

## Business

## JR-West Group Medium-Term Management Plan 2017



2013 – 2017

## Priority Strategies

## Three Basic Strategies

Safety: Safety Think-and-Act Plan 2017  
Customer satisfaction: Customer-based management  
Technologies: Continuous innovation

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## Four Business Strategies

## Shinkansen: “Enhance”

Enhance the potential of the Shinkansen and promote exchange

## Kansai Urban Area: “Improve”

Enhance value of railway belts and the area

## Other West Japan Area: “Invigorate”

Invigorate the strengths of each area

## New Business Development: “Develop”

Take on the challenge of new business fields

## Foundation Building

Responsibilities as a  
Member of SocietyThe “Form of the New JR-West  
Group” for the next era.

## Management Vision

Contribute to the invigoration of the West Japan area through its business activities, and become a corporate group that excels in safety management and earn the trust of customers, communities, and society.

Our Future Direction  
— The Ideal Form for JR-West

## Fulfill “Our Mission”

Focus on “safety” and “CS” and “technology” and fulfill our mission of continued operation of railway services as social infrastructure. Contribute to the creation of a safe, comfortable society.

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Become a “company that coexists  
with local communities.”

Contribute to the invigoration of local communities by deepening exchange and cooperation with local communities, and by developing operations, as the entire JR-West Group, that are aligned with the characteristics of specific areas.

Aim for consolidated operating revenues of  
¥1.4 trillion in 2030

## Capital Expenditure Plan (consolidated)

FY2014/3 – FY2018/3 plan: ¥920.0 billion

Investment for growth  
¥230.0 billion

- Hokuriku Shinkansen Line
- Establish new stations and renew stations
- Expand lifestyle-related service businesses

Investment needed for ongoing  
management of operations

- Barrier free, CS investment
- Investment for introduction of information technologies, etc.

Safety-related investment  
¥470.0 billion

- Rolling stock renewal
- New ATC
- New safety system
- Earthquake and tsunami countermeasures, etc.

## Business Results and Forecasts for FY2018/3 (consolidated)

Billions of yen

	Results FY2013/3	Forecasts FY2018/3
Operating Revenues	1,298.9	1,306.0
Transportation	844.9	836.0
Retail	234.6	241.0
Real estate	90.9	101.0
Other businesses	128.4	128.0
Operating Income	129.4	127.5
Transportation	90.1	80.5
Retail	(0.4)	5.5
Real estate	28.0	33.0
Other businesses	12.3	9.0
Recurring Profit	104.6	106.5
Net Income	60.1	66.0
Transportation Revenues	769.1	764.0
ROA	4.9%	4.7%
ROE	8.3%	7.3%
EBITDA	290.3	292.5

Notes: Operating revenues are the revenues from third parties (= customers) Operating income by segment is before eliminating internal transactions.

For transportation revenues, “Transportation” comprises JR-West’s railway revenues in transportation operations.

Figures in bracket ( ) are negative values.

## Cash Earmarking and Prioritization

Cash flows from operating activities

1) Investment for safety and growth

2) Returns to shareholders

3) Debt reduction

\* In principle, maintain level of  
long-term debt and payables  
(¥1 trillion consolidated)

However, control level in light of  
market interest rates.

## Returns to shareholders

Reflecting our emphasis on providing stable shareholder returns over the long term, we will continue providing returns to shareholders based on consideration of total shareholders’ equity.

Specifically, in light of the usage situation following the commencement of operations to Kanazawa on the Hokuriku Shinkansen Line and progress toward achievement of the targets set out in Medium-Term Management Plan 2017, we will aim for a rate of total distribution on net assets\* of around 3% for FY2018.

\* Rate of total distribution on net assets (%) =  
(total dividends + acquisitions of treasury stock)  
÷ consolidated net assets × 100

Appropriation  
prioritization