

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

Stock listings: Tokyo Stock Exchange

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): February 10, 2021

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, 2020 (from April 1, 2020 to December 31, 2020)****(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	%
2020	645,044	(44.0)	(175,565)	—	(189,317)	—	(161,842)	—
2019	1,151,699	2.0	191,194	6.4	180,041	7.3	117,113	19.8

(Note) Comprehensive Income: Nine months ended December 31, 2020: ¥(167,891) million, —%;

Nine months ended December 31, 2019: ¥119,697 million, 21.4%

	Profit attributable to owners of parent per share	Profit attributable to owners of parent per share after dilution
	Yen	Yen
2020	(846.44)	—
2019	611.50	—

**(2) Financial position**

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
December 31, 2020	3,520,476	1,028,595	26.3
March 31, 2020	3,275,257	1,223,106	34.1

(Reference) Total shareholders' equity: December 31, 2020: ¥926,841 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: None

### 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)

	Nine months ended December 31, 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	129,679	129,792
		Nine months ended December 31, 2019
3) Average number of shares outstanding for each period (cumulative term):	191,204,757	191,519,636

\* 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.

## 1. QUALITATIVE INFORMATION ON THE RESULTS FOR THE SUBJECT PERIOD

In the subject period (April 1, 2020 to December 31, 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 in April 2020, 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.

Other factors include the further spread of the novel coronavirus infection, and the resulting suspension of the Go To Travel Campaign. 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, Sustaining the employment, and Sustaining 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 44.0% from the same period of the previous fiscal year, to ¥645.0 billion. Operating loss was ¥175.5 billion, and recurring loss was ¥189.3 billion. After income taxes, loss attributable to owners of parent was ¥161.8 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, in October 2020 we 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 Nine Months Ended December 31, 2020 (April – December 2020)

Operating revenues:	¥645.0 billion
Operating loss:	¥175.5 billion
Recurring loss:	¥189.3 billion
Loss attributable to owners of parent:	¥161.8 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, and use of these gates has commenced on certain platforms at the Okayama, Hiroshima, Tsuruhashi, Takatsuki, and Kobe stations.

Furthermore, to address intensifying natural disasters, we continued to implement countermeasures. These included heavy rain countermeasures, such as the reinforcement of slopes and the use of radar to track the amount of rainfall for use in regulating train operation when it is raining. They also included earthquake countermeasures, such as the installation of derailment prevention guards on the Sanyo Shinkansen and the implementation of 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)
- Implemented anti-viral and anti-bacterial processing for elevators and ticket vending machines at major stations
- 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, 2020)
- 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 2020: to San-in region; December 2020: to Sanyo region)
- Implementation of "Dokodemo Doa de Doko Ikou" campaign (start of sales of "Dokodemo Doa Kippu," etc. (October 2020 to January 2021)
- Sales of discount tickets: "Sanyo Shinkansen Chokuzen-wari 50", Hokuriku Shinkansen "e-ticket Hayatoku 21/14", etc.
- Implementation of Setouchi Hiroshima Destination Campaign (October to December, 2020)
- Release of MaaS apps: WESTER and setowa (September 2020)

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 51.5% from the same period of the previous fiscal year, to ¥357.7 billion, and operating loss was ¥173.6 billion.

#### **b. Retail Business**

In the retail business, after the declaration of a state of emergency, many facilities and stores were closed. Subsequently, they gradually began to reopen, but even now certain facilities/stores are still closed. 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 2020, 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 2020, and renovated VIA INN Shimonoseki. In addition, we opened VIA INN Osaka Kyobashi in December 2020.

Nonetheless, due to the influence of the novel coronavirus infection, segment operating revenues were down 40.1% from the same period of the previous fiscal year, to ¥106.2 billion, and operating loss was ¥11.2 billion.

#### **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 2020 we implemented post-renovation openings at certain sections of "Kanazawa Hyakubangai," and in September 2020 we completed the renovation of "Sun Station Terrace Okayama." In addition, at LUCUA Osaka, in September 2020 we opened LUCUA OUTDOOR from ALBi, which includes 10 outdoor goods specialty stores.

Furthermore, in November 2020 we opened "Work Space Abeno Matsuzaki-cho," a shared office facility, on a trial basis.

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 9.3% from the same period of the previous fiscal year, to ¥100.6 billion, and operating income was down 19.4%, to ¥23.2 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. In October 2020, we opened "Umekoji Potel KYOTO," under a new hotel brand.

Conditions remain challenging. For example, even now certain facilities are still closed. However, going forward we will utilize government measures, etc., and work to foster a recovery in usage.

