

Full-Year Results Forecasts, Dividend Forecasts, etc.: Supplementary Materials

(Fiscal Year Ending March 31, 2021)

September 16, 2020

West Japan Railway Company

Key Points of Today's Presentation

■ Results Forecasts (FY2021.3)

- We have calculated results forecasts that are based on certain assumptions and reflect usage in the summer busy period, the implementation of cost reductions and investment reductions while maintaining safety, etc.
- These forecasts are based on the assumption that current usage conditions in railway operations, our core business, will continue to the end of 2020, and that subsequently usage will post a moderate recovery.
- We are forecasting substantial declines in revenues and profits year on year, with a net loss for the fiscal year.

■ Dividend Forecasts (FY2021.3)

- We are forecasting a loss, but with consideration for our policy of placing importance on a stable shareholder return over the long term, the Company's forecast for annual dividends is ¥100 per share.

■ Management Issues — Our Understanding, Progress of Initiatives, etc.

- We believe that, even after the end of the coronavirus crisis, customer usage will not necessarily return to level recorded in the period before the coronavirus.
- In the short term, we are working to control cash out, promote usage during the coronavirus crisis, etc.
- Over the medium to long term, we will maintain safety, which is the foundation of our management. On that basis, to proactively address structural changes in usage and new demand, we will aim to achieve "creation of value in the period after coronavirus" and "cost structure reform."

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Full-year results forecasts (details) Page 8



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Full-Year Results Forecast Highlights and Dividend Forecasts

(Unit: ¥ Billion)

	Results FY2020.3	Forecasts FY2021.3	YoY	
			Increase/(Decrease)	%
【Consolidated】				
Operating Revenues	1,508.2	920.0	(588.2)	(39.0)
Operating Expenses	1,347.5	1,210.0	(137.5)	(10.2)
Operating Income (Loss)	160.6	(290.0)	(450.6)	-
Recurring Profit (Loss)	148.3	(305.0)	(453.3)	-
Profit (Loss) attributable to owners of parent	89.3	(240.0)	(329.3)	-
【Non-Consolidated】				
Transportation Revenues	856.8	435.0	(421.8)	(49.2)

(Unit: Yen)

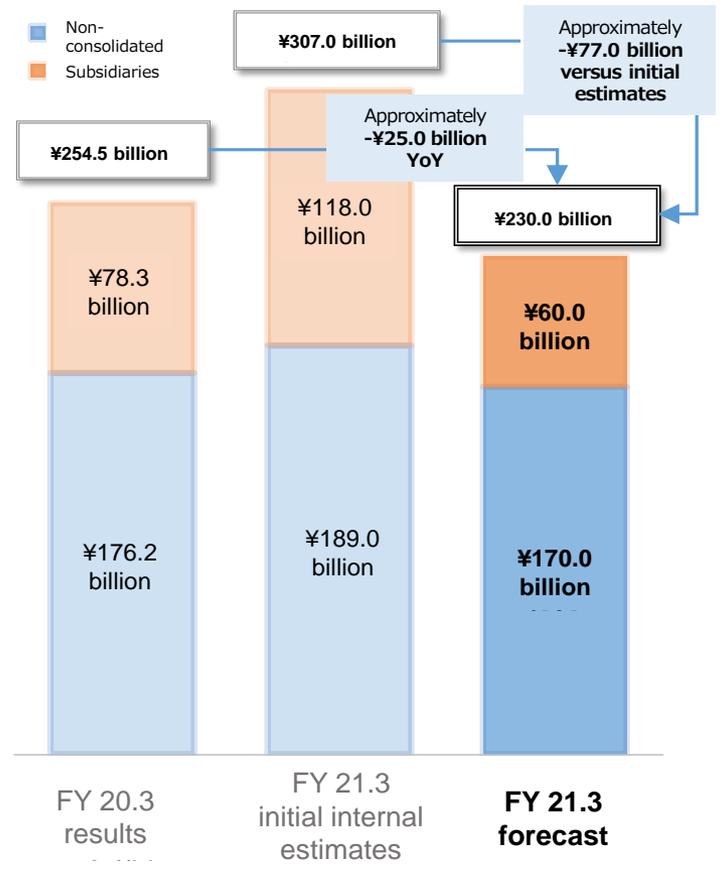
【Dividends】	FY2020.3	FY2021.3 (plan)
Dividends per share	182.5	100.0
(Restated) End of second quarter	95.0	Not yet determined
(Restated) End of period	87.5	Not yet determined

* For the full fiscal year, we are forecasting ¥100. In regard to interim dividends, we will decide on a dividend in the range of ¥0 to ¥50 per share, with consideration for the results in the first half of the fiscal year.

