

Results for The Fiscal Year Ended March 31, 2020





May 1, 2020

West Japan Railway Company



- I am Kazuaki Hasegawa, the president of JR-West.
- I would like to thank you for taking the time out of your busy schedules to participate in our results presentation today.
- In addition, to prevent the spread of the novel coronavirus infection, we decided to hold the presentation in an on-line format.
- I would like to ask our shareholders and other investors for their understanding of the JR-West Group.
- Next, I will move forward with the presentation in accordance with the presentation materials.

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Results and Year-End Dividend for FY2020.3

(Unit: ¥ Billion)

| | Results FY2019.3 | Results FY2020.3 | YoY | | Vs. plan | |
|---|---------------------|---------------------|-------------------------|--------|-------------------------|--------|
| | | | Increase/ (Decrease) | % | Increase/ (Decrease) | % |
| 【Consolidated】 | | | | | | |
| Operating Revenues | 1,529.3 | 1,508.2 | (21.1) | (1.4) | (61.7) | (3.9) |
| Operating Income | 196.9 | 160.6 | (36.3) | (18.4) | (41.3) | (20.5) |
| Recurring Profit | 183.3 | 148.3 | (34.9) | (19.1) | (41.1) | (21.7) |
| Profit attributable to owners of parent | 102.7 | 89.3 | (13.3) | (13.0) | (30.6) | (25.5) |
| 【Non-Consolidated】 | | | | | | |
| Transportation Revenues | 873.4 | 856.8 | (16.6) | (1.9) | (42.1) | (4.7) |

Results for FY2020.3 Year-End Dividend for FY2020.3

- ◆ In FY2020.3, demand declined substantially due to the spread of the novel coronavirus infection. For the full fiscal year, revenues and profits were both substantially down from the previous year and lower than the plan.
- ◆ The influence of the spread of the novel coronavirus infection on the Company's results in FY2020.3 is approximately ¥40.0 billion in the railway business and approximately ¥15.0 billion in non-railway businesses.
- ◆ The year-end dividend for FY2020.3 is ¥87.5 per share. Together with the interim dividend, the full-year dividend is ¥182.5 per share. This is an increase of ¥7.5 year on year.

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- First, I will provide an overview of our results for FY2020.3. Please turn to slide 3 in the presentation materials.
- In FY2020.3, results were basically in line with expectations through the first nine months of the fiscal year. However, in the fourth quarter, demand declined substantially due to the spread of the novel coronavirus infection. As shown in this slide, for the full fiscal year, revenues and profits were both substantially down from the previous year and lower than the plan.
- The novel coronavirus had the effect of reducing the Company's revenues in FY2020.3 by approximately ¥40.0 billion in the railway business, including lower inbound transportation revenues, and by approximately ¥15.0 billion in non-railway businesses.
- Looking at our results in FY2020.3, performance was favorable in the first half, and we were able to achieve profit attributable to owners of parent of ¥89.3 billion for the fiscal year. However, this was substantially below expectations, and as a result, although it is extremely regrettable, the Company changed the year-end dividend for FY2020.3 from the previous forecast of ¥95 per share to ¥87.5 per share, the same as the year-end dividend for the previous fiscal year.
- Together with the interim dividend of ¥95 per share, which has already been paid, the annual dividend for FY2020.3 is ¥182.5 per share, an increase of ¥7.5 year on year.

Current Situation (Railway usage, etc.)

◇ Usage from January

(compared with the same days in the previous year)

* For February, figures in [] show average daily results YoY.
For April, figures are specially prepared preliminary figures.

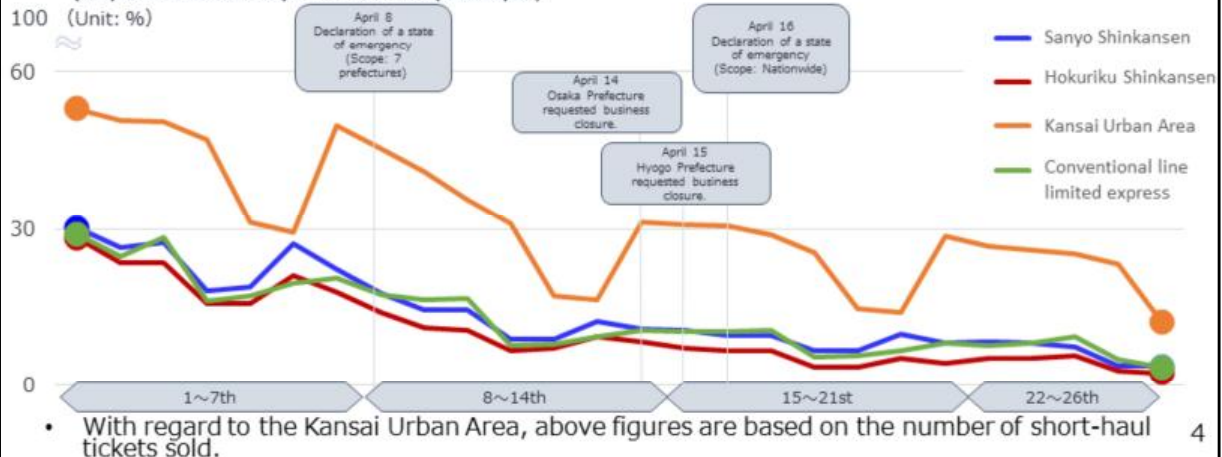
(Unit: %)

| | January | February | March | April (1~26th) |
|--------------------------------------|---------|------------|-------|-------------------|
| Sanyo Shinkansen | 1 | (7)[(10)] | (58) | (86) |
| Hokuriku Shinkansen | (0) | (8)[(12)] | (57) | (90) |
| Kansai Urban Area | 5 | (2)[(5)] | (37) | (69) |
| Conventional line limited express | (1) | (15)[(18)] | (61) | (87) |

◇ Usage from April 1

(compared with the same days of the week in the previous year)

* Specially prepared preliminary figures



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- Please turn to slide 4. I will explain the current situation.
- First, in the railway business, due to the spread of the novel coronavirus infection, usage has remained low month after month.
- Looking at usage in April, up to April 26, the Sanyo Shinkansen was at 14% year on year (compared with the same days in the previous year).
- In addition, in the most recent week, from April 24 to 30, there was a rebound from the previous year, when conditions were favorable during the Golden Week period, and preliminary figures for the Sanyo Shinkansen were 5% year on year.
- From a management perspective, the situation is extremely challenging, and we recognize that this is a cause for serious concern among shareholders. However, the stay-home initiatives under the state of emergency are showing results, and we hope that this will lead to a resolution as soon as possible.

