

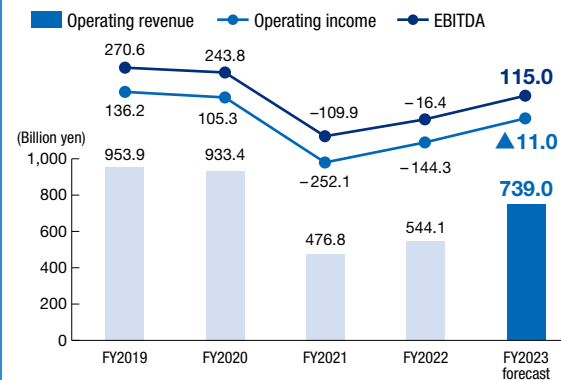
JR-West Group Business Overview

Consolidated Segments

Main Companies

As of March 31, 2022

Transportation

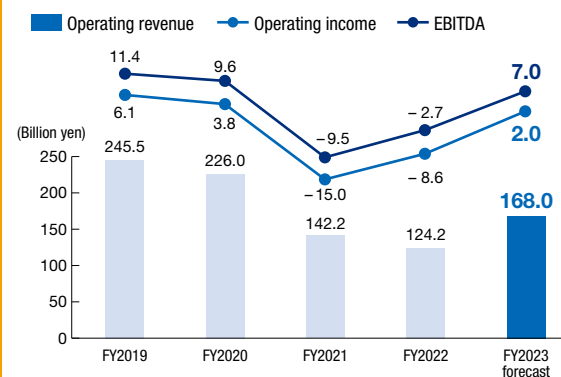


Railway services:
West Japan Railway Company
Sagano Scenic Railway Co., Ltd.

Bus services:
Chugoku JR Bus Company
West Japan JR Bus Company

Ferry services:
JR West Miyajima Ferry Co., Ltd.

Retail



Sales of goods and food services:

West Japan Railway Daily Service Net Company
West Japan Railway Food Service Net Company
West Japan Railway Fashion Goods Company
Japan Railway Service Net Kanazawa Company
Japan Railway Service Net Okayama Company
Japan Railway Service Net Hiroshima Company
Japan Railway Service Net Fukuoka Company

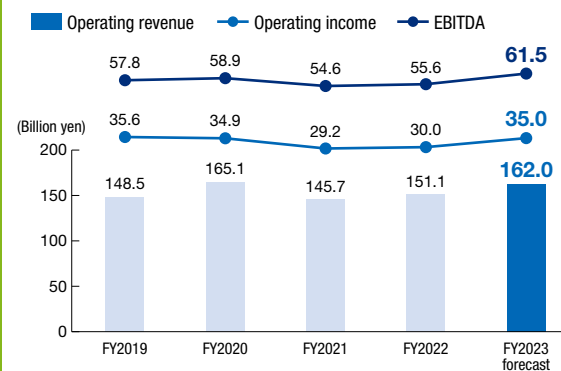
Department store:

West Japan Railway Isetan Limited

Wholesale and others:

Japan Railway West Trading Co.
West Japan Railway Sanin Development Company

Real estate



Real estate lease and sales:

JR West Real Estate & Development Company; JR West Properties Co., Ltd.
Kyoto Station Building Development Co., Ltd.; Osaka Terminal Building Co., Ltd.

Shopping centers:

Toyama Terminal Building Company; Kanazawa Terminal Development Co., Ltd.
Kyoto Station Center Co. Ltd.*; Kyoto Eki-Kano Department Store Company*
Shin-Osaka Station Store Company; JR West Osaka Development Co., Ltd.
JR West Japan Shopping Center Development Company
JR West Urban Development Co., Ltd.
Wakayama Station Building Co., Ltd.; Sanyo SC Development Co., Ltd.
Chugoku SC Development Company

*Merged on July 1, 2022 (now JR West Japan Kyoto Shopping Center Development Company)

Other businesses

Hotels:

West Japan Railway Hotel Development Limited
Hotel Granvia Osaka Co., Ltd.; Hotel Granvia Okayama Co., Ltd.
Hotel Granvia Hiroshima Co., Ltd.
Wakayama Terminal Building Co., Ltd.; Nara Hotel Co., Ltd.

Travel agency: Nippon Travel Agency Co., Ltd.

Advertising: West Japan Marketing Communications Inc.

IT services: JR West IT Solutions Company

Car rentals: West Japan Railway Rent-A-Car & Lease Co. Ltd.

Cleaning and maintenance:

JR West Maintec Co., Ltd.
JR West Chugoku Maintec Co., Ltd.; JR West Kanazawa Maintec Co., Ltd.

Construction:

West Japan Railway Technia Co., Ltd.; West Japan Railway Technos Corporation
West Japan Railway Shinkansen Technology Corporation; Nishinoh Electric System Co., Ltd.
West Japan Electric Technologies Co., Ltd.; Tetsuden Co., Ltd.
JR West Japan Consultants Company; Railtec Co., Ltd.
Daitetsu Kogyo Co., Ltd.; JR West Built Co., Ltd.

