

JR-West Group Medium-Term Management Plan 2022 and Results for the Fiscal Year Ended March 31, 2018



Making Our Vision into Reality

All For Smiles! 2022

May 1, 2018

West Japan Railway Company

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Financial Highlights

¥ Billions

	Results FY2017.3 A	Results FY2018.3 B	YoY		Forecasts FY2019.3 C	YoY	
			Increase/ (Decrease) B-A	% B/A-1		Increase/ (Decrease) C-B	% C/B-1
【Consolidated】							
Operating Revenues	1,441.4	1,500.4	59.0	4.1	1,525.5	25.0	1.7
Operating Income	176.3	191.3	14.9	8.5	187.5	(3.8)	(2.0)
Recurring Profit	160.7	177.7	16.9	10.6	174.0	(3.7)	(2.1)
Profit attributable to owners of parent	91.2	110.4	19.2	21.0	111.0	0.5	0.5
【Non-Consolidated】							
Operating Revenues	956.1	976.2	20.1	2.1	988.0	11.7	1.2
Transportation Revenues	849.6	867.8	18.1	2.1	878.0	10.1	1.2
Operating Expenses	820.6	831.9	11.2	1.4	843.0	11.0	1.3
Personnel costs	223.3	221.4	(1.8)	(0.8)	217.0	(4.4)	(2.0)
Non personnel costs	394.3	407.6	13.2	3.4	426.5	18.8	4.6
Energy costs	40.5	44.0	3.5	8.7	46.5	2.4	5.5
Maintenance costs	157.1	161.4	4.2	2.7	172.5	11.0	6.8
Miscellaneous costs	196.6	202.1	5.4	2.8	207.5	5.3	2.7
Depreciation	137.6	136.8	(0.8)	(0.6)	136.5	(0.3)	(0.2)
Operating Income	135.4	144.3	8.8	6.6	145.0	0.6	0.4
Recurring Profit	118.4	128.6	10.1	8.6	131.0	2.3	1.8
Net Income	70.8	80.7	9.9	14.0	89.5	8.7	10.8

Note: Figures in brackets () are negative values.

Non-Consolidated Financial Results

	Results FY2017.3 A	FY2018.3		YoY		Difference from the forecasts Increase/(Decrease) C-B
		Forecasts (As of Jan 31) B	Results C	Increase/ (Decrease) C-A	% C/A-1	
Operating Revenues	956.1	972.0	976.2	20.1	2.1	4.2
Transportation revenues	849.6	864.0	867.8	18.1	2.1	3.8
Other	106.4	108.0	108.4	1.9	1.9	0.4
Operating Expenses	820.6	831.0	831.9	11.2	1.4	0.9
Personnel costs	223.3	220.5	221.4	(1.8)	(0.8)	0.9
Non personnel costs	394.3	406.0	407.6	13.2	3.4	1.6
Energy costs	40.5	45.0	44.0	3.5	8.7	(0.9)
Maintenance costs	157.1	160.0	161.4	4.2	2.7	1.4
Miscellaneous costs	196.6	201.0	202.1	5.4	2.8	1.1
Rental payments, etc.	30.2	30.5	30.2	(0.0)	(0.3)	(0.2)
Taxes	34.9	36.0	35.7	0.7	2.1	(0.2)
Depreciation	137.6	138.0	136.8	(0.8)	(0.6)	(1.1)
Operating Income	135.4	141.0	144.3	8.8	6.6	3.3
Non-operating revenues and expenses, net	(17.0)	(16.0)	(15.7)	1.2	(7.6)	0.2
Non-operating revenues	6.1	6.0	6.2	0.0	–	0.2
Non-operating expenses	23.1	22.0	21.9	(1.2)	–	(0.0)
Recurring Profit	118.4	125.0	128.6	10.1	8.6	3.6
Extraordinary profit and loss, net	(16.5)	(3.0)	(9.2)	7.3	–	(6.2)
Extraordinary profit	18.3	–	29.8	11.5	–	–
Extraordinary loss	34.9	–	39.0	4.1	–	–
Net Income	70.8	84.5	80.7	9.9	14.0	(3.7)

Note: Figures in brackets () are negative values.

Major Factors of Increase/Decrease in Transportation Revenues

¥ Billions

Transportation revenues		YoY Increase/(Decrease)		Results FY2018.3	
		Amount	%	Major factors	
				Amount	
Shinkansen	447.7	13.1	3.0	Fundamental trend 1.6%	7.0
				Special factors	
				Rebound from Kumamoto Earthquake	2.7
				Golden Week, year-end/new-year period favorable	1.1
				Pattern of weekdays and weekends (three-consecutive holidays, multiple holidays interspersed with workdays)	0.8
				Inbound	0.3
				Snow damage	0.1
				etc.	
Kansai Urban Area (Kyoto-Osaka-Kobe Area)	309.0	3.9	1.3	Fundamental trend 0.9%	2.6
				Special factors	
				Inbound	0.8
				Golden Week, year-end/new-year period favorable	0.3
				Pattern of weekdays and weekends (three-consecutive holidays, multiple holidays interspersed with workdays)	0.2
				Seniors	0.0
				Snow damage	(0.3)
				etc.	
Other lines	111.0	1.0	0.9	Fundamental trend 0.5%	0.5
				Special factors	
				Golden Week, year-end/new-year period favorable	0.2
				Inbound	0.0
				Seniors	0.0
				Pattern of weekdays and weekends (three-consecutive holidays, multiple holidays interspersed with workdays)	0.0
				Snow damage	(0.5)
				etc.	
Conventional lines	420.0	5.0	1.2		
Total	867.8	18.1	2.1		

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)		
	FY2017.3	FY2018.3	YoY	FY2017.3	FY2018.3	YoY
Total	849.6	867.8	18.1 2.1%	206.7	208.5	1.8 0.9%
Shinkansen	434.6	447.7	13.1 3.0%	104.4	106.1	1.6 1.6%
Commuter Passes	10.2	10.7	0.5 5.0%	2.5	2.6	0.0 3.5%
Non-Commuter Passes	424.3	436.9	12.6 3.0%	101.8	103.4	1.6 1.6%
Conventional Lines	415.0	420.0	5.0 1.2%	102.2	102.4	0.1 0.1%
Commuter Passes	141.5	142.0	0.5 0.4%	33.9	34.0	0.0 0.3%
Non-Commuter Passes	273.5	277.9	4.4 1.6%	68.3	68.3	0.0 0.1%
Kansai Urban Area (Kyoto-Osaka-Kobe Area)	305.0	309.0	3.9 1.3%	74.8	75.2	0.3 0.5%
Commuter Passes	116.4	116.9	0.5 0.5%	28.0	28.1	0.1 0.4%
Non-Commuter Passes	188.5	192.0	3.4 1.8%	46.8	47.0	0.2 0.5%
Other Lines	110.0	111.0	1.0 0.9%	27.3	27.1	(0.2) (0.8%)
Commuter Passes	25.1	25.1	(0.0) (0.1%)	5.8	5.8	(0.0) (0.2%)
Non-Commuter Passes	84.9	85.9	1.0 1.2%	21.4	21.2	(0.2) (1.0%)

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)		
	FY2017.3	FY2018.3	YoY	FY2017.3	FY2018.3	YoY
Total	58,271	59,291	1,020 1.8%	13,926	14,074	147 1.1%
Shinkansen	20,348	21,022	674 3.3%	4,871	4,958	86 1.8%
Commuter Passes	815	846	30 3.8%	197	204	7 3.6%
Non-Commuter Passes	19,532	20,176	643 3.3%	4,674	4,753	79 1.7%
Conventional Lines	37,923	38,269	345 0.9%	9,054	9,115	60 0.7%
Commuter Passes	22,723	22,831	108 0.5%	5,283	5,301	18 0.3%
Non-Commuter Passes	15,200	15,437	237 1.6%	3,771	3,814	42 1.1%
Kansai Urban Area (Kyoto-Osaka-Kobe Area)	29,592	29,872	279 0.9%	7,064	7,118	54 0.8%
Commuter Passes	18,689	18,787	98 0.5%	4,377	4,397	19 0.4%
Non-Commuter Passes	10,903	11,084	181 1.7%	2,686	2,721	35 1.3%
Other Lines	8,330	8,397	66 0.8%	1,990	1,997	6 0.3%
Commuter Passes	4,033	4,043	9 0.2%	905	904	(0) (0.1%)
Non-Commuter Passes	4,297	4,353	56 1.3%	1,085	1,092	7 0.7%

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

¥ Billions

	Results FY2018.3			
		YoY		Major factors (YoY)
		Increase/ (Decrease)	%	
Personnel costs	221.4	(1.8)	(0.8)	• Difference in personnel, etc.
Energy costs	44.0	3.5	8.7	• Increase in adjustment amount for fuel cost, etc.
Maintenance costs	161.4	4.2	2.7	• Increase in externally funded construction, etc.
Miscellaneous costs	202.1	5.4	2.8	• Increase in system-related costs • Increase in adjustment amount for fuel cost, etc.
Rental Payments, etc	30.2	(0.0)	(0.3)	
Taxes	35.7	0.7	2.1	• Increase in fixed assets tax, etc.
Depreciation and amortization	136.8	(0.8)	(0.6)	• Progress of depreciation and amortization, etc.
Total	831.9	11.2	1.4	

Note: Figures in brackets () are negative values.

Consolidated Financial Results

¥ Billions

	Results FY2017.3 A	FY2018.3		YoY		Difference from the forecasts Increase/(Decrease) C-B
		Forecasts (As of Jan 31) B	Results C	Increase/ (Decrease) C-A	% C/A-1	
Operating Revenues	1,441.4	1,497.0	1,500.4	59.0	4.1	3.4
Operating Expenses	1,265.0	1,311.5	1,309.0	44.0	3.5	(2.4)
Operating Income	176.3	185.5	191.3	14.9	8.5	5.8
Non-operating revenues and expenses, net	(15.6)	(15.0)	(13.5)	2.0	(13.0)	1.4
Non-operating revenues	8.0	7.2	9.0	1.0	–	1.8
Non-operating expenses	23.7	22.2	22.6	(1.0)	–	0.4
Recurring Profit	160.7	170.5	177.7	16.9	10.6	7.2
Extraordinary profit and loss, net	(23.0)	(4.0)	(7.1)	15.9	–	(3.1)
Extraordinary profit	19.6	–	32.8	13.2	–	–
Extraordinary loss	42.6	–	39.9	(2.6)	–	–
Profit attributable to owners of parent	91.2	110.5	110.4	19.2	21.0	(0.0)
<i>Comprehensive Income</i>	92.0	–	114.1	22.0	24.0	–

Note: Figures in brackets () are negative values.

Consolidated Financial Results (Segment Information)



¥ Billions

	Results FY2017.3 A	FY2018.3		YoY		Difference from the forecasts Increase/(Decrease) C-B
		Forecasts (As of Jan 31) B	Results C	Increase/ (Decrease) C-A	% C/A-1	
Operating Revenues ^{*1}	1,441.4	1,497.0	1,500.4	59.0	4.1	3.4
Transportation	929.1	946.5	950.8	21.7	2.3	4.3
Retail	233.9	240.8	239.8	5.9	2.5	(0.9)
Sales of goods and food services	152.5	162.2	161.7	9.1	6.0	(0.4)
[Accommodation-oriented budget hotels](restated) ^{*2}	[10.8]	[11.7]	[11.6]	[0.8]	[8.2]	[(0.0)]
Department stores	73.4	70.6	70.1	(3.3)	(4.5)	(0.4)
Real estate	109.5	138.7	139.6	30.0	27.5	0.9
Shopping center	60.5	59.1	59.6	(0.9)	(1.5)	0.5
Real estate lease and sale	47.2	77.7	78.1	30.9	65.5	0.4
[Real estate sale](restated)	[16.1]	[34.9]	[35.0]	[18.8]	[117.2]	[0.0]
Other businesses	168.8	171.0	170.0	1.2	0.7	(0.9)
Hotel	36.2	35.9	35.6	(0.5)	(1.5)	(0.2)
Nippon Travel Agency	42.0	41.0	41.3	(0.6)	(1.6)	0.3
Operating Income ^{*1}	176.3	185.5	191.3	14.9	8.5	5.8
Transportation	121.7	127.1	130.3	8.5	7.0	3.2
Retail	5.2	7.0	7.2	2.0	38.9	0.2
Sales of goods and food services	5.1	—	6.0	0.9	18.3	—
Department stores	(0.1)	—	0.9	1.1	—	—
Real estate	32.2	35.5	35.7	3.5	11.1	0.2
Shopping center	9.6	—	8.7	(0.9)	(9.9)	—
Real estate lease and sale	11.6	—	17.3	5.7	49.3	—
Other businesses	20.4	19.0	19.9	(0.5)	(2.5)	0.9
Hotel	2.4	—	1.9	(0.5)	(20.4)	—
Nippon Travel Agency	0.6	—	0.2	(0.4)	(60.7)	—

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 Shimonoseki (non-consolidated), Asakusa (other business segment), and Hiroshima Kanayamacho (other business segment) locations.

