

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

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Quarterly report filing date (Planned): February 10, 2020

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, 2019 (from April 1, 2019 to December 31, 2019)**(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	%
2019	1,151,699	2.0	191,194	6.4	180,041	7.3	117,113	19.8
2018	1,129,099	1.6	179,748	2.6	167,859	3.5	97,785	(9.8)

(Note) Comprehensive Income: Nine months ended December 31, 2019: ¥119,697 million, 21.4%;

Nine months ended December 31, 2018: ¥98,584 million, (12.6) %

	Profit attributable to owners of parent per share	Profit attributable to owners of parent per share after dilution
	Yen	Yen
2019	611.50	—
2018	507.27	—

(2) Financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
December 31, 2019	3,243,522	1,255,916	35.5
March 31, 2019	3,237,596	1,179,861	33.3

(Reference) Total shareholders' equity: December 31, 2019: ¥1,152,796 million, March 31, 2019: ¥1,079,598 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
2019	—	87.50	—	87.50	175.00
2020	—	95.00			
2020 (Forecast)			—	95.00	190.00

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

3. Forecasts for Fiscal Year ending March 31, 2020

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

	Operating revenues		Operating income		Recurring profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year	1,570,000	2.7	202,000	2.6	189,500	3.4

	Profit attributable to owners of parent		Profit attributable to owners of parent per share
	Millions of yen	%	Yen
Fiscal year	120,000	16.8	626.82

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

	Nine months ended December 31, 2019	Year ended March 31, 2019
1) Number of shares issued and outstanding (including treasury stock):	191,334,500	192,481,400
2) Number of treasury stock	129,792	129,794
		Nine months ended December 31, 2018
3) Average number of shares outstanding for each period (cumulative term):	191,519,636	192,767,383

* Financial results are not subject to auditing.

Notes

1. The forward-looking statements in this document, including forecasts, etc., are based on information available to the Company at the time of this document's release and on certain assumptions considered reasonable. Actual results, etc., might differ significantly due various factors. Regarding the forecast of financial results, please refer to "Qualitative Information on Consolidated Forecasts" on page 6.
2. Supplementary materials for the financial statements are posted on our homepage.

1. QUALITATIVE INFORMATION ON THE RESULTS FOR THE SUBJECT PERIOD

Based on the “JR-West Group Medium-Term Management Plan 2022” and the “JR-West Group Railway Safety Think-and-Act Plan 2022,” the core component of the plan, the JR-West Group steadily implemented various measures to enhance its corporate value over the medium to long term.

As a result, in the subject third quarter cumulative period (April 1, 2019 to December 31, 2019), operating revenues rose 2.0% from the same period of the previous fiscal year, to ¥1,151.6 billion, mainly due to favorable transportation revenues, including during holidays and other busy periods. Operating income was up 6.4% to ¥191.1 billion, recurring profit was up 7.3% to ¥180.0 billion, and profit attributable to owners of parent was up 19.8% to ¥117.1 billion.

(1) Qualitative Information on Consolidated Business Results

Consolidated Results for the Nine Months Ended December 31, 2019 (April – December 2019)

Operating revenues:	¥1,151.6 billion
Operating income:	¥191.1 billion
Recurring profit:	¥180.0 billion
Profit attributable to owners of parent:	¥117.1 billion

Results by Business Segment

a. Transportation Operations

Safety Enhancements

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. JR-West remains firm in its resolve to never again cause an accident such as that on the Fukuchiyama Line, and will continue to make concerted efforts to face with sincerity all persons affected by the accident, and enhance its diligent efforts to improve safety. On that basis, we formulated the “JR-West Group Railway Safety Think-and-Act Plan 2022.” We promoted initiatives to enhance safety from tangible and intangible perspectives and worked to advance the establishment of frameworks for safety management.

On the Shinkansen, we are moving ahead with the introduction of new rolling stock that offers enhanced safety and reliability. In addition, we are moving forward with the installation of equipment for detecting abnormalities in bogies during operation.

As a measure to enhance platform safety, we continued to advance the installation of platform gates at major stations on the Sanyo Shinkansen and at frequently used stations on conventional lines.

