

FY2023.3, 3Q Financial Results Presentation



January 31, 2023
West Japan Railway Company

- I am Takeshi Fukano, general manager of the Corporate Strategy Division.
- First, I will discuss the operating trouble that occurred recently. Due to snowfall starting on January 24, operations were suspended for extended periods of time, and in addition trains were stopped between stations for extended periods of time. Due to these and other factors, significant inconvenience was caused to many customers, who waited at stations or on trains. This caused substantial concern. Once again, we offer our apologies.
- Going forward, we will carefully verify the problem areas in regard to our judgment and response, and we will rapidly implement necessary improvement measures.
- Today, I will provide an overview of our results in the first nine months, and then I will take your questions.
- Please refer to slide 3 in the presentation materials.

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FY2023.3 Q Results and FY2023.3 Full-Year Forecasts — Highlights

- In the third quarter of FY2023.3, in addition to the recovery in demand following the seventh wave of coronavirus infections, the government's nationwide travel discount campaign, the relaxation of border control measures, etc., also had an effect. In the first nine months of the fiscal year, the Company **recorded profits on both a consolidated basis and a non-consolidated basis for the first time since FY2020.3.**
- Looking at **cost structure reform initiatives**, on a non-consolidated basis, the plan is for a **reduction of ¥20.0 billion** for the fiscal year, and we achieved a **reduction of ¥15.5 billion** in the first nine months.
- We think that Shinkansen demand will likely not reach 90%, and there is cause for concern about the eighth wave of coronavirus infections. Nonetheless, **we expect to be able to achieve the full-year results forecast.** In addition, **there is no change to the previous dividend forecast.**

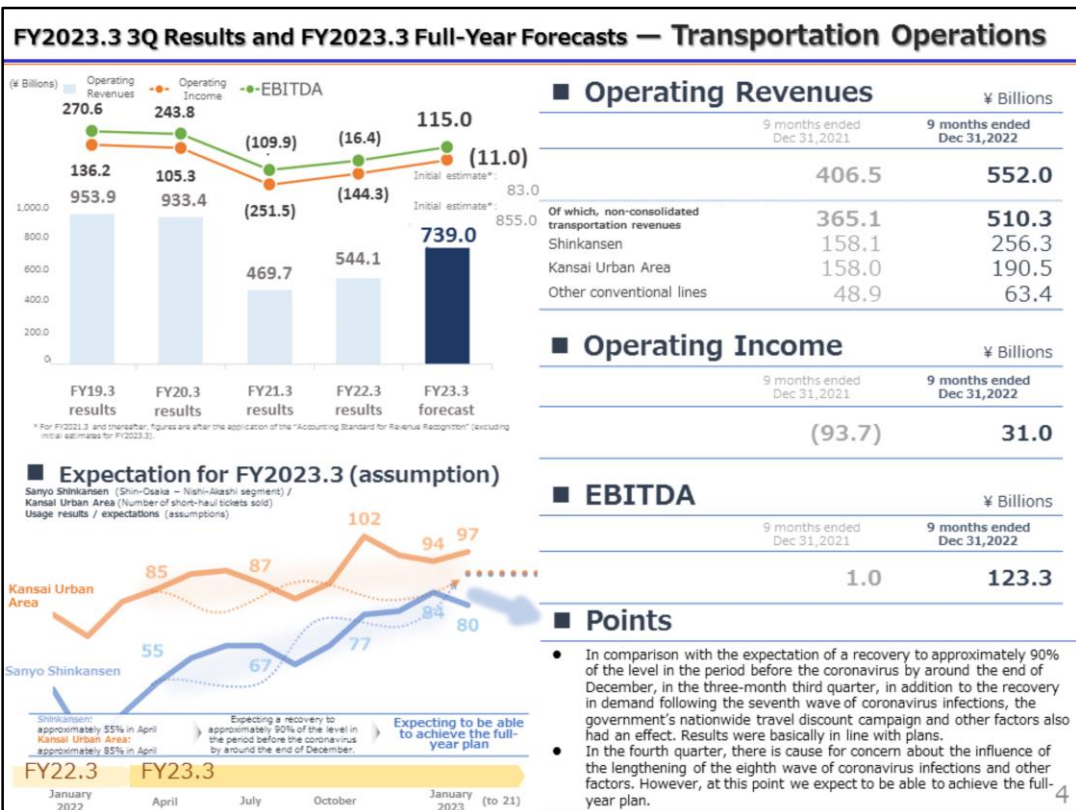
(¥ Billions)

| | 9 months ended Dec 31, 2021 | 9 months ended Dec 31, 2022 | YoY Increase/ (Decrease) | | Forecasts FY23.3 | YoY Increase/ (Decrease) | | Vs. revised plan % |
|--|--------------------------------|--------------------------------|--------------------------------|-------|---------------------|--------------------------------|-------|--------------------------|
| | | | | % | | | | |
| [Consolidated] | | | | | | | | |
| Operating Revenues | 729.9 | 974.8 | 244.8 | 33.5 | 1,309.0 | 277.8 | 27.0 | (9.7) |
| Operating Expenses | 809.4 | 904.8 | 95.3 | 11.8 | 1,279.0 | 128.8 | 11.2 | (2.4) |
| Operating Income (Loss) | (79.4) | 69.9 | 149.4 | - | 30.0 | 149.0 | - | (78.6) |
| Recurring Profit (Loss) | (82.6) | 59.8 | 142.4 | - | 13.5 | 134.5 | - | (89.2) |
| Profit (Loss) attributable to owners of parent | (54.0) | 87.3 | 141.3 | - | 58.5 | 171.6 | - | (26.9) |
| EBITDA | 40.1 | 188.0 | 147.8 | 367.8 | 193.0 | 150.0 | 349.9 | (41.5) |
| [Non-Consolidated] | | | | | | | | |
| Transportation Revenues | 365.1 | 510.3 | 145.1 | 39.8 | 673.0 | 185.3 | 38.0 | (13.2) |
| Operating Expenses | 510.2 | 537.4 | 27.1 | 5.3 | 764.5 | 59.8 | 8.5 | (2.6) |

* "Vs. revised plan" percentages do not include the influence of the "Accounting Standard for Revenue Recognition"

