

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>

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Quarterly supplemental explanatory material prepared: Yes Planned start of dividend payments: —

Quarterly results briefing held: Yes

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

1. Results for the Three Months Ended June 30, 2021 (from April 1, 2021 to June 30, 2021)**(1) Operating results**

Three months ended June 30

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

	Operating revenues		Operating income		Recurring profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2021	201,968	9.4	(49,387)	—	(51,544)	—	(32,085)	—
2020	184,573	—	(94,275)	—	(99,814)	—	(76,791)	—

(Note) Comprehensive Income: Three months ended June 30, 2021: ¥(33,061) million, —%;
Three months ended June 30, 2020: ¥(79,028) million, —%

	Profit attributable to owners of parent per share	Profit attributable to owners of parent per share after dilution
	Yen	Yen
2021	(167.81)	—
2020	(401.62)	—

(Note) The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) from the beginning of the first quarter of the subject fiscal year. The figures for the first quarter of the fiscal year ended March 31, 2021, are the figures after the retroactive application of this standard. As a result, for the first quarter of the fiscal year ended March 31, 2021, percent changes from the same period of the previous fiscal year are not included.

(2) Financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
June 30, 2021	3,543,676	913,322	22.9
March 31, 2021	3,477,382	956,256	24.5

(Reference) Total shareholders' equity: June 30, 2021: ¥810,856 million, March 31, 2021: ¥853,053 million

(Note) The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) from the beginning of the first quarter of the subject fiscal year. The figures for the fiscal year ended March 31, 2021, are the figures after the retroactive application of this standard.

2. Dividends

Year ended / ending March 31

	Dividends per share				
	June 30	September 30	December 31	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2021	—	50.00	—	50.00	100.00
2022	—				
2022 (Forecast)		50.00	—	50.00	100.00

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

3. Forecasts for Fiscal Year ending March 31, 2022

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

	Operating revenues		Operating income		Recurring profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year	1,052,000 to 1,089,000	14.3 to 18.4	(129,000) to (94,000)	—	(141,500) to (106,500)	—

	Profit attributable to owners of parent		Profit attributable to owners of parent per share	
	Millions of yen	%	Yen	
Fiscal year	(116,500) to (81,500)	—	(609.29) to (426.24)	

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

In regard to the revision of the consolidated results forecasts, please refer to “Notice Regarding Revision of Full-Year Results Forecasts for the Fiscal Year Ending March 31, 2022” (July 30, 2021). The timing of the recovery from the effect of the novel coronavirus infection is not yet understood. A certain range is assumed, and therefore the disclosure provides a range of figures.

Notes

(1) Significant changes in subsidiaries during the subject period (Transfer of particular subsidiaries following a change in the scope of consolidation): None

(2) Adoption of simplified accounting practices and special accounting policy for quarterly financial reporting: None

(3) Changes in accounting policies, changes in accounting estimates, restatements

1) Changes based on revision of accounting standards: Yes

2) Changes other than 1) above: Yes

3) Changes in Accounting Estimates: Yes

4) Restatements: None

(Note) For details, please refer to Notes Related to Summary Information on page 7 of the accompanying materials.

(4) Number of shares outstanding (Common stock)

	Three months ended June 30, 2021	Year ended March 31, 2021
1) Number of shares issued and outstanding (including treasury stock):	191,334,500	191,334,500
2) Number of treasury stock	129,735	129,629
		Three months ended June 30, 2020
3) Average number of shares outstanding for each period (cumulative term):	191,204,825	191,204,708

* 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

In the subject period (April 1, 2021 to June 30, 2021), due to the influence of the novel coronavirus infection, circumstances remained 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.

Due to a rebound from the influence of the novel coronavirus infection, operating revenues were up 9.4%, to ¥201.9 billion. However, operating loss was ¥49.3 billion, and recurring loss was ¥51.5 billion. After income taxes, loss attributable to owners of parent was ¥32.0 billion.