Major Factors of Increase/Decrease in Each Segment

¥ Billions

			Results FY2018.3			Major factors (YoY)
			YoY			
			Increase/ (Decrease)	%		
Retail	Sales of goods and food services	Operating Revenues	161.7	9.1	6.0	•Seven-Eleven allied stores favorable, etc.
		Operating Income	6.0	0.9	18.3	
	Department stores	Operating Revenues	70.1	(3.3)	(4.5)	•Cessation of operations at the B1 and B2 levels of the Osaka Store
		Operating Income	0.9	1.1	—	•Improved earnings due to cessation of operations at the B1 and B2 levels of the Osaka Store, etc.
Real estate	Shopping center	Operating Revenues	59.6	(0.9)	(1.5)	•Closure of directly-operated stores, etc.
		Operating Income	8.7	(0.9)	(9.9)	•Renovation of the B1 and B2 levels at LUCUA 1100, etc.
	Real estate lease and sale	Operating Revenues	78.1	30.9	65.5	•New consolidation of Ryoju Properties, increase in number of residences sold, etc.
		Operating Income	17.3	5.7	49.3	
Other Businesses	Hotel	Operating Revenues	35.6	(0.5)	(1.5)	
		Operating Income	1.9	(0.5)	(20.4)	
	Nippon travel agency	Operating Revenues	41.3	(0.6)	(1.6)	
		Operating Income	0.2	(0.4)	(60.7)	

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.

Consolidated Financial Situation and Statements of Cash Flows



¥ Billions

	As of March 31, 2017 A	As of March 31, 2018 B	Difference increase/(decrease) B-A
Assets	3,007.8	3,072.9	65.1
Liabilities	1,975.2	1,956.6	(18.5)
Net assets	1,032.6	1,116.3	83.6
Balance of Long-term Debt and Payables	1,037.9	1,032.2	(5.6)
【Average interest rate (%)】	【1.97】	【1.86】	【(0.11)】
Shinkansen Purchase Liability	104.6	103.8	(0.8)
【Average interest rate (%)】	【6.55】	【6.55】	【 - 】
Bonds	534.9	524.9	(9.9)
【Average interest rate (%)】	【1.75】	【1.58】	【(0.17)】
Equity ratio (%)	31.3	33.2	1.9
Net assets per share (¥)	4,857.50	5,273.42	415.92

	Results FY2017.3 A	Results FY2018.3 B	YoY increase/(decrease) B-A
Cash flows from operating activities	234.1	275.1	40.9
Cash flows from investing activities	(295.8)	(166.3)	129.4
Free cash flows	(61.6)	108.7	170.4
Cash flows from financing activities	44.3	(71.4)	(115.7)
Change in cash and cash equivalents, net	(17.3)	38.1	55.4
Cash and cash equivalents at the end of the period	63.3	101.4	38.1

Note: Figures in brackets () are negative values.

01 Results for FY2018.3 and Forecasts for FY2019.3

- Results for FY2018.3
- Forecasts for FY2019.3

02 JR-West Group Medium-Term Management Plan 2022

- Review of Previous Medium-Term Management Plan and Positioning of Current Medium-Term Management Plan
- Medium-Term Management Plan 2022

Non-Consolidated Financial Forecasts

¥ Billions

	Results FY2018.3 A	Forecasts FY2019.3 B	YoY	
			Increase/ (Decrease) B-A	% B/A-1
Operating Revenues	976.2	988.0	11.7	1.2
Transportation revenues	867.8	878.0	10.1	1.2
Other	108.4	110.0	1.5	1.5
Operating Expenses	831.9	843.0	11.0	1.3
Personnel costs	221.4	217.0	(4.4)	(2.0)
Non personnel costs	407.6	426.5	18.8	4.6
Energy costs	44.0	46.5	2.4	5.5
Maintenance costs	161.4	172.5	11.0	6.8
Miscellaneous costs	202.1	207.5	5.3	2.7
Rental payments, etc.	30.2	27.5	(2.7)	(9.0)
Taxes	35.7	35.5	(0.2)	(0.7)
Depreciation	136.8	136.5	(0.3)	(0.2)
Operating Income	144.3	145.0	0.6	0.4
Non-operating revenues and expenses, net	(15.7)	(14.0)	1.7	(10.9)
Non-operating revenues	6.2	7.5	1.2	—
Non-operating expenses	21.9	21.5	(0.4)	—
Recurring Profit	128.6	131.0	2.3	1.8
Extraordinary profit and loss, net	(9.2)	(2.0)	7.2	—
Extraordinary profit	29.8	—	—	—
Extraordinary loss	39.0	—	—	—
Net Income	80.7	89.5	8.7	10.8

Note: Figures in brackets () are negative values.

Transportation Revenue Forecasts

¥ Billions

Forecasts FY2019.3					
Transportation revenues		YoY Increase/(Decrease)		Major factors	
		Amount	%		
Shinkansen	454.7	7.0	1.6	Fundamental trend 1.0%	4.3
				Special factors	
				•Inbound	1.5
				•Pattern of weekdays and weekends	0.5
				•Rebound from snow damage	(0.1)
				etc.	
Kansai Urban Area (Kyoto-Osaka-Kobe Area)	312.0	3.0	1.0	Fundamental trend 0.0%	0.1
				Special factors	
				•Inbound	1.3
				•Rebound from snow damage	0.3
				•Pattern of weekdays and weekends	0.0
				etc.	
Other lines	111.1	0.0	0.1	Fundamental trend (0.7%)	(0.8)
				Special factors	
				•Rebound from snow damage	0.5
				•Inbound	0.3
				•Pattern of weekdays and weekends	0.0
				etc.	
Conventional lines	423.2	3.1	0.7		
Total	878.0	10.1	1.2		

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

Operating Expenses Forecasts (Non-Consolidated)

¥ Billions

	Forecasts FY2019.3			
		YoY		Major factors (YoY)
		Increase/ (Decrease)	%	
Personnel costs	217.0	(4.4)	(2.0)	•Difference in personnel, etc.
Energy costs	46.5	2.4	5.5	•Increase in adjustment amount for fuel cost, etc.
Maintenance costs	172.5	11.0	6.8	•Increase in removal work, etc., accompanying capital expenditures •Increase in maintenance costs for structures, etc.
Miscellaneous costs	207.5	5.3	2.7	•Increase in system-related costs •Increase in adjustment amount for fuel cost, etc.
Rental Payments,etc	27.5	(2.7)	(9.0)	•JR Tozai Line, etc.
Taxes	35.5	(0.2)	(0.7)	
Depreciation and amortization	136.5	(0.3)	(0.2)	
Total	843.0	11.0	1.3	

Note: Figures in brackets () are negative values.

Consolidated Financial Forecasts

¥ Billions

	Results FY2018.3 A	Forecasts FY2019.3 B	YoY	
			Increase/ (Decrease) B-A	% B/A-1
Operating Revenues	1,500.4	1,525.5	25.0	1.7
Operating Expenses	1,309.0	1,338.0	28.9	2.2
Operating Income	191.3	187.5	(3.8)	(2.0)
Non-operating revenues and expenses, net	(13.5)	(13.5)	0.0	(0.6)
Non-operating revenues	9.0	8.6	(0.4)	–
Non-operating expenses	22.6	22.1	(0.5)	–
Recurring Profit	177.7	174.0	(3.7)	(2.1)
Extraordinary profit and loss, net	(7.1)	(7.0)	0.1	–
Extraordinary profit	32.8	–	–	–
Extraordinary loss	39.9	–	–	–
Profit attributable to owners of parent	110.4	111.0	0.5	0.5
Net income per share(¥)	570.72	573.33	–	–

Note: Figures in brackets () are negative values.

Consolidated Financial Forecasts (Segment Information)

¥ Billions

	Results FY2018.3	Forecasts FY2019.3	YoY	
			Increase/ (Decrease)	%
			B-A	B/A-1
A	B			
Operating Revenues * ¹	1,500.4	1,525.5	25.0	1.7
Transportation	950.8	962.0	11.1	1.2
Retail	239.8	244.8	4.9	2.1
Sales of goods and food services	161.7	167.0	5.2	3.3
[Accommodation-oriented budget hotels](restated) * ²	[11.6]	[12.7]	[1.0]	[9.0]
Department stores	70.1	69.1	(1.0)	(1.4)
Real estate	139.6	147.8	8.1	5.8
Shopping center	59.6	60.7	1.0	1.8
Real estate lease and sale	78.1	85.1	6.9	9.0
[Real estate sale](restated)	[35.0]	[40.7]	[5.7]	[16.4]
Other businesses	170.0	170.9	0.8	0.5
Hotel	35.6	36.1	0.4	1.3
Nippon Travel Agency	41.3	41.9	0.5	1.3
Operating Income * ¹	191.3	187.5	(3.8)	(2.0)
Transportation	130.3	130.6	0.2	0.2
Retail	7.2	5.7	(1.5)	(21.9)
Sales of goods and food services	6.0	4.4	(1.6)	(27.7)
Department stores	0.9	1.0	0.0	1.1
Real estate	35.7	33.4	(2.3)	(6.7)
Shopping center	8.7	8.5	(0.2)	(2.5)
Real estate lease and sale	17.3	15.6	(1.7)	(10.3)
Other businesses	19.9	21.1	1.1	5.7
Hotel	1.9	1.4	(0.5)	(29.5)
Nippon Travel Agency	0.2	0.3	0.0	9.6

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 Shimonoseki (non-consolidated), Asakusa (other business segment), and Hiroshima Kanayamacho (other business segment) locations.

Each Segment Forecasts

¥ Billions

			Forecasts FY2019.3			
			YoY		Major factors (YoY)	
			Increase/ (Decrease)	%		
Retail	Sales of goods and food services	Operating Revenues	167.0	5.2	3.3	·New opening of Seven-Eleven allied stores, etc.
		Operating Income	4.4	(1.6)	(27.7)	·Accommodation-oriented hotel opening expenses, etc.
	Department stores	Operating Revenues	69.1	(1.0)	(1.4)	·Hindrance from renovation construction, etc.
		Operating Income	1.0	0.0	1.1	
Real estate	Shopping center	Operating Revenues	60.7	1.0	1.8	·Hiroshima ekie opening full-year contribution, etc.
		Operating Income	8.5	(0.2)	(2.5)	
	Real estate lease and sale	Operating Revenues	85.1	6.9	9.0	·Increase in number of residences sold, opening of lease properties, etc.
		Operating Income	15.6	(1.7)	(10.3)	·Lease properties new opening expenses, etc.
Other Businesses	Hotel	Operating Revenues	36.1	0.4	1.3	
		Operating Income	1.4	(0.5)	(29.5)	
	Nippon travel agency	Operating Revenues	41.9	0.5	1.3	
		Operating Income	0.3	0.0	9.6	

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 FY2017.3	Results FY2018.3	Forecasts FY2019.3
ROA (% , Consolidated)	6.0	6.3	6.0
ROE (% , Consolidated)	10.0	11.3	10.5
EBITDA (Consolidated)* ¹	339.1	356.1	355.2
Depreciation (Consolidated)	162.7	163.5	166.5
Capital Expenditure (Consolidated, own fund)	192.4	169.4	280.0
Capital Expenditure (Non-consolidated, own fund)	159.8	127.8	218.0
Safety related capital expenditure	105.0	83.2	127.0
Dividends per share (¥)	140	160	175

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

	Results FY2017.3		Results FY2018.3		Forecasts FY2019.3	
	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated
No. of employees at the end of period	47,382	25,821	47,869	25,291	—	—
Financial Expenses, net	(21.6)	(21.0)	(20.2)	(19.6)	(19.3)	(17.2)
Interest and dividend income	0.6	1.1	0.7	1.2	0.7	2.7
Interest expenses	22.3	22.2	20.9	20.8	20.0	19.9

Note: Figures in brackets () are negative values.