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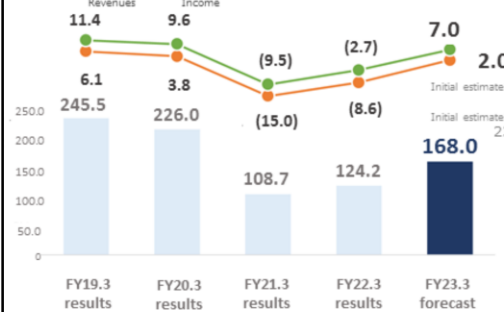
- Looking at the consolidated results for the nine-month period, operating revenues were ¥974.8 billion, operating income was ¥69.9 billion, and profit attributable to owners of parent was ¥87.3 billion.
- First, there was an underlying trend of moderate recovery in transportation and other businesses. In addition, we worked to implement structural reform initiatives on a Groupwide basis. Due to these and other factors, in the first nine months we achieved profitability at each level of profits for the first time since FY2020.3.
- In regard to cost structure reforms, on a non-consolidated basis, the plan is for a reduction of ¥20.0 billion for the fiscal year, and we achieved a reduction of ¥15.5 billion in the first nine months. Including both urgent control initiatives and cost structure reforms, we are planning for overall cost reductions of ¥117.0 billion on a consolidated basis for the fiscal year, and in the first nine months we achieved reductions of ¥80.0 billion.
- Looking at consolidated profit attributable to owners of parent, which was ¥87.3 billion, as we indicated when we announced our first quarter results, due to the approval of our business adaptation plan under the Act on Strengthening Industrial Competitiveness, we were able to apply special tax measures that increased the limit for the deduction for losses carried forward for taxable income for the next five years. Accordingly, this had the effect of decreasing income taxes by ¥43.5 billion.
- As for our full-year results forecasts, following the end of the seventh wave of coronavirus infections, there was also an effect from public measures to foster demand, such as the government's nationwide travel discount campaign and the relaxation of border control measures. Results were basically in line with expectations in the first nine months, but Shinkansen demand did not reach our expectation for usage of 90% of the pre-coronavirus level at the end of December. In addition, there are also expectations of such risks as the lengthening of the eighth wave of coronavirus infections. Nonetheless, at this point, we expect to be able to achieve the full-year plan.
- With consideration for the fact that expenses are basically in line with the expense plan, we decided not to revise the full-year results forecast or the dividend forecast.
- Recent initiatives have included the third round of Saikoro Tickets, which have received a very favorable response. These tickets, for which the destination is selected randomly, offer new value through the combination of real-world travel and game-play sensibility. Going forward, we will continue working to foster a variety of demand in order to link opportunities, such as the extension of the government's nationwide travel discount campaign, to actual demand.
- Please turn to the next slide.



- Next, I will discuss each business field. The first is transportation operations.
- In the first nine months, transportation revenues were ¥510.3 billion. This is an increase of ¥145.1 billion year on year, and 75% of the level in FY2020.3, before the coronavirus.
- The breakdown of revenues is shown on this slide. Looking at Shinkansen revenues, the Sanyo Shinkansen was ¥232.5 billion and the Hokuriku Shinkansen was ¥23.7 billion.
- Following the end of the seventh wave of coronavirus infections, the Kansai Urban area has recovered to 90%. However, looking at the Shinkansen, there was also an effect from public measures to foster demand, such as the government's nationwide travel discount campaign and the relaxation of border control measures. Nonetheless, the recovery has been limited to the 80% range. The Shinkansen did not reach our expectation of 90% at the end of December.
- There are also concerns about such risks as the lengthening of the eighth wave of coronavirus infections, including the emergence of a new derivative virus. Nonetheless, with consideration for results up to the third quarter, at this point, we expect to be able to achieve the full-year plan, and we have not changed the previous forecast.
- Please turn to the next slide.

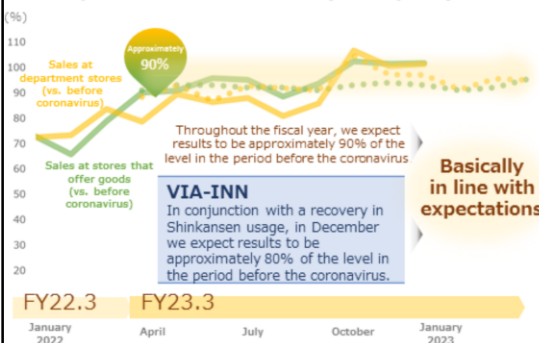
FY2023.3 3Q Results and FY2023.3 Full-Year Forecasts — Retail Business

(¥ Billions) Operating Revenues Operating Income EBITDA



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

Expected sales in FY2023.3 (assumption)



Operating Revenues (major breakdown) ¥ Billions

| | 9 months ended Dec 31, 2021 | 9 months ended Dec 31, 2022 |
|----------------------------------|-----------------------------|-----------------------------|
| | 92.6 | 124.0 |
| Sales of goods and food services | 76.2 | 104.3 |
| Of which, VIA-INN | 4.7 | 9.1 |
| Department stores | 13.2 | 16.1 |

* The breakdowns of the figures for each segment are the sums of the figures of major subsidiaries and do not match the segment totals.

Operating Income (major breakdown) ¥ Billions

| | 9 months ended Dec 31, 2021 | 9 months ended Dec 31, 2022 |
|----------------------------------|-----------------------------|-----------------------------|
| | (6.5) | 3.4 |
| Sales of goods and food services | (5.3) | 2.9 |
| Of which, VIA-INN | (3.2) | (1.0) |
| Department stores | (1.2) | 0.2 |

* The breakdowns of the figures for each segment are the sums of the figures of major subsidiaries and do not match the segment totals.

EBITDA (major breakdown) ¥ Billions

| | 9 months ended Dec 31, 2021 | 9 months ended Dec 31, 2022 |
|----------------------------------|-----------------------------|-----------------------------|
| | (2.3) | 7.6 |
| Sales of goods and food services | (2.4) | 5.8 |
| Of which, VIA-INN | (1.9) | 0.1 |
| Department stores | (0.5) | 0.9 |

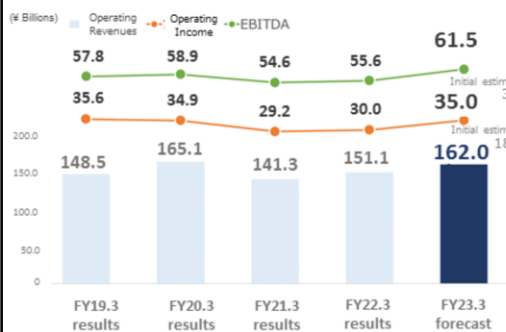
* The breakdowns of the figures for each segment are the sums of the figures of major subsidiaries and do not match the segment totals.

