IR Meeting (FY2015/3 2Q)

JR-WEST

Results for the first half ended September 30, 2014 and Future Initiatives

October 31, 2014

West Japan Railway Company

Contents

Ⅰ. Results for the first half and Forecasts for FY2015/3

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- I am Nobutoshi Nikaido, general manager of the finance department.

- I would like to explain the results for the first six months of the fiscal year ending March 2015 (FY2015/3) and the forecasts for FY2015/3, which were announced on October 29.

Financial Highlights

JR-WEST

¥Billions

	6 months ended Sep 30, 2013	6 months ended Sep 30, 2014	YoY		Results FY2014/3	Forecasts FY2015/3		YoY		Difference between the forecasts Increase/(Decrease)
			Increase/(Decrease)	%		As of July 30	As of Oct 29	Increase/(Decrease)	%	
	A	B	B-A	1-B/A	C	D	E	E-C	1-E/C	E−D
【Consolidated】										
Operating Revenues	642.1	651.5	9.3	1.5	1,331.0	1,319.5	1,330.0	(1.0)	(0.1)	10.5
Operating Income	74.8	82.1	7.3	9.8	134.5	117.5	124.0	(10.5)	(7.9)	6.5
Recurring Profit	61.5	72.4	10.9	17.7	112.9	98.5	105.0	(7.9)	(7.0)	6.5
Net Income	36.8	54.4	17.5	47.6	65.6	58.5	65.5	(0.1)	(0.2)	7.0
【Non-Consolidated】										
Operating Revenues	433.5	440.7	7.1	1.6	873.6	874.5	881.0	7.3	0.8	6.5
Transportation Revenues	388.6	394.8	6.2	1.6	780.6	781.5	788.0	7.3	0.9	6.5
Operating Expenses	371.2	371.5	0.3	0.1	771.8	779.5	779.5	7.6	1.0	—
Personnel costs	117.2	116.9	(0.2)	(0.2)	235.4	233.0	233.0	(2.4)	(1.1)	—
Non personnel costs	161.3	166.2	4.9	3.1	351.6	369.0	369.0	17.3	4.9	—
Energy costs	21.4	22.7	1.2	5.9	43.1	46.5	46.5	3.3	7.9	—
Maintenance costs	59.9	62.0	2.1	3.5	139.0	146.5	146.5	7.4	5.4	—
Miscellaneous costs	79.9	81.5	1.5	1.9	169.5	176.0	176.0	6.4	3.8	—
Depreciation	62.8	61.1	(1.6)	(2.6)	129.3	127.0	127.0	(2.3)	(1.8)	—
Operating Income	62.3	69.1	6.8	11.0	101.7	95.0	101.5	(0.2)	(0.3)	6.5
Recurring Profit	49.6	57.5	7.9	15.9	79.9	75.0	81.5	1.5	1.9	6.5
Net Income	30.4	39.0	8.5	28.2	48.6	43.0	50.0	1.3	2.7	7.0

Note: Figures in brackets ( ) are negative values.

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- First, please look at page 3. This page shows financial highlights, specifically our results for the first six months of FY2015/3 and the full-year forecasts for FY2015/3.

- In the first half of the fiscal year, transportation revenues were favorable, and we also recorded increased revenues in other businesses, in part because DAITETSU KOGYO CO., LTD., became a subsidiary. On the other hand, in the retail business revenues were lower due primarily to the closure of a department store for renovation. Nonetheless, due to the revenue gains, our operating revenues increased on both a consolidated and a non-consolidated basis. On a non-consolidated basis, revenues increased while expenses were basically unchanged from the previous year, and profits increased. As a result profits rose on a consolidated basis.

- In consideration of the situation in the first half of the fiscal year, we implemented upward revisions to our forecasts for the full fiscal year on both a consolidated and a non-consolidated basis.

Non-Consolidated Financial Results

JR-WEST

¥Billions

	6 months ended Sep 30, 2013 A	6 months ended Sep 30, 2014 B	YoY Increase/(Decrease) B-A	YoY % 1-B/A
Operating Revenues	433.5	440.7	7.1	1.6
Transportation revenues	388.6	394.8	6.2	1.6
Other	44.9	45.8	0.8	2.0
Operating Expenses	371.2	371.5	0.3	0.1
Personnel costs	117.2	116.9	(0.2)	(0.2)
Non personnel costs	161.3	166.2	4.9	3.1
Energy costs	21.4	22.7	1.2	5.9
Maintenance costs	59.9	62.0	2.1	3.5
Miscellaneous costs	79.9	81.5	1.5	1.9
Rental payments, etc.	11.8	9.2	(2.6)	(22.5)
Taxes	17.9	17.8	(0.0)	(0.2)
Depreciation	62.8	61.1	(1.6)	(2.6)
Operating Income	62.3	69.1	6.8	11.0
Non-operating revenues and expenses	(12.6)	(11.6)	1.0	(8.5)
Non-operating revenues	1.5	1.5	(0.0)	—
Non-operating expenses	14.2	13.1	(1.0)	—
Recurring Profit	49.6	57.5	7.9	15.9
Extraordinary profit and loss, net	(0.3)	(2.7)	(2.3)	—
Extraordinary profit	3.0	3.7	0.7	—
Extraordinary loss	3.3	6.4	3.0	—
Net Income	30.4	39.0	8.5	28.2

Note: Figures in brackets ( ) are negative values.

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- Next, please look at page 4 for our non-consolidated financial results. In the first six months, transportation revenues increased. On the other hand, looking at operating expenses, certain non-personnel costs increased. Nonetheless, the lease period for the Kosei Line ended and depreciation progressed. Overall, operating expenses were basically unchanged year on year, and as a result operating income increased.

- Of note in the period under review was the fact that restoration expenses were recorded on account of the disaster damage on the San-in and Yamaguchi lines in the previous year, and consequently extraordinary loss, net, increased ¥2.5 billion.

- Moreover, as described in a previous notice, the golf business was transferred to Accordia Golf Co., Ltd., on October 1, and this will have an effect on interim net income. Accordingly, the processing of past losses had the effect of reducing income taxes-deferred by ¥3.4 billion.

- Our results in this period reflect the influence of a variety of measures, such as past disaster reconstruction as well as past loss processing related to the golf business.

- Accompanying the transfer of the golf business, the return of deposits led to a cash outflow of about ¥7.0 billion on a consolidated basis.

Major Factors of Increase/Decrease in Transportation Revenues

¥Billions

Results for 6 months ended Sep 30, 2014					
Transportation revenues		YoY Increase/(Decrease) Amount	YoY Increase/(Decrease) %	Major factors	Amount
Shinkansen	184.6	3.4	1.9	Fundamentals 1.5%	2.7
				Special factors	
				Expanding revenue via the internet	0.5
				Seniors demand	0.2
				USJ	0.2
				Inbound demand	0.1
				One fewer three-day holiday	(0.6)
				etc.	
Kansai Urban Area (Kyoto-Osaka-Kobe Area)	148.0	2.0	1.4	Fundamentals 1.0%	1.4
				Special factors	
				Inbound demand	0.3
				New large commercial buildings	0.3
				One fewer three-day holiday	(0.1)
				etc.	
Other lines	62.1	0.7	1.2	Fundamentals 1.4%	0.8
				Special factors	
				One fewer three-day holiday	(0.1)
				etc.	
Conventional lines	210.2	2.7	1.3		
Total	394.8	6.2	1.6		

Note: Revenues from luggage transportation are omitted due to the small amount.
Figures in brackets( ) are negative values.

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- Next, page 5 explains the major factors of increase/decrease in transportation revenues.

- Transportation revenues in the first six months were up ¥6.2 billion year on year, to ¥394.8 billion. Shinkansen revenues were up ¥3.4 billion, Kansai Urban Area revenues rose ¥2.0 billion, and revenues on other conventional lines were up ¥0.7 billion.

- In the first six months, there was considerable concern about the reaction to the consumption tax hike, but the influence did not last as long as had been expected. In addition, economic conditions were comparatively robust.

- To make the most of these favorable business conditions, we worked to revise timetables and increase sales of various Shinkansen tickets through the Internet. These factors also contributed to our results.

Transportation Revenues and Passenger-Kilometers

JR-WEST

Transportation Revenues

¥Billions

	Results for 6 months ended Sep 30 (4/1～9/30)			3 months (2Q) (7/1～9/30)		
	FY2014/3	FY2015/3	YoY	FY2014/3	FY2015/3	YoY
Total	388.6	394.8	6.2 1.6%	200.4	204.0	3.5 1.8%
Shinkansen	181.1	184.6	3.4 1.9%	94.4	96.2	1.8 2.0%
Commuter Passes	4.6	4.6	0.0 0.0%	2.3	2.2	(0.0) (2.6%)
Non-Commuter Passes	176.4	179.9	3.4 2.0%	92.0	93.9	1.9 2.1%
Conventional Lines	207.4	210.2	2.7 1.3%	106.0	107.7	1.7 1.6%
Commuter Passes	71.6	72.4	0.7 1.0%	35.5	35.9	0.4 1.1%
Non-Commuter Passes	135.8	137.8	2.0 1.5%	70.4	71.7	1.3 1.9%
Kansai Urban Area (Kyoto-Osaka-Kobe Area)	146.0	148.0	2.0 1.4%	73.6	74.9	1.3 1.8%
Commuter Passes	57.8	58.4	0.6 1.1%	28.7	29.1	0.4 1.5%
Non-Commuter Passes	88.1	89.6	1.4 1.6%	44.9	45.7	0.8 2.0%
Other Lines	61.4	62.1	0.7 1.2%	32.3	32.8	0.4 1.4%
Commuter Passes	13.8	13.9	0.1 0.7%	6.8	6.8	(0.0) (0.2%)
Non-Commuter Passes	47.6	48.2	0.6 1.3%	25.5	25.9	0.4 1.8%

Passenger-Kilometers

Millions of passenger-kilometers

	Results for 6 months ended Sep 30 (4/1～9/30)			3 months (2Q) (7/1～9/30)		
	FY2014/3	FY2015/3	YoY	FY2014/3	FY2015/3	YoY
Total	27,941	28,027	86 0.3%	14,275	14,343	68 0.5%
Shinkansen	8,722	8,885	163 1.9%	4,584	4,680	96 2.1%
Commuter Passes	380	371	(8) (2.4%)	190	191	1 0.9%
Non-Commuter Passes	8,341	8,513	172 2.1%	4,394	4,488	94 2.2%
Conventional Lines	19,219	19,142	(77) (0.4%)	9,691	9,663	(28) (0.3%)
Commuter Passes	11,760	11,551	(208) (1.8%)	5,762	5,643	(119) (2.1%)
Non-Commuter Passes	7,458	7,590	131 1.8%	3,928	4,020	91 2.3%
Kansai Urban Area (Kyoto-Osaka-Kobe Area)	14,565	14,519	(46) (0.3%)	7,279	7,268	(11) (0.2%)
Commuter Passes	9,487	9,360	(127) (1.3%)	4,659	4,587	(72) (1.5%)
Non-Commuter Passes	5,077	5,159	81 1.6%	2,620	2,681	60 2.3%
Other Lines	4,653	4,622	(31) (0.7%)	2,411	2,394	(17) (0.7%)
Commuter Passes	2,272	2,191	(81) (3.6%)	1,103	1,055	(47) (4.3%)
Non-Commuter Passes	2,380	2,431	50 2.1%	1,308	1,338	30 2.3%

Note: Figures in brackets ( ) are negative values.

