







## Results for The Fiscal Year Ended March 31, 2021



May 6, 2021  
**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 presentation today.
- First, I will discuss the overview of our results, progress with the medium-term management plan, etc. After that, Yoshito Fujiwara, the General Manager of the Finance Department, will discuss the details of our financial results.
- Before we address those topics, however, I will introduce the usage results during Golden Week and April, for which we issued a press release today.
- In Golden Week, in comparison with last year, usage was higher in all categories. However, there was a state of emergency during Golden Week, and usage results were sluggish in comparison with the period before the coronavirus.
- Looking at comparisons with Golden Week in FY2020.3, before the coronavirus, the Sanyo Shinkansen was 22% and the Kansai Urban Area was 33%.
- Please refer to the detailed information on our web-site, which includes the results for April.

 1	Overview of FY2021.3 Results and FY2022.3 Results Forecasts	Page 3
 2	Progress with Revised “Medium-Term Management Plan 2022”	Page 8
 3	Results for FY2021.3 (Details)	Page 19
 4	Results Forecasts for FY2022.3, etc. (Details)	Page 29
	Appendix	Page 37

<b>1</b>	<b>Overview of FY2021.3 Results and FY2022.3 Results Forecasts</b>	<b>Page 3</b>
2	Progress with Revised "Medium-Term Management Plan 2022"	Page 8
3	Results for FY2021.3 (Details)	Page 19
4	Results Forecasts for FY2022.3, etc. (Details)	Page 29
	Appendix	Page 37

**Overview of FY2021.3 Results and FY2022.3 Results Forecasts**

Settlement → Business Management → Strategic Management → Financial Performance

Figures exclude the influence of the change in the revenue recognition

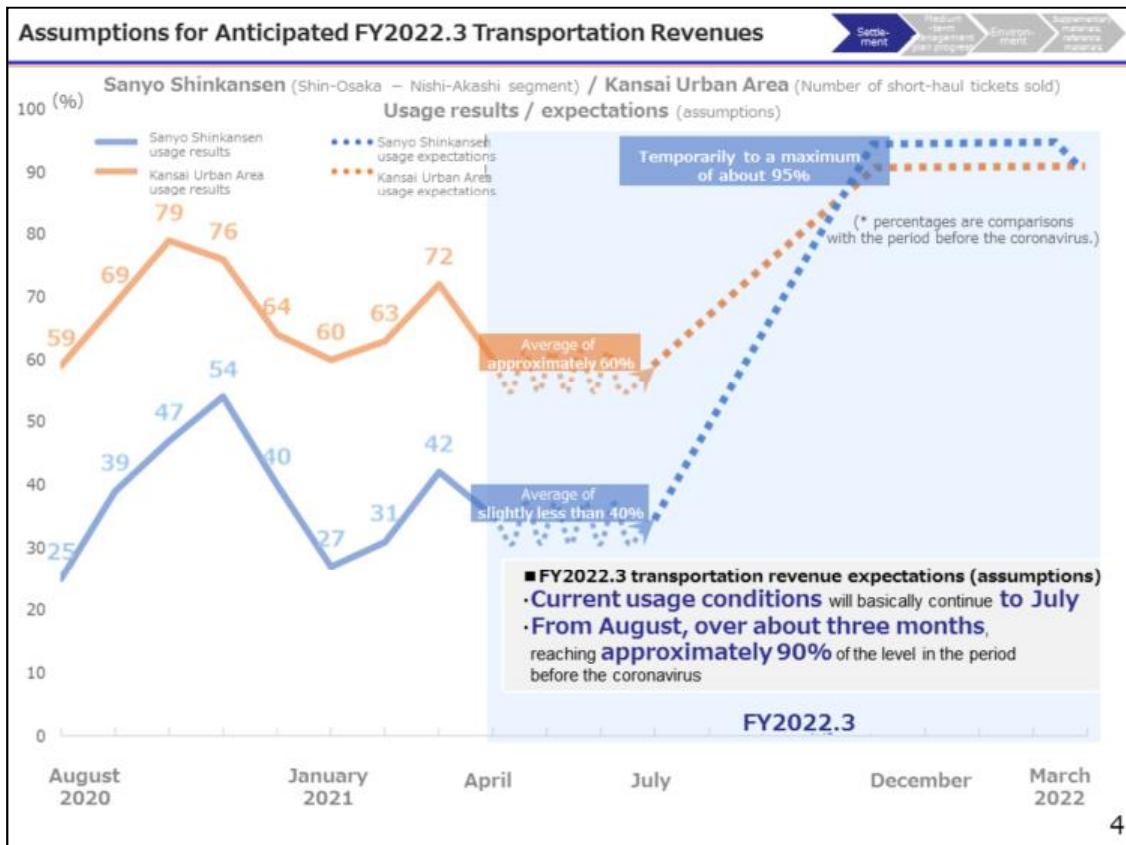
¥ Billions

	Results FY20.3	Results FY21.3	YoY Increase/ (Decrease)	%	Vs. results forecast Increase/ (Decrease)	%	Forecasts FY22.3	YoY Increase/ (Decrease)	%	Vs. FY20.3 %
<b>[Consolidated]</b>										
Operating Revenues	1,508.2	<b>898.1</b>	(610.0)	(40.4)	(21.8)	(2.4)	<b>1,257.5</b>	359.3	40.0	(16.6)
Operating Expenses	1,347.5	<b>1,143.7</b>	(203.8)	(15.1)	(66.2)	(5.5)	<b>1,245.5</b>	101.7	8.9	(7.6)
Operating Income (Loss)	160.6	<b>(245.5)</b>	(406.1)	-	44.4	-	<b>12.0</b>	257.5	-	(92.5)
Recurring Profit (Loss)	148.3	<b>(257.3)</b>	(405.7)	-	47.6	-	<b>(5.0)</b>	252.3	-	-
Profit (Loss) attributable to owners of parent	89.3	<b>(233.2)</b>	(322.5)	-	6.7	-	<b>3.0</b>	236.2	-	(96.6)
<b>[Non-Consolidated]</b>										
Transportation Revenues	856.8	<b>419.4</b>	(437.4)	(51.0)	(15.5)	(3.6)	<b>643.0</b>	223.5	53.3	(25.0)
Operating Expenses	842.1	<b>741.7</b>	(100.4)	(11.9)	(48.2)	(6.1)	<b>733.5</b>	(8.2)	(1.1)	(12.9)

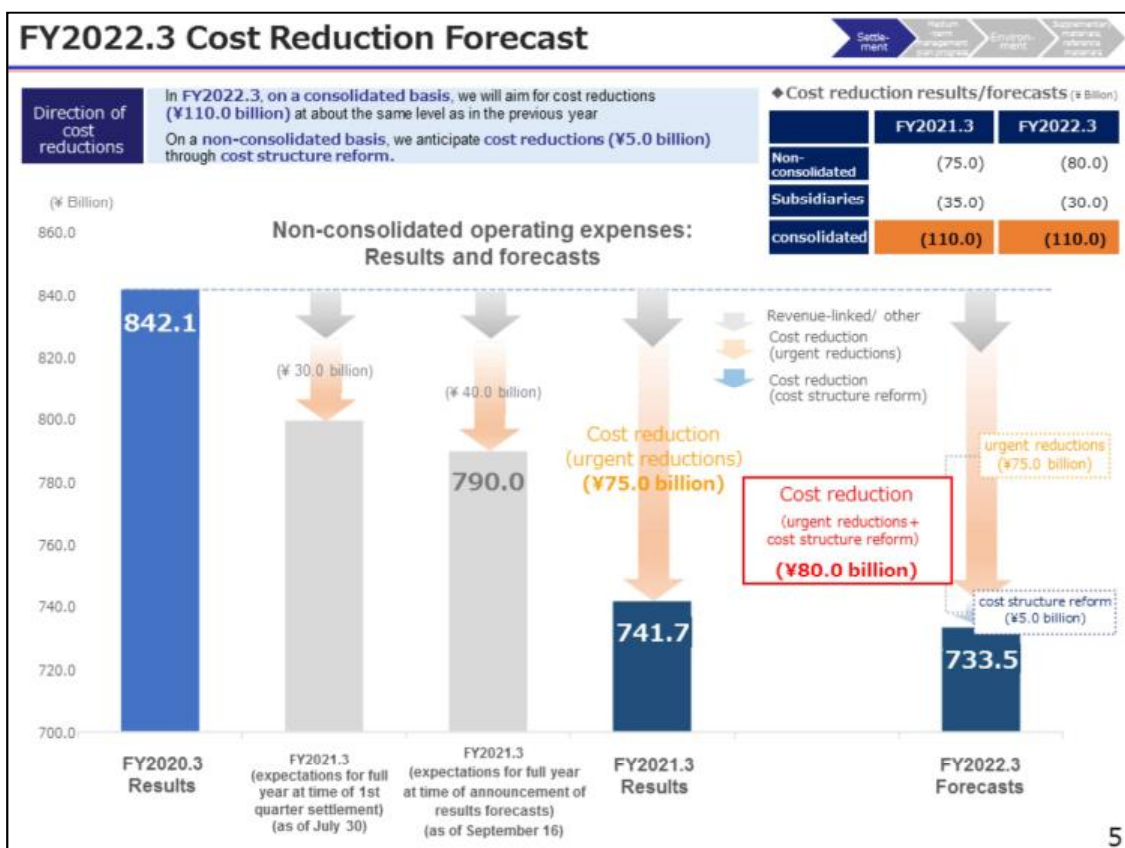
■ In FY2021.3, revenues were lower than the results forecast. However, due to continued **Groupwide efforts to reduce costs, etc.**, the scale of the loss was generally in line with forecasts.  
 ■ In FY2022.3, our plan calls for a **return to profitability**, with consolidated operating income of ¥12.0 billion and consolidated net income of ¥3.0 billion. **The recovery in revenues will be delayed**, and we expect a year-on-year increase in revenue-linked expenses, etc. Even in this environment, however, we will strive to return to profitability through **cost reductions on the same level as in FY2021.3** on a **consolidated basis**.

3

- Please refer to slide 3 in the presentation materials.
- In FY2021.3, consolidated operating revenues were ¥898.1 billion, consolidated operating loss was ¥245.5 billion, and consolidated loss attributable to owners of parent was ¥233.2 billion.
- Looking at revenues, due to such factors the re-declaration of a state of emergency at the start of this new year and other factors, demand for passenger mobility declined, and revenues fell below our expectations. Nonetheless, since the time of the announcement of our results forecasts, our entire Group has continued working to further reduce costs, etc. Due to these efforts among other factors, although substantial loss was reported, we managed to keep the scale of the loss generally in line with our forecasts.
- In FY2022.3, a return to profitability is planned for the full fiscal year, with consolidated operating revenues of ¥1,257.5 billion, consolidated operating income of ¥12.0 billion, and consolidated profit attributable to owners of parent of ¥3.0 billion.
- Looking ahead, our results will depend significantly on the status of the recovery from the coronavirus situation. However, we will strive to avoid a second consecutive year of losses and achieve profitability, even if only by a small margin, through the continued implementation of cost reduction initiatives and earnings recovery measures.
- Next, I will explain the details of our assumptions regarding revenues and costs in FY2022.3.



- First, I will discuss our assumptions for transportation revenues. Please refer to slide 4.
- In comparison with our expectations at the time of the medium-term management plan revision in October 2020, we have revised our assumption regarding the timing of the recovery in transportation revenues, with consideration for the circumstances regarding the delayed resolution of the coronavirus situation.
- Specifically, our new assumption for transportation revenues is that current usage conditions will continue till July, and a recovery phase will start from August onward, to reach the 90% of the level before the coronavirus over a period of about three months. Please note that this assumption may change in line with the vaccination schedule and the circumstances regarding the containment of the coronavirus from here on.