Point

There has been a recovery in sales at stores in stations and department stores accompanying the declining influence of the coronavirus. At VIA INN and others, we have also seen results from the government's nationwide travel discount campaign, etc.

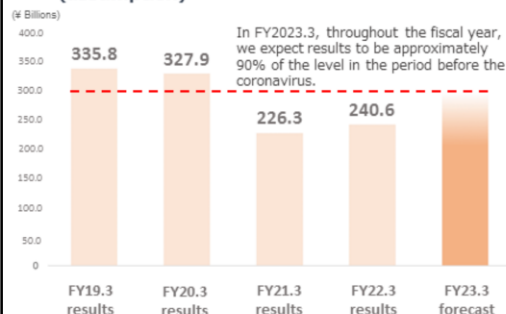
- The next topic is the retail business.
- In the first nine months, operating revenues were up ¥31.4 billion year on year, and operating results improved by ¥10.0 billion, to operating income of ¥3.4 billion. Sales at stores in stations and at department stores recovered, and, in a continuation from the first half, these operations were profitable.
- For the fiscal year, 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. At this point, sales are generally in line with expectations.
- Please turn to the next slide.

FY2023.3 3Q Results and FY2023.3 Full-Year Forecasts — Real Estate Business



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

Expected shopping center sales in FY2023.3 (assumption)



Operating Revenues (major breakdown)

| | 9 months ended Dec 31, 2021 | 9 months ended Dec 31, 2022 |
|--------------------------------------|--------------------------------|--------------------------------|
| Operating Revenues | 99.8 | 111.6 |
| Real estate lease and sales business | 64.8 | 72.1 |
| Of which, Real estate lease | 35.7 | 38.0 |
| Real estate sales | 29.1 | 34.0 |
| Shopping center | 33.7 | 38.9 |

* The breakdowns of the figures for each segment are the sums of the figures of major subsidiaries and do not match the segment totals.

Operating Income (major breakdown)

| | 9 months ended Dec 31, 2021 | 9 months ended Dec 31, 2022 |
|--------------------------------------|--------------------------------|--------------------------------|
| Operating Income | 24.0 | 27.5 |
| Real estate lease and sales business | 13.7 | 15.6 |
| Of which, Real estate lease | 11.4 | 11.1 |
| Real estate sales | 2.3 | 4.5 |
| Shopping center | 4.2 | 6.5 |

* The breakdowns of the figures for each segment are the sums of the figures of major subsidiaries and do not match the segment totals.

EBITDA (major breakdown)

| | 9 months ended Dec 31, 2021 | 9 months ended Dec 31, 2022 |
|--------------------------------------|--------------------------------|--------------------------------|
| EBITDA | 42.8 | 47.2 |
| Real estate lease and sales business | 26.6 | 29.1 |
| Shopping center | 8.9 | 11.6 |

* The breakdowns of the figures for each segment are the sums of the figures of major subsidiaries and do not match the segment totals.

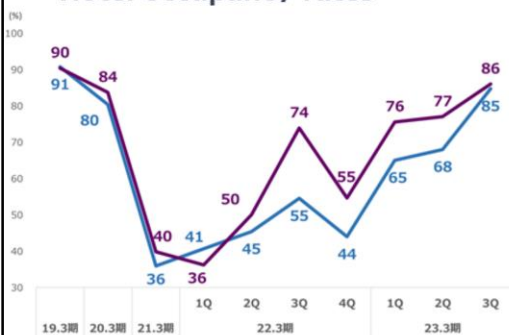
Point

YOY growth was recorded in revenues and profits due to newly opened properties, full-year contributions from newly opened properties, sales to investors, and higher sales at shopping centers.

- Next, I will discuss the real estate business.
- In the first nine months, operating revenues were up ¥11.8 billion year on year, and operating income increased by ¥3.4 billion, to ¥27.5 billion.
- In addition to full-year contributions from properties that were opened in the previous year, sales to investors increased, and moreover lease revenues rose due to a recovery in sales at shopping centers.
- For the fiscal year, we expect shopping center sales to be approximately 90% of the level in the period before the coronavirus. At this point, sales are generally in line with expectations.
- Please turn to the next slide.

FY2023.3 3Q Results and FY2023.3 Full-Year Forecasts — Other Businesses

■ Hotel occupancy rates



* The VIA-INVi brand of accommodation-oriented hotels is included in the hotel business.

■ Expectation for FY2023.3 (assumption)

【Hotel business】

- As of April 2022, current occupancy rates were approximately 70% of the level in the period before the coronavirus.
- Accompanying a recovery in railway demand, in the fourth quarter we expect results to be approximately 90% of the level in the period before the coronavirus.

【Travel business】

- As of April, reservations for domestic travel products were approximately 30% of the level in the period before the coronavirus.
- Accompanying a moderate recovery in travel demand, at the end of December 2022 we expect revenues from domestic travel to be approximately 60% of the level in the period before the coronavirus.

■ Operating Revenues (major breakdown)

¥ Billions

| | 9 months ended Dec 31, 2021 | 9 months ended Dec 31, 2022 |
|-----------------|--------------------------------|--------------------------------|
| Hotel business | 14.0 | 23.0 |
| Travel business | 59.5 | 101.1 |

* The breakdowns of the figures for each segment are the sums of the figures of major subsidiaries and do not match the segment totals.

■ Operating Income (major breakdown)

¥ Billions

| | 9 months ended Dec 31, 2021 | 9 months ended Dec 31, 2022 |
|-----------------|--------------------------------|--------------------------------|
| Hotel business | (6.9) | (1.7) |
| Travel business | (0.2) | 4.7 |

* The breakdowns of the figures for each segment are the sums of the figures of major subsidiaries and do not match the segment totals.

