

Results for the Fiscal Year Ended March 31, 2016 and Future Initiatives



May 2, 2016

West Japan Railway Company

I . Results for FY2016.3	2
II . Forecasts for FY2017.3	12
III . Future Initiatives	20
1. Initiatives in each strategy	22
2. Capital Expenditure Plan, Cash Flows and Returns to Shareholders	32

I . Results for FY2016.3

Financial Highlights



¥ Billions

	Results FY2015.3 A	Results FY2016.3 B	YoY		Forecasts FY2017.3 C	YoY	
			Increase/ (Decrease) B-A	% B/A-1		Increase/ (Decrease) C-B	% C/B-1
【Consolidated】							
Operating Revenues	1,350.3	1,451.3	100.9	7.5	1,450.0	(1.3)	(0.1)
Operating Income	139.7	181.5	41.7	29.9	175.5	(6.0)	(3.3)
Recurring Profit	121.9	162.2	40.2	33.0	159.5	(2.7)	(1.7)
Profit attributable to owners of parent	66.7	85.8	19.1	28.7	106.5	20.6	24.0
【Non-Consolidated】							
Operating Revenues	890.9	954.2	63.2	7.1	952.5	(1.7)	(0.2)
Transportation Revenues	797.0	850.0	53.0	6.7	848.5	(1.5)	(0.2)
Operating Expenses	778.9	817.0	38.1	4.9	816.5	(0.5)	(0.1)
Personnel costs	233.0	233.3	0.2	0.1	223.0	(10.3)	(4.4)
Non personnel costs	369.0	392.4	23.4	6.3	390.5	(1.9)	(0.5)
Energy costs	45.3	44.1	(1.2)	(2.7)	42.0	(2.1)	(4.8)
Maintenance costs	146.7	152.8	6.0	4.1	153.0	0.1	0.1
Miscellaneous costs	176.9	195.4	18.5	10.5	195.5	0.0	0.0
Depreciation	126.0	132.3	6.2	5.0	137.5	5.1	3.9
Operating Income	112.0	137.2	25.1	22.5	136.0	(1.2)	(0.9)
Recurring Profit	92.1	116.7	24.6	26.7	119.0	2.2	1.9
Net Income	47.3	61.1	13.7	29.0	82.0	20.8	34.2

Note: Figures in brackets () are negative values.

Non-Consolidated Financial Results



¥ Billions

	Results FY2015.3 A	FY2016.3		YoY		Difference from the forecasts Increase/(Decrease) C-B
		Forecasts (As of Jan 29) B	Results C	Increase/ (Decrease) C-A	% C/A-1	
Operating Revenues	890.9	949.0	954.2	63.2	7.1	5.2
Transportation revenues	797.0	847.0	850.0	53.0	6.7	3.0
Other	93.9	102.0	104.1	10.2	10.9	2.1
Operating Expenses	778.9	814.0	817.0	38.1	4.9	3.0
Personnel costs	233.0	233.0	233.3	0.2	0.1	0.3
Non personnel costs	369.0	390.5	392.4	23.4	6.3	1.9
Energy costs	45.3	46.5	44.1	(1.2)	(2.7)	(2.3)
Maintenance costs	146.7	153.5	152.8	6.0	4.1	(0.6)
Miscellaneous costs	176.9	190.5	195.4	18.5	10.5	4.9
Rental payments, etc.	18.7	26.5	26.9	8.1	43.4	0.4
Taxes	32.0	32.0	31.9	(0.0)	(0.1)	(0.0)
Depreciation	126.0	132.0	132.3	6.2	5.0	0.3
Operating Income	112.0	135.0	137.2	25.1	22.5	2.2
Non-operating revenues and expenses	(19.8)	(18.5)	(20.4)	(0.5)	2.9	(1.9)
Non-operating revenues	6.5	6.6	6.3	(0.1)	-	(0.2)
Non-operating expenses	26.4	25.1	26.8	0.3	-	1.7
Recurring Profit	92.1	116.5	116.7	24.6	26.7	0.2
Extraordinary profit and loss, net	(4.5)	(3.0)	(15.5)	(11.0)	-	(12.5)
Extraordinary profit	60.6	-	19.5	(41.0)	-	-
Extraordinary loss	65.1	-	35.0	(30.0)	-	-
Net Income	47.3	76.0	61.1	13.7	29.0	(14.8)

Note: Figures in brackets () are negative values.

Major Factors of Increase/Decrease in Transportation Revenues

¥ Billions

Results FY2016.3					
Transportation revenues		YoY Increase/(Decrease)		Major factors	
		Amount	%		
Shinkansen	437.2	61.3	16.3	Fundamentals 3.4%	12.9
				Special factors	
				Hokuriku Shinkansen	43.3
				Silver Week (a five-day holiday in September), leap year effect, etc.	2.0
				Golden Week	0.8
				The mid-summer Obon holidays	0.5
				Inbound demand	0.4
				Seniors demand etc.	0.4
Kansai Urban Area (Kyoto-Osaka-Kobe Area)	302.2	5.9	2.0	Fundamentals 0.8%	2.3
				Special factors	
				Inbound demand	1.6
				Silver Week (a five-day holiday in September), leap year effect, etc.	0.6
				The mid-summer Obon holidays	0.5
				Golden Week	0.4
				etc.	
Other lines	110.5	(14.2)	(11.4)	Fundamentals 0.7%	0.8
				Special factors	
				Separation of management of the conventional lines between Kanazawa and Naoetsu parallel to Hokuriku Shinkansen	(16.2)
				Silver Week (a five-day holiday in September), leap year effect, etc.	0.3
				The mid-summer Obon holidays	0.3
				Inbound demand	0.2
				etc.	
Conventional lines	412.7	(8.3)	(2.0)		
Total	850.0	53.0	6.7		

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

Transportation Revenues and Passenger-Kilometers

Transportation Revenues

¥ Billions

	Fiscal Year (4/1 ~ 3/31)			3 months (4Q) (1/1 ~ 3/31)		
	FY2015.3	FY2016.3	YoY	FY2015.3	FY2016.3	YoY
Total	797.0	850.0	53.0 6.7%	195.2	203.7	8.5 4.4%
Shinkansen	375.9	437.2	61.3 16.3%	91.6	102.7	11.1 12.2%
Commuter Passes	9.3	10.1	0.8 8.8%	2.2	2.5	0.2 8.9%
Non-Commuter Passes	366.5	427.1	60.5 16.5%	89.3	100.2	10.9 12.2%
Conventional Lines	421.0	412.7	(8.3) (2.0%)	103.5	100.9	(2.6) (2.5%)
Commuter Passes	142.3	141.0	(1.3) (0.9%)	34.0	33.8	(0.1) (0.6%)
Non-Commuter Passes	278.7	271.7	(7.0) (2.5%)	69.5	67.1	(2.4) (3.5%)
Kansai Urban Area (Kyoto-Osaka-Kobe Area)	296.2	302.2	5.9 2.0%	73.2	73.7	0.4 0.7%
Commuter Passes	115.2	115.6	0.4 0.4%	27.8	27.8	0.0 0.1%
Non-Commuter Passes	181.0	186.5	5.5 3.0%	45.4	45.8	0.4 1.0%
Other Lines	124.8	110.5	(14.2) (11.4%)	30.3	27.2	(3.1) (10.3%)
Commuter Passes	27.1	25.3	(1.7) (6.4%)	6.1	5.9	(0.2) (3.4%)
Non-Commuter Passes	97.6	85.1	(12.5) (12.8%)	24.1	21.2	(2.9) (12.0%)

Passenger-Kilometers

Millions of passenger-kilometers

	Fiscal Year (4/1 ~ 3/31)			3 months (4Q) (1/1 ~ 3/31)		
	FY2015.3	FY2016.3	YoY	FY2015.3	FY2016.3	YoY
Total	56,078	58,341	2,262 4.0%	13,461	13,884	422 3.1%
Shinkansen	18,109	20,449	2,339 12.9%	4,348	4,806	458 10.5%
Commuter Passes	743	804	61 8.2%	187	198	11 6.1%
Non-Commuter Passes	17,366	19,644	2,278 13.1%	4,161	4,608	446 10.7%
Conventional Lines	37,969	37,891	(77) (0.2%)	9,112	9,077	(35) (0.4%)
Commuter Passes	22,557	22,764	206 0.9%	5,295	5,350	55 1.0%
Non-Commuter Passes	15,411	15,127	(284) (1.8%)	3,817	3,726	(90) (2.4%)
Kansai Urban Area (Kyoto-Osaka-Kobe Area)	28,830	29,522	691 2.4%	6,966	7,078	111 1.6%
Commuter Passes	18,356	18,714	357 1.9%	4,365	4,431	65 1.5%
Non-Commuter Passes	10,473	10,808	334 3.2%	2,601	2,647	46 1.8%
Other Lines	9,138	8,369	(768) (8.4%)	2,145	1,998	(147) (6.9%)
Commuter Passes	4,201	4,050	(150) (3.6%)	929	919	(10) (1.1%)
Non-Commuter Passes	4,937	4,319	(618) (12.5%)	1,216	1,079	(137) (11.3%)

Note: Figures in brackets () are negative values.

