- I am Atsushi Sugioka, Senior general manager of Corporate Planning Headquarters.
- 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 IR meeting.
- First of all, I would like to pause to offer our sincere condolences for those who lost their lives in the recent Typhoon No. 19. Our thoughts are also with all those who have been affected by the disaster.
- On October 25, we resumed a direct service between Tokyo and Kanazawa. This is currently operating with a limited number of rolling stock, causing inconvenience to various stakeholders such as customers who use the service.
- Today, Yoshito Fujiwara, the general manager of the Finance Department, 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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Appendix Page 37

- I am Yoshito Fujiwara, the general manager of the Finance Department.
- First, I will provide a brief explanation of the Company's financial results for the first half of the fiscal year ending March 31, 2020, which were announced on October 28, as well as our forecasts for the full fiscal year.

Financial Highlights

JR-WEST

¥ Billions

	6 months ended Sep 30,2018 A	6 months ended Sep 30,2019 B	YoY Increase/ (Decrease) B-A	YoY % 1-B/A	Results FY2019.3 C	Forecasts FY2020.3 As of July 30 D	Forecasts FY2020.3 As of Oct 28 E	YoY Increase/ (Decrease) E-C	YoY % 1-E/C	Difference between the forecasts Increase/ (Decrease) E-D
【Consolidated】										
Operating Revenues	736.9	762.0	25.0	3.4	1,529.3	1,557.5	1,570.0	40.6	2.7	12.5
Operating Income	113.3	128.8	15.5	13.7	196.9	198.0	202.0	5.0	2.6	4.0
Recurring Profit	105.8	121.6	15.8	14.9	183.3	184.5	189.5	6.1	3.4	5.0
Profit attributable to owners of parent	56.4	80.4	24.0	42.5	102.7	118.5	120.0	17.2	16.8	1.5
【Non-Consolidated】										
Operating Revenues	484.6	504.4	19.8	4.1	980.9	1,001.0	1,005.0	24.0	2.5	4.0
Transportation Revenues	431.7	452.9	21.2	4.9	873.4	895.0	899.0	25.5	2.9	4.0
Operating Expenses	389.6	394.4	4.7	1.2	830.1	849.5	849.5	19.3	2.3	–
Personnel costs	108.1	107.5	(0.6)	(0.6)	215.8	217.5	216.5	0.6	0.3	(1.0)
Non personnel costs	183.4	184.8	1.3	0.8	416.6	425.5	427.5	10.8	2.6	2.0
Energy costs	22.1	23.5	1.3	6.3	45.2	47.5	46.5	1.2	2.7	(1.0)
Maintenance costs	63.2	64.2	0.9	1.5	164.0	170.5	169.5	5.4	3.3	(1.0)
Miscellaneous costs	97.9	97.0	(0.9)	(1.0)	207.3	207.5	211.5	4.1	2.0	4.0
Depreciation	64.3	66.9	2.6	4.1	134.3	141.0	140.0	5.6	4.2	(1.0)
Operating Income	94.9	110.0	15.0	15.9	150.7	151.5	155.5	4.7	3.2	4.0
Recurring Profit	87.0	102.9	15.8	18.2	136.4	137.5	142.5	6.0	4.4	5.0
Net Income	45.9	70.5	24.5	53.5	80.6	95.0	96.5	15.8	19.7	1.5

Note: Figures in brackets ( ) are negative values.

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- Please turn to slide 3, which shows a summary of our results for the first half of the fiscal year and the full-year forecast.
- For the first half, operating revenues and operating income were both up year on year, on both a consolidated and a non-consolidated basis. This mainly reflected a rebound from natural disasters and an increase in users over Golden Week.
  In comparison with our plan, transportation revenues were higher than planned due to the effect of the 10-day Golden Week holiday, while expenses were lower than planned due to a lag in progress on expenses. In the non-railway business achieved slightly higher results than planned overall, mainly due to continued strong performance in the sale of goods and food services business.
- In this situation, as we entered the second half of the fiscal year, Typhoon No. 19 arrived and caused damage. On a non-consolidated basis, under certain assumptions, revenue declined by about ¥2.9 billion over the entire basket, and we have reflected the impact over the whole-year forecast as a ¥3.0 billion extraordinary loss assuming it is possible to exclude damaged rolling stock.
- As a result of this, our full-year earnings forecast has been revised upward for both consolidated and non-consolidated results after offsetting the impact of Typhoon No. 19 in the second half and other factors against the amount of the excess in the first half.

Non-Consolidated Financial Results

JR-WEST

¥ Billions

	6 months ended Sep 30,2018 A	6 months ended Sep 30,2019 B	YoY Increase/(Decrease) B-A	YoY % 1-B/A
Operating Revenues	484.6	504.4	19.8	4.1
Transportation revenues	431.7	452.9	21.2	4.9
Other	52.8	51.4	(1.4)	(2.7)
Operating Expenses	389.6	394.4	4.7	1.2
Personnel costs	108.1	107.5	(0.6)	(0.6)
Non personnel costs	183.4	184.8	1.3	0.8
Energy costs	22.1	23.5	1.3	6.3
Maintenance costs	63.2	64.2	0.9	1.5
Miscellaneous costs	97.9	97.0	(0.9)	(1.0)
Rental payments, etc.	13.5	14.0	0.5	3.8
Taxes	20.2	21.0	0.8	4.2
Depreciation	64.3	66.9	2.6	4.1
Operating Income	94.9	110.0	15.0	15.9
Non-operating revenues and expenses	(7.8)	(7.1)	0.7	(10.0)
Non-operating revenues	2.4	2.7	0.2	–
Non-operating expenses	10.3	9.8	(0.5)	–
Recurring Profit	87.0	102.9	15.8	18.2
Extraordinary profit and loss, net	(22.1)	(1.6)	20.5	–
Extraordinary profit	8.8	3.3	(5.5)	–
Extraordinary loss	31.0	5.0	(26.0)	–
Net Income	45.9	70.5	24.5	53.5

Note: Figures in brackets ( ) are negative values.

- Slide 4 shows an overview of our non-consolidated results.
- Operating revenues increased ¥19.8 billion year on year due to higher transportation revenues.
  Operating expenses increased ¥4.7 billion year on year, mainly reflecting increases in energy costs and rental payments, and depreciation.
- Consequently, operating income rose ¥15.0 billion year on year.
- Furthermore, together with a dramatic improvement in extraordinary income and loss after rebounding from extraordinary loss related to disasters recorded in the previous fiscal year, net income increased by ¥24.5 billion to ¥70.5 billion.
- In comparison with forecasts announced at the start of the fiscal year, revenues were ¥7.4 billion higher, while operating expenses were ¥11.5 billion lower.

Major Factors of Increase/Decrease in Transportation Revenues

JR-WEST

¥ Billions

Results for 6 months ended Sep 30, 2019					
Transportation revenues			YoY Increase/(Decrease)	Major factors	
		Amount	%		Amount
Shinkansen	235.3	8.1	3.6	Fundamentals 0.5%	1.2
				Special factors	
				・Inbound	1.0
				・Pattern of weekdays and weekends (Golden Week)	3.4
				・Rebound from natural disasters	1.8
				etc.	
Kansai Urban Area (Kyoto-Osaka-Kobe Area)	161.1	8.9	5.9	Fundamentals 0.8%	1.1
				Special factors	
				・Inbound	0.7
				・Pattern of weekdays and weekends (Golden Week)	0.5
				・Rebound from natural disasters	3.4
				etc.	
Other lines	56.4	4.1	8.0	Fundamentals 0.8%	0.3
				Special factors	
				・Inbound	0.1
				・Pattern of weekdays and weekends (Golden Week)	0.4
				・Rebound from natural disasters	3.0
				etc.	
Conventional lines	217.6	13.0	6.4		
Total	452.9	21.2	4.9		

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

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- Please see slide 5 for the major factors of increase and decrease in transportation revenues.
- For the first half, the entire basket performed strongly.
- Shinkansen revenues were up 8.1 billion year on year.
  The result reflects an increase on rebound from natural disasters, as well as a surge in users during Golden Week and so forth.
  Breaking the figure down, revenues on the Sanyo Shinkansen were ¥213.5 billion, up ¥7.8 billion, while revenues on the Hokuriku Shinkansen climbed ¥0.2 billion to ¥21.8 billion.
- On conventional lines, in the Kansai Urban Area, revenues were up ¥8.9 billion year on year.
  In addition to a rebound from natural disasters, our fundamental trend remained strong, due to realizing stable transportation services and so forth, while various marketing initiatives also proved effective.
- On other conventional lines, revenues also increased, rising ¥4.1 billion year on year, mainly due to a rebound from natural disasters.
- Compared to forecasts at the start of the fiscal year, revenues were up by ¥6.7 billion in total for the entire basket, mainly due to higher than expected usage during Golden Week.

Transportation Revenues and Passenger-Kilometers

Transportation Revenues

¥Billions

	Results for 6 months ended Sep 30 (4/1~9/30)			3 months (2Q) (7/1~9/30)		
	FY2019.3	FY2020.3	YoY	FY2019.3	FY2020.3	YoY
Total	431.7	452.9	21.2 *4.9%*	217.9	229.6	11.6 *5.4%*
Shinkansen	227.2	235.3	8.1 *3.6%*	117.5	120.3	2.8 *2.4%*
Commuter Passes	5.6	5.7	0.1 *2.2%*	2.8	2.8	0.0 *2.4%*
Non-Commuter Passes	221.5	229.6	8.0 *3.6%*	114.6	117.4	2.7 *2.4%*
Conventional Lines	204.5	217.6	13.0 *6.4%*	100.4	109.3	8.8 *8.8%*
Commuter Passes	72.0	72.0	(0.0) *(0.1%)*	35.6	36.0	0.3 *0.9%*
Non-Commuter Passes	132.4	145.5	13.1 *9.9%*	64.8	73.3	8.5 *13.1%*
Kansai Urban Area (Kyoto-Osaka-Kobe Area)	152.2	161.1	8.9 *5.9%*	74.6	80.2	5.5 *7.4%*
Commuter Passes	59.4	59.4	(0.0) *0.0%*	29.4	29.6	0.1 *0.7%*
Non-Commuter Passes	92.7	101.7	8.9 *9.6%*	45.2	50.5	5.3 *11.8%*
Other Lines	52.2	56.4	4.1 *8.0%*	25.8	29.0	3.2 *12.8%*
Commuter Passes	12.6	12.6	(0.0) *(0.3%)*	6.1	6.3	0.1 *2.0%*
Non-Commuter Passes	39.6	43.8	4.2 *10.6%*	19.6	22.7	3.1 *16.1%*

Passenger-Kilometers

Millions of passenger-kilometers

	Results for 6 months ended Sep 30 (4/1~9/30)			3 months (2Q) (7/1~9/30)		
	FY2019.3	FY2020.3	YoY	FY2019.3	FY2020.3	YoY
Total	29,742	30,984	1,241 *4.2%*	14,992	15,824	832 *5.6%*
Shinkansen	10,548	10,976	427 *4.1%*	5,472	5,630	157 *2.9%*
Commuter Passes	447	468	21 *4.7%*	222	240	18 *8.2%*
Non-Commuter Passes	10,101	10,507	406 *4.0%*	5,250	5,390	139 *2.7%*
Conventional Lines	19,194	20,008	814 *4.2%*	9,519	10,194	674 *7.1%*
Commuter Passes	11,751	12,037	285 *2.4%*	5,753	6,099	345 *6.0%*
Non-Commuter Passes	7,442	7,971	528 *7.1%*	3,765	4,094	329 *8.7%*
Kansai Urban Area (Kyoto-Osaka-Kobe Area)	15,079	15,642	562 *3.7%*	7,468	7,917	448 *6.0%*
Commuter Passes	9,661	9,891	229 *2.4%*	4,748	5,011	263 *5.6%*
Non-Commuter Passes	5,418	5,750	332 *6.1%*	2,720	2,905	184 *6.8%*
Other Lines	4,114	4,366	252 *6.1%*	2,050	2,276	226 *11.0%*
Commuter Passes	2,089	2,145	55 *2.7%*	1,005	1,087	81 *8.1%*
Non-Commuter Passes	2,024	2,221	196 *9.7%*	1,044	1,188	144 *13.8%*

Note: Figures in brackets ( ) are negative values.

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

JR-WEST

¥ Billions

Item	Results for 6 months ended Sep 30, 2019			
		YoY		Major factors (YoY)
		Increase/ (Decrease)	%	
Personnel costs	107.5	(0.6)	(0.6)	・Decrease in overtime payments ・Difference in unit cost, etc.
Energy costs	23.5	1.3	6.3	・Rebound from natural disasters ・Increase in adjustment amount for fuel cost, etc.
Maintenance costs	64.2	0.9	1.5	・Increase in asset retirement cost, etc.
Miscellaneous costs	97.0	(0.9)	(1.0)	・Rebound from expenditure for the substitute bus services due to the torrential rains disaster, etc.
Rental Payments, etc	14.0	0.5	3.8	・Opening of all sections of Osaka Higashi Line, etc.
Taxes	21.0	0.8	4.2	
Depreciation and amortization	66.9	2.6	4.1	・Full-year effect of new assets in operation during fiscal 2019, etc.
Total	394.4	4.7	1.2	

Note: Figures in brackets ( ) are negative values.