Current Situation (Situation in Non-Railway Businesses)

◇Principal operational circumstances in non-railway businesses

Since the state of emergency declaration was extended nationwide, in principle these operations have been closed, with the exception of stores that are necessary for supporting the daily lives of customers in the areas along railway lines, such as convenience stores, supermarkets, and drugstores.

| | Facilities, stores, etc., that are temporarily closed | Facilities, stores, etc., that continue to operate |
|---|--|--|
| Sales of goods and food services | <ul style="list-style-type: none"> •Kiosks, souvenir shops, restaurants, etc. •Certain accommodation-oriented hotels | <ul style="list-style-type: none"> •Convenience stores, supermarkets, drugstores, etc. •Other accommodation-oriented hotels |
| Department stores | <ul style="list-style-type: none"> • JR Kyoto Isetan • isetan shops at LUCUA Osaka | — |
| Shopping center | <ul style="list-style-type: none"> •Closed in principle | <ul style="list-style-type: none"> •The only stores in operation are those providing items and services that are essential in daily life. |
| Hotel | <ul style="list-style-type: none"> •Banquets •Certain accommodation-oriented hotels | <ul style="list-style-type: none"> •With certain exceptions, accommodations and restaurants are in operation |
| Nippon travel agency | <ul style="list-style-type: none"> •All city retail facilities, etc. | <ul style="list-style-type: none"> •Telephone reservation centers, etc. |

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- Please turn to slide 5.
- In non-railway businesses, basically, under the state of emergency, operations were closed until May 6, with the exception of certain stores that are necessary for supporting the daily lives of customers in the areas along railway lines, such as convenience stores and supermarkets.
- In addition, to prevent the spread of the infection, for the time being, we have temporarily closed certain hotels, including certain VIA INN and Vischio hotels.

◇ Basic stance with consideration for current circumstances

Basic stance

- (1) Fulfilling our mission as a social infrastructure company
- (2) Protecting the safety of customers and employees
- (3) Protecting employment
- (4) Protecting the supply chain

◇ Current responses, urgent countermeasures, etc.

Reducing number of trains operated

- ◆ Current train reduction plan (*as of May 1)
 - (1) Sanyo Shinkansen: All extra trains (April 24 ~ For the time being)
 - (2) Hokuriku Shinkansen: All extra trains (April 24 ~ For the time being)
 - (3) Conventional line limited express trains: Reducing extra trains. For Haruka, changing to six-car trains and reducing the number of trains operated.
- ◆ Currently considering further reductions in trains operated while continuing to monitor usage.

Reducing costs Controlling investment Adjusting short-term employment

- ◆ While maintaining its priority on safety, the entire Group will work to reduce costs and will carefully examine capital expenditures.
- ◆ On the other hand, we will carefully identify and implement measures that are necessary for the next generation.
- ◆ With a focus on maintaining employment, we will implement measures to adjust short-term employment, such as temporary leave at home.

Fund-raising

- ◆ We will steadily raise long-term funds.
- ◆ We have completed the issuance of ¥100.0 billion in commercial paper. We plan to increase the issuance limit.
- ◆ Earthquake-response-type commitment line limit: ¥130.0 billion. Currently in discussions to expand the loan limit.
- ◆ We will continue to raise the necessary funds, both long-term and short-term.

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- Next, please turn to slide 6.
- In this type of challenging environment, we have four basic approaches. Specifically, they are: (1) Fulfilling our mission as a social infrastructure company, (2) Protecting the safety of customers and employees, (3) Protecting employment, and (4) Protecting the supply chain.
- And in regard to operational administration, we will do our utmost to rapidly move forward with measures that can be implemented. Moving forward, we will advance the three types of measures described below.
- The first is reducing the number of trains in operation.
- As previously announced, we have implemented reductions for a large number of trains. For example, starting April 24 and continuing for the time being, operation of all Shinkansen extra trains has been suspended. Moving forward, we will continue to consider further reductions in the timetable while monitoring usage conditions.
- The next topics are cost reductions, investment control, and short-term employment adjustments.
- Currently, the entire Group is working to reduce costs and carefully examine investment while maintaining our priority on safety, which is the basis of our management. On the other hand, we will carefully identify and implement measures that are necessary for the next generation. Furthermore, with a focus on maintaining employment, and to prevent the spread of the infection, certain Group companies have already implemented short-term employment adjustments, such as temporary leave. We are considering expanding the scope of these measures, including the Company, while monitoring the situation.
- Next, I will discuss financial matters.
- First, we are steadily moving forward with the procurement of long-term funds.
- Also, in regard to short-term funds, we have already completed the issuance of ¥100.0 billion in commercial paper, and we are moving ahead with procedures to increase the issuance limit.
- Furthermore, in regard to commitment line, for which we have secured a loan limit of ¥130.0 billion, we are in the final stages of discussions with financial institutions to increase the loan limit. Moving forward, we will continue taking thoroughgoing steps to raise the necessary funds, both long-term and short-term.
- As previously announced, from April, full-time directors will voluntarily return 10% of their monthly salaries. In the future, we will monitor the management situation and make appropriate judgments.

