

Analysis of JR-West Operations

Non-Consolidated 20-Year Financial Summary

Years ended March 31

| | 1998 | 1999*2 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| For the Year: | | | | | | | | | |
| Operating revenues | ¥946.0 | ¥909.4 | ¥885.1 | ¥881.4 | ¥869.8 | ¥849.0 | ¥845.8 | ¥846.4 | ¥851.2 |
| Transportation | 830.0 | 795.5 | 773.9 | 773.1 | 770.2 | 752.3 | 750.8 | 750.9 | 756.5 |
| Shinkansen | 346.0 | 326.7 | 313.0 | 313.0 | 314.3 | 306.0 | 308.1 | 313.4 | 323.8 |
| Kansai Urban Area (Kyoto–Osaka–Kobe area) | 315.3 | 309.8 | 306.9 | 309.3 | 308.9 | 303.3 | 302.0 | 300.4 | 297.5 |
| Other conventional lines | 167.9 | 158.4 | 153.5 | 150.1 | 146.4 | 142.5 | 140.0 | 136.5 | 134.7 |
| Operating expenses | 831.1 | 796.7 | 786.0 | 784.4 | 770.3 | 745.7 | 740.4 | 736.4 | 742.3 |
| Personnel | 358.5 | 357.8 | 350.1 | 345.6 | 330.5 | 301.6 | 294.5 | 286.8 | 276.1 |
| Non-personnel | 301.2 | 277.7 | 276.5 | 275.0 | 281.2 | 288.2 | 291.0 | 300.5 | 320.0 |
| Energy | 43.8 | 40.5 | 39.3 | 38.2 | 39.2 | 38.4 | 36.6 | 36.9 | 34.8 |
| Maintenance | 120.9 | 108.0 | 112.3 | 114.3 | 116.8 | 122.6 | 121.9 | 127.1 | 140.7 |
| Miscellaneous | 136.5 | 129.2 | 124.9 | 122.4 | 125.1 | 127.1 | 132.4 | 136.4 | 144.4 |
| Taxes | 38.0 | 31.3 | 31.0 | 30.3 | 30.0 | 29.3 | 28.2 | 29.7 | 28.7 |
| Rental payments, etc. | 23.0 | 22.8 | 23.8 | 31.5 | 31.3 | 31.0 | 30.8 | 24.6 | 24.7 |
| Depreciation expenses | 110.2 | 107.0 | 104.4 | 101.8 | 97.1 | 95.4 | 95.7 | 94.5 | 92.5 |
| Operating income | 114.8 | 112.7 | 99.0 | 97.0 | 99.5 | 103.2 | 105.4 | 110.0 | 108.9 |
| Recurring profit | 48.3 | 50.5 | 42.3 | 43.4 | 54.0 | 61.3 | 65.0 | 74.3 | 75.9 |
| Net income (loss) | 23.4 | (5.6) | 25.5 | 25.9 | 32.5 | 33.4 | 37.1 | 48.0 | 35.1 |
| At Year-End: | | | | | | | | | |
| Total assets | ¥2,277.2 | ¥2,242.0 | ¥2,232.6 | ¥2,247.8 | ¥2,135.7 | ¥2,116.8 | ¥2,126.8 | ¥2,098.0 | ¥2,102.1 |
| Total net assets | 327.8 | 312.0 | 346.6 | 403.3 | 388.6 | 410.7 | 439.3 | 474.3 | 502.2 |

*1 Yen figures have been converted into U.S. dollars at the rate of ¥112=U.S.\$1.00, the exchange rate prevailing on March 31, 2017.

