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

(Fiscal Year Ending March 31, 2021)

September 16, 2020

West Japan Railway Company

○ I am Shoji Kurasaka, Senior General Manager of the Corporate Planning Headquarters.

○ I would like to thank you for taking the time out of your busy schedules to participate in our online presentation today.

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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○ I will cover three key points in today's presentation.

○ First, I will discuss our results forecasts. Previously, the results forecasts had been undetermined as a result of the difficulty of making a rational calculation due to the influence of the spread of the coronavirus. However, based on information available at this point, the Company has now calculated the results forecasts for the current fiscal year. The forecast is for significant year on year declines in revenues and profits, with a net loss for the year.

○ Next, I will discuss the dividend forecasts. 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.

○ Finally, I will cover our understanding of management issues, which we discussed at the first quarter results briefing, and our progress with initiatives.

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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.

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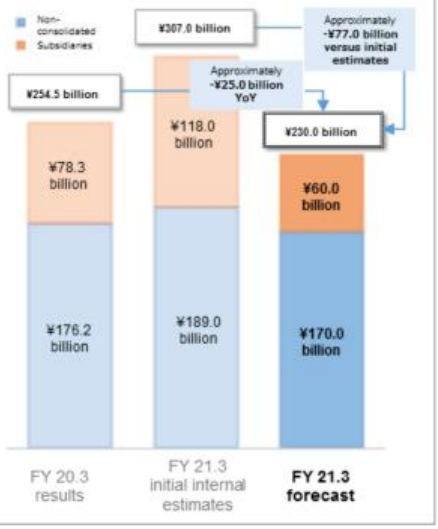
- Next, please look at page 4 of the materials.
- This slide shows the highlights of the results forecasts, etc.
- As you can see, we are forecasting consolidated operating revenues of ¥920.0 billion, down by ¥588.2 billion year on year; consolidated operating loss of ¥290.0 billion, a decline of ¥450.6 billion; and loss attributable to owners of parent of ¥240.0 billion, a decrease of ¥329.3 billion.
- In regard to operating revenues, with consideration for first quarter results and current circumstances, etc., the forecast was made with certain assumptions for each business. For example, looking at Shinkansen usage, the assumption is that the current conditions will continue to the end of 2020, that usage will subsequently undergo a moderate recovery, and that at the end of the term, usage will have recovered to slightly less than 60% of the level in FY2019.3, before the coronavirus. I will provide more details about the assumptions for the revenue forecast later.
- In regard to costs and capital expenditure, we have decided to further increase the amounts of the cost reductions and investment reductions that were announced at the first quarter results presentation, and the forecasts reflect these amounts. I will provide details later.
- Next, I will explain our dividend forecasts for the current fiscal year.
- As shown here, we are forecasting annual dividends of ¥100 per share.
- The Company has positioned shareholder return as an important management policy, and under the current medium-term management plan we have announced and implemented a policy of stable shareholder return over the long term based on long-term sustained profit growth.
- However, this fiscal year, as shown here today, due to the spread of the novel coronavirus infection we are anticipating the largest loss attributable to owners of parent since the establishment of the Company, and this is expected to have a very large influence on our financial situation.
- We are forecasting a loss for the current fiscal year, but with consideration for our policy of placing importance on a stable shareholder return over the long term, and incorporating a strong intention to improve results in the next fiscal year and thereafter, we have set the forecast for annual dividends at ¥100 per share. We regret that we have reduced dividends for our shareholders, and, taking into account the circumstances that the Company currently faces, we ask for their understanding.
- We are forecasting annual dividends of ¥100 per share. In regard to interim dividends, we will decide on dividends in the range of ¥0 to ¥50 per share, with consideration for the results in the first half of the fiscal year.

Forecast for cost reductions / capital expenditure reductions

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.

○ Next, please look at page 5. I will discuss cost reductions and capital expenditure reductions.

○ While continuing to secure safety, we are working to reduce costs and capital expenditure in areas not related to safety.

○ At the first quarter results presentation, we explained that we would reduce costs by ¥30.0 billion on a non-consolidated basis and ¥50.0 billion on a consolidated basis, excluding expenses linked to revenues, through the limitation or postponement of initiatives, etc. We have identified targets for further reductions, and we now plan to reduce costs by ¥40.0 billion on a non-consolidated basis and ¥70.0 billion on a consolidated basis.