To address intensifying natural disasters, we continued to implement measures for reinforcement of slopes and other countermeasures to heavy rains. In addition, for earthquakes, we installed derailment prevention guards on the Sanyo Shinkansen and advanced earthquake resistance reinforcement measures, such as for buildings and elevated bridges.

We also advanced crime prevention measures on trains.

(Main specific measures)

1. Shinkansen safety measures

- Replaced the 700 series rolling stock used in direct operation between the Tokaido Shinkansen and the Sanyo Shinkansen with new rolling stock (N700A)
- Advanced installation of ground-based bogie temperature detectors for the Sanyo Shinkansen
- Advanced installation of bogie abnormality detectors on N700 series rolling stock

2. Platform / railroad crossing safety measures

- Commenced use of platform gates for certain tracks at Kyobashi Station, Sannomiya Station, and Osaka Station (October to December, 2019)
- Commenced use of platform gates for certain tracks at Okayama Station (Shinkansen) (December 2019)

3. Natural disaster countermeasures

- Moved forward with slope reinforcement work, mainly along railway segments used by limited express and special rapid service trains on the Biwako Line and JR Kyoto Line

4. Onboard crime prevention measures

- Installed crime prevention equipment, etc., onboard Haruka limited express trains, expanded deployment of protective shields in stations (in stages from June 2019)
- Advanced installation of surveillance cameras in Shinkansen passenger cabins (N700A, N700 series)

Marketing Initiatives

In regard to marketing initiatives, increasing customer satisfaction (CS) is one of the basic strategies of the railway business. JR-West pursued measures to meet the diverse needs of customers, while working to capture and create business and tourism demand, including from inbound customers.

Along with various measures to increase customer satisfaction, JR-West continued to work to increase transport service quality on the Shinkansen, enhance the value of the railway belts in the Kansai Urban Area, promote tourism in collaboration with local communities in the Other West Japan Area, etc.

(Main specific measures)

1. Shinkansen

- In accordance with the concept of "invigorating the local community through tourism," implemented initiatives to support tourism to the Hokuriku Shinetsu area (campaign for the fifth anniversary of the opening of the Hokuriku Shinkansen, etc.) (October 2019 ~)
- Conducted campaign to commemorate the second anniversary and 3-million-customer milestone for "Smart EX" service (October to December 2019)

2. Kansai Urban Area

- Completed introduction of new rolling stock 323 series" on the Osaka Loop Line (June 2019)
- Implemented special operation of the Mahoroba limited express on the segment between Shin-Osaka and Nara (November to December 2019)

3. Other West Japan Area

- Implemented after destination campaign in San-in region (July to September 2019)
- In the Setouchi Area, conducted pre-destination campaign and verification testing for "setowa" tourism-oriented MaaS (October 2019~)

4. Providing assistance for overseas visitors

- Began to handle exclusive products for visitors to Japan through the "JR-WEST ONLINE TRAIN RESERVATION" service (May 2019)
- Opened "Travel Service Center SHIN-OSAKA" at Shin-Osaka Station (August 2019)
- Promoted sales of products in collaboration with leading platforms (KLOOK, Alibaba) etc. (September 2019~)

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 the Transportation Operations segment, in addition to these measures, the segment benefited from such factors as active use during holidays and other busy periods. Operating revenues rose 2.6% from the same period of the previous fiscal year to ¥738.2 billion, with operating income up 8.2% to ¥149.8 billion.

b. Retail Business

For the Retail Business, JR-West worked to strengthen managerial capabilities for directly-operated stores, enhance convenience inside stations, expand to areas outside stations, and establish a competitive brand.

In department stores, to further enhance the appeal of JR Kyoto Isetan, we moved forward in stages with a major renovation of floors 2 to 5, with a target for completion of spring 2020.

Further, for the accommodation-oriented hotels included in the Retail Business segment, from May to August 2019 JR-West opened 4 VIA INN hotels (Kyotoeki Hachijoguchi, Hakataguchi Ekimae, Shinsaibashi Yotsubashi, Nihonbashi Ningyocho).

