

Value creation for realizing the Long-Term Vision

Value creation model of the JR-West Group

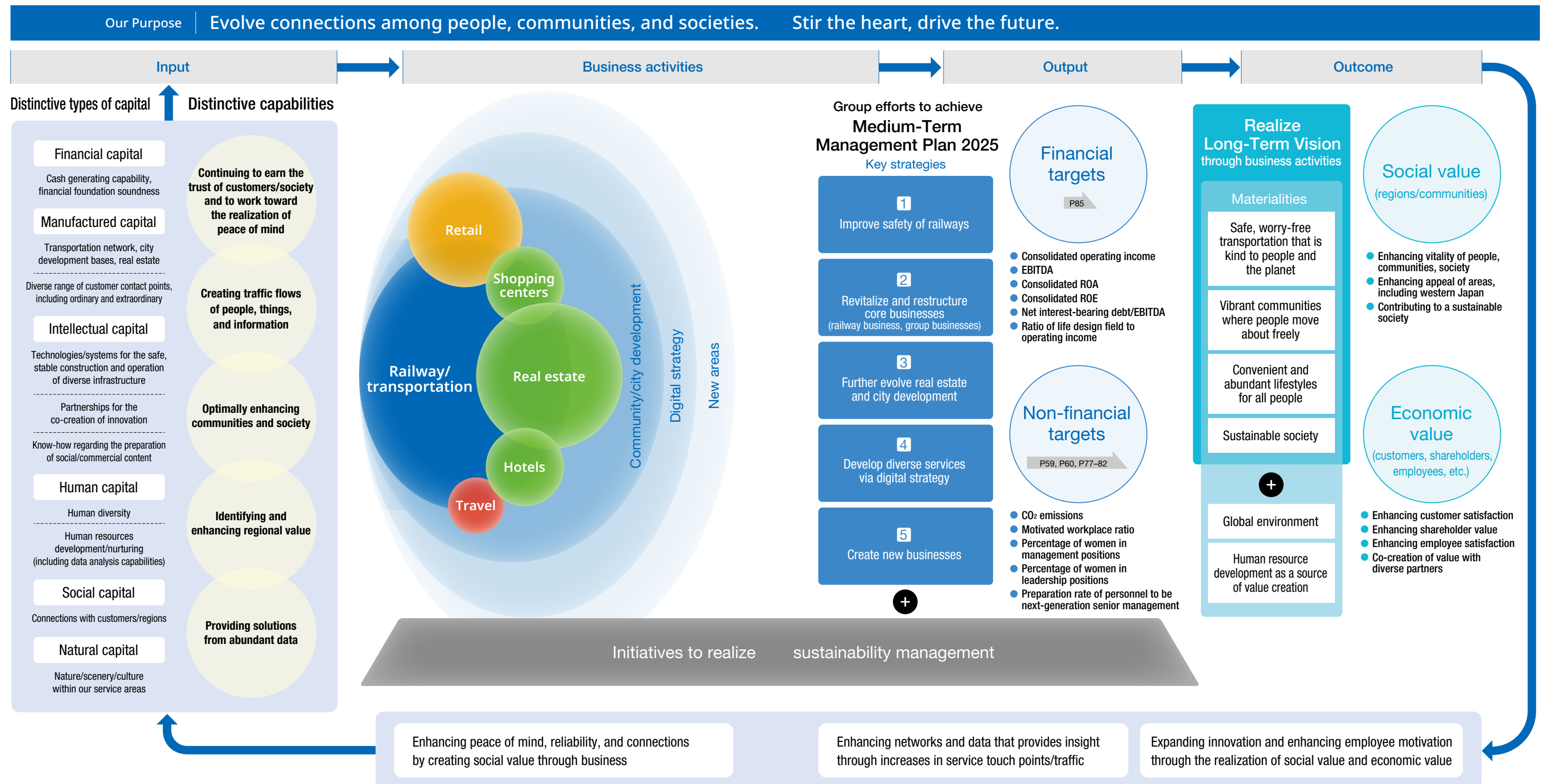
The following value creation model shows how the JR-West Group will continue to create value in the future based on Our Purpose, Long-Term Vision 2032, and Medium-Term Management Plan 2025.

