

## FY2024.3, 1Q Financial Results Presentation



*Connect more. Spring into the future.*

**August 1, 2023**

**West Japan Railway Company**

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## Highlights

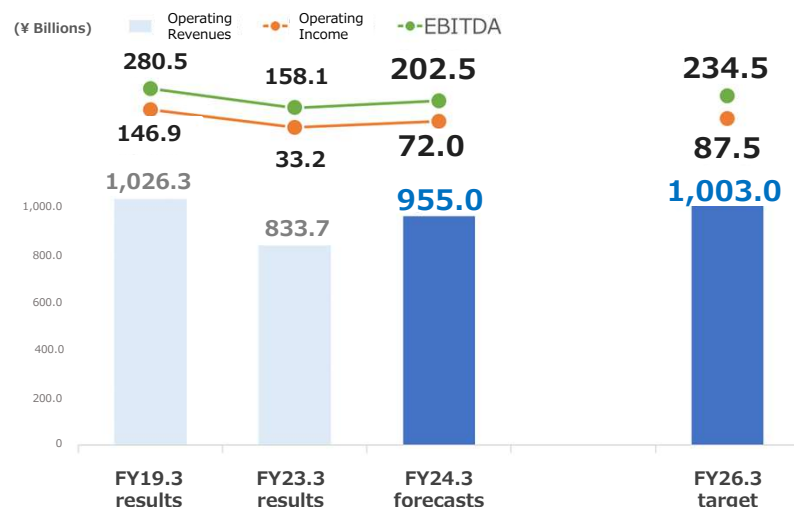
- In FY2024.3 1Q, consolidated and non-consolidated revenue and profit increased for a third consecutive year, with demand rebounding after the government changed the classification of COVID-19. However, net profit decreased in the absence of special tax treatment in the previous fiscal year.
- **Transportation revenue** has recovered to **88.5% of the pre-pandemic level (2019)** and **92.4% of the 2018 level**, owing in part to stronger demand and measures to boost revenue.
- Efforts at **reforming the cost structure** resulted in a **¥6.5 billion decline** in costs in 1Q, versus the target for ¥31.0 billion for FY2024.3 (non-consolidated, compared with FY2020.3).
- Each business has been steadily recovering, and inbound revenue was higher than expected. In the main Shinkansen business, we expect ridership to increase toward the end of the fiscal year due in part to the Obon holiday season. **We maintain our full-year earnings and dividend forecasts** because the recovery trend after Obon required monitoring.

(¥ Billions)

	3 months ended June 30, 2022	3 months ended June 30, 2023	YoY		Forecasts FY24.3	YoY	
			Increase/ (Decrease)	%		Increase/ (Decrease)	%
<b>【Consolidated】</b>							
Operating Revenues	297.1	<b>369.2</b>	72.1	24.3	<b>1,512.0</b>	116.4	8.3
Operating Expenses	277.6	<b>317.0</b>	39.4	14.2	<b>1,397.0</b>	85.4	6.5
Operating Income	19.5	<b>52.2</b>	32.6	167.3	<b>115.0</b>	31.0	37.0
Recurring Profit	16.9	<b>48.6</b>	31.7	187.5	<b>99.5</b>	25.8	35.2
Profit attributable to owners of parent	57.8	<b>33.3</b>	(24.5)	(42.4)	<b>66.5</b>	(22.0)	(24.9)
EBITDA	58.1	<b>91.7</b>	33.5	57.7	<b>279.0</b>	35.3	14.5
<b>【Non-Consolidated】</b>							
Transportation Revenues	157.7	<b>197.5</b>	39.8	25.2	<b>807.0</b>	112.4	16.2
Operating Expenses	166.5	<b>183.7</b>	17.2	10.4	<b>833.0</b>	80.6	10.7

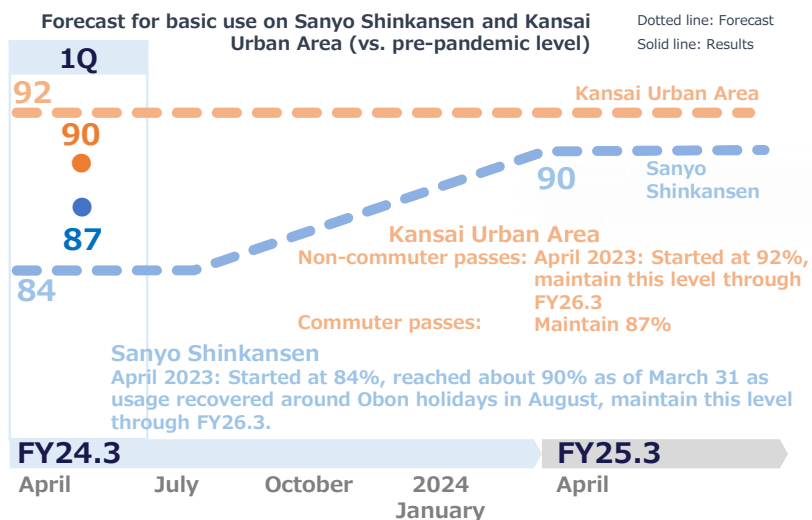
# Mobility Business

## Mobility Results and Forecasts



\* FY2019.3 figures do not reflect the adoption of accounting standards for revenue recognition.

