

**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: Yuichi Kozawa, General Manager, Corporate Communications  
Department

Date for the General Meeting of Shareholders: June 23, 2023

Filing of annual security report: June 26, 2023

Start of dividend payments: June 26, 2023

Supplemental explanatory material prepared: Yes

Results briefing held: Yes

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

**1. Performance****(1) Operating results**

Years ended March 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	%
2023	1,395,531	35.3	83,970	—	73,619	—	88,528	—
2022	1,031,103	12.1	(119,091)	—	(121,047)	—	(113,198)	—

(Note) Comprehensive Income: Year ended March 31, 2023: ¥95,996 million, (—%)

Year ended March 31, 2022: ¥(112,226) million, (—%)

	Profit attributable to owners of parent per share	Profit attributable to owners of parent per share after dilution	Return on equity	Recurring profit-to-total assets ratio	Operating income-to-operating revenues ratio
	Yen	Yen	%	%	%
2023	363.26	—	8.8	2.0	6.0
2022	(516.06)	—	—	—	(11.5)

(Reference) Gain on investment by equity method: Year ended March 31, 2023: ¥1,099 million;  
Year ended March 31, 2022: ¥1,022 million**(2) Financial position**

At March 31

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
2023	3,735,507	1,144,309	27.7	4,245.13
2022	3,702,421	1,074,211	26.2	3,973.15

(Reference) Total shareholders' equity: March 31, 2023: ¥1,034,477 million, March 31, 2022: ¥968,939 million

### (3) Cash flows

Years ended March 31

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financial activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
2023	273,964	(214,902)	(88,765)	289,893
2022	(86,468)	(188,711)	384,685	319,596

### 2. Dividends

Year ended / ending March 31

	Dividends per share					Total amount of dividends (for the entire fiscal year)	Payout ratio (Consolidated)	Dividends-to-net assets ratio (Consolidated)
	June 30	Sept. 30	Dec. 31	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
2022	—	50.00	—	50.00	100.00	24,400	—	2.4
2023	—	50.00	—	75.00	125.00	30,476	34.4	3.0
2024 (Forecast)	—	50.00	—	50.00	100.00		36.6	

### 3. Forecasts for Fiscal Year ending March 31, 2024

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

	Operating revenues		Operating income		Recurring profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year	1,512,000	8.3	115,000	37.0	99,500	35.2

	Profit attributable to owners of parent		Profit attributable to owners of parent per share
	Millions of yen	%	Yen
Fiscal year	66,500	(24.9)	272.89

#### 4. Notes

1. Significant changes in subsidiaries during the subject fiscal year (Transfer of particular subsidiaries following a change in the scope of consolidation): None
2. Changes in accounting policies, changes in accounting estimates, restatements
  - 1) Changes based on revision of accounting standards: Yes
  - 2) Changes other than 1) above: None
  - 3) Changes in Accounting Estimates: None
  - 4) Restatements: None
 (Note) For details, please refer to Changes in Accounting Policies, Changes in Accounting Estimates, Restatements on page 22 of the accompanying materials

#### 3. Number of Shares Outstanding (Common stock)

	Years ended March 31	
	2023	2022
1) Number of shares issued and outstanding (including treasury stock):	244,001,600	244,001,600
2) Number of treasury stock	315,970	129,719
3) Average number of shares outstanding for each period (cumulative term):	243,708,055	219,350,795

### (Reference) FLASH REPORT (NON-CONSOLIDATED BASIS)

#### 1. Performance

##### (1) Operating results

Years ended March 31

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

	Operating revenues		Operating income		Recurring profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2023	791,279	37.0	38,960	—	27,492	—	59,437	—
2022	577,627	14.0	(127,017)	—	(138,290)	—	(121,605)	—

	Net income per share	Net income per share after dilution
	Yen	Yen
2023	243.76	—
2022	(554.06)	—

##### (2) Financial position

At March 31

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
2023	3,230,632	724,443	22.4	2,971.29
2022	3,190,533	688,478	21.6	2,821.62

(Reference) Total shareholders' equity: March 31, 2023: ¥724,443 million, March 31, 2022: ¥688,478 million

## 2. Forecasts for Fiscal Year ending March 31, 2024

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

	Operating revenues		Operating income		Recurring profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year	908,000	14.8	75,000	92.5	60,500	120.1

	Profit attributable to owners of parent		Profit attributable to owners of parent per share
	Millions of yen	%	Yen
Fiscal year	44,000	(26.0)	180.46

\* The Flash Report has not been audited by certified public accountants or the Accounting Auditor

### 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 "Outlook for the Next Fiscal Year" on page 9.

2. Supplementary materials for the financial statements are posted on our homepage. The Company plans to hold a presentation for analysts on May 1, 2023. The Company plans to promptly post the presentation materials on its homepage after the presentation.

## **1. BUSINESS PERFORMANCE**

### **1. Analysis of Business Performance**

#### **(1) Overview of Results for the Subject Period**

In the subject period (April 1, 2022 to March 31, 2023), customer usage and consumer spending recovered as the impact faded from COVID-19, which had lasted longer than anticipated, while the JR-West Group implemented structural reforms, such as cost reductions, and measures to stimulate demand.

As a result, although JR-West Group did not attain its numerical targets in the revised JR-West Group Medium-Term Management Plan 2022 (hereinafter, "Medium-Term Management Plan 2022"), operating revenues expanded 35.3% from the previous fiscal year, to ¥1,395.5 billion, with operating income of ¥83.9 billion and recurring profit of ¥73.6 billion. In addition, due to special taxation treatment in accordance with the business adaptation plan approved in April 2022, ¥43.5 billion in unrecorded deferred tax assets related to losses carried forward was recorded. As a result, profit attributable to owners of parent excluding corporate tax was ¥88.5 billion.

#### **(2) Results by Business Segment**

##### **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 allow such a serious accident to occur, 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 are promoting initiatives to enhance safety from tangible and intangible perspectives and working to advance the establishment of frameworks for safety management.

In March 2023, we formulated the "JR-West Group Railway Safety Think-and-Act Plan 2027" to further improve safety based on a review of the Safety Think-and-Act Plan 2022 and in light of problems encountered in safety management when heavy snowfall in January 2023 led to widespread transportation delays. Having "empathy with our customers and a strong desire to meet their expectations," we are building "safe and reliable railways that offer peace of mind" through initiatives to enhance safety and deepen our approach to safety.

