western Japan Areas

- Began operations of the Twilight Express *Mizukaze* sleeper train (June)
- Announced introduction of new long-distance trains (June)

5. Capturing demand from overseas visitors

- Expanded sales counters at Kansai Airport Station, and opened the Travel Service Center Osaka (Both in March)

6. Generating demand among seniors

- Launched “Otonabi Dining” for the “Otonabi” member service, in collaboration with Gurunavi, Inc. (May)

In addition, JR-West is making steady progress with such measures as the new “Smart EX” ticketless service.

In bus and ferry (the Miyajima Line) services, with a basis in safe transportation, JR-West worked to enhance convenience through such measures as implementing transportation improvements based on customer usage patterns.

In addition to these measures, the Transportation Operations segment benefitted from extensive railway use amid the steady economic situation, along with a rebound from the downturn following the Kumamoto earthquake. Segment operating revenues rose 3.5% from the same period of the previous fiscal year to ¥229.7 billion, with operating income up 22.4% to ¥42.7 billion.

Of note, regarding the Sanko Line service between Gotsu and Miyoshi, which is scheduled to cease operation in April 2018, JR-West is continuing discussions with local residents aimed at establishing a new local transportation service.

b. Retail Business

As part of its growth strategy for the Retail Business, in FY2015.3 JR-West began converting its previous kiosks and Heart-in convenience stores to tie-up stores with Seven Eleven Japan (SEJ), and pursuing measures to open new stores. During the subject fiscal period we converted and/or opened six stores.

JR-West also makes efforts to develop stores in conjunction with station redevelopments and open them outside of the stations. At Hiroshima Station, where JR-West is undertaking station improvements and developing a shopping center, we opened an *Entrée Marché*.

Further, for the accommodation-oriented hotels included in the Retail Business segment, in April 2017 JR-West opened Via-inn Abeno Tennoji.

As a result, sales of goods and food services rose steadily at SEJ franchise stores, leading to gains in the Retail Business. Segment revenue rose 2.7% from the same period of the previous fiscal year to ¥56.6 billion, with operating income up 62.2% to ¥1.4 billion.

c. Real Estate Business

JR-West considers the real estate business to have a high degree of affinity with the railway business in terms of utilizing the portfolio assets of the JR-West Group, improving convenience for customers, and enhancing the value of railway belts, and as such develops and manages commercial facilities and residential properties.

In addition, JR-West develops properties in promising markets outside its railway service area or railway belts, in an effort to expand the condominium sales business and strengthen the leasing business. In February 2017, JR-West consolidated Ryoju Properties Co., Ltd., which holds lease properties and other real estate in promising markets such as the Tokyo metropolitan area. JR-West will strengthen the condominium sales and leasing business for the properties held by Ryoju Properties, including joint business efforts with JR West Real Estate and Development Company.

For shopping centers, in April 2017 JR-West partially renovated LUCUA osaka, and is continuing renovations of underground floors.

As a result, the Real Estate Business segment was boosted by such factors as the consolidation of Ryoju Properties Co., Ltd., and steady growth in the condominium sales business, including JR West Real Estate and Development Company. Segment revenues rose 35.7% from the same period of the previous fiscal year to ¥35.0 billion, with operating income up 17.7% to ¥10.5 billion.

d. Other Businesses

In hotel operations, with the aim of gaining overseas visitor demand and other domestic and international travel demand, JR-West announced plans to open high-class, accommodation-oriented Hotel Vischio hotels in Osaka and Kyoto, and high-end capsule hotels, First Cabin Station hotels, in Tennoji and Wakayama. Together with its existing accommodation-oriented Via-inn hotels, JR-West is developing brands to meet a wide range of customer needs.

In travel agency operations, JR-West made efforts to strengthen marketing efforts to capture overseas visitor demand, expand sales, and increase sales of products that utilize railways.

Although results from hotel operations were on a par with the previous fiscal year, and use of travel agency services by overseas visitors increased, the construction business recorded a rebound decline from large-scale project orders. As a result, operating revenues for the Other Businesses segment decreased 11.6% from the same period of the previous fiscal year to ¥31.0 billion, with an operating loss for the period of ¥0.4 billion. Going forward, we will continue with efforts to capture mainly overseas visitor demand.

