

## FY2022.3, 3Q Financial Results Presentation



January 31, 2022  
**West Japan Railway Company**

- I am Eiji Tsubone, Deputy Senior General Manager at the Corporate Planning Headquarters.
- I would like to thank you for taking the time out of your busy schedules to participate in our presentation today.
- I will refer to the materials during the presentation.
- Please refer to slide 3.

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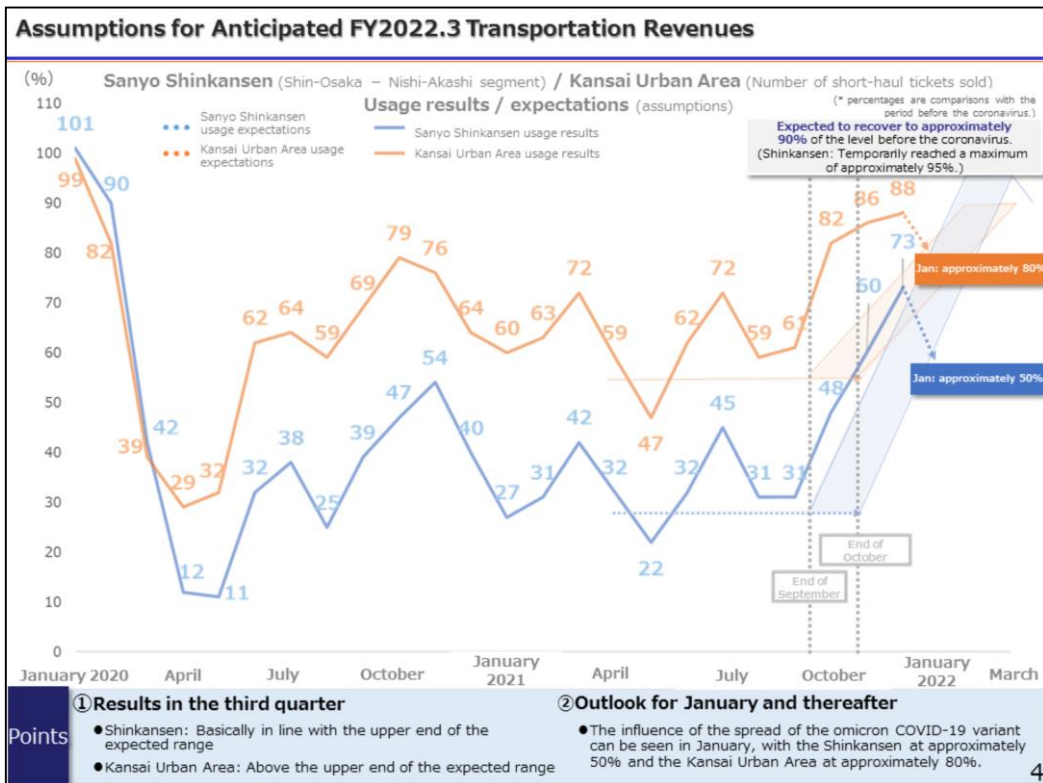
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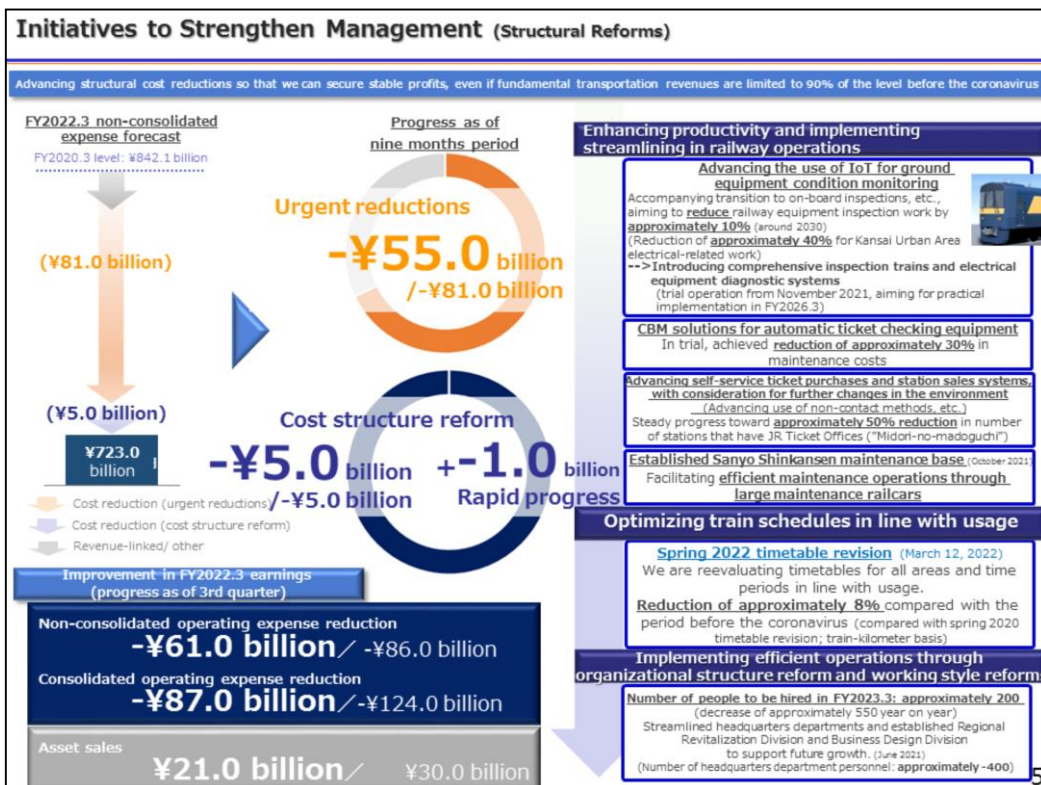
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FY2022.3 3Q Results and Full-Year Forecasts: Overview								
¥ Billions								
	9 months ended	9 months ended	YoY		Results	Forecasts	YoY	
	Dec 31, 2020*	Dec 31, 2021	Increase/ (Decrease)	%	FY2021.3* (As of Jan 31)**	FY2022.3 (As of Jan 31)**	Increase/ (Decrease)	%
<b>[Consolidated]</b>								
Operating Revenues	615.8	<b>729.9</b>	78.0	12.0	<b>920.0</b>	1,052.0 to 1,089.0	131.9 to 168.9	14.3 to 18.4
Operating Expenses	827.4	<b>809.4</b>	(17.9)	(2.2)	<b>1,165.5</b>	1,181.0 to 1,183.0	15.4 to 17.4	1.3 to 1.5
Operating Income (Loss)	(175.5)	<b>(79.4)</b>	96.0	-	<b>(245.5)</b>	(129.0) to (94.0)	116.5 to 151.5	-
Recurring Profit (Loss)	(189.2)	<b>(82.6)</b>	106.6	-	<b>(257.3)</b>	(141.5) to (106.5)	115.8 to 150.8	-
Profit (Loss) attributable to owners of parent	(161.8)	<b>(54.0)</b>	107.7	-	<b>(233.1)</b>	(116.5) to (81.5)	116.6 to 151.6	-
<b>[Non-Consolidated]</b>								
Transportation Revenues	315.0	<b>365.1</b>	50.1	15.9	<b>419.0</b>	499.0 to 532.0	79.9 to 112.9	19.1 to 27.0
Operating Expenses	539.6	<b>510.2</b>	(29.3)	(5.4)	<b>740.6</b>	723.0	(17.6)	(2.4)
<p>* Results in FY2021.3 are figures after the retrospective application of the "Accounting Standard for Revenue Recognition."  ** No changes to the full-year forecasts announced on November 2, 2021.</p> <p>■ <b>In the third quarter</b>, the railway business exceeded the upper end of the expected range, and in the same way the non-railway businesses also followed a basic recovery trend.  ■ <b>Cost reduction initiatives</b> also made <b>favorable progress</b>, including the achievement of ¥6.0 billion in structural cost reductions.  ■ On the other hand, the future rapidly became uncertain due to the omicron COVID-19 variant. <b>Full-year results forecasts are unchanged.</b></p>								