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

¥ Billions

Item	Results FY2016.3			
		YoY		Major factors (YoY)
		Increase/ (Decrease)	%	
Personnel costs	233.3	0.2	0.1	
Energy costs	44.1	(1.2)	(2.7)	· Decrease in adjustment amount for fuel cost (1.5), etc.
Maintenance costs	152.8	6.0	4.1	· Increase in maintenance costs for structures +0.7, etc.
Miscellaneous costs	195.4	18.5	10.5	· Increase in payments for other JR companies +6.6 · Increase in advertising expenses +2.4 · Increase in sales charge +1.1 · Increase in system related costs +1.1, etc.
Rental Payments, etc	26.9	8.1	43.4	· Hokuriku Shinkansen
Taxes	31.9	(0.0)	(0.1)	
Depreciation and amortization	132.3	6.2	5.0	· Depreciation of Hokuriku Shinkansen rolling stock, etc.
Total	817.0	38.1	4.9	

Note: Figures in brackets () are negative values.

Consolidated Financial Results



¥ Billions

	Results FY2015.3 A	FY2016.3		YoY		Difference from the forecasts Increase/(Decrease) C-B
		Forecasts (As of Jan 29) B	Results C	Increase/ (Decrease) C-A	% C/A-1	
Operating Revenues	1,350.3	1,437.0	1,451.3	100.9	7.5	14.3
Operating Expenses	1,210.5	1,265.5	1,269.7	59.1	4.9	4.2
Operating Income	139.7	171.5	181.5	41.7	29.9	10.0
Non-operating revenues and expenses	(17.7)	(18.5)	(19.2)	(1.5)	8.5	(0.7)
Non-operating revenues	9.0	7.6	7.8	(1.2)	-	0.2
Non-operating expenses	26.8	26.1	27.1	0.2	-	1.0
Recurring Profit	121.9	153.0	162.2	40.2	33.0	9.2
Extraordinary profit and loss, net	0.7	(5.5)	(17.1)	(17.8)	-	(11.6)
Extraordinary profit	69.5	-	21.5	(47.9)	-	-
Extraordinary loss	68.7	-	38.6	(30.1)	-	-
Profit attributable to owners of parent	66.7	96.0	85.8	19.1	28.7	(10.1)
<i>Comprehensive Income</i>	<i>74.2</i>	<i>-</i>	<i>104.8</i>	<i>30.5</i>	<i>41.2</i>	<i>-</i>

Note: Figures in brackets () are negative values.

Consolidated Financial Results (Segment Information)



¥ Billions

	Results FY2015.3 A	FY2016.3		YoY		Difference from the forecasts Increase/(Decrease) C-B
		Forecasts (As of Jan 29) B	Results C	Increase/ (Decrease) C-A	% C/A-1	
Operating Revenues*¹	1,350.3	1,437.0	1,451.3	100.9	7.5	14.3
Transportation	868.4	925.1	928.7	60.3	6.9	3.6
Retail	220.1	231.0	232.0	11.8	5.4	1.0
Sales of goods and food services	133.6	143.2	144.9	11.3	8.5	1.7
Department stores	78.2	80.2	79.1	0.8	1.1	(1.0)
Real estate	87.2	106.6	108.8	21.6	24.9	2.2
Shopping center	50.6	57.2	57.8	7.1	14.2	0.6
Real estate lease and sale* ³	34.7	47.7	49.2	14.4	41.7	1.5
	【5.8】	【18.4】	【19.5】	【13.7】	【235.7】	【1.1】
Other businesses	174.4	174.3	181.5	7.0	4.1	7.2
Hotel	34.8	35.8	36.5	1.6	4.8	0.7
Nippon Travel Agency	42.5	41.4	41.6	(0.8)	(2.1)	0.2
Operating Income*²	139.7	171.5	181.5	41.7	29.9	10.0
Transportation	100.6	121.8	125.1	24.5	24.3	3.3
Retail	1.5	5.1	5.3	3.7	233.0	0.2
Sales of goods and food services	3.9	-	4.6	0.7	17.9	-
Department stores	(2.2)	-	0.3	2.6	-	-
Real estate	25.1	31.8	32.7	7.5	29.9	0.9
Shopping center	7.3	-	9.3	1.9	26.3	-
Real estate lease and sale	8.1	-	12.5	4.3	53.1	-
Other businesses	15.6	16.0	22.4	6.7	43.5	6.4
Hotel	2.1	-	2.7	0.5	28.3	-
Nippon Travel Agency	0.6	-	0.4	(0.2)	(33.0)	-

Note: Figures in brackets () are negative values.

*¹ 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.

*² The breakdowns of operating income by each segment are the sums of incomes of major subsidiaries before eliminating internal transactions.

*³ Figures in brackets 【 】 are the sales of condominiums. (Revenues from third parties) (Included in Real estate lease and sale)

Consolidated Financial Situation and Statements of Cash Flows



¥ Billions

	As of March 31, 2015 A	As of March 31, 2016 B	Difference increase/(decrease) B-A
Assets	2,786.4	2,843.1	56.7
Liabilities	1,939.7	1,916.8	(22.9)
Net assets	846.7	926.3	79.6
Balance of Long-term Debt and Payables	1,004.2	1,001.8	(2.3)
【Average interest rate (%)】	【2.40】	【2.25】	【(0.15)】
Shinkansen Purchase Liability	167.6	134.6	(32.9)
【Average interest rate (%)】	【6.05】	【6.28】	【0.23】
Bonds	479.9	494.9	15.0
【Average interest rate (%)】	【2.08】	【2.00】	【(0.08)】
Equity ratio (%)	28.8	30.9	2.1
Net assets per share (¥)	4,138.65	4,534.29	395.64

	Results FY2015.3 A	Results FY2016.3 B	YoY increase/(decrease) B-A
Cash flows from operating activities	223.6	259.8	36.2
Cash flows from investing activities	(212.9)	(233.2)	(20.3)
Free cash flows	10.7	26.6	15.9
Cash flows from financing activities	1.6	(31.3)	(33.0)
Change in cash and cash equivalents, net	12.3	(4.6)	(17.0)
Cash and cash equivalents at the end of the period	85.3	80.6	(4.6)

Note: Figures in brackets () are negative values.

(Blank Page)

Ⅱ . Forecasts for FY2017.3

Non-Consolidated Financial Forecasts

¥ Billions

	Results FY2016.3 A	Forecasts FY2017.3 B	YoY	
			Increase/ (Decrease) B-A	% B/A-1
Operating Revenues	954.2	952.5	(1.7)	(0.2)
Transportation revenues	850.0	848.5	(1.5)	(0.2)
Other	104.1	104.0	(0.1)	(0.2)
Operating Expenses	817.0	816.5	(0.5)	(0.1)
Personnel costs	233.3	223.0	(10.3)	(4.4)
Non personnel costs	392.4	390.5	(1.9)	(0.5)
Energy costs	44.1	42.0	(2.1)	(4.8)
Maintenance costs	152.8	153.0	0.1	0.1
Miscellaneous costs	195.4	195.5	0.0	0.0
Rental payments, etc.	26.9	30.5	3.5	13.2
Taxes	31.9	35.0	3.0	9.5
Depreciation	132.3	137.5	5.1	3.9
Operating Income	137.2	136.0	(1.2)	(0.9)
Non-operating revenues and expenses	(20.4)	(17.0)	3.4	(17.0)
Non-operating revenues	6.3	6.5	0.1	-
Non-operating expenses	26.8	23.5	(3.3)	-
Recurring Profit	116.7	119.0	2.2	1.9
Extraordinary profit and loss, net	(15.5)	(1.0)	14.5	-
Extraordinary profit	19.5	-	-	-
Extraordinary loss	35.0	-	-	-
Net Income	61.1	82.0	20.8	34.2

Note: Figures in brackets () are negative values.

Transportation Revenue Forecasts

¥ Billions

	Results FY2016.3 A	Forecasts FY2017.3 B	YoY	
			Increase/ (Decrease) B-A	% B/A-1
Shinkansen	437.2	435.5	(1.7)	(0.4)
Kansai Urban Area (Kyoto-Osaka-Kobe Area)	302.2	302.9	0.6	0.2
Other lines	110.5	110.0	(0.4)	(0.4)
Conventional lines	412.7	412.9	0.2	0.1
Transportation revenues	850.0	848.5	(1.5)	(0.2)

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

Figures in brackets () are negative values.

