



- I am Tatsuo Kijima, the president of JR-West.
- I would like to thank you for taking the time out of your busy schedules to attend our results presentation today. I would like to offer a brief message to open today's presentation.
- In the past fiscal year, a series of natural disasters, including earthquakes, heavy rains, and typhoons, caused significant damage leading to concern among the public.
- Over this period, JR West received support and cooperation from a wide range of parties, including the national government, related municipal governments, and local communities, and we were able to achieve a rapid recovery.
- The disasters did have an influence on our annual results. However, we steadily implemented the measures announced for the first year of the medium-term management plan in both railway and non-railway businesses. As a result, we recorded higher operating revenues and operating income on both a non-consolidated and consolidated basis. In the fiscal year ahead, the second year of the medium-term management plan, we will implement a number of initiatives to achieve the plan's targets.
- Today, Yoshito Fujiwara will first discuss our financial results and forecasts, and then I will explain the status of our initiatives in each business. Thank you.

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1	Results for FY2019.3
2	Forecasts for FY2020.3
3	Individual Business Initiatives
4	Capital Expenditure Plan, Returns to Shareholders
	Appendix

- I am Yoshito Fujiwara, the general manager of the Finance Department.
- I will discuss the Company's financial results for the fiscal year ended March 31, 2019, and our forecasts for the fiscal year ending March 31, 2020, which were announced on April 26.

Financial Highlights



¥ Billions

	Results FY2018.3	Results FY2019.3	YoY		Forecasts FY2020.3	YoY	
			Increase/ (Decrease) B-A	% B/A-1		Increase/ (Decrease) C-B	% C/B-1
	A	B			C		
[Consolidated]							
Operating Revenues	1,500.4	1,529.3	28.8	1.9	1,557.5	28.1	1.8
Operating Income	191.3	196.9	5.5	2.9	198.0	1.0	0.5
Recurring Profit	177.7	183.3	5.5	3.1	184.5	1.1	0.6
Profit attributable to owners of parent	110.4	102.7	(7.7)	(7.0)	118.5	15.7	15.3
[Non-Consolidated]							
Operating Revenues	976.2	980.9	4.6	0.5	1,001.0	20.0	2.0
Transportation Revenues	867.8	873.4	5.6	0.6	895.0	21.5	2.5
Operating Expenses	831.9	830.1	(1.7)	(0.2)	849.5	19.3	2.3
Personnel costs	221.4	215.8	(5.6)	(2.5)	217.5	1.6	0.8
Non personnel costs	407.6	416.6	9.0	2.2	425.5	8.8	2.1
Energy costs	44.0	45.2	1.1	2.7	47.5	2.2	4.9
Maintenance costs	161.4	164.0	2.5	1.6	170.5	6.4	3.9
Miscellaneous costs	202.1	207.3	5.2	2.6	207.5	0.1	0.1
Depreciation	136.8	134.3	(2.4)	(1.8)	141.0	6.6	4.9
Operating Income	144.3	150.7	6.3	4.4	151.5	0.7	0.5
Recurring Profit	128.6	136.4	7.8	6.1	137.5	1.0	0.7
Net Income	80.7	80.6	(0.1)	(0.2)	95.0	14.3	17.8

Note: Figures in brackets () are negative values.

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- First, please look at slide 2.
- In fiscal 2019, we made a rapid recovery from disasters, and the focused measures that we implemented in order to achieve the medium-term management plan were successful. As a result, we recorded higher revenues on both a consolidated and non-consolidated basis. In addition, our non-consolidated results were also affected by adjustments to construction work schedules due to disasters. Consequently, we registered higher operating income and recurring profit on both a consolidated and non-consolidated basis. On the other hand, we recorded an extraordinary loss due to the disasters, and net income declined on both a consolidated and non-consolidated basis.
- In fiscal 2020, we are planning for a significant increase in costs as we work to achieve the medium-term management plan and the safety think-and-act plan. Nonetheless, due to the steady cumulative effects of measures implemented under the medium-term management plan, we are forecasting higher operating revenues and operating income. During the period of the medium-term management plan, we will work to steadily implement the portion of the work schedule that was adjusted due to the disasters in fiscal 2019. Accordingly, there will be no change to the total amount of investment over the period of the medium-term management plan — ¥1,270.0 billion.

Non-Consolidated Financial Results



¥ Billions

	Results FY2018.3 A	FY2019.3		YoY		Difference from the forecasts Increase/(Decrease) C-B
		Forecasts (As of Jan 30) B	Results C	Increase/ (Decrease) C-A	% C/A-1	
Operating Revenues	976.2	979.0	980.9	4.6	0.5	1.9
Transportation revenues	867.8	871.0	873.4	5.6	0.6	2.4
Other	108.4	108.0	107.4	(0.9)	(0.9)	(0.5)
Operating Expenses	831.9	834.0	830.1	(1.7)	(0.2)	(3.8)
Personnel costs	221.4	216.5	215.8	(5.6)	(2.5)	(0.6)
Non personnel costs	407.6	420.0	416.6	9.0	2.2	(3.3)
Energy costs	44.0	45.5	45.2	1.1	2.7	(0.2)
Maintenance costs	161.4	166.5	164.0	2.5	1.6	(2.4)
Miscellaneous costs	202.1	208.0	207.3	5.2	2.6	(0.6)
Rental payments, etc.	30.2	27.5	27.2	(2.9)	(9.8)	(0.2)
Taxes	35.7	35.5	36.0	0.3	0.9	0.5
Depreciation	136.8	134.5	134.3	(2.4)	(1.8)	(0.1)
Operating Income	144.3	145.0	150.7	6.3	4.4	5.7
Non-operating revenues and expenses, net	(15.7)	(14.0)	(14.2)	1.4	(9.4)	(0.2)
Non-operating revenues	6.2	7.5	7.5	1.3	-	0.0
Non-operating expenses	21.9	21.5	21.7	(0.1)	-	0.2
Recurring Profit	128.6	131.0	136.4	7.8	6.1	5.4
Extraordinary profit and loss, net	(9.2)	(25.0)	(20.6)	(11.4)	-	4.3
Extraordinary profit	29.8	-	27.6	(2.2)	-	-
Extraordinary loss	39.0	-	48.2	9.1	-	-
Net Income	80.7	74.0	80.6	(0.1)	(0.2)	6.6

Note: Figures in brackets () are negative values.

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- Slide 3 shows an overview of our non-consolidated results.
- Operating revenues increased ¥4.6 billion year on year, due to higher transportation revenues.
- In operating expenses, due to the influence of disasters, we recorded higher miscellaneous costs and lower depreciation. Looking at factors other than disasters, personnel costs and rental payments declined, and total operating expenses were down ¥1.7 billion year on year.
- Consequently, operating income rose ¥6.3 billion.
- After including an extraordinary loss related to disasters, etc., net income was down by ¥0.1 billion year on year.
- In comparison with the forecasts announced at the end of the second quarter, revenues were ¥1.9 billion higher and expenses were ¥3.8 billion lower, while in comparison with the forecasts announced at the beginning of the fiscal year, revenues were ¥7.0 billion lower and expenses were ¥12.8 billion lower.

Major Factors of Increase/Decrease in Transportation Revenues



Transportation revenues		YoY Increase/(Decrease)		Results FY2019.3	
		Amount	%	Amount	Major factors
Shinkansen	457.0	9.3	2.1	Fundamental trend 1.5%	6.7
				Special factors	
				-Inbound	1.5
				-Favorable demand during peak periods	2.4
				-Rebound from snow damage	(0.1)
				-Northern Osaka Prefecture Earthquake	(0.4)
				-The Heavy Rain Event of July 2018	(2.1)
-Typhoon No.21 (Jebi), etc.	0.7				
				etc.	
Kansai Urban Area (Kyoto-Osaka-Kobe Area)	308.1	(0.8)	(0.3)	Fundamental trend (0.1%)	(0.2)
				Special factors	
				-Inbound	0.9
				-Favorable demand during peak periods	0.4
				-Rebound from snow damage	0.3
				-Northern Osaka Prefecture Earthquake	(0.4)
				-The Heavy Rain Event of July 2018	(1.5)
-Typhoon No.21 (Jebi), etc.	(1.4)				
				etc.	
Other lines	108.2	(2.8)	(2.6)	Fundamental trend (0.6%)	(0.7)
				Special factors	
				-Inbound	0.3
				-Favorable demand during peak periods	0.1
				-Rebound from snow damage	0.5
				-Northern Osaka Prefecture Earthquake	(0.1)
				-The Heavy Rain Event of July 2018	(2.7)
-Typhoon No.21 (Jebi), etc.	(0.3)				
				etc.	
Conventional lines	416.3	(3.7)	(0.9)		
Total	873.4	5.6	0.6		

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

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- Slide 4 shows the status of transportation revenues.
- Centered on the Shinkansen, overall revenues were solid, rising ¥5.6 billion year on year.
- Shinkansen revenues were up ¥9.3 billion. This gain was attributable to the effects of Smart EX, various campaigns, etc., and to the effects of measures to attract inbound customers, etc. Breaking this figure down, revenues on the Sanyo Shinkansen were ¥414.1 billion, up ¥8.4 billion, offsetting the influence of disasters. On the Hokuriku Shinkansen, revenues began to increase, reaching ¥42.9 billion, up ¥0.8 billion.
- On conventional lines, despite increases in inbound demand, etc., revenues declined due to the influence of disasters.

Transportation Revenues and Passenger-Kilometers



Transportation Revenues

Passenger-Kilometers

	Transportation Revenues						Passenger-Kilometers					
	Fiscal Year (4/1~3/31)			3 months (4Q) (1/1~3/31)			Fiscal Year (4/1~3/31)			3 months (4Q) (1/1~3/31)		
	FY2018.3	FY2019.3	YoY	FY2018.3	FY2019.3	YoY	FY2018.3	FY2019.3	YoY	FY2018.3	FY2019.3	YoY
Total	867.8	873.4	5.6 0.6%	208.5	213.0	4.5 2.2%	59,291	59,379	87 0.1%	14,074	14,238	164 1.2%
Shinkansen	447.7	457.0	9.3 2.1%	106.1	108.8	2.6 2.5%	21,022	21,338	315 1.5%	4,958	5,088	130 2.6%
Commuter Passes	10.7	11.2	0.4 3.9%	2.6	2.7	0.1 4.5%	846	880	33 4.0%	204	215	10 5.3%
Non-Commuter Passes	436.9	445.8	8.8 2.0%	103.4	106.0	2.5 2.5%	20,176	20,457	281 1.4%	4,753	4,873	119 2.5%
Conventional Lines	420.0	416.3	(3.7) (0.9%)	102.4	104.2	1.8 1.8%	38,269	38,040	(228) (0.6%)	9,115	9,149	33 0.4%
Commuter Passes	142.0	141.3	(0.7) (0.5%)	34.0	33.8	(0.2) (0.7%)	22,831	22,751	(79) (0.3%)	5,301	5,296	(4) (0.1%)
Non-Commuter Passes	277.9	274.9	(2.9) (1.1%)	68.3	70.4	2.0 3.0%	15,437	15,289	(148) (1.0%)	3,814	3,853	38 1.0%
Kansai Urban Area (Kyoto-Osaka-Kobe Area)	309.0	308.1	(0.8) (0.3%)	75.2	76.8	1.5 2.1%	29,872	29,797	(74) (0.2%)	7,118	7,160	41 0.6%
Commuter Passes	116.9	116.6	(0.2) (0.3%)	28.1	28.0	(0.1) (0.5%)	18,787	18,766	(21) (0.1%)	4,397	4,401	4 0.1%
Non-Commuter Passes	192.0	191.4	(0.5) (0.3%)	47.0	48.8	1.7 3.7%	11,084	11,031	(52) (0.5%)	2,721	2,759	37 1.4%
Other Lines	111.0	108.2	(2.8) (2.6%)	27.1	27.3	0.2 0.8%	8,397	8,243	(153) (1.8%)	1,997	1,989	(8) (0.4%)
Commuter Passes	25.1	24.6	(0.4) (1.6%)	5.8	5.7	(0.0) (1.5%)	4,043	3,985	(57) (1.4%)	904	895	(9) (1.0%)
Non-Commuter Passes	85.9	83.5	(2.4) (2.8%)	21.2	21.5	0.3 1.5%	4,353	4,257	(95) (2.2%)	1,092	1,094	1 0.1%

Note: Figures in brackets () are negative values.