## Forecast (assumption) for transportation revenue during management plan



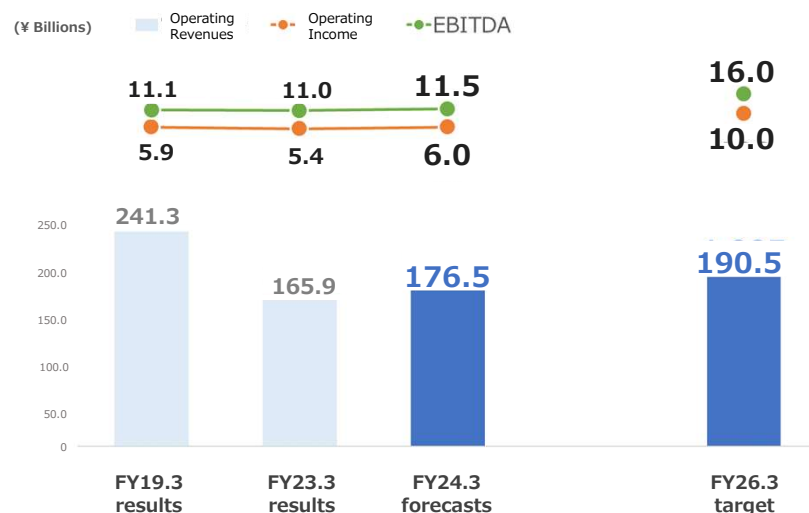
(¥ Billion)	FY23.3 1Q results	FY24.3 1Q results
Operating Revenues	183.6	221.5
Of which, non-consolidated transportation revenues	157.7	197.5
Shinkansen	74.7	102.4
Kansai Urban Area	63.1	71.9
Other conventional lines	19.8	23.1
Operating Income	7.9	32.8
EBITDA	38.0	63.9

## FY2024.3 1Q Results Highlights

- Sanyo Shinkansen: Usage slightly higher than expected
- Kansai Urban Area: (Non-commuter passes) Broadly in line with estimates  
(Commuter passes) Broadly in line with estimates. No. of commuter pass holders about 90% vs. 2019 level
- Recent recovery within expectation, but need to monitor usage during and after Obon holidays
- Reforming the cost structure resulted in a ¥6.5 billion decline in costs, versus the target for ¥31.0 billion for FY2024.3, in line with forecast

# Retail Business

## Retail Results and Forecasts



\* FY2019.3 figures do not reflect the adoption of accounting standards for revenue recognition.

## Outlook for FY24.3 onward

### Sales of goods and food services:

- In FY2024.3, sales at goods retailers likely to be on par with pre-pandemic level, while sales at restaurants should reach 90% of pre-pandemic level

### VIA-INN:

- JR-West forecasts FY2024.3 revenues and profits above pre-pandemic levels due in part to structural reforms; aim for ADR +5% in FY2026.3 (vs. FY2019.3) through development of Via Inn Primed

### Department stores:

- JR-West expects sales to recover to pre-pandemic level in FY2024.3; aim to improve competitiveness with ongoing remodeling

(¥ Billion)	FY23.3 1Q results	FY24.3 1Q results
<b>Operating Revenues</b> (major breakdown)	<b>36.2</b>	<b>46.5</b>
Sales of goods and food services Of which, VIA-INN	31.2 2.3	40.7 5.0
Department stores	4.6	5.3
<b>Operating Income</b> (major breakdown)	<b>0.1</b>	<b>3.4</b>
Sales of goods and food services Of which, VIA-INN	0.2 (0.6)	3.0 0.8
Department stores	(0.1)	0.3
<b>EBITDA</b> (major breakdown)	<b>1.4</b>	<b>4.7</b>
Sales of goods and food services Of which, VIA-INN	1.1 (0.1)	4.0 1.2
Department stores	0.0	0.5

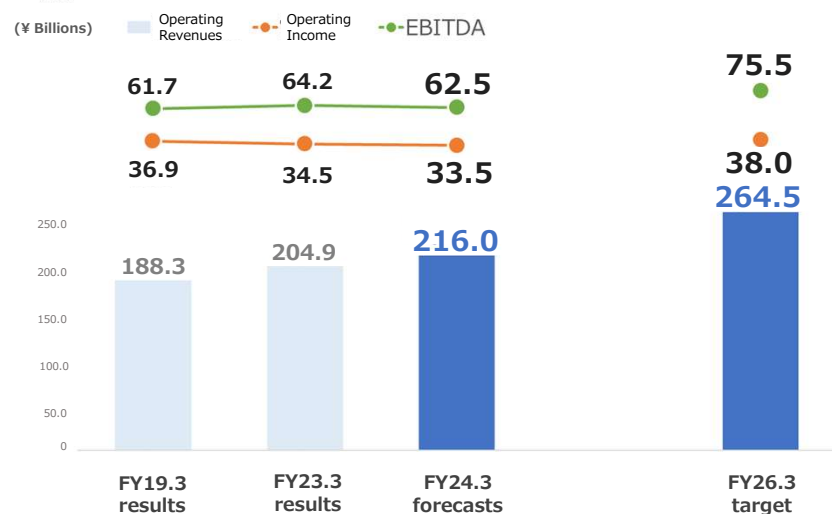
\* The breakdowns of the figures for each segment are the sums of the figures of major subsidiaries and do not match the segment totals.