■ EBITDA (major breakdown)

¥ Billions

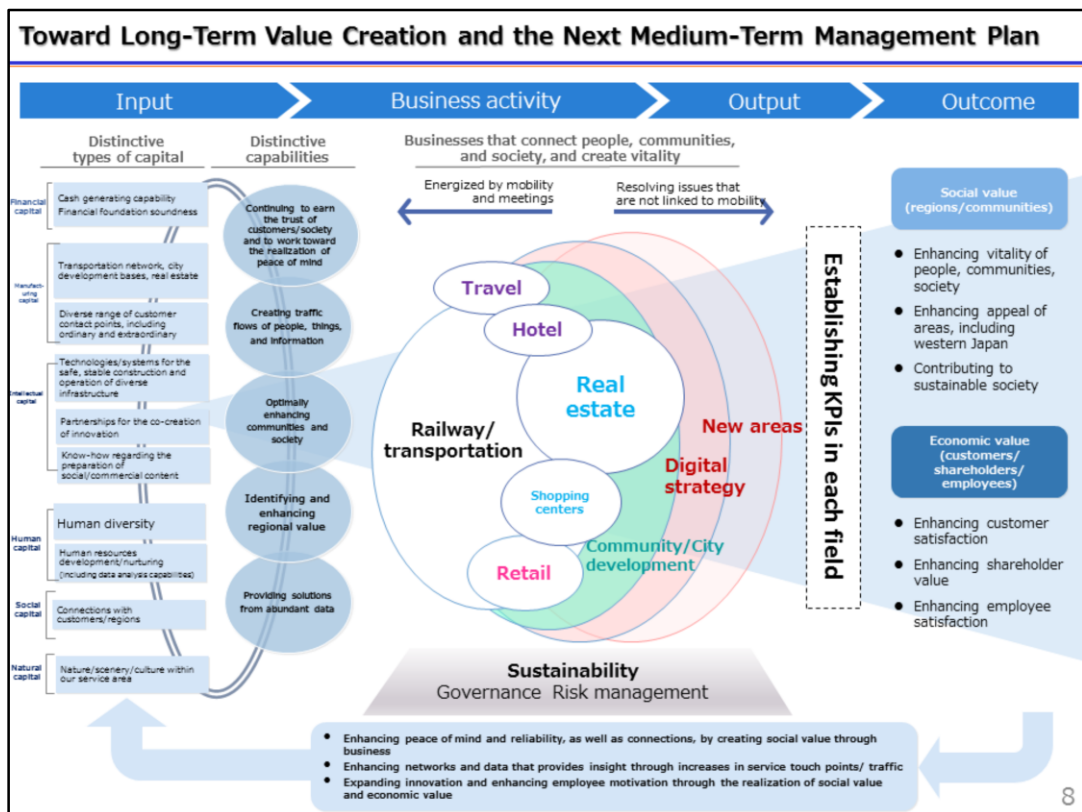
| | 9 months ended Dec 31, 2021 | 9 months ended Dec 31, 2022 |
|-----------------|--------------------------------|--------------------------------|
| Hotel business | (4.3) | 0.7 |
| Travel business | 0.0 | 5.0 |

* The breakdowns of the figures for each segment are the sums of the figures of major subsidiaries and do not match the segment totals.

■ Points

- In the hotel business, results recovered, centered on the accommodation department, due to the reduced influence of the coronavirus as well as the effects of the government's nationwide travel discount campaign and the relaxation of border control measures.
- In the travel business (third quarter from July to September), during the seventh wave of coronavirus infections, the solutions business, such as vaccination management operations, continued firm. Results exceeded the plan.

- This slide shows other businesses.
- In the hotel business, as you can see, occupancy rates are improving. Due to such factors as the effects of the government's nationwide travel discount campaign and the relaxation of border control measures, results recovered, centered on the accommodation department. Operating revenues were up by ¥9.0 billion year on year, and operating results improved by ¥5.2 billion. Looking at the three-month third quarter, the business was profitable.
- In the travel business, our performance continued to be led by the solutions business, including consigned vaccination management operations. Operating revenues were up by ¥41.6 billion year on year, and operating results improved by ¥5.0 billion, to operating income of ¥4.7 billion.
- In each business segment, at this point, results are basically in line with expectations. Accordingly, there is no change to the full-year results forecast that was announced at the beginning of the fiscal year.
- Please turn to the next slide.



- Currently, we are formulating a new medium-term management plan for the next fiscal year and thereafter.
- Safety is the Group's most important issue, and there will be no change to that going forward.
- On the other hand, the coronavirus has changed society in significant ways. In this setting, we are looking ahead to society 20 or 30 years in the future and redefining what our businesses should be, the value that we should provide, and the role that we should fulfill. Accordingly, we are moving forward with preparations for announcing the Group's purpose and long-term vision.
- Through a process of backcasting from the purpose and long-term vision, the new medium-term management plan will incorporate specific initiatives over the next few years.
- With consideration for the advancement of society in the post-coronavirus period, we will work to accelerate the speed of reform/reconstruction and to transition to the evolution/growth period as rapidly as possible. For this reason also, the new medium-term management plan will be extremely important.
- In the area of "invigorating the railway business," for revenues, we will work to increase the value provided to individual customers through data-driven Group marketing and to enhance yield management. These initiatives will be facilitated by DX. In this way, we will work to optimize "unit price X traffic quantity."
- Furthermore, in addition to the creation of new mobility demand through community/city development initiatives, we will strive to capture inbound demand, which is expected to recover further. In these ways, we will work to further increase mobility. In existing non-railway businesses, we will step up our efforts to generate synergies.
- In expenses, we will further advance such measures as rationalizing maintenance through data-driven measures made possible by DX, and we will work to deepen structural expense reductions.
- On the other hand, we are encountering the issue of external factors that we cannot control, such as rising costs. In the formulation of the plan, we are doing our best to address this issue, but nonetheless it presents difficult challenges.
- In addition, something that we want to focus on is the establishment of new business pillars for the next generation that are not linked to mobility. We recognize that, in order for the Group to continue to record sustainable growth in the future society, it will be important to establish another business pillar and to rebuild our business portfolio. This will require a reasonable amount of capital expenditure.
- Going forward, we will continue to pursue railway safety, and, with a focus on future progress, we will take on the challenge of creating new businesses.
- We will make further announcements about the new plan in the future.



