

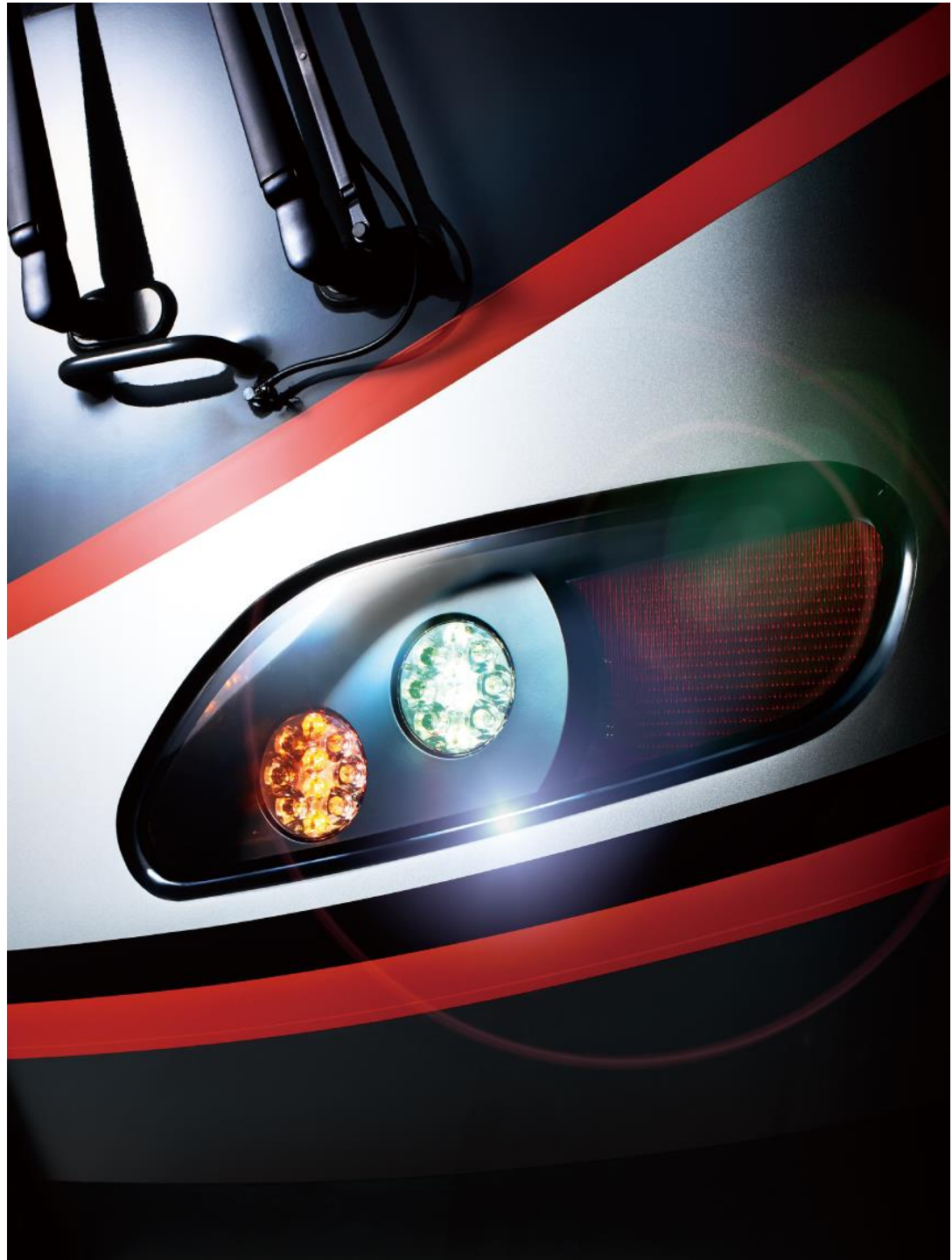


IR Meeting (FY2017.3)

Results for the Fiscal Year Ended March 31, 2017 and Future Initiatives



May 1, 2017
West Japan Railway Company



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I . Results for FY2017.3

Financial Highlights

¥ Billions

	Results FY2016.3 A	Results FY2017.3 B	YoY		Forecasts FY2018.3 C	YoY	
			Increase/ (Decrease) B-A	% B/A-1		Increase/ (Decrease) C-B	% C/B-1
【Consolidated】							
Operating Revenues	1,451.3	1,441.4	(9.8)	(0.7)	1,492.0	50.5	3.5
Operating Income	181.5	176.3	(5.1)	(2.8)	183.5	7.1	4.0
Recurring Profit	162.2	160.7	(1.4)	(0.9)	168.5	7.7	4.8
Profit attributable to owners of parent	85.8	91.2	5.4	6.3	109.0	17.7	19.4
【Non-Consolidated】							
Operating Revenues	954.2	956.1	1.8	0.2	967.0	10.8	1.1
Transportation Revenues	850.0	849.6	(0.3)	(0.0)	859.0	9.3	1.1
Operating Expenses	817.0	820.6	3.6	0.4	828.0	7.3	0.9
Personnel costs	233.3	223.3	(10.0)	(4.3)	221.5	(1.8)	(0.8)
Non personnel costs	392.4	394.3	1.9	0.5	403.0	8.6	2.2
Energy costs	44.1	40.5	(3.5)	(8.0)	46.5	5.9	14.6
Maintenance costs	152.8	157.1	4.2	2.8	158.0	0.8	0.5
Miscellaneous costs	195.4	196.6	1.1	0.6	198.5	1.8	0.9
Depreciation	132.3	137.6	5.3	4.0	137.0	(0.6)	(0.5)
Operating Income	137.2	135.4	(1.7)	(1.3)	139.0	3.5	2.6
Recurring Profit	116.7	118.4	1.7	1.5	123.0	4.5	3.8
Net Income	61.1	70.8	9.7	15.9	83.0	12.1	17.2

Note: Figures in brackets () are negative values.

Non-Consolidated Financial Results

¥ Billions

	Results FY2016.3 A	FY2017.3		YoY		Difference from the forecasts Increase/(Decrease) C-B
		Forecasts (As of Jan 30) B	Results C	Increase/ (Decrease) C-A	% C/A-1	
Operating Revenues	954.2	951.0	956.1	1.8	0.2	5.1
Transportation revenues	850.0	846.0	849.6	(0.3)	(0.0)	3.6
Other	104.1	105.0	106.4	2.2	2.1	1.4
Operating Expenses	817.0	817.5	820.6	3.6	0.4	3.1
Personnel costs	233.3	223.0	223.3	(10.0)	(4.3)	0.3
Non personnel costs	392.4	390.5	394.3	1.9	0.5	3.8
Energy costs	44.1	41.0	40.5	(3.5)	(8.0)	(0.4)
Maintenance costs	152.8	154.0	157.1	4.2	2.8	3.1
Miscellaneous costs	195.4	195.5	196.6	1.1	0.6	1.1
Rental payments, etc.	26.9	30.5	30.2	3.3	12.5	(0.2)
Taxes	31.9	35.0	34.9	3.0	9.5	(0.0)
Depreciation	132.3	138.5	137.6	5.3	4.0	(0.8)
Operating Income	137.2	133.5	135.4	(1.7)	(1.3)	1.9
Non-operating revenues and expenses, net	(20.4)	(17.0)	(17.0)	3.4	(17.0)	(0.0)
Non-operating revenues	6.3	6.5	6.1	(0.1)	-	(0.3)
Non-operating expenses	26.8	23.5	23.1	(3.6)	-	(0.3)
Recurring Profit	116.7	116.5	118.4	1.7	1.5	1.9
Extraordinary profit and loss, net	(15.5)	(3.5)	(16.5)	(1.0)	-	(13.0)
Extraordinary profit	19.5	-	18.3	(1.1)	-	-
Extraordinary loss	35.0	-	34.9	(0.1)	-	-
Net Income	61.1	78.0	70.8	9.7	15.9	(7.1)

Note: Figures in brackets () are negative values.

Major Factors of Increase/Decrease in Transportation Revenues

¥ Billions

Results FY2017.3					
Transportation revenues		YoY Increase/(Decrease)		Major factors	
		Amount	%		
Shinkansen	434.6	(2.6)	(0.6)	Fundamentals 1.2%	5.3
				Special factors	
				Rebound decline from the opening of Hokuriku Shinkansen	(3.4)
				Kumamoto earthquake	(2.7)
				Silver Week (a five-day holiday in September), leap year effect, etc.	(2.5)
				Typhoon effect	0.3
				Inbound demand	0.2
				etc.	
Kansai Urban Area (Kyoto-Osaka-Kobe Area)	305.0	2.7	0.9	Fundamentals 0.5%	1.4
				Special factors	
				Inbound demand	0.8
				Typhoon effect	0.5
				Kyoto Railway Museum	0.1
				Silver Week (a five-day holiday in September), leap year effect, etc.	(0.7)
				etc.	
Other lines	110.0	(0.4)	(0.4)	Fundamentals (0.3%)	(0.3)
				Special factors	
				Silver Week (a five-day holiday in September), leap year effect, etc.	(0.4)
				Typhoon effect	0.3
				Inbound demand	0.0
etc.					
Conventional lines	415.0	2.3	0.6		
Total	849.6	(0.3)	(0.0)		

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)		
	FY2016.3	FY2017.3	YoY	FY2016.3	FY2017.3	YoY
Total	850.0	849.6	(0.3) (0.0%)	203.7	206.7	2.9 1.5%
Shinkansen	437.2	434.6	(2.6) (0.6%)	102.7	104.4	1.6 1.6%
Commuter Passes	10.1	10.2	0.1 1.4%	2.5	2.5	0.0 1.6%
Non-Commuter Passes	427.1	424.3	(2.8) (0.7%)	100.2	101.8	1.6 1.6%
Conventional Lines	412.7	415.0	2.3 0.6%	100.9	102.2	1.3 1.3%
Commuter Passes	141.0	141.5	0.5 0.4%	33.8	33.9	0.0 0.2%
Non-Commuter Passes	271.7	273.5	1.8 0.7%	67.1	68.3	1.2 1.8%
Kansai Urban Area (Kyoto-Osaka-Kobe Area)	302.2	305.0	2.7 0.9%	73.7	74.8	1.1 1.5%
Commuter Passes	115.6	116.4	0.7 0.7%	27.8	28.0	0.1 0.6%
Non-Commuter Passes	186.5	188.5	2.0 1.1%	45.8	46.8	0.9 2.1%
Other Lines	110.5	110.0	(0.4) (0.4%)	27.2	27.3	0.1 0.6%
Commuter Passes	25.3	25.1	(0.2) (1.1%)	5.9	5.8	(0.0) (1.5%)
Non-Commuter Passes	85.1	84.9	(0.1) (0.2%)	21.2	21.4	0.2 1.2%

Note: Figures in brackets () are negative values.