- This slide provides an overview of our results.
- Looking at the nine-month period, in the first six months the influence of the coronavirus lengthened, including the declaration and extension of a state of emergency. As a result of this and other factors, the challenging conditions faced by the Group's businesses in the previous fiscal year continued.
- As a result, for the nine-month period, consolidated operating revenues were ¥729.9 billion, consolidated operating loss was ¥79.4 billion, and consolidated loss attributable to owners of parent was ¥54.0 billion.
- Looking at cost reductions, we advanced initiatives while continuing to secure safety, and we reduced costs by ¥87.0 billion on a consolidated basis in comparison with FY2020.3.
- Usage followed an underlying trend of recovery throughout the three-month third quarter, but from January there was a rapid spread of new infections from the Omicron variant, and uncertainty increased rapidly. Due to this and other factors, we decided not to change the full-year results forecasts.
- Please refer to slide 4.



- Due to such factors as the complete lifting of the state of emergency at the end of September, an underlying recovery trend continued in the three-month third quarter, and for both the Sanyo Shinkansen and the Kansai Urban area, we registered results that exceeded the upper end of the full-year results forecast range.
- In January, usage on the Sanyo Shinkansen was, on average, approximately 50% of the level two years before. It is not shown on this slide, but usage has recently fallen below 40% on the Sanyo Shinkansen and 80% in the Kansai Urban Area. The rapid spread of new infections due to Omicron has had a significant effect on usage.
- There is no change to our view that in the post coronavirus period usage will return to approximately 90% of the level in the period before the coronavirus, but we believe that there is a strong possibility that we will still be dealing with the coronavirus pandemic at the end of the fiscal period.
- Please refer to slide 5.



- In regard to strengthening operations and implementing structural reforms, we are advancing structural cost reductions so that we can secure stable profits, even if fundamental transportation revenues are limited to 90% of the level before the coronavirus.
- As shown in the middle of this slide, this year, we were planning a reduction of -¥5.0 billion through these cost structure reforms. However, we have made rapid progress with items that were planned for next year, and as of the end of the third quarter we had achieved structural reductions of -¥6.0 billion.
- In conjunction with urgent reductions of -¥55.0 billion, we have implemented cost reductions of -¥61.0 billion on a non-consolidated basis and -¥87.0 billion on a consolidated basis.
- Next, please look at slide 8.

