

# Taking the Next Step. Working together with communities.

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.

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## Our History

West Japan Railway Company (JR-West) is one of the six passenger railway transport companies created in 1987, when Japanese National Railways was split up and privatized. In our railway operations, our core business activity, our railway network extends over a total of 5,015.7km. Making the most of the various forms of railway asset value represented by our stations and railway network, we are also engaged in retail, real estate, hotel, and other businesses.

Business	Company	Main Regions of Operation
Passenger	Hokkaido Railway Company	Hokkaido
	East Japan Railway Company	Tohoku, Kanto
	Central Japan Railway Company	Tokai
	<b>West Japan Railway Company</b>	<b>Hokuriku, Kansai, Chugoku</b>
	Shikoku Railway Company	Shikoku
	Kyushu Railway Company	Kyushu
Freight	Japan Freight Railway Company	Nationwide

## Regarding the Company's Fiscal Year

The Company's fiscal year is from April 1 to March 31. The fiscal years referred to in this Report are the years ending on the last day of the indicated year.  
e.g. fiscal 2014, FY2014 → the year ending March 31, 2014

## Cautionary Statement with Respect to Forward-Looking Statements

This annual report contains forward-looking statements that are based on JR-West's current expectations, assumptions, estimates, and projections about its business, industry, and capital markets around the world.

These forward-looking statements are subject to various risks and uncertainties. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "may," "will," "expect," "anticipate," "plan," or similar words.

These statements discuss future expectations, identify strategies, contain projections of results of operations or of JR-West's financial condition, or state other forward-looking information.

Known or unknown risks, uncertainties, and other factors could cause the actual results to differ materially from those contained in any forward-looking statements. JR-West cannot promise that the expectations expressed in these forward-looking statements will turn out to be correct. JR-West's actual results could be materially different from and worse than expectations.

Important risks and factors that could cause actual results to be materially different

from expectations include, but are not limited to:

- expenses, liability, loss of revenue, or adverse publicity associated with property or casualty losses;
- economic downturn, deflation, and population decreases;
- adverse changes in laws, regulations, and government policies in Japan;
- service improvements, price reductions, and other strategies undertaken by competitors such as other passenger railway and airline companies;
- earthquake and other natural disaster risks; and
- failure of computer telecommunications systems disrupting railway or other operations.

All forward-looking statements in this annual report are made as of September 2014 based on information available to JR-West as of September 2014, and JR-West does not undertake to update or revise any of its forward-looking statements or reflect future events or circumstances.

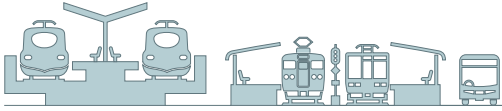
Future compensation and other expenses related to the Fukuchiyama Line accident that occurred on April 25, 2005 are difficult to estimate reasonably at this time, and so have not been included in forecasts.



# JR-West at a Glance

Transportation operations

## Railway and Bus and Ferry Services



Other operations

## Real Estate and Retail Business



### Transportation Operations

- Sanyo Shinkansen



- Kansai Urban Area (including the Urban Network)

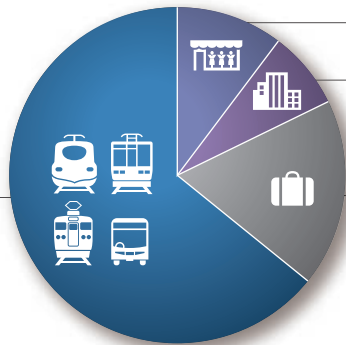


- Other Conventional Lines



- Bus and Ferry Services

Operating Revenues  
by Business Segment  
(from Third Parties)  
(Consolidated)



Fiscal 2014 Total

**¥1,331.0** billion

### Non-Transportation Operations

- Retail Business



- Real Estate Business



- Other Businesses



# West Japan at a Glance

JR-West's railway network covers 18 prefectures in the western half of the island of Honshu and the northern tip of the island of Kyushu, and comprises 20% of Japan's land area. The area we serve is home to approximately 43.1 million people, about 34% of the country's population, and has a nominal GDP of ¥159 trillion. It also sees visits by 918 million tourists annually.