However, in the Retail Business segment, due to a change in the contracts of tenant stores in stations, etc., operating revenues were down 3.7% from the same period of the previous fiscal year to ¥177.4 billion, and due to VIA INN opening expenses, etc., operating income decreased 2.1% to ¥5.5 billion.

c. Real Estate Business

For the Real Estate Business, in recognition that the real estate business has a high degree of affinity with the railway business in terms of utilizing the portfolio assets of the corporate group to improve customer convenience and enhance the value of railway belts, JR-West pursued such businesses as the development and management of shopping centers, as well as sales of residential and other properties.

In July 2019, JR West Japan Shopping Center Development Company, which operates LUCUA osaka, merged with Tennoji Shopping Center Development Co., Ltd., which operates "Tennoji MIO." The management resources of the two companies, such as their know-how and human resources,

have been unified and are being utilized for all Group shopping centers, and moving forward their specialized skills will be enhanced.

In addition, in September 2019 we launched JR West Group shopping center shared points and WESPO, a smartphone application. We held the grand opening of "ekie" commercial facility at Hiroshima Station in October 2019, and opened "Koshienguchi Green Place," a shopping center located outside of the station, in November 2019.

Furthermore, we pursued real estate sales and the leasing business in promising markets, including those outside JR-West's railway belts or railway service area, and in November we opened our first VIERRA commercial facility in the Tokyo area.

In the Real Estate Business segment, in addition to these initiatives, real estate sales, were also favorable, and as a result operating revenues increased 5.6% from the same period of the previous fiscal year to ¥110.9 billion, and operating income increased 3.1% to ¥28.8 billion.

d. Other Businesses

In the Hotel Business, to meet firm accommodation demand and respond to the diverse needs of customers, JR-West strengthened operational capabilities, including structures and facilities for the reception system for overseas visitors to Japan, and worked to expand openings of new hotels.

In May 2019, we opened Hotel Vischio Kyoto, a high class accommodation oriented hotel. Also, working to further increase the appeal of the Granvia Osaka hotel, in November we finished the first phase of a complete renovation. Going forward, together with its GRANVIA brand of city hotels and VIA INN brand of accommodation-oriented hotels, JR-West will develop its hotel businesses by utilizing a diverse brand structure, including in areas outside of its railway belts and railway service area.

In travel agency operations, JR-West strengthened marketing to overseas visitors to Japan, and made efforts to expand corporate sales, and sales of products for individuals such as web-only products.

In the Other Businesses segment, due to the effect of hotels opened in the previous fiscal year, etc., operating revenues increased 3.9% from the same period of the previous fiscal year to ¥124.9 billion. However, there was a decrease in orders in the construction business, and as a result operating income decreased 21.4% to ¥5.5 billion.

(2) Qualitative Information on the Consolidated Financial Position

JR-West's total assets at the end of the third quarter cumulative period of the subject fiscal year (December 31, 2019) amounted to ¥3,243.5 billion, an increase of ¥5.9 billion from the end of the previous fiscal year (March 31, 2019). This was due mainly to an increase in inventories.

Total liabilities amounted to ¥1,987.6 billion, a decrease of ¥70.1 billion from the end of the previous fiscal year. This was due mainly to a decrease in accounts payable.

Total net assets amounted to ¥1,255.9 billion, an increase of ¥76.0 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 October 28, 2019.

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

2. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheets

	Millions of yen	
	March 31, 2019	December 31, 2019
ASSETS		
Current assets:		
Cash	109,327	78,415
Notes and accounts receivable-trade	32,521	30,932
Railway fares receivable	43,552	38,279
Accounts receivable	72,287	56,069
Securities	27,500	21,542
Inventories	104,827	154,317
Other current assets	65,623	84,168
Less allowance for doubtful accounts	(705)	(664)
Total current assets	454,934	463,060
Non-current assets:		
Property, plant and equipment:		
Buildings and structures	1,175,279	1,173,721
Machinery and transport equipment	376,995	374,074
Land	767,908	772,309
Construction in progress	73,496	80,088
Other property, plant and equipment	60,207	60,129
Total property, plant and equipment	2,453,887	2,460,323
Intangible assets	39,361	32,634
Investments and other assets:		
Investments in securities	101,010	110,789
Net defined benefit asset	2,170	2,393
Deferred tax assets	140,749	128,848
Other investments and assets	49,359	49,479
Less allowance for doubtful accounts	(3,876)	(4,006)
Total investments and other assets	289,413	287,504
Total non-current assets	2,782,661	2,780,462
Total assets	3,237,596	3,243,522