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



¥ Billions

		Results FY2019.3		Major factors (YoY)
		YoY		
		Increase/ (Decrease)	%	
Personnel costs	215.8	(5.6)	(2.5)	•Difference in unit cost, etc.
Energy costs	45.2	1.1	2.7	•Increase in adjustment amount for fuel cost, etc.
Maintenance costs	164.0	2.5	1.6	•Increase in Capex-related removal work, etc.
Miscellaneous costs	207.3	5.2	2.6	•Expenditure for the substitute bus services due to the torrential rains disaster, etc.
Rental Payments, etc	27.2	(2.9)	(9.8)	•Decrease in rental payments for JR Tozai Line, etc.
Taxes	36.0	0.3	0.9	
Depreciation and amortization	134.3	(2.4)	(1.8)	•Progress of depreciation and amortization, etc.
Total	830.1	(1.7)	(0.2)	

Note: Figures in brackets () are negative values.

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- Slide 6 shows information about non-consolidated operating expenses.
- The influence of disasters included an increase in miscellaneous costs due to substitute bus services and a decrease in depreciation due to the adjustment of construction work schedules, etc.
- Looking at maintenance costs, despite an increase resulting from a higher level of investment, the scale of the increase in maintenance costs contracted due to the work schedule adjustment, etc.
- In addition, personnel costs declined due to a difference in unit costs, and energy costs increased as a result of higher resource prices. Rental payments decreased as a result of the revision of our contract for JR Tozai Line.

Consolidated Financial Results



¥ Billions

	Results FY2018.3 A	FY2019.3		YoY		Difference from the forecasts Increase/(Decrease) C-B
		Forecasts (As of Jan 30) B	Results C	Increase/ (Decrease) C-A	% C/A-1	
Operating Revenues	1,500.4	1,516.5	1,529.3	28.8	1.9	12.8
Operating Expenses	1,309.0	1,329.0	1,332.3	23.2	1.8	3.3
Operating Income	191.3	187.5	196.9	5.5	2.9	9.4
Non-operating revenues and expenses, net	(13.5)	(13.5)	(13.6)	(0.0)	0.3	(0.1)
Non-operating revenues	9.0	8.6	9.4	0.3	-	0.8
Non-operating expenses	22.6	22.1	23.0	0.3	-	0.9
Recurring Profit	177.7	174.0	183.3	5.5	3.1	9.3
Extraordinary profit and loss, net	(7.1)	(30.0)	(26.1)	(19.0)	-	3.8
Extraordinary profit	32.8	-	29.0	(3.8)	-	-
Extraordinary loss	39.9	-	55.2	15.2	-	-
Profit attributable to owners of parent	110.4	95.5	102.7	(7.7)	(7.0)	7.2
Comprehensive Income	114.1	-	104.8	(9.3)	(8.2)	-

Note: Figures in brackets () are negative values.

Consolidated Financial Results (Segment Information)



¥ Billions

	Results FY2018.3 A	FY2019.3		YoY		Difference from the forecasts Increase/(Decrease) C-B
		Forecasts (As of Jan 30) B	Results C	Increase/ (Decrease) C-A	% C/A-1	
Operating Revenues* ¹	1,500.4	1,516.5	1,529.3	28.8	1.9	12.8
Transportation	950.8	953.0	953.9	3.0	0.3	0.9
Retail	239.8	244.8	245.5	5.7	2.4	0.7
Sales of goods and food services	161.7	167.0	170.0	8.3	5.2	3.0
[Accommodation-oriented budget hotels] (restated)* ²	[11.6]	[12.7]	[13.1]	[1.4]	[12.6]	[0.4]
Department stores	70.1	69.1	67.1	(3.0)	(4.3)	(1.9)
Real estate	139.6	147.8	148.5	8.8	6.3	0.7
Shopping center	59.6	60.7	61.5	1.9	3.3	0.8
Real estate lease and sale	78.1	85.1	84.9	6.8	8.8	(0.1)
[Real estate sale] (restated)	[35.0]	[40.7]	[39.4]	[4.4]	[12.6]	[(1.3)]
Other businesses	170.0	170.9	181.3	11.3	6.7	10.4
Hotel	35.6	36.1	35.6	(0.0)	(0.0)	(0.4)
Nippon Travel Agency	41.3	39.9	40.5	(0.8)	(2.0)	0.6
Operating Income* ¹	191.3	187.5	196.9	5.5	2.9	9.4
Transportation	130.3	130.6	136.2	5.9	4.6	5.6
Retail	7.2	5.7	6.1	(1.1)	(15.8)	0.4
Sales of goods and food services	6.0	4.4	4.9	(1.1)	(18.8)	0.5
Department stores	0.9	1.0	1.0	0.0	3.6	0.0
Real estate	35.7	33.4	35.6	(0.0)	(0.3)	2.2
Shopping center	8.7	8.5	9.6	0.9	10.6	1.1
Real estate lease and sale	17.3	15.6	18.2	0.8	5.1	2.6
Other businesses	19.9	21.1	21.2	1.3	6.6	0.1
Hotel	1.9	1.4	1.0	(0.9)	(45.9)	(0.3)
Nippon Travel Agency	0.2	0.3	0.2	(0.0)	(19.8)	(0.0)

Note: Figures in brackets () are negative values.

*1 The breakdowns of operating revenues and operating income by each segment are the sums of those of major subsidiaries.

*2 Figures in brackets [] are the sales of accommodation-oriented budget hotel, "VIA INN", sales, excluding Shimonoseki (unconsolidated), Asakusa (other business segment), and Hiroshima Kanayamacho (other business segment) locations.

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- Next, I will discuss our consolidated results. Please look at slides 8 and 9.
- In the retail business, adverse factors included the effects of disasters and the renovation of JR Kyoto Isetan. However, Seven Eleven Japan allied stores registered favorable performances, and we opened three Via-inn hotels. As a result, the retail business recorded an increase in operating revenues. On the other hand, operating income declined due to Via-inn opening expenses, etc.
- In the real estate business, operating revenues increased due to the renovation of LUCUA 1100, the opening of large-scale lease properties, and an increase in the number of residences sold. On the other hand, we also recorded opening expenses for large-scale lease properties, etc., and operating income in the real estate business was about the same as in the previous year.
- In other businesses, the hotel and travel agency businesses were affected by the disasters. Nonetheless, increases in operating revenues and operating income were recorded due to the opening of the Vischio Osaka in the hotel business and to growth in orders in the construction business.

Major Factors of Increase/Decrease in Each Segment



¥ Billions

			Results FY2019.3			Major factors (YoY)
			YoY			
			Increase/ (Decrease)	%		
Retail	Sales of goods and food services	Operating Revenues	170.0	8.3	5.2	•Seven-Eleven allied stores favorable, etc.
		Operating Income	4.9	(1.1)	(18.8)	•Opening expenses of accommodation-oriented hotels, etc.
	Department stores	Operating Revenues	67.1	(3.0)	(4.3)	•Natural disasters •Partial closure of stores due to renovation work, etc.
		Operating Income	1.0	0.0	3.6	
Real estate	Shopping center	Operating Revenues	61.5	1.9	3.3	•Renovation of the B1 and B2 levels at LUCUA 1100, etc.
		Operating Income	9.6	0.9	10.6	
	Real estate lease and sale	Operating Revenues	84.9	6.8	8.8	•Increase in number of residences sold •New opening of lease properties, etc.
		Operating Income	18.2	0.8	5.1	
Other Businesses	Hotel	Operating Revenues	35.6	(0.0)	(0.0)	
		Operating Income	1.0	(0.9)	(45.9)	
	Nippon travel agency	Operating Revenues	40.5	(0.8)	(2.0)	•Weak trends in domestic travel, etc.
		Operating Income	0.2	(0.0)	(19.8)	

Note: Figures in brackets () are negative values.

* 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.

Consolidated Financial Situation and Statements of Cash Flows



¥ Billions

	As of March 31, 2018 A	As of March 31, 2019 B	Difference increase/(decrease) B-A
Assets*	3,071.8	3,237.5	165.7
Liabilities*	1,955.5	2,057.7	102.2
Net assets	1,116.3	1,179.8	63.5
Balance of Long-term Debt and Payables	1,032.2	1,064.0	31.7
[Average interest rate (%)]	[1.86]	[1.81]	[(0.05)]
Shinkansen Purchase Liability	103.8	102.9	(0.9)
[Average interest rate (%)]	[6.55]	[6.55]	[-]
Bonds	524.9	569.9	45.0
[Average interest rate (%)]	[1.58]	[1.51]	[(0.07)]
Equity ratio (%)*	33.2	33.3	0.1
Net assets per share (¥)	5,273.42	5,612.63	339.21

	Results FY2018.3 A	Results FY2019.3 B	YoY increase/(decrease) B-A
Cash flows from operating activities	275.1	289.7	14.6
Cash flows from investing activities	(166.3)	(247.4)	(81.0)
Free cash flows	108.7	42.3	(66.4)
Cash flows from financing activities	(71.4)	(7.1)	64.2
Change in cash and cash equivalents, net	38.1	35.1	(2.9)
Cash and cash equivalents at the end of the period	101.4	136.5	35.1

Note: Figures in brackets () are negative values.

* Figures at the end of FY2018.3 have been retroactively adjusted due to the application of "Partial Amendments to Accounting Standard for Tax Effect Accounting"

- 1 Results for FY2019.3
 - 2** Forecasts for FY2020.3
 - 3 Individual Business Initiatives
 - 4 Capital Expenditure Plan,
Returns to Shareholders
-  Appendix

Non-Consolidated Financial Forecasts



¥ Billions

	Results FY2019.3 A	Forecasts FY2020.3 B	YoY	
			Increase/ (Decrease) B-A	% B/A-1
Operating Revenues	980.9	1,001.0	20.0	2.0
Transportation revenues	873.4	895.0	21.5	2.5
Other	107.4	106.0	(1.4)	(1.3)
Operating Expenses	830.1	849.5	19.3	2.3
Personnel costs	215.8	217.5	1.6	0.8
Non personnel costs	416.6	425.5	8.8	2.1
Energy costs	45.2	47.5	2.2	4.9
Maintenance costs	164.0	170.5	6.4	3.9
Miscellaneous costs	207.3	207.5	0.1	0.1
Rental payments, etc.	27.2	28.5	1.2	4.6
Taxes	36.0	37.0	0.9	2.6
Depreciation	134.3	141.0	6.6	4.9
Operating Income	150.7	151.5	0.7	0.5
Non-operating revenues and expenses, net	(14.2)	(14.0)	0.2	(1.7)
Non-operating revenues	7.5	7.0	(0.5)	–
Non-operating expenses	21.7	21.0	(0.7)	–
Recurring Profit	136.4	137.5	1.0	0.7
Extraordinary profit and loss, net	(20.6)	(1.5)	19.1	–
Extraordinary profit	27.6	–	–	–
Extraordinary loss	48.2	–	–	–
Net Income	80.6	95.0	14.3	17.8

Note: Figures in brackets () are negative values.

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- Slide 12 shows our non-consolidated results forecast.
- We are forecasting an increase of ¥20.0 billion in operating revenues as a result of higher transportation revenues due to a rebound from the disasters, etc.
- For operating expenses, we are planning an increase of ¥19.3 billion, due in part to higher maintenance costs and depreciation accompanying the rise in capital investment.
- Expenses incurred to promote the realization of the medium-term management plan and the safety think-and-act plan will increase, but we will work to secure operating revenues and achieve growth in operating income.
- Looking at profit attributable to owners of parent, we are forecasting an increase of ¥14.3 billion as a result of improvement in extraordinary profits/losses due to a rebound from the disasters.

