


Results for The Fiscal Year Ended March 31, 2022



Making Our Vision into Reality

May 2, 2022
West Japan Railway Company

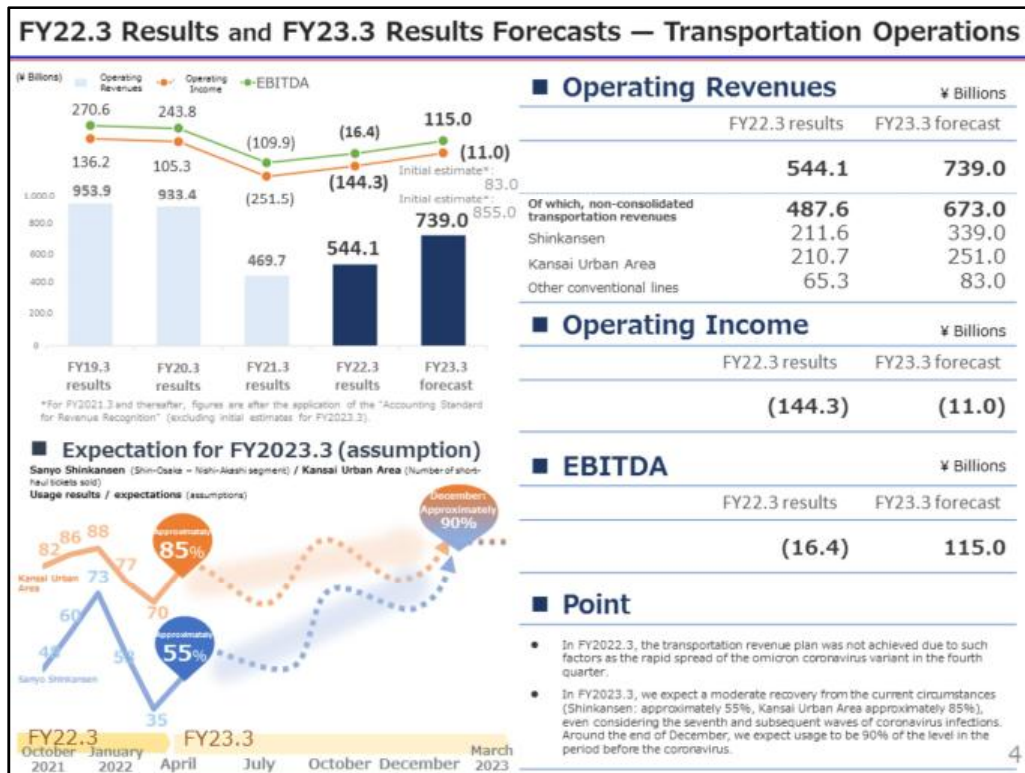
- I am Kazuaki Hasegawa, the president of JR-West.
- Today, I will discuss our results and forecasts, followed by our progress with the revised medium-term management plan, which is now in its final year, and other matters.
- Please refer to slide 3 in the presentation materials.

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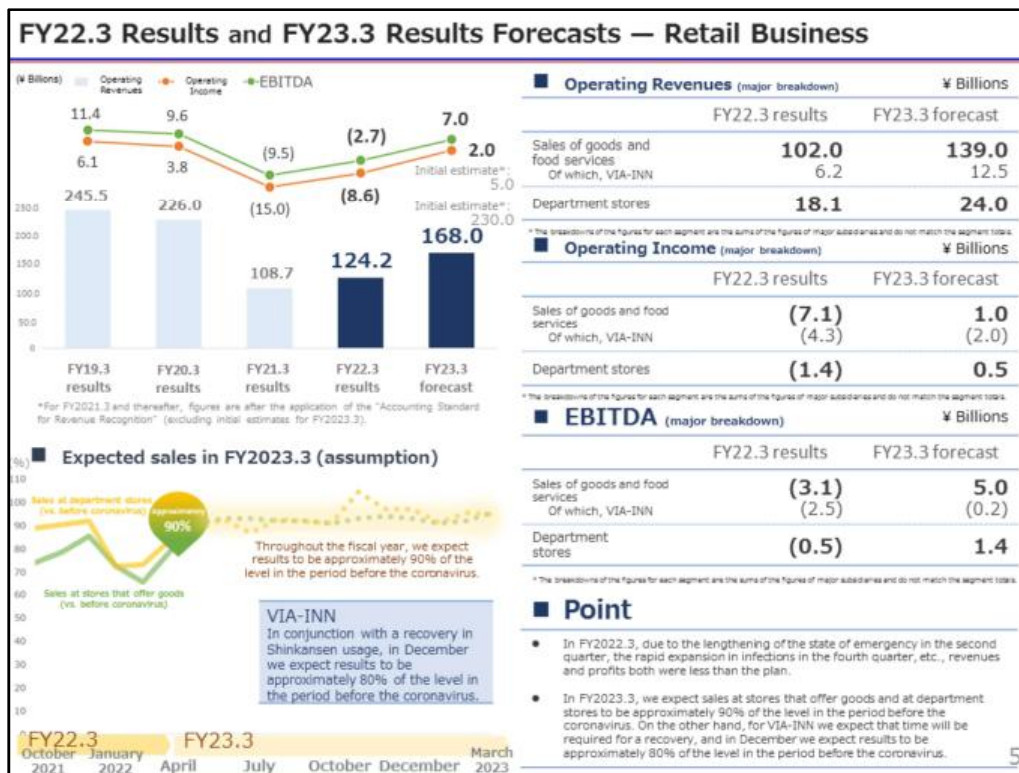
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| FY2022.3 Results and FY2023.3 Results Forecasts — Highlights | | | | | | | | | | |
|---|-------------------|-------------------|--------------------------------|-------|--|-------------------|---------------------|--------------------------------|-------|-----------------------|
| <p>■ In FY2022.3, the omicron coronavirus variant led to the rapid spread of new infections in the fourth quarter. This had an effect on operating revenues, which were less than the full-year plan. On the other hand, as a result of progress with cost reductions, which exceeded the planned amounts, results were within the expected range at all levels of profit.</p> <p>■ For FY2023.3, we are planning a return to profitability for the first time since FY2020.3, with consolidated operating income of ¥30.0 billion and consolidated profit attributable to owners of parent of ¥58.5 billion. We expect to implement maintenance that had been postponed, to see rising prices, and to record an increase in our revenue-linked expenses. We will continue taking steps to reduce costs, such as increasing structural cost reductions to ¥20.0 billion on a non-consolidated basis.</p> | | | | | | | | | | |
| | Results FY21.3 | Results FY22.3 | YoY Increase/ (Decrease) | | Vs. results forecast Increase/ (Decrease) | | Forecasts FY23.3 | YoY Increase/ (Decrease) | | Vs. revised plan % |
| | | | | % | | | | | | |
| [Consolidated] | | | | | | | | | | |
| Operating Revenues | 920.0 | 1,031.1 | 111.0 | 12.1 | (20.8) to (57.8) | (2.0) to (5.3) | 1,309.0 | 277.8 | 27.0 | (9.7) |
| Operating Expenses | 1,165.5 | 1,150.1 | (15.3) | (1.3) | (30.8) to (32.8) | (2.6) to (2.8) | 1,279.0 | 128.8 | 11.2 | (2.4) |
| Operating Income (Loss) | (245.5) | (119.0) | 126.4 | - | 9.9 to (25.0) | - | 30.0 | 149.0 | - | (78.6) |
| Recurring Profit (Loss) | (257.3) | (121.0) | 136.2 | - | 20.4 to (14.5) | - | 13.5 | 134.5 | - | (89.2) |
| Profit (Loss) attributable to owners of parent | (233.1) | (113.1) | 119.9 | - | 3.3 to (31.6) | - | 58.5 | 171.6 | - | (26.9) |
| EBITDA | (70.8) | 42.9 | 113.7 | - | (7.9) to (27.1) | - | 193.0 | 150.0 | 349.9 | (41.5) |
| [Non-Consolidated] | | | | | | | | | | |
| Transportation Revenues | 419.0 | 487.6 | 68.6 | 16.4 | (11.3) to (44.3) | (2.3) to (8.3) | 673.0 | 185.3 | 38.0 | (13.2) |
| Operating Expenses | 740.6 | 704.6 | (36.0) | (4.9) | (18.3) | (2.5) | 764.5 | 59.8 | 8.5 | (2.6) |
| * "Vs. revised plan" percentages do not include the influence of the "Accounting Standard for Revenue Recognition" | | | | | | | | | | 3 |

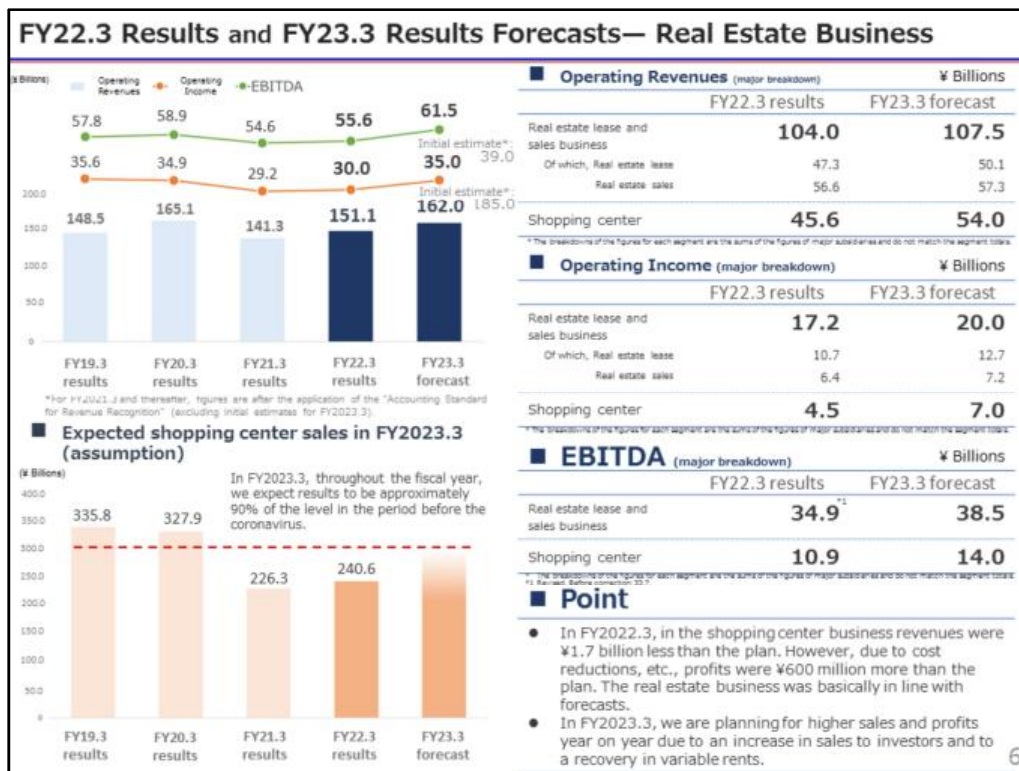
- In FY2022.3, consolidated operating revenues were ¥1,031.1 billion, consolidated operating loss was ¥119.0 billion, and consolidated loss attributable to owners of parent was ¥113.1 billion. This marked our second consecutive year of losses.
- Up to the third quarter, transportation revenues were exceeding the planned level to a certain extent. Nonetheless, in the fourth quarter the omicron coronavirus variant led to the rapid spread of new infections. As a result, on both a consolidated basis and a non-consolidated basis, operating revenues did not reach the planned level.
- On the other hand, we implemented Groupwide efforts to implement cost reductions, which exceeded the planned amounts. Consequently, results were within the planned range at each level of profit.
- In FY2023.3, we are planning a return to profitability for the first time since FY2020.3, with consolidated operating revenues of ¥1,309.0 billion, consolidated operating income of ¥30.0 billion, and consolidated profit attributable to owners of parent of ¥58.5 billion.
- We expect that the approval of our business adaptation plan under the Industrial Competitiveness Enhancement Act will have the effect of increasing consolidated profit attributable to owners of parent by slightly more than ¥27.0 billion.
- Please turn to the next slide.