01 Results for FY2018.3 and Forecasts for FY2019.3

- Results for FY2018.3
- Forecasts for FY2019.3

02 JR-West Group Medium-Term Management Plan 2022

- Review of Previous Medium-Term Management Plan and Positioning of Current Medium-Term Management Plan
- Medium-Term Management Plan 2022

Review of JR-West Group Medium-Term Management Plan 2017 (1) – (Safety)

Even though we did not meet a portion of our objectives, the number of railway operation accidents, etc., has generally been following a declining trend.

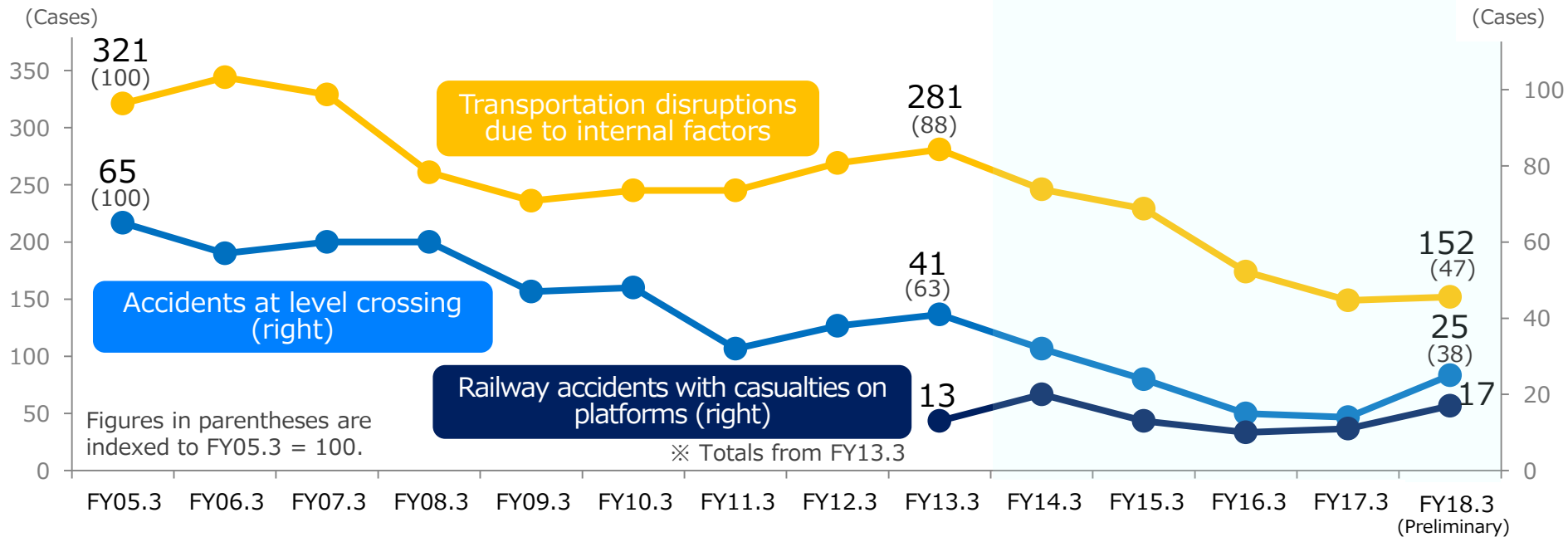
○ Safety Think-and-Act Plan 2017 Objectives

	FY13.3 results	FY18.3 objectives	FY18.3 results
Railway accidents that result in casualties among our customers	0 cases	0 cases in 5 years	0 cases in 5 years
Railway labor accidents that result in fatalities among our employees	0 cases	0 cases in 5 years	2 cases in 5 years
Railway accidents with casualties on platforms	13 cases	9 cases (30% reduction)	17 cases
Accidents at level crossings	41 cases	25 cases (40% reduction)	25 cases
Transportation disruptions due to internal factors	281 cases	140 cases (50% reduction)	152 cases



Platform gates (Osaka station)

*Preliminary figures



Review of JR-West Group Medium-Term Management Plan 2017 (2) — (Individual Business Initiatives)

Steadily advancing measures to enhance corporate value over the medium to long term.

Medium-Term Management Plan 2017					
	FY14.3	FY15.3	FY16.3	FY17.3	FY18.3
Railway Business	Introducing N700A One train		Four trains	Four trains	Three trains
Sanyo Shinkansen	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"
Kansai Urban Area	Opening new stations		Maya and Higashi-Himeji stations	Starting construction (Umekita (Osaka) underground station, etc.)	
Other conventional lines	Sharing issues and discussing with the local community			Providing notification of cessation of service on the Sanko Line	Starting operation of TWILIGHT EXPRESS MIZUKAZE
Non-Railway Business					Continuing to opening new stores
Retail	Accommodation-oriented hotels Nagoya	Asakusa, Shinsaibashi, Hiroshima	Opening LUCUA 1100		Tennoji, Umeda
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	

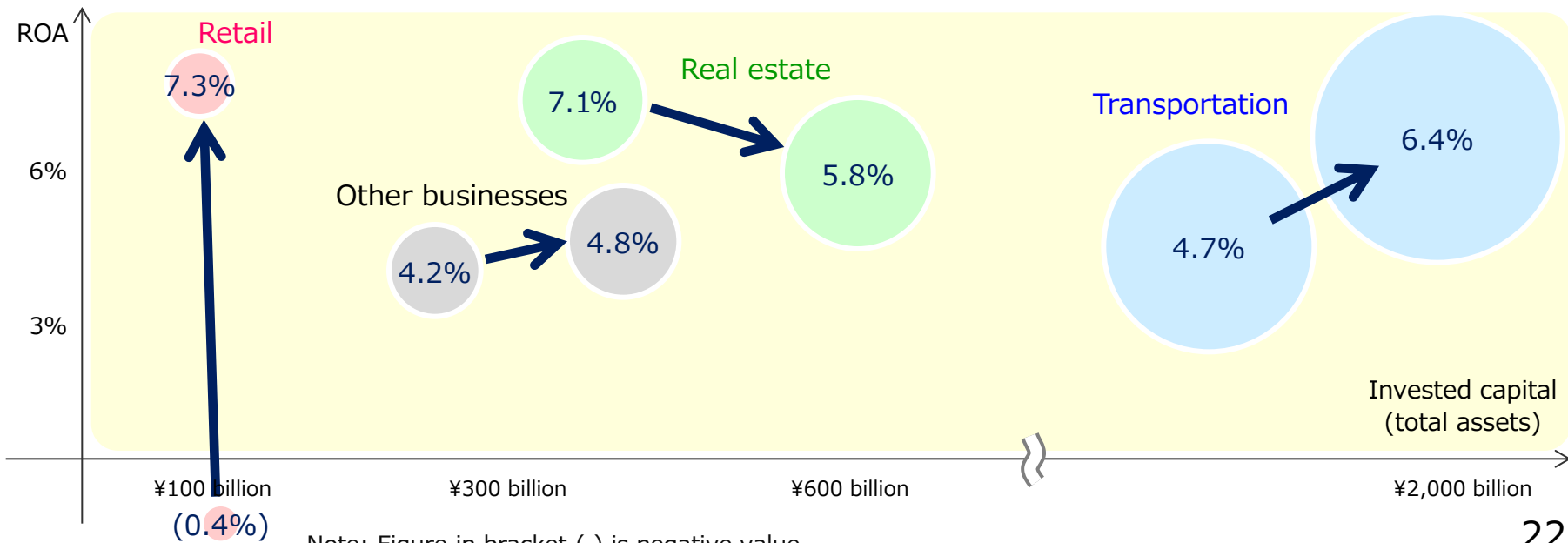
Review of JR-West Group Medium-Term Management Plan 2017 (3) – (Financial Indicators)

Achieving results that substantially exceeded objectives for all financial indicators, Realizing steady growth in all segments

○ Financial Indicators

	FY13.3 results	FY18.3 objectives	FY18.3 results
Consolidated operating revenues	¥1,298.9 billion	¥1,423.0 billion	¥1,500.4 billion
Consolidated EBITDA	¥290.3 billion	¥325.5 billion	¥356.1 billion
Consolidated ROA	4.9%	5.5%	6.3%
Consolidated ROE (Reference)	8.3%	9.8%	11.3%
Rate of total distribution on net assets	2.9%	Approx. 3%	3.2%

○ Trends in ROA by segment (FY13.3 → FY18.3) *Circle size indicates operating income



Positioning of Medium-Term Management Plan 2022

○ Trends in consolidated operating revenues

(¥ Billion)
2,000

- Strengthening Shinkansen competitiveness
- Increasing the value of railway belts in the Kansai Urban Area
- Increasing asset efficiency and expanding operational scale in non-railway businesses

Steadfastly maintaining the direction taken to date. At the same time, adding a **backcasting** perspective to target sustained growth over the long term.

- Setting objectives from long-term viewpoint
- Maximizing effectiveness of large-scale projects

Our Vision
The Ideal Forms

Around 2030
¥2 trillion

1,500

- [Securing business sustainability]
- Increasing productivity by utilizing new technologies, etc.
 - Using opportunities presented by updates of large-scale facilities in order to strengthen functionality

