

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>

President: Kazuaki Hasegawa

For further information, please contact: Jun Fukushima, General Manager, Corporate Communications
Department Telephone: +81-6-6375-8889

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

Planned start of dividend payments: December 2, 2020

Quarterly supplemental explanatory material prepared: Yes

Quarterly results briefing held: Yes

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

1. Results for the Six Months Ended September 30, 2020 (from April 1, 2020 to September 30, 2020)**(1) Operating results**

Six months ended September 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	%
2020	389,971	(48.8)	(144,731)	—	(154,302)	—	(128,115)	—
2019	762,035	3.4	128,873	13.7	121,649	14.9	80,483	42.5

(Note) Comprehensive Income: Six months ended September 30, 2020: ¥(133,301) million, —%;

Six months ended September 30, 2019: ¥81,603 million, 39.6%

	Profit attributable to owners of parent per share	Profit attributable to owners of parent per share after dilution
	Yen	Yen
2020	(670.04)	—
2019	419.89	—

(2) Financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
September 30, 2020	3,504,979	1,072,751	27.7
March 31, 2020	3,275,257	1,223,106	34.1

(Reference) Total shareholders' equity: September 30, 2020: ¥969,702 million, March 31, 2020: ¥1,118,026 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
2020	—	95.00	—	87.50	182.50
2021	—	50.00			
2021 (Forecast)			—	50.00	100.00

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

In regard to dividends, please refer to "Notice Regarding Dividends from Surplus (Interim Dividends) and Revision of Dividend Forecasts for the Fiscal Year Ending March 31, 2021," which was released on October 30, 2020.

3. Forecasts for Fiscal Year ending March 31, 2021

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

	Operating revenues		Operating income		Recurring profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year	920,000	(39.0)	(290,000)	—	(305,000)	—

	Profit attributable to owners of parent		Profit attributable to owners of parent per share
	Millions of yen	%	Yen
Fiscal year	(240,000)	—	(1,255.20)

(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)

	Six months ended September 30, 2020	Year ended March 31, 2020
1) Number of shares issued and outstanding (including treasury stock):	191,334,500	191,334,500
2) Number of treasury stock	129,742	129,792
		Six months ended September 30, 2019
3) Average number of shares outstanding for each period (cumulative term):	191,204,731	191,677,960

* 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 7.
2. Supplementary materials for the financial statements are posted on our homepage. The Company plans to hold a presentation for analysts on November 2, 2020. The Company plans to post the presentation materials on its homepage after the presentation.

1. QUALITATIVE INFORMATION ON THE RESULTS FOR THE SUBJECT PERIOD

In the subject period (April 1, 2020 to September 30, 2020), social and economic activities in Japan and around the world were significantly affected by the spread of the novel coronavirus infection. Following the declaration of a state of emergency, circumstances were extremely challenging for the JR-West Group's operations, including a decline in tourism; a trend toward people refraining from going out, including constraints on business trips; and reduced consumption.

Current, there is an underlying trend of moderate recovery, but in the short term, we do not expect a recovery in usage. We believe that, from a financial perspective, this is the greatest crisis that JR-West has faced since it was established.

In these circumstances, JR-West is following its four basic policies — Fulfilling our mission as a social infrastructure company, Protecting the safety of customers and employees, Protecting the employment of employees, and Protecting the supply chain.

In the subject period, as mentioned above, due to the influence of the spread of the novel coronavirus infection, operating revenues were down 48.8% from the same period of the previous fiscal year, to ¥389.9 billion. Operating loss was ¥144.7 billion, and recurring loss was ¥154.3 billion. After income taxes, loss attributable to owners of parent was ¥128.1 billion.

Given the extremely challenging nature of these circumstances, we are working to reduce cash out by thoroughly reducing expenses and controlling capital expenditure, while maintaining our priority on securing railway safety and steadily implementing novel coronavirus infection countermeasures for customers and employees.

In addition, the entire Group will continue to advance initiatives to enable customers to use our services safely and with peace of mind. We will work to promote usage and foster new demand through the provision of value with consideration for new customer needs.

In addition, with consideration for these circumstances, we have revised the JR-West Group Medium-Term Management Plan 2022 in order to indicate the steps that we will take in order to restore our financial foundation, to implement reforms that address changes in society, and to follow a course toward safety and growth.