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**1** FY2022.3 3Q Results and Full-Year Forecasts: Overview Page 3

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**2** FY2022.3 3Q Results and Full-Year Forecasts: Details Page 7

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# Financial Highlights

¥ Billions

	9 months ended Dec 31, 2020 <sup>*</sup>	9 months ended Dec 31, 2021	YoY		Results FY2021.3 <sup>*</sup>	Forecasts FY2022.3 As of Jan 31 <sup>**</sup>	YoY	
			Increase/ (Decrease)	%			Increase/ (Decrease)	%
	A	B	B-A	B/A-1	C	D	D-C	D/C-1
<b>[Consolidated]</b>								
Operating Revenues	651.8	729.9	78.0	12.0	920.0	1,052.0 to 1,089.0	131.9 to 168.9	14.3 to 18.4
Operating Loss	(175.5)	(79.4)	96.0	-	(245.5)	(129.0) to (94.0)	116.5 to 151.5	-
Recurring Loss	(189.2)	(82.6)	106.6	-	(257.3)	(141.5) to (106.5)	115.8 to 150.8	-
Loss attributable to owners of parent	(161.8)	(54.0)	107.7	-	(233.1)	(116.5) to (81.5)	116.6 to 151.6	-
<b>[Non-Consolidated]</b>								
Operating Revenues	380.4	430.7	50.3	13.2	506.8	589.0 to 622.0	82.1 to 115.1	16.2 to 22.7
Transportation Revenues	315.0	365.1	50.1	15.9	419.0	499.0 to 532.0	79.9 to 112.9	19.1 to 27.0
Operating Expenses	539.6	510.2	(29.3)	(5.4)	740.6	723.0	(17.6)	(2.4)
Personnel costs	138.7	134.8	(3.9)	(2.8)	183.8	179.0	(4.8)	(2.7)
Non personnel costs	249.3	232.6	(16.7)	(6.7)	354.4	353.5	(0.9)	(0.3)
Energy costs	30.2	29.4	(0.7)	(2.6)	39.5	39.5	(0.0)	(0.2)
Maintenance costs	98.9	89.5	(9.4)	(9.6)	151.9	139.5	(12.4)	(8.2)
Miscellaneous costs	120.1	113.6	(6.4)	(5.4)	162.8	174.5	11.6	7.1
Depreciation and Amortization	103.6	94.3	(9.3)	(9.0)	141.0	129.0	(12.0)	(8.5)
Operating Loss	(159.2)	(79.5)	79.6	-	(233.8)	(134.0) to (101.0)	99.8 to 132.8	-
Recurring Loss	(174.1)	(88.6)	85.5	-	(250.7)	(148.5) to (115.5)	102.2 to 135.2	-
Net Loss	(130.3)	(52.3)	77.9	-	(217.3)	(117.0) to (84.0)	100.3 to 133.3	-

Note: Figures in brackets ( ) are negative values.

\*Results for the fiscal year ended March 31, 2021, are the figures after the retroactive application of "Accounting Standard for Revenue Recognition."

\*\*Forecasts have not been revised since Nov 2, 2021.



## Non-Consolidated Financial Results and Forecasts

	¥Billions							
	9 months ended Dec 31, 2020 <sup>a</sup>	9 months ended Dec 31, 2021	YoY		Results FY2021.3 <sup>a</sup>	Forecasts FY2022.3 As of Jan 31 <sup>***</sup>	YoY	
			Increase/ (Decrease)	%			Increase/ (Decrease)	%
A	B	B-A	B/A-1	C	D	D-C	D/C-1	
Operating Revenues	380.4	430.7	50.3	13.2	506.8	589.0 to 622.0	82.1 to 115.1	16.2 to 22.7
Transportation revenues	315.0	365.1	50.1	15.9	419.0	499.0 to 532.0	79.9 to 112.9	19.1 to 27.0
Other	65.4	65.6	0.2	0.3	87.8	90.0	2.1	2.5
Operating Expenses	539.6	510.2	(29.3)	(5.4)	740.6	723.0	(17.6)	(2.4)
Personnel costs	138.7	134.8	(3.9)	(2.8)	183.8	179.0	(4.8)	(2.7)
Non personnel costs	249.3	232.6	(16.7)	(6.7)	354.4	353.5	(0.9)	(0.3)
Energy costs	30.2	29.4	(0.7)	(2.6)	39.5	39.5	(0.0)	(0.2)
Maintenance costs	98.9	89.5	(9.4)	(9.6)	151.9	139.5	(12.4)	(8.2)
Miscellaneous costs	120.1	113.6	(6.4)	(5.4)	162.8	174.5	11.6	7.1
Rental payments, etc.	20.6	20.0	(0.6)	(3.0)	27.6	27.0	(0.6)	(2.3)
Taxes	27.2	28.5	1.2	4.7	33.6	34.5	0.8	2.4
Depreciation and Amortization	103.6	94.3	(9.3)	(9.0)	141.0	129.0	(12.0)	(8.5)
Operating Loss	(159.2)	(79.5)	79.6	-	(233.8)	(134.0) to (101.0)	99.8 to 132.8	-
Non-operating revenues and expenses, net	(14.9)	(9.1)	5.8	-	(16.9)	(14.5)	2.4	-
Non-operating revenues	3.3	8.2	4.8	-	8.4	9.0	0.5	-
Non-operating expenses	18.2	17.3	(0.9)	-	25.3	23.5	(1.8)	-
Recurring Loss	(174.1)	(88.6)	85.5	-	(250.7)	(148.5) to (115.5)	102.2 to 135.2	-
Extraordinary profit and loss, net	(3.2)	21.8	25.1	-	(23.9)	23.5	47.4	-
Extraordinary profit	6.8	29.4	22.6	-	25.0	28.0	2.9	-
Extraordinary loss	10.0	7.5	(2.4)	-	49.0	4.5	(44.5)	-
Net Loss	(130.3)	(52.3)	77.9	-	(217.3)	(117.0) to (84.0)	100.3 to 133.3	-

Note: Figures in brackets ( ) are negative values.

