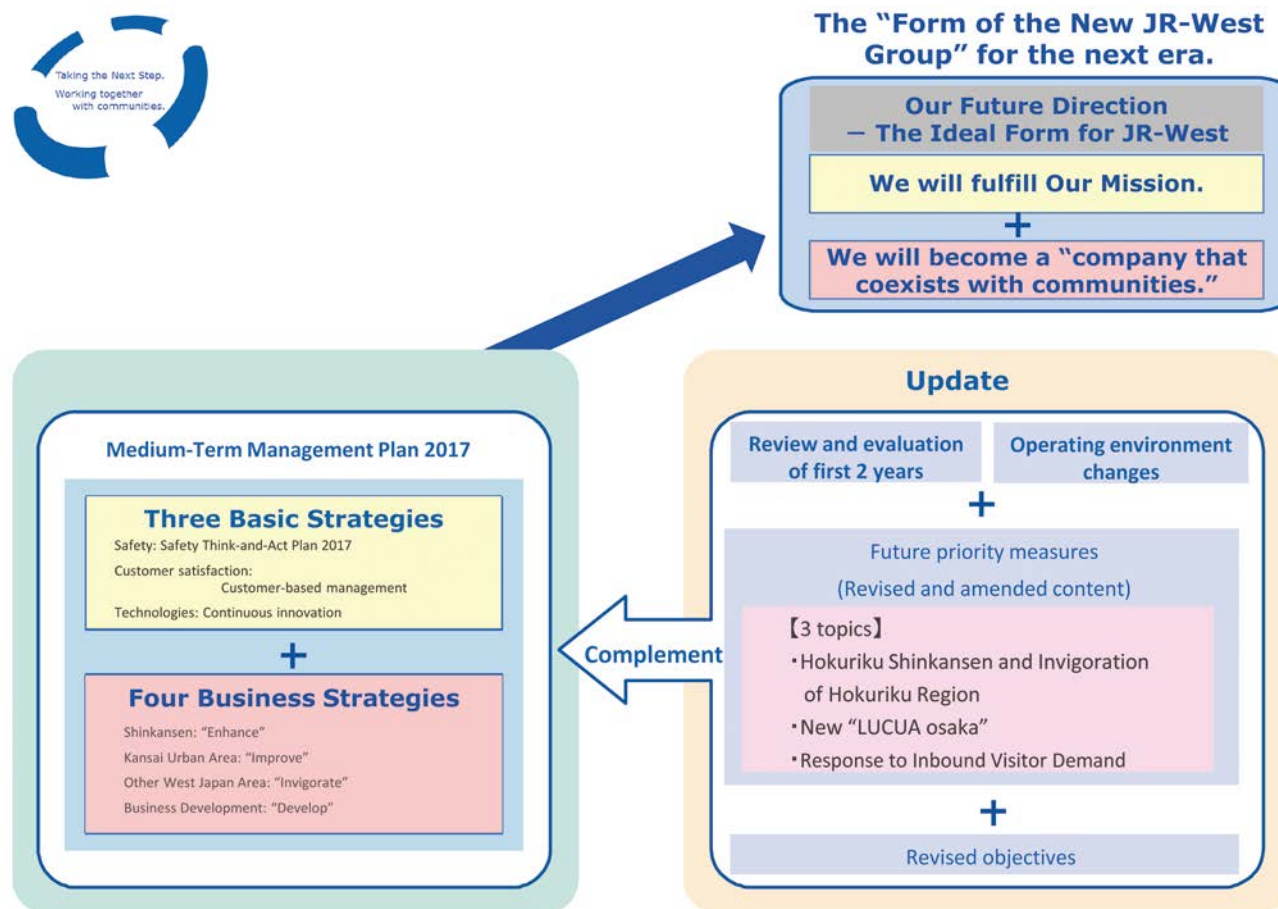


► Corporate Overview

JR-West Group Medium-Term Management Plan 2017 Update



CAPITAL EXPENDITURE PLAN (CONSOLIDATED)

FY2014/3 — FY2018/3 plan: ¥960.0 billion (+¥40.0 billion vs. plan before update)

Investment for growth ¥260.0 billion (+¥30.0 billion vs. plan before update)

- Hokuriku Shinkansen Line
- Establish new stations and renew stations
- Expand lifestyle-related service businesses (business alliance with Seven-Eleven Japan, etc.)

Investment needed for ongoing management of operations

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

Safety-related investment ¥480.0 billion (+¥10.0 billion vs. plan before update)

- Rolling stock renewal
- New ATC
- New safety system
- Natural disaster countermeasures, etc.

BUSINESS RESULTS FORECAST FOR FY2018/3 (CONSOLIDATED)

Billions of yen

	FY2015/3	FY2018/3	
	Result	Plan before update (as of March 2013)	Current plan
Operating Revenues	1,350.3	1,306.0	1,423.0
Transportation	868.4	836.0	902.5
Retail	220.1	241.0	246.5
Real estate	87.2	101.0	106.0
Other businesses	174.4	128.0	168.0
Operating Income	139.7	127.5	157.0
Transportation	100.6	80.5	105.0
Retail	1.5	5.5	6.0
Real estate	25.1	33.0	33.5
Other businesses	15.6	9.0	14.0
Recurring Profit	121.9	106.5	141.0
Net Income	66.7	66.0	91.5
Transportation Revenues	797.0	764.0	820.5
ROA	5.1%	4.7%	5.5%
ROE	8.4%	7.3%	9.8%
EBITDA	289.3	292.5	325.5

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.

CASH EARMARKING AND PRIORITIZATION

Cash flows from operating activities

Appropriation prioritization

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

- We recognize it important to distribute profits to its shareholders on a long-term and constant basis. Reflecting the policy, we continue providing returns to shareholders based on consideration of total shareholders' equity.
- Specifically, in light of the progress toward the achievement of the current Medium-Term Management Plan, we aim to attain an approximately 3% "rate of total distribution on net assets" on a consolidated basis for FY2018/3.

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