We have an unchanging determination to ensure that we will never again cause an accident such as that on the Fukuchiyama Line. We have reflected deeply on the accident and its consequences and take the lessons learned from the accident extremely seriously. As such, we will continue to position our three pillars of management — measures to have ourselves accepted as acting with sincerity by the victims of the train accident, measures to enhance safety, and furthering of reform — as top management priorities.

Furthermore, even in a society in which it is difficult to predict change, as a corporate group that supports the daily lives of customers, we will continue working together with local communities to realize Our Vision: “contributing to the creation of a safe, comfortable society filled with meetings among people and smiles.”

Moreover, medium to long term issues will include strengthening management. To that end, we will work to restore our cash generating capability through structural reforms and to restore our financial foundation through focused initiatives. Another medium to long term issue will be increasing future corporate value by enhancing our ability to address change in a future that is difficult to predict. We will address these issues with consideration for structural changes in the future use of railway and non-railway operations.

(1) Qualitative Information on Consolidated Business Results

Consolidated Results for the Six Months Ended September 30, 2020 (April – September 2020)

Operating revenues:	¥389.9 billion
Operating loss:	¥144.7 billion
Recurring loss:	¥154.3 billion
Loss attributable to owners of parent:	¥128.1 billion

Results by Business Segment

a. Transportation Operations

With consideration for the train accident on the Fukuchiyama Line on April 25, 2005, JR-West remains firm in its resolve to never again cause such a serious accident, 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.

Even in the difficult circumstances caused by the influence of the spread of the novel coronavirus infection, in regard to railway safety, which is our highest priority, we will steadily advance the “JR-West Group Railway Safety Think-and-Act Plan 2022” and aim for an even higher level of safety.

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

Furthermore, to address intensifying natural disasters, we continued to implement heavy rain countermeasures, such as reinforcement of slopes; to install derailment prevention guards on the Sanyo Shinkansen; and to advance earthquake countermeasures, etc., such as earthquake resistance reinforcement measures for buildings, elevated bridges, etc.

With the highest priority on customer safety, we are implementing a range of measures to prevent the spread of the novel coronavirus infection so that customers can use services with greater peace of mind.

(Main specific measures to address the novel coronavirus infection)

- Implemented meticulous cleaning of major stations and rolling stock
- Implemented anti-viral and anti-bacterial processing for all rolling stock on conventional lines (completed in in Kyoto-Osaka-Kobe Area)
- Provided guidance regarding ventilation on trains and opened windows
- Provided alcohol for disinfection at all Shinkansen stations, stations at which the Haruka stops, and stations with more than 100,000 people boarding and alighting
- Took steps in accordance with the guidelines of the railway liaison committee, which is composed of the JR companies, the Japan Private Railway Association, etc. Implemented infection prevention measures. Made announcements on trains and in stations and placed posters in stations and on trains regarding requests for cooperation, etc., for staggered commuting, teleworking, and mask usage.
- Provided notices on our website of congestion status by railway belt and segment and by time period for major stations
- Promoted the use of the seat map function on the Internet train reservation service and green ticket vending machines
- Launched limited-time, ticketless limited express tickets for joint use with commuter passes (June to September)
- Implemented certain operational suspensions, etc., for Shinkansen and conventional line limited express trains
- Carried out thorough employee infection prevention measures and health management
- Implemented temporary leave for employees

Moving forward, while paying careful attention to safety and security, and focusing on the policies of the national government, etc., social conditions, customer usage, etc., we will continue to implement step-by-step measures to achieve a recovery in demand, in line with the circumstances in each area. In addition, we will advance initiatives for individual travel; for various groups, such as the younger generation; and for travel purposes. In addition, we will identify changes in behavioral patterns and customer awareness and implement new initiatives to address various needs, such as business and vacation travel needs.