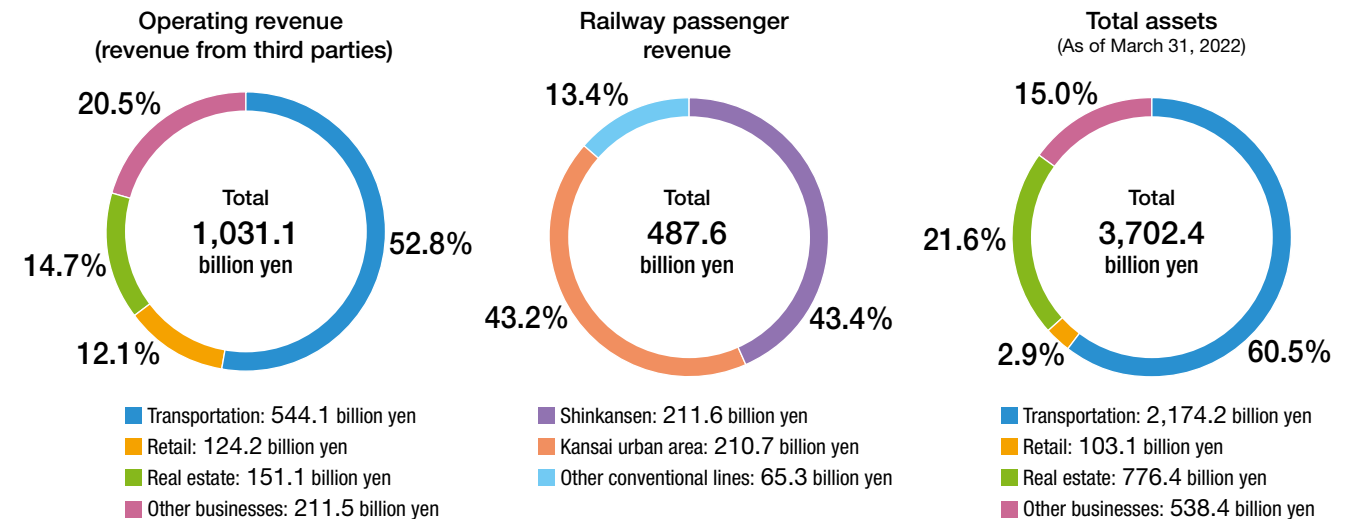
Others:

JR West Japan Transportation Service Co., Ltd.
JR West Japan Chugoku Transportation Service Co., Ltd.
JR West Japan Linen Co., Ltd.; JR West Japan Marunxi Co., Ltd.
JR West Japan General Building Service Co., Ltd.
JR West Innovations Co., Ltd.
West Japan Railway WellNet Company Limited
JR West Financial Management Co., Ltd.
JR West Customer Relations Co., Ltd.

Note: Effective from fiscal 2022, JR-West has adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020).