FY2021.3 Results and Dividend Forecast / Medium to Long Term Direction

Current circumstances

- ◆ From a financial perspective, we believe that this is the greatest crisis that JR-West has faced since it was established.
- ◆ The decline in usage is extremely large, and in addition it is very difficult to forecast how long this situation will continue and the period of time required for a recovery.

FY2021.3 Results forecast Dividend forecast

- ◆ At this point, it is difficult to rationally calculate a profit plan, including the influence of the decline in revenues and the various countermeasures to that decline.
- ◆ Accordingly, we have not yet determined our results forecast or dividend forecast for FY2021.3.

Medium-Term Management Plan Safety Think-and-Act Plan

- ◆ With consideration for the current circumstances, we will reevaluate the medium-term management plan, including quantitative targets, capital expenditure plans, financial strategies, etc., as well as scheduling.
- ◆ Safety is our highest priority. We will steadily advance safety initiatives in accordance with the Safety Think-and-Act Plan.

* Points for consideration in the reevaluation of the medium-term management plan

(1) Fostering demand during and after the recovery period

- ✓ With consideration for changes in customer behavior, etc., we will prepare thorough measures to foster demand in the western Japan area.

(2) Achieving long-term sustainable growth while addressing various risks

- ✓ Debt has increased, and we will work to reduce it at an early stage.
- ✓ We will thoroughly step up cost control and investment management. We will work to restore our financial strength and bolster our management foundation.

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- Finally, please turn to slide 7.
- First, in regard to the current circumstances, from a financial perspective, we believe that this is the greatest crisis that JR-West has faced since it was established.
- The decline in customer usage is extremely large, and in addition it is very difficult to forecast how long this situation will continue and the period of time that will be required for a recovery. In any case, from a financial perspective, we are prepared for a level of results that we have never experienced before. However, it is difficult to forecast the scale of the influence.
- Accordingly, at this point, it is difficult to rationally calculate a profit plan, including the amount of the decline in revenues and the various countermeasures to that decline. Regrettably, we have not yet determined our results forecast or dividend forecast for FY2021.3.
- In addition, we are now in the third year of the Medium-Term Management Plan and the Safety Think-and-Act Plan, and in regard to railway safety, which is the Group's most important issue, we will steadily implement initiatives in accordance with the Safety Think-and-Act Plan.
- On the other hand, with consideration for the current circumstances, we will reevaluate the medium-term management plan, including quantitative targets, capital expenditure plans, financial strategies, etc., as well as scheduling.
- In regard to the reevaluation of the plan, first, to prepare for the period during and after the recovery, with consideration for changes in customer behavior, etc., we will prepare thorough measures to foster demand in the western Japan area and allocate resources on a priority basis. In addition, we will steadily move forward with investment in projects from which we can expect a sufficient return in the future.
- In addition, to achieve sustained gains in corporate value over the long term, we will work to move quickly to reduce debt, which has increased. In conjunction with enhanced cost control, we will implement thorough investment management. We will work to restore our financial strength, and bolster our management foundation.
- Finally, we currently face a challenging management environment, but the entire Group will work together to overcome this crisis. We will do our utmost to support an early end to the spread of the novel coronavirus, and we will fulfill our duty as a company that provides railway transportation, an important social infrastructure. Then, we will work to achieve sustained gains in corporate value over the long-term for all stakeholders.
- This concludes my portion of today's presentation.

1 Results for FY2020.3,
Current Situation, Etc. Page 3

2 Results for FY2020.3 (Details) Page 10

 Appendix Page 21

- I am Yoshito Fujiwara, the general manager of the Finance Department.
- I will explain the key points regarding our results for FY2020.3.
- First, please look at the non-consolidated overview on slide 11.

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Financial Highlights



¥ Billions

| | Results FY2019.3 A | Results FY2020.3 B | YoY | | Forecasts FY2021.3 C |
|---|--------------------------|--------------------------|--------------------------------|------------|----------------------------|
| | | | Increase/ (Decrease) B-A | % B/A-1 | |
| 【Consolidated】 | | | | | |
| Operating Revenues | 1,529.3 | 1,508.2 | (21.1) | (1.4) | — |
| Operating Income | 196.9 | 160.6 | (36.3) | (18.4) | — |
| Recurring Profit | 183.3 | 148.3 | (34.9) | (19.1) | — |
| Profit attributable to owners of parent | 102.7 | 89.3 | (13.3) | (13.0) | — |
| 【Non-Consolidated】 | | | | | |
| Operating Revenues | 980.9 | 961.9 | (19.0) | (1.9) | — |
| Transportation Revenues | 873.4 | 856.8 | (16.6) | (1.9) | — |
| Operating Expenses | 830.1 | 842.1 | 11.9 | 1.4 | — |
| Personnel costs | 215.8 | 214.6 | (1.1) | (0.5) | — |
| Non personnel costs | 416.6 | 424.3 | 7.7 | 1.9 | — |
| Energy costs | 45.2 | 45.4 | 0.2 | 0.5 | — |
| Maintenance costs | 164.0 | 166.4 | 2.3 | 1.4 | — |
| Miscellaneous costs | 207.3 | 212.4 | 5.1 | 2.5 | — |
| Depreciation | 134.3 | 138.2 | 3.8 | 2.9 | — |
| Operating Income | 150.7 | 119.7 | (30.9) | (20.6) | — |
| Recurring Profit | 136.4 | 106.9 | (29.5) | (21.6) | — |
| Net Income | 80.6 | 73.5 | (7.0) | (8.7) | — |

Note: Figures in brackets () are negative values.

