



JR-West Group  
Medium-Term Management Plan 2022



*Making Our Vision into Reality*

April 2018

West Japan Railway Company

## Table of Contents

<b>01.</b>	<b>Making Our Vision into Reality, with Continuity and Progress</b> <ul style="list-style-type: none"> <li>• Making Our Vision into Reality, with Continuity and Progress ..... 3</li> <li>• Steps toward Our Vision ..... 4</li> <li>• Our Initiatives to Make Progress toward Our Vision ..... 5</li> <li>• Unchanging Determination, Initiatives to Increase Safety ..... 7</li> <li>• Building a Company in Which Each Employee Plays a Key Role ..... 9</li> </ul>
<b>02.</b>	<b>JR-West Group Medium-Term Management Plan 2022</b> <ul style="list-style-type: none"> <li>• Initiatives to Date and Future Changes in the Environment ..... 10</li> <li>• JR-West Group’s Strategic Framework ..... 11</li> <li>• Our Vision ~ The Ideal Forms ~ The Value We Provide ..... 12</li> <li>• Groupwide Strategies               <ul style="list-style-type: none"> <li>(1) Increasing Regional Value ..... 13</li> <li>(2) Increasing the Value of Railway Belts ..... 15</li> <li>(3) Increasing Business Value ..... 16</li> </ul> </li> <li>• Railway Business Strategies ..... 17</li> <li>• Non-Railway Business Strategies ..... 19</li> <li>• Building Our Management Foundation ..... 21</li> </ul>
<b>03.</b>	<b>Capital Expenditure Plan</b> ..... 22
<b>04.</b>	<b>Target Indicators</b> ..... 25

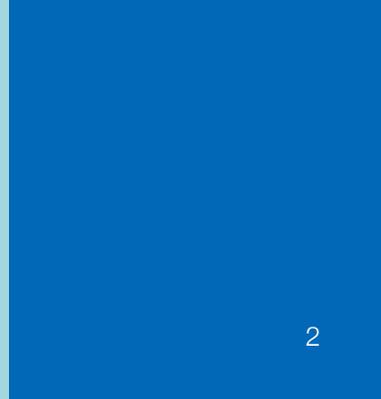
(Reference) JR-West Group Medium-Term Management Plan 2022: Detailed Action Plan



# All for Smiles!



Everyone at the JR-West Group is dedicated to carefully considering what needs to be done and taking appropriate action. In this way, we will strive to put smiles on the faces of our customers, people in local communities, our shareholders, and our business partners.



# 01.

## Making Our Vision into Reality, with Continuity and Progress

### 01. Making Our Vision into Reality, with Continuity and Progress

- Making Our Vision into Reality, with Continuity and Progress
- Steps toward Our Vision
- Our Initiatives to Make Progress toward Our Vision
- Unchanging Determination, Initiatives to Increase Safety
- Building a Company in Which Each Employee Plays a Key Role

- 02. JR-West Group Medium-Term Management Plan 2022
- 03. Capital Expenditure Plan
- 04. Target Indicators

## Making Our Vision into Reality, with Continuity and Progress

In April 2017, the JR-West Group marked the 30th year since its establishment.

As a corporate group that provides social infrastructure, centered on railway services, JR-West has worked over the past 30 years to fulfill its vision of contributing to “the creation of a safe, comfortable society.” To that end, JR-West has identified two ideal forms—“We will become a company that coexists with local communities” and “We will fulfill Our Mission”—and worked to realize them. Our railway services, which are the foundation of the Group’s activities, are currently used by more than five million customers a day. The people who work at the JR-West Group are proud to be able to contribute to society through the Group’s business activities, and once again we would like to express our gratitude to our customers and local communities.

Looking ahead, we will face changes in the social structure, such as market contraction and labor shortages resulting from the decline in the population. The JR-West Group’s operating environment is extremely challenging.

In this setting, in cooperation with people in local communities, the entire JR-West Group has worked together to maximize the effect of the opening of the Joetsumyoko-Kanazawa segment of the Hokuriku Shinkansen, to develop Osaka Station and other major stations, and to implement other measures. As a result, these initiatives have generated new vitality in local communities. In addition, we anticipate further growth in the number of customers visiting Japan from overseas, and we are also advancing multiple large-scale projects, such as the further extension of the Hokuriku Shinkansen and the opening of the Umekita (Osaka) underground station. We have a substantial number of opportunities to contribute to society and the economy through our initiatives.

Moving forward, the JR-West Group will strive to contribute to social and economic development as a corporate group that provides social infrastructure, centered on railway services. To that end, we will continue to enhance our strengths in cooperation with local communities and in the development of initiatives as an unified group. In addition, we cannot be satisfied with the status quo. Rather, in accordance with our vision, we will need to increase the business value that we create and to make progress toward dramatic growth by becoming a “company that continues to take on challenges.” Accordingly, we will move forward with preparations for a shift to a new group management system that is aligned with changes in our operating environment and can implement rapid decision-making, and we will advance initiatives to develop human resources who can make active contributions under that system.

### Making Our Vision into Reality, with Continuity and Progress

In accordance with the JR-West Group’s unchanging determination to “ensure that it will never again cause an accident such as that on the Fukuchiyama Line,” over the next 30 years the Group will continue doing its utmost to increase safety in railway services, its core business, and will strive to work together with local communities to contribute to the creation of a safe, comfortable society filled with meetings among people and smiles.

On that basis, the entire JR-West Group will continually work to achieve growth and open up the future.

West Japan Railway Company  
President, Representative Director,  
and Executive Officer

Tatsuo Kijima



# 01.

Making Our Vision into Reality, with Continuity and Progress

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- Making Our Vision into Reality, with Continuity and Progress
- Steps toward Our Vision
- Our Initiatives to Make Progress toward Our Vision
- Unchanging Determination, Initiatives to Increase Safety
- Building a Company in Which Each Employee Plays a Key Role

- 02. JR-West Group Medium-Term Management Plan 2022
- 03. Capital Expenditure Plan
- 04. Target Indicators

## Steps toward Our Vision

JR-West will build a foundation for the next 30 years and open up the future.

## Our Vision ~ The Ideal Forms



\*ROA: return on assets

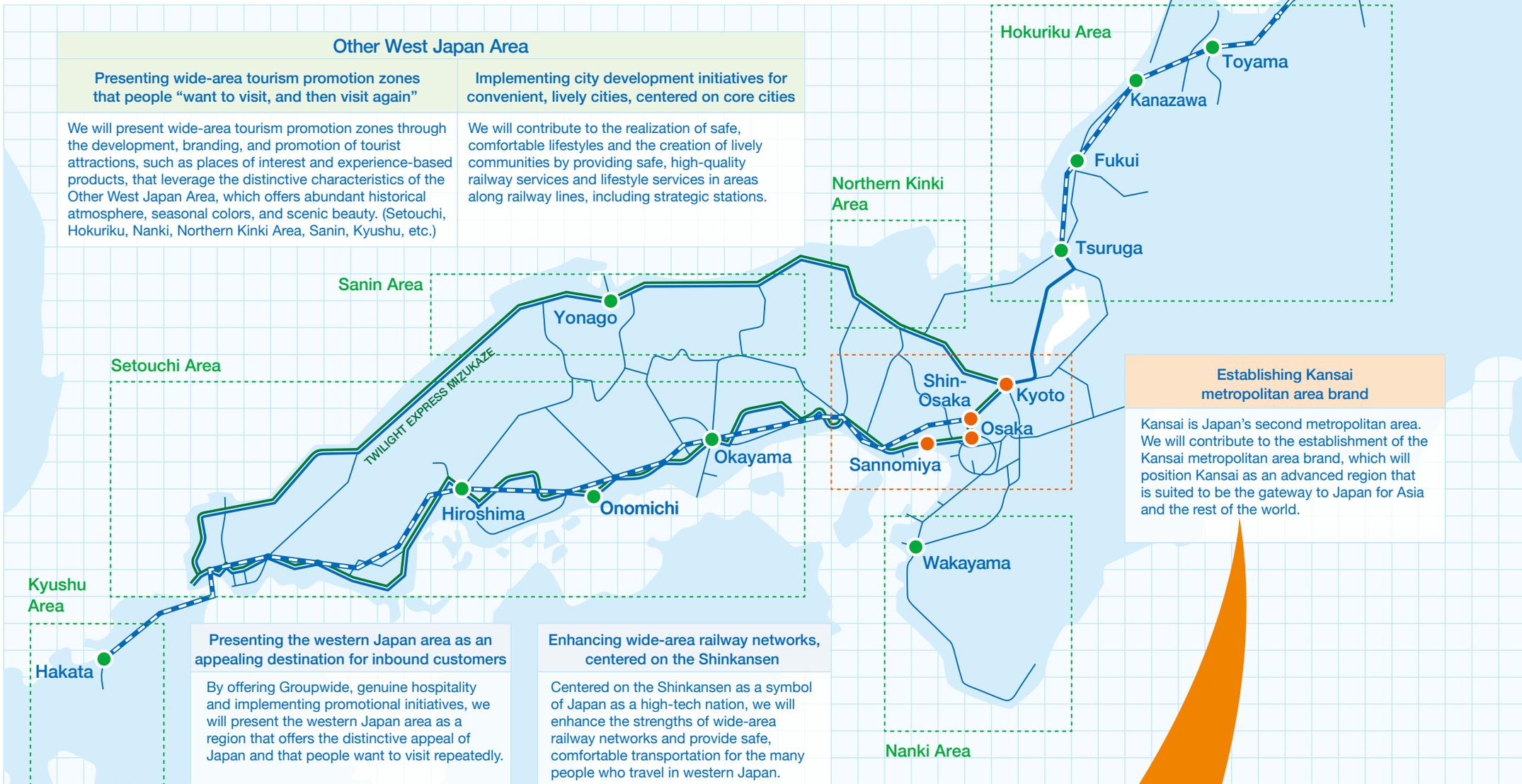
# 01.

Making Our Vision into Reality, with Continuity and Progress

## Our Initiatives to Make Progress toward Our Vision—2022 to 2030 and Thereafter

**We will work together with local communities to build cities and areas along railway lines that everyone wants to visit and everyone wants to live in.**

● ●  
 Principal development initiatives at stations and areas surrounding stations  
  
 Establishment of wide-area tourism promotion zones



※The route map has been simplified based on the Company's routes as of April 1, 2018. The map reflects the opening of the Kanazawa-Tsuruga segment of the Hokuriku Shinkansen, etc.

# Kansai is Japan's second metropolitan area. We will contribute to the establishment of the Kansai metropolitan area brand, which will position Kansai as an advanced 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 / Consideration of access to Yumeshima

We will contribute to international-city development initiatives, targeting cities with appeal for both tourism and business purposes, through the enhancement of railway networks, which are important factors in cities, and the development of the areas along railway lines.

Creating the liveliness of communities through the development of the area surrounding Osaka Station, which is the largest terminal in western Japan

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

We will work to bolster the liveliness of communities through city development initiatives integrated with the area surrounding the station, centered on the Umekita (Osaka) underground station, which will contribute significantly to improved access to Kansai International Airport and to strengthening wide-area networks.