In the subject fiscal year, as a measure to enhance platform safety, we continued to advance the installation of platform gates at frequently used stations on conventional lines, and use of these gates has commenced on certain platforms at the Kyoto and Sannomiya stations. The Umekita (Osaka) underground station, which opened in March, features the world's first full-height platform doors. On some platforms at the Ibaraki station, and on all platforms at the Hanaten station and Fukushima station, platform safety screens began to be used.

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 on the Sanyo Shinkansen, and we decided to expand the installation of derailment prevention guards and the implementation of earthquake resistance reinforcement measures across the entire Sanyo Shinkansen line. We made steady progress with the aim of completing the main countermeasures by the end of FY2028.3. On conventional lines, we reinforced the earthquake resistance of buildings and elevated bridges, making steady progress in line with our plans.

With the highest priority on customer safety, we implemented a range of measures to prevent the spread of COVID-19 so that customers can use services with greater peace of mind. While paying careful attention to safety and security, we will implement measures to achieve a recovery in demand, in line with the circumstances in each area, as well as new measures that reflect changes in behavioral patterns and customer awareness.

(Main specific measures to foster a recovery in demand)

- Sale of Saikoro Tickets (July and September 2022, and January 2023)
- Sale of JR West Green Tickets (special edition) (January)
- Sale of JR West Dokomade 4 DAYS (unlimited rides on conventional lines) (February)
- Sale of Osaka Station (Umekita Area) Opening Commemorative Tickets (February)

(Main specific measures for the creation of new value)

- Launch of Regional Point Business using ICOCA in Niimi City, Okayama Prefecture (October 2022)
- Launch of WESTER Point as a new Groupwide point service (March)
- Began testing of facial recognition at a single ticket gate at Umekita (Osaka) underground station, introduced “green” ticket vending machines with AI-based automatic customer-handling functions (March)
- Launch of Mobile ICOCA for Android™ service (March)

In the transportation segment, usage increased due to a recovery in railway demand. As a result, segment operating revenues increased 37.9% year on year, to ¥750.3 billion, and operating income was ¥24.4 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 every infection countermeasure and enable customers to use services with peace of mind.

In July 2022, the grand opening for EKI MARCHÉ OSAKA, a retail area within Osaka Station, was held. In January, West Japan Railway Food Service Net Company entered into a licensing agreement with Starbucks Coffee Japan.

Looking at the VIA INN brand of accommodation-oriented hotels included in the retail segment, the VIA INN Prime brand was launched in November 2022, and Via Inn Prime Akasaka (Akane no Yu) was opened.

In the retail segment, operating revenues expanded 36.4% year on year, to ¥169.4 billion, and operating income was ¥5.6 billion. This growth reflects higher sales at convenience stores and department stores as railway demand recovered amid the fading impact from COVID-19. It also reflects higher sales at souvenir stores and VIA INN accommodation-oriented hotels in the retail segment, thanks to a boost to travel demand from the government's nationwide travel discount campaign.

### **c. Real Estate Business**

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

In the shopping center business, we updated the LUCUA Osaka, Tennoji MIO, Marier Toyama and other shopping centers by expanding store lineups and content to match the changing ways that consumers use the facilities.

In real estate sales and leasing operations, we worked to expand the sales business and strengthen the leasing business, by opening the JR Kanazawa Station West No. 4 NK Building (August 2022) and the VIERRA Maita (Yokohama City, October 2022). We established JR-West Real Estate Asset Management Co., Ltd. to engage in asset management operations for participation in the private REIT business (July 2022).

In the real estate segment, in the real estate sales and leasing business, sales increased in properties for investors. As a result, segment operating revenues were up 12.5% year on year, to ¥170.0 billion, and operating income was up 22.2%, to ¥36.7 billion.

### **d. Other Businesses**

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

In travel agency operations, in the solutions business, which is outside of the scope of the travel department, we were entrusted with vaccination support and other activities by national and municipal governments. We formed an alliance with Nomura Research Institute, Ltd. to work on digitalization in the tourism business (February).

In the other businesses segment, operating revenues rose 44.5% year on year, to ¥305.6 billion, and operating income climbed 480.8% to ¥17.2 billion, thanks to a boost to travel demand from government's nationwide travel discount campaign, and in the travel business, increases in domestic travel revenues and in revenues from incidental business, such as vaccination-related operations.

## **2. Analysis of Financial Condition**

### **(1) Assets, Liabilities and Net Assets**

Total assets at the end of the subject fiscal year (March 31, 2023) amounted to ¥3,735.5 billion, an increase of ¥33.0 billion from the end of the previous fiscal year (March 31, 2022). This was due mainly to an increase in tax deferred assets.

Total liabilities amounted to ¥2,591.1 billion, a decrease of ¥37.0 billion from the end of the previous fiscal year. This was due mainly to a decrease in debt.

Total net assets amounted to ¥1,144.3 billion, an increase of ¥70.0 billion from the end of the previous fiscal year. This was due mainly to an increase in retained earnings.

## (2) Cash Flows

Looking at cash flows from operating activities, due to growth in income before income taxes and other factors, net cash provided by operating activities was ¥273.9 billion, compared with net cash used in operating activities of ¥86.4 billion last year.

In cash flows from investing activities, due to a decrease in proceeds from sales of property, plant and equipment and other factors, net cash used in investing activities was ¥214.9 billion, compared with ¥188.7 billion a year ago.

Looking at cash flows from financing activities, net cash used in financing activities was ¥88.7 billion, compared with net cash provided by financing activities of ¥384.6 billion a year ago, owing in part to the repayment of debt.

As a result, cash and cash equivalents at the end of the period was down ¥29.7 billion year on year, to ¥289.8 billion.

## (Reference) Cash Flow Indicators

Years ended March 31

	2019	2020	2021	2022	2023
Equity ratio (%)	33.3	34.1	24.5	26.2	27.7
Equity ratio, based on market value (%)	49.5	43.2	33.7	33.5	35.6
Interest-bearing debt to cash flow ratio (Times)	3.7	4.3	—	—	6.1
Interest coverage ratio (Times)	9.9	8.3	—	—	4.1

Notes: Equity ratio: shareholders' equity/ total assets

Market-based rate of equity ratio: total market capitalization/ total assets

Interest-bearing debt to cash flow ratio: interest-bearing debt/ cash flows

Interest coverage ratio: (operating income + interest & dividend income)/ interest expense

1. All of the figures in the above table were calculated on a consolidated basis.
2. Total market capitalization was calculated by multiplying the closing stock price at the end of the term by the total amount of outstanding stock at the end of the term (excluding treasury stock).
3. Cash flow is defined as operating cash flow.
4. The interest-bearing debt to cash flow ratio and interest coverage ratio for FY2021.3 and FY2022.3 are not presented because operating cash flow was negative and an operating loss was recorded.