Passenger-Kilometers

Millions of passenger-kilometers

	Fiscal Year (4/1 ~ 3/31)			3 months (4Q) (1/1 ~ 3/31)		
	FY2016.3	FY2017.3	YoY	FY2016.3	FY2017.3	YoY
Total	58,341	58,271	(69) (0.1%)	13,884	13,926	42 0.3%
Shinkansen	20,449	20,348	(101) (0.5%)	4,806	4,871	64 1.3%
Commuter Passes	804	815	11 1.4%	198	197	(1) (0.8%)
Non-Commuter Passes	19,644	19,532	(112) (0.6%)	4,608	4,674	66 1.4%
Conventional Lines	37,891	37,923	31 0.1%	9,077	9,054	(22) (0.2%)
Commuter Passes	22,764	22,723	(41) (0.2%)	5,350	5,283	(67) (1.3%)
Non-Commuter Passes	15,127	15,200	73 0.5%	3,726	3,771	44 1.2%
Kansai Urban Area (Kyoto-Osaka-Kobe Area)	29,522	29,592	70 0.2%	7,078	7,064	(14) (0.2%)
Commuter Passes	18,714	18,689	(24) (0.1%)	4,431	4,377	(53) (1.2%)
Non-Commuter Passes	10,808	10,903	95 0.9%	2,647	2,686	38 1.5%
Other Lines	8,369	8,330	(38) (0.5%)	1,998	1,990	(7) (0.4%)
Commuter Passes	4,050	4,033	(16) (0.4%)	919	905	(13) (1.5%)
Non-Commuter Passes	4,319	4,297	(21) (0.5%)	1,079	1,085	6 0.6%

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

¥ Billions

Item	Results FY2017.3			
		YoY		Major factors (YoY)
		Increase/ (Decrease)	%	
Personnel costs	223.3	(10.0)	(4.3)	· Decrease in amortization of accumulated unrecognized actuarial differences of retirement benefits obligation (7.0), etc.
Energy costs	40.5	(3.5)	(8.0)	· Decrease in adjustment amount for fuel cost (3.4), etc.
Maintenance costs	157.1	4.2	2.8	· Allowance reserve for the large-scale renovation +4.1, etc.
Miscellaneous costs	196.6	1.1	0.6	· Increase in expenses from the introduction of new uniforms +2.0 · Increase in system related costs +0.9 · Decrease in advertising expenses (2.5), etc.
Rental Payments, etc	30.2	3.3	12.5	· Increase in amount equivalent to fixed asset tax for Hokuriku Shinkansen infrastructure, etc.
Taxes	34.9	3.0	9.5	· Increase in business tax +1.6, etc.
Depreciation and amortization	137.6	5.3	4.0	· Kansai Urban Area commuter trains, etc.
Total	820.6	3.6	0.4	

Note: Figures in brackets () are negative values.

Consolidated Financial Results

¥ Billions

	Results FY2016.3 A	FY2017.3		YoY		Difference from the forecasts Increase/(Decrease) C-B
		Forecasts (As of Jan 30) B	Results C	Increase/ (Decrease) C-A	% C/A-1	
Operating Revenues	1,451.3	1,445.5	1,441.4	(9.8)	(0.7)	(4.0)
Operating Expenses	1,269.7	1,272.5	1,265.0	(4.7)	(0.4)	(7.4)
Operating Income	181.5	173.0	176.3	(5.1)	(2.8)	3.3
Non-operating revenues and expenses, net	(19.2)	(16.0)	(15.6)	3.6	(19.0)	0.3
Non-operating revenues	7.8	7.5	8.0	0.2	-	0.5
Non-operating expenses	27.1	23.5	23.7	(3.3)	-	0.2
Recurring Profit	162.2	157.0	160.7	(1.4)	(0.9)	3.7
Extraordinary profit and loss, net	(17.1)	(5.0)	(23.0)	(5.9)	-	(18.0)
Extraordinary profit	21.5	-	19.6	(1.8)	-	-
Extraordinary loss	38.6	-	42.6	4.0	-	-
Profit attributable to owners of parent	85.8	102.5	91.2	5.4	6.3	(11.2)
<i>Comprehensive Income</i>	<i>104.8</i>	-	<i>92.0</i>	<i>(12.7)</i>	<i>(12.1)</i>	-

Note: Figures in brackets () are negative values.

Consolidated Financial Results (Segment Information)

¥ Billions

	Results FY2016.3 A	FY2017.3		YoY		Difference from the forecasts Increase/(Decrease) C-B
		Forecasts (As of Jan 30) B	Results C	Increase/ (Decrease) C-A	% C/A-1	
Operating Revenues* ¹	1,451.3	1,445.5	1,441.4	(9.8)	(0.7)	(4.0)
Transportation	928.7	924.2	929.1	0.3	0.0	4.9
Retail	232.0	235.8	233.9	1.8	0.8	(1.8)
Sales of goods and food services* ³	144.9	152.1	152.5	7.5	5.2	0.4
Department stores	【10.3】	-	【10.8】	【0.5】	【4.8】	-
Real estate	108.8	107.4	109.5	0.6	0.6	2.1
Shopping center	57.8	60.9	60.5	2.6	4.6	(0.3)
Real estate lease and sale* ⁴	49.2	44.7	47.2	(2.0)	(4.2)	2.5
	【19.5】	【13.6】	【16.1】	【(3.4)】	【(17.6)】	【2.4】
Other businesses	181.5	178.1	168.8	(12.7)	(7.0)	(9.2)
Hotel	36.5	36.6	36.2	(0.3)	(1.0)	(0.3)
Nippon Travel Agency	41.6	42.8	42.0	0.3	0.9	(0.7)
Operating Income* ²	181.5	173.0	176.3	(5.1)	(2.8)	3.3
Transportation	125.1	119.8	121.7	(3.3)	(2.7)	1.9
Retail	5.3	4.9	5.2	(0.0)	(1.3)	0.3
Sales of goods and food services	4.6	-	5.1	0.4	10.1	-
Department stores	0.3	-	(0.1)	(0.5)	-	-
Real estate	32.7	31.9	32.2	(0.5)	(1.5)	0.3
Shopping center	9.3	-	9.6	0.3	3.6	-
Real estate lease and sale	12.5	-	11.6	(0.8)	(7.2)	-
Other businesses	22.4	19.9	20.4	(1.9)	(8.7)	0.5
Hotel	2.7	-	2.4	(0.2)	(8.1)	-
Nippon Travel Agency	0.4	-	0.6	0.2	64.0	-

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 budget hotel, "VIA INN", sales (net sales [restated]), excluding Shimonoseki (non-consolidated), Asakusa (other business segment), and Hiroshima Kanayamacho (other business segment) locations.

*⁴ 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, 2016 A	As of March 31, 2017 B	Difference increase/(decrease) B-A
Assets	2,843.1	3,007.8	164.6
Liabilities	1,916.8	1,975.2	58.4
Net assets	926.3	1,032.6	106.2
Balance of Long-term Debt and Payables	1,001.8	1,037.9	36.0
【Average interest rate (%) 】	【2.25】	【1.97】	【(0.28)】
Shinkansen Purchase Liability	134.6	104.6	(29.9)
【Average interest rate (%) 】	【6.28】	【6.55】	【0.27】
Bonds	494.9	534.9	40.0
【Average interest rate (%) 】	【2.00】	【1.75】	【(0.25)】
Equity ratio (%)	30.9	31.3	0.4
Net assets per share (¥)	4,534.29	4,857.50	323.21

	Results FY2016.3 A	Results FY2017.3 B	YoY increase/(decrease) B-A
Cash flows from operating activities	259.8	234.1	(25.7)
Cash flows from investing activities	(233.2)	(295.8)	(62.5)
Free cash flows	26.6	(61.6)	(88.3)
Cash flows from financing activities	(31.3)	44.3	75.6
Change in cash and cash equivalents, net	(4.6)	(17.3)	(12.7)
Cash and cash equivalents at the end of the period	80.6	63.3	(17.3)

Note: Figures in brackets () are negative values.

Ⅱ . Forecasts for FY2018.3

Non-Consolidated Financial Forecasts

¥ Billions

	Results FY2017.3 A	Forecasts FY2018.3 B	YoY	
			Increase/ (Decrease) B-A	% B/A-1
Operating Revenues	956.1	967.0	10.8	1.1
Transportation revenues	849.6	859.0	9.3	1.1
Other	106.4	108.0	1.5	1.5
Operating Expenses	820.6	828.0	7.3	0.9
Personnel costs	223.3	221.5	(1.8)	(0.8)
Non personnel costs	394.3	403.0	8.6	2.2
Energy costs	40.5	46.5	5.9	14.6
Maintenance costs	157.1	158.0	0.8	0.5
Miscellaneous costs	196.6	198.5	1.8	0.9
Rental payments, etc.	30.2	30.5	0.2	0.7
Taxes	34.9	36.0	1.0	2.9
Depreciation	137.6	137.0	(0.6)	(0.5)
Operating Income	135.4	139.0	3.5	2.6
Non-operating revenues and expenses, net	(17.0)	(16.0)	1.0	(5.9)
Non-operating revenues	6.1	6.0	(0.1)	-
Non-operating expenses	23.1	22.0	(1.1)	-
Recurring Profit	118.4	123.0	4.5	3.8
Extraordinary profit and loss, net	(16.5)	(3.0)	13.5	-
Extraordinary profit	18.3	-	-	-
Extraordinary loss	34.9	-	-	-
Net Income	70.8	83.0	12.1	17.2

Note: Figures in brackets () are negative values.

Transportation Revenue Forecasts

¥ Billions

	Results FY2017.3 A	Forecasts FY2018.3 B	YoY	
			Increase/ (Decrease) B-A	% B/A-1
Shinkansen	434.6	441.7	7.1	1.6
Kansai Urban Area (Kyoto-Osaka-Kobe Area)	305.0	306.2	1.1	0.4
Other lines	110.0	111.0	1.0	0.9
Conventional lines	415.0	417.2	2.2	0.5
Transportation revenues	849.6	859.0	9.3	1.1

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 FY2018.3			
		YoY		Major factors (YoY)
		Increase/ (Decrease)	%	
Personnel costs	221.5	(1.8)	(0.8)	· Difference in personnel, etc
Energy costs	46.5	5.9	14.6	· Increase in adjustment amount for fuel cost, etc.
Maintenance costs	158.0	0.8	0.5	· Increase in externally funded constructions · Decrease in maintenance costs for structures, etc.
Miscellaneous costs	198.5	1.8	0.9	· Increase in adjustment amount for fuel cost, etc.
Rental Payments, etc	30.5	0.2	0.7	
Taxes	36.0	1.0	2.9	· Increase in fixed assets tax, etc.
Depreciation and amortization	137.0	(0.6)	(0.5)	· Progress of depreciation and amortization, etc.
Total	828.0	7.3	0.9	

Note: Figures in brackets () are negative values.