Non-Consolidated Financial Results



¥ Billions

| | Results FY2019.3 A | FY2020.3 | | YoY | | Difference from the forecasts Increase/(Decrease) C-B |
|--|--------------------------|----------------------------------|--------------|--------------------------------|------------|--|
| | | Forecasts (As of Jan 31) B | Results C | Increase/ (Decrease) C-A | % C/A-1 | |
| Operating Revenues | 980.9 | 1,005.0 | 961.9 | (19.0) | (1.9) | (43.0) |
| Transportation revenues | 873.4 | 899.0 | 856.8 | (16.6) | (1.9) | (42.1) |
| Other | 107.4 | 106.0 | 105.0 | (2.3) | (2.2) | (0.9) |
| Operating Expenses | 830.1 | 849.5 | 842.1 | 11.9 | 1.4 | (7.3) |
| Personnel costs | 215.8 | 216.5 | 214.6 | (1.1) | (0.5) | (1.8) |
| Non personnel costs | 416.6 | 427.5 | 424.3 | 7.7 | 1.9 | (3.1) |
| Energy costs | 45.2 | 46.5 | 45.4 | 0.2 | 0.5 | (1.0) |
| Maintenance costs | 164.0 | 169.5 | 166.4 | 2.3 | 1.4 | (3.0) |
| Miscellaneous costs | 207.3 | 211.5 | 212.4 | 5.1 | 2.5 | 0.9 |
| Rental payments, etc. | 27.2 | 28.5 | 28.4 | 1.1 | 4.3 | (0.0) |
| Taxes | 36.0 | 37.0 | 36.4 | 0.3 | 1.1 | (0.5) |
| Depreciation | 134.3 | 140.0 | 138.2 | 3.8 | 2.9 | (1.7) |
| Operating Income | 150.7 | 155.5 | 119.7 | (30.9) | (20.6) | (35.7) |
| Non-operating revenues and expenses, net | (14.2) | (13.0) | (12.7) | 1.4 | (10.2) | 0.2 |
| Non-operating revenues | 7.5 | 7.5 | 7.5 | 0.0 | — | 0.0 |
| Non-operating expenses | 21.7 | 20.5 | 20.3 | (1.4) | — | (0.1) |
| Recurring Profit | 136.4 | 142.5 | 106.9 | (29.5) | (21.6) | (35.5) |
| Extraordinary profit and loss, net | (20.6) | (4.5) | (1.1) | 19.5 | — | 3.3 |
| Extraordinary profit | 27.6 | — | 20.9 | (6.6) | — | — |
| Extraordinary loss | 48.2 | — | 22.1 | (26.1) | — | — |
| Net Income | 80.6 | 96.5 | 73.5 | (7.0) | (8.7) | (22.9) |

Note: Figures in brackets () are negative values.

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- Operating revenues decreased ¥19.0 billion year on year due to lower transportation revenues.
- Operating expenses increased ¥11.9 billion year on year, due to such factors as higher maintenance costs, miscellaneous costs, and depreciation, etc.
- As a result, operating income was down ¥30.9 billion.
- On the other hand, net extraordinary profit and loss improved significantly due to a rebound from the loss on disaster recorded in FY2019, and net income was down ¥7.0 billion year on year.
- Looking at the second quarter forecast, revenues were ¥43.0 billion lower than the forecast and expenses were ¥7.3 billion lower.
- Please look at slide 12, which shows major factors of increase/decrease for transportation revenues.

Major Factors of Increase/Decrease in Transportation Revenues



| | | | | Results FY2020.3 | | ¥ Billions |
|---|-------|-------------------------|-------|--|--------|------------|
| Transportation revenues | | YOY Increase/(Decrease) | | Major factors | | |
| | | Amount | % | | Amount | |
| Shinkansen | 441.2 | (15.8) | (3.5) | Fundamental trend 0.6% | | 2.5 |
| | | | | Special factors | | |
| | | | | - Inbound | | (0.1) |
| | | | | - Pattern of weekdays and weekends | | 4.1 |
| | | | | - Rebound from natural disasters, etc. | | 1.8 |
| | | | | - Typhoon No.19 (Hagibis), etc. | | (2.5) |
| Kansai Urban Area (Kyoto-Osaka-Kobe Area) | 307.5 | (0.6) | (0.2) | - COVID-19 (domestic) etc. | | (24.7) |
| | | | | Fundamental trend 0.1% | | 0.4 |
| | | | | Special factors | | |
| | | | | - Inbound | | (0.6) |
| | | | | - Pattern of weekdays and weekends | | 0.8 |
| | | | | - Rebound from natural disasters, etc. | | 3.4 |
| Other lines | 108.1 | (0.0) | (0.1) | - Typhoon No.19 (Hagibis), etc. | | (0.4) |
| | | | | - COVID-19 (domestic) etc. | | (8.1) |
| | | | | Fundamental trend 0.2% | | 0.2 |
| | | | | Special factors | | |
| | | | | - Inbound | | (0.1) |
| | | | | - Pattern of weekdays and weekends | | 0.4 |
| Conventional lines | 415.6 | (0.7) | (0.2) | - Rebound from natural disasters, etc. | | 3.1 |
| | | | | - Typhoon No.19 (Hagibis), etc. | | (0.0) |
| Total | 856.8 | (16.6) | (1.9) | - COVID-19 (domestic) etc. | | (3.8) |
| | | | | | | |

Note1: Revenues from luggage transportation are omitted due to the small amount.

Note2: The decline in transportation revenues attributable to the spread of the novel coronavirus infection (FY2020.3) is approximately ¥40.0 billion, including the decline in inbound demand.

Note3: Figures in brackets () are negative values.

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- Transportation revenues were down substantially, reaching ¥856.8 billion for the fiscal year, a decline of ¥16.6 billion year on year and ¥42.1 billion lower than the plan.
Transportation revenues were basically in line with the plan through the first nine months of the fiscal year. However, due to the spread of the novel coronavirus infection, transportation revenues in the three months of the fourth quarter were down ¥37.1 billion year on year, and as a result, transportation revenues for the full fiscal year were substantially lower than the plan.
- Moreover, looking at the Shinkansen revenues of ¥441.2 billion, Sanyo Shinkansen revenues were down ¥12.4 billion year on year, to ¥401.7 billion, and Hokuriku Shinkansen revenues declined ¥3.4 billion, to ¥39.5 billion.
- Although it is not shown in the table, inbound transportation revenues for the fiscal year were down ¥1.0 billion year on year, to ¥30.1 billion, or ¥5.6 billion short of the full-year target of ¥35.8 billion.
- Please look at slide 14, which shows major factors of increase/decrease for non-consolidated operating expenses.