Cost reductions

	1Q results	Full-year forecast as of the 1Q	Full-year forecast	Amount of additional reductions
Non-Consolidated	- ¥6.0 billion	- ¥30.0 billion	- ¥40.0 billion	- ¥10.0 billion
Group companies	- ¥4.0 billion	- ¥20.0 billion	- ¥30.0 billion	- ¥10.0 billion
Consolidated	- ¥10.0 billion	- ¥50.0 billion	- ¥70.0 billion	- ¥20.0 billion

Investment reductions



Fixed expense reductions
Capital expenditure reductions

- ◆ Working to reduce costs and capital expenditure, while continuing to secure safety.
- ◆ In regard to cost reductions, we will implement a further reduction of ¥20.0 billion in addition to the forecast at the time of the 1st quarter settlement, for full-year cost reductions of ¥70.0 billion.
- ◆ For capital expenditure, we will implement a further reduction of ¥10.0 billion in addition to the forecast at the time of the 1st quarter settlement. We will implement a reduction of approximately ¥25.0 billion YoY, or a reduction of approximately ¥77.0 billion versus initial internal estimates.

Progress of Initiatives

【Controlling cash out】

- | | |
|--------------------------------------|---|
| Fund-raising | <ul style="list-style-type: none"> • Raised ¥470.0 billion in 1Q, including both long-term and short-term. • Bond issuance for additional ¥110.0 billion in 2Q |
| Cost reductions
(-->page 5) | <ul style="list-style-type: none"> • In 1Q, Groupwide ¥10.0 billion reduction in fixed costs • For full year, planning reductions of ¥70.0 billion on a consolidated basis.
(Additional reduction of ¥20.0 billion from 1Q) |
| Investment reductions
(-->page 5) | <ul style="list-style-type: none"> • Many projects extend over multiple years. In this setting, we will implement reductions of approximately ¥25.0 billion YoY and approximately ¥77.0 billion versus initial internal estimates |

【Promoting usage in the period prior to the end of the coronavirus】

- | | |
|--|---|
| Initiatives to enable customers to use services with peace of mind
(-->page 20) | <ul style="list-style-type: none"> • Anti-bacterial, anti-viral measures on rolling stock, in stations, etc., installation of air cleaners on limited express rolling stock • Initiatives to disperse train boarding • Formulation of new “Clean and Safety” sanitation standards for JR West hotels, and other measures |
| Measures to foster demand
(-->pages 21, 22) | <ul style="list-style-type: none"> • Setouchi Hiroshima destination campaign • “Dokodemo Doa de Doko Iku” campaign • Addressing demand that is solid even during the coronavirus crisis (Go To campaign, micro-tourism, etc.) |

【Future management issues】

- | | |
|--|--|
| Creating value in the period after the coronavirus
(-->page 22) | <ul style="list-style-type: none"> • Thoroughly enhancing existing businesses, addressing changing customer needs • Proposing lifestyles and working styles that address social changes
Example: Roll-out of verification testing for “JR West X Living Subscription” |
| Cost structure reform | <ul style="list-style-type: none"> • Reevaluating best approach to facilities and operations, equalizing usage, reforming working styles
Example: Reevaluating late-night train schedule (planned for spring 2021)
Starting to consider equalization of usage from the perspective of fare and charge systems |

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Full-year results forecasts (details)