## FY2024.3 1Q Results Highlights

- Robust demand for goods and food services, business hotels, department stores
- Sales of goods and food services: Revenue above 2019, same-store revenue on a par with 2019, souvenirs strong
- VIA-INN: Revenue above 2019 level; ADR +7% vs. 2019
- Department stores: Kyoto store sales in line with pre-pandemic level

# Real Estate Business

## Real Estate Results and Forecasts



\* FY2019.3 figures do not reflect the adoption of accounting standards for revenue recognition.

## Outlook for FY24.3 onward

### Real estate lease and sales business:

- Target higher sales but lower profits, owing to timing issues in sales business and higher costs associated with projects opening in Osaka and Hiroshima

### Shopping centers:

- JR-West forecasts shopping center sales will be in line with pre-pandemic levels in FY2024.3; aims for shopping center sales of ¥380 billion in FY2026.3 with opening of shopping centers in Osaka and Hiroshima

### Hotel business:

- JR-West expects accommodations revenue to be on a par with pre-pandemic levels in FY2024.3; aims for ADR +20% in FY2026.3 (vs. FY2019.3) with opening of a new brand hotel

(¥ Billion)	FY23.3 1Q results	FY24.3 1Q results
<b>Operating Revenues</b> (major breakdown)	<b>44.9</b>	<b>46.3</b>
Real estate lease and sales business	24.6	22.5
Of which, Real estate lease	12.6	13.4
Real estate sales	11.9	9.1
Shopping center	13.2	14.2
Hotel business	6.9	9.2
<b>Operating Income</b> (major breakdown)	<b>9.0</b>	<b>10.3</b>
Real estate lease and sales business	7.9	5.2
Of which, Real estate lease	4.0	4.2
Real estate sales	3.8	0.9
Shopping center	1.9	2.7
Hotel business	(0.9)	0.2
<b>EBITDA</b> (major breakdown)	<b>16.3</b>	<b>17.6</b>
Real estate lease and sales business	12.2	9.6
Shopping center	3.7	4.5
Hotel business	(0.1)	1.0

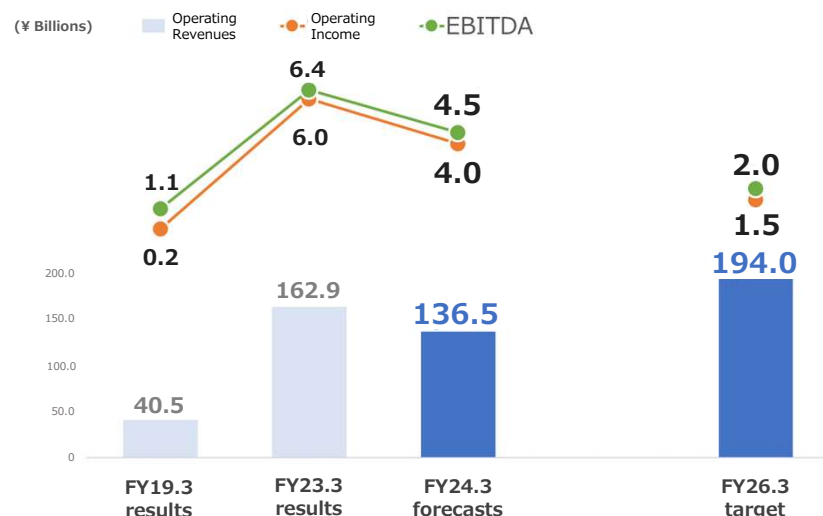
\* The breakdowns of the figures for each segment are the sums of the figures of major subsidiaries and do not match the segment totals.

## FY2024.3 1Q Results Highlights

- Real estate lease and sales business: Decline in revenue and profit year on year due to pullback in sales to investors; in line with forecasts
- Shopping centers: Brisk sales, like retail; shopping center sales in line with 2019
- Hotel business: Accommodations revenue above 2019 level; ADR +11% vs. 2019; banquet demand trending upward

# Travel and Regional Solutions Business

## Travel and Regional Solutions Results and Forecasts



\* FY2019.3 figures do not reflect the adoption of accounting standards for revenue recognition.