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- Please see slide 7 for the major factors of increase and decrease in operating expenses.
- Operating expenses increased by ¥4.7 billion year on year. The major factors were an increase in energy costs on a rebound from natural disasters, etc., rental payments reflecting opening of the northern section of the Osaka Higashi Line, and depreciation reflecting full-year application for assets that became newly operational in the previous fiscal year.

Consolidated Financial Results

¥ Billions

	6 months ended Sep 30,2018 A	6 months ended Sep 30,2019 B	YoY Increase/ (Decrease) B-A	YoY % 1-B/A
Operating Revenues	736.9	762.0	25.0	3.4
Operating Expenses	623.6	633.1	9.4	1.5
Operating Income	113.3	128.8	15.5	13.7
Non-operating revenues and expenses, net	(7.4)	(7.2)	0.2	(3.3)
Non-operating revenues	3.3	2.9	(0.3)	–
Non-operating expenses	10.8	10.2	(0.6)	–
Recurring Profit	105.8	121.6	15.8	14.9
Extraordinary profit and loss, net	(22.7)	(2.4)	20.3	–
Extraordinary profit	9.2	3.9	(5.2)	–
Extraordinary loss	31.9	6.3	(25.6)	–
Profit attributable to owners of parent	56.4	80.4	24.0	42.5
Comprehensive Income	*58.4*	*81.6*	*23.1*	*39.6*

Note: Figures in brackets ( ) are negative values.

Consolidated Financial Results (Segment Information)

JR-WEST

¥ Billions

	6 months ended Sep 30,2018 A	6 months ended Sep 30,2019 B	YoY Increase/ (Decrease) B-A	YoY % 1-B/A
Operating Revenues*1	736.9	762.0	25.0	3.4
Transportation	471.3	491.0	19.6	4.2
Retail	119.6	116.5	(3.0)	(2.5)
Sales of goods and food services	83.8	80.4	(3.4)	(4.1)
[Accommodation-oriented budget hotels](restated)*2	【6.2】	【7.6】	【1.3】	【22.1】
Department stores	31.5	31.8	0.3	1.1
Real estate	69.2	74.0	4.8	7.1
Shopping center	30.0	30.8	0.8	2.7
Real estate lease and sale	38.1	42.3	4.1	10.9
[Real estate sale](restated)	【15.9】	【18.2】	【2.3】	【14.5】
Other businesses	76.8	80.3	3.5	4.6
Hotel	16.5	19.4	2.8	17.3
Nippon Travel Agency	18.4	19.8	1.3	7.4
Operating Income*1	113.3	128.8	15.5	13.7
Transportation	87.8	103.1	15.3	17.4
Retail	2.9	3.1	0.1	5.1
Sales of goods and food services	2.6	2.6	(0.0)	(0.5)
Department stores	0.1	0.1	0.0	9.1
Real estate	18.2	19.1	0.8	4.9
Shopping center	4.7	4.5	(0.2)	(5.1)
Real estate lease and sale	10.6	10.6	0.0	0.4
Other businesses	2.9	2.3	(0.5)	(20.5)
Hotel	0.0	(0.1)	(0.1)	–
Nippon Travel Agency	(0.6)	0.0	0.7	–

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 businesses segment), and Hiroshima Kanayamacho (other businesses segment) locations.

- Page 9 and 10 show an overview of our consolidated results.
- In the Retail Business, operating revenues were down ¥3.0 billion year on year to ¥116.5 billion. However, operating revenues in real terms increased by ¥8.0 billion excluding the impact of changing the method of revenue recording following changes in the type of contract with in-station tenants.
  This mainly reflects an increase in sales of Seven-Eleven Japan allied stores and the full-year contribution of VIA INN, as well as new openings.
  Operating income increased by ¥0.1 billion to ¥3.1 billion.
- In the Real Estate Business, operating revenues increased by ¥4.8 billion year on year to ¥74.0 billion, while operating income rose ¥0.8 billion to ¥19.1 billion.
  The figures reflect the full-year contribution of large-scale leasing properties opened in the previous fiscal year as well as an increase in the number of residences sold.
- Revenue in other business grew ¥3.5 billion year on year to ¥80.3 billion.
  This mainly reflected the new consolidation of Nara Hotel and the new opening of a Vischio hotel in the hotel business, as well as in increase in users of the travel agency business in Golden Week.
  Operating income was down ¥0.5 billion to ¥2.3 billion.
  The result mainly reflects expenses for opening a Vischio hotel and a decrease in external construction orders in the construction business.

Major Factors of Increase/Decrease in Each Segment

JR-WEST

¥ Billions

			Results for 6 months ended Sep 30, 2019			
				YoY		Major factors (YoY)
				Increase/ (Decrease)	%	
Retail	Sales of goods and food services	Operating Revenues	80.4	(3.4)	(4.1)	・Change in the method of recording revenues due to a change in the contracts with tenant stores in stations, etc.
		Operating Income	2.6	(0.0)	(0.5)	
	Department stores	Operating Revenues	31.8	0.3	1.1	
		Operating Income	0.1	0.0	9.1	
Real estate	Shopping center	Operating Revenues	30.8	0.8	2.7	・Full-year contribution from the Kyoto renovation opening, etc.
		Operating Income	4.5	(0.2)	(5.1)	
	Real estate lease and sale	Operating Revenues	42.3	4.1	10.9	・Increase in number of residences sold, etc.
		Operating Income	10.6	0.0	0.4	
Other Businesses	Hotel	Operating Revenues	19.4	2.8	17.3	・New opening of HOTEL VISCHIO KYOTO ・New consolidation of Nara Hotel Co., Ltd., etc.
		Operating Income	(0.1)	(0.1)	–	
	Nippon travel agency	Operating Revenues	19.8	1.3	7.4	・Favorable results during Golden Week period, etc
		Operating Income	0.0	0.7	–	

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 Statement Cash Flows

JR-WEST

¥ Billions

	As of March 31, 2019 A	As of Sep 30, 2019 B	Difference increase/ (decrease) B-A
Assets	3,237.5	3,213.5	(24.0)
Liabilities	2,057.7	1,977.5	(80.2)
Net assets	1,179.8	1,235.9	56.1
Balance of Long-term Debt and Payables	1,064.0	1,033.4	(30.5)
【Average interest rate (%) 】	【1.81】	【1.80】	【(0.01)】
Shinkansen Purchase Liability	102.9	102.4	(0.4)
【Average interest rate (%) 】	【6.55】	【6.55】	【 – 】
Bonds	569.9	554.9	(14.9)
【Average interest rate (%) 】	【1.51】	【1.49】	【(0.02)】
Equity ratio (%)	33.3	35.3	2.0
Net assets per share (¥)	5,612.63	5,929.53	316.90

	6 months ended Sep 30,2018 A	6 months ended Sep 30,2019 B	YoY increase/ (decrease) B-A
Cash flows from operating activities	93.5	107.8	14.2
Cash flows from investing activities	(81.0)	(93.3)	(12.3)
Free cash flows	12.5	14.4	1.9
Cash flows from financing activities	21.2	(56.5)	(77.8)
Change in cash and cash equivalents, net	33.7	(42.7)	(76.5)
Cash and cash equivalents at the end of the period	135.2	93.7	(41.4)

Note: Figures in brackets ( ) are negative values.

1 Results for the First Half of FY2020.3

2 Forecasts for FY2020.3

3 Individual Business Initiatives

4 Capital Expenditure Plan,
Returns to Shareholders

Appendix

Non-Consolidated Financial Forecasts

JR-WEST

¥ Billions

	Results FY2019.3 A	Forecasts FY2020.3 As of July 30 B	Forecasts FY2020.3 As of Oct 28 C	YoY Increase/(Decrease) C-A	YoY % 1-C/A	Difference between the forecasts Increase/(Decrease) C-B
Operating Revenues	980.9	1001.0	1005.0	24.0	2.5	4.0
Transportation revenues	873.4	895.0	899.0	25.5	2.9	4.0
Other	107.4	106.0	106.0	(1.4)	(1.3)	–
Operating Expenses	830.1	849.5	849.5	19.3	2.3	–
Personnel costs	215.8	217.5	216.5	0.6	0.3	(1.0)
Non personnel costs	416.6	425.5	427.5	10.8	2.6	2.0
Energy costs	45.2	47.5	46.5	1.2	2.7	(1.0)
Maintenance costs	164.0	170.5	169.5	5.4	3.3	(1.0)
Miscellaneous costs	207.3	207.5	211.5	4.1	2.0	4.0
Rental payments, etc.	27.2	28.5	28.5	1.2	4.6	–
Taxes	36.0	37.0	37.0	0.9	2.6	–
Depreciation	134.3	141.0	140.0	5.6	4.2	(1.0)
Operating Income	150.7	151.5	155.5	4.7	3.2	4.0
Non-operating revenues and expenses, net	(14.2)	(14.0)	(13.0)	1.2	(8.7)	1.0
Non-operating revenues	7.5	7.0	7.5	(0.0)	–	0.5
Non-operating expenses	21.7	21.0	20.5	(1.2)	–	(0.5)
Recurring Profit	136.4	137.5	142.5	6.0	4.4	5.0
Extraordinary profit and loss, net	(20.6)	(1.5)	(4.5)	16.1	–	(3.0)
Extraordinary profit	27.6	–	–	–	–	–
Extraordinary loss	48.2	–	–	–	–	–
Net Income	80.6	95.0	96.5	15.8	19.7	1.5

Note: Figures in brackets ( ) are negative values.

13

- Next, we look at our financial forecasts. Slide 13 shows an overview of our non-consolidated financial forecasts.
- Our operating revenue forecast has been increased by ¥4.0 billion from the previous forecast to ¥1,005.0 billion.
  We have offset the projected impact of Typhoon No. 19 and other factors on our transportation revenue against the amount of the excess in the first half.
  Please refer to slide 14 for a breakdown.
- The forecast total amount of operating expenses is unchanged, although the breakdown has altered slightly based on the situation in the first half.
  Please refer to slide 15 for a breakdown.
- As a result of these, we are now forecasting operating income of ¥155.5 billion, an increase of ¥4.0 billion from the previous forecast.
- Moreover, our forecast for net income is now ¥96.5 billion, an increase of ¥1.5 billion from the previous forecast.
  This result anticipates extraordinary losses of ¥3.0 billion, assuming it is possible to exclude damaged rolling stock on the Hokuriku Shinkansen.

Transportation Revenue Forecasts

JR-WEST

¥ Billions

Forecasts FY2020.3						
Transportation revenues		YoY Increase/(Decrease)		Major factors		Difference from the previous forecast Increase/(Decrease)
		Amount	%		Amount	
Shinkansen	466.9	9.8	2.2	Fundamental trend 0.5%	2.2	0.2
				Special factors		
				・Inbound	2.2	
				・Pattern of weekdays and weekends (Golden Week)	3.9	
				・Rebound from natural disasters	1.8	
				・Leap year effect	1.0	
				・Typhoon No.19 (Hagibis), etc.	(2.4)	
				etc.		
Kansai Urban Area (Kyoto-Osaka-Kobe Area)	319.4	11.2	3.7	Fundamental trend 0.3%	0.9	2.6
				Special factors		
				・Inbound	2.0	
				・Pattern of weekdays and weekends (Golden Week)	0.6	
				・Rebound from natural disasters	3.4	
				・Leap year effect	0.4	
				・Typhoon No.19 (Hagibis), etc.	(0.4)	
				etc.		
Other lines	112.5	4.3	4.0	Fundamental trend 0.1%	0.1	1.0
				Special factors		
				・Inbound	0.2	
				・Pattern of weekdays and weekends (Golden Week)	0.4	
				・Rebound from natural disasters	3.1	
				・Leap year effect	0.2	
				・Typhoon No.19 (Hagibis), etc.	(0.0)	
				etc.		
Conventional lines	432.0	15.6	3.8			3.7
Total	899.0	25.5	2.9			4.0

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

Operating Expenses Forecasts(Non-Consolidated)

¥Billions

Item	Forecasts FY2020.3				
		YoY		Major factors (YoY)	Difference from the previous forecast Increase/(Decrease)
		Increase/ (Decrease)	%		
Personnel costs	216.5	0.6	0.3	・Improved employment conditions for senior employees (rehired) /contract employees, etc.	(1.0)
Energy costs	46.5	1.2	2.7	・Rebound from natural disasters, etc.	(1.0)
Maintenance costs	169.5	5.4	3.3	・Increased fluctuation in periodic inspection and maintenance, etc.	(1.0)
Miscellaneous costs	211.5	4.1	2.0	・Increase in system-related costs ・Increase in survey cost, etc.	4.0
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		–
Depreciation and amortization	140.0	5.6	4.2	・Full-year effect of new assets in operation during fiscal 2019, etc.	(1.0)
Total	849.5	19.3	2.3		–

Note: Figures in brackets ( ) are negative values.