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【Transportation revenues】

- | | |
|--------------|--|
| Non-commuter | <ul style="list-style-type: none"> • Current circumstances will continue to the end of the year, usage will recover to the following levels at the end of the period 〔Shinkansen (number of users)〕 Slightly less than 60% of level two years before 〔Kansai Urban Area (number of short-distance tickets sold)〕 Approximately 70% of level two years before 〔Other conventional lines (number of users)〕 Slightly less than 60% of level two years before |
| Commuter | <ul style="list-style-type: none"> • Commuter revenues recover to approximately 80% to 90% of level in the previous year |

【Retail Business】

- | | |
|----------------------------------|--|
| Sales of goods and food services | <ul style="list-style-type: none"> • Recovery to the following levels at the end of the period 〔Convenience stores, etc.〕 Approximately 70% of level two years before 〔VIA INN〕 Approximately 60% of level two years before |
| Department stores | <ul style="list-style-type: none"> • Recovery to approximately 80% of level two years before |

【Real estate】

- | | |
|----------------------------|---|
| Shopping centers | <ul style="list-style-type: none"> • Recovery to approximately 80% of level two years before |
| Real estate lease and sale | <ul style="list-style-type: none"> • Influence of coronavirus is small 〔Real estate lease〕 Flat YoY 〔Real estate sales〕 Down YoY |

【Other】

- | | |
|--------|---|
| Hotel | <ul style="list-style-type: none"> • At the end of the period, recovery to approximately 60% of the level two years before |
| Travel | <ul style="list-style-type: none"> • At the end of the period, recovery to approximately 50% of level in the previous year |

Non-Consolidated Financial Forecasts

¥ Billions

	Results FY2020.3 A	Forecasts FY2021.3 B	YoY	
			Increase/ (Decrease) B-A	% B/A-1
Operating Revenues	961.9	530.0	(431.9)	(44.9)
Transportation revenues	856.8	435.0	(421.8)	(49.2)
Other	105.0	95.0	(10.0)	(9.6)
Operating Expenses	842.1	790.0	(52.1)	(6.2)
Personnel costs	214.6	209.0	(5.6)	(2.7)
Non personnel costs	424.3	377.0	(47.3)	(11.2)
Energy costs	45.4	42.0	(3.4)	(7.7)
Maintenance costs	166.4	150.0	(16.4)	(9.9)
Miscellaneous costs	212.4	185.0	(27.4)	(12.9)
Rental payments, etc.	28.4	28.0	(0.4)	(1.5)
Taxes	36.4	34.0	(2.4)	(6.7)
Depreciation	138.2	142.0	3.7	2.7
Operating Income (Loss)	119.7	(260.0)	(379.7)	—
Non-operating revenues and expenses	(12.7)	(15.0)	(2.2)	17.3
Non-operating revenues	7.5	7.0	(0.5)	—
Non-operating expenses	20.3	22.0	1.6	—
Recurring Profit (Loss)	106.9	(275.0)	(381.9)	—
Extraordinary profit and loss, net	(1.1)	(5.0)	(3.8)	—
Extraordinary profit	20.9	—	—	—
Extraordinary loss	22.1	—	—	—
Net Income (Loss)	73.5	(195.0)	(268.5)	—

Note: Figures in brackets () are negative values.

Transportation Revenue Forecasts

¥ Billions

Forecasts FY2021.3					
Transportation revenues		YoY Increase/(Decrease)		Major factors	
		Amount	%		
Shinkansen	170.0	(271.2)	(61.5)	Fundamental trend 0.0%	
				Special factors	
				•COVID-19 (Domestic)	(252.5)
				•Inbound	(14.9)
				•Rebound from pattern of weekdays and weekends (Golden Week)	(3.4)
				•Rebound from typhoon No.19 (Hagibis), etc.	2.5
				etc.	
Kansai Urban Area (Kyoto-Osaka-Kobe Area)	206.0	(101.5)	(33.0)	Fundamental trend 0.0%	
				Special factors	
				•COVID-19 (Domestic)	(89.0)
				•Inbound	(12.3)
				•Rebound from pattern of weekdays and weekends (Golden Week)	(0.5)
				•Rebound from typhoon No.19 (Hagibis), etc.	0.4
				etc.	
Other lines	59.0	(49.1)	(45.4)	Fundamental trend 0.0%	
				Special factors	
				•COVID-19 (Domestic)	(45.7)
				•Inbound	(2.8)
				•Rebound from pattern of weekdays and weekends (Golden Week)	(0.4)
				•Rebound from typhoon No.19 (Hagibis), etc.	0.0
				etc.	
Conventional lines	265.0	(150.6)	(36.2)		
Total	435.0	(421.8)	(49.2)		