(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, 2017) amounted to ¥2,960.6 billion, a decrease of ¥47.2 billion from the end of the previous fiscal year (March 31, 2017). This was due mainly to a decrease in accounts receivable.

Total liabilities amounted to ¥1,905.5 billion, a decrease of ¥69.7 billion from the end of the previous fiscal year. This was due mainly to a decrease in accounts payable.

Total net assets amounted to ¥1,055.0 billion, an increase of ¥22.4 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

Because at this point consolidated earnings for the subject fiscal year are generally in line with expectations, there is no change to the consolidated earnings forecasts from those announced on April 28, 2017.

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

3. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheets

	Millions of yen	
	March 31, 2017	June 30, 2017
ASSETS		
Current assets:		
Cash	63,578	41,486
Notes and accounts receivable-trade	25,395	19,112
Railway fares receivable	35,404	29,067
Accounts receivable	67,754	42,371
Inventories	82,802	103,816
Deferred tax assets	17,582	12,488
Other current assets	60,183	65,809
Less allowance for doubtful accounts	(837)	(846)
Total current assets	351,864	313,305
Non-current assets:		
Property, plant and equipment:		
Buildings and structures	1,150,453	1,137,718
Machinery and transport equipment	364,317	359,116
Land	754,274	757,383
Construction in progress	54,129	58,983
Other property, plant and equipment	36,889	36,536
Total property, plant and equipment	2,360,063	2,349,739
Intangible assets	39,990	39,037
Investments and other assets:		
Investments in securities	80,467	83,568
Net defined benefit asset	1,505	1,521
Deferred tax assets	130,777	130,420
Other investments and assets	44,279	44,098
Less allowance for doubtful accounts	(1,096)	(1,087)
Total investments and other assets	255,933	258,521
Total fixed assets	2,655,987	2,647,297
Total assets	3,007,852	2,960,603

	Millions of yen	
	March 31, 2017	June 30, 2017
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Notes and accounts payable-trade	62,908	42,094
Short-term loans payable	15,908	18,027
Current portion of bonds	50,000	50,000
Current portion of long-term loans payable	31,780	31,555
Current portion of long-term payables for acquisition of railway properties	1,512	1,512
Accounts payable	89,355	54,305
Accrued consumption tax	12,200	12,373
Accrued income tax	23,769	12,170
Prepaid railway fares received	37,407	41,158
Advances received	20,222	42,080
Allowance for bonuses	37,428	18,753
Allowance for point program	2,041	2,320
Other current liabilities	160,736	136,346
Total current liabilities	545,270	462,699
Non-current liabilities:		
Bonds payable	484,981	494,981
Long-term loans payable	363,687	363,387
Long-term payables for acquisition of railway properties	105,957	105,957
Deferred tax liabilities	3,195	3,231
Allowance for the Large-Scale Renovation of Shinkansen Infrastructure	4,166	5,208
Allowance for environmental safety measures	18,799	18,764
Provision for loss on liquidation of railway belts	11,457	11,457
Provision for unredeemed gift certificates	2,575	2,508
Net defined benefit liability	325,085	326,633
Other long-term liabilities	110,064	110,709
Total fixed liabilities	1,429,971	1,442,839
Total liabilities	1,975,241	1,905,538

(continued on page 10)

	Millions of yen	
	March 31, 2017	June 30, 2017
NET ASSETS		
Total shareholders' equity:		
Common stock	100,000	100,000
Capital surplus	55,068	55,068
Retained earnings	768,358	789,671
Treasury stock, at cost	(481)	(481)
Total shareholders' equity	922,945	944,258
Valuation and translation adjustments:		
Net unrealized holding gain on securities	3,763	4,532
Deferred gains or losses on hedges	188	73
Remeasurements of defined benefit plans	13,538	13,267
Total Valuation and translation adjustments	17,491	17,872
Non-controlling interests	92,173	92,934
Total net assets	1,032,610	1,055,065
Total liabilities and net assets	3,007,852	2,960,603