Major Factors of Increase/Decrease in Operating Expenses (Non-consolidated)

¥ Billions

Item	Results for 6 months ended Sep 30, 2014	YoY Increase/(Decrease)	YoY %	Major factors
Personnel costs	116.9	(0.2)	(0.2)	· Decrease in retirement allowance (2.0) · Increase in the rate of health insurance and employees' pension insurance +0.6, etc.
Energy costs	22.7	1.2	5.9	· Rise in fuel costs and renewable energy power promotion surcharge +1.3, etc.
Maintenance costs	62.0	2.1	3.5	· Rise in construction unit price +1.3 · Preparation costs for the opening of the Kanazawa segment of the Hokuriku Shinkansen +0.0, etc.
Miscellaneous costs	81.5	1.5	1.9	· Increase in payments for other JR companies +0.5 · Preparation costs for the opening of the Kanazawa segment of the Hokuriku Shinkansen +0.4 · Increase in system related costs +0.3, etc.
Rental Payments, etc	9.2	(2.6)	(22.5)	· Termination of the lease period for Kosei Line (2.7), etc.
Taxes	17.8	(0.0)	(0.2)	
Depreciation and amortization	61.1	(1.6)	(2.6)	· Preparation costs for the opening of the Kanazawa segment of the Hokuriku Shinkansen +0.3 · Progress of depreciation and amortization, etc.
Total	371.5	0.3	0.1	

Note: Figures in brackets ( ) are negative values.

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- Page 7 shows operating expenses on a non-consolidated basis.

- Overall, operating expenses increased slightly. Due to the influence of such factors as the depreciation of the yen and rising fuel expenses, energy costs increased ¥1.2 billion, which was within the scope of forecasts at the beginning of the period. In addition, due in part to higher construction unit prices, maintenance costs rose ¥2.1 billion, which was also within the scope of forecasts at the beginning of the period. Miscellaneous costs also increased, due in part to higher electricity expenses and to a certain amount of progress in preparations for the opening of the Hokuriku Shinkansen.

- On the other hand, the lease period for the Kosei Line ended, and rental payments declined. In addition, asset depreciation continued to progress. Overall, these factors led to the slight increase in operating expenses.

Consolidated Financial Results

¥Billions

	6 months ended Sep 30, 2013 A	6 months ended Sep 30, 2014 B	YoY Increase/(Decrease) B-A	YoY % 1-B/A
Operating Revenues	642.1	651.5	9.3	1.5
Operating Expenses	567.3	569.3	2.0	0.4
Operating Income	74.8	82.1	7.3	9.8
Non-operating revenues and expenses	(13.2)	(9.7)	3.5	(26.8)
Non-operating revenues	1.5	3.7	2.1	−
Non-operating expenses	14.8	13.4	(1.4)	−
Recurring Profit	61.5	72.4	10.9	17.7
Extraordinary profit and loss, net	(0.5)	3.1	3.7	−
Extraordinary profit	3.3	10.9	7.6	−
Extraordinary loss	3.9	7.7	3.8	−
Net Income	36.8	54.4	17.5	47.6
Comprehensive Income	*38.3*	*55.5*	*17.2*	*44.9*

Note: Figures in brackets ( ) are negative values.

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- Next, please refer to page 8, which shows our consolidated financial results.

- Operating revenues rose ¥9.3 billion, to ¥651.5 billion, owing to favorable non-consolidated transportation revenues and to higher revenues in other businesses, which were due in part to DAITETSU KOGYO becoming a subsidiary.

- Operating expenses rose ¥2.0 billion, to ¥569.3 billion, due in part to higher expenses associated with increased revenues. Consequently, operating income increased ¥7.3 billion, to ¥82.1 billion.

- As indicated at the announcement of the first quarter results, when DAITETSU KOGYO became a subsidiary a total of ¥7.3 billion was recorded in non-operating revenues and in extraordinary profits (gain on negative goodwill).

Consolidated Financial Results (Segment Information)

¥ Billions

	6 months ended Sep 30, 2013 A	6 months ended Sep 30, 2014 B	YoY Increase/(Decrease) B-A	YoY % 1-B/A
Operating Revenues*1	642.1	651.5	9.3	1.5
Transportation	422.3	429.3	6.9	1.7
Retail	116.8	111.3	(5.5)	(4.7)
Sales of goods and food services	68.2	65.9	(2.2)	(3.4)
Department Stores	43.8	41.1	(2.7)	(6.2)
Real estate	42.8	42.9	0.1	0.3
Shopping center	27.3	24.9	(2.4)	(8.9)
Real estate lease and sale*3	14.6 【0.9】	17.1 【2.7】	2.4	16.8
Other businesses	60.2	68.0	7.8	13.0
Hotel	16.2	16.7	0.5	3.3
Nippon Travel Agency	18.3	19.5	1.1	6.4
Operating Income*2	74.8	82.1	7.3	9.8
Transportation	57.1	63.1	5.9	10.4
Retail	2.0	1.9	(0.0)	(3.9)
Sales of goods and food services	2.4	2.7	0.2	8.8
Department stores	(0.6)	(0.9)	(0.3)	-
Real estate	12.2	14.0	1.8	14.8
Shopping center	4.3	3.8	(0.5)	(12.1)
Real estate lease and sale	3.3	5.0	1.6	49.5
Other businesses	2.5	2.2	(0.2)	(10.5)
Hotel	0.9	0.8	(0.1)	(14.9)
Nippon Travel Agency	(0.2)	(0.2)	(0.0)	-

Note: Figures in brackets ( ) are negative values.

*1 Operating revenues are the revenues from third parties (= customers).
The breakdowns of operating revenues by each segment are the sums of revenues of major subsidiaries.

*2 The breakdowns of operating income by each segment are the sums of incomes of major subsidiaries before eliminating internal transactions.

*3 Figures in brackets【 】are the sales of condominiums. (Revenues from third parties) (Included in Real estate lease and sale)

9

- Next, page 9 shows financial results by segment.

- In the retail business, due to obstacles regarding construction that is currently underway in such locations as Shin-Osaka Station, and to department store renovation work in Osaka, revenues were down ¥5.5 billion. On the other hand, expenses for the opening of a budget hotel, which are included in the retail business, were recorded in the previous year but not in the current year, and as a result the decline in operating income was limited to a relatively small amount.

- In the real estate business, shopping center renewal construction had an adverse influence, but the number of condominium units sold increased year on year, and as a result operating revenues increased ¥0.1 billion. In expenses, depreciation was recorded for Osaka Station City. As a result of this and other factors, operating income was up ¥1.8 billion.

- The other businesses segment includes the travel, hotel, and construction businesses. In the travel and hotel businesses, travel demand was firm, and in the construction business, a company was newly consolidated. As a result, operating revenues increased ¥7.8 billion. On the other hand, accompanying the increase in revenues, expenses also increased, and operating income was about the same as in the previous year.

Non-Consolidated Financial Forecasts

JR-WEST

¥Billions

	Results FY2014/3 A	Forecasts FY2015/3 As of July 30 B	Forecasts FY2015/3 As of Oct 29 C	YoY Increase/(Decrease) C-A	YoY % 1-C/A	Difference between the forecasts Increase/(Decrease) C-B
Operating Revenues	873.6	874.5	881.0	7.3	0.8	6.5
Transportation revenues	780.6	781.5	788.0	7.3	0.9	6.5
Other	93.0	93.0	93.0	(0.0)	(0.0)	–
Operating Expenses	771.8	779.5	779.5	7.6	1.0	–
Personnel costs	235.4	233.0	233.0	(2.4)	(1.1)	–
Non personnel costs	351.6	369.0	369.0	17.3	4.9	–
Energy costs	43.1	46.5	46.5	3.3	7.9	–
Maintenance costs	139.0	146.5	146.5	7.4	5.4	–
Miscellaneous costs	169.5	176.0	176.0	6.4	3.8	–
Rental payments, etc.	23.6	18.5	18.5	(5.1)	(21.7)	–
Taxes	31.6	32.0	32.0	0.3	1.0	–
Depreciation	129.3	127.0	127.0	(2.3)	(1.8)	–
Operating Income	101.7	95.0	101.5	(0.2)	(0.3)	6.5
Non-operating revenues and expenses	(21.7)	(20.0)	(20.0)	1.7	(8.2)	–
Non-operating revenues	6.5	6.6	6.6	0.0	–	–
Non-operating expenses	28.3	26.6	26.6	(1.7)	–	–
Recurring Profit	79.9	75.0	81.5	1.5	1.9	6.5
Extraordinary profit and loss, net	1.2	(8.5)	(8.5)	(9.7)	–	–
Extraordinary profit	23.8	–	–	–	–	–
Extraordinary loss	22.6	–	–	–	–	–
Net Income	48.6	43.0	50.0	1.3	2.7	7.0

Note: These financial forecasts do not incorporate income and expenses related to the start of operations on the Hokuriku Shinkansen (scheduled for March 14, 2015).
Figures in brackets ( ) are negative values.

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- Please see page 10.