5

- Next, I will discuss our cost forecasts. Please refer to slide 5.
- In FY2021.3, we reduced expenses by ¥110.0 billion on a consolidated basis. Reductions have exceeded initial estimates for both the non-consolidated basis and subsidiaries.
- In FY2022.3, our aim to reduce costs will be centered on continued emergency cost containment to the same extent as in FY2021.3, with reductions of approximately ¥80.0 billion on a non-consolidated basis and approximately ¥30.0 billion at subsidiaries.
- On a non-consolidated basis, as shown in the graph, emergency cost containment will account for most of the cost reductions in FY2022.3. However, we are anticipating cost structure reform, such as reducing the frequency of trains, will also account for a certain part of cost reductions. Cost structure reform is a long-term initiative, and we will strive to steadily move ahead step by step.





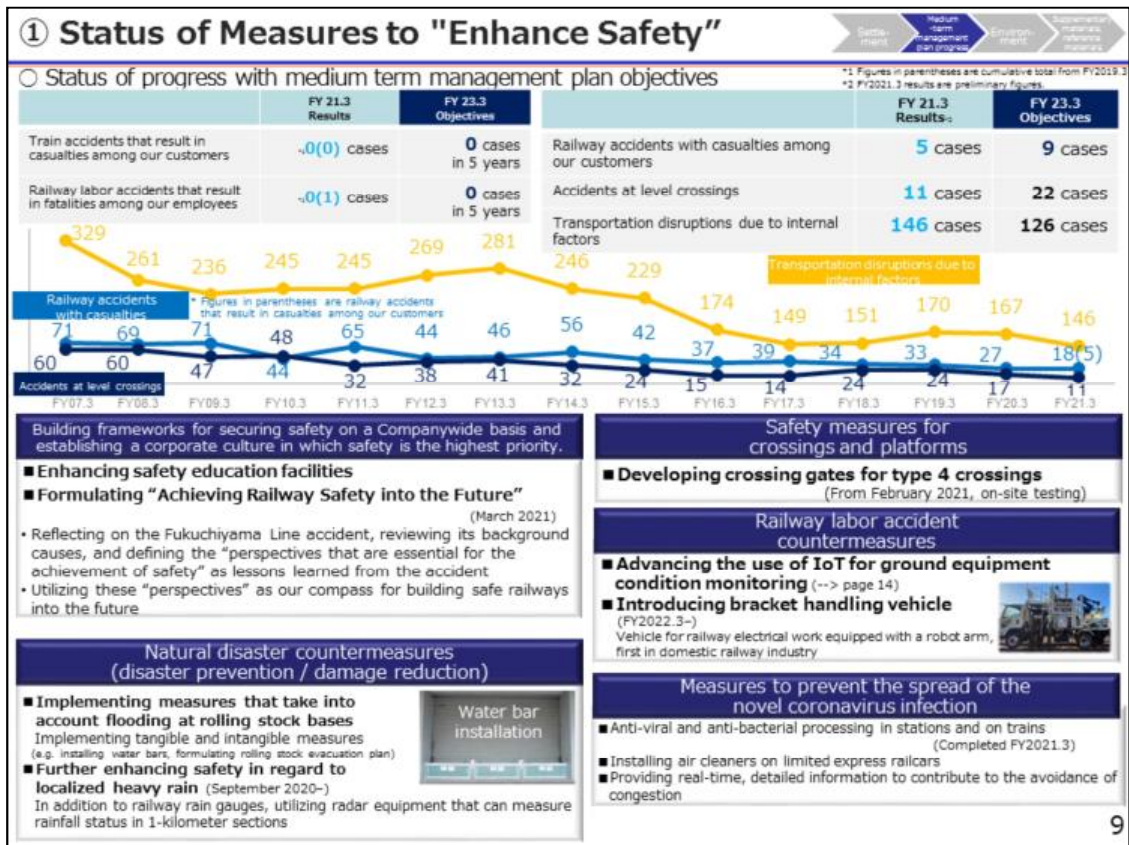
- Next, I will discuss dividends. Please refer to slide 6.
- In FY2021.3, business results were basically in line with our forecasts. In accordance with our policy of emphasizing stable dividends over the long term, we plan to pay a year-end dividend of ¥50 per share.
- For FY2022.3, our business results forecasts are based on certain assumptions. In accordance with our policy of emphasizing stable dividends over the long term, and to also signify our determination toward achieving a recovery in business results, we are planning annual dividends of ¥100 per share.

<b>1</b>	Overview of FY2021.3 Results and FY2022.3 Results Forecasts	Page 3
<b>2</b>	Progress with Revised “Medium-Term Management Plan 2022”	Page 8
<b>3</b>	Results for FY2021.3 (Details)	Page 19
<b>4</b>	Results Forecasts for FY2022.3, etc. (Details)	Page 29
<b>➤</b>	Appendix	Page 37

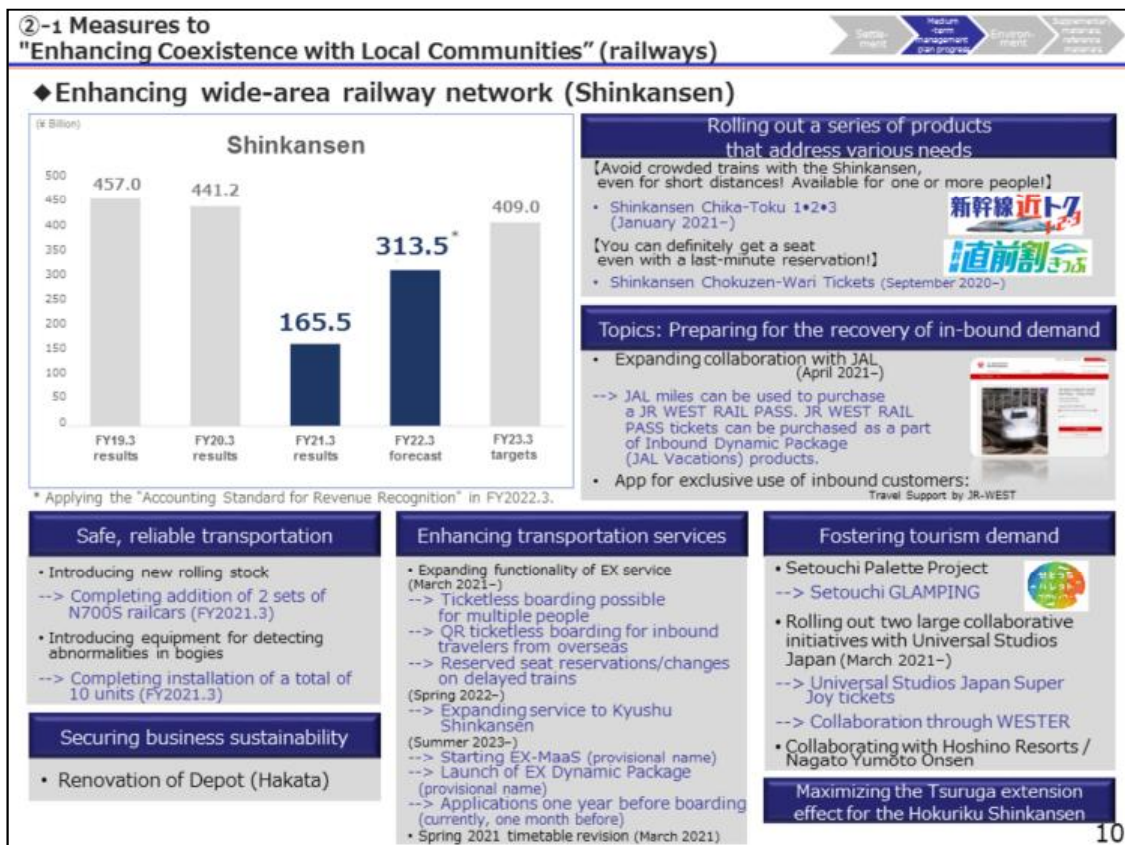


Four axes of the revision of the Medium-Term Management Plan 2022 (taking the initiative)					
Operating Environment Changes and Assumptions	<ul style="list-style-type: none"> <li>✓ Dramatic changes in the external environment due to the spread of the novel coronavirus infection (changes in behavior, such as telework and online meetings; diversification of values)</li> <li>✓ Future that occurred rapidly, things about the future that cannot be predicted</li> <li>✓ We are assuming transportation revenues, our mainstay, will return only to approximately 90% of the level before the coronavirus.</li> <li>✓ Focusing on the circumstances regarding the resolution of the coronavirus situation. Flexibly adding revisions to the medium-term management plan</li> </ul>				
Direction of revisions	<ul style="list-style-type: none"> <li>✓ Indication of our future direction, with consideration for our understanding of current circumstances, in which we cannot predict the details of the changes in society in the period after the coronavirus. (The period until the next medium-term management plan (FY2028.3) has been postponed as a time for reform and restoration.)</li> <li>✓ Reconfirmation of our "unchanging values" and the "meaning of the JR West Group's existence," even in the midst of change.</li> <li>✓ On that basis, our understanding of "things that we will change," with the assumptions that the financial position will worsen and that usage will not return to the previous status.</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Unchanging values / meaning of the JR West Group's existence:</th> <th style="width: 50%;">Things that we will change</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> <li>• Three pillars of management</li> <li>• Realizing our vision (contributing to the creation of a safe, comfortable society filled with meetings among people and smiles)</li> </ul> </td> <td> <ul style="list-style-type: none"> <li>• Strengthening management (restoring cash generating capability and financial foundation through structural reform and focused initiatives)</li> <li>• Enhancing our ability to address change</li> </ul> </td> </tr> </tbody> </table>	Unchanging values / meaning of the JR West Group's existence:	Things that we will change	<ul style="list-style-type: none"> <li>• Three pillars of management</li> <li>• Realizing our vision (contributing to the creation of a safe, comfortable society filled with meetings among people and smiles)</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthening management (restoring cash generating capability and financial foundation through structural reform and focused initiatives)</li> <li>• Enhancing our ability to address change</li> </ul>
Unchanging values / meaning of the JR West Group's existence:	Things that we will change				
<ul style="list-style-type: none"> <li>• Three pillars of management</li> <li>• Realizing our vision (contributing to the creation of a safe, comfortable society filled with meetings among people and smiles)</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthening management (restoring cash generating capability and financial foundation through structural reform and focused initiatives)</li> <li>• Enhancing our ability to address change</li> </ul>				
<b>Four Axes (taking the initiative)</b>	<ol style="list-style-type: none"> <li>(1) <b>Enhancing safety</b>, with the Fukuchiyama Line accident as the starting point</li> <li>(2) <b>Enhancing coexistence with local communities</b> and taking on the challenge of <b>creating new value</b></li> <li>(3) <b>Strengthening management (structural reform and focused initiatives)</b></li> <li>(4) <b>Reforming the Company to enhance our ability to address change</b></li> </ol>				
Financial strategies Capital expenditure Returns to shareholders	<ul style="list-style-type: none"> <li>✓ Aiming to reform financial foundation with a focus on the period up to the next medium-term management plan (~FY2028.3)</li> <li>✓ Reevaluating basic policy regarding priorities for the use of cash over the medium to long term (1) Safety investment, (2) debt reduction, growth investment, shareholder return *Considering once again in conjunction with specific plan formulated with next medium-term management plan)</li> <li>✓ Capital investment during the current medium-term management plan: Cumulative total of ¥1,250.0 billion over five years</li> <li>✓ Shareholder return during the current medium-term management plan: Maintaining policy of stable dividends, aiming for a dividend payout ratio of approximately 35% in FY2023.3</li> </ul>				