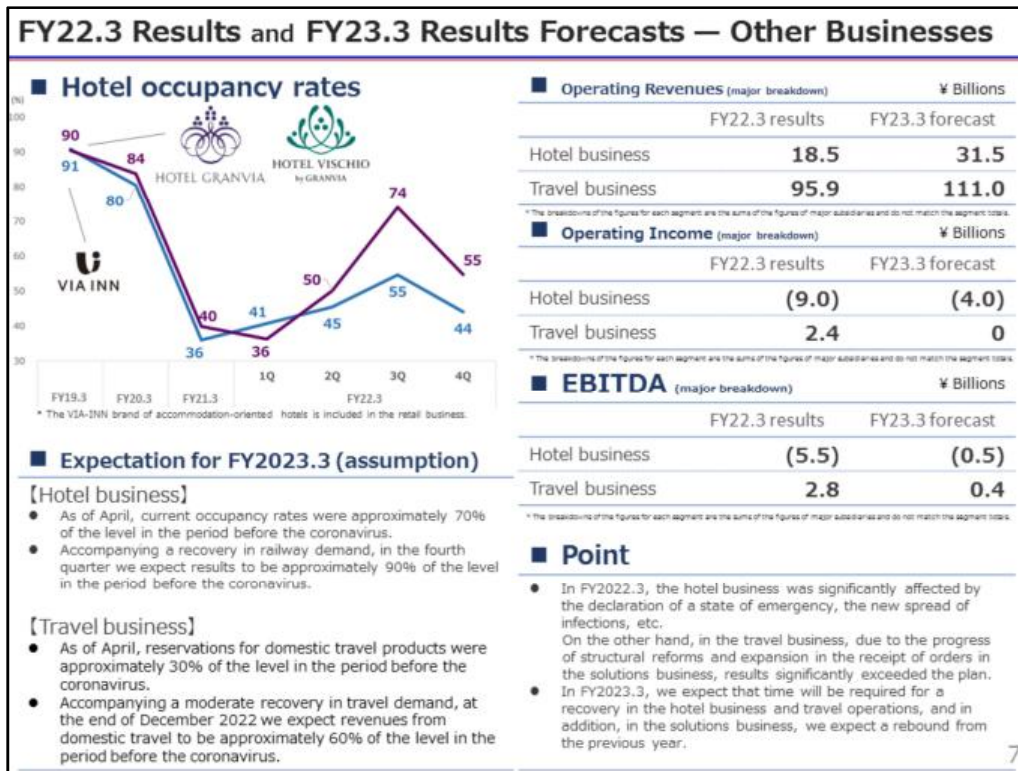
- Next, I will discuss each business field. The first is transportation operations.
- In FY2022.3, transportation revenues were up ¥68.6 billion year on year, to ¥487.6 billion, which is 54% of the level in calendar year 2019, before the coronavirus.
- The breakdown of revenues is shown on this slide. Looking at Shinkansen revenues, the Sanyo Shinkansen was ¥192.6 billion and the Hokuriku Shinkansen was ¥19.0 billion.
- In FY2023.3, our plan calls for transportation revenues of ¥673.0 billion. The assumption for this plan is a moderate recovery from the current circumstances, even with consideration for the seventh and subsequent waves of coronavirus infections, with results around the end of December that are approximately 90% of the level in the period before the coronavirus. For the Shinkansen, our plans are for revenues of ¥308.0 billion on the Sanyo Shinkansen and ¥31.0 billion on the Hokuriku Shinkansen.
- Please turn to the next slide.



- The next topic is the retail business.
- In FY2022.3, revenues were up by ¥15.5 billion year on year, and operating results improved by ¥6.4 billion. Nonetheless, we recorded an operating loss of ¥8.6 billion.
- Demand was sluggish due to such factors as the declaration of a state of emergency in the second quarter and its subsequent extension, as well as the influence of the spread of the omicron coronavirus variant in the fourth quarter.
- In FY2023.3, we expect sales at stores that offer goods and at department stores to be approximately 90% of the level in the period before the coronavirus. Our plans for revenues and profits are shown here.
- Please turn to the next slide.

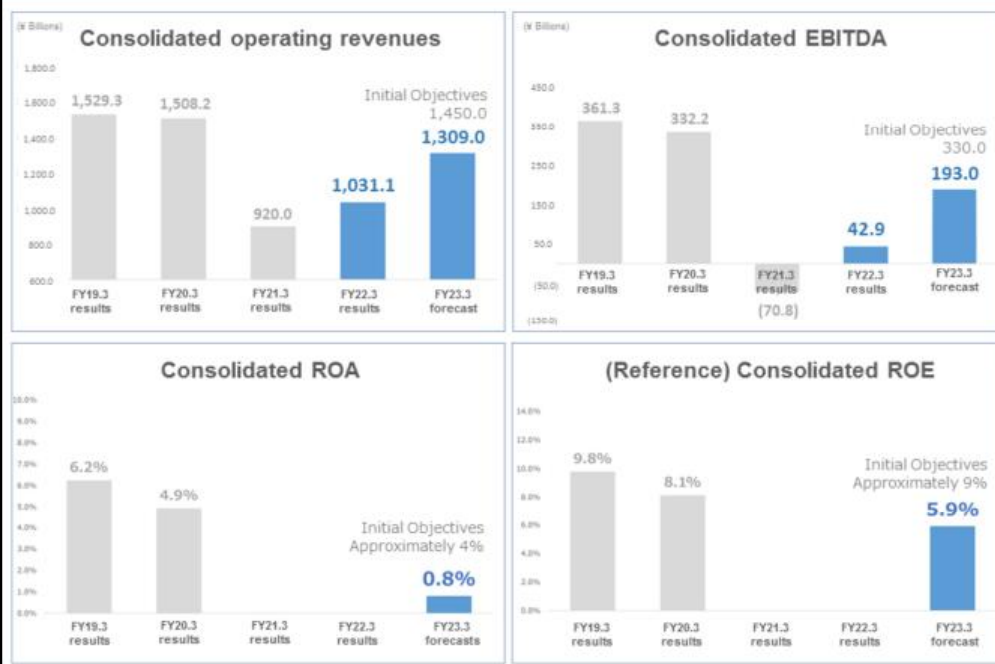


- Next, I will discuss the real estate business.
- In FY2022.3, revenues were up ¥9.8 billion year on year, and operating income was up ¥0.7 billion, to ¥30.0 billion.
- For FY2023.3, in addition to an increase in sales to investors, we expect shopping center sales to be 90% of the level in the period before the coronavirus, and we are anticipating a recovery in variable rents. Our plans for revenues and profits are shown on the slide.
- Please turn to the next slide.



- This slide shows other businesses.
- The hotel business recorded improvement year on year. Nonetheless, the business was significantly affected by the declaration of a state of emergency and the spread of infections, and a loss of ¥9.0 billion was recorded.
- We expect that time will be required for a recovery in the hotel business, and we are also planning for a loss of ¥4.0 billion in FY2023.3.
- In the travel business, revenues were up ¥8.3 billion year on year, and operating results improved by ¥9.7 billion, to ¥2.4 billion. Conditions remain challenging in the travel business. However, we advanced structural reforms and succeeded in increasing orders received in the solutions business, such as for vaccine-related initiatives. For FY2023.3, we have taken into account a certain degree of rebound from the previous year, and we are planning to break even in the travel business.
- Please turn to the next slide.

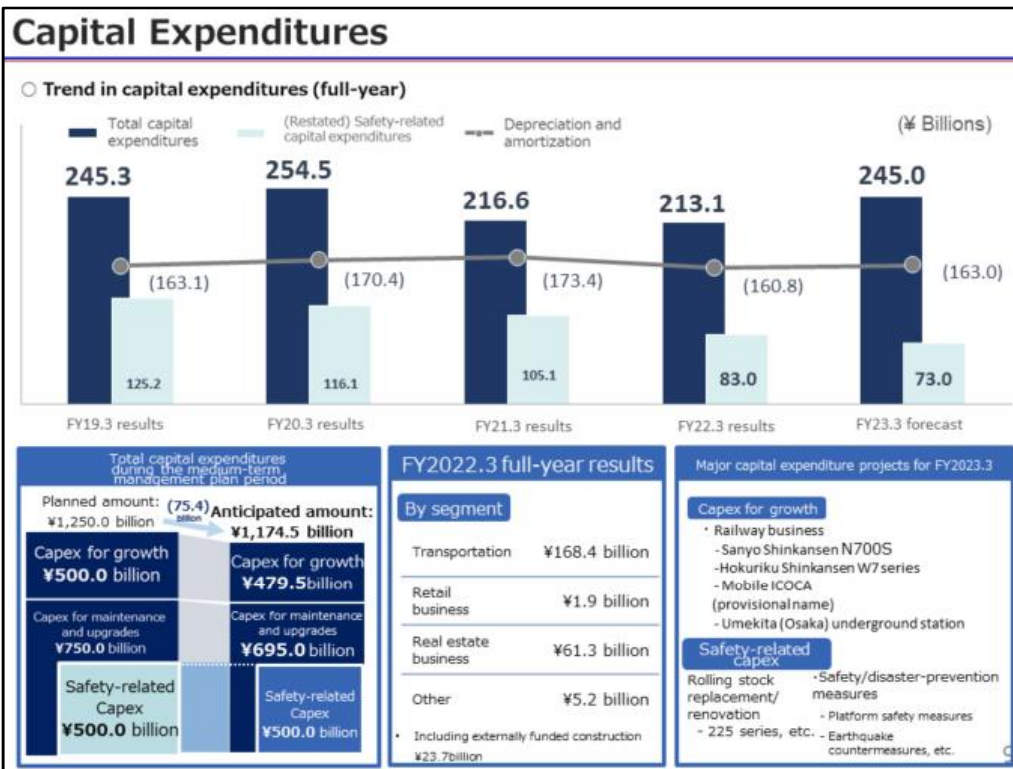
Management Indices (KPI)



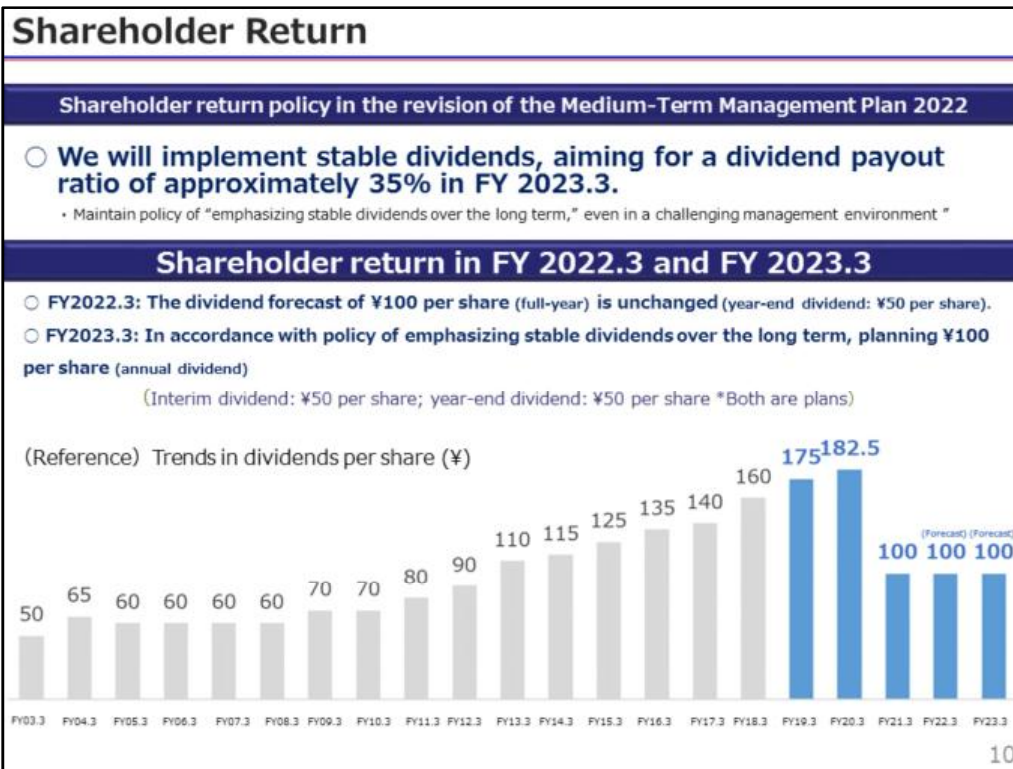
*For FY2021.3 and thereafter, figures are after the application of the "Accounting Standard for Revenue Recognition" (excluding initial estimates for FY2023.3).

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- FY2023.3 is the final year of the medium-term management plan.
- As of October 2020, when we revised the medium-term management plan, our assumptions included that the coronavirus pandemic would be resolved and that from the beginning of FY2023.3 fundamental transportation revenues would be approximately 90% of the level in the period before the coronavirus. Nonetheless, the coronavirus pandemic has persisted into FY2023.3, and we regret to say that we now expect that neither of these assumptions will be realized.
- Please turn to the next slide.