○ In addition, for capital expenditure, at the first quarter results presentation, we explained that we would hold capital expenditure level year on year on a non-consolidated basis and reduce it by approximately ¥15.0 billion year on year on a consolidated basis. However, we have identified targets for further reductions. Consequently, we have expanded the amount of the reduction by approximately ¥10.0 billion on a consolidated basis, and as a result we are now forecasting capital expenditure of approximately ¥230.0 billion, which will be a reduction of approximately ¥25.0 billion year on year.

○ For reference, we have also provided our initial internal estimates. As has been mentioned, on a non-consolidated basis, we had previously been forecasting a substantial increase year on year. This included, at the non-consolidated level, the implementation of investment that had been delayed in the first half of the medium-term management plan due to the influence of disasters in FY2019.3, and, at Group companies, the expansion of growth investment. However, in comparison with those internal estimates, the latest forecast represents a reduction of approximately ¥77.0 billion on a consolidated basis.

Progress of Initiatives

【Controlling cash out】	
Fund-raising	• 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)	• 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)	• 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)	• 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)	• Setouchi Hiroshima destination campaign • "Dokodemo Doa de Doko Ikou" 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)	• 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	• 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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- Next, I will discuss the progress of initiatives, key points, etc., in regard to our understanding of future management issues, as covered in the first quarter results presentation.
- First, in the middle of the slide is the promotion of usage in the period prior to the end of the coronavirus.
- To enable customers to use our services with peace of mind, as previously announced, we are advancing a variety of initiatives on a Groupwide basis. Please refer to the appendix section on page 20, which provides some examples.
- In addition, to foster demand we will launch the Setouchi Hiroshima Destination Campaign from October. In conjunction with this campaign, we will work to secure revenues through a variety of measures. These will include launching the "setowa" tourism-style MaaS service and starting sales of "Dokodemo Doa Kippu," which are tickets that will foster tourism demand throughout the western Japan area, including Kyushu and Shikoku. The appendix section also provides information about this issue.
- Finally, I will discuss our thoughts about future management issues.
- In the period after the coronavirus, we believe that there will be a transformation in customer behavior and diversification of values, and that the Company will need to create value that is aligned with needs through a variety of initiatives.
- To that end, we will enhance the Group's overall marketing capability, and with consideration for the perspective of values in the period after the coronavirus, we will work to thoroughly enhance existing businesses. We will aggressively make entirely new proposals to address the changes in society, such as the "JR West X Living Subscription", for which we have already announced verification testing.
- Furthermore, while maintaining safety and peace of mind, we will work to reform our cost structure from a medium to long term perspective so that we can better withstand changes in the usage structure and declines in usage. To that end, we will concentrate on the reevaluation of our approach to facilities and operations and on steps we can take to equalize usage.
- We are in an extremely challenging management environment, but in accordance with the recognition that changes in the external environment are opportunities, we will work to achieve sustained gains in corporate value over the long-term in order to meet the expectations of stakeholders.

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FY2021.3: Full-Year Results Forecasts

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FY2021.3: Assumptions for Full-Year Results Forecasts

【Transportation revenues】	
Non-commuter	・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	・Commuter revenues recover to approximately 80% to 90% of level in the previous year
【Retail Business】	
Sales of goods and food services	・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	・Recovery to approximately 80% of level two years before
【Real estate】	
Shopping centers	・Recovery to approximately 80% of level two years before
Real estate lease and sale	・Influence of coronavirus is small 〔Real estate lease〕 Flat YoY 〔Real estate sales〕 Down YoY
【Other】	
Hotel	・At the end of the period, recovery to approximately 60% of the level two years before
Travel	・At the end of the period, recovery to approximately 50% of level in the previous year