In these extremely challenging circumstances, we are working to continue to enhance and effectively utilize our risk management system, including the steady implementation of measures to secure railway safety and of novel coronavirus infection countermeasures for customers and employees. In addition, we continue to reduce costs by cancelling or postponing measures that are not urgent.

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.

(1) Qualitative Information on Consolidated Business Results

Consolidated Results for the Three Months Ended June 30, 2021 (April – June 2021)

Operating revenues:	¥201.9 billion
Operating loss:	¥49.3 billion
Recurring loss:	¥51.5 billion
Loss attributable to owners of parent:	¥32.0 billion

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) from the beginning of the first quarter of the subject fiscal year. In regard to the application of this accounting standard, etc., in accordance with the basic treatment stipulated in Paragraph 84 of the Accounting Standard for Revenue Recognition, the new accounting policy has been retroactively applied to all prior periods. Accordingly, comparisons/analyses related to the first quarter of the previous fiscal year and the previous fiscal year utilize the figures after the retroactive application of this standard.

The results by business segment are as follows.

a. Transportation Operations

With consideration for the train accident on the Fukuchiyama Line on April 25, 2005, JR-West Group 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, in accordance with the "JR-West Group Railway Safety Think-and-Act Plan 2022," we are promoting initiatives to enhance safety from tangible and

intangible perspectives and are working 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.

Furthermore, we will work to implement measures to achieve a recovery in demand in line with the circumstances in each area and to implement new initiatives to address changes in behavioral patterns and customer awareness.

In the Transportation Operations Segment, usage increased due to a rebound from the influence of the novel coronavirus infection. As a result, segment operating revenues increased 34.0%, to ¥110.8 billion. Nonetheless, operating loss was ¥47.4 billion.

b. Retail Business

In the Retail Segment, in sales of goods and food services, contributions were made by convenience stores and by Eki Marche Shin-Osaka Sotoe, which opened in March 2021. In department stores, certain sales areas remained open even though there was a state of emergency, such as daily essential items and food. As a result, segment operating revenues increased 43.0%, to ¥25.8 billion. Nonetheless, operating loss was ¥3.8 billion.

c. Real Estate Business

In the Real Estate Segment, in real estate sales and leasing operations, sales of condominiums in suburbs with good access to urban districts were favorable. In addition, in shopping centers, measures to close facilities during the state of emergency were relaxed in comparison with the same period of the previous fiscal year. As a result, segment operating revenues were up 12.5% from the same period of the previous fiscal year, to ¥32.6 billion, and operating income was up 26.9%, to ¥8.3 billion.

d. Other Businesses

In the Other Businesses Segment, due to the influence of the novel coronavirus infection, conditions remained sluggish in travel agency operations. Segment operating revenues declined 40.4% from the same period of the previous fiscal year, to ¥32.6 billion, and operating loss was ¥7.0 billion.

(2) Qualitative Information on the Consolidated Financial Position

JR-West’s total assets at the end of the first quarter of the subject fiscal year (June 30, 2021) amounted to ¥3,543.6 billion, an increase of ¥66.2 billion from the end of the previous fiscal year (March 31, 2021). This was due mainly to an increase in cash.

Total liabilities amounted to ¥2,630.3 billion, an increase of ¥109.2 billion from the end of the previous fiscal year. This was due mainly to increases in bonds payable.

Total net assets amounted to ¥913.3 billion, a decrease of ¥42.9 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

In regard to the consolidated results forecasts for the fiscal year ending March 31, 2022, the Company anticipates a substantial decline in transportation revenues due to the lengthening of the influence of the novel coronavirus infection, and accordingly the Company has made downward revisions to the forecasts for operating revenues, operating income, recurring profit, and profit attributable to owners of parent that were announced on April 30, 2021.

In the future, the management environment is expected to remain extremely challenging due to the influence of the novel coronavirus infection. On the other hand, the situation is reaching the point where a recovery in usage can be expected due to the progress in vaccination.