Transportation Revenue Forecasts



¥ Billions

Transportation revenues		YOY Increase/(Decrease)		Major factors	
		Amount	%	Amount	
Shinkansen	466.6	9.5	2.1	Fundamental trend 0.6%	2.8
				Special factors	
				·Inbound	2.1
				·Pattern of weekdays and weekends	0.7
				·Leap year effect	1.0
·Rebound from natural disasters etc.	1.8				
Kansai Urban Area (Kyoto-Osaka-Kobe Area)	316.7	8.6	2.8	Fundamental trend (0.2%)	(0.5)
				Special factors	
				·Inbound	2.1
				·Pattern of weekdays and weekends	0.4
				·Leap year effect	0.4
·Rebound from natural disasters etc.	3.4				
Other lines	111.5	3.3	3.1	Fundamental trend (0.5%)	(0.5)
				Special factors	
				·Inbound	0.2
				·Pattern of weekdays and weekends	0.1
				·Leap year effect	0.2
·Rebound from natural disasters etc.	3.1				
Conventional lines	428.3	11.9	2.9		
Total	895.0	21.5	2.5		

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

13

- Please look at slide 13, which shows our forecast for transportation revenues. In addition to an increase resulting from a rebound from the disasters, we will continue working to steadily capture business and tourism demand, including inbound tourism.
- For the Shinkansen, we are forecasting an increase of ¥9.5 billion, with the fundamentals up 0.6% year on year. Breaking this figure down, revenues on the Sanyo Shinkansen are forecast to increase by ¥8.5 billion, to ¥422.7 billion, while revenues on the Hokuriku Shinkansen are forecast to increase by ¥1.0 billion, to ¥43.9 billion.
- On conventional lines, in the Kansai Urban Area, there will be a rebound from the disasters, and we are forecasting an increase of ¥8.6 billion, with fundamentals down 0.2% year on year.

Operating Expenses Forecasts (Non-Consolidated)



¥ Billions

	Forecasts FY2020.3			Major factors (YoY)
		YoY		
		Increase/ (Decrease)	%	
Personnel costs	217.5	1.6	0.8	•Improved employment conditions for senior employees (rehired) /contract employees, etc.
Energy costs	47.5	2.2	4.9	•Rebound from natural disasters, etc.
Maintenance costs	170.5	6.4	3.9	•Increase in Capex-related removal work, etc.
Miscellaneous costs	207.5	0.1	0.1	
Rental Payments, etc	28.5	1.2	4.6	•Opening of all sections of Osaka Higashi Line, etc.
Taxes	37.0	0.9	2.6	•Increase in fixed assets tax, etc.
Depreciation and amortization	141.0	6.6	4.9	•Installation of new rolling stock
Total	849.5	19.3	2.3	

Note: Figures in brackets () are negative values.

14

- Slide 14 shows non-consolidated operating expenses.
- As we have said since the announcement of the medium-term management plan, investment-related maintenance costs and depreciation will increase due to the implementation of focused measures during the first half of the plan.
- In addition, personnel costs will increase due to improved employment conditions for senior employees (rehired), etc. Energy costs will rise due to higher resource prices and a rebound from the disasters. We are planning for an increase in rental payments accompanying the opening of all sections of the Osaka Higashi Line.

Consolidated Financial Forecasts



¥ Billions

	Results FY2019.3 A	Forecasts FY2020.3 B	YoY	
			Increase/ (Decrease) B-A	% B/A-1
Operating Revenues	1,529.3	1,557.5	28.1	1.8
Operating Expenses	1,332.3	1,359.5	27.1	2.0
Operating Income	196.9	198.0	1.0	0.5
Non-operating revenues and expenses, net	(13.6)	(13.5)	0.1	(0.9)
Non-operating revenues	9.4	8.9	(0.5)	—
Non-operating expenses	23.0	22.4	(0.6)	—
Recurring Profit	183.3	184.5	1.1	0.6
Extraordinary profit and loss, net	(26.1)	(6.0)	20.1	—
Extraordinary profit	29.0	—	—	—
Extraordinary loss	55.2	—	—	—
Profit attributable to owners of parent	102.7	118.5	15.7	15.3
Net income per share(¥)	533.31	616.06	—	—

Note: Figures in brackets () are negative values.

15

- Slide 15 shows our consolidated results forecast.
- We are planning a gain of ¥28.1 billion in operating revenues, and a rise of ¥1.0 billion in operating income.
- Subsidiaries will record an increase in expenses accompanying the aggressive promotion of growth initiatives targeting the achievement of the medium-term management plan, but these companies will register growth in operating income.

Consolidated Financial Forecasts (Segment Information)



	¥ Billions			
	Results FY2019.3	Forecasts FY2020.3	YoY	
			Increase/ (Decrease) B-A	% B/A-1
A	B			
Operating Revenues* ¹	1,529.3	1,557.5	28.1	1.8
Transportation	953.9	974.2	20.2	2.1
Retail	245.5	237.7	(7.8)	(3.2)
Sales of goods and food services	170.0	156.0	(14.0)	(8.3)
[Accommodation-oriented budget hotels] (restated)* ²	[13.1]	[16.6]	[3.5]	[26.7]
Department stores	67.1	72.5	5.3	8.0
Real estate	148.5	162.3	13.7	9.3
Shopping center	61.5	62.4	0.8	1.3
Real estate lease and sale	84.9	97.9	12.9	15.2
[Real estate sale] (restated)	[39.4]	[50.5]	[11.1]	[28.2]
Other businesses	181.3	183.3	1.9	1.1
Hotel	35.6	39.1	3.4	9.7
Nippon Travel Agency	40.5	41.2	0.6	1.6
Operating Income* ¹	196.9	198.0	1.0	0.5
Transportation	136.2	136.7	0.4	0.3
Retail	6.1	6.4	0.2	4.2
Sales of goods and food services	4.9	5.0	0.0	1.2
Department stores	1.0	1.1	0.0	7.4
Real estate	35.6	36.3	0.6	1.7
Shopping center	9.6	8.2	(1.4)	(15.0)
Real estate lease and sale	18.2	18.9	0.6	3.6
Other businesses	21.2	21.6	0.3	1.5
Hotel	1.0	1.1	0.0	2.4
Nippon Travel Agency	0.2	0.5	0.2	127.8

Note: Figures in brackets () are negative values.

*1 The breakdowns of operating revenues and operating income by each segment are the sums of those of major subsidiaries.

*2 The method of recording revenues has changed due to a change in the contracts with tenant stores in stations from FY2020.3.

This change will not have an influence on operating income.

*3 Figures in brackets [] are the sales of accommodation-oriented budget hotel, "VIA INN", sales, excluding Shimonoseki (unconsolidated), Asakusa (other business segment), and Hiroshima Kanayamacho (other business segment) locations.

16

- Finally, slides 16 and 17 show forecasts by business segment.
- In the retail business, we are planning lower operating revenues and higher operating income. The decline in operating revenues will be attributable to an effect of ¥21.4 billion from a change in the method of recording revenues due to a change in the contracts of tenant stores in stations. This will be no effect on income. Despite opening expenses, etc., for four Via-inn hotels, we will work to maximize the effects of our alliance with Seven Eleven, maximize the effects of the renovation of JR Kyoto Isetan, etc. As a result, the forecast calls for higher operating income.
- In the real estate business, shopping center renovations will impede growth. Nonetheless, we are forecasting increases in operating revenues and operating income due to a full-year contribution from large-scale lease properties and to our efforts to expand the sales business.
- In other businesses, we are forecasting higher operating revenues and operating income due to the opening of the Vischio Kyoto in the hotel business, etc.
- This concludes my portion of today's presentation.

Each Segment Forecasts



¥ Billions

			Forecasts FY2020.3			Major factors (YoY)
			YoY			
			Increase/ (Decrease)	%		
Retail	Sales of goods and food services	Operating Revenues	156.0	(14.0)	(8.3)	• Change in the method of recording revenues due to a change in the contracts with tenant stores in stations
		Operating Income	5.0	0.0	1.2	
	Department stores	Operating Revenues	72.5	5.3	8.0	• Full-year contribution from renovation opening, etc.
		Operating Income	1.1	0.0	7.4	
Real estate	Shopping center	Operating Revenues	62.4	0.8	1.3	• Full-year contribution from the Kyoto renovation opening, etc.
		Operating Income	8.2	(1.4)	(15.0)	• Partial closure of stores due to renovation work in Okayama station • Closure of stores due to renovation work in Ashiya station
	Real estate lease and sale	Operating Revenues	97.9	12.9	15.2	• Increase in number of residences sold, etc.
		Operating Income	18.9	0.6	3.6	
Other Businesses	Hotel	Operating Revenues	39.1	3.4	9.7	• New opening of HOTEL VISCHIO KYOTO, etc.
		Operating Income	1.1	0.0	2.4	
	Nippon travel agency	Operating Revenues	41.2	0.6	1.6	
		Operating Income	0.5	0.2	127.8	

Note: Figures in brackets () are negative values.

* 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.

Other Data



Persons, ¥ Billions

	Results FY2018.3	Results FY2019.3	Forecasts FY2020.3
ROA (% Consolidated)*1	6.3	6.2	6.1
ROE (% Consolidated)	11.3	9.8	10.6
EBITDA (Consolidated)*2	356.1	361.3	371.2
Depreciation (Consolidated)	163.5	163.1	172.0
Capital Expenditure (Consolidated, own fund)	169.4	245.3	278.0
Capital Expenditure (Non-consolidated, own fund)	127.8	190.9	209.0
Safety related capital expenditure	83.2	125.2	120.0
Dividends per share (¥)	160	175	190

	Results FY2018.3		Results FY2019.3		Forecasts FY2020.3	
	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated
No. of employees at the end of period	47,869	25,291	47,842	24,866	-	-
Financial Expenses, net	(20.2)	(19.6)	(18.8)	(17.7)	(19.0)	(17.3)
Interest and dividend income	0.7	1.2	1.1	2.2	0.8	2.4
Interest expenses	20.9	20.8	20.0	20.0	19.8	19.8


Note: Figures in brackets () are negative values.

*1 Figures at the end of FY2018.3 have been retroactively adjusted due to the application of "Partial Amendments to Accounting Standard for Tax Effect Accounting"

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

- 1 Results for FY2019.3
 - 2 Forecasts for FY2020.3
 - 3 Individual Business Initiatives**
 - 4 Capital Expenditure Plan,
Returns to Shareholders
- Appendix

- Once again, I am Tatsuo Kijima, the president of JR-West.
- Now, I will discuss our initiatives in each business field.





Groupwide Strategies : Capturing Inbound Demand

○ **Status of progress with medium-term management plan objectives** *For number of overseas visitors to Japan, etc., please refer to page 37.

	FY19.3 results		FY20.3 objectives		FY23.3 objectives
Consolidated operating revenues	¥46.5 billion	YoY 108%	¥53.3 billion	YoY 115%	¥65.0 billion
Transportation revenues	¥31.1 billion	YoY 110%	¥35.8 billion	YoY 115%	¥45.6 billion
Number of users	1.76 million people	YoY 110%	2.0 million people	YoY 114%	2.6 million people