- Next, please look at page 9.
- This shows the assumptions for the calculation of revenues in the results forecasts.
- First, looking at transportation revenues, we are assuming that the current circumstances for non-commuter revenues will basically continue until the end of 2020 in each of these categories, and then will subsequently undergo a moderate recovery, returning to the level shown here by the end of March 2021. The calculations were based on this assumption. Non-commuter revenues have been affected by the coronavirus since the fourth quarter of last fiscal year, and accordingly the point of comparison for the year-end recovery level is two years ago, in the period before the coronavirus.
- On the other hand, in commuter revenues, results in the first quarter were 78.6% of the level in the previous year, and for the full fiscal year we are expecting a recovery to approximately 80% to 90% of the previous year's level.
- Next, in non-railway businesses, with consideration for results in the first quarter and current circumstances, etc., the forecasts shown here were made with certain assumptions for each business.
- In the real estate lease and sales business, the influence of the coronavirus has been comparatively small. The leasing business is expected to be basically flat year on year, while in the sales business we are anticipating a year on year decline in revenues of ¥5.6 billion due to a rebound from the previous year's solid sales, etc.
- In travel, the fiscal year-end is December, and we are anticipating a recovery to about 50% of the previous year's level by the end of December.

Non-Consolidated Financial Forecasts

¥ Billions

	Results FY2020.3 A	Forecasts FY2021.3 B	YoY Increase/ (Decrease) B-A	YoY % 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.

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- ○ Next, please look at page 10.
- ○ This shows our non-consolidated financial forecasts.
- ○ We are forecasting operating revenues of ¥530.0 billion, a decrease of ¥431.9 billion year on year due to lower transportation revenues.
- ○ On the other hand, we are planning operating expenses of ¥790.0 billion, a decrease of ¥52.1 billion year on year, as a result of cost reduction efforts, etc.
- ○ Consequently, we are forecasting a non-consolidated operating loss of ¥260.0 billion and a net loss of ¥195.0 billion.

Transportation Revenue Forecasts

¥ Billions

Transportation revenues		Forecasts FY2021.3			Major factors	
			YoY Increase/(Decrease)			
			Amount	%		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.

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○ Next, please look at page 11. I will discuss transportation revenues.

○ First, for the Shinkansen, we are forecasting revenues of ¥170.0 billion for the full fiscal year, a decrease of ¥271.2 billion year on year. This includes revenues of ¥157.0 billion for the Sanyo Shinkansen, a decline of ¥244.7 billion year on year, and revenues of ¥13.0 billion for the Hokuriku Shinkansen, a decline of ¥26.5 billion year on year.

○ For each category, as shown here, we have added rebounds upward and downward from special factors in addition to the influence of the coronavirus, such as the 10-day Golden Week holiday and typhoon No. 19.

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 commisions ・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.

- Next, please look at page 12. I will discuss non-consolidated operating expenses.
- Looking at the decline of ¥52.1 billion year on year in total non-consolidated operating expenses, major items contributing to the decline will be maintenance costs and miscellaneous costs.
- Maintenance costs will be ¥150.0 billion, down ¥16.4 billion year on year. This decline will be attributable to initiatives that we implement, while maintaining safety, such as the postponement of certain station beautification work, etc., and a decline in secondary work accompanying the limitation of capital expenditure.
- Miscellaneous costs will be down ¥27.4 billion year on year, to ¥185.0 billion. With consideration for the challenging management environment, we will reduce advertising, business trips, and other expenses, and there will be a decline in expenses linked to revenues, such as sales commissions.

Consolidated Financial Forecasts

¥ Billions

	Results FY2020.3 A	Forecasts FY2021.3 B	YoY Increase/ (Decrease) B-A	YoY % 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	YoY % 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.

- Finally, please turn to page 14. I will discuss non-railway businesses.
- In the retail business, due to lower usage accompanying the decline in railway passengers, a decrease at VIA-INN, etc., we are forecasting a decline in revenues of ¥82.0 billion year on year, to ¥144.0 billion, and a decrease of ¥19.8 billion in operating results, to an operating loss of ¥16.0 billion.
- In sales of goods and food services, we anticipate year on year declines of ¥62.2 billion in revenues and ¥17.4 billion in operating results, for an operating loss of ¥14.0 billion. In department stores, we anticipate year on year declines of ¥18.2 billion in revenues and ¥2.2 billion in operating results, for an operating loss of ¥2.0 billion.
- In real estate, due to the declines at shopping centers, lower real estate sales, etc., we are forecasting a decline in revenues of ¥19.1 billion year on year, to ¥146.0 billion, and a decrease of ¥9.9 billion in operating income, to ¥25.0 billion. In this way, we are forecasting significant declines in revenues and profits, but we do expect the segment to achieve profitability.
- In the shopping center business, we expect to break even, with revenues down ¥14.1 billion year on year and operating income down ¥7.5 billion. On the other hand, in real estate lease and sale, we anticipate a decline of ¥5.1 billion in revenues and a decrease of ¥2.8 billion in operating income, due to a rebound from the previous fiscal year, when the sales business was favorable.
- In other businesses, the hotel business and the travel business have both been significantly affected, and we are forecasting significant declines in revenues and operating results, with operating losses for both businesses.
- This concludes our presentation.