## 2. FUTURE OUTLOOK

### (1) Outlook for the Next Fiscal Year



For FY2023.3, with the pandemic coming to an end, based on certain assumptions, we expect revenues to increase as the impact from the pandemic subsides, but the business environment remains challenging with rising commodity prices, an unclear outlook for international affairs and changes in social behavior brought about by the pandemic.

It was a year marked by changes beginning to take shape with the opening of the Umekita area of Osaka Station, improvements in transportation on the Nara Line, and the launch of ICOCA for Android™.

In light of these rapid changes in the business environment, the JR-West Group will make steady advances in creating new businesses, rolling out diverse services through digital strategies, further developing real estate and cities, invigorating and restructuring major businesses and improving railway safety, which are key strategies laid out in the JR-West Group Medium-Term Management Plan 2025 (hereinafter, “Medium-Term Management Plan 2025”), which also coincides with the Osaka/Kansai Expo, toward the realization of its Long-Term Vision 2032, which was created for the next decade.

With consideration for the above, at this point the results forecasts for FY2024.3 are as follows.

Operating revenues:	¥1,512.0 billion (up 8.3% YoY)
Operating income:	¥115.0 billion (up 37.0% YoY)
Recurring profit	¥99.5 billion (up 35.2% YoY)
Profit attributable to owners of parent:	¥66.5 billion (down 24.9% YoY)

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

## **(2) Basic Policy Regarding Distribution of Earnings, and Dividends for the Subject and Next Fiscal Years**

JR-West considers it important to provide stable shareholder returns over the long term.

Under the revised “JR-West Group Medium-Term Management Plan 2022,” which was announced in October 2020, the Company has a basic policy of stable dividends over the long-term, and will aim for a dividend payout ratio of approximately 35% in FY2023.3.

Based on this policy and performance this fiscal year, the Company plans to distribute a year-end dividend of ¥75 per share for the fiscal year ended March 31, 2023, an increase of ¥25 from the ¥50 per share it announced in January. As a result, the Company plans an annual dividend of ¥125 per share, including the ¥50 per share that it already distributed.

During the Medium-Term Management Plan 2025 that began in April 2023, JR-West Group will implement a steady dividend based on a dividend payout ratio of at least 35% and an opportunistic capital policy, in line with its basic policy of sustainably improving corporate value and shareholder

value with long-term stability in shareholder returns.

In addition, in regard to the dividends for the next fiscal year, the Company plans to pay a full-year dividend of ¥100 per share.

### **3. BASIC PERSPECTIVE ON THE CHOICE OF ACCOUNTING STANDARDS**

The JR-West Group employs Japanese accounting standards and has no plans to adopt IFRS for the foreseeable future. However, we will consider this adoption, taking into consideration such factors as future trends in Japanese accounting standards.

## 4. CONSOLIDATED FINANCIAL STATEMENTS

### (1) Consolidated Balance Sheets

	Millions of yen	
	March 31, 2022	March31, 2023
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash	319,843	290,138
Notes and accounts receivable-trade	42,579	43,886
Railway fares receivable	30,906	41,472
Accounts receivable	90,441	115,535
Securities	79	36
Inventories	145,884	153,234
Other current assets	88,902	73,844
Less allowance for doubtful accounts	(588)	(1,616)
Total current assets	718,048	716,532
<b>Non-current assets:</b>		
<b>Property, plant and equipment:</b>		
Buildings and structures	1,234,911	1,230,595
Machinery and transport equipment	385,046	399,001
Land	782,009	782,965
Construction in progress	150,783	117,193
Other property, plant and equipment	57,029	51,447
Total property, plant and equipment	2,609,781	2,581,205
<b>Intangible assets</b>	31,268	49,254
<b>Investments and other assets:</b>		
Investments in securities	97,520	101,980
Net defined benefit asset	3,134	3,173
Deferred tax assets	197,964	232,895
Other investments and assets	48,499	53,558
Less allowance for doubtful accounts	(4,936)	(3,761)
Total investments and other assets	342,181	387,846
Total non-current assets	2,983,232	3,018,306
<b>Deferred assets :</b>		
<b>Share issuance cost</b>	1,140	668
<b>Total deferred assets</b>	1,140	668
<b>Total assets</b>	3,702,421	3,735,507

	Millions of yen	
	March 31, 2022	March 31, 2023
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Notes and accounts payable-trade	57,134	66,020
Short-term loans payable	14,229	17,483
Current portion of bonds	25,000	100,000
Current portion of long-term debt	71,572	39,553
Current portion of long-term payables for acquisition of railway properties	1,167	1,245
Accounts payable	105,944	122,108
Accrued consumption tax	8,371	23,451
Accrued income tax	9,535	13,600
Inter-line fares received	3,588	2,240
Deposits received	122,083	119,536
Prepaid railway fares received	30,404	37,244
Advances received	62,336	44,052
Allowance for bonuses	23,480	29,540
Allowance for loss on disaster	1,205	396
Allowance for point program	654	706
Other current liabilities	39,188	41,283
Total current liabilities	575,898	658,464
<b>Non-current liabilities:</b>		
Bonds	949,990	859,992
Long-term debt	578,435	557,482
Long-term payables for acquisition of railway properties	98,681	97,436
Deferred tax liabilities	1,145	1,474
Allowance for large scale renovation of Shinkansen infrastructure	25,000	29,166
Allowance for environmental safety measures	5,880	3,414
Allowance for loss on liquidation of railway belts	16,627	15,794
Net defined benefit liability	238,077	223,318
Other long-term liabilities	138,471	144,653
Total non-current liabilities	2,052,311	1,932,733
<b>Total liabilities</b>	<b>2,628,209</b>	<b>2,591,198</b>

(continued on page 13)