- In regard to non-consolidated financial forecasts, with consideration for such factors as results in the first six months of the fiscal year and future economic trends, the forecast for operating revenues has been increased by ¥6.5 billion, to ¥881.0 billion. Operating expenses are basically in line with plans, and accordingly the forecast has been left unchanged at ¥779.5 billion. Consequently, the forecast for operating income has been increased by ¥6.5 billion, to ¥101.5 billion.

Transportation Revenue Forecasts

¥Billions

	Results FY2014/3 A	Forecasts FY2015/3 As of July 30 B	Forecasts FY2015/3 As of Oct 29 C	YoY Increase/(Decrease) C-A	YoY % 1-C/A	Difference between the forecasts Increase/(Decrease) C-B
Shinkansen	364.4	365.9	368.6	4.1	1.1	2.6
Kansai Urban Area (Kyoto-Osaka-Kobe Area)	292.1	292.1	294.6	2.4	0.8	2.4
Other lines	123.9	123.3	124.7	0.8	0.6	1.3
Conventional lines	416.1	415.5	419.3	3.2	0.8	3.8
Transportation revenues	780.6	781.5	788.0	7.3	0.9	6.5

Note: Revenues from luggage transportation are omitted due to the small amount.

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- Please see page 11.

- The full-year forecast for transportation revenues has been revised upward to ¥788.0 billion, an increase of ¥7.3 billion from the previous year and of ¥6.5 billion from the previous forecast.

- This represents a year-on-year increase of ¥1.1 billion in the second half of the fiscal year, which is a conservative figure in comparison with results in the first half.

- The reasons for this forecast are as follows. It reflects the fact that there are many indicators suggesting that the economy might possibly have entered a recession and consideration for the emergence of uncertain factors. Also, prior to the consumption tax hike, the second half of the previous fiscal year was an unusual business environment, with many people taking trips prior to the tax increase. As a result, our forecast for the second half of the current fiscal year represents the trend from the first half of FY2013/3 to the first half of FY2015/3. In addition, airlines are planning to increase flights on competing routes. Moreover, the forecast also incorporates the influence of the October typhoon.

- Of course, even in an uncertain environment such as this, we will steadily advance the various initiatives that supported our results in the first half in order to actively meet domestic tourism demand and demand from overseas visitors to Japan, which has been increasing in recent years. In these ways, we will strive to increase revenues, even just by a small amount.

Operating Expenses Forecasts (Non-Consolidated)

JR-WEST

¥Billions

Item	Forecasts FY2015/3	YoY Increase/(Decrease)	YoY %	Major factors (YoY)	Difference from the previous forecast Increase/(Decrease)
Personnel costs	233.0	(2.4)	(1.1)	· Decrease in retirement allowance · Change in the rate of health insurance and employees' pension insurance, etc.	–
Energy costs	46.5	3.3	7.9	· Preparation costs for the opening of the Kanazawa segment of the Hokuriku Shinkansen · Rise in fuel costs and renewable energy power promotion surcharge, etc.	–
Maintenance costs	146.5	7.4	5.4	· Preparation costs for the opening of the Kanazawa segment of the Hokuriku Shinkansen · Rise in construction unit price · Increase in testing cost of the gage change trains, etc.	–
Miscellaneous costs	176.0	6.4	3.8	· Preparation costs for the opening of the Kanazawa segment of the Hokuriku Shinkansen · Increase in system related costs · Rise in fuel costs and renewable energy power promotion surcharge, etc.	–
Rental Payments, etc	18.5	(5.1)	(21.7)	· Termination of the lease period for Kosei Line, etc.	–
Taxes	32.0	0.3	1.0	· Real estate acquisition tax, etc.	–
Depreciation and amortization	127.0	(2.3)	(1.8)	· Preparation costs for the opening of the Kanazawa segment of the Hokuriku Shinkansen · Progress of depreciation and amortization, etc.	–
Total	779.5	7.6	1.0		–

Note: Figures in brackets ( ) are negative values.

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- Page 12 explains the forecasts for operating expenses on a non-consolidated basis.

- The trend in operating expenses is basically in line with initial plans, and consequently there has been no change to the initial forecast.

- For the full fiscal year, we are forecasting an increase of ¥6.6 billion in expenses related to preparations for the opening of the Hokuriku Shinkansen. In particular, these preparations will be implemented on a full-scale basis in the second half. Accordingly, in comparison with the first half, operating expenses will increase in the second half.

Consolidated Financial Forecasts

¥Billions

	Results FY2014/3 A	Forecasts FY2015/3 As of July 30 B	Forecasts FY2015/3 As of Oct 29 C	YoY Increase/(Decrease) C-A	YoY % 1-C/A	Difference between the forecasts Increase/(Decrease) C-B
Operating Revenues	1,331.0	1,319.5	1,330.0	(1.0)	(0.1)	10.5
Operating Expenses	1,196.4	1,202.0	1,206.0	9.5	0.8	4.0
Operating Income	134.5	117.5	124.0	(10.5)	(7.9)	6.5
Non-operating revenues and expenses	(21.6)	(19.0)	(19.0)	2.6	(12.2)	–
Non-operating revenues	7.7	8.1	8.1	0.3	–	–
Non-operating expenses	29.4	27.1	27.1	(2.3)	–	–
Recurring Profit	112.9	98.5	105.0	(7.9)	(7.0)	6.5
Extraordinary profit and loss, net	(1.2)	(9.0)	(9.0)	(7.7)	–	–
Extraordinary profit	26.3	–	–	–	–	–
Extraordinary loss	27.6	–	–	–	–	–
Net Income	65.6	58.5	65.5	(0.1)	(0.2)	7.0
Net income per share(¥)	338.98	302.16	338.32	-	-	-

Note: Figures in brackets ( ) are negative values.

13

- Page 13 explains consolidated financial forecasts.

- In comparison with the previous forecasts, the forecast for operating revenues has been increased ¥10.5 billion, to ¥1,330.0 billion, the forecast for operating expenses has been increased ¥4.0 billion, to ¥1,206.0 billion, and the forecast for operating income has been increased ¥6.5 billion, to ¥124.0 billion.

- In addition to the upward revisions in the forecasts for non-consolidated operating revenues and income, the forecast for revenues in the construction and other businesses was revised upward by ¥4.0 billion due to the expectation that new orders will be received in the current fiscal year.

Consolidated Financial Forecasts (Segment Information)

¥ Billions

	Results FY2014/3 A	Forecasts FY2015/3 As of July 30 B	Forecasts FY2015/3 As of Oct 29 C	YoY Increase/ (Decrease) C-A	YoY % 1-C/A	Difference between the forecasts Increase/ (Decrease) C-B
Operating Revenues*1	1,331.0	1,319.5	1,330.0	(1.0)	(0.1)	10.5
Transportation	851.3	852.8	859.3	7.9	0.9	6.5
Retail	240.1	214.3	214.3	(25.8)	(10.8)	-
Sales of goods and food services	135.1	129.8	129.8	(5.3)	(4.0)	-
Department Stores	94.5	76.0	76.0	(18.5)	(19.6)	-
Real estate	102.2	89.2	89.2	(13.0)	(12.8)	-
Shopping center	53.5	50.0	50.0	(3.5)	(6.6)	-
Real estate lease and sale*3	47.1 【19.1】	37.5 【8.1】	37.5 【8.1】	(9.6)	(20.4)	-
Other businesses	137.1	163.2	167.2	30.0	21.9	4.0
Hotel	33.4	34.1	34.1	0.6	2.0	-
Nippon Travel Agency	41.5	41.8	41.8	0.2	0.6	-
Operating Income*2	134.5	117.5	124.0	(10.5)	(7.9)	6.5
Transportation	91.0	83.8	90.3	(0.7)	(0.8)	6.5
Retail	4.4	1.0	1.0	(3.4)	(77.4)	-
Real estate	27.7	23.7	23.7	(4.0)	(14.7)	-
Other businesses	11.8	9.5	9.5	(2.3)	(19.9)	-

Note: Figures in brackets ( ) are negative values.

*1 Operating revenues are the revenues from third parties (= customers).

The breakdowns of operating revenues by each segment are the sums of revenues of major subsidiaries.

*2 The breakdowns of operating income by each segment are the sums of incomes of major subsidiaries before eliminating internal transactions.

*3 Figures in brackets 【 】 are the sales of condominiums. (Revenues from third parties) (Included in Real estate lease and sale)

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- Please see page 14.

- As I mentioned, in operating revenues we have increased the forecasts for transportation revenues by ¥6.5 billion and for construction business revenues by ¥4.0 billion.

- This has been a brief overview of our results and forecasts, and at this point I will conclude my portion of today's presentation.

Consolidated Financial Situation and Statements of Cash Flows

JR-WEST

¥Billions

	As of March 31, 2014 A	As of Sep 30, 2014 B	Difference increase/(decrease) B-A
Assets	2,687.8	2,695.5	7.6
Liabilities	1,880.5	1,856.8	(23.7)
Net assets	807.3	838.7	31.3
Balance of Long-term Debt and Payables	980.7	976.0	(4.7)
【Average interest rate(%)】	【2.63】	【2.57】	【(0.06)】
Shinkansen Purchase Liability	205.1	189.4	(15.7)
【Average interest rate(%)】	【5.85】	【5.92】	【0.07】
Bonds	459.9	469.9	10.0
【Average interest rate(%)】	【2.08】	【2.07】	【(0.01)】
Equity ratio (%)	29.2	29.5	0.3
Net assets per share (¥)	4,048.31	4,107.65	59.34

	6 months ended Sep 30, 2013 A	6 months ended Sep 30,2014 B	YoY increase/(decrease) B-A
Cash flows from operating activities	69.6	61.7	(7.8)
Cash flows from investing activities	(60.2)	(77.9)	(17.6)
Free cash flows	9.3	(16.1)	(25.5)
Cash flows from financing activities	(13.2)	(10.1)	3.0
Change in cash and cash equivalents, net	(3.8)	(26.3)	(22.4)
Cash and cash equivalents at the end of the period	44.5	46.6	2.0

Note: Figures in brackets ( ) are negative values.