The entire Group will work together to play a greater role in society as we steadily carry out each initiative of the value creation model and evolve connections among people, communities, and societies to stir the heart and drive the future, as stated in Our Purpose.

Business activities of the JR-West Group

The JR-West Group will give top priority to improving the safety of railways. It will work to implement structural reforms of both income and expenditure, improve the field of mobility services such as creation of mobility demand centered on the Shinkansen, and actively expand the field of life design to create value that is closely connected to customers' lives. In addition, we will further develop community and city development, maximize synergies through the Group's digital strategy, and create new businesses to realize our Long-Term Vision.

We will grow into a corporate group that realizes sustained value creation by recirculating as inputs "Enhancing peace of mind, reliability, and connections," "Enhancing networks and data that provides insight through increases in service touch points/traffic," and "Expanding innovation and enhancing employee motivation," which are generated by achieving social and economic value through these business activities.



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Drivers accelerating JR-West Group value creation

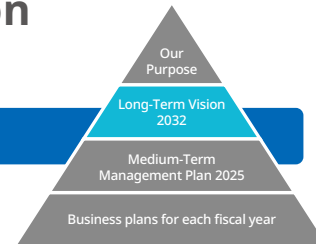
The five strengths that we have put forward as our distinctive capabilities are the drivers that will accelerate value creation for the JR-West Group. The foundation for this is an open corporate culture that values trust and challenge grounded in Our Purpose, as well as our ability to respond to and create change, and the diverse human capital from which this originates. The entire Group will work together to develop these capabilities.



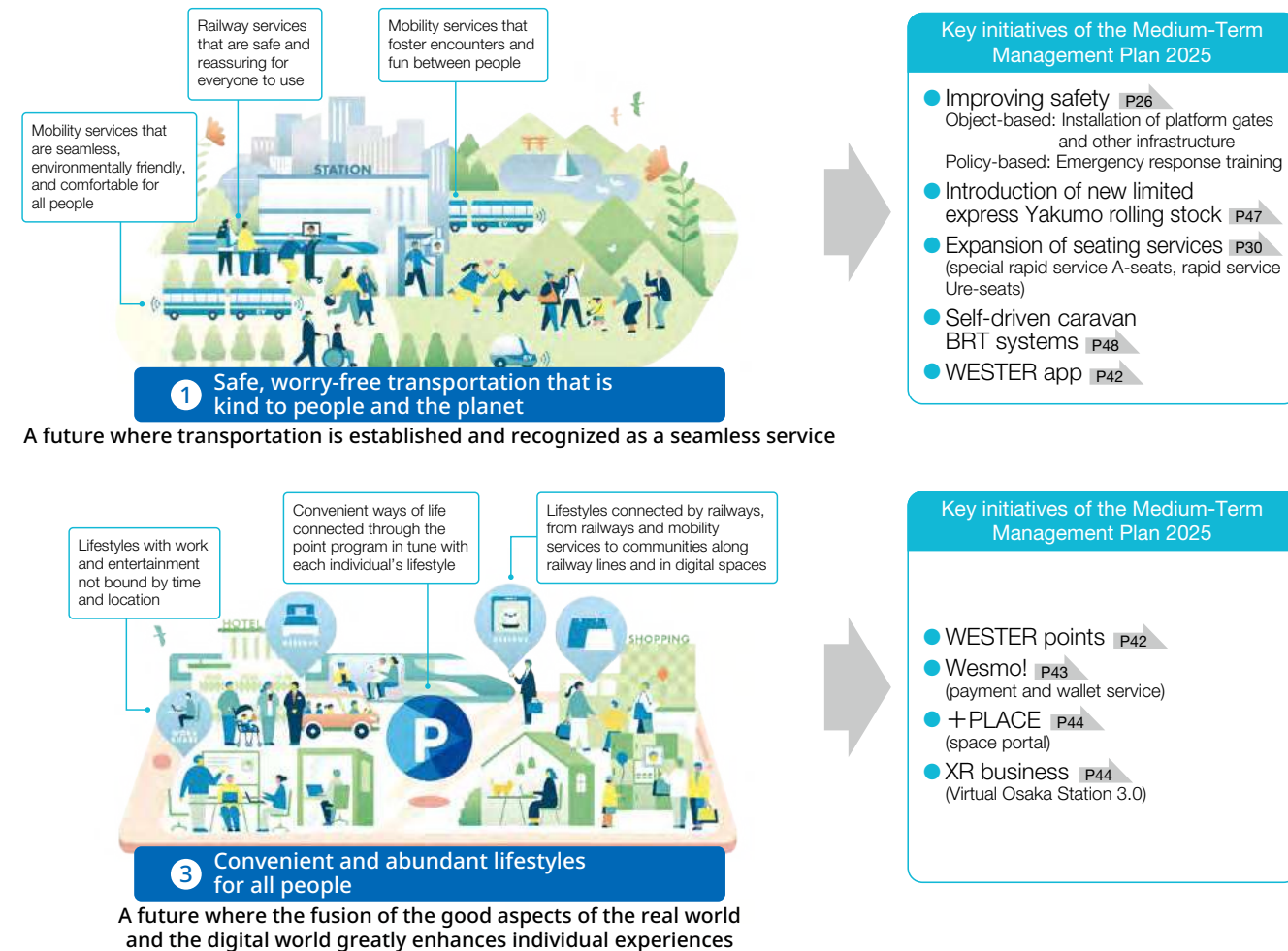
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Long-Term Vision 2032