Continuation of current trends

Medium-Term Management Plan 2017

Medium-Term Management Plan 2022

1,000

FY14.3 FY15.3 FY16.3 FY17.3 FY18.3 FY19.3 FY20.3 FY21.3 FY22.3 FY23.3

Hokuriku Shinkansen opening
Growth through medium to long term initiatives

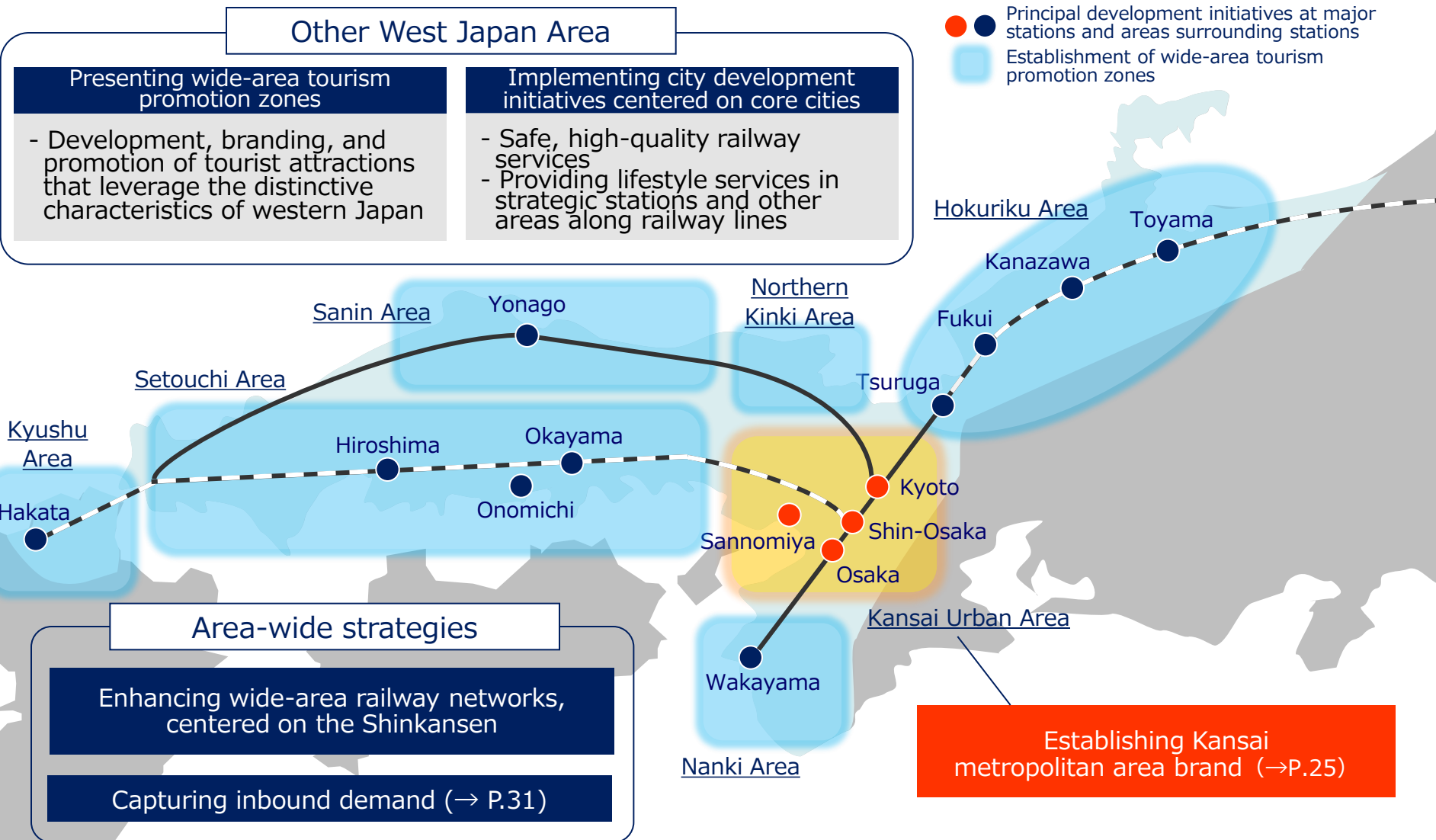
Continuation of growth
Preparations for further growth
Securing business sustainability

Toward further growth

Enhancing safety

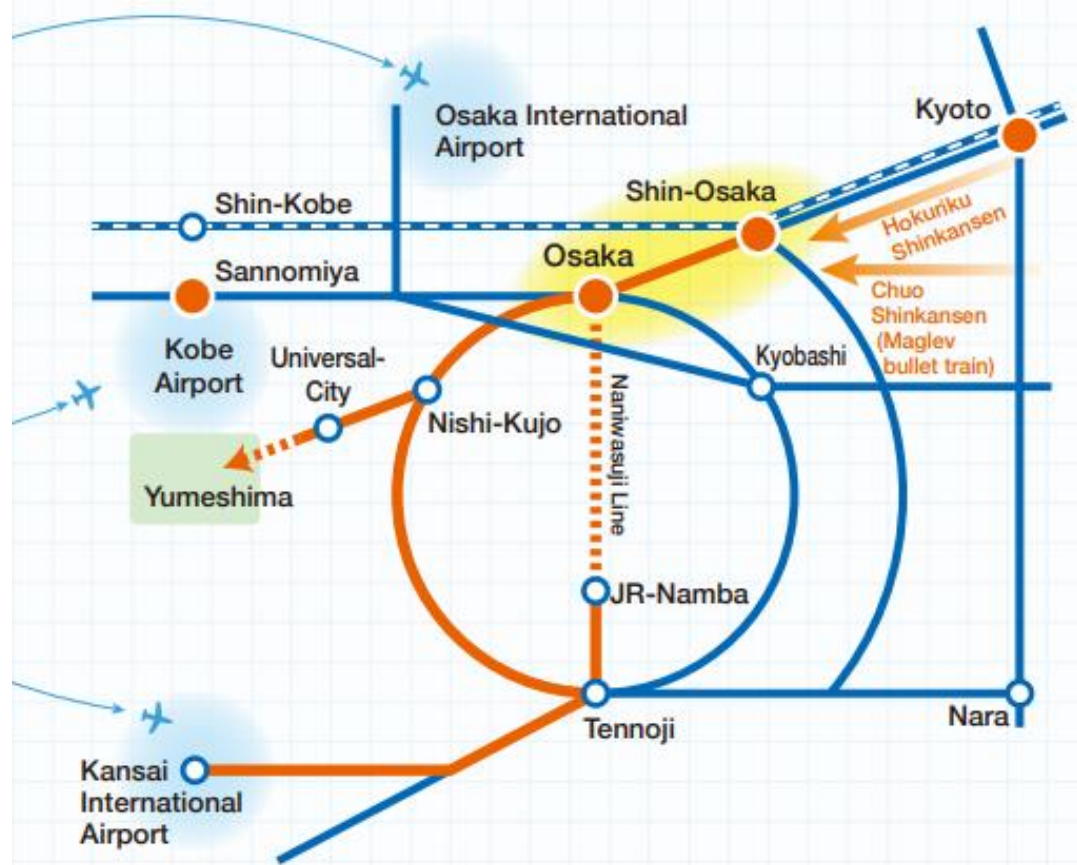
Toward Our Vision (1) — (Initiatives in Western Japan Area Overall)

Expanding visitor and resident populations by fully drawing out the potential of the western Japan area in cooperation with local communities.



Toward Our Vision (2) — (Establishing Kansai Metropolitan Area Brand)

Contributing to the establishment of the Kansai metropolitan area brand as a region that is suited to be the gateway to "Japan".



Increasing appeal as an international city by enhancing railway networks and developing areas along railway lines

- Naniwasuji Line / Considering Yumeshima Access

Creating the liveliness of the community through the development of the area surrounding Osaka Station

- Implementing city development initiatives, centered on the Umekita (Osaka) underground station

Developing the Shin-Osaka area into a wide-area hub base and demonstrating its potential as an international business site

- Increasing Shin-Osaka's base functionality (integration of transportation connecting point functions and city functions), with a focus on the super mega-region (merging of the big three metropolitan areas)

Establishing a brand for appealing areas along railway lines

- Developing railway belt terminal stations as bases



- | | | | | |
|---|--|--|--|--|
| Rugby World Cup 2019
Universal Studios Japan™ [SUPER NINTENDO WORLD™]
World Masters Games 2021 Kansai | Opening of Umekita (Osaka) underground station | Umekita Area opening
Osaka Exposition (candidate) | Opening of Naniwasuji Line
Considering Yumeshima Access | Development of Shin-Osaka Wide-Area Hub Base
(Extension of Hokuriku Shinkansen /
Opening of Chuo Shinkansen (Maglev bullet train)) |
|---|--|--|--|--|

01

Results for FY2018.3 and Forecasts for FY2019.3

- Results for FY2018.3
- Forecasts for FY2019.3

02

JR-West Group Medium-Term Management Plan 2022

- Review of Previous Medium-Term Management Plan and Positioning of Current Medium-Term Management Plan
- Medium-Term Management Plan 2022

Steadfastly maintaining our direction. To realize our ideal forms, integrating the railway and non-railway businesses, executing strategies.

Corporate Philosophy
Management Vision

Foundation of management. Steadfastly maintain.

Our Vision
The Ideal Forms

We will fulfill our mission as a railway company that coexists with local communities.

- Building communities that people want to visit and live in
- Safe, sustainable railway/transportation services
- ⇒ **Expanding the visitor population and the resident population**
- Providing safe and high-quality railway services as well as lifestyle services
- ⇒ **Supporting the daily lives of customers**

We will become a company that continues to take on challenges.

- Enhancing existing business strengths
- Taking on the challenges of new markets and business fields
- ⇒ **Realizing dramatic growth**

Groupwide strategies

Increasing regional value

Increasing the value of railway belts

Increasing business value

Business Strategies, etc.

Railway Business

×

Non-Railway Business

Formulating strategies with consideration for changes in the operating environment (opportunities/threats) and for our strengths

Opportunities

- Concentration of population in urban areas
- Further increases in inbound customers
- Active contributions by women and seniors
- Regional development activities
- Technological innovation (use of AI, etc.)
- Projects such as the Hokuriku Shinkansen extension, etc.

Application

Medium-Term Management Plan 2022

- Increasing regional value
- Increasing the value of railway belts
- Increasing business value
- Capturing inbound demand etc.

Response

Threats

- Market contraction and workforce declines accompanying decreasing population
- Arrival of timing for updates of large-scale facilities
- Intensification of natural disasters
- Technological innovation (self-driving automobiles, etc.)

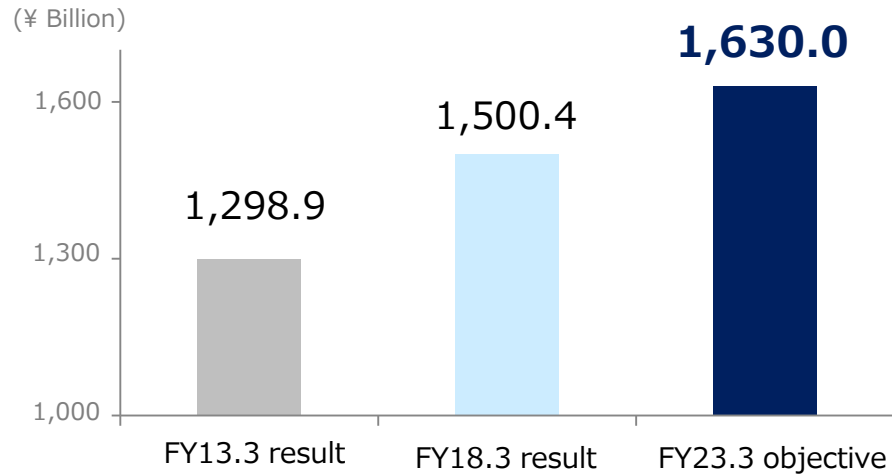
Strengths

Strength through collaboration with people in local communities

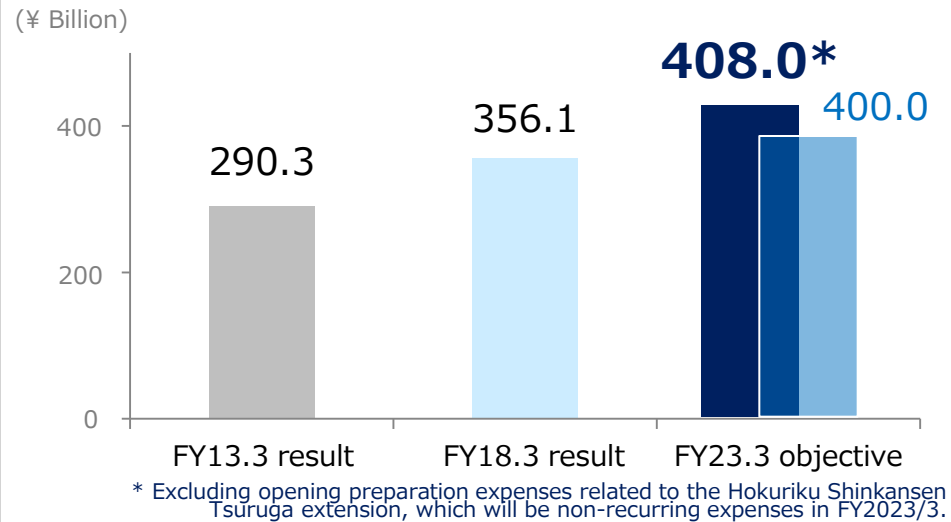
Strength through implementation of Groupwide measures

Expanding the scale of revenue and profits while maintaining asset efficiency at a high level.