FY2023.3 3Q Results and
Full-Year Forecasts: Overview

Page 3



FY2023.3 3Q Results and
Full-Year Forecasts: Details

Page 10

Financial Highlights

¥ Billions

| | 9 months ended Dec. 31, 2021 | 9 months ended Dec. 31, 2022 | YoY | | Results FY2022.3 | Forecasts FY2023.3 As of Jan. 31* | YoY | |
|--|---------------------------------|---------------------------------|-------------------------|-------|---------------------|---|-------------------------|-------|
| | | | Increase/ (Decrease) | % | | | Increase/ (Decrease) | % |
| | A | B | B-A | B/A-1 | C | D | D-C | D/C-1 |
| 【Consolidated】 | | | | | | | | |
| Operating Revenues | 729.9 | 974.8 | 244.8 | 33.5 | 1,031.1 | 1,309.0 | 277.8 | 27.0 |
| Operating Income (Loss) | (79.4) | 69.9 | 149.4 | — | (119.0) | 30.0 | 149.0 | — |
| Recurring Income (Loss) | (82.6) | 59.8 | 142.4 | — | (121.0) | 13.5 | 134.5 | — |
| Income (Loss) attributable to owners of parent | (54.0) | 87.3 | 141.3 | — | (113.1) | 58.5 | 171.6 | — |
| 【Non-Consolidated】 | | | | | | | | |
| Operating Revenues | 430.7 | 581.4 | 150.7 | 35.0 | 577.6 | 769.0 | 191.3 | 33.1 |
| Transportation Revenues | 365.1 | 510.3 | 145.1 | 39.8 | 487.6 | 673.0 | 185.3 | 38.0 |
| Operating Expenses | 510.2 | 537.4 | 27.1 | 5.3 | 704.6 | 764.5 | 59.8 | 8.5 |
| Personnel costs | 134.8 | 138.3 | 3.4 | 2.6 | 180.7 | 177.5 | (3.2) | (1.8) |
| Non personnel costs | 232.6 | 257.1 | 24.5 | 10.6 | 334.7 | 397.5 | 62.7 | 18.8 |
| Energy costs | 29.4 | 42.3 | 12.8 | 43.7 | 40.8 | 59.0 | 18.1 | 44.6 |
| Maintenance costs | 89.5 | 88.6 | (0.8) | (1.0) | 136.7 | 151.0 | 14.2 | 10.5 |
| Miscellaneous costs | 113.6 | 126.1 | 12.5 | 11.0 | 157.2 | 187.5 | 30.2 | 19.3 |
| Depreciation and Amortization | 94.3 | 91.7 | (2.5) | (2.7) | 127.2 | 125.5 | (1.7) | (1.4) |
| Operating Income (Loss) | (79.5) | 44.0 | 123.5 | — | (127.0) | 4.5 | 131.5 | — |
| Recurring Income (Loss) | (88.6) | 32.8 | 121.4 | — | (138.2) | (10.0) | 128.2 | — |
| Net Income (Loss) | (52.3) | 71.6 | 124.0 | — | (121.6) | 48.0 | 169.6 | — |

Note: Figures in brackets () are negative values.
*Forecasts have not been revised since Nov. 1, 2022.

Non-Consolidated Financial Results and Forecasts

¥ Billions

| | 9 months ended Dec. 31, 2021 | 9 months ended Dec. 31, 2022 | YoY | | Results FY2022.3 | Forecasts FY2023.3 As of Jan. 31* | YoY | |
|--|---------------------------------|---------------------------------|-------------------------|-------|---------------------|---|-------------------------|-------|
| | | | Increase/ (Decrease) | % | | | Increase/ (Decrease) | % |
| | A | B | B-A | B/A-1 | C | D | D-C | D/C-1 |
| Operating Revenues | 430.7 | 581.4 | 150.7 | 35.0 | 577.6 | 769.0 | 191.3 | 33.1 |
| Transportation revenues | 365.1 | 510.3 | 145.1 | 39.8 | 487.6 | 673.0 | 185.3 | 38.0 |
| Other | 65.6 | 71.1 | 5.5 | 8.4 | 89.9 | 96.0 | 6.0 | 6.7 |
| Operating Expenses | 510.2 | 537.4 | 27.1 | 5.3 | 704.6 | 764.5 | 59.8 | 8.5 |
| Personnel costs | 134.8 | 138.3 | 3.4 | 2.6 | 180.7 | 177.5 | (3.2) | (1.8) |
| Non personnel costs | 232.6 | 257.1 | 24.5 | 10.6 | 334.7 | 397.5 | 62.7 | 18.8 |
| Energy costs | 29.4 | 42.3 | 12.8 | 43.7 | 40.8 | 59.0 | 18.1 | 44.6 |
| Maintenance costs | 89.5 | 88.6 | (0.8) | (1.0) | 136.7 | 151.0 | 14.2 | 10.5 |
| Miscellaneous costs | 113.6 | 126.1 | 12.5 | 11.0 | 157.2 | 187.5 | 30.2 | 19.3 |
| Rental payments, etc. | 20.0 | 19.9 | (0.0) | (0.3) | 26.7 | 27.0 | 0.2 | 0.8 |
| Taxes | 28.5 | 30.2 | 1.7 | 6.0 | 35.1 | 37.0 | 1.8 | 5.3 |
| Depreciation and Amortization | 94.3 | 91.7 | (2.5) | (2.7) | 127.2 | 125.5 | (1.7) | (1.4) |
| Operating Income (Loss) | (79.5) | 44.0 | 123.5 | — | (127.0) | 4.5 | 131.5 | — |
| Non-operating revenues and expenses, net | (9.1) | (11.1) | (2.0) | — | (11.2) | (14.5) | (3.2) | — |
| Non-operating revenues | 8.2 | 5.4 | (2.7) | — | 13.3 | 8.0 | (5.3) | — |
| Non-operating expenses | 17.3 | 16.6 | (0.7) | — | 24.6 | 22.5 | (2.1) | — |
| Recurring Income (Loss) | (88.6) | 32.8 | 121.4 | — | (138.2) | (10.0) | 128.2 | — |
| Extraordinary profit and loss, net | 21.8 | 7.2 | (14.6) | — | 11.0 | 17.0 | 5.9 | — |
| Extraordinary profit | 29.4 | 16.1 | (13.3) | — | 54.1 | 18.5 | (35.6) | — |
| Extraordinary loss | 7.5 | 8.8 | 1.2 | — | 43.1 | 1.5 | (41.6) | — |
| Net Income (Loss) | (52.3) | 71.6 | 124.0 | — | (121.6) | 48.0 | 169.6 | — |

Note: Figures in brackets () are negative values.
*Forecasts have not been revised since Nov. 1, 2022.