Other Data

Persons, ¥Billions

	6 months ended Sep 30, 2013	6 months ended Sep 30, 2014	Results FY2014/3	Forecasts FY2015/3 As of Oct 29
ROA (%, Consolidated)	2.9	3.1	5.1	4.5
ROE (%, Consolidated)	4.9	6.9	8.6	8.3
EBITDA (Consolidated) *1	149.8	154.4	288.4	276.0
Depreciation (Consolidated)	75.0	72.2	153.9	152.0
Capital Expenditures (Consolidated, own fund)	46.2	73.7	166.7	224.0
Capital Expenditures (Non-consolidated, own fund)	37.3	58.3	144.5	188.0
Safety related capital expenditure	24.0	22.4	89.3	90.0
Dividends per share (¥)	55	60	115	120

*1 EBITDA = Operating Income ＋ Depreciation

	6 months ended Sep 30, 2013		6 months ended Sep 30, 2014		Results FY2014/3		Forecasts FY2015/3 As of Oct 29	
	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated
No. of employees at the end of period	46,127	27,370	48,203	27,362	46,006	27,300	-	-
Financial Expenses, net	(13.8)	(13.1)	(12.5)	(12.1)	(27.5)	(26.3)	(25.5)	(24.5)
Interest and dividend income	0.3	0.9	0.5	0.9	0.5	1.4	0.5	1.4
Interest expenses	14.1	14.0	13.0	13.0	28.0	27.8	26.0	26.0

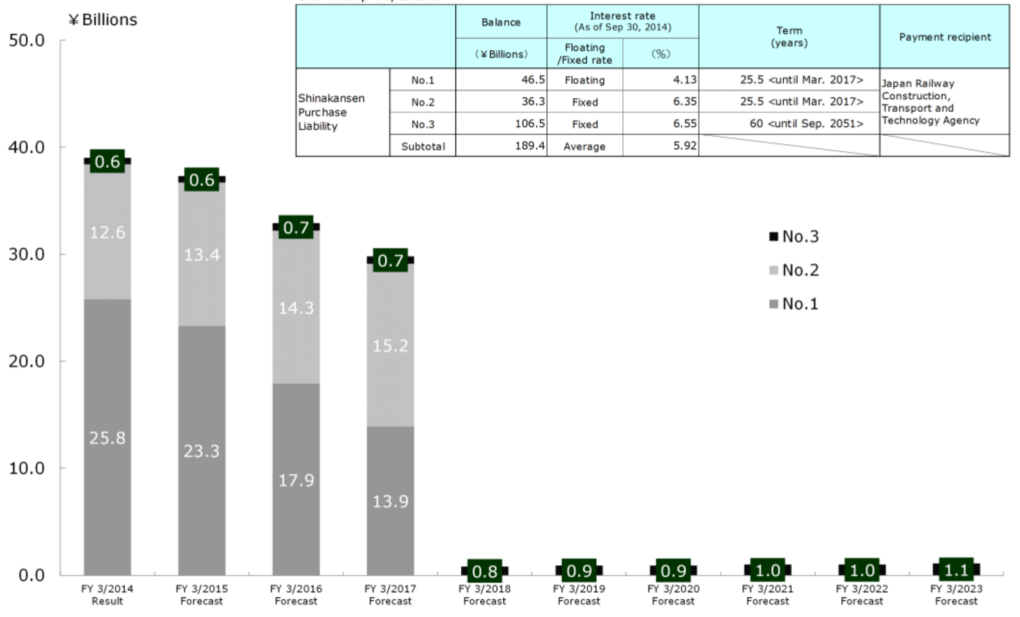
Note: Figures in brackets ( ) are negative values.

Redemption Plan of Shinkansen Purchase Liability

JR-WEST

【As of Sep 30, 2014】

		Balance	Interest rate (As of Sep 30, 2014)		Term (years)	Payment recipient
		(¥Billions)	Floating /Fixed rate	(%)		
Shinkansen Purchase Liability	No.1	46.5	Floating	4.13	25.5 <until Mar. 2017>	Japan Railway Construction, Transport and Technology Agency
	No.2	36.3	Fixed	6.35	25.5 <until Mar. 2017>	
	No.3	106.5	Fixed	6.55	60 <until Sep. 2051>	
	Subtotal	189.4	Average	5.92		



Ⅱ. Future Initiatives

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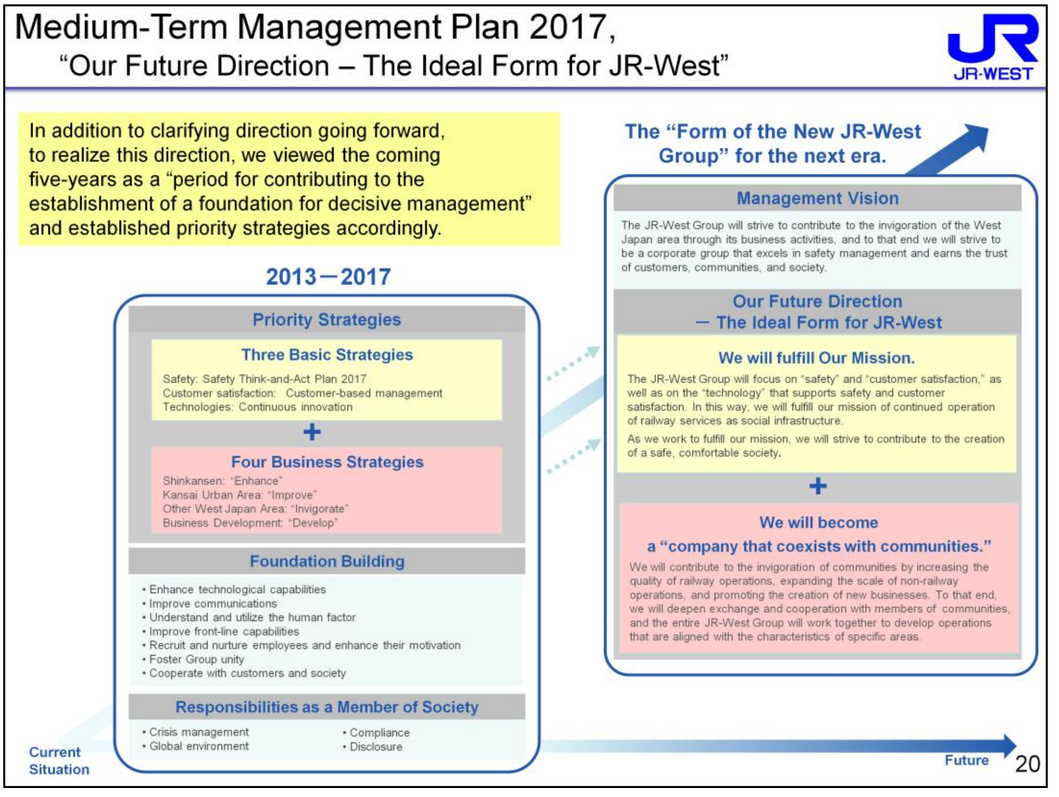
- I am Tatsuo Kijima, vice president of JR-West.
- I will explain the topics covered on page 20 and subsequent pages.

1. Medium-Term Management Plan 2017, and Summary of Results for the first half and Forecasts for FY2015/3



- I will discuss the initiatives that we will implement in consideration of our results in the first half. First, page 20 shows our management policies.

- In March 2013, we released the JR-West Group Medium-Term Management Plan 2017. This indicates our future direction over the medium-term, that is, the next five years, as well as our priority strategies and objectives. Currently, we are in the second year of the plan.

- We are now taking concrete steps to advance these strategies and planned initiatives. In the first half of the fiscal year, we saw some of the results of these initiatives. In addition, in the following pages I will also discuss initiatives that we will implement going forward.

Summary of Results for the first half and Forecasts for FY2015/3

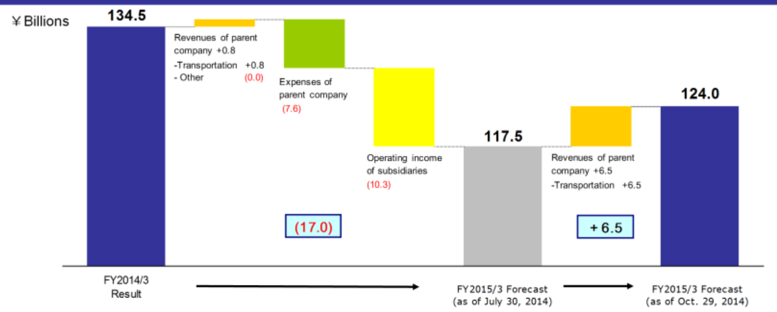
JR-WEST

Consolidated Financial Results and Forecasts

¥Billions

	First Half of FY2015/3 Results	YoY Increase/(Decrease)		FY2015/3 Forecasts					
				As of 7/30	As of 10/29	Difference from the previous forecast Increase/(Decrease)		YoY Increase/(Decrease)	
		Amount	%			Amount	%	Amount	%
Operating Revenues	651.5	9.3	1.5	1,319.5	1,330.0	10.5	0.8	(1.0)	(0.1)
Operaing Expenses	569.3	2.0	0.4	1,202.0	1,206.0	4.0	0.3	9.5	0.8
Operating Income	82.1	7.3	9.8	117.5	124.0	6.5	5.5	(10.5)	(7.9)
Recurring Profit	72.4	10.9	17.7	98.5	105.0	6.5	6.6	(7.9)	(7.0)
Net Income	54.4	17.5	47.6	58.5	65.5	7.0	12.0	(0.1)	(0.2)

Trend of consolidated operating income



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- The results that are shown on pages 21 and 22 were explained by the general manager of the finance department, so I will not go into details here. However, in the first half we recorded higher operating revenues and operating income on both consolidated and non-consolidated basis, and in consideration of those results, we made upward revisions to the full-year forecasts.

- On the other hand, we still expect income to decline on a full-year, consolidated basis due to a moderate forecast for revenues in the second half and to the recording of expenses in the second half in line with plans.