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)

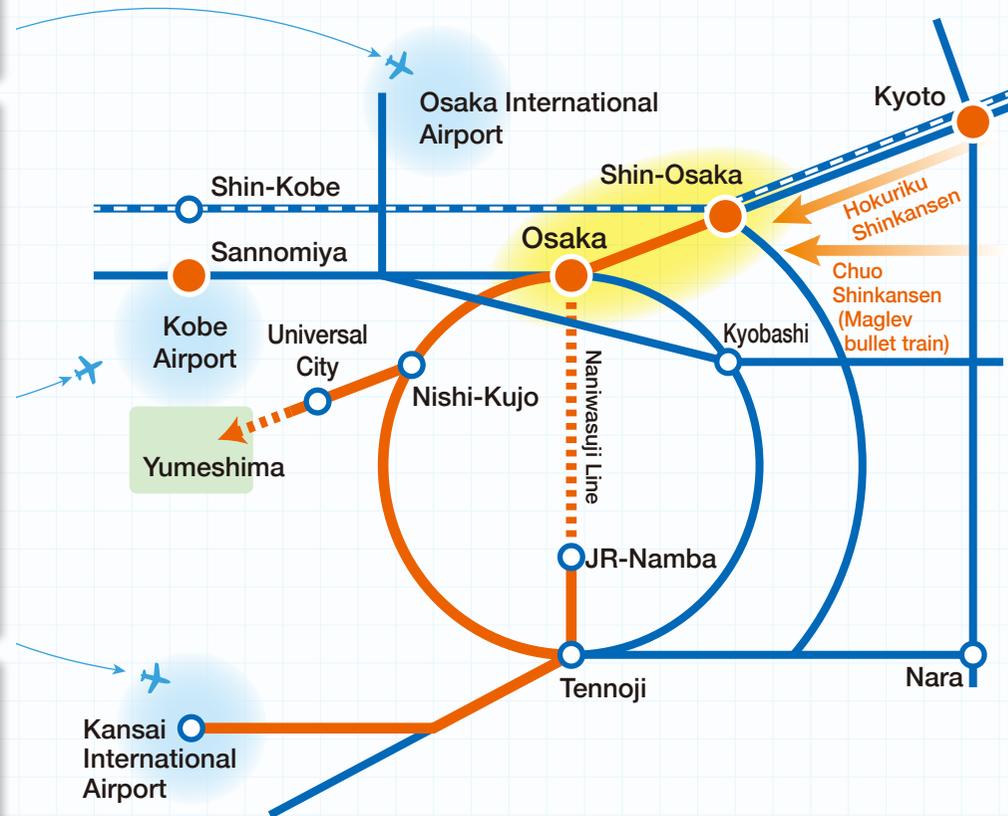
Looking ahead to the period after the formation of a Super Mega Region\* through the merging of the big three metropolitan areas (Tokyo, Osaka, Nagoya), we will strengthen transportation networks and give concrete shape to the city development concept in order to demonstrate the potential of the Shin-Osaka area as a wide-area hub and an international business site.

\* Super Mega Region: Following the opening of the Chuo Shinkansen (Maglev bullet train), Tokyo, Nagoya, and Osaka will be linked in about one hour, and the big three metropolitan areas are expected to form an integrated metropolitan area (Super Mega Region). In the national government's National Spatial Plan, initiatives to maximize that effect are under consideration.

Establishing a brand for appealing areas along railway lines

## Developing railway belt terminal stations as bases

In an environment characterized by a declining population and diversifying lifestyles, we will work in cooperation with related groups to advance development of key terminal stations in railway belts (creating lively areas), and to establish a brand for appealing areas along railway lines that people select and want to live in.



2018 - 2022

2030

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  
Consideration of access to Yumeshima

Development of Shin-Osaka wide-area hub base  
(Extension of Hokuriku Shinkansen /  
Opening of Chuo Shinkansen (Maglev bullet train))

# 01.

Making Our Vision into Reality, with Continuity and Progress

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- Making Our Vision into Reality, with Continuity and Progress
- Steps toward Our Vision
- Our Initiatives to Make Progress toward Our Vision
- Unchanging Determination, Initiatives to Increase Safety
- Building a Company in Which Each Employee Plays a Key Role

- 02. JR-West Group Medium-Term Management Plan 2022
- 03. Capital Expenditure Plan
- 04. Target Indicators

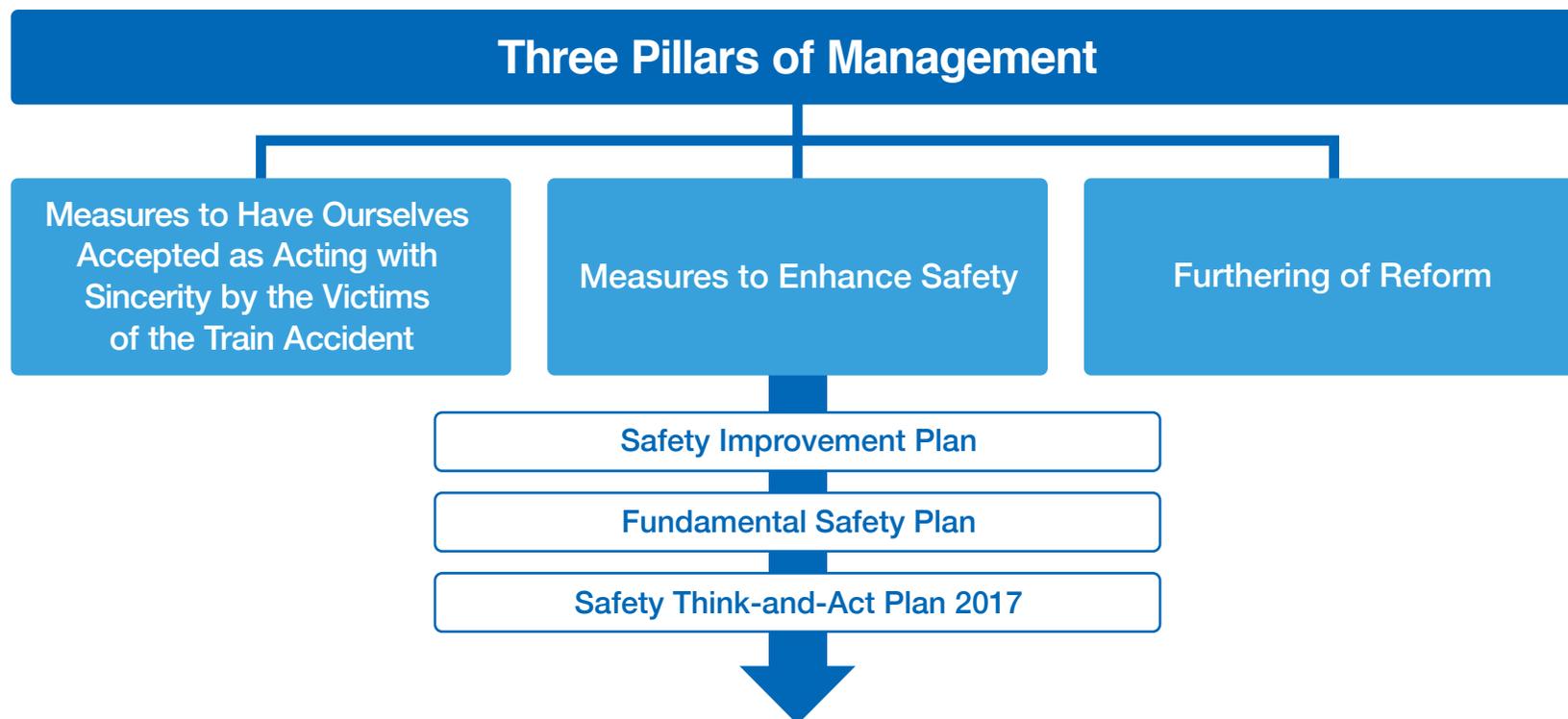
## Unchanging Determination

### Ensuring that we will never again cause an accident such as that on the Fukuchiyama Line

Safety is a commitment for the entire JR-West Group, for which railway operations are the core business. Under the JR-West Group Medium-Term Management Plan 2022, we will continue working earnestly to build a company that places the highest priority on safety, and we will continue striving to meet the expectations of our customers and other stakeholders.

We formulated the JR-West Group Railway Safety Think-and-Act Plan 2022 as a detailed safety plan that is the core component of the JR-West Group Medium-Term Management Plan 2022. As a railway company, we will always remain aware of our responsibility for protecting the lives of our customers, and we will endeavor to earn the trust of society as a corporate group that contributes to society. To that end, we will steadily implement these plans and strive to further enhance railway safety with a commitment to our mission.

We have an unchanging determination to ensure that we will never again cause an accident such as that on the Fukuchiyama Line. We have reflected deeply on the accident and its consequences and take the lessons learned from the accident extremely seriously. As such, we will continue to position our three pillars of management—measures to have ourselves accepted as acting with sincerity by the victims of the train accident, measures to enhance safety, and furthering of reform—as top priorities.



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Making Our Vision into Reality, with Continuity and Progress

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- Making Our Vision into Reality, with Continuity and Progress
- Steps toward Our Vision
- Our Initiatives to Make Progress toward Our Vision
- Unchanging Determination, Initiatives to Increase Safety
- Building a Company in Which Each Employee Plays a Key Role

- 02. JR-West Group Medium-Term Management Plan 2022
- 03. Capital Expenditure Plan
- 04. Target Indicators

## Initiatives to Increase Safety

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

Following the Fukuchiyama Line accident, the Group implemented a range of measures to increase safety, including both tangible and intangible initiatives. As a result, the number of railway operation accidents and transportation disruptions due to internal factors has generally been following a declining trend. On the other hand, in December 2017 we caused a critical incident on the Shinkansen, and we once again recognized that we still have challenges to address.

In consideration of this review, we made “fostering the spread of safety-first awareness” the basis of the newly formulated “JR-West Group Railway Safety Think-and-Act Plan 2022.” Moving forward, through the “enhancement of organizational safety management” and the “implementation of safety think-and-act initiatives by each individual,” we will work to implement the “enhancement of railway systems that maintain safety,” including both tangible and intangible measures, and realize “safety management with the participation of all employees.” In these ways, we will strive to prevent serious accidents and labor accidents.



In particular, in regard to tangible measures, we will steadily move forward with our plan, centered on pursuing “Shinkansen” safety and reliability, strengthening “disaster prevention / disaster damage reduction” measures in response to intensifying natural disasters, and realizing high levels of “safety on platforms.” In addition, with a focus on the future, we will make active use of advancing technologies. In these ways, we will work to further increase safety.

# 01.

Making Our Vision into Reality, with Continuity and Progress

## 01. Making Our Vision into Reality, with Continuity and Progress

- Making Our Vision into Reality, with Continuity and Progress
- Steps toward Our Vision
- Our Initiatives to Make Progress toward Our Vision
- Unchanging Determination, Initiatives to Increase Safety
- Building a Company in Which Each Employee Plays a Key Role

- 02. JR-West Group Medium-Term Management Plan 2022
- 03. Capital Expenditure Plan
- 04. Target Indicators

## Building a Company in Which Each Employee Plays a Key Role—Advancing Reforms

### Each Employee Plays a Key Role in Realizing “Our Vision ~ The Ideal Forms”

Our medium-term management plan will be achieved through each individual’s think-and-act initiatives.

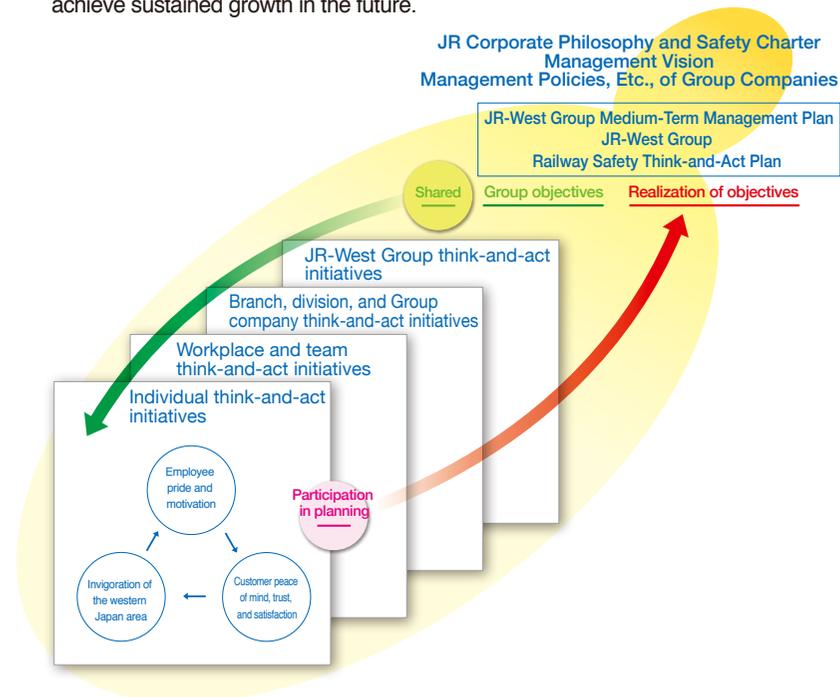
- Following on from the previous medium-term management plan, the entire Group will continue working toward shared objectives. Each employee will implement think-and-act initiatives to work toward those objectives with a sense of conviction, and the organization will concentrate everyone’s individual strengths. In this way, we will energetically advance initiatives targeting the achievement of our objectives, and we will foster a virtuous cycle that generates results.
- By firmly establishing this virtuous cycle throughout the entire Group, we will move forward with reforms of our corporate culture.

Each individual works to their full potential, and colleagues help each other reach even higher.