Major Factors of Increase/Decrease in Transportation Revenues

¥ Billions

| Results for 9 months ended Dec. 31, 2022 | | | | | |
|--|-------|-------------------------|------|-----------------------------|--------|
| Transportation revenues | | YoY Increase/(Decrease) | | Major factors | |
| | | Amount | % | | Amount |
| Shinkansen | 256.3 | 98.2 | 62.1 | Fundamental trend 0.0% | (1.1) |
| | | | | Special factors | (1.1) |
| | | | | •Decreased COVID-19 effects | 93.2 |
| | | | | •Inbound Demand Recovery | 1.7 |
| | | | | | (1.1) |
| Kansai Urban Area (Kyoto-Osaka-Kobe Area) | 190.5 | 32.4 | 20.6 | etc. | (1.1) |
| | | | | Fundamental trend 0.0% | (1.1) |
| | | | | Special factors | (1.1) |
| | | | | •Decreased COVID-19 effects | 30.1 |
| | | | | •Inbound Demand Recovery | 1.4 |
| Other lines | 63.4 | 14.4 | 29.6 | | (1.1) |
| | | | | etc. | (1.1) |
| | | | | Fundamental trend 0.0% | (1.1) |
| | | | | Special factors | (1.1) |
| | | | | •Decreased COVID-19 effects | 13.6 |
| Conventional lines | 254.0 | 46.9 | 22.7 | •Inbound Demand Recovery | 0.3 |
| | | | | | (1.1) |
| | | | | etc. | (1.1) |
| Total | 510.3 | 145.1 | 39.8 | | |

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

Note2: Figures in brackets () are negative values.

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) | | | FY2022.3 Results | FY2023.3 Forecasts As of Jan. 31* | YoY | Results for 9 months ended Dec. 31 (4/1-12/31) | | | | | | 3 months (3Q) (10/1-12/31) | | |
| | FY2022.3 | | | FY2023.3 | | | FY2022.3 | | | | | | FY2022.3 | | | FY2023.3 | | | FY2022.3 | | |
| | | | YoY | | | YoY | | | YoY | | | | | | YoY | | | YoY | | | YoY |
| Total | 365.1 | 510.3 | 145.1 39.8% | 155.1 | 189.6 | 34.4 22.2% | 487.6 | 673.0 | 185.3 38.0% | — | — | — | 28,273 | 35,636 | 7,363 26.0% | 11,008 | 12,837 | 1,829 16.6% | | | |
| Shinkansen | 158.1 | 256.3 | 98.2 62.1% | 75.1 | 99.4 | 24.3 32.4% | 211.6 | 339.0 | 127.3 60.2% | — | — | — | 7,280 | 11,843 | 4,563 62.7% | 3,473 | 4,651 | 1,177 33.9% | | | |
| Commuter Passes | 8.0 | 8.4 | 0.4 5.2% | 2.6 | 2.8 | 0.1 5.9% | 10.6 | — | — | — | — | — | 623 | 658 | 34 5.6% | 205 | 217 | 12 6.0% | | | |
| Non-Commuter Passes | 150.0 | 247.8 | 97.7 65.2% | 72.4 | 96.6 | 24.1 33.4% | 201.0 | — | — | — | — | — | 6,657 | 11,185 | 4,528 68.0% | 3,268 | 4,433 | 1,165 35.7% | | | |
| Conventional Lines | 207.0 | 254.0 | 46.9 22.7% | 80.0 | 90.1 | 10.1 12.7% | 276.0 | 334.0 | 57.9 21.0% | — | — | — | 20,993 | 23,792 | 2,799 13.3% | 7,534 | 8,185 | 651 8.6% | | | |
| Commuter Passes | 90.5 | 93.8 | 3.3 3.7% | 30.3 | 31.2 | 0.9 3.0% | 119.1 | — | — | — | — | — | 14,669 | 15,194 | 524 3.6% | 4,881 | 4,986 | 105 2.2% | | | |
| Non-Commuter Passes | 116.5 | 160.1 | 43.6 37.5% | 49.6 | 58.9 | 9.2 18.6% | 156.9 | — | — | — | — | — | 6,323 | 8,598 | 2,275 36.0% | 2,653 | 3,199 | 546 20.6% | | | |
| Kansai Urban Area (Kyoto-Osaka-Kobe Area) | 158.0 | 190.5 | 32.4 20.6% | 59.7 | 67.0 | 7.3 12.2% | 210.7 | 251.0 | 40.2 19.1% | — | — | — | 16,658 | 18,669 | 2,010 12.1% | 5,921 | 6,399 | 477 8.1% | | | |
| Commuter Passes | 74.2 | 77.2 | 2.9 4.0% | 24.9 | 25.6 | 0.7 3.2% | 97.8 | — | — | — | — | — | 11,983 | 12,461 | 478 4.0% | 4,002 | 4,101 | 98 2.5% | | | |
| Non-Commuter Passes | 83.8 | 113.3 | 29.5 35.2% | 34.8 | 41.3 | 6.5 18.7% | 112.8 | — | — | — | — | — | 4,675 | 6,207 | 1,531 32.8% | 1,918 | 2,297 | 379 19.8% | | | |
| Other Lines | 48.9 | 63.4 | 14.4 29.6% | 20.2 | 23.0 | 2.8 14.0% | 65.3 | 83.0 | 17.6 27.1% | — | — | — | 4,334 | 5,123 | 789 18.2% | 1,613 | 1,786 | 173 10.8% | | | |
| Commuter Passes | 16.3 | 16.6 | 0.3 2.1% | 5.4 | 5.5 | 0.1 2.4% | 21.2 | — | — | — | — | — | 2,686 | 2,732 | 45 1.7% | 878 | 884 | 6 0.7% | | | |
| Non-Commuter Passes | 32.6 | 46.7 | 14.1 43.3% | 14.8 | 17.5 | 2.6 18.2% | 44.0 | — | — | — | — | — | 1,647 | 2,391 | 743 45.1% | 734 | 901 | 166 22.7% | | | |

Notes: Figures in brackets () are negative values.
Forecasts are not based on past trends (FY 2022).

Note: Figures in brackets () are negative values.
*Forecasts have not been revised since Nov. 1, 2022.