	Millions of yen	
	March 31, 2022	March 31, 2023
<b>NET ASSETS</b>		
<b>Total shareholders' equity:</b>		
Common stock	226,136	226,136
Capital surplus	183,812	183,904
Retained earnings	561,874	626,108
Treasury stock, at cost	(482)	(1,378)
Total shareholders' equity	971,341	1,034,772
<b>Valuation and translation adjustments:</b>		
Net unrealized holding gain on securities	(1,270)	1,061
Deferred gains or losses on hedges	—	(9)
Remeasurements of defined benefit plans	(1,131)	(1,347)
Total Valuation and translation adjustments	(2,402)	(295)
<b>Non-controlling interests</b>	105,272	109,832
<b>Total net assets</b>	1,074,211	1,144,309
<b>Total liabilities and net assets</b>	3,702,421	3,735,507

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

### Consolidated Statements of Income

Years ended March 31

	Millions of yen	
	2022	2023
<b>Operating revenues</b>	1,031,103	1,395,531
<b>Operating expenses:</b>		
Transportation, other services and cost of sales	987,857	1,126,833
Selling, general and administrative expenses	162,338	184,727
Total operating expenses	1,150,195	1,311,560
<b>Operating income (loss)</b>	(119,091)	83,970
<b>Non-operating revenues:</b>		
Interest income	101	41
Dividend income	3,153	997
Dividends income of insurance	1,443	1,546
Transfer from administrative fee of contracted construction	1,762	1,646
Equity in earnings of affiliates	1,022	1,099
Reversal of allowance for doubtful accounts	173	1,708
Subsidies for employment adjustment	10,371	1,854
Other	5,591	4,282
Total non-operating revenues	23,620	13,177
<b>Non-operating expenses:</b>		
Interest expense	21,450	20,816
Other	4,126	2,711
Total non-operating expenses	25,576	23,528
<b>Recurring income (loss)</b>	(121,047)	73,619
<b>Extraordinary profits:</b>		
Gain on sales of noncurrent assets	33,674	7,262
Gain on contribution for construction	19,678	65,983
Compensation income for expropriation	1,208	1,406
Other	4,256	1,787
Total extraordinary profits	58,818	76,440
<b>Extraordinary losses:</b>		
Loss on deduction of contributions received for construction from acquisition costs of property, plant and equipment	18,375	63,493
Loss on reduction for expropriation	1,208	1,405
Provision for loss on liquidation of railway belts	8,638	—
Other	15,121	12,287
Total extraordinary losses	43,343	77,186
<b>Profit (loss) before income taxes</b>	(105,573)	72,873
<b>Income taxes- Current</b>	11,378	14,429
<b>Income taxes- Deferred</b>	(6,186)	(35,426)
<b>Total income taxes</b>	5,191	(20,997)
<b>Profit (loss)</b>	(110,764)	93,871
<b>Profit attributable to non-controlling interests</b>	2,433	5,342
<b>Profit (loss) attributable to owners of parent</b>	(113,198)	88,528

## Consolidated Statements of Comprehensive Income

Years ended March 31

	Millions of yen	
	2022	2023
Profit (loss)	(110,764)	93,871
Other comprehensive income		
Valuation difference on available-for-sale securities	(484)	2,442
Deferred gains or losses on hedges	—	(12)
Remeasurements of defined benefit plans, net of tax	(975)	(275)
Share of other comprehensive income of associates accounted for using equity method	(1)	(29)
Total of other comprehensive income	(1,462)	2,125
Comprehensive income	(112,226)	95,996
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	(114,838)	90,635
Comprehensive income attributable to non-controlling interests	2,611	5,361

## Business Segment Information

Years ended March 31

		Billions of yen		
		2022	2023	Change from the same period of the previous period
Transportation	Operating revenues	544.1	750.3	206.1
	Operating income (loss)	(144.3)	24.4	168.7
Retail	Operating revenues	124.2	169.4	45.2
	Operating income (loss)	(8.6)	5.6	14.2
Real Estate	Operating revenues	151.1	170.0	18.8
	Operating income (loss)	30.0	36.7	6.6
Other Businesses	Operating revenues	211.5	305.6	94.1
	Operating income (loss)	2.9	17.2	14.3

Note: Revenues by each segment are from third parties.

**(3) Consolidated Statements of Changes in Net Assets**

Year ended March 31, 2022

	Millions of yen				
	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance at beginning of current period	100,000	57,454	696,843	(482)	853,815
Change in the fiscal year:					
Issuance of new shares	126,136	126,136			252,273
Dividends from surplus			(21,766)		(21,766)
Profit (loss) attributable to owners of parent			(113,198)		(113,198)
Change of scope of consolidation			(8)		(8)
Increase/decrease by merger		—	4		4
Purchase of treasury stock				(0)	(0)
Disposal of treasury shares		—		—	—
Change in treasury shares arising from change in equity in entities accounted for using equity method				0	0
Purchase of shares of consolidated subsidiaries		221			221
Net changes of items other than shareholders' equity					
Total	126,136	126,358	(134,969)	(0)	117,525
Balance at end of current period	226,136	183,812	561,874	(482)	971,341

*(continued on page 17)*



	Millions of yen					
	Valuation and translation adjustments				Non-controlling interests	Total net assets
	Net unrealized holding gain on securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total		
Balance at beginning of current period	(780)	0	17	(762)	103,203	956,256
Change in the fiscal year:						
Issuance of new shares						252,273
Dividends from surplus						(21,766)
Profit (loss) attributable to owners of parent						(113,198)
Change of scope of consolidation						(8)
Increase/decrease by merger						4
Purchase of treasury stock						(0)
Disposal of treasury shares						—
Change in treasury shares arising from change in equity in entities accounted for using equity method						0
Purchase of shares of consolidated subsidiaries						221
Net changes of items other than shareholders' equity	(490)	(0)	(1,149)	(1,639)	2,069	429
Total	(490)	(0)	(1,149)	(1,639)	2,069	117,954
Balance at end of current period	(1,270)	—	(1,131)	(2,402)	105,272	1,074,211