In order to realize Our Purpose, the JR-West Group has established its Long-Term Vision 2032 (hereinafter, "Long-Term Vision"), which describes what we want the JR-West Group to be in 2032.

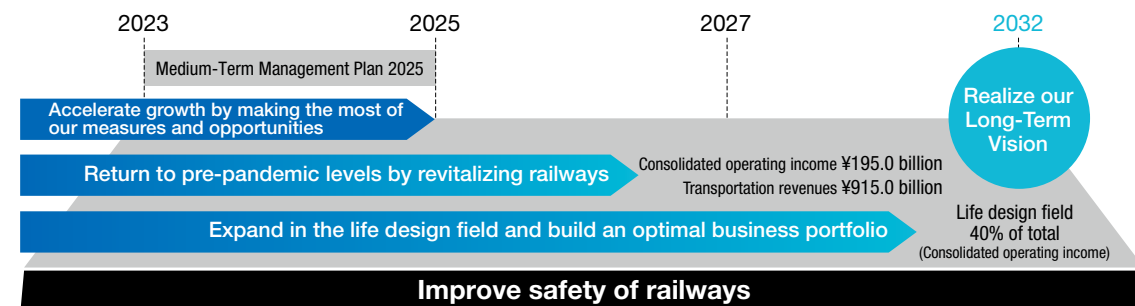


4 visions and the future we want to realize



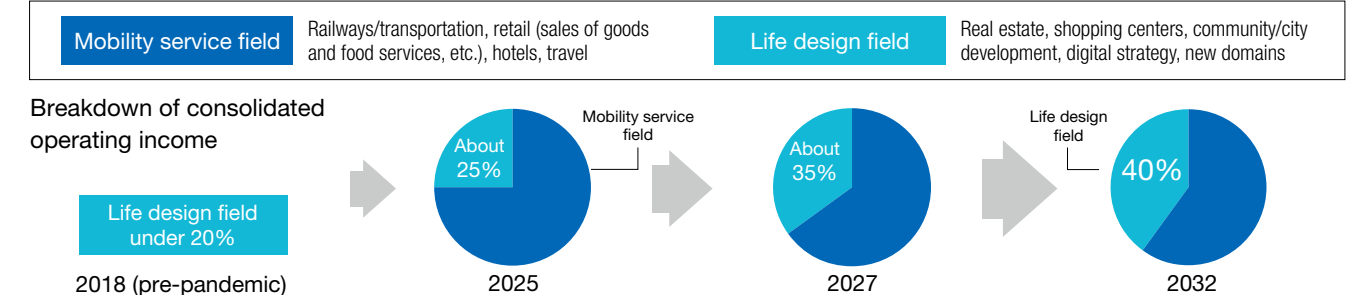
Striving to realize our Long-Term Vision

To achieve these four visions, we will remain committed to improving railway safety, revitalize the mobility service field centered on railways, expand the life design field, and build an optimal business portfolio. This will allow us to grow into a corporate group that will achieve sustained value creation in the future.



