

(Translation)

Company name: **West Japan Railway Company**

President: Seiji Manabe

Code number: 9021, Stock listings: Tokyo Stock Exchange, Nagoya Stock Exchange and Fukuoka Stock Exchange

For further information, please contact: Shoji Kurasaka, General Manager, Corporate Communications Department

Telephone: +81-6-6375-8889

Notice Regarding Submission of an Allowance Reserve Plan for the Large-Scale Renovation of Shinkansen Infrastructure

With respect to the Sanyo Shinkansen Line (between Shin-Osaka and Hakata), which West Japan Railway Company (hereinafter, JR-West) owns, the need for large-scale renovation to ensure reliable transportation going forward was recognized, and on December 22, 2015, JR-West was designated as an owning business entity by the Minister of Land, Infrastructure, Transport and Tourism based on article 15, paragraph 1 of the Nationwide Shinkansen Railway Development Act (hereinafter, the Nationwide Shinkansen Act).

In response, JR-West has prepared an allowance reserve plan for the large-scale renovation of Shinkansen infrastructure (hereinafter, the allowance reserve plan) and today submitted it to the Minister of Land, Infrastructure, Transport and Tourism, based on article 16, paragraph 1 of the Nationwide Shinkansen Act.

1. Details of allowance reserve plan

Large-scale renovation	Period	From April 2028 to March 2038 (10 years)
	Total amount of expenses	¥155.7 billion
Allowance	Reserve period	From April 2016 to March 2028 (12 years)
	Total amount of reserve	¥50.0 billion

2. Summary of large-scale renovation (Attachment)

Target equipment and facilities	Details of major renovation work	
Bridges	Steel bridges	Renovation work on support components
	Concrete bridges	Restoration of surface, replacement of handrails
Tunnels	Lining renovation work, roadbed renovation work	
Earthworks	Slope protection renovation work, replacement of noise barriers	

3. Effect on income and expenses of allowance reserve and reversal

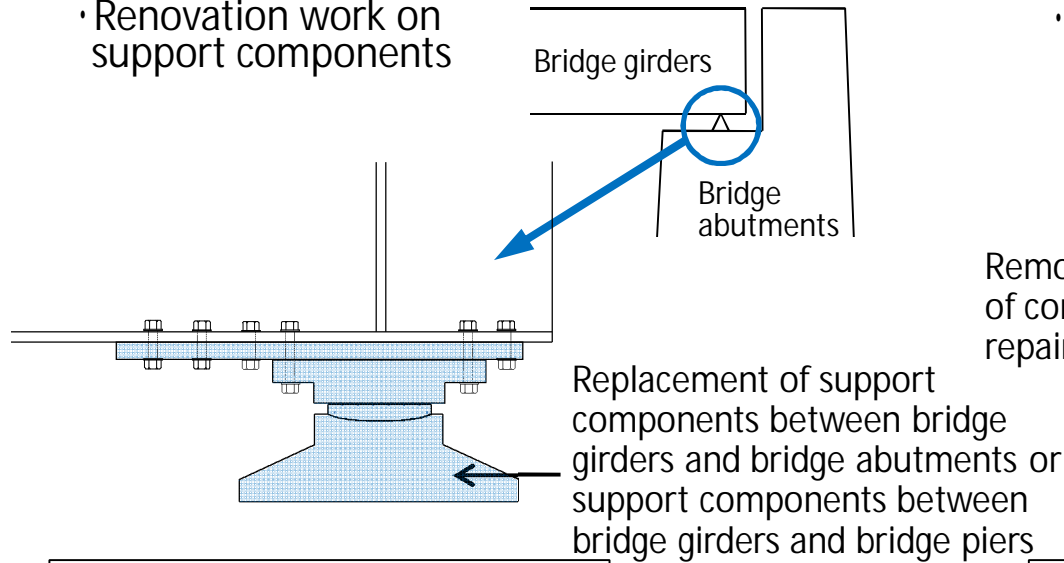
If the allowance reserve plan is approved, as a result of implementing an allowance reserve, in each fiscal year from the fiscal year ending March 31, 2017, through to the fiscal year ending March 31, 2028, compared to the situation if an allowance reserve had not been implemented, there will be additional operating expenses of ¥4.1 billion in each fiscal year. Subsequently, as a result of implementing a reversal of the allowance, in each fiscal year from the fiscal year ending March 31, 2029, through to the fiscal year ending March 31, 2038, compared to the situation if an allowance reserve had not been implemented, there will be a reduction in operating expenses of ¥5.0 billion in each fiscal year.

End

Details of Major Large-Scale Renovation Work of the Sanyo Shinkansen (Attachment)

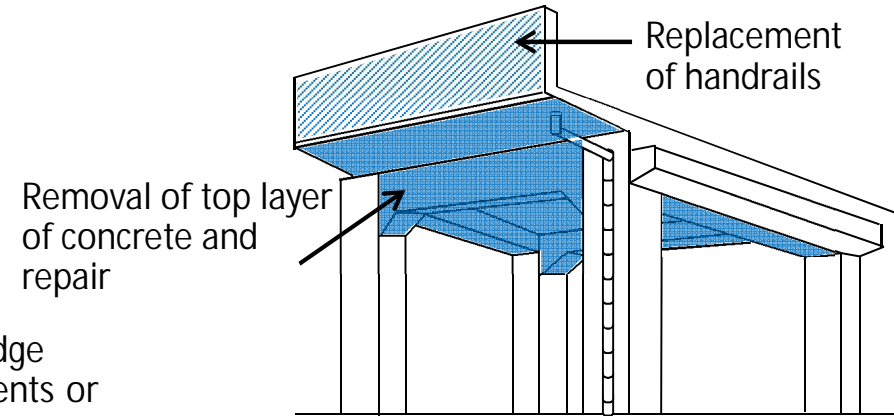
Bridges (steel bridges)