<sup>a</sup>Results for the fiscal year ended March 31, 2021, are the figures after the retroactive application of "Accounting Standard for Revenue Recognition."

<sup>\*\*\*</sup>Forecasts have not been revised since Nov 2, 2021.

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- Next, I will provide detailed information about results in the nine-month period.
- First, I will discuss non-consolidated results
- Operating revenues increased ¥50.3 billion year on year, due to higher transportation revenues. Operating expenses were down ¥29.3 billion year on year. After the steady implementation of safety-related measures, a year-on-year reduction of ¥21.0 billion was achieved. Other factors included a reduction in depreciation and amortization.
- Looking at profits, due to the lengthening of the influence of the novel coronavirus pandemic, operating loss was ¥79.5 billion and net loss was ¥52.3 billion.
- However, for the three-month third quarter, a profit was registered at the operating level for the first time in eight quarters.
- Please refer to slide 9.

## Major Factors of Increase/Decrease in Transportation Revenues

¥Billions

Results for 9 months ended Dec 31, 2021					
Transportation revenues		YoY Increase/(Decrease)		Major factors	
		Amount	%		
Shinkansen	158.1	33.4	26.8	Fundamental trend 0.0%	(1.1)
				Special factors	
				-Rebound from COVID-19 (Domestic)	34.2
					(1.1)
				etc.	(1.1)
Kansai Urban Area (Kyoto-Osaka-Kobe Area)	158.0	12.5	8.6	Fundamental trend 0.0%	(1.1)
				Special factors	
				-Rebound from COVID-19 (Domestic)	12.1
					(1.1)
				etc.	
Other lines	48.9	4.2	9.4	Fundamental trend 0.0%	(1.1)
				Special factors	
				-Rebound from COVID-19 (Domestic)	3.6
					(1.1)
				etc.	(1.1)
Conventional lines	207.0	16.7	8.8		
Total	365.1	50.1	15.9		

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

Note2: Figures in brackets ( ) are negative values.

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- Looking at transportation revenues, the influence of the coronavirus lessened somewhat, and as a result transportation revenues were up by ¥50.1 billion year on year. It is not shown on this slide, but in comparison with the level two years before, transportation revenues were at 54% for the nine-month period, and 68% in the three-month third quarter, which is a significant improvement from the level of 48% in the first six months.
- Next, please look at slide 11.

## Transportation Revenues and Passenger-Kilometers Results and Forecasts

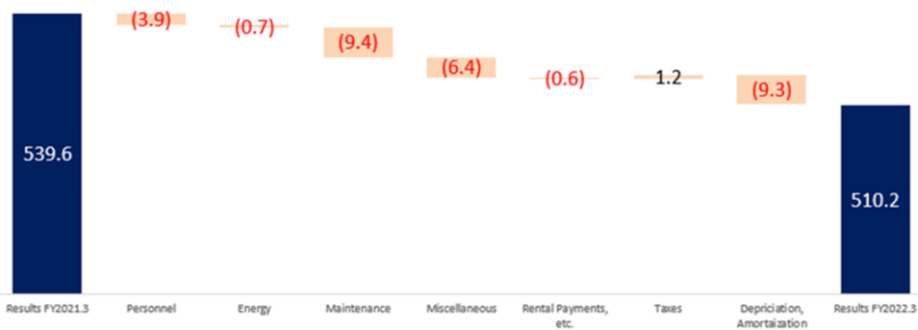
	Transportation Revenues							Passenger-Kilometers								
	Results for 9 months ended Dec 31 (4/1-12/31)			3 months (3Q) (10/1-12/31)			FY2021.3 Results*	FY2022.3 Forecast As of Jan 31**	YoY	Results for 9 months ended Dec 31 (4/1-12/31)			3 months (3Q) (10/1-12/31)			
	FY2021.3	FY2022.3	YoY	FY2021.3	FY2022.3	YoY				FY2021.3	FY2022.3	YoY	FY2021.3	FY2022.3	YoY	
<b>Total</b>	315.0	365.1	50.1 15.9%	132.6	155.1	22.4 17.0%	419.0	490.0 to 532.0	79.9 to 112.9	19.1% to 27.0%	25,951	28,273	2,322 8.9%	10,101	11,008	906 9.0%
<b>Shinkansen</b>	124.6	158.1	33.4 26.8%	58.7	75.1	16.3 27.8%	165.5	214.5 to 237.5	48.9 to 71.9	29.8% to 43.5%	5,835	7,280	1,445 24.8%	2,806	3,473	667 23.8%
Commuter Passes	7.7	8.0	0.2 3.7%	2.5	2.6	0.3 3.7%	10.1	—	—	—	593	623	29 5.0%	194	205	10 5.5%
Non-Commuter Passes	116.9	150.0	33.1 28.3%	56.1	72.4	16.2 28.9%	155.3	—	—	—	5,241	6,657	1,415 27.0%	2,611	3,268	656 25.1%
<b>Conventional Lines</b>	190.3	207.0	16.7 8.8%	73.8	80.0	6.1 8.3%	253.4	284.5 to 294.5	31.0 to 41.0	12.2% to 16.2%	20,115	20,993	877 4.4%	7,295	7,534	239 3.3%
Commuter Passes	89.0	90.5	1.4 1.7%	30.5	30.3	(0.2) (0.7%)	117.3	—	—	—	14,516	14,669	153 1.1%	4,848	4,881	32 0.7%
Non-Commuter Passes	101.2	116.5	15.2 15.0%	43.3	49.6	6.3 14.7%	136.1	—	—	—	5,599	6,323	724 12.9%	2,446	2,653	206 8.4%
<b>Kansai Urban Area (Kyoto-Osaka-Kobe Area)</b>	145.5	158.0	12.5 8.6%	55.6	59.7	4.0 7.3%	194.1	217.5 to 224.0	23.3 to 29.8	12.0% to 15.4%	15,907	16,658	751 4.7%	5,756	5,921	164 2.9%
Commuter Passes	72.8	74.2	1.3 1.8%	25.0	24.9	(0.1) (0.5%)	96.2	—	—	—	11,791	11,983	191 1.6%	3,971	4,002	31 0.8%
Non-Commuter Passes	72.6	83.8	11.1 15.4%	30.6	34.8	4.2 13.7%	97.9	—	—	—	4,115	4,675	559 13.6%	1,784	1,918	133 7.5%
<b>Other Lines</b>	44.7	48.9	4.2 9.4%	18.1	20.2	2.0 11.5%	59.3	67.0 to 70.5	7.6 to 11.1	12.9% to 18.8%	4,208	4,334	126 3.0%	1,538	1,613	74 4.8%
Commuter Passes	16.1	16.3	0.1 0.9%	5.5	5.4	(0.1) (2.8%)	21.1	—	—	—	2,724	2,686	(38) (1.4%)	876	878	1 0.2%
Non-Commuter Passes	28.5	32.6	4.0 14.2%	12.6	14.8	2.1 17.3%	38.2	—	—	—	1,483	1,647	164 11.1%	661	734	72 11.0%

