

# Financial strategies

## Basic policy

To continue to fulfill our mission as an infrastructure company, even in the event of a disaster, such as a new infectious disease or a natural catastrophe, it is essential that we restore our financial foundation as soon as possible. To realize this goal, we aim to restore the D/E ratio to approximately 1 by the end of the reform/reconstruction period (end of FY2028).

In September 2021 we engaged in capital procurement through

the issue of new shares. This will balance growth based on taking advantage of a range of future opportunities with a quick recovery of our financial foundation.

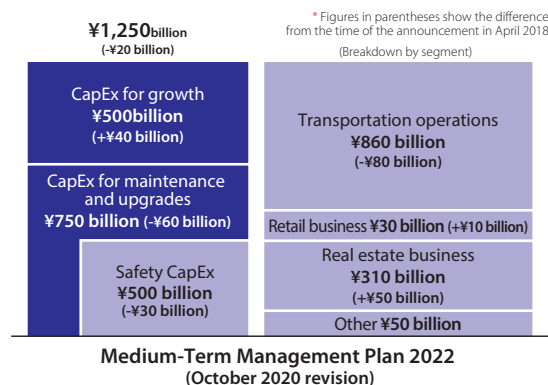
Giving top priority to investing in the safety of railways, our core business, we aim to maximize the value of our shares and of our business through growth after the novel coronavirus has receded, in order to meet the expectations of our stakeholders.



## Capital investment

With regard to the revisions to the medium-term management plan, consolidated capital expenditure is projected to be ¥1,250 billion over five years. We will control the total amount of investment in safety to a certain extent, but we will steadily make the investment necessary to implement the measures included in the revisions to the medium-term management plan, such as enhancing safety.

The proceeds from this public offering will also be directed toward (1) enhancing the productivity of railway operations to reform the cost structure, (2) new rolling stock to enhance wide-area railway networks, (3) city development to achieve coexistence with local communities, and (4) advancing the JR West Group’s digital strategy to enhance the Group’s ability to address change.



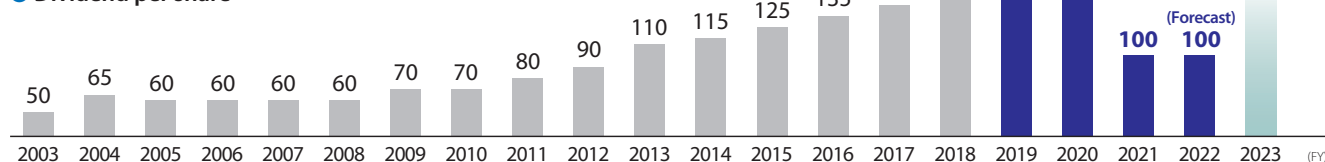
## Shareholder return

We have a basic policy of stable dividends over the long term, and we will maintain a policy of aiming for a dividend payout ratio of approximately 35% in fiscal 2023.

Although the Group posted a loss in fiscal 2021, we decided to pay a year-end dividend of ¥50 per share, or ¥100 for the year.

In fiscal 2022, based on a policy emphasizing long-term stable dividends, we plan on paying ¥100 per share for the full year, in recognition of our determination to recover the performance of our business.

### ● Dividend per share



Note: As of July 1, 2011, one share of common stock was split into 100 shares. The dividend per share was calculated based on the number of shares after this split.