(Main specific measures to foster a recovery in demand)

- Start of operation of WEST EXPRESS Ginga (September)
- Start of sales of Dokodemo Doa Kippu (September)
Sales of discount tickets: “Sanyo Shinkansen Chokuzen-wari 50”, Hokuriku Shinkansen “e-ticket Hayatoku 21/14”, etc.
- Start of GLAMPING verification testing in the Setouchi area (September)
- Release of MaaS apps: WESTER and setowa (September)

Despite the implementation of these initiatives, the Transportation Operations segment was significantly affected by the influence of the novel coronavirus infection. Segment operating revenues

were down 57.2% from the same period of the previous fiscal year, to ¥210.2 billion, and operating loss was ¥138.7 billion.

b. Retail Business

In the retail business, in accordance with the guidelines formulated by various industry groups (hereinafter, “the guidelines”), we are working to take infection countermeasures and enable customers to use services with peace of mind.

In July, as one part of measures to promote digitalization, we started to introduce O:der, a mobile order platform, at commercial facilities and restaurants in the JR West Group.

Looking at the accommodation-oriented hotels included in the Retail Business segment, JR-West opened VIA INN Hiroshima Shinkansenguchi in June and renovated VIA INN Shimonoseki.

Nonetheless, due to the lengthening of the operational suspension, etc., segment operating revenues were down 47.4% from the same period of the previous fiscal year, to ¥61.3 billion, and an operating loss of ¥9.9 billion was recorded.

c. Real Estate Business

In the real estate business, as in the retail business, with consideration for the guidelines, we are working to take infection countermeasures and enable customers to use services with peace of mind.

In shopping centers, in June we implemented post-renovation openings at certain sections of “Kanazawa Hyakubangai,” and in September we completed the renovation of “Sun Station Terrace Okayama.” In addition, a LUCUA OUTDOOR from ALBi store, which offers 10 outdoor goods brands, opened at LUCUA Osaka in September.

In the Real Estate Segment, real estate sales, etc., were favorable, but due to the influence of the novel coronavirus infection on shopping centers, segment operating revenues were down 11.5% from the same period of the previous year, to ¥65.5 billion, and operating income declined 21.4%, to ¥15.0 billion.

d. Other Businesses

In the hotel and travel agency businesses, with consideration for the guidelines, we are working to take infection countermeasures and enable customers to use services with peace of mind.

From April to June, there were calls for self-restraint in regard to mobility, and demand declined substantially. We took steps to foster a recovery in usage, such as utilizing the Go To Travel campaign, etc.

Nonetheless, due to the influence of the novel coronavirus infection, operating revenues for the Other Businesses segment declined 34.3% from the same period of the previous fiscal year to ¥52.7 billion, and an operating loss of ¥10.8 billion was recorded.

(2) Qualitative Information on the Consolidated Financial Position

JR-West's total assets at the end of the second quarter cumulative period of the subject fiscal year (September 30, 2020) amounted to ¥3,504.9 billion, an increase of ¥229.7 billion from the end of the previous fiscal year (March 31, 2020). This was due mainly to an increase in cash.

Total liabilities amounted to ¥2,432.2 billion, an increase of ¥380.0 billion from the end of the previous fiscal year. This was due mainly to increases in bonds payable and loans payable.

Total net assets amounted to ¥1,072.7 billion, a decrease of ¥150.3 billion from the end of the previous fiscal year. This was due mainly to a decrease in retained earnings.

(3) Qualitative Information on Consolidated Forecasts

Because at this point the Group's consolidated results for the subject period are generally in line with expectations, there is no change to the consolidated results forecasts for the fiscal year ending March 31, 2021, from those announced on September 16, 2020.

Note: Forecasts are based on certain assumptions considered reasonable at this point, and are subject to change.

2. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheets

	Millions of yen	
	March 31, 2020	September 30, 2020
ASSETS		
Current assets:		
Cash	78,530	308,594
Notes and accounts receivable-trade	28,198	29,642
Railway fares receivable	34,699	21,531
Accounts receivable	71,671	32,227
Securities	127	85
Inventories	117,088	139,332
Other current assets	77,298	66,842
Less allowance for doubtful accounts	(634)	(615)
Total current assets	406,981	597,640
Non-current assets:		
Property, plant and equipment:		
Buildings and structures	1,215,032	1,207,290
Machinery and transport equipment	385,669	370,667
Land	780,886	787,427
Construction in progress	86,437	106,059
Other property, plant and equipment	64,062	60,788
Total property, plant and equipment	2,532,088	2,532,233
Intangible assets	34,229	34,992
Investments and other assets:		
Investments in securities	116,690	114,050
Net defined benefit asset	1,919	2,007
Deferred tax assets	136,954	177,711
Other investments and assets	51,085	51,070
Less allowance for doubtful accounts	(4,692)	(4,727)
Total investments and other assets	301,956	340,112
Total non-current assets	2,868,275	2,907,339
Total assets	3,275,257	3,504,979