Notes: Figures in brackets ( ) are negative values.  
 \*Results for the fiscal year ended March 31, 2021, are the figures after the retroactive application of "Accounting Standard for Revenue Recognition."  
 \*\*Forecasts have not been revised since Nov. 2, 2021.

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

	Results for 9 months ended Dec 31,2021			
		YoY		Major factors (YoY)
		Increase/ (Decrease)	%	
Personnel costs	134.8	(3.9)	(2.8)	•Decrease in personnel, bonus, etc.
Energy costs	29.4	(0.7)	(2.6)	•Decrease in passenger car-kilometer due to timetable revision, etc.
Maintenance costs	89.5	(9.4)	(9.6)	•Difference in progress of maintenance work •Decrease due to limitation of measures, etc.
Miscellaneous costs	113.6	(6.4)	(5.4)	•Decrease in payments for other JR companies, outsourcing expenses, and advertising expenses, etc.
Rental Payments,etc.	20.0	(0.6)	(3.0)	•Decrease in rental payments for JR Tozai Line, etc.
Taxes	28.5	1.2	4.7	•Increase in business tax on corporations, etc.
Depreciation and amortization	94.3	(9.3)	(9.0)	•Revision of method of depreciation for Shinkansen rolling stock, etc.
Total	510.2	(29.3)	(5.4)	

Note: Figures in brackets ( ) are negative values.



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- I will discuss non-consolidated operating expenses.
- First, personnel costs were down ¥3.9 billion, due to lower bonuses, difference in personnel, etc.
- Resource costs increased substantially, and there was a rise in renewable energy surcharges. Nonetheless, energy costs were down ¥0.7 billion due to such factors as lower passenger car-kilometers resulting from timetable revisions.
- Maintenance costs declined by ¥9.4 billion due to differences in the degree of progress in construction work, adjustments to the timing of non-urgent construction work, etc.
- Miscellaneous costs were down ¥6.4 billion as a result of such factors as a reevaluation of outsourcing and reduced advertising expenses.
- Depreciation and amortization was down by ¥9.3 billion due to the revision of the method of depreciation for Shinkansen rolling stock, etc.
- Other operating expense related items were as shown on this slide.
- Please refer to slide 13.

## Consolidated Financial Results and Forecasts

	# Billions							
	9 months ended Dec 31, 2020 <sup>a</sup>	9 months ended Dec 31, 2021	YoY		Results FY2021.3 <sup>b</sup>	Forecasts FY2022.3 As of Jan 31 <sup>c</sup>	YoY	
			Increase/ (Decrease) B-A	% B/A-1			Increase/ (Decrease) D-C	% D/C-1
A	B	B-A	B/A-1	C	D	D-C	D/C-1	
Operating Revenues	651.8	729.9	78.0	12.0	920.0	1,052.0 to 1,089.0	131.9 to 168.9	14.3 to 18.4
Operating Expenses	827.4	809.4	(17.9)	(2.2)	1,165.5	1,181.0 to 1,183.0	15.4 to 17.4	1.3 to 1.5
Operating Loss	(175.5)	(79.4)	96.0	-	(245.5)	(129.0) to (94.0)	116.5 to 151.5	-
Non-operating revenues and expenses, net	(13.7)	(3.1)	10.5	-	(11.8)	(12.5)	(0.6)	-
Non-operating revenues	6.3	16.0	9.7	-	13.0	13.2	0.1	-
Non-operating expenses	20.0	19.2	(0.8)	-	24.8	25.7	0.8	-
Recurring Loss	(189.2)	(82.6)	106.6	-	(257.3)	(141.5) to (106.5)	115.8 to 150.8	-
Extraordinary profit and loss, net	(9.6)	22.5	32.2	-	(17.3)	24.0	41.3	-
Extraordinary profit	11.8	32.9	21.1	-	31.9	-	-	-
Extraordinary loss	21.4	10.4	(11.0)	-	49.3	-	-	-
Loss attributable to owners of parent	(161.8)	(54.0)	107.7	-	(233.1)	(116.5) to (81.5)	116.6 to 151.6	-
Comprehensive Income	(167.8)	(54.3)	113.5	-	(240.4)	-	-	-