- Our business operations are implemented by individual employees who work energetically and sincerely fulfill their roles, as well as by employees of the JR-West Group and our partner companies who collaborate and cooperate as colleagues.
- We will continue working to strengthen our operational foundation by fostering Group unity, upgrading communications, improving the technical capabilities of individuals and organizational units, and enhancing front-line capabilities.

We value think-and-act initiatives that focus on customers and the front lines, as well as the human resources who provide the driving force for those initiatives.

- The key role in turning strategies into results will be filled by the Group’s individual employees. Through think-and-act initiatives that focus on customers and the front lines, our management will utilize front-line initiatives to provide value to all of our stakeholders.
- Our human resources will be the driving force behind the provision of value, and the growth of each individual will become a significant strength for the Group. Our most important management priorities include developing employees who can take the lead in think-and-act initiatives, building mutually supportive environments, and establishing an environment in which diverse human resources can actively contribute. Accordingly, we will develop our human resources as assets who will enable the Group to achieve sustained growth in the future.



# 02.

## JR-West Group Medium-Term Management Plan 2022

01. Making Our Vision  
into Reality, with  
Continuity and Progress

### 02. JR-West Group Medium-Term Management Plan 2022

• Initiatives to Date and Future  
Changes in the Environment

• JR-West Group's Strategic  
Framework

• Our Vision ~ The Ideal Forms  
~ The Value We Provide

• Groupwide Strategies

• Railway Business Strategies

• Non-Railway Business  
Strategies

• Building Our Management  
Foundation

03. Capital Expenditure Plan

04. Target Indicators

## Initiatives to Date and Future Changes in the Environment

### Initiatives under the Previous Medium-Term Management Plan

- By announcing objectives for each strategy and implementing the PDCA cycle, we were able to reduce accidents and transportation disruptions due to internal factors and to achieve increases in customer satisfaction and other results. In addition, together with people in local communities, the entire JR-West Group worked to maximize the effect of the opening of the Hokuriku Shinkansen, took steps to capture inbound tourism demand, and implemented other measures. As a result, these initiatives have generated new vitality in local communities.
- On the other hand, in regard to safety, we did not meet our objectives in railway labor accidents, etc. In addition, we caused a critical incident on the Shinkansen. We view these as serious issues.
- For each of the KPIs\*1 related to financial indicators, we surpassed the objective by a large margin.

Major Objectives for Each Strategy		Fiscal 2013 results	Medium-term plan objectives	Fiscal 2018 results
Safety	No train accidents that result in casualties among our customers	0 cases	0 cases (aggregate)	0 cases (aggregate)
	No railway labor accidents that result in fatalities among our employees	0 cases	0 cases (aggregate)	2 cases (aggregate)
	30% reduction in railway accidents with casualties on platforms	13 cases	9 cases	*3 17 cases
	40% reduction in accidents at level crossings	41 cases	25 cases	*3 25 cases
	50% reduction in transportation disruptions due to internal factors	281 cases	140 cases	*3 152 cases
Customer Satisfaction	Customer satisfaction survey results of 4.0 or above*2	3.47	4.0 or higher	3.86
Business Development	Lifestyle-related operations revenues: ¥35.0 billion increase	-	¥35.0 billion increase	¥73.1 billion increase
Inbound	Five-fold increase in usage of travel products for inbound visitors	200,000 people	1 million people	1.6 million people

Major KPIs		Fiscal 2013 results	Medium-term plan objectives	Fiscal 2018 results
Consolidated operating revenues	(¥ billion)	1,298.9	1,423.0	1,500.4
Consolidated EBITDA	(¥ billion)	290.3	325.5	356.1
Consolidated ROA	(%)	4.9	5.5	6.3
Consolidated ROE (reference)	(%)	8.3	9.8	11.3

\*1 KPI: Key Performance Indicators  
\*2 5-level, internal survey \*3 Preliminary figures

### “Our Strengths” Recognized through Initiatives

- Strength through collaboration with people in local communities
- Strength through implementation of Groupwide measures

In a challenging management environment, we will continue to enhance our strengths and take on the challenge of initiatives in new markets and new business fields as we work to fulfill our mission as a railway company that coexists with local communities.

### Operating Environment Changes

Factors that will principally be opportunities	Factors that will principally be threats
<ul style="list-style-type: none"> <li>• Concentration of population in urban areas</li> <li>• Further increases in inbound customers</li> <li>• Growing opportunities for active contributions by women and seniors</li> <li>• Regional development activities</li> <li>• Projects such as the Hokuriku Shinkansen extension, Umekita (Osaka) underground station, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Market contraction and workforce declines accompanying decreasing population</li> <li>• Arrival of timing for updates to large-scale facilities</li> <li>• Intensification of natural disasters</li> <li>• Increasing risk of terrorist incidents, etc.</li> </ul>
<ul style="list-style-type: none"> <li>• Change, diversification, and increasing sophistication of customer needs</li> <li>• Technological innovation (use of AI, robots, etc.; self-driving automobiles, etc.)</li> </ul>	

### The JR-West Group's Role in the Creation of a Safe and Comfortable Society Filled with Meetings among People and Smiles

- Realizing safe, sustainable railway/transportation services
- Expanding the visitor population and the resident population
- Responding to the diverse needs of inbound customers, women, seniors, etc.
- Implementing reforms and increasing productivity through technology

# 02.

## JR-West Group Medium-Term Management Plan 2022

01. Making Our Vision into Reality, with Continuity and Progress

### 02. JR-West Group Medium-Term Management Plan 2022

- Initiatives to Date and Future Changes in the Environment
- JR-West Group's Strategic Framework
- Our Vision ~ The Ideal Forms ~ The Value We Provide
- Groupwide Strategies
- Railway Business Strategies
- Non-Railway Business Strategies
- Building Our Management Foundation

03. Capital Expenditure Plan

04. Target Indicators

## JR-West Group's Strategic Framework

### We will implement the JR-West Group Medium-Term Management Plan 2022 in order to work toward the realization of our corporate philosophy and management vision.

JR-West is a corporate group that provides social infrastructure, centered on railway services, and accordingly the Group's corporate philosophy and management vision position safety as the foundation of management. Targeting the realization of our corporate philosophy and management vision, we will advance the JR-West Group Medium-Term Management Plan 2022 and contribute to the creation of "a safe and comfortable society filled with meetings among people and smiles," which is our vision.

#### Management Vision

The JR-West Group will strive to contribute to the invigoration of the West Japan Area through its business activities, and to that end we will strive to be a corporate group that excels in safety management and earns the trust of customers, communities, and society.



\*1 ESG is an abbreviation for Environmental, Social, Governance, which are considered to be elements that are important in increasing company sustainability and long-term, sustained increases in corporate value. In recent years, ESG information has received growing attention as a standard for making investment decisions.

# 02.

## JR-West Group Medium-Term Management Plan 2022

01. Making Our Vision  
into Reality, with  
Continuity and Progress

### 02. JR-West Group Medium-Term Management Plan 2022

- Initiatives to Date and Future Changes in the Environment
- JR-West Group's Strategic Framework
- **Our Vision ~ The Ideal Forms ~ The Value We Provide**
- Groupwide Strategies
- Railway Business Strategies
- Non-Railway Business Strategies
- Building Our Management Foundation

03. Capital Expenditure Plan

04. Target Indicators

## Our Vision ~ The Ideal Forms ~ The Value We Provide

**Targeting the realization of our vision, we will work toward our two ideal forms and strive to provide value to stakeholders.**



# 02.

## Groupwide Strategies (1) Increasing Regional Value

### JR-West Group Medium-Term Management Plan 2022

01. Making Our Vision into Reality, with Continuity and Progress

### 02. JR-West Group Medium-Term Management Plan 2022

- Initiatives to Date and Future Changes in the Environment
- JR-West Group's Strategic Framework
- Our Vision ~ The Ideal Forms ~ The Value We Provide
- Groupwide Strategies
- Railway Business Strategies
- Non-Railway Business Strategies
- Building Our Management Foundation

03. Capital Expenditure Plan

04. Target Indicators

## We will work together with local communities to build cities and areas along railway lines that everyone wants to visit and everyone wants to live in.

The JR-West Group recognizes that the activation of the western Japan area will lead to sustained growth for the Group over the long term. Accordingly, in cooperation with local communities, we will implement activities that leverage wide-area railway networks; safe, high-quality transportation services; and the diverse resources of the JR-West Group. Through these initiatives, we will develop major tourism areas and create and nurture regional businesses, thereby expanding the visitor population as well as the resident population in areas along railway lines. Furthermore, together with local communities we will aim to realize safe, sustainable railway/transportation services.

In addition to the Setouchi Area and the Hokuriku Area, we will also implement initiatives targeting increases in regional value in the Nanki Area, Northern Kinki Area, Sanin Area, Kyushu Area, etc.

### Increasing Regional Value — Topics (1) / Initiatives by Region

## Setouchi Area

Developing a major tourism area that people want to visit repeatedly



The railway business and non-railway businesses will cooperate and work together with local communities to promote the Setouchi Palette Project, which will generate new appeal.

### Developing wide-area tourism routes as a foundation

- ▶ Building tourism routes that combine railways and cruise ships, developing new cruise routes
- ▶ Enhancing stations, which will be tourism connection points (Shinkansen stations that are near arrival and departure ports for cruise ships)
- ▶ Increasing the convenience and appeal of the Sanyo Shinkansen (operating the Hello Kitty Shinkansen (Kodama), etc.)
- ▶ Operating sightseeing trains and new long-distance trains that link strategic Shinkansen stations and tourist destinations

### Developing content that has the ability to draw customers

- ▶ Drawing on the appeal of distinctive regional food and souvenirs to develop strategic stations (Okayama, Onomichi, Hiroshima, etc.)
- ▶ Developing appealing accommodation facilities (community-oriented casual hotels, restoration of traditional Japanese houses, hotels for cyclists)
- ▶ Developing commercial products that feature regional appeal and opening sales routes (aquaculture business for oysters, etc.; Internet sales for overseas customers)
- ▶ Establishing and publicizing content combining new perspectives on regional events and attractions

## Hokuriku Area

We will work together with local communities to make full use of the effects of the opening and extension of the Hokuriku Shinkansen and to create lively communities by expanding exchange among cities.

Spring 2023  
• Opening of Kanazawa-Tsuruga segment



- ▶ Development initiatives at stations and areas surrounding stations
- ▶ Development of tourist attractions through collaboration with local communities



# 02.

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01. Making Our Vision  
into Reality, with  
Continuity and Progress

### 02. JR-West Group Medium-Term Management Plan 2022

- Initiatives to Date and Future Changes in the Environment
- JR-West Group's Strategic Framework
- Our Vision ~ The Ideal Forms ~ The Value We Provide
- **Groupwide Strategies**
- Railway Business Strategies
- Non-Railway Business Strategies
- Building Our Management Foundation

03. Capital Expenditure Plan

04. Target Indicators

## Increasing Regional Value — Topics (2) / Hospitality Initiatives for Inbound Customers

# We will offer genuine hospitality and provide products and services that are appealing to customers from around the world.

By implementing tangible and intangible measures to support comfortable, convenient use by inbound customers, we will enhance our system for receiving customers and present the western Japan area as an appealing destination. In particular, we consider the Tokyo Olympic and Paralympic Games and other sporting events\* to be ideal opportunities for visits to the western Japan area. We will uncover the appeal of the western Japan area, which offers a complete range of attractions, such as history, culture, nature, and cities, and actively provide information.

\*Rugby World Cup 2019, World Masters Games 2021 Kansai, etc.