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

Operating Expenses Forecasts (Non-Consolidated)

¥ Billions

	Forecasts FY2021.3			
		YoY		Major factors (YoY)
		Increase/ (Decrease)	%	
Personnel costs	209.0	(5.6)	(2.7)	• Decrease in overtime payments etc.
Energy costs	42.0	(3.4)	(7.7)	• Decrease in passenger car-kilometer due to certain operational suspensions • Decrease in adjustment amount for fuel cost, etc.
Maintenance costs	150.0	(16.4)	(9.9)	• Decrease due to limitation of measures • Decrease in capex-related removal work, etc.
Miscellaneous costs	185.0	(27.4)	(12.9)	• Decrease in sales commissions • Decrease in advertising expenses, etc.
Rental Payments, etc	28.0	(0.4)	(1.5)	• Kansai-airport line, etc.
Taxes	34.0	(2.4)	(6.7)	• Decrease in business tax on corporations, etc.
Depreciation and amortization	142.0	3.7	2.7	• Full-year effect of new assets in operation during FY2020.3, etc.
Total	790.0	(52.1)	(6.2)	

Note: Figures in brackets () are negative values.

Consolidated Financial Forecasts

¥ Billions

	Results FY2020.3 A	Forecasts FY2021.3 B	YoY	
			Increase/ (Decrease) B-A	% B/A-1
Operating Revenues	1,508.2	920.0	(588.2)	(39.0)
Operating Expenses	1,347.5	1,210.0	(137.5)	(10.2)
Operating Income (Loss)	160.6	(290.0)	(450.6)	—
Non-operating revenues and expenses	(12.2)	(15.0)	(2.7)	22.2
Non-operating revenues	8.8	10.0	1.1	—
Non-operating expenses	21.1	25.0	3.8	—
Recurring Profit (Loss)	148.3	(305.0)	(453.3)	—
Extraordinary profit and loss, net	(7.6)	(10.0)	(2.3)	—
Extraordinary profit	23.0	—	—	—
Extraordinary loss	30.7	—	—	—
Profit (Loss) attributable to owners of parent	89.3	(240.0)	(329.3)	—
Net income (Loss) per share(¥)	466.88	(1,255.20)	—	—

Note: Figures in brackets () are negative values.

Consolidated Financial Forecasts (Segment Information)

¥ Billions

	Results FY2020.3 A	Forecasts FY2021.3 B	YoY	
			Increase/ (Decrease) B-A	% B/A-1
Operating Revenues* ¹	1,508.2	920.0	(588.2)	(39.0)
Transportation	933.4	499.0	(434.4)	(46.5)
Retail	226.0	144.0	(82.0)	(36.3)
Sales of goods and food services	154.2	92.0	(62.2)	(40.4)
[Accommodation-oriented budget hotels](restated)* ²	[14.6]	[5.5]	[9.1]	[62.5]
Department stores	63.2	45.0	(18.2)	(28.9)
Real estate	165.1	146.0	(19.1)	(11.6)
Shopping center	61.1	47.0	(14.1)	(23.1)
Real estate lease and sale	102.1	97.0	(5.1)	(5.1)
[Real estate sale](restated)	[53.6]	[48.0]	[5.6]	[10.6]
Other businesses	183.6	131.0	(52.6)	(28.7)
Hotel	37.3	18.0	(19.3)	(51.8)
Nippon Travel Agency	42.3	17.0	(25.3)	(59.9)
Operating Income (Loss)* ¹	160.6	(290.0)	(450.6)	—
Transportation	105.3	(276.0)	(381.3)	—
Retail	3.8	(16.0)	(19.8)	—
Sales of goods and food services	3.4	(14.0)	(17.4)	—
Department stores	0.2	(2.0)	(2.2)	—
Real estate	34.9	25.0	(9.9)	(28.4)
Shopping center	7.5	0.0	(7.5)	—
Real estate lease and sale	19.8	17.0	(2.8)	(14.4)
Other businesses	19.7	(20.0)	(39.7)	—
Hotel	(1.2)	(12.0)	(10.7)	—
Nippon Travel Agency	1.0	(14.0)	(15.0)	—

Note: Figures in brackets () are negative values.