## Outlook for FY24.3 onward

### Tourism business:

- Pullback from government's nationwide travel assistance likely in FY2024.3, but expect demand to rebound for domestic travel after COVID-19 classification downgrade
- Give shape to digital tourism

### Solution business:

- Sharp drop in vaccination administration-related work anticipated in FY2024.3
- Keen to expand solutions business for issues affecting communities

(¥ Billion)	FY23.3 1Q results	FY24.3 1Q results
Operating Revenues	27.3	49.6
Operating Income	1.5	5.1
EBITDA	1.5	5.2

## FY2024.3 1Q Results Highlights

### Tourism business:

- Revenue up year on year in tourism business, with national travel assistance a tailwind
- In 1Q, domestic travel recovering, but still below 2019 level; signs of recovery in travel demand with COVID-19 classification downgraded from April

### Solution business:

- Solution business better than anticipated in 1Q with contracts in businesses related to economic stimulus measures in each region and vaccine administrative work



# Maximize Synergies with Digital Strategy

## ● Create demand for travel and purchases

### Advance our connections with customers

- Expand services in payments (mobile ICOCA, etc.), apps (WESTER, tabiwa by WESTER, WESPO) and digital spaces

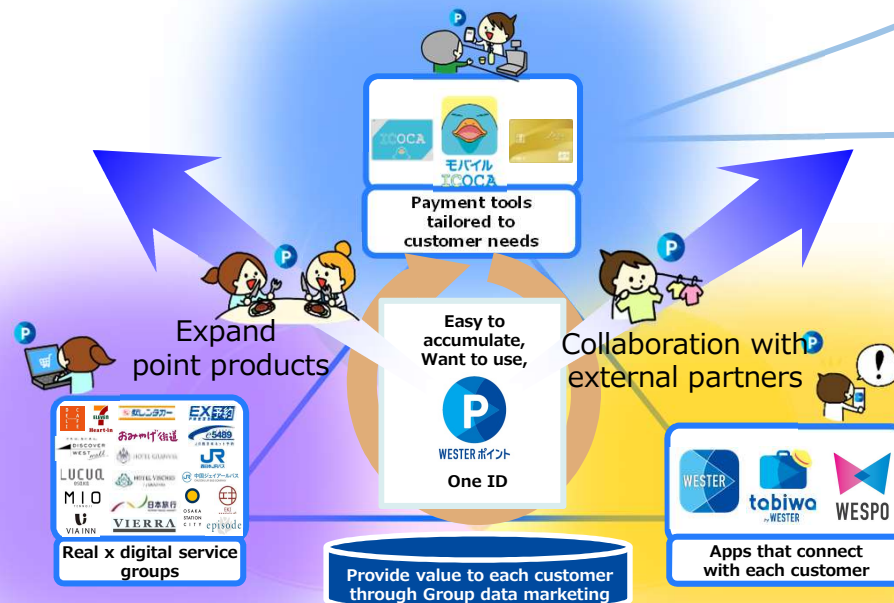
### Advance towards easy to accumulate, want to use points

- Expand unique WESTER point products and collaborate with external parties

### Advance Group's marketing capabilities

- Increase repeat usage and variety by deploying Group data-driven marketing based on customer journeys

Offer unprecedented convenience, value and fun



Expand payment tools that suit needs of customers by releasing mobile ICOCA



Released for Android March 22, 2023  
for Apple Pay on June 27, 2023

Steady rise in no. of app downloads  
About 440,000 downloads (as of July 17)

No. of WESTER IDs  
About 6.3 million (as of June 30)

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# Non-Consolidated Financial Results and Forecasts

¥ Billions

	3 months ended Jun. 30, 2022	3 months ended Jun. 30, 2023	YoY		Major factors	Forecasts FY2024.3	YoY	
			Increase/ (Decrease)	%			Increase/ (Decrease)	%
<b>Operating Revenues</b>	<b>297.1</b>	<b>369.2</b>	<b>72.1</b>	<b>24.3</b>	[increase for a third straight fiscal year]	<b>1,512.0</b>	<b>116.4</b>	<b>8.3</b>
Mobility	183.6	221.5	37.8	20.6	increase in transportation revenue	955.0	121.2	14.5
Retail	36.2	46.5	10.2	28.4	increase in sales of goods and food services	176.5	10.5	6.4
Real estate	44.9	46.3	1.3	2.9	increase in shopping centers and hotel business	216.0	11.0	5.4
Travel and regional solutions	27.3	49.6	22.2	81.4	increase in tourism business	136.5	(26.4)	(16.2)
Other businesses	4.8	5.2	0.3	7.3		28.0	0.0	0.0
<b>Operating Expenses</b>	<b>277.6</b>	<b>317.0</b>	<b>39.4</b>	<b>14.2</b>		<b>1,397.0</b>	<b>85.4</b>	<b>6.5</b>
<b>Operating Income</b>	<b>19.5</b>	<b>52.2</b>	<b>32.6</b>	<b>167.3</b>	[increase for a third straight fiscal year]	<b>115.0</b>	<b>31.0</b>	<b>37.0</b>
Mobility	7.9	32.8	24.9	315.8	increase in transportation revenue	72.0	38.7	116.5
Retail	0.1	3.4	3.3	—	increase in sales of goods and food services	6.0	0.5	9.2
Real estate	9.0	10.3	1.3	15.0	increase in shopping centers and hotel business	33.5	(1.0)	(3.1)
Travel and regional solutions	1.5	5.1	3.6	242.9		4.0	(2.0)	(34.2)
Other businesses	0.6	0.1	(0.5)	(79.6)		1.0	(3.5)	(78.0)
<b>Non-operating revenues and expenses, net</b>	<b>(2.6)</b>	<b>(3.5)</b>	<b>(0.9)</b>	—	decrease in employment adjustment subsidy	<b>(15.5)</b>	<b>(5.1)</b>	—
<b>Recurring Income</b>	<b>16.9</b>	<b>48.6</b>	<b>31.7</b>	<b>187.5</b>	[increase for a third straight fiscal year]	<b>99.5</b>	<b>25.8</b>	<b>35.2</b>
Extraordinary profit and loss, net	4.3	(0.1)	(4.4)	—	decrease in gain from sale of fixed asset	0.5	1.2	—
Income taxes	(37.3)	13.7	51.1	—	reactionary decline of special tax treatment	30.0	50.9	—
<b>Income attributable to owners of parent</b>	<b>57.8</b>	<b>33.3</b>	<b>(24.5)</b>	<b>(42.4)</b>	[decrease for the first time in three years]	<b>66.5</b>	<b>(22.0)</b>	<b>(24.9)</b>
<b>Comprehensive Income</b>	<b>58.8</b>	<b>36.5</b>	<b>(22.2)</b>	<b>(37.8)</b>	include 35.0 billion of comprehensive income attributable to shareholders of parent	—	—	—