### Improving reception systems (systems for receiving customers)

- Enhancing guidance with easy-to-understand signs / announcements, etc., in multiple languages
- Installing free Wi-Fi in Shinkansen trains and stations
- Strengthening tourism base functions at major stations
- Installing Western-style toilets on trains and in stations
- Enabling Internet reservations from overseas
- Advancing services that enable customers to go on tours without carrying their luggage
- Increasing the number of shops offering duty-free services in commercial facilities

### Developing and improving wide-area tourism routes

- Leveraging community collaboration to establish wide-area tourism routes for western Japan, such as the Saiyukiko Discover West Japan project; implementing campaigns to attract overseas tourists in conjunction with local communities
- Uncovering appealing tourist attractions in the western Japan area (food, nature, cycling, cruise experiences, stays in traditional Japanese houses, etc.), creating and promoting sales of optional tours

### Strengthening promotions

- Strengthening the western Japan area and Groupwide promotions through collaboration with communities, municipal governments, and DMOs\*
- Strengthening promotions in Southeast Asia, Europe, the U.S., and Australia in addition to East Asia

\*DMO: Destination Management Organization  
Corporate organization that is based on government-private sector cooperation and promotes tourist destination management



## Target Indicators / Direction

### [ Fiscal 2023 Consolidated Operating Revenues / Number of Users ]

- Consolidated operating revenues: ¥65 billion (+¥22 billion vs. fiscal 2018)
- Number of people using exclusive products for inbound tourism: 2.6 million people (+1 million vs. fiscal 2018)

# 02.

## JR-West Group Medium-Term Management Plan 2022

01. Making Our Vision into Reality, with Continuity and Progress

### 02. JR-West Group Medium-Term Management Plan 2022

- Initiatives to Date and Future Changes in the Environment
- JR-West Group's Strategic Framework
- Our Vision ~ The Ideal Forms ~ The Value We Provide
- **Groupwide Strategies**
- Railway Business Strategies
- Non-Railway Business Strategies
- Building Our Management Foundation

03. Capital Expenditure Plan

04. Target Indicators

## Groupwide Strategies (2) Increasing the Value of Railway Belts

### We will contribute to the realization of convenient, comfortable lifestyles by providing safe, high-quality railway services and lifestyle services.

The JR-West Group will take steps to enhance its railway networks, including establishing new lines and new stations, and to implement city development initiatives. At the same time, we will work to make stations more-appealing spaces and implement other initiatives. In these ways, we will aim to provide high-quality lifestyle services and products that meet the needs of customers who use railways and residents in areas along railway lines. We will encourage people to reside in areas along our railway lines and to choose lifestyles that include the use of railways. In the Okayama Area, the Hiroshima Area, and a variety of other areas, we will implement initiatives to increase the value of railway belts.

#### Increasing Railway Belt Value—Topics

### Creating areas along railway lines that people want to reside in and visit in order to establish the Kansai metropolitan area brand



Three visions to enhance appeal

#### Increasing “railway quality” (enhancing transportation services)

We will provide safe, high-quality railway services that customers choose repeatedly.  
 --> Pursuing transportation services that are safe and disaster-resistant and that can be used with peace of mind and trust  
 --> Advancing the installation of barrier-free facilities and station beautification measures, etc., to facilitate stress-free use by a diverse range of customers, including women, seniors, and inbound visitors  
 --> Enhancing seamless, high-value-added services through the use of ICOCA

#### Creating highly-functional stations that are suitable to be community gateways (stations and station building developments)

We will build lively, dynamic stations that help make daily lives more comfortable through renovations that optimize station service functions.

#### Creating city spaces that are convenient and easy to live in (development of areas surrounding stations)

We will work in collaboration with municipal governments and companies to enhance such functions as commerce, housing, culture, healthcare, child-rearing, etc., and to create appealing city spaces where many people gather and reside.



#### Kyoto

We will strive to create new flows of people and to realize a Kyoto that is easy for tourists to enjoy by enhancing the functions of Kyoto Station, the main gate, and establishing a new station on the Kyoto-Tanbaguchi segment of the Sagano Line, which will become a sub-gate.

- Spring 2019 Opening a new station on the Kyoto-Tanbaguchi segment of the Sagano Line
- Opening two hotels in front of the Hachijo Exit of Kyoto Station (Vischio, Via-inn)
- 2020 Umekoji: Opening community-oriented casual hotels
- 2018 - 2020 Kyoto Station commercial facility Large-scale renovation (in-station / department store)

#### Osaka

We will advance city development initiatives integrated with the areas surrounding stations, centered on the Umekita (Osaka) underground station, and create new dynamism for the Osaka area as a whole.

- 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

# 02.

## JR-West Group Medium-Term Management Plan 2022

01. Making Our Vision  
into Reality, with  
Continuity and Progress

### 02. JR-West Group Medium-Term Management Plan 2022

- Initiatives to Date and Future Changes in the Environment
- JR-West Group's Strategic Framework
- Our Vision ~ The Ideal Forms ~ The Value We Provide
- **Groupwide Strategies**
- Railway Business Strategies
- Non-Railway Business Strategies
- Building Our Management Foundation

03. Capital Expenditure Plan

04. Target Indicators

## Groupwide Strategies (3) Increasing Business Value

### We will increase the quality of the products and services provided by the JR-West Group.

We will strive to ensure that each employee works with pride and a sense of mission as we take steps to enhance our technologies, expertise, and capabilities and to reinforce our teamwork. In these ways, we will continue to take on the challenges of reinforcing our current business strengths and increasing our business value.

By advancing into new markets, implementing initiatives in new business fields, leveraging new technologies, etc., the JR-West Group will take on the challenges of creating new value, achieving dramatic growth, and providing products and services that are chosen by customers.

#### Enhancing Existing Businesses

- In railway operations, our core business, we will promote effective initiatives from the perspectives of both tangible and intangible aspects in order to achieve ongoing increases in safety and customer satisfaction.
- In stations and the areas surrounding stations, we will provide high-quality products and services that meet the needs of customers who use railways and residents in railway belts.
- We will ensure that Group companies all work together to demonstrate the comprehensive strengths of the JR-West Group.

#### Advancing into New Markets, Implementing Initiatives in New Business Fields

- In businesses in which we can demonstrate our accumulated strengths, we will take on the challenge of implementing initiatives outside railway belts, outside our railway service area, and in overseas markets. In this way, we will further strengthen our competitiveness.
- We will take on the challenge of creating new value and invigorating regions by promoting local industries and leveraging regional resources, while cooperating with local communities.

#### Creating Value through the Utilization of New Technologies, Etc.

- With a focus on the future management environment, we will take steps to realize our ideal forms, which are outlined in the "Technology Vision."\* We will work together with a range of partners, continue daily innovation, address customer needs, and create new value.
- In addition, in preparation for future contraction of the workforce, throughout our operations we will reevaluate frameworks with consideration for the use of new technologies and we will introduce new equipment. In this way, we will increase productivity in an overall sense, including that of human resources, technologies, and equipment. With a small number of people and simple equipment, we will create value more effectively.

\*Technology Vision: From a technological perspective, our approach to the realization of our ideal forms in approximately 20 years (announced in March 2018).

# 02.

## JR-West Group Medium-Term Management Plan 2022

01. Making Our Vision  
into Reality, with  
Continuity and Progress

### 02. JR-West Group Medium-Term Management Plan 2022

- Initiatives to Date and Future Changes in the Environment
- JR-West Group's Strategic Framework
- Our Vision ~ The Ideal Forms ~ The Value We Provide
- Groupwide Strategies
- **Railway Business Strategies**
- Non-Railway Business Strategies
- Building Our Management Foundation

03. Capital Expenditure Plan

04. Target Indicators

## Basic Strategy in the Railway Business

By implementing initiatives in the areas of “enhancing safety,” “increasing customer satisfaction,” and “increasing productivity,” as well as “implementing reforms through human resources development and technology,” which support the initiatives in these three areas, we will work to provide safe, high-quality railway services and to increase business value.

### Enhancing Safety

We have an unchanging determination to ensure that we will never again cause an accident such as that on the Fukuchiyama Line. This is the duty of the JR-West Group, which has railway operations as its core business.

We will continue to position safety as the highest priority strategy, and we will work to build frameworks for securing safety on a Companywide basis and to establish a corporate culture in which safety is the highest priority. We will strive to successfully implement the “JR-West Group Railway Safety Think-and-Act Plan 2022,” and to prevent serious accidents / labor accidents.

- Fostering the spread of safety-first awareness
- Enhancing organizational safety management
- Implementing safety think-and-act initiatives by each individual
- Enhancing railway systems that maintain safety (tangible, intangible)

#### [ Major tangible measures ]

- Pursuing Shinkansen safety
- Strengthening disaster prevention / disaster damage reduction measures in response to intensifying natural disasters
- “Increasing platform safety,” which is an urgent issue
- Increasing safety through new technologies and mechanization

→ page 28

### Increasing Customer Satisfaction

Through sustained efforts to meet the expectations of our customer base, which are changing and diversifying, we will establish a corporate culture in which business activities are always customer oriented (= customer-based management) and aim to ensure that customers become fans of JR-West.

- Implementing initiatives related to safe and reliable transportation
- Providing information at times of transportation disruptions
- Offering appropriate, easy-to-understand guidance services
- Creating comfortable, convenient environments (stations, trains, manners, etc.)
- Providing information regarding examples of improvement, plans, etc. (two-way communication)

→ page 29

### Increasing Productivity

To continue to provide railway/transportation services in the years ahead, we will work to effectively offer safe, high-quality railway services through improvements in both tangible and intangible areas.

- Changing maintenance systems ~ We will position the period of the new plan as a time for building maintenance systems aimed at sustaining operation of railway/transportation services, and we will take on the challenge of transitioning to new maintenance methods
- Reevaluating services and equipment with consideration for usage, appropriately allocating personnel for “operations that are effectively performed by people”

→ page 30

### Implementing Reforms through Human Resources Development and Technology

We will increase the quality of railway services by enhancing “human resources” and “technologies,” which support railway operations.

#### Human Resources

- Steadily transmitting technologies and improving technical skills
- Establishing environments for securing human resources in a carefully planned way and promoting active contributions of diverse employees

#### Technologies

- Pursuing innovation to realize the “Technology Vision”
- Expanding areas in which issues are resolved through technology, expanding collaboration outside the Company in order to progress more quickly
- Utilizing railway operations technologies outside the Company, including overseas

→ page 31

# 02.

## Railway Business Strategies

### JR-West Group Medium-Term Management Plan 2022

01. Making Our Vision  
into Reality, with  
Continuity and Progress

### 02. JR-West Group Medium-Term Management Plan 2022

- Initiatives to Date and Future Changes in the Environment
- JR-West Group's Strategic Framework
- Our Vision ~ The Ideal Forms ~ The Value We Provide
- Groupwide Strategies
- **Railway Business Strategies**
- Non-Railway Business Strategies
- Building Our Management Foundation

03. Capital Expenditure Plan

04. Target Indicators

	Shinkansen	Kansai Urban Area	Other West Japan Area
Business strategies	<p>We will strive to reinforce high-speed railway safety, enhance strengths centered on wide-area railway networks, and contribute to the expansion of the visitor population. → page 32</p>	<p>We will increase the value of railway belts through the provision of transportation services that offer peace of mind and reliability, the development of areas along railway lines, etc. → page 33</p>	<p>Through dialog and collaboration with communities, we will develop businesses aligned with local areas and contribute to the activation of the Other West Japan Area. → page 34</p>
Major priority initiatives	<ul style="list-style-type: none"> <li>• Rigorous safety management (rigorously implementing risk management at a high level, enhancing technical skills, earthquake countermeasures, movable platform gates, etc.)</li> <li>• Increasing the quality of transportation services (enhancing safety, increasing comfort of stations and train interiors, providing information about transportation disruptions, flexible price-setting, etc.)</li> <li>• Expanding usage by inbound customers, taking steps to foster tourism demand in cooperation with regional communities</li> <li>• Maximizing the effect of the opening of Kanazawa-Tsuruga segment of Hokuriku Shinkansen</li> </ul> <div style="display: flex; flex-direction: column; align-items: center;">  <p>Sanyo Shinkansen / N700 series</p>  <p>Hokuriku Shinkansen / W7 series</p>  <p>Rolling stock inspection</p> </div>	<ul style="list-style-type: none"> <li>• Increasing the quality of transportation services (platform safety, enhancing timetables to address opportunities such as the installation of complete double tracks on the Kyoto-Joyo segment of the Nara Line, etc., providing information about transportation disruptions, etc.)</li> <li>• Increasing the value of railway belts (enhancing railway networks through the opening of new lines / new stations, developing railway belts in conjunction with city development projects, etc.)</li> <li>• Expanding usage by inbound customers</li> <li>• Maximizing the effect of the opening of Umekita (Osaka) underground station</li> </ul> <div style="display: flex; flex-direction: column; align-items: center;">  <p>Osaka Loop Line / 323 series</p>  <p>Illustration of Awaji Station (provisional name) on Osaka Higashi Line</p> </div>	<ul style="list-style-type: none"> <li>• Implementing city development efforts, centered on core cities in the Other West Japan Area (developing strategic stations, enhancing express train networks, etc.)</li> <li>• Invigorating communities, centered on tourism (establishing wide-area tourism routes, using sightseeing trains, etc.)</li> <li>• Expanding usage by inbound customers</li> <li>• Realizing safe, sustainable railway/transportation services</li> </ul> <div style="display: flex; flex-direction: column; align-items: center;">  <p>TWILIGHT EXPRESS MIZUKAZE</p>  <p>Illustration of new station building at Onomichi Station</p> </div>

# 02.

## JR-West Group Medium-Term Management Plan 2022

01. Making Our Vision  
into Reality, with  
Continuity and Progress

### 02. JR-West Group Medium-Term Management Plan 2022

- Initiatives to Date and Future Changes in the Environment
- JR-West Group's Strategic Framework
- Our Vision ~ The Ideal Forms ~ The Value We Provide
- Groupwide Strategies
- Railway Business Strategies
- **Non-Railway Business Strategies**
- Building Our Management Foundation

03. Capital Expenditure Plan

04. Target Indicators

## Basic Strategy in the Non-Railway Businesses

We will aim to achieve increases in the value of railway belts and regions and to expand the visitor and resident populations. Accordingly, we will provide high-quality products and services that meet the expectations of customers who use railways and residents in areas along railway lines, and we will implement regional business creation, development, etc.