*1 The breakdowns of operating revenues and operating income by each segment are the sums of those of major subsidiaries.

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

Each Segment Forecasts

¥ Billions

			Forecasts FY2021.3			
			YoY		Major factors (YoY)	
			Increase/ (Decrease)	%		
Retail	Sales of goods and food services	Operating Revenues	92.0	(62.2)	(40.4)	·COVID-19, etc.
		Operating Income	(14.0)	(17.4)	—	·COVID-19, etc.
	Department stores	Operating Revenues	45.0	(18.2)	(28.9)	·COVID-19, etc.
		Operating Income	(2.0)	(2.2)	—	·COVID-19, etc.
Real estate	Shopping center	Operating Revenues	47.0	(14.1)	(23.1)	·COVID-19, etc.
		Operating Income	0.0	(7.5)	—	·COVID-19, etc.
	Real estate lease and sale	Operating Revenues	97.0	(5.1)	(5.1)	·COVID-19, etc.
		Operating Income	17.0	(2.8)	(14.4)	·COVID-19, etc.
Other Businesses	Hotel	Operating Revenues	18.0	(19.3)	(51.8)	·COVID-19, etc.
		Operating Income	(12.0)	(10.7)	—	·COVID-19, etc.
	Nippon travel agency	Operating Revenues	17.0	(25.3)	(59.9)	·COVID-19, etc.
		Operating Income	(14.0)	(15.0)	—	·COVID-19, etc.

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 FY2019.3	Results FY2020.3	Forecasts FY2021.3
ROA (% , Consolidated)	6.2	4.9	—
ROE (% , Consolidated)	9.8	8.1	—
EBITDA (Consolidated)*	361.3	332.2	(112.0)
Depreciation (Consolidated)	163.1	170.4	177.0
Capital Expenditure (Consolidated, own fund)	245.3	254.5	230.0
Capital Expenditure (Non-consolidated, own fund)	190.9	176.2	170.0
Safety related capital expenditure	125.2	116.1	100.0
Dividends per share (¥)	175.0	182.5	100.0

	Results FY2019.3		Results FY2020.3		Forecasts FY2021.3	
	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated
No. of employees at the end of period	47,842	24,866	48,323	24,439	—	—
Financial Expenses, net	(18.8)	(17.7)	(18.2)	(16.7)	(19.0)	(17.5)
Interest and dividend income	1.1	2.2	1.2	2.6	1.0	2.5
Interest expenses	20.0	20.0	19.4	19.3	20.0	20.0

Note: Figures in brackets () are negative values.

