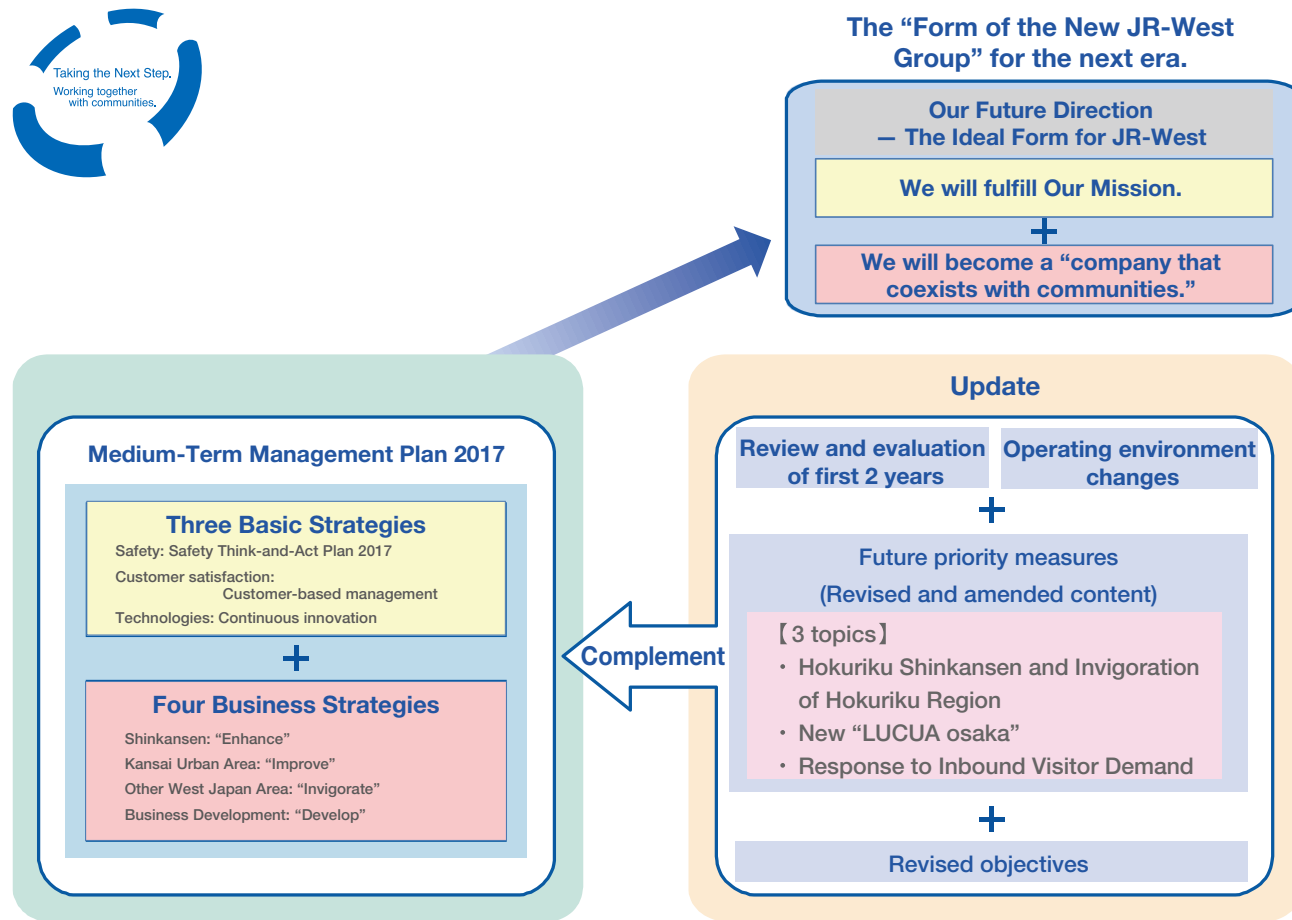


Corporate Overview

JR-West Group Medium-Term Management Plan 2017 Update



CAPITAL EXPENDITURE PLAN (CONSOLIDATED)

FY2014.3 – FY2018.3 plan: ¥960.0 billion (As of April 2015) → ¥984.0 billion (As of April 2017)

Investment for growth ¥260.0 billion (As of April 2015) → ¥279.0 billion (As of April 2017)

- 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 (As of April 2015) → ¥489.5 billion (As of April 2017)

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

BUSINESS RESULTS FORECAST FOR FY2018.3 (CONSOLIDATED)

Billions of yen

	FY2017.3	FY2018.3	
	Results	Forecast as of update*	Forecast as of April 2017
Operating Revenues	1,441.4	1,423.0	1,492.0
Transportation	929.1	902.5	939.0
Retail	233.9	246.5	240.8
Real estate	109.5	106.0	138.7
Other businesses	168.8	168.0	173.5
Operating Income	176.3	157.0	183.5
Transportation	121.7	105.0	125.1
Retail	5.2	6.0	7.0
Real estate	32.2	33.5	35.5
Other businesses	20.4	14.0	19.0
Recurring Profit	160.7	141.0	168.5
Profit attributable to owners of parent	91.2	91.5	109.0
Transportation Revenues	849.6	820.5	859.0
ROA	6.0%	5.5%	6.1%
ROE	10.0%	9.8%	11.1%
EBITDA	339.1	325.5	348.7

Notes: Operating revenues are the revenues from third parties (= customers).
Operating income by segment is before eliminating internal transactions.
Transportation revenues are JR-West’s railway revenues, which are also included in operating revenues of transportation business.

* Medium-Term Management Plan update (April 2015)

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