Note: Figures in brackets ( ) are negative values.

<sup>a</sup>Results for the fiscal year ended March 31, 2021, are the figures after the retroactive application of "Accounting Standard for Revenue Recognition."

<sup>c</sup>Forecasts have not been revised since Nov 2, 2021.

## Consolidated Financial Results and Forecasts (Segment Information)

	¥ Billions							
	9 months ended Dec 31, 2020 <sup>1)</sup>	9 months ended Dec 31, 2021	YoY		Results FY2021.1 <sup>2)</sup>	Forecasts		
			Increase/ (Decrease)	%		FY2022.3 As of Jan 31 <sup>3)</sup>	Increase/ (Decrease)	%
A	B	B-A	B/A-1	C	D	D-C	D/C-1	
Operating Revenues <sup>1)</sup>	651.8	729.9	78.0	12.0	920.0	1,052.0 to 1,069.0	131.9 to 168.9	14.3 to 18.4
Transportation	354.0	406.5	52.5	14.8	469.7	558.0 to 592.0	88.2 to 122.2	18.8 to 26.0
Retail	81.3	92.6	11.2	13.8	108.7	148.0 to 149.0	39.2 to 40.2	36.1 to 37.0
Sale of goods and food services	66.1	76.2	10.1	15.3	88.2	121.2 to 122.2	32.9 to 33.9	37.3 to 38.4
Accommodation-oriented budget hotels (revised) <sup>4)</sup>	[3.3]	[4.7]	[1.4]	[42.9]	4.5	7.5 to [8.5]	[2.9] to [3.9]	[63.1] to [84.8]
Department stores	12.1	13.2	1.1	9.1	16.3	22.4 to 23.0	6.0 to 7.6	37.1 to 50.2
Real estate	97.4	99.8	2.3	2.4	141.3	153.0 to 153.0	11.6 to 11.6	8.2 to 8.2
Shopping center	30.9	33.7	2.7	8.9	42.3	47.4 to 47.4	5.0 to 5.0	12.0 to 12.0
Real estate lease and sale	64.7	64.8	0.1	0.2	96.9	103.5 to 103.5	6.5 to 6.5	6.8 to 6.8
Real estate sale (revised)	[29.3]	[29.1]	[(0.1)]	[(0.7)]	50.1	56.3 to 195.0	[6.2] to [5.2]	[12.4] to [2.6]
Other businesses	119.0	131.0	11.9	10.0	200.2	193.0 to 195.0	(7.2) to (5.2)	(3.6) to (2.6)
Hotel	11.9	14.0	2.0	16.9	15.3	21.0 to 23.0	5.6 to 7.6	37.2 to 50.2
Nippon Travel Agency	50.1	59.5	9.3	18.7	87.6	70.2 to 70.2	(17.4) to (17.4)	(19.9) to (19.9)
Operating Income (Loss) <sup>1)</sup>	(175.5)	(79.4)	96.0	-	(245.5)	(129.0) to (94.0)	116.5 to 151.5	- -
Transportation	(173.0)	(93.7)	79.3	-	(251.5)	(150.5) to (117.0)	101.0 to 134.5	- -
Retail	(11.2)	(6.5)	4.6	-	(15.0)	(3.5) to (3.0)	11.5 to 12.0	- -
Sale of goods and food services	(9.7)	(5.3)	4.3	-	(12.7)	(3.7) to (3.1)	9.0 to 9.6	- -
Department stores	(1.5)	(1.2)	0.3	-	(2.2)	0.0 to (3.1)	2.2 to 9.6	- -
Real estate	23.2	24.0	0.7	3.4	29.2	28.0 to 28.0	(1.2) to (1.2)	(4.3) to (4.3)
Shopping center	2.0	4.2	2.1	108.4	2.0	3.9 to 3.9	1.8 to 1.8	86.2 to 86.2
Real estate lease and sale	15.2	13.7	(1.4)	(9.6)	18.9	16.0 to 16.0	(2.9) to (2.9)	(15.5) to (15.5)
Other businesses	(14.3)	(5.5)	8.7	-	(5.7)	0.0 to 1.0	5.7 to 6.7	- -
Hotel	(8.1)	(6.9)	1.1	-	(11.6)	(7.1) to (6.1)	4.5 to 5.5	- -
Nippon Travel Agency	(9.5)	(0.2)	9.3	-	(7.3)	(2.5) to (2.5)	4.8 to 4.8	- -

Note: Figures in brackets ( ) are negative values.

