

Overview by business segment **Mobility**

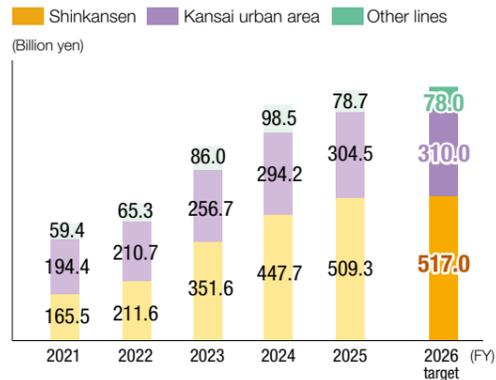
Besides our railway business, we operate other transportation services such as buses and ferries, as well as carry out railway-related construction work and building. The railway business covers a wide area of 18 prefectures, providing transportation between cities mainly with the Shinkansen and limited 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.

**Strengths**

- Western Japan**
  - Has Kansai, Japan's second largest metropolitan area, and major cities including Hiroshima, Okayama, and Kanazawa
  - JR-West's operating area 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 railroad 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

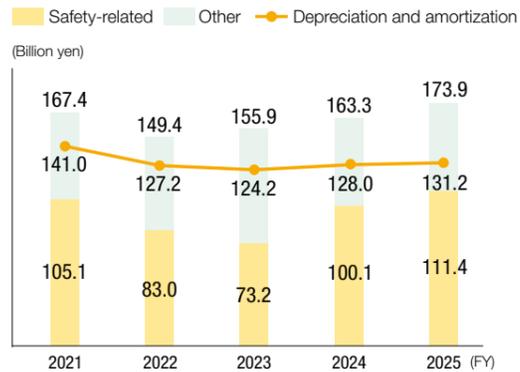
**Performance**

**Transportation revenue**



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

**Capital expenditures (non-consolidated, own funds)**



**Review of business performance**

**Achievements of the Medium-Term Management Plan 2025 period**

The Hokuriku Shinkansen line between Kanazawa and Tsuruga opened in March 2024, and we were able to increase the flow of passengers from the Tokyo metropolitan area to Hokuriku by creating a timetable that maximizes convenience and by implementing various sales operations. On the Sanyo Shinkansen, we made all seats on Nozomi trains reserved during busy periods, and this service change has allowed more customers to make reservations and be seated. This year, in order to fully capitalize on the demand generated by Expo 2025, we have not only operated the Expo Liner but also renovated Bentencho Station to enhance its convenience as an interchange station. In terms of cost, we are steadily implementing cost structure reforms while also allocating resources necessary for sustained operations, such as investments in safety, service equipment, and human capital.

**Growth opportunities**

Inbound transportation revenue reached a record high of 40.9 billion yen in fiscal 2025. For fiscal 2026, due to the increase in the number of visitors to Japan and the effects of Expo 2025, we are forecasting revenue of 48.5 billion yen, a significant increase over the previous year. Currently, the flow of inbound tourists tends to concentrate on the Tokyo-Kyoto-Osaka Golden Route, but we will strengthen our sales efforts to increase visits to western Japan, an area of abundant tourism resources.

In order to seize the opportunity presented by the opening of the Osaka integrated resort scheduled for 2030, we will look into extending the Sakurajima Line and increasing the convenience and appeal of Osaka through the Naniwasuji Line, which is scheduled to open in 2031.

**Future challenges (response to risks)**

A declining population means a shrinking workforce. In addition to saving labor and improving work safety through data-driven technological innovation, we aim to improve efficiency through collaboration with other companies and industries.

In order to minimize damage from large disasters, we will steadily implement earthquake-proofing for the entire Sanyo Shinkansen line. This is expected to cost about 300 billion yen over 30 years. We will also steadily make improvements on our conventional lines.

In addition, in order to ensure that our efforts are appropriately rewarded, we will keep on demanding the government to revise the fare system to make it more flexible and adaptable to inflation. We will also continue discussing with local residents to realize an optimal regional transportation system for local lines based on regional characteristics and needs.

Overview by business segment **Sales of goods and food services; department stores**

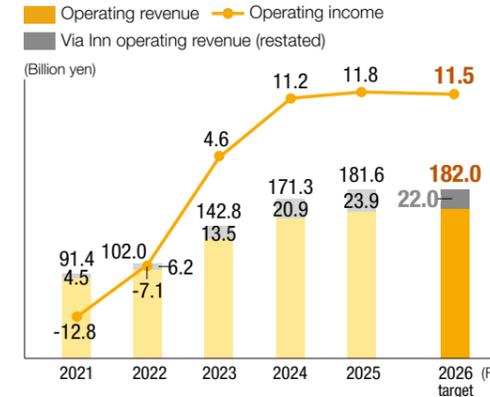
Besides operating a wide range of businesses, such as convenience stores and restaurants inside stations, and a department store, we have our Via Inn budget hotel chain throughout western Japan and are expanding it into other regions. We continue to improve our capabilities to respond meticulously to customers' everyday needs so that we can help everyone attain a pleasant, convenient, and abundant life.