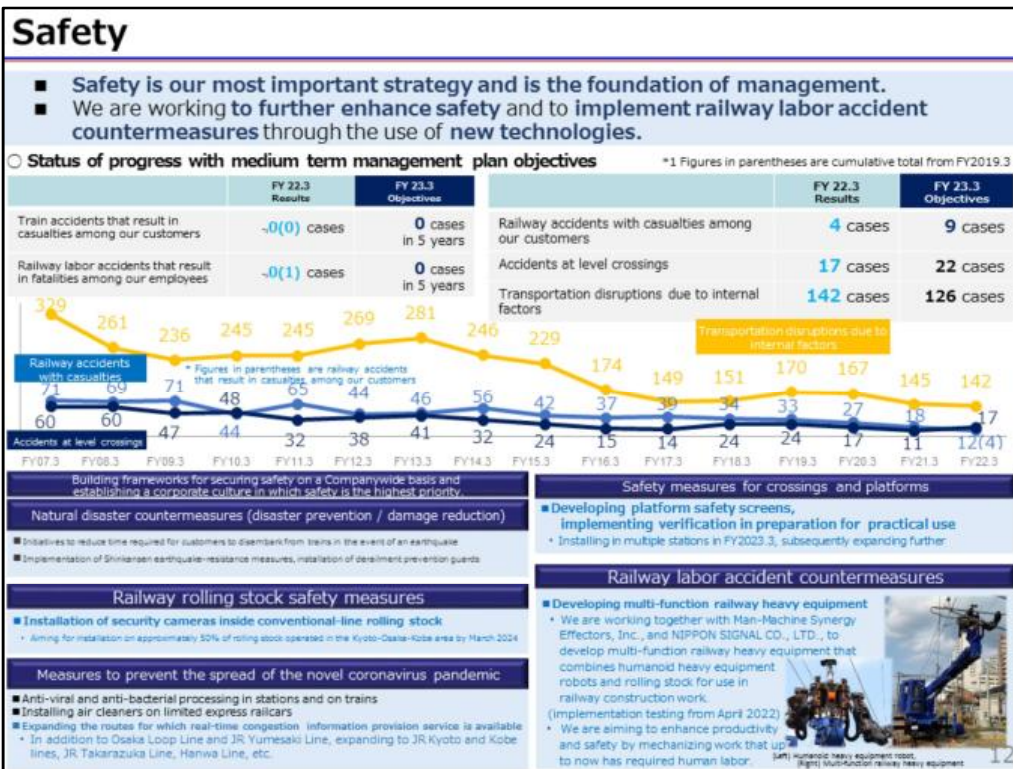


- Looking at capital expenditure during the period of the current medium-term management plan, we will maintain safety-related investment at the level of ¥500.0 billion. Through timing adjustments and other measures, in comparison with the total planned amount of ¥1,250.0 billion, we now expect to reduce capital expenditures by approximately ¥75.0 billion, to a total of slightly more than ¥1,170.0 billion.
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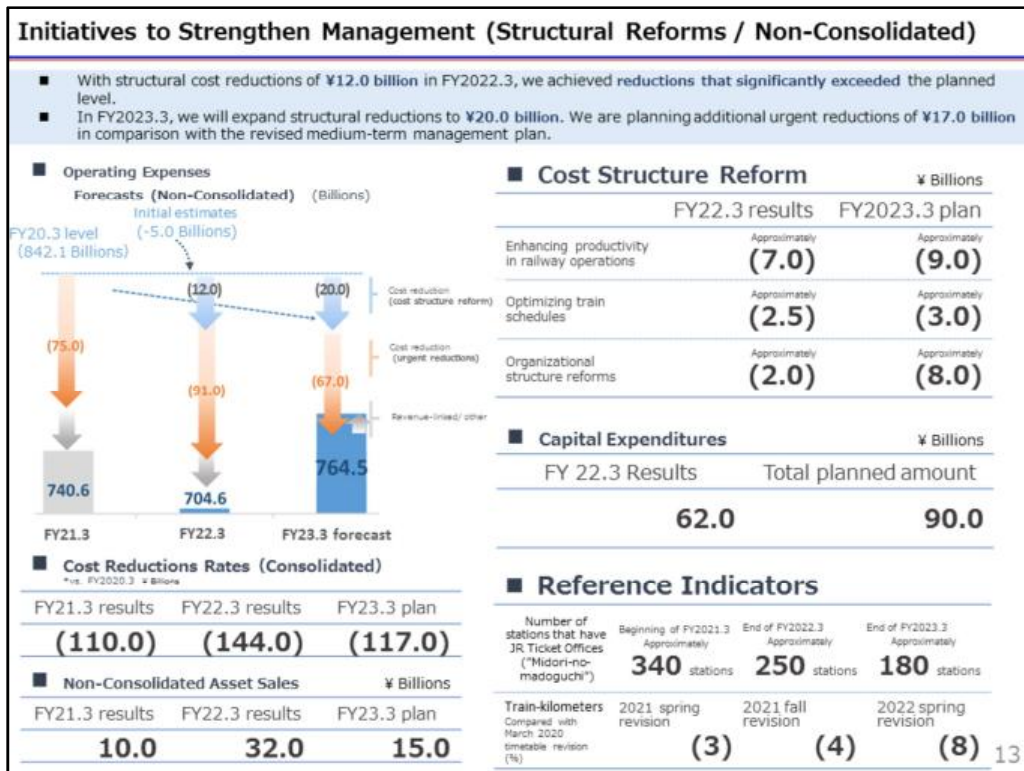


- This slide covers shareholder return.
- In FY2022.3, results were basically in line with our forecasts.
Accordingly, in accordance with our policy of emphasizing stable dividends over the long term, we plan to pay a year-end dividend of ¥50 per share.
- In FY2023.3, we plan to pay an annual dividend of ¥100 per share in accordance with the policy of emphasizing stable dividends over the long term. The dividend payout ratio will exceed the level of approximately 35% that was included in our return policy in the revised medium-term management plan.
- Next, please look at slide 12.

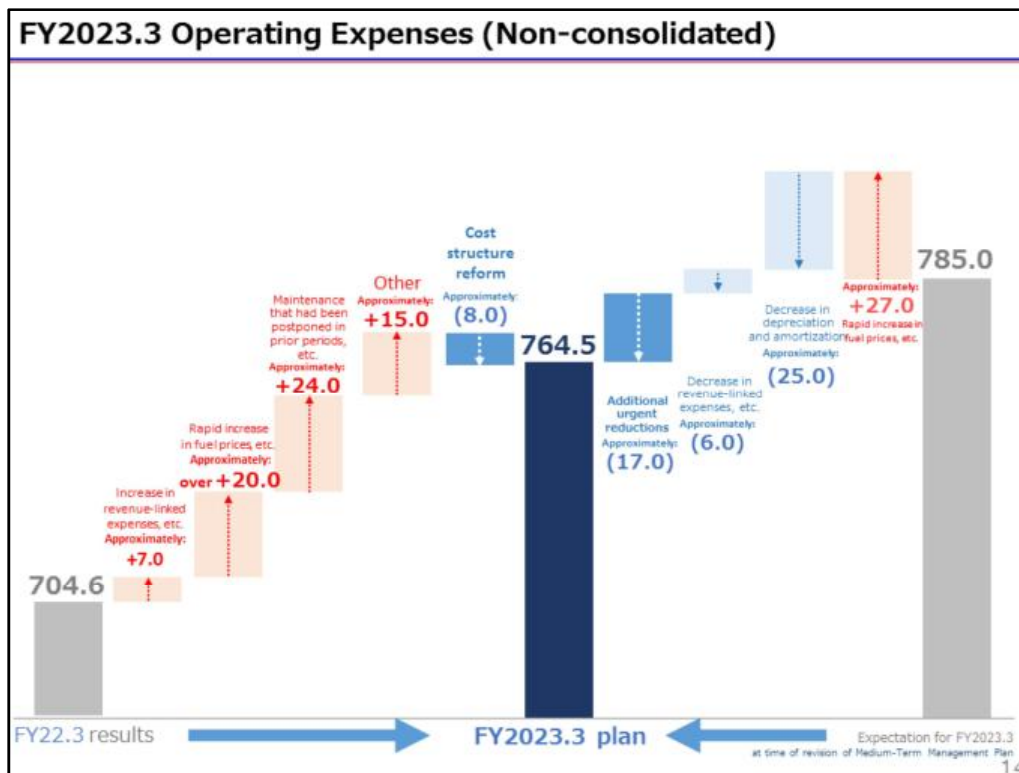
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- Next, I will discuss progress with the revised medium-term management plan and other matters.
- Although our management environment remains challenging, safety is our most important strategy and is the unchanging foundation of our management.
- We have been making steady progress with the safety-related KPIs that we have announced.
- Going forward, while utilizing new technologies, we will work to further enhance safety so that customers can use our services safely and with peace of mind.
- Please turn to the next slide.



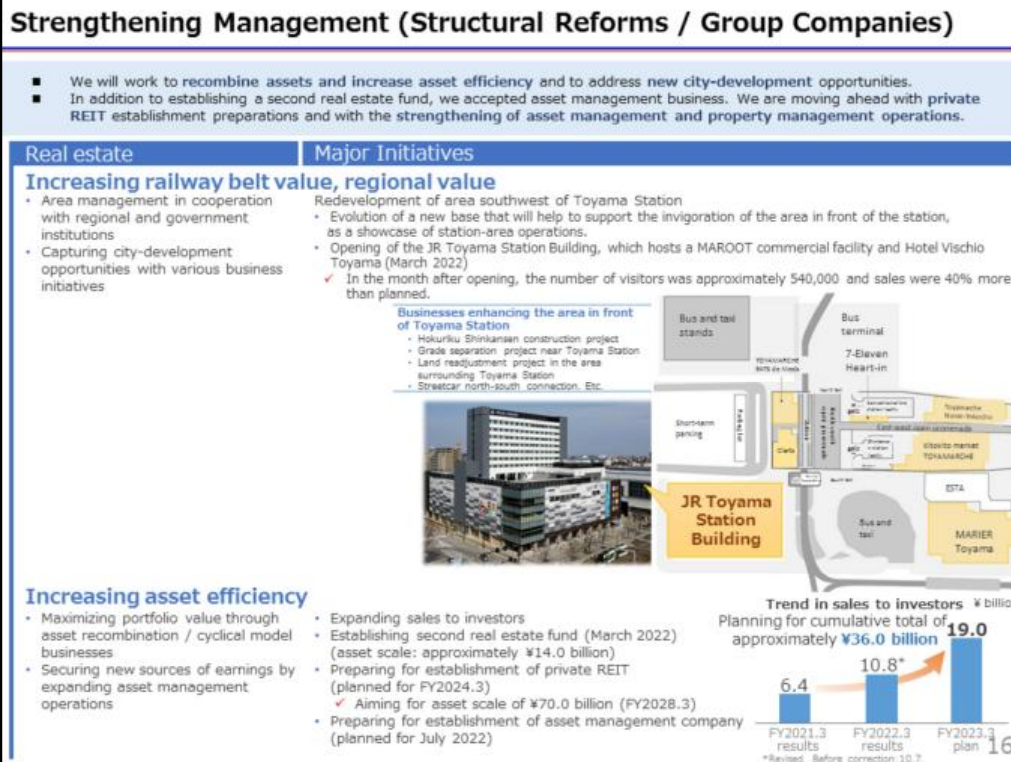
- This slide shows our structural reform initiatives in the railway business.
- As shown on the left side of the slide, the initial plan was for ¥5.0 billion in structural cost reductions, but as a result of rapid progress, we were able to achieve ¥12.0 billion in reductions.
- In FY2023.3, we will further advance initiatives, and we are planning for ¥20.0 billion in structural cost reductions.
- Please turn to the next slide.



- I will provide a further explanation about non-consolidated operating expenses in FY2023.3.
- In FY2023.3, we expect to implement maintenance work, etc., for which the timing has been adjusted. We also expect to see rising prices, including for crude oil; increased expenses linked to the recovery in revenues; etc.
- In addition to the steady implementation of structural cost reductions, we will continue to implement urgent reductions, to the extent possible, from the level of costs in the revised medium-term management plan. In this way, we are also planning to address cost increases resulting from changes in the external environment, etc.
- Please turn to the next slide.

| Strengthening Management (Structural Reforms / Group Companies) | |
|---|--------------------------|
| <ul style="list-style-type: none"> ■ We will work to reform the profit structure and enhance our ability to address change by revising portfolios and business processes in each business. ■ Nippon Travel Agency has revised its medium-term management plan and is advancing a thorough revision of its business model. | |
| Retail | Major Initiatives |
| Increasing profitability/asset efficiency at existing stores <ul style="list-style-type: none"> • Increasing store profitability by optimizing/strengthening operational systems • Closing certain unprofitable stores and utilizing sites <ul style="list-style-type: none"> ✓ Convenience stores: FY2022.3, decrease by 14 stores; FY2021.3, decrease by 26 stores • Changing merchandising to address diversifying needs ✓ Eki Marche Osaka renovation (Phase 1: October 2021, Phase 2: summer 2022) • Profit structure reform for the VIA-INN business <ul style="list-style-type: none"> ✓ Reducing FY2023.3 break-even point by more than 10% (vs. FY2019.3, existing-location basis) | |
| Other Businesses | Major Initiatives |
| <ul style="list-style-type: none"> ■ Hotel | |
| Rebuilding brands and lowering break-even point <ul style="list-style-type: none"> • Reducing fixed costs through structure reform • Enhancing brand power as a chain • Lowering break-even point <ul style="list-style-type: none"> ✓ Reduced FY2022.3 break-even point by 5% (vs. FY2019.3) • Implementing tie-up with Marriott International <ul style="list-style-type: none"> ✓ Opening hotel as part of "Umeda 3-Chome Project (provisional name)" (Development of former site of Osaka central post office) | |
| <ul style="list-style-type: none"> ■ Nippon Travel Agency: New medium-term management plan | |
| Achieving structural change / increasing profitability <ul style="list-style-type: none"> • Expand earnings in the solutions business • Improvement of profit margin through optimization and efficiency of store/personnel structure • Solutions business earnings share <ul style="list-style-type: none"> ✓ 2025: 68% (2019: 40%; 2021: 68%) • Increasing profitability <ul style="list-style-type: none"> ✓ 2025 operating profit margin: 5.0% (2019: 2.3%; 2021: 8.5%) ✓ Increasing "Akai Fusen" Internet sales ratio ✓ Optimizing number of stores, personnel systems | |
|  <p>Umeda 3-Chome Project (provisional name) Upper floors 30 to 38, guest-room floors</p> | |
| 15 | |

- We are also advancing structural reform initiatives in Group companies.
- We are moving ahead with the reform of our profit structure. In particular, as shown here, we plan to lower the break-even points in both the hotel business and the VIA-INN business within FY2023.3.
- Nippon Travel Agency announced a new medium-term management plan in December 2021. In the travel business, we are reforming the profit structure by reducing the number of physical locations while expanding on-line sales. In addition, we plan to significantly shift the portfolio toward the solutions business.
- Please turn to the next slide.