Note: Figures in brackets ( ) are negative values.

## Major Factors of Increase/Decrease in Each Segment

¥ Billions

		3 months ended Jun. 30, 2023	YoY		Major factors (YoY)	
			Increase/ (Decrease)	%		
Mobility		Operating Revenues	221.5	37.8	20.6	•Moderate recovery in demand (train usage)
		Operating Income	32.8	24.9	315.8	
Retail	Sales of goods and food services	Operating Revenues	40.7	9.5	30.4	•Moderate recovery in demand (stores within railway stations,VIAINN)
		Operating Income	3.0	2.8	—	
	Department stores	Operating Revenues	5.3	0.7	15.3	•Moderate recovery in demand
		Operating Income	0.3	0.4	—	
Real estate	Real estate lease and sale	Operating Revenues	22.5	(2.0)	(8.3)	•Decrease in sales for investors
		Operating Income	5.2	(2.6)	(33.9)	•Sales margin difference
	Shopping center	Operating Revenues	14.2	1.0	7.6	•Increase in rent income due to a recovery in tenant sales
		Operating Income	2.7	0.7	39.6	
	Hotel	Operating Revenues	9.2	2.3	33.9	•Moderate recovery in demand (the accomodation department)
		Operating Income	0.2	1.2	—	
Travel and regional solutions		Operating Revenues	49.6	22.2	81.4	•Moderate recovery in demand (travel)
		Operating Income	5.1	3.6	242.9	

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.

# Non-Consolidated Financial Results and Forecasts

¥ Billions

	3 months ended Jun. 30, 2022	3 months ended Jun. 30, 2023	YoY		Major factors	Forecasts FY2024.3	YoY	
			Increase/ (Decrease)	%			Increase/ (Decrease)	%
<b>Operating Revenues</b>	<b>180.1</b>	<b>221.4</b>	<b>41.2</b>	<b>22.9</b>	[increase for a third straight fiscal year]	<b>908.0</b>	<b>116.7</b>	<b>14.8</b>
Transportation revenues	157.7	197.5	39.8	25.2	decrease of covid-19 effects	807.0	112.4	16.2
Transportation incidentals	3.4	3.8	0.3	11.3		15.5	0.7	5.0
Other operations	6.6	7.0	0.3	4.9		28.1	1.0	3.9
Miscellaneous	12.3	13.0	0.7	6.0	increase in sales fee, etc.	57.4	2.4	4.5
		structural reform (6.5)				structural reform(31.0)		
<b>Operating Expenses</b>	<b>166.5</b>	<b>183.7</b>	<b>17.2</b>	<b>10.4</b>		<b>833.0</b>	<b>80.6</b>	<b>10.7</b>
Personnel costs	44.6	48.1	3.4	7.7	increase in bonus, etc.	188.0	1.3	0.7
Non personnel costs	76.1	88.5	12.4	16.3		451.0	73.6	19.5
Energy costs	11.8	16.4	4.6	39.2	increase in adjustment amount for fuel cost, etc.	69.5	9.8	16.6
Maintenance costs	23.8	25.5	1.7	7.4		164.0	23.8	17.0
Miscellaneous costs	40.4	46.4	6.0	14.9	increase in sales fee, etc.	217.5	39.8	22.4
Rental payments, etc.	6.6	6.6	0.0	1.0		27.0	0.3	1.2
Taxes	9.1	9.4	0.3	4.0		37.5	0.0	0.2
Depreciation and Amortization	30.0	30.9	0.9	3.2		129.5	5.2	4.3
<b>Operating Income</b>	<b>13.6</b>	<b>37.6</b>	<b>24.0</b>	<b>175.7</b>	[increase for a third straight fiscal year]	<b>75.0</b>	<b>36.0</b>	<b>92.5</b>

Note: Figures in brackets ( ) are negative values.