Transportation Revenues and Passenger-Kilometers



Transportation Revenues

Passenger-Kilometers

| | Fiscal Year (4/1~3/31) | | | 3 months (4Q) (1/1~3/31) | | | Fiscal Year (4/1~3/31) | | | 3 months (4Q) (1/1~3/31) | | |
|--|---------------------------|----------|------------------|-----------------------------|----------|-------------------|---------------------------|----------|-----------------|-----------------------------|----------|--------------------|
| | FY2019.3 | FY2020.3 | YoY | FY2019.3 | FY2020.3 | YoY | FY2019.3 | FY2020.3 | YoY | FY2019.3 | FY2020.3 | YoY |
| Total | 873.4 | 856.8 | (16.6) (1.9%) | 213.0 | 175.9 | (37.1) (17.4%) | 59,379 | 58,588 | (791) (1.3%) | 14,238 | 12,263 | (1,974) (13.9%) |
| Shinkansen | 457.0 | 441.2 | (15.8) (3.5%) | 108.8 | 85.6 | (23.2) (21.3%) | 21,338 | 20,610 | (728) (3.4%) | 5,088 | 3,953 | (1,134) (22.3%) |
| Commuter Passes | 11.2 | 11.4 | 0.1 1.8% | 2.7 | 2.7 | 0.0 1.2% | 880 | 892 | 12 1.4% | 215 | 218 | 3 1.5% |
| Non-Commuter Passes | 445.8 | 429.8 | (16.0) (3.6%) | 106.0 | 82.8 | (23.2) (21.9%) | 20,457 | 19,717 | (740) (3.6%) | 4,873 | 3,735 | (1,138) (23.4%) |
| Conventional Lines | 416.3 | 415.6 | (0.7) (0.2%) | 104.2 | 90.3 | (13.9) (13.3%) | 38,040 | 37,977 | (63) (0.2%) | 9,149 | 8,309 | (840) (9.2%) |
| Commuter Passes | 141.3 | 142.0 | 0.6 0.4% | 33.8 | 34.0 | 0.2 0.7% | 22,751 | 22,794 | 42 0.2% | 5,296 | 5,115 | (180) (3.4%) |
| Non-Commuter Passes | 274.9 | 273.6 | (1.3) (0.5%) | 70.4 | 56.2 | (14.1) (20.1%) | 15,289 | 15,183 | (106) (0.7%) | 3,853 | 3,193 | (659) (17.1%) |
| Kansai Urban Area (Kyoto-Osaka-Kobe Area) | 308.1 | 307.5 | (0.6) (0.2%) | 76.8 | 67.1 | (9.6) (12.6%) | 29,797 | 29,693 | (103) (0.3%) | 7,160 | 6,520 | (639) (8.9%) |
| Commuter Passes | 116.6 | 117.2 | 0.5 0.5% | 28.0 | 28.2 | 0.2 0.8% | 18,766 | 18,827 | 61 0.3% | 4,401 | 4,271 | (130) (3.0%) |
| Non-Commuter Passes | 191.4 | 190.2 | (1.2) (0.6%) | 48.8 | 38.9 | (9.9) (20.3%) | 11,031 | 10,866 | (165) (1.5%) | 2,759 | 2,249 | (509) (18.5%) |
| Other Lines | 108.2 | 108.1 | (0.0) (0.1%) | 27.3 | 23.1 | (4.2) (15.4%) | 8,243 | 8,284 | 40 0.5% | 1,989 | 1,788 | (200) (10.1%) |
| Commuter Passes | 24.6 | 24.7 | 0.0 0.1% | 5.7 | 5.8 | 0.0 0.3% | 3,985 | 3,967 | (18) (0.5%) | 895 | 844 | (50) (5.7%) |
| Non-Commuter Passes | 83.5 | 83.4 | (0.1) (0.1%) | 21.5 | 17.3 | (4.2) (19.6%) | 4,257 | 4,316 | 59 1.4% | 1,094 | 944 | (149) (13.7%) |

Note: Figures in brackets () are negative values.

Major Factors of Increase/Decrease in Operating Expenses (Non-consolidated)



¥ Billions

| | | Results FY2020.3 | | |
|-------------------------------|-------|-------------------------|-------|---|
| | | YoY | | Major factors (YoY) |
| | | Increase/ (Decrease) | % | |
| Personnel costs | 214.6 | (1.1) | (0.5) | •Decrease in overtime payments •Difference in unit cost, etc. |
| Energy costs | 45.4 | 0.2 | 0.5 | •Rebound from natural disasters, etc. |
| Maintenance costs | 166.4 | 2.3 | 1.4 | •Increased fluctuation in periodic inspection and maintenance, etc. |
| Miscellaneous costs | 212.4 | 5.1 | 2.5 | •Increase in system-related costs, etc. |
| Rental Payments,etc | 28.4 | 1.1 | 4.3 | •Opening of all sections of Osaka Higashi Line, etc. |
| Taxes | 36.4 | 0.3 | 1.1 | •Increase in fixed assets tax, etc. |
| Depreciation and amortization | 138.2 | 3.8 | 2.9 | •Full-year effect of new assets in operation during fiscal 2019, etc. |
| Total | 842.1 | 11.9 | 1.4 | |

Note: Figures in brackets () are negative values.