- This shows initiatives in the real estate business.
- On March 18, we opened the JR Toyama Station Building, which hosts a MAROOT shopping center and Hotel Vischio Toyama. This is a representative example of initiatives to increase the value of railway belts and regions. The new station building, together with the enhancement of the squares in front of the station and with light-rail streetcars, could be considered to be a compilation of the enhancement initiatives implemented in the area around Toyama Station by the City of Toyama, which is promoting a compact city concept. In one month after its opening, approximately 540,000 people visited the JR Toyama Station Building, and sales were 40% more than the planned level.
- In addition, looking at measures to increase asset efficiency, in March we established a second real estate fund. We plan to establish a private REIT in FY2024.3, and we will aim for assets under management of approximately ¥70.0 billion in FY2028.3. Through the expansion of a cyclical-model real estate business, we will work to increase asset efficiency and simultaneously secure new opportunities for city-development initiatives.
- Please turn to the next slide.

Enhancing Coexistence with Local Communities


■ We are working to create new demand from two approaches — “improving railway networks” and “city development.”

■ We are participating in projects that are integrated with urban planning. We are leveraging the distinctive strengths of a railway company to invite related projects.

Railway network


Shinkansen

- Adding N700S railcars on the Sanyo Shinkansen
 - Two sets in each; FY2021.3 and FY2023.3~
- Expanding functionality of EX service
 - Start of service on Kyushu Shinkansen (June 2022)
 - EX-MaaS (provisional name)-EX Dynamic Package (provisional name) etc. (Summer 2023)
- Increasing W7-series on Hokuriku Shinkansen (from FY2022.3)



Kansai Urban Area

- Umekita (Osaka) underground station (Spring 2023)
- Transition to double track on Nara Line (spring 2023)
- Naniwasuji Line (Spring 2031)





Strengthening marketing, etc.

- Rebuilding inbound strategy
- Considering state of yield management, fare system
- Identifying and achieving the optimal transportation system

City development at bases and in areas along railway lines


Large-scale city-development projects

- Osaka
 - Development of the area west of Osaka Station (March 2024)
 - New station building (fall 2024)
 - Development under elevated tracks (from fall 2024)
 - Aboveground station building at Umekita (Osaka) underground station (spring 2025)
- Hiroshima: New Station Building (spring 2025)
- Sannomiya: New Station Building (from FY2030.3)
- Kyoto: Development of area northwest of station (FY2030.3)
- Toyama: MAROOT, Hotel Vischio Toyama (March 2022)
- Okayama: Redevelopment project in urban district in front of Okayama Station (from FY2027.3)

Other projects

- Suita SST (April 2022)
- Suma Aqualife Park / Suma Seaside Park Redevelopment project (from FY2024.3)



| | | End of FY2022.3: Results | Total planned amount | Expected EBITDA* |
|--------------------------------|-----------|-----------------------------|-------------------------|---------------------|
| | | ¥ Billions | | |
| city-development initiative | Osaka | 11.0 | 100.0 | 9.0 |
| | Hiroshima | 10.5 | 60.0 | 5.0 |

* Expectation after normal year for the entire Group, including transportation operations.


- The next topic is enhancing coexistence with local communities.
- We have worked to create new demand from two perspectives — “improving railway networks” and “city development.”
- We have recently taken steps to increase the competitiveness of the Shinkansen by adding rolling stock, such as the N700S, and expanding the EX Service. In addition, in spring 2023, we will open Umekita (Osaka) Station. Going forward, development at our Osaka Station and development in the surrounding area will reach the peak stage. We will also work together with projects in the area, such as Umekita Phase II. In these ways, we will strive to contribute to enhancing the appeal of the Osaka area.
- Looking at the effect of the city-development projects in Osaka and Hiroshima on the Group overall, including railway operations, etc., we expect the Osaka projects to have the effect of increasing EBITDA by ¥9.0 billion and the Hiroshima projects to have the effect of increasing EBITDA by ¥5.0 billion, after normal fiscal years.
- Please turn to the next slide.

Creating New Value

- Utilizing **existing assets** as a strength, we are working together with various **external partners** to take on the challenge of **value creation**.
- We have cultivated solutions capabilities in our problem resolution activities and our businesses, and we are searching for opportunities to provide these capabilities to other companies in our industry as well as to companies in other industries.

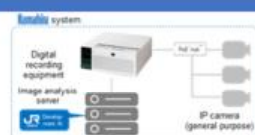
Telecommunications business utilizing the railway business optical-fiber network

- Opening up the railway business optical-fiber network, which offers high-quality, high-stability, and high-reliability
- Taking on the challenge of business development initiatives that find new uses for existing business assets
- Started optical fiber core wire rental service from October 2021



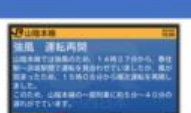
Contributing to the creation of a safe, secure society with the use of AI technology



- Image analysis technology developed by the Company included in surveillance camera system from Kumahira Co., Ltd.
- The AI analyzes people and objects recorded by the camera and detects people's movements and objects that it has previously learned.
- It can also detect the entry of people into designated areas that have been set in advance.
- The AI human detection technology using in this development estimates and detects the movement of the human physique. It is not technology that identifies individuals through facial recognition, movement tracking, etc. (Developed in accordance with the Guidebook for Utilization of Camera Images from the Ministry of Internal Affairs and Communications)



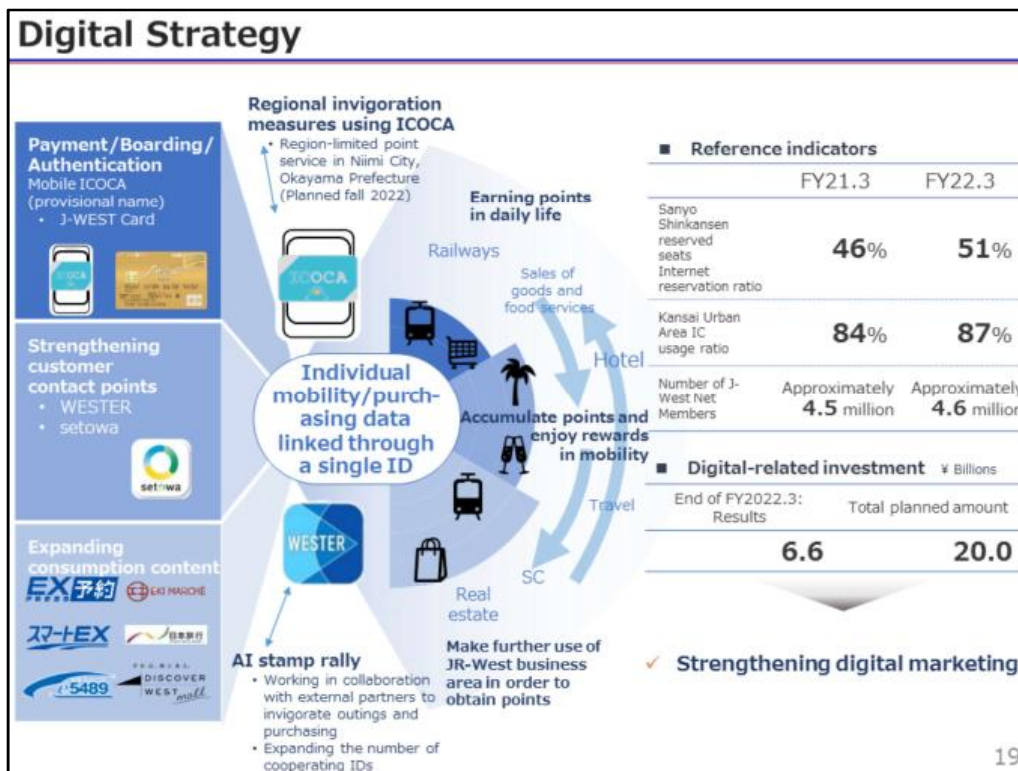
Open innovation initiatives among railway operators

- Co-creation activities, such as the sharing of technologies and know-how and the resolution of issues, are being implemented among railway operators throughout Japan. These operators are identifying common issues in operations and maintenance and searching for methods of resolving social issues in local communities.
- As a solution facilitating the easy provision of guidance to customers at unstaffed stations, Choshi Electric Railway Co, Ltd., started operation of "Scomm," a terminal for the simple provision of information at stations that was developed by JR West. (February 2022)



| Cargo transportation | CBM solutions for automatic ticket checking equipment | Trial "non-urban living" project |
|--|---|---|
| <ul style="list-style-type: none"> • We have started regular cargo transportation on the Sanyo Shinkansen, Hokuriku Shinkansen, and Hakubi Line, where verification testing has been conducted. | <ul style="list-style-type: none"> • Within the Company, we are expanding the range of machines in which these solutions are utilized to include ticket sales and payment machines. • Already proposing to other railway companies.  | <ul style="list-style-type: none"> • In collaboration with Tamba-Sasayama City, Hyogo Prefecture; Nantan City, Kyoto Prefecture; and Takashima City, Shiga Prefecture, we are providing an environment for appealing "non-urban living."  |

- This shows our initiatives in the area of new value creation.
- We are advancing various initiatives to take on the challenge of new value creation reflecting consideration for changes in society.
- In "open innovation initiatives among railway operators," Choshi Electric Railway Co, Ltd., has utilized solutions developed by the Group.
- Going forward, in this way, we will take on the challenge of resolving social issues while leveraging existing assets as strengths.
- Please turn to the next slide.




- The next topic is our digital strategy.
- We will advance initiatives to strengthen digital marketing, such as through the release of Mobile ICOCA, which is scheduled for spring 2023, and the functional enhancement of WESTER, a MaaS app.
- As a result of the improvement of services through the use of digital technologies, we will increase the number of customers who connect digitally and develop a better understanding of customer needs. In this way, we will strive to foster a virtuous cycle for the provision of services with additional value, thereby increasing the number of customers and repeat customers on a Groupwide basis.
- Please turn to the next slide.

Fares and Charges

JR-West's thoughts regarding issues

Applications for approval are only on a companywide basis, and a long time is required for revisions.

- The system, which uniformly examines "profitability on all routes," is rigid. It is not possible to make flexible, timely revisions.
- There is a mismatch between the usage conditions/operational configuration and the fare system.



It is difficult to deal with dramatic reductions in revenues due to external factors and with inflation.

- The examinations are based on the profitability outlook for the three-year period after a fare revision, and accordingly it is not possible to cover losses in prior fiscal years, such as periods of dramatic declines in revenues.

In comparison with airline fares, etc., there is a difference in the degree of regulatory control.

- There is a low degree of freedom in price setting, and it is difficult to establish products that address needs.

On March 1, the Company expressed its opinions at the second meeting of the subcommittee.

Major points for discussion by a Ministry of Land, Infrastructure, Transport and Tourism subcommittee related to the state of the railway fare/charge system

System

- Discussion point 1:** Is there a need to transition to a system that makes it possible for companies to use creative initiatives aligned with demand segments in order to provide services that reflect consideration for changes in user behavior and diversification of user needs?
- Discussion point 2:** How is the regional exclusivity of railways evaluated from a modern viewpoint?
- Discussion point 3:** Is it necessary to both (1) increase the flexibility of systems in a manner that reflects modern evaluations of regional exclusivity and (2) protect the interests of users through such means as information provision and transparency on the part of businesses?
- Discussion point 4:** What type of fare and charges system should be implemented in the future?

Operations / other

- Discussion point 5:** Is there a need to transition to a system that facilitates both implementing expense control through increased cost efficiency and maintaining necessary investment.
- Discussion point 6:** Is there a need to transition to a system that makes it possible to address changes in socio-economic conditions that are difficult to predict?