In the second quarter, the Company will address changes in society by implementing business and organizational structure reforms and steadily implementing measures to thoroughly increase productivity, as described in the Revision of the JR-West Group Medium-Term Management Plan 2022, which was announced in October 2020. In addition, the Company will thoroughly implement urgent measures, such as timetable revisions in line with demand, and work to expand earnings when demand recovers.

(Full-year forecasts for FY2022.3)

Operating revenues:	¥1,052.0 to 1,089.0 billion (up 14.3 to 18.4% YoY)
Operating loss:	¥129.0 to 94.0 billion (YoY -)
Recurring loss:	¥141.5 to 106.5 billion (YoY -)
Loss attributable to owners of parent:	¥116.5 to 81.5 billion (YoY -)

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

2. Notes Related to Summary Information

(1) Changes in accounting policies, changes in accounting estimates, restatements

(Application of “Accounting Standard for Revenue Recognition”)

The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), hereinafter “Accounting Standard for Revenue Recognition,” has been applied from the beginning of the first quarter of the subject fiscal year (April 1, 2021), and recognizes revenue when control of promised goods and services are transferred to a customer in the expected entitled amount. As a result of this change, for the revenue related to in-house travel products, the main transaction, the Group has decided to recognize revenue as the equivalent amount to that received from the customer for transactions where the Group’s role in the provision of goods and services falls under the category of principal transactions. Previously the Group recognized revenue as the net amount received from the customer, excluding the amount paid to the supplier.

Furthermore, for the revenue from goods purchased for resale, the method for recognition of revenue has changed to that of the total amount excluding the net amount paid to the supplier, where the Group’s role in the provision of goods and services falls under the category of agent transactions. Previously, the Group recognized revenue as the equivalent amount to that received from a customer.

These changes to accounting policies have been applied retroactively in principle, and the quarterly and consolidated financial statements for the previous quarter and previous fiscal year have been adjusted retroactively. However, the Group adopted the following methods as prescribed in Paragraph 85 of the “Accounting Standard for Revenue Recognition.”

- (1) The comparative information shall not be adjusted retroactively for contracts in which almost all the amounts of revenue have been recognized in accordance with the former standards that were applied prior to the beginning of the previous fiscal year.
- (2) The comparative information concerning the amount of variable consideration included in contracts in which almost all the amounts of revenue have been recognized in accordance with the former standards that were applied prior to the beginning of the subject fiscal year shall be adjusted retroactively using the amount at the time when uncertainly regarding the amount of variable consideration has been resolved.
- (3) The quarterly financial statements for the previous fiscal year shall not be adjusted retroactively for contracts that began and ended within the previous fiscal year.
- (4) The comparative information shall be adjusted retroactively for changes to contracts made prior to the beginning of the previous fiscal year and accounting will be carried out based on the terms of the contract after reflecting all contractual changes.

As a result, operating revenue for the previous fiscal period (April 1, 2020 to June 30, 2020) increased by ¥21,196 million, transportation, other services and cost of sales increased by ¥21,350 million, selling, general and administrative expenses decreased by ¥100 million, and operating loss, recurring loss, and profit loss before income taxes for the previous fiscal period (April 1, 2020 to June 30, 2020) each worsened by ¥53 million, compared to before the retroactive adjustments were carried

out. Additionally, retained earnings for that year increased ¥91 million reflecting the cumulative impact on net assets at the beginning of the previous fiscal year.

Due to the application of “Accounting Standard for Revenue Recognition,” the “allowance for point program,” which was disclosed under “current liabilities” in the consolidated balance sheet from the previous fiscal year, has been included under “advances received” from the first quarter of the subject fiscal year.

(Application of Accounting Standard for Fair Value Measurement)

The “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019), hereinafter “Accounting Standard for Fair Value Measurement,” has been applied since the first quarter of the subject fiscal year. In accordance with transitional treatment as prescribed in Paragraph 19 of the “Accounting Standard for Fair Value Measurement” and Paragraph 44-2 of the “Accounting Standards for Financial Instruments (ASBJ Statement No. 10, July 4, 2019), the Group has decided to apply new accounting policies as prescribed in the “Accounting Standard for Fair Value Measurement” in future statements.