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- The major factors of increase/decrease were as follows.
Maintenance costs: increased fluctuation in periodic inspection and maintenance.
Miscellaneous costs: increase in system-related costs.
Depreciation: Full-year of depreciation for assets put into operation in FY2019.3, etc.
- The primary reasons why operating expenses were ¥7.3 billion less than the forecast were as follows.
Personnel costs: Year on year decline in number of months of salary to be paid as a bonus in FY2021.3, decline in overtime compensation due to progress in working-style reforms.
Maintenance costs: Certain construction work shifted to future periods, decline in rolling stock inspection resulting from typhoon No. 19, etc.
- Next, please look at slides 16 and 17 for a consolidated overview.

Consolidated Financial Results



¥ Billions

| | Results FY2019.3 A | FY2020.3 | | YoY | | Difference from the forecasts Increase/(Decrease) C-B |
|--|--------------------------|----------------------------------|--------------|--------------------------------|------------|--|
| | | Forecasts (As of Jan 31) B | Results C | Increase/ (Decrease) C-A | % C/A-1 | |
| Operating Revenues | 1,529.3 | 1,570.0 | 1,508.2 | (21.1) | (1.4) | (61.7) |
| Operating Expenses | 1,332.3 | 1,368.0 | 1,347.5 | 15.2 | 1.1 | (20.4) |
| Operating Income | 196.9 | 202.0 | 160.6 | (36.3) | (18.4) | (41.3) |
| Non-operating revenues and expenses, net | (13.6) | (12.5) | (12.2) | 1.3 | (9.9) | 0.2 |
| Non-operating revenues | 9.4 | 9.4 | 8.8 | (0.5) | — | (0.5) |
| Non-operating expenses | 23.0 | 21.9 | 21.1 | (1.9) | — | (0.7) |
| Recurring Profit | 183.3 | 189.5 | 148.3 | (34.9) | (19.1) | (41.1) |
| Extraordinary profit and loss, net | (26.1) | (9.0) | (7.6) | 18.4 | — | 1.3 |
| Extraordinary profit | 29.0 | — | 23.0 | (5.9) | — | — |
| Extraordinary loss | 55.2 | — | 30.7 | (24.4) | — | — |
| Profit attributable to owners of parent | 102.7 | 120.0 | 89.3 | (13.3) | (13.0) | (30.6) |
| Comprehensive Income | 104.8 | — | 87.0 | (17.7) | (17.0) | — |

Note: Figures in brackets () are negative values.

Consolidated Financial Results (Segment Information)



¥ Billions

| | Results FY2019.3 A | FY2020.3 | | YoY | | Difference from the forecasts Increase/(Decrease) C-B |
|--|--------------------------|----------------------------------|--------------|--------------------------------|------------|--|
| | | Forecasts (As of Jan 31) B | Results C | Increase/ (Decrease) C-A | % C/A-1 | |
| | | | | | | |
| Operating Revenues* ¹ | 1,529.3 | 1,570.0 | 1,508.2 | (21.1) | (1.4) | (61.7) |
| Transportation | 953.9 | 978.2 | 933.4 | (20.4) | (2.1) | (44.7) |
| Retail | 245.5 | 237.7 | 226.0 | (19.4) | (7.9) | (11.6) |
| Sales of goods and food services | 170.0 | 159.0 | 154.2 | (15.8) | (9.3) | (4.7) |
| [Accommodation-oriented budget hotels](restated)* ² | [13.1] | [16.6] | [14.6] | [1.5] | [11.4] | [(2.0)] |
| Department stores | 67.1 | 69.5 | 63.2 | (3.8) | (5.7) | (6.2) |
| Real estate | 148.5 | 164.3 | 165.1 | 16.6 | 11.2 | 0.8 |
| Shopping center | 61.5 | 62.4 | 61.1 | (0.4) | (0.8) | (1.2) |
| Real estate lease and sale | 84.9 | 99.9 | 102.1 | 17.2 | 20.3 | 2.2 |
| [Real estate sale](restated) | [39.4] | [52.5] | [53.6] | [14.2] | [36.2] | [1.1] |
| Other businesses | 181.3 | 189.8 | 183.6 | 2.2 | 1.2 | (6.1) |
| Hotel | 35.6 | 41.1 | 37.3 | 1.6 | 4.7 | (3.7) |
| Nippon Travel Agency | 40.5 | 42.2 | 42.3 | 1.8 | 4.5 | 0.1 |
| Operating Income* ¹ | 196.9 | 202.0 | 160.6 | (36.3) | (18.4) | (41.3) |
| Transportation | 136.2 | 140.7 | 105.3 | (30.9) | (22.7) | (35.3) |
| Retail | 6.1 | 6.4 | 3.8 | (2.2) | (37.2) | (2.5) |
| Sales of goods and food services | 4.9 | 5.0 | 3.4 | (1.5) | (31.0) | (1.5) |
| Department stores | 1.0 | 1.1 | 0.2 | (0.7) | (71.5) | (0.8) |
| Real estate | 35.6 | 36.3 | 34.9 | (0.7) | (2.2) | (1.3) |
| Shopping center | 9.6 | 8.2 | 7.5 | (2.0) | (21.4) | (0.6) |
| Real estate lease and sale | 18.2 | 18.9 | 19.8 | 1.5 | 8.7 | 0.9 |
| Other businesses | 21.2 | 21.6 | 19.7 | (1.5) | (7.3) | (1.8) |
| Hotel | 1.0 | 1.1 | (1.2) | (2.3) | — | (2.3) |
| Nippon Travel Agency | 0.2 | 0.5 | 1.0 | 0.8 | 384.8 | 0.5 |

Note: Figures in brackets () are negative values.

*1 The breakdowns of operating revenues and operating income by each segment are the sums of those of major subsidiaries.

*2 Figures in brackets [] are the sales of accommodation-oriented budget hotel, "VIA INN", sales, excluding Shimonoseki (unconsolidated), Asakusa (other businesses segment), and Hiroshima Kanayamacho (other businesses segment) locations.