Consolidated Financial Forecasts

JR-WEST

¥ Billions

	Results FY2019.3 A	Forecasts FY2020.3 As of July 30 B	Forecasts FY2020.3 As of Oct 28 C	YoY Increase/(Decrease) C-A	YoY % 1-C/A	Difference between the forecasts Increase/(Decrease) C-B
Operating Revenues	1,529.3	1,557.5	1,570.0	40.6	2.7	12.5
Operating Expenses	1,332.3	1,359.5	1,368.0	35.6	2.7	8.5
Operating Income	196.9	198.0	202.0	5.0	2.6	4.0
Non-operating revenues and expenses, net	(13.6)	(13.5)	(12.5)	1.1	(8.2)	1.0
Non-operating revenues	9.4	8.9	9.4	(0.0)	–	0.5
Non-operating expenses	23.0	22.4	21.9	(1.1)	–	(0.5)
Recurring Profit	183.3	184.5	189.5	6.1	3.4	5.0
Extraordinary profit and loss, net	(26.1)	(6.0)	(9.0)	17.1	–	(3.0)
Extraordinary profit	29.0	–	–	–	–	–
Extraordinary loss	55.2	–	–	–	–	–
Profit attributable to owners of parent	102.7	118.5	120.0	17.2	16.8	1.5
Net income per share(¥)	533.31	616.06	626.82	–	–	–

Note: Figures in brackets ( ) are negative values.

- Slide 16 shows an overview of our forecast consolidated results.
- Forecast operating revenue has been increased by ¥12.5 billion from the previous forecast to ¥1,570.0 billion, with operating income up by ¥4.0 billion to ¥202.0 billion, and net income up ¥1.5 billion to ¥120.0 billion.
- The operating revenue forecast reflects the increase of ¥4.0 billion in the non-consolidated forecast as well as an upward revision of some forecasts in the non-railway business.

Consolidated Financial Forecasts(Segment Information)

JR-WEST

¥ Billions

	Results FY2019.3 A	Forecasts FY2020.3 As of July 30 B	Forecasts FY2020.3 As of Oct 28 C	YoY Increase/(Decrease) C-A	YoY % 1-C/A	Difference between the forecasts Increase/(Decrease) C-B
Operating Revenues*1	1,529.3	1,557.5	1,570.0	40.6	2.7	12.5
Transportation	953.9	974.2	978.2	24.2	2.5	4.0
Retail	245.5	237.7	237.7	(7.8)	(3.2)	–
Sales of goods and food services	170.0	156.0	159.0	(11.0)	(6.5)	3.0
[Accommodation-oriented budget hotels](restated)*2	【13.1】	【16.6】	【16.6】	【3.5】	【26.7】	【–】
Department stores	67.1	72.5	69.5	2.3	3.6	(3.0)
Real estate	148.5	162.3	164.3	15.7	10.6	2.0
Shopping center	61.5	62.4	62.4	0.8	1.3	–
Real estate lease and sale	84.9	97.9	99.9	14.9	17.6	2.0
[Real estate sale](restated)	【39.4】	【50.5】	【52.5】	【13.1】	【33.2】	【2.0】
Other businesses	181.3	183.3	189.8	8.4	4.6	6.5
Hotel	35.6	39.1	41.1	5.4	15.3	2.0
Nippon Travel Agency	40.5	41.2	42.2	1.6	4.1	1.0
Operating Income*1	196.9	198.0	202.0	5.0	2.6	4.0
Transportation	136.2	136.7	140.7	4.4	3.2	4.0
Retail	6.1	6.4	6.4	0.2	4.2	–
Sales of goods and food services	4.9	5.0	5.0	0.0	1.2	–
Department stores	1.0	1.1	1.1	0.0	7.4	–
Real estate	35.6	36.3	36.3	0.6	1.7	–
Shopping center	9.6	8.2	8.2	(1.4)	(15.0)	–
Real estate lease and sale	18.2	18.9	18.9	0.6	3.6	–
Other businesses	21.2	21.6	21.6	0.3	1.5	–
Hotel	1.0	1.1	1.1	0.0	2.4	–
Nippon Travel Agency	0.2	0.5	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 Figures in brackets【 】are the sales of accommodation-oriented budget hotel, "VIA INN", sales, excluding Shimonoseki (unconsolidated), Asakusa (other businesses segment), and Hiroshima Kanayamacho (other businesses segment) locations.

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- Slides 17 and 18 show our results forecasts by segment. Please look at the operating revenue for each segment.
- In the Retail Business, we revised the forecast for the briskly performing sale of goods and food services business up by ¥3.0 billion, while the department store business was revised down by ¥3.0 billion after initially setting an ambitious target for the impact of renovations.
- In the Real Estate Business, the revenue forecast for the real estate sales and leasing business was revised upward by ¥2.0 billion in anticipation of an increase in the number of residences sold.
- In Other Businesses, the revenue forecast was revised upward by ¥6.5 billion, reflecting the new consolidation of the Nara Hotel and TETSUDEN as well as the situation including the travel agency business, which performed well in the first half.
- The forecast for operating income in the non-railway businesses was left unchanged as the impacts were all insignificant.
- This concludes my portion of today's presentation.

Each Segment Forecasts

¥ Billions

			Forecasts FY2020.3				
				YoY		Major factors (YoY)	Difference from the previous forecast Increase/(Decrease)
				Increase/ (Decrease)	%		
Retail	Sales of goods and food services	Operating Revenues	159.0	(11.0)	(6.5)	・Change in the method of recording revenues due to a change in the contracts with tenant stores in stations, etc	3.0
		Operating Income	5.0	0.0	1.2		–
	Department stores	Operating Revenues	69.5	2.3	3.6	・Full-year contribution from renovation opening, etc.	(3.0)
		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, etc	–
	Real estate lease and sale	Operating Revenues	99.9	14.9	17.6	・Increase in number of residences sold, etc.	2.0
		Operating Income	18.9	0.6	3.6		–
Other Businesses	Hotel	Operating Revenues	41.1	5.4	15.3	・New opening of HOTEL VISCHIO KYOTO ・New consolidation of Nara Hotel Co., Ltd., etc.	2.0
		Operating Income	1.1	0.0	2.4		–
	Nippon travel agency	Operating Revenues	42.2	1.6	4.1	・Favorable results during Golden Week period, etc	1.0
		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

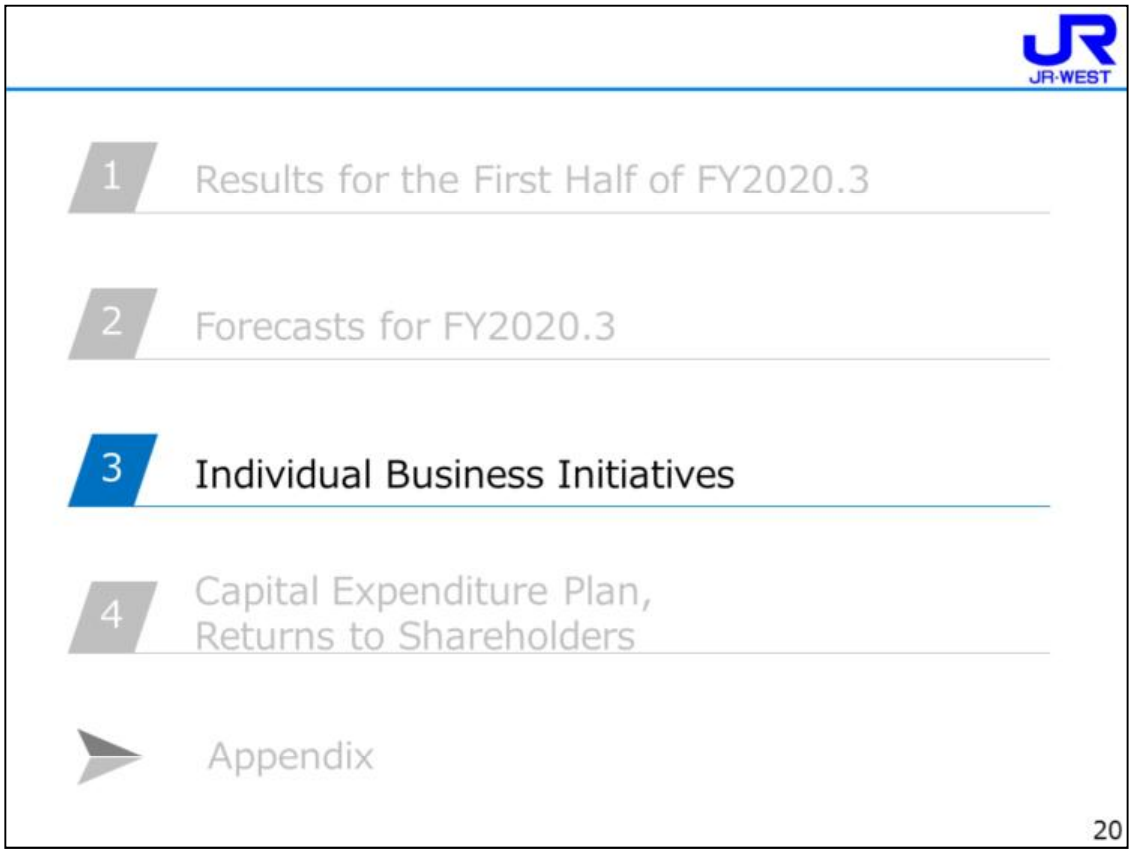
Persons, ¥ Billions

	6 months ended Sep 30, 2018	6 months ended Sep 30,2019	Results FY2019.3	Forecasts FY2019.3 As of Oct 28
ROA (%, Consolidated)	3.7	4.0	6.2	6.2
ROE (%, Consolidated)	5.4	7.3	9.8	10.7
EBITDA (Consolidated) *	192.0	211.9	361.3	374.2
Depreciation (Consolidated)	78.1	82.4	163.1	171.0
Capital Expenditures (Consolidated, own fund)	79.4	77.0	245.3	261.0
Capital Expenditures (Non-consolidated, own fund)	60.4	48.3	190.9	192.0
Safety related capital expenditure	38.4	30.0	125.2	120.0
Dividends per share (¥)	87.5	95.0	175	190

	6 months ended Sep 30, 2018		6 months ended Sep 30,2019		Results FY2019.3		Forecasts FY2019.3 As of Oct 28	
	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated
No. of employees at the end of period	48,219	24,976	48,596	24,526	47,842	24,866	–	–
Financial Expenses, net	(9.1)	(8.1)	(9.3)	(7.5)	(18.8)	(17.7)	(18.6)	(17.0)
Interest and dividend income	0.7	1.8	0.3	2.1	1.1	2.2	1.0	2.6
Interest expenses	9.9	9.9	9.7	9.7	20.0	20.0	19.6	19.6

Note: Figures in brackets ( ) are negative values.

* EBITDA = Operating Income + Depreciation + Amortization of goodwill



- Once again, I am Atsushi Sugioka.
- I will explain the initiatives in each of our businesses.