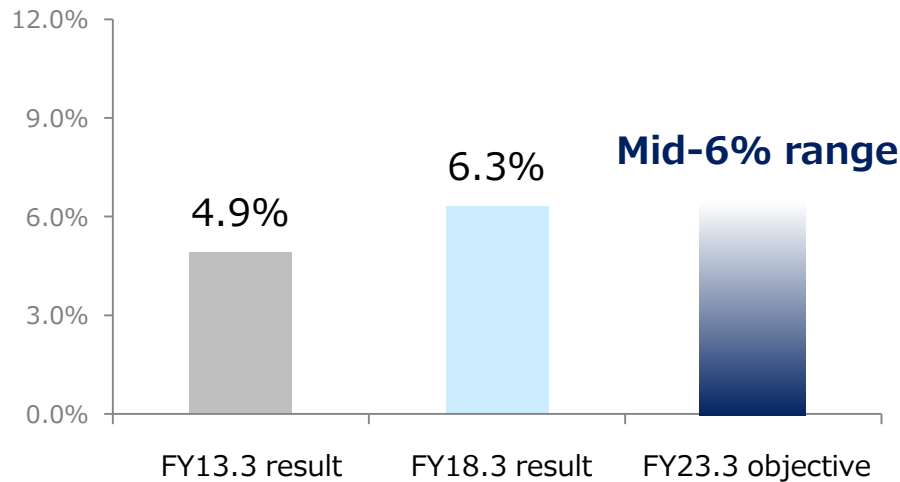
Consolidated operating revenues



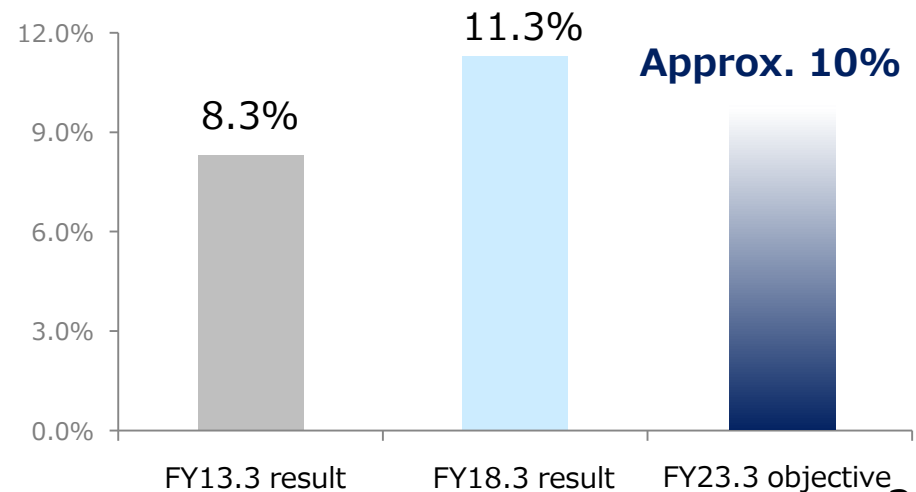
Consolidated EBITDA



Consolidated ROA



(Reference) Consolidated ROE



Groupwise Strategies (1) — Increasing Regional Value / the Value of Railway Belts

Railway and non-railway businesses working together to maximize regional value / the value of railway belts.

Increasing regional value

Setouchi Area

Developing wide-area tourism routes

- Enhancing the convenience and appeal of the Sanyo Shinkansen
- Enhancing stations that will be tourism connection points
- Operating new long-distance trains, etc.
- Combining railways and cruise ships

Developing contents that draw customers

- Drawing on regional appeal to develop strategic stations
- Developing appealing accommodation facilities
- Uncovering local products

Hokuriku Area

Maximizing Tsuruga extension effect

- Implementing development initiatives at stations and areas surrounding stations
- Developing tourist attractions through collaboration with local communities

Increasing the value of railway belts

Kansai Urban Area

Enhancing transportation services

- Enhancing safety
- Realizing seamless mobility through ICOCA
- Advancing barrier-free initiatives and station beautification to address diverse needs

Development initiatives at stations, station buildings, and areas surrounding stations

Kyoto

- Spring 2019 Opening a new station on the KyotoTanbaguchi segment of the Sagano Line
Opening two hotels in front of the Hachijo Exit of Kyoto Station
- 2020 Umekoji: Opening community-oriented casual hotels
- 2018-20 Kyoto Station commercial facility large-scale renovation

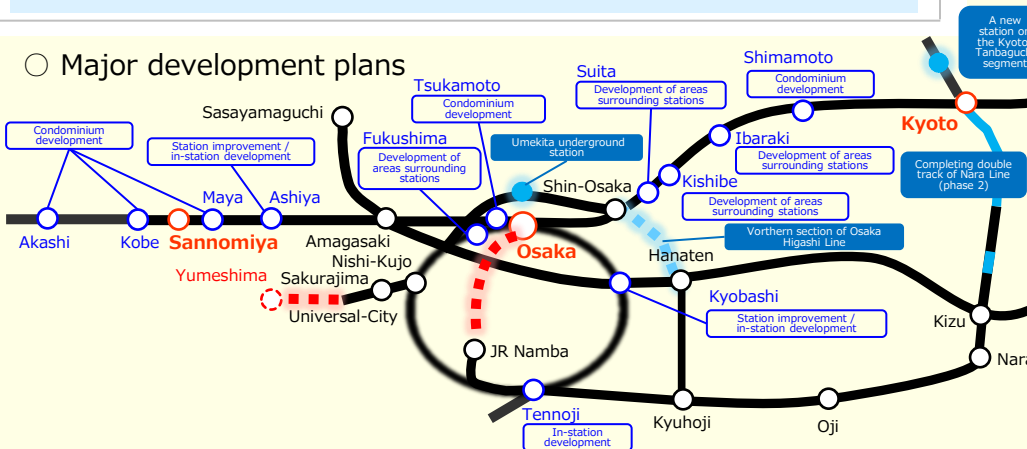
Osaka

- June 2018 Opening of Hotel Vischio Osaka
- Spring 2019 Opening of northern section of Osaka Higashi Line
- Spring 2023 Opening of Umekita (Osaka) underground station
- 2023 and thereafter Developing the western part of Osaka Station
- Spring 2031 objective Opening of Naniwasuji Line

Sannomiya

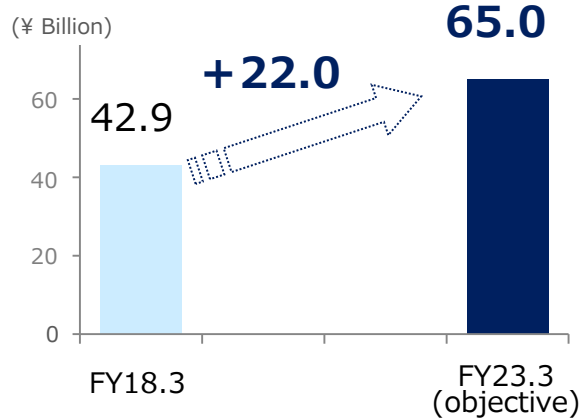
- 2023 and thereafter Station building development

○ Major development plans

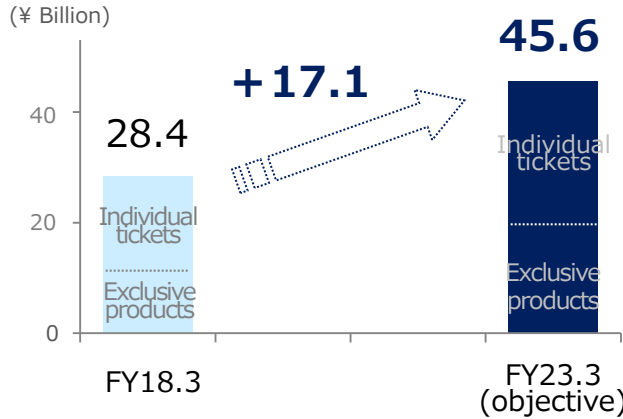


Fully leveraging the appeal of the western Japan area and aiming for growth that outpaces the growth of inbound visitors to Japan.

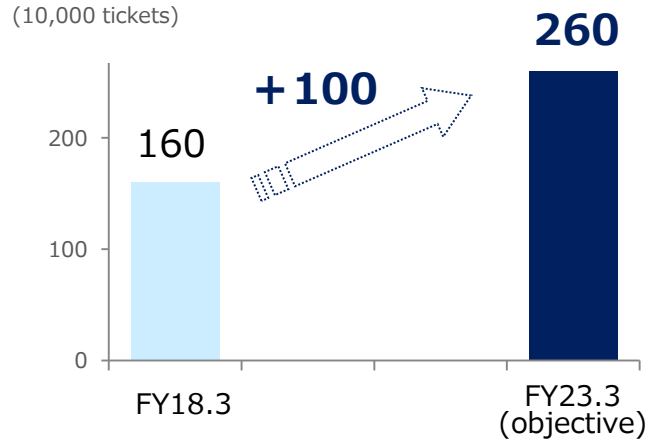
○ Consolidated operating revenues



○ Transportation revenues



○ Number of users of exclusive products



Setting objectives that target increased earnings from inbound visitors overall, including individual tickets

○ Major initiatives

Developing and improving wide-area tourism routes

- Uncovering tourist attractions in the western Japan area
- Promoting sales of optional tours

Capturing demand on a groupwide basis

- Expanding development of accommodation facilities
- Renovating hotels and commercial facilities

Improving reception systems

- Installing free Wi-Fi
- Strengthening functions related to meeting the needs of inbound visitors at major stations
- Enhancing environment for Internet reservations from overseas

Strengthening promotions

- Collaborating with communities, municipal governments, and DMOs
- Strengthening promotions in Southeast Asia, Europe, the U.S., and Australia



Safety is the foundation of management and the most important strategy. We will continue ongoing efforts, including both tangible and intangible initiatives.

JR-West Group Railway Safety Think-and-Act Plan 2022

Safety management with the participation of all employees

Each employee considers specific risks

Enhancement of railways systems that maintain safety

Enhancement of organizational safety management (safety management)



Implementation of safety think-and-act by each individual

Fostering the spread of safety-first awareness

Capital expenditure

¥530 billion

Tangible measures

Pursuing Shinkansen safety

- New rolling stock
- Equipment for detecting abnormalities in bogies

Responding to intensifying natural disasters

- Earthquake resistance reinforcement, reinforcement of slopes, anti-wind barriers
- Sanyo Shinkansen derailment prevention guards

Addressing social needs

- Platform gates

○ JR-West Group Railway Safety Think-and-Act Plan 2022 「Objectives」

Objectives

Train accidents that result in casualties among our customers **0 cases** in 5 year

Railway labor accidents that result in fatalities among our employees **0 cases** in 5 year

Objectives

Railway accidents that result in casualties among our customers **Further 10% reduction***

Accidents at level crossings **Further 10% reduction***

Transportation disruptions due to internal factors **Further 10% reduction***

* Benchmarks are objectives from Safety Think-and-Act Plan 2017. If objectives are achieved, then another 10% reduction from that value.

Accelerating initiatives to increase productivity in order to enhance sustainability in the railway business.

○ Major initiatives

Maintenance system change

- Transitioning to new maintenance methods
 - Transitioning from ground-based inspections to on-board inspections, condition monitoring on trains used to carry passengers
- Mechanization and revision of facilities structure
 - Transitioning to hyper overhead electrical lines, using rail grinder trains, using utility pole handling vehicles
- Simplifying ground equipments

Revising services and equipment

- Advancing self-service ticket purchases
 - Expanding ICOCA area, promoting Internet reservations
- Revising station sales systems
 - Mechanization, transitioning to call centers
- Revising workforce, including full automation
- Advancing one-person operation of trains

Capital expenditure

¥100 billion

Utility pole handling vehicles

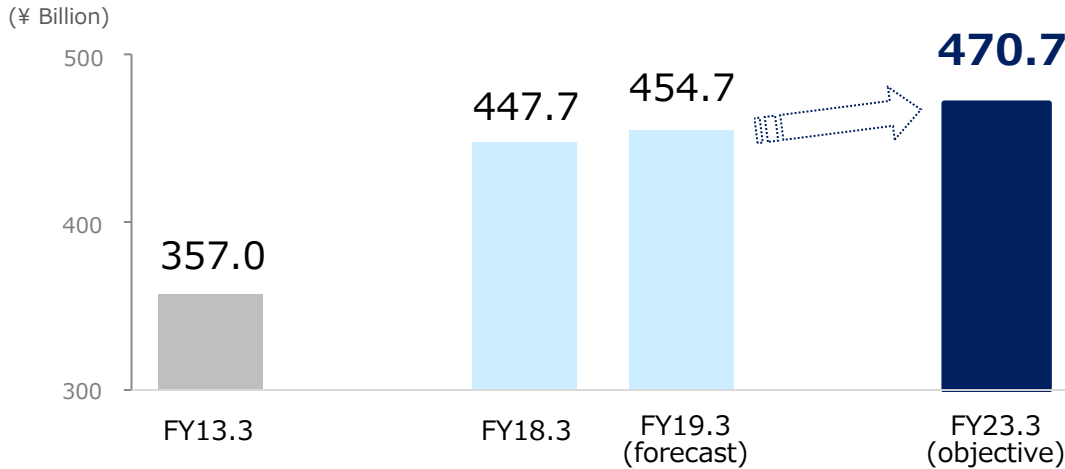


“Technology Vision”: Aiming to overcome changes in the operating environment and to realize our ideal form in approximately 20 years from a technology perspective.