### Deepening Operations in Major Businesses

Increase overall community  
value, starting with stations

In areas along railway lines, we will take steps to advance "city development starting with stations," centered on major businesses. We will provide appealing products and services and increase community value overall.

- **Advancing plans for the Big Three Projects**

Advancing plans for the large-scale strategic station development initiatives for Osaka, Sannomiya, and Hiroshima, which have been positioned as the Big Three Projects in non-railway operations.

- **Implementing city development starting with stations**

Contributing to the development of lively cities by implementing renovations that optimize the service functions of stations, which are the entrances to local communities, and by participating in redevelopment projects for areas around stations.

- **Enhancing city functions**

Working in collaboration with municipal governments and companies to implement development in stations and in areas surrounding stations. Enhancing functions, such as culture, healthcare, child-rearing, etc., to foster appealing city spaces where people gather and reside.

### Advancing into New Markets

Increase brand power  
in each business

In businesses in which we can demonstrate our strengths, we will boost our competitiveness as a chain by entering new markets. In addition, we will build an optimal business portfolio to support sustained growth.

- **Advancing into areas outside of areas along railway lines / railway service areas**

Actively advancing into regions outside of areas along railway lines in the Kansai Urban Area, as well as growth markets outside of the railway service area (Tokyo metropolitan area, Nagoya metropolitan area, etc.), thereby increasing competitiveness as a chain.

- **Taking on the challenge of overseas initiatives**

Taking on the challenge of business initiatives in major cities in Southeast Asia, Europe, and the U.S., where growth is expected, thereby contributing to the enhancement of city functions.

### Implementing Initiatives in New Business Areas

Invigorate communities through  
the creation of new value

We will take on the challenge of creating new value and invigorating regions by promoting local industries and leveraging regional resources, while cooperating with local communities and participating directly.

- **Expanding businesses through community collaboration**

Expanding businesses such as distinctive local industries, restoration of traditional Japanese houses, etc.

- **Expanding businesses that enhance lifestyle foundations**

Expanding caregiving, temporary staffing and placement services for seniors, etc.

- **Opening up new businesses**

Creating businesses that contribute to the resolution of issues faced by regional societies

### Strengthening Foundation to Support Growth

- **Making active use of ICT tools and external know-how**

Increasing marketing capability through the use of ICOCA and J-West Card, etc., providing products and services that leverage the convenience of the Internet.

- **Strengthening foundations for human resources, organizations, etc.**

Developing human resources / organizations in alignment with businesses, establishing frameworks for the demonstration of the Group's comprehensive strengths.

# 02.

## JR-West Group Medium-Term Management Plan 2022

01. Making Our Vision into Reality, with Continuity and Progress

### 02. JR-West Group Medium-Term Management Plan 2022

- Initiatives to Date and Future Changes in the Environment
- JR-West Group's Strategic Framework
- Our Vision ~ The Ideal Forms ~ The Value We Provide
- Groupwide Strategies
- Railway Business Strategies
- **Non-Railway Business Strategies**
- Building Our Management Foundation

03. Capital Expenditure Plan

04. Target Indicators

## Non-Railway Business Strategies

### Major Businesses

	Sales of Goods / Food Services	Real Estate Lease and Sale	Shopping Centers	Hotels
Business strategies	We will strengthen functions as “Lifestyle Stations” and provide support for the enjoyment of daily lives and travel. → page 35	We will build communities that people want to reside in and visit, and contribute to the development of areas along railway lines and local communities. → page 35	We will propose high-quality lifestyles through the provision of tangible and intangible products and services. → page 36	We will meet the accommodation needs of a diverse range of customers and provide support for comfortable stays. → page 36
Major priority initiatives	<ul style="list-style-type: none"> <li>• Strengthening operating capabilities in directly-operated business formats</li> <li>• Advancing development and renewal of in-station stores</li> <li>• Expanding openings of convenience stores / food service stores, etc., outside stations</li> </ul>  <p>Seven-Eleven allied store</p>	<ul style="list-style-type: none"> <li>• Advancing plans for the Big Three Projects (shared by each business)</li> <li>• Advancing city development in areas along railway lines</li> <li>• Expanding initiatives in growth markets outside of areas along railway lines and railway service areas</li> </ul>  <p>Illustration of VIERRA Kishibe Kento</p>	<ul style="list-style-type: none"> <li>• Pursuing shopping center operations in line with changes in needs and local conditions</li> <li>• Increasing competitiveness by leveraging new systems / point standardization</li> <li>• Establishing business model for lifestyle-support-oriented shopping centers, implementing initiatives outside stations</li> </ul>  <p>Illustration of SUITA GREEN PLACE Phase II</p>	<ul style="list-style-type: none"> <li>• Expanding openings, centered on accommodation-oriented hotels</li> <li>• Renovating existing hotels and strengthening operating capabilities</li> <li>• Addressing diverse needs through the development / operation of new business formats</li> </ul>  <p>Illustration of hotels (Vischio / Via-inn) in front of Hachijo Exit at Kyoto Station</p>

### Other Businesses

	Department stores	Regional businesses	Use of ICT
Major priority initiatives	<ul style="list-style-type: none"> <li>• Implementing large-scale renovation of JR Kyoto Isetan, aiming for No. 1 store in the region</li> <li>• Considering the opening of shops that offer products in our strong categories when developing strategic stations</li> </ul>  <p>Illustration of large-scale renovation of JR Kyoto Isetan</p>	<ul style="list-style-type: none"> <li>• Expanding operations in areas where we have already entered, such as local industries, restoration of traditional Japanese houses, caregiving, etc.</li> <li>• Creating businesses that draw on external know-how to address new needs and businesses that can contribute to the resolution of issues faced by regional societies</li> </ul>  <p>Land-based aquaculture business (Pacific mackerel)</p>	<ul style="list-style-type: none"> <li>• Expanding ICOCA e-money initiatives that leverage opportunities resulting from the expansion of the railway IC card service area</li> <li>• Increasing the value of stores and stations by leveraging the convenience of the Internet (reception of reserved products, parcel delivery lockers, casual tourism)</li> </ul>  <p>Baggage checking service “ecbo cloak” Handling location (Kyoto Station)</p>

# 02.

## JR-West Group Medium-Term Management Plan 2022

01. Making Our Vision into Reality, with Continuity and Progress

### 02. JR-West Group Medium-Term Management Plan 2022

- Initiatives to Date and Future Changes in the Environment
- JR-West Group's Strategic Framework
- Our Vision ~ The Ideal Forms ~ The Value We Provide
- Groupwide Strategies
- Railway Business Strategies
- Non-Railway Business Strategies
- Building Our Management Foundation

03. Capital Expenditure Plan

04. Target Indicators

## Building Our Management Foundation



### ESG Initiatives

We will establish priority fields from the perspective of ESG<sup>\*1</sup> and, with consideration for SDGs<sup>\*2</sup>, we will take steps to implement initiatives. In this way, we will aim to fulfill our responsibilities as a member of society and to achieve sustained growth.

<sup>\*1</sup> ESG is an abbreviation for Environmental, Social, Governance, which are considered to be elements that are important in increasing company sustainability and long-term, sustained increases in corporate value. In recent years, ESG information has received growing attention as a standard for making investment decisions.  
<sup>\*2</sup> SDGs is an abbreviation for Sustainable Development Goals. These global goals for the period from 2016 to 2030 are listed in the "2030 Agenda for Sustainable Development," which was adopted at the UN Summit in September 2015.

Environmental	Social			
<p style="text-align: center;"><b>Global environment</b></p> <ul style="list-style-type: none"> <li>• Contributing to reductions in CO<sub>2</sub> through a shift to the use of environmentally friendly railways</li> <li>• Advancing the establishment of environmentally-friendly stations, etc.</li> <li>• Further progress in railway energy-saving and resource conservation</li> </ul>	<p style="text-align: center;"><b>Safety</b></p> <p>→ See page 28.</p>	<p style="text-align: center;"><b>Coexisting with communities</b></p> <ul style="list-style-type: none"> <li>• Building communities that people want to visit and live in through dialog and cooperation with people in local communities</li> <li>• Realizing safe, sustainable railway/transportation services</li> <li>• Creating new value by promoting local industries and leveraging regional resources</li> </ul>	<p style="text-align: center;"><b>Human resources and motivation</b></p> <ul style="list-style-type: none"> <li>• Developing human resources who can take the lead in think-and-act initiatives, building mutually supportive environments, and establishing an environment in which diverse human resources can actively contribute (diversity and inclusion)</li> <li>• Improving the pride and motivation of each employee, advancing initiatives to promote health in mind and body</li> <li>• Creating an environment in which retirees and their families maintain relationships with the Company and enjoy comfortable lifestyles</li> </ul>	<p style="text-align: center;"><b>Human rights</b></p> <ul style="list-style-type: none"> <li>• Responding to human rights issues, which are becoming more diverse and complex due to changes in the social environment</li> <li>• Advancing risk management in regard to human rights</li> </ul>
<b>Governance</b>				
<p style="text-align: center;"><b>Governance</b></p> <ul style="list-style-type: none"> <li>• Strengthening governance for the entire JR-West Group</li> <li>• Rigorously complying with laws and regulations on a Groupwide basis and establishing corporate ethics in accordance with the spirit of laws and regulations</li> <li>• Establishing and operating a framework that reflects consideration for the purposes of the Corporate Governance Code</li> <li>• Enhancing two-way communication with stakeholders</li> </ul>		<p style="text-align: center;"><b>Risk management</b></p> <ul style="list-style-type: none"> <li>• Incorporating risk management initiatives into management system and establishing risk management within the Company</li> <li>• Recognizing and improving issues with our corporate culture and addressing new compliance risks</li> <li>• Addressing serious hazards and risks in management on a Groupwide basis</li> </ul>		

### Creating organizations that contribute to safety and growth

To enhance safety and realize growth for the entire Group, we will move forward with preparations for transition to a group management system (in-house company system) under which each business will conduct management initiatives in a more-independent manner and will be able to respond to changes in the management environment and implement decision-making rapidly.