Year ended March 31, 2023

	Millions of yen				
	<b>Shareholders' equity</b>				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance at beginning of current period	226,136	183,812	561,874	(482)	971,341
Change in the fiscal year:					
Issuance of new shares	—	—			—
Dividends from surplus			(24,390)		(24,390)
Profit (loss) attributable to owners of parent			88,528		88,528
Change of scope of consolidation			—		—
Increase/decrease by merger		(62)	97		34
Purchase of treasury stock				(963)	(963)
Disposal of treasury shares		0		68	69
Change in treasury shares arising from change in equity in entities accounted for using equity method				—	—
Purchase of shares of consolidated subsidiaries		153			153
Net changes of items other than shareholders' equity					
Total	—	91	64,234	(895)	63,430
Balance at end of current period	226,136	183,904	626,108	(1,378)	1,034,772

(continued on page 19)

	Millions of yen					
	Valuation and translation adjustments				Non-controlling interests	Total net assets
	Net unrealized holding gain on securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total		
Balance at beginning of current period	(1,270)	—	(1,131)	(2,402)	105,272	1,074,211
Change in the fiscal year:						
Issuance of new shares						—
Dividends from surplus						(24,390)
Profit (loss) attributable to owners of parent						88,528
Change of scope of consolidation						—
Increase/decrease by merger						34
Purchase of treasury stock						(963)
Disposal of treasury shares						69
Change in treasury shares arising from change in equity in entities accounted for using equity method						—
Purchase of shares of consolidated subsidiaries						153
Net changes of items other than shareholders' equity	2,332	(9)	(215)	2,106	4,559	6,666
Total	2,332	(9)	(215)	2,106	4,559	70,097
Balance at end of current period	1,061	(9)	(1,347)	(295)	109,832	1,144,309

#### (4) Consolidated Statements of Cash Flows

Years ended March 31

	Millions of yen	
	2022	2023
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	(105,573)	72,873
Depreciation and amortization	160,868	159,655
Loss on deduction of contributions received for construction from acquisition costs of property, plant and equipment	18,375	63,493
Loss on disposal of property, plant and equipment	5,984	5,228
Loss (gain) on sales of non-current assets	(33,488)	(7,184)
Increase (decrease) in net defined benefit liability	(18,686)	(15,416)
Increase (decrease) in allowance for doubtful accounts	(113)	(147)
Increase (decrease) in provision for bonuses	4	6,055
Increase (decrease) in allowance for the large-scale renovation of Shinkansen infrastructure	4,166	4,166
Increase (decrease) in other provision	5,721	(4,089)
Interest and dividend income	(3,255)	(1,039)
Interest expenses	21,450	20,816
Equity in earnings of affiliates	(1,022)	(1,099)
Proceeds from contribution for construction	(19,678)	(65,983)
Decrease (increase) in notes and accounts receivable-trade	(39,478)	(37,305)
Decrease (increase) in inventories	(22,680)	(3,364)
Increase (decrease) in notes and accounts payable-trade	(41,733)	55,335
Decrease (increase) in consumption taxes receivable/payable	10,194	15,073
Other	8,563	37,883
Subtotal	(50,382)	304,952
Interest and dividends income received	3,254	1,033
Interest paid	(21,215)	(20,633)
Income taxes paid	(18,124)	(11,388)
<b>Net cash provided by operating activities</b>	<b>(86,468)</b>	<b>273,964</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(240,480)	(246,013)
Proceeds from sales of property, plant and equipment	34,832	11,389
Contributions received for constructions	26,365	28,920
Increase in investments in securities	(1,829)	(2,375)
Proceeds from sales of investment securities	1,582	700
Net decrease (increase) in loans receivable	(3,144)	(1,304)
Other	(6,036)	(6,218)
<b>Net cash used in investing activities</b>	<b>(188,711)</b>	<b>(214,902)</b>

(continued on page 21)

	Millions of yen	
	2022	2023
<b>Cash flows from financing activities</b>		
Change in short-term loans	(5,104)	1,217
Proceeds from long-term loans	68,600	18,600
Repayment of long-term debt	(36,952)	(71,572)
Proceeds from issuance of bonds	160,000	10,000
Redemption of bonds	(25,000)	(25,000)
Repayment of long-term payables for acquisition of railway properties	(1,309)	(1,167)
Proceeds from issuance of common shares	250,857	—
Purchase of treasury stock	(0)	(963)
Cash dividends paid	(23,214)	(24,400)
Dividends paid to non-controlling interests	(305)	(235)
Other	(2,885)	4,756
<b>Net cash used in financing activities</b>	<b>384,685</b>	<b>(88,765)</b>
<b>Change in cash and cash equivalents, net</b>	<b>109,505</b>	<b>(29,703)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>210,045</b>	<b>319,596</b>
<b>Increase in cash and cash equivalents from newly consolidated subsidiary</b>	<b>45</b>	<b>—</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>319,596</b>	<b>289,893</b>

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

Not applicable

## **(6) Changes in Accounting Policies, Changes in Accounting Estimates, Restatements**

(Implementation Guidance on Accounting Standard for Fair Value Measurement)

The “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021; hereinafter, “Implementation Guidance on Accounting Standard for Fair Value Measurement”) has been applied since the beginning of the subject fiscal year. In accordance with transitional treatment as prescribed in Paragraph 27-2 of the “Implementation Guidance on Accounting Standard for Fair Value Measurement,” the Group has decided to apply new accounting policies as prescribed in the “Implementation Guidance on Accounting Standard for Fair Value Measurement” in future statements.

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

## **(7) Notes to Consolidated Financial Statements**

### **(Segment Information)**

#### **1. Overview of Reportable Segments**

The JR-West Group’s reportable segments allow it to acquire financial data separated into the various components of the corporate group. The scope of the segments is reviewed on a regular basis in order to allow the Board of Directors to determine the allocation of management resources, and evaluate earnings performance.

The JR-West Group’s principal business segments are “Transportation,” “Retail,” and “Real Estate.” Classification by category of the businesses that compose JR-West and its Group companies allows for management of business operations by JR-West or the respective Group company.

Accordingly, the JR-West Group comprises segments by business, and has the three reportable segments of “Transportation,” “Retail,” and “Real Estate.” The “Transportation” segment comprises the railway business, passenger vehicle transportation operations, and ferry business. The “Retail” segment comprises department store operations, sales of goods and food services, and wholesale operations for various types of goods. The “Real Estate” segment comprises real estate sales and leasing operations, and shopping center management operations.