Revenue Composition

Fiscal 2022



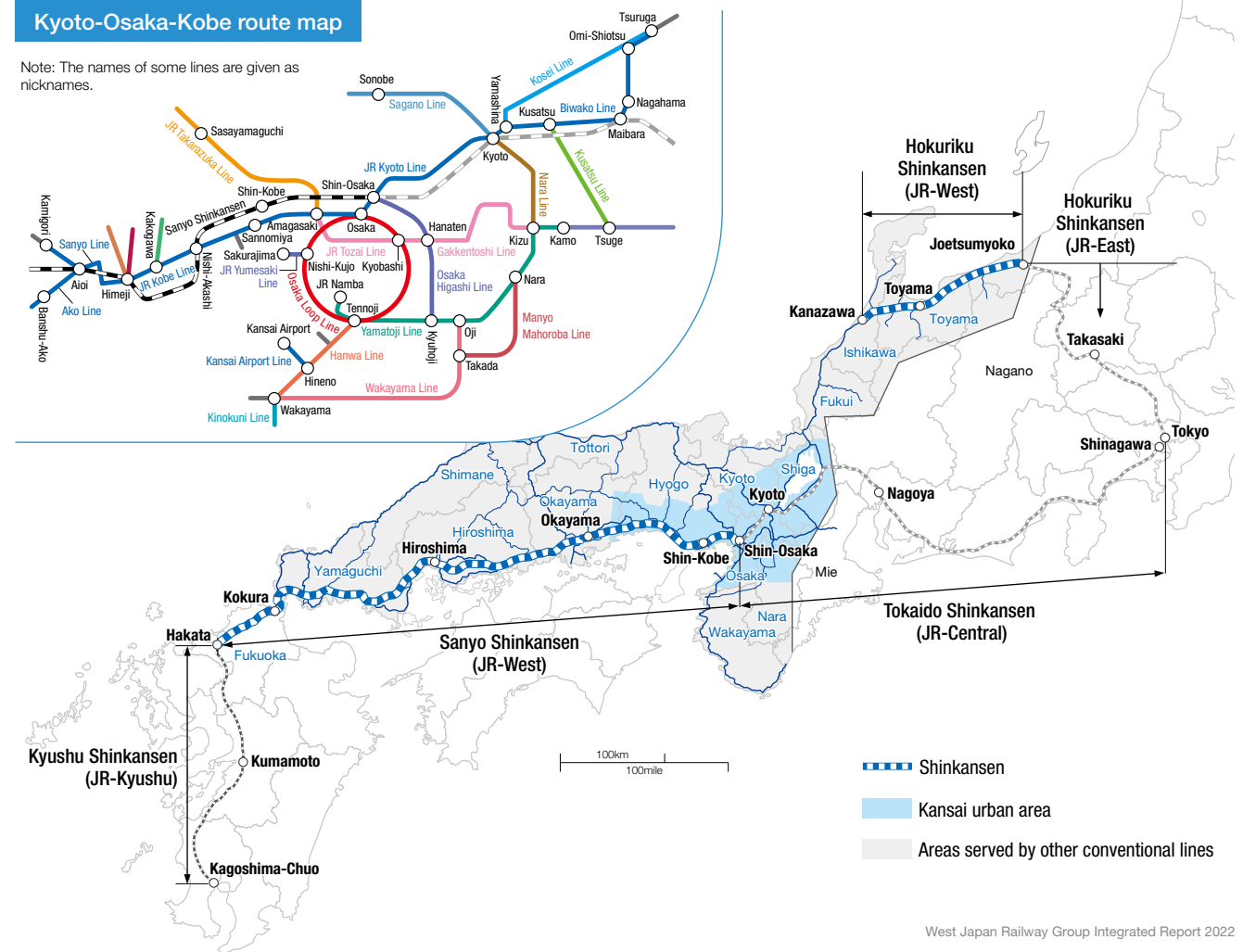
Note: Effective from fiscal 2022, JR-West has adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020). The percentages of assets are calculated excluding consolidation adjustments. The asset total includes consolidation adjustments.

Railway Service Area

As of March 31, 2022

Kyoto-Osaka-Kobe route map

Note: The names of some lines are given as nicknames.



Transportation

Besides our railway business, we operate other transportation services such as buses and ferries.

The railway business covers a wide area of 18 prefectures, providing transportation between cities mainly with the Shinkansen and limited express trains on conventional lines, as well as transportation in urban areas such as Kyoto, Osaka, and Kobe, and in major regional cities such as Hiroshima and Okayama.



Products/Services

Shinkansen (bullet trains)

Sanyo Shinkansen



Route: Shin-Osaka-Hakata
Start: 1972 for Shin-Osaka-Okayama
1975 for Okayama-Hakata

Hokuriku Shinkansen



Route: Joetsumyoko-Kanazawa*
Start: 2015 for Kanazawa
Spring 2024 for Kanazawa-Tsuruga
*East of Joetsumyoko is JR-East territory

Conventional lines

Kansai urban area



Other lines



Marumaru no Hanashi sightseeing train:
Shin-Shimonoseki-Higashi-Hagi

Railway transportation data (FY2022)

Total route length (km)	Number of passengers (million)	Passenger-kilometers (million)	Number of stations
Total: 4,903.1 Shinkansen: 812.6 Conventional lines: 4,090.5	Total: 1,470 Shinkansen: 44 Conventional lines: 1,436	Total: 37,303 Shinkansen: 9,745 Conventional lines: 27,557	Total: 1,174

Strengths/Differentiation

Western Japan

- Has Kansai, Japan's second largest metropolitan area, and major cities including Hiroshima, Okayama, and Kanazawa
- JR-West's business territory contains a wealth of tourism resources

Transportation service quality

- Continually improving all facets of safety, from hardware and software to facilities such as stations, platforms, railcars, and level crossings
- Improving comfort in stations and railcars, promptly providing information in case of transportation disruptions
- Introducing railcars that meet a range of needs, such as sightseeing trains providing enjoyable trips and limited express trains for commuters

Convenience

- Expanding ICOCA IC card and ticketless services
- Providing JR-West Group cross-platform services such as the WESTER app for people on the move



Strategies

Enhancing safety

- JR-West Group Railway Safety Think-and-Act Plan 2022 proceeding as planned P21

Enhancing coexistence with local communities

- Enhancing wide-area railway networks centered on the Shinkansen
- Teaming up with local regions to create new tourism demand and increase population of people interacting and connecting with each other

Identifying and achieving an optimal regional transportation system

- Working with local regions to identify and achieve sustainable transportation systems that match the characteristics and needs of each region

