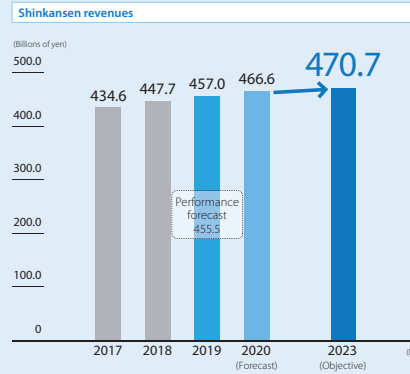


Initiatives in each business

Strategy and progress in the railway business

Shinkansen

Capturing both business and tourism demand through increases in convenience and various campaigns



Our value

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.

Business strategy

The Shinkansen is JR-West's biggest growth driver. We will link safety—the largest strength of the Shinkansen—to increases in competitiveness. In addition, we will increase our share of the transportation market vis-à-vis airlines by taking steps to enhance transportation services. Other initiatives will include striving to stimulate tourism demand by enhancing wide-area tourism routes and implementing campaigns. We will strive to capture both business and tourism demand.

Main initiatives

Safe and Reliable Transportation

- Trains used in direct operation between the Tokaido Shinkansen and the Sanyo Shinkansen standardizing on the N700A model (FY2020)
- Realizing timetables that increase reliability/convenience

Ensuring Business Sustainability

- Hakata Depot renovation (end of FY2029)
- Establish new Sanyo Shinkansen maintenance base

Hokuriku Shinkansen Tsuruga Extension (Spring 2023)

Enhancing transportation services

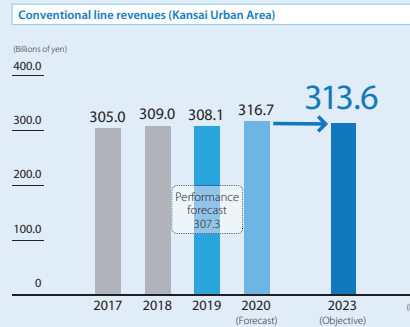
- Increase in Mizuho 1 round-trips (March 2019)
- e5489 Corporate Service, internet reservations for corporations (November 2018)
- Expanding area in which e5489 tickets can be received (April 2019)
- New IC boarding service for the Hokuriku Shinkansen (end of FY2020)
- Business trip support campaign

Fostering tourism demand

- Tourism campaigns through community collaboration (Setouchi, Hokuriku, etc.)
- Capturing Inbound Demand

Conventional Lines (Kansai Urban Area)

Strongly advancing initiatives to increase the value of railway belts and the quality of transportation services



Our value

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.

Business strategy

In the Kansai Urban Area, we strive to increase the value of railway belts and increase the resident population in areas along railway lines through Groupwide initiatives. We have been rolling out a succession of new initiatives, including the opening of new lines and stations, and the introduction of paid seat reservation services and the ICOCA point service.

Main initiatives

Increasing the Value of Railway Belts

- Implementing Groupwide initiatives to develop areas along railway lines
- Opening of Umekoji-Kyotonishi Station (March 2019)
- Full opening of Osaka Higashi Line (March 2019)
- Umekita (Osaka) underground station (Spring 2023)
- Naniwasuji Line (Spring 2031)

Capturing Inbound Demand

Increasing the quality of transportation services

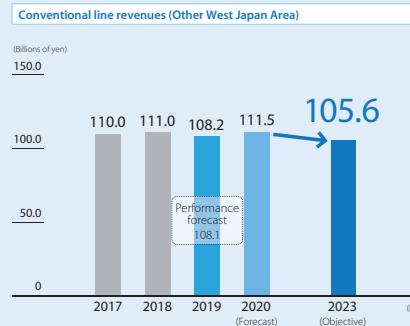
- ICOCA point service (October 2018)
- PiTaPa post-paid services (October 2018)
- New special rapid service fee-based seats service — "A Seats" (March 2019)
- Commuting-hour limited express service — "Raku-Raku Harima" (March 2019)

Securing business sustainability

- Suita Depot renovation (end of FY2029)

Conventional Lines (Other West Japan Area)

Contributing to regional invigoration through the realization of city development centered on stations and of sustainable transportation services



Our value

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

Business strategy

In the Other West Japan Area, we will activate regions, centered on tourism; implement city development initiatives, centered on core cities; engage in dialog with local communities in order to aim for sustainable railway/transportation services; increase productivity by simplifying equipment, etc. In these ways, we will develop businesses aligned with regional conditions.

Main initiatives

Invigorating communities, centered on tourism

- Setouchi Palette Project
- Expanding e5489 ticketless service (September 2018)
- WEST EXPRESS Ginga (new long-distance train) (Spring 2020)

Increasing productivity

- On-board IC ticket checking equipment (Sakai Line March 2019, Wakayama Line Spring 2020, Nanao Line Spring 2021)
- Wireless automatic train control (ATC) system (Wakayama Line Spring 2023)

Implementing city development, centered on core cities

- Hiroshima, Okayama, Toyama, etc.
- Onomichi new station building (March 2019)

Realization of sustainable transportation services

- Converting of the Kibi Line to LRT

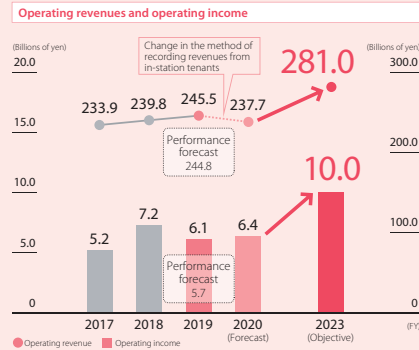
Capturing Inbound Demand

Initiatives in each business

Strategy and progress in the non-railway business

Retail Business

Accelerating growth through in-station renovations and expanded openings of Seven-Eleven Japan allied stores/ VIA INN hotels



Our value

(Sales of Goods/Food Services)

We will strengthen functions as “Lifestyle Stations,” and provide support for the enjoyment of daily lives and travel.

