

Corporate Overview

JR-West Group Medium-Term Management Plan 2017



2013 – 2017

Priority Strategies

Three Basic Strategies

Safety: Safety Think-and-Act Plan 2017
Customer satisfaction: Customer-based management
Technologies: Continuous innovation

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Four Business Strategies

Shinkansen: “Enhance”
Enhance the potential of the Shinkansen and promote exchange
Kansai Urban Area: “Improve”
Enhance value of railway belts and the area
Other West Japan Area: “Invigorate”
Invigorate the strengths of each area
New Business Development: “Develop”
Take on the challenge of new business fields

Foundation Building

Responsibilities as a
Member of Society“The Form of the New JR-West
Group” for the next era.

Management Vision

Contribute to the invigoration of the West Japan area through its business activities, and become a corporate group that excels in safety management and earn the trust of customers, communities, and society.

Our Future Direction
– The Ideal Form for JR-West

Fulfill “Our Mission”

Focus on “safety” and “CS” and “technology” and fulfill our mission of continued operation of railway services as social infrastructure. Contribute to the creation of a safe, comfortable society.

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Become a “company that coexists
with local communities.”

Contribute to the invigoration of local communities by deepening exchange and cooperation with local communities, and by developing operations, as the entire JR-West Group, that are aligned with the characteristics of specific areas.

Aim for consolidated operating revenues of
¥1.4 trillion in 2030

Capital Expenditure Plan (consolidated)

FY2014/3 – FY2018/3 plan: ¥920.0 billion

Investment for growth
¥230.0 billion

- Hokuriku Shinkansen Line
- Establish new stations and renew stations
- Expand lifestyle-related service businesses

Investment needed for ongoing
management of operations

- Barrier free, CS investment
- Investment for introduction of information technologies, etc.

Safety-related investment
¥470.0 billion

- Rolling stock renewal
- New ATC
- New safety system
- Earthquake and tsunami countermeasures, etc.

Business Results Forecast for FY2018/3 (consolidated)

Billions of yen

	Result FY2014/3	Forecast FY2018/3
Operating Revenues	1,331.0	1,306.0
Transportation	851.3	836.0
Retail	240.1	241.0
Real estate	102.2	101.0
Other businesses	137.1	128.0
Operating Income	134.5	127.5
Transportation	91.0	80.5
Retail	4.4	5.5
Real estate	27.7	33.0
Other businesses	11.8	9.0
Recurring Profit	112.9	106.5
Net Income	65.6	66.0
Transportation Revenues	780.6	764.0
ROA	5.1%	4.7%
ROE	8.6%	7.3%
EBITDA	288.4	292.5

Notes: Operating revenues are the revenues from third parties (= customers) Operating income by segment is before eliminating internal transactions.

For transportation revenues, “Transportation” comprises JR-West’s railway revenues in transportation operations.

Figures in bracket () are negative values.

Cash Earmarking and Prioritization

Cash flows from operating activities

1) Investment for safety and growth

2) Returns to shareholders

3) Debt reduction

* In principle, maintain level of
long-term debt and payables
(¥1 trillion consolidated)

However, control level in light of
market interest rates.

Returns to shareholders

Reflecting our emphasis on providing stable shareholder returns over the long term, we will continue providing returns to shareholders based on consideration of total shareholders’ equity.

Specifically, in light of the usage situation following the commencement of operations to Kanazawa on the Hokuriku Shinkansen Line and progress toward achievement of the targets set out in Medium-Term Management Plan 2017, we will aim for a rate of total distribution on net assets* of around 3% for FY2018.

* Rate of total distribution on net assets (%) =
(total dividends + acquisitions of treasury stock)
÷ consolidated net assets × 100

Appropriation
prioritization