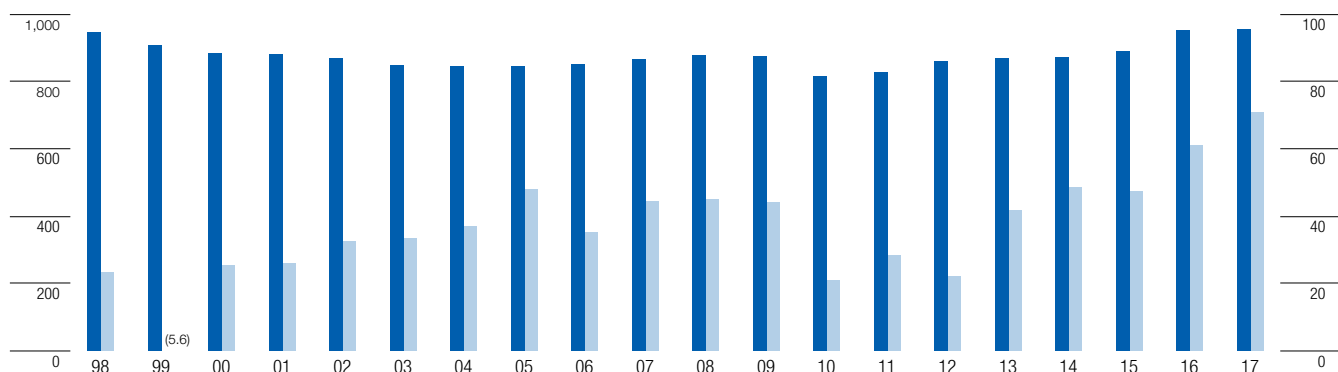
*2 In accordance with the Law on the Disposition of the Liability owned by the Japan National Railways Settlement Corporation, the Company paid ¥44.5 billion to the Japan Railways Group Mutual Aid Association in March 1999.

*3 The Company has revised the allocation method for revenue from non-commuter passes on conventional lines (Kansai Urban Area and Other Lines) from the fiscal year ended March 2014. Figures in the above table for the fiscal year ended March 2013 have been retroactively calculated based on the new allocation method. Under the previous allocation method, transportation revenues for the Kansai Urban Area and Other Lines in that fiscal year totaled ¥291.4 billion and ¥120.6 billion, respectively.

Operating Revenues and Net Income (Loss)

■ Operating Revenues ■ Net Income (Loss) (right)