Due to the influence of the novel coronavirus infection, operating revenues for the Other Businesses

segment declined 35.7% from the same period of the previous fiscal year, to ¥80.3 billion, and operating loss was ¥13.6 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, 2020) amounted to ¥3,520.4 billion, an increase of ¥245.2 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 ¥2,491.8 billion, an increase of ¥439.7 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 ¥1,028.5 billion, a decrease of ¥194.5 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**

Due to the rapid increase in the number of people infected with the novel coronavirus and the resulting declaration of a state of emergency, the future is increasingly uncertain. However, 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 October 30, 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	December 31, 2020
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash	78,530	300,608
Notes and accounts receivable-trade	28,198	35,479
Railway fares receivable	34,699	16,636
Accounts receivable	71,671	37,997
Securities	127	109
Inventories	117,088	145,086
Other current assets	77,298	73,102
Less allowance for doubtful accounts	(634)	(631)
Total current assets	406,981	608,388
<b>Non-current assets:</b>		
<b>Property, plant and equipment:</b>		
Buildings and structures	1,215,032	1,203,335
Machinery and transport equipment	385,669	365,336
Land	780,886	788,063
Construction in progress	86,437	115,407
Other property, plant and equipment	64,062	62,453
Total property, plant and equipment	2,532,088	2,534,595
<b>Intangible assets</b>	34,229	32,340
<b>Investments and other assets:</b>		
Investments in securities	116,690	114,238
Net defined benefit asset	1,919	2,016
Deferred tax assets	136,954	182,873
Other investments and assets	51,085	50,721
Less allowance for doubtful accounts	(4,692)	(4,698)
Total investments and other assets	301,956	345,151
Total non-current assets	2,868,275	2,912,087
<b>Total assets</b>	<b>3,275,257</b>	<b>3,520,476</b>



	Millions of yen	
	March 31, 2020	December 31, 2020
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Notes and accounts payable-trade	70,037	44,552
Short-term loans payable	24,711	19,899
Commercial paper	60,000	30,000
Current portion of bonds	35,000	20,000
Current portion of long-term debt	36,422	31,209
Current portion of long-term payables for acquisition of railway properties	1,567	1,489
Accounts payable	133,582	93,445
Accrued consumption tax	9,367	8,058
Accrued income tax	20,953	14,543
Prepaid railway fares received	31,999	29,605
Advances received	40,532	64,821
Allowance for bonuses	37,410	12,920
Allowance for loss on disaster	5,131	4,159
Allowance for point program	2,431	2,744
Other current liabilities	149,381	167,582
Total current liabilities	658,530	545,032
<b>Non-current liabilities:</b>		
Bonds	509,986	829,988
Long-term debt	334,846	587,601
Long-term payables for acquisition of railway properties	101,158	100,404
Deferred tax liabilities	655	3,403
Allowance for the large scale renovation of Shinkansen infrastructure	16,666	19,791
Allowance for environmental safety measures	8,912	7,671
Allowance for loss on liquidation of railway belts	8,887	8,852
Allowance for unredeemed gift certificates	2,343	2,258
Net defined benefit liability	269,328	245,460
Other long-term liabilities	140,834	141,415
Total non-current liabilities	1,393,620	1,946,849
<b>Total liabilities</b>	2,052,150	2,491,881

(continued on page 10)

	Millions of yen	
	March 31, 2020	December 31, 2020
<b>NET ASSETS</b>		
<b>Total shareholders' equity:</b>		
Common stock	100,000	100,000
Capital surplus	56,567	57,454
Retained earnings	956,227	768,075
Treasury stock, at cost	(483)	(482)
Total shareholders' equity	1,112,311	925,047
<b>Valuation and translation adjustments:</b>		
Net unrealized holding gain on securities	(430)	(2,979)
Deferred gains or losses on hedges	29	5
Remeasurements of defined benefit plans	6,114	4,766
Total Valuation and translation adjustments	5,714	1,793
<b>Non-controlling interests</b>	105,080	101,754
<b>Total net assets</b>	1,223,106	1,028,595
<b>Total liabilities and net assets</b>	3,275,257	3,520,476