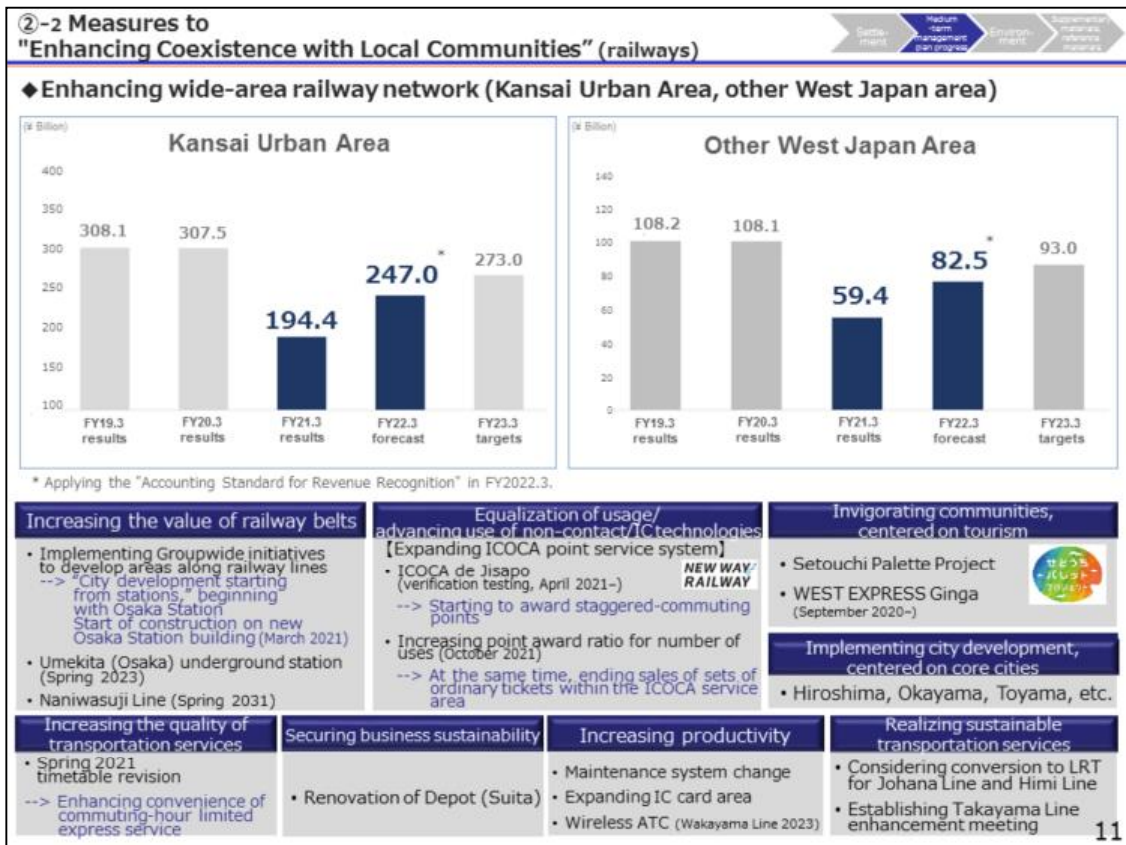
- Now, I will discuss our progress, etc., with the measures in the medium-term management plan.
- In the October 2020 medium-term management plan revision, we announced four axes for taking the initiative.



- First, I will discuss our measures to enhance safety. Please refer to slide 9.
- Safety is our most important strategy and is the foundation of management. We have made steady progress in enhancing safety since the Fukuchiyama Line accident.
- In addition, we recently formulated "Achieving Railway Safety into the Future." More than half of our employees joined the Company after the accident. We have defined perspectives that are essential for the achievement of safety, and we will utilize these perspectives as our compass for building safe railways into the future. In this way, we will implement education and transmit these perspectives to new generations of employees as we move forward.
- In addition, we are also steadily advancing natural disaster countermeasures and railway labor accident countermeasures.

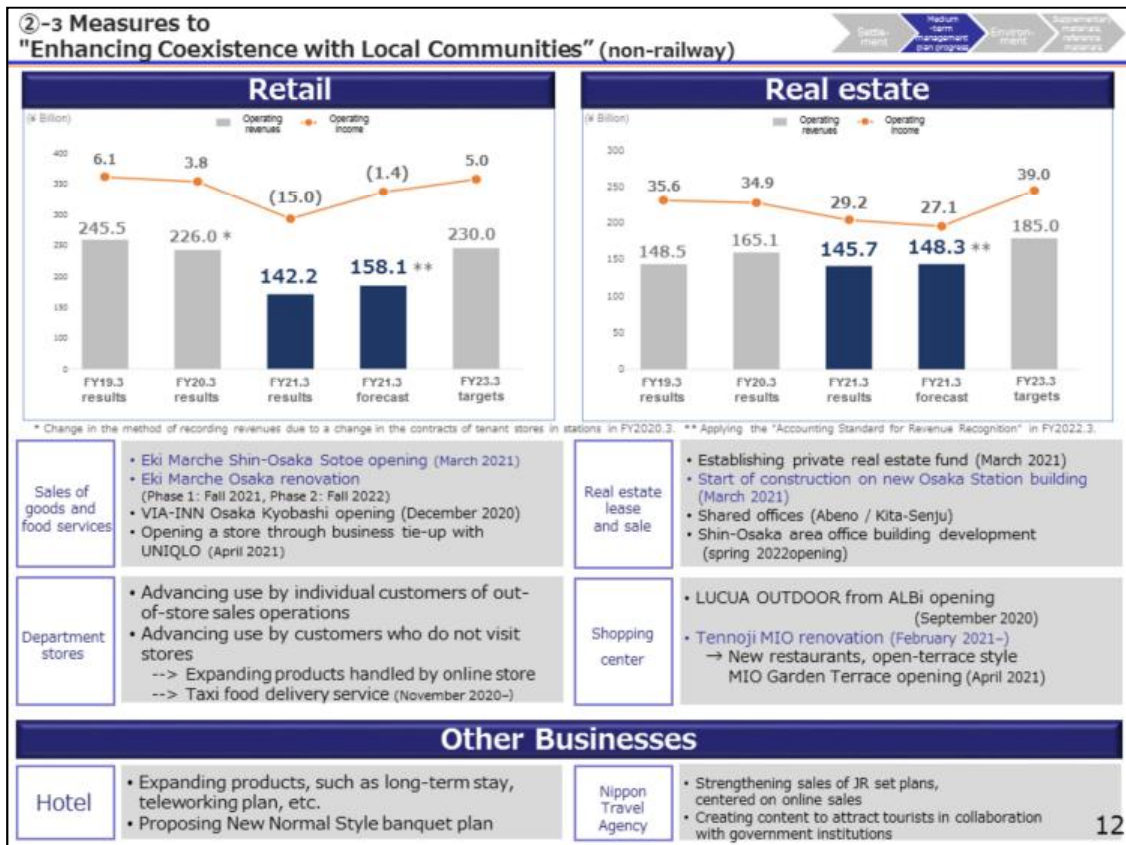


- Next, I will discuss enhancing coexistence with local communities. Please refer to slide 10.
- Looking at the Shinkansen, to further enhance transportation services, we will move ahead with measures to expand the functionality of EX service.
- In addition, in preparation for the expected recovery in demand, we will also strengthen collaboration with other companies. First, we will collaborate with JAL for inbound demand recovery, and we will also collaborate with other strong partners for tourism demand recovery, such as Universal Studios Japan and Hoshino Resorts.



- Slide 11 shows initiatives on conventional lines.
- In the Kansai Urban Area, to support the equalization of usage, in April we commenced test marketing of "ICOCA de Jisapo." Dynamic pricing has been incorporated into the draft version of the Ministry of Land, Infrastructure and Transport's "Second Basic Plan on Transport Policy," and going forward we would like to see active discussions about dynamic pricing at the national level.





- For non-railway businesses, please refer to slide 12.
- We have advanced measures to renovate commercial facilities, and we finally started construction in March on the new station building at Osaka Station, which is one of our large-scale projects. With consideration for changes in needs due to coronavirus, we will advance development from a medium to long term viewpoint.

**②-4 “New Value Creation” Initiatives**

**“Lifestyles with Railways” ~ New Lifestyles that Address Changes in Society ~** **NEW WAY RAILWAY**

**① Building Workplace Networks**

**② Providing work spaces on the Sanyo Shinkansen, which links regions**

- Implementing trials of “Railcars for Businesspeople,” (provisional name) (certain trains and railcars)
- Increasing on-board Wi-Fi, enhancing communications environment

In regard to B to E, implementing trials in 40 locations (FY2022.3). Considering full-scale roll-out in line with usage conditions

**③④ Workation/Lifestyles with multiple bases**

**“JR West X Life / Workation Subscription” second stage of verification testing**  
(From April 2021-)

- Economical railway tickets X KabukiStyle Inc. housing and workplace subscriptions

**⑤ Migration to regional communities**

**Trial “non-urban living” project (June 2021-)**  
Exploring the potential for “living in a non-urban area while working in a metropolitan area”

- Trials in TambaSasayama City, Hyogo Prefecture; Nantan City, Kyoto Prefecture; and Takashima City, Shiga Prefecture
- The Company will provide subscription services for fares, limited-express train charges

**Cargo transportation related initiatives**

In preparation for commercialization on Hokuriku Shinkansen; in verification testing on Sanyo/Kyushu Shinkansen, Hakubi Line (January 2021-)

**Targeting the provision of new value, currently implementing various trials**

13

- Next, please look at slide 13.
- We are advancing various trials of new value creation reflecting consideration for changes in behavior due to coronavirus.
- Looking at offices, to address the rapid expansion of “working styles that are not limited to a specific location,” we have established trial operations in a variety of formats, such as shared and booth-type workplaces. In addition, we will also consider measures to make it easier for people to work while on the Shinkansen.
- In regard to workation/lifestyles with multiple bases, we are currently implementing second-stage verification testing of “JR West X Life / Workation Subscription,” which is being well-received, as was the first stage.
- Going forward, we will continue to implement a variety of trials, work to identify needs while going through a process of trial and error, and enhance products.

**③-1 Initiatives to Strengthen Management (Structural Reforms) (railways)**

**Enhancing productivity and implementing streamlining in railway operations**

**■ Advancing the use of IoT for ground equipment condition monitoring**  
 • Installing sensors and cameras on equipment in areas along railway lines  
 • Introducing in major railway belts in the Kansai Urban Area by FY2023.3

Illustration of transition to CBM for railways  
 Transitioning to on-board inspections  
 Condition monitoring for trains used to carry passengers  
 IoT infrastructure network  
 Monitoring the status of ground equipment

Accompanying transition to on-board inspections, etc., aiming to reduce railway equipment inspection work by approximately 10% (around 2030) (Reduction of approximately 40% for Kansai Urban Area electrical-related work)

IoT infrastructure network (Data acquisition equipment) → Accumulation of acquired data → Reading/analysis accumulated data  
 Sensors for facilities in areas along railway lines

**■ CBM solutions for automatic ticket checking equipment**  
 • Using data and AI to develop failure prediction programs. Optimizing inspection frequency.