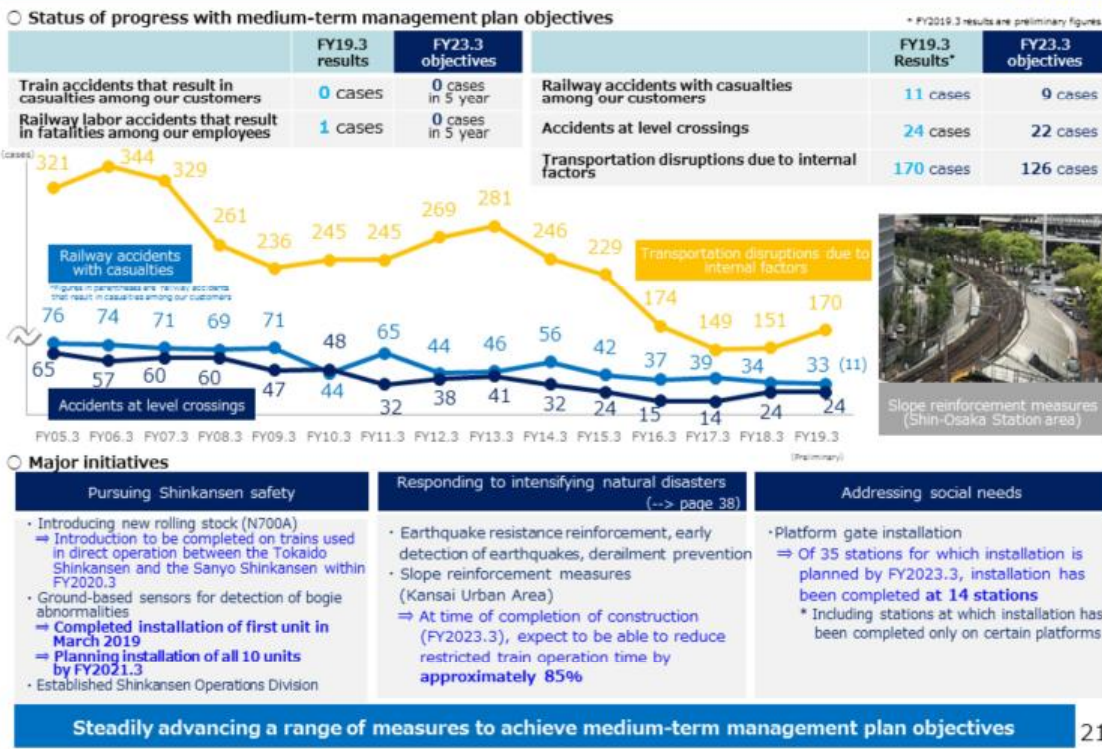
○ **Major initiatives**

Improving reception systems	Developing and improving wide-area tourism routes
<ul style="list-style-type: none"> • JR-WEST Online Train Reservation services for overseas (Individual tickets: March 2019, exclusive products: May 2019) ⇒ Internet reservations from overseas (exclusive products / individual tickets), accommodating receipt of tickets at green ticket-vending machines. • Shinkansen free Wi-Fi (completion of installation planned for FY2020.3) • Enhancing provision of information in foreign languages (displays/broadcasts in multiple languages, opening Twitter account, etc.) 	<ul style="list-style-type: none"> • Establishing new products (collaboration with Universal Studios Japan) • Setouchi tourism promotion campaign ⇒ Developing/enhancing new tourist attractions that meet the varied needs of visitors in accordance with countries and numbers of visits to Japan (including intermodal passenger transportation)
Capturing demand on a groupwide basis	Strengthening promotions
<ul style="list-style-type: none"> • Expanding development of accommodation facilities, renovating hotels and commercial facilities (--> pages 26 to 31) • Expanding payment methods at department stores, shopping centers, hotels (AliPay, WeChat Pay) ⇒ Already introduced at JR Kyoto Isetan (department store) and Granvia, Vischio (hotels). Planning to introduce in shopping centers in entire western Japan area by March 2020 (Already introduced at 2 facilities in Kyoto) 	<ul style="list-style-type: none"> • Strengthening PR in Europe, the U.S., and Australia through collaboration with destination management organizations (DMOs) ⇒ Global attention on Setouchi area (--> page 37) • Expanding sales channels through collaboration with OTA, etc. (Capital tie-ups with GOQUO, WAmazing) <div style="text-align: center;">   </div>
Maintaining high level of growth by expanding Internet reservations from overseas, expanding payment methods, tourism campaigns, etc.	

20

- First, please look at slide 20. Capturing inbound demand is one part of the Groupwide strategies in the medium-term management plan.
- Specifically, these efforts will comprise the four pillars shown here, such as improving reception systems for visitors and capturing demand on a Groupwide basis.
- To improve reception systems for visitors, in March 2019 we commenced an Internet reservation service for overseas markets. The variety of products for which Internet reservations can be made overseas has increased significantly, and it is now possible for customers to reserve tickets overseas and then pick them up at green ticket vending machines in Japan.
- In addition, to capture demand on a Groupwide basis, we are implementing renovations at hotels and commercial facilities, and we are also working to expand the methods of payment that are accepted.
- Capturing inbound demand is one part of the important Groupwide strategies in the medium-term management plan, and we are doing our utmost to capture that demand.

Railway Business : Increasing Safety



- Next, please look at slide 21.
- In the medium-term management plan, we outlined three main areas of safety enhancement measures.
- For the Shinkansen, as one critical incident countermeasure, we are working diligently to install a total of 10 ground-based sensors for detection of bogie abnormalities by FY2021.3. We are also taking steps to bolster governance, such as establishing the Shinkansen Operations Division as a dedicated Shinkansen unit.
- In the area of disaster prevention and disaster damage reduction measures, we are moving forward with earthquake resistance reinforcement and slope reinforcement measures. In regard to last year's earthquake and heavy rain damage, we believe that our initiatives have shown good results at those locations at which countermeasures were implemented.
- Safety enhancement is the basis of our management, and moving forward we will continue to implement safety enhancement measures, including both tangible and intangible initiatives.

Revising services and equipment

- Expanding stations at which services have been introduced through remote system call centers
- ◆ Expected expansion of introduction in Kyoto-Osaka-Kobe Area (total of 340 stations)

	Beginning of FY19.3	Future (around FY31.3)
JR Ticket Offices ("Midori-no-madoguchi")	Approx. 180 stations	About 30 stations (centered on strategic stations, Shinkansen stations)
"Plus" green ticket-vending machines ¹	Approx. 50 stations	About 100 stations (expansion centered on stations other than those listed above. amount of investment during the medium-term management plan: ¥2.0 billion)
Advanced function ticket vending machines ²	Approx. 70 stations	Nearly all staffed stations



"Plus" green ticket-vending machines (Receiving assistance from operator)

^{*1} Ticket vending machines that can handle ticket purchases, changes, and refunds. Remote operators available, possible to confirm discount certificates
^{*2} Ticket vending machines that can accommodate purchases of IC cards as well as the use of credit cards to purchase commuter passes
^{*3} Including stations with both JR Ticket Offices ("Midori-no-madoguchi") and "Plus" green ticket-vending machine

Building a system that can continually provide higher levels of safety and customer service with limited staff members at the station
Aiming to reduce total station employees by about 10% (approximately 600 people) by the end of FY2023.3

Maintenance system changes

- Introduction of train car status monitoring system (Using ground equipment to automatically ascertain status of train roofs, pantographs, and wheels) ⇒ Completed installation of 1 unit in June 2018, planning to introduce a total of 15 units by FY2022.3



Measurement in operation (Fukichiyama region)



Image taken (train roof)

- Fostering innovation through CVC

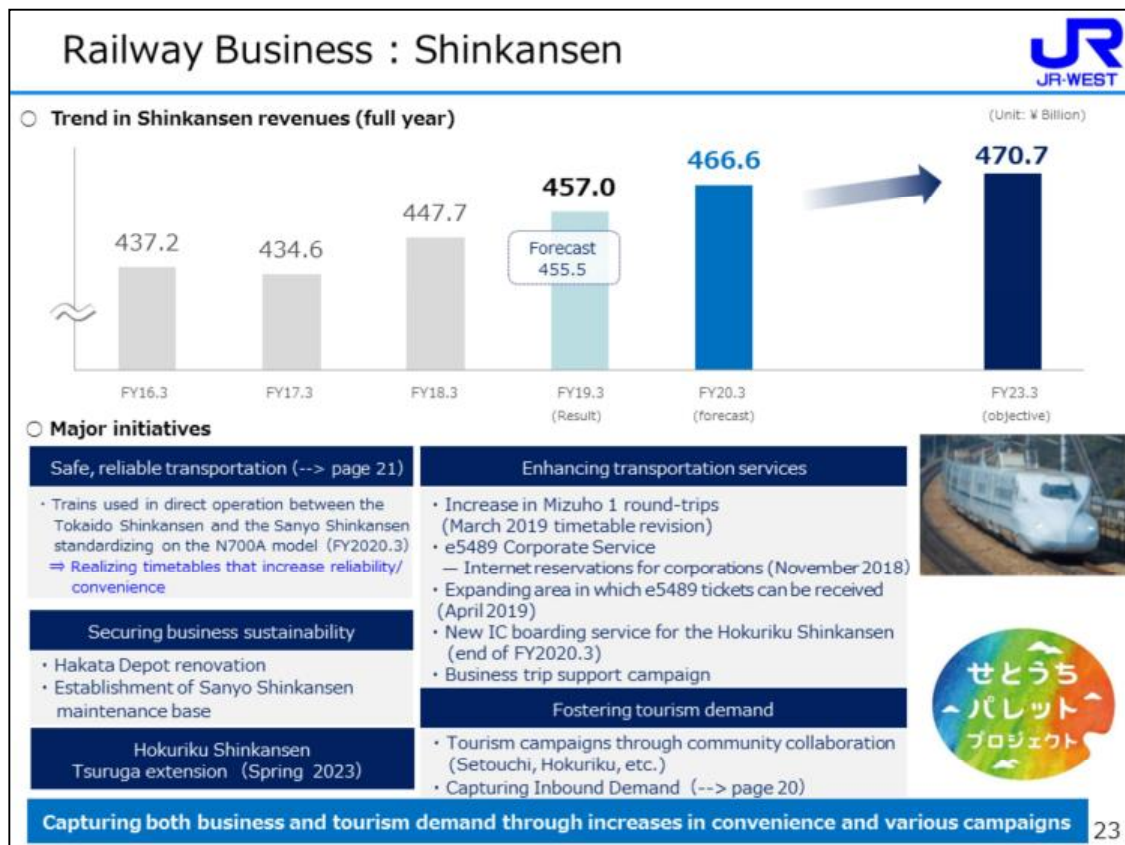
• GiXo ⇒ Aiming to establish new maintenance methods through CBM

• 4D sensor ⇒ Aiming to foster early detection of malfunctioning and labor-saving/increased efficiency in inspections through non-contact, high-precision measurement using 3D measurement technology

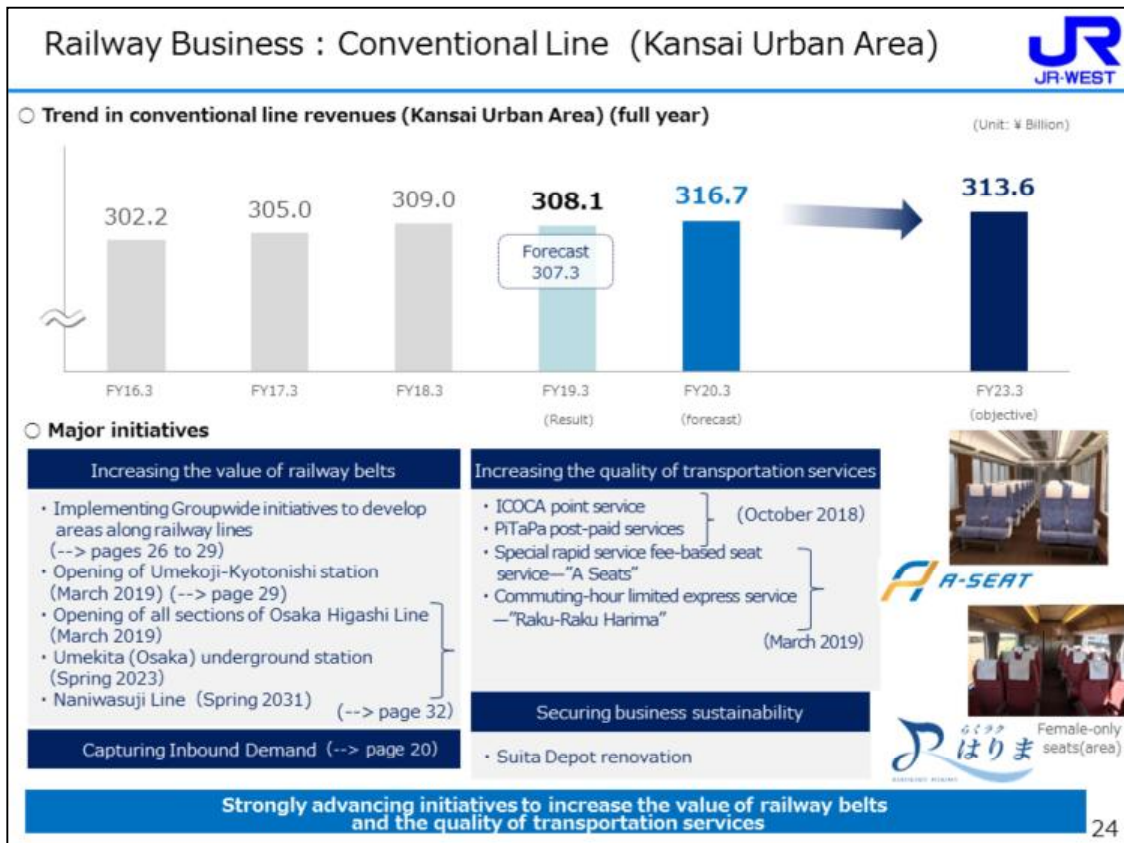
Using technology to advance the establishment of sustainable railway/transportation systems

22

- Next, for information about our efforts to increase productivity, please turn to slide 22.
- Under the plan, measures to increase productivity can be broadly classified as revising services and equipment and implementing maintenance system change initiatives.
- In the revision of services and equipment, we have recently announced our plans for future station operational systems.
- Specifically, JR Ticket Offices ("Midori-no-madoguchi") will be concentrated in Shinkansen stations and strategic stations, while at other stations we will introduce ticket vending machines with added functions, such as the availability of remote operators, under the name "Plus" green ticket-vending machine. In this way, we will realize efficient station operational systems.
- As the birthrate declines and the population ages, it will become increasingly difficult to secure human resources. In this management environment, we will work to build systems that can continually provide high levels of safety and customer satisfaction, even with limited staff members.



