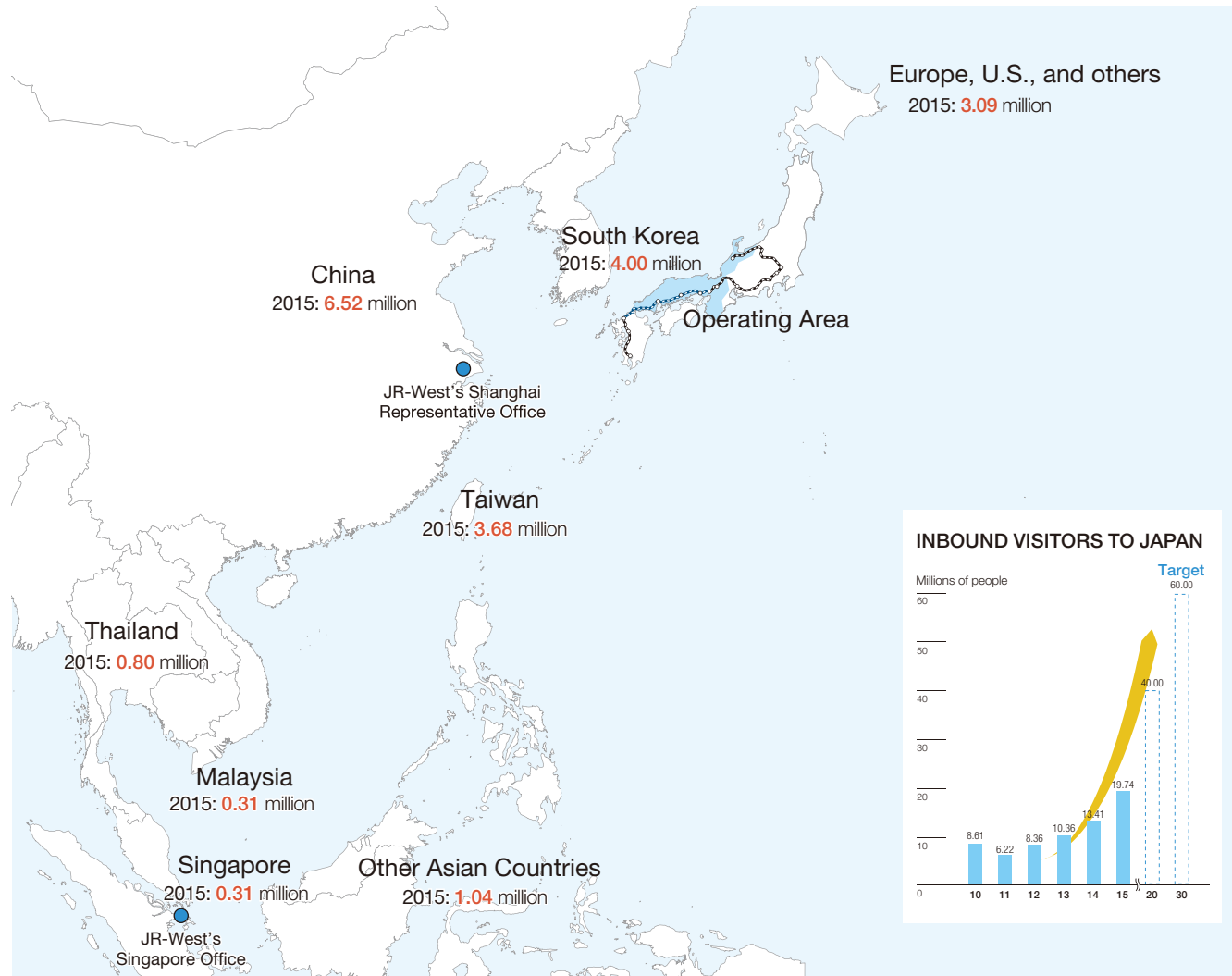


Operating Environment

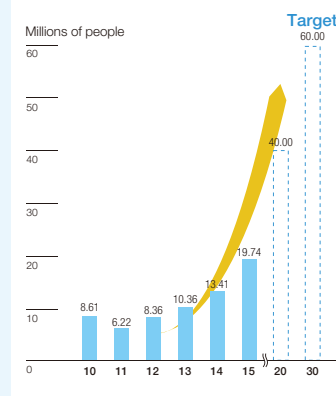
Demand from Inbound Travel

INBOUND VISITORS TO JAPAN BY REGION



Source: Japan Tourism Agency, Japan National Tourism Organization

INBOUND VISITORS TO JAPAN



VISITING RATE BY PREFECTURE (CY2015 result)

Quantity of responses: 39,783, Check all that apply

Ranking	Prefecture	Visiting rate %
1	Tokyo	52.1
2	Chiba	44.4
3	Osaka	36.3
4	Kyoto	24.4
5	Kanagawa	11.3
6	Aichi	9.8
7	Fukuoka	9.5
8	Hokkaido	8.1
9	Hyogo	6.5
10	Yamanashi	6.3
⋮	⋮	
13	Nara	5.2
⋮	⋮	
16	Hiroshima	3.0

Note: Blue shaded areas are JR-West's operating area.

Source: Japan Tourism Agency

JR-West Group Medium-Term Management Plan 2017 Update

Response to Inbound Visitor Demand

Objectives	Results
① Usage of railway travel products for inbound visitors: 400% increase (upward revision from 200% increase) ② Consolidated operating revenues: ¥10.0 billion increase	① 400% increase ② ¥11.9 billion increase

- Inviting more customers to "western Japan area" and expanding use of "JR-West Group" in Kansai Urban Area
- Developing and enhancing wide-area tourism routes through collaborating with regions, enhancing the lineup of railway products, etc.
- Improving ability to cater needs of inbound visitors at terminal stations and commercial facilities that are frequented by such customers (guidance, free public Wi-Fi services, delivery from stations to hotels, duty free, etc.), developing budget hotels that are prepared to be used by inbound tourists
- Further communicating the appeal of the entire Group and the "towns" that encompass the entire Group and the areas surrounding terminal stations