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

¥Billions

| | Results for 9 months ended Dec. 31, 2022 | | | |
|-------------------------------|--|-------------------------|-------|---|
| | | YoY | | Major factors (YoY) |
| | | Increase/ (Decrease) | % | |
| Personnel costs | 138.3 | 3.4 | 2.6 | · Increase in bonus, etc. |
| Energy costs | 42.3 | 12.8 | 43.7 | · Increase in adjustment amount for fuel cost, etc. |
| Maintenance costs | 88.6 | (0.8) | (1.0) | · Difference in progress of maintenance work · Decrease due to Cost Structure Reform, etc. |
| Miscellaneous costs | 126.1 | 12.5 | 11.0 | · Increase in revenue-linked costs, a adjustment amount for fuel cost, and advertising expenses, etc. |
| Rental Payments, etc. | 19.9 | (0.0) | (0.3) | |
| Taxes | 30.2 | 1.7 | 6.0 | · Increase in business tax on corporations, etc. |
| Depreciation and Amortization | 91.7 | (2.5) | (2.7) | · Progress of depreciation, etc. |
| Total | 537.4 | 27.1 | 5.3 | |

Note: Figures in brackets () are negative values.



Consolidated Financial Results and Forecasts

¥ Billions

| | 9 months ended Dec. 31, 2021 | 9 months ended Dec. 31, 2022 | YoY | | Results FY2022.3 C | Forecasts FY2023.3 As of Jan. 31* D | YoY | |
|--|---------------------------------|---------------------------------|--------------------------------|------------|--------------------------|--|--------------------------------|------------|
| | | | Increase/ (Decrease) B-A | % B/A-1 | | | Increase/ (Decrease) D-C | % D/C-1 |
| A | B | | | | | | | |
| Operating Revenues | 729.9 | 974.8 | 244.8 | 33.5 | 1,031.1 | 1,309.0 | 277.8 | 27.0 |
| Operating Expenses | 809.4 | 904.8 | 95.3 | 11.8 | 1,150.1 | 1,279.0 | 128.8 | 11.2 |
| Operating Income (Loss) | (79.4) | 69.9 | 149.4 | — | (119.0) | 30.0 | 149.0 | — |
| Non-operating revenues and expenses, net | (3.1) | (10.1) | (6.9) | — | (1.9) | (16.5) | (14.5) | — |
| Non-operating revenues | 16.0 | 7.2 | (8.8) | — | 23.6 | 7.2 | (16.4) | — |
| Non-operating expenses | 19.2 | 17.4 | (1.8) | — | 25.5 | 23.7 | (1.8) | — |
| Recurring Income (Loss) | (82.6) | 59.8 | 142.4 | — | (121.0) | 13.5 | 134.5 | — |
| Extraordinary profit and loss, net | 22.5 | 4.5 | (17.9) | — | 15.4 | 9.0 | (6.4) | — |
| Extraordinary profit | 32.9 | 14.8 | (18.1) | — | 58.8 | — | — | — |
| Extraordinary loss | 10.4 | 10.2 | (0.1) | — | 43.3 | — | — | — |
| Income (Loss) attributable to owners of parent | (54.0) | 87.3 | 141.3 | — | (113.1) | 58.5 | 171.6 | — |
| Comprehensive Income (Loss) | (54.3) | 92.4 | 146.7 | — | (112.2) | — | — | — |

Note: Figures in brackets () are negative values.
* Forecasts have not been revised since Nov. 1, 2022.

Consolidated Financial Results and Forecasts (Segment Information)

¥ Billions

| | 9 months ended Dec. 31, 2021 | 9 months ended Dec. 31, 2022 | YoY | | Results FY2022.3 | Forecasts FY2023.3 As of Jan. 31 ^{*3} | YoY | |
|---|---------------------------------|---------------------------------|-------------------------|--------|---------------------|--|-------------------------|--------|
| | | | Increase/ (Decrease) | % | | | Increase/ (Decrease) | % |
| | A | B | B-A | B/A-1 | C | D | D-C | D/C-1 |
| Operating Revenues ^{*1} | 729.9 | 974.8 | 244.8 | 33.5 | 1,031.1 | 1,309.0 | 277.8 | 27.0 |
| Transportation | 406.5 | 552.0 | 145.5 | 35.8 | 544.1 | 739.0 | 194.8 | 35.8 |
| Retail | 92.6 | 124.0 | 31.4 | 33.9 | 124.2 | 168.0 | 43.7 | 35.2 |
| Sales of goods and food services | 76.2 | 104.3 | 28.1 | 36.9 | 102.0 | 139.0 | 36.9 | 36.3 |
| (Accommodation-oriented budget hotel) (restate) ^{*2} | [4.7] | [9.1] | [4.4] | [93.3] | [6.2] | [12.5] | [6.2] | [99.5] |
| Department stores | 13.2 | 16.1 | 2.8 | 21.6 | 18.1 | 24.0 | 5.8 | 32.5 |
| Real estate | 99.8 | 111.6 | 11.8 | 11.9 | 151.1 | 162.0 | 10.8 | 7.2 |
| Shopping center | 33.7 | 38.9 | 5.1 | 15.4 | 45.6 | 54.0 | 8.3 | 18.3 |
| Real estate lease and sale | 64.8 | 72.1 | 7.2 | 11.1 | 104.0 | 107.5 | 3.4 | 3.3 |
| (Real estate sale) (restate) ^{*2} | [29.1] | [34.0] | [4.9] | [16.8] | [56.6] | [57.3] | [0.6] | [1.2] |
| Other businesses | 131.0 | 187.0 | 56.0 | 42.8 | 211.5 | 240.0 | 28.4 | 13.5 |
| Hotel | 14.0 | 23.0 | 9.0 | 64.3 | 18.5 | 31.5 | 12.9 | 69.6 |
| Nippon Travel Agency | 59.5 | 101.1 | 41.6 | 70.0 | 95.9 | 111.0 | 15.0 | 15.7 |
| Operating Income (Loss) ^{*1} | (79.4) | 69.9 | 149.4 | — | (119.0) | 30.0 | 149.0 | — |
| Transportation | (93.7) | 31.0 | 124.7 | — | (144.3) | (11.0) | 133.3 | — |
| Retail | (6.5) | 3.4 | 10.0 | — | (8.6) | 2.0 | 10.6 | — |
| Sales of goods and food services | (5.3) | 2.9 | 8.3 | — | (7.1) | 1.0 | 8.1 | — |
| (Accommodation-oriented budget hotel) (restate) ^{*2} | [(3.2)] | [(1.0)] | [2.1] | — | [(4.3)] | [(2.0)] | [2.3] | — |
| Department stores | (1.2) | 0.2 | 1.5 | — | (1.4) | 0.5 | 1.9 | — |
| Real estate | 24.0 | 27.5 | 3.4 | 14.5 | 30.0 | 35.0 | 4.9 | 16.6 |
| Shopping center | 4.2 | 6.5 | 2.3 | 55.9 | 4.5 | 7.0 | 2.4 | 54.1 |
| Real estate lease and sale | 13.7 | 15.6 | 1.8 | 13.3 | 17.2 | 20.0 | 2.7 | 15.9 |
| (Real estate sale) (restate) ^{*2} | [2.3] | [4.5] | [2.1] | [90.9] | [6.4] | [7.2] | [0.7] | [12.3] |
| Other businesses | (5.5) | 5.1 | 10.7 | — | 2.9 | 7.0 | 4.0 | 135.1 |
| Hotel | (6.9) | (1.7) | 5.2 | — | (9.0) | (4.0) | 5.0 | — |
| Nippon Travel Agency | (0.2) | 4.7 | 5.0 | — | 2.4 | 0.0 | (2.4) | — |

Note: Figures in brackets () are negative values.