- Next, please refer to slide 23 for information about the Shinkansen, which is our largest growth driver.
- In the medium-term management plan, we announced that we will link safety — the largest strength of the Shinkansen — to increases in competitiveness. In addition, we will increase our share of the transportation market vis-a-vis airlines by taking steps to enhance transportation services. Other initiatives will also include striving to stimulate tourism demand by enhancing wide-area tourism routes and implementing campaigns.
- In FY2020.3, there will be many positive special factors, such as the leap year effect and the pattern of weekdays and weekends, including Golden Week. Accordingly, we will work to fully leverage those favorable factors as we strive to increase convenience, implement campaigns, etc. In this way, we will strive to capture both business and tourism demand.



- Next, please refer to slide 24.
- In the Kansai Urban Area, we will work to meet the objective of increasing the value of railway belts and expanding the resident population in areas along railway lines. To that end, the entire Group will work together to implement initiatives, such as measures to enhance the railway network, including the opening of new lines and new stations, and to improve transportation services, as well as measures to develop the areas along railway lines.
- In March 2019, we opened the entire Osaka Higashi Line and opened Umekoji-Kyotonishi Station, which is the first stop from Kyoto. Customer usage has been favorable after these openings, and moving forward we will continue to do our utmost to establish and expand usage.
- Furthermore, in regard to increasing the quality of transportation services, we are rolling out a number of new initiatives, such as ICOCA point services.

○ Trend in conventional line revenues (Other West Japan Area) (full year)

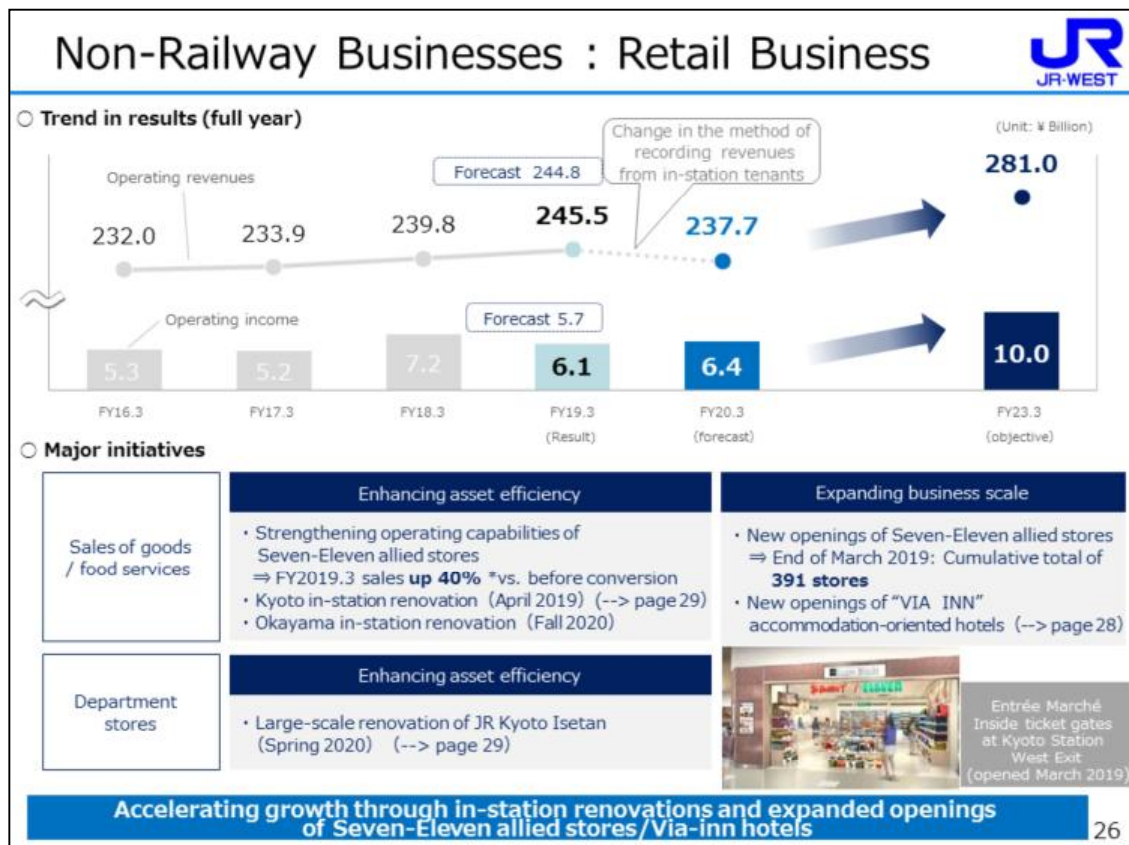
(Unit: ¥ Billion)



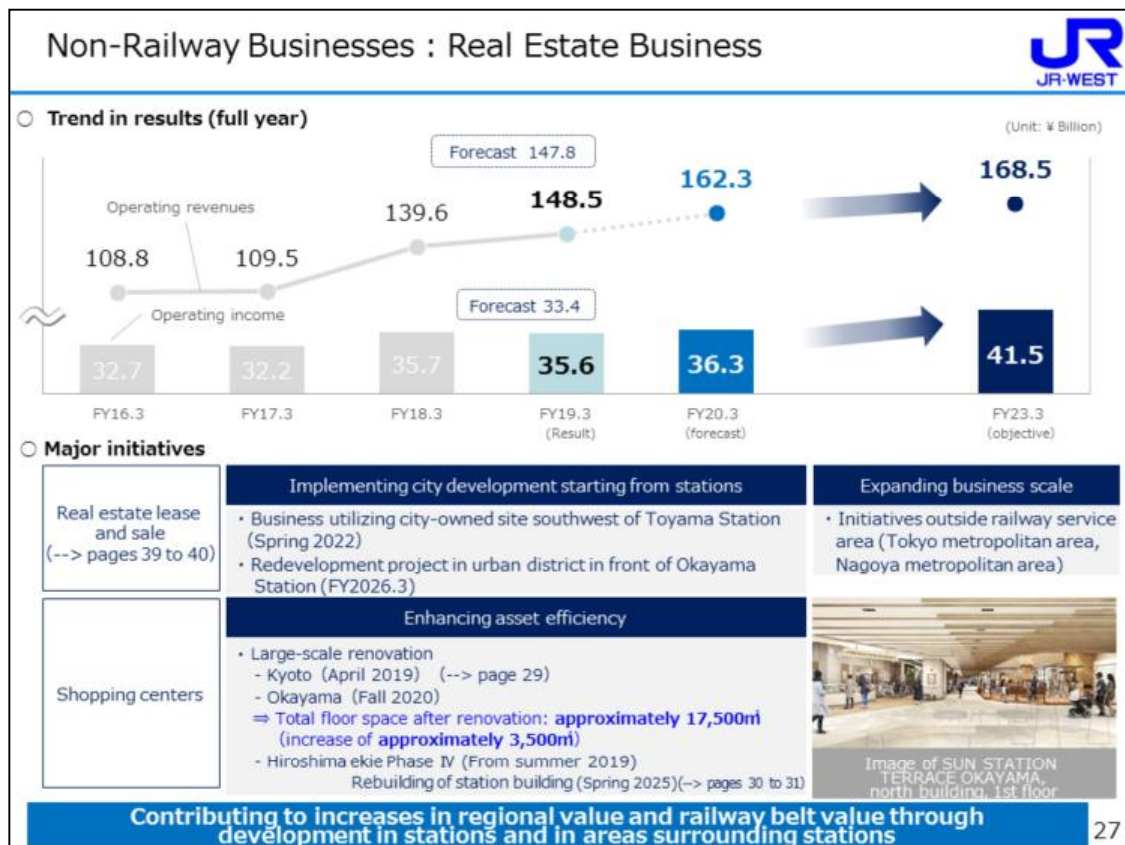
○ Major initiatives

<p>Inigorating communities, centered on tourism</p> <ul style="list-style-type: none"> Setouchi Palette Project Expanding e5489 ticketless service (September 2018) WEST EXPRESS Ginga (new long-distance train) (Spring 2020) 	<p>Implementing city development, centered on core cities</p> <ul style="list-style-type: none"> Hiroshima, Okayama, Toyama, etc. (--> pages 27,30) Onomichi new station building (March 2019) 	
<p>Increasing productivity</p> <ul style="list-style-type: none"> Onboard IC ticket checking equipment (Sakai Line March 2019, Wakayama Line Spring 2020) Wireless automatic train control (ATC) system (Wakayama Line Spring 2023) 	<p>Realization of sustainable transportation services</p> <ul style="list-style-type: none"> Converting of the Kibi Line to LRT 	<p>WEST EXPRESS Ginga (Image as of March 2019)</p>







Contributing to regional invigoration through the realization of city development centered on stations and of sustainable transportation services 25



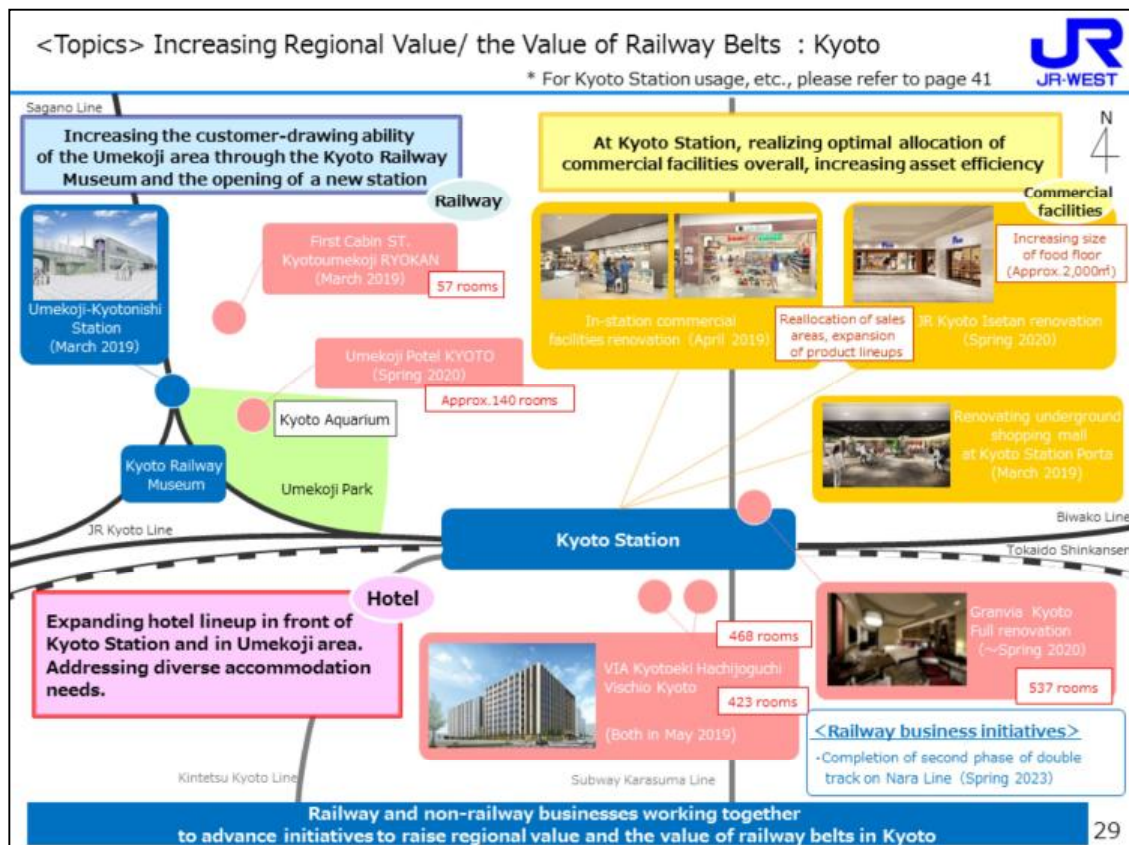
- Next, I will explain the situation in non-railway businesses. Please refer to slide 26.
- In the retail business, our strategies include working to increase asset efficiency by renovating department stores and in-station stores, and expanding our business scale by opening Seven-Eleven allied stores in areas surrounding stations, opening new accommodation-oriented hotels, and implementing other measures.
- As of the end of March 2019, we had 391 Seven-Eleven allied stores. The conversion to Seven-Eleven allied stores is generating significant effects, with sales at converted stores up by about 40%.
- Also, Via-inn accommodation-oriented hotels continue to maintain high occupancy rates, with an average occupancy rate of more than 90% at existing hotels in FY2019.3.
- In department stores, we will continue to do our utmost as we work toward the full renewal opening of floors two to five in spring 2020.