Structural reform

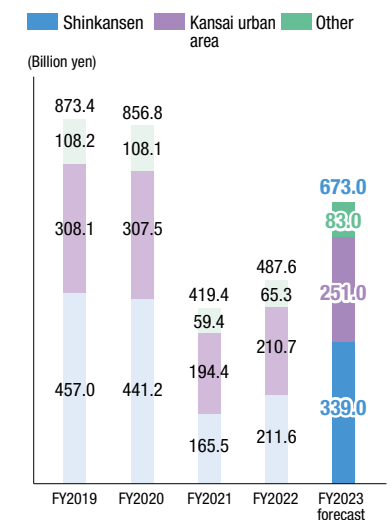
- Enhancing the productivity of railway operations
- Optimizing train schedules in line with usage
- Organizational reform

Creating new value

- Leveraging existing assets and working with various external partners to create value
- Studying potential new businesses through the monetization of JR-West Group technologies

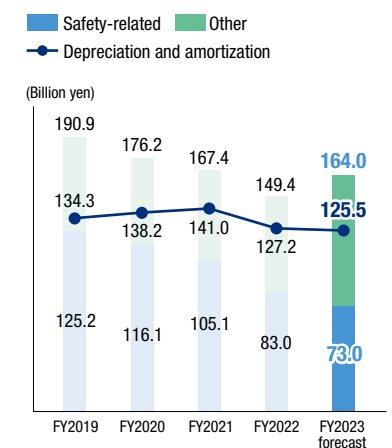
Indices

Transportation revenue



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Capital expenditures (non-consolidated, own funds)



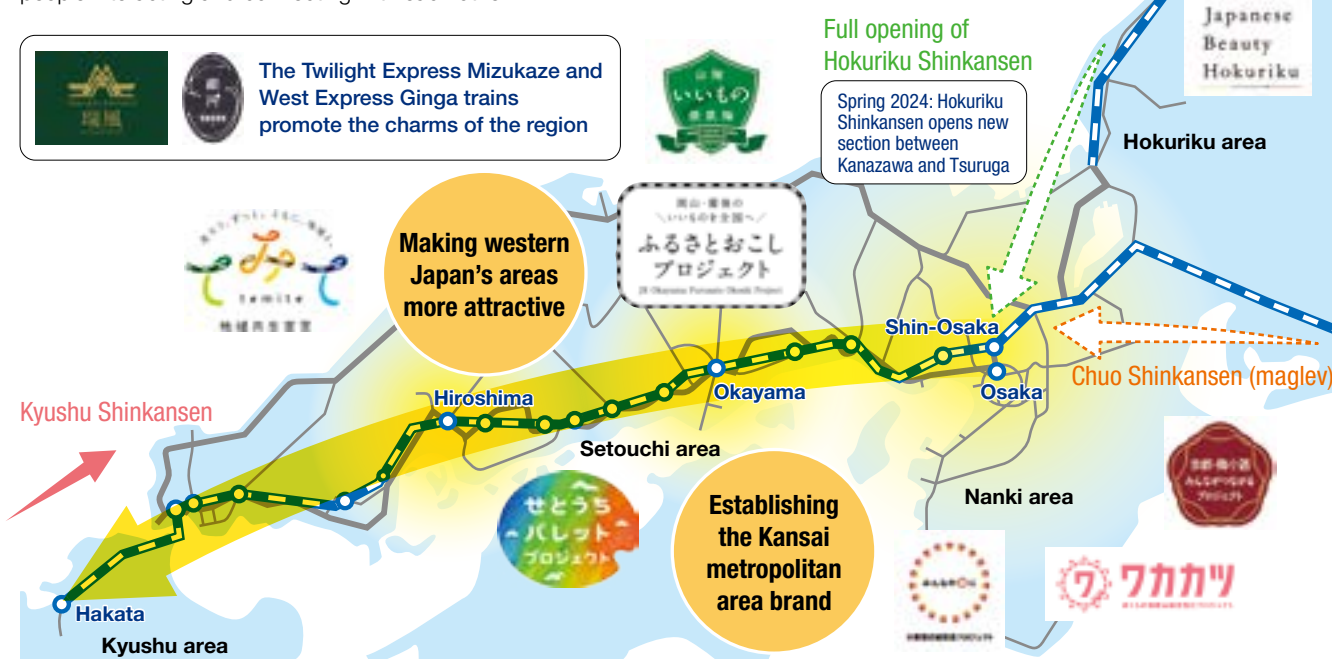
IC card usage ratio in Kansai urban area

Fiscal 2022: **87%**
(Achieved target of 85% for FY2023)