#### **2. Method of Calculating Amounts of Operating Revenues, Earnings (or Losses), Assets and Other Items for Reportable Segments**

The method of accounting for reported business segments is based on the accounting principles and procedures employed in preparing the consolidated financial statements. Transactions between reportable segments constitute transactions between consolidated companies, and are based on such factors as market prices.

### 3. Operating Revenues and Earnings (or Loss) by Reportable Segment, Information Regarding Amounts of Assets and Other Items

Year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

	Millions of yen						
	Transportation	Retail	Real estate	Other businesses (Note1)	Total	Eliminations and intergroup (Note 2)	Consolidated (Note 3)
Operating revenues:							
Operating revenues from third parties	544,126	124,253	151,188	211,535	1,031,103	—	1,031,103
Intergroup operating revenues and transfers	18,126	4,900	19,852	233,781	276,661	(276,661)	—
Total operating revenues	562,253	129,153	171,041	445,316	1,307,764	(276,661)	1,031,103
Segment income or loss	(144,306)	(8,600)	30,028	2,977	(119,900)	809	(119,091)
Segment assets	2,174,262	103,128	776,482	538,499	3,592,372	110,048	3,702,421
Other items							
Depreciation and amortization	127,880	5,868	24,453	9,422	167,625	(6,756)	160,868
Investment in affiliates accounted for by equity method	30,872	—	—	15,296	46,168	—	46,168
Increase in property, plant and equipment and intangible assets	169,772	2,899	60,540	5,260	238,473	—	238,473

Notes: 1. The "Other Businesses" category is a business segment not included in reportable segments. It includes such operations as hotels, travel services and construction.

2. Adjustments are as follows:

(1) The segment income/loss (minus) adjustment of minus ¥809 million is the elimination of intersegment transactions.

(2) The segment assets adjustment of minus ¥110,048 million reflects ¥495,646 million in companywide assets not attributed to any segment, minus ¥385,597 million in the elimination of intersegment credits and debts.

(3) The depreciation and amortization adjustment of minus ¥6,756 million is the elimination of intersegment transactions.

3. Segment income or loss is adjusted to the operating loss figure on the Consolidated Statements of Income.

Year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

	Millions of yen						
	Transportation	Retail	Real estate	Other businesses (Note1)	Total	Eliminations and intergroup (Note 2)	Consolidated (Note 3)
Operating revenues:							
Operating revenues from third parties	750,317	169,477	170,082	305,654	1,395,531	—	1,395,531
Intergroup operating revenues and transfers	27,434	4,946	22,648	246,457	301,486	(301,486)	—
Total operating revenues	777,751	174,423	192,730	552,111	1,697,017	(301,486)	1,395,531
Segment income	24,465	5,655	36,700	17,294	84,116	(145)	83,970
Segment assets	2,168,742	113,300	824,131	571,193	3,677,368	58,139	3,735,507
Other items							
Depreciation and amortization	124,874	5,722	26,397	9,316	166,311	(6,655)	159,655
Investment in affiliates accounted for by equity method	31,433	—	—	15,841	47,274	—	47,274
Increase in property, plant and equipment and intangible assets	171,162	4,198	54,198	6,057	235,617	—	235,617

Notes: 1. The “Other Businesses” category is a business segment not included in reportable segments. It includes such operations as hotels, and travel services and construction.

2. Adjustments are as follows:

(1) The segment income adjustment of minus ¥145 million is the elimination of intersegment transactions.

(2) The segment assets adjustment of ¥58,139 million reflects ¥504,558 million in companywide assets not attributed to any segment, minus ¥446,419 million in the elimination of intersegment credits and debts.

(3) The depreciation and amortization adjustment of minus ¥6,655 million is the elimination of intersegment transactions.

3. Segment income is adjusted to the operating income figure on the Consolidated Statements of Income.



**(Per Share Information)**

	Years ended March 31	
	2022	2023
Net assets (Yen)	3,973.15	4,245.13
Profit (loss) attributable to owners of parent per share (Yen)	(516.06)	363.26

Notes: 1. Diluted net income per share for the subject fiscal year is not presented because there are no dilutive shares. In regard to diluted net income per share for the previous fiscal year, there was a net loss per share and there were no dilutive shares, so diluted net loss per share is not presented.

2. The basis for calculating net income per share or net loss per share is as follows.

	Years ended March 31	
	2022	2023
Profit (loss) attributable to owners of parent (Millions of yen)	(113,198)	88,528
Profit (loss) attributable to owners of parent applicable to common shares (Millions of yen)	(113,198)	88,528
Average number of shares outstanding for each period (Thousands of shares)	219,350	243,708

## (Material Subsequent Events)

### Change in segment classifications

With the creation of the internal Railway Company in FY2024.3, the JR-West Group has changed its segment classifications in order to facilitate steady progress on rebuilding its business portfolio toward the achievement of its long-term vision 2032.

Below is the breakdown of amounts for sales and profits in each reportable segment for the subject fiscal year following the change in segment classifications.

Year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

	Millions of yen							
	Mobility	Retail	Real estate	Travel and regional solutions	Other businesses (Note1)	Total	Eliminations and intergroup (Note 2)	Consolidated (Note 3)
Operating revenues:								
Operating revenues from third parties	833,761	165,907	204,936	162,933	27,991	1,395,531	—	1,395,531
Intergroup operating revenues and transfers	39,856	5,013	16,531	1,959	54,546	117,908	(117,908)	—
Total operating revenues	873,618	170,921	221,467	164,893	82,538	1,513,439	(117,908)	1,395,531
Segment income	33,249	5,493	34,577	6,080	4,538	83,939	31	83,970

Notes: 1. The “Other Businesses” category is a business segment not included in reportable segments. It includes such operations as advertising.

2. The segment income adjustment of ¥31 million is the elimination of intersegment transactions.

3. Segment income is adjusted to the operating income figure on the Consolidated Statements of Income.

A summary of the new segment classifications is as follows.

Mobility segment	The mobility segment includes the passenger transportation business, centered on railway operations, station operations and management, cleaning and maintenance, construction, machinery and equipment installation, rolling stock and other facility construction, and electric works.
Retail segment	The retail segment engages in sales of goods and food services, department stores, and other wholesale operations.
Real estate segment	The real estate segment covers the real estate sales and leasing business, as well as shopping center and hotel operations.
Travel and regional solutions segment	The travel and regional solutions segment encompasses travel agencies and regional solutions.
Other	The other segment includes the advertising business, etc.