Consolidated Financial Forecasts

¥ Billions

	Results FY2017.3 A	Forecasts FY2018.3 B	YoY	
			Increase/ (Decrease) B-A	% B/A-1
Operating Revenues	1,441.4	1,492.0	50.5	3.5
Operating Expenses	1,265.0	1,308.5	43.4	3.4
Operating Income	176.3	183.5	7.1	4.0
Non-operating revenues and expenses, net	(15.6)	(15.0)	0.6	(3.9)
Non-operating revenues	8.0	7.2	(0.8)	-
Non-operating expenses	23.7	22.2	(1.5)	-
Recurring Profit	160.7	168.5	7.7	4.8
Extraordinary profit and loss, net	(23.0)	(4.0)	19.0	-
Extraordinary profit	19.6	-	-	-
Extraordinary loss	42.6	-	-	-
Profit attributable to owners of parent	91.2	109.0	17.7	19.4
Net income per share(¥)	471.52	563.00	-	-

Note: Figures in brackets () are negative values.

Consolidated Financial Forecasts (Segment Information)

¥ Billions

	Results FY2017.3 A	Forecasts FY2018.3 B	YoY	
			Increase/ (Decrease) B-A	% B/A-1
Operating Revenues* ¹	1,441.4	1,492.0	50.5	3.5
Transportation	929.1	939.0	9.8	1.1
Retail	233.9	240.8	6.8	2.9
Sales of goods and food services* ²	152.5	164.2	11.6	7.6
Department stores	【10.8】	【11.7】	【0.9】	【8.5】
Real estate	109.5	138.7	29.1	26.6
Shopping center	60.5	59.1	(1.4)	(2.4)
Real estate lease and sale* ³	47.2	77.7	30.4	64.6
Other businesses	【16.1】	【34.9】	【18.8】	【117.1】
Other businesses	168.8	173.5	4.6	2.8
Hotel	36.2	35.9	(0.3)	(0.8)
Nippon Travel Agency	42.0	43.5	1.4	3.5
Operating Income	176.3	183.5	7.1	4.0
Transportation	121.7	125.1	3.3	2.7
Retail	5.2	7.0	1.7	33.3
Real estate	32.2	35.5	3.2	10.2
Other businesses	20.4	19.0	(1.4)	(7.2)

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 budget hotel, "VIA INN", sales (net sales [restated]), excluding Shimonoseki (non-consolidated), Asakusa (other business segment), and Hiroshima Kanayamacho (other business segment) locations.

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

Other Data

Persons, ¥ Billions

	Results FY2016.3	Results FY2017.3	Forecasts FY2018.3
ROA (% , Consolidated)	6.4	6.0	6.1
ROE (% , Consolidated)	10.2	10.0	11.1
EBITDA (Consolidated)* ¹	338.1	339.1	348.7
Depreciation (Consolidated)	156.6	162.7	164.0
Capital Expenditure (Consolidated, own fund)	233.1	192.4	166.0
Capital Expenditure (Non-consolidated, own fund)	198.7	159.8	130.0
Safety related capital expenditure	126.0	105.0	79.0
Dividends per share (¥)	135	140	160

*1 EBITDA = Operating Income + Depreciation + Amortization of goodwill

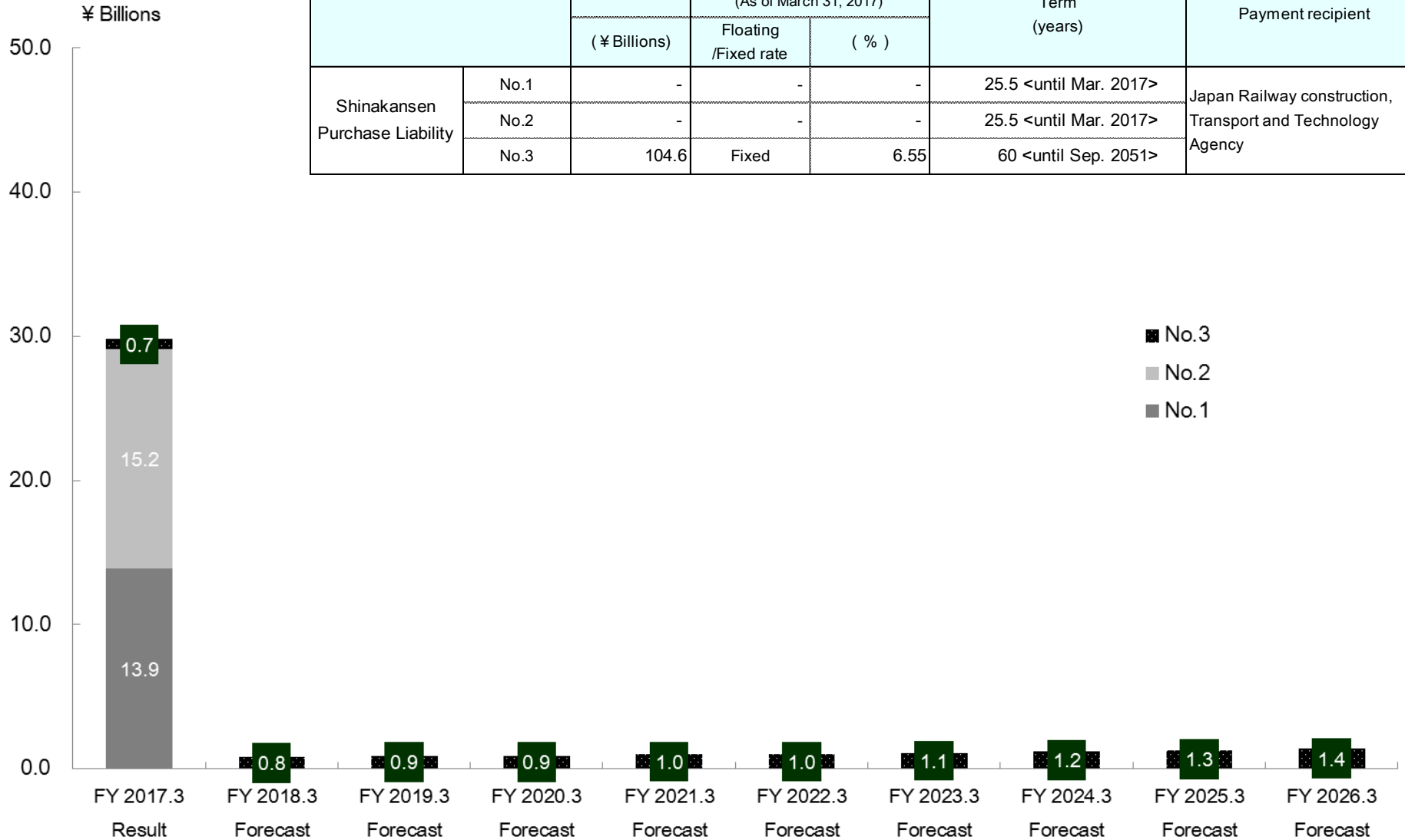
	Results FY2016.3		Results FY2017.3		Forecasts FY2018.3	
	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated
No. of employees at the end of period	47,456	26,555	47,382	25,821	-	-
Financial Expenses, net	(23.3)	(22.6)	(21.6)	(21.0)	(20.4)	(19.7)
Interest and dividend income	0.7	1.5	0.6	1.1	0.6	1.1
Interest expenses	24.1	24.1	22.3	22.2	21.0	20.8

Note: Figures in brackets () are negative values.