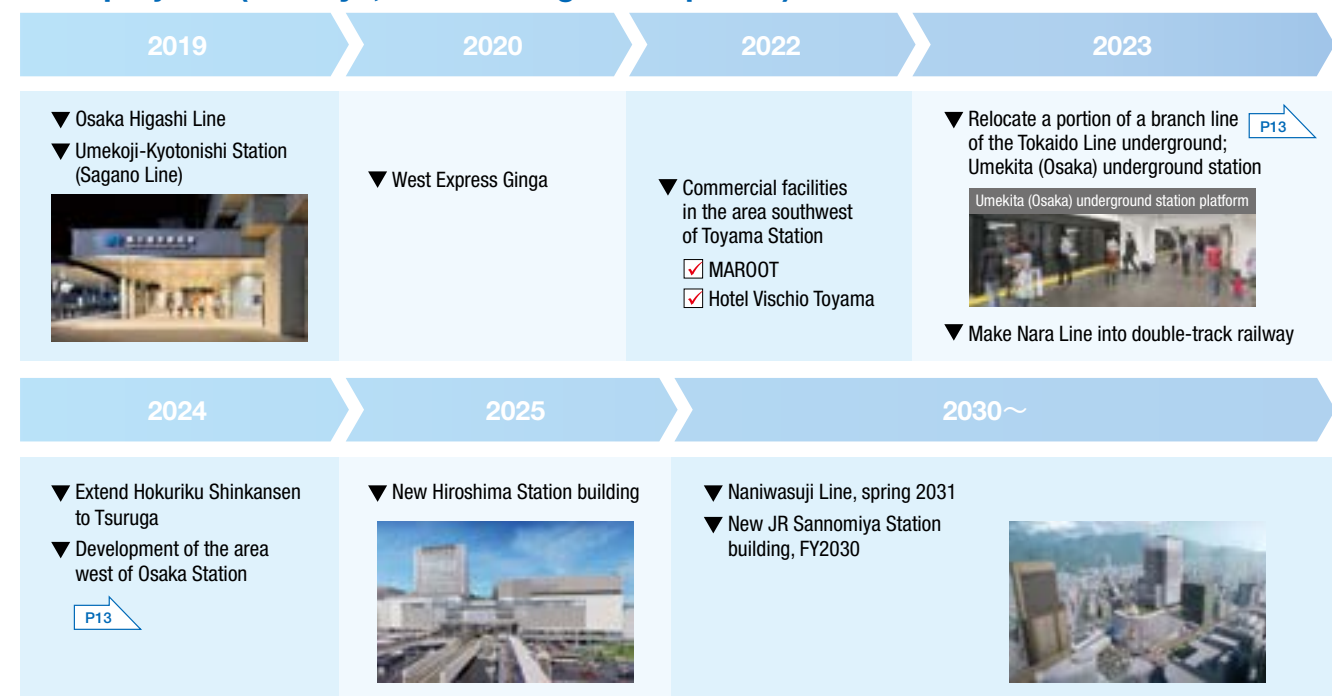
Transportation

Enhancing coexistence with local communities

In western Japan, JR-West is developing and pursuing content creation and promotion that is integrated with the railway business, non-railway business, and local regions. In addition to upgrading wide-area tourism, we are pursuing urban development with a focus on major regional cities in order to make each area of western Japan more attractive and increase the population of people interacting and connecting with each other.



Main projects (railways, surrounding development)



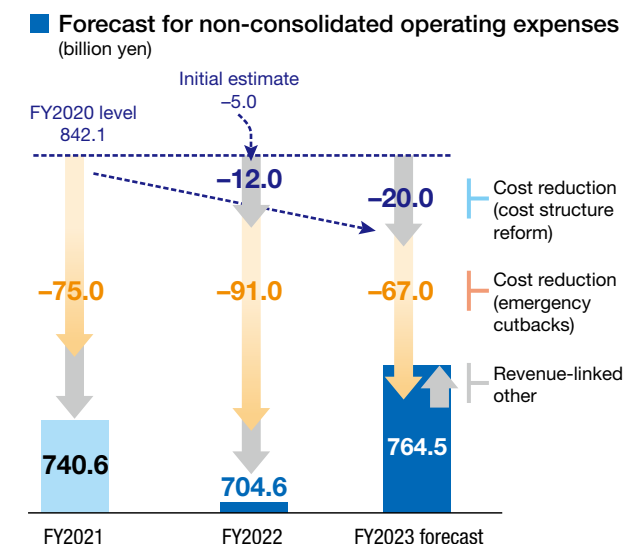
Structural reform

Although our initial target for fiscal 2022 was a reduction in structural costs of 5 billion yen, rapid progress allowed us to greatly exceed this with a reduction of 12 billion yen. For fiscal 2023, we plan to step up efforts with a cost-reduction target of 20 billion yen. Structural cost reductions are a key part of the structural reform described in our new Medium-Term Management Plan.

Cost structure reform

Unit: Billion yen

Item	FY2022 results	FY2023 plan
Enhancing the productivity of railway operations	Approx. -7.0	Approx. -11
Optimizing train schedules, other	Approx. -2.5	Approx. -3.5
Organizational structure reform	Approx. -2.0	Approx. -5.5



Our approach to fares and fees

We have revised fares and fees within the upper limit at our discretion as a railway operator based on changes in the market environment.

Based on a mid-term report by a sub-committee of the Transport Policy Council, we are continuing deliberations with

the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) towards achieving a system for fares and fees that is in line with the conditions of usage and the market, actual costs, and safety and service efforts.