**■ Advancing self-service ticket purchases and station sales systems, with consideration for further changes in the environment**  
 • Advancing self-service ticket purchases, reevaluating number of ticket offices  
 • Reducing annual personnel costs by ¥1.5 billion (end of FY2023.3)

In trial, achieved reduction of approximately 30% in maintenance costs  
 Considering roll-out to other railway companies

Number of stations that have JR Ticket Offices ("Midori-no-madoguchi")  
 Approximately 340 (Beginning of FY2023.3) → Approximately 180 (End of FY2023.3)  
 Approximately 50% reduction

**Optimizing train schedules in line with usage**

**Implementing spring 2021 timetable revision (2021.3)**  
 • Changing to operation of some Shinkansen on certain days of the week, changing certain conventional line limited express regular trains to extra trains  
 • Reevaluating late-night train schedules in Kansai Urban Area

Facilitating flexible timetable setting in line with usage conditions  
 Considering implementation of fall timetable revision

**Implementing efficient operations through organizational structure reform and working style reforms**

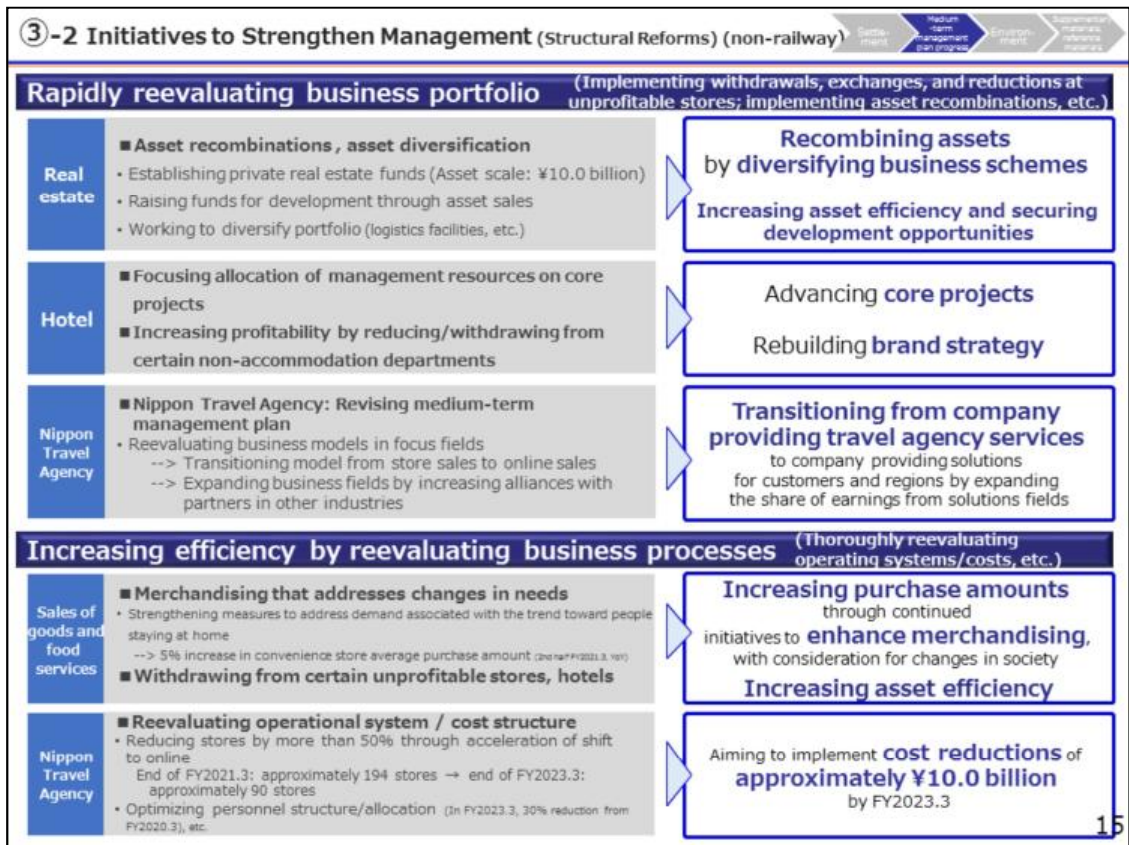
**■ Controlling number of hires**  
 • Controlling number of hires while steadily advancing initiatives to enhance safety

**■ Streamlining headquarters departments**  
 • Establishing new departments that will support coexistence with local communities and new business creation (June 2021)

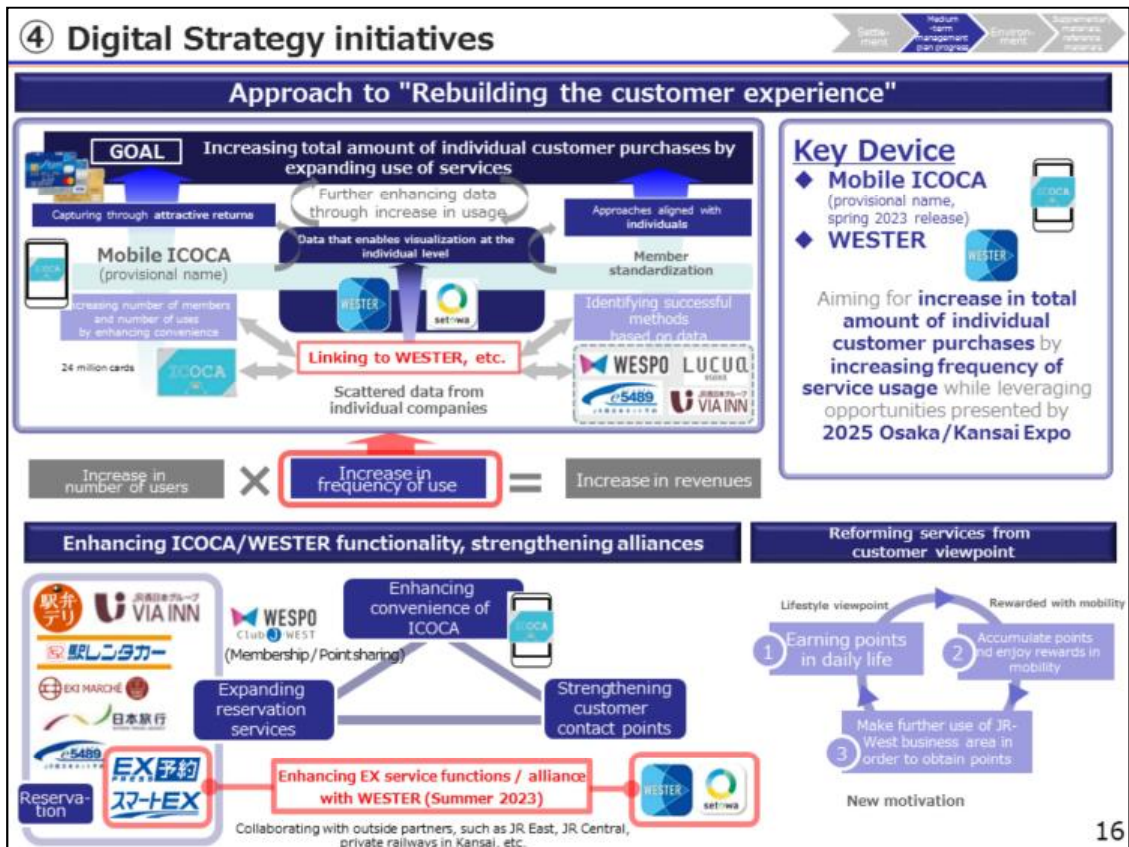
Planned number of hires for FY2023.3: **approximately 200**  
 (Reduction of approximately 550 from FY2022.3 plan)

- Next, for structural reform in the railway business, please refer to slide 14.
- We have already started various initiatives for enhancing productivity and streamlining railway operations.
- For example, these include measures to increase maintenance efficiency, such as ground equipment condition monitoring and CBM solutions for automatic ticket checking equipment. In addition, in sales, in conjunction with the increased use of self-service ticket purchases and IC cards, we will reduce the number of JR Ticket Offices (“Midori-no-madoguchi”) by about 50% during the period of the current medium-term management plan. We have already been able to confirm the effectiveness of some initiatives, and accordingly we will continue to steadily advance these initiatives going forward.
- The optimization of schedules in line with usage enables flexibility in determining timetables. For example, with the spring 2020 timetable revision, on conventional-line limited express service, we changed regular trains to extra trains. We will also consider moving up the timetable revision to the fall in line with circumstances.





- Slide 15 shows the progress of structural reforms in non-railway businesses.
- In all businesses, we will steadily advance structural reforms from two perspectives: (1) rapidly reevaluating our business portfolio, and (2) increasing efficiency by reevaluating our business processes.
- Nippon Travel Agency, which has been significantly affected by the coronavirus, recently announced a revision of its medium-term management plan. Nippon Travel Agency will continue to advance such measures as business model conversion and operation system reevaluation.



- Next, please look at slide 16.
- In regard to our digital strategy, we are promoting the expanded use of services by “identifying successful methods” based on data. In this way, we are working to transcend the railway/non-railway framework and increase the total amount of individual customer purchases.
- We have already conducted verification testing of a stamp rally. In this initiative, there were cases in which we were able to confirm increases in purchase amounts at shopping centers and increases in the railway transport using ICOCA.
- With Mobile ICOCA and WESTER (spring 2023 release) as key devices, we will analyze data that facilitates visualization at the individual level and leverage the opportunities presented by the 2025 Osaka/Kansai Expo. In this way, we will aim to increase revenues.

**Establishing long-term environmental goal and supporting TCFD recommendations**

**Long-term environmental goal: "JR West Group Zero Carbon 2050"**

We will aim for "net zero" CO<sub>2</sub> emissions on a Groupwide basis in 2050.  
To that end, we will strive to reduce CO<sub>2</sub> emissions by 46% in FY2031.3 (vs. FY2014.3).


- Specific initiatives to achieve this goal**
  - Fostering environmental innovation through new technologies
    - > Aiming to achieve "net zero" CO<sub>2</sub> emissions for diesel railcars through next-generation bio-diesel fuel
    - > Considering conversion to next-generation carbon-free railcars in the future
  - Further advancing energy-saving
    - > Transitioning to 100% energy-saving railcars
  - Contributing to the realization of a decarbonized society through collaboration with local communities
    - > Contributing to lower CO<sub>2</sub> emissions for the entire transportation sector by aiming for green, smart transportation for all public transportation providers, including railways
    - > Considering further participation in renewable energy operations, including offshore wind power generation

**Supporting TCFD recommendations**

We have declared our support for the TCFD recommendations and will implement information disclosure based on those recommendations.