(Source) Materials distributed for the fifth meeting of a Ministry of Land, Infrastructure, Transport and Tourism subcommittee related to the state of the railway fare/charge system

Late June: Plan to implement "interim viewpoint summary" 20

- Next, I will discuss the formulation of the next medium-term management plan.
- In regard to the state of the fare and charge system, as you might know, MLIT has established a subcommittee. As you can see on the left side of the slide, we have raised various issues regarding the current system.
- JR West would like to see the realization of a system that increases convenience for customers in a manner that reflects changes in society and facilitates flexible responses to changes in the economy.
- The subcommittee is addressing six discussion points, such as the design and operation of the system. We expect an interim report to be available in late June.
- This is a major issue not only for JR-West but also for other railway companies, and we look forward to continued progress with the discussions.
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Local Lines

Disclosing information related to management circumstances on a railway line section basis

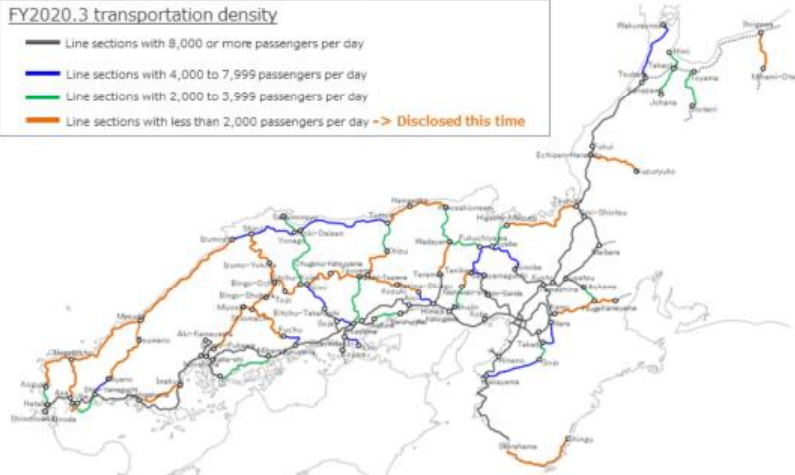
Sharing railway line section status and issues with regions along railway lines

- Disclosing profitability by railway line section for 30 sections on 17 lines with a transportation density of less than 2,000 people per day
- Sharing with regions along railway lines the status and issues for railway line sections for which it is considered to be difficult to sufficiently demonstrate the characteristics of railways from the perspective of large-scale transportation

Working together with local communities to identify and achieve the optimal regional transportation system, which will be easier to use

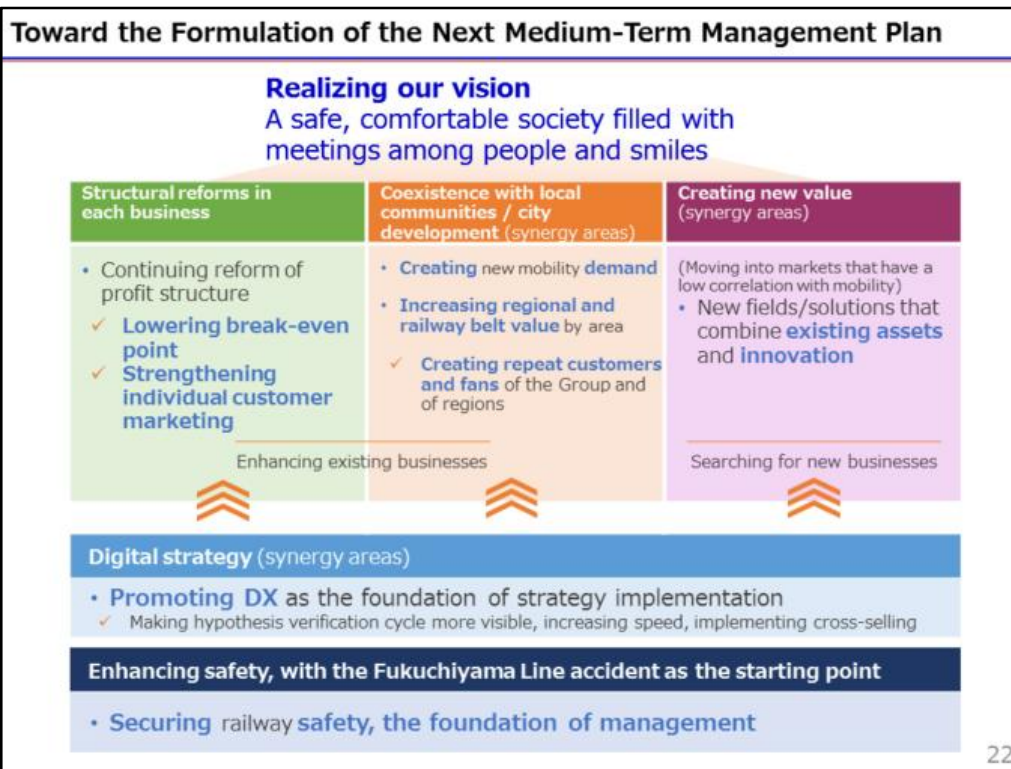
- ✓ With consideration for differences in special characteristics among railway line sections and mobility needs, we will work together with regions to create the optimal regional transportation system, which will be aligned with regional city development and will be easier to use.

FY2020.3 transportation density

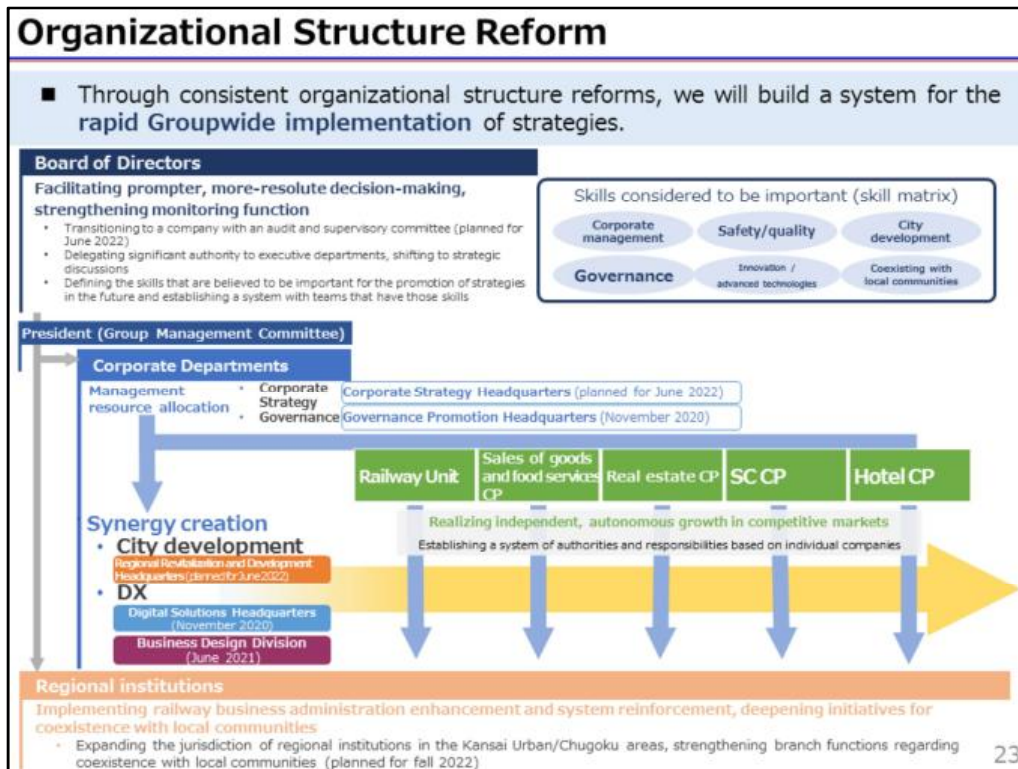


21

- This slide covers local routes.
- As shown here, we have recently disclosed profitability for railway line sections with transportation densities of less than 2,000 people per day.
- We will share with people in areas along railway lines the circumstances of railway line sections for which we have not been able to demonstrate the characteristics of railways as large-scale transportation. Going forward, we would like to continue to conduct a wide range of discussions as we work toward the realization of a sustainable public transportation system that is easy to use.
- Please turn to the next slide.



- Looking at the direction of the next medium-term management plan, enhancing safety will continue to be the foundation of our management.
- On that basis, the fundamental direction of our portfolio will continue to be (1) business structure reform, centered on the railway business, (2) coexistence with local communities / city development, and (3) creating new value, with (4) digital strategy serving as the foundation for the implementation of the first three.
- Please turn to the next slide.



- We are working to implement governance reforms in order to advance our portfolio strategy.
- We are advancing integrated organizational structure reforms in a wide-ranging manner while working to increase efficiency. These include (1) reforming the board of directors, centered on transitioning to a company with an audit and supervisory committee, utilizing a skill matrix, etc.; (2) reorganizing management units to advance/strengthen synergies among Group companies and head office corporate departments; and (3) reorganizing our regional systems.
- The future course of the coronavirus pandemic remains unclear, but signs of the resolution of the pandemic have started to appear. In regard to the use of the funds that we raised last year through a capital increase by way of public offering, we will allocate these funds for a portion of the capital expenditure that will be implemented in accordance with the four strategic axes that were mentioned. We will also work from a financial perspective so that we do not miss the timing of a full-fledged recovery in demand or of events that will generate new demand, such as Expo 2025 Osaka, Kansai, Japan and a recovery in inbound travelers. In these ways, we will strive to increase corporate value through growth in the period after coronavirus.
- This concludes my portion of today's presentation.

| | | |
|---|--|---------|
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Financial Highlights

¥ Billions

| | Results FY2021.3* | Results FY2022.3 | YoY | | Forecasts FY2023.3 | YoY | |
|--|----------------------|---------------------|-------------------------|--------|-----------------------|-------------------------|-------|
| | | | INCREASE/ (DECREASE) | % | | INCREASE/ (DECREASE) | % |
| | A | B | B-A | B/A-1 | C | C-B | C/B-1 |
| [Consolidated] | | | | | | | |
| Operating Revenues | 920.0 | 1,031.1 | 111.0 | 12.1 | 1,309.0 | 277.8 | 27.0 |
| Operating Income (Loss) | (245.5) | (119.0) | 126.4 | — | 30.0 | 149.0 | — |
| Recurring Income (Loss) | (257.3) | (121.0) | 136.2 | — | 13.5 | 134.5 | — |
| Income (Loss) attributable to owners of parent | (233.1) | (113.1) | 119.9 | — | 58.5 | 171.6 | — |
| [Non-Consolidated] | | | | | | | |
| Operating Revenues | 506.8 | 577.6 | 70.7 | 14.0 | 769.0 | 191.3 | 33.1 |
| Transportation Revenues | 419.0 | 487.6 | 68.6 | 16.4 | 673.0 | 185.3 | 38.0 |
| Operating Expenses | 740.6 | 704.6 | (36.0) | (4.9) | 764.5 | 59.8 | 8.5 |
| Personnel costs | 183.8 | 180.7 | (3.1) | (1.7) | 177.5 | (3.2) | (1.8) |
| Non personnel costs | 354.4 | 334.7 | (19.7) | (5.6) | 397.5 | 62.7 | 18.8 |
| Energy costs | 39.5 | 40.8 | 1.2 | 3.2 | 59.0 | 18.1 | 44.6 |
| Maintenance costs | 151.9 | 136.7 | (15.2) | (10.1) | 151.0 | 14.2 | 10.5 |
| Miscellaneous costs | 162.8 | 157.2 | (5.6) | (3.5) | 187.5 | 30.2 | 19.3 |
| Depreciation and Amortization | 141.0 | 127.2 | (13.7) | (9.8) | 125.5 | (1.7) | (1.4) |
| Operating Income (Loss) | (233.8) | (127.0) | 106.8 | — | 4.5 | 131.5 | — |
| Recurring Loss | (250.7) | (138.2) | 112.4 | — | (10.0) | 128.2 | — |
| Net Income (Loss) | (217.3) | (121.6) | 95.7 | — | 48.0 | 169.6 | — |

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."

