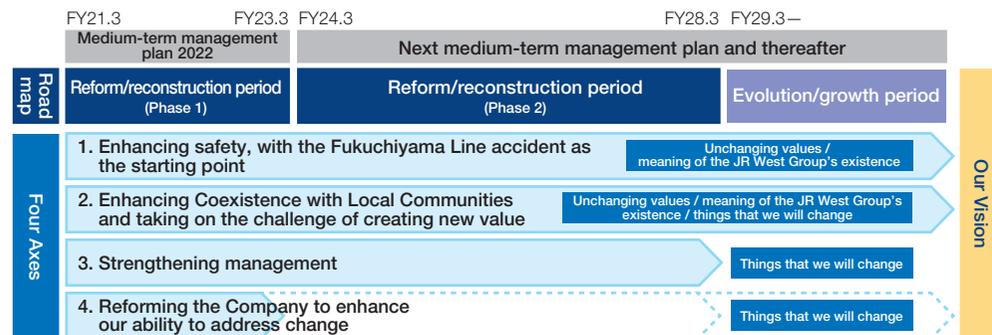


Strategy

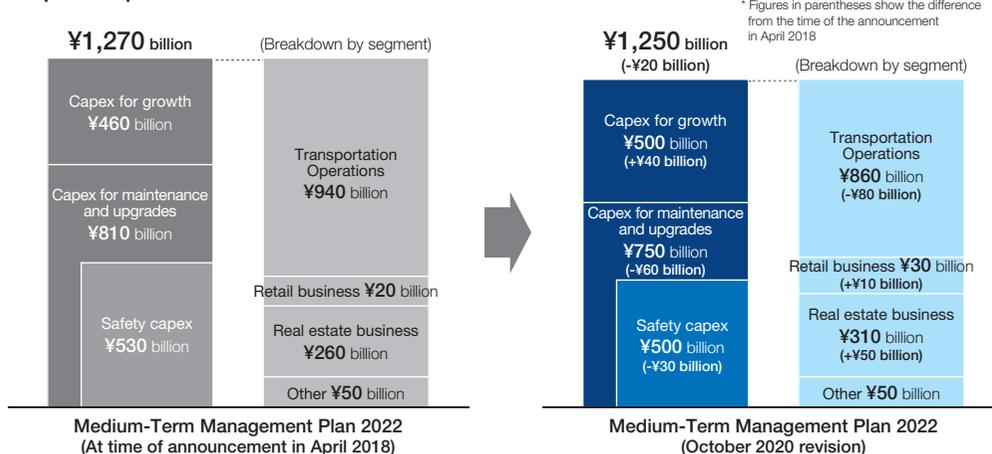
Revision of the JR-West Group Medium-Term Management Plan 2022

Operating Environment Changes and Future Strategic Direction

Operating Environment Changes and Assumptions	<ul style="list-style-type: none"> ✓ Dramatic changes in the external environment due to the spread of the novel coronavirus infection (changes in behavior, such as telework and online meetings; diversification of values) ✓ We are assuming transportation revenues, our mainstay, will return only to approximately 90% of the level before the coronavirus. ✓ Focusing on the circumstances regarding the resolution of the coronavirus situation. Flexibly adding revisions to the medium-term management plan
Direction of revisions	<ul style="list-style-type: none"> ✓ Indication of our future direction, with consideration for our understanding of current circumstances, in which we cannot predict the details of the changes in society in the period after the coronavirus. (The period until the next medium-term management plan (FY2028.3) has been positioned as a time for reform and restoration.) ✓ Reconfirmation of our “unchanging values” and the “meaning of the JR West Group’s existence.” even in the midst of change. ✓ On that basis, our understanding of “things that we will change.” with the assumptions that the financial position will worsen and that usage will not return to the previous status.



Capital Expenditure Plan

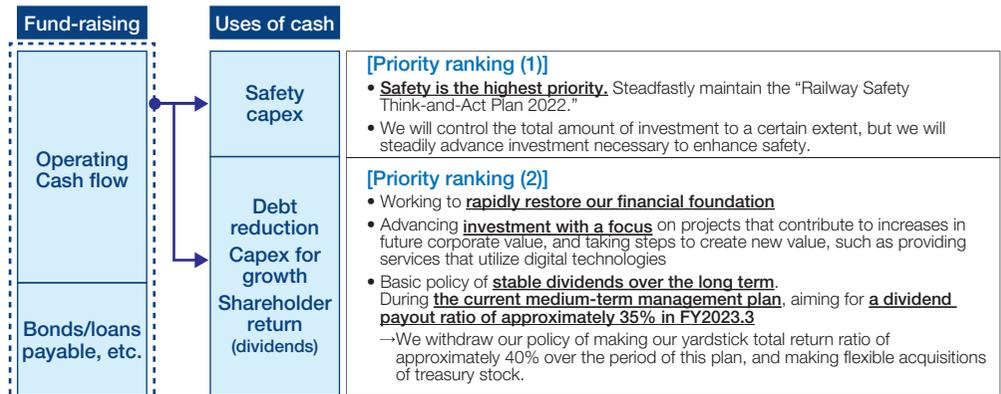


Financial Strategy

Financial Foundation Recovery

○ **At the end of the reform/reconstruction period (end of FY2028.3), aim for recovery to D/E ratio of approximately 1 time.**

Priority ranking for uses of cash (~ FY2028.3)



* Anticipated uses of cash to FY2028.3

* In regard to the reform/restoration period (phase 2), while taking this policy into account, we will consider this once again in conjunction with specific plan formulated with next medium-term management plan.

Business Performance Targets

	Results for FY2018.3	Objectives for FY2023.3 (As of April 2018)	Objectives for FY2023.3 (October 2020 revision)
Operating Revenues	1,500.4	1,630.0	1,450.0
Transportation	950.8	977.5	855.0
Retail business	239.8	281.0	230.0
Real estate business	139.6	168.5	185.0
Other	170.0	203.0	180.0
Operating Income	191.3	210.0	140.0
Transportation	130.3	139.5	83.0
Retail business	7.2	10.0	5.0
Real estate business	35.7	41.5	39.0
Other	19.9	23.0	18.0
Recurring Profit	177.7	197.0	125.0
Profit attributable to owners of parent	110.4	128.0	80.0
Consolidated EBITDA*	356.1	400.0	330.0
Consolidated ROA	6.3%	Mid-6% range	Approx. 4%
(Reference) Consolidated ROE	11.3%	Approx. 10%	Approx. 9%
Transportation revenues	867.8	890.0	775.0

* EBITDA = Operating Income + Depreciation Expense + Amortization of goodwill