# Transportation Revenues and Passenger-Kilometers

## Transportation Revenues

## Passenger-Kilometers

			%, ¥ Billions					%, Millions of passenger-kilometers						
			3 months ended Jun. 30, 2023	YoY		compared with FY2019	Forecasts FY2024.3	YoY		3 months ended Jun. 30, 2023	YoY		compared with FY2019	
				Increase/ (Decrease)	%			Increase/ (Decrease)	%		Increase/ (Decrease)	%		
Shinkansen			Commuter Passes	2.9	0.1	4.9	3.4	—	—	—	234	10	4.8	2.9
			Non-Commuter Passes	99.4	27.5	38.4	(11.3)	—	—	—	4,396	1,247	39.6	(14.1)
			total	102.4	27.7	37.1	(10.9)	419.0	67.3	19.1	4,631	1,258	37.3	(13.4)
Conventional Lines	Kansai Urban Area (Kyoto- Osaka-Kobe Area)	Commuter Passes	26.7	0.8	3.1	(10.2)	—	—	—	4,349	70	1.6	(10.9)	
		Non-Commuter Passes	45.2	7.9	21.3	(11.7)	—	—	—	2,386	459	23.9	(16.1)	
		total	71.9	8.7	13.8	(11.1)	294.0	37.2	14.5	6,736	530	8.5	(12.8)	
	Other	Commuter Passes	5.6	0.0	0.8	(10.7)	—	—	—	959	3	0.4	(9.3)	
		Non-Commuter Passes	17.5	3.2	23.1	(16.9)	—	—	—	829	176	27.0	(19.6)	
		total	23.1	3.3	16.8	(15.5)	94.0	7.9	9.2	1,789	180	11.2	(14.4)	
	Commuter Passes		32.3	0.8	2.7	(10.3)	—	—	—	5,309	74	1.4	(10.6)	
	Non-Commuter Passes		62.7	11.2	21.8	(13.2)	—	—	—	3,216	636	24.7	(17.0)	
	total		95.0	12.0	14.6	(12.2)	388.0	45.1	13.2	8,525	710	9.1	(13.1)	
Total	Commuter Passes		35.3	0.9	2.9	(9.2)	—	—	—	5,543	84	1.6	(10.1)	
	Non-Commuter Passes		162.2	38.8	31.4	(12.0)	—	—	—	7,613	1,883	32.9	(15.4)	
	total		197.5	39.8	25.2	(11.5)	807.0	112.4	16.2	13,156	1,968	17.6	(13.2)	

Note: Figures in brackets ( ) are negative values.

# Capital Expenditures

¥ Billions

	3 months ended Jun. 30, 2022	3 months ended Jun. 30, 2023	YoY		Forecasts FY2024.3
			Increase/ (Decrease)	%	
<b>Capital Expenditures Consolidated</b>	27.3	44.0	16.7	61.2	—
own fund	26.3	42.8	16.5	62.8	267.0
External fund	1.0	1.2	0.1	19.8	—
<b>Capital Expenditures Non-consolidated</b>	16.6	20.3	3.7	22.7	—
own fund	15.6	19.1	3.5	22.9	177.0
[Break down] [Safety-related capital expenditures]	[6.7]	[13.8]	[7.1]	[105.9]	[97.0]
[Growth investment, etc.]	[8.8]	[5.3]	[(3.5)]	[(39.9)]	[80.0]
External fund	1.0	1.2	0.1	19.8	—

Note: Figures in brackets ( ) are negative values.

- Major capital expenditure projects (Non-consolidated)
  - new rolling stock (conventional line)
  - safety and disaster prevention measures (earthquake countermeasures) etc.