	Millions of yen	
	March 31, 2019	December 31, 2019
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Notes and accounts payable-trade	70,771	54,417
Short-term loans payable	20,713	25,619
Current portion of bonds	35,000	35,000
Current portion of long-term loans payable	38,832	38,902
Current portion of long-term payables for acquisition of railway properties	1,642	1,658
Accounts payable	126,024	80,856
Accrued consumption tax	6,583	19,372
Accrued income tax	28,068	21,863
Prepaid railway fares received	41,280	44,380
Advances received	33,785	55,237
Allowance for bonuses	37,408	18,827
Provision for loss on disaster	11,100	12,254
Allowance for point program	2,081	2,364
Other current liabilities	155,261	167,211
Total current liabilities	608,554	577,967
Non-current liabilities:		
Bonds payable	534,984	519,986
Long-term loans payable	350,828	346,011
Long-term payables for acquisition of railway properties	102,728	101,894
Deferred tax liabilities	1,528	1,766
Allowance for the Large Scale Renovation of Shinkansen Infrastructure	12,500	15,625
Allowance for environmental safety measures	11,587	9,419
Provision for loss on liquidation of railway belts	9,594	9,231
Provision for unredeemed gift certificates	2,382	2,119
Net defined benefit liability	285,843	264,432
Other long-term liabilities	137,203	139,151
Total non-current liabilities	1,449,180	1,409,639
Total liabilities	2,057,734	1,987,606

(continued on page 10)

	Millions of yen	
	March 31, 2019	December 31, 2019
NET ASSETS		
Total shareholders' equity:		
Common stock	100,000	100,000
Capital surplus	56,171	56,646
Retained earnings	911,532	984,043
Treasury stock, at cost	(483)	(483)
Total shareholders' equity	1,067,220	1,140,207
Valuation and translation adjustments:		
Net unrealized holding gain on securities	3,837	4,848
Deferred gains or losses on hedges	(54)	(76)
Remeasurements of defined benefit plans	8,594	7,817
Total Valuation and translation adjustments	12,378	12,589
Non-controlling interests	100,262	103,119
Total net assets	1,179,861	1,255,916
Total liabilities and net assets	3,237,596	3,243,522

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

Consolidated Statements of Income

Nine months ended December 31

	Millions of yen	
	2018	2019
Operating revenues	1,129,099	1,151,699
Operating expenses:		
Transportation, other services and cost of sales	801,049	800,224
Selling, general and administrative expenses	148,301	160,280
Total operating expenses	949,350	960,504
Operating income	179,748	191,194
Non-operating revenues:		
Interest income	16	25
Dividend income	1,041	651
Transfer from administrative fee of contracted construction	200	268
Equity in earnings of affiliates	1,680	1,424
Other	1,651	1,734
Total non-operating revenues	4,590	4,104
Non-operating expenses:		
Interest expense	15,067	14,659
Other	1,412	598
Total non-operating expenses	16,479	15,257
Recurring profit	167,859	180,041
Extraordinary profits:		
Gain on contributions received for construction	12,547	6,192
Other	963	1,528
Total extraordinary profits	13,510	7,721
Extraordinary losses:		
Loss on deduction of contributions received for construction from acquisition costs of property, plant and equipment	11,936	5,985
Provision for loss on disaster	17,300	3,000
Other	8,354	5,445
Total extraordinary losses	37,590	14,430
Profit before income taxes	143,779	173,332
Income taxes- Current	30,092	41,494
Income taxes- Deferred	13,388	12,408
Total income taxes	43,481	53,902
Profit	100,298	119,429
Profit attributable to non-controlling interests	2,512	2,316
Profit attributable to owners of parent	97,785	117,113