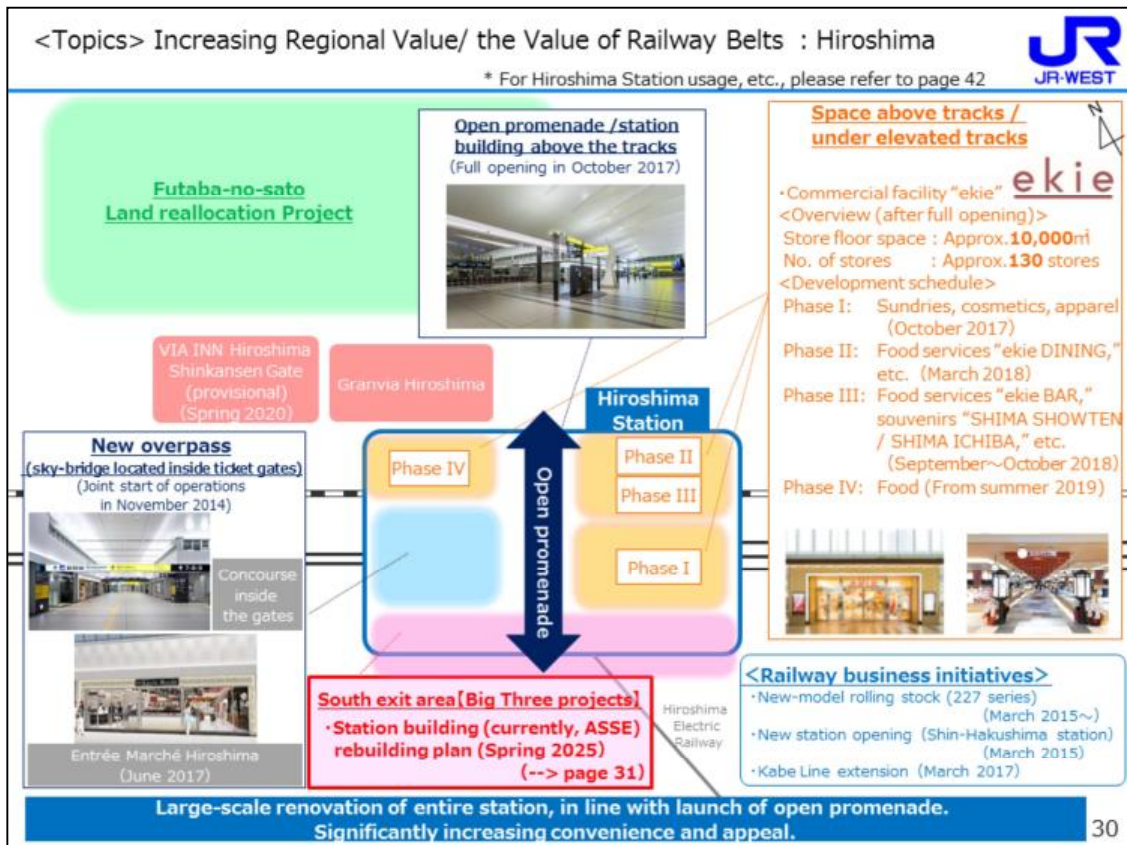
- Please refer to slide 27, which covers the real estate business.
- In the real estate lease and sales business, to maximize regional value and railway belt value in the western Japan area, we are implementing aggressive initiatives inside and outside our railway service area. In the shopping center business, we are working to increase asset efficiency by conducting development and renovation measures that reflect consideration for local conditions.
- In shopping centers, we are planning multiple large-scale renovations, including Okayama in FY2020.3. In addition, we are preparing for the opening of Hiroshima Station ekie Phase IV from summer 2019.
- In real estate leasing and sales, we are planning for substantial growth in the current year. Please refer to the Appendix, which lists major lease/sale properties.

Non-Railway Businesses : Hotel Business					JR JR-WEST	
* Information includes non-consolidated hotel operations						
○ Status of progress with medium-term management plan objectives						
	FY19.3 results		FY20.3 targets		FY23.3 targets	
External sales	¥48.8 billion	YoY+¥1.4 billion	¥55.7 billion	YoY+¥6.9 billion	¥63.2 billion	
* Consolidated basis (Retail business: "VIA INN" + Other businesses: Hotel operations)						
○ Major store-opening plans						
		FY19.3		FY20.3 ~		FY23.3
Granvia 	Other City hotels	6 hotels	2,270 rooms	[Kyoto]Renovation of entire hotel (~Spring 2020) [Osaka]Renovation of entire hotel (~April 2022)		Approx. 2,300 rooms
Vischio 	Other High-class accommodation-oriented hotels	2 hotels	590 rooms	[Kyoto] Opening: May 2019 No. of rooms : 423 rooms  Right : Vischio Left : VIA INN		Approx. 1,400 rooms
VIA INN 	Retail Accommodation-oriented hotels	22 hotels	5,292 rooms	[Kyotoeki Hachijoguchi] Opening May 2019 468 rooms	[Hakitaguchi Ekimae] Opening June 2019 205 rooms	[Shinsaibashi Yotsubashi] Opening July 2019 224 rooms
				[Tokyo Nihonbashi] (provisional) Opening Fall 2019 Approx. 240 rooms	[Hiroshima Shinkansen Gate] (provisional) Opening Spring 2020 Approx. 250 rooms	Approx. 6,700 rooms
Potel 	Nonconsolidated Community-oriented casual hotels	—	—	[Umekoji(Kyoto)] Opening: Spring 2020 No. of rooms: Approx.140 rooms		Approx. 200 rooms
First Cabin Station 	Nonconsolidated High-end capsule hotels	3 hotels	260 rooms			Approx. 400 rooms
Total: 8,412 rooms				Total: 11,000 rooms		
Addressing diverse accommodation needs with multiple brands, centered on accommodation-oriented hotels						
28						

- Please look at slide 28, which covers the hotel business.
- Under the medium-term management plan, we will work to address diverse needs. To that end, we will develop five hotel formats, centered on accommodation-oriented hotels, and strive to expand the scale of our hotel business.
- In FY2019.3, by opening a number of Via-inn and Vischio hotels, we added more than 1,000 rooms.
- In FY2020.3, we plan to open four Via-inn hotels and 1 Vischio hotel. We will work steadily toward a Groupwide total of 11,000 rooms in the final year of the medium-term management plan.



- Next, please look at slide 29. Over the next few slides, I will introduce several examples of initiatives that integrate railway and non-railway businesses.
- The first is increasing regional value and railway belt value through development in the area surrounding Kyoto Station.
- In the railway business, as explained on the slide for the Kansai Urban Area, we opened Umekoji-Kyotonishi station in March 2019, and we are accelerating initiatives to increase the quality of transportation services in the Kansai Urban Area.
- In non-railway businesses, looking ahead to spring 2020, for five hotel brands, we will open new locations and implement renovations in the area surrounding Kyoto Station. In this way, we will work to address a variety of accommodation needs.
- Furthermore, to optimize the positioning of all commercial facilities at Kyoto Station, we will advance large-scale renovations for in-station, department store, and shopping center facilities. With a focus on the 2020 Tokyo Olympic and Paralympic Games, we will strive to address a variety of customer needs by implementing initiatives integrating the railway and non-railway businesses.



- Next, please look at slide 30.
- At Hiroshima Station, in addition to station improvements that include a north-south open promenade and a station building above the tracks, we have opened a series of commercial facilities since 2017, such as ekie.
- In this setting, we have recently announced the outline of the plan for rebuilding the station building in the area near the south exit, which is one of the Big Three Projects in the medium-term management plan.

◆ Illustration of exterior



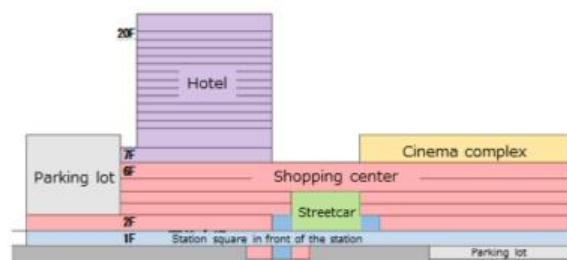
◆ Development overview

- Planned opening : Spring 2025
- Building area : Approx. 14,000㎡
- Total floor space : Approx. 111,000㎡
- Scale : Above ground, 20 floors; below ground, 1 floor; height: approx. 100m
- Uses :
- Shopping center/ Cinema complex (Store floor space: Approx. 25,000㎡)
- High-class accommodation-oriented hotel "Vischio" (approx. 400 rooms)
- Parking lot directly connected to station building (approx. 500 spaces)
- Parking lot in separate building (approx. 400 spaces)

◆ Illustration of interior

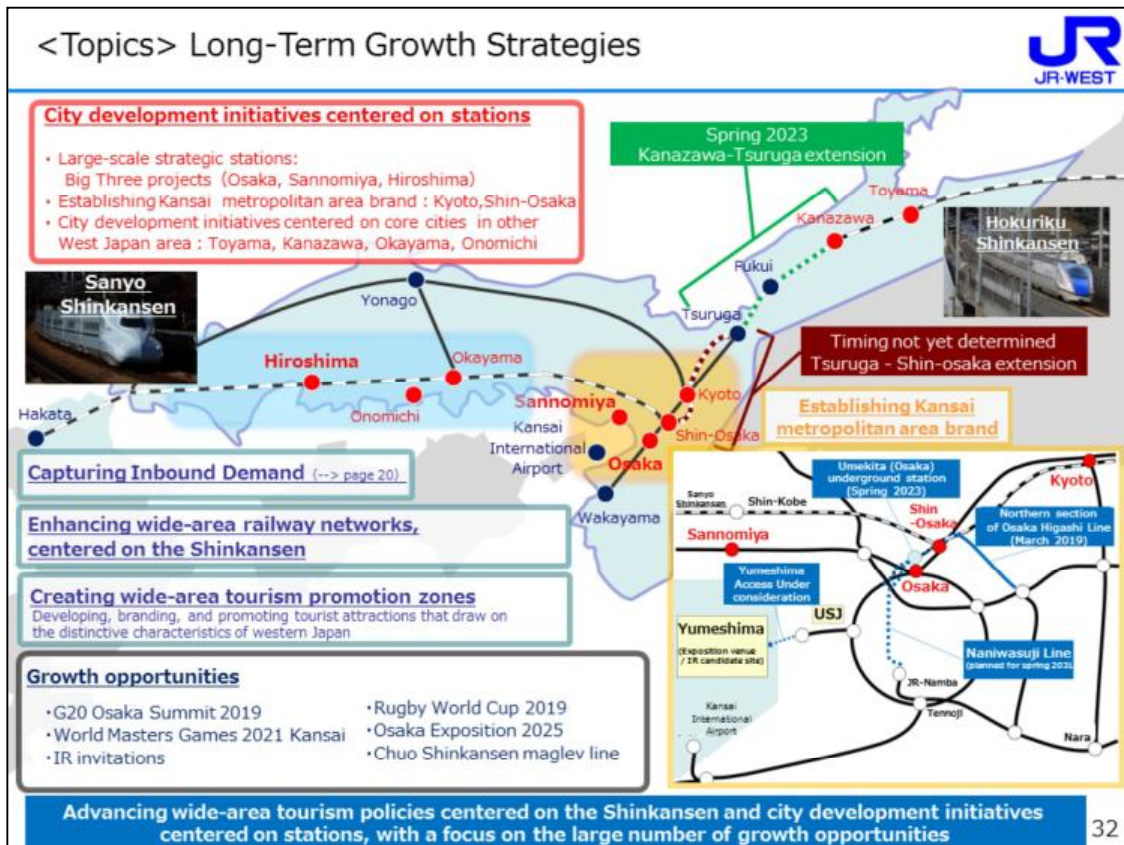


◆ Illustration of floor organization



Creating appealing spaces that bring together pedestrian sections, commercial facilities, and stations, including station squares

- Page 31 shows an overview of this project. As can be seen in the illustration of the interior, light-rail streetcars will enter directly into a space on the second floor of the station building. Plans call for this space to be connected, with no difference in grade, to the Hiroshima Station central gate and the Shinkansen ticket gate. In this way, we will create an appealing space that integrates station, pedestrian, and commercial facilities.
- Furthermore, in addition to commercial facilities, such as a shopping center and a cinema complex, a Vischio hotel with about 400 rooms will also be opened. We are aiming to build a facility that creates new liveliness, exchange, and a strong impression, with Hiroshima as a base for the Setouchu Area. Moving forward, we will continue working together with local communities to implement initiatives to develop cities and areas along railway lines.