Redemption Plan of Shinkansen Purchase Liability

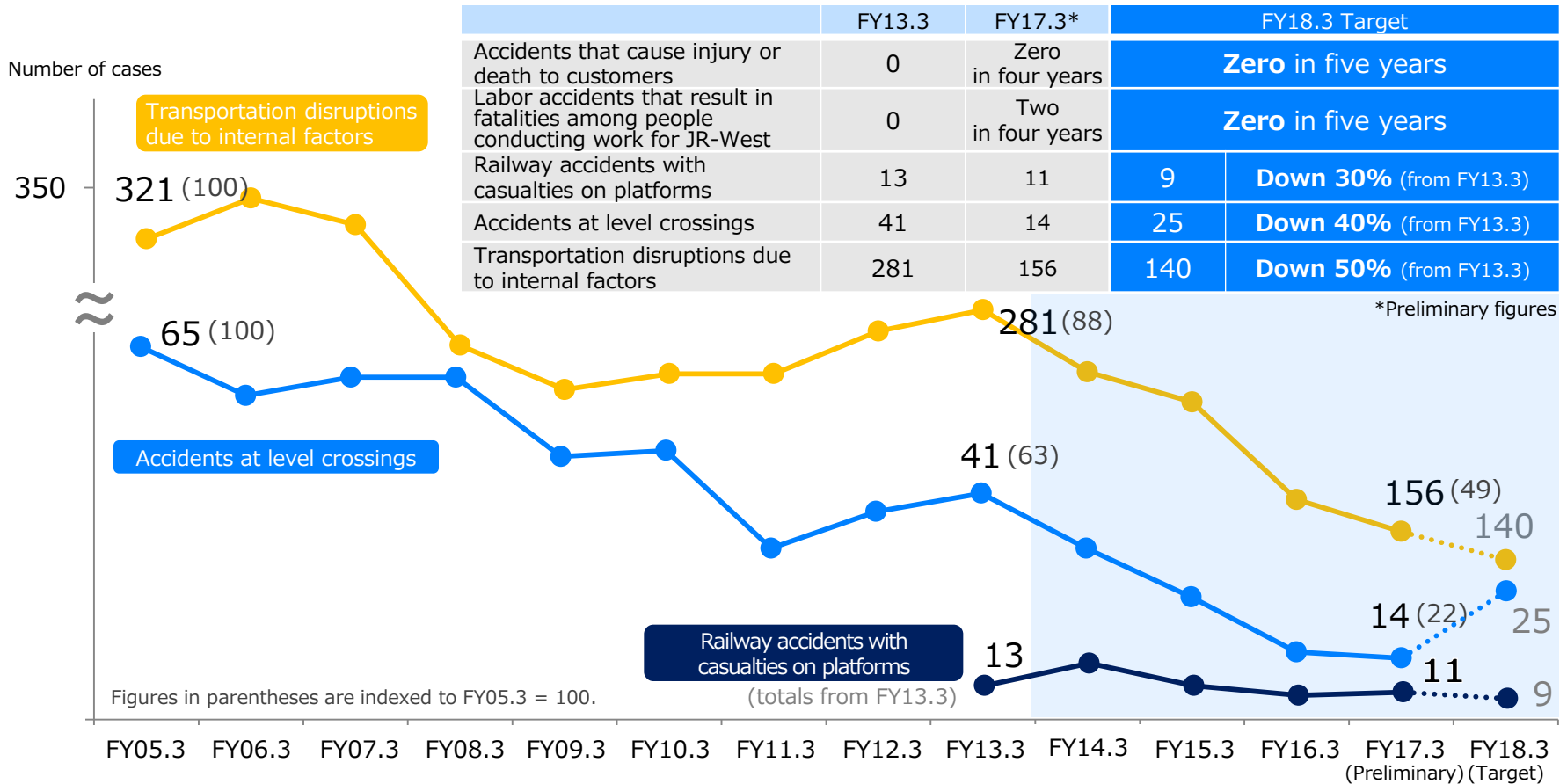
【As of March 31, 2017】

		Balance (¥ Billions)	Interest rate (As of March 31, 2017)		Term (years)	Payment recipient
			Floating /Fixed rate	(%)		
Shinkansen Purchase Liability	No.1	-	-	-	25.5 <until Mar. 2017>	Japan Railway construction, Transport and Technology Agency
	No.2	-	-	-	25.5 <until Mar. 2017>	
	No.3	104.6	Fixed	6.55	60 <until Sep. 2051>	



III. State of Progress on the Medium-Term Management Plan

Progress toward Medium-Term Management Plan Targets (Safety)



Initiatives to enhance safety

Improving safety on platforms

Installing platform gates

Measures to cope with intensifying natural disasters

[Earthquake countermeasures]
Installing derailment prevention guards on the Sanyo Shinkansen



Installing platform gates at Osaka Station (platforms 6 and 7) (representative image)

Ensure that we reach our targets, and link to initiatives in the near future

Individual Business Initiatives for the Medium-Term Management Plan Period

Medium-Term Management Plan 2017

	FY14.3	FY15.3	FY16.3	FY17.3	FY18.3*	After FY19.3*
Transportation	Introducing N700A					
Sanyo Shinkansen	One train		Four trains	Four trains	Three trains	12 trains
	Complete renewal of ATC system			Starting to use new ATC		
Hokuriku Shinkansen	Preparing for opening	Opening of Joetsu-Myoko-Kanazawa segment	Preparing for extension		Start of "Smart EX"	Tsuruga extension
Kansai Urban Area	Opening new stations		Maya and Higashi-Himeji stations		JR Sojiji and Kizuri stations	JR Shichijo Station
			Starting operations			Relocating a portion of a branch line of the Tokaido Line underground and opening new stations
Other conventional lines	Sharing issues and discuss with the local community			Providing notification of cessation of service on the Sanko Line		Ceasing service on the Sanko Line
Business development						
Retail	Budget hotels			Karafuneya Coffee and other share acquisitions		
	Nagoya	Asakusa, Shinsaibashi, Hiroshima	Opening LUCUA 1100		Tennoji, Umeda	Shin-Osaka, Nagoya, etc.
Real estate				Acquiring shares in Ryoju Properties		
Other businesses		Transferring the golf business	Investing in urban passenger railway business in Brazil	Alliance with Nippon Signal		

*Initiatives for FY18.3 and after FY19.3 are plans; station names are provisional.

Steadily promote various measures with a view to increasing corporate value over the medium to long term

Progress toward Medium-Term Management Plan Targets (Financial Indicators)



(Billions of yen , %)

	FY14.3	FY15.3	FY16.3	FY17.3	FY18.3 Forecast	FY18.3 Medium-Term Plan Target
Operating Revenues	1331.0	1350.3	1451.3	1441.4	1492.0	1423.0
Transportation	851.3	868.4	928.7	929.1	939.0	902.5
Retail	240.1	220.1	232.0	233.9	240.8	246.5
Real estate	102.2	87.2	108.8	109.5	138.7	106.0
Other businesses	137.1	174.4	181.5	168.8	173.5	168.0
Operating Income	134.5	139.7	181.5	176.3	183.5	157.0
Transportation	91.0	100.6	125.1	121.7	125.1	105.0
Retail	4.4	1.5	5.3	5.2	7.0	6.0
Real estate	27.7	25.1	32.7	32.2	35.5	33.5
Other businesses	11.8	15.6	22.4	20.4	19.0	14.0
Recurring Profit	112.9	121.9	162.2	160.7	168.5	141.0
Profit attributable to owners of parent	65.6	66.7	85.8	91.2	109.0	91.5
Transportation Revenues	780.6	797.0	850.0	849.6	859.0	820.5
ROE	8.6	8.4	10.2	10.0	11.1	9.8
ROA	5.1	5.1	6.4	6.0	6.1	5.5
EBITDA	288.4	289.3	338.1	339.1	348.7	325.5

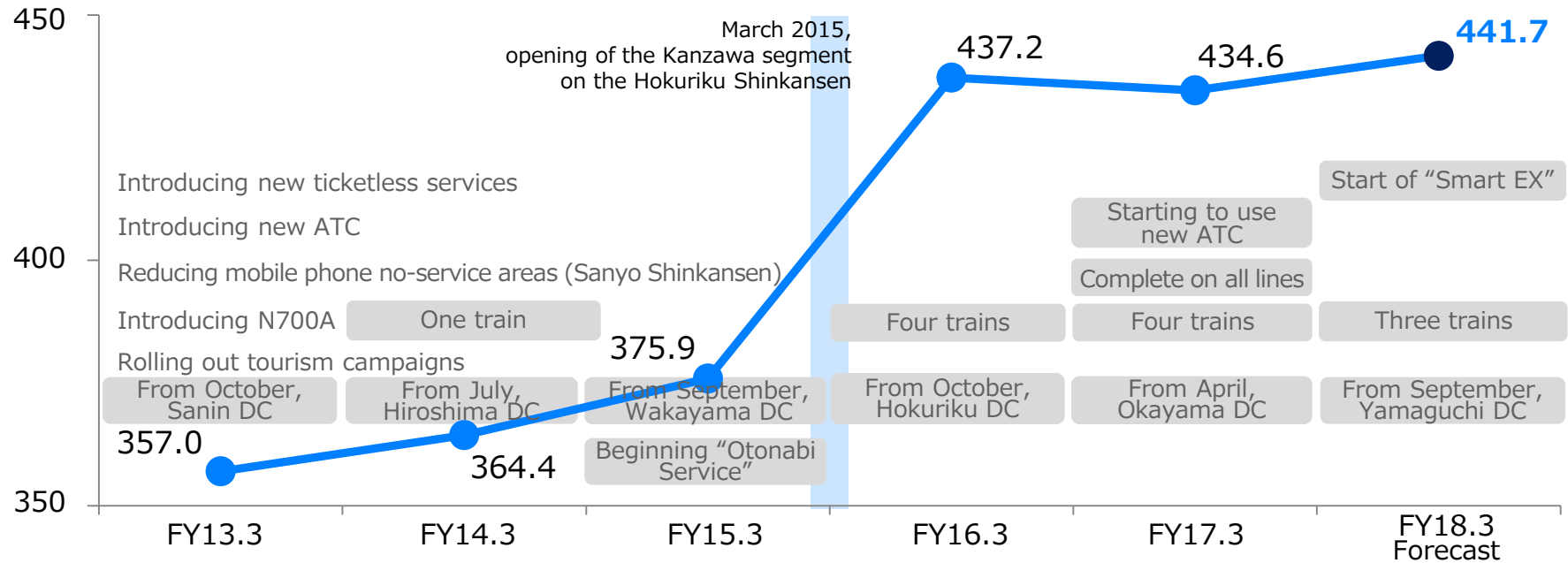
We expect to achieve the highest levels to date in FY18.3, the final year of the medium-term management plan.

IV. Individual Business Initiatives

Transportation: Shinkansen

Trend in transportation revenues

(Billions of yen)



Future Initiatives

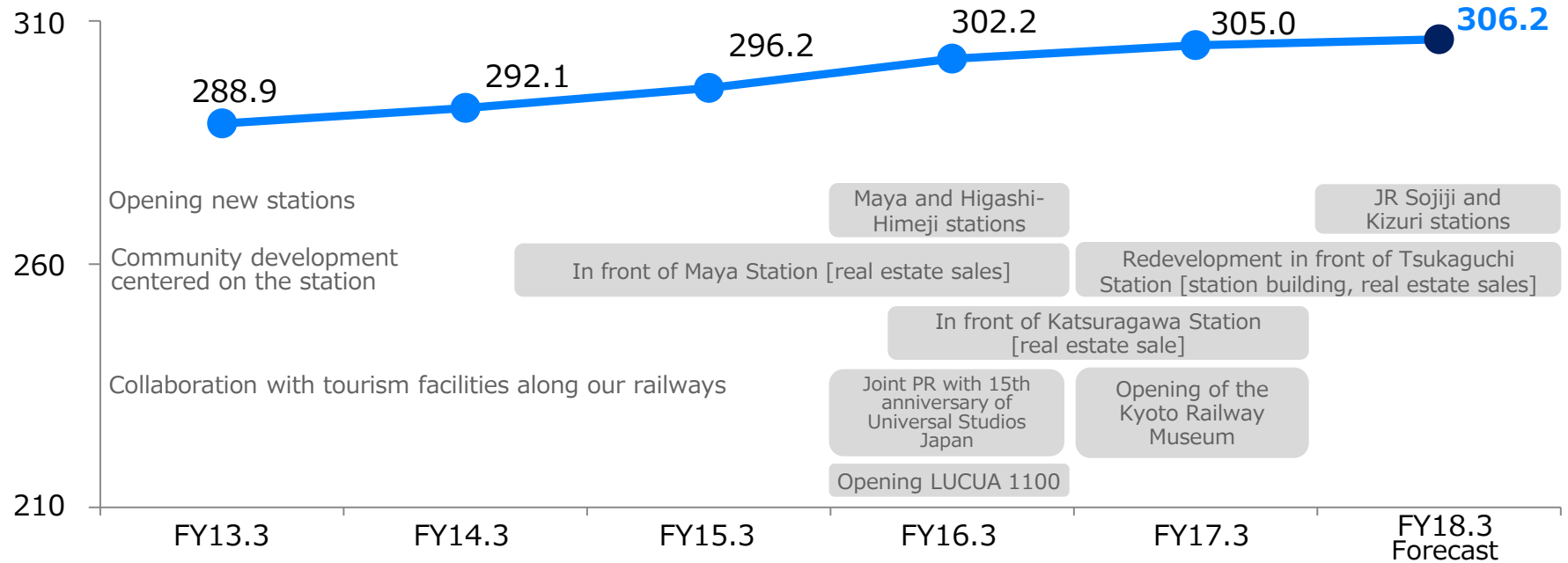
	Heightening competitiveness	Stimulating tourism demand
Sanyo Shinkansen	<ul style="list-style-type: none"> Enhancing convenience: Beginning "Smart EX," a new ticketless service Enhancing safety and comfort: Additional introduction of N700A 	<ul style="list-style-type: none"> Rolling out tourism campaigns: Campaigns in collaboration with regions (Yamaguchi DC, etc.) Stimulating senior demand: Increasing the number of "Otonabi Service" members. Establishing member-only products
Hokuriku Shinkansen	<ul style="list-style-type: none"> Extension to Tsuruga: Preparing for opening Enhancing comfort: Reducing mobile phone no-service areas 	<ul style="list-style-type: none"> Capturing demand from inbound visitors (→P.32)