# 03.

## Capital Expenditure Plan

### Capital Expenditure Plan

01. Making Our Vision into Reality, with Continuity and Progress

02. JR-West Group Medium-Term Management Plan 2022

**03. Capital Expenditure Plan**

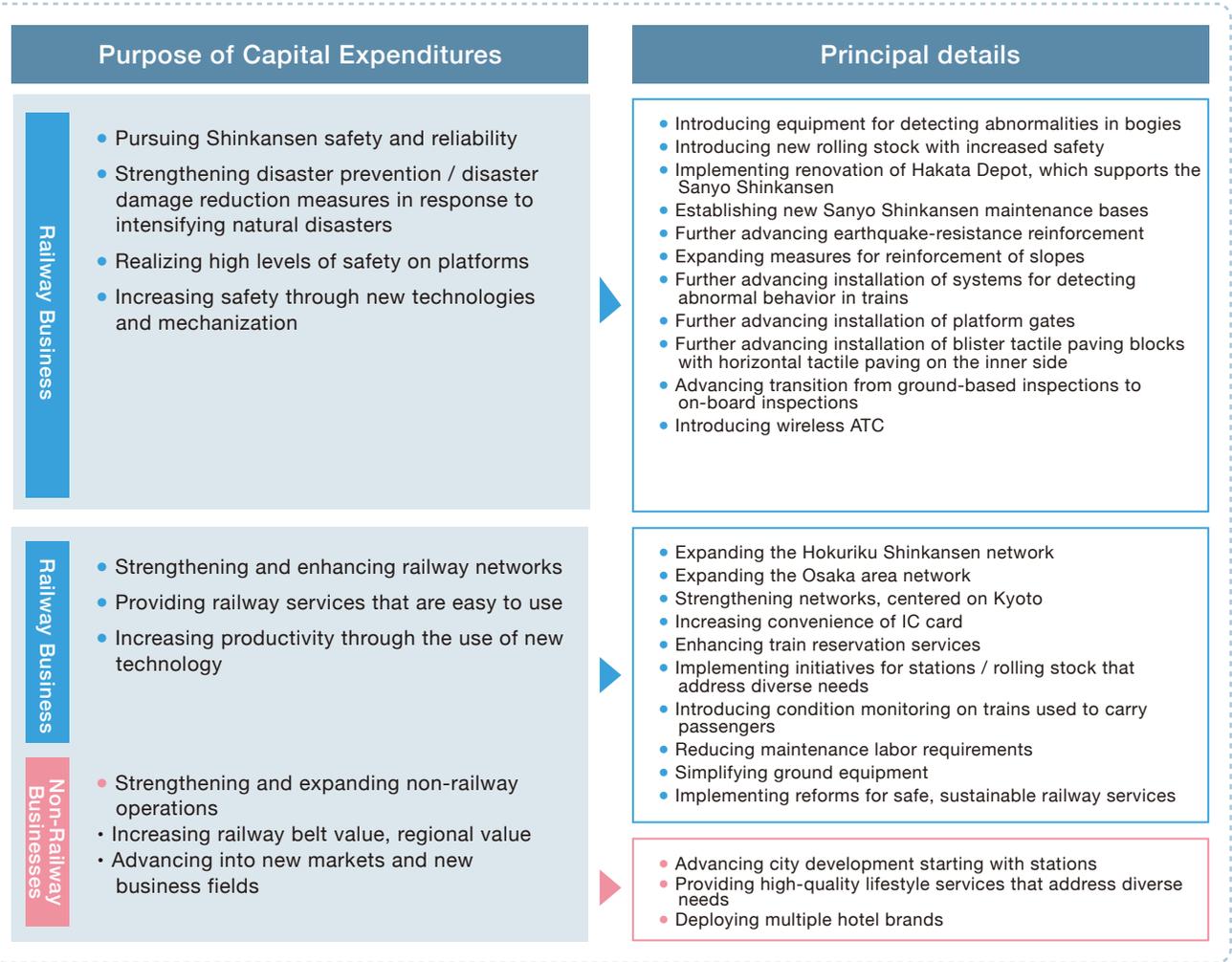
04. Target Indicators

**We will strengthen investment in safety, which is the foundation of management, as well as investment in initiatives contributing to sustained growth, and steadily advance this plan.**

Five-year total  
¥1,270 billion  
(+¥280 billion)



**Consolidated capital expenditures**  
Non-consolidated: ¥998 billion  
(+¥180 billion)



<Reference> By segment: Transportation Operations: ¥940 billion, Retail Business: ¥20 billion, Real Estate Business: ¥260 billion, Other Businesses: ¥50 billion

\*Figures in parentheses: vs. previous medium-term management plan

# 03.

## Principal Capital Expenditures to Enhance Safety

### Capital Expenditure Plan

01. Making Our Vision into Reality, with Continuity and Progress

02. JR-West Group Medium-Term Management Plan 2022

03. Capital Expenditure Plan

04. Target Indicators

### 1. Pursuing Shinkansen safety and reliability

- **Introducing equipment for detecting abnormalities in bogies**

- Following serious reflection on the critical incident, we will introduce equipment that can detect abnormalities in bogies at an early stage.



- **Introducing new rolling stock with increased safety**

- We will complete the replacement of the 700 series rolling stock used in direct operation between the Tokaido Shinkansen and the Sanyo Shinkansen with new rolling stock.

- **Renovating the Hakata Depot, which supports the Sanyo Shinkansen**

- We will implement aged-equipment updates and work-environment improvements, and in addition we will advance the introduction of equipment that will make possible automatic washing of parts and non-disassembly inspections. In this way, we will implement efficient, high-quality rolling stock inspections.

- **Establishing new Sanyo Shinkansen maintenance base**

- In the Aioi-Okayama segment, we will establish a base for maintenance operations to facilitate more-effective implementation of ground equipment updates, earthquake countermeasures, etc.

### 2. Strengthening disaster prevention / disaster damage reduction measures in response to intensifying natural disasters

- **Further advancing earthquake-resistance reinforcement**

- With consideration for a Nankai Trough earthquake, etc., we will increase the earthquake resistance of buildings, elevated bridges, etc.



- **Expanding measures for reinforcement of slopes**

- We will complete measures for the JR Kyoto Line, JR Kobe Line, and Osaka Loop Line, and will increase disaster resilience and reduce the amount of time during which rainy weather train operation regulations are applied.



(In addition to the above, we will also implement initiatives to grasp the condition of slopes using aerial laser measurement.)

- **Further advancing introduction of systems for detecting abnormal behavior in trains**

- In regard to conventional line trains and diesel railcars, we are advancing the introduction of a system that automatically detects abnormal behavior, such as derailment, etc., stops trains, and stops nearby trains with an emergency stop signal.

### 3. Realizing high levels of safety on platforms

- **Further advancing installation of platform gates**

- We will implement installation at major stations with service by Sanyo Shinkansen Nozomi trains, stations on conventional lines with high levels of usage, etc. (stations with more than 100,000 daily passengers boarding and alighting and stations where the priority of installation is at the same level as stations with 100,000 daily passengers boarding and alighting). (By fiscal 2023, we will implement or start installation at 35 stations (approximately 90 tracks) on the Sanyo Shinkansen, Osaka Loop Line, JR Kyoto Line, JR Kobe Line, etc.)
- Subsequently, we will work to continue to expand platform gate installation over the long term in accordance with the priority ranking, centered on the above railway belts.

- **Installing blister tactile paving blocks with horizontal tactile paving on the inner side**

- We will complete installation at stations with more than 3,000 daily passengers boarding and alighting and at all Shinkansen stations. (In addition, we will increase safety through combinations of tangible measures, such as cameras, and intangible measures.)



Movable platform gates

### 4. Increasing safety through new technologies and mechanization

- **Introducing condition-monitoring equipment on trains**

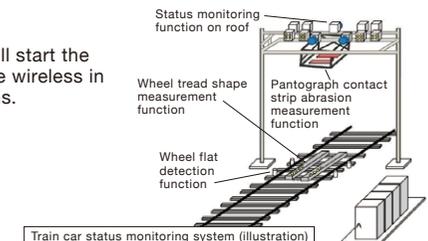
- We will advance the introduction of equipment that can grasp the condition of rolling stock, and the data obtained will be used in maintenance operations. In this way, we will work to increase rolling stock quality and to reduce the rolling stock maintenance operations that lead to serious labor accidents, such as falls, etc.

- **Advancing transition from ground-based inspections to on-board inspections**

- We will advance the introduction of rolling stock on-board inspection equipment that uses sensing equipment, etc., and implement inspections of ground equipment from on-board. In this way, we will reduce the work done on tracks that leads to serious labor accidents, such as man-vehicle collision accidents by oncoming trains, etc.

- **Introducing wireless ATC**

- Targeting the realization of safer, easier-to-maintain railways, we will start the introduction of systems that utilize wireless in order to continuously control trains.



# 03.

## Principal Capital Expenditures for Growth and Railway Service Improvement

### Capital Expenditure Plan

01. Making Our Vision into Reality, with Continuity and Progress

02. JR-West Group Medium-Term Management Plan 2022

03. Capital Expenditure Plan

04. Target Indicators

### 1. Strengthening and enhancing railway networks

- **Expanding the Hokuriku Shinkansen network**

- We will open the Kanazawa-Tsuruga segment of the Hokuriku Shinkansen. (Spring 2023)

- **Expanding the Osaka area network**

- We will open the Osaka Higashi Line northern segment (Shin-Osaka-Hanaten) (Spring 2019)
- We will open the Umekita (Osaka) underground station and work to strengthen access to Kansai International Airport from the Umekita area. (Spring 2023)



In addition, we will advance the establishment of the Naniwasuji Line. (Spring 2031 target)

- **Strengthening networks, centered on Kyoto**

- We will open a new station on the Kyoto-Tanbaguchi segment of the Sagano Line. (Spring 2019)
- On the Nara Line, we will install complete double tracks on the Kyoto-Joyo segment and double tracks on the Yamashiro-Taga - Tamamizu segment. (Spring 2023)

### 3. Increasing productivity through the use of new technology

- **Reducing maintenance labor requirements**

- We will advance initiatives for mechanization of work through the introduction of new maintenance railcars, etc., and build an efficient maintenance system.

- **Simplifying ground equipment**

- We will advance the transition to hyper overhead electrical lines for overhead electrical line facilities for trains and the simplification of station equipment, and work to reduce future maintenance costs.



Hyper overhead electrical lines

- **Implementing reforms for safe, sustainable railway services**

- We will build station systems that promote self-service ticket purchases, and we will advance one-person operation of trains.

### 2. Providing railways services that are easy to use

- **Increasing convenience of IC card**

- We will expand the area in which ICOCA can be used.
- We will introduce point services aligned with the usage of ICOCA and post-paid services using the PiTaPa card, for which charging is not necessary. (Fall 2018)

- **Enhancing train reservation services**

- We will work to further enhance the convenience of Internet reservations (increasing convenience for corporate and inbound customers). (During fiscal 2019)



- **Implementing initiatives for stations / rolling stock that address diverse needs**

- In response to such factors as the increases in seniors and inbound customers, we will work in cooperation with the national government and municipal governments to advance barrier-free initiatives. (In principle, installation by 2020 at stations with more than 3,000 daily passengers boarding and alighting.)
- We will introduce further new long-distance trains that make it possible to readily enjoy railway travel and rolling stock that meets seating needs.

### 4. Strengthening and expanding non-railway operations

- **Advancing city development starting with stations**

- We will advance large-scale strategic station developments for Osaka, Sannomiya, and Hiroshima. (Openings in fiscal 2024 and thereafter)
- We will advance city development in areas along railway lines, including participation in redevelopment initiatives in areas surrounding stations.
- We will implement a large-scale renovation of Kyoto Station commercial facilities. (Fiscal 2019 to fiscal 2021)



- **Providing high-quality lifestyle services that address diverse needs**

- We will expand openings of convenience stores / food service stores, etc., inside and outside stations.
- We will advance development of lifestyle-support-oriented shopping centers.

- **Deploying multiple hotel brands**

- We will actively implement multiple openings (Osaka, Kyoto, etc.) of high-class accommodation-oriented hotels (Vischio) and accommodation-oriented hotels (Via-inn).