* EBITDA = Operating Income (Loss) + Depreciation + Amortization of goodwill

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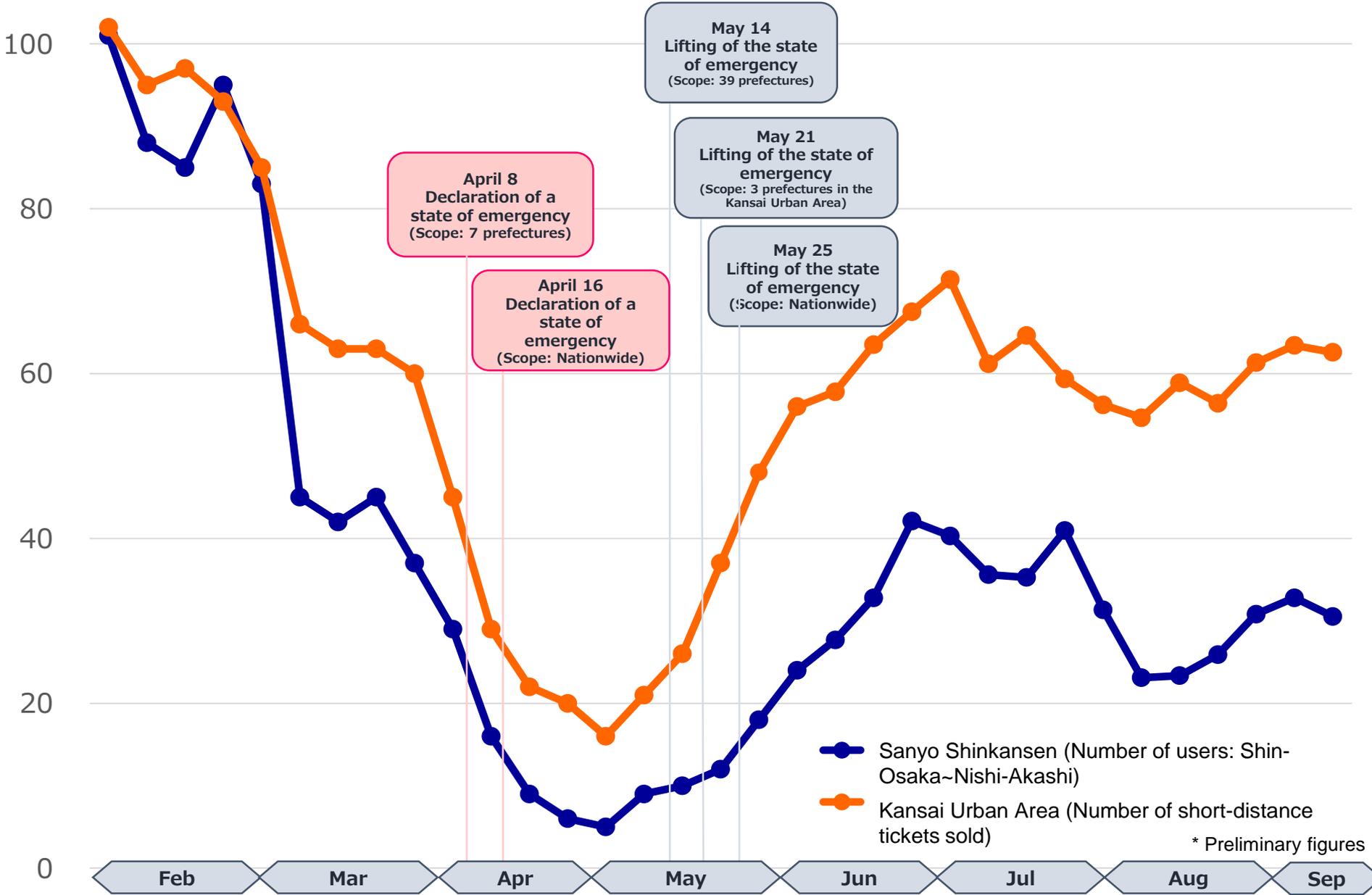
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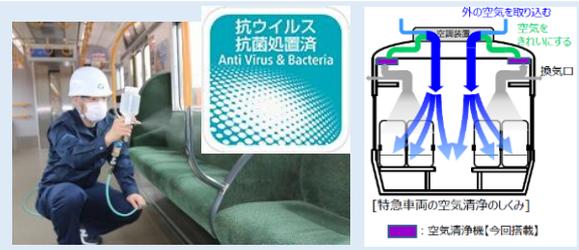
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Appendix I Trend in Usage Status



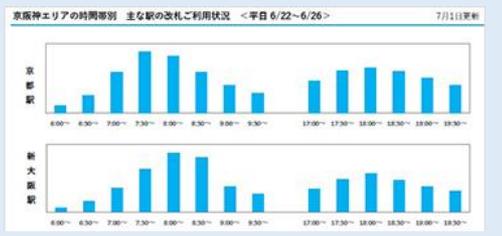
Initiatives at stations and on trains

- Anti-virus / anti-bacterial processing on the inside of 208 Shinkansen railcars operated exclusively by JR West and approximately 5,200 railcars (all railcars) on conventional lines.
- Installation of air cleaners on approximately 600 limited express railcars
- Anti-viral and anti-bacterial processing at all JR-West station elevators (approximately 500 stations, approximately 800 bases)