- Governance**
  - > Establishing Global Environment Committee, which is chaired by the President and Representative Director (from 1998)
- Strategies (risks and opportunities)**
  - > Disclosing results of qualitative analysis based on 2°C scenario
- Risk management**
  - > Advancing consideration of measures to address risks and opportunities
- Indices and goals**
  - > Formulating "JR West Group Zero Carbon 2050"

- Finally, please turn to slide 17.
- We recently formulated and announced our long-term environmental goal, "JR West Group Zero Carbon 2050."
- Aiming for "net zero" CO<sub>2</sub> emissions on a Groupwide basis in 2050, and with consideration for the government goal for the achievement of that objective, we will strive to reduce CO<sub>2</sub> emissions by 46% in FY2031.3 (vs. FY2014.3).
- We have announced three initiatives for the achievement of this objective. Specifically, these are: (1) Fostering environmental innovation through new technologies, (2) Further advancing energy-saving, and (3) Contributing to the realization of a decarbonized society through collaboration with local communities.
- In addition, we have announced our support for the TCFD recommendations. Moving forward, we will advance scenario analysis, etc., and announce financial impact related information, etc.
- Finally, the management environment remains extremely challenging, including the third declaration of a state of emergency. Nonetheless, there is no change to our determination to fulfill our mission as a social infrastructure company.
- Based on the assumption of a recovery in revenues, as described today, the entire Group will work to achieve a return to profitability, even if only by a small margin.
- To that end, we will steadily implement measures described in the revised medium-term management plan. These include measures to enhance safety, to implement structural reform, and to enhance coexistence with local communities. In preparation for a recovery in demand, we will continue working to improve existing businesses and to take on the challenge of new value creation, etc., through measures to enhance coexistence with local communities.
- In these challenging circumstances, we will further enhance dialog with stakeholders, and I will take the lead in moving the Company forward toward reform/reconstruction together with our stakeholders.
- This concludes my portion of today's presentation.

<b>1</b>	Overview of FY2021.3 Results and FY2022.3 Results Forecasts	Page 3
<b>2</b>	Progress with Revised "Medium-Term Management Plan 2022"	Page 8
<b>3</b>	<b>Results for FY2021.3 (Details)</b>	<b>Page 19</b>
<b>4</b>	Results Forecasts for FY2022.3, etc. (Details)	Page 29
	Appendix	Page 37



# Financial Highlights



¥ Billions

	Results FY2020.3	Results FY2021.3	YoY		Forecasts FY2022.3	YoY	
			Increase/ (Decrease) B-A	% B/A-1		Increase/ (Decrease) C-B	% C/B-1
	A	B			C		
<b>[Consolidated]</b>							
Operating Revenues*	1,508.2	898.1	(610.0)	(40.4)	1,257.5	359.3	40.0
Operating Income (Loss)	160.6	(245.5)	(406.1)	-	12.0	257.5	-
Recurring Profit (Loss)	148.3	(257.3)	(405.7)	-	(5.0)	252.3	-
Profit (Loss) attributable to owners of parent	89.3	(233.2)	(322.5)	-	3.0	236.2	-
<b>[Non-Consolidated]</b>							
Operating Revenues*	961.9	507.9	(453.9)	(47.2)	736.5	228.5	45.0
Transportation Revenues*	856.8	419.4	(437.4)	(51.0)	643.0	223.5	53.3
Operating Expenses*	842.1	741.7	(100.4)	(11.9)	733.5	(8.2)	(1.1)
Personnel costs	214.6	183.8	(30.8)	(14.4)	180.5	(3.3)	(1.8)
Non personnel costs*	424.3	355.4	(68.8)	(16.2)	361.0	5.5	1.5
Energy costs	45.4	39.5	(5.9)	(13.0)	39.5	(0.0)	(0.2)
Maintenance costs	166.4	151.9	(14.4)	(8.7)	143.5	(8.4)	(5.6)
Miscellaneous costs*	212.4	163.9	(48.5)	(22.8)	178.0	14.0	8.6
Depreciation	138.2	141.0	2.7	2.0	129.0	(12.0)	(8.5)
Operating Income (Loss)	119.7	(233.8)	(353.5)	-	3.0	236.8	-
Recurring Profit (Loss)	106.9	(250.7)	(357.7)	-	(14.0)	236.7	-
Net Income (Loss)	73.5	(217.3)	(290.9)	-	2.5	219.8	-

Note: Figures in brackets ( ) are negative values.

\* Full-year forecasts for FY2022.3 include the effect of the application of "Accounting Standard for Revenue Recognition."

Non-Consolidated Financial Results						
¥ Billions						
	Results FY2020.3 A	FY2021.3		YoY		Difference from the forecasts Increase/(Decrease) C-B
		Forecasts (As of Jan 28) B	Results C	Increase/ (Decrease) C-A	% C/A-1	
Operating Revenues	961.9	530.0	507.9	(453.9)	(47.2)	(22.0)
Transportation revenues	856.8	435.0	419.4	(437.4)	(51.0)	(15.5)
Other	105.0	95.0	88.4	(16.5)	(15.8)	(6.5)
Operating Expenses	842.1	790.0	741.7	(100.4)	(11.9)	(48.2)
Personnel costs	214.6	209.0	183.8	(30.8)	(14.4)	(25.1)
Non personnel costs	424.3	377.0	355.4	(68.8)	(16.2)	(21.5)
Energy costs	45.4	42.0	39.5	(5.9)	(13.0)	(2.4)
Maintenance costs	166.4	150.0	151.9	(14.4)	(8.7)	1.9
Miscellaneous costs	212.4	185.0	163.9	(48.5)	(22.8)	(21.0)
Rental payments, etc.	28.4	28.0	27.6	(0.7)	(2.7)	(0.3)
Taxes	36.4	34.0	33.6	(2.7)	(7.5)	(0.3)
Depreciation	138.2	142.0	141.0	2.7	2.0	(0.9)
Operating Income (Loss)	119.7	(260.0)	(233.8)	(353.5)	—	26.1
Non-operating revenues and expenses, net	(12.7)	(15.0)	(16.9)	(4.1)	32.6	(1.9)
Non-operating revenues	7.5	7.0	8.4	0.8	—	1.4
Non-operating expenses	20.3	22.0	25.3	5.0	—	3.3
Recurring Profit (Loss)	106.9	(275.0)	(250.7)	(357.7)	—	24.2
Extraordinary profit and loss, net	(1.1)	(5.0)	(23.9)	(22.8)	—	(18.9)
Extraordinary profit	20.9	—	25.0	4.1	—	—
Extraordinary loss	22.1	—	49.0	26.9	—	—
Net Income (Loss)	73.5	(195.0)	(217.3)	(290.9)	—	(22.3)

Note: Figures in brackets ( ) are negative values.

20

- I am Yoshito Fujiwara, the general manager of the Finance Department. I will discuss the key points regarding our settlement for FY2021.3.
- First, please look at slide 20. This shows an overview of our non-consolidated results.
- Operating revenues decreased by ¥453.9 billion year on year due to lower transportation revenues.
- Operating expenses were down ¥100.4 billion year on year due to a decline in revenue-linked expenses and the implementation of cost reductions, such as for advertising expenses, etc.
- As a result, operating results worsened by ¥353.5 billion, for an operating loss of ¥233.8 billion, and net results worsened by ¥290.9 billion, for a loss attributable to owners of parent of ¥217.3 billion.
- Increases/decreases versus the results forecasts are shown on the right.

Major Factors of Increase/Decrease in Transportation Revenues					
Results FY2021.3					
Transportation revenues	YoY Increase/(Decrease)	Major factors			
		Amount	%	Amount	
Shinkansen	165.5	(275.6)	(62.5)	Fundamental trend 0.0%	
				Special factors	
				-COVID-19 (Domestic)	(256.9)
				-Inbound	(14.9)
				-Rebound from pattern of weekdays and weekends (Golden Week)	(3.4)
Kansai Urban Area (Kyoto-Osaka-Kobe Area)	194.4	(113.0)	(36.8)	Fundamental trend 0.0%	
				Special factors	
				-COVID-19 (Domestic)	(100.5)
				-Inbound	(12.3)
				-Rebound from pattern of weekdays and weekends (Golden Week)	(0.5)
Other lines	59.4	(48.6)	(45.0)	Fundamental trend 0.0%	
				Special factors	
				-COVID-19 (Domestic)	(45.3)
				-Inbound	(2.8)
				-Rebound from pattern of weekdays and weekends (Golden Week)	(0.4)
Conventional lines	253.9	(161.7)	(38.9)		
Total	419.4	(437.4)	(51.0)		

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 is ¥433.0 billion (YoY), including the decline in inbound demand.  
 Note3: Figures in brackets ( ) are negative values.

- Please refer to slide 21.
- Transportation revenues were down ¥437.4 billion year on year.
- By category, Shinkansen revenues were down ¥275.6 billion. Breaking this figure down, Sanyo Shinkansen revenues were down ¥250.6 billion, and Hokuriku Shinkansen revenues were down ¥24.9 billion.
- On conventional lines in the Kansai Urban Area and other lines, the results were as shown here.
- As shown in the notes, the decline in transportation revenues attributable to the spread of the novel coronavirus infection was approximately ¥433.0 billion, including the decline in inbound demand.