From 2022	From April 2023	Future measures
<ul style="list-style-type: none"> ▼ Adjustment of seasonal fees for reserved seats on the Hokuriku Shinkansen ▼ Revision of prices for certain products under the EX service 	<ul style="list-style-type: none"> ▼ Revision of reserved seat fees on the Nozomi and Mizuho trains on the Sanyo Shinkansen ▼ Revision of fares on some specified train zones in the Kyoto, Osaka, Kobe area ▼ Revision of some limited express fees on conventional lines ▼ Introduction of a new fare system with additional fees to promote barrier-free access at railway stations ▼ Adjustment of seasonal fees for reserved seats on limited express trains on conventional lines and on the Sanyo Shinkansen 	<ul style="list-style-type: none"> ▼ Hold concrete consultations with related institutions towards simplifying a fare and fee system, and setting prices flexibly in response to demand

Identifying and achieving an optimal regional transportation system

Besides optimizing train timetables to match passenger usage for all train lines, for lines not realizing their full passenger-carrying potential, we will use the power of innovation while working with regional partners to earnestly identify—and achieve at the earliest date—sustainable new transport systems geared to local needs.

Regarding these efforts, we recently made an

announcement about our ratio of revenue to expenses for train zones with a transport density of under 2,000 people per day.

We share information about train lines not realizing their potential to carry large numbers of passengers with communities surrounding these lines. The goal is to have wide-ranging discussions about how to realize easy-to-use, sustainable public transportation systems.

Retail

Besides operating a wide range of businesses, such as convenience stores and restaurants inside stations and a department store, we have our Via Inn business hotel chain throughout western Japan and other parts of the country. Our aim is to boost convenience for customers in stations and throughout the community.



Sales of goods and food services

Department store

Products/Services

Convenience stores Gift shops



Seven-Eleven
franchised stores: **432**

Property development



Eki Marché: **3**

Food services



Main stores
Deli Café: **17**
Estación Café: **7**
Karafuneya Coffee: **10**
Menya: **20**

Fashion items



Main stores
Episode: **17**
Garland of Dew: **7**
Uniqlo
franchised stores: **2**

Accommodation-oriented budget hotels



24 existing facilities*
New openings
November 2022: Via Inn Akasaka
Autumn 2023: Via Inn Sapporo
(tentative name; first Via Inn in Hokkaido)

*As of September 2022; includes facilities in other segments

JR Kyoto Isetan



Opened
1997
Number of customers
14 million
(FY2022)

Strengths/Differentiation

Businesses in or close to stations

- Operating a variety of stores and in a variety of business sectors in and around stations, which attract a range of different customers
- Via Inn hotels are located within a 5-minute walk of terminal stations in major cities around Japan
- JR Kyoto Isetan attracts customers from a wide area, leveraging its proximity to western Japan's foremost terminal stations, including Kyoto Station and Osaka Station

Operational know-how

- Planning and selling of products and services that meet diverse needs based on locational features
- Know-how for operating stores inside stations (prompt serving of customers, creating shops in limited spaces, safety)

Strategies

Raising profitability of existing stores

- Capturing demand by changing merchandizing to meet customer needs
- Raising store profit ratio through rationalization and strengthening of operational system
- Strengthening ties with JR-West Group companies and major franchisees

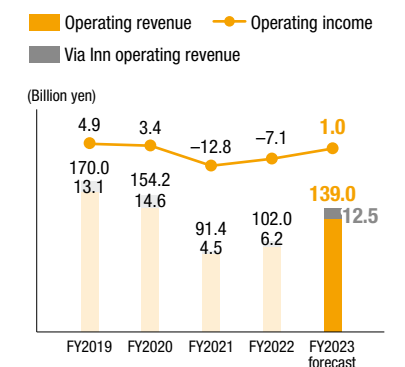
Expanding sales channels

- Opening convenience stores and restaurants outside stations and in urban areas
- In the department store business, focus on online sales and sales to select private customers in order to make buying more convenient beyond just in-store sales

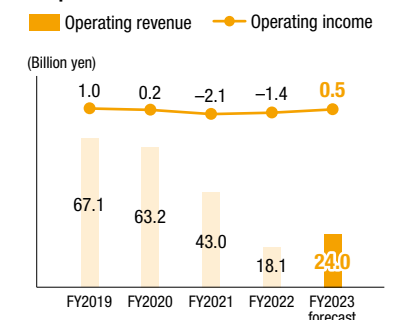
Indices

Financial conditions

Sales of goods and food services



Department store



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What's New

Merchandizing changes to match customer needs

Renovation of Eki Marché Osaka (Phase I: From October 2021; Phase II: From July 2022)

Eki Marché Osaka recently underwent its first large-scale renovation since its opening eight years ago based on changes in people's behavior and customers' needs. While the previous incarnation had much of its space taken up by fashion goods and clothing stores, it now has many eat-in and take-out restaurants.