## Reference Materials

### 1. NON-CONSOLIDATED BALANCE SHEETS

	March 31, 2022	<b>March 31, 2023</b>	Change
	Billions of yen	Billions of yen	Billions of yen
<b>ASSETS</b>			
<b>Current assets:</b>			
Total current assets	483.8	489.6	5.7
<b>Non-current assets:</b>			
Non-current for railway operations	1,912.8	1,943.3	30.5
Construction in progress	120.5	65.1	(55.3)
Investments and other assets	672.1	731.7	59.5
Total non-current assets	2,705.5	2,740.3	34.7
<b>Deferred assets</b>	1.1	0.6	(0.4)
<b>Total assets</b>	3,190.5	3,230.6	40.0

	March 31, 2022	<b>March 31, 2023</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	97.6	140.7	43.0
Accounts payable	514.6	594.5	79.8
Total current liabilities	612.3	735.2	122.9
<b>Non-current liabilities:</b>			
Bonds and long-term debt	1,627.0	1,514.8	(112.1)
Accrued retirement benefits	206.0	190.9	(15.1)
Other long-term liabilities	56.6	65.1	8.4
Total fixed liabilities	1,889.7	1,770.9	(118.8)
<b>Total liabilities</b>	2,502.0	2,506.1	4.1
<b>Shareholders' equity:</b>			
Common stock	226.1	226.1	—
Capital surplus	181.1	181.1	0.0
Retained earnings	283.6	318.6	35.0
Treasury stock, at cost	(0.0)	(0.9)	(0.8)
Total shareholders' equity	690.8	725.0	34.1
<b>Valuation and translation adjustments</b>	(2.4)	(0.6)	1.8
<b>Total net assets</b>	688.4	724.4	35.9
<b>Total liabilities and net assets</b>	3,190.5	3,230.6	40.0

## 2. NON-CONSOLIDATED STATEMENTS OF INCOME

	Years ended March 31		Change from the same period of the previous period		Forecasts for year ending March 31, 2024	
	2022	2023			Change	
	Billions of yen	Billions of yen	Billions of yen	%	Billions of yen	
<b>Operating revenues:</b>						
Transportation	487.6	694.5	206.8	42.4	807.0	112.4
Transportation incidentals	13.1	14.7	1.5	12.0	15.5	0.7
Other operations	26.2	27.0	0.7	2.9	28.1	1.0
Miscellaneous	50.4	54.9	4.4	8.8	57.4	2.4
	<b>577.6</b>	<b>791.2</b>	213.6	37.0	908.0	116.7
<b>Operating expenses:</b>						
Personnel costs	180.7	186.6	5.8	3.3	188.0	1.3
Non personnel costs:						
Energy costs	40.8	59.6	18.7	46.1	69.5	9.8
Maintenance costs	136.7	140.1	3.4	2.5	164.0	23.8
Miscellaneous costs	157.2	177.6	20.4	13.0	217.5	39.8
	334.7	377.3	42.6	12.7	451.0	73.6
Rental payments, etc	26.7	26.6	(0.1)	(0.4)	27.0	0.3
Taxes	35.1	37.4	2.2	6.5	37.5	0.0
Depreciation	127.2	124.2	(3.0)	(2.4)	129.5	5.2
	<b>704.6</b>	<b>752.3</b>	47.6	6.8	833.0	80.6
<b>Operating profit (loss)</b>	<b>(127.0)</b>	<b>38.9</b>	165.9	—	75.0	36.0
<b>Non-operating revenues and expenses, net:</b>						
Non-operating revenues	13.3	11.2	(2.0)	—	—	—
Non-operating expenses	24.6	22.7	(1.8)	—	—	—
	(11.2)	(11.4)	(0.1)	—	(14.5)	(3.0)
<b>Recurring profit (loss)</b>	<b>(138.2)</b>	<b>27.4</b>	165.7	—	60.5	33.0
<b>Extraordinary profit and loss, net:</b>						
Extraordinary profit	54.1	76.5	22.4	—	—	—
Extraordinary loss	43.1	75.3	32.2	—	—	—
	11.0	1.1	(9.8)	—	2.5	1.3
<b>Profit (loss) before income taxes</b>	<b>(127.2)</b>	<b>28.6</b>	155.9	—	63.0	34.3
<b>Income taxes</b>	<b>(5.6)</b>	<b>(30.7)</b>	(25.1)	—	19.0	49.7
<b>Net profit (loss)</b>	<b>(121.6)</b>	<b>59.4</b>	181.0	—	44.0	(15.4)

## Passenger-Kilometers and Transportation Revenues

	Millions of Passenger-Kilometers				Billions of yen			
	Passenger-Kilometers				Transportation Revenues			
	Years ended March 31		Change		Years ended March 31		Change	
	2022	2023	Amount	%	2022	2023	Amount	%
<b>Shinkansen</b>								
Commuter Passes	824	869	44	5.4	10.6	11.1	[(0.1)] 0.5	[(1.6)] 5.2
Non-Commuter Passes	8,921	15,424	6,503	72.9	201.0	340.4	[(112.5)] 139.4	[(24.8)] 69.4
Total	9,745	16,293	6,548	67.2	211.6	351.6	[(112.7)] 140.0	[(24.3)] 66.2
<b>Conventional Lines</b>								
Commuter Passes	19,045	19,762	717	3.8	119.1	123.1	[(18.5)] 4.0	[(13.1)] 3.4
Non-Commuter Passes	8,511	11,835	3,323	39.0	156.9	219.6	[(68.0)] 62.7	[(23.7)] 40.0
Total	27,557	31,598	4,040	14.7	276.0	342.8	[(86.6)] 66.8	[(20.2)] 24.2
<b>Kansai Urban Area</b>								
Commuter Passes	15,612	16,259	646	4.1	97.8	101.5	[(15.5)] 3.6	[(13.3)] 3.7
Non-Commuter Passes	6,276	8,539	2,263	36.1	112.8	155.2	[(44.8)] 42.4	[(22.4)] 37.6
Total	21,888	24,799	2,910	13.3	210.7	256.7	[(60.4)] 46.0	[(19.0)] 21.9
<b>Other Lines</b>								
Commuter Passes	3,432	3,503	70	2.0	21.2	21.6	[(3.0)] 0.4	[(12.3)] 2.0
Non-Commuter Passes	2,235	3,296	1,060	47.4	44.0	64.4	[(23.2)] 20.3	[(26.5)] 46.2
Total	5,668	6,799	1,130	19.9	65.3	86.0	[(26.2)] 20.7	[(23.4)] 31.8
<b>Total</b>								
Commuter Passes	19,869	20,631	762	3.8	129.7	134.3	[(18.7)] 4.6	[(12.3)] 3.5
Non-Commuter Passes	17,433	27,260	9,826	56.4	357.9	560.1	[(180.6)] 202.2	[(24.4)] 56.5
Total	37,303	47,892	10,589	28.4	487.6	694.5	[(199.4)] 206.8	[(22.3)] 42.4

Notes: 1. Luggage revenues are not included.