By enhancing the Sanyo Shinkansen's competitiveness and stabilizing ridership on the Hokuriku Shinkansen, we expect to record the highest revenues in FY18.3.

Transportation: Kansai Urban Area

Trend in transportation revenues

(Billions of yen)



Future Initiatives

Enhancing the value of railway belts

Opening new stations

*Station names are provisional.

JR Sojiji, Kizuri (scheduled for spring of 2018)
JR Shichijo (scheduled for spring of 2019)

Railway network expansion

Osaka Higashi Line, Northern Part (scheduled for spring of 2019)
Relocate a portion of a branch line of the Tokaido Line underground and open a new station (scheduled for spring of 2023)

Advancement of urban tourism

Capturing demand from inbound visitors

Setting up facilities that welcome them, etc. (→P.32)

Introducing new rolling stock

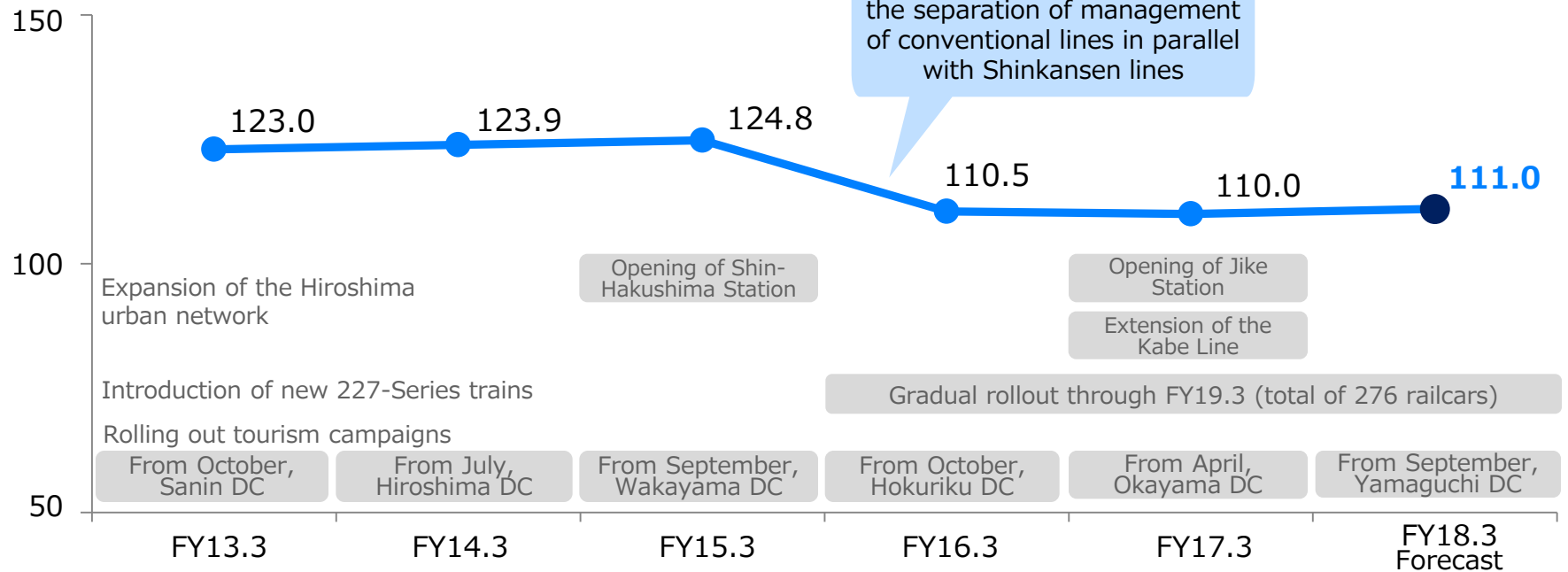
Osaka Loop Line (in stages to FY19.3)

Improving transportation quality

Operation of 12-car special rapid service trains all day on weekdays

We have succeeded in efforts to enhance the value of railway belts. In FY18.3, we aim to exceed the previous year's level.

Trend in transportation revenues



Future Initiatives

Start of operations of TWILIGHT EXPRESS MIZUKAZE



TWILIGHT EXPRESS MIZUKAZE
(representative image)

Cooperation in considering alternative transportation after railway operations cease on the Sanko Line



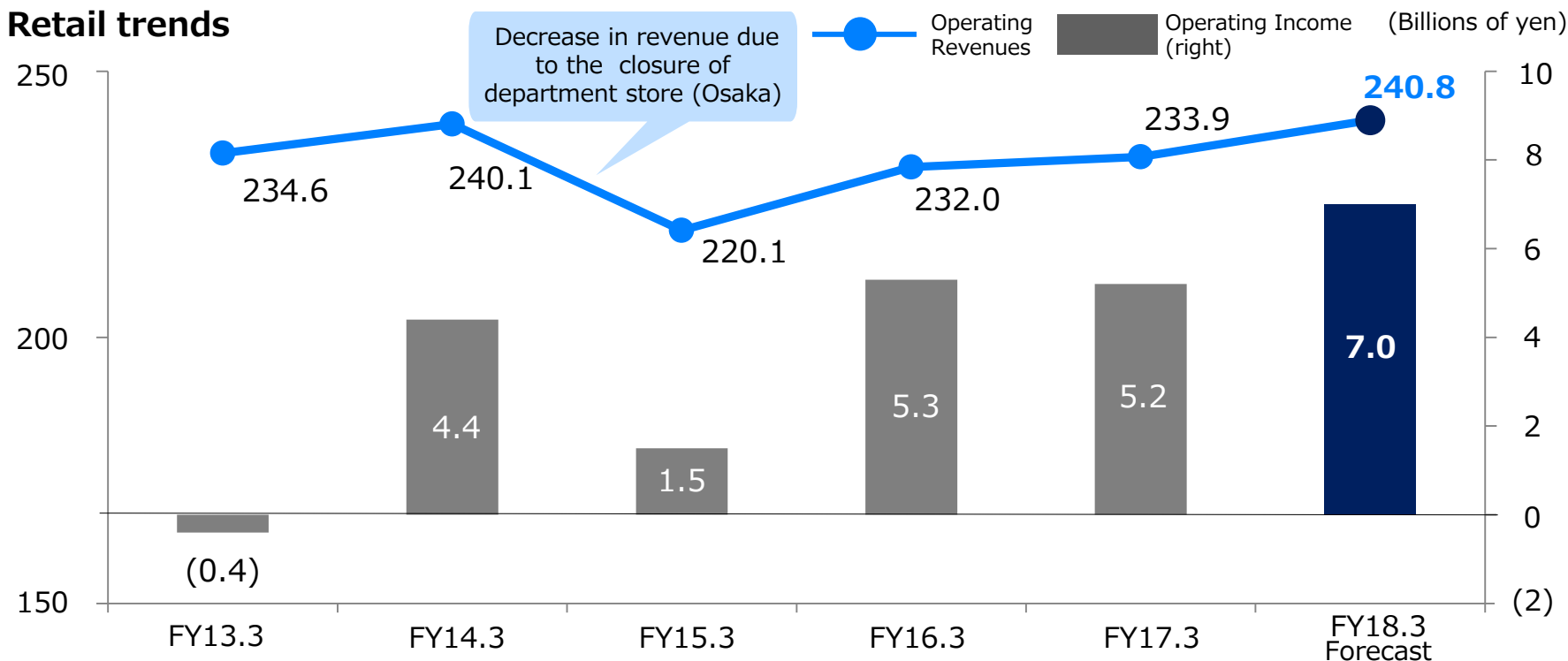
Observation car
(representative image)



Royal Twin
(representative image)

We aim to take the start of operations of TWILIGHT EXPRESS MIZUKAZE as an opportunity to invigorate the Western Japan Area.

Retail trends



Future Initiatives

Enhancing asset efficiency

Sales of goods and food services

Augmenting operations of Seven-Eleven Japan franchised stores and increasing the number of stores
 A total of **335** stores as of March 31, 2017 (conversion of existing stores generally complete)
 Continuing to expand from current fiscal year, aiming for **500** stores

Expansion of businesses in which we can demonstrate strength

Budget hotels

Expansion of new hotel openings
 A total of **17** hotels, with **4,272** rooms, as of March 31, 2017
 Opening **two** new hotels in current fiscal year (hotel initiatives → p28)

In FY18.3, we expect revenues and income to increase, thanks to the impact of converting to Seven-Eleven franchise stores.