Notices regarding congestion status

- We are providing notices regarding train congestion status by time period for principal railway and usage status for major stations (Kyoto-Osaka-Kobe area, Okayama, Hiroshima)



Seat selection when purchasing reserved seats

- Providing service that enables customers to select seats using a seat-map with e5489/ "Express" reservations and "green" ticket vending machines

Initiatives in Non-Railway Businesses

- Providing hand sanitizer at all stores
- Staff members wearing masks, disinfecting hands, etc.
- Securing spacing between seats at restaurants, food halls, etc.
- Formulation of new "Clean and Safety" sanitation standards for hotels

JR West Hotels "Clean & Safety"

~ Considering new lifestyles, becoming a starting point for high-quality travel~



- Uncompromising sanitation, creating hygienic environments
- Examples)
 - Measuring people's temperatures with thermal cameras, etc.
 - Breakfast service with measures that help people to avoid closed spaces, crowded places, and close-contact settings (3cs)



Appendix III Toward Future Demand Recovery (1)

Setouchi Hiroshima Destination Campaign



- October 1 to December 31, 2020
- Placing SEA SPICA, a new type of cruiser, into service
- Operating etSETOra, a new sightseeing train
- Holding events, centered on Hiroshima Prefecture
- Creating micro-tourism products originating in the suburbs



“Dokodemo Doa de Doko Ikou” campaign

- October 1 to January 31, 2021
- Launch of Dokodemo Doa Kippu initiative, which helps to foster tourism demand for the entire western Japan area, including Kyushu and Shikoku
(October 1, 2020, to December 25 2020
For two days in ordinary railcars, Saturdays and holidays: ¥12,000~
For three days in first-class railcars (Green cars), weekdays: ¥25,000~)



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Tourism-style MaaS in Setouchi Area setowa



- From September 28, 2020, in conjunction with Setouchi Hiroshima Destination Campaign Services scheduled for launch
- Providing ticketless service for “setowa Tour Pass,” which can be used with JR and ships, and for “setowa Ticket,” which can be used in recommended locations
- Covering Setouchi Hiroshima Destination Campaign area



Kansai suburbs Tickets for casual travel on days off

- September 19 to December 20, 2020, Saturdays, Sundays, holidays
- Unlimited-use pass that is convenient for micro-tourism from the Kyoto-Osaka-Kobe Area to the Kansai suburbs
- For one day: ¥2,600; for two days: ¥4,500

Appendix III Toward Future Demand Recovery (2)

~ For travel, for work, in places you like ~
“JR West X Living Subscription”

- Verification testing for the creation of new value through “JR West X Living Subscription” (Period: September 1, 2020, to November 30, 2020)
- Launch of economical tickets for members of Living Subscription provided by two companies, “ADDress” and “KabuKStyle”

JR西日本 × 住まいサブスク
 旅も、仕事も、
 お気に入りの
 場所で。



■ Example of service

- ADDress — Monthly membership fee for unlimited stays nationwide: ¥40,000
 &
 JR West X Living Subscription ☆ one-way ticket (reserved seat) 4 times per month
 Two round-trip reserved seats per month between Shin-Osaka and Okayama: ¥12,000, etc.
- KabuKStyle Chotto HafH monthly membership fee: ¥16,000
 &
 JR West X Living Subscription ☆ Hiroshima non-reserved seats: 2 times per month
 Two round-trip non-reserved seats per month between Shin-Osaka and Hiroshima: ¥20,000, etc.



~ Luxurious Nature in Setouchi ~
SETOUCHI GLAMPING



- Verification testing to create a new main tourist attraction in the Setouchi Area in the future
- Rolling out the “glamping business” as a new style of tourism with the themes of “nature” and “making reservations.”

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 September 16, 2020 based on information available to JR-West as of September 16, 2020 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 occurred on April 25, 2005 is NOT considered in this presentation.