<sup>1)</sup> The breakdowns of operating revenues and operating income by each segment are the sums of those of major subsidiaries.

<sup>2)</sup> Figures in brackets ( ) are the sales of accommodation-oriented budget hotel, "YA 2NY" sales, excluding Aakasa (other business segment) and Hoshinmei Hanayamacho (other business segment) locations.

<sup>3)</sup> Results for the fiscal year ended March 31, 2021, are the figures after the retroactive application of "Accounting Standard for Revenue Recognition."

<sup>4)</sup> Forecasts have not been revised since July 2, 2021.

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- I will provide an overview of consolidated results by segment.
- In the retail business, revenues increased by ¥11.2 billion year on year. Looking at profits, the influence of the coronavirus pandemic lessened somewhat, and as a result the scale of the loss contracted. Nonetheless, an operating loss of ¥6.5 billion was recorded. Note that, in the first six months of the fiscal year, operating loss was ¥6.9 billion. Accordingly, in the three-month third quarter the segment recorded a small profit at the operating level.
- The real estate business continued to be profitable, with operating revenues increasing ¥2.3 billion year on year, and operating income up ¥0.7 billion, to ¥24.0 billion.
- Due to higher revenues in the hotel business and the travel business, in other businesses operating revenues were up ¥11.9 billion year on year, to ¥131.0 billion, and operating loss was ¥5.5 billion. As mentioned, Nippon Travel Agency announced a new medium-term management plan at the end of last year.
- Please refer to slide 15.

## Major Factors of Increase/Decrease in Each Segment

¥ Billions

			Results for 9 months ended Dec 31, 2021			Major factors (YoY)
			YoY			
			Increase/ (Decrease)	%		
Retail	Sales of goods and food services	Operating Revenues	76.2	10.1	15.3	·Moderate recovery in demand (stores within railway stations, VIAINN), etc.
		Operating Loss	(5.3)	4.3	—	
	Department stores	Operating Revenues	13.2	1.1	9.1	·Moderate recovery in demand, etc.
		Operating Loss	(1.2)	0.3	—	
Real estate	Shopping center	Operating Revenues	33.7	2.7	8.9	·Increase in rent income due to a recovery in tenant sales, etc.
		Operating Income	4.2	2.1	108.4	
	Real estate lease and sale	Operating Revenues	64.8	0.1	0.2	·New opening of lease properties, etc.
		Operating Income	13.7	(1.4)	(9.6)	
Other Businesses	Hotel	Operating Revenues	14.0	2.0	16.9	·Moderate recovery in demand (the accommodation department), etc.
		Operating Loss	(6.9)	1.1	—	
	Nippon travel agency	Operating Revenues	59.5	9.3	18.7	·Increase in travel and non-travel related business, etc.
		Operating Loss	(0.2)	9.3	—	

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.

<b>Consolidated Financial Situation</b>			
	¥ Billions		
	As of March 31, 2021*	As of Dec 31, 2021	Difference increase/(decrease) B-A
	A	B	
Assets	3,477.3	3,724.9	247.5
Liabilities	2,521.1	2,592.8	71.7
Net assets	956.2	1,132.0	175.8
Balance of Long-term Debt and Payables	1,559.5	1,747.7	188.2
[Average interest rate (%) ]	[1.28]	[1.18]	[(0.10)]
Shinkansen Purchase Liability	100.9	100.4	(0.5)
[Average interest rate (%) ]	[6.55]	[6.55]	[—]
Bonds	839.9	989.9	150.0
[Average interest rate (%) ]	[1.11]	[1.00]	[(0.11)]
Equity ratio (%)	24.5	27.6	3.1
Net assets per share (¥)	4,461.46	4,214.33	(247.13)

\*Results for the fiscal year ended March 31, 2021, are the figures after the retroactive application of "Accounting Standard for Revenue Recognition."

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- Net assets increased due to such factors as the raising of ¥252.2 billion through a capital increase by way of public offering, which was implemented in September.
- The balance of long-term debt is nearly unchanged from the end of the second quarter, at ¥1,747.7 billion.
- Please refer to slide 16.



## Other Data

Persons, ¥ Billions

	9 months ended Dec 31, 2020 <sup>*2</sup>	9 months ended Dec 31, 2021	Results FY2021.3 <sup>*2</sup>	Forecasts FY2022.3 As of Jan 31 <sup>*3</sup>
ROA (% Consolidated)	—	—	—	—
ROE (% Consolidated)	—	—	—	—
EBITDA (Consolidated) <sup>*1</sup>	(47.1)	40.1	(70.8)	35.0~70.0
Depreciation (Consolidated)	127.5	118.7	173.4	163.5
Capital Expenditures (Consolidated, own fund)	126.1	111.7	216.6	245.0
Capital Expenditures (Non-consolidated, own fund)	90.1	79.0	167.4	170.0
Safety related capital expenditure	53.7	43.5	105.1	85.0
Dividends per share (¥)	50.0	50.0	100.0	100.0

	9 months ended Dec 31, 2020		9 months ended Dec 31, 2021		Results FY2021.3		Forecasts FY2022.3 As of Jan 31 <sup>*3</sup>	
	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated
No. of employees at the end of period	48,406	23,982	47,212	22,790	47,984	23,900	—	—
Financial Expenses, net	(14.3)	(13.0)	(13.8)	(13.7)	(19.5)	(17.8)	(21.1)	(19.0)
Interest and dividend income	0.8	2.1	2.2	2.2	0.9	2.4	0.7	2.2
Interest expenses	15.2	15.1	16.0	15.9	20.4	20.2	21.8	21.3

Note: Figures in brackets ( ) are negative values.