- Renovation work on support components



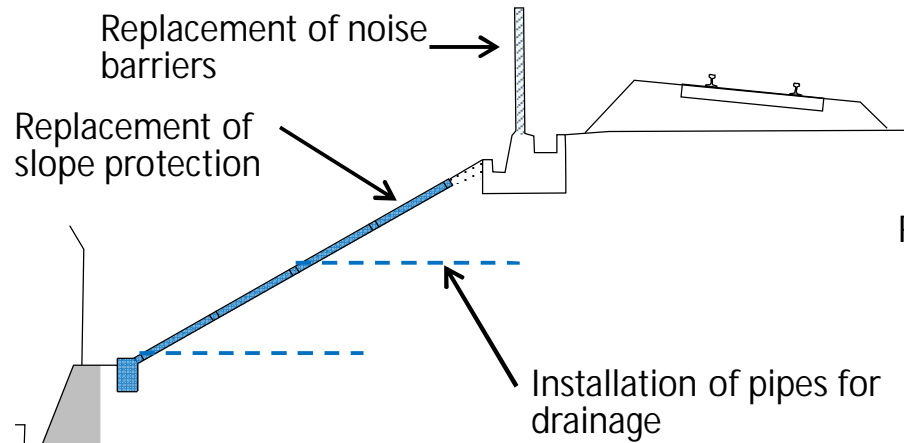
Bridges (concrete bridges)

- Renovation of surface, replacement of handrails



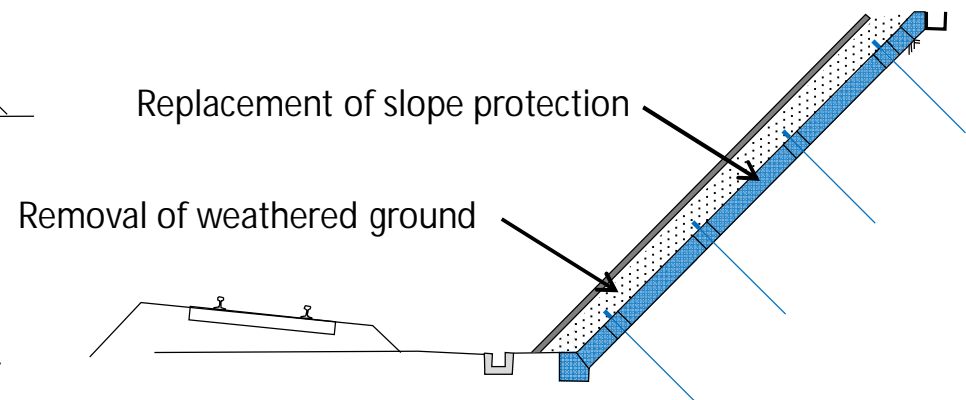
Earthworks (embankment)

- Slope protection renovation work, replacement of noise barriers



Earthworks (excavation)

- Slope protection renovation work



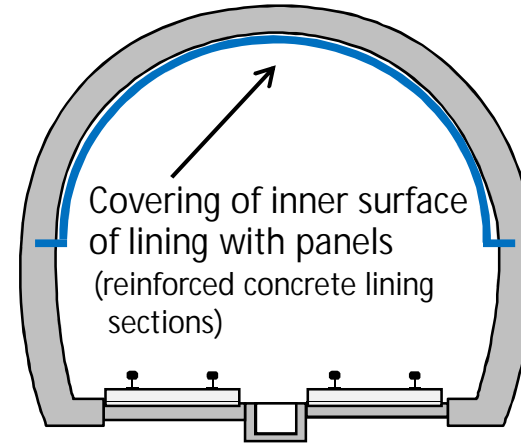
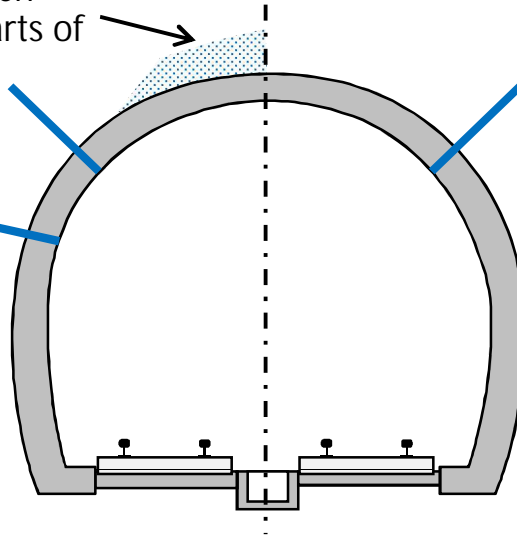
Details of Major Large-Scale Renovation Work of the Sanyo Shinkansen (Attachment)

Tunnels

· Lining renovation work

Filling of gaps between concrete of upper parts of tunnels and ground

Unification of lining and ground with rock bolts



· Roadbed renovation work

Supporting of lower boards of tunnels with stakes