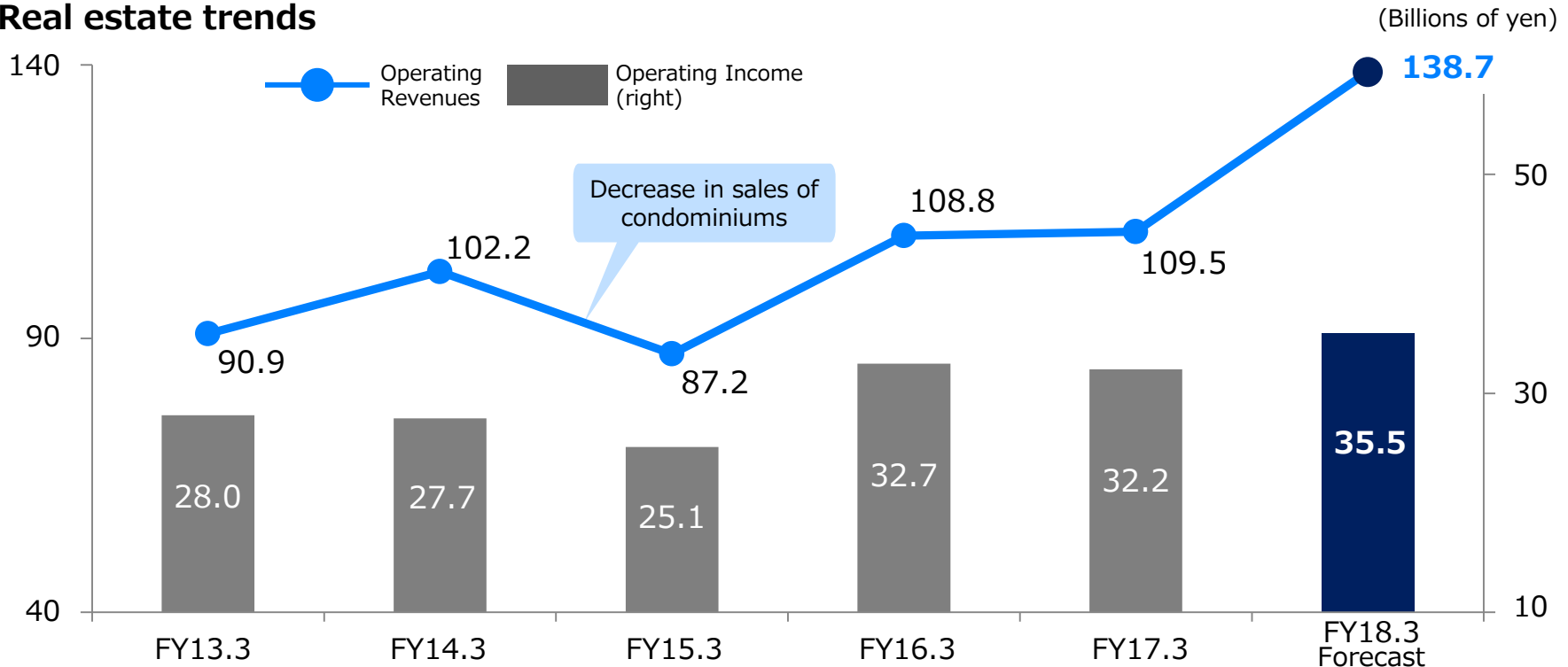
Expanding our lineup of budget hotels in response to growing and diversifying needs for accommodation

		As of March 31, 2017		Opening plans	
				Number of new locations	Schedule, etc.
↑ High rates, high-end	Existing	Other businesses Granvia (city hotels)	8 locations* ¹ 2,648 rooms	—	Refurbish guest rooms
	New	Other businesses New brand (high-class accommodation-oriented hotels)	—	2 locations, 830 rooms	Spring 2018: Osaka Spring 2019: Kyoto
	Existing	Retail Via-inn (Accommodation-oriented budget hotels)	17 locations* ² 4,272 rooms	6 location, 1,491 rooms	Spring 2017: Tennoji (April 27) Summer 2017: Umeda Summer 2018: Shin-Osaka, Nagoya Autumn 2018: Iidabashi Spring 2019: Kyoto
	New	Non-consolidated New brand (high-end capsule hotels)	—	First facility during FY2017	Use of idle land and real estate

*1: Of which, two locations are non-consolidated

*2: Of which, two locations are in other businesses, and one location is non-consolidated

Real estate trends



Future Initiatives

Enhancing asset efficiency

Shopping centers

- Promotion of refurbishment
- Refurbishment of the B1 and B2 floors of LUCUA 1100
- Grand opening of Shin-Osaka Station shopping center, "arde!"

Expansion of businesses in which we can demonstrate strength

Real estate lease and sale

- New consolidation of Ryoju Properties
- Increase in properties provided in the sale business (Real estate lease and sale initiatives → p.30, 31)

We forecast increases in operating revenues and operating income in FY18.3, due to an increase in the number of units provided in the real estate sale business and the consolidation of Ryoju Properties.

[Topics] Real Estate Lease and Sale Business (1)

Initiatives in the Current Fiscal Year

New consolidation of Ryoju Properties: A key initiative in creating a business foundation as the JR-West Group

Principal plans (including joint projects)

Unit sales: Approx. **700** residences (**435** residences in previous fiscal year) after taking share into account

Lease development area: Approx. **29,000**m²

[Reference] Ryoju Properties
Current fiscal year forecasts
Operating revenues: ¥27.0 billion
Operating income: ¥4.0 billion

Sale projects

Number of residences, transfer timing (scheduled)

Lease projects

Use, total area, completion timing

● Ryoju Properties projects

Increasing value of the area and railway belts



J. GRAN KOSHIENGUCHI RESIDENCE

Nishinomiya, Hyogo
16 residences, July 2017



J. GRAN THE HONOR SHIMOGAMO TADASU NO MORI

Kyoto, Kyoto
99 residences, June 2017



JR Kanazawa Station Nishi Dai-2 NK Building

Kanazawa, Ishikawa
Approx. 6,500m², opened Apr. 2017
Multipurpose facility including clinic and fitness center



Hiroshima Hacchobori NK Building

Hiroshima, Hiroshima
Winter 2017
Approx. 8,850m², hotel, etc.



● Diaesta Mio Tarumi KaiganDori

Kobe, Hyogo
28 residences, Sep. 2017



● Diaesta Mio Fukumachi Urban

Osaka, Osaka
96 residences, Oct. 2017

Developments outside the area

Nagoya Naka-ku Sakae san-Chome Development

Nagoya, Aichi
Hotel, approx. 2,823m², end-2017



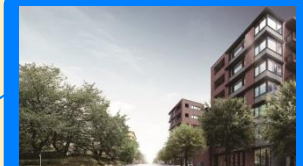
Nagoya Station South Development

Nagoya, Aichi
Autumn 2017
Hotel, approx. 3,818m²



● Kachigawa Southern Class alpha

Kasugai, Aichi
158 residences, Mar. 2018



● FINE RESIDENCE ICHIGAO DIASTA

Yokohama, Kanagawa
59 residences, Mar. 2018

Expand business in two categories: developments within the Western Japan Area and developments outside our area

[Topics] Real Estate Lease and Sale Business (2)

Medium- to Long-Term Initiatives

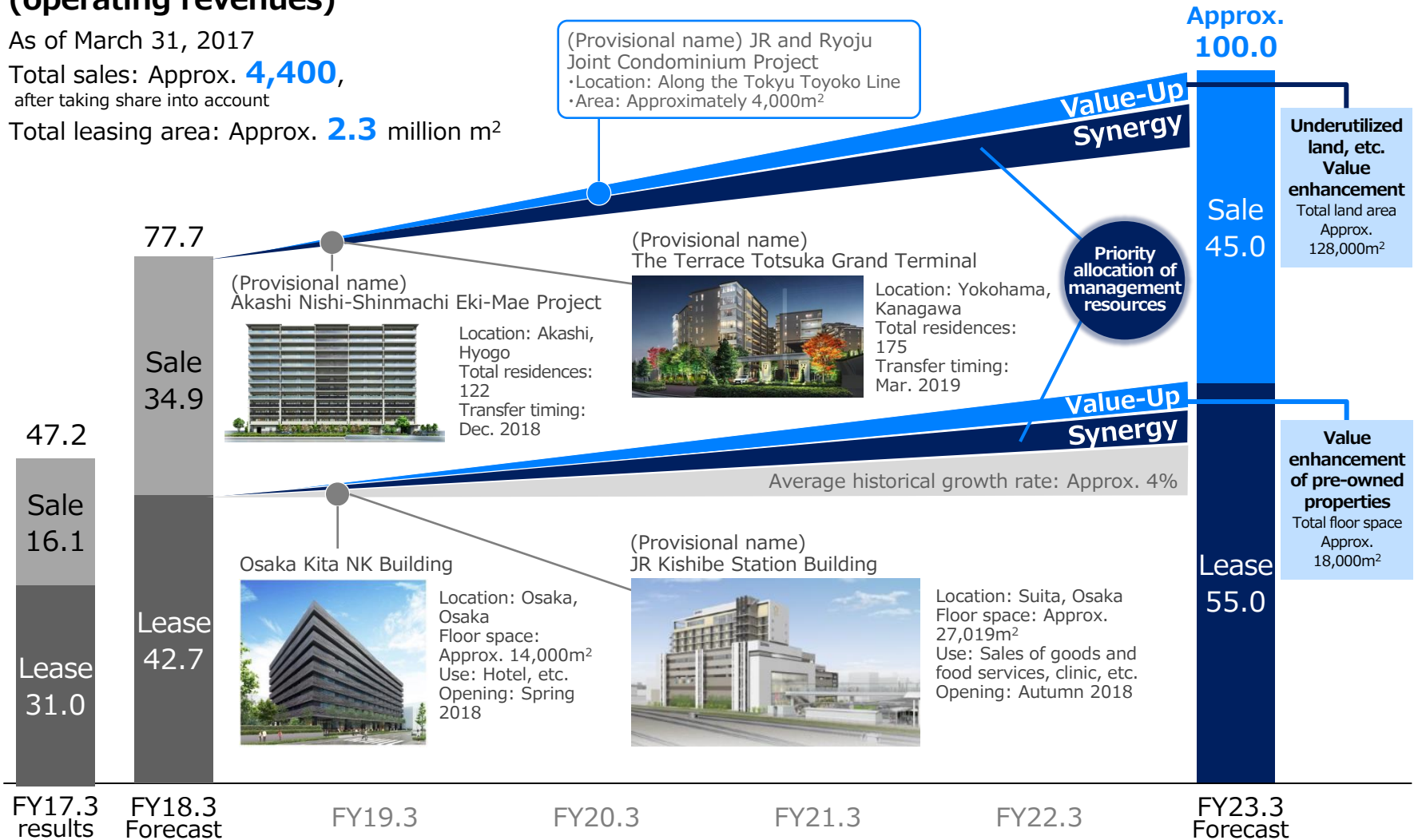
Anticipated growth in the real estate lease and sale business (operating revenues)

(Billions of yen)