- Next, please look at slide 32.
- This slides shows a map that illustrates our medium to long term growth strategies, as outlined in the medium-term management plan.
- Our railway service area offers a large number of growth opportunities, such as for expos, integrated resorts, etc. In this setting, to fully leverage those opportunities, we will take the initiative and implement measures from a medium to long term viewpoint.

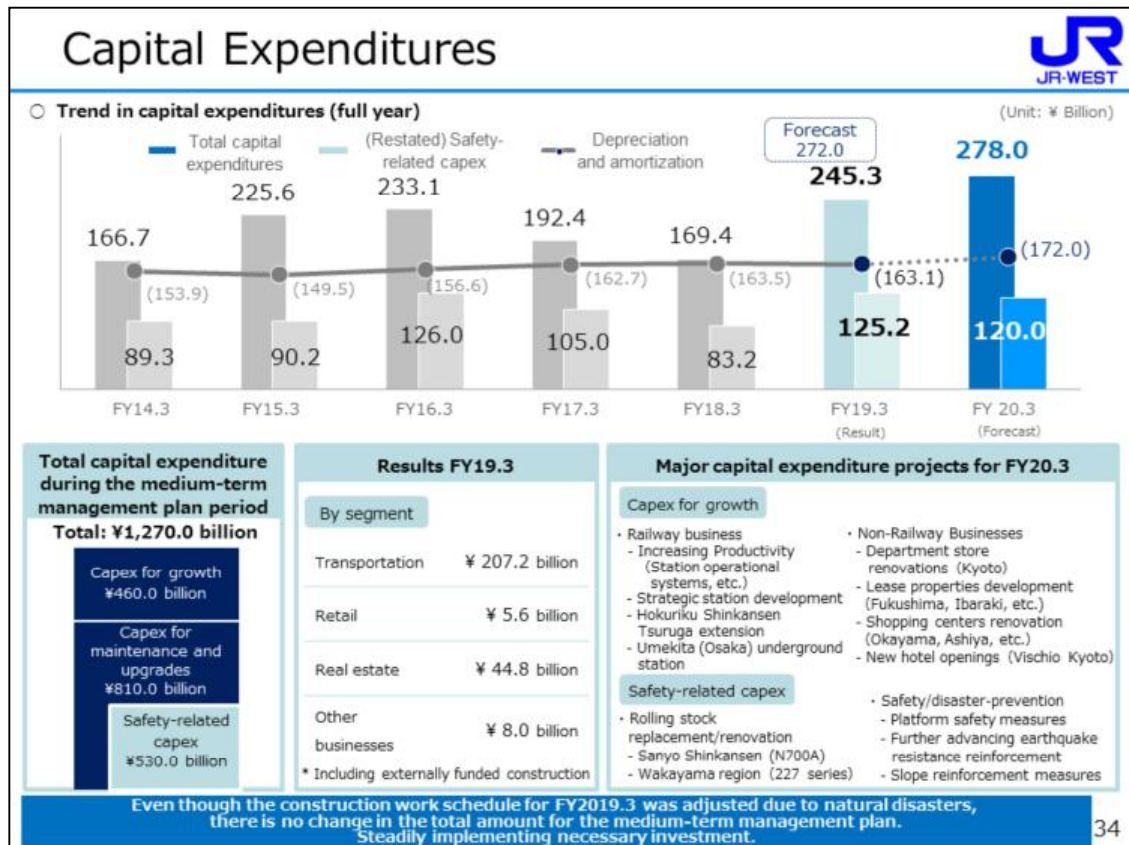
-  1 Results for FY2019.3

 -  2 Forecasts for FY2020.3

 -  3 Individual Business Initiatives

 -  4 Capital Expenditure Plan,
Returns to Shareholders

-  Appendix



- Next, please look at slide 34.
- In FY2019.3 capital expenditures increased ¥75.8 billion year on year, to ¥245.3 billion, due to the introduction of new rolling stock and the development of real estate lease properties. Because we gave priority to disaster recovery, etc., this amount is ¥26.6 billion less than the amount of the forecast. However, we have steadily implemented safety investment in line with the plan.
- Our safety investment will be concentrated in the first half of the medium-term management plan, and in FY2019.3 we adjusted the work schedule due to the disasters. As a result, for FY2020.3, we are planning capital expenditures of ¥278.0 billion, an increase of ¥32.6 billion year on year. In addition, targeting future growth, we will also invest aggressively in non-railway operations.

Returns to Shareholders



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.

Shareholder return in FY20.3

- Planning on dividends of **¥190** per share, an **increase of ¥15.**
***10th consecutive year of higher dividends.**
- Planning to **acquire own shares**, with upper limit of **¥10.0 billion**

(Reference): Trends in dividends per share (¥)



In accordance with the shareholder return policy, planning to increase dividends for the 10th consecutive year and to acquire own shares

35

- Please refer to slide 35, which covers shareholder return.
- The dividend forecast for FY2019.3 is for annual dividends of ¥175 per share, which is in line with the guidance provided previously. In addition, the Company acquired and canceled ¥9.9 billion of its own shares.
- For FY2020.3, we are planning to pay a dividend of ¥190 per share, an increase of ¥15. Furthermore, the Company is also planning to acquire its own stock this year, with an upper limit of ¥10.0 billion. In accordance with the shareholder return policy in the medium-term management plan, we will provide an appropriate return to shareholders.
- Finally, the natural disasters had an effect on FY2019.3, but this effect is only a transitory factor. There is no change to our expectations for the final year of the medium-term management plan.
- There will be a large rise in costs in FY2020.3, but we will work to increase revenues by steadily implementing the measures that we have described. Going forward we will continue striving to raise corporate value over the medium to long term.
- This concludes my portion of today's presentation.

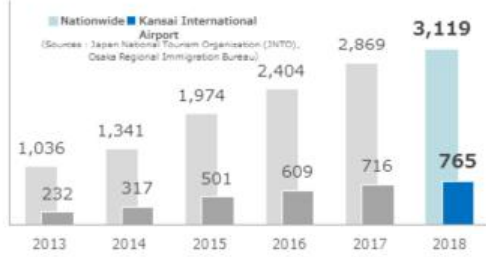
- 1 Results for FY2019.3
 - 2 Forecasts for FY2020.3
 - 3 Individual Business Initiatives
 - 4 Capital Expenditure Plan,
Returns to Shareholders
-  Appendix

(Reference (1))

Appeal of JR West's Railway Service Area (Capturing inbound demand)



○ Number of overseas visitors to Japan (Unit: 10,000 people)



**Increase in number of overseas visitors to western Japan
In particular, growth in visits to regional areas.**

◆ Number of overseas visitors entering Japan by airport (Unit: 10,000 people)

	2013	2018	Growth rate (vs.2013)
Kansai International Airport	232	765	3.3 times
Fukuoka	69	241	3.5 times
Narita	426	856	2.0 times

(Source: Ministry of Justice)

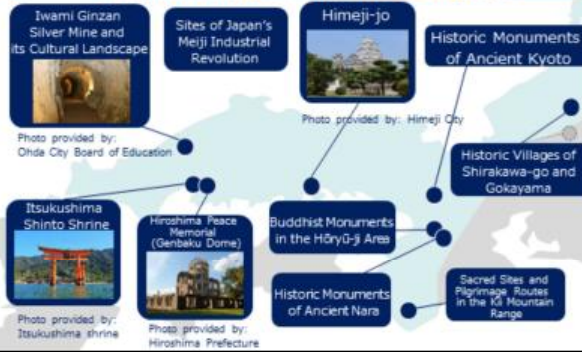
◆ Number of international visitor guest nights (Unit: 10,000 person-nights)

	2013	2018	Growth rate (vs. 2013)
Western Japan (excluding Kansai Urban Area)	1,067	3,081	3.2 times
Nationwide	3,350	8,859	2.6 times

(Source: Japan Tourism Agency, accommodation survey)

○ Appeal of the western Japan area

JR West's railway service area has approximately 40% of Japan's World Heritage sites (10 of 22)



Setouchi Area is drawing attention from around the world.

- 「The New York Times」
→52Places to Go in 2019 No. 7 (Only selection from Japan)
- 「NATIONAL GEOGRAPHIC TRAVELLER (UK)」
→The Cool List 2019 (Only selection from Japan)
This year's must-see destinations Best19 No. 1
- 「Fodor's Travel」 「Travel +Leisure」 etc.

Multiple big events, centered on Kansai

- G20 Osaka Summit 2019
- Rugby World Cup 2019
- World Masters Games 2021 Kansai
- Osaka Exposition 2025


(Reference (2)) Major Disaster Prevention / Disaster Damage Reduction Measures to Address Natural Disasters



Earthquake countermeasures **Earthquake resistance reinforcement measures**

- Measures since the Great Hanshin earthquake (Shear failure type elevated track pillars, bridge collapse prevention measures, etc.) : **almost completed**
 -  Elevated track pillars (Shear failure type)
 -  Bridge collapse prevention measures
 -  Bridge piers
 - Measures since the Great East Japan Earthquake (Expanded subject area/buildings to prepare for earthquakes in Tokai, Tonankai, and Nankai regions) : **Approx. 50% completed**
 -  Elevated track pillars (Flexural failure type)
 -  Embankments
 -  Steel bridge piers
 -  Station buildings
 - Additional measures that will be advanced in the future (expanding subject lines and structures with consideration for the progress of the measures listed above and for Kumamoto Earthquake / earthquake in northern Osaka Prefecture) (by FY2043.3) : **Approx. ¥240.0 billion**
- Amount of investment : Approx. ¥100.0 billion

Torrential rain countermeasures **Slope reinforcement measures (Kansai Urban Area)**

- Completed on sections primarily used for local trains on the Biwako Line, JR Kyoto Line, JR Kobe Line; on the Osaka Loop Line; etc. (FY2018.3) Amount of investment : Approx. ¥4.0 billion
 ⇒ **Approximately 45% reduction** in restricted train operation time during rainfall on subject sections of track
 - Expanding to sections, etc., primarily used for special rapid service trains, etc., on the Biwako Line, JR Kyoto Line, and JR Kobe Line (by FY2023.3)
 ⇒ Expect to be able to achieve **approximately 85% reduction** in restricted train operation time during rainfall on subject sections of track Amount of investment : Approx. ¥10.0 billion
- 
- Shin-Osaka Station area

Wind resilience measures **Anti-wind barriers (Hokuriku Line, Kosei Line)**

- Completed installation on subject sections (FY2019.3)
 ⇒ Reduction of **about 60% to 70%** in restricted train operation time due to revision of strong wind regulations
- 