^{*1} Operating revenues are the revenues from third parties (= customers). The breakdowns of operating revenues and operating income (loss) by each segment are the sums of those of major subsidiaries.

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

^{*3} Forecasts have not been revised since Nov. 1, 2022.

Major Factors of Increase/Decrease in Each Segment

¥ Billions

| | | | Results for 9 months ended Dec. 31, 2022 | | | |
|------------------|----------------------------------|--------------------|--|------|---------------------|---|
| | | | YoY | | Major factors (YoY) | |
| | | | Increase/ (Decrease) | % | | |
| Retail | Sales of goods and food services | Operating Revenues | 104.3 | 28.1 | 36.9 | • Moderate recovery in stores within railway stations, • Increase in VIAINN due to recovery in travel demand, etc. |
| | | Operating Income | 2.9 | 8.3 | — | |
| | Department stores | Operating Revenues | 16.1 | 2.8 | 21.6 | • Moderate recovery in demand, etc. |
| | | Operating Income | 0.2 | 1.5 | — | |
| Real estate | Shopping center | Operating Revenues | 38.9 | 5.1 | 15.4 | • Increase in rent income due to a recovery in tenant sales, and new opening of MAROOT Toyama, etc. |
| | | Operating Income | 6.5 | 2.3 | 55.9 | |
| | Real estate lease and sale | Operating Revenues | 72.1 | 7.2 | 11.1 | • Full-year effect of new opening of lease properties, and increase in sales to investors, etc. |
| | | Operating Income | 15.6 | 1.8 | 13.3 | |
| Other Businesses | Hotel | Operating Revenues | 23.0 | 9.0 | 64.3 | • Increase in the accommodation department due to recovery in travel demand, etc. |
| | | Operating Loss | (1.7) | 5.2 | — | |
| | Nippon Travel Agency | Operating Revenues | 101.1 | 41.6 | 70.0 | • Increase in travel and non-travel related business, etc. |
| | | Operating Income | 4.7 | 5.0 | — | |

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

¥ Billions

| | As of Mar. 31, 2022 A | As of Dec. 31, 2022 B | Difference increase/(decrease) B-A |
|--|-----------------------------|-----------------------------|--|
| Assets | 3,702.4 | 3,713.9 | 11.4 |
| Liabilities | 2,628.2 | 2,573.0 | (55.1) |
| Net assets | 1,074.2 | 1,140.8 | 66.6 |
| Balance of Long-term Debt and Payables | 1,724.8 | 1,684.2 | (40.6) |
| [Average interest rate (%)] | [1.17] | [1.19] | [0.02] |
| Shinkansen Purchase Liability | 99.8 | 99.2 | (0.5) |
| [Average interest rate (%)] | [6.55] | [6.55] | [—] |
| Bonds | 974.9 | 969.9 | (4.9) |
| [Average interest rate (%)] | [0.98] | [0.98] | [—] |
| DER | 1.8 | 1.6 | (0.2) |
| Equity ratio (%) | 26.2 | 27.8 | 1.6 |
| Net assets per share (¥) | 3,973.15 | 4,238.98 | 265.83 |

Other Data

Persons, ¥ Billions

| | 9 months ended Dec. 31, 2021 | 9 months ended Dec. 31, 2022 | Results FY2022.3 | Forecasts FY2023.3 As of Jan. 31 ^{*2} |
|--|---------------------------------|---------------------------------|---------------------|--|
| ROA (% Consolidated) | — | 1.9 | — | 0.8 |
| ROE (% Consolidated) | — | 8.7 | — | 5.9 |
| EBITDA (Consolidated) ^{*1} | 40.1 | 188.0 | 42.9 | 193.0 |
| Depreciation (Consolidated) | 118.7 | 118.0 | 160.8 | 163.0 |
| Capital Expenditures (Consolidated, own fund) | 111.7 | 105.6 | 213.1 | 245.0 |
| Capital Expenditures (Non-consolidated, own fund) | 79.0 | 76.5 | 149.4 | 164.0 |
| Safety related capital expenditure | 43.5 | 33.0 | 83.0 | 73.0 |
| Dividends per share (¥) | 50.0 | 50.0 | 100.0 | 100.0 |

| | 9 months ended Dec. 31, 2021 | | 9 months ended Dec. 31, 2022 | | Results FY2022.3 | | Forecasts FY2023.3 As of Jan. 31 ^{*2} | |
|---------------------------------------|---------------------------------|------------------|---------------------------------|------------------|---------------------|------------------|--|------------------|
| | Consolidated | Non-Consolidated | Consolidated | Non-Consolidated | Consolidated | Non-Consolidated | Consolidated | Non-Consolidated |
| No. of employees at the end of period | 47,212 | 22,790 | 45,145 | 21,748 | 46,779 | 22,715 | — | — |
| Financial Expenses, net | (13.8) | (13.7) | (14.7) | (13.5) | (18.1) | (18.8) | (19.8) | (18.1) |
| Interest and dividend income | 2.2 | 2.2 | 1.0 | 2.1 | 3.2 | 2.4 | 1.2 | 2.6 |
| Interest expenses | 16.0 | 15.9 | 15.7 | 15.6 | 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} Forecasts have not been revised since Nov. 1, 2022.

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 January 31, 2023 based on information available to JR-West as of January 31, 2023 and JR-West does not undertake to update or revise any of its forward looking statements or reflect future events or circumstances.
- Compensation for damages caused by the accident on Fukuchiyama Line happened on April 25, 2005 is NOT considered in this presentation.