Three ideal forms	Major initiatives
① Pursuing further safety and reliability of transportation	<ul style="list-style-type: none"> • Visualization of risk through technology: Reinforcement of slopes using aerial laser measurement • Advancing safety systems: Introducing wireless ATC
② Providing railway/transportation services that play a role in supporting the creation of appealing areas	<ul style="list-style-type: none"> • Providing seamless mobility: Implementing ticketless initiatives • One-to-one services: Proposing optimal travel through data marketing <p>⇒ Turning the Umekita (Osaka) underground station into a station of the future, centered on open innovation initiatives</p>
③ Building sustainable railway/transportation systems	<ul style="list-style-type: none"> • Increasing productivity: Transition to CBM (transitioning from ground-based inspections to on-board inspections, condition monitoring on trains used to carry passengers, sensor networks) • Simplifying ground equipments: Introducing onboard IC ticket checking equipments

Largest growth driver. Investing management resources to increase competitiveness and expand the visitor population.

○ Trends in transportation revenues



Capital expenditure
¥380 billion



○ Major initiatives

Safe, reliable transportation	Enhancing transportation services	Fostering tourism demand
<ul style="list-style-type: none"> • Introducing new rolling stock • Introducing equipment for detecting abnormalities in bogies 	<ul style="list-style-type: none"> • Increasing frequencies • Enhancing the convenience of Internet reservations • Working toward self-service ticket purchases • Providing special services for frequent users 	<ul style="list-style-type: none"> • Improving wide-area tourism routes, campaigns • Capturing inbound demand (→P.31)
<p>Securing business sustainability</p> <ul style="list-style-type: none"> • Renovation of Depot (Hakata) 		<p>Maximizing the Tsuruga extension effect for the Hokuriku Shinkansen</p>

Railway Business (4) – Conventional Line (Kansai Urban Area/Other West Japan Area)

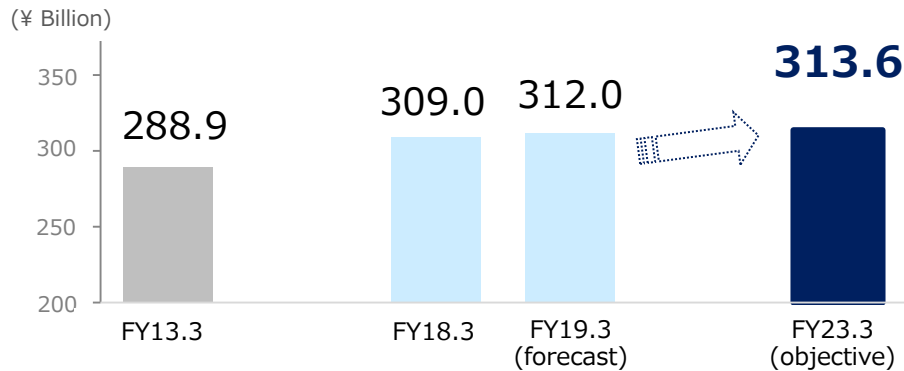
Working to increase the value of railway belts in the Kansai Urban Area, and to develop businesses aligned with railway service areas in the Other West Japan Area.

Capital expenditure
(conventional lines total)

¥620 billion

Kansai Urban Area

○ Trends in transportation revenues



○ Major initiatives

Increasing the value of railway belts

- Expanding the railway network by opening new lines/new stations
- Implementing Groupwide initiatives to develop areas along railway lines

Increasing the quality of transportation services

- Completing double track of Nara Line (phase 2)
- ICOCA new point services

Securing business sustainability

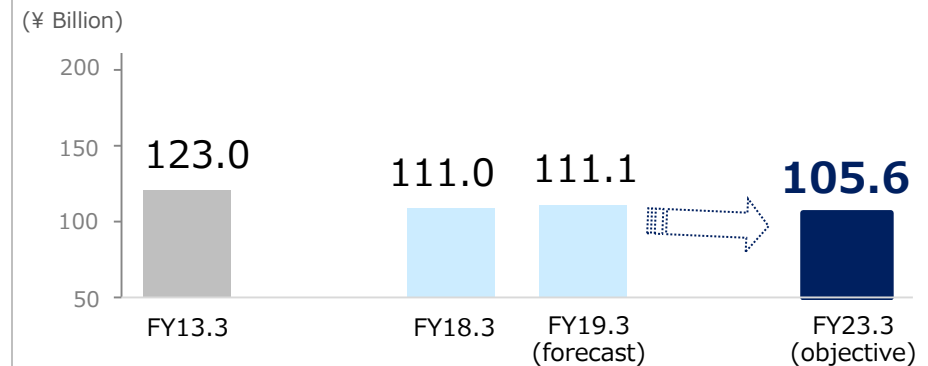
- Renovation of Depot (Suita)

Capturing inbound demand (→P.31)

- Promoting use of limited express "Haruka"

Other West Japan Area

○ Trends in transportation revenues



○ Major initiatives

Enhancing Shinkansen feeder transport

- Sightseeing trains, new long-distance trains
- Increasing the transportation quality of the limited express "Yakumo"

Invigorating communities, centered on tourism

- Establishing wide-area tourism routes (Setouchi, Hokuriku, etc.)
- TWILIGHT EXPRESS MIZUKAZE, using new sightseeing trains

Implementing city development, centered on core cities

- Hiroshima, Okayama, Toyama, Kanazawa, Yonago, etc.

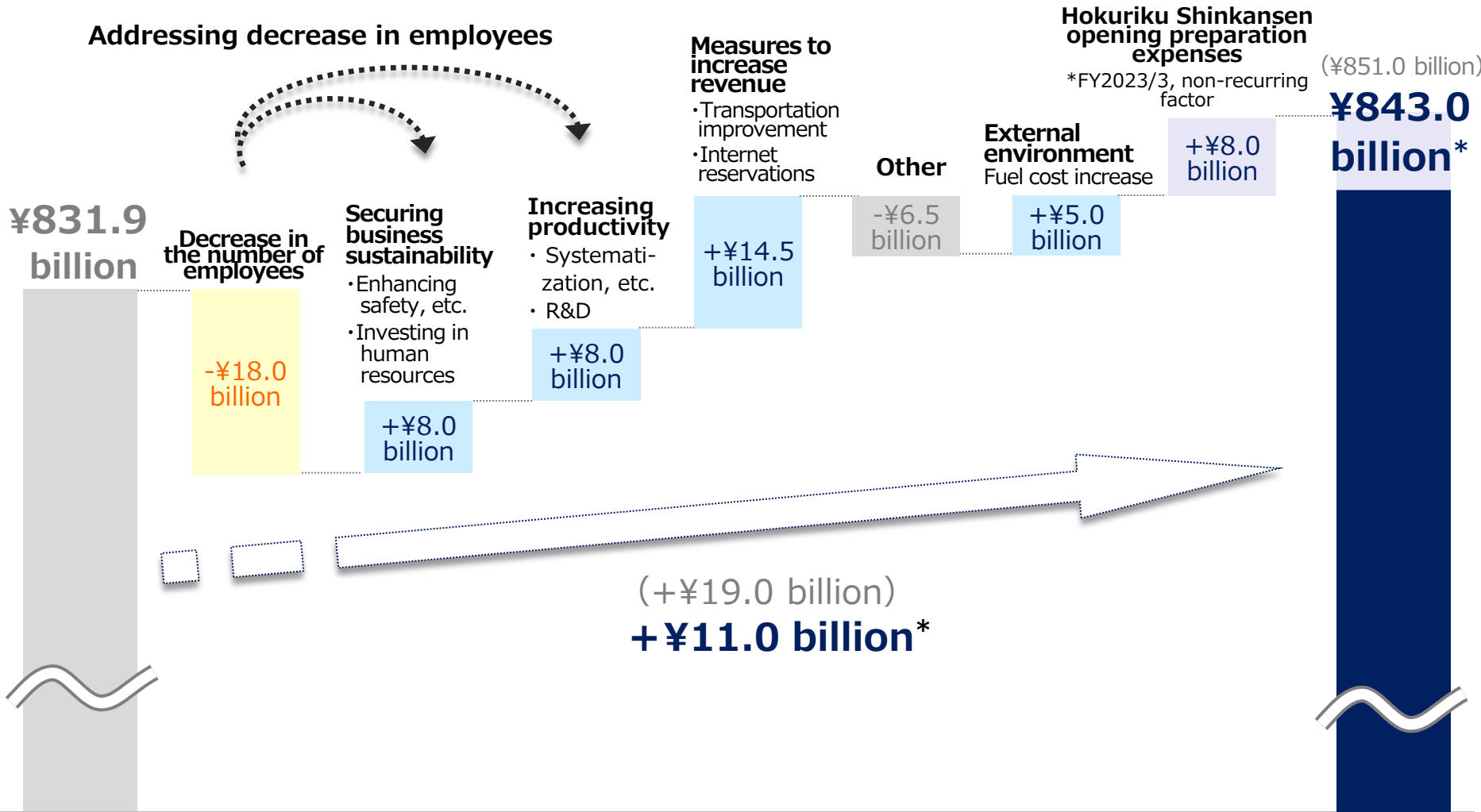
Realizing sustainable transportation services

- Converting of the Kibi Line to LRT

Increasing productivity (→P.33)

Railway Business (5) – Operating Expenses (Non-Consolidated)

Ongoing gradual increase. Excluding non-recurring factors and external factors, slight increase. To be utilized in measures to address decrease in employees and to increase revenue.



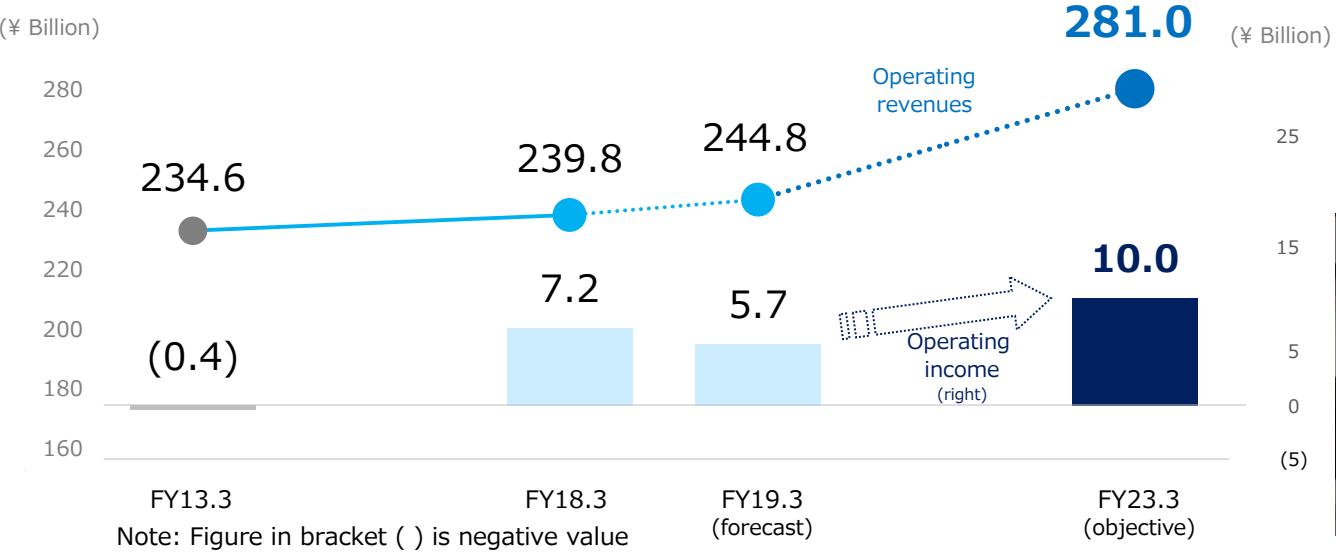
FY18.3

* Excluding opening preparation expenses related to the Hokuriku Shinkansen Tsuruga extension, which will be a non-recurring factor in FY23.3.