Operating Expenses Forecasts (Non-Consolidated)

¥ Billions

Item	Forecasts FY2017.3			
		YoY		Major factors (YoY)
		Increase/ (Decrease)	%	
Personnel costs	223.0	(10.3)	(4.4)	<ul style="list-style-type: none"> Decrease in amortization of accumulated unrecognized actuarial differences of retirement benefits obligation Difference in personnel, etc
Energy costs	42.0	(2.1)	(4.8)	<ul style="list-style-type: none"> Decrease in adjustment amount for fuel cost, etc.
Maintenance costs	153.0	0.1	0.1	<ul style="list-style-type: none"> Allowance reserve for the large-scale renovation Decrease in maintenance costs for structures, etc.
Miscellaneous costs	195.5	0.0	0.0	<ul style="list-style-type: none"> Increase in system related costs Decrease in advertising expenses, etc.
Rental Payments, etc	30.5	3.5	13.2	<ul style="list-style-type: none"> Increase in amount equivalent to fixed asset tax for Hokuriku Shinkansen infrastructure
Taxes	35.0	3.0	9.5	<ul style="list-style-type: none"> Increase in business tax, etc.
Depreciation and amortization	137.5	5.1	3.9	<ul style="list-style-type: none"> Increase in facilities
Total	816.5	(0.5)	(0.1)	

Note: Figures in brackets () are negative values.

Consolidated Financial Forecasts

¥ Billions

	Results FY2016.3 A	Forecasts FY2017.3 B	YoY	
			Increase/ (Decrease) B-A	% B/A-1
Operating Revenues	1,451.3	1,450.0	(1.3)	(0.1)
Operating Expenses	1,269.7	1,274.5	4.7	0.4
Operating Income	181.5	175.5	(6.0)	(3.3)
Non-operating revenues and expenses	(19.2)	(16.0)	3.2	(17.0)
Non-operating revenues	7.8	7.5	(0.3)	-
Non-operating expenses	27.1	23.5	(3.6)	-
Recurring Profit	162.2	159.5	(2.7)	(1.7)
Extraordinary profit and loss, net	(17.1)	(2.5)	14.6	-
Extraordinary profit	21.5	-	-	-
Extraordinary loss	38.6	-	-	-
Profit attributable to owners of parent	85.8	106.5	20.6	24.0
Net income per share(¥)	443.53	550.09	-	-

Note: Figures in brackets () are negative values.

Consolidated Financial Forecasts (Segment Information)



¥ Billions

	Results FY2016.3 A	Forecasts FY2017.3 B	YoY	
			Increase/ (Decrease) B-A	% B/A-1
Operating Revenues* ¹	1,451.3	1,450.0	(1.3)	(0.1)
Transportation	928.7	925.7	(3.0)	(0.3)
Retail	232.0	241.8	9.7	4.2
Sales of goods and food services	144.9	152.1	7.1	4.9
Department stores	79.1	80.7	1.5	2.0
Real estate	108.8	104.4	(4.4)	(4.1)
Shopping center	57.8	59.9	2.0	3.5
Real estate lease and sale* ²	49.2	42.7	(6.5)	(13.4)
	【19.5】	【11.6】	【(7.8)】	【(40.3)】
Other businesses	181.5	178.1	(3.4)	(1.9)
Hotel	36.5	36.6	0.0	0.1
Nippon Travel Agency	41.6	42.8	1.1	2.8
Operating Income	181.5	175.5	(6.0)	(3.3)
Transportation	125.1	122.3	(2.8)	(2.3)
Retail	5.3	5.4	0.0	1.5
Real estate	32.7	31.4	(1.3)	(4.1)
Other businesses	22.4	19.9	(2.5)	(11.3)

Note: Figures in brackets () are negative values.

*¹ 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.

*² Figures in brackets 【 】 are the sales of condominiums. (Revenues from third parties) (Included in Real estate lease and sale)

Other Data

Persons, ¥ Billions

	Results FY2015.3	Results FY2016.3	Forecasts FY2017.3
ROA (% , Consolidated)	5.1	6.4	6.1
ROE (% , Consolidated)	8.4	10.2	11.6
EBITDA (Consolidated)*1	289.3	338.1	338.5
Depreciation (Consolidated)	149.5	156.6	163.0
Capital Expenditure (Consolidated, own fund)	225.6	233.1	193.0
Capital Expenditure (Non-consolidated, own fund)	186.4	198.7	163.0
Safety related capital expenditure	90.2	126.0	104.5
Dividends per share (¥)	125	135	140

*1 EBITDA = Operating Income + Depreciation

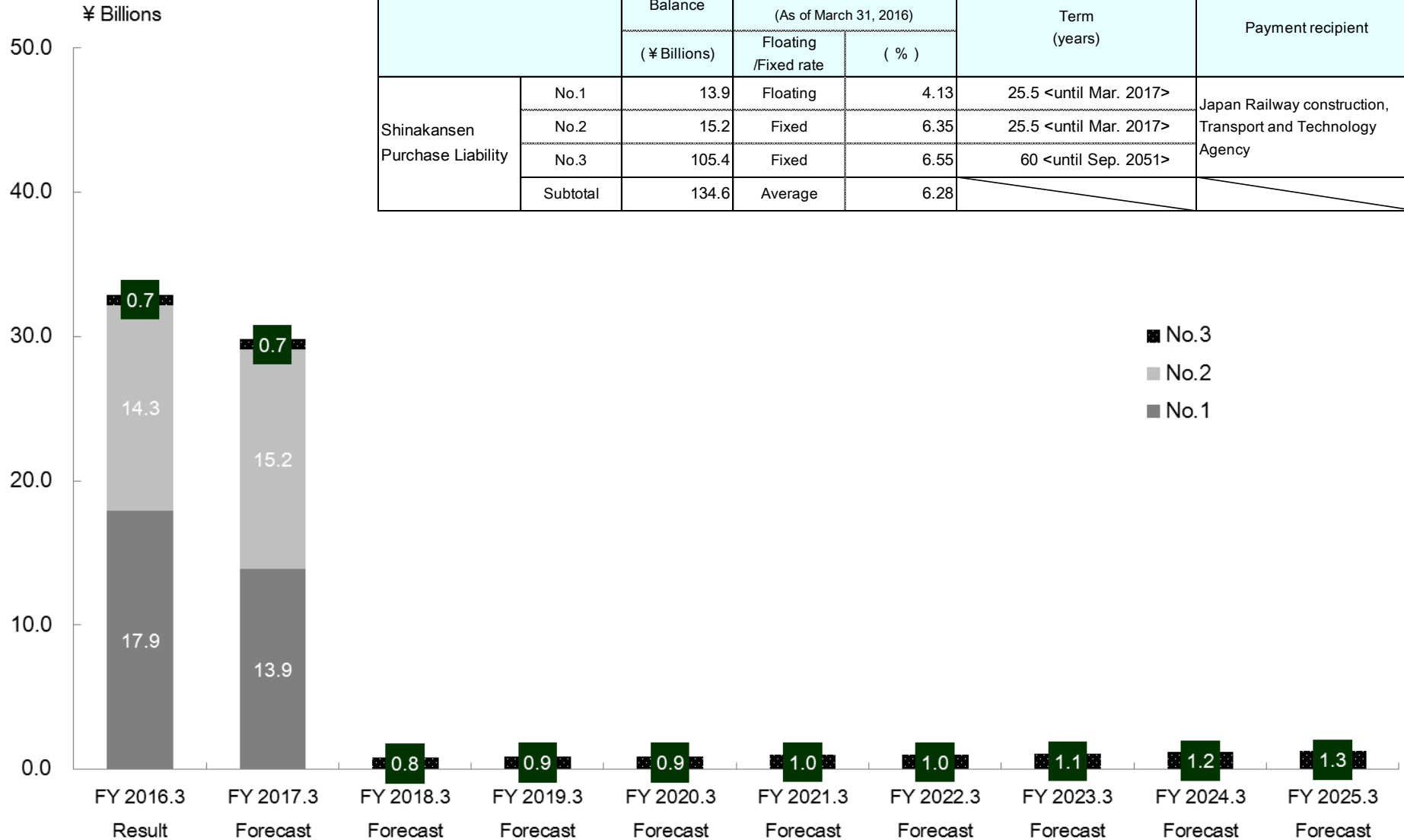
	Results FY2015.3		Results FY2016.3		Forecasts FY2017.3	
	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated
No. of employees at the end of period	47,565	26,886	47,456	26,555	-	-
Financial Expenses, net	(24.9)	(24.3)	(23.3)	(22.6)	(22.0)	(21.3)
Interest and dividend income	0.9	1.4	0.7	1.5	0.6	1.2
Interest expenses	25.8	25.7	24.1	24.1	22.6	22.5

Note: Figures in brackets () are negative values.