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

Consolidated Statements of Income

Three months ended June 30

	Millions of yen	
	2016	2017
Operating revenues	338,148	352,526
Operating expenses:		
Transportation, other services and cost of sales	246,041	249,951
Selling, general and administrative expenses	46,785	47,779
Total operating expenses	292,826	297,731
Operating income	45,321	54,794
Non-operating revenues:		
Interest income	13	13
Dividend income	163	178
Transfer from administrative fee of contracted construction	48	34
Equity in earnings of affiliates	372	428
Other	555	578
Total non-operating revenues	1,152	1,232
Non-operating expenses:		
Interest expense	5,701	5,208
Other	266	297
Total non-operating expenses	5,968	5,506
Recurring profit	40,506	50,520
Extraordinary profits:		
Gain on contributions received for construction	2,538	1,734
Other	208	1,645
Total extraordinary profits	2,747	3,379
Extraordinary losses:		
Loss on deduction of contributions received for construction from acquisition costs of property, plant and equipment	2,456	1,702
Other	726	911
Total extraordinary losses	3,182	2,614
Profit before income taxes	40,071	51,286
Income taxes- Current	6,247	10,404
Income taxes- Deferred	6,131	5,310
Total income taxes	12,378	15,715
Profit	27,692	35,571
Profit (loss) attributable to non-controlling interests	123	830
Profit attributable to owners of parent	27,568	34,740

Consolidated Statements of Comprehensive Income

Three months ended June 30

	Millions of yen	
	2016	2017
Profit	27,692	35,571
Other comprehensive income:		
Valuation difference on available-for-sale securities	(1,253)	812
Deferred gains or losses on hedges	(117)	(145)
Remeasurements of defined benefit plans, net of tax	(321)	(258)
Share of other comprehensive income of associates accounted for using equity method	(2)	24
Total other comprehensive income	(1,694)	433
Comprehensive income	25,998	36,004
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	25,982	35,121
Comprehensive income attributable to non-controlling interests	16	883

Business Segment Information

Three months ended June 30

		Billions of yen		
		2016	2017	Change from the same period of the previous period
Transportation	Operating revenues	222.0	229.7	7.7
	Operating income	34.8	42.7	7.8
Retail	Operating revenues	55.1	56.6	1.4
	Operating income	0.9	1.4	0.5
Real Estate	Operating revenues	25.8	35.0	9.2
	Operating income	9.0	10.5	1.5
Other Businesses	Operating revenues	35.1	31.0	(4.0)
	Operating income	0.3	(0.4)	(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, 2017	June 30, 2017	Change
	Billions of yen	Billions of yen	Billions of yen
ASSETS			
Current assets:			
Total current assets	185.5	150.8	(34.7)
Fixed assets:			
Fixed assets for railway operations	1,877.5	1,862.1	(15.4)
Construction in progress	47.4	49.6	2.1
Investments and other assets	488.3	497.3	8.9
Total fixed assets	2,413.4	2,409.0	(4.4)
Total assets	2,598.9	2,559.8	(39.1)

	March 31, 2017	June 30, 2017	Change
	Billions of yen	Billions of yen	Billions of yen
LIABILITIES AND NET ASSETS			
Current liabilities:			
Current portion of long-term debt	82.0	81.8	(0.2)
Accounts payable	494.5	426.8	(67.6)
Total current liabilities	576.6	508.7	(67.9)
Fixed liabilities:			
Bonds and long-term debt	949.4	959.4	10.0
Accrued retirement benefits	320.9	321.8	0.8
Other long-term liabilities	41.9	43.6	1.6
Total fixed liabilities	1,312.3	1,324.8	12.5
Total liabilities	1,889.0	1,833.6	(55.3)
Total shareholders' equity:			
Common stock	100.0	100.0	—
Capital surplus	55.0	55.0	—
Retained earnings	552.0	567.6	15.5
Treasury stock, at cost	(0.0)	(0.0)	—
Total shareholders' equity	707.0	722.6	15.5
Valuation and translation adjustments	2.8	3.5	0.6
Total net assets	709.9	726.2	16.2
Total liabilities and net assets	2,598.9	2,559.8	(39.1)