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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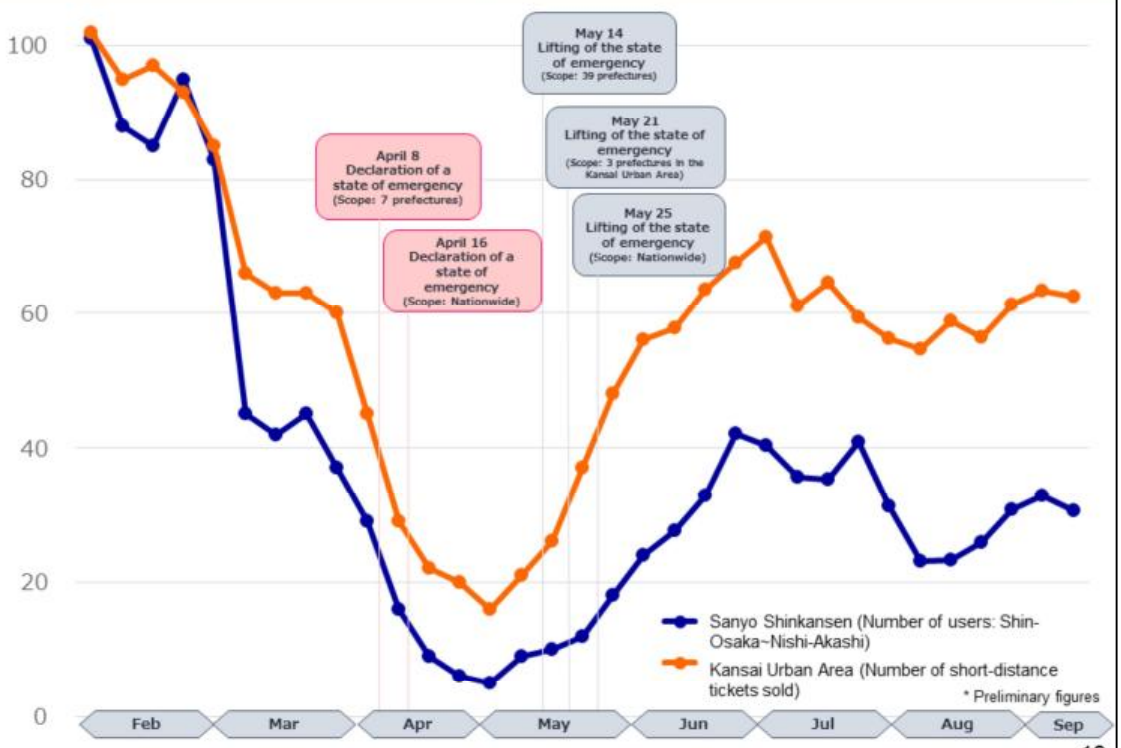
FY2021.3: Full-Year Results Forecasts

1 Full-year results forecasts, dividend forecasts, etc. Page 3

2 Full-year results forecasts (details) Page 8

Appendix Page 18

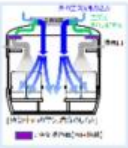
Appendix I　Trend in Usage Status



Appendix Ⅱ Initiatives for Customer Safety and Peace of Mind

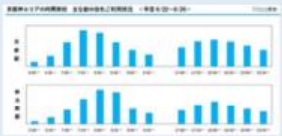
Initiatives at stations and on trains

- 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~

Clean & Safety
JR-West Hotels

- 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~)

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"

■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.
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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 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.