<sup>\*1</sup> EBITDA = Operating Income (Loss) + Depreciation + Amortization of goodwill

<sup>\*2</sup> Results for the fiscal year ended March 31, 2021, are the figures after the retroactive application of "Accounting Standard for Revenue Recognition."

<sup>\*3</sup> Forecasts have not been revised since Nov 2, 2021.

- There are no changes to the previously announced capital expenditure plan and dividend forecast.
- Next, please look at slide 18.

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FY2022.3 3Q Results and  
Full-Year Forecasts: Overview

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Full-Year Forecasts: Details

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ESG-Related Initiatives

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## ESG-Related Initiatives

**Environment - Helping to prevent global warming through CO<sub>2</sub> reduction**

- 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.
  - Aiming for a 46% reduction in CO<sub>2</sub> emissions on a Groupwide basis in FY2031.3 (vs. FY2014.3)
- Support for TCFD and information disclosure
  - Establishing Global Environment Committee, monitoring climate change risk, etc.
  - In accordance with TCFD recommendations, implementing information disclosure in regard to analysis of and measures to address risks and opportunities in the railway business, which is especially strongly affected by climate change (April 2021)
  - We estimated the quantitative effect of identified risks, etc., and made a provisional calculation of transportation revenues. Both were announced. (December 2021)
- Initiatives to reduce environmental burdens, such as the use of renewable energy in the real estate business

**Trend in CO<sub>2</sub> emissions**

Fiscal Year	CO <sub>2</sub> Emissions
FY 2014.3	234
FY 2020.3 (non-consolidated)	177
FY 2021.3 (non-consolidated)	160
FY 2031.3 (Group companies)	126

**Society - Regional revitalization backed by safe and sustainable railway service**

- Initiatives to achieve "JR-West Group Railway Safety Think-and-Act Plan 2022"
- COVID-19 prevention
  - "On-time congestion information" service
- Attractive city developments through collaborations with local communities
  - Increase non-resident/resident population
  - Safe and sustainable railway service

**Safety indicator**

Indicator	Approximate Value (FY06.3)	Approximate Value (FY21.3)
Transportation disruptions due to internal factors	350	150
Railway accidents with casualties	250	100
Accidents at level crossing	150	50

**Governance - Monitoring our management, enhancing our supervisory function**

- 5 of the 13 directors are independent outside directors
- Personnel and Remuneration Advisory Committee with majority consisting of independent outside directors (December 2019)
- To increase corporate value, we defined the skills that are believed to be important for the Board of Directors as of this point, and we disclosed a skill matrix for Directors and Audit & Supervisory Board Members. (December 2021)
- We announced a transition to a company with an audit and supervisory committee in order to conduct management decision-making and business execution more rapidly and to strengthen the monitoring of the Board of Directors. (January 2022)

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- I will discuss progress with ESG initiatives. There are two main points.
- First, in April 2021 we announced our support for the TCFD recommendations, and we have been advancing related initiatives. We have conducted quantitative analysis of the influence of climate change risk, etc., which we disclosed at the end of last year.
- Second, in governance, today we announced that the Board of Directors has decided that JR-West will transition to a company with an audit and supervisory committee, based on the condition that this transition is approved at the shareholders' meeting. As we work to enhance our ability to address change, as outlined in the medium-term management plan revision, this will facilitate prompt, resolute management decision-making and business execution, strengthen the monitoring of the Board of Directors, etc. In these ways, the Company will work to further enhance and strengthen corporate governance and to increase corporate value.
- In addition, to increase corporate value, we defined the skills that are believed to be important for the Board of Directors as of this point, and at the end of last year we disclosed a skill matrix for Directors and Audit & Supervisory Board Members.
- As we continue working to increase the Group's corporate value, we will keep in mind the prime market selection and the spirit of the Corporate Governance Code revision. We will enhance discussions at meetings of the Board of Directors in regard to initiatives targeting the value provided to society, and the realization of that value, including sustainability initiatives, as well as discussions regarding various medium to long term management issues, such as important management policies and management strategies.
- The reevaluation of the Board of Directors as the organization overseeing these matters will be advanced in combination with structural reforms, centered on strengthening the in-house company system, including the reorganization of the head office function, and on the restructuring of the regional organization, which is currently under consideration.
- Finally, an underlying recovery trend continued throughout the three-month third quarter, and on a consolidated basis we were able to achieve a profit at each level of income for the first time in eight quarters.
- However, as mentioned, the future has rapidly become uncertain due to the omicron COVID-19 variant.
- However, there is no change to our view that at the point when the coronavirus pandemic is resolved, transportation revenues will return to approximately 90% of the level in the period before the coronavirus. Nonetheless, regrettably, we believe that there is a strong possibility that we will still be dealing with the coronavirus pandemic at the end of the fiscal period or the beginning of the next. Looking ahead to the next period, we will consider the management plan, and in any event we will work to steadily achieve the cost reduction plan in the medium-term management plan revision.
- This concludes my portion of today's presentation.

## 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 January 31, 2022 based on information available to JR-West as of January 31, 2022 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.