GDP

**¥159** trillion

Population

**43.1** million

Tourists

**918** million

Kanazawa

Fukuchiyama

Kobe

Osaka

Kyoto

Wakayama

# JR-West at a Glance

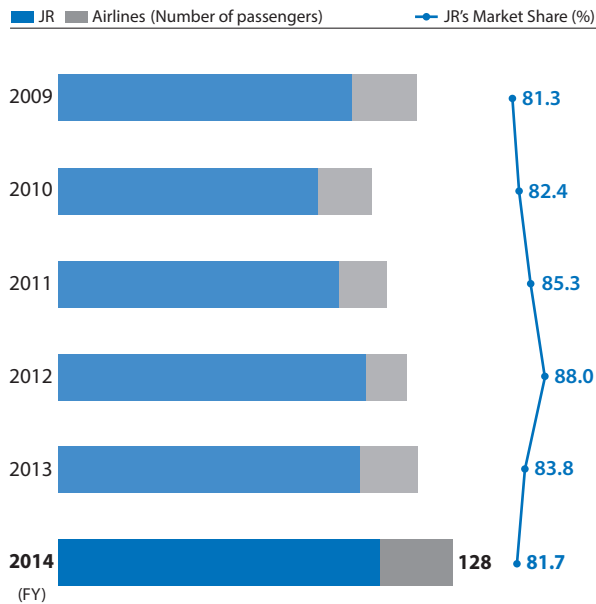
## Shinkansen Compared to Airlines

### Shinkansen is used by many

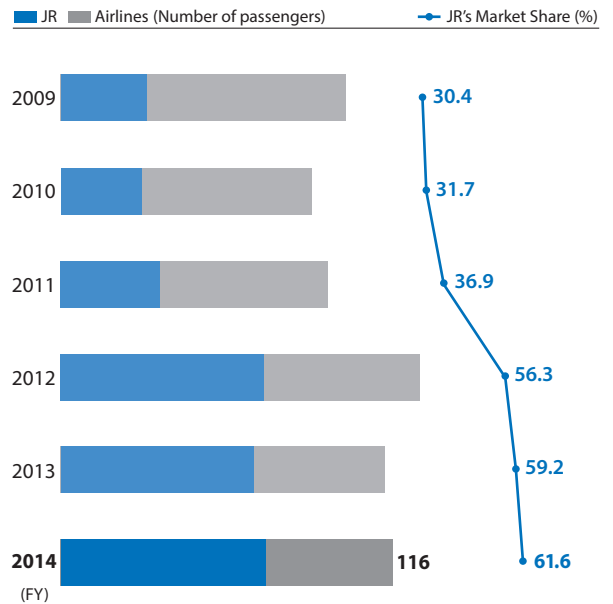
In Japan, many businessmen and tourists use the Shinkansen.

For the Kyoto-Osaka-Kobe Area to Fukuoka, for example, over 80% of people prefer to travel by Shinkansen rather than airline.

Kyoto-Osaka-Kobe Area to Fukuoka



Kyoto-Osaka-Kobe Area to Kumamoto



Note: Figures for the fiscal 2014 are preliminary. Each graph bar represents the number of passengers using JR and the number of passengers using airlines; the bars indicate the total number of passengers using JR or using airlines compared to the base year index of 100 (the fiscal 1997).  
Kyoto-Osaka-Kobe area and Kumamoto: the base year index of 100 (the fiscal 2008)  
Source: Ministry of Land, Infrastructure, Transport and Tourism

# West Japan at a Glance

## West Japan World Ranking

### GDP

### larger than Australia

The West Japan area has a GDP of approximately ¥159 trillion. Compared to a GDP ranking of the world's nations and regions, the GDP of West Japan is larger than that of even the nation of Australia.

GDP Ranking of the World's Nations and Regions

Ranking	Country	GDP (Trillions of yen)
7	Brazil	239.60
8	Russia	202.20
9	Italy	201.41
10	India	182.48
11	Canada	181.91
12	Australia	154.18
13	Spain	135.21
14	Mexico	117.71
15	South Korea	115.59
16	Indonesia	87.82

**West Japan**  
159 trillion

### Population

### larger than Argentina

The population of the West Japan area is 43.1 million. Compared to a population ranking of the world's nations and regions, the population of West Japan is larger than that of the nation of Argentina.