Redemption Plan of Shinkansen Purchase Liability

【As of March 31, 2016】

		Balance (¥ Billions)	Interest rate (As of March 31, 2016)		Term (years)	Payment recipient
			Floating /Fixed rate	(%)		
Shinkansen Purchase Liability	No.1	13.9	Floating	4.13	25.5 <until Mar. 2017>	Japan Railway construction, Transport and Technology Agency
	No.2	15.2	Fixed	6.35	25.5 <until Mar. 2017>	
	No.3	105.4	Fixed	6.55	60 <until Sep. 2051>	
	Subtotal	134.6	Average	6.28		



Ⅲ. Future Initiatives

Summary of progress of Updated Medium-Term Management Plan

		Targets		FY2013.3 results	FY2016.3 results (※)		
Safety	Railway accidents that result in casualties among our customers	0 over 5 years		0	0 over 3 years		
	Labor accidents that result in fatalities among our employees	0 over 5 years		0	1 over 3 years		
	Railway accidents with casualties on platforms	FY18.3	30% reduction in comparison to FY13.3 (9)	13	10		
	Accidents at level crossings	FY18.3	40% reduction in comparison to FY13.3 (25)	41	15		
	Transportation disruptions due to internal factors	FY18.3	50% reduction in comparison to FY13.3 (140)	281	176		
Customer Satisfaction		Customer satisfaction survey results	FY18.3	4.0 or above	3.47	3.76	
Three Key Growth Themes	Hokuriku Shinkansen and Invigorator of Hokuriku Region	Revenue increase from Hokuriku Shinkansen	FY18.3	¥13.0 billion	---	¥28.9 billion (First-year effect)	
		Tenant sales target	FY16.3	¥77.0 billion	---	¥76.1 billion	
	New "LUCUA osaka"	Visitor number target	FY16.3	70 million people	---	77 million people	
		Response to Inbound Visitor Demand	Number of inbound tourism users	FY18.3	1 million people	200 thousand people	1 million people
			Consolidated operating revenues	FY18.3	¥10.0 billion increase (in comparison to FY13.3)	---	¥11.9 billion increase (in comparison to FY13.3)
Shinkansen		Number of senior customers traveling for leisure purpose	FY18.3	2.2 million people	1.9 million people	2.22 million people	
Financial Benchmarks		Consolidated operating revenues	FY18.3	¥1,423.0 billion	¥1298.9 billion	¥1451.3 billion	
		Consolidated EBITDA	FY18.3	¥325.5 billion	¥290.3 billion	¥338.1 billion	
		Consolidated ROA	FY18.3	5.5%	4.9%	6.4%	
		Consolidated ROE	FY18.3	9.8%	8.3%	10.2%	

(※) Safety figures for FY2016.3 are preliminary figures.

Some objectives were achieved ahead of schedule, and steady progress was made toward the achievement of certain other objectives. On the other hand, there are also objectives that are still issues.

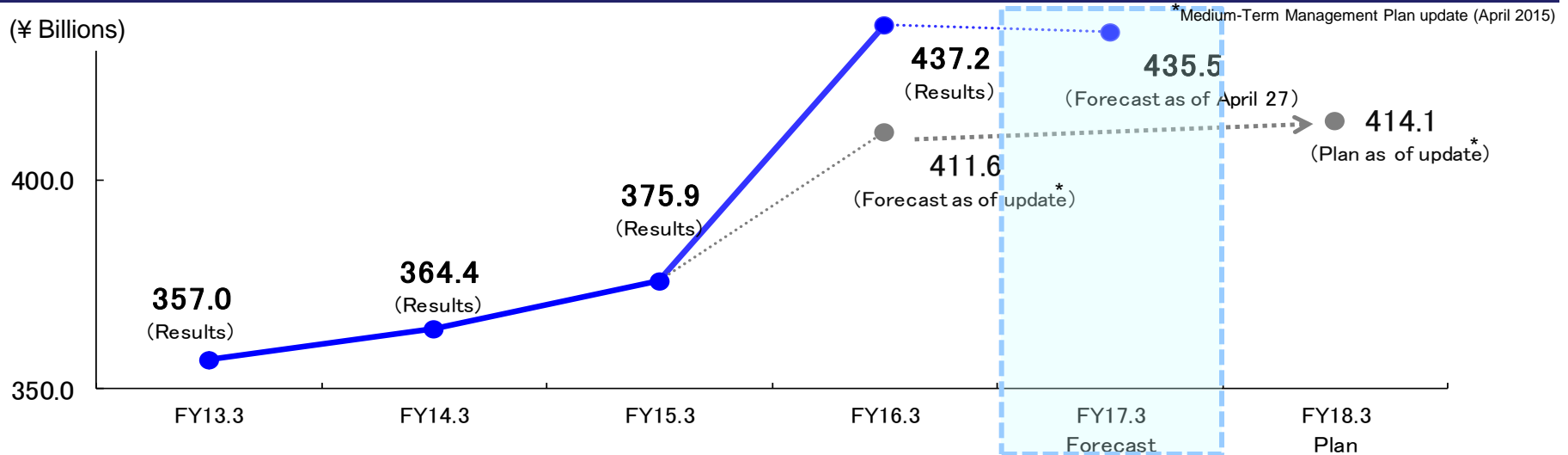
Initiatives in FY2017.3

- Implementing initiatives to make steady progress toward the achievement of the objectives of the Medium-Term Management Plan in the area of fundamental company strengths, such as safety and customer satisfaction.
- Implementing initiatives to increase corporate value over the medium to long term, including securing demand in fields recording notable growth, such as inbound visitors; preparing for the introduction of seamless ticket services; and expanding business development in cities outside our railways in fields where the Company has strengths.

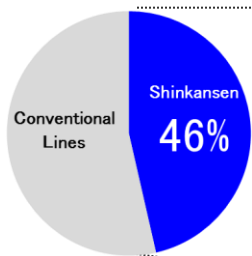
Initiatives in each strategy

Business Strategy: Shinkansen ①

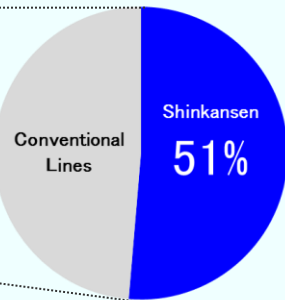
Trend in transportation revenues of Shinkansen



Changes in transportation revenues: Total revenues and composition

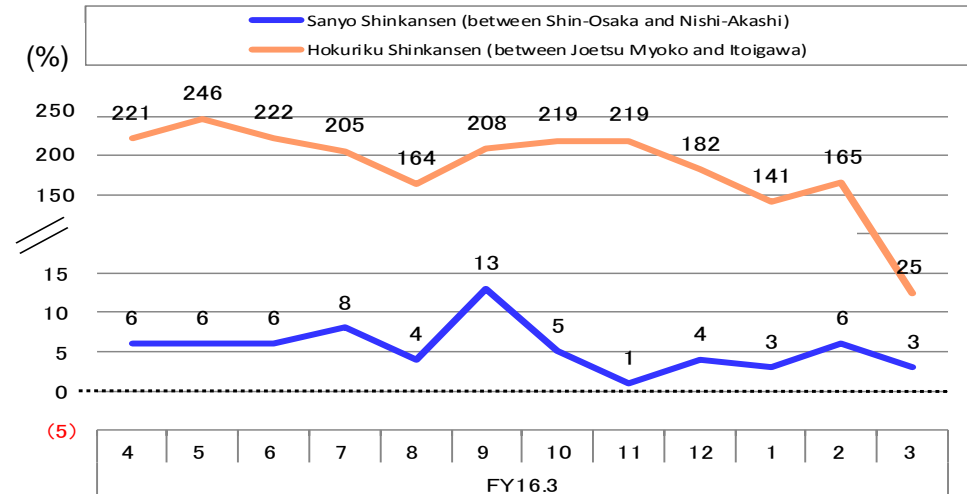


FY13.3 results
¥769.1 billion



FY17.3 forecasts
¥848.5 billion

Monthly usage trends (segment passenger volume, YoY)



Though there will be reversal of the opening effect of the Hokuriku Shinkansen that occurred in the previous year, JR-West will work to further expand usage, so that the decline of transportation revenues will be limited to a small amount in FY2017.3.