FY23.3 (forecast)

**Increasing asset efficiency through existing store renovations, etc.
Considering expansion of business scale through strict selection of locations.**

○ Trends in Operating Revenues and Operating Income



Capital expenditure
¥20 billion



○ Major initiatives

Sales of goods / food services	Enhancing asset efficiency
	<ul style="list-style-type: none"> • Strengthening store operating capabilities • Advancing development and renovation of in-station stores

Expanding business scale
<ul style="list-style-type: none"> • Developing convenience stores/food service stores, etc., in cities, principally in areas surrounding stations • New openings of accommodation-oriented hotels (→P40)

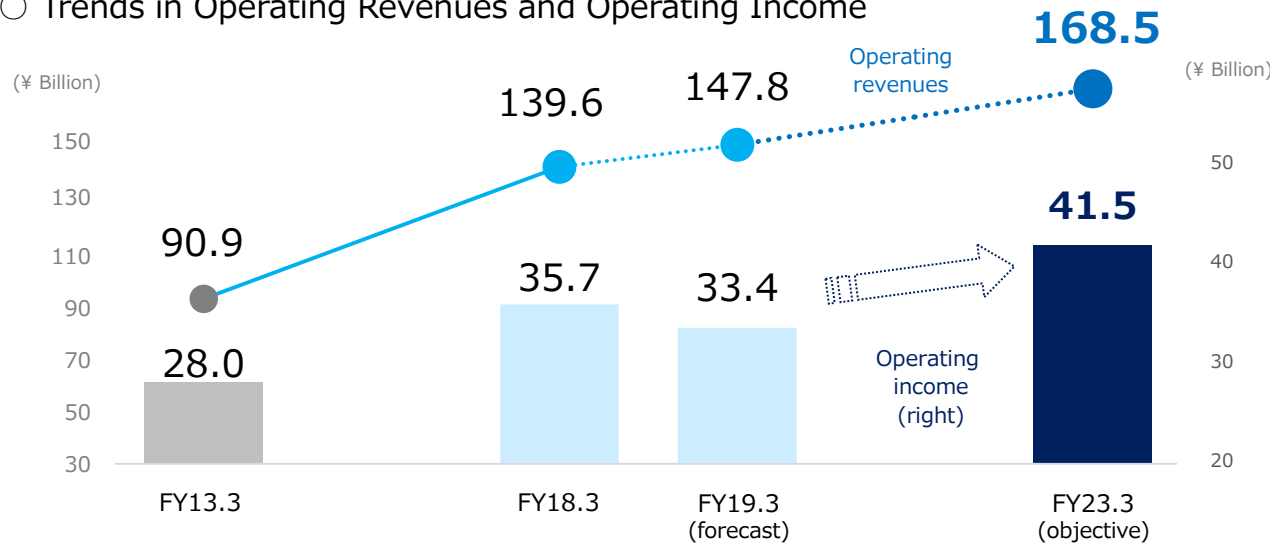
Department stores	Enhancing asset efficiency
	<ul style="list-style-type: none"> • Implementing renovation of JR Kyoto Isetan



Renovation of JR Kyoto Isetan

Growth driver following the Shinkansen. Increasing asset efficiency, expanding business scale, investing management resources from long-term viewpoint.

○ Trends in Operating Revenues and Operating Income



Capital expenditure
¥260 billion



○ Major initiatives

Real estate lease and sale
(→P.39)

Implementing city development starting from stations

Expanding business scale

Shopping centers

Enhancing asset efficiency

- Implementing development/renovations with consideration for local conditions (strategic stations/regional cities, etc.)
- Increasing efficiency by standardizing systems and implementing low-cost operations at each shopping center

Non-Railway Businesses (2-2) – Real Estate Business (Lease and Sale)

Implementing development initiatives, centered on railway service area but also including areas outside of railway service area. Maximizing value of railway service area by leveraging accumulated know-how through expansion of business opportunities.

- Implementing city development starting from stations
 - Advancing plans for the Big Three Projects (Osaka, Sannomiya, and Hiroshima)
 - Advancing development initiatives at stations and areas surrounding stations
- Expanding business scale (areas outside of railway service area)
 - Expanding initiatives in growth markets, such as Tokyo metropolitan area, etc.

Leveraging accumulated know-how through expansion of business opportunities

Maximizing regional value/railway belt value in western Japan area

104.7

○ Trends in Operating Revenues (¥ billion)

78.1

Sale 35.0



The Terrace Totsuka Grand Terminal
 Delivery planned for March 2019
 Number of units: 175
 ※Joint project



Maya City STATION GATE
 Delivery planned for September 2019
 Number of units: 118
 ※Joint project



J.GRAN City Tsukamoto
 Delivery planned for March 2020
 Number of units: 312

Sale 49.9

Lease 43.1



Osaka Kita NK Building
 Opening: Jun, 2018
 Floor space: Approx. 14,000m²
 Use: Hotel, etc.



VIERRA Kishibe Kento
 Opening: Fall 2018
 Floor space: Approx. 27,000m²
 Uses: Clinics, hotels, etc.



Fukushima-ku 5/7 joint development
 Opening: Spring 2019
 Floor space: Approx. 11,000m²
 Uses: Hotels, commercial facilities
 ※Joint project

Lease 54.7

Non-Railway Businesses (3) – Hotel Business

*Listed information includes non-consolidated hotel operations

To address diverse needs, rolling out multiple business format lineups, centered on accommodation-oriented hotels, and expanding business scale.

○ Results objectives

	FY18.3 results	FY23.3 objectives
Operating Revenues	¥47.3 billion	¥63.2 billion

Consolidated basis
(Retail business: "Via-inn" + Other businesses: Hotel operations)

○ Lineup



Brand	Category	Results as of end FY March 2018			
		Number of hotels			Number of rooms
		Inside railway service area	Outside railway service area	Total	
Granvia	Other City hotels	7 hotels	–	7 hotels	2,460 rooms
Vischio	Other High-class accommodation-oriented hotels	–	–	–	–
Via-inn	Retail Accommodation-oriented hotels	13 hotels	6 hotels	19 hotels	4,660 rooms
Name not yet decided	Non-Consolidated Community-oriented casual hotels	–	–	–	–
First Cabin Station	Non-Consolidated High-end capsule hotels	1 hotels	–	1 hotels	129 rooms
Total		21 hotels	6 hotels	27 hotels	7,249 rooms

Objectives for FY23.3
Number of rooms
Approx. 2,300 rooms
Approx. 1,400 rooms
Approx. 6,700 rooms
Approx. 200 rooms
Approx. 400 rooms
11,000 rooms

Establishing priority fields, implementing initiatives. Aiming to fulfill our responsibilities as a member of society and to achieve sustained growth.

S (Social)

- | | | | |
|--|---|--|---|
| <ul style="list-style-type: none"> • Safety (→P.32) • Human resources and motivation <ul style="list-style-type: none"> - Working style reforms - Advancing diversity | <ul style="list-style-type: none"> • Coexisting with communities <ul style="list-style-type: none"> - Implementing city development initiatives in collaboration with local communities - Realizing safe, sustainable railway/transportation services - Creating new value by leveraging regional resources | <ul style="list-style-type: none"> • Customer satisfaction <ul style="list-style-type: none"> - Implementing initiatives for safe and reliable transportation - Enhancing provision of information about transportation disruptions - Offering appropriate, easy-to-understand guidance services | <ul style="list-style-type: none"> • Human rights <ul style="list-style-type: none"> - Responding to human rights issues, which are becoming more diverse and complex |
|--|---|--|---|

G (Governance)

- | | |
|---|---|
| <ul style="list-style-type: none"> • Governance <ul style="list-style-type: none"> - Establishing and operating framework that reflects consideration for the purpose of Corporate Governance Code - Enhancing two-way communication with stakeholders | <ul style="list-style-type: none"> • Risk management <ul style="list-style-type: none"> - Incorporating risk management initiatives into management system - Recognizing and improving issues with our corporate culture |
|---|---|

E (Environmental)

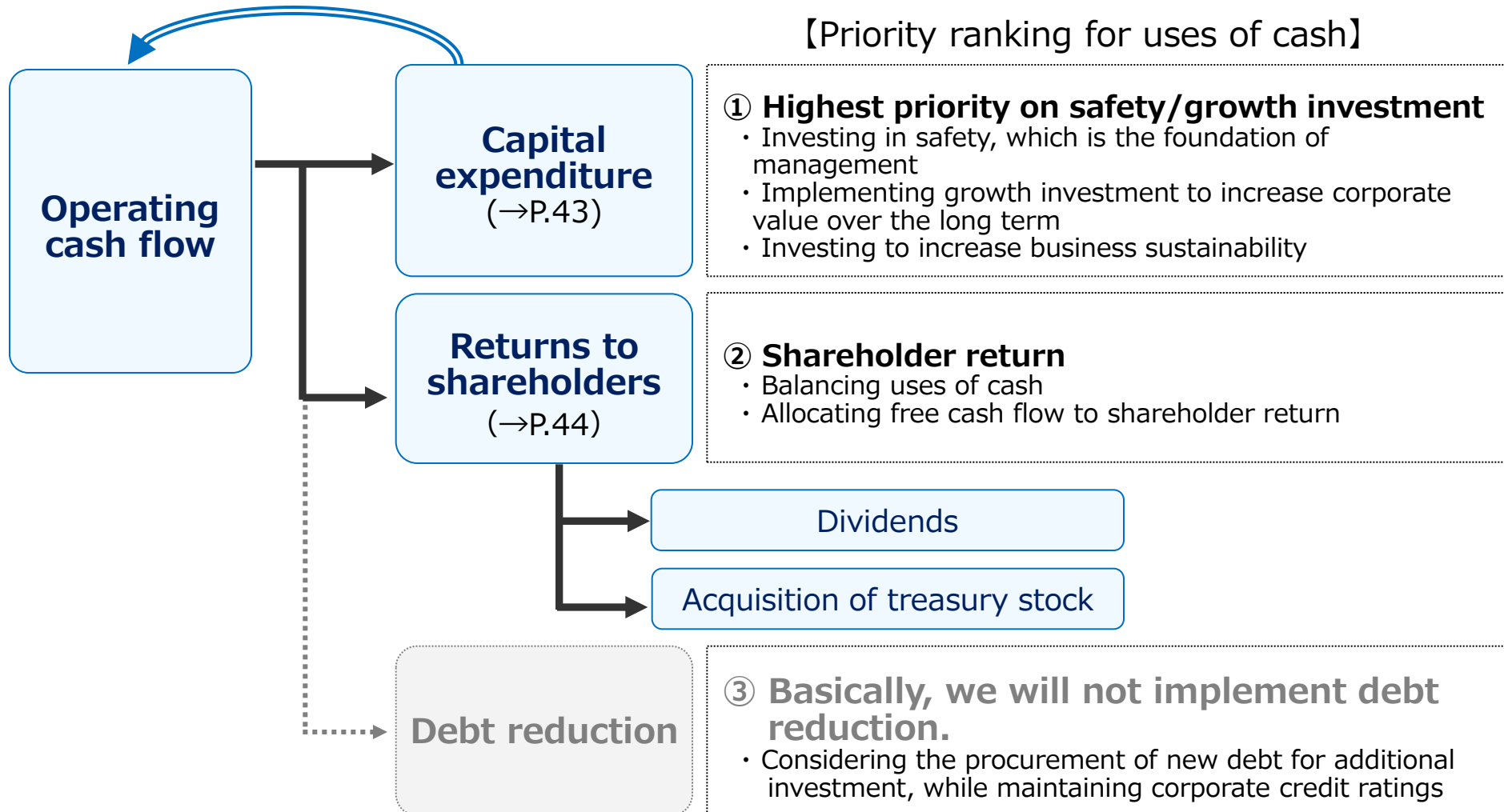
- **Global environment**
 - Advancing the establishment of environmentally-friendly stations, etc.
 - Realizing further progress in railway energy-saving and resource conservation