Non-Consolidated Financial Results

| | Results FY2021.3* | FY2022.3 | | YOY | | Difference from the forecasts Increase/(Decrease) |
|---|----------------------|-----------------------------|---------|-------------------------|--------|---|
| | | Forecasts (As of Jan 31) | Results | Increase/ (Decrease) | % | |
| | | | | | | |
| A | B | C | C-A | C/A-1 | C-B | |
| Operating Revenues | 506.8 | 589.0 to 622.0 | 577.6 | 70.7 | 14.0 | (11.3) to (44.3) |
| Transportation revenues | 419.0 | 499.0 to 532.0 | 487.6 | 68.6 | 16.4 | (11.3) to (44.3) |
| Other | 87.8 | 90.0 | 89.9 | 2.1 | 2.4 | (0.0) |
| Operating Expenses | 740.6 | 723.0 | 704.6 | (36.0) | (4.9) | (18.3) |
| Personnel costs | 183.8 | 179.0 | 180.7 | (3.1) | (1.7) | 1.7 |
| Non personnel costs | 354.4 | 353.5 | 334.7 | (19.7) | (5.6) | (18.7) |
| Energy costs | 39.5 | 39.5 | 40.8 | 1.2 | 3.2 | 1.3 |
| Maintenance costs | 151.9 | 139.5 | 136.7 | (15.2) | (10.1) | (2.7) |
| Miscellaneous costs | 162.8 | 174.5 | 157.2 | (5.6) | (3.5) | (17.2) |
| Rental payments, etc. | 27.6 | 27.0 | 26.7 | (0.8) | (3.1) | (0.2) |
| Taxes | 33.6 | 34.5 | 35.1 | 1.4 | 4.3 | 0.6 |
| Depreciation and Amortization | 141.0 | 129.0 | 127.2 | (13.7) | (9.8) | (1.7) |
| Operating Loss | (233.8) | (134.0) to (101.0) | (127.0) | 106.8 | — | 6.9 to (26.0) |
| Non-operating revenues and expenses, net | (16.9) | (14.5) | (11.2) | 5.6 | — | 3.2 |
| Non-operating revenues | 8.4 | 9.0 | 13.3 | 4.9 | — | 4.3 |
| Non-operating expenses | 25.3 | 23.5 | 24.6 | (0.7) | — | 1.1 |
| Recurring Loss | (250.7) | (148.5) to (115.5) | (138.2) | 112.4 | — | 10.2 to (22.7) |
| Extraordinary profit and loss, net | (23.9) | 23.5 | 11.0 | 35.0 | — | (12.4) |
| Extraordinary profit | 25.0 | 28.0 | 54.1 | 29.0 | — | 26.1 |
| Extraordinary loss | 49.0 | 4.5 | 43.1 | (5.9) | — | 38.6 |
| Net Loss | (217.3) | (117.0) to (84.0) | (121.6) | 95.7 | — | (4.6) to (37.6) |

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."

Major Factors of Increase/Decrease in Transportation Revenues

| Transportation revenues | | Results FY2022.3 | | | ¥ Billions |
|--|-------|-------------------------|------|-----------------------------------|------------|
| | | Yor Increase/(Decrease) | | Major factors | Amount |
| | | Amount | % | | |
| Shinkansen | 211.6 | 46.0 | 27.8 | Fundamental trend 0.0% | 0.0 |
| | | | | Special factors | |
| | | | | -Rebound from COVID-19 (Domestic) | 45.6 |
| | | | | | 0.0 |
| | | | | etc. | 0.0 |
| Kansai Urban Area (Kyoto-Osaka-Kobe Area) | 210.7 | 16.5 | 8.5 | Fundamental trend 0.0% | 0.0 |
| | | | | Special factors | |
| | | | | -Rebound from COVID-19 (Domestic) | 15.5 |
| | | | | | 0.0 |
| | | | | etc. | 0.0 |
| Other lines | 65.3 | 6.0 | 10.1 | Fundamental trend 0.0% | 0.0 |
| | | | | Special factors | |
| | | | | -Rebound from COVID-19 (Domestic) | 4.8 |
| | | | | | 0.0 |
| | | | | etc. | 0.0 |
| Conventional lines | 276.0 | 22.5 | 8.9 | | |
| Total | 487.6 | 68.6 | 16.4 | | |

Note1: Revenues from luggage transportation are omitted due to the small amount.
 Note2: Figures in brackets () are negative values.

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) | | |
| | FY2021.3* | FY2022.3 | YoY | FY2021.3* | FY2022.3 | YoY | FY2021.3 | FY2022.3 | YoY | FY2021.3 | FY2022.3 | YoY |
| Total | 419.0 | 487.6 | 68.6 16.4% | 104.0 | 122.5 | 18.5 17.8% | 34,110 | 37,303 | 3,192 9.4% | 8,159 | 9,029 | 870 10.7% |
| Shinkansen | 165.5 | 211.6 | 46.0 27.8% | 40.8 | 53.5 | 12.6 31.0% | 7,717 | 9,745 | 2,027 26.3% | 1,882 | 2,465 | 582 30.9% |
| Commuter Passes | 10.1 | 10.6 | 0.4 4.3% | 2.4 | 2.5 | 0.1 6.5% | 783 | 824 | 40 5.2% | 190 | 200 | 10 5.6% |
| Non-Commuter Passes | 155.3 | 201.0 | 45.6 29.4% | 38.4 | 50.9 | 12.5 32.6% | 6,934 | 8,921 | 1,987 28.7% | 1,692 | 2,264 | 571 33.8% |
| Conventional Lines | 253.4 | 276.0 | 22.5 8.9% | 63.1 | 69.0 | 5.8 9.2% | 26,392 | 27,557 | 1,165 4.4% | 6,276 | 6,564 | 287 4.6% |
| Commuter Passes | 117.3 | 119.1 | 1.8 1.5% | 28.2 | 28.6 | 0.3 1.1% | 18,867 | 19,045 | 178 0.9% | 4,350 | 4,375 | 25 0.6% |
| Non-Commuter Passes | 136.1 | 156.9 | 20.7 15.2% | 34.8 | 40.3 | 5.5 15.8% | 7,525 | 8,511 | 986 13.1% | 1,925 | 2,188 | 262 13.6% |
| Kansai Urban Area (Kyoto-Osaka-Kobe Area) | 194.1 | 210.7 | 16.5 8.5% | 48.6 | 52.6 | 4.0 8.3% | 20,934 | 21,888 | 954 4.6% | 5,027 | 5,230 | 203 4.0% |
| Commuter Passes | 96.2 | 97.8 | 1.6 1.7% | 23.3 | 23.6 | 0.3 1.4% | 15,389 | 15,612 | 223 1.5% | 3,597 | 3,629 | 31 0.9% |
| Non-Commuter Passes | 97.9 | 112.8 | 14.8 15.2% | 25.2 | 28.9 | 3.7 14.7% | 5,545 | 6,276 | 730 13.2% | 1,429 | 1,600 | 171 12.0% |
| Other Lines | 59.3 | 65.3 | 6.0 10.1% | 14.5 | 16.3 | 1.7 12.3% | 5,457 | 5,668 | 210 3.9% | 1,249 | 1,334 | 84 6.8% |
| Commuter Passes | 21.1 | 21.2 | 0.1 0.7% | 4.9 | 4.9 | (0.0) (0.1%) | 3,477 | 3,432 | (44) (1.3%) | 753 | 746 | (6) (0.9%) |
| Non-Commuter Passes | 38.2 | 44.0 | 5.8 15.3% | 9.6 | 11.4 | 1.7 18.7% | 1,979 | 2,235 | 255 12.9% | 496 | 587 | 91 18.4% |

Note: Figures in brackets () are negative values.

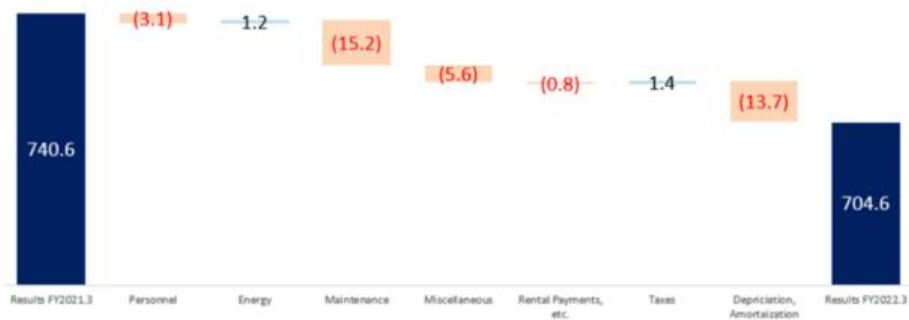
*Results for the fiscal year ended March 31, 2021, are the figures after the retroactive application of "Accounting Standard for Revenue Recognition."

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

¥Billions

| | | Results FY2022.3 | | |
|-------------------------------|-------|-------------------------|--------|--|
| | | YoY | | Major factors (YoY) |
| | | Increase/ (Decrease) | % | |
| Personnel costs | 180.7 | (3.1) | (1.7) | •Decrease in personnel, bonus, etc. |
| Energy costs | 40.8 | 1.2 | 3.2 | •Decrease in passenger car-kilometer due to timetable revision •Increase in adjustment amount for fuel cost, etc. |
| Maintenance costs | 136.7 | (15.2) | (10.1) | •Difference in progress of maintenance work •Decrease due to limitation of measures, etc. |
| Miscellaneous costs | 157.2 | (5.6) | (3.5) | •Decrease in payments for other JR companies, outsourcing expenses, and advertising expenses, etc. |
| Rental Payments, etc. | 26.7 | (0.8) | (3.1) | •Decrease in rental payments for JR Tozai Line, etc. |
| Taxes | 35.1 | 1.4 | 4.3 | •Increase in business tax on corporations, etc. |
| Depreciation and Amortization | 127.2 | (13.7) | (9.8) | •Revision of method of depreciation for Shinkansen rolling stock, etc. |
| Total | 704.6 | (36.0) | (4.9) | |

Note: Figures in brackets () are negative values.



Consolidated Financial Results

| | Results FY2021.3* | FY2022.3 | | YOY | | # Billions |
|--|----------------------|-----------------------------|---------|--------------------------|-------|---|
| | | Forecasts (As of Jan 31) | Results | (Increase/ (Decrease) | % | Difference from the forecasts Increase/(Decrease) |
| | A | B | C | C-A | C/A-1 | C-B |
| Operating Revenues | 920.0 | 1,052.0 to 1,089.0 | 1031.1 | 111.0 | 12.1 | (20.8) to (57.8) |
| Operating Expenses | 1165.5 | 1,181.0 to 1,183.0 | 1150.1 | (15.3) | (1.3) | (30.8) to (32.8) |
| Operating Loss | (245.5) | (129.0) to (94.0) | (119.0) | 126.4 | — | 9.9 to (25.0) |
| Non-operating revenues and expenses, net | (11.8) | (12.5) | (1.9) | 9.8 | — | 10.5 |
| Non-operating revenues | 13.0 | 13.2 | 23.6 | 10.5 | — | 10.4 |
| Non-operating expenses | 24.8 | 25.7 | 25.5 | 0.6 | — | (0.1) |
| Recurring Loss | (257.3) | (141.5) to (106.5) | (121.0) | 136.2 | — | 20.4 to (14.5) |
| Extraordinary profit and loss, net | (17.3) | 24.0 | 15.4 | 32.8 | — | (8.5) |
| Extraordinary profit | 31.9 | — | 58.8 | 26.8 | — | — |
| Extraordinary loss | 49.3 | — | 43.3 | (5.9) | — | — |
| Loss attributable to owners of parent | (233.1) | (116.5) to (81.5) | (113.1) | 119.9 | — | 3.3 to (31.6) |
| Comprehensive Income (Loss) | (240.4) | — | (112.2) | 128.1 | — | — |

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."

Consolidated Financial Results (Segment Information)

| | Results FY2021.3 ¹⁾ | FY2023.3 | | YoY | | Difference from the forecasts (Increase/(Decrease)) |
|--|-----------------------------------|----------------------------------|--------------|-------------------------------|------------|---|
| | A | Forecasts (As of Jan 31) B | Results C | Increase (Decrease) C-B | % C/B-1 | C-B |
| Operating Revenues ²⁾ | 920.0 | 1,052.0 to 1,089.0 | 1031.1 | 111.0 | 12.1 | (20.8) to (37.8) |
| Transportation | 469.7 | 558.0 to 592.0 | 544.1 | 74.3 | 15.6 | (13.6) to (47.6) |
| Retail | 108.7 | 148.0 to 149.0 | 124.2 | 15.5 | 14.3 | (23.7) to (24.7) |
| Sales of goods and food services | 88.2 | 121.2 to 122.2 | 102.0 | 13.7 | 15.5 | (19.1) to (20.1) |
| (Income) (cost) related budget items (related) ³⁾ | (4.5) | (7.5) to (8.5) | (6.2) | (1.6) | (36.2) | (1.2) to (2.2) |
| Department stores | 16.3 | 22.4 | 18.1 | 1.7 | 10.8 | (4.2) |
| Retail estate | 141.3 | 153.0 | 151.1 | 9.8 | 6.9 | (1.8) |
| Shopping center | 42.3 | 47.4 | 45.6 | 3.3 | 7.9 | (1.7) |
| Retail estate, department store (see above and (related)) | 96.9 | 103.5 | 104.0 | 7.1 | 7.4 | 0.5 |
| Other businesses | 200.2 | 193.0 to 198.0 | 211.5 | 11.3 | 5.7 | 18.5 to 18.5 |
| Hotel | 15.3 | 21.0 to 23.0 | 18.5 | 3.2 | 21.3 | (2.4) to (4.4) |
| Yokohama Travel Agency | 87.6 | 70.2 | 95.9 | 8.3 | 9.5 | 25.7 |
| Operating Income (Loss) ²⁾ | (248.5) | (129.0) to (94.0) | (119.0) | 126.4 | -- | 9.9 to (25.0) |
| Transportation | (251.5) | (150.5) to (117.0) | (144.3) | 107.2 | -- | 6.1 to (27.3) |
| Retail | (15.0) | (3.5) to (3.0) | (8.6) | 6.4 | -- | (5.1) to (5.6) |
| Sales of goods and food services | (12.7) | (3.7) to (3.1) | (7.1) | 5.6 | -- | (3.4) to (4.0) |
| (Income) (cost) related budget items (related) ³⁾ | -- | -- | (4.2) | -- | -- | -- |
| Department stores | (2.2) | 0.0 | (1.4) | 0.7 | -- | (1.4) |
| Retail estate | 29.2 | 28.0 | 30.0 | 0.7 | 2.6 | 2.0 |
| Shopping center | 2.0 | 3.9 | 4.5 | 2.4 | 116.8 | 0.6 |
| Retail estate, department store (see above and (related)) | 18.9 | 18.0 | 17.2 | (1.6) | (8.8) | 1.2 |
| Other businesses | (5.7) | 0.0 to 1.0 | 2.9 | 8.7 | -- | 2.9 to 1.9 |
| Hotel | (11.6) | (7.1) to (6.1) | (9.0) | 2.5 | -- | (1.9) to (2.9) |
| Yokohama Travel Agency | (7.3) | (2.5) | 2.4 | 9.7 | -- | 4.9 |

Note: Figures in brackets () are negative value.