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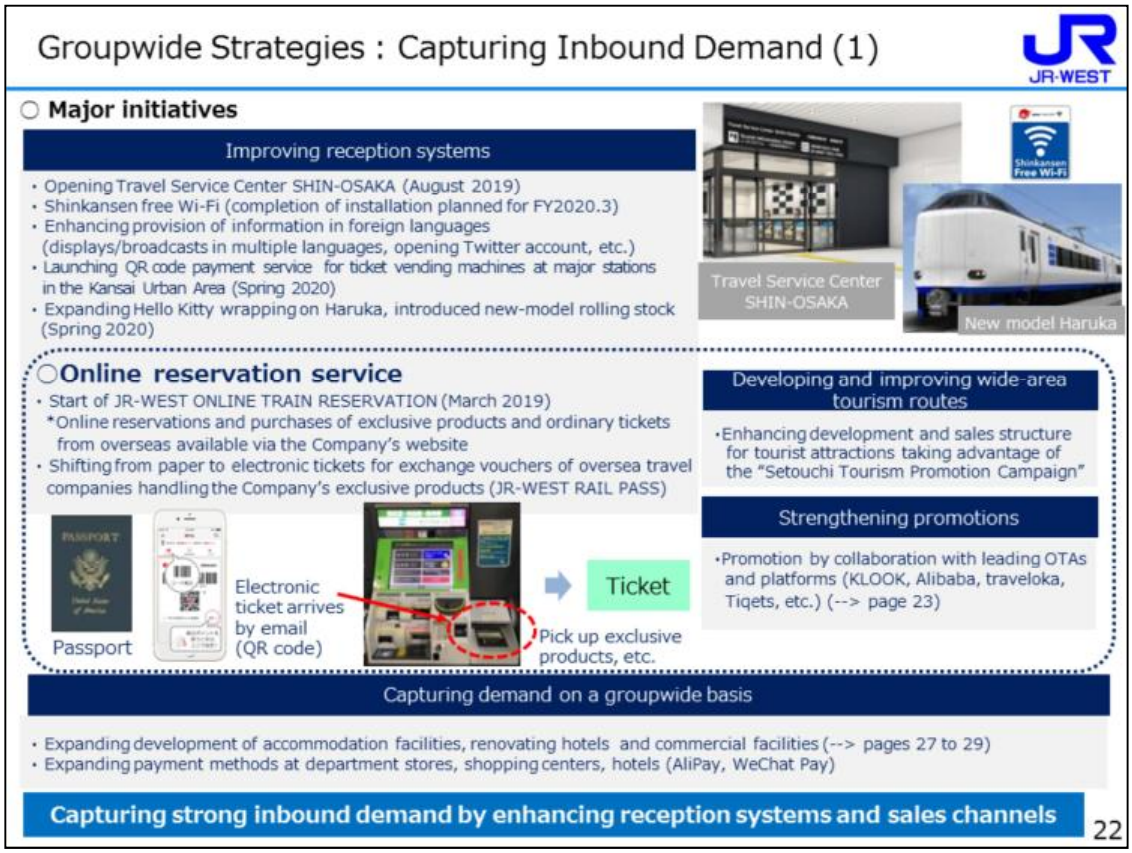
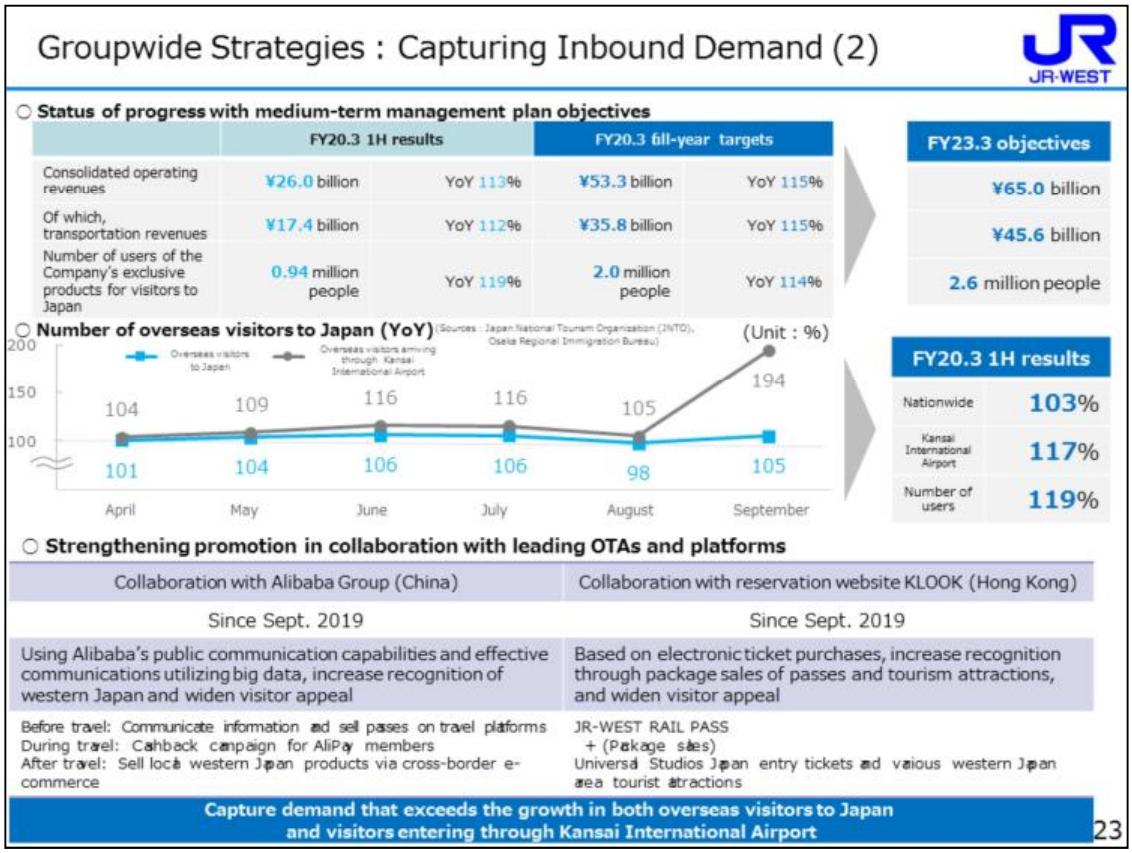
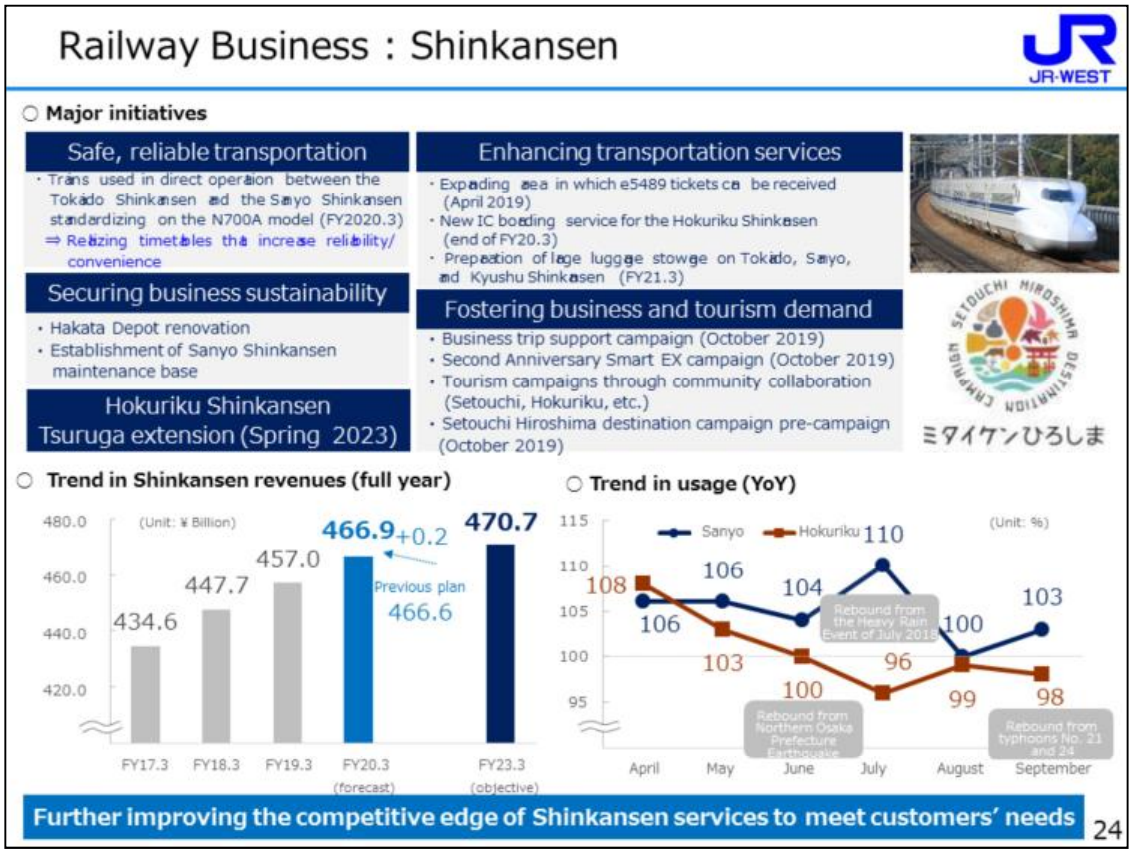


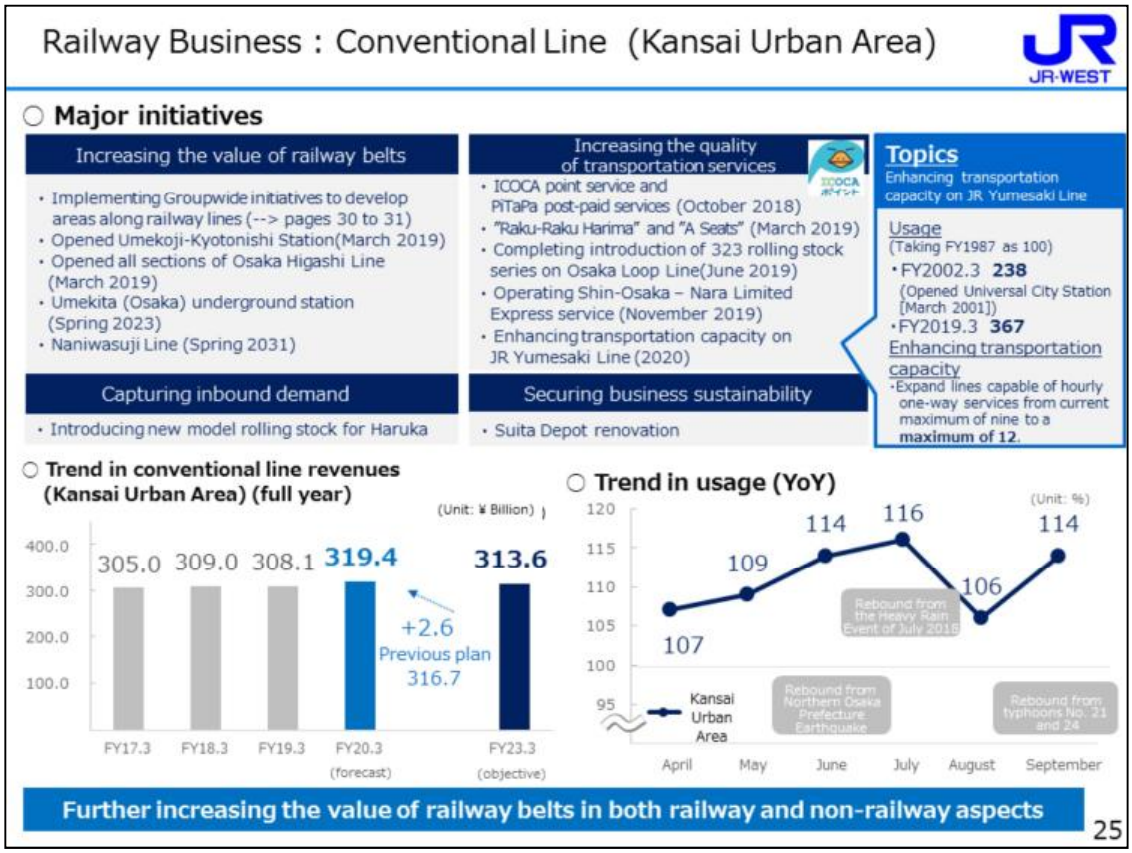
- First, please refer to slide 22. This slide is about capturing inbound demand, which is one of the Groupwide strategies in the medium-term management plan.
- In terms of improving reception systems, we are working to enable ticket vending machines at our main stations to accept QR code payments via AliPay and WeChat Pay by spring of 2020. Furthermore, we recently announced the introduction of new-model rolling stock and increased facilities for Haruka trains, which are seeing brisk use.
- Furthermore, we have dramatically increased convenience of internet reservations by introducing JR-WEST ONLINE TRAIN RESERVATION, which enables tickets to be picked up from green ticket vending machines. We will also promote alliances with leading overseas OTAs.
- Specific examples include our announced collaborations with Alibaba Group in China and with KLOOK. We will continue to capture as much inbound demand as possible working with leading partners such as these.



- Please refer to slide 23 for the current status of our inbound market.
- Inbound-related consolidated operating revenues were up 13% year on year, while transportation revenues were up 12%. The number of people using our exclusive products grew 19% year on year, surpassing growth in overseas visitors to Japan nationwide and at Kansai International Airport. We believe these are the results of our initiatives to date.
- On the other hand, compared to our full-year revenue objectives, these results have fallen slightly short. We will therefore promote our initiatives even further in the second half of the fiscal year, making every effort to achieve our full year targets.



- Next, please refer to slide 24 for information about the Shinkansen, which is our largest growth driver.
- The strengths of Shinkansens include 1) unrivalled frequency, 2) high convenience, and 3) enhanced “quality” of travel time. We will promote the measures stated in our medium-term management plan to refine these advantages even further.
- From the end of the current fiscal year, we will use N700A trains for all direct services on the Tokaido and Sanyo Shinkansen, shortening travel times. In addition, we will move forward with creating timetables that meet customers’ needs.
- The shift to internet reservations is also proceeding steadily. In October we launched a campaign to commemorate the second anniversary of Smart EX and the achievement of 3 million Smart EX registrations. We also launched a campaign to support business trips through EX reservations, and we will continue working to make the service more convenient.



- Next, please look at slide 25.
- Looking at the Kansai Urban Area, we have conducted various measures to increase the value of railway belts. In the first half, we also conducted a series of new openings and new releases. Details will be presented later.
- In transportation services, we will strengthen the transportation of the JR Yumesaki Line, which has seen an increase in the number of users. Next year, we have heard that a theme park on that line plans to launch new attractions, and we will improve Nishikujo Station and increase the number of trains on the JR Yumesaki Line to a maximum of 12 one-way services.