(Reference (3)) Major Real Estate Lease Properties



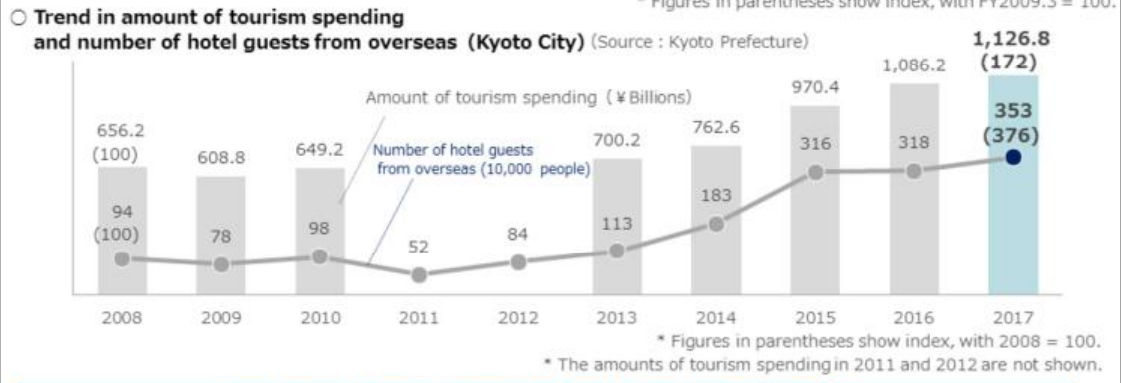
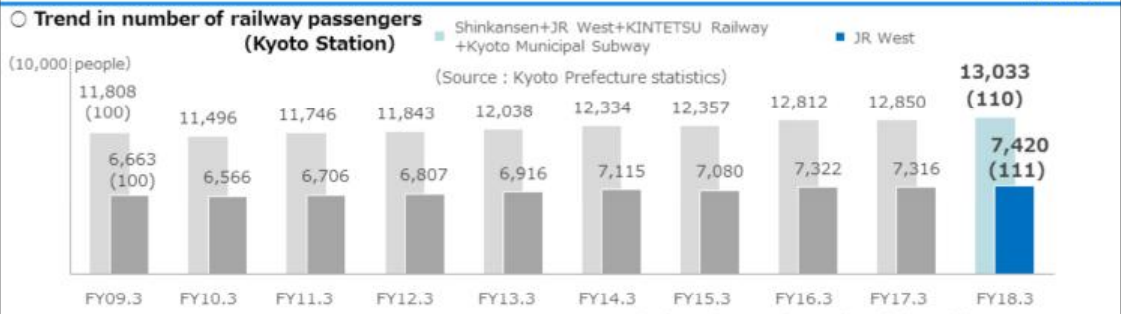
FY19.3 results		* Indicates joint business with other companies				West Japan Area	Areas outside of Railway service area	
Property name	VIERRA Senrioka	Osaka Nita NK Building	VIERRA Kishibe Kento	VIERRA Meimai	VIERRA Kaitaichi	Hiroshima Omachi NK Building		
Location	Suita City, Osaka Prefecture	Osaka City, Osaka Prefecture	Suita City, Osaka Prefecture	Kobe City, Hyogo Prefecture	Aki-gun, Hiroshima Prefecture	Hiroshima City, Hiroshima Prefecture		
Uses	Commercial facilities	Hotel, etc.	Commercial facilities, Clinics, hotels, etc.	Commercial facilities, etc.	Commercial facilities, etc.	Hotel		
Total floor space	Approx. 2,200㎡	Approx. 14,000㎡	Approx. 27,000㎡	Approx. 10,600㎡	Approx. 5,600㎡	Approx. 4,400㎡		
Opening date	April 2018	June 2018	November 2018	November 2018	February 2019	March 2019		
Property name	Forest Miyazaki	REID-C Akhabara	Student Home Nagoya I	NEIGHBORS MEGURO	VIERRA Court Averse*	NEIGHBORS Tachikawa		
Location	Kawasaki City, Kanagawa Prefecture	Chiyoda-ku, Tokyo Prefecture	Nagoya City, Aichi Prefecture	Meguro-ku, Tokyo Prefecture	Adachi-ku, Tokyo Prefecture	Tachikawa City, Tokyo Prefecture		
Uses	Rental condominiums	Offices	Rental condominiums	Rental condominiums	Rental condominiums	Rental condominiums		
Total floor space	Approx. 3,500㎡	Approx. 1,200㎡	Approx. 1,900㎡	Approx. 1,900㎡	Approx. 7,600㎡	Approx. 2,100㎡		
Opening date	May 2018 acquisition	November 2018 acquisition	December 2018 acquisition	March 2019 acquisition	March 2019 acquisition	March 2019 acquisition		
FY20.3~								
Property name	Fukushima-ku 5/7 joint development *	Ibaraki Shinchujo-cho NK Building development	JR Kanazawa Station Nishi Dai-san NK Building development	Kotobashi NK Building development (provisional)	Kyoto-Umekoji NK Building development (provisional)	JRHiroshima Station Northwest NK Building development	Kyoto Higashi Kujo Nuroomachi NK Building development	Business utilizing city-owned site southwest of Toyama Station
Location	Osaka City, Osaka Prefecture	Ibaraki City, Ibaraki Prefecture	Kanazawa City, Ishikawa Prefecture	Sumida-ku, Tokyo Prefecture	Kyoto City, Kyoto Prefecture	Hiroshima City, Hiroshima Prefecture	Kyoto City, Kyoto Prefecture	Toyama City, Toyama Prefecture
Uses	Hotel, Commercial facilities	Commercial facilities, Rental condominiums, etc.	Offices	Commercial facilities, etc.	Hotel	Hotel	Hotel	Hotel, Commercial facilities
Total floor space	Approx. 11,000㎡	Approx. 11,000㎡	Approx. 6,100㎡	Approx. 8,900㎡	Approx. 8,300㎡	Approx. 5,700㎡	Approx. 3,000㎡	Approx. 40,000㎡
Opening date (planned)	May 2019	June 2019	Winter 2019	Winter 2019	Spring 2020	Spring 2020	Summer 2020	Spring 2022

(Reference(4)) Major Real Estate Sales Properties



FY19.3 results		* Indicates joint business with other companies					West Japan Area		Areas outside of Railway service area	
Property name	J.GRAN L IBARAKI	J.GRAN THE HONOR Shimogamo Tadaunomori	Daesta Mio Fukumachi Urban	PROUD CITY TSUKAGUCHI MARK SKY*	J.GRAN L RITTO	Urban Shimamoto City*	The Terrace Tobuoka Grand Terminal *	Lions Tokai-don J.GRANDBA*		
Location	Ibaraki City, Osaka	Kyoto City, Kyoto Prefecture	Osaka City, Osaka Prefecture	Amagasaki City, Hyogo Prefecture	Ritto City, Shiga Prefecture	Mishima-gun, Osaka Prefecture	Yokohama City, Kanagawa Prefecture	Nagoya City, Aichi Prefecture		
Total units	283units	99units	96units	366units	63units	264units	175units	69units		
Start of delivery	March 2016	June 2017	October 2017	March 2018	December 2018	February 2019	March 2019	March 2019		
FY20.3~										
Property name	Maya City STATION GATE*	J.GRAN MORIYAMA	J.GRAN TENNOJI DOUGASHIBA	The Parkhouse KOBE TOWER*	J.GRAN City Tsukamoto					
Location	Kobe City, Hyogo Prefecture	Moriyama City, Shiga Prefecture	Osaka City, Osaka Prefecture	Kobe City, Hyogo Prefecture	Osaka City, Osaka Prefecture					
Total units	118units	73units	39units	352units	312units					
Start of delivery (planned)	September 2019	September 2019	September 2019	February 2020	March 2020					
Property name	J.GRAN MOTOSUMIYOSHI	PREDEAR FUCHUNISHIFU	PREDEAR YOKOHAMAMITSUZAWA	J.GRANDBA HIYOSHI	BRANZ TOWER TOYOSU*					
Location	Kawasaki City, Kanagawa Prefecture	Fuchu City, Tokyo Prefecture	Yokohama City, Kanagawa Prefecture	Yokohama City, Kanagawa Prefecture	Koto-ku, Tokyo Prefecture					
Total units	41units	20units	51units	86units	1,152units					
Start of delivery (planned)	July 2019	September 2019	September 2019	November 2019	March 2022					

(Reference(5)) Kyoto Station Usage, Etc.

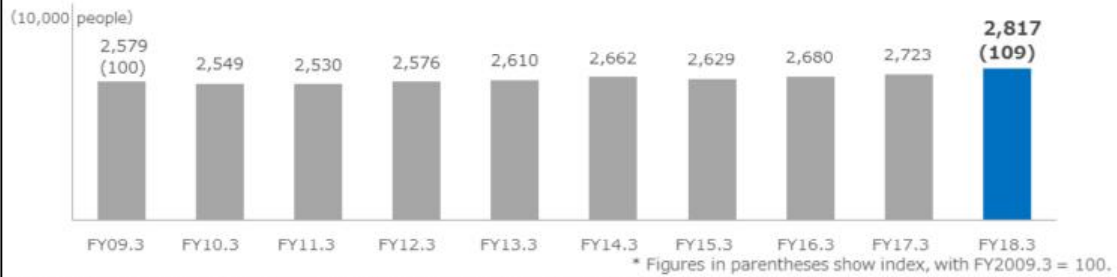


Over the past 10 years, the usage of Kyoto Station has increased 11%, and the number of Kyoto City hotel guests from overseas has increased to more than 3.7 times the previous level. 41

(Reference(6)) Hiroshima Station Usage, Etc.



○ Trend in number of JR West railway passengers (Hiroshima Station)



○ Trend in amount of tourism spending and number of hotel guests from overseas



Over the past 10 years, the usage of Hiroshima Station has increased 9%, and the number of Hiroshima City hotel guests from overseas has increased to 4.9 times the previous level. 42

Society

- **Safety** (--> pages 21, 38)
- **Human resources and motivation**
 - ◆ Revising wages, work systems, etc., for fixed-term employees (senior employees (rehired) / contract employees, etc.)
 - Raising base salaries, / diligence allowances, etc., establishing new allowances
 - Revising systems for leave, vacation, etc., establishing work systems that support both child-rearing and work.
 - ◆ Advancing diversity and inclusion
 - ⇒ Selected for METI's "Fiscal 2018 New Diversity Management Selection 100 Project"
 - Formulating action plan for promotion of women's participation and advancement in the workplace and developing the next generation
 - Introducing telecommuting, satellite offices
 - Further enhancing reduced-days work system
 - Enhancing systems for train crew members whose work involves overnight stays (about 4 actual days off per week)
 - Opening a day care center for employees
 - ◆ Advancing health management
 - More than 70% receiving comprehensive physical examinations in FY2023.3, etc.
- **Coexisting with communities** (--> pages 23 to 32)
- **Human rights**
 - ◆ Formulating basic policy on human rights
- **Customer satisfaction**
 - ◆ Enhancing guidance services for overseas customers, etc. (--> page 20)
 - ◆ Advancing easy-to-understand guidance services
 - Enhancing train location services
 - Improving operating status information app
 - Opening official Twitter account
 - Providing tablets for all train crew / major stations for use in offering guidance



Governance

- **Strengthening corporate governance**
 - ◆ Reducing term of directors (2 years →1 year)
 - ◆ Considering frameworks related to development of officer candidates, officer nominations, etc.
- **Risk management**
 - ◆ Addressing large-scale events, such as G20, etc.

Environment

- **Establishing new environmental targets in medium-term management plan 2022**
 - ◆ Energy consumption intensity -3% (FY2023.3 vs FY2014.3)
 - ◆ Percentage of energy-saving railcars: 88% (FY2023.3), etc.
- **Initiatives to help prevent global warming**
 - ◆ Introducing electric power storage equipment (Power supply station in Yasu)

Creating organizations

Transitioning group management system to in-house company system

- 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.
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 - 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; and
 - failure of computer telecommunications systems disrupting railway or other operations
- All forward-looking statements in this release are made as of May 8, 2019 based on information available to JRWest as of May 8, 2019 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.