¹⁾ This breakdown of operating revenues and operating income (loss) by each segment are the sum of those of major subsidiaries.

²⁾ Figures in brackets () are the sales of accommodation-related budget items. "FY2021" sales, excluding Retail (other businesses segment), and Wholesale Department (other businesses segment) segments.

³⁾ Results for the fiscal year ended March 31, 2021, are the figures after the retrospective application of "Revising Standard for Revenue Recognition".

Major Factors of Increase/Decrease in Each Segment

¥ Billions

| | | | Results FY2022.3 | | | Major factors (YoY) |
|------------------|----------------------------------|--------------------|-------------------------|-------|-------|---|
| | | | YoY | | | |
| | | | Increase/ (Decrease) | % | | |
| Retail | Sales of goods and food services | Operating Revenues | 102.0 | 13.7 | 15.5 | -Moderate recovery in demand (stores within railway stations, VSAD/N), etc. |
| | | Operating Loss | (7.1) | 5.6 | — | |
| | Department stores | Operating Revenues | 18.1 | 1.7 | 10.8 | -Moderate recovery in demand, etc. |
| | | Operating Loss | (1.4) | 0.7 | — | |
| Real estate | Shopping center | Operating Revenues | 45.6 | 3.3 | 7.9 | -Increase in rent income due to a recovery in tenant sales, etc. |
| | | Operating Income | 4.5 | 2.4 | 116.8 | |
| | Real estate lease and sale | Operating Revenues | 104.0 | 7.1 | 7.4 | -Full-year effect of new opening of lease properties, etc. |
| | | Operating Income | 17.2 | (1.6) | (8.8) | |
| Other Businesses | Hotel | Operating Revenues | 18.5 | 3.2 | 21.3 | -Moderate recovery in demand (the accommodation department), etc. |
| | | Operating Loss | (9.0) | 2.5 | — | |
| | Nippon Travel Agency | Operating Revenues | 95.9 | 8.3 | 9.5 | -Increase in travel and non-travel related business, etc. |
| | | Operating Income | 2.4 | 9.7 | — | |

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, 2021* | As of March 31, 2022 | Difference increase/(decrease) B-A |
| | A | B | |
| Assets | 3,477.3 | 3,702.4 | 225.0 |
| Liabilities | 2,521.1 | 2,628.2 | 107.0 |
| Net assets | 956.2 | 1,074.2 | 117.9 |
| Balance of Long-term Debt and Payables | 1,559.5 | 1,724.8 | 165.3 |
| [Average interest rate (%)] | [1.28] | [1.17] | [(0.11)] |
| Shinkansen Purchase Liability | 100.9 | 99.8 | (1.0) |
| [Average interest rate (%)] | [6.55] | [6.55] | [—] |
| Bonds | 839.9 | 974.9 | 135.0 |
| [Average interest rate (%)] | [1.11] | [0.98] | [(0.13)] |
| DER | 1.8 | 1.8 | (0.0) |
| Equity ratio (%) | 24.5 | 26.2 | 1.7 |
| Net assets per share (¥) | 4,461.46 | 3,973.15 | (488.31) |

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

| | Results FY2021.3 | Results FY2022.3 | YoY increase/(decrease) |
|--|---------------------|---------------------|----------------------------|
| | A | B | B-A |
| Cash flows from operating activities | (103.2) | (86.4) | 16.8 |
| Cash flows from investing activities | (211.6) | (188.7) | 22.9 |
| Free cash flows | (314.9) | (275.1) | 39.8 |
| Cash flows from financing activities | 446.7 | 384.6 | (62.0) |
| Change in cash and cash equivalents, net | 131.7 | 109.5 | (22.2) |
| Cash and cash equivalents at the end of the period | 210.0 | 319.5 | 109.5 |

Note: Figures in brackets () are negative values.

| | | |
|---|--|---------|
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Non-Consolidated Financial Forecasts

| | Results FY2022.3 | Forecasts FY2023.3 | ¥ Billions | |
|--|---------------------|-----------------------|--------------------------------|------------|
| | | | YoY | |
| | | | Increase/ (Decrease) B-A | % B/A-1 |
| | A | B | | |
| Operating Revenues | 577.6 | 769.0 | 191.3 | 33.1 |
| Transportation revenues | 487.6 | 673.0 | 185.3 | 38.0 |
| Other | 89.9 | 96.0 | 6.0 | 6.7 |
| Operating Expenses | 704.6 | 764.5 | 59.8 | 8.5 |
| Personnel costs | 180.7 | 177.5 | (3.2) | (1.8) |
| Non personnel costs | 334.7 | 397.5 | 62.7 | 18.8 |
| Energy costs | 40.8 | 59.0 | 18.1 | 44.6 |
| Maintenance costs | 136.7 | 151.0 | 14.2 | 10.5 |
| Miscellaneous costs | 157.2 | 187.5 | 30.2 | 19.3 |
| Rental payments, etc. | 26.7 | 27.0 | 0.2 | 0.8 |
| Taxes | 35.1 | 37.0 | 1.8 | 5.3 |
| Depreciation and Amortization | 127.2 | 125.5 | (1.7) | (1.4) |
| Operating Income (Loss) | (127.0) | 4.5 | 131.5 | — |
| Non-operating revenues and expenses, net | (11.2) | (14.5) | (3.2) | — |
| Non-operating revenues | 13.3 | 8.0 | (5.3) | — |
| Non-operating expenses | 24.6 | 22.5 | (2.1) | — |
| Recurring Loss | (138.2) | (10.0) | 128.2 | — |
| Extraordinary profit and loss, net | 11.0 | 17.0 | 5.9 | — |
| Extraordinary profit | 54.1 | 18.5 | (35.6) | — |
| Extraordinary loss | 43.1 | 1.5 | (41.6) | — |
| Net Income (Loss) | (121.6) | 48.0 | 169.6 | — |

Note: Figures in brackets () are negative values.

Transportation Revenue Forecasts

¥ Billions

| Forecasts FY2023.3 | | | | | |
|--|-------|-------------------------|------|------------------------------|--------|
| Transportation revenues | | YoY Increase/(Decrease) | | Major factors | |
| | | Amount | % | | Amount |
| Shinkansen | 339.0 | 127.3 | 60.2 | Fundamental trend 0.0% | |
| | | | | Special factors | |
| | | | | ·Decreasing COVID-19 effects | 122.8 |
| | | | | | |
| | | | | etc. | |
| Kansai Urban Area (Kyoto-Osaka-Kobe Area) | 251.0 | 40.2 | 19.1 | Fundamental trend 0.0% | |
| | | | | Special factors | |
| | | | | ·Decreasing COVID-19 effects | 39.2 |
| | | | | | |
| | | | | etc. | |
| Other lines | 83.0 | 17.6 | 27.1 | Fundamental trend 0.0% | |
| | | | | Special factors | |
| | | | | ·Decreasing COVID-19 effects | 16.9 |
| | | | | | |
| | | | | etc. | |
| Conventional lines | 334.0 | 57.9 | 21.0 | | |
| Total | 673.0 | 185.3 | 38.0 | | |

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

Operating Expenses Forecasts (Non-Consolidated)

₩ Billions

| | Forecasts FY2023.3 | | | |
|-------------------------------|-------------------------|-------|---------------------|--|
| | YoY | | Major factors (YoY) | |
| | Increase/ (Decrease) | % | | |
| Personnel costs | 177.5 | (3.2) | (1.8) | ・Decrease in personnel, etc. |
| Energy costs | 59.0 | 18.1 | 44.6 | ・Increase in adjustment amount for fuel cost, etc. |
| Maintenance costs | 151.0 | 14.2 | 10.5 | ・Implementing the postponed measures, etc. |
| Miscellaneous costs | 187.5 | 30.2 | 19.3 | ・Increase in revenue-linked cost, ・Implementing the reduced measures , etc. |
| Rental Payments,etc. | 27.0 | 0.2 | 0.8 | |
| Taxes | 37.0 | 1.8 | 5.3 | ・Increase in business tax on corporations, etc. |
| Depreciation and Amortization | 125.5 | (1.7) | (1.4) | |
| Total | 764.5 | 59.8 | 8.5 | |

Note: Figures in brackets () are negative values.



Consolidated Financial Forecasts

| | Results FY2022.3 A | Forecasts FY2023.3 B | ¥ Billions | |
|--|--------------------------|----------------------------|--------------------------------|------------|
| | | | YoY | |
| | | | Increase/ (Decrease) B-A | % B/A-1 |
| Operating Revenues | 1,031.1 | 1,309.0 | 277.8 | 27.0 |
| Operating Expenses | 1,150.1 | 1,279.0 | 128.8 | 11.2 |
| Operating Income (Loss) | (119.0) | 30.0 | 149.0 | — |
| Non-operating revenues and expenses, net | (1.9) | (16.5) | (14.5) | — |
| Non-operating revenues | 23.6 | 7.2 | (16.4) | — |
| Non-operating expenses | 25.5 | 23.7 | (1.8) | — |
| Recurring Income (Loss) | (121.0) | 13.5 | 134.5 | — |
| Extraordinary profit and loss, net | 15.4 | 9.0 | (6.4) | — |
| Extraordinary profit | 58.8 | — | — | — |
| Extraordinary loss | 43.3 | — | — | — |
| Profit (Loss) attributable to owners of parent | (113.1) | 58.5 | 171.6 | — |
| Net income (Loss) per share(¥) | (516.06) | 239.88 | 755.94 | — |

Note: Figures in brackets () are negative values.

Consolidated Financial Forecasts (Segment Information)

| | Results FY2022.3 | Forecasts FY2023.3 | ¥ Billions | |
|---|---------------------|-----------------------|-------------------------|--------|
| | | | YoY | |
| | | | Increase/ (Decrease) | % |
| | A | B | B-A | B/A-1 |
| Operating Revenues ^{*1} | 1,031.1 | 1,309.0 | 277.8 | 27.0 |
| Transportation | 544.1 | 739.0 | 194.8 | 35.8 |
| Retail | 124.2 | 168.0 | 43.7 | 35.2 |
| Sales of goods and food services (accommodation-oriented budget hotels) (separate ^{*2}) | 102.0 | 139.0 | 36.9 | 36.3 |
| Department stores | [6.2] | [12.5] | [6.2] | [99.5] |
| Real estate | 18.1 | 24.0 | 5.8 | 32.5 |
| Shopping center | 151.1 | 162.0 | 10.8 | 7.2 |
| Real estate lease and sale (Real estate sale/retail) (separate ^{*2}) | 45.6 | 54.0 | 8.3 | 18.3 |
| Other businesses | 104.0 | 107.5 | 3.4 | 3.3 |
| Hotel | [56.6] | [57.3] | [0.6] | [1.2] |
| Nippon Travel Agency | 211.5 | 240.0 | 28.4 | 13.5 |
| Operating Income (Loss) ^{*1} | 18.5 | 31.5 | 12.9 | 69.6 |
| Transportation | 95.9 | 111.0 | 15.0 | 15.7 |
| Retail | (119.0) | 30.0 | 149.0 | — |
| Sales of goods and food services (accommodation-oriented budget hotels) (separate ^{*2}) | (144.3) | (11.0) | 133.3 | — |
| Department stores | (8.6) | 2.0 | 10.6 | — |
| Real estate | (7.1) | 1.0 | 8.1 | — |
| Shopping center | [(4.3)] | [(2.0)] | (2.3) | — |
| Other businesses | (1.4) | 0.5 | 1.9 | — |
| Hotel | 30.0 | 35.0 | 4.9 | 16.6 |
| Nippon Travel Agency | 4.5 | 7.0 | 2.4 | 54.1 |
| Operating Income (Loss) ^{*1} | 17.2 | 20.0 | 2.7 | 15.9 |
| Transportation | [6.4] | [7.2] | [0.7] | [12.3] |
| Retail | 2.9 | 7.0 | 4.0 | 135.1 |
| Sales of goods and food services (accommodation-oriented budget hotels) (separate ^{*2}) | (9.0) | (4.0) | 5.0 | — |
| Department stores | 2.4 | 0.0 | (2.4) | — |
| Real estate | | | | |
| Shopping center | | | | |
| Real estate lease and sale | | | | |
| Real estate sale/retail | | | | |
| Other businesses | | | | |
| Hotel | | | | |
| Nippon Travel Agency | | | | |

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, "USA INN", sales, excluding Asakusa (other businesses segment), and Hiroshima Karayamacho (other businesses segment) locations.