Billions of yen



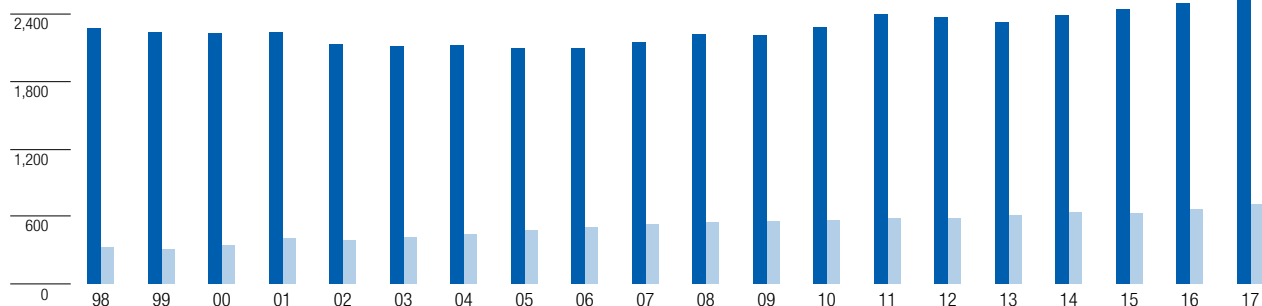
| 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013*3 | 2014 | 2015 | 2016 | Billions of yen 2017 | Millions of U.S. dollars*1 2017 |
|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-------------------------|------------------------------------|
| ¥865.8 | ¥879.4 | ¥875.0 | ¥816.7 | ¥828.6 | ¥862.1 | ¥868.5 | ¥873.6 | ¥890.9 | ¥954.2 | ¥956.1 | \$8,536 |
| 765.8 | 781.7 | 773.7 | 720.0 | 728.0 | 758.7 | 769.1 | 780.6 | 797.0 | 850.0 | 849.6 | 7,586 |
| 328.6 | 343.5 | 339.1 | 312.4 | 323.9 | 351.5 | 357.0 | 364.4 | 375.9 | 437.2 | 434.6 | 3,880 |
| 302.4 | 303.3 | 301.5 | 286.1 | 284.4 | 287.3 | 288.9 | 292.1 | 296.2 | 302.2 | 305.0 | 2,723 |
| 134.3 | 134.4 | 132.5 | 121.4 | 119.6 | 119.8 | 123.0 | 123.9 | 124.8 | 110.5 | 110.0 | 982 |
| 756.8 | 769.6 | 772.9 | 758.2 | 752.8 | 772.8 | 766.1 | 771.8 | 778.9 | 817.0 | 820.6 | 7,327 |
| 272.5 | 269.9 | 268.6 | 265.2 | 235.3 | 237.9 | 233.3 | 235.4 | 233.0 | 233.3 | 223.3 | 1,993 |
| 337.9 | 338.8 | 333.9 | 318.6 | 333.4 | 339.5 | 342.7 | 351.6 | 369.0 | 392.4 | 394.3 | 3,520 |
| 34.3 | 34.4 | 38.2 | 33.5 | 33.7 | 36.2 | 37.1 | 43.1 | 45.3 | 44.1 | 40.5 | 362 |
| 148.9 | 148.6 | 135.8 | 128.1 | 135.8 | 133.3 | 136.5 | 139.0 | 146.7 | 152.8 | 157.1 | 1,403 |
| 154.5 | 155.8 | 159.8 | 156.9 | 163.8 | 169.9 | 169.1 | 169.5 | 176.9 | 195.4 | 196.6 | 1,755 |
| 28.1 | 28.6 | 29.1 | 29.3 | 29.8 | 30.9 | 31.7 | 31.6 | 32.0 | 31.9 | 34.9 | 312 |
| 24.6 | 24.6 | 25.3 | 25.0 | 25.1 | 23.6 | 23.4 | 23.6 | 18.7 | 26.9 | 30.2 | 270 |
| 93.5 | 107.5 | 115.9 | 119.9 | 129.1 | 140.7 | 134.7 | 129.3 | 126.0 | 132.3 | 137.6 | 1,228 |
| 108.9 | 109.8 | 102.0 | 58.5 | 75.8 | 89.2 | 102.3 | 101.7 | 112.0 | 137.2 | 135.4 | 1,209 |
| 77.6 | 79.9 | 73.4 | 29.8 | 48.5 | 62.8 | 77.5 | 79.9 | 92.1 | 116.7 | 118.4 | 1,057 |
| 44.6 | 45.1 | 44.3 | 20.5 | 28.5 | 22.1 | 41.9 | 48.6 | 47.3 | 61.1 | 70.8 | 632 |
| ¥2,151.8 | ¥2,222.9 | ¥2,215.1 | ¥2,286.9 | ¥2,405.7 | ¥2,381.7 | ¥2,333.3 | ¥2,392.6 | ¥2,444.4 | ¥2,499.8 | ¥2,598.9 | \$23,205 |
| 533.3 | 552.4 | 560.7 | 568.1 | 581.3 | 588.3 | 611.6 | 639.4 | 631.5 | 666.0 | 709.9 | 6,338 |