	Millions of yen	
	March 31, 2020	September 30, 2020
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Notes and accounts payable-trade	70,037	42,088
Short-term loans payable	24,711	19,083
Commercial Paper	60,000	70,000
Current portion of bonds	35,000	20,000
Current portion of long-term debt	36,422	21,209
Current portion of long-term payables for acquisition of railway properties	1,567	1,489
Accounts payable	133,582	88,681
Accrued consumption tax	9,367	3,763
Accrued income tax	20,953	16,151
Prepaid railway fares received	31,999	33,382
Advances received	40,532	63,734
Allowance for bonuses	37,410	25,319
Allowance for loss on disaster	5,131	4,743
Allowance for point program	2,431	2,594
Other current liabilities	149,381	138,292
Total current liabilities	658,530	550,536
Non-current liabilities:		
Bonds	509,986	799,987
Long-term debt	334,846	559,111
Long-term payables for acquisition of railway properties	101,158	100,404
Deferred tax liabilities	655	1,612
Allowance for the large scale renovation of Shinkansen infrastructure	16,666	18,750
Allowance for environmental safety measures	8,912	8,241
Allowance for loss on liquidation of railway belts	8,887	8,882
Allowance for unredeemed gift certificates	2,343	2,285
Net defined benefit liability	269,328	242,208
Other long-term liabilities	140,834	140,205
Total non-current liabilities	1,393,620	1,881,691
Total liabilities	2,052,150	2,432,228

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	Millions of yen	
	March 31, 2020	September 30, 2020
NET ASSETS		
Total shareholders' equity:		
Common stock	100,000	100,000
Capital surplus	56,567	56,567
Retained earnings	956,227	811,370
Treasury stock, at cost	(483)	(483)
Total shareholders' equity	1,112,311	967,455
Valuation and translation adjustments:		
Net unrealized holding gain on securities	(430)	(3,089)
Deferred gains or losses on hedges	29	2
Remeasurements of defined benefit plans	6,114	5,334
Total Valuation and translation adjustments	5,714	2,247
Non-controlling interests	105,080	103,048
Total net assets	1,223,106	1,072,751
Total liabilities and net assets	3,275,257	3,504,979

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

Consolidated Statements of Income

Six months ended September 30

	Millions of yen	
	2019	2020
Operating revenues	762,035	389,971
Operating expenses:		
Transportation, other services and cost of sales	527,595	453,470
Selling, general and administrative expenses	105,567	81,232
Total operating expenses	633,162	534,703
Operating income (loss)	128,873	(144,731)
Non-operating revenues:		
Interest income	19	15
Dividend income	365	442
Transfer from administrative fee of contracted construction	91	114
Equity in earnings of affiliates	1,238	1,453
Other	1,274	1,499
Total non-operating revenues	2,990	3,526
Non-operating expenses:		
Interest expense	9,779	9,968
Other	434	3,129
Total non-operating expenses	10,213	13,097
Recurring profit (loss)	121,649	(154,302)
Extraordinary profits:		
Gain on contribution for construction	3,314	3,719
Subsidies for employment adjustment	—	3,062
Other	665	811
Total extraordinary profits	3,979	7,592
Extraordinary losses:		
Reduction entry for contribution for construction	3,186	3,390
Loss related to novel coronavirus	—	11,642
Other	3,201	1,617
Total extraordinary losses	6,388	16,650
Profit (loss) before income taxes	119,240	(163,360)
Income taxes- Current	29,858	4,703
Income taxes- Deferred	7,409	(38,238)
Total income taxes	37,267	(33,534)
Profit (loss)	81,972	(129,826)
Profit (loss) attributable to non-controlling interests	1,488	(1,711)
Profit (loss) attributable to owners of parent	80,483	(128,115)