As of March 31, 2017

Total sales: Approx. **4,400**,
after taking share into account

Total leasing area: Approx. **2.3** million m²



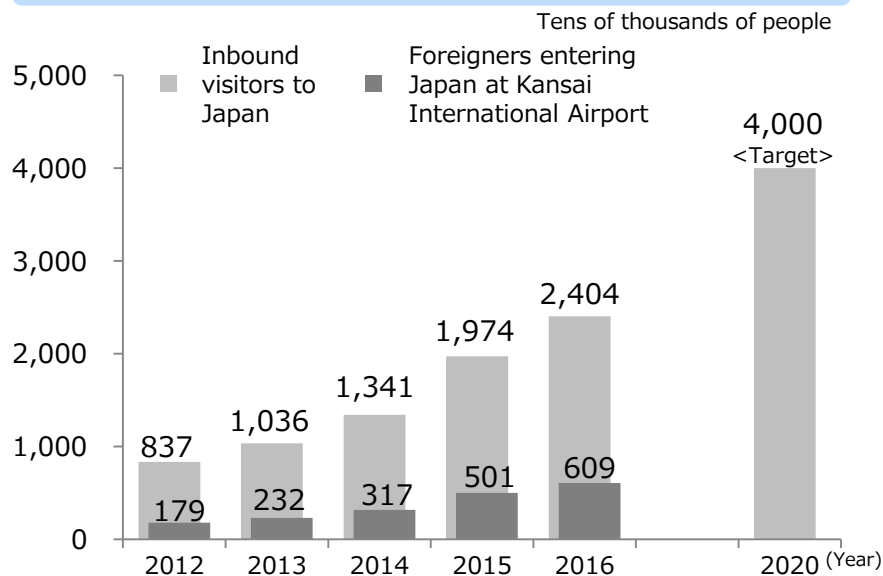
Expand through synergies of bringing Ryoju Properties into the Group, value enhancement and organic growth

Initiatives Extending Across Business Fields: Capturing Inbound Visitor Demand

FY2018.3 targets: **1.5** million users (+**250,000** year on year), consolidated operating revenues up **¥2.0** billion year on year

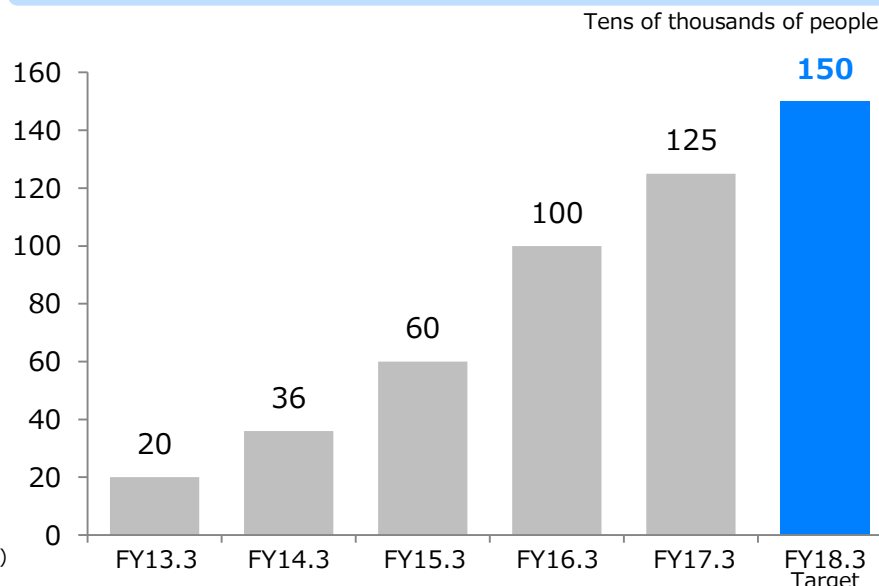
FY2017.3 results: 1.25 million users (+250,000 year on year), consolidated operating revenues up ¥2.0 billion year on year

Trends in inbound travelers to Japan



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

Trends in people using JR-West *



*People using JR-West: Indicates number of users of exclusive products for inbound tourism (amount of sales and exchange in the JR-West service area)

Future Initiatives

Inviting more customers to Western Japan area, expanding use of the JR-West Group

Developing and enhancing wide-area tourism routes

Expanding exclusive products for inbound visitors, considering measures for groups

Expanding services to welcome inbound visitors

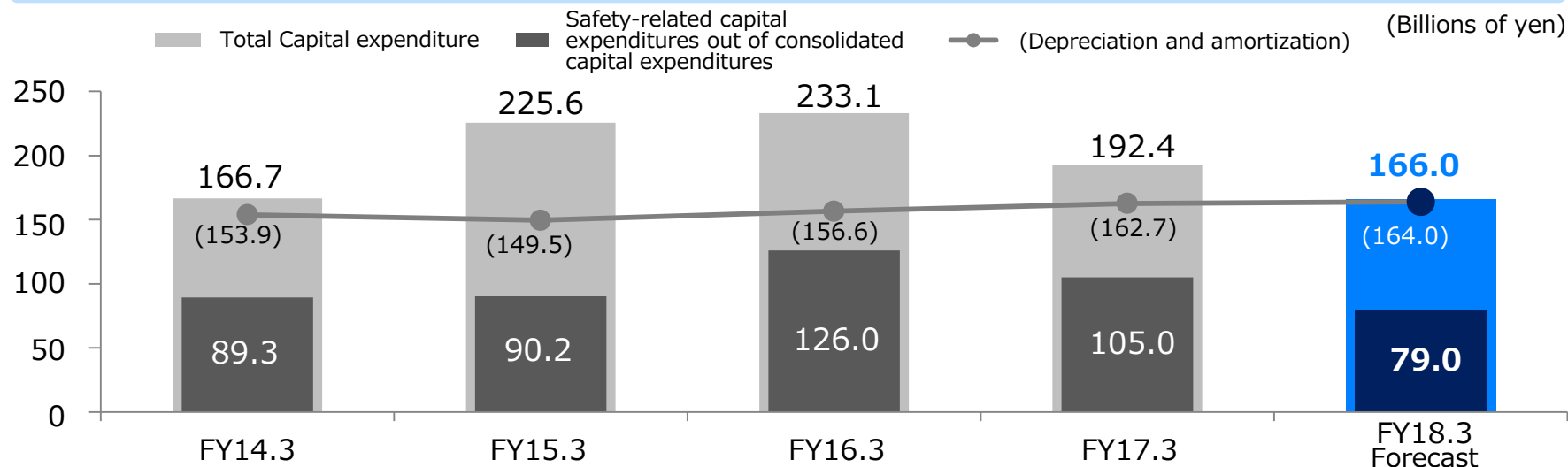
Introducing station numbers in Kansai Urban Area, augmenting tourism announcement functions at stations, establishing tourism desks

Reinforcing promotions

Expanding targets using overseas offices, enhancing dissemination of information using SNS

V . Capital Expenditure Plan, Cash Flows, Returns to Shareholders

Capital expenditures during period of medium-term management plan



Total capital expenditure during the management plan period

Forecast (As of April 2015)

Total: ¥960.0 billion

Capex for growth:
¥260.0 billion

Capex for ongoing operations: ¥700.0 billion

Safety-related capex:
¥480.0 billion

Forecast (As of April 2017)

Total: **¥984.0 billion**

Capex for growth:
¥279.0 billion

Capex for ongoing operations: ¥705.0 billion

Safety-related capex:
¥489.5 billion

Major capital expenditure projects for FY18.3

Capex for growth

- New station construction
- enhancing seamlessness (expanding ICOCA area)
- LUCUA 1100 basement floor renovations [added]
- New hotel development (Umeda, etc.) [added]
- Lease building development (Nagoya-Sakae, etc.) [added]

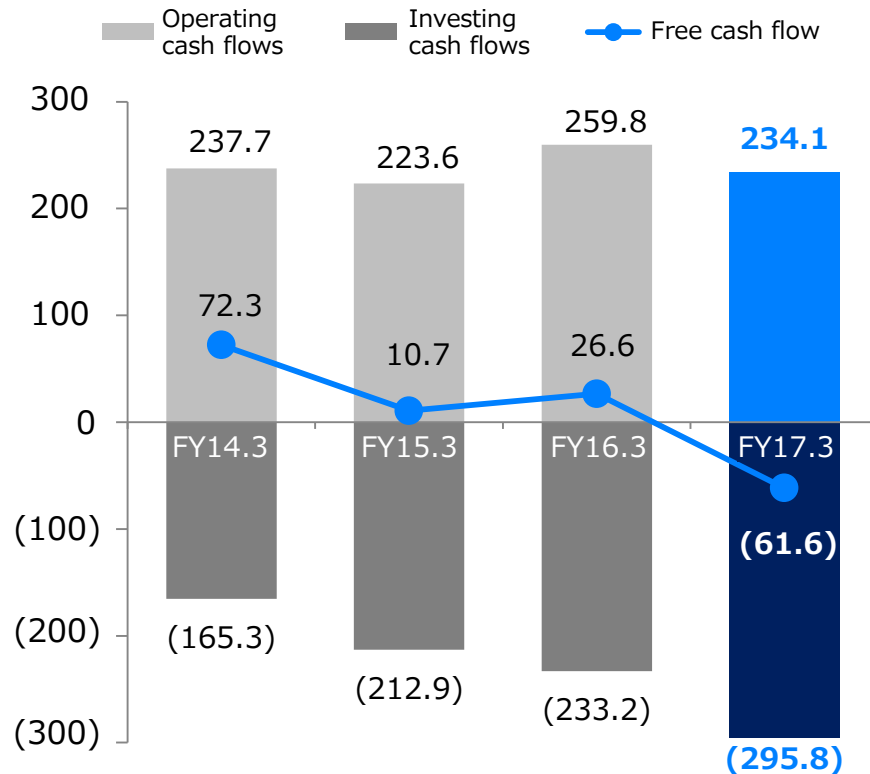
Safety-related capex

- Replacing/renovating rolling stock
 - Three N700A trains on the Sanyo Shinkansen
 - Kansai Urban Area (Osaka Loop Line, Hanwa Line)
- Implementing safety/disaster-prevention measures
 - Improving safety on platforms [added items for implementation]
 - Earthquake/tsunami countermeasures