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

### Consolidated Statements of Income

Nine months ended December 31

	Millions of yen	
	2019	2020
<b>Operating revenues</b>	1,151,699	645,044
<b>Operating expenses:</b>		
Transportation, other services and cost of sales	800,224	696,259
Selling, general and administrative expenses	160,280	124,350
Total operating expenses	960,504	820,610
<b>Operating income (loss)</b>	191,194	(175,565)
<b>Non-operating revenues:</b>		
Interest income	25	19
Dividend income	651	797
Transfer from administrative fee of contracted construction	268	203
Equity in earnings of affiliates	1,424	1,679
Subsidies for employment adjustment	—	1,735
Other	1,734	1,874
Total non-operating revenues	4,104	6,310
<b>Non-operating expenses:</b>		
Interest expense	14,659	15,211
Other	598	4,851
Total non-operating expenses	15,257	20,062
<b>Recurring profit (loss)</b>	180,041	(189,317)
<b>Extraordinary profits:</b>		
Gain on contribution for construction	6,192	4,800
Subsidies for employment adjustment	—	4,991
Other	1,528	2,014
Total extraordinary profits	7,721	11,806
<b>Extraordinary losses:</b>		
Reduction entry for contribution for construction	5,985	4,288
Provision for allowance for loss on disaster	3,000	—
Loss related to novel coronavirus	—	11,850
Other	5,445	5,355
Total extraordinary losses	14,430	21,494
<b>Profit (loss) before income taxes</b>	173,332	(199,005)
<b>Income taxes- Current</b>	41,494	6,201
<b>Income taxes- Deferred</b>	12,408	(41,397)
<b>Total income taxes</b>	53,902	(35,196)
<b>Profit (loss)</b>	119,429	(163,809)
<b>Profit (loss) attributable to non-controlling interests</b>	2,316	(1,966)
<b>Profit (loss) attributable to owners of parent</b>	117,113	(161,842)

## Consolidated Statements of Comprehensive Income

Nine months ended December 31

	Millions of yen	
	2019	2020
Profit (loss)	119,429	(163,809)
Other comprehensive income:		
Valuation difference on available-for-sale securities	819	(2,525)
Deferred gains or losses on hedges	(28)	(31)
Remeasurements of defined benefit plans, net of tax	(757)	(1,506)
Share of other comprehensive income of associates accounted for using equity method	233	(18)
Total other comprehensive income	267	(4,081)
Comprehensive income	119,697	(167,891)
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	117,324	(165,763)
Comprehensive income attributable to non-controlling interests	2,372	(2,127)

## Business Segment Information

Nine months ended December 31

		Billions of yen		
		2019	2020	Change from the same period of the previous period
Transportation	Operating revenues	738.2	357.7	(380.5)
	Operating income (loss)	149.8	(173.6)	(323.4)
Retail	Operating revenues	177.4	106.2	(71.2)
	Operating income (loss)	5.5	(11.2)	(16.7)
Real Estate	Operating revenues	110.9	100.6	(10.2)
	Operating income (loss)	28.8	23.2	(5.5)
Other Businesses	Operating revenues	124.9	80.3	(44.5)
	Operating income (loss)	5.5	(13.6)	(19.2)

Note: Revenues by each segment are from third parties.

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

Not applicable

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

Not applicable

### **(5) 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 usage conditions as of the second quarter 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 has been a rapid increase in the number of people infected, resulting in a declaration of a state of emergency. There are many uncertain elements in regard to actual 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	<b>December 31, 2020</b>	Change
	Billions of yen	Billions of yen	Billions of yen
<b>ASSETS</b>			
<b>Current assets:</b>			
Total current assets	241.8	469.6	227.7
<b>Non-current assets:</b>			
Non-current assets for railway operations	1,914.4	1,887.3	(27.0)
Construction in progress	75.4	87.6	12.1
Investments and other assets	562.2	626.3	64.1
Total non-current assets	2,552.1	2,601.3	49.2
<b>Total assets</b>	2,793.9	3,070.9	276.9

	March 31, 2020	<b>December 31, 2020</b>	Change
	Billions of yen	Billions of yen	Billions of yen
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current liabilities:</b>			
Current portion of long-term debt	72.3	52.2	(20.0)
Accounts payable	653.7	563.4	(90.3)
Total current liabilities	726.1	615.7	(110.4)
<b>Non-current liabilities:</b>			
Bonds and long-term debt	945.3	1,517.3	572.0
Accrued retirement benefits	250.3	223.2	(27.0)
Other long-term liabilities	48.2	49.6	1.4
Total non-current liabilities	1,243.9	1,790.2	546.3
<b>Total liabilities</b>	1,970.0	2,405.9	435.9
<b>Total shareholders' equity:</b>			
Common stock	100.0	100.0	—
Capital surplus	55.0	55.0	—
Retained earnings	670.6	514.0	(156.6)
Treasury stock, at cost	(0.0)	(0.0)	0.0
Total shareholders' equity	825.6	668.9	(156.6)
<b>Valuation and translation adjustments</b>	(1.6)	(4.0)	(2.3)
<b>Total net assets</b>	823.9	664.9	(158.9)
<b>Total liabilities and net assets</b>	2,793.9	3,070.9	276.9