Future initiatives in Sanyo Shinkansen

Heightening competitiveness

- **Enhancing safety, comfort and convenience**
 - Advancing the introduction of rolling stock with enhanced safety and comfort
 - Existing N700: Modification of all 16 sets completed (~ FY2016.3)
 - New N700A: Additional introduction of 4 sets (FY2017.3)
 - Reducing mobile phone no-service areas
 - Completed on all lines (planned at the end of FY2017.3)
 - Initiatives to further enhance safety
 - Renewal of ATC system (completion planned for spring 2017)
 - The large-scale renovation of Shinkansen infrastructure: Start to record allowance
- **Advancing self-service ticket purchasing / ticketless boarding**
 - Preparing for introduction of new ticketless services (planned for summer 2017)



Sanyo Shinkansen
New rolling stock N700A



Image for new ticketless service

Stimulating tourism demand

- **Rolling out tourism campaigns, leveraging tourism contents**
 - Implementing campaign to mark fifth anniversary of the direct service operations between the Sanyo and Kyushu Shinkansen services
 - Selling special travel packages, implementing various promotions
 - Destination Campaign (DC)
 - Okayama DC (April to June, 2016)
 - Leveraging tourism contents
 - Kyoto Railway Museum, Universal Studios Japan: 15th anniversary, Tokyo DisneySea: 15th anniversary
 - Developing tourism materials, rolling out promotions
 - Participating in the Inland Sea, SETOUCHI Tourism Authority (established April 2016)
- **Fostering tourism demand among seniors**
 - Expanding membership for “Otonabi” membership service for senior customers
 - Enhancing products exclusively for members, etc.
- **Capturing inbound visitor demand (→ P.30)**



Campaign to mark 5th anniversary of the direct service operations of the Sanyo and Kyushu Shinkansen services



Okayama DC sightseeing train
“La Malle de Bois”

Future initiatives in Hokuriku Shinkansen

Heightening competitiveness

- **Enhancing comfort and convenience**
 - Enhancing schedules (from March 2016)
 - Decreasing time required on certain Hakutaka trains on Hokuriku Shinkansen
 - Increasing departures of Thunderbird limited express: increasing transportation capacity, expanding the amount of time that can be spent in Hokuriku and Shinetsu when traveling from Kansai
 - Advancing rolling stock renewal for Thunderbird limited express
- **Promoting sales of limited-time usage products**
 - Continuing to implement e5489 “Hokuriku Shinkansen Early Morning Business Trip Support” campaign



Decreasing time required on Hakutaka trains on Hokuriku Shinkansen

Stimulating tourism demand

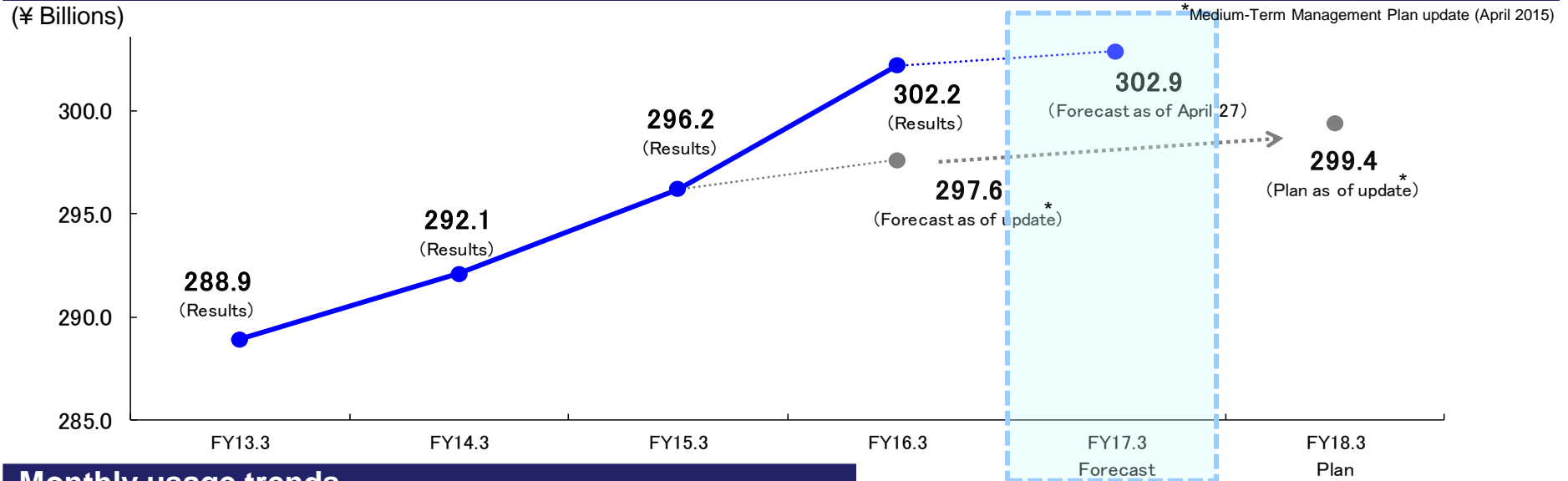
- **Tourism campaigns, enhancing products**
 - ▼ **To Hokuriku / Shinetsu**
 - Implementing Hokuriku Shinkansen one-year anniversary campaign (March to Sep., 2016)
 - Selling specialized travel packages, sponsoring special events, etc.
 - Enhancing products lineup for each season
 - “Green season” “Snow season,” etc.
 - Increasing appeal of sightseeing trains
 - Renewing food menus and on-board events
 - ▼ **To Kyoto-Osaka-Kobe area and Tokyo metropolitan area**
 - Leveraging tourism contents
 - Kyoto Railway Museum, Universal Studios Japan: 15th anniversary, Tokyo DisneySea: 15th anniversary
- **Fostering tourism demand among seniors**
 - Offering members-only products: “return trip tickets with four-day pass in the Tokyo metropolitan area”
- **Capturing inbound visitor demand**
 - Offering “Osaka-Tokyo Hokuriku Arch Pass”
(→ P.30)



Sightseeing train “Hanayomenoren”

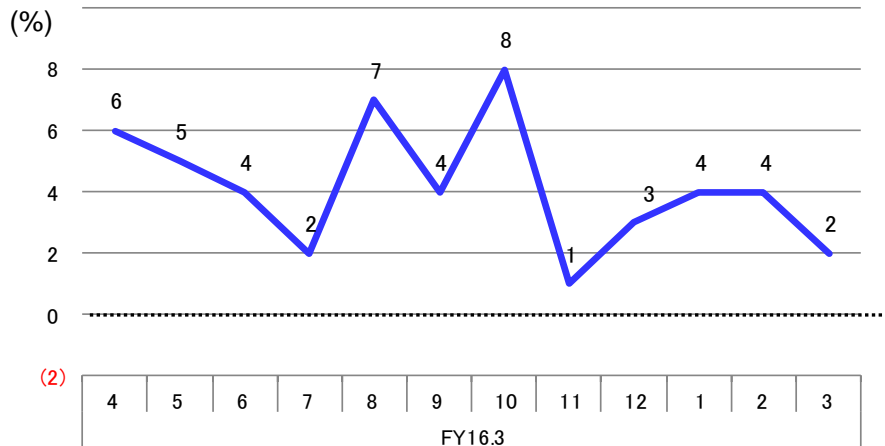
Business Strategy: Kansai Urban Area ①

Trend in transportation revenues



Monthly usage trends

(number of short-distance tickets sold, YoY)



Introducing rolling stock that offers further enhancement in safety (Osaka Loop Line, Hanwa Line)

Advancing urban tourism by leveraging the opening of the Kyoto Railway Museum in addition to enhancing the value of railway belts. Aiming for increased revenues in FY2017.3.