Cash Flows, Financial Condition

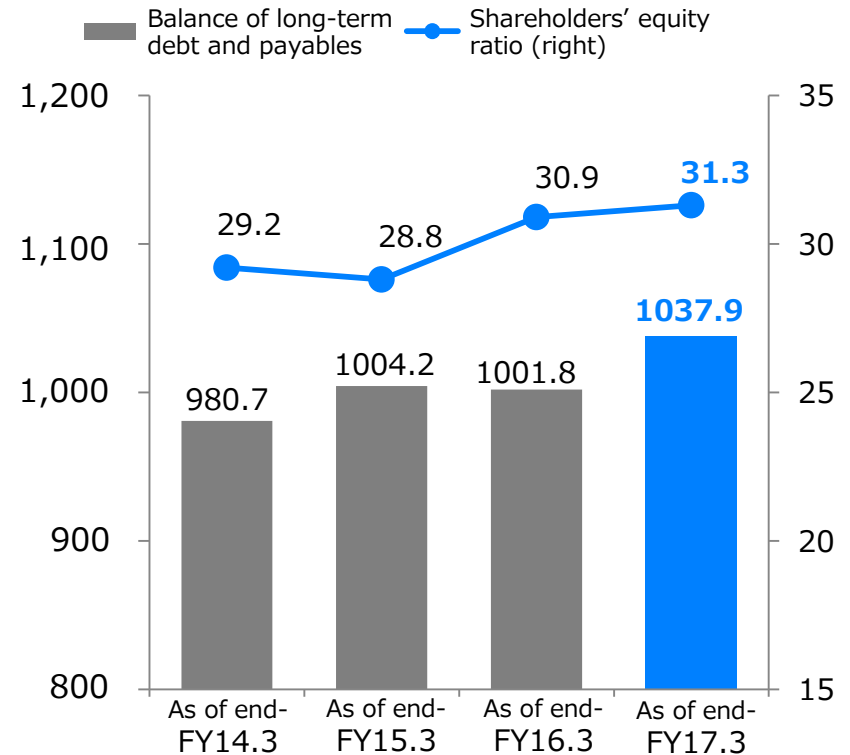
Cash flows (consolidated)

(Billions of yen)



Financial condition (consolidated)

(Billions of yen, %)



In FY17.3, free cash flow was negative due to the acquisition of shares in Ryoju Properties. The balance of long-term debt and payables was ¥1,037.9 billion.

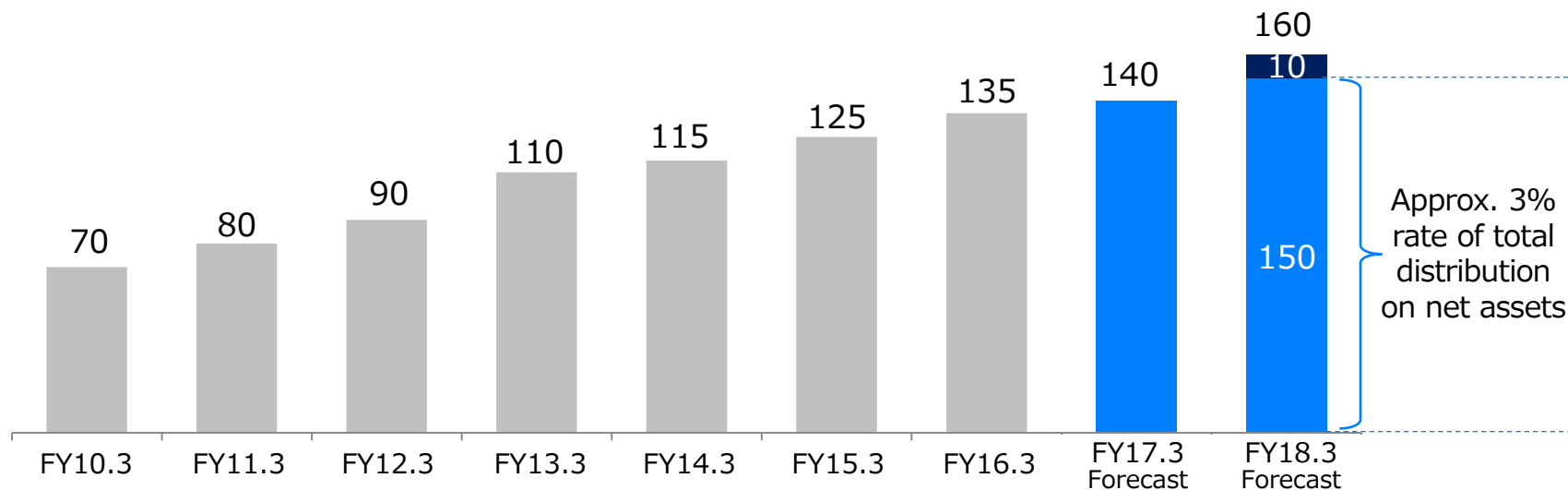
In FY18.3, we expect the balance of long-term debt and payables to exceed ¥1 trillion, as we increase capex for growth.

Shareholder return policy

- We recognize the importance of returns to our 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 x 100

Annual dividends per share (Yen)



Eight consecutive years of higher dividends (including forecast), return levels to exceed around 3% rate of total distribution on net assets in FY18.3

VI. Supplemental Data

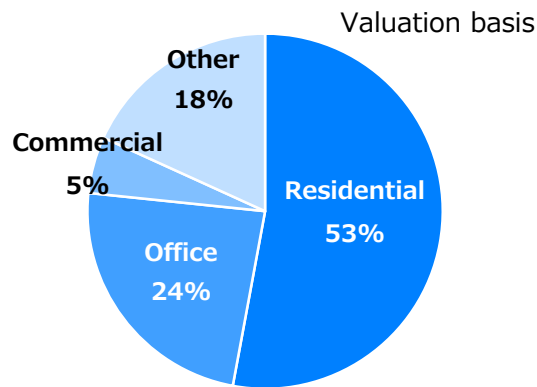
Principal Properties Owned by Ryoju Properties (1)

As of March 31, 2017

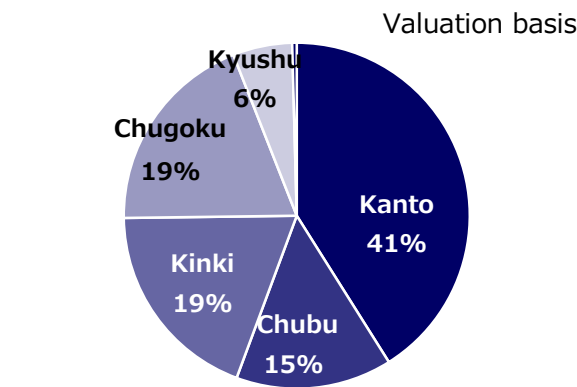
Properties: Approx. **280***
 Floor space: Approx. **400,000m²**

*Excluding real estate for condominiums

Use



Area



Leased residences

Property name	Dia Heights Jiyugaoka	Dia Lens Choujamaru	Dia Heights Nakano	Dia Heights Otsuka	Share Place Denenchofu Minami	Dia Heights Umegaoka	Minami Aoyama Hill Flats	Garden House Hamadayama
Location	Setagaya, Tokyo	Shinagawa, Tokyo	Nakano, Tokyo	Toshima, Tokyo	Ota, Tokyo	Setagaya, Tokyo	Minato, Tokyo	Suginami, Tokyo
Residences	28	5	29	106	73	23	3	13
Construction completed	March 1996	May 1998	February 1999	March 2001	March 2011 (refurbished)	March 2004	May 1987	November 1990

Property name	Dia Heights Higashi Koenji	Dia Lens Saginuma	Dia Lens Yokohama Sawatari	Dia Lens Takashimadai	Yakumo Mansion A-G Wings	Sakurayama Nishi Mansion	Heim Asahigaoka	Heim Mizuhodori
Location	Suginami, Tokyo	Kawasaki, Kanagawa	Yokohama, Kanagawa	Yokohama, Kanagawa	Nagoya, Aichi	Nagoya, Aichi	Nagoya, Aichi	Nagoya, Aichi
Residences	27	60	67	19	60	24	50	39
Construction completed	February 2007	September 1965	September 2009	September 2013	October 1969, March 1987	September 2005	September 1996	September 2003

Principal Properties Owned by Ryoju Properties (2)

Leased residences

								
Property name	Konan Yamate Mio	Avita Mio Kobe Okamoto	Port Aremio KOBE	Seishin Kojidai Miyo	Dia Maison Deshio	Deia Maison Shin-Hakushima Station	Deia Mason Kamiyacho	Toredia Suwanomori
Location	Kobe, Hyogo	Kobe, Hyogo	Kobe, Hyogo	Kobe, Hyogo	Hiroshima, Hiroshima	Hiroshima, Hiroshima	Hiroshima, Hiroshima	Nagasaki, Nagasaki
Residences	10	25	148	51	60	27	50	30
Construction completed	March 2003	September 1984	February 2007	August 1990	February 2011	December 2014	January 2009	August 2012

Office building

								
Property name	Yoyogi Dia Building	Ryoko Takashimadai Dai-3 Building	Ryoko Shin-Takashimadai Building	Port Side Dia Building	Ryoko Takashimadai Dai-2 Building	Ryoko Building Minami Kan	Dai-3 Ryoko Building	Ryoko Center Building
Location	Shibuya, Tokyo	Yokohama, Kanagawa	Yokohama, Kanagawa	Yokohama, Kanagawa	Yokohama, Kanagawa	Nagoya, Aichi	Kobe, Hyogo	Hiroshima, Hiroshima
Floor space	721m ²	4,303m ²	6,326m ²	7,909m ²	4,063m ²	2,570m ²	2,606m ²	10,737m ²
Scale	Eight floors above ground	Nine floors above ground	Eight floors above ground	One floor below ground, five above	Six floors above ground	Five floors above ground	Five floors above ground	Seven floors above ground
Construction completed	September 2008	March 1973	November 1986年	January 2001	December 1963	March 1991	May 1988	September 1994

Commercial facility

Other

								
Property name	Kobe commercial facility	Hiroshima commercial facility	Site of the former Hiyoshi Apartments	Takashimadai Dai-5 Parking Lot	Site of the former Kamimizo Company Housing	Site of the former Narumi Company Housing	Site of the former Takarazuka Dormitory	Site of the former Hamaguchi Company Housing
Location	Kobe, Hyogo	Hiroshima, Hiroshima	Yokohama, Kanagawa	Yokohama, Kanagawa	Sagamihara, Kanagawa	Nagoya, Aichi	Takarazuka, Hyogo	Nagasaki, Nagasaki
Floor space	501m ²	3,141m ²	Site area: 4,405m ²	Site area: 1,272m ²	Site area: 13,483m ²	Site area: 34,627m ²	Site area: 3,308m ²	Site area: 6,694m ²
Scale	Two floors above ground	One floor above ground	–	–	–	–	–	–
Construction completed	February 1990	September 2004	–	–	–	–	–	–

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 1, 2017 based on information available to JR-West as of May 1, 2017 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 this presentation.