**Strengths**

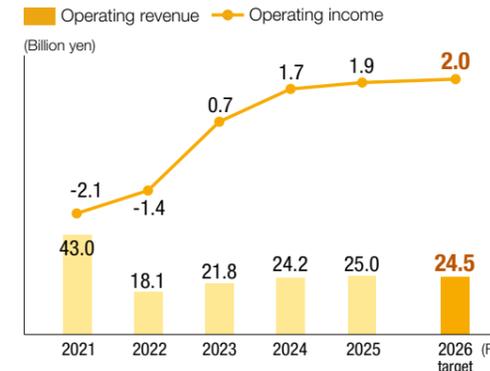
- Businesses in or close to stations**
  - Operating a variety of stores in a variety of business sectors in and around stations, which attract a diverse range of customers
  - Via Inn hotels are located within a 5-minute walk of terminal stations in major cities around Japan
  - JR Kyoto Isetan attracts customers from a wide area, leveraging its proximity to western Japan's foremost terminal station, Kyoto 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, including prompt serving of customers, creating shops in limited spaces, safety, etc.

**Performance**

**Sales of goods and food services**



**Department store**



Note: Effective from fiscal 2022, JR-West has adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020). Effective from fiscal 2020, we changed how we record revenue in the retail business due to a change in how we conclude contracts with station shop tenants.

**Review of business performance**

**Achievements of the Medium-Term Management Plan 2025 period**

Based on the structural reforms we have been pursuing, we have demonstrated our ability to adapt to change, and we have significantly improved profit margins by increasing unit prices and improving operational efficiency in the convenience store business, developing a sales framework for the gift shop business based on railway usage forecasts, and product merchandising. In order to build momentum for Expo 2025 and capitalize on it as an opportunity to make further progress, we held events at Osaka Station and opened a store at the Expo venue, which was well received.

**Growth opportunities**

With regard to the food services business, we opened the first franchise store at JR Kyoto Station's west exit in partnership with Starbucks. Looking at Via Inn, we are working to improve the quality of our offerings and strengthen competitiveness by rebranding to "Prime," reviewing our membership program, and opening the new Via Inn Prime Sapporo Odori. Our department store is located in Kyoto, a popular destination among visitors to Japan, and we will continue to improve sales spaces to steadily capture increasing demand from the growing number of foreign visitors.

**Future challenges (response to risks)**

We will secure human resources and improve retention rates as we develop human resources for continued growth, including the further expansion of franchise stores. We will continue to create value by effectively renovating frequently used convenience stores in train stations and our existing Via Inns.

Overview by business segment **Real estate lease and sales; shopping centers**

Our real estate business concentrates on stations and along train lines, operating station buildings and shopping centers, leasing 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.

**Strengths**

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

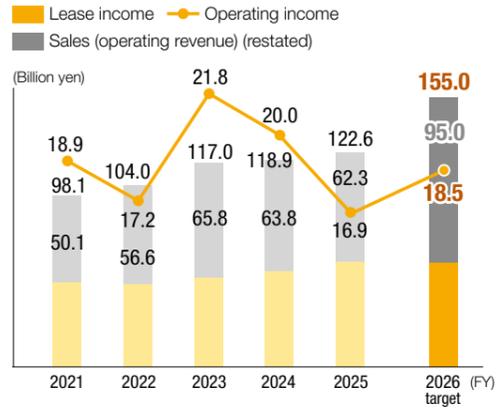
- Development in and around stations, which are community hubs, mainly in western Japan
- Contributing to attractive urban development by providing functions that utilize the characteristics of the station or the location and via tenant leasing
- Steady and continuous redevelopment utilizing the JR-West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

Development know-how and track record built up through years of city development

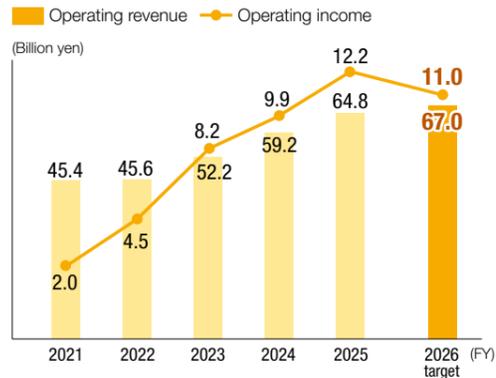
- Contributing to regional advancement as a reliable developer and as the No. 1 platform provider in the region

Performance

**Real estate lease and sales**



**Shopping centers**



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Review of business performance

**Achievements of the Medium-Term Management Plan 2025 period**

The large-scale Osaka and Hiroshima projects have been completed. As part of the Osaka project, we opened the well-received Barchica 03 in Inogate Osaka, which has a variety of unique stores. With regard to office leasing, we are maintaining rent levels and progressing with a contract rate that exceeds our expectations.