Major Factors of Increase/Decrease in Operating Income and Expenses

JR-WEST

Factors of Increase/Decrease in Operating Expenses (Transportation Operations)

¥ Billions

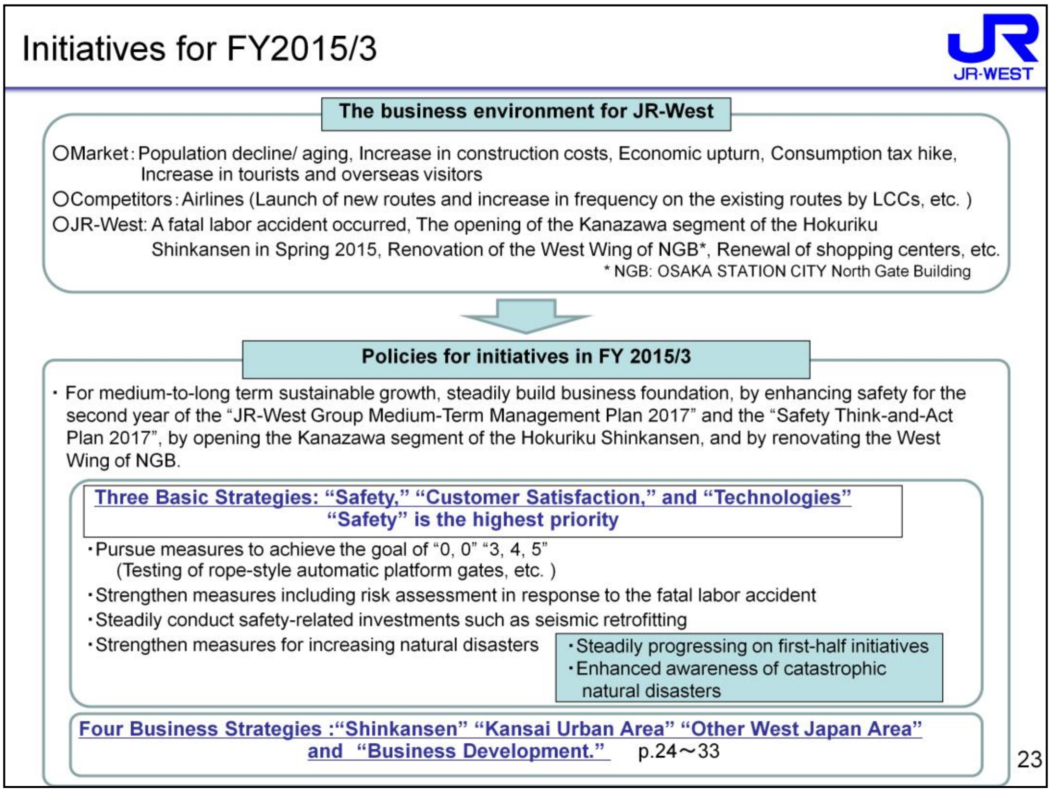
	Forecasts FY2015/3 (as of Oct. 29, 2014)		2Q Results
	YoY Increase/(Decrease)	Major Factors	YoY Increase/(Decrease)
Non-Consolidated	7.6	･Preparation costs for the opening of the Kanazawa segment of the Hokuriku Shinkansen +6.6 ･Rise in fuel costs and renewable energy power promotion surcharge +3.3 ･Rise in construction unit price +3.2, ･Termination of the lease period for Kosei Line (5.2), etc.	0.3

Factors of Increase/Decrease in Operating Revenues (Non-Transportation Operations)

¥ Billions

	Forecasts FY2015/3 (as of Oct. 29, 2014)*		2Q Results
	YoY Increase/(Decrease)	Major Factors	YoY Increase/(Decrease)
Retail	(25.8)	･Department stores (18.5) (JR Osaka Mitsukoshi Isetan (17.5) : Decrease due to renovation of the West Wing of the OSAKA STATION CITY North Gate Building, etc.) ･Sales of goods and food services (5.3) (Decrease due to renewal works accompanying station improvements (Shin-Osaka, Hiroshima, Kanazawa, etc.), etc.)	(5.5)
Real Estate	(13.0)	･Real estate lease and sale (9.6) (Decrease in sales of condominiums (11.0), etc.) ･Shopping center (3.5) (Decrease due to renewal works (Shin-Osaka, Kanazawa, etc.), etc.)	0.1
Other Businesses	30.0	･Construction business +28.1 (DAITETSU KOGYO and its subsidiary newly included in the scope of consolidation +41.0, Decrease in Hokuriku Shinkansen related construction works, etc.)	7.8

Note: Figures in brackets ( ) are negative values.
*[1] Operating revenues are the revenues from third parties (= customers).

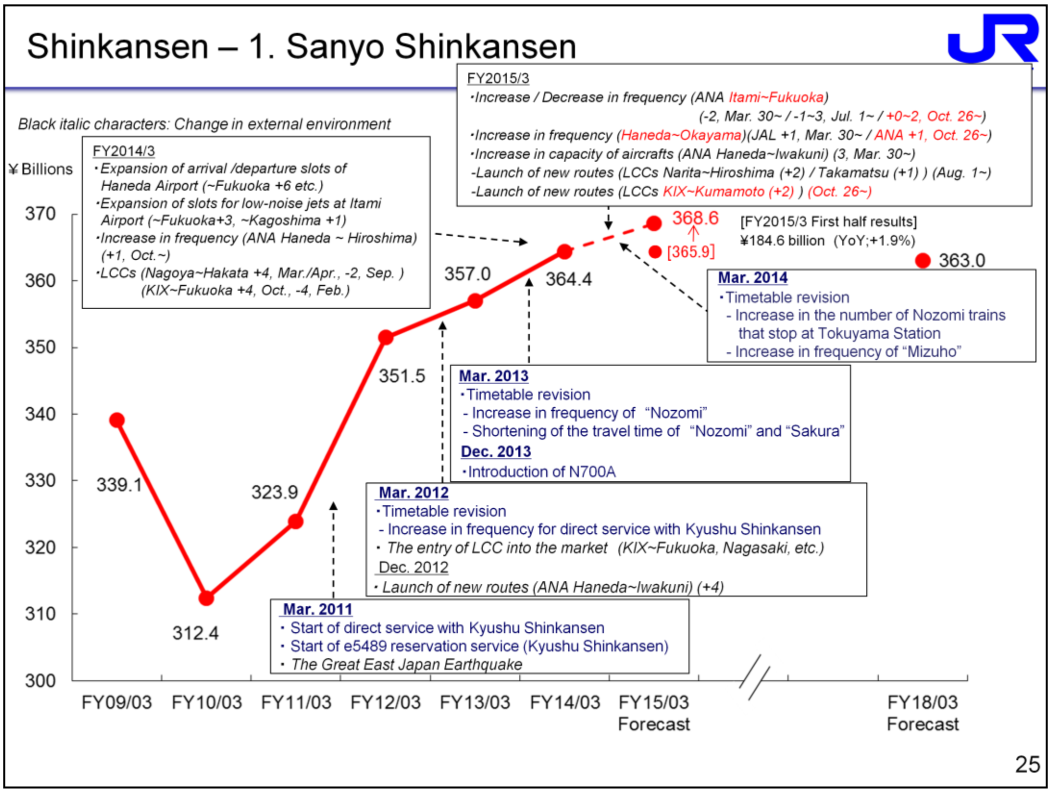


- We face a challenging situation, but as shown on page 23, our policy for the current fiscal year is to steadily build a business foundation for growth in FY2016/3 and thereafter. In recent years, the railway business has faced frequent and intense natural disasters, and we will continue working to improve safety. Moreover, our basic approach will be to increase revenues, even just by a small amount while implementing a variety of initiatives centered on the Shinkansen, the Kansai Urban Area, and Business Development.

2. Initiatives in each business strategy

～ Shinkansen, Kansai Urban Area,

Business Development (Non-Transportation business) ～



- Page 25 shows the situation with the Sanyo Shinkansen.

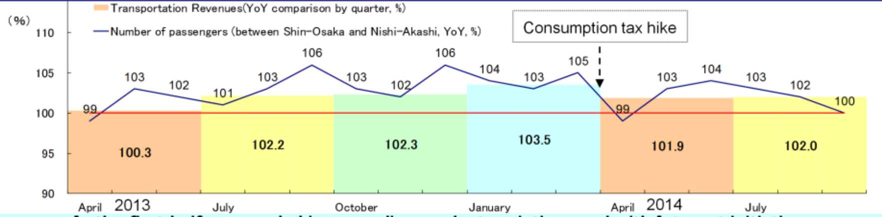
- In the first half, we reduced travel times and increased the frequency of service to the Tokyo metropolitan area and Kyushu with timetable revisions in March. In addition, we achieved results with initiatives to capture tourism demand among senior citizens as well as inbound demand. As a result, revenues increased ¥3.4 billion year on year.

- Future economic trends are unclear, and we also expect to see increases in airline flights on competing routes. In this setting, we will work to increase our competitiveness and promote tourism demand. In this way, we will strive to achieve transportation revenues of ¥368.6 billion.

Shinkansen – 2. Sanyo Shinkansen

JR-WEST

Monthly passenger volume and transportation revenue



In the first half, succeeded in expanding product variations and with Internet initiatives

⇒ In the second half, continue to strengthen competitiveness and cultivate demand for tourism

Heighten competitiveness

○Enhance safety and comfort

- Sequentially modificate 16 sets of N700 Series (~ FY2016/3)
- Expand areas in which mobile phones can be used: to Shin-Yamaguchi (within FY2015/3)

○Shorten the travel time and enhance frequency (Timetable revision in Mar. 2014)

- To and From Tokyo metropolitan area, increase the number of Nozomi trains stopping at Tokuyama
- To and From Kyushu, increase Mizuho service departures and have Mizuho service stop at Himeji
- Increase the number of Sakura trains stopping at Shin-Yamaguchi

○Enlarge membership of the highly convenient Internet reservation service

- Leverage appeal of the Express Reservation system and the e5489's convenience to acquire new members and retain business customers

○Enhance the product range (Pricing strategy)

- To and From Tokyo metropolitan area, continue sales of "Tokyo round-trip Super Haya-Toku" early discount tickets
- To and From Kyushu, continue sales of "Super Haya-Toku" early discount tickets

Stimulate tourism demand

○Sightseeing campaign

- "Wakayama Destination Campaign" (Sep. ~ Dec.)
- Pre-campaign for "Hokuriku Destination Campaign" "Japanese Beauty Hokuriku" (Oct. ~ Dec.)

○Stimulate seniors' travel demand

- Target members of organizations for seniors with discount products and special types of travel products linked with tourism campaigns

○Capture inbound demand

- Launch new products: "Tourist Pass" (Oct. ~)
  - For "Tokaido-Sanyo Shinkansen", available for Nozomi
  - For "Takayama-Hokuriku Area"
- Promote the establishment of products by making visits to travel agents in East and Southeast Asia

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- Page 26 shows specific initiatives that we will implement to secure revenues. On the left are measures to heighten competitiveness, and on the right are measures to stimulate tourism demand. Some of these items have already been announced, but by steadily implementing these measures, we will strive to achieve our objectives for this fiscal period, which have been revised upward. For individual measures, please refer to the materials.