# 04.

## Target Indicators

01. Making Our Vision into Reality, with Continuity and Progress

02. JR-West Group Medium-Term Management Plan 2022

03. Capital Expenditure Plan

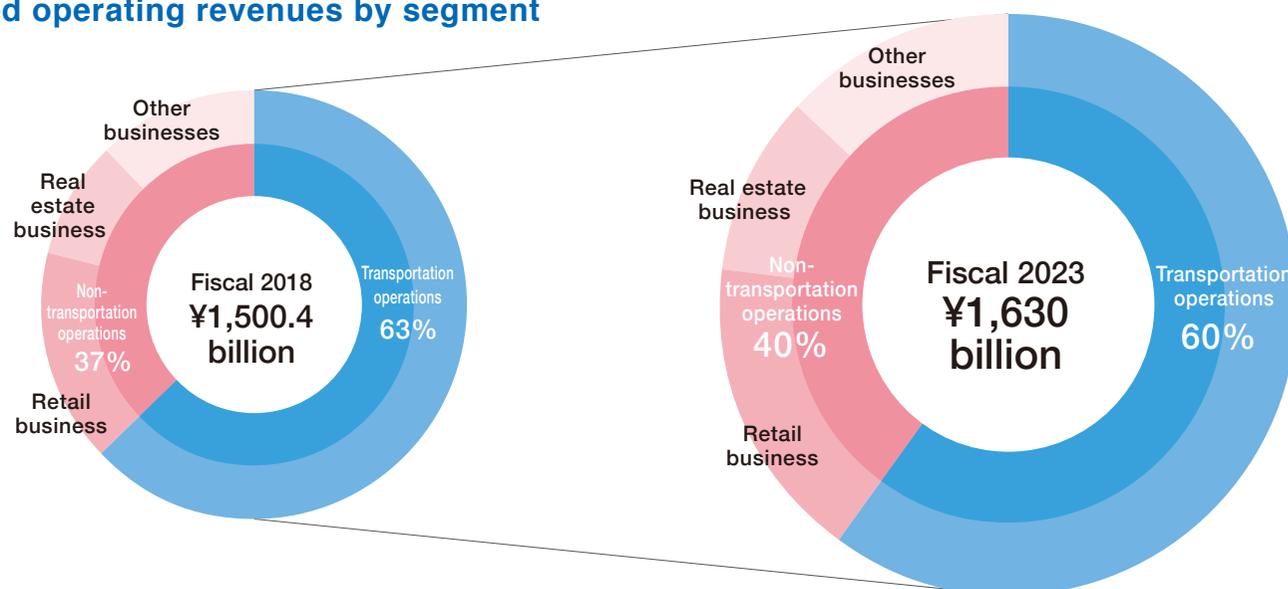
04. Target Indicators

## Management KPIs

### • JR-West Group Medium-Term Management Plan 2022 Objectives

		Fiscal 2018	Fiscal 2023
Scale	Consolidated operating revenues	¥1,500.4 billion	¥1,630 billion
	Consolidated EBITDA	¥356.1 billion	¥400 billion
Efficiency	Consolidated ROA	6.3%	Mid-6% range
	(Reference) Consolidated ROE	11.3%	Approximately 10%

### • Consolidated operating revenues by segment



### • Our Vision ~ The Ideal Forms

Aiming for consolidated operating revenues of ¥2,000 billion by around 2030.

# 04.

## Target Indicators

01. Making Our Vision  
into Reality, with  
Continuity and Progress

02. JR-West Group  
Medium-Term  
Management Plan 2022

03. Capital Expenditure Plan

04. Target Indicators

## Priority Ranking for Uses of Cash and Shareholder Return Policy

- In the JR-West Group Medium-Term Management Plan 2022, the priority ranking for uses of cash is as follows: (1) safety / growth investment, (2) shareholder returns, and (3) debt reduction.
- Targeting the realization of Our Vision ~ The Ideal Forms, we will steadily implement safety / growth investment and aim for sustained growth over the long term.
- For shareholder returns, we place importance on providing stable returns over the long term.
- Specifically, we will provide stable dividends, aiming for a dividend payout ratio of approximately 35% in fiscal 2023.  
In addition, 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.
- Further, with a view to building long-term stable relationships with shareholders, we will strive to improve shareholder benefits.

### Cautionary Statement with Respect to Forward-Looking Statements

Performance forecasts and other forward-looking statements contained within this document are based on information available at the time of this document's preparation. Actual performance may vary significantly from these statements due to changes in the operating environment or other factors.

**JR-West Group Medium-Term Management Plan 2022**  
**Detailed Action Plan**

## Basic Strategies / (1) Enhancing Safety

### We will strive to successfully implement the “JR-West Group Railway Safety Think-and-Act Plan 2022,” and to prevent serious accidents and labor accidents.

- In accordance with our unchanging determination to ensure that we will never again cause an accident such as that on the Fukuchiyama Line, safety is positioned as our most important strategy and is the core of the JR-West Group Medium-Term Management Plan 2022. We will steadily implement the JR-West Group Railway Safety Think-and-Act Plan 2022, which was formulated as a detailed safety plan.
- “Fostering the spread of safety-first awareness” is the basis of the plan. Through the “enhancement of organizational safety management” and the “implementation of safety think-and-act initiatives by each individual,” we will work to “enhance railway systems that maintain safety” and strive to realize “safety management with the participation of all employees.” In these ways, we will aim to prevent serious accidents and labor accidents.
- Specifically, under the conditions that we face, to maintain the safety of customers and colleagues, we will start by having each individual stop briefly and “think carefully about specific risks.” This will lead to decisions and actions that prioritize safety above everything else.

#### Target Indicators / Direction

- No train accidents that result in casualties among our customers, no railway labor accidents that result in fatalities among our employees (over a 5-year period)
- Train accidents involving people that result in casualties among our customers, accidents at level crossings, transportation disruptions due to internal factors Further 10% reduction\*

\*From Safety Think-and-Act Plan 2017 objectives

#### Fostering the spread of safety-first awareness

- Implementing initiatives to ensure that we always remember the Fukuchiyama Line accident, understanding and implementing policies related to safety  
(Enhancing safety think-and-act training, etc.)
- Increasing sensitivity to safety, implementing safety-first approach to decision-making and actions  
(Fostering a sense of values that emphasizes that the “train is to be stopped without hesitation,” etc.)

#### Enhancing organizational safety management

- Increasing the quality of risk assessment (enhancing methods of identifying latent risks, etc.)
- Enhancing safety management systems (construction / operation of PDCA cycle, etc.)
- Constructing frameworks for the formulation / maintenance of practical rules

#### Implementation of safety think-and-act initiatives by each individual

- Creating environments that facilitate reporting
- Implementing self-directed initiatives, self-discipline
- Considering / instituting measures that can be implemented together with colleagues

#### Enhancing railway systems that maintain safety

- Advancing tangible measures  
(Implementing investment, technical development, etc., to realize a high level of safety)
- Advancing intangible measures  
(Implementing practical human factor training incorporating VR, etc., enhancing safety-first flexible response capabilities, etc.)



## Basic Strategies / (2) Increasing Customer Satisfaction

### Through “customer-based management,” we will aim to ensure that customers become fans of JR-West.

- Each person at the JR-West Group will consistently engage in “think-and-act initiatives for customer satisfaction,” work to meet the expectations of each individual customer, and strive to realize the “Customer Satisfaction Vision 2022.” In this way, we will aim to ensure that customers become fans of JR-West.
- We will directly address customer feedback. Also, the changes among our customers — which reflect the further aging of Japanese society, increases in inbound customers, and the advances of women in society — will be addressed as opportunities. We will provide transportation services that meet the diversifying needs and expectations of our customers.
- We will strive to aggressively utilize technology, focus on the future, and provide transportation services that are aligned with each region. In addition, we will aim for transportation services that we create together with customers and local communities in areas along railway lines.
- We are working to build “friendly relationships” in which the entire Group has a sense of working together as colleagues, and to become a group that customers consider to be “friendly.” In these ways, we will aim for relationships with customers and communities in areas along railway lines that are filled with smiles.



We value our meetings with customers.

#### Target Indicators / Direction

- Customer satisfaction survey result: achieve and maintain total score of 4.0\* or above (5-level, internal survey)

\*Situation in which more than 80% of customers have a favorable impression.

#### Implementing initiatives related to safe and reliable transportation

- Advancing initiatives for safe, reliable transportation to reduce large-scale transportation disruptions, including disasters and external causes in addition to internal causes
- Minimizing the effects of transportation disruptions

#### Offering appropriate, easy-to-understand guidance services

- Providing appropriate guidance services that are easy-to-understand for everyone, including inbound customers, inexperienced customers, etc. (preparations in stations, trains)
- Advancing “customer satisfaction think-and-act initiatives that are communicated to customers” by employees, enhancing ease-of-understanding of guidance signs and announcements

#### Providing information at times of transportation disruptions

- Improving the quality of information provision through the enhancement and use of displays, tablets, etc.
- Enhancing information provided directly to customers, such as train location information services, provision of information through websites and applications, etc.

#### Creating comfortable, convenient environments (stations, trains, manners, etc.)

- Creating environments that are comfortable and easy-to-use for our changing and increasingly diverse range of customers
- Promoting “mutual assistance” so that customers help each other and talk to each other, encouraging employees to talk to customers and to obtain service assistant certifications

#### Providing information regarding examples of improvement, plans, etc. (two-way communication)

- Actively providing information about the above initiatives to address “customer feedback” and customer expectations, including plan stages.



## Basic Strategies / (3) Increasing Productivity

**To continue to provide railway/transportation services in the years ahead, we will work to effectively offer safe, high-quality railway services through improvements in both tangible and intangible areas.**

- Through improvement of the capabilities and achievements of each individual and the use of new technologies and equipment, we will increase work productivity and realize high levels of safety and customer satisfaction with a small number of employees and simple equipment.
- To continue to provide safe railway/transportation services and to meet customer needs in the future, we will utilize technologies such as ICT (information and communications technologies), etc., and advance self-service ticket purchases to enable customers to acquire tickets or information by themselves without restrictions on time or location.
- We will advance operational mechanization and systematization and make simple services our foundation. At the same time, we will establish an environment in which employees can focus on “operations that are effectively performed by people.” In this way, we will generate sustained increases in business value.
- We will reevaluate services and equipment in accordance with usage conditions.

### Target Indicators / Direction

- Situation in which higher levels of safety and customer satisfaction can be continually provided with a small number of people, due to new technologies and work method reforms

### Changing maintenance systems

We will position the period of this plan as a time for building maintenance systems aimed at sustaining provision of safe railway/transportation services, and we will take on the challenge of transitioning to new maintenance methods.

- Converting to maintenance methods that are efficient and contribute to enhancing safety through transitions from ground-based inspections to on-board measurement, sensor network installation, new rolling stock and equipment inspection methods that utilize trains used to carry passengers, CBM (implementing maintenance based on condition rather than period), etc.
- Converting to new maintenance methods through reorganizing labor-intensive maintenance of rolling stock and equipment, mechanization, practical materials, etc. (hyper overhead electrical lines, rail grinder trains, utility pole handling vehicles, tie replacement machine sets for the Shinkansen, etc.)
- Simplifying ground equipment through utilization of new technologies, reevaluation of necessary functions, etc.

### Reevaluating services and equipment with consideration for usage, appropriately allocating personnel for “operations that are effectively performed by people.”

- Taking steps to enhance the environment, such as expanding ICOCA service area, implementing ticketless initiatives, increasing convenience through the use of the Internet, etc., and advancing self-service ticket purchases to enable customers to acquire tickets or information by themselves
- Advancing operations at JR Ticket Offices (“Midori-no-madoguchi”) by focusing on and enhancing “operations that are effectively performed by people” (“services only people are capable of,” etc.) through employees, etc., and by implementing sales methods that do not require face-to-face contact (mechanization, use of call centers)
- Reevaluating the allocation of personnel from the perspective of the provision of services on an overall basis for each area and each railway belt (outsourcing, full automation, etc.)
- Advancing one-person operations of trains through the use of technologies



みどりの券売機プラス



**We will increase the quality of railway services by enhancing “human resources” and “technologies,” which support railway operations.**

- Employees are assets for the JR-West Group, and through the establishment of a framework to increase the technical skills of each employee, we will advance the passing down of technologies in a carefully planned way and secure the human resources necessary for operations, even as a new generation takes over.
- We will reevaluate our method of effectively securing human resources, with a focus on future changes in the labor market, and establish an environment for the promotion of active careers for a diverse range of people. In this way, we will secure human resources.
- To realize our “Technology Vision,” we will work together with a range of partners and continue daily innovation. In this way, we will continue to address customer needs and provide new value.
- We will expand outside collaboration and bring new technologies and knowledge into the Company. In this way, we will advance reforms through the use of technologies.
- We will also utilize railway operations technologies and know-how outside the Group, including overseas. In this way, we will increase technical skills and provide feedback to existing businesses, and we will search for a broad range of business opportunities.

**Target Indicators / Direction**

- Situation in which we have secured the human resources necessary for sustained operation of the railway business in the future
- Situation in which we are expanding collaboration with a variety of partners in order to realize the Technology Vision

**Steadily transmitting technologies and improving technical skills**

- Securing employees with the necessary level of technical skills, passing down technologies in a carefully planned way through education and utilization for the purpose of employee development
- Nurturing engineers with perspectives extending across specialized fields, the ability to determine and resolve issues from a management viewpoint, and new technical skills, such as data analysis.