The renovation also improved the pedestrian flow and shop layout inside Eki Marché Osaka. The aim was to make shopping faster for daily users of Osaka Station and to keep them coming back more frequently.



Large digital signage at the ticket gate of Eki Marché Osaka

Real Estate

Our real estate business concentrates on stations and along train lines, operating station buildings and shopping centers, developing real estate, and selling condominiums. We contribute to progress along train lines and throughout communities with city development that meets the needs of changing lifestyles and that makes people want to come to live or visit.



Real estate lease and sales

Shopping centers

Products/Services

Lease

- Commercial facilities
- Hotels
- Offices
- Logistics facilities
- Shared offices

Leased area*
3.22 million m²

Housing sales

- Condominiums
- Detached houses

Brands

J.GRAN PREDEAR

Number of units sold (total)*
17,824

Sales to investors

- Private real estate fund, other



Shin-Osaka No. 2 NK Building
(completed in January 2022)



Predear Yokohama Yamate Park Villa
(to be completed in August 2023)



Maroot (JR Toyama Station Building)
(opened in March 2022)



Shukugawa Green Place (opened in September 2021)

Station sites

- Community hubs
- Tourism-centered
- Daily lifestyle-centered

40 facilities*

Outside of stations

- Lifestyle-needs shopping centers
Offering medical, educational, and other necessary lifestyle services, and a place for locals to gather

3 facilities*

*Leased area and number of units sold are for fiscal 2022.

*The number of units sold does not take into account the share of business joint ventures.

*Number of facilities includes shopping centers in other segments

Strengths/Differentiation

Development mainly in and around stations, which function as community hubs

- Development in and around stations, which are community hubs, mainly in western Japan
- Contributing to attractive city development by providing functions and tenant leasing that utilize the characteristics of the station or the location
- Steady and sustainable redevelopment utilizing the JR-West Group's assets

Development knowhow and track record built up through years of city development

- Contributing to regional advancement as a reliable developer and as the No. 1 platform provider in the region

Strategies

Engagement in development opportunities, steady progress on core projects

- Securing development opportunities through various business schemes
- Utilizing knowhow to move into urban areas and into markets outside western Japan
- Proceeding with development plans in Osaka, Kyoto, Sannomiya, and Hiroshima to strengthen area management

Boosting asset and capital efficiency

- Maximizing portfolio value through asset reclassification and asset-turnover businesses
- Securing new sources of revenue by expanding asset management business

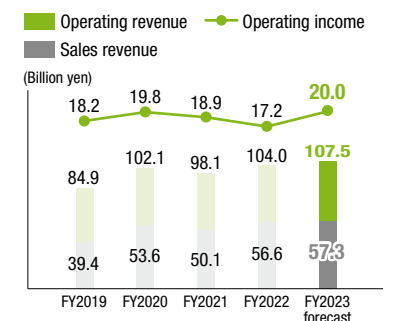
Structural reform of shopping center business aimed at medium- to long-term-growth

- As ways to shop become more diverse, developing in-person content that raises value to customers
- Securing highly loyal members through the WESPO app, a new customer interface
- Pursuing OMO business (online merges with offline), which fuses JR-West's strong in-person offerings with the convenience of online

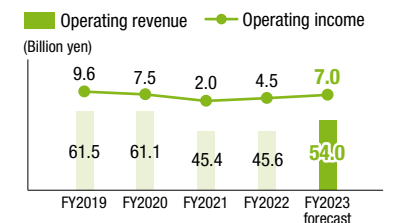
Indices

Financial conditions

Real estate lease and sales

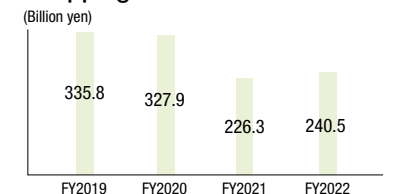


Shopping centers



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Shopping center sales*



*Sales include shopping centers in other segments

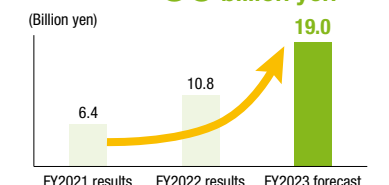
What's New

Establishment of JR-West Real Estate Asset Management Co., Ltd. to manage and boost efficiency of assets

To boost asset efficiency, we are increasing sales to investors and expanding asset reclassification. To this end, we established JR-West Real Estate Asset Management in July 2022. The company is preparing to form and operate a private REIT (real estate investment trust) aimed at stable, long-term management of real estate mainly along train lines in western Japan. The goal is to have operational assets at a level of 70 billion yen by fiscal 2028.

Through this we will build an asset-turnover business model for real estate, expand our real estate asset management business, grow the entire JR-West Group, and increase opportunities for city development, thus further accelerating the pace at which regional value increases.