Railway Business : Conventional Line (Other West Japan Area)

JR-WEST

○ Major initiatives

Invigorating communities, centered on tourism

- Setouchi Palette Project
- "setowa" tourism-oriented Mobility as a Service (Maas) (October 2019)
- WEST EXPRESS Ginga (Spring 2020)
- Setouchi Hiroshima destination campaign (October 2020)

Increasing productivity

- Onboard IC ticket checking equipment (Sakai Line March 2019, Wakayama Line Spring 2020, Nanao Line Spring 2021)
- Wireless automatic train control (ATC) system (Wakayama Line Spring 2023)

Implementing city development, centered on core cities

- Onomichi new station building (March 2019)
- Developing stations and surrounding areas in Hiroshima, Okayama, and Toyama, etc.

Realization of sustainable transportation services

- Converting of the Kibi Line to LRT

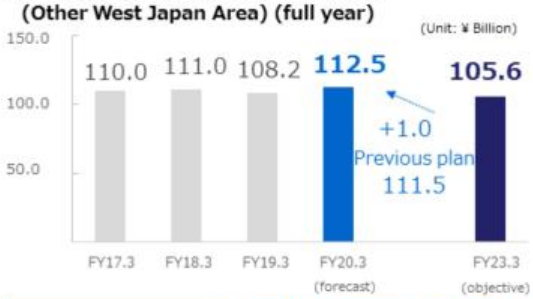
Capturing inbound demand

Topics

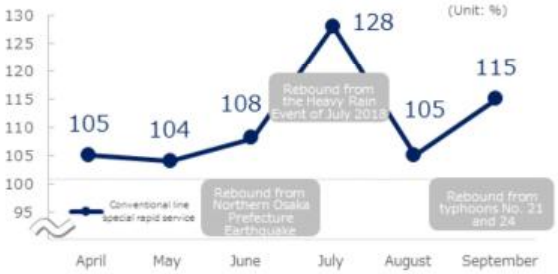
Collaborating with communities to start building a new mobility

- Trial project for effective introduction of green slow mobility in Onomichi City, Hiroshima Prefecture
- Joint study into constructing a rural-type MaaS in Onan Town, Shimane Prefecture

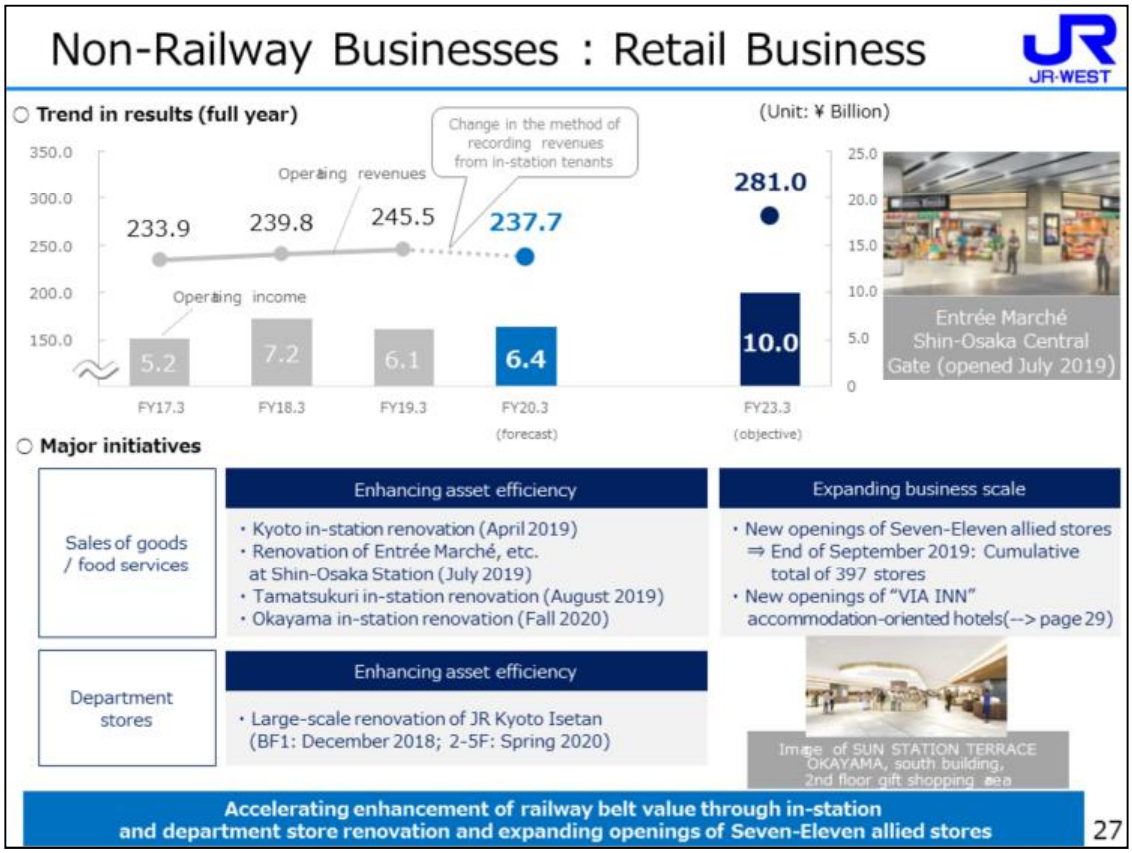
○ Trend in conventional line revenues (Other West Japan Area) (full year)



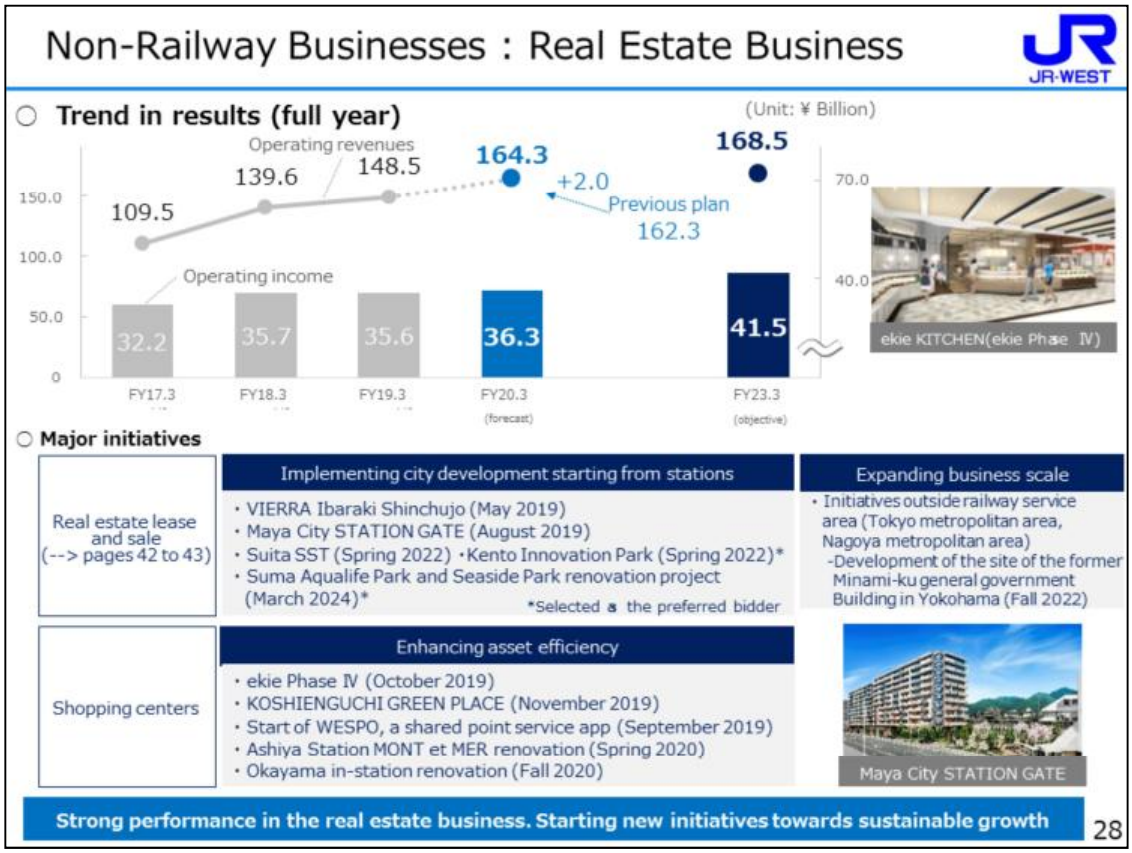
○ Trend in usage (YoY)



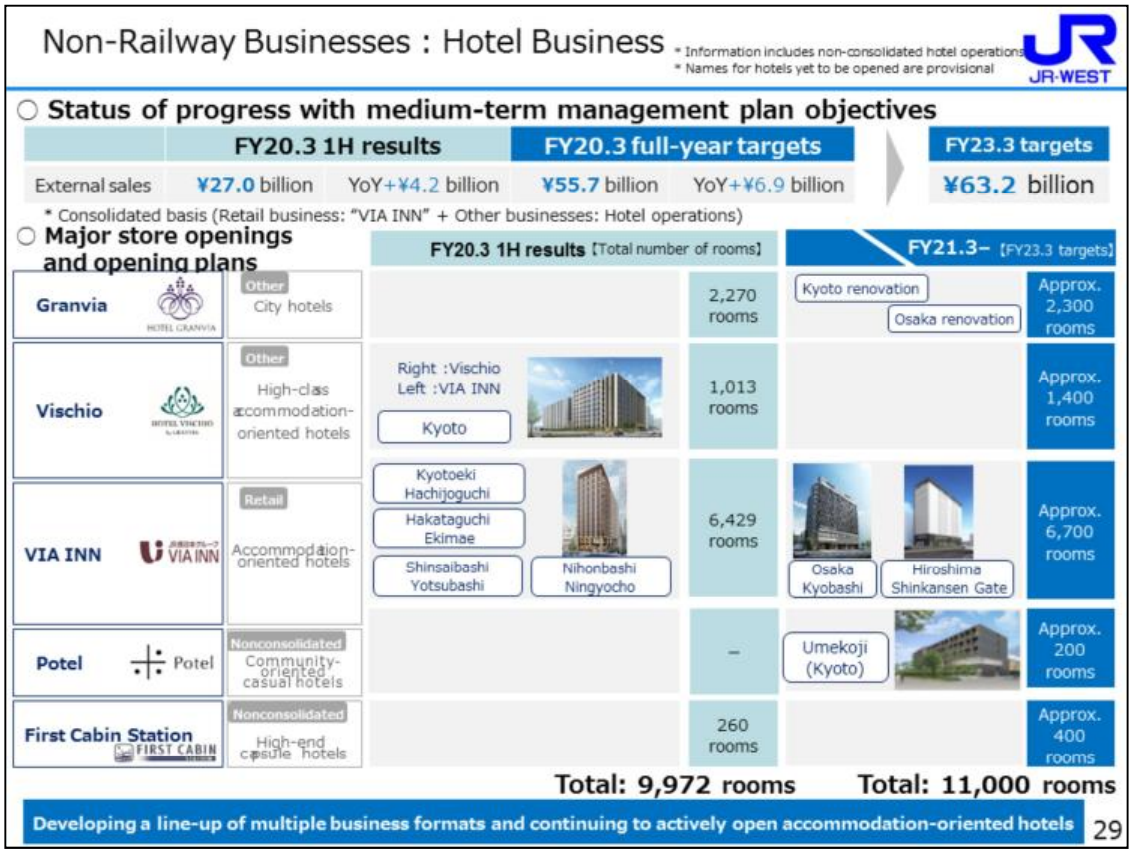
Striving to improve the value of regions by taking on the challenge of city development in core cities and new mobility