Each Segment Forecasts

¥ Billions

| | | | Forecasts FY2023.3 | | | |
|------------------|----------------------------------|--------------------|-------------------------|-------|---------------------|---|
| | | | YoY | | Major factors (YoY) | |
| | | | Increase/ (Decrease) | % | | |
| Retail | Sales of goods and food services | Operating Revenues | 139.0 | 36.9 | 36.3 | -Recovery in demand (stores within railway stations, VIAINN), etc. |
| | | Operating Income | 1.0 | 8.1 | — | |
| | Department stores | Operating Revenues | 24.0 | 5.8 | 32.5 | -Recovery in demand, etc. |
| | | Operating Income | 0.5 | 1.9 | — | |
| Real estate | Shopping center | Operating Revenues | 54.0 | 8.3 | 18.3 | -Increase in rent income due to a recovery in tenant sales, etc. |
| | | Operating Income | 7.0 | 2.4 | 54.1 | |
| | Real estate lease and sale | Operating Revenues | 107.5 | 3.4 | 3.3 | -New opening of lease properties and increase in real estate sale, etc. |
| | | Operating Income | 20.0 | 2.7 | 15.9 | |
| Other Businesses | Hotel | Operating Revenues | 31.5 | 12.9 | 69.6 | -Recovery in demand (the accommodation department), etc. |
| | | Operating Loss | (4.0) | 5.0 | — | |
| | Nippon Travel Agency | Operating Revenues | 111.0 | 15.0 | 15.7 | -Increase in domestic travel business, etc. |
| | | Operating Income | 0.0 | (2.4) | — | |

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.

Other Data

Persons, ¥ Billions


| | Results FY2021.3 ^{*2} | Results FY2022.3 | Forecasts FY2023.3 |
|--|-----------------------------------|---------------------|-----------------------|
| ROA (% Consolidated) | — | — | 0.8 |
| ROE (% Consolidated) | — | — | 5.9 |
| EBITDA (Consolidated) ^{*1} | (70.8) | 42.9 | 193.0 |
| Depreciation (Consolidated) | 173.4 | 160.8 | 163.0 |
| Capital Expenditures (Consolidated, own fund) | 216.6 | 213.1 | 245.0 |
| Capital Expenditures (Non-consolidated, own fund) | 167.4 | 149.4 | 164.0 |
| Safety related capital expenditure | 105.1 | 83.0 | 73.0 |
| Dividends per share (¥) | 100.0 | 100.0 | 100.0 |

| | Results FY2021.3 | | Results FY2022.3 | | Forecasts FY2023.3 | |
|---------------------------------------|---------------------|------------------|---------------------|------------------|-----------------------|------------------|
| | Consolidated | Non-Consolidated | Consolidated | Non-Consolidated | Consolidated | Non-Consolidated |
| No. of employees at the end of period | 47,984 | 23,900 | 46,779 | 22,715 | — | — |
| Financial Expenses, net | (19.5) | (17.8) | (18.1) | (18.8) | (19.8) | (18.1) |
| Interest and dividend income | 0.9 | 2.4 | 3.2 | 2.4 | 1.2 | 2.6 |
| Interest expenses | 20.4 | 20.2 | 21.4 | 21.2 | 21.0 | 20.8 |

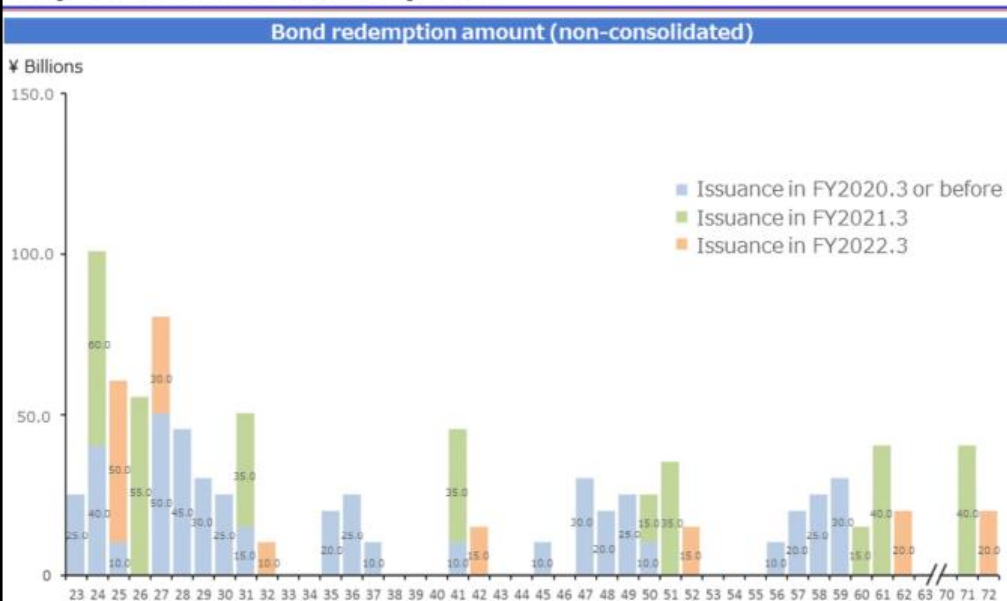
Note: Figures in brackets () are negative values.

^{*1} EBITDA = Operating Income (Loss) + Depreciation + Amortization of goodwill

^{*2} Results for the fiscal year ended March 31, 2021, are the figures after the retroactive application of "Accounting Standard for Revenue Recognition."

| | | |
|---|--|---------|
| 1 | FY2022.3 Results and FY2023.3 Results Forecasts | Page 3 |
| 2 | Progress with the Revised Medium-Term Management Plan 2022 and Preparations for the Next Medium-Term Management Plan | Page 12 |
| 3 | Results for FY2022.3 (Details) | Page 25 |
| 4 | Results Forecasts for FY2023.3, etc. (Details) | Page 35 |
|  | Appendix | Page 43 |

Expected bond redemption



(Note 1): As of May 2, 2022

(Note 2): Redemption amount is face value

(Note 3): Horizontal axis shows fiscal years ending in March

Initiatives to Increase Corporate Value / ESG

Environment: Helping to prevent global warming through CO₂ reduction



- Long-term environmental goal: "JR West Group Zero Carbon 2050"
 - Aiming for net zero CO₂ emissions on a Groupwide basis in 2050.
 - Aiming for a 46% reduction in CO₂ 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 CO₂ emissions



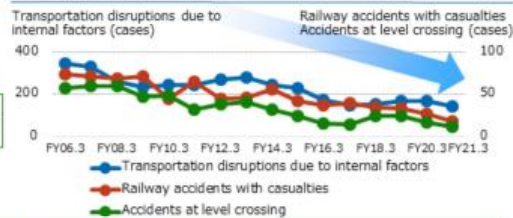
Society - Regional revitalization backed by safe and sustainable railway service



- 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

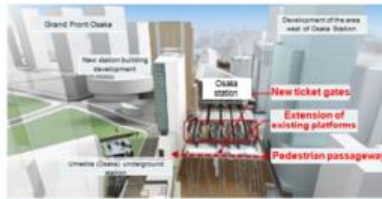


Governance - Monitoring our management, enhancing our supervisory function



- 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)
- With the purposes of achieving continued increases in corporate value and promoting the further sharing of value with shareholders, the Company announced the introduction of a restricted stock remuneration plan. (April 2022)

Large-scale projects/Osaka



New north building development



(Left): Upper floors 30 to 38 are hotel guest-room floors.
(Right): Illustration of the hotel front entrance (1st floor)

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

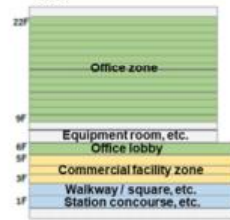
- New ticket gates under elevated tracks on west side
- Establishment of passageway located inside ticket gates that connects the new ticket gates and Umekita underground station. Opening of Umekita underground station as "Osaka Station."

(2) Development under elevated tracks

- Opening: In stages from fall 2024 to spring 2027
- Total floor space: approx. 7,000m²
- Uses: Commercial facilities, bus terminal, etc.

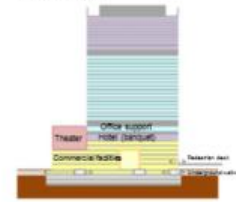
(3) New station building development

- Opening: Fall 2024
- Total floor space: approx. 60,000m²
- Scale: Above ground, 23 floors; below ground, 1 floor
- Uses: Offices, commercial facilities, etc.



(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. 227,000m²
- 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)

The map illustrates the proposed development for the Umeda Station area. A legend indicates that blue dashed arrows represent underground passages and orange dashed arrows represent second-floor passages. The map shows the existing JR Osaka station and the planned Umekita (Osaka) station, which is scheduled to open in spring 2023. Key features include:

- (1) New ticket gates / passageway located inside ticket gates:** A new underground passageway and ticket gates are planned inside the existing JR Osaka station.
- (2) Development under elevated tracks:** Development is planned for the area west of Osaka Station, including the former site of the central post office.
- (3) New station building development:** A new station building is planned for the area west of Osaka Station, adjacent to the Osaka Station City parking lot.
- (4) Development of the area west of Osaka Station:** This includes the development of the former site of the central post office.

Other landmarks shown on the map include Grand Front Osaka, LINKS UMEDA, Yodobashi Camera, LUCIA 1100, North Gate Building, JR Osaka station, Daimaru Umeda, South Gate Building, Hotel Granvia Osaka, Hanshin Department store, Hilton Osaka, Herbie Plaza ENT, and Nishi-Umeda subway station.

Large-scale projects/Osaka

Making the Umekita (Osaka) Station into a field that is co-created with a variety of partners

JR WEST LABO Innovative Station Field



Large-scale projects/Osaka

Illustration of exterior



Concourse



Platform level



JR WEST LABO field

Above-ground section

- Opening**
 - Summer 2024: Certain services will start to be made available
 - Spring 2025: Full opening
- Scale**
 - Ground area: approximately 12,500㎡
 - Building: 3 stories above ground (of which, store floor space: approximately 3,750㎡)
- Uses**
 - Open space in front of station: Boarding areas for tourist buses and taxis, etc.
 - Building: Open space for pedestrians, commercial facilities, connection deck, etc.

Underground portion

- Overview of facilities:**
 - Underground station building, 2 island platforms for 4 lines
 - *Relocate a portion of a branch line of the Tokaido Line underground and open a new station
- Concept**
 - A station that will bring a smile to your face
- Technologies that will be introduced**
 - Interactive space that utilizes digital technologies
 - One-to-one digital guidance
 - Full-screen platform doors * First in the world using this method

2023
JR WEST LABO
- Innovative Station Field -
START!

Large-scale projects/Hiroshima

◆ Illustration of exterior



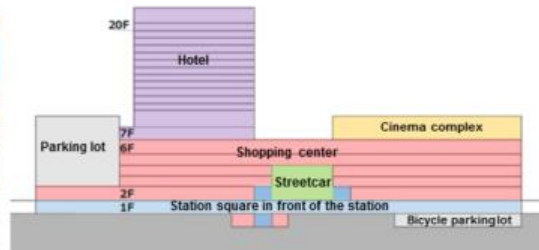
◆ Illustration of interior



◆ Development overview

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

◆ Illustration of floor organization



Large-scale projects/Hiroshima

◆ Status of progress with construction
Hakata



Large-scale projects/Sannomiya

Illustration of exterior of new station building (overall view)



◆ Illustration of sky deck at open space in front of station



◆ Overview of new station building development

* Joint project with Urban Renaissance Agency

- Planned opening: FY2030.3
- Total floor space: approximately 100,000m²
- Scale: height of approximately 160 meters
(the highest ever for a development led by JR-West)
- Uses: Commercial facilities (Store floor space: approximately 19,000m²)
 - Hotel (approximately 250 rooms)
 - Offices (leasing floor space: approximately 6,000m²)
 - Open space (Sky deck at open space in front of station)

◆ Illustration of connection flow at JR Sannomiya Station Building and the surrounding area



Cautionary Statement Regarding Forward-looking Statements

- This presentation contains forward-looking statements that are based on JR-West's current expectations, assumptions, estimates and projections about its business, industry, and capital markets around the world.
- These forward-looking statements are subject to various risks and uncertainties. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "may", "will", "expect", "anticipate", "plan" or similar words. These statements discuss future expectations, identify strategies, contain projections of results of operations or of JR-West's financial condition, or state other forward-looking information.
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- 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 2, 2022 based on information available to JR-West as of May 2, 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.