In light of the changes in the business environment due to the pandemic, we are restructuring our portfolio into the field of mobility services, which is closely related to the movement of people, and the field of life design, which is not necessarily linked to transportation.

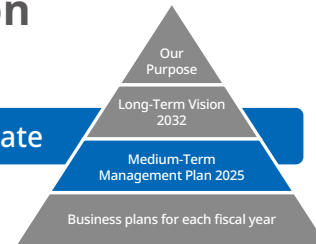
We aim to create even greater value by leveraging synergies across the Group, including proactively implementing Group-wide initiatives that are not limited to specific fields and that are centered on digital services such as the WESTER app, Mobile ICOCA, and Wesmo!, which serve as a standardized platform for the Group.



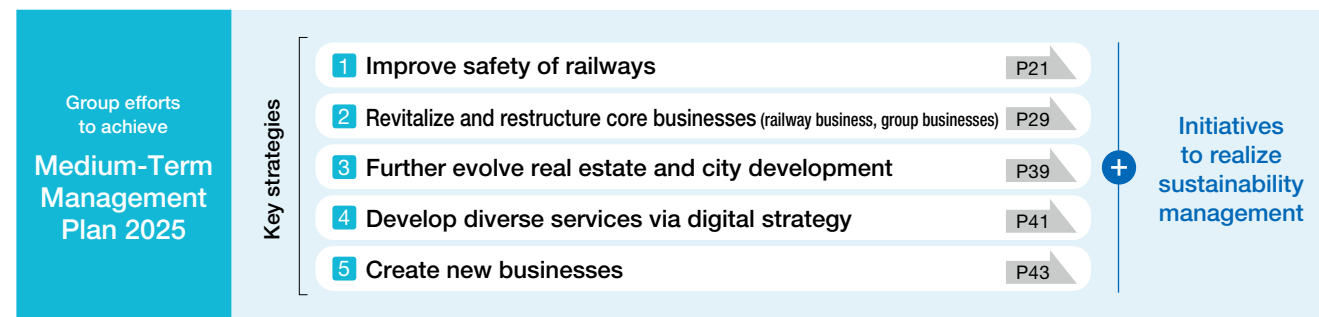
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Medium-Term Management Plan 2025—Post-pandemic challenges—Update

Basic concept of the Medium-Term Management Plan 2025



In the Medium-Term Management Plan 2025, based on its positioning as the first step towards realizing the Long-Term Vision, we set forth five key strategies to accelerate growth by making the most of the opportunities at hand. In addition, we are working on coexistence with communities, the global environment, human capital management, governance, risk management, and human rights to achieve sustainable management.



Steady progress on Medium-Term Management Plan 2025—Review of fiscal 2024

- Together with our employees and various partners, we are working on projects, such as the opening of the Hokuriku Shinkansen between Kanazawa and Tsuruga, expanding Group synergy through the WESTER experience, and evolving the connections that are grounded in Our Purpose.
- Based on the JR-West Group Railway Safety Think-and-Act Plan 2027, we are implementing safety improvement measures, including building mechanisms to ensure safety throughout the organization.
- In response to the Noto Peninsula earthquake, which hit in January 2024, we worked with local residents to carry out efforts across the entire Group to contribute to the recovery and reconstruction of affected areas and individuals, including restoration work aimed at the early resumption of operations.
- By capitalizing on the opportunities created by the diminishing impact of the pandemic and the recovery of inbound travel-related demand, we were able to start seeing the fruit of our demand-acquisition measures, business structure reforms and other efforts, resulting in a recovery in performance, which has exceeded expectations.

Deeper awareness of pressing business issues



Based on the JR-West Group's value creation system and the key strategies of the Medium-Term Management Plan 2025, we will specify measures, as well as add measures to address issues that we have become more aware of, to accelerate the realization of Our Purpose and the Long-Term Vision 2032.