Consolidated Statements of Comprehensive Income

Six months ended September 30

	Millions of yen	
	2019	2020
Profit (loss)	81,972	(129,826)
Other comprehensive income:		
Valuation difference on available-for-sale securities	(125)	(2,639)
Deferred gains or losses on hedges	(56)	(39)
Remeasurements of defined benefit plans, net of tax	(504)	(771)
Share of other comprehensive income of associates accounted for using equity method	318	(25)
Total other comprehensive income	(368)	(3,475)
Comprehensive income	81,603	(133,301)
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	80,123	(131,581)
Comprehensive income attributable to non-controlling interests	1,480	(1,719)

Business Segment Information

Six months ended September 30

		Billions of yen		
		2019	2020	Change from the same period of the previous period
Transportation	Operating revenues	491.0	210.2	(280.7)
	Operating loss	103.1	(138.7)	(241.8)
Retail	Operating revenues	116.5	61.3	(55.2)
	Operating loss	3.1	(9.9)	(13.0)
Real Estate	Operating revenues	74.0	65.5	(8.5)
	Operating loss	19.1	15.0	(4.1)
Other Businesses	Operating revenues	80.3	52.7	(27.5)
	Operating loss	2.3	(10.8)	(13.1)

Note: Revenues by each segment are from third parties.

(3) Consolidated Statements of Cash Flows

Six months ended September 30

	Millions of yen	
	2019	2020
Cash flows from operating activities		
Profit (loss) before income taxes	119,240	(163,360)
Depreciation and amortization	82,467	83,510
Loss on deduction of contributions received for construction from acquisition costs of property, plant and equipment	3,186	3,390
Loss on disposal of property, plant and equipment	2,483	1,409
Increase (decrease) in net defined benefit liability	(25,281)	(28,280)
Increase (decrease) in allowance for doubtful accounts	8	15
Increase (decrease) in provision for bonuses	(824)	(12,090)
Increase (decrease) in allowance for the large-scale renovation of Shinkansen infrastructure	2,083	2,083
Increase (decrease) in other provision	(1,967)	(1,163)
Interest and dividend income	(385)	(458)
Interest expenses	9,779	9,968
Equity in earnings of affiliates	(1,238)	(1,453)
Proceeds from contribution for construction	(3,314)	(3,719)
Decrease (increase) in notes and accounts receivable-trade	17,638	52,762
Decrease (increase) in inventories	(35,423)	(21,035)
Increase (decrease) in notes and accounts payable-trade	(25,937)	(39,701)
Increase (decrease) in accrued consumption taxes	5,542	(5,603)
Other	(8,174)	919
Subtotal	139,883	(122,806)
Interest and dividends income received	385	459
Interest paid	(9,661)	(9,526)
Income taxes paid	(22,807)	(9,369)
Net cash provided by operating activities	107,800	(141,243)
Cash flows from investing activities		
Purchases of property, plant and equipment	(101,369)	(110,979)
Proceeds from sales of property, plant and equipment	819	244
Contributions received for constructions	14,421	14,240
Increase in investments in securities	(6,423)	(1,697)
Net decrease (increase) in loans receivable	(43)	(1,599)
Other	(776)	745
Net cash used in investing activities	(93,372)	(99,045)

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	Millions of yen	
	2019	2020
Cash flows from financing activities		
Change in short-term loans	2,753	(5,763)
Net changes in commercial paper	—	10,000
Proceeds from long-term loans	—	224,300
Repayment of long-term debt	(15,550)	(15,247)
Proceeds from issuance of bonds	10,000	300,000
Redemption of bonds	(25,000)	(25,000)
Repayment of long-term payables for acquisition of railway properties	(817)	(831)
Purchase of treasury stock	(9,999)	—
Proceeds from sales of treasury stock	—	0
Cash dividends paid	(16,834)	(15,833)
Dividends paid to non-controlling interests	(333)	(311)
Other	(801)	(958)
Net cash used in financing activities	(56,584)	470,353
Change in cash and cash equivalents, net	(42,157)	230,064
Cash and cash equivalents at the beginning of the period	136,581	78,283
Increase in cash and cash equivalents from newly consolidated subsidiary	1,110	—
Decline in cash and cash equivalents accompanying removal from scope of consolidation	(1,736)	—
Cash and cash equivalents at the end of the period	93,798	308,348

(4) Note on Assumptions for Going Concern

Not applicable

(5) Note in the Event of Major Change in Shareholders' Equity

Not applicable

(6) Other

(Additional Information)

1. Loss due to the novel coronavirus infection

The cost of countermeasures to the novel coronavirus infection, and the fixed costs, etc., accruing during the temporary shutdown of Group commercial facilities, etc., have been recorded as "loss related to novel coronavirus" under extraordinary losses in the quarterly consolidated statements of income.