Consolidated Statements of Comprehensive Income

Nine months ended December 31

	Millions of yen	
	2018	2019
Profit	100,298	119,429
Other comprehensive income:		
Valuation difference on available-for-sale securities	(834)	819
Deferred gains or losses on hedges	(30)	(28)
Remeasurements of defined benefit plans, net of tax	(869)	(757)
Share of other comprehensive income of associates accounted for using equity method	20	233
Total other comprehensive income	(1,713)	267
Comprehensive income	98,584	119,697
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	96,133	117,324
Comprehensive income attributable to non-controlling interests	2,451	2,372

Business Segment Information

Nine months ended December 31

		Billions of yen		
		2018	2019	Change from the same period of the previous period
Transportation	Operating revenues	719.3	738.2	18.9
	Operating income	138.3	149.8	11.4
Retail	Operating revenues	184.3	177.4	(6.9)
	Operating income	5.6	5.5	(0.1)
Real Estate	Operating revenues	105.0	110.9	5.8
	Operating income	28.0	28.8	0.8
Other Businesses	Operating revenues	120.2	124.9	4.6
	Operating income	7.1	5.5	(1.5)

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

In accordance with a resolution at a meeting of the Board of Directors held on April 26, 2019, from May 7, 2019, to July 12, 2019, through market purchases on the Tokyo Stock Exchange, the Company acquired 1,146,900 shares of its own stock at an aggregate acquisition price of ¥9,999 million, thereby converting these shares to treasury stock.

Also, based on a resolution at a meeting of the Board of Directors held on July 30, 2019, on August 15, 2019, the Company canceled 1,146,900 shares of treasury stock. The book value of this treasury stock was ¥9,999 million, and retained earnings was reduced by that amount.

(5) Other

(Additional Information)

Occurrence of damage due to typhoon No. 19 (October 2019)

The estimated amount for scrapping/restoring Shinkansen rolling stock damaged by flooding due to typhoon No. 19 was recorded as "provision for loss on disaster" in the extraordinary losses section of the consolidated income statement.

Reference Materials

1. NON-CONSOLIDATED BALANCE SHEETS

	March 31, 2019	December 31, 2019	Change
	Billions of yen	Billions of yen	Billions of yen
ASSETS			
Current assets:			
Total current assets	294.9	259.1	(35.7)
Non-current assets:			
Non-current assets for railway operations	1,900.6	1,872.2	(28.3)
Construction in progress	59.2	64.4	5.2
Investments and other assets	527.5	539.4	11.9
Total non-current assets	2,487.4	2,476.2	(11.1)
Total assets	2,782.3	2,735.4	(46.9)

	March 31, 2019	December 31, 2019	Change
	Billions of yen	Billions of yen	Billions of yen
LIABILITIES AND NET ASSETS			
Current liabilities:			
Current portion of long-term debt	73.6	73.6	0.0
Accounts payable	602.8	544.8	(57.9)
Total current liabilities	676.4	618.5	(57.9)
Non-current liabilities:			
Bonds and long-term debt	987.9	966.8	(21.1)
Accrued retirement benefits	272.6	248.5	(24.1)
Other long-term liabilities	45.4	45.6	0.1
Total non-current liabilities	1,306.1	1,260.9	(45.1)
Total liabilities	1,982.5	1,879.5	(103.0)
Total shareholders' equity:			
Common stock	100.0	100.0	—
Capital surplus	55.0	55.0	—
Retained earnings	642.0	697.4	55.4
Treasury stock, at cost	(0.0)	(0.0)	(0.0)
Total shareholders' equity	797.0	852.4	55.4
Valuation and translation adjustments	2.7	3.4	0.6
Total net assets	799.7	855.8	56.0
Total liabilities and net assets	2,782.3	2,735.4	(46.9)