Business strategy

In the retail business, we will realize increased asset efficiency by enhancing station functions, including strengthening store operating capabilities, developing and renovating in-station stores, and renovating department stores. We will also expand our business scale in line with this by opening Seven-Eleven Japan allied stores in areas surrounding stations, opening new accommodation-oriented hotels, and implementing other measures.

Main initiatives

(Sales of Goods/Food Services)

Enhancing asset efficiency

- Strengthening operating capabilities of Seven-Eleven Japan allied stores
 - FY2019: sales up 40%* vs. before conversion
 - Kyoto in-station renovation (April 2019)
 - Okayama in-station renovation (Fall 2020)

Expanding business scale

- New openings of Seven-Eleven Japan allied stores
 - End of March 2019: Cumulative total of 391 stores
 - New openings of “VIA INN”, accommodation-oriented hotels

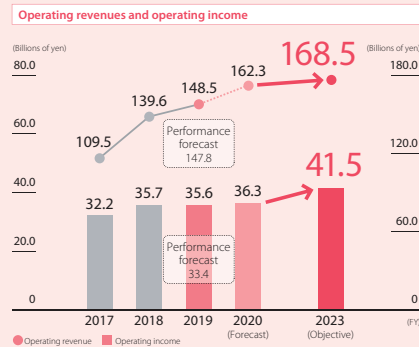
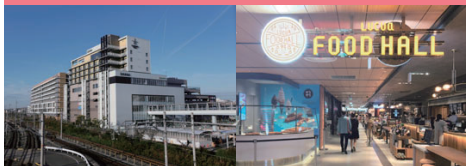
(Department Stores)

Enhancing asset efficiency

- Large-scale renovation of JR Kyoto Isetan (Spring 2020)

Real Estate Business

Contributing to increases in regional value and railway belt value through development in stations and in areas surrounding stations.



Our value

(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.

(Shopping Centers)

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

Business strategy

In the real estate lease and sales business, to maximize regional value and railway belt value in the western Japan area, we are implementing aggressive initiatives inside and outside our railway service area. In the shopping center business, we are working to increase asset efficiency by conducting development and renovation measures that reflect consideration for local conditions.

Main initiatives

(Real estate lease and sales)

Implementing city development starting from stations

- Business utilizing city-owned site southwest of Toyama Station (Spring 2022)
- Redevelopment project in urban district in front of Okayama Station (FY2026)

Expanding business scale

- Initiatives outside railway service area (Tokyo metropolitan area, Nagoya metropolitan area)

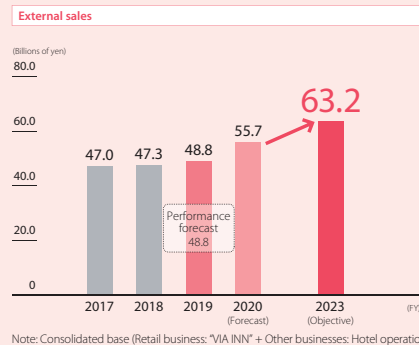
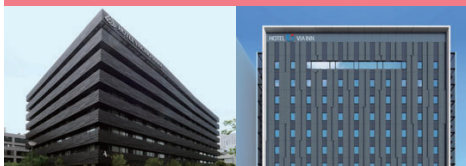
(Shopping centers)

Increasing asset efficiency

- Large-scale renovation
 - Kyoto (April 2019)
 - Okayama (Fall 2020)
 - Total floor space after renovation: approximately 17,500m² (increase of approximately 3,500m²)
- Hiroshima ekie Phase IV (October 2019), Rebuilding of station building (Spring 2025)

Hotel Business

Addressing diverse accommodation needs with multiple brands, centered on accommodation-oriented hotels.



Note: Consolidated base (Retail business: “VIA INN” + Other businesses: Hotel operations)

Our value

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

Main Hotel Opening Plans

Brand	Category	End of FY2019		FY2020 onward		End of FY2023
		No. of hotels	No. of rooms	No. of hotels	No. of rooms	
GRANVIA	Other	6 hotels	2,270 rooms	[Kyoto] Renovation of entire hotel (~Spring 2020) [Osaka] Renovation of entire hotel (~April 2022)		Approx. 2,300 rooms
VISCHIO	Other	2 hotels	590 rooms	[Kyoto] Open: May 2019, No. of rooms: 423 rooms		Approx. 1,400 rooms
VIA INN	Retail	22 hotels	5,292 rooms	[Kyotoeki Hachijoguchi] Open: May 2019, 468 rooms [Hakataguchi Ekimae] Open: June 2019, 205 rooms [Shiratsubashi Yotsuhashi] Open: July 2019, 224 rooms [Nihonbashi Ningyocho] Open: Aug 2019, 240 rooms [Hiroshima Shinkansenguchi] (tentative name) Open: Spring 2020, approx. 250 rooms	→	Approx. 6,700 rooms
Potel	Non-consolidated	—	—	[Utsunomiya] (Kyoto) Open: Spring 2020, No. of rooms: approx. 140 rooms		Approx. 200 rooms
First Cabin Station	Non-consolidated	3 hotels	260 rooms			Approx. 400 rooms
Total			8,412 rooms			11,000 rooms

Note: Information includes non-consolidated hotel operations

Business strategy

We will work to address diverse needs. To that end, we will develop five hotel formats, centered on accommodation-oriented hotels, and strive to expand the scale of our hotel business.