# Consolidated Balance Sheets

¥ Billions

	As of March 31, 2023	As of June 30, 2023	Difference increase/(decrease)	Major factors																												
Current assets	716.5	592.2	(124.2)	decrease in cash and deposits																												
Noncurrent assets	3,018.3	3,021.7	3.4																													
Property, plant and equipment, etc.	2,513.2	2,515.4	2.1																													
Construction in progress	117.1	117.7	0.5																													
Investments and other assets	387.8	388.5	0.7																													
Deferred assets	0.6	0.5	(0.1)																													
<b>Total assets</b>	<b>3,735.5</b>	<b>3,614.6</b>	<b>(120.8)</b>																													
Current liabilities	658.4	590.1	(68.3)	<table><tr><th></th><th>As of March 31, 2023</th><th>As of June 30, 2023</th><th>Difference increase/(decrease)</th></tr><tr><td>Balance of Interest-bearing debt</td><td>1,662.9</td><td>1,587.3</td><td>(75.5)</td></tr><tr><td>[Average interest rate (%) 1]</td><td>[1.19]</td><td>[1.23]</td><td>[0.04]</td></tr><tr><td>Shinkansen Purchase Liability</td><td>98.6</td><td>98.6</td><td>—</td></tr><tr><td>[Average interest rate (%) 1]</td><td>[6.55]</td><td>[6.55]</td><td>[—]</td></tr><tr><td>Bonds</td><td>959.9</td><td>899.9</td><td>(59.9)</td></tr><tr><td>[Average interest rate (%) 1]</td><td>[0.98]</td><td>[1.04]</td><td>[0.06]</td></tr></table>		As of March 31, 2023	As of June 30, 2023	Difference increase/(decrease)	Balance of Interest-bearing debt	1,662.9	1,587.3	(75.5)	[Average interest rate (%) 1]	[1.19]	[1.23]	[0.04]	Shinkansen Purchase Liability	98.6	98.6	—	[Average interest rate (%) 1]	[6.55]	[6.55]	[—]	Bonds	959.9	899.9	(59.9)	[Average interest rate (%) 1]	[0.98]	[1.04]	[0.06]
	As of March 31, 2023	As of June 30, 2023	Difference increase/(decrease)																													
Balance of Interest-bearing debt	1,662.9	1,587.3	(75.5)																													
[Average interest rate (%) 1]	[1.19]	[1.23]	[0.04]																													
Shinkansen Purchase Liability	98.6	98.6	—																													
[Average interest rate (%) 1]	[6.55]	[6.55]	[—]																													
Bonds	959.9	899.9	(59.9)																													
[Average interest rate (%) 1]	[0.98]	[1.04]	[0.06]																													
Current portion of long-term payables etc.	140.7	139.7	(1.0)																													
Accounts payable, etc.	517.6	450.3	(67.3)																													
Noncurrent liabilities	1,932.7	1,862.1	(70.5)																													
Bond and Long-term debt, etc.	1,514.9	1,440.9	(74.0)																													
Accrued retirement benefits	223.3	224.4	1.1																													
Other long-term liabilities	194.5	196.7	2.2																													
<b>Total liabilities</b>	<b>2,591.1</b>	<b>2,452.3</b>	<b>(138.8)</b>																													
Shareholders' equity	1,034.7	1,049.7	15.0																													
Common stock	226.1	226.1	—																													
Capital surplus	183.9	183.9	—																													
Retained earnings	626.1	641.1	15.0																													
Treasury stock	(1.3)	(1.3)	(0.0)																													
Accumulated other comprehensive income	(0.2)	1.4	1.7																													
Non-controlling interests	109.8	111.0	1.2																													
<b>Total Net assets</b>	<b>1,144.3</b>	<b>1,162.2</b>	<b>17.9</b>																													
<b>Total Liabilities and net assets</b>	<b>3,735.5</b>	<b>3,614.6</b>	<b>(120.8)</b>	profit attributable to owners of parent:33.3 dividend:(18.2)																												

Note: Figures in brackets ( ) are negative values.



## Other Data

persons, ¥ Billions

	3 months ended June 30, 2022	3 months ended June 30, 2023	Forecasts FY2024.3
ROA (% , Consolidated)	0.5	1.4	3.1
ROE (% , Consolidated)	5.8	3.2	6.3
EBITDA (Consolidated) * <sup>1</sup>	58.1	91.7	279.0
Depreciation (Consolidated)	38.6	39.5	164.0

	3 months ended June 30, 2022		3 months ended June 30, 2023		Forecasts FY2024.3	
	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated
No. of employees at the end of period	46,900	22,832	45,897	22,262	—	—
Financial Expenses, net	(4.5)	(3.7)	(4.6)	(3.4)	(19.4)	(17.7)
Interest and dividend income	0.5	1.4	0.4	1.6	1.1	2.6
Interest expenses	5.1	5.1	5.0	5.0	20.5	20.4

	3 months ended June 30, 2022	3 months ended June 30, 2023	Forecasts FY2024.3
DER	1.7	1.5	—
net Debt / EBITDA	23.8	15.1	—
Equity ratio (%)	27.6	29.1	—
Net assets per share ( ¥ )	4,160.82	4,313.96	—

Note: Figures in brackets ( ) are negative values.

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

# Consolidated Financial Results and Forecasts (Segment Information)

¥ Billions

	3 months ended Jun. 30, 2022	3 months ended Jun. 30, 2023	YoY		Forecasts FY2024.3	YoY Increase/ (Decrease)
			Increase/ (Decrease)	%		
Operating Revenues <sup>*1</sup>	297.1	369.2	72.1	24.3	1,512.0	116.4
Mobility	183.6	221.5	37.8	20.6	955.0	121.2
Retail	36.2	46.5	10.2	28.4	176.5	10.5
Sales of goods and food services	31.2	40.7	9.5	30.4	150.5	7.6
[Accommodation-oriented budget hotels](restated) <sup>*2</sup>	[2.3]	[5.0]	[2.6]	[110.4]	[18.0]	[4.4]
Department stores	4.6	5.3	0.7	15.3	24.5	2.6
Real estate	44.9	46.3	1.3	2.9	216.0	11.0
Real estate lease and sale	24.6	22.5	(2.0)	(8.3)	118.5	1.4
[Real estate sale](restated)	[11.9]	[9.1]	[(2.8)]	[(23.6)]	[65.1]	[(0.7)]
Shopping center	13.2	14.2	1.0	7.6	58.5	2.7
Hotel	6.9	9.2	2.3	33.9	38.0	6.7
Travel and regional solutions	27.3	49.6	22.2	81.4	136.5	(26.4)
Other businesses	4.8	5.2	0.3	7.3	28.0	0.0
Operating Income (Loss) <sup>*1</sup>	19.5	52.2	32.6	167.3	115.0	31.0
Mobility	7.9	32.8	24.9	315.8	72.0	38.7
Retail	0.1	3.4	3.3	—	6.0	0.5
Sales of goods and food services	0.2	3.0	2.8	—	5.5	0.8
[Accommodation-oriented budget hotels](restated) <sup>*2</sup>	[(0.6)]	[0.8]	[1.4]	—	[1.5]	[2.3]
Department stores	(0.1)	0.3	0.4	—	1.0	0.2
Real estate	9.0	10.3	1.3	15.0	33.5	(1.0)
Real estate lease and sale	7.9	5.2	(2.6)	(33.9)	15.5	(6.3)
[Real estate sale](restated)	[3.8]	[0.9]	[(2.8)]	[(75.2)]	[3.8]	[(4.6)]
Shopping center	1.9	2.7	0.7	39.6	7.5	(0.8)
Hotel	(0.9)	0.2	1.2	—	0.5	2.7
Travel and regional solutions	1.5	5.1	3.6	242.9	4.0	(2.0)
Other businesses	0.6	0.1	(0.5)	(79.6)	1.0	(3.5)