2. Figures in parentheses for transportation revenues are comparisons with calendar year 2019 (prior to the application of the revenue recognition standard) and are provided for reference.

### 3. NON-CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Year ended March 31, 2022

	Millions of yen						
	Shareholders' equity						
	Common stock	Capital surplus			Retained earnings		
		Legal capital surplus	Other legal capital surplus	Total	Legal retained earnings	Other retained earnings	
					Reserve for advanced depreciation of noncurrent assets	General reserve	
Balance at beginning of current period	100,000	55,000	—	55,000	11,327	25,262	480,000
Change in the fiscal year:							
Issuance of new shares	126,136	126,136		126,136			
Dividends from surplus							
Net income (loss)							
Provision of reserve for advanced depreciation of noncurrent assets						949	
Reversal of reserve for advanced depreciation of noncurrent assets						(1,017)	
Reversal of general reserve							(240,000)
Purchase of treasury stock							
Disposal of treasury shares			—	—			
Net changes of items other than shareholders' equity							
Total	126,136	126,136	—	126,136	—	(67)	(240,000)
Balance at end of current period	226,136	181,136	—	181,136	11,327	25,194	240,000

(continued on page 31)

	Millions of yen						
	Shareholders' equity				Valuation and translation adjustments		Total net assets
	Retained earnings		Treasury stock	Total	Valuation difference on available-for-sale securities		
	Other retained earnings	Total					
	Retained earnings brought forward						
Balance at beginning of current period	(89,594)	426,994	(4)	581,990	(1,784)	580,205	
Change in the fiscal year:							
Issuance of new shares				252,273		252,273	
Dividends from surplus	(21,766)	(21,766)		(21,766)		(21,766)	
Net income (loss)	(121,605)	(121,605)		(121,605)		(121,605)	
Provision of reserve for advanced depreciation of noncurrent assets	(949)	—		—		—	
Reversal of reserve for advanced depreciation of noncurrent assets	1,017	—		—		—	
Reversal of general reserve	240,000	—		—		—	
Purchase of treasury stock			(0)	(0)		(0)	
Disposal of treasury shares			—	—		—	
Net changes of items other than shareholders' equity					(628)	(628)	
Total	96,695	(143,371)	(0)	108,900	(628)	108,272	
Balance at end of current period	7,101	283,622	(4)	690,891	(2,412)	688,478	

Year ended March 31, 2023

	Millions of yen						
	Shareholders' equity						
	Common stock	Capital surplus			Legal retained earnings	Retained earnings	
		Legal capital surplus	Other legal capital surplus	Total		Other retained earnings	
					Reserve for advanced depreciation of noncurrent assets	General reserve	
Balance at beginning of current period	226,136	181,136	—	181,136	11,327	25,194	240,000
Change in the fiscal year:							
Issuance of new shares	—	—		—			
Dividends from surplus							
Net income (loss)							
Provision of reserve for advanced depreciation of noncurrent assets						—	
Reversal of reserve for advanced depreciation of noncurrent assets						(802)	
Reversal of general reserve							(240,000)
Purchase of treasury stock							
Disposal of treasury shares			0	0			
Net changes of items other than shareholders' equity							
Total	—	—	0	0	—	(802)	(240,000)
Balance at end of current period	226,136	181,136	0	181,137	11,327	24,391	—

(continued on page 33)



	Millions of yen					
	Shareholders' equity				Valuation and translation adjustments	Total net assets
	Retained earnings		Treasury stock	Total	Valuation difference on available-for-sale securities	
	Other retained earnings	Total				
	Retained earnings brought forward					
Balance at beginning of current period	7,101	283,622	(4)	690,891	(2,412)	
Change in the fiscal year:						
Issuance of new shares				—		—
Dividends from surplus	(24,390)	(24,390)		(24,390)		(24,390)
Net income (loss)	59,437	59,437		59,437		59,437
Provision of reserve for advanced depreciation of noncurrent assets	—	—		—		—
Reversal of reserve for advanced depreciation of noncurrent assets	802	—		—		—
Reversal of general reserve	240,000	—		—		—
Purchase of treasury stock			(963)	(963)		(963)
Disposal of treasury shares			68	69		69
Net changes of items other than shareholders' equity					1,812	1,812
Total	275,849	35,047	(895)	34,152	1,812	35,965
Balance at end of current period	282,950	318,669	(900)	725,043	(600)	724,443

## 4. CAPITAL EXPENDITURES

### Consolidated Basis

	Years ended March 31		Change from the same period of the previous period		Plan for fiscal year ending March 31, 2024
	2022	2023	Billions of yen	%	
	Billions of yen	Billions of yen			
Capital expenditures	236.9	238.2	1.3	0.6	—
Capital expenditures, excluding contributions received for constructions	213.1	214.6	1.4	0.7	267.0
Contributions received for constructions	23.7	23.6	(0.1)	(0.6)	—

### Non-Consolidated Basis

	Years ended March 31		Change from the same period of the previous period		Plan for fiscal year ending March 31, 2024
	2022	2023	Billions of yen	%	
	Billions of yen	Billions of yen			
Capital expenditures	173.1	179.6	6.4	3.7	—
Capital expenditures, excluding contributions received for constructions	149.4	155.9	6.5	4.4	177.0
[Safety-related capital expenditures]	[83.0]	[73.2]	[(9.7)]	[(11.7)]	[97.0]
Contributions received for constructions	23.7	23.6	(0.1)	(0.6)	—

#### Major Capital Expenditures (non-consolidated)

New rolling stock (W7 series, to replace rolling stock on conventional lines), safety/disaster prevention measures, 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 April 2023 based on information available to JR-West as of April 2023 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.