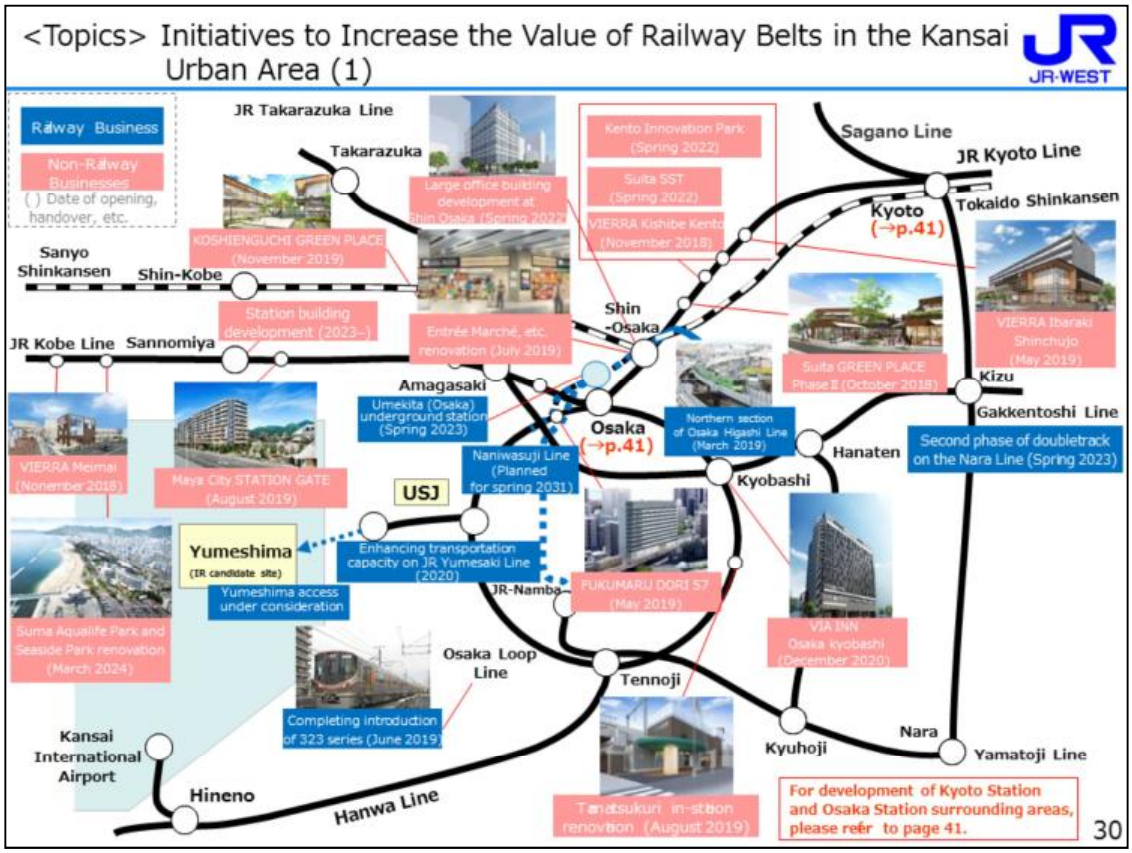
- Next, we turn to the non-railway business. Please look at slide 27.
- In the first half, in our strategic Kyoto and Shin-Osaka Stations, we conducted renovation of in-station stores and expanded the total number of Seven-Eleven allied stores to 397. We plan to continue expanding the number of stores.
- Moreover, in department stores, at JR Kyoto Isetan we made preparations for our renewal opening of floors 2 to 5 next spring.



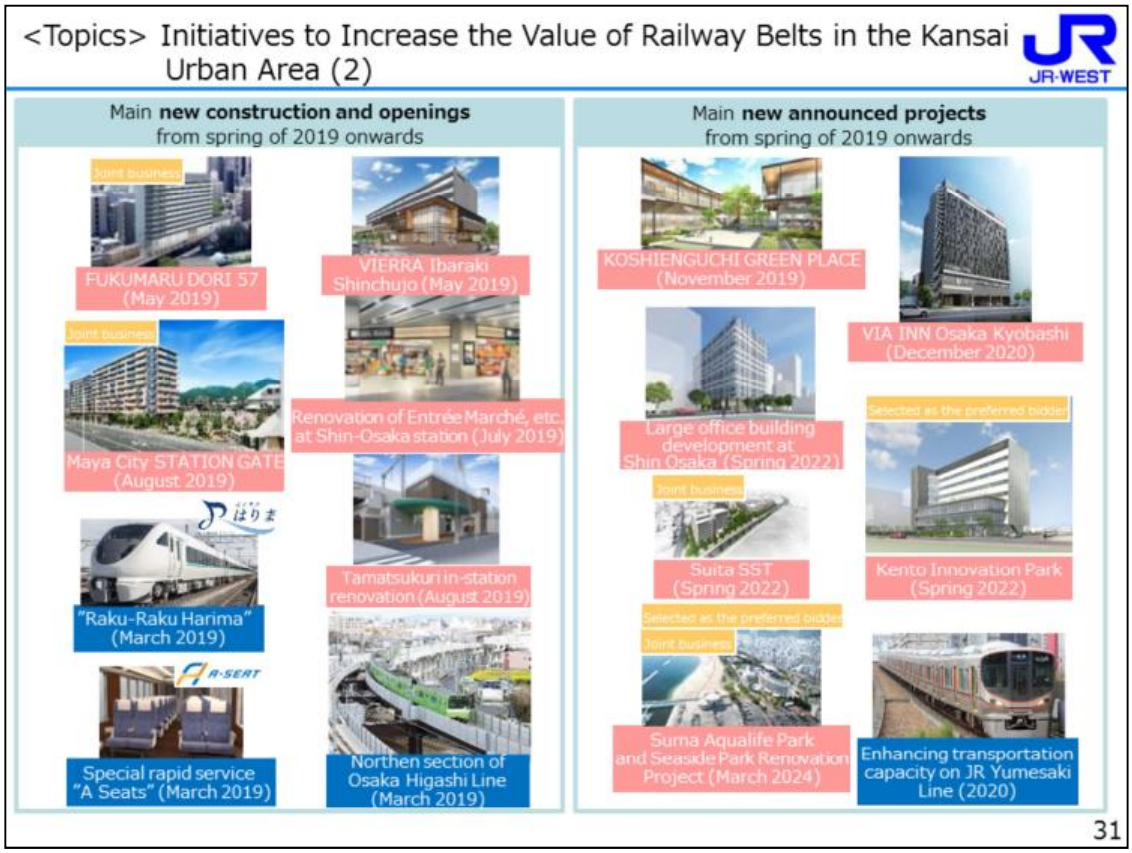
- Please refer to slide 28, which covers the real estate business.
- In the shopping center business, in October we opened a new food area, as Hiroshima Station ekie Phase IV. This marked the grand opening of ekie, which has progressively opened in phases since the opening of Phase I in October 2017, recreating Hiroshima Station and making it more attractive.
- In spring 2020, we will close ASSE, the station building on the south side, and we will make a full-scale start on the plan for rebuilding Hiroshima Station Building, aiming to open in spring of 2025.
- In real estate leasing and sales, we are taking on a growing number of joint projects with other companies. In the leasing business, we are enhancing our development capabilities and the breadth of our development, including selection as the preferred bidder in multiple projects, such as Kishibe Kento and Suma Aqualife Park.



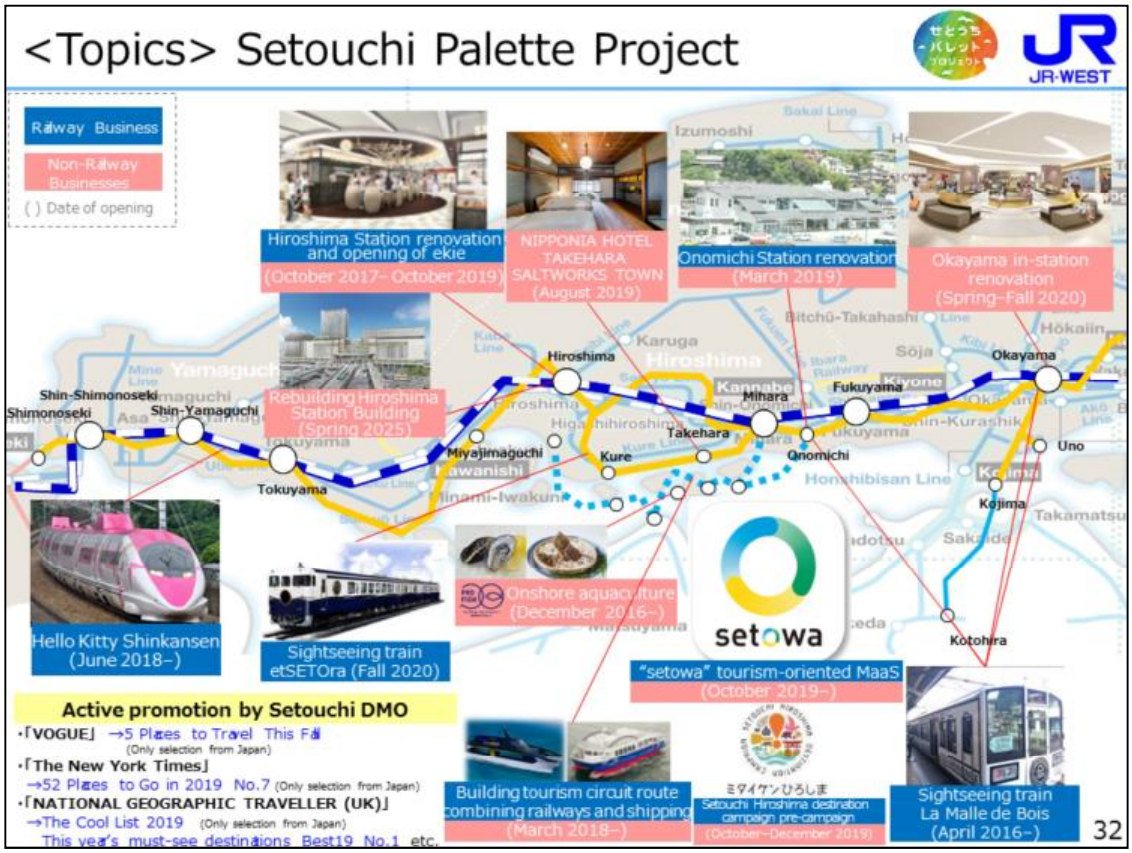
- Please look at slide 29, which covers the hotel business.
- In the first half, we opened four VIA INN hotels and Vischio Kyoto, one after another, bringing our total number of rooms to just under the medium-term management plan target of 11,000.
- Granvia, Vischio, and VIA INN, all maintained high average occupancy rates of around 90% at existing hotels during the first half.



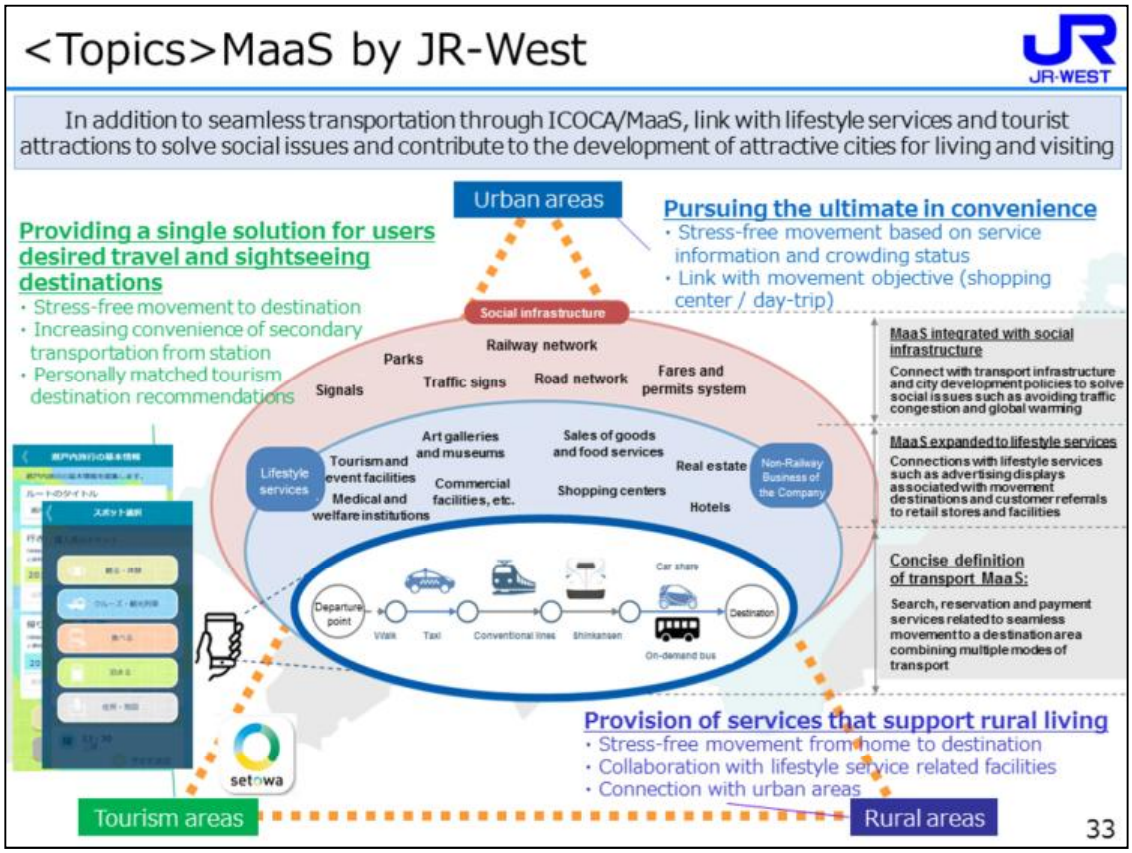
- Next, please look at slide 30 and slide 31.
- On slide 30, we present an overview of our initiatives to increase the value of railway belts in the Kansai Urban Area.



- On slide 31, we present the main new constructions and new announced projects for the first half of the fiscal year.
- In the non-railway business, we worked on in-station renovations and opening of new lease properties. We also announced the development of offices in the proximity of Shin-Osaka Station, where development is expected going forward. We have also just announced the opening of KOSHIENGUCHI GREEN PLACE as a second shopping center in the town to follow SUITA GREEN PLACE.
- In addition, we are also aggressively promoting joint businesses with other companies, which are marked on the top left in the table, as we work with leading partners to develop railway belts.
- In the railway business, as I have already explained, we opened all sections of the Osaka Higashi Line and introduced a new special rapid service fee-based seat service—"A Seats."
- In the Kansai Urban Area, there are many projects that are contributing to increasing the value of railway belts. The railway business and non-railway business are working together in anticipation of the upcoming Expo and integrated resorts, and so forth, will working to expand the resident and non-resident populations.