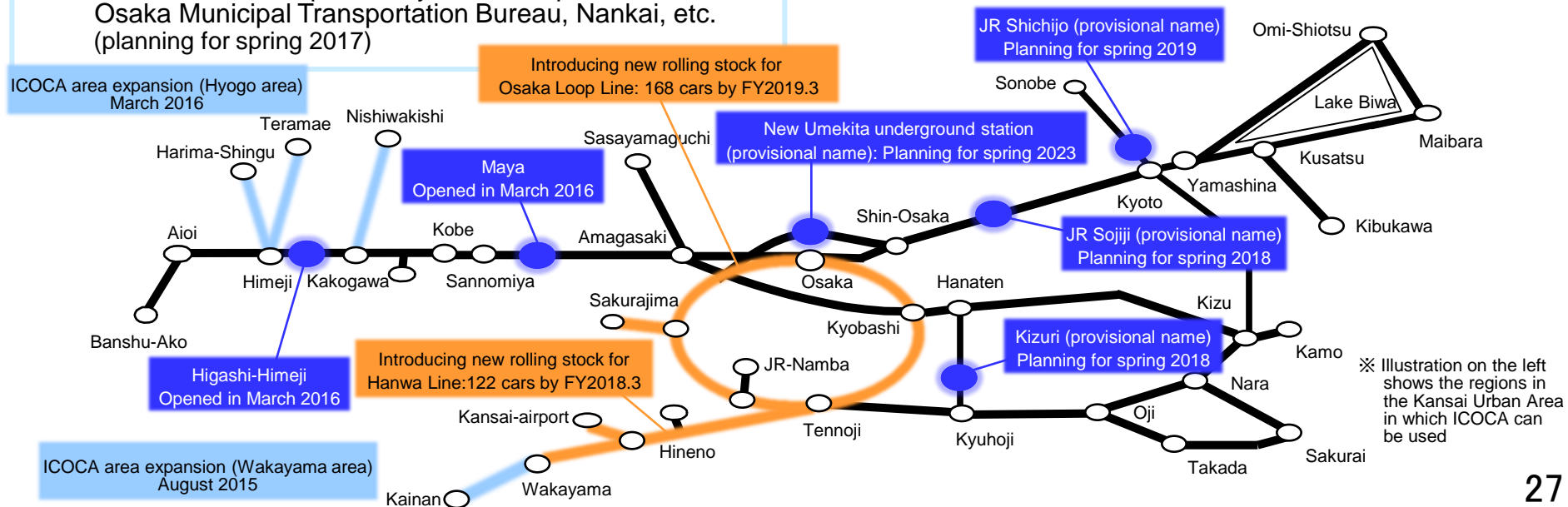
Future initiatives

Enhancing the value of railway belts

- **Creating railway belts that people want to reside in**
 - ★ : Osaka Loop Line Renovation Project
 - Opening new stations:
 - Maya, Higashi-Himeji (March 2016), etc.
 - Introducing new rolling stock:
 - Osaka Loop Line★, Hanwa Line
 - Promoting renewal of stations:
 - Momodani★, Shin-Osaka, etc.
- **Advancing more-seamless services**
 - Expanding ICOCA area: Following up Wakayama, Hyogo area expansion with start of Hokuriku area expansion (planning for April 2017)
 - Expanding ICOCA collaboration: Sales of ICOCA/ICOCA commuter passes by other companies such as Osaka Municipal Transportation Bureau, Nankai, etc. (planning for spring 2017)

Promoting urban tourism

- **Expanding usage through collaboration with tourism facilities along our railways**
 - Implementing joint PR activities in conjunctions with the 15th anniversary of Universal Studios Japan
 - Attracting customers from a wide area
- **Opening of the Kyoto Railway Museum**
 - Invigorating Kyoto Umekoji area through collaboration with the local partners
 - Maximizing opening effect by attracting customers from a wide area
- **Capturing inbound visitor demand (→P.30)**



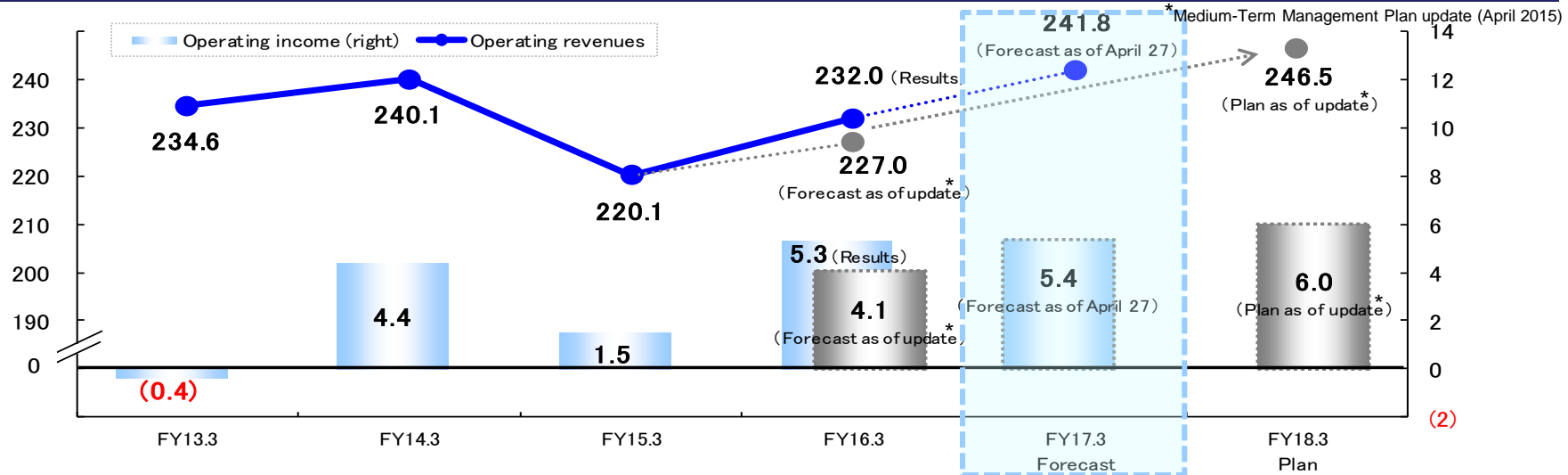
※ Illustration on the left shows the regions in the Kansai Urban Area in which ICOCA can be used

Business Strategy: Business Development ① (Retail and Real Estate)



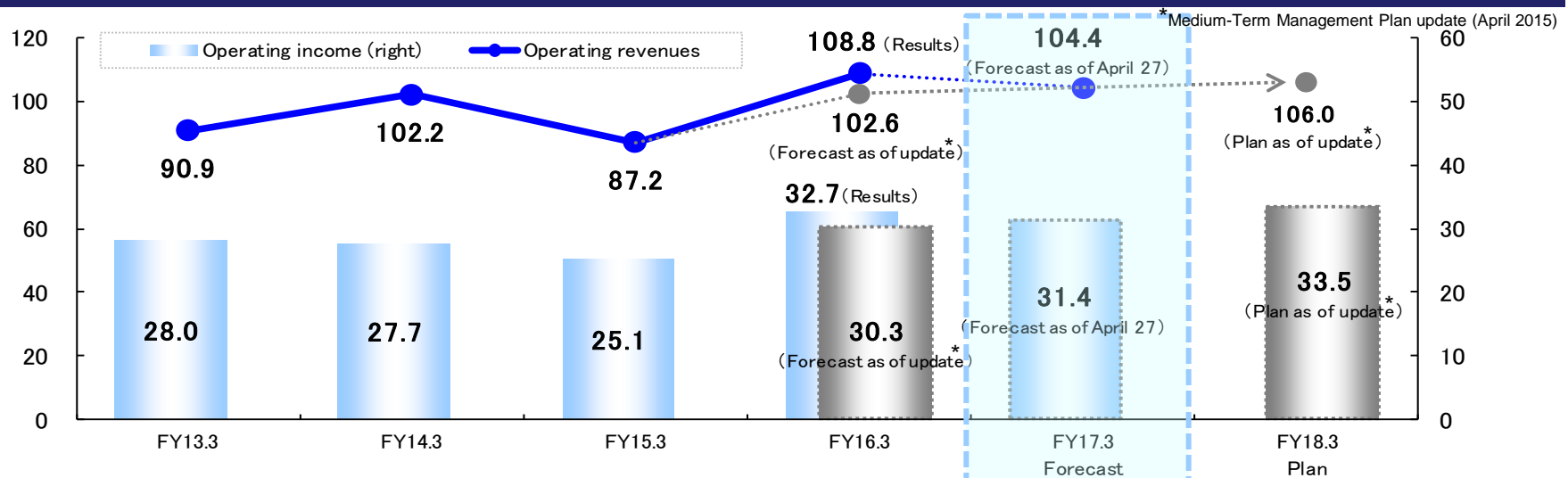
Trend in retail business

(¥ Billions)



Trend in real estate business

(¥ Billions)



The retail business progressed more rapidly than the Updated Medium-Term Management Plan, while the real estate business is expected to record lower sales and profits due to a rebound from the favorable condominium sales in FY2016.3.