2. Accounting estimates related to the influence of the novel coronavirus infection

In regard to accounting estimates, such as assessments of the recoverability of deferred tax assets for the subject period, etc., we are assuming that current usage conditions in the railway business, which is our core business, will continue to the third quarter of the fiscal year ending March 31, 2021, and that subsequently usage conditions will recover at a moderate pace. In addition, we are assuming that the results of Group companies will recover to certain extent over the period to the end of the fiscal year. However, there are many uncertain elements in regard to the actual circumstances regarding the spread of the infection, consumption trends, etc., and it is possible that there will be an influence on results in the fiscal year ending March 31, 2021, and subsequent fiscal years.

Reference Materials

1. NON-CONSOLIDATED BALANCE SHEETS

	March 31, 2020	September 30, 2020	Change
	Billions of yen	Billions of yen	Billions of yen
ASSETS			
Current assets:			
Total current assets	241.8	480.7	238.8
Non-current assets:			
Non-current assets for railway operations	1,914.4	1,892.5	(21.8)
Construction in progress	75.4	84.0	8.5
Investments and other assets	562.2	615.2	53.0
Total non-current assets	2,552.1	2,591.8	39.7
Total assets	2,793.9	3,072.6	278.6

	March 31, 2020	September 30, 2020	Change
	Billions of yen	Billions of yen	Billions of yen
LIABILITIES AND NET ASSETS			
Current liabilities:			
Current portion of long-term debt	72.3	42.2	(30.0)
Accounts payable	653.7	595.2	(58.5)
Total current liabilities	726.1	637.5	(88.5)
Non-current liabilities:			
Bonds and long-term debt	945.3	1,458.8	513.5
Accrued retirement benefits	250.3	221.6	(28.6)
Other long-term liabilities	48.2	49.6	1.4
Total non-current liabilities	1,243.9	1,730.1	486.2
Total liabilities	1,970.0	2,367.6	397.6
Total shareholders' equity:			
Common stock	100.0	100.0	—
Capital surplus	55.0	55.0	—
Retained earnings	670.6	554.1	(116.5)
Treasury stock, at cost	(0.0)	(0.0)	0.0
Total shareholders' equity	825.6	709.1	(116.5)
Valuation and translation adjustments	(1.6)	(4.1)	(2.4)
Total net assets	823.9	704.9	(118.9)
Total liabilities and net assets	2,793.9	3,072.6	278.6

2. NON-CONSOLIDATED STATEMENTS OF INCOME

Six months ended September 30

	2019	2020	Change from the same period of the previous period	
	Billions of yen	Billions of yen	Billions of yen	%
Operating revenues:				
Transportation	452.9	182.5	(270.4)	(59.7)
Transportation incidentals	8.5	6.1	(2.3)	(28.0)
Other operations	14.8	13.5	(1.3)	(9.3)
Miscellaneous	28.0	24.3	(3.6)	(13.2)
	504.4	226.5	(277.9)	(55.1)
Operating expenses:				
Personnel costs	107.5	92.3	(15.1)	(14.1)
Non personnel costs:				
Energy costs	23.5	20.7	(2.8)	(12.0)
Maintenance costs	64.2	62.4	(1.7)	(2.8)
Miscellaneous costs	97.0	79.8	(17.2)	(17.7)
	184.8	162.9	(21.8)	(11.8)
Rental payments, etc	14.0	13.6	(0.4)	(3.1)
Taxes	21.0	18.5	(2.5)	(11.9)
Depreciation	66.9	67.9	0.9	1.5
	394.4	355.4	(38.9)	(9.9)
Operating profit (loss)	110.0	(128.9)	(238.9)	—
Non-operating revenues and expenses, net:				
Non-operating revenues	2.7	2.3	(0.3)	—
Non-operating expenses	9.8	12.7	2.8	—
	(7.1)	(10.3)	(3.2)	45.9
Recurring profit (loss)	102.9	(139.3)	(242.2)	—
Extraordinary profit and loss, net:				
Extraordinary profit	3.3	5.0	1.6	—
Extraordinary loss	5.0	8.4	3.4	—
	(1.6)	(3.3)	(1.7)	—
Profit (loss) before income taxes	101.2	(142.7)	(243.9)	—
Income taxes	30.7	(42.9)	(73.6)	—
Net profit (loss)	70.5	(99.7)	(170.3)	—