Creating organizations

Transitioning group management system to in-house company system

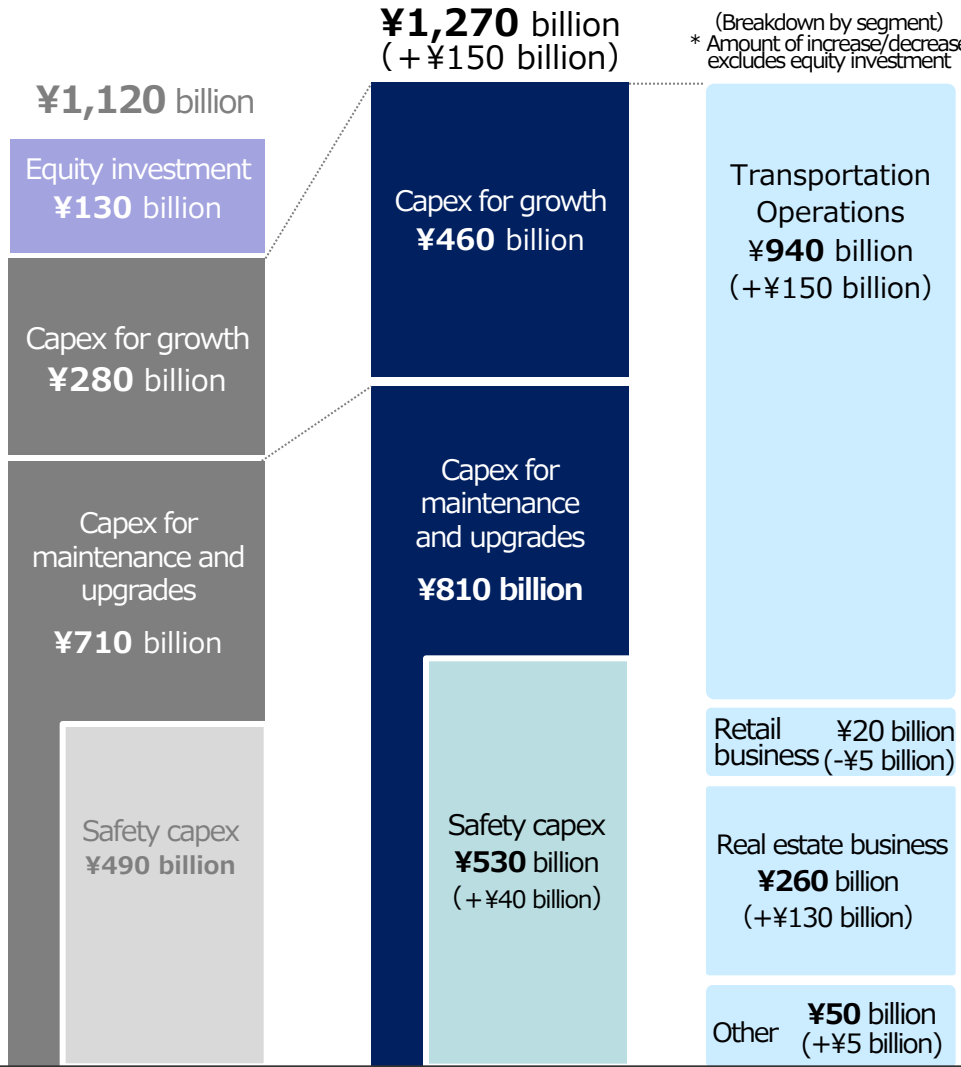
Clarifying priority ranking for uses of cash. Considering balance between investment and shareholder returns, as well cost of capital.

Increasing cash generating ability

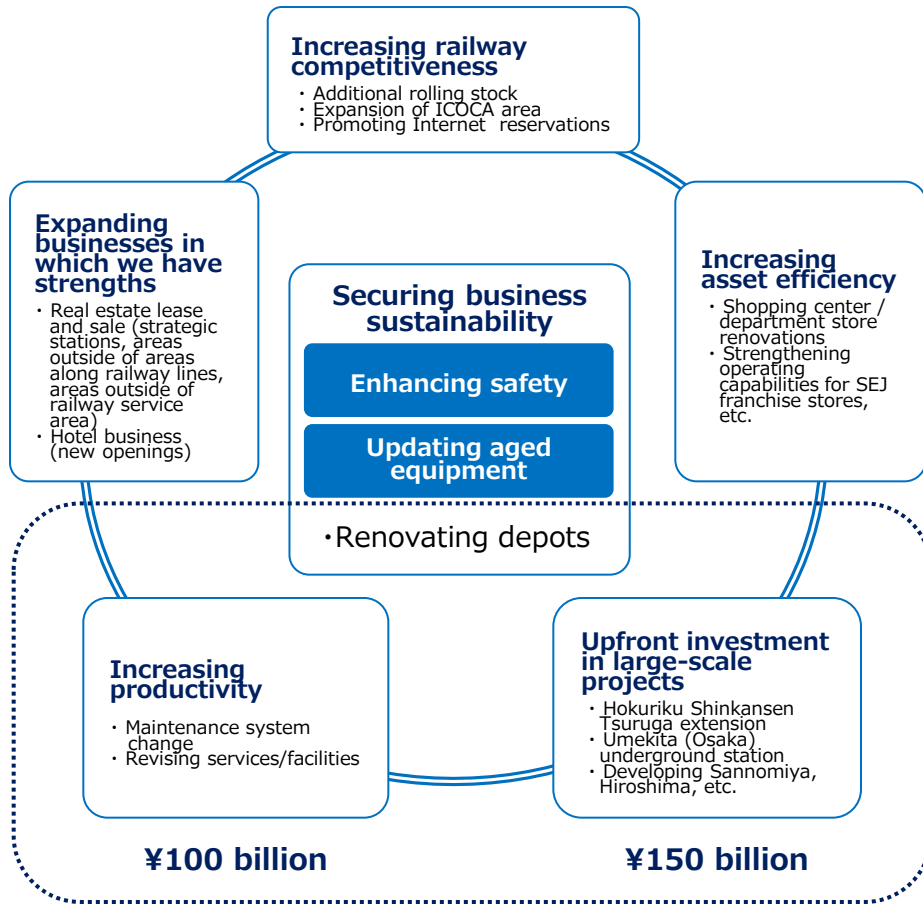


* Balance of cash and deposits: Generally maintaining current level

Strengthening investment in safety, which is the foundation of management, as well as investment in initiatives contributing to sustained growth.



【Investment details】



Capital expenditure from a long-term viewpoint

Shareholder return

**Increasing the level of shareholder return.
Aiming for long-term sustained profit growth and long-term, stable dividends.**

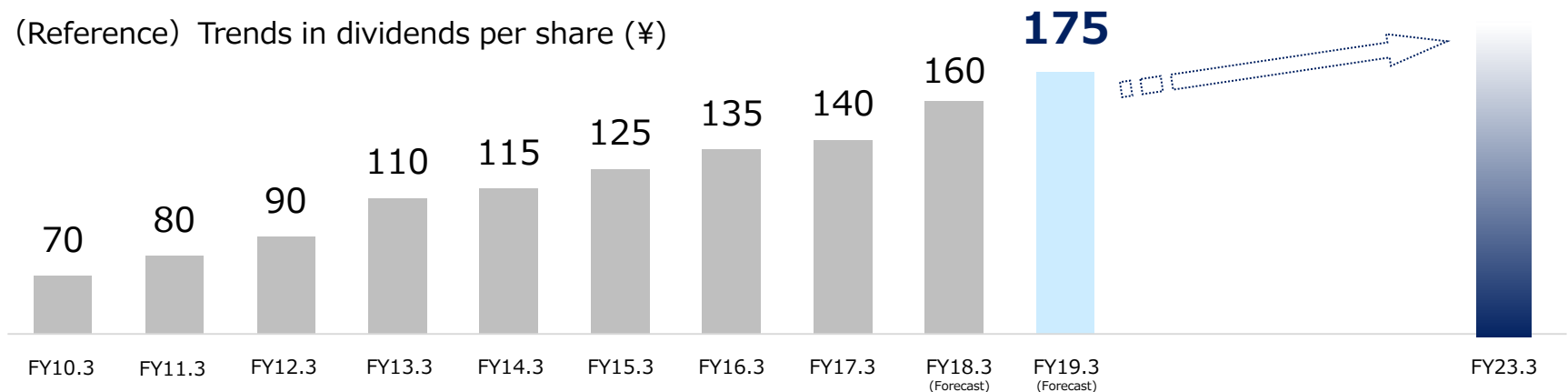
Shareholder return policy

- **We will implement stable dividends, aiming for a dividend payout ratio of approximately 35% in fiscal 2023.**
- **Over the period of this plan, our yardstick will be a total return ratio of approximately 40%, and we will make flexible acquisitions of treasury stock.**
 - With capital expenditures expanding, we will enhance returns to shareholders. We will bolster both profit growth and shareholder return.
 - We will focus on sustained profit growth and utilize return ratios.

Shareholder return in FY 2019.3

- **Planning on dividends of ¥175 per share, an increase of ¥15 (9th consecutive year of higher dividends)**
- **Planning to acquire treasury stock, with upper limit of ¥10 billion**

(Reference) Trends in dividends per share (¥)



【Reference】 Results objectives (Consolidated)

	Results for FY2018.3	Objectives for FY2023.3	Increase/Decrease
Operating Revenues	¥1,500.4 billion	¥1630.0 billion	+¥129.5 billion
Transportation	¥950.8 billion	¥977.5 billion	+¥26.6 billion
Retail business	¥239.8 billion	¥281.0 billion	+¥41.1 billion
Real estate business	¥139.6 billion	¥168.5 billion	+¥28.8 billion
Other	¥170.0 billion	¥203.0 billion	+¥32.9 billion
Operating Income	¥191.3 billion	【¥218.0 billion】 ¥210.0 billion	【+¥26.6 billion】 +¥18.6 billion
Transportation	¥130.3 billion	¥139.5 billion	+¥9.1 billion
Retail business	¥7.2 billion	¥10.0 billion	+¥2.7 billion
Real estate business	¥35.7 billion	¥41.5 billion	+¥5.7 billion
Other	¥19.9 billion	¥23.0 billion	+¥3.0 billion
Recurring Profit	¥177.7 billion	【¥205.0 billion】 ¥197.0 billion	【+¥27.2 billion】 +¥19.2 billion
Profit attributable to owners of parent	¥110.4 billion	【¥134.0 billion】 ¥128.0 billion	【+¥23.5 billion】 +¥17.5 billion
EBITDA*	¥356.1 billion	【¥408.0 billion】 ¥400.0 billion	【+¥51.8 billion】 +¥43.8 billion
ROA	6.3%	Mid-6% range	—
ROE	11.3%	Approx. 10%	—
Transportation Revenues	¥867.8 billion	¥890.0 billion	+¥22.1 billion

*EBITDA = Operating Income + Depreciation + Amortization of goodwill

Figures in [] exclude Hokuriku Shinkansen opening preparation expenses

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- 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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 - ◆ 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, 2018 based on information available to JR-West as of May 1, 2018 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.