Therefore, there is no impact on the quarterly financial statements for the subject fiscal year.

(Changes in depreciation method for property, plant, and equipment, as well as changes to useful life)
From the first quarter of the subject fiscal year (April 1, 2021 to June 30, 2021) the Group adopted the straight-line method for calculating the depreciation of Shinkansen rolling stock among property, plant, and equipment. Previously, the Group used the declining balance method.

In October 2020, the Group announced a revision of the JR-West Group Medium-Term Management Plan 2022 in response to the changes in the market structure caused by changes in customer behavior in the wake of the spread of the novel coronavirus infection. From the subject fiscal year, the Group has decided to proceed with implementation of various initiatives.

Shinkansen are the key to these initiatives. In order to enhance the convenience of the Sanyo Shinkansen, the Group will optimize the train operating system to suit passenger use, establish a rolling stock deployment system by introducing the new N700S train, and create an environment where Shinkansen rolling stock can be used in long-term and stable manner.

As a result of examining the method for calculating depreciation in light of changes to business environment and revision of management policies, it was judged that changing to the straight-line method of calculating depreciation would more appropriately reflect the consumption pattern of the Shinkansen rolling stock, as it is not expected to suddenly decrease in value and will be used in a long-term and stable manner.

Furthermore, as a result of examining the actual use of Shinkansen rolling stock, which was triggered by the consideration of changes to the method for calculating depreciation, the useful life of rolling stock has been changed from the subject fiscal year based on a more realistic estimated period of economic viability.

Thus operating loss, recurring loss, and profit loss before income taxes for the current fiscal period (April 1, 2021 to June 30, 2021) each improved by ¥3,015 million compared to the existing methods.

2. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheets

	Millions of yen	
	March 31, 2021	June 30, 2021
ASSETS		
Current assets:		
Cash	210,291	262,618
Notes and accounts receivable-trade	37,347	26,300
Railway fares receivable	25,107	46,811
Accounts receivable	61,177	30,583
Securities	24	38
Inventories	118,899	139,087
Other current assets	79,400	81,806
Less allowance for doubtful accounts	(638)	(609)
Total current assets	531,609	586,636
Non-current assets:		
Property, plant and equipment:		
Buildings and structures	1,219,124	1,206,865
Machinery and transport equipment	384,067	377,037
Land	783,246	784,373
Construction in progress	118,904	133,192
Other property, plant and equipment	62,713	60,257
Total property, plant and equipment	2,568,055	2,561,726
Intangible assets	34,054	32,322
Investments and other assets:		
Investments in securities	103,105	100,529
Net defined benefit asset	2,595	3,018
Deferred tax assets	191,769	213,238
Other investments and assets	51,192	51,185
Less allowance for doubtful accounts	(5,000)	(4,981)
Total investments and other assets	343,662	362,991
Total non-current assets	2,945,773	2,957,039
Total assets	3,477,382	3,543,676

	Millions of yen	
	March 31, 2021	June 30, 2021
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Notes and accounts payable-trade	60,255	41,992
Short-term loans payable	19,474	16,885
Current portion of bonds	25,000	25,000
Current portion of long-term debt	36,952	66,952
Current portion of long-term payables for acquisition of railway properties	1,309	1,309
Accounts payable	149,889	88,418
Accrued consumption tax	6,225	5,501
Accrued income tax	18,142	2,046
Prepaid railway fares received	30,202	30,821
Advances received	53,624	86,299
Allowance for bonuses	23,473	11,518
Allowance for loss on disaster	2,230	1,926
Allowance for point program	714	637
Other current liabilities	163,620	171,962
Total current liabilities	591,116	551,272
Non-current liabilities:		
Bonds	814,988	974,989
Long-term debt	581,408	568,395
Long-term payables for acquisition of railway properties	99,848	99,848
Deferred tax liabilities	1,846	2,355
Allowance for large scale renovation of Shinkansen infrastructure	20,833	21,875
Allowance for environmental safety measures	6,898	6,898
Allowance for loss on liquidation of railway belts	8,809	8,743
Net defined benefit liability	254,830	255,458
Other long-term liabilities	140,544	140,517
Total non-current liabilities	1,930,009	2,079,081
Total liabilities	2,521,125	2,630,354