**Establishing environments for securing human resources in a carefully planned way and promoting active contributions by diverse employees**

- Strengthening Groupwide collaboration to foster more-effective employment methods and securing human resources
- Introducing work frameworks and equipment, installing tools using ICT (information and communications technologies)

**Pursuing innovation targeting the realization of the Technology Vision**

- Pursuing further safety and reliability, railway/transportation services that play a role in supporting the creation of appealing areas, building systems that support safe, sustainable railway/transportation services

**Expanding areas in which issues are resolved through technology, strengthening collaboration outside the Company in order to progress more quickly**

- Advancing co-creation with communities (industrial-academic collaboration, Umekita, etc.) and open innovation, advancing development through the trial method

**Utilizing railway operations technologies outside the Company, including overseas**

- Implementing business development in new markets utilizing the Group’s technologies and know-how



## Business Strategies / (1) Shinkansen

**We will strive to reinforce high-speed railway safety, enhance strengths, centered on wide-area railway networks, and contribute to the expansion of the visitor population.**

- We will work to implement rigorous risk management, enhance tangible and intangible functions, and provide transportation services that can be used with peace of mind and trust.
- We will communicate the appeal of tourist attractions in collaboration with communities and provide services that address the needs of inbound customers. In this way, we will expand usage.

### Target Indicators / Direction

- Situation in which we are conducting risk management in an appropriate manner to maintain a high level of safety and are moving forward with tangible countermeasures and with the revision of rules and frameworks
- Increasing the number of Shinkansen passengers by 5% (fiscal 2023 / fiscal 2018)

### Rigorous safety management

- Implementing rigorous risk management to maintain the high level of safety needed for high-speed operations
- Enhancing technical skills to increase safety and reliability
- Building organizations to support Shinkansen safety
- Steadily implementing equipment maintenance, upgrades, and augmentation (maintenance base enhancement, earthquake countermeasures, movable platform gates, surveillance cameras)

### Expanding usage by inbound customers, taking steps to foster tourism demand in cooperation with regional communities

- Working in cooperation with local communities to uncover and enhance appealing tourist attractions in the Setouchi and Hokuriku areas, to enhance wide-area tourism route products, and to strengthen information provision
- Installing free Wi-Fi in Shinkansen trains
- Operating Hello Kitty Shinkansen

### Increasing the quality of transportation services

- Working to prevent major equipment problems
- Reducing transportation disruptions through natural disaster countermeasures
- Improving the comfort of train interiors and stations
- Enhancing provision of information about transportation disruptions
- Enhancing total travel convenience by working toward increased frequencies, self-service ticket purchases, etc.
- Providing special services for frequent users
- Implementing flexible price-setting

### Maximizing the Kanazawa-Tsuruga segment opening effect for the Hokuriku Shinkansen

- Advancing various preparations targeting smooth opening
- Developing tourist attractions through collaboration with local communities in the Fukui area



**We will increase the value of railway belts through the provision of transportation services that offer peace of mind and reliability, the development of areas along railway lines, etc.**

- We will provide transportation services that have excellent convenience and comfort, offer peace of mind, and are safe and reliable.
- By enhancing lifestyle services that make daily life more comfortable and implementing existing station improvements and new station developments in conjunction with city development projects, we will increase the value of railway belts and create areas along railway lines that people want to reside in and visit.

<b>Target Indicators / Direction</b>	<ul style="list-style-type: none"> <li>• Number of passengers for JR Kyoto Line / JR Kobe Line / Osaka Loop Line: 2.65 million people/day (+40,000 people/day vs. fiscal 2018)</li> <li>• IC card usage rate: 85%</li> </ul>
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**Increasing the quality of transportation services**

- Preventing accidents, etc., by increasing the level of platform safety, improving our ability to respond to transportation disruptions and thereby minimizing effects and enhancing information provision
- Increasing IC card convenience (introducing new services, such as point service system, etc., cooperating with other transportation companies)
- Establishing safe, reliable transportation and strengthening competitiveness through the completion of double tracks on the Kyoto-Joyo segment of the Nara Line, etc.
- Fostering demand and strengthening transport capacity in coordination with the opening of "SUPER NINTENDO WORLD™" at Universal Studios Japan™ (Nishikujo Station facility improvements, etc.)

**Expanding usage by inbound customers**

- Enhancing tourism for all of Kansai through community collaboration, promoting use of limited express "Haruka"
- Strengthening reception systems (establishing no-waiting sales systems, such as advancing sales that do not require face-to-face contact, establishing easy-to-understand guidance facilities, etc.)

**Increasing the value of railway belts**

- Advancing initiatives that leverage opportunities from the expansion of railway networks, such as the opening of new lines and new stations (Osaka Higashi Line northern section, Sagano Line, Kyoto-Tanbaguchi segment new station)
- Developing areas along railway lines in conjunction with city development projects (JR Kyoto Line, JR Kobe Line, etc.)
- Continuing projects through community collaboration (Osaka Loop Line Renovation Project, Kyoto-Umekoji area project)

**Maximizing the effect of the opening of the Umekita (Osaka) underground station**

- Establishing a new station in conjunction with Umekita area city development projects
- Strengthening access to Kansai International Airport and wide-area network
- Implementing city development projects to heighten strategic value (developing western part of Osaka Station, etc.)



**Through dialog and collaboration with communities, we will develop businesses aligned with local areas and contribute to the activation of the Other West Japan Area.**

- We will provide safe transportation services aligned with the circumstances in each area and railway belt, and work to enhance inter-city transport through highly safe and convenient express networks.
- We will work to expand the visitor population in key railway service areas and the resident population in areas along railway lines. To that end, we will deepen dialog with local regions as we take steps to implement city development initiatives in collaboration with local communities, promote tourism, and develop businesses aligned with railway service areas.
- We will aim to realize safe, sustainable railway/transportation services by sharing issues with local regions, optimizing transport services, revising facilities, etc.

**Target Indicators / Direction**

- Moving forward with the expansion of the visitor population, the expansion of the resident population, and the realization of safe, sustainable railway/transportation services

**Implementing city development efforts, centered on core cities in the Other West Japan Area**

- Developing strategic stations that heighten the appeal of the Setouchi Area (renovation of Hiroshima Station, renovation of Okayama Station and development of the area surrounding the station, improvement of Onomichi Station to enhance tourism functions)
- Leveraging opportunities provided by the opening of the Kanazawa-Tsuruga segment of the Hokuriku Shinkansen to promote city development centered on Shinkansen stations (Toyama, Kanazawa, Fukui, etc.)
- Advancing the development of areas surrounding stations in the Sanin Area and Wakayama Area (Yonago, Izumoshi, Wakayama, etc.) in cooperation with local communities
- Increasing the transportation quality of the limited express “Yakumo,” which links the Sanin Area and the Sanyo Area and is a feeder to the Shinkansen

**Expanding usage by inbound customers**

- Expanding use of the Other West Japan Area from Kansai, arranging wide-area tourism routes from regional airports
- Strengthening one-stop services and other reception systems at major stations, reinforcing information provision in cooperation with local communities

**Invigorating communities, centered on tourism**

- Developing new tourist attractions and establishing wide-area tourism routes (Setouchi Area, Hokuriku Area, Nanki Area, Northern Kinki Area, Sanin Area, Kyushu Area, etc.) in cooperation with local communities
- Using TWILIGHT EXPRESS MIZUKAZE to promote regional appeal in cooperation with local communities
- Fostering tourism demand through new long-distance trains, sightseeing trains, etc.

**Realizing safe, sustainable railway/transportation services**

- Enhancing dialog with local communities in order to realize safe, sustainable railway/transportation services, with consideration for the travel needs of residents
- Formulating a basic plan for realizing the conversion of the Kibi Line to LRT\*
- Simplifying railway equipment through the use of new technologies, reevaluation of necessary functions, etc.



\*LRT: Light Rail Transit, a next-generation streetcar system

# Non-Railway Business Strategies



## (1) Sales of Goods / Food Services

We will strengthen the “Lifestyle Station” function and provide support for the enjoyment of daily lives and travel.

- We will take steps to strengthen our operating capabilities in directly-operated business formats, increase the convenience of in-station services, reinforce initiatives outside stations, and establish competitive brands.

<b>Target Indicators / Direction</b>	<ul style="list-style-type: none"> <li>• Sales of goods / food service stores: +¥20 billion (vs. fiscal 2018)</li> <li>• Business format development and store diversification initiatives that support Lifestyle Station functions</li> </ul>
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### Strengthening operating capabilities in directly-operated business formats

- Strengthening store operating capabilities (Seven-Eleven allied stores, food service stores, etc.)
- Drawing on external know-how to develop new business formats

### Advancing development and renovation of in-station stores

- Implementing development / renovation coordinated with station improvements
- Implementing business format changes in line with customer needs

### Expanding openings of convenience stores / food service stores, etc., outside stations

- Expanding store openings that leverage Group synergies (real estate / hotels / shopping centers)
- Expanding store openings to non-Group properties in areas surrounding stations / areas along railway lines

## (2) Real Estate Lease and Sale

We will build communities that people want to reside in and visit, and contribute to the development of areas along railway lines and local communities.

- We will actively implement “city development starting with stations” and expand initiatives in growth markets outside of areas along railway lines and our railway service area.
- We will establish a position as a leading developer in the western Japan area by increasing the brand power of our housing business and expanding the leasing business.

<b>Target Indicators / Direction</b>	<ul style="list-style-type: none"> <li>• Operating revenues (external sales) : ¥100 billion</li> <li>• Participation in multiple redevelopment projects</li> </ul>
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### Advancing plans for the Big Three projects (\*shared by each business)

- Osaka: Advance development plan for the western part of the station
- Sannomiya: Advance development plan for new station building
- Hiroshima: Advance development plan for new station building and area surrounding the station

### Advancing city development initiatives in areas along railway lines

- Developing strategic stations, etc., with maximum utilization of Group resources
- Participating in redevelopment projects
- Diversifying asset types and business methods

### Expanding initiatives in growth markets outside of areas along railway lines and railway service area

- Implementing new development / property acquisitions in Tokyo metropolitan area, Nagoya metropolitan area, etc.
- Considering participation in overseas businesses (leasing business)

# Non-Railway Business Strategies



## (3) Shopping Centers

We will propose high-quality lifestyles through the provision of tangible and intangible products and services.

- With a focus on changes in consumption trends and local conditions, we will advance efficient management through chain-based initiatives, build a competitive business model, and move forward with new development and renovation projects.

### Target Indicators / Direction

- Tenant sales: ¥325 billion
- Development of multiple lifestyle-support-oriented shopping centers

### Pursuing shopping center operations with a focus on changing needs and local conditions

- Renovating strategic station shopping centers, etc., aiming to be number one in sales in the region
- Implementing collaborative Internet initiatives that leverage local conditions around stations
- Pursuing low-cost operations

### Increasing competitiveness by leveraging new systems / point standardization

- Effectively utilizing marketing data, etc., as a chain
- Advancing usage through the introduction of shared points
- Strengthening tenant leasing capabilities and increasing efficiency in back office operations

### Establishing the lifestyle-support-oriented shopping center business model and deploying it outside stations

- Expanding SUITA GREEN PLACE and strengthening business competitiveness
- Implementing initiatives outside stations, based at stations and in areas along railway lines

## (4) Hotels

We will meet the accommodation needs of a diverse range of customers and provide support for comfortable stays.

- With consideration for changes in market conditions, we will roll out business format lineups that address diverse customer needs inside and outside our railway service area. In this way, we will strive to achieve a hotel chain with more than 11,000 rooms.  
\*Including accommodation-oriented hotels (Via-inn), etc.

### Target Indicators / Direction

- Number of customer rooms: 11,000 rooms
- Expand accommodation of inbound customers

### Expanding openings, centered on accommodation-oriented hotels

- Implementing multiple openings of high-class accommodation-oriented hotels (Vischio)
- Implementing active roll-outs of accommodation-oriented hotels (Via-inn)

### Renovating existing hotels and strengthening operating capabilities

- Advancing large-scale renovations at Granvia (Kyoto / Osaka)
- Strengthening chain operations and operating structure in Japan and overseas

### Addressing diverse needs through the development / operation of new business formats

- Developing / operating formats that can respond to a wide range of new needs, such as inbound customers, tourism, leisure usage, etc. (high-class accommodation-oriented hotels, community-oriented casual hotels, high-end capsule hotels)



JR-WEST GROUP  
Medium-Term Management Plan 2022





Opening up the future through  
each individual's think-and-act  
initiatives

# All for Smiles! 2022



West Japan Railway Company