- Next, please look at slide 32.
- We are promoting the Setouchi Palette Project, looking ahead to the Setouchi Hiroshima destination campaign that will be held next fiscal year.
- First, in development of strategic stations, we have been working on renovation of Onomichi Station, improvement of Hiroshima Station. In addition, we are conducting vigorous renewal of Okayama Station.
- Furthermore, we will renovate our sightseeing trains and launch a new ferry service in conjunction with local shipping operators. By combining both rail and ferry, we hope to attract a large number of visitors to the Setouchi area.
- Our first priority is to refine the Shinkansen service as a means of transport to the Setouchi area, and upgrade the station at the destination. Next, we will enhance means of transport around the area, work to enhance the tourist attractions.
- We have also started trialing "setowa," a new tourism-oriented Mobility as a Service (MaaS) that enables users to perform searches, reservations, and payments seamlessly.



- Regarding MaaS, in October we established the MaaS Promotion Division.
- We will strive to create synergies with our non-railway business, rather than simply providing a MaaS in the narrow sense that is limited only to transport.
- Towards this goal, we have identified three categories, namely “urban,” “sightseeing,” which includes the “setowa” system that we are currently trialing, and “rural.” We intend to tailor the MaaS to the characteristics of each respective area.

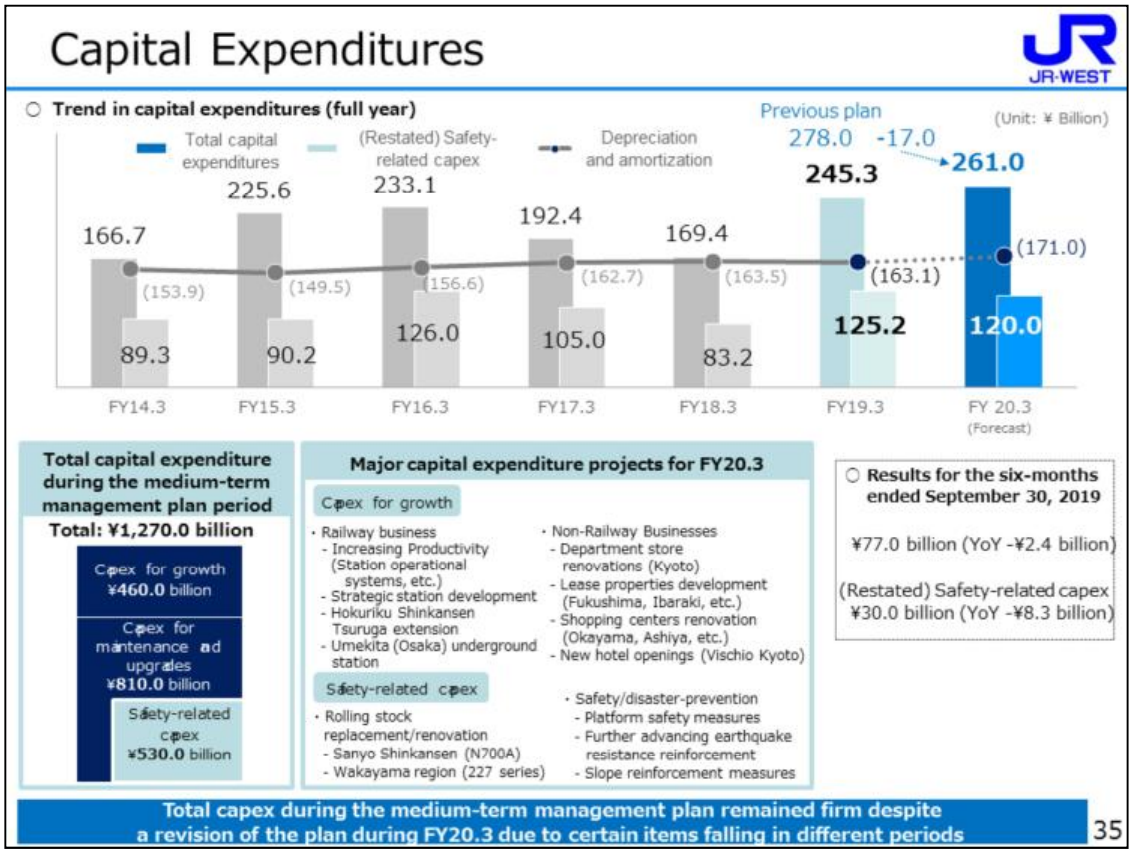
1 Results for the First Half of FY2020.3

2 Forecasts for FY2020.3

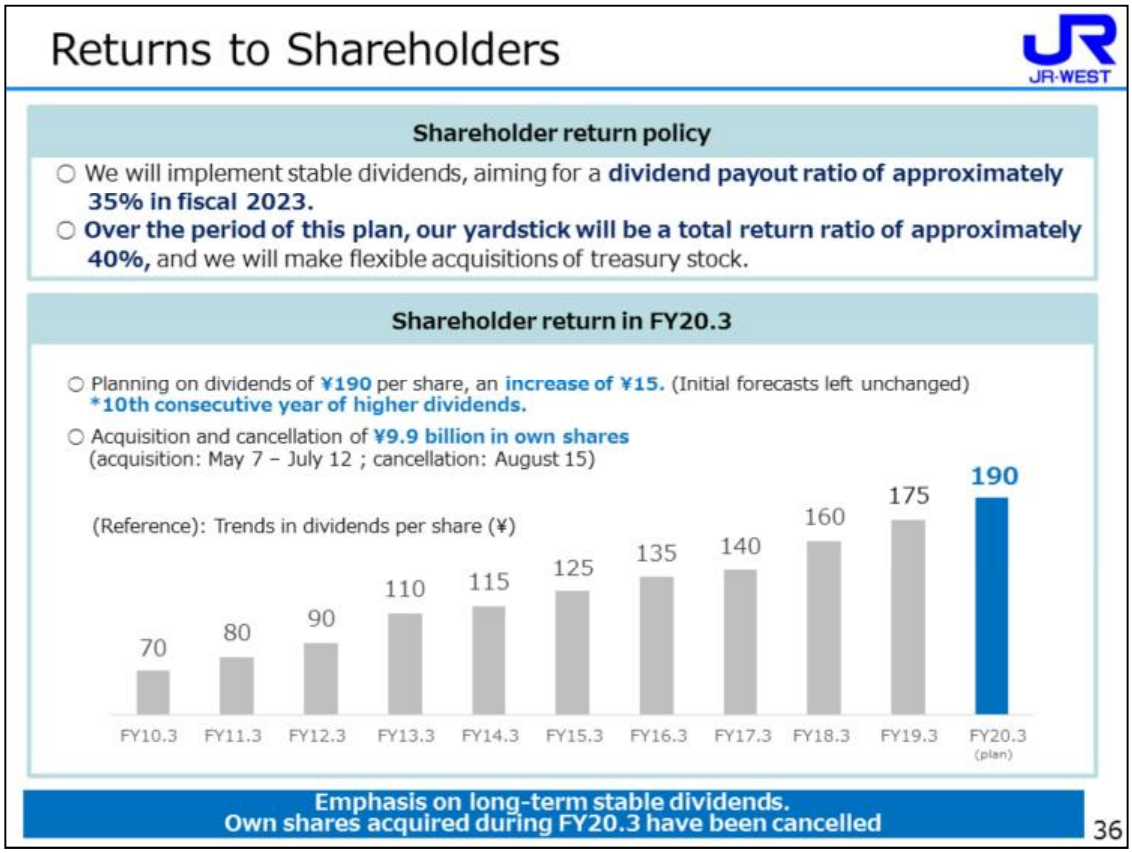
3 Individual Business Initiatives

4 Capital Expenditure Plan,
Returns to Shareholders

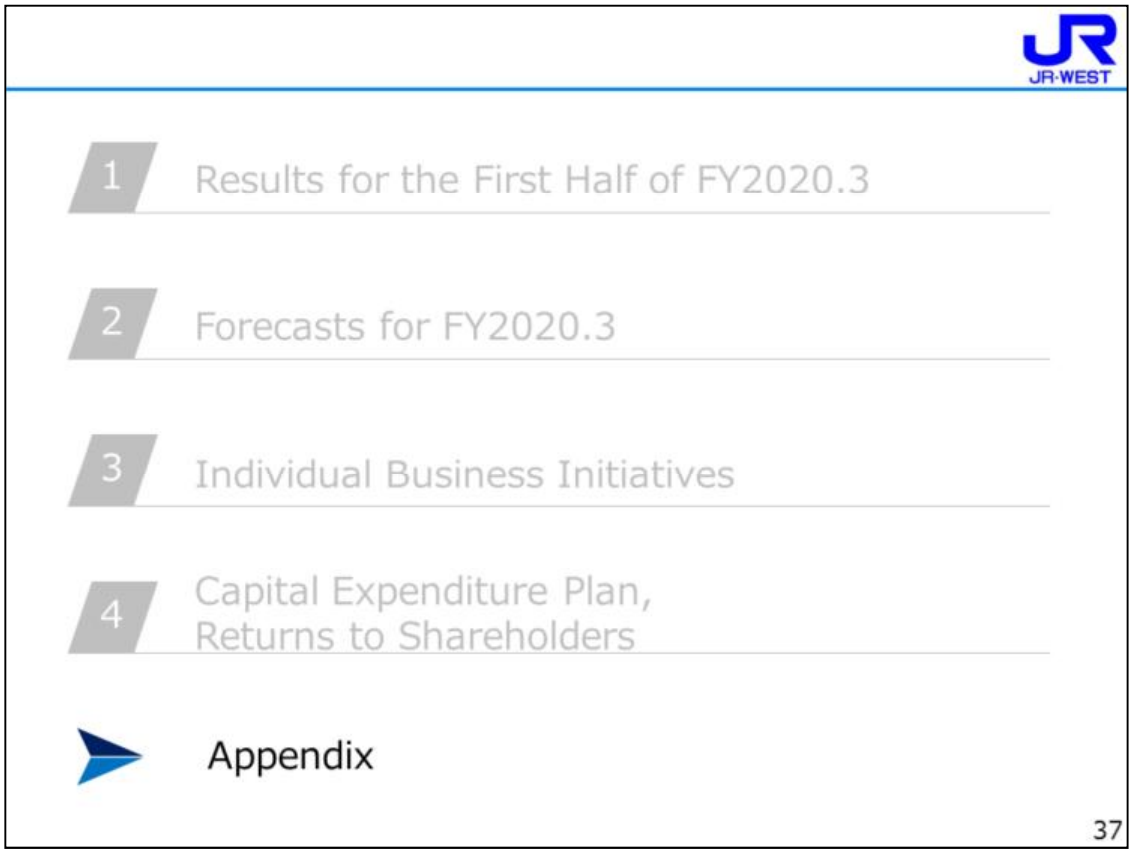
Appendix



- Next, please look at slide 35.
- Our capital expenditure was down ¥2.4 billion to ¥77.0 billion after concentrated investment in rolling stock in the first half of the previous fiscal year. Our investment in safety has proceeded steadily as planned.
- Our capital expenditure forecast for the full year has been revised down by ¥17.0 billion from the initial plan to ¥261.0 billion, mainly due to certain items falling in different periods.
- Nevertheless, our total planned investment amount of ¥1,270.0 billion in the medium-term management plan has not changed.



- Please look at slide 36, which covers our returns to shareholders.
- For the fiscal year ending FY2020.3, we are planning to pay a dividend of ¥190 per share, as we have already indicated, and at the Board of Directors meeting recently we decided on an interim dividend of ¥95 per share.