Passenger-Kilometers and Transportation Revenues

	Millions of Passenger-Kilometers				Billions of yen			
	Passenger-Kilometers				Transportation Revenues			
	Six months ended September 30		Change		Six months ended September 30		Change	
	2019	2020	Amount	%	2019	2020	Amount	%
Shinkansen								
Commuter Passes	468	399	(69)	(14.8)	5.7	5.1	(0.5)	(10.2)
Non-Commuter Passes	10,507	2,629	(7,878)	(75.0)	229.6	60.7	(168.8)	(73.5)
Total	10,976	3,028	(7,947)	(72.4)	235.3	65.9	(169.4)	(72.0)
Conventional Lines								
Commuter Passes	12,037	9,667	(2,369)	(19.7)	72.0	58.4	(13.5)	(18.8)
Non-Commuter Passes	7,971	3,152	(4,818)	(60.4)	145.5	58.1	(87.4)	(60.1)
Total	20,008	12,820	(7,187)	(35.9)	217.6	116.6	(100.9)	(46.4)
Kansai Urban Area								
Commuter Passes	9,891	7,820	(2,071)	(20.9)	59.4	47.8	(11.5)	(19.5)
Non-Commuter Passes	5,750	2,331	(3,419)	(59.5)	101.7	42.1	(59.5)	(58.6)
Total	15,642	10,151	(5,490)	(35.1)	161.1	89.9	(71.1)	(44.1)
Other Lines								
Commuter Passes	2,145	1,847	(297)	(13.9)	12.6	10.6	(1.9)	(15.6)
Non-Commuter Passes	2,221	821	(1,399)	(63.0)	43.8	15.9	(27.8)	(63.6)
Total	4,366	2,669	(1,697)	(38.9)	56.4	26.6	(29.8)	(52.9)
Total								
Commuter Passes	12,505	10,066	(2,438)	(19.5)	77.7	63.6	(14.1)	(18.2)
Non-Commuter Passes	18,479	5,782	(12,696)	(68.7)	375.1	118.8	(256.3)	(68.3)
Total	30,984	15,849	(15,135)	(48.8)	452.9	182.5	(270.4)	(59.7)

Note: Luggage revenues are not included.

3. CAPITAL EXPENDITURES

Consolidated Basis

	Six months ended September 30		Change from the same period of the previous period		Plan for fiscal year ending March 31, 2021
	2019	2020	Billions of yen	%	
	Billions of yen	Billions of yen			
Capital expenditures	80.3	86.6	6.2	7.7	—
Capital expenditures, excluding contributions received for constructions	77.0	83.5	6.5	8.4	230.0
Contributions received for constructions	3.3	3.0	(0.2)	(8.5)	—

Non-Consolidated Basis

	Six months ended September 30		Change from the same period of the previous period		Plan for fiscal year ending March 31, 2021
	2019	2020	Billions of yen	%	
	Billions of yen	Billions of yen			
Capital expenditures	51.6	59.7	8.0	15.6	—
Capital expenditures, excluding contributions received for constructions	48.3	56.6	8.3	17.3	170.0
[Safety-related capital expenditures]	[30.0]	[32.0]	[1.9]	[6.4]	[100.0]
Contributions received for constructions	3.3	3.0	(0.2)	(8.5)	—

Major Capital Expenditures (non-consolidated)

Earthquake countermeasures and other safety/disaster-prevention measures, new rolling stock (521 series, 225 series, 227 series), etc.

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 October 2020 based on information available to JR-West as of October 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.