## 2. NON-CONSOLIDATED STATEMENTS OF INCOME

Nine months ended December 31

	2019	2020	Change from the same period of the previous period	
	Billions of yen	Billions of yen	Billions of yen	%
<b>Operating revenues:</b>				
Transportation	680.9	315.3	(365.5)	(53.7)
Transportation incidentals	13.0	9.4	(3.5)	(27.3)
Other operations	22.5	20.2	(2.2)	(10.0)
Miscellaneous	42.6	36.2	(6.3)	(14.9)
	759.1	381.3	(377.7)	(49.8)
<b>Operating expenses:</b>				
Personnel costs	161.1	138.7	(22.4)	(13.9)
Non personnel costs:				
Energy costs	34.5	30.2	(4.2)	(12.4)
Maintenance costs	103.2	98.9	(4.3)	(4.2)
Miscellaneous costs	146.2	121.0	(25.2)	(17.2)
	284.1	250.2	(33.8)	(11.9)
Rental payments, etc	21.2	20.6	(0.6)	(2.9)
Taxes	30.2	27.2	(3.0)	(9.9)
Depreciation	101.8	103.6	1.7	1.8
	598.6	540.5	(58.0)	(9.7)
<b>Operating profit (loss)</b>	160.4	(159.2)	(319.6)	—
<b>Non-operating revenues and expenses, net:</b>				
Non-operating revenues	3.5	3.3	(0.2)	—
Non-operating expenses	14.7	18.2	3.5	—
	(11.1)	(14.9)	(3.7)	34.0
<b>Recurring profit (loss)</b>	149.2	(174.1)	(323.4)	—
<b>Extraordinary profit and loss, net:</b>				
Extraordinary profit	6.5	6.8	0.2	—
Extraordinary loss	11.7	10.0	(1.7)	—
	(5.1)	(3.2)	1.9	—
<b>Profit (loss) before income taxes</b>	144.0	(177.4)	(321.5)	—
<b>Income taxes</b>	43.6	(47.1)	(90.7)	—
<b>Net profit (loss)</b>	100.4	(130.3)	(230.7)	—

## 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	
	2019	2020	Amount	%	2019	2020	Amount	%
Shinkansen								
Commuter Passes	674	593	(80)	(12.0)	8.6	7.7	(0.8)	(10.0)
Non-Commuter Passes	15,981	5,241	(10,739)	(67.2)	347.0	116.9	(230.0)	(66.3)
Total	16,656	5,835	(10,820)	(65.0)	355.6	124.6	(230.9)	(64.9)
Conventional Lines								
Commuter Passes	17,678	14,516	(3,162)	(17.9)	107.9	89.0	(18.9)	(17.5)
Non-Commuter Passes	11,989	5,599	(6,389)	(53.3)	217.3	101.6	(115.7)	(53.2)
Total	29,668	20,115	(9,552)	(32.2)	325.2	190.6	(134.6)	(41.4)
Kansai Urban Area								
Commuter Passes	14,556	11,791	(2,764)	(19.0)	89.0	72.8	(16.1)	(18.2)
Non-Commuter Passes	8,616	4,115	(4,500)	(52.2)	151.2	72.9	(78.3)	(51.8)
Total	23,172	15,907	(7,265)	(31.4)	240.3	145.7	(94.5)	(39.3)
Other Lines								
Commuter Passes	3,122	2,724	(397)	(12.7)	18.9	16.1	(2.7)	(14.5)
Non-Commuter Passes	3,372	1,483	(1,889)	(56.0)	66.0	28.6	(37.3)	(56.6)
Total	6,495	4,208	(2,287)	(35.2)	84.9	44.8	(40.1)	(47.2)
Total								
Commuter Passes	18,353	15,109	(3,243)	(17.7)	116.5	96.7	(19.7)	(17.0)
Non-Commuter Passes	27,971	10,841	(17,129)	(61.2)	564.3	218.5	(345.8)	(61.3)
Total	46,324	25,951	(20,373)	(44.0)	680.9	315.3	(365.5)	(53.7)

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, 2021
	2019	2020	Billions of yen	%	
	Billions of yen	Billions of yen			
Capital expenditures	130.9	131.0	0.0	0.0	—
Capital expenditures, excluding contributions received for constructions	125.0	126.1	1.0	0.9	230.0
Contributions received for constructions	5.9	4.9	(1.0)	(17.3)	—

#### Non-Consolidated Basis

	Nine months ended December 31		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	89.7	95.0	5.3	5.9	—
Capital expenditures, excluding contributions received for constructions	83.7	90.1	6.3	7.6	170.0
[Safety-related capital expenditures]	[56.8]	[53.7]	[(3.1)]	[(5.5)]	[100.0]
Contributions received for constructions	5.9	4.9	(1.0)	(17.3)	—

#### 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 January 2021 based on information available to JR-West as of January 2021 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.