- In particular, in March 2015 the Sanyo Shinkansen service to Hakata will mark its 40th anniversary. On this occasion, JR-West will strive to formulate initiatives that will promote further use of the Sanyo Shinkansen.

Shinkansen – 3. Hokuriku Shinkansen

JR-WEST

Released overview of Hokuriku Shinkansen

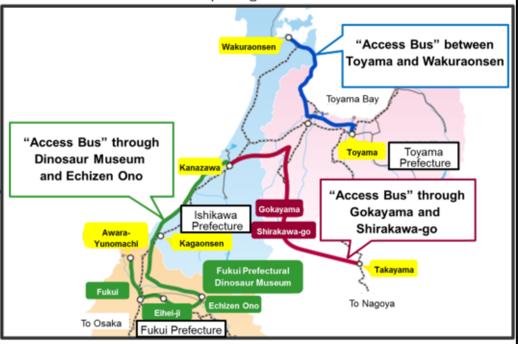
JR-West's service area	Joetsu Myoko ～ Kanazawa (approx.170km)
Beginning of operations	March 14, 2015
Travel time※1	・Kanazawa ～ Tokyo: 2h 28m(▲79m) ・Toyama ～ Tokyo: 2h 8m(▲63m)
Price※2	・Kanazawa ～ Tokyo: 14,120 yen ・Toyama ～ Tokyo: 12,730 yen
Service types	・Tokyo ～ Kanazawa (The fastest operation): "Kagayaki" 10 round trips ・Tokyo ～ Kanazawa (Stopping at most stations): "Hakutaka" 14 round trips ・Toyama ～ Kanazawa (Shuttle operation): "Tsurugi" 18 round trips ・Tokyo ～ Nagano (Corresponding to existing Nagano Shinkansen Service): "Asama" 16 round trips

※1 Travel time: Travel time of the fastest train. Shortened travel time is in comparison with fastest train service currently available.
※2 Price: Total amount of basic fare and reserved seat limited express surcharge for adult in normal season (filed a request for approval in October)

Initiatives to maximize opening effect

○Establishment of wide-area sightseeing route

・"Access Bus"
– Link with pre-campaign for "Hokuriku Destination Campaign" to establish three routes and create products
⇒ Refresh toward the opening of Hokuriku Shinkansen



・Sightseeing train on Nanao Line (Start on Oct. 2015)
– Link with "Access Bus" to promote the Kanazawa-Noto-Takaoka/Toyama triangular sightseeing route

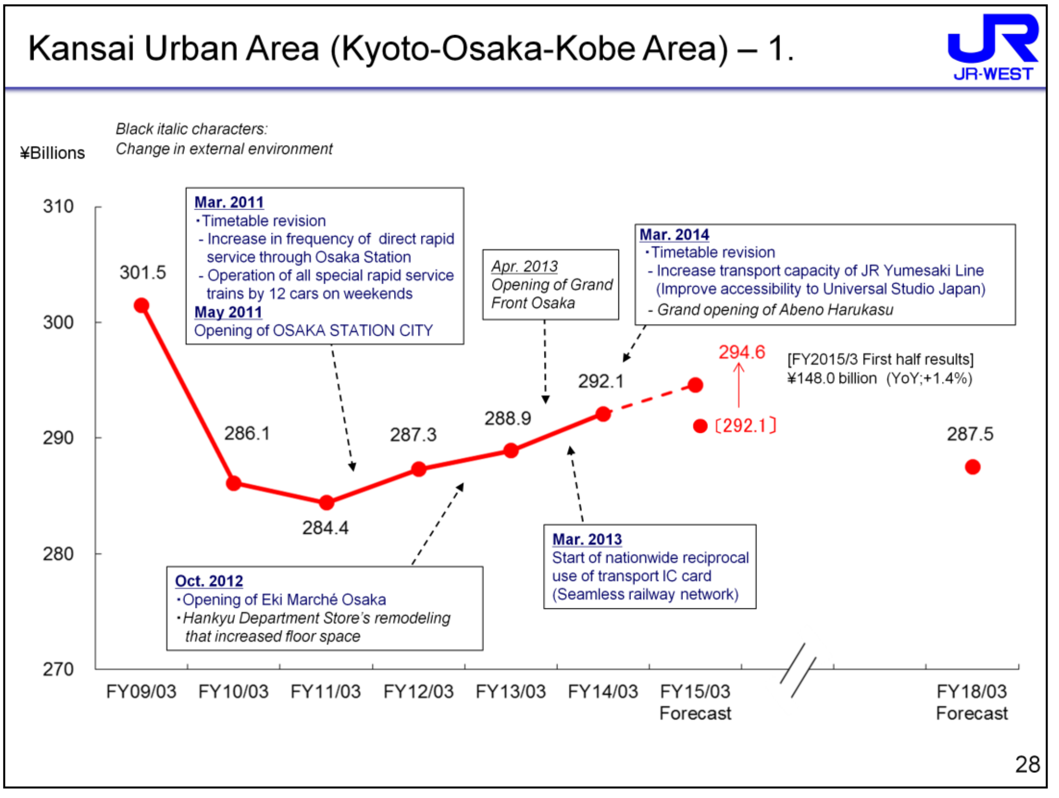
Sightseeing train on Nanao Line "Hanayome Noren"

27

- Next, page 27 provides information about the Hokuriku Shinkansen, which opens on March 14, 2015.

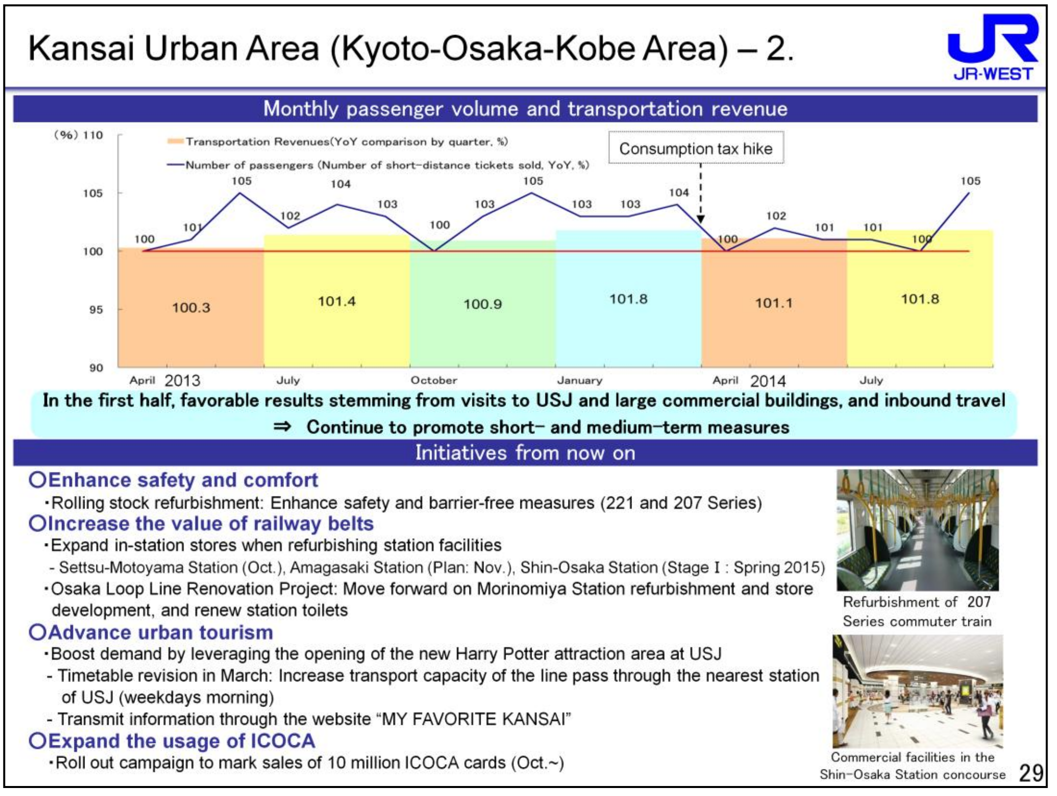
- A variety of preparations are already under way, and the opening date and an overview of the timetable have been released. This month, we filed an application for approval of limited express charges. To maximize the opening effect of the Hokuriku Shinkansen, we are implementing pre-opening PR activities, in particular in the Tokyo metropolitan area and the Kansai region.

- We are doing our utmost to ensure that this Shinkansen opening results in the maximum contribution to the Company in the next year and thereafter.



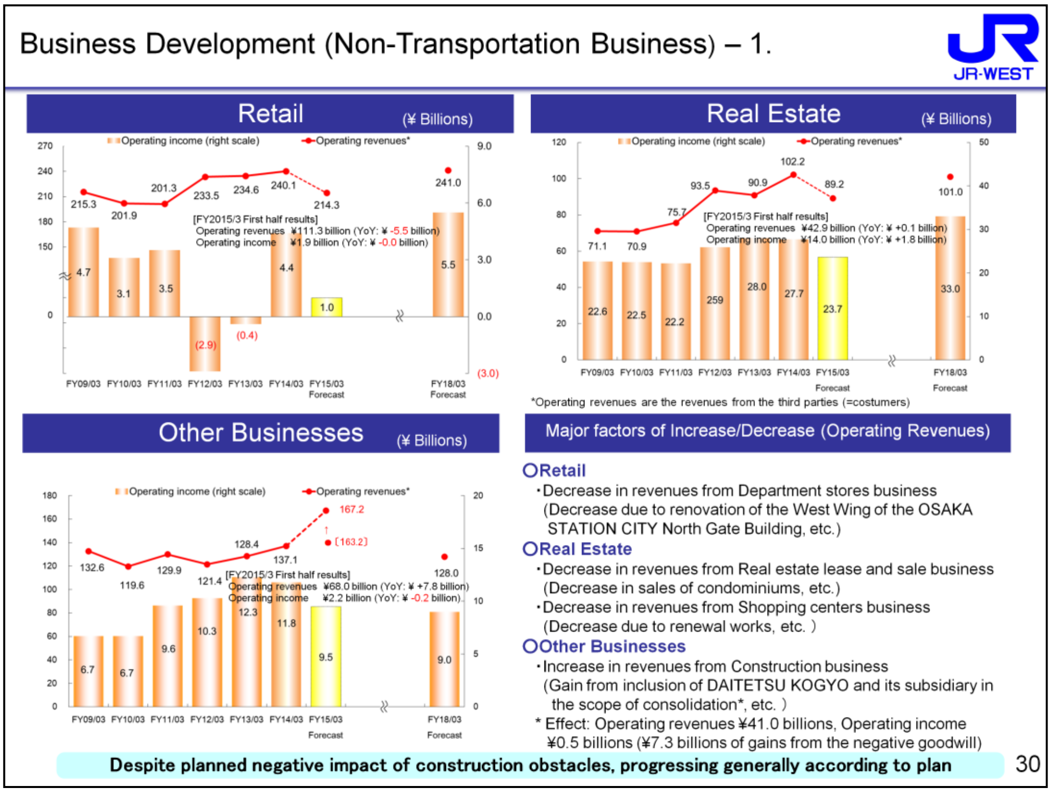
- Page 28 shows information about the Kansai Urban Area.