(continued on page 11)

	Millions of yen	
	March 31, 2021	June 30, 2021
NET ASSETS		
Total shareholders' equity:		
Common stock	100,000	100,000
Capital surplus	57,454	57,454
Retained earnings	696,843	655,191
Treasury stock, at cost	(482)	(482)
Total shareholders' equity	853,815	812,163
Valuation and translation adjustments:		
Net unrealized holding gain on securities	(780)	(1,296)
Deferred gains or losses on hedges	0	(1)
Remeasurements of defined benefit plans	17	(9)
Total Valuation and translation adjustments	(762)	(1,306)
Non-controlling interests	103,203	102,465
Total net assets	956,256	913,322
Total liabilities and net assets	3,477,382	3,543,676

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

Consolidated Statements of Income

Three months ended June 30

	Millions of yen	
	2020	2021
Operating revenues	184,573	201,968
Operating expenses:		
Transportation, other services and cost of sales	236,156	211,569
Selling, general and administrative expenses	42,692	39,785
Total operating expenses	278,849	251,355
Operating income (loss)	(94,275)	(49,387)
Non-operating revenues:		
Interest income	8	14
Dividend income	354	376
Transfer from administrative fee of contracted construction	16	33
Equity in earnings of affiliates	356	377
Subsidies for employment adjustment	—	2,692
Other	740	1,155
Total non-operating revenues	1,476	4,650
Non-operating expenses:		
Interest expense	4,814	5,299
Other	2,200	1,508
Total non-operating expenses	7,015	6,807
Recurring profit (loss)	(99,814)	(51,544)
Extraordinary profits:		
Gain on contribution for construction	1,737	2,238
Other	634	2,097
Total extraordinary profits	2,371	4,335
Extraordinary losses:		
Loss on deduction of contributions received for construction from acquisition costs of property, plant and equipment	1,703	2,190
Loss related to novel coronavirus	7,491	1,817
Other	1,401	715
Total extraordinary losses	10,596	4,723
Profit (loss) before income taxes	(108,038)	(51,932)
Income taxes- Current	2,496	1,383
Income taxes- Deferred	(32,787)	(20,734)
Total income taxes	(30,290)	(19,350)
Profit (loss)	(77,748)	(32,581)
Profit (loss) attributable to non-controlling interests	(956)	(496)
Profit (loss) attributable to owners of parent	(76,791)	(32,085)

Consolidated Statements of Comprehensive Income

Three months ended June 30

	Millions of yen	
	2020	2021
Profit (loss)	(77,748)	(32,581)
Other comprehensive income		
Valuation difference on available-for-sale securities	(806)	(520)
Deferred gains or losses on hedges	(75)	0
Remeasurements of defined benefit plans, net of tax	(561)	104
Share of other comprehensive income of associates accounted for using equity method	162	(64)
Total of other comprehensive income	(1,280)	(479)
Comprehensive income	(79,028)	(33,061)
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	(78,032)	(32,629)
Comprehensive income attributable to non-controlling interests	(996)	(431)

Business Segment Information

Three months ended June 30

		Billions of yen		
		2020	2021	Change from the same period of the previous period
Transportation	Operating revenues	82.7	110.8	28.0
	Operating income (loss)	(86.6)	(47.4)	39.2
Retail	Operating revenues	18.1	25.8	7.7
	Operating income (loss)	(5.6)	(3.8)	1.8
Real Estate	Operating revenues	29.0	32.6	3.6
	Operating income (loss)	6.6	8.3	1.7
Other Businesses	Operating revenues	54.7	32.6	(22.1)
	Operating income (loss)	(7.7)	(7.0)	0.7

Notes:

1. Revenues by each segment are from third parties.
2. The revenue recognition standard has been retroactively applied to the results for FY2021.3.