Updating the Medium-Term Management Plan 2025

	FY2026 (initial plan)	FY2024 results	FY2026 (updated)
Consolidated operating revenue	¥150.0 billion	¥179.7 billion	¥185.0 billion
EBITDA	¥340.0 billion	¥343.0 billion	¥370.0 billion
Transportation revenue	¥860.0 billion	¥840.5 billion	¥905.0 billion

Giving shape to key strategies

Improve safety of railways

- With the Fukuchiyama Line derailment accident as our starting point, we sincerely and tirelessly pursue safety
- Pursue the JR-West Group Railway Safety Think-and-Act Plan 2027
 - Pursue the development of safety equipment such as platform gates and derailment prevention guards
 - Improve object-based and policy-based functions for sustained evolution (e.g., technological and operational innovations in railway operation and maintenance)



Improved movable platform gates



Derailment prevention guards



Multifunctional railway heavy machinery

Further evolve real estate and city development

- Create walkable and attractive districts through development around Osaka Station and other efforts
 - Osaka Station (Umekita area) (opened March 2023)
 - JP Tower Osaka (opened July 2024)
 - Inogate Osaka (opened July 2024)
 - Umekita Green Place (to open in spring 2025)
- Develop areas along railway lines that cater to diverse lifestyles (Nishi-Akashi, Mukomachi, etc.)

Develop diverse services via digital strategy

- Pursue digital strategies to build an open platform (WESTER economic zone) in western Japan
- Provide an experience menu (WESTER experience) that is far more convenient, cost-effective and fun, and strengthen marketing capabilities to create synergy

Create new businesses

- Expand services to local governments and other organizations through collaboration with partners both within and outside the Group
- Create a virtual space that leverages the strengths of stations as customer contact points (Virtual Osaka Station 3.0)
- Provide a highly convenient workspace combined with mobility

Revitalize and restructure core businesses (railway business, group businesses)

- Maximize the benefits of opening the Hokuriku Shinkansen
- Build momentum for Expo 2025 and seize various business opportunities
- Capture inbound travel-related demand by communicating the appeal of western Japan



Extension of the Hokuriku Shinkansen to Tsuruga begins



Expo 2025 official store



Curu-F Fukui Station

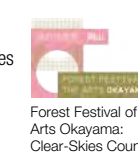


Setouchi Palette Project

Realize sustainability management

Coexistence with communities

- Promote prosperous communities and local businesses (Forest Festival of the Arts Okayama: Clear-Skies Country; freight business by train)
- Create an easy-to-use and sustainable transportation system (Johana and Himi Lines, Gelbi Line, BRT)



Forest Festival of the Arts Okayama: Clear-Skies Country

Global environment

- Further expand renewable energy use for train operation
- Reduce CO₂ emissions through the widespread introduction of new, energy-efficient rolling stock

Human resource strategies to enhance our ability to adapt to and create change

- Create an environment where employees can work with enthusiasm and a sense of growth
- Foster the development of innovation-minded human resources who will take on the challenge of evolving connections and creating value

Governance, risk management, human rights

- Actions based on the JR-West Group Code of Conduct (e.g., respect for human rights)
- Create a safe working environment (e.g., dealing with abusive customers)

Additional measures

Improve the safety, and sustain the evolution of, railway business

- Improve safety and comfort through early rolling stock replacement
- Expand seating services (additional A-seats)
- Improve transport quality and productivity through object-based and policy-based improvements



Replacing rolling stock



Expanding seating services

Create value together as a Group

- Expand real estate business (expand high value-added real estate assets)
- Renovate stations that serve as community hubs



Expanding the housing business



Renovating stores at major stations

Improve our ability to adapt to and create change

- Develop an environment and mechanisms to support growth and increase diversity and job satisfaction
- Cultivate human resources who daily strive to improve service and quality
- Expand opportunities for innovation and improve digital literacy



DAI AWARD BEST WORKPLACE 2023

JRW Innovation platform
JR西日本グループの技術情報発信サイト

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