

Corporate Overview

JR-West Group Medium-Term Management Plan 2022

Positioning of Medium-Term Management Plan





Financial Strategy

(Billions of ven

Management Plan 2022

[Priority ranking for uses of cash] Increasing cash generating (1) Highest priority on safety/growth investment ability Operating Capital Investing in safety, which is the foundation of management cash flow expenditure · Implementing growth investment to increase corporate value over the long term (CF) Investing to increase business sustainability (2) Shareholder return Returns to shareholders Allocating free cash flow to shareholder return Balancing uses of cash Dividends Acquisition of treasury stock (3) Basically, we will not implement debt reduction. Debt · Considering the procurement of new debt for additional investment, while reduction maintaining corporate credit ratings * Balance of cash and deposits: Generally maintaining current level

Capital Expenditure Plan

Shareholder return policy

- We will implement stable dividends, aiming for a dividend payout ratio of approximately 35% in fiscal 2023.
- Over the period of this plan, our yardstick will be a total return ratio of approximately 40%, and we will make flexible acquisitions of treasury stock.
 - With capital expenditures expanding, we will enhance returns to shareholders. We will bolster both profit growth and shareholder return.
 - · We will focus on sustained profit growth and utilize return ratios.

Business Performance Targets

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		Results for FY2018.3	Objectives for FY2023.3	Increase/Decrease
Operating Revenues		1,500.4	1,630.0	+129.5
	Transportation	950.8	977.5	+26.6
	Retail	239.8	281.0	+41.1
	Real estate	139.6	168.5	+28.8
	Other businesses	170.0	203.0	+32.9
Operating Income		191.3	[218.0] 210.0	[+26.6] +18.6
	Transportation	130.3	139.5	+9.1
	Retail	7.2	10.0	+2.7
	Real estate	35.7	41.5	+5.7
	Other businesses	19.9	23.0	+3.0
Recurring Profit		177.7	[205.0] 197.0	[+27.2] +19.2
Profit attributable to owners of parent		110.4	[134.0] 128.0	[+23.5] +17.5
EBITDA*		356.1	[408.0] 400.0	[+51.8] +43.8
ROA		6.3%	Mid-6% range	-
ROE		11.3%	Approx. 10%	-
Transportation Revenues		867.8	890.0	+22.1

* EBITDA = Operating Income + Depreciation Expense + Amortization of goodwill Figures in [1] exclude expenses in preparation for Hokuriku Shinkansen opening