Sales to investors Cumulative target of 36 billion yen



Other Businesses

We operate businesses such as hotels, travel, and construction, which synergize well with our railway business. The hotel business provides comfortable stays to meet a widening range of guest needs. We are transforming our travel business so that it goes beyond the standard boundaries of the travel industry and becomes a broader solutions business at the core of what JR-West offers to society.



	Products/Services	Strengths/Differentiation	Strategies	Indices										
Hotels	<div><div><ul style="list-style-type: none">● Flagship brand of JR-West Hotels● Provides high-quality rooms and services to hotel guests. An urban hotel offering restaurants and banquet space</div><div>5 facilities</div></div>	<div><div>Connected to or adjacent to stations</div><ul style="list-style-type: none">● Locations in or next to major JR-West stations for maximum comfort and convenience for a wide range of hotel guests● Business leverages economy of scale of JR-West and JR Hotel Group<div><div>Hotel Granvia Kyoto</div></div></div>	<div><div>Boosting brand power, reforming revenue and expense structure</div><ul style="list-style-type: none">● Raising profitability by rebuilding the chain's brand strategy and reforming cost structure● Focusing resources on core projects and strong business fields<p>As part of a plan to enter the hotel business in the development of the area west of Osaka Station, our first tie-up with Marriott International, Inc. (scheduled to open in summer 2024)</p><div><div>Hotel main entrance (1st floor) (artist's conception)</div></div></div>	<div><div>Financial conditions</div><div>Hotel business</div><div><div><div></div>Operating revenue</div><div><div></div>Operating income</div></div><div>(Billion yen)</div><div><table><tr><td>FY2019</td><td>FY2020</td><td>FY2021</td><td>FY2022</td><td>FY2023 forecast</td></tr><tr><td>35.6</td><td>37.3</td><td>15.6</td><td>18.5</td><td>31.5</td></tr></table></div></div>	FY2019	FY2020	FY2021	FY2022	FY2023 forecast	35.6	37.3	15.6	18.5	31.5
	FY2019			FY2020	FY2021	FY2022	FY2023 forecast							
	35.6			37.3	15.6	18.5	31.5							
	<div><div><ul style="list-style-type: none">● High-class accommodation-oriented hotel</div><div>4 facilities</div></div>			<div><div>Trust and knowhow built up over the years</div><ul style="list-style-type: none">● Founded in 1905, the country's oldest tourism company and a driver of Japan's travel industry● Wealth of knowhow in the tourism industry (sales, solutions, operations)<div><div>Diverse network and customer contact points</div><ul style="list-style-type: none">● Extensive sales channels: offices all over Japan and other countries, strong online presence● Relationships with JR-West and regional partners</div></div>	<div><div>Shifting from a travel agency to a company providing solutions for individuals and society</div><ul style="list-style-type: none">● Formulated a post-pandemic strategy based on the premise the market will not return to pre-pandemic levels: Nippon Travel Agency Group Medium-Term Management Plan 2022–2025<div><div>Tourism business</div><ul style="list-style-type: none">● Shifting to web-based● Focusing on package tours, a JR strength, to expand localized tourism products and services, and digital tourism<div><div>Solutions business</div><ul style="list-style-type: none">● Using Nippon Travel Agency's knowhow in taking on tourism-related or public-sector business● Expanding business domains through tie-ups with alliance partners</div></div></div>	<div><div>Travel business</div><div><div><div></div>Operating revenue</div><div><div></div>Operating income</div></div><div>(Billion yen)</div><div><table><tr><td>FY2019</td><td>FY2020</td><td>FY2021</td><td>FY2022</td><td>FY2023 forecast</td></tr><tr><td>40.5</td><td>42.3</td><td>18.7</td><td>95.9</td><td>111.0</td></tr></table></div></div>	FY2019	FY2020	FY2021	FY2022	FY2023 forecast	40.5	42.3	18.7
FY2019	FY2020	FY2021	FY2022			FY2023 forecast								
40.5	42.3	18.7	95.9			111.0								
<div><div><ul style="list-style-type: none">● Known as the “state guesthouse of the Kansai region,” as it was formerly used as a state guesthouse<div>Note: Wholly owned JR-West subsidiary as of 2018</div></div></div>	<div><div>Online sales ratio of Akai Fusen (Red Balloon) tour package brand</div><div>2021 results</div><div>65%</div><div>(2025 target: 70%)</div></div>													
<div><div><ul style="list-style-type: none">● The stay itself is the focus: spacious rooms, ample shared facilities, and contemporary, casual design and services<div>Note: Non-consolidated</div></div></div>														
Travel		<div><div><div>Nippon Travel Agency Co., Ltd.</div><div>Founded in 1905*<div>*Subsidiary as of 2002</div></div><div>Number of stores in Japan: 60<div>(as of September 2022)</div></div></div><div><div>Tourism</div><ul style="list-style-type: none">● Online sales● Domestic travel business● Overseas travel business, other<div></div></div><div><div>Solutions</div><ul style="list-style-type: none">● Public sector and regional solutions● Education market solutions● Corporate solutions● Business travel solutions</div></div>												