Note: Figures in brackets ( ) are negative values.

<sup>\*1</sup> The breakdowns of operating revenues and operating income by each segment are the sums of those of major subsidiaries.<sup>\*2</sup> Figures in brackets [ ] are the sales of accommodation-oriented budget hotel, "VIA INN", sales, excluding Asakusa (other businesses segment), and Hiroshima Kanayamacho (other businesses segment) locations.

# Major Factors of Increase/Decrease in Transportation Revenues

¥ Billions

		Results for 3 months ended June 30, 2023				
			YoY		Major factors	
			Increase/ (Decrease)	%		
Shinkansen		102.4	27.7	37.1	Fundamental trend 0.0%	
					Special factors	
					•Decreasing Covid-19 effects	21.9
					•Inbound Demand Recovery	4.1
					•Revision of charges (Nozomi,Mizuho)	1.0
					etc.	
	Kansai Urban Area (Kyoto- Osaka- Kobe Area)	71.9	8.7	13.8	Fundamental trend 0.0%	
					Special factors	
					•Decreasing Covid-19 effects	3.1
					•Inbound Demand Recovery	3.2
					•Fare revision of special railway sections	0.2
					•Surcharge for the installation of barrier-free equipment	1.3
					etc.	
	Other lines	23.1	3.3	16.8	Fundamental trend 0.0%	
					Special factors	
					•Decreasing Covid-19 effects	2.3
					•Inbound Demand Recovery	0.7
					•Revision of charges (conventional line express train)	0.1
					etc.	
	Conventional Lines		95.0	12.0	14.6	
Total		197.5	39.8	25.2		

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

Note2: Figures in brackets ( ) are negative values.

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

¥ Billions

		Results for 3 months ended June 30, 2023		
		YoY		Major factors (YoY)
		Increase/ (Decrease)	%	
Personnel costs	48.1	3.4	7.7	•Increase in bonus •Decrease in personnnel
Energy costs	16.4	4.6	39.2	•Increase in adjustment amount for fuel cost •Increase in electricity rate
Maintenance costs	25.5	1.7	7.4	•Increased fluctuation in periodic inspection and maintenance
Miscellaneous costs	46.4	6.0	14.9	•Increase in revenue-linked cost •Increase in DX-related expenses
Rental Payments,etc.	6.6	0.0	1.0	
Taxes	9.4	0.3	4.0	
Depreciation and Amortization	30.9	0.9	3.2	•Full-year effect of new assets in operation during fiscal 2023 •Progress of depreciation
Total	183.7	17.2	10.4	



# Cautionary Statement Regarding Forward-looking Statements



- This presentation contains forward-looking statements that are based on JR-West's current expectations, assumptions, estimates and projections about its business, industry, and capital markets around the world.
- These forward-looking statements are subject to various risks and uncertainties. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "may", "will", "expect", "anticipate", "plan" or similar words. These statements discuss future expectations, identify strategies, contain projections of results of operations or of JR-West's financial condition, or state other forward-looking information.
- Known or unknown risks, uncertainties and other factors could cause the actual results to differ materially from those contained in any forward-looking statements. JR-West cannot promise that the expectations expressed in these forward-looking statements will turn out to be correct. JR-West's actual results could be materially different from and worse than expectations.
- Important risks and factors that could cause actual results to be materially different from expectations include, but are not limited to:
  - expenses, liability, loss of revenue or adverse publicity associated with property or casualty losses;
  - economic downturn, deflation and population decreases;
  - adverse changes in laws, regulations and government policies in Japan;
  - service improvements, price reductions and other strategies undertaken by competitors such as passenger railway and airlines companies;
  - infectious disease outbreak and epidemic;
  - earthquake and other natural disaster risks; and
  - failure of computer telecommunications systems disrupting railway or other operations
- All forward-looking statements in this release are made as of August 1, 2023 based on information available to JR-West as of August 1, 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 the Fukuchiyama Line that occurred on April 25, 2005 is NOT considered in this presentation.