- In the first half, business conditions were firm. In addition, the ABENO HARUKAS complex in the Tennoji area was fully opened, and a Harry Potter attraction area was also opened at the Universal Studios Japan theme park. In response, we were able to capture outing demand, and as a result first half revenues were up ¥2.0 billion year on year.



- As shown on page 29, in the second half we will continue working to offer safe, reliable transportation service by refurbishing rolling stock that was introduced following the establishment of JR. In addition, we will improve stations on the Kobe Line and implement initiatives in the area of barrier-free facilities. Through these types of initiatives, we still need to take further steps to increase the value of the railway belts in the Kansai Urban Area. Moreover, we will use the Internet to provide information about the appeal of Kansai, including the Universal Studios Japan theme park. In this way, we will work to further advance urban tourism.

- Through these initiatives, we will strive to increase transportation revenues by ¥2.5 billion year on year, to ¥294.6 billion.



- Page 30 and subsequent pages address the Business Development segment.

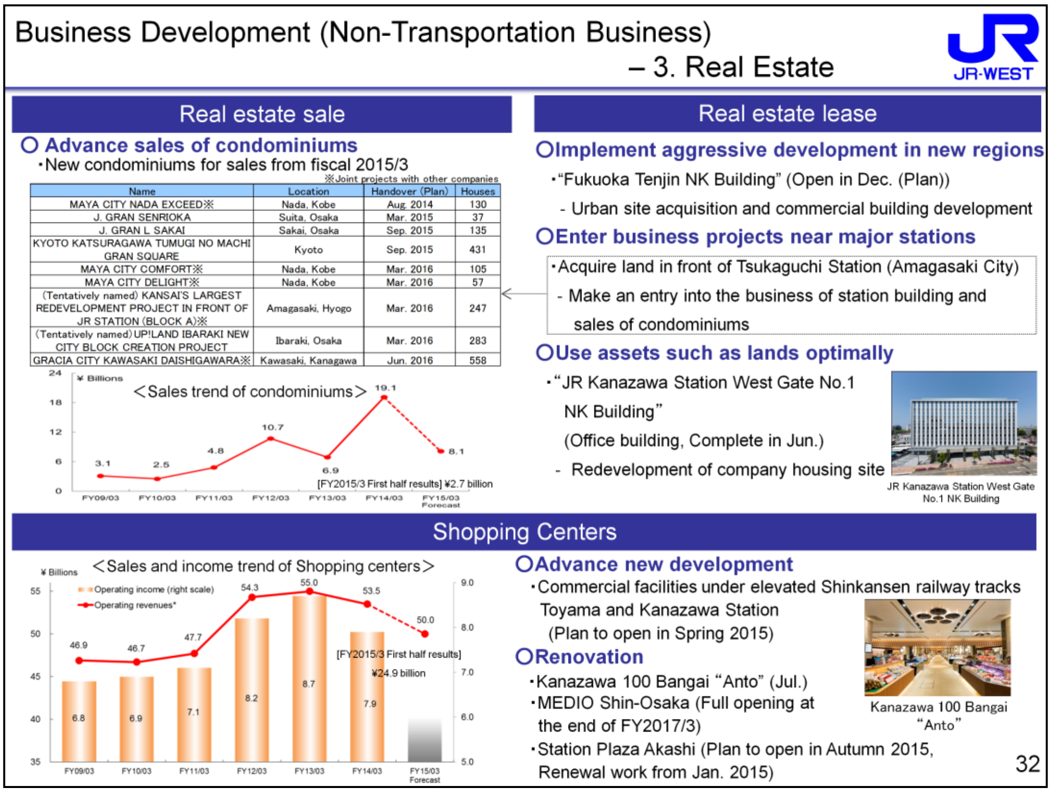
- As I said at the start, there is no change to our expectation of lower income in each segment. However, we place importance on steadily advancing initiatives that will contribute to future-oriented growth and sustainable management. Page 31 and subsequent pages show specific initiatives for each segment.

- Page 31 covers the retail business.

- In regard to our business alliance with Seven-Eleven Japan, as of the end of September conversion had been completed at 17 stores, and at those stores for which year-on-year comparisons are possible, sales were up more than 50% year on year. Moving forward, we will continue to steadily implement conversions in the second half.

- The right side of this page provides information about the renovation of the West Wing of the North Gate Building. Most of the West Wing has been closed since the end of July, and construction work is making favorable progress. Already, a lifestyle-proposal type of store based on DAIKANYAMA TSUTAYA BOOKS has been confirmed as a core tenant. Currently, preparations are under way for the opening of stores by other tenant companies.

- The East Wing LUCUA section has gotten off to a strong start after its large-scale renewal in August, which was coordinated with the store-opening measures of the West Wing. In September, sales of tenant stores were up 10% year on year.



- Page 32 covers the real estate business.

- In activities outside the railway belts, in December we will open a commercial building in the Tenjin district of Fukuoka City. Also, with a focus on the opening of the Hokuriku Shinkansen, we will implement activities in the Hokuriku area in a subsegment of the shopping center market, such as steadily advancing shopping center renewals and the development of locations under elevated tracks.

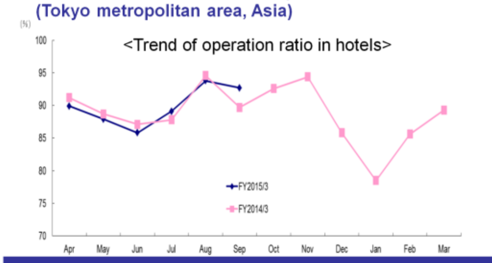
Business Development (Non-Transportation Business) – 4. Other businesses

JR-WEST

Hotel business

○Strengthen promotional campaigns targeting the establishment of repeat customers

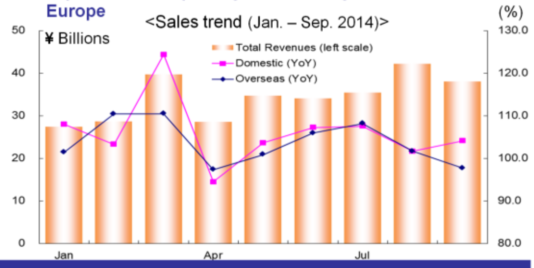
○Enhance sales initiatives to acquire new customers (Tokyo metropolitan area, Asia)



Travel Agency (Nippon Travel Agency)

○Strengthen website sales, business travel management (BTM) service and inbound tourist services, etc.

○Expand sales of package tours using JR and tours to Europe



Challenge new business fields

○Cultivate new business fields by leveraging assets and technologies

- **Day service business specializing in rehabilitation**
  - Expand businesses by making POSSIBLE Medical Science a subsidiary
  - Develop stores and services in JR-West's operating area Hofu (Apr.) , Fushimi (Jul.), Kitayama･Amagasaki (Nov.)

○Expand businesses to agriculture related business and healthcare business, and contribute to the invigoration of communities

- Capital participation to Gomangoku Chisatosanso Co., Ltd. (Jul.) (Manufacturer and seller of frozen traditional New Year's foods)
- Business alliance with Glocal-i Co., Ltd. (Distributor of recipes for medical institutions) and SHINMEI CO., LTD (Rice wholesaler) (Oct.)

Business revision

○Transfer of golf business

- Transferred the golf business to Accordia Golf Co., Ltd., whose core business is golf course management (Oct.)

33

- Page 33 covers the other businesses segment. We will expand the number of facilities in the day service business specializing in rehabilitation, which we have made into a subsidiary. In addition, through investment and business alliances, we are entering new fields of business related to agriculture and health care. In these ways, we are taking on the challenge of new fields of business for the future.

- Furthermore, we addressed the longstanding issue of our golf operations, a field in which we lacked distinctive strength. On October 1, we sold our golf operations to Accordia Golf under conditions that were favorable to all stakeholders.

- Moving forward, we will take steps to increase our competitiveness in each of our business fields, including partnering with external companies.