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- Operating revenues in the retail business were down ¥19.4 billion year on year, to ¥226.0 billion.
However, excluding the effect of a change in the method of recording revenues due to a change in the contracts of tenant stores in stations, we absorbed the influence of the coronavirus and operating revenues were up ¥2.2 billion in real terms.
This was due to favorable results with SEJ allied stores and other stores in stations and to full-year contributions and new openings for VIA INN hotels.
Due to VIA INN opening expenses as well as the significant influence of the coronavirus, operating income in the retail business declined ¥2.2 billion, to ¥3.8 billion.
- Operating revenues in the real estate business were up ¥16.6 billion year on year, to ¥165.1 billion.
The real estate lease and sale business recorded solid results, centered on the sales business.
Due to the effect of renovations in the shopping center business, the influence of the coronavirus, etc., operating income in the real estate business was down ¥0.7 billion, to ¥34.9 billion.
- In other businesses, operating revenues were up ¥2.2 billion, to ¥183.6 billion.
This was attributable to the new consolidation of Nara Hotel Co., Ltd, favorable Golden Week sales in travel agency operations, which have a December fiscal year-end, etc.
Due to Vischio opening expenses in the hotel business as well as the significant influence of the coronavirus, operating income in other businesses declined ¥1.5 billion, to ¥19.7 billion.
- This concludes my portion of today's presentation.

Major Factors of Increase/Decrease in Each Segment



¥ Billions

| | | | Results FY2020.3 | | | |
|------------------|----------------------------------|--------------------|-------------------------|--------|---------------------|---|
| | | | YoY | | Major factors (YoY) | |
| | | | Increase/ (Decrease) | % | | |
| Retail | Sales of goods and food services | Operating Revenues | 154.2 | (15.8) | (9.3) | •Change in the method of recording revenues due to a change in the contracts with tenant stores in stations, etc. |
| | | Operating Income | 3.4 | (1.5) | (31.0) | •COVID-19, etc. |
| | Department stores | Operating Revenues | 63.2 | (3.8) | (5.7) | •COVID-19, etc. |
| | | Operating Income | 0.2 | (0.7) | (71.5) | |
| Real estate | Shopping center | Operating Revenues | 61.1 | (0.4) | (0.8) | •Closure of stores due to renovation work in Ashiya station •COVID-19, etc. |
| | | Operating Income | 7.5 | (2.0) | (21.4) | |
| | Real estate lease and sale | Operating Revenues | 102.1 | 17.2 | 20.3 | •Increase in number of residences sold, etc. |
| | | Operating Income | 19.8 | 1.5 | 8.7 | |
| Other Businesses | Hotel | Operating Revenues | 37.3 | 1.6 | 4.7 | •New consolidation of Nara Hotel Co., Ltd., etc. |
| | | Operating Income | (1.2) | (2.3) | — | •COVID-19, etc. |
| | Nippon travel agency | Operating Revenues | 42.3 | 1.8 | 4.5 | •Favorable results during Golden Week period, etc. |
| | | Operating Income | 1.0 | 0.8 | 384.8 | |

Note: Figures in brackets () are negative values.

* Operating revenues are the revenues from third parties (= customers).

The breakdowns of operating revenues by each segment are the sums of revenues of major subsidiaries.

Consolidated Financial Situation and Statements of Cash Flows



¥ Billions

| | As of March 31, 2019 A | As of March 31, 2020 B | Difference increase/(decrease) B-A |
|--|------------------------------|------------------------------|--|
| Assets | 3,237.5 | 3,275.2 | 37.6 |
| Liabilities | 2,057.7 | 2,052.1 | (5.5) |
| Net assets | 1,179.8 | 1,223.1 | 43.2 |
| Balance of Long-term Debt and Payables | 1,064.0 | 1,018.9 | (45.0) |
| [Average interest rate (%)] | [1.81] | [1.79] | [(0.02)] |
| Shinkansen Purchase Liability | 102.9 | 101.9 | (0.9) |
| [Average interest rate (%)] | [6.55] | [6.55] | [—] |
| Bonds | 569.9 | 544.9 | (24.9) |
| [Average interest rate (%)] | [1.51] | [1.48] | [(0.03)] |
| Equity ratio (%) | 33.3 | 34.1 | 0.8 |
| Net assets per share (¥) | 5,612.63 | 5,847.27 | 234.64 |

| | Results FY2019.3 A | Results FY2020.3 B | YoY increase/(decrease) B-A |
|--|--------------------------|--------------------------|-----------------------------------|
| Cash flows from operating activities | 289.7 | 240.1 | (49.5) |
| Cash flows from investing activities | (247.4) | (268.6) | (21.2) |
| Free cash flows | 42.3 | (28.5) | (70.8) |
| Cash flows from financing activities | (7.1) | (29.1) | (21.9) |
| Change in cash and cash equivalents, net | 35.1 | (58.2) | (93.4) |
| Cash and cash equivalents at the end of the period | 136.5 | 78.2 | (58.2) |

Note: Figures in brackets () are negative values.

Other Data



Persons, ¥ Billions

| | Results FY2019.3 | | Results FY2020.3 | | Forecasts FY2021.3 | |
|---|---------------------|--|---------------------|--|-----------------------|--|
| ROA (% , Consolidated) | 6.2 | | 4.9 | | — | |
| ROE (% , Consolidated) | 9.8 | | 8.1 | | — | |
| EBITDA (Consolidated)* | 361.3 | | 332.2 | | — | |
| Depreciation (Consolidated) | 163.1 | | 170.4 | | — | |
| Capital Expenditure (Consolidated, own fund) | 245.3 | | 254.5 | | — | |
| Capital Expenditure (Non-consolidated, own fund) | 190.9 | | 176.2 | | — | |
| Safety related capital expenditure | 125.2 | | 116.1 | | — | |
| Dividends per share (¥) | 175.0 | | 182.5 | | — | |

| | Results FY2019.3 | | Results FY2020.3 | | Forecasts FY2021.3 | |
|---------------------------------------|---------------------|------------------|---------------------|------------------|-----------------------|------------------|
| | Consolidated | Non-Consolidated | Consolidated | Non-Consolidated | Consolidated | Non-Consolidated |
| No. of employees at the end of period | 47,842 | 24,866 | 48,323 | 24,439 | — | — |
| Financial Expenses, net | (18.8) | (17.7) | (18.2) | (16.7) | — | — |
| Interest and dividend income | 1.1 | 2.2 | 1.2 | 2.6 | — | — |
| Interest expenses | 20.0 | 20.0 | 19.4 | 19.3 | — | — |

Note: Figures in brackets () are negative values.