Total Assets and Total Net Assets

■ Total Assets ■ Total Net Assets

Billions of yen

3,000



Analysis of JR-West Operations

Capital Expenditures and Cash Flows

Years ended March 31

Capital Expenditures

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | Billions of yen 2017 | Millions of U.S. dollars* 2017 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------------------------|-----------------------------------|
| Consolidated basis: | | | | | | | | | | | | | |
| Depreciation expenses | ¥111.9 | ¥112.8 | ¥128.0 | ¥137.0 | ¥141.9 | ¥150.8 | ¥169.3 | ¥160.8 | ¥153.9 | ¥149.5 | ¥156.6 | ¥162.7 | \$1,452 |
| Capital expenditures excluding a portion contributed by local governments, etc. | 125.3 | 144.9 | 187.9 | 163.9 | 210.1 | 260.0 | 195.4 | 152.9 | 166.7 | 225.6 | 233.1 | 192.4 | 1,717 |
| Non-consolidated basis: | | | | | | | | | | | | | |
| Depreciation expenses | ¥92.5 | ¥93.5 | ¥107.5 | ¥115.9 | ¥119.9 | ¥129.1 | ¥140.7 | ¥134.7 | ¥129.3 | ¥126.0 | ¥132.3 | ¥137.6 | \$1,228 |
| Capital expenditures excluding a portion contributed by local governments, etc. | 106.3 | 117.2 | 159.6 | 128.4 | 165.5 | 208.5 | 150.8 | 124.8 | 144.5 | 186.4 | 198.7 | 159.8 | 1,426 |

Cash Flows (Consolidated Basis)

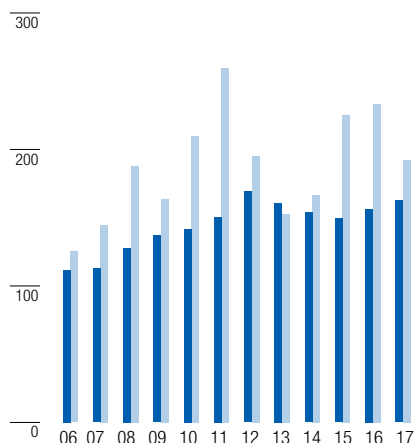
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | Billions of yen 2017 | Millions of U.S. dollars* 2017 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------------------------|-----------------------------------|
| Net cash provided by operating activities | ¥ 164.0 | ¥ 188.6 | ¥ 222.1 | ¥ 178.8 | ¥ 161.3 | ¥ 223.2 | ¥ 206.2 | ¥ 238.0 | ¥ 237.7 | ¥ 223.6 | ¥ 259.8 | ¥ 234.1 | \$ 2,090 |
| Net cash used in investing activities | (101.7) | (131.7) | (179.2) | (172.6) | (208.7) | (246.2) | (199.1) | (154.7) | (165.3) | (212.9) | (233.2) | (295.8) | (2,641) |
| Free cash flows | 62.3 | 56.8 | 42.9 | 6.1 | (47.4) | (23.0) | 7.0 | 83.2 | 72.3 | 10.7 | 26.6 | (61.6) | (550) |
| Net cash provided by (used in) financing activities | (69.3) | (54.6) | (55.8) | (10.1) | 54.6 | 51.4 | (36.8) | (85.2) | (47.8) | 1.6 | (31.3) | 44.3 | 395 |

* Yen figures have been converted into U.S. dollars at the rate of ¥112=U.S.\$1.00, the exchange rate prevailing on March 31, 2017.

Depreciation and Capital Expenditures (Consolidated Basis)

- Depreciation Expenses
- Capital Expenditures Excluding a Portion Contributed by Local Governments, etc.

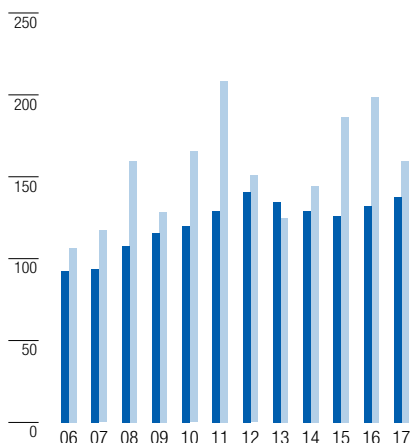
Billions of yen



Depreciation and Capital Expenditures (Non-Consolidated Basis)

- Depreciation Expenses
- Capital Expenditures Excluding a Portion Contributed by Local Governments, etc.

Billions of yen



Cash Flows (Consolidated Basis)

- Net Cash Provided by Operating Activities
- Net Cash Used in Investing Activities
- Net Cash Provided by (Used in) Financing Activities

Billions of yen