(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

Due to the novel coronavirus infection, 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 in the fiscal year ending March 31, 2022 there will be a gradual recovery in usage conditions in the railway business, which is our core business. In addition, we are assuming that the results of Group companies will recover in basically the same manner. However, 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, 2022, and subsequent fiscal years.

Reference Materials

1. NON-CONSOLIDATED BALANCE SHEETS

	March 31, 2021	June 30, 2021	Change
	Billions of yen	Billions of yen	Billions of yen
ASSETS			
Current assets:			
Total current assets	383.9	425.0	41.1
Non-current assets:			
Fixed assets for railway operations	1,927.2	1,904.4	(22.7)
Construction in progress	94.4	98.4	3.9
Investments and other assets	620.3	656.5	36.2
Total fixed assets	2,642.0	2,659.3	17.3
Total assets	3,025.9	3,084.4	58.5

	March 31, 2021	June 30, 2021	Change
	Billions of yen	Billions of yen	Billions of yen
LIABILITIES AND NET ASSETS			
Current liabilities:			
Current portion of long-term debt	62.8	92.8	30.0
Accounts payable	612.0	525.6	(86.4)
Total current liabilities	674.9	618.4	(56.4)
Non-current liabilities:			
Bonds and long-term debt	1,496.1	1,643.1	147.0
Accrued retirement benefits	225.1	225.9	0.8
Other long-term liabilities	49.5	50.2	0.7
Total fixed liabilities	1,770.8	1,919.3	148.5
Total liabilities	2,445.7	2,537.7	92.0
Total shareholders' equity:			
Common stock	100.0	100.0	—
Capital surplus	55.0	55.0	—
Retained earnings	426.9	393.8	(33.0)
Treasury stock, at cost	(0.0)	(0.0)	(0.0)
Total shareholders' equity	581.9	548.8	(33.0)
Valuation and translation adjustments	(1.7)	(2.2)	(0.4)
Total net assets	580.2	546.6	(33.5)
Total liabilities and net assets	3,025.9	3,084.4	(58.5)

2. NON-CONSOLIDATED STATEMENTS OF INCOME

Three months ended June 30

	2020	2021	Change from the same period of the previous period	
	Billions of yen	Billions of yen	Billions of yen	%
Operating revenues:				
Transportation	72.0	98.9	26.8	37.3
Transportation incidentals	2.9	3.0	0.0	2.6
Other operations	6.3	6.4	0.0	1.2
Miscellaneous	11.6	10.7	(0.9)	(8.2)
	93.1	119.2	26.0	28.0
Operating expenses:				
Personnel costs	52.0	45.8	(6.2)	(12.0)
Non personnel costs:				
Energy costs	9.7	8.8	(0.9)	(9.6)
Maintenance costs	26.6	24.5	(2.1)	(8.1)
Miscellaneous costs	38.4	36.6	(1.8)	(4.7)
	74.9	70.0	(4.9)	(6.6)
Rental payments, etc	6.8	6.6	(0.2)	(3.4)
Taxes	7.9	8.2	0.3	3.9
Depreciation	33.4	30.8	(2.5)	(7.7)
	175.2	161.5	(13.6)	(7.8)
Operating profit (loss)	(82.1)	(42.3)	39.7	—
Non-operating revenues and expenses, net:				
Non-operating revenues	1.9	3.2	1.2	66.0
Non-operating expenses	6.7	5.9	(0.8)	(11.9)
	(4.8)	(2.7)	2.0	(42.9)
Recurring profit (loss)	(86.9)	(45.1)	41.8	—
Extraordinary profit and loss, net:				
Extraordinary profit	1.9	3.1	1.2	63.3
Extraordinary loss	4.4	2.5	(1.9)	(43.3)
	(2.4)	0.6	3.1	—
Profit (loss) before income taxes	(89.4)	(44.4)	45.0	—
Income taxes	(27.6)	(20.9)	6.7	—
Net profit (loss)	(61.7)	(23.5)	38.2	—

Note: The revenue recognition standard has been retroactively applied to the results for FY2021.3.