Business Strategy: Business Development ② (Retail and Real Estate)

Future initiatives

Retail / Shopping center (SC)

- **Qualitative improvements realized by increasing product / service quality and strengthening operating capabilities**
 - Converting stores to Seven-Eleven Japan franchised stores and maximizing benefits
 - Approx. 500 stores in five years
 - 193 stores as of the end of FY2016.3
 - ⇒ 50% increase in sales compared to period before conversion (March 2016)
 - Developing and renewing commercial facilities
 - Grand opening of Shin-Osaka Station shopping center “arde!” (spring 2017, plan)
 - Renewal of Otsu Station (completion in fall 2016, plan)
- **Actively developing businesses in cities outside our railways in fields where we have strengths**
 - JR-West’s first SC development in cities
 - SUITA GREEN PLACE (opening in June 2016, plan)
 - Developing budget hotels in cities
 - Tennoji (spring 2017, plan), Umeda (summer 2017, plan)

Real estate lease and sale

- **Participating in projects in areas surrounding stations ~Community development centered on the station~**
 - Tsukaguchi ZUTTOCITY
 - Redeveloping large-scale vacant factory site in front of the station
 - Jointly developing condominiums (certain units available for occupancy from March 2016)
 - Developing “VIERRA Tsukaguchi” station building (opened in April 2016)

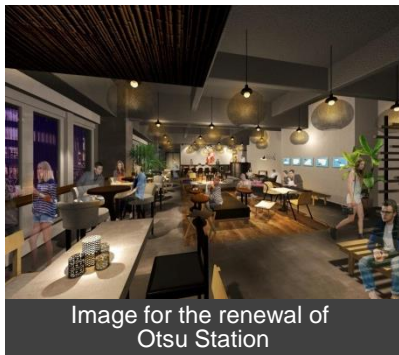


○ Advancing sales of condominiums

- New condominiums for sales from April 2016 and after

Name	Location	Handover (Plan)	Houses
GRACIA CITY KAWASAKI DAISHIGAWARA※	Kawasaki, Kanagawa	June 2016	558
BRANZ CITY TENJIMBASHISUJI 6-CHOME※	Osaka, Osaka	March 2017	420
PROUD CITY TSUKAGUCHI MARK FOREST※	Amagasaki, Hyogo	March 2017	587
KYOTO KATSURAGAWA TSUMUGI NO MACHI BRIGHT SQUARE※	Kyoto, Kyoto	March 2017	404
NISHINOMIYA CIY KOSHIENGUCHI PROJECT (provisional name)※	Nishinomiya, Hyogo	March 2017	16
J. GRAN THE HONOR SHIMOGAMO TADASU NO MORI	Kyoto, Kyoto	June 2017	99

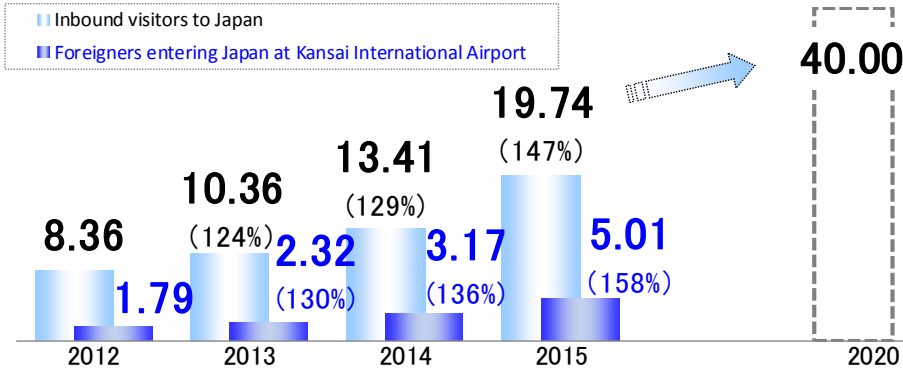
※Joint projects with other companies



Initiatives Extending Across Business Fields : Capturing Inbound Visitor Demand

Number of inbound visitors to Japan, number of foreigners entering Japan at Kansai International Airport (calendar years)

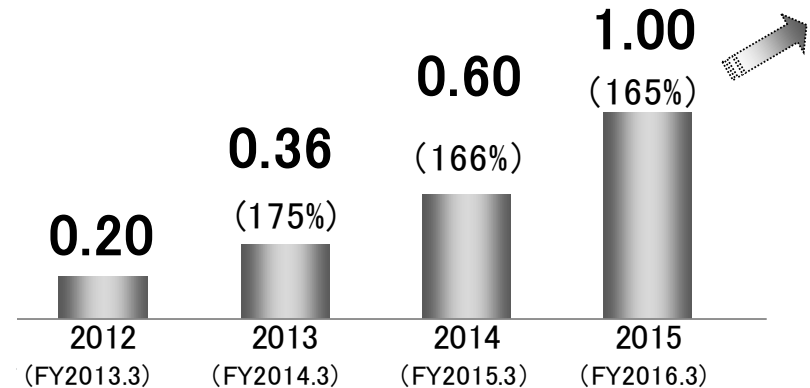
Millions, figures in brackets () are YoY figures



Sources: Japan National Tourism Organization (JNTO), Immigration Bureau, Ministry of Justice

Usage of railway travel products for inbound visitors ※ (fiscal years)

Millions, figures in brackets () are YoY figures



Future initiatives

Inviting more customers to Western Japan area and expanding use of JR-West Group in Kansai Urban Area

- **Developing and enhancing wide-area tourism routes through collaborating with local partners, enhancing the lineup of railway products, etc.**
 - Enhancing Kansai ~ Hokuriku Area ~ Tokyo wide-area tourism route: Offering “Osaka-Tokyo Hokuriku Arch Pass” (from April 2016)
 - Enhancing access to Kansai International Airport: Start sales of “JAL & Haruka” package (from late April 2016), increasing departures of Haruka limited express (from March 2016), etc.
- **Improving ability to cater to needs of inbound visitors at terminal stations and commercial facilities (guidance, free public Wi-Fi, delivery from stations to hotels, duty free, etc.)**
 - Enhancing communication environment: Expanding free public wireless LANs (from March 2016), starting sales of prepaid SIM cards at in-station convenience stores (from Feb. 2016)
 - Expanding duty-free capability: In addition to duty-free operations at department stores and shopping centers, starting to offer the duty-free service at in-station convenience stores (began with 2 stores in Feb. 2016, currently moving forward with introduction in stages)
- **Further communicating the appeal of the entire Group and the “towns” that encompass the entire Group and the areas surrounding terminal stations**
 - Expanding targets utilizing local offices (Shanghai, Singapore), utilizing highly influential media (SNS), etc.

Achieving FY2018.3 objectives ahead of schedule, revising objectives upward

[FY2017.3 objectives: Usage of railway travel products for inbound visitors※ increased by 250 thousand, consolidated operating revenues increased by ¥2.5 billion (in comparison to FY2016.3)]

※ Usage of railway travel products for inbound visitors : Indicates number of users of exclusive products for inbound tourism (amount of sales and exchange in the JR-West service area).

(Blank Page)

Capital Expenditure Plan, Cash Flows and Returns to Shareholders

Cash earmarking and prioritization

Cash flows from operating activities

Appropriation
prioritization

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.

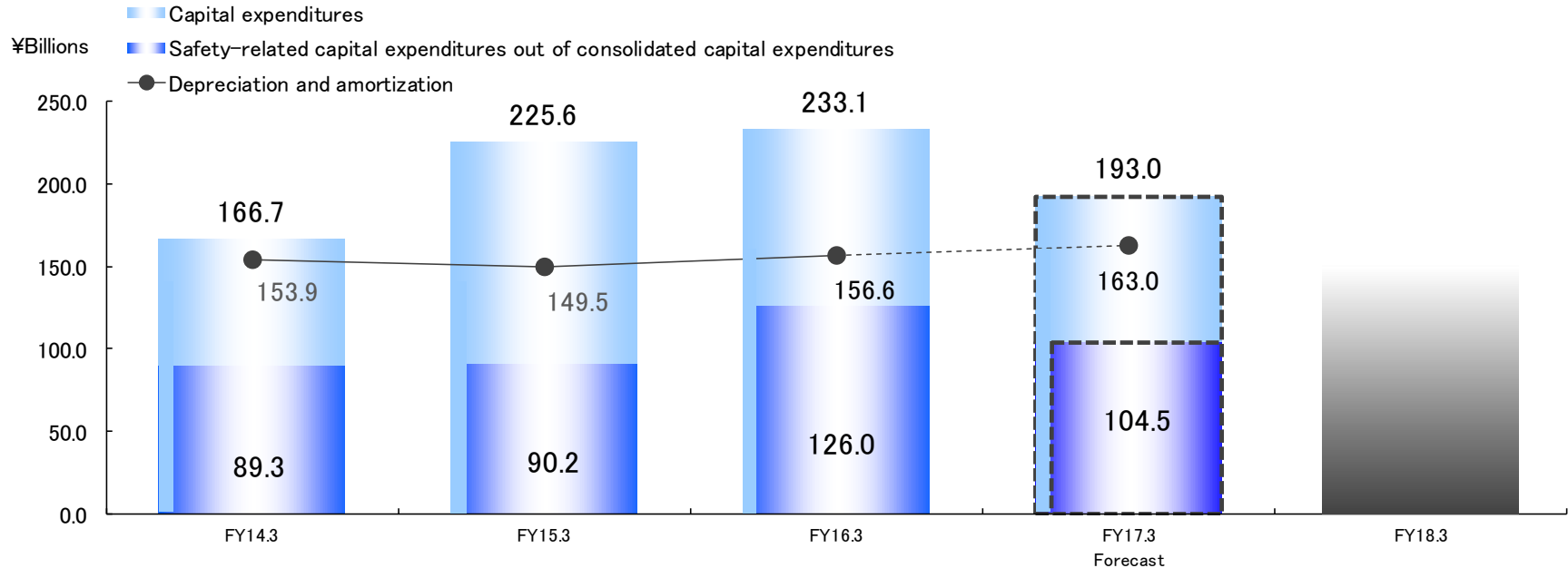
Shareholder Return Policy

- We recognize it important to distribute profits to its shareholders on a long-term and constant basis. Reflecting the policy, we continue providing returns to shareholders based on consideration of total shareholders' equity.
- Specifically, in light of the progress toward the achievement of the current Medium-Term Management Plan, we aim to attain **an approximately 3% “rate of total distribution on net assets”* on a consolidated basis for FY2018.3.**