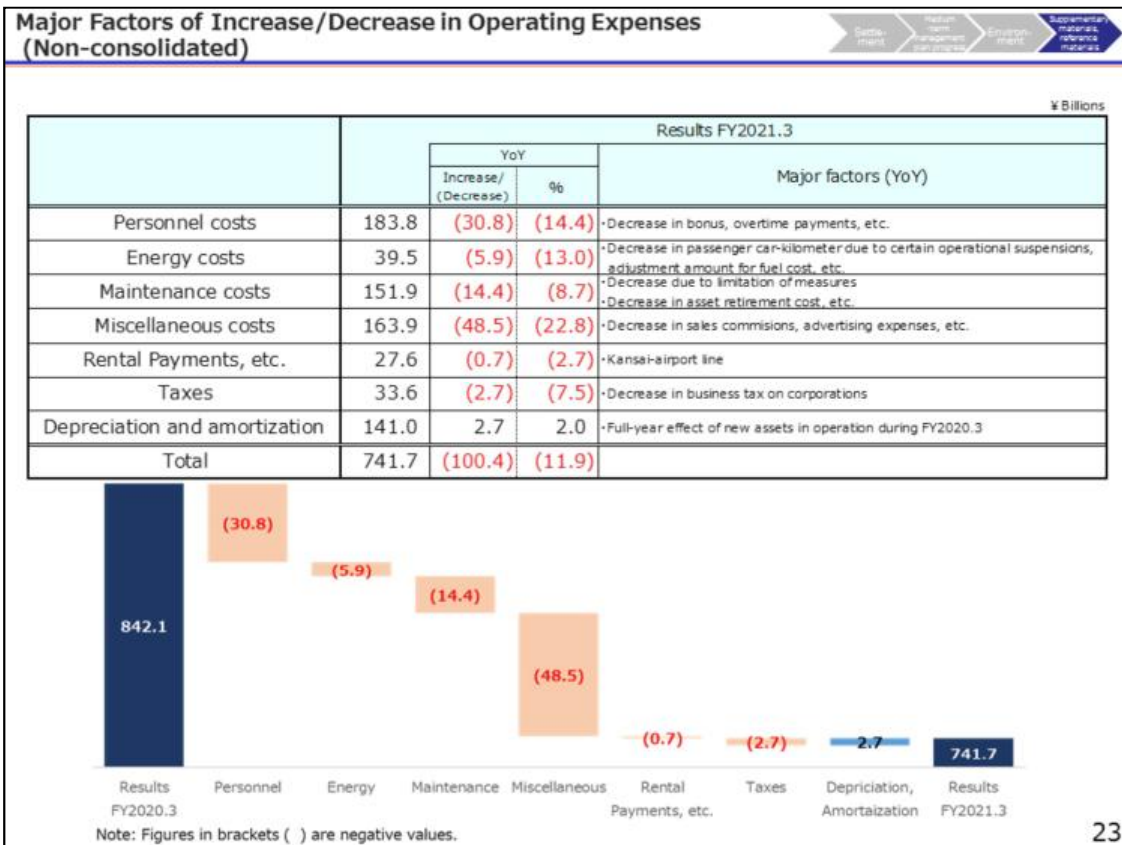


# Transportation Revenues and Passenger-Kilometers



	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)		
	FY2020.3	FY2021.3	YoY	FY2020.3	FY2021.3	YoY	FY2020.3	FY2021.3	YoY	FY2020.3	FY2021.3	YoY
<b>Total</b>	856.8	419.4	(437.4) (51.0%)	175.9	104.1	(71.8) (40.8%)	58,588	34,110	(24,477) (41.8%)	12,263	8,159	(4,104) (33.5%)
<b>Shinkansen</b>	441.2	165.5	(275.6) (62.5%)	85.6	40.8	(44.7) (52.3%)	20,610	7,717	(12,892) (62.6%)	3,953	1,882	(2,071) (52.4%)
Commuter Passes	11.4	10.1	(1.2) (10.6%)	2.7	2.4	(0.3) (12.5%)	892	783	(109) (12.2%)	218	190	(28) (12.9%)
Non-Commuter Passes	429.8	155.3	(274.4) (63.9%)	82.8	38.4	(44.4) (53.6%)	19,717	6,934	(12,783) (64.8%)	3,735	1,692	(2,043) (54.7%)
<b>Conventional Lines</b>	415.6	253.9	(161.7) (38.9%)	90.3	63.2	(27.0) (30.0%)	37,977	26,392	(11,585) (30.5%)	8,309	6,276	(2,033) (24.5%)
Commuter Passes	142.0	117.3	(24.6) (17.4%)	34.0	28.2	(5.7) (16.9%)	22,794	18,867	(3,927) (17.2%)	5,115	4,350	(765) (15.0%)
Non-Commuter Passes	273.6	136.5	(137.0) (50.1%)	56.2	34.9	(21.3) (37.8%)	15,183	7,525	(7,657) (50.4%)	3,193	1,925	(1,267) (39.7%)
<b>Kansai Urban Area (Kyoto-Osaka-Kobe Area)</b>	307.5	194.4	(113.0) (36.8%)	67.1	48.6	(18.4) (27.5%)	29,693	20,934	(8,759) (29.5%)	6,520	5,027	(1,493) (22.9%)
Commuter Passes	117.2	96.2	(21.0) (18.0%)	28.2	23.3	(4.9) (17.4%)	18,827	15,389	(3,438) (18.3%)	4,271	3,597	(673) (15.6%)
Non-Commuter Passes	190.2	98.2	(91.9) (48.3%)	38.9	25.3	(13.5) (34.9%)	10,866	5,545	(5,320) (49.0%)	2,249	1,429	(820) (36.5%)
<b>Other Lines</b>	108.1	59.4	(48.6) (45.0%)	23.1	14.5	(8.5) (37.0%)	8,284	5,457	(2,826) (34.1%)	1,788	1,249	(539) (30.1%)
Commuter Passes	24.7	21.1	(3.5) (14.6%)	5.8	4.9	(0.8) (14.7%)	3,967	3,477	(489) (12.3%)	844	753	(91) (10.8%)
Non-Commuter Passes	83.4	38.3	(45.0) (54.1%)	17.3	9.6	(7.7) (44.5%)	4,316	1,979	(2,336) (54.1%)	944	496	(447) (47.4%)

Note: Figures in brackets ( ) are negative values.



- Please refer to slide 23.
- Personnel costs were down ¥30.8 billion due to the reevaluation of the level of bonuses, a decline in overtime payments, the implementation of temporary leave, etc.
- Miscellaneous costs declined by ¥48.5 billion, as a result of lower sales commissions linked to revenues, reduced advertising expenses in consideration of the challenging management environment, etc. Other expenses were as shown here.
- Of the total year-on-year decline of ¥100.4 billion, approximately ¥75.0 billion was due to cost reductions. After steadily implementing measures related to safety, we implemented reductions that significantly exceeded our full-year objective of ¥40.0 billion.

# Consolidated Financial Results



¥ Billions

	Results FY2020.3 A	FY2021.3		YoY		Difference from the forecasts Increase/(Decrease) C-B
		Forecasts (As of Jan 28) B	Results C	Increase/ (Decrease) C-A	% C/A-1	
Operating Revenues	1,508.2	920.0	898.1	(610.0)	(40.4)	(21.8)
Operating Expenses	1,347.5	1,210.0	1,143.7	(203.8)	(15.1)	(66.2)
Operating Income (Loss)	160.6	(290.0)	(245.5)	(406.1)	-	44.4
Non-operating revenues and expenses, net	(12.2)	(15.0)	(11.8)	0.4	(3.7)	3.1
Non-operating revenues	8.8	10.0	13.0	4.1	-	3.0
Non-operating expenses	21.1	25.0	24.8	3.7	-	(0.1)
Recurring Profit (Loss)	148.3	(305.0)	(257.3)	(405.7)	-	47.6
Extraordinary profit and loss, net	(7.6)	(10.0)	(17.3)	(9.6)	-	(7.3)
Extraordinary profit	23.0	-	31.9	8.8	-	-
Extraordinary loss	30.7	-	49.3	18.5	-	-
Profit (Loss) attributable to owners of parent	89.3	(240.0)	(233.2)	(322.5)	-	6.7
<i>Comprehensive Income</i>	87.0	-	(240.4)	(327.5)	-	-

Note: Figures in brackets ( ) are negative values.

Consolidated Financial Results (Segment Information)						
	Results FY2020.3	FY2021.3		YoY		Difference from the forecasts Increase/(Decrease)
		Forecasts (As of Jan 28)	Results	Increase/ (Decrease)	%	
		A	B	C	C-A	
Operating Revenues* <sup>1</sup>	1,508.2	920.0	898.1	(610.0)	(40.4)	(21.8)
Transportation	933.4	499.0	476.8	(456.5)	(48.9)	(22.1)
Retail	226.0	144.0	142.2	(83.8)	(37.1)	(1.7)
Sales of goods and food services	154.2	92.0	91.4	(62.8)	(40.7)	(0.5)
[Accommodation-oriented budget hotel] (revised)**	[14.6]	[5.5]	[4.5]	[(10.0)]	[(68.7)]	[(0.9)]
Department stores	63.2	45.0	43.0	(20.2)	(32.0)	(1.9)
Real estate	165.1	146.0	145.7	(19.3)	(11.7)	(0.2)
Shopping center	61.1	47.0	45.4	(15.6)	(25.6)	(1.5)
Real estate lease and sale	102.1	97.0	98.1	(4.0)	(4.0)	1.1
[Real estate sale] (revised)	[53.6]	[48.0]	[50.1]	[(3.5)]	[(6.6)]	[2.1]
Other businesses	183.6	131.0	133.3	(50.3)	(27.4)	2.3
Hotel	37.3	18.0	15.6	(21.7)	(58.2)	(2.3)
Nippon Travel Agency	42.3	17.0	18.7	(23.6)	(55.7)	1.7
Operating Income (Loss)** <sup>1</sup>	160.6	(290.0)	(245.5)	(406.1)	-	44.4
Transportation	105.3	(276.0)	(252.1)	(357.4)	-	23.8
Retail	3.8	(16.0)	(15.0)	(18.9)	-	0.9
Sales of goods and food services	3.4	(14.0)	(12.8)	(16.2)	-	1.1
Department stores	0.2	(2.0)	(2.1)	(2.4)	-	(0.1)
Real estate	34.9	25.0	29.2	(5.6)	(16.2)	4.2
Shopping center	7.5	0.0	2.0	(5.4)	(72.4)	2.0
Real estate lease and sale	19.8	17.0	18.9	(0.9)	(4.7)	1.9
Other businesses	19.7	(20.0)	(5.1)	(24.8)	-	14.8
Hotel	(1.2)	(12.0)	(11.6)	(10.3)	-	0.3
Nippon Travel Agency	1.0	(14.0)	(7.3)	(8.3)	-	6.6

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 Asakusa (other businesses segment), and Hiroshima Kanayamacho (other businesses segment) locations.

25

- Please look at slides 25 and 26. These slides provide an overview of our consolidated results.
- In the retail business, operating revenues were down by ¥83.8 billion year on year, and operating results worsened by ¥18.9 billion, for an operating loss of ¥15.0 billion. Usage was sluggish, particularly during the state of emergency.
- In the real estate business, operating revenues were down by ¥19.3 billion year on year, and operating results worsened by ¥5.6 billion. In the shopping center business, due to the replacement of the Hiroshima Station Building, rent reductions, etc., operating revenues and operating income were both lower. However, due to strengthened cost reductions, etc., the shopping center business was profitable at the operating level, like the real estate lease and sale business.
- In other businesses, operating revenues were down ¥50.3 billion year on year, and operating results worsened by ¥24.8 billion. This was due to sluggish conditions in the hotel and travel agency businesses.

## Major Factors of Increase/Decrease in Each Segment



¥ Billions

			Results FY2021.3			Major factors (YoY)	
			YoY				
			Increase/ (Decrease)	%			
Retail	Sales of goods and food services	Operating Revenues	91.4	(62.8)	(40.7)	-COVID-19, etc.	
		Operating Loss	(12.8)	(16.2)	-		
	Department stores	Operating Revenues	43.0	(20.2)	(32.0)		
		Operating Loss	(2.1)	(2.4)	-		
Real estate	Shopping center	Operating Revenues	45.4	(15.6)	(25.6)	-COVID-19, etc.	
		Operating Income	2.0	(5.4)	(72.4)		
	Real estate lease and sale	Operating Revenues	98.1	(4.0)	(4.0)		-Decrease in number of residences sold, etc.
		Operating Income	18.9	(0.9)	(4.7)		
Other Businesses	Hotel	Operating Revenues	15.6	(21.7)	(58.2)	-COVID-19, etc.	
		Operating Loss	(11.6)	(10.3)	-		
	Nippon Travel Agency	Operating Revenues	18.7	(23.6)	(55.7)		
		Operating Loss	(7.3)	(8.3)	-		

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, 2020	As of March 31, 2021	Difference increase/(decrease)
	A	B	B-A
Assets	3,275.2	3,479.4	204.1
Liabilities	2,052.1	2,523.4	471.2
Net assets	1,223.1	956.0	(267.0)
Balance of Long-term Debt and Payables	1,018.9	1,559.5	540.5
【Average interest rate (%)】	【1.79】	【1.28】	【(0.51)】
Shinkansen Purchase Liability	101.9	100.9	(1.0)
【Average interest rate (%)】	【6.55】	【6.55】	【-】
Bonds	544.9	839.9	295.0
【Average interest rate (%)】	【1.48】	【1.11】	【(0.37)】
Equity ratio (%)	34.1	24.5	(9.6)
Net assets per share (¥)	5,847.27	4,460.73	(1,386.54)
	Results FY2020.3	Results FY2021.3	YoY increase/(decrease)
	A	B	B-A
Cash flows from operating activities	240.1	(103.2)	(343.4)
Cash flows from investing activities	(268.6)	(211.6)	56.9
Free cash flows	(28.5)	(314.9)	(286.4)
Cash flows from financing activities	(29.1)	446.7	475.9
Change in cash and cash equivalents, net	(58.2)	131.7	190.0
Cash and cash equivalents at the end of the period	78.2	210.0	131.7

Note: Figures in brackets ( ) are negative values.

27

- Please refer to slide 27. In FY2021.3, we raised approximately ¥700.0 billion in long-term and short-term funds. As a result of certain repayments, the balance of long-term debt and payables as of the end of the fiscal year was up by ¥540.5 billion from the balance as of the end of FY2020.3.