Passenger-Kilometers and Transportation Revenues

	Millions of Passenger-Kilometers				Billions of yen			
	Passenger-Kilometers				Transportation Revenues			
	Three months ended June 30		Change		Three months ended June 30		Change	
	2020	2021	Amount	%	2020	2021	Amount	%
Shinkansen								
Commuter Passes	197	211	14	7.3	2.5	2.6	[(0.1)] 0.1	[(6.2)] 4.8
Non-Commuter Passes	844	1,486	641	75.9	19.9	34.3	[(77.7)] 14.3	[(69.3)] 71.9
Total	1,042	1,697	655	62.9	22.5	37.0	[(77.9)] 14.5	[(67.8)] 64.3
Conventional Lines								
Commuter Passes	4,631	5,049	417	9.0	28.0	30.4	[(5.6)] 2.4	[(15.6)] 8.6
Non-Commuter Passes	1,141	1,651	509	44.6	21.4	31.4	[(40.8)] 9.9	[(56.5)] 46.5
Total	5,773	6,700	926	16.0	49.4	61.8	[(46.4)] 12.3	[(42.9)] 25.0
Kansai Urban Area								
Commuter Passes	3,737	4,108	370	9.9	22.9	24.9	[(4.8)] 1.9	[(16.2)] 8.6
Non-Commuter Passes	849	1,242	393	46.3	15.7	23.1	[(28.0)] 7.3	[(54.8)] 46.7
Total	4,587	5,351	763	16.6	38.7	48.0	[(32.8)] 9.3	[(40.6)] 24.1
Other Lines								
Commuter Passes	893	941	47	5.3	5.0	5.4	[(0.8)] 0.4	[(12.8)] 8.8
Non-Commuter Passes	292	408	116	39.7	5.7	8.3	[(12.7)] 2.6	[(60.4)] 45.9
Total	1,186	1,349	163	13.8	10.7	13.8	[(13.5)] 3.0	[(49.5)] 28.5
Total								
Commuter Passes	4,829	5,260	431	8.9	30.5	33.1	[(5.7)] 2.5	[(14.9)] 8.3
Non-Commuter Passes	1,986	3,137	1,150	57.9	41.4	65.8	[(118.5)] 24.3	[(64.3)] 58.7
Total	6,816	8,398	1,581	23.2	72.0	98.9	[(124.3)] 26.8	[(55.7)] 37.3

Notes:

1. Luggage revenues are not included.
2. Figures in parentheses for transportation revenues are comparisons with the first quarter of FY2020.3 (prior to the application of the revenue recognition standard) and are provided for reference.

3. CAPITAL EXPENDITURES

Consolidated Basis

	Three months ended June 30		Change from the same period of the previous period		Plan for fiscal year ending March 31, 2022
	2020	2021	Billions of yen	%	
	Billions of yen	Billions of yen			
Capital expenditures	37.9	31.0	(6.9)	(18.2)	—
Capital expenditures, excluding contributions received for constructions	37.2	29.9	(7.3)	(19.7)	245.0
Contributions received for constructions	0.6	1.1	0.4	65.2	—

Non-Consolidated Basis

	Three months ended June 30		Change from the same period of the previous period		Plan for fiscal year ending March 31, 2022
	2020	2021	Billions of yen	%	
	Billions of yen	Billions of yen			
Capital expenditures	22.0	19.2	(2.7)	(12.6)	—
Capital expenditures, excluding contributions received for constructions	21.3	18.1	(3.2)	(15.1)	170.0
[Safety-related capital expenditures]	[10.5]	[9.6]	[(0.9)]	[(8.8)]	(85.0)
Contributions received for constructions	0.6	1.1	0.4	65.2	—

Major Capital Expenditures (non-consolidated)

Replacement of older track maintenance equipment, electrical equipment, etc.; reinforcement of slopes and other safety/disaster-prevention measures; new rolling stock (225 series, W7), 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 July 30 2021 based on information available to JR-West as of July 30 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.