Population Ranking of the World's Nations and Regions

Country	Population (Million)
France	64.3
United Kingdom	63.1
Italy	61.0
Spain	46.9
Argentina	41.4
Poland	38.2
Canada	35.2
Malaysia	29.7
Australia	23.3
Netherlands	16.8

**West Japan**  
43.1 million

Source: GDP: World Economic Outlook Database, April 2013, International Monetary Fund

Source: World Population Prospects: The 2012 Revision, United Nations

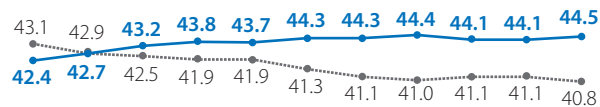
## JR-West Compared to Private Lines

### High share in the Urban Network Area

In the Urban Network area, JR-West commands a market share greater than that of the five private lines combined.

#### Market Share (Traffic Volume Base)

—●— JR-West    - - - ● - - - 5 Private Railways in Kyoto-Osaka-Kobe Area\*    —●— Other Railways (%)



2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 (FY)

\* 5 Private Railways in Kyoto-Osaka-Kobe Area: Hankyu, Hanshin, Keihan, Kintetsu, and Nankai

## Eco-friendly System

### Maintaining high passenger usage, and low energy consumption and CO<sub>2</sub> emissions

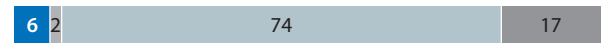
#### Transportation Usage, Energy Consumption and CO<sub>2</sub> Emissions of Domestic Modes of Transportation (FY2010, Nationwide)

■ Railway ■ Bus ■ Car ■ Other (Including airplane) (%)

##### Transportation Usage Ratio



##### Energy Consumption Ratio

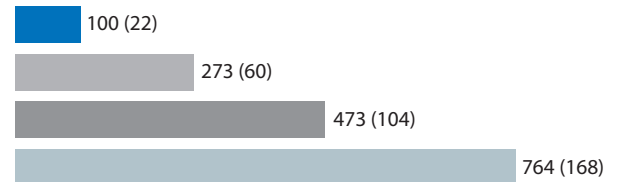


Source: Summary of Transportation Statistics, Transport Research and Statistics Office, Ministry of Land, Infrastructure, Transport and Tourism, The GHGs Emissions Data of Japan, Greenhouse Gas Inventory Office of Japan

#### CO<sub>2</sub> Emissions by Mode of Transportation (Tourists) (FY2013)

■ Railway ■ Bus ■ Private vehicles ■ Airplane

##### Value for railway scaled to 100



Source: Ministry of Land, Infrastructure, Transport and Tourism website. Numbers in parentheses are actual CO<sub>2</sub> emissions volumes (g-CO<sub>2</sub> / passenger-kilometers)

## West Japan: Tourist Destination

### 6 prefectures in the top 20 tourist destinations ranking

Among the 20 most popular tourist destinations in Japan are six West Japan prefectures, including Osaka and Kyoto.

#### Visiting Rate by Prefecture (CY2013 result)

Quantity of responses: 28,920, Check all that apply

Ranking	Prefectures	Visit rate (%)
1	Tokyo	47.3
2	Osaka	25.1
3	Kyoto	18.9
4	Kanagawa	11.2
5	Fukuoka	11.0
6	Chiba	9.6
7	Aichi	8.5
8	Hokkaido	7.8
9	Hyogo	6.2
13	Nara	4.4
16	Hiroshima	3.0

Blue shaded areas are JR-West's operating area. Source: Japan Tourism Agency

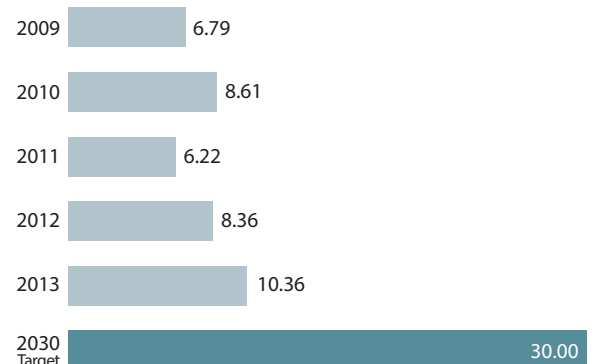
## Japan: Inbound Visitors

### Annual number of foreign visitors exceeded 10 million

The number of inbound visitors to Japan exceeded 10 million for the first time in 2013.

#### Inbound Visitors to Japan

(Millions of people)



Source: Japan National Tourism Organization