<b>1</b>	Overview of FY2021.3 Results and FY2022.3 Results Forecasts	Page 3
<b>2</b>	Progress with Revised "Medium-Term Management Plan 2022"	Page 8
<b>3</b>	Results for FY2021.3 (Details)	Page 19
<b>4</b>	Results Forecasts for FY2022.3, etc. (Details)	Page 29
	Appendix	Page 37



## Non-Consolidated Financial Forecasts



	¥ Billions			
	Results FY2021.3	Forecasts FY2022.3	YoY	
	A	B	Increase/ (Decrease) B-A	% B/A-1
Operating Revenues*	507.9	736.5	228.5	45.0
Transportation revenues*	419.4	643.0	223.5	53.3
Other*	88.4	93.5	5.0	5.7
Operating Expenses*	741.7	733.5	(8.2)	(1.1)
Personnel costs	183.8	180.5	(3.3)	(1.8)
Non personnel costs*	355.4	361.0	5.5	1.5
Energy costs	39.5	39.5	(0.0)	(0.2)
Maintenance costs	151.9	143.5	(8.4)	(5.6)
Miscellaneous costs*	163.9	178.0	14.0	8.6
Rental payments, etc.	27.6	27.0	(0.6)	(2.3)
Taxes	33.6	36.0	2.3	6.8
Depreciation	141.0	129.0	(12.0)	(8.5)
Operating Income (Loss)	(233.8)	3.0	236.8	–
Non-operating revenues and expenses, net	(16.9)	(17.0)	(0.0)	0.3
Non-operating revenues	8.4	6.5	(1.9)	–
Non-operating expenses	25.3	23.5	(1.8)	–
Recurring Profit (Loss)	(250.7)	(14.0)	236.7	–
Extraordinary profit and loss, net	(23.9)	17.5	41.4	–
Extraordinary profit	25.0	–	–	–
Extraordinary loss	49.0	–	–	–
Net Income (Loss)	(217.3)	2.5	219.8	–

Note: Figures in brackets ( ) are negative values.

\* Full-year forecasts for FY2022.3 include the effect of the application of "Accounting Standard for Revenue Recognition."

29

- Next, I will explain our results forecasts. Please refer to slide 29.
- Due to an increase in transportation revenues, we are planning a year on year increase of ¥228.5 billion in operating revenues.
- We are planning a year on year decrease of ¥8.2 billion in operating expenses, and a year on year improvement of ¥236.8 billion in operating income (loss).

# Transportation Revenue Forecasts



¥ Billions

Transportation revenues		Forecasts FY2022.3		Major factors	
		YoY Increase/(Decrease)			
		Amount	%		
Shinkansen	313.5	147.9	89.4	Fundamental trend	0.0%
				Special factors	
				·Rebound from COVID-19 (Domestic)	133.0
				·Inbound	2.4
				·Increase in domestic travel demand etc.	10.8
Kansai Urban Area (Kyoto-Osaka-Kobe Area)	247.0	52.5	27.0	Fundamental trend	0.0%
				Special factors	
				·Rebound from COVID-19 (Domestic)	48.5
				·Inbound	2.0
				·Increase in domestic travel demand etc.	0.9
Other lines	82.5	23.0	38.8	Fundamental trend	0.0%
				Special factors	
				·Rebound from COVID-19 (Domestic)	20.2
				·Inbound	0.4
				·Increase in domestic travel demand etc.	1.3
Conventional lines	329.5	75.5	29.8		
<b>Total</b>	<b>643.0</b>	<b>223.5</b>	<b>53.3</b>		

Note1: Revenues from luggage transportation are omitted due to the small amount.  
 Note2: The rebound from COVID-19 in transportation revenues will be ¥2,070 billion (YoY), including inbound.  
 Note3: Full-year forecasts for FY2022.3 include the effect of the application of "Accounting Standard for Revenue Recognition."  
 Note4: Figures in brackets ( ) are negative values.

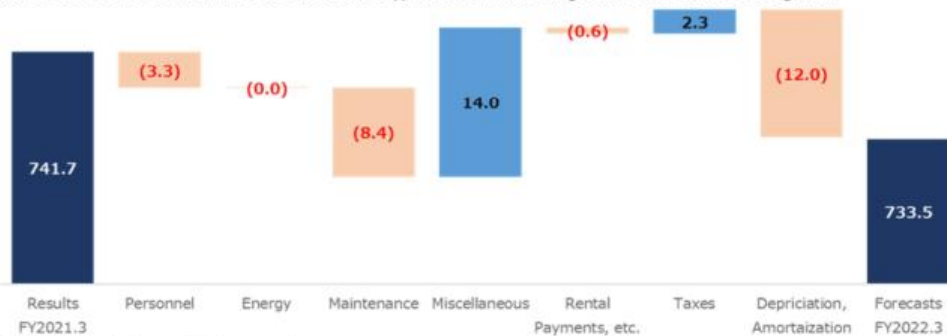
- Please refer to slide 30. This slide shows our forecasts for transportation revenues.
- We are planning for Shinkansen revenues of ¥313.5 billion, including Sanyo Shinkansen revenues of ¥284.0 billion and Hokuriku Shinkansen revenues of ¥29.5 billion.
- In regard to the influence of the coronavirus, we have included a year on year rebound increase as a special factor.

## Operating Expenses Forecasts (Non-Consolidated)



	Forecasts FY2022.3			Major factors (YoY)
		YoY		
		Increase/ (Decrease)	%	
Personnel costs	180.5	(3.3)	(1.8)	•Decrease in personnel, bonus, etc.
Energy costs	39.5	(0.0)	(0.2)	
Maintenance costs	143.5	(8.4)	(5.6)	•Decrease due to limitation of measures, etc.
Miscellaneous costs*	178.0	14.0	8.6	•Increase in sales commissions, DX related expenses, etc.
Rental Payments, etc.	27.0	(0.6)	(2.3)	
Taxes	36.0	2.3	6.8	•Increase in business tax on corporations, etc.
Depreciation and amortization	129.0	(12.0)	(8.5)	•Revision of method of depreciation for Shinkansen rolling stock
<b>Total*</b>	<b>733.5</b>	<b>(8.2)</b>	<b>(1.1)</b>	

\* Full-year forecasts for FY2022.3 include the effect of the application of "Accounting Standard for Revenue Recognition."



Note: Figures in brackets ( ) are negative values.

31

- Please refer to slide 31. This slide shows forecasts for non-consolidated operating expenses.
- We anticipate an increase in sales commissions and other revenue-linked expenses. On the other hand, with our priority on securing safety, we will continue to advance other cost reductions, and the reevaluation of certain methods of depreciation will have an influence. As a result of these and other factors, we are planning a year on year decrease of ¥8.2 billion.

# Consolidated Financial Forecasts



¥ Billions

	Results FY2021.3 A	Forecasts FY2022.3 B	YoY	
			Increase/ (Decrease) B-A	% B/A-1
Operating Revenues	898.1	1,257.5	359.3	40.0
[Previous revenue recognition standard*]		[1,209.5]	[311.3]	[34.7]
Operating Expenses	1,143.7	1,245.5	101.7	8.9
[Previous revenue recognition standard*]		[1,197.5]	[53.7]	[4.7]
Operating Income (Loss)	(245.5)	12.0	257.5	-
Non-operating revenues and expenses, net	(11.8)	(17.0)	(5.1)	43.8
Non-operating revenues	13.0	6.9	(6.1)	-
Non-operating expenses	24.8	23.9	(0.9)	-
Recurring Profit (Loss)	(257.3)	(5.0)	252.3	-
Extraordinary profit and loss, net	(17.3)	16.5	33.8	-
Extraordinary profit	31.9	-	-	-
Extraordinary loss	49.3	-	-	-
Profit (Loss) attributable to owners of parent	(233.2)	3.0	236.2	-
Net income (Loss) per share( ¥ )	(1,219.71)	15.69	-	-

Note: Figures in brackets ( ) are negative values.

\* These are reference figures that do not include the effect of the application of "Accounting Standard for Revenue Recognition."

Consolidated Financial Forecasts (Segment Information)					Business Segment			Retail Segment			Transportation Segment			Other Segment				
	Results FY2021.3		Forecasts FY2022.3		YoY		Forecasts FY2022.3		YoY		Forecasts FY2022.3		YoY		Forecasts FY2022.3		YoY	
	Previous revenue recognition standard		New revenue recognition standard		Increase/ (Decrease)		B-A		B'/A		B'-A		B'/A-1		B'-A		B'/A-1	
	A		B		B-A		B/A-1		B'		B'-A		B'/A-1		B'-A		B'/A-1	
Operating Revenues**1	898.1	1,257.5	359.3	40.0	1,209.5	311.3	34.7											
Transportation	476.8	707.2	230.3	48.3	708.5	231.6	48.6											
Retail	142.2	158.1	15.8	11.2	199.4	57.1	40.2											
Sales of goods and food services	91.4	130.3	38.8	42.5	134.4	42.9	47.0											
[Accommodation-oriented budget hotels](restated)**2	[4.5]	[11.4]	[6.8]	[147.9]	[11.4]	[6.8]	[147.9]											
Department stores	43.0	22.4	(20.6)	(47.9)	57.1	14.0	32.7											
Real estate	145.7	148.3	2.5	1.8	153.1	7.3	5.1											
Shopping center	45.4	47.4	1.9	4.2	51.4	5.9	13.0											
Real estate lease and sale	98.1	99.2	1.0	1.1	100.0	1.8	1.9											
[Real estate sale](restated)	[50.1]	[54.3]	[4.1]	[8.4]	[54.3]	[4.1]	[8.4]											
Other businesses	133.3	243.9	110.5	82.9	148.5	15.1	11.4											
Hotel	15.6	30.5	14.8	95.4	31.0	15.3	98.6											
Nippon Travel Agency	18.7	119.0	100.2	534.2	21.9	3.1	16.7											
Operating Income (Loss)**1	(245.5)	12.0	257.5	—														
Transportation	(252.1)	(9.6)	242.5	—														
Retail	(15.0)	(1.4)	13.6	—														
Sales of goods and food services	(12.8)	(1.5)	11.3	—														
Department stores	(2.1)	0	2.1	—														
Real estate	29.2	27.1	(2.1)	(7.4)														
Shopping center	2.0	2.5	0.4	19.3														
Real estate lease and sale	18.9	15.5	(3.3)	(17.7)														
Other businesses	(5.1)	(0.7)	4.4	—														
Hotel	(11.6)	(3.0)	8.6	—														
Nippon Travel Agency	(7.3)	(4.5)	2.8	—														

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 Asakusa (other businesses segment), and Hiroshima Kanayamacho (other businesses segment) locations.

33

- Please refer to slides 33 and 34, which show our consolidated results forecasts.
- This year, the application of the “Accounting Standard for Revenue Recognition” will have an influence, and accordingly this slide also shows what revenues would be under the former standard. Looking at the influence of the new standard, in the department store business it will have the effect of reducing revenues by ¥34.7 billion, while in travel agency operations it will have the effect of increasing revenues by ¥97.1 billion. There will be no effect on profit.
- If we exclude that influence and look at each business, due to a decline in the influence of the coronavirus, we anticipate increased revenues year on year in each business, and, with the exception of the real estate lease and sale business, improved operating results.
- In the real estate lease and sale business, we are anticipating increased revenues due to higher sales, etc., but we are planning for lower profits due to opening expenses for large-scale lease properties and other factors.