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

Capital Expenditure Plan

Capital Expenditures during Period of Medium-Term Management Plan (FY2014.3 – FY2018.3)



Total CAPEX during the Plan

(¥ Billions)	Current plan (as of April 2015)
Consolidated	960.0
CAPEX for growth	260.0
CAPEX for ongoing operations	700.0
Safety-related CAPEX	480.0
Non-Consolidated	820.0

Capital expenditure plan for FY2017.3 (Major projects)

○ CAPEX for growth

- New station construction
 - New Umekita underground station, etc.
- Enhancing seamlessness
 - Expanding ICOCA area
- Expansion of lifestyle-related operations
 - Conversion to Seven-Eleven Japan franchised stores
 - Development of SUITA GREEN PLACE, etc.

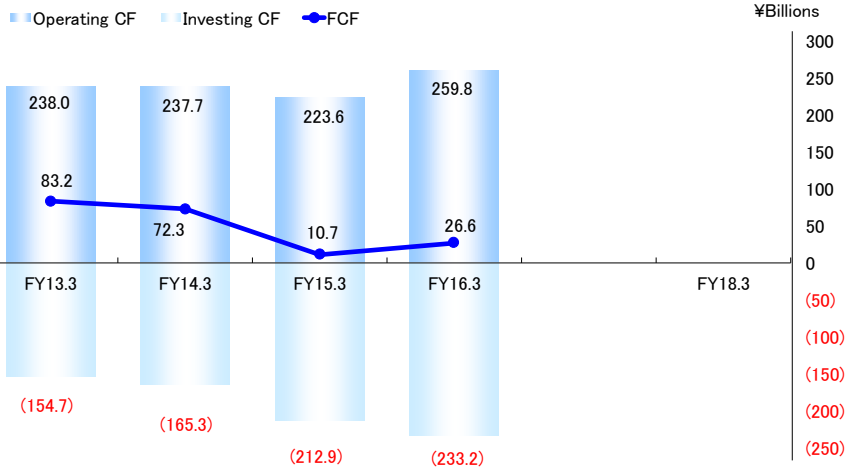
○ CAPEX for ongoing operations

▼ Safety-related CAPEX

- Replacing / renovating rolling stock
 - Sanyo Shinkansen N700A
 - Kansai Urban Area (Osaka Loop Line, Hanwa Line)
- Implementing safety / disaster prevention measures, replacing above-ground facilities
 - Earthquake / tsunami countermeasures
 - Complete replacement of Sanyo Shinkansen ATC system
 - New safety system on conventional lines

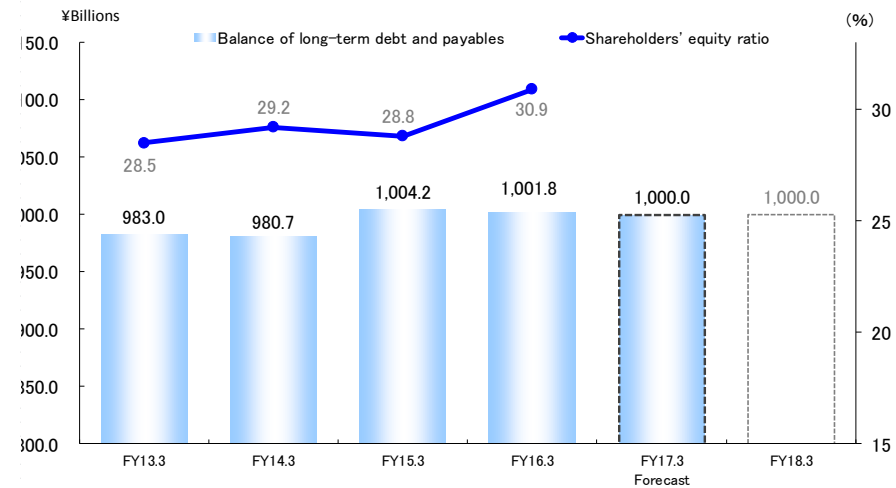
- ▼ **Others** Enhancing customer satisfaction, barrier-free, etc. **34**

Cash Flows (consolidated)



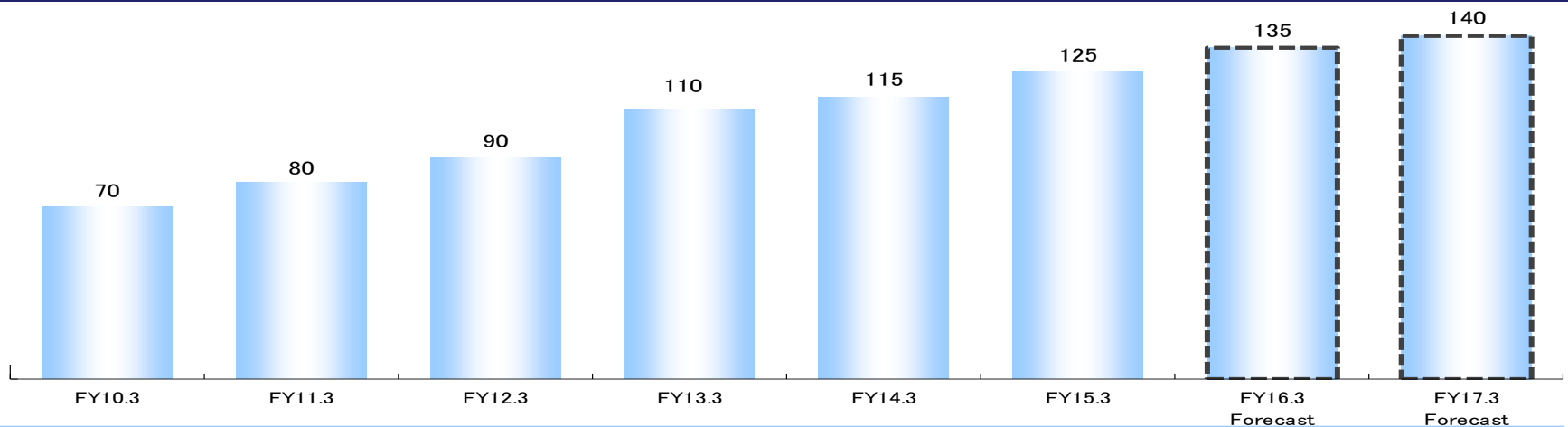
Improvement in FY2016.3

Financial Status (consolidated)



Maintaining ¥1 trillion level

Annual dividends per share (Yen)



Seven consecutive years of higher dividends (including forecast), steadily enhancing return to achieve 3% rate of total distribution on net assets in final fiscal year

Financial Results and Forecasts



*Medium-Term Management Plan update
¥ Billions

	FY2016.3		FY2017.3	FY2018.3
	Update* (as of Apr, 2015)	Results	Forecasts (as of Apr, 2016)	Update* (as of Apr, 2015)
Operating Revenues	1,391.5	1,451.3	1,450.0	1,423.0
Transportation	895.6	928.7	925.7	902.5
Retail	227.0	232.0	241.8	246.5
Real Estate	102.6	108.8	104.4	106.0
Other businesses	166.3	181.5	178.1	168.0
Operating Income	148.5	181.5	175.5	157.0
Transportation	103.3	125.1	122.3	105.0
Retail	4.1	5.3	5.4	6.0
Real Estate	30.3	32.7	31.4	33.5
Other businesses	14.0	22.4	19.9	14.0
Recurring Profit	130.0	162.2	159.5	141.0
Net Income	81.5	85.8	106.5	91.5
Transportation Revenues	818.0	850.0	848.5	820.5
ROA	5.3%	6.4%	6.1%	5.5%
ROE	9.8%	10.2%	11.6%	9.8%
EBITDA	307.0	338.1	338.5	325.5

Note: All the figures are the revenues from third parties (=customers).

Operating income by segment is before eliminating internal transactions.

Transportation revenues mean the railway revenues of JR-West included in operating revenues of "transportation" segment.

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 May 2, 2016 based on information available to JR-West as of May 2, 2016 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 happened on April 25, 2005 is NOT considered in this presentation.