2. NON-CONSOLIDATED STATEMENTS OF INCOME

Nine months ended December 31

	2018	2019	Change from the same period of the previous period	
	Billions of yen	Billions of yen	Billions of yen	%
Operating revenues:				
Transportation	660.4	680.9	20.5	3.1
Transportation incidentals	13.1	13.0	(0.1)	(1.0)
Other operations	21.6	22.5	0.8	4.1
Miscellaneous	44.1	42.6	(1.4)	(3.3)
	739.3	759.1	19.8	2.7
Operating expenses:				
Personnel costs	161.8	161.1	(0.6)	(0.4)
Non personnel costs:				
Energy costs	33.5	34.5	0.9	2.8
Maintenance costs	100.2	103.2	3.0	3.1
Miscellaneous costs	146.1	146.2	0.1	0.1
	279.9	284.1	4.1	1.5
Rental payments, etc	20.3	21.2	0.8	4.2
Taxes	29.3	30.2	0.9	3.2
Depreciation	98.5	101.8	3.3	3.4
	590.0	598.6	8.5	1.5
Operating income	149.2	160.4	11.2	7.5
Non-operating revenues and expenses, net:				
Non-operating revenues	3.3	3.5	0.2	—
Non-operating expenses	15.6	14.7	(0.9)	—
	(12.3)	(11.1)	1.2	(9.8)
Recurring profit	136.8	149.2	12.4	9.1
Extraordinary profit and loss, net:				
Extraordinary profit	12.9	6.5	(6.3)	—
Extraordinary loss	35.7	11.7	(24.0)	—
	(22.8)	(5.1)	17.6	—
Income before income taxes	114.0	144.0	30.0	26.4
Income taxes	33.8	43.6	9.7	28.9
Net income	80.1	100.4	20.2	25.3

Passenger-Kilometers and Transportation Revenues

	Millions of Passenger-Kilometers				Billions of yen			
	Passenger-Kilometers				Transportation Revenues			
	Nine months ended December 31		Change		Nine months ended December 31		Change	
	2018	2019	Amount	%	2018	2019	Amount	%
Shinkansen								
Commuter Passes	665	674	9	1.4	8.4	8.6	0.1	2.0
Non-Commuter Passes	15,584	15,981	397	2.6	339.8	347.0	7.1	2.1
Total	16,249	16,656	406	2.5	348.2	355.6	7.3	2.1
Conventional Lines								
Commuter Passes	17,455	17,678	223	1.3	107.5	107.9	0.3	0.3
Non-Commuter Passes	11,435	11,989	553	4.8	204.5	217.3	12.7	6.2
Total	28,891	29,668	776	2.7	312.1	325.2	13.1	4.2
Kansai Urban Area								
Commuter Passes	14,364	14,556	191	1.3	88.6	89.0	0.3	0.4
Non-Commuter Passes	8,272	8,616	344	4.2	142.6	151.2	8.6	6.1
Total	22,637	23,172	535	2.4	231.2	240.3	9.0	3.9
Other Lines								
Commuter Passes	3,090	3,122	32	1.0	18.8	18.9	0.0	0.1
Non-Commuter Passes	3,163	3,372	209	6.6	61.9	66.0	4.1	6.6
Total	6,254	6,495	241	3.9	80.8	84.9	4.1	5.1
Total								
Commuter Passes	18,120	18,353	232	1.3	116.0	116.5	0.5	0.5
Non-Commuter Passes	27,019	27,971	951	3.5	544.3	564.3	19.9	3.7
Total	45,140	46,324	1,183	2.6	660.4	680.9	20.5	3.1

Note: Luggage revenues are not included.

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, 2020
	2018	2019	Billions of yen	%	
	Billions of yen	Billions of yen			
Capital expenditures	149.1	130.9	(18.1)	(12.2)	—
Capital expenditures, excluding contributions received for constructions	141.1	125.0	(16.0)	(11.4)	261.0
Contributions received for constructions	8.0	5.9	(2.0)	(26.0)	—

Non-Consolidated Basis

	Nine months ended December 31		Change from the same period of the previous period		Plan for fiscal year ending March 31, 2020
	2018	2019	Billions of yen	%	
	Billions of yen	Billions of yen			
Capital expenditures	113.5	89.7	(23.7)	(20.9)	—
Capital expenditures, excluding contributions received for constructions	105.4	83.7	(21.6)	(20.5)	192.0
[Safety-related capital expenditures]	[66.9]	[56.8]	[(10.0)]	[(15.0)]	[120.0]
Contributions received for constructions	8.0	5.9	(2.0)	(26.0)	—

Major Capital Expenditures

Capital investments included earthquake countermeasures, new rolling stock (Sanyo Shinkansen N700A 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 January 2020 based on information available to JR-West as of January 2020 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.