3. Capital Expenditure Plan, Cash Flows and Financial Status, Returns to Shareholders

Capital Expenditure Plan (Consolidated)

JR-WEST

Capital Expenditures during the medium-term management plans

(¥ Billions)	The previous plan (Results)	The current plan (Plan)
Consolidated	982.4	920.0
Non-consolidated	778.0	800.0
(Safety-related)	468.3	470.0

Major Capital expenditure projects for FY2015/3

○ CAPEX for growth

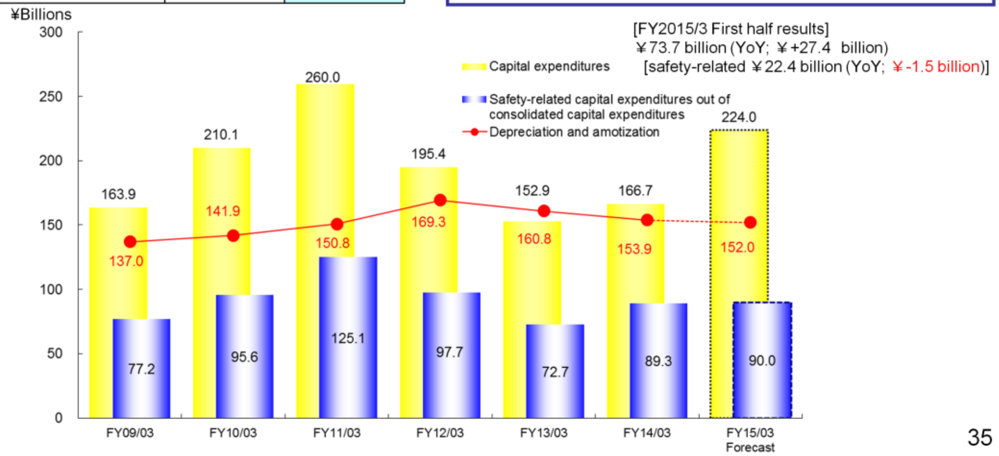
- Hokuriku Shinkansen
- New stations
- Commercial facility development at the West Wing of North Gate Building

○ CAPEX for ongoing operations

<Safety-related CAPEX>

- Renewal of ATC in Sanyo Shinkansen Line
- Earthquake and tsunami countermeasures
- Replacement of rolling stock on conventional lines
- New safety system

・Barrier-Free ・Station improvement



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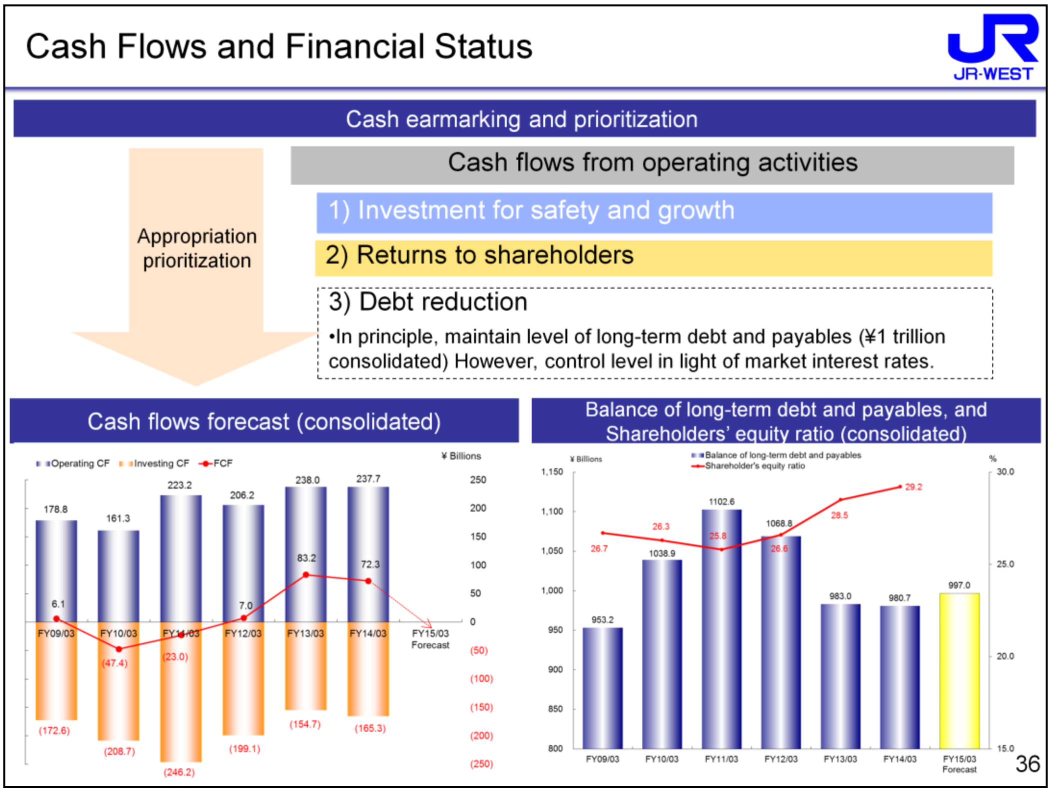
- Next, page 35 covers capital expenditures.

- Consolidated capital expenditures in the first half were up ¥27.4 billion year on year, to ¥73.7 billion. Of this total, safety-related investment accounted for ¥22.4 billion.

- Looking at the full fiscal year, in addition to safety-related investment, we will invest in the production of new rolling stock for the Hokuriku Shinkansen and in the renovation of the West Wing of the North Gate Building. Accordingly, on a consolidated basis we will implement a large amount of capital expenditures--¥224.0 billion. Currently, we are making favorable progress with our investment plans.

- Moving forward, we will continue to systematically advance investment while maintaining a focus on project effectiveness.



- Page 36 covers cash flows and financial status.

- As of the end of September, the balance of long-term debt and payables was ¥976.0 billion, and the equity ratio was 29.5%.

- For the full fiscal year, in addition to the level of profits, capital expenditures will be at a high level, and accordingly free cash flow is expected to be negative. The balance of long-term debt and payables at the end of the fiscal year is expected to be ¥997.0 billion on a consolidated basis.

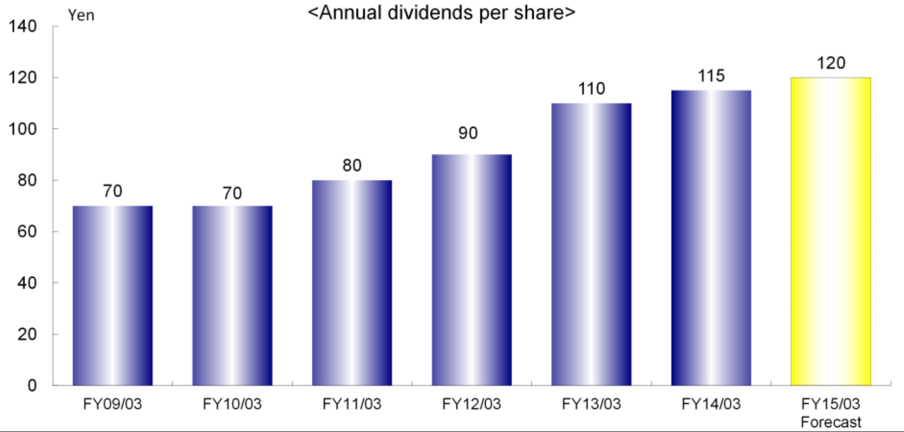
Returns to Shareholders

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, we aim to attain an approximately 3% "rate of total distribution on net assets"* on a consolidated basis for FY2018/3, in light of the situation of utilization of the Kanazawa segment of the Hokuriku Shinkansen after its opening and the situation of achievement of the targets set in Medium-Term Management Plan 2017.

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

<Annual dividends per share>



37

- Page 37 covers returns to shareholders.

- There have been no changes to our shareholder return policy or our dividend forecasts.

- For FY2018/3, we will work in accordance with our shareholder return policy, under which we aim for a 3% "rate of total distribution on net assets."

Financial Results and Forecasts

JR-WEST

Billion Yen

	FY13/3 Forecasts as of Jan. 2013	FY13/3 Results	FY14/3 Results	FY15/3 Forecasts as of Oct. 2014	FY18/3 Forecasts as of Mar. 2013
Operating Revenues	1,289.0	1,298.9	1,331.0	1,330.0	1,306.0
Transportation	840.4	844.9	851.3	859.3	836.0
Retail	235.8	234.6	240.1	214.3	241.0
Real Estate	89.5	90.9	102.2	89.2	101.0
Other businesses	123.3	128.4	137.1	167.2	128.0
Operating Income	121.0	129.4	134.5	124.0	127.5
Transportation	86.5	90.1	91.0	90.3	80.5
Retail	(1.6)	(0.4)	4.4	1.0	5.5
Real Estate	26.2	28.0	27.7	23.7	33.0
Other businesses	10.2	12.3	11.8	9.5	9.0
Recurring Profit	96.0	104.6	112.9	105.0	106.5
Net Income	56.0	60.1	65.6	65.5	66.0
Transportation Revenues	765.0	769.1	780.6	788.0	764.0
ROA	4.6%	4.9%	5.1%	4.5%	4.7%
ROE	7.8%	8.3%	8.6%	8.3%	7.3%
EBITDA	282.5	290.3	288.4	276.0	292.5

Note: Figures in brackets ( ) are negative values.

All the figures are the revenues from third parties (=customers).

The breakdowns of operating income by each segment are the sums of incomes of major subsidiaries before eliminating internal transactions.

Transportation revenues mean the railway revenues of JR-West included in operating revenues of "transportation" segment.

- Finally, this page covers revisions to the Medium-Term Management Plan.

- These financial forecasts did not include the effect that the Hokuriku Shinkansen opening will have on revenues and rental payments. As a result, we have stated that we will make necessary revisions, and we will make those revisions following the opening of the Hokuriku Shinkansen next spring.

- We have made plan revisions in the past, but this time there have not been any significant changes in the management environment and we will not be making any drastic revisions. In addition to the opening of the Hokuriku Shinkansen, we are now in the second year of the plan, and accordingly we would like to update the plan in a manner that incorporates the progress made to date.

- This concludes my portion of today's presentation.

Cautionary Statement Regarding Forward-looking Statements

- This presentation contains forward-looking statements that are based on JR-West's current expectations, assumptions, estimates and projections about its business, industry, and capital markets around the world.
- These forward-looking statements are subject to various risks and uncertainties. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "may", "will", "expect", "anticipate", "plan" or similar words. These statements discuss future expectations, identify strategies, contain projections of results of operations or of JR-West's financial condition, or state other forward-looking information.
- Known or unknown risks, uncertainties and other factors could cause the actual results to differ materially from those contained in any forward-looking statements. JR-West cannot promise that the expectations expressed in these forward-looking statements will turn out to be correct. JR-West's actual results could be materially different from and worse than expectations.
- Important risks and factors that could cause actual results to be materially different from expectations include, but are not limited to:
  - expenses, liability, loss of revenue or adverse publicity associated with property or casualty losses;
  - economic downturn, deflation and population decreases;
  - adverse changes in laws, regulations and government policies in Japan;
  - service improvements, price reductions and other strategies undertaken by competitors such as passenger railway and airlines companies;
  - infectious disease outbreak and epidemic;
  - earthquake and other natural disaster risks; and
  - failure of computer telecommunications systems disrupting railway or other operations
- All forward-looking statements in this release are made as of Oct. 31, 2014 based on information available to JR-West as of Oct. 31, 2014 and JR-West does not undertake to update or revise any of its forward-looking statements or reflect future events or circumstances.
- Compensation for damages caused by the accident on Fukuchiyama Line happened on April 25, 2005 is NOT considered in this presentation.