# Each Segment Forecasts



¥ Billions

			Forecasts FY2022.3			Major factors (YoY)
			YoY			
			Increase/ (Decrease)	%		
Retail	Sales of goods and food services	Operating Revenue	130.3	—	—	Rebound from COVID-19
		(Previous revenue recognition standard*)	[134.4]	[42.9]	[47.0]	
	Department stores	Operating Revenue	22.4	—	—	Rebound from COVID-19
		(Previous revenue recognition standard*)	[57.1]	[14.0]	[32.7]	
		Operating Loss	(1.5)	11.3	—	
Real estate	Shopping center	Operating Revenue	47.4	—	—	Rebound from COVID-19
		(Previous revenue recognition standard*)	[51.4]	[5.9]	[13.0]	
	Real estate lease and sale	Operating Revenue	99.2	—	—	Increase in real estate sales, etc.
		(Previous revenue recognition standard*)	[100.0]	[1.8]	[1.9]	
		Operating Income	2.5	0.4	19.3	
		Operating Income	15.5	(3.3)	(17.7)	Increase in depreciation, etc.
Other Businesses	Hotel	Operating Revenue	30.5	—	—	Rebound from COVID-19
		(Previous revenue recognition standard*)	[31.0]	[15.3]	[98.6]	
	Nippon Travel Agency	Operating Revenue	119.0	—	—	Rebound from COVID-19
		(Previous revenue recognition standard*)	[21.9]	[3.1]	[16.7]	
		Operating Loss	(3.0)	8.6	—	
		Operating Loss	(4.5)	2.8	—	

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.

\* These are reference figures that do not include the effect of the application of "Accounting Standard for Revenue Recognition."

## Other Data



	Results FY2020.3		Results FY2021.3		Forecasts FY2022.3	
	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated
ROA (% Consolidated)	4.9		-		0.3	
ROE (% Consolidated)	8.1		-		0.4	
EBITDA (Consolidated)*	332.2		(70.8)		177.1	
Depreciation (Consolidated)	170.4		173.4		164.0	
Capital Expenditure (Consolidated, own fund)	254.5		216.6		245.0	
Capital Expenditure (Non-consolidated, own fund)	176.2		167.4		170.0	
Safety related capital expenditure	116.1		105.1		85.0	
Dividends per share (¥)	182.5		100.0		100.0	

	Results FY2020.3		Results FY2021.3		Forecasts FY2022.3	
	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated
No. of employees at the end of period	48,323	24,439	47,984	23,900	-	-
Financial Expenses, net	(18.2)	(16.7)	(19.5)	(17.8)	(20.5)	(19.3)
Interest and dividend income	1.2	2.6	0.9	2.4	0.7	1.8
Interest expenses	19.4	19.3	20.4	20.2	21.2	21.1

Note: Figures in brackets ( ) are negative values.  
 \* EBITDA = Operating Income (Loss) + Depreciation + Amortization of goodwill

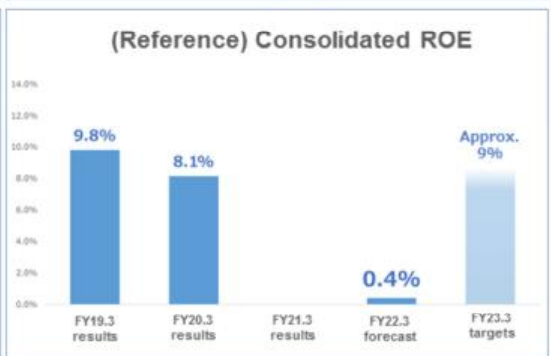
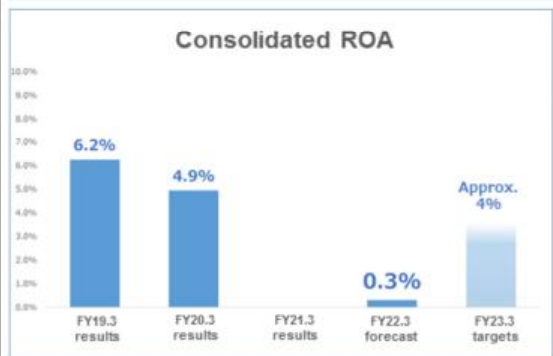
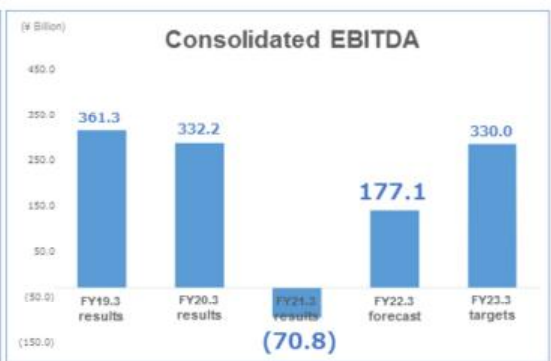
35

- Finally, please turn to slide 35.
- In FY2021.3, consolidated capital expenditure was ¥216.6 billion, a year on year decrease of ¥37.9 billion. We reduced development projects, centered on the real estate business, and took other steps, and capital expenditure was ¥13.3 billion less than forecast.
- In FY2022.3, there will be an increase in investment accompanying large-scale projects. Due to this and other factors, we are planning consolidated capital expenditure of ¥245.0 billion, a year on year increase of ¥28.5 billion.
- This concludes my portion of today's presentation.



	Overview of FY2021.3 Results and FY2022.3 Results Forecasts	Page 3
	Progress with Revised "Medium-Term Management Plan 2022"	Page 8
	Results for FY2021.3 (Details)	Page 19
	Results Forecasts for FY2022.3, etc. (Details)	Page 29
	Appendix	Page 37

# Management Indices (KPI)

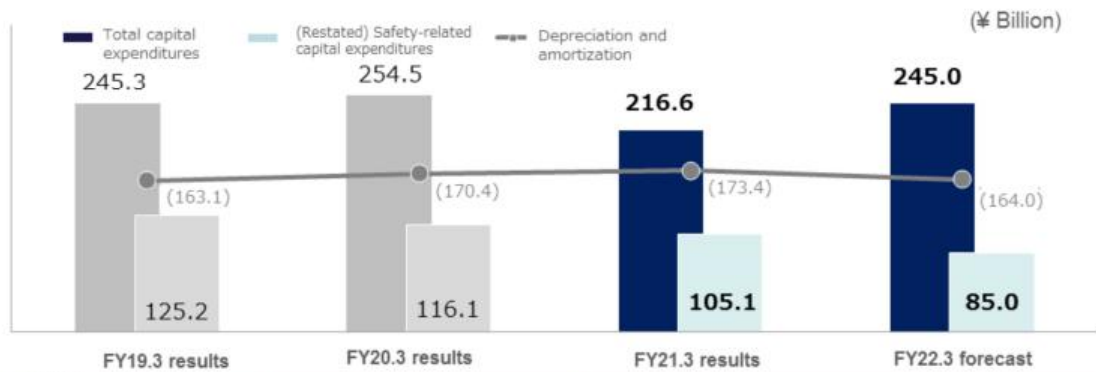


\* Forecasts for FY2022.3 include the effect of the application of "Accounting Standard for Revenue Recognition."

# Capital Expenditures



## Trend in capital expenditures (full-year)



**Total capital expenditures during the medium-term management plan period**

**Total: ¥1,250.0 billion**

- Capex for growth: **¥500.0 billion**
- Capex for maintenance and upgrades: **¥750.0 billion**
- Safety-related Capex: **¥500.0 billion**

**FY2021.3 full-year results**

By segment

Transportation	¥174.7 billion
Retail business	¥3.6 billion
Real estate business	¥47.1 billion
Other	¥11.7 billion

\* Including externally funded construction

- Major capital expenditure projects for FY2022.3**
- Capex for growth
- Railway business
    - W7 series
    - Mobile ICOCA (provisional name)
    - New station in Umekita
  - Non-railway businesses
    - Large-scale projects (Osaka, Hiroshima, Toyama)
    - Shin-Osaka area office building development
- Safety-related capex
- Rolling stock replacement/renovation
    - W7 series
    - 225 series, etc.
  - Safety/disaster-prevention measures
    - Platform safety measures
    - Earthquake countermeasures, etc.

# Large-scale projects / Osaka



(1) New ticket gates / passageway located inside ticket gates

New ticket gates at Osaka Station (announced December 2019)

(3) New station building development

(2) Development under elevated tracks

(4) Development of the area west of Osaka Station (Development of former site of central post office)

# Large-scale projects / Osaka



## (1) New ticket gates / passageway located inside ticket gates

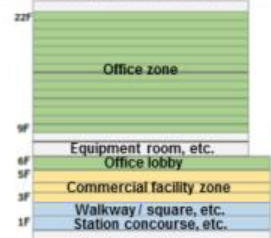
- New ticket gates under elevated tracks on west side
- Establishment of passageway located inside ticket gates that connects the new ticket gates and Umekita underground station. Opening of Umekita underground station as "Osaka Station."

## (2) Development under elevated tracks

- Opening: In stages from fall 2024 to spring 2027
- Total floor space: approx. 7,000m<sup>2</sup>
- Uses: Commercial facilities, bus terminal, etc.

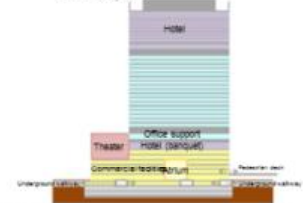
## (3) New station building development

- Opening: Fall 2024
- Total floor space: approx. 60,000m<sup>2</sup>
- Scale: Above ground, 23 floors; below ground, 1 floor
- Uses: Offices, commercial facilities,



## (4) Development of the area west of Osaka Station (Development of former site of central post office) \* Joint business activities

- Opening: Completion planned for March 2024
- Total floor space: approx. 227,000m<sup>2</sup>
- Scale: Above ground, 39 floors; below ground, 3 floors
- Uses: Offices, commercial facilities, hotels, theater, etc.



\* Amount of investment: approximately ¥100.0 billion (total for (1) to (4) above, JR-West's portion only)



## ◆ Illustration of exterior



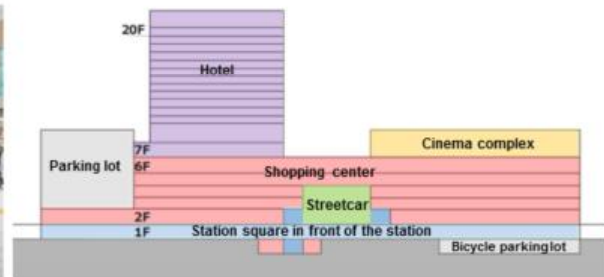
## ◆ Development overview

- Planned opening: Spring 2025
- Amount of investment: Approximately ¥60.0 billion
- Building area: Approx. 14,000㎡
- Total floor space: Approx. 111,000㎡
- Scale: Above ground, 20 floors; below ground, 1 floor; height: Approx. 100 m
- Uses:
  - Shopping center / cinema complex (Store floor space: approximately 25,000 ㎡)
  - High-class accommodation-oriented hotel Vischio (Approximately 400 rooms)
  - Parking lot directly connected to station building (Approx. 500 spaces)
  - Parking lot in separate building (Approx. 400 spaces)

## ◆ Illustration of interior



## ◆ Illustration of floor organization



## 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.
- 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 May 6, 2021 based on information available to JR-West as of May 6, 2021 and JR-West does not undertake to update or revise any of its forward looking statements or reflect future events or circumstances.
- Compensation for damages caused by the accident on Fukuchiyama Line happened on April 25, 2005 is NOT considered in this presentation.