* EBITDA = Operating Income + Depreciation + Amortization of goodwill

| | | |
|---|--|--------|
| 1 | Results for FY2020.3, Current Situation, Etc. | Page 3 |
|---|--|--------|

| | | |
|---|--------------------------------|---------|
| 2 | Results for FY2020.3 (Details) | Page 10 |
|---|--------------------------------|---------|

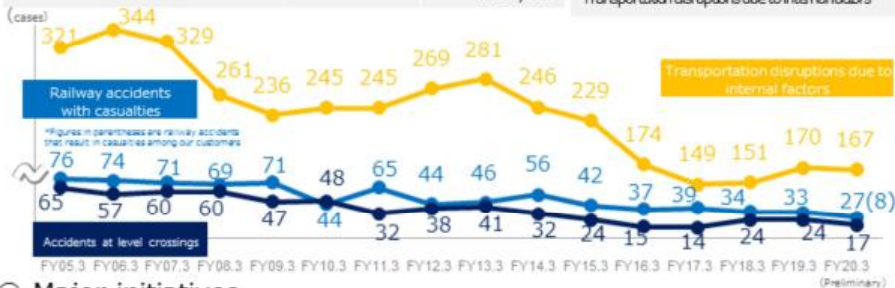
| | | |
|---|----------|---------|
|  | Appendix | Page 21 |
|---|----------|---------|

Railway Business : Increasing Safety



○ Status of progress with medium term management plan objectives ^{*1} Figures in parentheses are cumulative total from FY2019.3 ^{*2} FY2020.3 results are preliminary figures.

| | FY 20.3 results | FY 23.3 Objectives | | FY 20.3 Results ^{*2} | FY 23.3 Objectives |
|---|-----------------|--------------------|---|-------------------------------|--------------------|
| Train accidents that result in casualties among our customers | ~0(0) cases | 0 cases in 5 year | Railway accidents with casualties among our customers | 8 cases | 9 cases |
| Railway labor accidents that result in fatalities among our employees | ~0(1) cases | 0 cases in 5 year | Accidents at level crossings | 17 cases | 22 cases |
| | | | Transportation disruptions due to internal factors | 167 cases | 126 cases |



○ Major initiatives

| Pursuing Shinkansen safety | Responding to intensifying natural disasters | Addressing social needs |
|--|---|---|
| <ul style="list-style-type: none"> Trains used in direct operation between the Tokaido Shinkansen and the Sanyo Shinkansen Standardized on the N700A model (FY2020.3) Ground-based sensors for detection of bogie abnormalities <ul style="list-style-type: none"> Completed installation of 4 units by FY2020.3 Enhancing onboard security | <ul style="list-style-type: none"> Earthquake resistance reinforcement, early detection of earthquakes, derailment prevention Slope reinforcement measures (Kansai Urban Area) <ul style="list-style-type: none"> At time of completion of construction (FY2023.3), expect to be able to reduce restricted train operation time by approximately 85% Measures to address flooding at rolling stock bases, etc. | <ul style="list-style-type: none"> Platform gate installation <ul style="list-style-type: none"> Of 35 stations for which installation is planned by FY2023.3, installation has been completed at 17 stations Including stations at which installation has been completed only on certain platforms |

Safety is our highest priority. We will steadily move forward accordance with the Safety Think-and-Act Plan.

Comparison of Results in the Fourth Quarter (January to March)



¥ Billions

| | Results in 4Q (Jan - Mar) FY2019.3 A | Results in 4Q (Jan - Mar) FY2020.3 B | YoY | |
|---|---|---|-------------------------|--------|
| | | | Increase/ (Decrease) | % |
| | | | B-A | B/A-1 |
| 【Consolidated】 | | | | |
| Operating Revenues | 400.2 | 356.5 | (43.7) | (10.9) |
| Operating Income | 17.1 | (30.5) | (47.7) | — |
| Recurring Profit | 15.4 | (31.6) | (47.1) | — |
| Profit attributable to owners of parent | 4.9 | (27.7) | (32.6) | — |
| 【Non-Consolidated】 | | | | |
| Operating Revenues | 241.5 | 202.7 | (38.8) | (16.1) |
| Transportation Revenues | 213.0 | 175.9 | (37.1) | (17.4) |
| Operating Expenses | 240.0 | 243.5 | 3.4 | 1.4 |
| Personnel costs | 53.9 | 53.5 | (0.4) | (0.9) |
| Non personnel costs | 136.7 | 140.2 | 3.5 | 2.6 |
| Energy costs | 11.7 | 10.9 | (0.7) | (6.4) |
| Maintenance costs | 63.8 | 63.1 | (0.7) | (1.1) |
| Miscellaneous costs | 61.1 | 66.2 | 5.0 | 8.2 |
| Depreciation | 35.8 | 36.3 | 0.5 | 1.5 |
| Operating Income | 1.4 | (40.7) | (42.2) | — |
| Recurring Profit | (0.3) | (42.3) | (41.9) | — |
| Net Income | 0.4 | (26.8) | (27.3) | — |

Note: Figures in brackets () are negative values.

Cautionary Statement Regarding Forward-looking Statements



- This presentation 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.
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 - 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 May 1, 2020 based on information available to JR-West as of May 1, 2020 and JR-West does not undertake to update or revise any of its forward-looking statements or reflect future events or circumstances.
- Compensation for damages caused by the accident on Fukuchiyama Line happened on April 25, 2005 is NOT considered in this presentation.