2. NON-CONSOLIDATED STATEMENTS OF INCOME

Three months ended June 30

	2016	2017	Change from the same period of the previous year	
	Billions of yen	Billions of yen	Billions of yen	%
Operating revenues:				
Transportation	203.3	211.0	7.7	3.8
Transportation incidentals	4.4	4.2	(0.1)	(3.9)
Other operations	6.7	6.9	0.2	4.1
Miscellaneous	14.4	13.9	(0.5)	(3.9)
	229.0	236.2	7.2	3.2
Operating expenses:				
Personnel costs	56.2	54.9	(1.3)	(2.4)
Non personnel costs:				
Energy costs	9.9	10.5	0.5	5.4
Maintenance costs	29.0	27.8	(1.1)	(4.0)
Miscellaneous costs	45.7	46.2	0.5	1.1
	84.7	84.6	(0.1)	(0.1)
Rental payments, etc	7.5	7.5	(0.0)	(0.6)
Taxes	9.2	9.5	0.3	3.3
Depreciation	32.6	33.1	0.4	1.4
	190.4	189.7	(0.7)	(0.4)
Operating income	38.5	46.5	7.9	20.7
Non-operating revenues and expenses, net:				
Non-operating revenues	0.8	0.8	(0.0)	—
Non-operating expenses	5.8	5.3	(0.5)	—
	(4.9)	(4.4)	0.4	(10.0)
Recurring profit	33.5	42.0	8.4	25.3
Extraordinary profit and loss, net:				
Extraordinary profit	2.5	1.7	(0.8)	—
Extraordinary loss	2.7	2.0	(0.7)	—
	(0.2)	(0.3)	(0.1)	—
Income before income taxes	33.3	41.7	8.3	25.0
Income taxes	9.9	12.5	2.6	26.6
Net income	23.4	29.1	5.7	24.4

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	
	2016	2017	Amount	%	2016	2017	Amount	%
Shinkansen								
Commuter Passes	210	216	6	2.9	2.5	2.7	0.2	8.1
Non-Commuter Passes	4,447	4,783	335	7.5	98.7	104.6	5.9	6.0
Total	4,658	4,999	341	7.3	101.2	107.3	6.1	6.0
Conventional Lines								
Commuter Passes	5,977	6,002	25	0.4	36.6	36.3	(0.3)	(0.9)
Non-Commuter Passes	3,607	3,664	56	1.6	65.4	67.3	1.9	2.9
Total	9,584	9,667	82	0.9	102.1	103.7	1.6	1.6
Kansai Urban Area								
Commuter Passes	4,891	4,914	23	0.5	30.0	29.8	(0.2)	(0.7)
Non-Commuter Passes	2,636	2,697	60	2.3	45.9	47.5	1.6	3.5
Total	7,527	7,611	83	1.1	76.0	77.4	1.4	1.8
Other Lines								
Commuter Passes	1,086	1,087	1	0.2	6.5	6.4	(0.1)	(1.6)
Non-Commuter Passes	970	967	(3)	(0.4)	19.5	19.8	0.3	1.6
Total	2,057	2,055	(1)	(0.1)	26.1	26.3	0.2	0.8
Total								
Commuter Passes	6,187	6,219	31	0.5	39.1	39.0	(0.1)	(0.3)
Non-Commuter Passes	8,055	8,447	392	4.9	164.1	172.0	7.8	4.8
Total	14,243	14,666	423	3.0	203.3	211.0	7.7	3.8

Note: Luggage revenues are not included.

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, 2017
	2016	2017	Billions of yen	%	
	Billions of yen	Billions of yen			
Capital expenditures	36.1	31.0	(5.1)	(14.2)	—
Capital expenditures, excluding contributions received for constructions	34.2	29.2	(5.0)	(14.7)	166.0
Contributions received for constructions	1.9	1.8	(0.0)	(4.9)	—

Non-Consolidated Basis

	Three months ended June 30		Change from the same period of the previous period		Plan for fiscal year ending March 31, 2017
	2016	2017	Billions of yen	%	
	Billions of yen	Billions of yen			
Capital expenditures	29.9	21.3	(8.6)	(28.8)	—
Capital expenditures, excluding contributions received for constructions	28.0	19.4	(8.5)	(30.5)	130.0
[Safety-related capital expenditures]	[21.0]	[13.6]	[(7.3)]	[(35.2)]	[79.0]
Contributions received for constructions	1.9	1.8	(0.0)	(4.9)	—

Major Capital Expenditures

Capital investments included earthquake and tsunami countermeasures, new rolling stock (225 and 323 series commuter trains)

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 2017 based on information available to JR-West as of July 2017 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.