

The President's Message



In March 2013, the JR-West Group formulated the JR-West Group Medium-Term Management Plan 2017 and the Safety Think-and-Act Plan 2017. To make progress toward the vision “The Ideal Form for JR-West,” the entire Group is working to advance priority strategies that are based on its Three Basic Strategies and Four Business Strategies.

Seiji Manabe

President, Representative Director,
and Executive Officer

Overview of Fiscal 2015 (Year Ended March 31, 2015)

Fiscal 2015, the second year of the JR-West Group Medium-Term Management Plan 2017, was the year when we made steady progress toward accomplishing the goals set forth in this plan.

In terms of safety, we pushed forward with initiatives for achieving the goals of the Safety Think-and-Act Plan 2017. These initiatives were based on the four objectives of the plan: make continual effort to realize safe, reliable transportation service; increase level of risk assessment; increase safety awareness and implement think-and-act initiatives with the highest priority on human life; and invest in safety. To improve the safety on station platforms, one of our top priorities, we developed automatic, rope-style platform gates. These gates have completed operating tests at Rokkomichi Station, and we have decided to install them on the new platform at Takatsuki Station.

On the business front, following thorough preparations for the opening, we were able to successfully commence operations on the Kanazawa segment of the Hokuriku

Shinkansen on March 14, 2015. The Hokuriku Shinkansen has seen strong customer traffic since its opening, marking a strong start. As for the Sanyo Shinkansen, we worked to increase traffic by expanding the range of segments on which customers can use “Super Haya-toku” early discount tickets and by taking steps to capture inbound and other tourism demand. At the same time, we worked with Seven-Eleven Japan Co., Ltd. to improve the appeal of in-station stores. We also moved forward with renovations of shopping centers at Shin-Osaka and Kanazawa stations as part of our drive to achieve future growth. These efforts led the Company to year-on-year increases in both consolidated revenues and income in fiscal 2015.

JR-West Group Medium-Term Management Plan 2017 Update

Looking back on the past two years of the Medium-Term Management Plan, I am reminded of the various challenges we faced, such as the fatal labor accident that occurred during the first year of the plan. Nonetheless, we are generally making steady progress toward accomplishing

our goals with regard to the strategies and measures set out in the plan.

Moreover, the overarching changes in operating environment that we initially projected have become a reality over the past two years. Various threats are appearing before us, such as the decline of the Japanese population, increased competition with airlines, and the intensification of natural disasters. We must find a way to overcome this adversity. At the same time, though, we are witnessing the birth of new growth opportunities, such as a rapid rise in inbound tourism and an increase in travel by senior citizens.

Based on a review of the past two years, our evaluation of this period, changes in the operating environment, and the anticipated effects of opening the Kanazawa segment of the Hokuriku Shinkansen, we have updated the Medium-Term Management Plan. While the general direction of the plan remains the same, we have revised certain management targets in light of performance to date. We also decided to focus on growth fields, and we will place particular emphasis on three: the Hokuriku Shinkansen and invigoration of the Hokuriku Region, the new LUCUA osaka, and efforts to capture inbound visitor demand. These three fields will be positioned as strategic topics that spread across business areas, and initiatives targeting these fields will be prioritized accordingly. Furthermore, with an eye toward the period after our Medium-Term Management Plan 2017, we will pursue higher levels of safety and corporate value by addressing the aforementioned threats and taking advantage of growth opportunities.

Initiatives in Fiscal 2016

In fiscal 2016, an air of uncertainty is expected to hang over the domestic economy. Moreover, the operating environment for JR-West will leave no room for optimism, as we will have to respond to the increased competition from airlines due to such factors as the launch of new routes by low-cost carriers and to higher electricity rates. Despite this difficult environment, we will continue to advance our various business initiatives and promote usage of the Group's services.

In pursuing higher levels of safety to accomplish the goals of the Safety Think-and-Act Plan 2017, we will place particular emphasis on responding to the intensification of natural disasters and making station platforms even safer.

In our business operations, we will strive to raise revenues from the Hokuriku Shinkansen by collaborating with local partners to stimulate tourism demand and capture demand for business travel from the Tokyo Metropolitan Area. Steps will also be taken to increase mobility between the Kansai, Hokuriku, and Shinetsu regions. Elsewhere, thanks to the support of our customers,

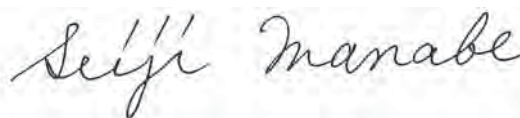
on March 10, 2015, we celebrated the 40th anniversary of operations on all lines of the Sanyo Shinkansen. I greatly appreciate all who have supported us over these years. To express our gratitude, we will hold an anniversary campaign over the one-year period leading up to March 2016. This campaign will be held together with local partners, and will serve as an opportunity to further promote usage of the Sanyo Shinkansen. Moving on to LUCUA osaka, the new LUCUA 1100, which was opened in the west building of the complex on April 2, 2015, will be managed in an integrated manner with LUCUA, housed in the east building. Leveraging the strength of LUCUA osaka as one of Japan's largest in-station shopping malls, we will aim to increase our presence in the Osaka area. At the same time, we will work to realize qualitative improvements to our business by increasing product and service quality and strengthening operating capabilities. As one facet of these efforts, we will steadily convert in-station stores to a store model created through a business alliance with Seven-Eleven Japan. In responding to inbound tourism demand, JR-West will bolster its lineup of products targeting inbound visitors while improving its ability to cater to the needs of such customers at terminal stations and commercial facilities. Moreover, we will endeavor to link these initiatives to the invigoration of communities where we operate and to increase revenues for the Company.

Fiscal 2016 represents the midway point of the JR-West Group Medium-Term Management Plan 2017 and the Safety Think-and-Act Plan 2017. By aggressively advancing the measures I have discussed above, we plan to create results this year that will place us in view of the goals slated to be achieved by the end of fiscal 2018, three years from now.

As we march into the future, JR-West will continue to pursue improvements in both safety and corporate value by steadily advancing corporate governance initiatives from a medium- to long-term perspective. We will also value relationships with shareholders by providing stable returns over the long term, conducting appropriate disclosure, and promoting dialogue with shareholders.

I would like to ask our shareholders and other investors for their continued understanding and support in the years ahead.

April 2015



Seiji Manabe
President, Representative Director, and Executive Officer