In order to meet the needs of the local community, the Hiroshima project welcomed the first tenants in Chugoku and Shikoku as well as opened branches of famous local stores. With the addition of a streetcar line extension inside the station building, traffic within the prefecture and the city is increasing, and the shopping center business is performing well.

**Growth opportunities**

We will pursue real estate development in a way unique to the JR-West Group by developing and selling housing in conjunction with station improvements in Nishi-Akashi, Mukomachi, and other areas. With the launch of JR West Private REIT, Inc. and the establishment of JR West Real Estate Management Co., Ltd. to enhance real estate management, we will accelerate the expansion of assets that can be managed by the Group while strengthening real estate asset management and improving asset efficiency.

In the shopping center business, we aim to generate vibrancy and increase profits through the development of the Osaka Station South Gate Building.

**Future challenges (response to risks)**

In the real estate lease and sales business, the profitability of new projects may deteriorate due to rising construction costs. We will review development plans based on project profitability, examine our real estate portfolio in the face of rising interest rates, and improve asset efficiency, such as through the use of private REITs.

In the shopping center business, although the e-commerce market is expanding, we will promote the appeal of in-store shopping and services and strengthen our customer base by utilizing WESTER.

Overview by business segment **Hotels; travel and regional solutions**

**Hotels**

The hotel business provides comfortable stays to meet a widening range of guest needs.

**Strengths**

Connected to or adjacent to stations

- 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

**Travel and regional solutions**

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.

**Strengths**

Trust and knowhow built up over the years

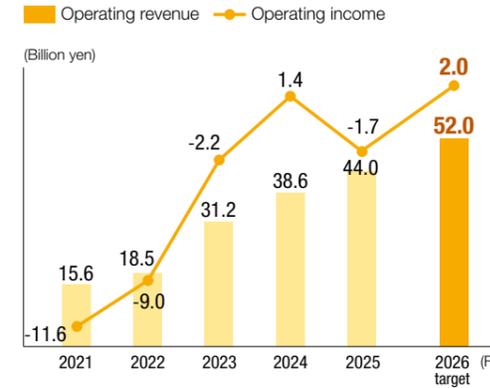
- Founded in 1905, the country's oldest tourism company and a driver of Japan's travel industry
- Wealth of knowhow in the tourism industry (sales, solutions, operations)

Diverse network and customer contact points

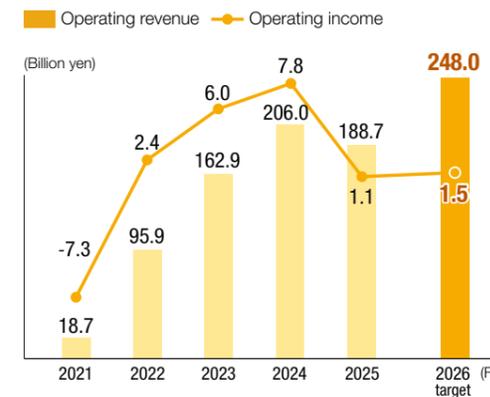
- Extensive sales channels: offices all over Japan and other countries, online
- Relationships with JR-West and regional partners

Performance

**Hotels**



**Travel and regional solutions**



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Review of business performance

**Achievements of the Medium-Term Management Plan 2025 period**

The accommodation division of our hotel business was able to generate revenues that exceeded pre-pandemic levels due to the strong influx of individual customers, especially inbound travelers, and measures to improve service and raise unit prices.

In the travel and regional solutions business, we used the pandemic as an opportunity to launch a solutions business in addition to our existing tourism business, and we aimed to acquire new sources of revenue by taking on contract services, such as for vaccine administration.

**Growth opportunities**

In the hotel business, we opened The Osaka Station Hotel, Autograph Collection (a brand affiliated with Marriott) and Hotel Granvia Hiroshima South Gate. Since hotels play an important role in urban development in terms of location and convenience, we will use our hotels to increase the value of Osaka and Hiroshima, the regions in which our large-scale projects are located and to capture newly created demand.

Our travel and regional solutions business will tap into changes in social behavior to expand online sales and pursue initiatives to realize digital tourism.

**Future challenges (response to risks)**

In the hotel business, many competing hotels have opened in the Kyoto and Osaka areas in recent years, making it a challenge to attract customers and to secure excellent human resources. Through brand-building efforts such as the development of The Osaka Station Hotel and Hotel Granvia Hiroshima South Gate, we aim to improve job satisfaction in conjunction with personal careers through a virtuous cycle of improving brand power and human resource development and retention.

In the travel and regional solutions business, travel needs and styles have changed significantly following the pandemic. We aim to provide products and services that can meet changing needs.