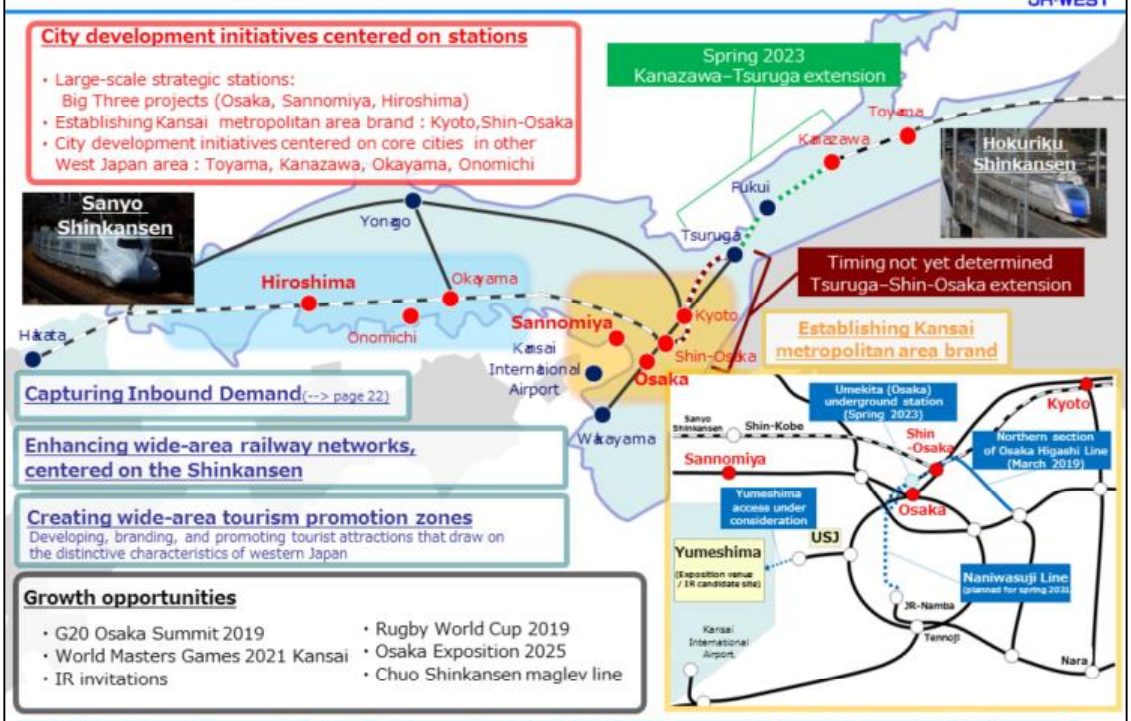
- Finally, I will explain about the recent press release regarding a change of president, based on the content of our press conference at the time.
- As we announced, it was decided that Kazuaki Hasegawa will be appointed as the new president on December 1.
- Currently, we are two years into the medium-term management plan, and various aspects of our situation have changed considerably compared with the management environment at the time when the plan was initially formulated. For example, major projects had started, such as the Osaka Kansai Expo and IR, labor shortage issues have grown worse, and there is a growing need to prepare measures against increasingly severe natural disasters.
- We need to respond quickly to these issues and further explore plans for executing the strategies in our medium-term management plan.
- It is also for this reason that we have not set out a specific timeframe. We judged it appropriate to attempt this response under a new structure at the time when we can start formulating our plan for the next fiscal year under our long-term vision.
- Furthermore, we plan to hold an explanation meeting for people affected by the accident around the middle of next month. By having both the incoming and outgoing presidents attend the meeting, we plan to demonstrate that we do not intend to allow the memory of the train accident of the Fukuchiyama Line to fade, and that we intend to continue striving to improve safety.
- Under our new President Hasegawa, we plan to hold tightly to our management direction to date, and to deepen it even further. We hope you will continue to give us your support.
- This concludes my portion of today's presentation.

(Reference (1)) Long-Term Growth Strategies

JR-WEST

City development initiatives centered on stations

- Large-scale strategic stations:
  Big Three projects (Osaka, Sannomiya, Hiroshima)
- Establishing Kansai metropolitan area brand : Kyoto, Shin-Osaka
- City development initiatives centered on core cities in other West Japan area : Toyama, Kanazawa, Okayama, Onomichi



Capturing Inbound Demand (--> page 22)

Enhancing wide-area railway networks, centered on the Shinkansen

Creating wide-area tourism promotion zones
Developing, branding, and promoting tourist attractions that draw on the distinctive characteristics of western Japan

Growth opportunities

- G20 Osaka Summit 2019
- World Masters Games 2021 Kansai
- IR invitations
- Rugby World Cup 2019
- Osaka Exposition 2025
- Chuo Shinkansen maglev line

Advancing wide-area tourism policies centered on the Shinkansen and city development initiatives centered on stations, with a focus on the large number of growth opportunities

(Reference (2))
Appeal of JR-West's Railway Service Area (Capturing Inbound Demand)

JR-WEST

○ 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)
(Source: Ministry of Justice)

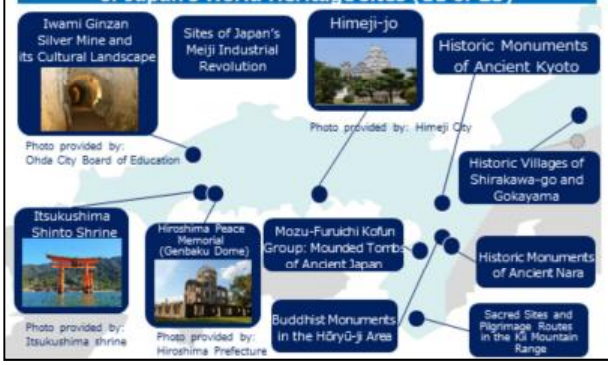
	2013	2018	Growth rate (vs.2013)
Kansai International Airport	232	765	3.3 times
Fukuoka	69	241	3.5 times
Narita	426	856	2.0 times

◆ Number of international visitor guest nights (Unit : 10,000 person-nights)
(Source: Japan Tourism Agency, accommodation survey)

	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

○ Appeal of the western Japan area

JR West's railway service area has approximately 50% of Japan's World Heritage sites (11 of 23)



Setouchui Area is drawing attention from around the world.

- 「VOGUE」
  →5 Places to Travel This Fall (Only selection from Japan)
- 「The New York Times」
  →52 Places 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 etc.

Multiple big events, centered on Kansai

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

(Reference (3)) Major Disaster Prevention / Disaster Damage Reduction Measures to Address Natural Disasters

JR-WEST

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

Amount of investment : Approx. ¥100.0 billion

○ 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)

Amount of investment : Approx. ¥240.0 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 (4)) Initiatives to Increase the Value of Railway Belts in the Kansai Urban Area (3)

JR-WEST

Kyoto

JR Kyoto Isetan renovation (December 2018 - Spring 2020)

Right : Vischio Kyoto (May 2019)
Left : VIA INN Kyotoeki Hachijoguchi (April 2019)

Umekoji-Kyotonishi Station (March 2019)

Umekoji Potel KYOTO (Spring 2020)

Granvia Kyoto renovation (January 2017 - March 2020)

Porta Underground Shopping Mall "east area" renovation (March 2019)

In-station commercial facilities renovation (April 2019)

Osaka

LUCUA basement floor renovation (September 2017 - April 2018)

Vischio Osaka (June 2018)

Granvia Osaka renovation (February 2016 - April 2022)

Osaka station west area development (2023 -)

Umekita (Osaka) underground station (Spring 2023)

(Reference (5)) Major Real Estate Lease Properties

JR-WEST

FY20.3 1H results

*1 Joint business with other companies
*2 Selected as the preferred bidder

West Japan Area | **Areas outside of Railway service area**

Property name	Fukushima Hanshin NK Kyodo Building *1	Ibaraki Shinchujo-cho NK Building	Hakata ekimae NK Building	Yotsubashi NK Building	Hiroshima Futabanosato NK Building	Nishinomiya Uegahara NK Building
Location	Osaka City, Osaka Prefecture	Ibaraki City, Osaka Prefecture	Fukuoka City, Fukuoka Prefecture	Osaka City, Osaka Prefecture	Hiroshima City, Hiroshima Prefecture	Nishinomiya City, Hyogo Prefecture
Uses	Hotel, Commercial facilities	Commercial facilities, rental condominiums, etc.	Hotel	Hotel, commercial facilities	Hotel	Facilities for the elderly
Total floor space	Approx.11,000㎡	Approx.11,000㎡	Approx.4,400㎡	Approx.7,400㎡	Approx.2,900㎡	Approx.2,300㎡
Opening date	May 2019	May 2019	June 2019	June 2019	July 2019	August 2019

FY2020.3 2H onward

Property name	JR Kanazawa Station Nishi Dai-san NK Building development	Kotobashi NK Building development (provisional)	Kyoto-Umekoji NK Building development (provisional)	JR Hiroshima Station Northwest NK Building development	Kyoto Higashi Kujo Muromachi NK Building development
Location	Kanazawa City, Ishikawa Prefecture	Sumida-ku, Tokyo	Kyoto City, Kyoto Prefecture	Hiroshima City, Hiroshima Prefecture	Kyoto City, Kyoto Prefecture
Uses	Offices	Commercial facilities, etc.	Hotel	Hotel	Hotel
Total floor space	Approx.6,100㎡	Approx.8,900㎡	Approx.8,300㎡	Approx.5,700㎡	Approx.3,000㎡
Opening date (planned)	Winter 2019	Winter 2019	Spring 2020	Spring 2020	Summer 2020

Property name	Business utilizing city-owned land southwest block in Toyama	Business utilizing Suita City Kento Innovation Park*2	Suita SST*1 (Including some real estate sales)	Large office building development at Shin Osaka	Development of the site of the former Minami-ku general government Building in Yokohama	Suma Aqualife Park and Seaside Park renovation project*1*2
Location	Toyama City, Toyama Prefecture	Settsu City, Osaka, Prefecture	Suita City, Osaka Prefecture	Osaka City, Osaka Prefecture	Yokohama City, Kanagawa Prefecture	Kobe City, Hyogo Prefecture
Uses	Hotel, commercial facilities	Offices, research facility	Commercial facilities, condominiums, facilities for the elderly, etc.	Offices	Commercial facilities, etc.	Aquarium, hotel, etc.
Total floor space	Approx.40,000㎡	Approx.9,000㎡	Approx.23,000㎡ (Site area)	Approx.25,500㎡	Approx.16,500㎡	Approx.101,900㎡ (Site area)
Opening date (planned)	Spring 2022	Spring 2022	Spring 2022	Spring 2022	Fall 2022	End of March 2024 (Grand opening)

(Reference (6)) Major Real Estate Sales Properties

JR-WEST

FY20.3 1H results

* Indicates joint business with other companies

West Japan Area | Areas outside of Railway service area

Property name	J.GRAN MOTOSUMIYOSHI	Maya City STATION GATE*	Diaesta Mio Nishiokamoto	PREDEAR FUCHUNISHIFU	PREDEAR YOKOHAMATSUZAWA	J.GRAN MORIYAMA	J.GRAN TENNOJI DOUGASHIBA	The Parkhouse Hiroshima Peace Park*
Location	Kawasaki City, Kanagawa Prefecture	Kobe City, Hyogo Prefecture	Kobe City, Hyogo Prefecture	Fuchu City, Tokyo	Yokohama City, Kanagawa Prefecture	Moriyama City, Shiga Prefecture	Osaka City, Osaka Prefecture	Hiroshima City, Hiroshima Prefecture
Total units	41 units	118 units	31 units	20 units	51 units	73 units	39 units	55 units
Start of delivery	July 2019	August 2019	August 2019	September 2019	September 2019	September 2019	September 2019	September 2019

FY2020.3 2H onward

Property name	J.GRANDIA HIYOSHI	CIELIA Sumatakatori*	The Parkhouse KOBE TOWER*	DIA MAISON DANBARA MIDGRACE	J.GRAN City Tsukamoto	Diaesta Mio Yuhigaoka	Diasta Saginuma	PREDEAR MUSASHINONAKACHO
Location	Yokohama City, Kanagawa Prefecture	Kobe City, Hyogo Prefecture	Kobe City, Hyogo Prefecture	Hiroshima City, Hiroshima Prefecture	Osaka City, Osaka Prefecture	Osaka City, Osaka Prefecture	Kawasaki City, Kanagawa Prefecture	Musashino City, Tokyo
Total units	86 units	323 units	352 units	27 units	312 units	22 units	83 units	31 units
Start of delivery (planned)	November 2019	January 2020	February 2020	February 2020	March 2020	March 2020	March 2020	March 2020

Property name	hitoto Hiroshima The Tower*	PREDEAR NAKAHIROMACHI RESIDENCE	PREDEAR KUGENUMATACHIBANA Laurel Court*	J.GRAN KITASENRI	J.GRAN KASHIWARA	J.GRANDIA FUCHU MUKAINADA	Solaie Gran Nagareyama Otakanomori*	BRANZ TOWER TOYOSU*
Location	Hiroshima City, Hiroshima Prefecture	Hiroshima City, Hiroshima Prefecture	Fujisawa City, Kanagawa Prefecture	Suita City, Osaka Prefecture	Kashiwara City, Osaka Prefecture	Aki-gun, Hiroshima Prefecture	Nagareyama City, Chiba Prefecture	Koto-ku, Tokyo
Total units	665 units	58 units	72 units	105 units	100 units	284 units	794 units	1,152 units
Start of delivery (planned)	August 2020	December 2020	December 2020	February 2021	February 2021	March 2021	September 2021	March 2022

(Reference (7))ESG Initiatives

JR-WEST

Society

○ **Safety**

○ **Coexisting with communities**

○ **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.

○ **Human rights**

◆ Formulating basic policy on human rights

○ **Customer satisfaction**

◆ Enhancing guidance services for overseas customers, etc. (--> page 22)

◆ 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 staion in Yasu)

Creating organizations | Transitioning group management system to in-house company system

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 forwardlooking 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; and
  - failure of computer telecommunications systems disrupting railway or other operations
- All forward-looking statements in this release are made as of October 29, 2019 based on information available to JR-West as of October 29, 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.